

William Barry Comments on Trade-Based Money Laundering Risks in Global Trade Review

"Trade Misinvoicing a 'Real and Immediate Liability'"

Global Trade Review

03.03.2020

William Barry commented on the risks created by falsified trade invoices, which can create reputational, business, and compliance risks for financial institutions that support cross-border commerce. The falsified invoices can result in "real and immediate liability" for regulated firms, according to Barry. "For example, there have been inquiries in the past as to whether firms that are financing a deal that in some way facilitates corruption ought to have known more, or did know more," he said. "More often, though, risk can come in the form of a government investigation or a reputational hit. There is real reputational exposure for financial institutions that find themselves sitting in the middle between two parties, one of which may be unscrupulous. Reputational risk can translate quite quickly into loss of opportunity."