

4 Eyes Ltd will be represented at the Association of Certified Anti Money Laundering Specialists' (ACAMS) 11th Annual Anti Money Laundering and Financial Crime Conference - 27th – 29th May 2015 at the Park Plaza, Westminster Bridge, London

4 Eyes Ltd Senior Consultant, Rod Stone OBE, will, on 29th May 2015, be jointly presenting the plenary session on 'Leveraging AML Controls to Safeguard Your Institution against Fraudulent Transactions - Detecting and deterring criminal transactions originating from VAT carousel fraud' at the conference. Rod provides support to litigators and businesses on fraud and compliance matters and expertise in supply chain integrity.

Rod will address the conference on the mechanics of VAT carousel fraud, the impact on business, the current risks and indicators of fraud. Rod will be available to answer questions from delegates. He has been recognised by the Court of Appeal as an expert in his field. Since leaving HMRC, Rod has continued to lecture at the European Police College (CEPOL) on the risks and identification of VAT carousel fraud (which is also known as MTIC fraud).

Many types of fraud exploit exemptions and reliefs ("the entitlements") that are available to facilitate legitimate business. However, in respect of VAT frauds, business is now expected to ensure that organised criminal groups (OCGs) do not abuse the entitlements. If the businesses fail to do so, and it can be demonstrated that the business knew or should have known that it was a participant in a fraud, it may lose its right to claim entitlements. As a result, the right to VAT input tax deduction, VAT exemptions such as zero rating, or entitlement to the reverse charge procedure may be removed leaving a significant and enforceable VAT debt.

To protect their clients from the application of the abuse of right principle, some advisers emphasise the need to undertake due diligence before entering into transactions. However, they do so without understanding what is actually required. Consequently, for many businesses due diligence is limited to confirming the identity and credit worthiness of prospective counterparties - simply confirming a person's identity and creditworthiness does not mean that they are not participants in a fraud or money laundering.

In order to minimise its potential liability, a business needs to understand the risks and to have in place the appropriate risk systems to adequately review prospective counterparties and to measure

the integrity of the supply or financial transaction. The extent to which the business delves, will depend on the level of perceived risk.

4 Eyes Ltd has in Rod Stone OBE and Cedric Andrew, two internationally renowned fraud and compliance experts. Their insight of risk and supply chain integrity and experience of VAT carousel or MTIC fraud is without precedent.

ACAMS is the largest international membership organisation dedicated to enhancing the knowledge, skills and expertise of anti-money laundering, counter-terrorist-financing and financial crime detection and prevention professionals.