



## Journal of Money Laundering Control

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#### Article information:

To cite this document: Jun Tang, Lishan Ai, (2010), "Combating money laundering in transition countries: the inherent limitations and practical issues", Journal of Money Laundering Control, Vol. 13 Iss: 3 pp. 215 - 225

Permanent link to this document:

<http://dx.doi.org/10.1108/13685201011057127>

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# Combating money laundering in transition countries: the inherent limitations and practical issues

Combating  
money  
laundering

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## Abstract

**Purpose** – The purpose of this paper is to explain the operating background of combating money laundering in transition countries, to demonstrate the unique phenomenon of “adopt but not enforce” and “selective implementation,” to discuss the role of anti-money laundering (AML) system as a part of political confrontation between transition countries and developed countries, and finally to criticize the defensive reporting in transition countries’ financial institutions.

**Design/methodology/approach** – The paper analyzes the inherent limitations and practical issues in combating money laundering in transition countries, and provides various cases as well as statistic data to illustrate the AML difficulties faced by transition countries.

**Findings** – Many transition countries have taken AML actions during the past decade, however, the AML systems in these jurisdictions are not effective yet. AML motivations in transition countries are mainly surrounding international pressures and domestic political needs.

**Originality/value** – The paper highlights the unsound operating environment of fully implementing AML legislations in transition countries, and critically demonstrated that the effectiveness of AML systems in transition countries is heavily influenced by domestic and international political considerations.

**Keywords** Money laundering, Georgia, Russia

**Paper type** Research paper

## 1. Introduction

The global anti-money laundering (AML) supervision and regulation system was first designed as the product of the failure of “war on drugs” in European countries and the USA in 1960-1970s. When direct arrest and seizure of the drug crimes stuck, countermeasures are shifted to using the “follow the money” theory, and adopting the strategy of “from street to financial institutions” to search the criminal proceeds generated from drug crimes. Coupled with the enactment of the Bank Secrecy Act of 1970 in the USA, the hundred years’ custom of protecting client secrecy has been completely changed in the whole Western countries, and the new era of re-regulation in financial institutions and application of information disclosure policy has been launched since then. The September 11 attacks, in addition, acted as milestone events in the history of the international AML evolution. The tragedy taught a lesson that a universal



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network of combating money laundering and terrorism financing should be built up, and correspondingly, a set of legislative movements surrounding increasing transparency in financial institutions as well as updating domestic AML legislation have been led by the United Nations during the last decades. Calculated until December 2008, 180 countries and territories of the world have criminalized money laundering offences under the domestic law, and 107 countries and territories of the world have joined the Egmont Group of Financial Intelligence Units.

Developed countries in Europe and the USA have been serving as the designers and standard setters of AML systems since the late 1980s. These jurisdictions have matured legislative systems, adequate regulation mechanisms on market economy, and advanced financial systems. Owing to these advantages coupled with currency restrictions, combating money laundering, and tracing the capital flows are relatively simple. Transition countries, on the other hand, under the operating environment filled with drastic social change and social turbulence, have been facing a string of inherent limitations and practical issues in combating money laundering, including complicated conflicts of political and interest disputes, various social problems, severe corruption, unsound and competing legislative systems, and lagged financial systems.

Compliance imbalance and distinction also existed among different transition countries in relation to developing AML systems. A large part of transition countries have already joined or aimed to join the European Union (EU) (e.g. Ukraine, Georgia, Albania, and Croatia, etc.). Indeed, one of the entry conditions required by the EU is joining the AML “collective action” and setting up AML systems in accordance with the EU AML standard. It is for this reason that certain countries carried out pro-active measures on AML, leading the way in building up AML legislative systems among other transition countries. Some countries, such as Russia and Ukraine, gradually created and upgraded the AML systems driven by the international pressure and domestic political needs. While few countries, Azerbaijan, Kazakhstan, and Turkmenistan, for example, have been taking protected and negative tactics on combating money laundering, with empty establishments of AML legislation and financial intelligence unit (FIU) up till June 2009, and some provisions within these jurisdictions are even against international AML rules[1]. Table I illustrates the list of AML legislation in transition countries in time order. It tells that China has started its AML work relatively later than many other transition countries, let alone compared to the developed countries in AML area.

In recent years, international community has made great efforts to ensure countries complying with the Financial Action Task Force (FATF) 40 + 9 Recommendations. Most of the transition countries universally, as FATF required, passed the domestic AML legislation, set up the FIU, focused on information disclosure and transparency in financial institutions, and established the international co-operation and information sharing systems. However, due to the quick compliance with combating money laundering, many transition countries (mainly the commonwealth of independent states (CIS) countries and China) presented unique features in AML practice which are extremely different with the problems shown in the developed countries. Under the background of conducting positive or negative AML actions in transition countries, the way of how to assess the AML effectiveness is increasingly concerned by researchers[2]. Pertinent to the unique features in transition countries’ AML compliance, Berglund *et al.* (2008, p. 22) argued the full adoption of developed AML assessment criteria in transition countries, which are surrounded by the numbers of investigation, prosecution,

Country/territory <sup>a</sup>	Time of AML law enactment	Country/territory <sup>a</sup>	Time of AML law enactment
Slovakia <sup>a</sup>	1994	Armenia	2004
Slovenia <sup>a</sup>	1994	Bosnia-Herzegovina <sup>a</sup>	2004
Czech Republic <sup>a</sup>	1996	Georgia <sup>a</sup>	2004
Bulgaria <sup>a</sup>	1998	Mongolia <sup>a</sup>	2004
Croatia <sup>a</sup>	1998	Vietnam	June 2005
Latvia <sup>a</sup>	1998	China	October 2006
Romania <sup>a</sup>	1999	Uzbekistan	2006
Estonia <sup>a</sup>	1999	Kyrgyzstan <sup>a</sup>	November 2006
Albania <sup>a</sup>	2000	Moldova <sup>a</sup>	2007
Belarus <sup>a</sup>	2000	Turkmenistan	May 2009 signed by the president
Poland <sup>a</sup>	2000	Kazakhstan	August 2009 signed by the president
Russia <sup>a</sup>	2001	Tajikistan	In discussion
Serbia <sup>a</sup>	2002	Azerbaijan	2008
Ukraine <sup>a</sup>	2002	Hong Kong <sup>a</sup>	1989
Hungary <sup>a</sup>	2003	Taiwan <sup>a</sup>	1996

**Table I.**  
Enactments of AML law  
of transition countries  
in time order

**Note:** <sup>a</sup>Standing for the formal members of the Egmont Group

and criminalization, as well as the numbers of execution on penalty, seizure, and confiscation of criminal proceeds. The AML regimes' effectiveness in transition countries should also be judged according to two new dimensions: whether rigorous AML tools are both adopted and implemented, and how fairly and regularly they are used.

## 2. Inherent limitations and practical issues in transition countries

### 2.1 "Adopt but not enforce" and "selective implementation"

The AML effectiveness assessments on countries are mainly conducted by FATF and FATF-style organizations (Moneyval, the Eurasian Group on Combating Money Laundering and Financing of Terrorism, and The Asia/Pacific Group on Money Laundering, etc.) according to FATF mutual evaluation standard. The assessment result will be published in form of assessment report in public, providing with recommendations and suggestions on rectification and improvement, and re-check will be taken within designated time as well. As the most common rectifying recommendation is in relation to unsound and unmatched AML-related legislations, many countries make responses in the way of drafting and passing some pertinent provisions very soon after the assessment reported has been delivered. However, limited by a variety of objective and subjective factors, these newly-updated provisions normally cannot be virtually put into practice.

For example, in response to comments provided by FATF regarding the first official evaluation on Chinese AML system in 2006, the People's Bank of China, together with China Banking Regulatory Commission, China Securities Regulatory Commission, and China Insurance Regulatory Commission, published Administrative Measures on Customer Identity Identification and Materials and Transaction Recording of Financial

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Institutions (short as the administrative measures on customer identification in following text) in June 2007, and established relative legislative rules in accord with requirements made by FATF. In particular, Article 8 of the document sets up an explicit threshold with regard to occasional transactions as the amount of a single sum of cash deposit or withdrawal reaches 50,000 yuan or more or an equivalent value of US\$10,000 or more in a foreign currency. Articles 7, 11, 15, and 21, respectively, require financial institutions to identify identifications of the actual control people and the beneficial owner. Article 18 requests financial institutions to establish customer's risk profile, and to adjust properly on the basis of on-going monitoring. Articles 19 and 22 makes requirements about on-going customer due diligence (CDD) measures and re-identification of customer's identity. Article 6 specifically regulates CDD rules on cross-border agencies. Article 19 especially requires foreign politically exposed persons (PEPs) to explain the source of funds and the purpose of transaction. In fact, the administrative measures on customer identification responses every comment shown in the FATF examination report concerning CDD rules. Even compared to the latest international standard on CDD published by international organizations and some of the developed countries apart from FATF, this document can be regarded as reaching the internationally advanced level (Tang and Ai, 2009, p. 411). However, the high level of legislation is not equal to soundness of CDD compliance in financial institutions. According to the scope and practical implementation, a numbers of aspects are still hard to be achieved in the near term, such as identifications on the actual beneficiaries and foreign PEPs.

Another practical issue faced by transition countries is the "selective implementation" of certain AML international standards. For instance, Russia, Ukraine, and China (FATF, 2007, 2008; Moneyval, 2009), hold an evasive attitude about taking actions on PEPs. In particular, Ukraine has done nothing towards identifying the PEPs. China and Russia revised provisions on paying attention to foreign PEPs as responses to FATF's criticism, however, these provisions do not require enhanced CDD on the domestic PEPs as FATF recommendation six required.

Apart from considerations of international pressure and national reality, some transition countries apply the "adopt but not enforcement" strategy on AML practice. That is, drafting and approving legislations on paper, but using the national reality as excuse to not fully implement the AML legislations in practice. One of the driving forces of acting in this manner is that, authorities in transition countries may prefer conducting AML work as a political gesture or game chips in exchange for asking for political and economic supports from developed countries.

In view of the history of China joining the FATF, it is obvious that the US Government used financial co-operation as a diplomatic device on this issue. The Chinese membership of FATF has acted as an important bargaining chip in the second US-China strategic and economic dialogue (SED) (Song, 2008, p. 43). Indeed, the financial service industry is always one of the core topics between these two countries' SED negotiation. In the second SED (Xinhua News Agency, 2007), the US side has made very few commitments to the Chinese side, and one of them is that "strongly support China to become official member of FATF in FATF's 2006 conference." Put it differently, the support was committed for getting concessions in other areas of negotiation from the Chinese side. In addition, in order to push China to join FATF, the US Government link China's FATF membership together with the

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permission of the Chinese banks to set branches in the USA. In the order of approving establishment of a branch of China Merchants Bank (CMB) made by Federal Reserve System (2007), the US side clearly mentioned that “the Chinese government has enhanced its anti-money laundering regime,” and “China is a member of the Financial Action Task Force,” and CMB “has implemented measures consistent with the recommendations of FATF and that it has put in place policies, procedures, and controls to ensure ongoing compliance with all statutory and regulatory requirements.” In this case, joining the FATF played as a key prerequisite of approving establishment of branch of Chinese bank.

### 2.2 AML target of “selective implementation”

International community frequently criticized that transition countries using AML mechanism to target political opponents or enhance economic controls. In some transition countries, the first groups of victims are usually the opposition leaders[3]. During the Putin era with a steady iron hand, accusing financial tycoons of money laundering offences has become an effective weapon to defeat them[4]. After taking clearance actions on certain financial tycoons, Putin normally hosted meeting with the key Russian financial oligarchs, repeatedly stating that the clearance actions were individual cases without any intentions of denying the Yeltsin Government, in order to reassure and pacify the public. Moreover, since the enactment of Chinese AML Provisions (2003), the main victims were those destroyed underground banks in the coastal regions of the Southeast China. Chinese critics claimed that the People’s Bank of China was using AML legislations to assist state-owned commercial banks keeping their monopolistic positions in the financial markets.

Transition countries, especially the CIS countries, usually meet practical issues when implementing AML provisions, and these issues are called as “state capture” phenomena. Political players in transition countries have failed to draw a sufficiently firm line between their own private resources, their political party’s resources and the state’s resources (Berglund *et al.*, 2008). Without surprise, politics can meet their personal interest under the so-called “legislative structure” by applying AML-related legislations as the instruments of dictatorship to economic areas[5].

Indeed, quite a few transition countries have serious corruption problems in domestic, even listing in the most corrupted countries all over the world. The corruption issue has heavily hindered the effective operation of AML mechanism. It is recognized that there is a positive proportion between the ineffectiveness of AML working and the corruption seriousness of a nation.

As the specific international organization on corruption control with the highest authority, Transparency International publishes each year the corruption perception index (CPI). CPI reflects the observations and analysis on global corruption levels from the perspectives of the businessperson, the academics, and the risk analyzers all over the world. It consists of the following sources: the Gallup Organization, Political and Economic Risk Consultancy, and World Economic Forum. The CPI ranks countries on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption). In particular, 8.0-10.0 represents relatively integrity; 5.0-8.0 represents low-grade corruption; 2.5-5.0 represents relatively high-grade corruption; and 0-2.5 represents extreme corruption. Table II is the transition countries’ CPI 2009 score, and it is clear that most of the transition countries list in the groups of relatively high-grade corruption and extreme corruption.

Rank	Country/territory	CPI 2009 score	Survey used	Confidence range
27	Slovenia	6.6	8	6.3-6.9
27	Estonia	6.6	8	6.1-6.9
46	Hungary	5.1	8	4.6-5.7
49	Poland	5.0	8	4.5-5.5
52	Czech Republic	4.9	8	4.3-5.6
52	Lithuania	4.9	8	4.4-5.4
56	Latvia	4.5	6	4.1-4.9
56	Slovakia	4.5	8	4.1-4.9
66	Croatia	4.1	6	3.7-4.5
66	Georgia	4.1	7	3.4-4.7
69	Montenegro	3.9	5	3.5-4.4
71	Romania	3.8	8	3.2-4.3
71	Bulgaria	3.8	8	3.2-4.5
71	FYR Macedonia	3.8	6	3.4-4.2
79	China	3.6	9	3.0-4.2
83	Sebia	3.5	6	3.3-3.9
89	Moldova	3.3	6	2.7-4.0
95	Albania	3.2	6	3.0-3.3
99	Bosnia and Herzegovina	3.0	7	2.6-3.4
120	Mongolia	2.7	7	2.4-3.1
120	Armenia	2.7	7	2.6-2.8
120	Vietnam	2.7	9	2.4-3.1
139	Belarus	2.4	4	2.0-2.8
143	Azerbaijan	2.3	7	2.0-2.6
146	Ukraine	2.2	8	2.0-2.6
146	Russia	2.2	8	1.9-2.4
158	Tajikistan	2.0	8	1.6-2.5
162	Kyrgyzstan	1.9	7	1.8-2.1
168	Turkmenistan	1.8	4	1.7-1.9
174	Uzbekistan	1.7	6	1.5-1.8

**Table II.**  
Transition countries'  
CPI 2009 score

### *2.3 Developed countries using AML-issues as tools to restrict transition countries*

The global financial system and AML/combating the financing of terrorism mechanism are basically led by the USA and other developed countries (Song, 2008, p. 43). Correspondingly, it is inevitable that AML-related issues may become a key tool working in international political, diplomatic, and ideological aspects. Some East European countries and the CIS countries (for example, Ukraine and Georgia), played a gesture to getting into the developed society. Indeed, with no exceptions, authorities from transition countries took effective and quick measures concerning AML issues in accordance with compliance standards designed by the developed countries, in order to use the AML progress as a political gesture and chips to be accepted by the big family of EU or The North Atlantic Treaty Organization. Moreover, as the Central Asian countries have special positions in counter-terrorism situation and drug transportation, the AML revolution in these jurisdictions are greatly concerned by international organizations, for instance, the Organization for Security and Co-operation in Europe, as well as other countries, including China, the USA, and Russia. Although the AML regimes of the Central Asian countries are slowly developed, a great numbers of personnel, capital,

material, and technical assistance have been delivered to these jurisdictions, in order to improve their AML quality.

Russia and China have been regarded as potential opponents in political, economical, and ideological aspects by developed countries for a long time. During the Yeltsin epoch, there was a honeymoon period between Russia and Western world. In that time, a variety of revolutionary scenarios were designed by the Westerners, and the President office especially assigned economic consultant from the Western countries. Since Russia has too many difficulties to cope with the economic issues, the authority sometimes has had to descend its order in exchange for economic assistance from the Western world (Zhou, 1999, p. 33). Moving into the Putin and Medvedev Government, it seemed that political confrontation between Russia and the Western world are more than co-operation. In fact, the relatives of President Yeltsin and President Putin were disclosed of involving with money laundering by the Western media, and some high-ranking officials of Russia and Ukraine were repeatedly accused and arrested of money laundering by the Western world. On the other hand, as the recipient countries and transfer destinations of capital flights and money laundering activities from Russia and China, financial institutions in the USA, the UK, Canada, and some other developed countries have taken parts in the money laundering activities, becoming the biggest beneficiaries in the process of losing of state assets and capital flights in transition countries.

However, few cases can be found in relation to the Western countries actively providing assistance in searching for and returning back the “lost capital” to transition countries. Limited sources include the stolen asset recovery initiative (StAR) initiated by the World Bank and United Nations Office on Drugs and Crime (UNODC)[6], which aims at helping resources-abundant countries to prevent government officials’ corruption, and the extractive industries transparency initiative (EITI) co-hosted by the UK and International Monetary Fund (IMF)[7]. It is also very hard to require the Western world to assist tracing criminal proceeds generated from corruption[8]. Even if the returning of illegal flight capital has been provided, it is only a tiny fraction of the entire huge amounts of lost capitals flew into the Western countries. Although the US-dominated international AML systems has worked for a long time, the global money laundering activities are not been apparently restrained. In a contrary, the volume of money laundering has increased with years[9]. Apart from the reasons of economic development and renewed methods of laundering money, a large profit transferred from transition countries into Western financial institutions may also be a critical factor.

According to the assessment made by the Centre for Research on Globalisation in 2001, “over a decade, between \$2.5 and \$5 trillion criminal proceeds have been laundered by US banks and circulated in the US financial circuits” (Petras, 2001). The centre estimated that \$100 billion per year has been laundered into US and European banks, and at least half of them were facilitated by the US banks. Brookings Institute also estimated that “the flow of corrupt money out of developing (Third World) and transitional (ex-Communist) economies into Western coffers at \$20-\$40 billion a year and the flow stemming from trans-priced trade at \$80 billion a year or more,” and this estimation did not include illegal shifts of real estate and securities titles, wire fraud, etc. (Petras, 2001). Citibank, for example, was the biggest money launderer via the services of operating private banking and correspondent banks.

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Citibank's laundering cases include Raul Salinas (brother of Mexico's ex-President) – \$80-\$100 million, Asif Ali Zaidari (husband of former Prime Minister of Pakistan) in excess of \$40 million, El Hadj Omar Bongo (Dictator of Gabon since 1967) in excess of \$130 million, the Abacha sons of General Abacha ex-dictator of Nigeria – in excess of \$110 million (Petras, 2001). Although the US AML legislation made strict requirements on taking CDD measures, Western banking sectors still facilitated large-scales of money laundering activities.

#### *2.4 Defensive reporting in transition countries' financial institutions*

After carrying out the suspicious transaction reporting systems, the number of suspicious transactions reported to the FIU by Chinese financial institutions has been growing in an explosive way. Following a similar trajectory, Russia and Ukraine also have the so-called defensive reporting problems when financial institutions producing useless reporting to the FIU. Indeed, defensive reporting is mainly driven by the impunity motivation. Deloitte recently completed a study evaluating the Russian Central Bank's (RCB) AML activities, at the RCB's request (Kommersant, 2008). The study concluded that:

- Russian practice, in comparison with world practices, is excessively formalized. This suggests that the RCB's focus is on bureaucratic activity, rather than producing results. For example, Russian banks file a greater number of suspicious activities reports than banks in Britain, Switzerland, and the USA. This behavior may overwhelm Russian Government authorities with information of little value.
- Russia's AML procedures provide a high level of detailed guidance, which is reflected in the country's legislation. Russian banks have a "passive role" in collecting and maintaining information required by applicable rules to the detriment of a more flexible objective-oriented approach in which the banks proactively work with regulators.

Abovementioned comments almost can be exactly concluded in the same way concerning China's implementation of suspicious reporting systems. Financial institutions purely relied upon the judges made through information system, hardly conducting necessary manual identifications, making the reports are formalized. The universal attitudes held by Chinese financial institutions include: "reporting is better than non-reporting," "the more reports the better," and "making the report if it is not assured" (Gao, 2007, p. 18). Thus, transition countries, including Russia and China, should learn experiences from developed countries in relation to coping with defensive reporting, focusing on the analysis procedure and reporting quality of suspicious transactions, rather than the choices between reporting and non-reporting.

### **3. Conclusion**

Transition countries have their inherent limitations and practical issues in relation to implementing AML, including phenomenon of "adopt but not enforce" and "selective implementation" in relation to combating money laundering in transition countries, political confrontation between transition countries and developed countries, and the defensive reporting problems in transition countries' financial institutions. It is worth of conducting analysis on the AML-operating environment of transition countries, and

correspondingly finding out the solutions to cope with these limitations and difficulties. More importantly, under the similar background, in-depth research on transition countries' AML implementation has high value of improving the effectiveness of Chinese AML working mechanism in future.

Notes

1. In Kazakhstan, the bank secrecy provision of the Banking Law prevent the disclosure of any information concerning suspicious transaction to law enforcement officials other bodies authorized to act on such information. Kazakh Bank secrecy laws make it a criminal liability to disclose suspicious data even to the relevant government authorities.
2. In 2009, the chief of the AML Bureau of the People's Bank of China, Xu Tang, has set up and hosted a key project: "Research on the Effectiveness of Chinese Anti-money Laundering System." This project is sponsored by the National Social Science Research Foundation.
3. One of the first convictions on charge of money laundering in Uzbekistan was of opposition leader Sanjar Umarov. He was sentenced to 15 years in prison in March 2006, less than a year after Umarov openly criticized the Uzbek Government and rumors circulated that he might one day seek to succeed President Karimov. A number of human rights activists including Mutabar Tojiboeva and Nodira Hidoyatova have also been convicted of economic crimes in Uzbekistan; In Kazakhstan, President Nazarbayev's former son-in-law, Rakhat Aliyev, was charged with money laundering and the abduction of two bank officials by Kazakh police in August 2007; Kazakhstan's former Prime Minister, Akezhan Kazhegeldin, was convicted and sentenced *in absentia* to ten years imprisonment for embezzlement, bribery and tax evasion in 2001. Ironically, when the Government of Kazakhstan asked Swiss officials look into Kazhegeldin's foreign bank accounts, Geneva widened its investigation and wound up freezing an account believed to belong to a senior government representative, and it was the notorious "Kazakhgate" Scandal with US\$1.1 billion and a massive presidential "secret fund" in Switzerland; In Armenia, Alexander Arzumanyan, an opposition leader and former Minister of Foreign Affairs, was arrested on May 7, 2007, five days before parliamentary elections; similar circumstances surround the prosecution of former Defense Minister Irakli Okruashvili in Georgia. Soon after his dismissal in late 2006, Okruashvili formed and oppositional party and unleashed sharp criticism against the incumbent government. On September 27, 2007, Okruashvili was arrested on charges of money laundering, corruption and abuse of office.
4. In September 2001, Boris Berezovsky, famous Russian oligarch, was accused of fraud, money laundering, and trying to seize state power by violence by the Putin Government; Mikhail Khodorkovsky, the former controller of Yukos Oil Company, was arrested on October 25, 2003, by the Russian prosecutor general's office on charges of fraud. After arrested, he was further accused of money laundering of US\$27 billion. The Yukos Case, apart from political reason, is said to be driven by the motivation of taking back the stated ownership of oil gas strategic resources under the Putin regime.
5. Interestingly, the Shuibian Chen Case in Taiwan was also regarded as using AML as political weapon to clear out the opponents by Yingjiu Ma's Government. The first revelator, the one who asked the Switzerland side to assist investigation on Chen's family and disclosed the capital flow information to Taiwan media, is a legislator from the Kuoming Party.
6. The StAR was launched jointly by the World Bank and UNODC on September 17, 2007 in New York city. StAR's objective is to reduce barriers to asset recovery and thereby encourage and facilitate more systematic and timely return of stolen assets. StAR emphasizes that developed and developing countries share a joint responsibility in tackling

corruption and that international collaboration and collective action are needed to facilitate asset recovery and prevent asset theft.

7. The EITI sets a global standard for transparency in oil, gas, and mining. It is an effort to help the EITI countries to get rid of so-called “resource curse” closely linked with poverty, conflict, and corruption. EITI was launched by the UK. Government in 2005, and its supporting international organizations include United Nations, EU, African Union, Organization for Economic Co-operation and Development, World Bank Group, and European Bank for Reconstruction and Development, etc. as well as 46 of the world’s largest oil, gas, and mining companies. Kazakhstan and Kyrgyzstan from the Central Asia have joined EITI.
8. In April 1986, the Philippine Government officially asked mutual legal assistance from Switzerland to recover the US\$13 billion transferred by the former President of the Philippine Ferdinand Marcos. According to this requirement, Switzerland authority froze a total saving of US\$0.6 billion. Until 1997, the Swiss Federal Supreme Court made final judgment of returning the frozen capital with interest together of US\$65.8 million back on the account designated by the Philippine National Bank.
9. The US State Department INCSR for 2008 states, based on IMF estimates, that money laundering today may range somewhere between \$2.1 and \$3.6 trillion, compared to \$300-\$500 billion ten years ago.

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