

# Brexit risks creating 'perfect storm' for money laundering

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Former Danske CEO Thomas Borgen



**Donal O'Donovan**

BREXIT has increased the risk of Ireland being used for large-scale money-laundering, including by criminal or terrorist networks that previously used banks in the Baltic states.

Rapid economic growth, an influx of new financial institutions including because of Brexit, combined with historic under-investment in technology by Irish banks creates a "perfect storm for money laundering", according to Eoin O'Shea of London-based Temple Grange Partners.

"It would be foolish to believe there isn't a Danske Bank-style risk lurking in the Irish system," he said.

Banks in the Baltic region, including foreign lenders like Danske have been wracked by the discovery of massive illicit financial flows. Danske Bank is embroiled in a money-laundering scandal that has triggered criminal investigations, forced out its CEO Thomas Borgen and other top officials after its Estonian branch was found to have had thousands of suspicious customers, responsible for €200bn (£180bn) of transactions over nine years.

With criminal networks seeking alternative access to the EU, Brexit disruptions makes Ireland vulnerable, Eoin O'Shea said.

The former global head of compliance at Credit Suisse was speaking ahead of an industry event in Dublin today.

His consultancy, along with speakers from the Central Bank and Garda Financial Intelligence Unit and data provider LexisNexis Risk Solutions will address Irish compliance professionals on anti-money laundering and know-your-customer regulations.

Chris Siddens of LexisNexis said markets including Germany and Singapore have explored creating agencies that screen customers on behalf of all banks in a market, instead of each institution carrying out separate compliance processes for all customers.

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