

## **BUSINESS FROM SENSITIVE SOURCES NOTICE (NUMBER 2)**

### **TO THE MONEY LAUNDERING REPORTING OFFICER OF ALL FINANCIAL SERVICES BUSINESSES**

**27 July 2000**

In its first Business From Sensitive Sources Notice (Business from Sensitive Sources Notice (Number 1)) issued on 18 November 1999, the Commission emphasised the need for financial services businesses to exercise a higher degree of awareness of potential problems associated with certain areas and to exercise a greater level of caution when taking on business from sources which are sensitive from the Commission's point of view. Notices from a number of bodies were enclosed\* with that Business From Sensitive Sources Notice, drawing attention to particular problems associated with some of the jurisdiction which the Commission regards as sensitive.

Following a report entitled "Review to Identify Non-Cooperative Countries or Territories: Increasing the Worldwide Effectiveness of Anti-Money Laundering Measures" issued by the Financial Action Task Force on Money Laundering on 22 June 2000, the Commission is enclosing advisories issued by the United States Department of the Treasury's Financial Crimes Enforcement Network. Financial services businesses should exercise a greater level of caution when taking on business from the fifteen jurisdictions which are the subjects of the advisories.

The Commission has also noted that there are a number of institutions which excessively advertise or promote services which play on some customers' confidentiality requirements. Although the requirement for confidentiality is legitimate, it is the excessive emphasis on confidentiality, leading to reference to secrecy, which the Commission wishes to highlight. Financial services businesses should exercise a greater level of caution when considering whether or not to accept business from, or introduced by, such institutions.

In addition, financial services businesses should exercise a higher degree of awareness of the potential problems associated with taking on politically sensitive clients from jurisdictions where bribery and corruption is widely considered to be prevalent.

Please note that the Guidance Notes on the Prevention of Money Laundering include a statement that, when carrying out due diligence, financial services businesses should have regard to Business From Sensitive Sources Notices such as this.

The Commission would be pleased to provide further advice if you have any queries arising from this Notice.

To assist the Commission in issuing further Notices (and amendments to the Guidance Notes), it would be helpful if you would let the Commission know to which [e-mail address](#) in your organisation/business such Notices may be sent in future.

CHRISTOPHER LE MARCHANT  
BSc(Hons), MA(Econ), SIAff  
Deputy Director of Banking

\* These notices are available on request from the Commission.