

Economic analysis of the prevention of money laundering

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Money laundering and financing terrorism in connection with the banking and financial sector are topics which have recently been frequently discussed. Terrorist attacks in September 2001 also considerably contributed to that. The text focuses on the role of banks in the prevention of these criminal offences. The legislator has imposed on banks considerable costs connected with the fight against the mentioned criminal offences, although at the same time the commission of these crimes can also represent a considerable cost for a bank. The paper first provides a definition of operative risk and sets the risk of abuse of the financial system for money laundering within the context of operative risks.

The author continues with a definition of the criminal offence of money laundering in European and Slovene legal instruments and explains the economic significance of this unlawful activity. The paper also deals with the costs and benefits to which banks are exposed in connection with money laundering and its prevention; it concludes with a consideration of legislative solutions which would be optimal from the viewpoint of the participation of banks in the prevention of these offences.

Key words: money laundering, banks, costs, prevention, economic analysis

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