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COUNTERING THE THREAT OF MONEY LAUNDERING

The Institute's concern to promote and facilitate analysis of new areas of concern within the legal system is illustrated by the various initiatives that are now taking place, within Charles Clore House, focusing on the control of money laundering. While the laundering of money, whether dirty or merely hot, is nothing new, the tremendous profits generated by organised crime and most especially the illicit drugs trade has persuaded governments of the value of attacking the profitability of crime. The more the law and its agencies do to deprive criminals of the use of their ill-gotten gains, the greater the incentive to launder it.

The extent of the problem was dramatically emphasised by Mr Michael Camdessus, Managing Director of the IMF, in a recent speech in Paris. He described it as 'one of the most serious issues facing the international financial community' and added 'the estimates of the present scale of money laundering transactions are almost beyond imagination – 2 to 5 per cent of global GDP ...'. President Clinton, when addressing the UN last year, described the danger presented to the world order by organised crime as the most serious threat to our long term security.

A traditional criminal justice system can only achieve so much in inhibiting the recycling of dirty money. The efficacy of the civil law in depriving those who knowingly receive the proceeds of a breach of fiduciary duty, or assist in a dishonest design, are well illustrated by a number of recent court decisions. The decision of the Court of Appeal in *AG v Blake* on 16 December 1997 is welcome insofar as it goes somewhat further than equity by recognising the need for a restitutionary measure of damages and the ability, in limited circumstances, of the Attorney-General to proceed in the civil courts to deprive a criminal of the fruits of his iniquity.

Last July a two-volume loose-leaf service on the international tracing of assets was published under the auspices of the Institute, in association with Baker & McKenzie, by FT Law and Tax. The year before the Institute published *Money Laundering Control*, which brought together a series of papers on the topic from a workshop organised by the Institute. We are now in the process of developing a new loose-leaf service on the law and practise relating to money laundering which will be published early next year by CCH. Last year, the Institute also commenced publishing the *Journal of Money Laundering Control* on a quarterly basis.

In addition to disseminating information, the Institute has a programme of workshops and conferences which focus on the problem and related issues. It is anticipated that in the near future, the Society for Advanced Legal Studies will convene a working group which will examine the impact of developments in the civil, criminal and regulatory law in this area on those who manage other peoples' money and those who advise them. We would be very happy to hear from anyone who is prepared to work with us on this extremely important, and intellectually challenging area of the law.

Professor Barry Rider