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## Irish financial regulator reports poor AML controls

The Irish Financial Services Regulatory Authority has reported to Irish authorities 18 instances of poor money laundering controls at financial institutions it inspected, according to the regulator's first annual report.

The IFSRA submitted reports of the instances, which were related "primarily to failure of financial service providers to adopt proper measures for the prevention and detection of money laundering," to the Garda Síochána, Ireland's National Police Service, and Revenue Commissioners between May 2003 and December 2004, according to the July 26 annual report.

The Irish regulator was established on May 1, 2003 by the Central Bank and Financial Services Authority of Ireland Act 2003.

Under section 57(2) of the Criminal Justice Act 1994, the regulator must submit reports to the Garda Síochána and the Revenue Commissioners for investigation if it believes a financial institution has not complied with Section 32 of the Criminal Justice Act 1994, which lays out measures to prevent money laundering, including customer identification.

Although the reports are not made public for fear that they may compromise ongoing investigations, the annual report does mention general findings from the inspections. These include:

- Inadequate status of risk management committees
- Under-evaluation of operational risk issues
- Compliance officers, in certain sectors, falling short of the expected level of knowledge of regulatory requirements
- Inadequate compliance with anti-money laundering obligations

### Credit unions need to improve standards


The Irish regulator also found that procedures to prevent money laundering in credit unions were "relatively poor overall."

Peter Oakes, founder of the Dublin-based anti-money laundering consulting firm Compliance Ireland, agreed with the regulator's assessment of credit unions.

It is "a weak spot that we have in our economy," he said.

In response, the financial regulator has issued lists of anti-money laundering requirements to all credit unions and delivered targeted presentations on money laundering to credit union organizations. A follow-up inspection process will be conducted to ensure compliance, the report says.

### Related Resources

-  [Building the Regulatory System: Annual Report of the Financial Regulator](#), Irish Financial Services Regulatory Authority **Jul. 26, 2005**

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