

Who Pays & Who Should Pay? The Case Of Anti-Money Laundering

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6 September 2021



Curriculum Argumenti

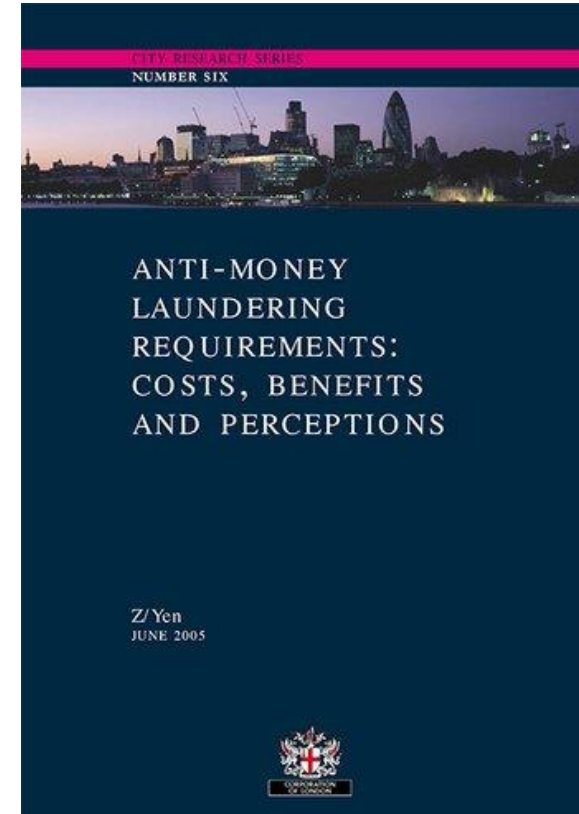
- Ignoble efforts
- Noble goal
- Who pays?
- Who should pay?
- What might be done?














***"Get a detailed grip on the big picture."
Chao Kli Ning***

Ignoble Efforts

- Ineffective
- Costly
- Over-complicated
- Over-teched
- Anti-competitive
- No feedback



Fundamental conflict – asking financial institutions to police legal-financial boundaries globally, for free

9 December 2020, 11:00 - 11:45		FSG Anti-Money Laundering (AML) Task Force: The Systemic Long-Term Effects Of AML Technologies 	Dr Dionysios Demetis, Ian Angell	University of Hull, London School of Economics	Webinar
27 October 2020, 15:00 - 15:45		FSG Anti-Money Laundering (AML) Task Force: The Technologies & Processes To Mitigate Cryptocurrency Risk 	Trevor Barritt, Stephen Ryan	Featurespace, CipherTrace	Webinar
16 September 2020, 12:00 - 13:00		FSG Anti-Money Laundering (AML) Task Force: AML Tech - Regulatory Tickbox Or Great Experience? 	Dan Johnson, Michael Harriss, Rob Kotlarz	Mastercard, TruNarrative, Digital Identity Network	Webinar
25 June 2020, 12:00 - 12:45		FSG Anti-Money Laundering (AML) Task Force - The Curious Case Of Money-Laundering Controls 	Professor Michael Levi, Graeme Gordon	Praxity, Cardiff University	Webinar
18 May 2020, 12:30 - 13:15		FSG Anti-Money Laundering (AML) Task Force - The Professions 	Graeme Gordon, Heather Brehcist, Mark Spofforth OBE	Praxity, Chartered Institute of Taxation, Kreston Reeves LLP	Webinar
		FSG Anti-Money Laundering (AML) Task Force -	Graeme Gordon, Natasha Vernier,	Z/Yen Group,	

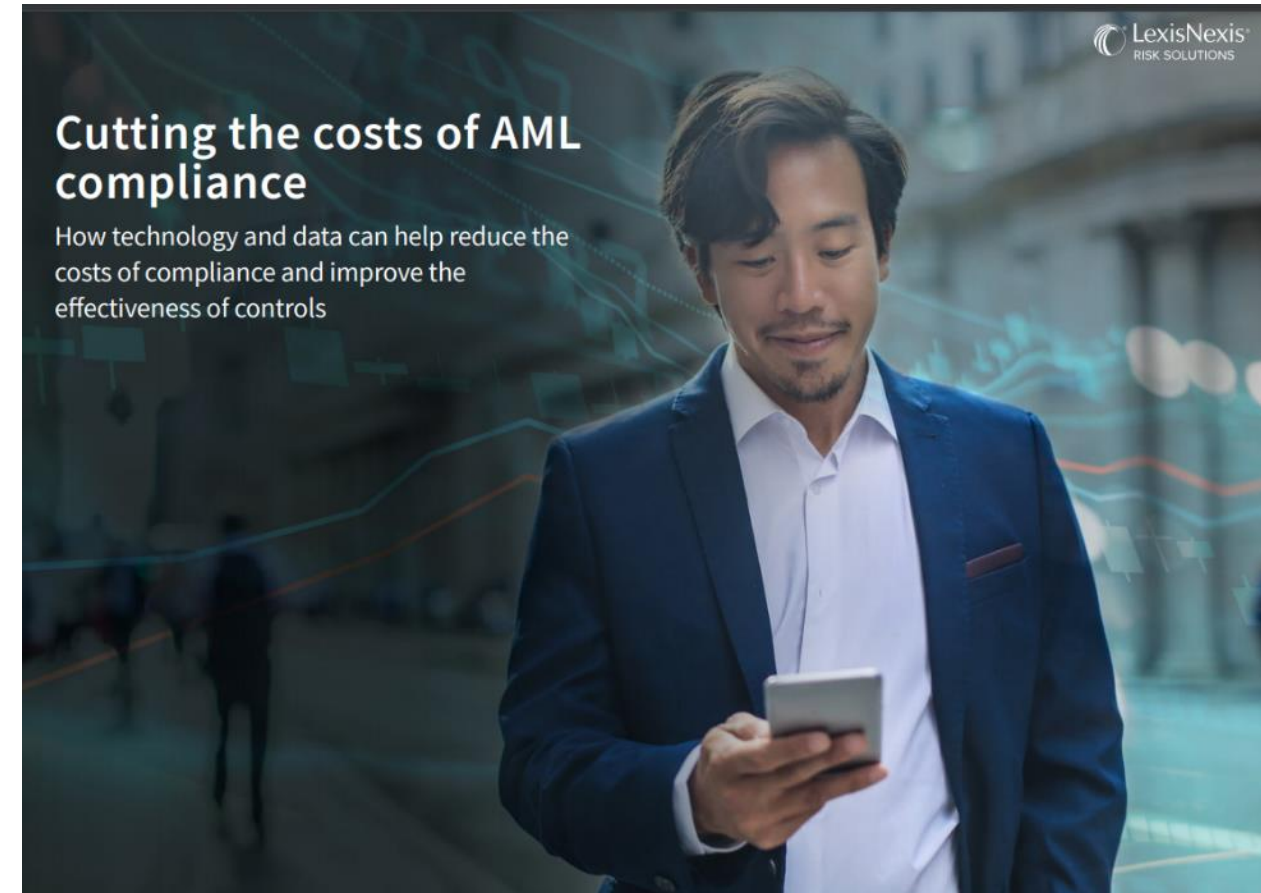


Noble Goal

Who Pays?

AML direct costs - £28.7 bn annually

AML indirect costs – “If Britain is open for business, try opening a bank account!”



Who Should Pay?

- No one = identity is a normal part of (virtually) all business processes
 - personal identity
 - corporate identity
- Currently - AML has insufficient feedback for big data approaches
- Regulated industries won't implement without regulatory whipping
- Regulators won't whip without political or media whipping
- Political-whipping and media-whipping produces unintelligent, absolutist solutions
- Need to inject sensible economics to promote sensible cost/benefit analysis



What Might Be Done?

STRENGTHENING & SIMPLIFYING

- Suspicious Activity Report (SARs) feedback
- Testsets - hosting repositories, with amnesties to promote data sharing
- Voluntary standards markets, accreditation, kitemark(s) such as those accredited by the United Kingdom Accreditation Service
- Government digital certificates as a matter of course, promotion of e-signatures and digital signatures, corporate identity and individual identity infrastructure standards
- Encouraging data sharing among certifiers – new technologies such as smart ledgers provide mechanisms for sharing identity and other AML documentation
- Encouraging ‘indemnity’ structures among certifiers
- Encouraging discussion among regulators about ‘fixed’ fines, permitting non-political cost-benefit analysis

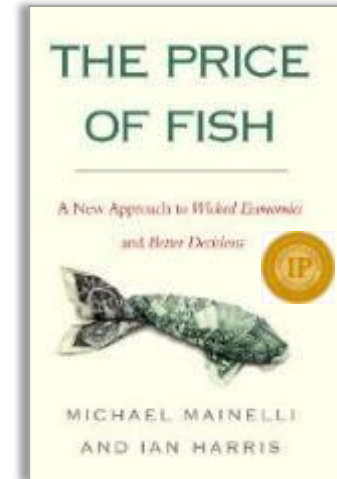


***"Get a detailed grip on the big picture."
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When Would We Know Our Commerce Is Working?



***“Get a big picture grip on the details.”
Chao Kli Ning***



Thank you!

