Money Laundering in Denmark

The national risk assessment 2018

21.11.2019

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What is money laundering?

Money laundering is defined in S. 3 of the Money Laundering Act

- To unlawfully receive or obtain for oneself or others a share in profits or means obtained through a criminal offence,

- To unlawfully conceal, store, transport, assist in the disposal of or otherwise subsequently serve to secure the economic profits or means obtained through a criminal offence or,

- To attempt or participate in such actions.

The Money Laundering Act also comprises actions carried out by the individual who has committed the criminal offence, from which the proceeds or the funds originate.

What is money laundering?

Money laundering can take place in several stages:

1. Placement: The physical placement of the proceeds - placement in the financial system

2. Layering: Separation of the proceeds from their source through (financial) transactions in order to conceal the audit trail and obtain anonymity

3. Integration: Reversal of funds to a property domain in a form where the proceeds have been converted into funds that appear as legal

Risk areas

- Money remitters
- Currency exchange offices
- Legal business structures, including trade-based money laundering
- Border cash movement
- Gambling industry (offline betting, offline casinos, online gambling)
- Financial institutions
- Payment institutions and e-money
- Cryptocurrencies
- Real Estate
- High value goods
- Leasing
- Service providers
- Advisors (lawyers, auditors, etc.)

Risk model

Five parameters

- Extent
- Accessibility
- Attractiveness
- Detection risk
- Likelihood of prosecution and conviction

	Parameter	Risiko Lav	Risiko Middel	Risiko Høj
Trussel	Omfang	**Få med evner og kapacitet** *Hvidvaskmuligheden benyttes så vidt vides ikke eller kun af en lille kreds i kriminelle miljøer*	**Nogle med evner og kapacitet** *Hvidvaskmuligheden benyttes af et moderat antal personer i kriminelle miljøer*	**Mange med evner og kapacitet** *Hvidvaskmuligheden benyttes af mange personer i kriminelle miljøer*
Sårbarhed	Tilgængelighed	**Svært** *Svært tilgængeligt, kræver betydelig planlægning, viden og/eller teknisk ekspertise*	**Moderat** *Forholdsvis tilgængeligt, kræver moderat planlægning, viden og/eller teknisk ekspertise*	**Nemt** *Let tilgængeligt, kræver lidt eller ingen planlægning, viden og/eller teknisk ekspertise*
	Attraktivitet	**Uattraktiv** *Det er svært at forblive anonym, metoden opfattes som usikker og/eller dyr at anvende*	**Moderat attraktiv** *Det er relativt let at forblive anonym, metoden opfattes som rimelig sikker og/eller mindre dyr at anvende*	**Meget attraktiv** *Det er meget let at forblive anonym, og metoden opfattes sikker og/eller billig at anvende*
	Opdagelsesrisiko	**Sandsynligt** *Der er passende kontrol-instanser, og det er sandsynligt, at det opdages, hvis der forekommer forsøg på hvidvask*	**Begrænset** *Der er begrænsede kontrol-instanser, og det er mindre sandsynligt, at det opdages, hvis der forekommer forsøg på hvidvask*	**Manglende** *Der er svage eller ingen kontrolinstanser, og det er svært at opdage, hvis der forekommer forsøg på hvidvask.*
	Sandsynlighed for retsforfølgelse og dom	**Sandsynligt** *Lovgivningen er fuldt ud tilstrækkelig til at forfølge potentielle hvidvaskere, og politiet og øvrige myndigheder har ressourcer og kompetencer til at gøre det*	**Begrænset** *Lovgivningen er tilstrækkelig til at forfølge potentielle hvid-vaskere, men politiet og øvrige myndigheder har begrænsede ressourcer og kompetencer til at gøre det*	**Manglende** *Lovgivningen er mangelfuld i forhold til at forfølgere potentielle hvidvaskere, og politiet og øvrige myndigheder mangler ressourcer og kompetencer til at gøre det*

Data sources

- Suspicious transaction reports
- Supervisory authorities
- Trade organisations
- Police districts, incl. Greenland and the Faroe Island
- Tax Authorities
- Administrative data
- Criminal convictions (copy of the judgements)
- Reports from national and international collaborators

Findings

High risk

- Money remitters
- Currency exchange offices
- Legal business structures
- Border cash movement
- Offline (land-based) betting

Findings

Medium risk

- Online gambling
- Financial institutions
- Payment institutions and e-money
- Cryptocurrencies
- Real Estate
- High value goods
- Leasing
- Service providers
- Advisors (lawyers, auditors, etc.)

Findings

Low risk

• Offline casinos

Conclusive remarks

- The same high risk areas as in the national risk assessment 2015
  - Money transfer services
  - Currency exchange offices
  - Legal business structures
  - Border cash movement
  - Offline (land-based) betting
- Comparison with the findings of the supranational risk assessment 2019
  - Cash remains criminals' money laundering instrument of choice
  - High value (life-style) goods
  - Financial institutions
  - New technologies – Fintech
  - Gambling products
  - Real Estate – mainly because of cash transaction

Thank you

Questions and comments?