HYPOTHETICAL FLOW:
TRADE-BASED MONEY LAUNDERING

HOW TRADE-BASED MONEY LAUNDERING BECOMES A TRAP?

With the growth of global trade volume, Trade-Based Money Laundering, which is one of the most sophisticated methods of laundering money, is turning into an almost invisible trap for companies. This laundering method, carried out through fictitious trade, fake invoices, mismatched shipments or import and export transactions that never actually take place, threatens not only financial systems but also the reputation and legal security of companies.

Banks and financial institutions carry out a multi-layered review process in order to minimize the risk of Trade-Based Money Laundering. Not only invoices and contracts, but also bills of lading, customs declarations, certificates of origin and insurance, and quality certificates are subject to cross-checking. Price deviations, unusual payment flows, inconsistencies in delivery documents, and the commercial history of the parties are among the main indicators closely monitored by banks. Especially in sectors such as electronics, precious metals, textiles, and scrap metal, which are difficult to price or involve high volumes, even the smallest inconsistency in documentation can trigger suspicion of "*phantom trade*".

LEGAL ASSESSMENT:

- ***TCC Article 282:*** *Trade-Based Money Laundering essentially constitutes the crime of laundering assets derived from criminal activities.*
- *In the **General Communiqués of the Financial Crimes Investigation Board** (the "**FCIB**"), trade-based laundering methods are explicitly listed among the "suspicious transaction" indicators and are also evaluated within the scope of Law No. 5549 on the Prevention of Laundering Proceeds of Crime.*
- **Law No. 5549 Articles 4 and 5:** Obliged parties are required to obtain customer and transaction information in cases of unusual or inconsistent trade-based transactions. If such transactions raise suspicion of laundering criminal proceeds, reporting to the FCIB is mandatory.

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WHICH PRECAUTIONS SHOULD BE TAKEN?

- The identity, business activity, and financial profile of the individual and/or company with whom a commercial relationship is established should be examined in detail.
- Unusual transaction volumes, recurring inconsistencies, and commercial activities that do not align with economic reality should be monitored.
- The consistency among commercial documents such as invoices, customs declarations, freight, and insurance documents should be checked.
- If a procurement transaction is involved, the quantity, quality, and price of the goods should be compared with international market conditions.
- Trade with high-risk countries and transactions in suspicious sectors (such as gold, precious stones, and electronic products) should be subject to stricter scrutiny and monitoring.
- Effective information sharing should be ensured with banks, customs authorities, the FCIB, and other supervisory institutions.

VARDAR ŞANLI IN ACTION:

- We conduct risk analyses tailored to the sector and commercial structure in which companies operate with respect to Trade-Based Money Laundering, and we develop internal policies and procedures in line with national and international AML standards.
- We provide legal consultancy services designed to minimize money laundering risks in supply chains, import and export transactions, and commercial contracts.
- We organize training programs for company employees on the indicators of Trade-Based Money Laundering, the detection of suspicious transactions, and reporting obligations.
- We support companies in ensuring that reporting processes are carried out in compliance with the law before the FCIB and relevant international authorities.
- In the event of inspections, investigations, or commercial disputes, we determine effective strategies to protect companies' interests and provide defense and representation services before the competent authorities.