ABSTRACT

Money Laundering has become a serious global issue. Money launderers tend to choose developing countries with lower risk of detection due to their weak or ineffective Anti-money laundering (AML) programmes. Hence, due to importance of the AML systems in combat with ML, the purpose of this research is the analysis of AML models of U.S and U.K as DDCs and to find a model according to their experiences for improvement in the AML regimes of DGCs such as India and Iran. The research presents an overview of AML regimes and key elements of an AML model including laws and regulations, preventive measures, institutional measures and AML policies and procedures which are designed for the combat with ML in U.K, U.S, Iran and India.

In order to achieve the purpose of the study, both primary and secondary resources were used. Primary data is generated through canvassing a structured questionnaire, sent through e-mail to the selected financial institutions in U.K, U.S, India and Iran as participants. Secondary resources were derived from various publications including statutes and laws, books, journals, evaluation reports on AML and CFT, and internet web-sites were integrated to support the findings.

Iran and India have taken steps in the right direction towards ML control but, results of the study indicated that the AML models followed by these countries are insufficient. There is a large gap between the international standards and the provisions of the developing countries AML law. Based on the results of the study, the developed countries AML model is based upon the relevant international instruments concerning ML and the financing of terrorism.

The Study suggested that, developed countries AML model are designed to fit developed economies rather than developing. But, these models to developing countries such as Iran and India are feasible and worthwhile. The developing countries can adopt those parts of developed countries AML model that are consistent with their own cultural and political circumstances, constitution and legal regime, as well as international standards.