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The role of Algerian banks in combating the phenomenon of money laundering to protect the national economy

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Abstract:

This paper aims to address a very important topic, which is the topic of combating money laundering in Algerian financial institutions: reality and challenges, as this research paper was divided into three axes, the first axis was devoted to clarifying what money laundering is, the second axis dealt with the repercussions of the phenomenon of money laundering on the Algerian economy, and the last axis dealt with the efforts of Algerian banks in confronting the phenomenon of money laundering.

Keywords: Algerian banks, money laundering, Algerian economy.

Introduction:

The phenomenon of money laundering is one of the problems threatening the economies of developed and developing countries alike, as it is one of the forms that is currently widespread due to political and economic globalization and information and communication technology. It is also a phenomenon related to financial institutions, especially banks, by providing channels through their operations as a means through which those involved in suspicious operations to clean up money, based on the premise that banks have a dual role in the issue of money laundering, as they are the easiest and most dangerous outlet at the same time for money launderers, and they are also the most capable of combating this phenomenon. Algeria, like the rest of the world, suffers from the spread of this phenomenon, because of its bad effects on the national economy.

Based on the above, we aim through this study to show the role of Algerian banks in combating the phenomenon of money laundering to protect the national economy.

First: The nature of money laundering

1. The concept of money laundering

There are many definitions that have been said in money laundering so there is no single agreed definition, due to the different views and interests of the parties that have been defined, and below we will try to summarize the most explanatory definitions of this phenomenon.

Definition 1: The phenomenon of money laundering is defined as illegal activities aimed at concealing or disguising funds resulting from organized crime⁽¹⁾.

Definition 2: It is the process of concealing or disguising the truth, source, location, method of disposal, movement, rights related to funds, or their illegal ownership, knowing that they derive from an individual or joint crime⁽²⁾.

Definition 3: It is an economic crime that includes all dirty money resulting from all crimes and illegal acts, and not only, as some limit it to funds obtained from the drug trade⁽³⁾.

Through the previous definitions, we can say that money laundering includes all dirty money resulting from all crimes and illegal acts, not only those resulting from the drug trade.

It should also be noted in this regard the need to clarify the difference between the terms money whitening and money laundering, as there is a difference between jurists and legal legislation in adopting the term money whitening and the term money laundering, and this is due to a difference in the views of the interests of each party, but the two phrases agree in their content, which is to resort to different methods of fraud and deception in order to legitimize funds obtained from illegal sources. This includes money earned from bribery, embezzlement, commercial fraud and counterfeiting money.

"The terms money whitening and money laundering are modern terms and are an alternative to the hidden economy or black economies or shadow economies, which is to earn money from illegal sources, and sometimes these forbidden funds are mixed with other halal funds, and invested in activities that are permissible by law to hide their forbidden source and evade legal accountability, after misleading the security and supervisory authorities"⁽⁴⁾.

2. Sources of money laundering

Money laundering operations include the legalization of funds or income derived from the following activities:⁽⁵⁾

- Trafficking in illicit goods and services in accordance with the laws or legislation of the State, such as trafficking in drugs of various kinds, activities of prostitution, or white slave networks;
- Cross-border smuggling activities of imported goods and products without payment of prescribed customs duties, such as smuggling of goods from free zones, smuggling of weapons...
- Black market activities that generate large incomes for dealers in violation of the laws of the State, such as: trading in foreign currencies in countries that impose strict control over dealing in foreign exchange, as well as trading in goods from which the country suffers from a shortage of supply compared to the demand for them, as traders tend to raise their selling prices significantly and in violation of the pricing controls determined by the local authorities;
- Bribery, administrative corruption and profiteering from public office by obtaining illegal income in exchange for government licenses or approvals or awarding tenders in domestic and foreign transactions in violation of the most important provisions of public and private regulations and laws.
- Income resulting from tax evasion through manipulation of accounts or concealment of the source of income Non-payment of taxes due on the activity to the State Treasury and transfer of funds outside the country by depositing them there in a foreign bank;
- Commissions received by certain individuals and enterprises in exchange for arms and commodity deals, access to advanced technology, or any high-value commercial deals.
- Income derived from illegal political activities, such as international espionage activities, for which the perpetrator usually receives income on a regular basis from the entities for which the spy works and in whose name the funds are deposited in a current account in a foreign bank outside his home country.
- Income derived from thefts or embezzlement of public funds and then smuggling such funds abroad by depositing them in a foreign commercial bank there.
- Borrowing from local banks without sufficient collateral, transferring funds abroad, non-payment of dues to local banks, and persons borrowing with their money outside the country for certain periods until crimes and statutes of limitations lapse;

- Collecting depositors' funds, smuggling them abroad and depositing them in foreign banks without sufficient guarantees for the owners of the funds, while the persons collecting these funds transfer them abroad to other persons or transfer the funds to real estate, shops or others and then sell them to their families in preparation for their return into the country again in the form of a project;
- Income resulting from fraud and smuggling abroad, for example, defrauding those wishing to work abroad and obtaining from them thousands of dollars in exchange for forged work contracts or charging them for obtaining false valid certificates or false passports... etc., and then smuggled the proceeds abroad with a view to returning them back into the country when circumstances legally permit.
- Income resulting from commercial fraud, trade in corrupt goods, imitation of international or local brands of high quality and fame, or counterfeiting of books, works of art, intellectual creativity products and computer programs, and obtaining large incomes from therefrom, as they are smuggled abroad in preparation for return after legal laundering operations;
- Income resulting from counterfeiting money, obtaining legitimate legal money in exchange for counterfeit money, whether in local or foreign currencies;
- Income resulting from the forgery of bank cheques, the withdrawal of funds from local banks by forged cheques or remittances or through the forgery of documentary credits supported by the approval of banks or correspondents, obtaining the value of these credits and depositing them in a bank abroad in preparation for laundering and legalizing them;
- Income resulting from illegal speculation in securities that depend on deceiving dealers in international stock exchanges, withholding securities goods from trading due to high prices, then obtaining incomes much higher than their purchase prices and depositing these profits in a commercial bank outside the borders in preparation for their legal return to the country.

3. Stages of money laundering

The phenomenon of money laundering is characterized by good organization and is often practiced by professional people who have sufficient skill to hide the course of their crime, however, regardless of the means they use, the stages of money laundering or laundering can be determined in the following three stages:

- Deposit and employment stage:

This stage is the first link in the chain of the phenomenon of money laundering, and this stage is intended to employ dirty money by depositing it in banks and financial institutions inside or outside the country by opening accounts in it as a deposit or buying securities, or so⁽⁶⁾, and this stage is one of the most difficult stages for money launderers, due to the large amount of cash liquidity that is difficult to control due to its weight and large quantity⁽⁷⁾. At this stage, it is important to change the form of illegal funds and transfer them from a lot of cash to a form of easy and fast-liquid physical techniques, and money launderers often resort at this stage to several methods, including money smuggling, buying valuables, fictitious companies, and establishing charitable projects.

-Camouflage or coverage stage:

This stage is to separate dirty money from their sources and provide legitimate legal cover for them through a series of complex financial operations with the aim of camouflaging and reducing any attempt to detect the real source of funds and so that they make the funds anonymous, and this stage is characterized by being more difficult than the previous one for the security and regulatory authorities, which makes it difficult for them to detect the truth about illegal operations due to the use of wire transfers so that the funds move very quickly to banks outside The country is difficult to trace its source.

- The stage of integration :

This stage comes as a final stage and after the money is completely separated from its illegal source, where then a legitimate form of wealth is acquired and the money that is laundered in the economy is placed again as ordinary and impeccable money.

These three stages are often characteristic of money laundering operations but often overlap with each other and are difficult to sort and distinguish.

4. Money laundering properties

The phenomenon of money laundering with its various sources has a set of characteristics, which we highlight as follows:⁽⁸⁾

- Money laundering operations are complementary activities to previous major activities, which resulted in the collection and capitalization of large quantities of illicit funds and their infusion into economic activity;

- Money laundering operations are characterized by the speed of geographical spread in light of globalization, as after being concentrated in a few countries, we find that they have penetrated most countries of the world, for example: Costa Rica, Panama, Cyprus, Monaco, Malta, Singapore, Hong Kong ...

- New information and communication technology and money-laundering, as this technology contributes to the development of money-laundering operations thanks to e-commerce and associated electronic (virtual) money, as a large mass of money is reduced to a small electronic disk and CD that can be transferred from one country to another;

- Money laundering is linked to openness and economic liberalization, as money laundering operations are linked to a direct relationship with financial and commercial openness and the growth of the private sector, and this happened in many Arab and Islamic countries at the beginnings of economic liberalization in them, and this was evident from the improvisation of laws and loopholes that accompanied them, so the economies of many countries turned to increasing imports only, instead of importing and exporting, which led to the hemorrhage and flight of capital, the emergence of counterfeit and counterfeit brands, the growth of the parallel and hidden economy, and the trend towards money laundering increased internationally With trade liberalization and the growth of e-commerce;

- Understanding the rules of the game by money laundering experts, these experts, even if they do not just study the principles of economics and law, are very familiar with all the rules of control, supervision, exchange, transactions and customs.

Second: The repercussions of the phenomenon of money laundering on the Algerian economy**1. Causes of money laundering in Algeria**

Among the most prominent factors and reasons that encourage the spread of the phenomenon of money laundering in Algeria are the following:⁽⁹⁾

- High rates of taxes and fees on economic activities, which leads individuals to evade this tax burden, especially if individuals feel that tax revenues are not spent on public goods, such as the large expenditure of money by Algeria in the year of Algeria in France, which makes the rate of tax evasion trending higher;

- The search for safety and the acquisition of legitimacy for fear of legal persecution, which is a key motivation for perpetrators of criminal acts to launder their money in the safest area for them.

- The intensification of unfair competition between banks, in the field of attracting more customers and increasing profit rates through interest rate differences, as well as different currencies, which pushes the owners of illegal funds to go to these banks that do not care about the source of funds;

- The different legislation and rules of supervision and control between the countries of the world, including Algeria, which opens the way for the existence of some loopholes through which illegal funds are carried out and laundered by experts and specialists.

2. Money laundering methods in Algeria:

Among the most prominent and famous methods of money laundering in Algeria are the following :⁽¹⁰⁾

- Financial transfers to foreign banks:

The transfer of illicit funds towards foreign banks is a major crime against the economy in which these funds were formed must be combated by all available legal methods, and strict conditions must be set to allow anyone to take out money (hard currency) when he goes outside the country, as this amount must be authorized by one of the accredited banks in order to know and determine the movement of cash in and out of the country.

Therefore, the best field for conducting money laundering operations is banking institutions, and Algeria, like other developing countries, has its banking system, which, despite the reforms it has known, still suffers from some gaps, especially with regard to controlling the entry and exit of capital to and from Algeria.

The Algerian banking system still suffers from poor management, bureaucracy, corruption and suspicious financial transfers to foreign banks, and one of the most dangerous and prominent financial transfers abroad was carried out by Abdelmoumen Khalifa, the owner of the collapsed Khalifa complex, where he was arrested at Houari Boumediene airport several times carrying in his bag amounts of hard currency heading abroad, without declaring those funds by legal means, and he was warned several times by the Bank of Algeria, but he continued In transferring money abroad in various ways until the bank and the complex were permanently bankrupt.

- Export and import companies:

The liberalization of foreign trade in Algeria has led to an economic and commercial openness to foreign products, especially from the European Union countries, and the supply of imported consumer materials has led to the creation of huge profits for importers, prompting many Algerian traders and businessmen, especially those who have acquired illicit funds, to import operations from abroad.

Statistics indicated on June 30, 2002 that the country's commercial sector consisted of 826.450 institutions, representing 755.755 natural persons, and 70.695 legal persons, and among these traders there are more than 23.017 importers, and with the development of these figures related to the owners of companies for export and import (in fact they are only for import), the phenomenon of renting the commercial register among individuals, which found it very easy to do so, as the owners of money entice some citizens, especially the poor, to extract a register Commercial export and import in their names, and sometimes in the names of dead or mentally disabled persons, and after the completion of the import process and the collection of funds, a permit is filed by the owner of the commercial register to stop practicing the activity or dissolve the institution permanently, in order to evade paying taxes, and in return, the people who rented commercial registers have collected a lot of money without bearing the payment of taxes and fees, and this situation has led to an imbalance in the commercial field and in the field of production in light of a strong market demand for products In addition to the emergence and development of the phenomenon of (bazaar), and the smuggling of stolen cars and cigarettes, to serious deviations in imports and the spread of tax fraud and evasion, and the difficulty of controlling them, especially with the economic, social, financial and even technical transformations that facilitated the spread of these phenomena.

- Parallel money market:

It seems through the public authorities' disregard for the parallel market for hard currency, that the state does not intend to fight the black market for hard currency, and therefore it is going on the

pattern or method of total disregard for the phenomenon, for example, the place called (Port Said) in the Algerian capital has become a regular market for hard currency intended by all those who wish, where the average citizen, contractor and investor go to it, and everyone comes to buy hard currency and in the amounts he wants. Which confirms However, this market does not contradict the orientations of stakeholders, who themselves are the powerful ones who adapt the national economy to their narrow interests.

The fact that Algeria's parallel market remains unchanged, despite the succession of many governments, is a clear indication of the strength of its influence, and this in itself is an important challenge to the current economic reforms and to the current new government.

3. The effects of money laundering on the Algerian economy

The dangers posed by the phenomenon of money laundering to the Algerian economy are as follows:

- **Emptying the content of the national economy:**

The transfer of funds outside the borders of the country with the intention of laundering them in other countries leads to depriving Algeria of the funds and assets in it that feed the national economy, thus preventing the investment of those funds in economic and development projects that generate income for the State and contribute to reducing unemployment, increasing employment and increasing the proportion of the workforce.

- **Economic recession:**

The smuggling of funds abroad for the purpose of laundering them leads to the use of these funds in the implementation of unproductive investment deals, and the weakening and decline of the financial capabilities available to implement productive national projects, which leads to depression and continuous economic stagnation with the continuation of money laundering operations and the continued deterioration of productive activities and the high frequency of economic recession.

- **Depreciation of the exchange rate of the national currency:**

Money laundering operations lead to an increase in demand for foreign currencies for the purpose of transferring them to deposit in banks outside Algeria or investing them there, and in return the supply of the national currency is increased, which leads to a decrease in its value against foreign currencies in line with the supply and demand market.

- **Low production capacity:**

As a result of low investment rates, this leads to a continuous decrease in productive capacity in national productive activities, the cessation of factories, and thus an increase in unemployment and the occurrence of social and economic problems.

- **High inflation rates:**

Due to the high level of spending as well as the general level of prices, this in turn leads to a decrease and deterioration in the purchasing power of citizens, especially those with limited incomes.

- **The spread of financial corruption:**

as a result of money launderers interacting with employees in the state and banks and obtaining senior administrative positions, which protects them from legal accountability and is not afraid of falling into the hands of legal security agencies.

- **Increased unemployment rates:**

The decrease in state revenues from taxes due to the evasion of money launderers contributes to the obstruction and disruption of programs and plans aimed at creating jobs and thus increasing job opportunities for the unemployed.

Third: Algerian banks in the face of the phenomenon of money laundering

1. Banks' Responsibility in Combating Money Laundering

The supervision of the banking system or banking comes as a first and basic step to combat money laundering activity according to advanced methods, and to make banks an effective platform to combat this crime using the latest technological techniques, and among the precautionary measures that banks can take to combat the phenomenon of money laundering, we mention the following:⁽¹¹⁾

- Availability of anti-money-laundering programmes at banks to track suspicious funds.
- Relying heavily on auditors and banking operations, in addition to their cooperation with the competent security authorities, and pursuing suspicious funds through banks.
- Guided by the statement issued by the Basel Committee on Banking Control and Supervision in December 1998, when the Committee on Banking Systems and Supervisory Practices issued a document known as the Basel Statement on the prevention of the criminal use of the banking system for money laundering purposes, as this document calls on the international banking community to adhere to a number of basic principles to confront money laundering operations, which are carried out through banking activities, among these principles we mention:
 - Be more vigilant, especially knowing the identity of customers;
 - comply with laws and regulations on financial transactions;
 - Cooperation with judicial, police and other law enforcement authorities.

In general, the Basel Committee statement is aimed at preventing the banking system from being used as an arena for money-laundering. In this context, and in order to increase the effectiveness of the bank or banking system in combating money laundering carried out through banks, many actions can be carried out, the most important of which are the following:⁽¹²⁾

- Considering any assistance by any bank for money laundering operations to be a banking offence that requires the suspension of the bank's activity, the withdrawal of its license, the confiscation of its capital and the punishment of those responsible.
- Considering that the participation of any bank or its involvement in the process of money laundering is a crime that requires closure, withdrawal of the license and prosecution of those responsible.
- The bank's restructuring, merger or division operations in order to avoid preparing financial reports that may reveal its money laundering operations is one of the largest banking crimes that require closure, prosecution of officials and confiscation of capital.

2. The role of commercial banks in combating the phenomenon of money laundering

Commercial banks can play a key and important role in combating money laundering, as commercial banks are the main and most important channel through which they must pass through one stage or more than one stage of money conversion operations from illegal funds to legitimate funds.

The rule is that money laundering operations are not complete without passing through banking activities, businesses and services, so commercial banks should follow some banking procedures and means that limit the growth of the phenomenon of money laundering, and among these procedures to be carried out are the following:⁽¹³⁾

• Ensuring and monitoring the identity of customers:

using the "*Know Your Customer*" rule, developing the awareness of the bank's employees, increasing their sense of the customer's activity, proximity to him, following him closely, and experiencing the various developments that the customer is going through in this activity, such as:

- Know the activity carried out by the customer away from his field of specialization and his usual business, especially since this activity is often illegal and may affect the bank if the customer has obtained loans and facilities from the bank to finance this hidden activity.
- Knowing the extent to which the client is not serious in committing to preparing correct accounting reports about his business and trying to evade this obligation, avoid doing it and resort to false reports prepared untruthfully and discovered by events.
- Observe and know the transfers and cash balances deposited in its accounts with the Bank and orders to transfer them abroad or inward, and the extent to which these transfers are commensurate with the activity it carries out in public.
- Customer observation that provides insufficient, questionable or suspicious information.
- Observing, monitoring, following-up, analyzing and studying the changes and developments that occur in the bank transfers made by the bank for the benefit of some of its suspicious customers or in the activities they practice.

• **Training and teaching the bank's employees on how to detect suspicious operations and how to deal with them:**

Modernizing and developing the information and data collection sectors in the bank, such as: (market research sector, security sector, and intelligence and investigation sector), not only in order to collect data and information, but also to analyze them and discover the degree of danger behind them or increase its ability to know what is happening and what is actually happening in the market, in terms of:

- The extent to which the customer's activity and expenses are commensurate with the conditions of economic activity in general and the activity practiced by the customer in particular, in terms of: boom, contraction, recession and recovery, and its compatibility or conflict with them, and the extent to which these flows are in line with those achieved by competitors or other enterprises operating in the same activity;
- The extent to which the revenues deposited for the activity remain and continue in the bank and the customer does not request to transfer them abroad or to other banks and the period of time during which the customer gives his orders to transfer.

• **Creating and creating a money laundering control function:**

to be within the framework of the administrative structure of each branch of the bank and within the departments related to the various monetary operations through which the laundering process can take place, with the definition of the worker in each department in it with money laundering activities, and he is educated, trained and prepared well to be able to identify the operations behind which the crime of money laundering can be possible, and that an observer with banking experience appropriate to the tasks of this job and at the same time design a system Reports through which he can follow up the various operations that take place within the branch and examine the suspicious operations.

• **Strengthening the link between the Bank and the regulatory bodies to combat the crime of money laundering:**

In order to make the authorities in charge of monitoring money laundering in the bank aware of everything new that occurs or is used in money laundering operations and the exchange of views, knowledge and experiences, especially with regard to the development of crime methods and the tools, means and methods invented by criminals to launder dirty money.

• **Developing banking practices:**

to become more able to protect themselves from the dangers of organized crime gangs and protect the bank and its operations from the leakage of money laundering operations and the penetration of organized crime gangs, and their extension to it, and then maintain the name and

reputation of the bank and the entity of trust in it, which requires banks to adopt ambitious and effective plans to achieve banking safety and health at the same time:

- Establish a policy of deepening knowledge about clients, their practices, activities and up-to-date knowledge of what they have.
- Identify the parties involved in the transfers of large assets abroad and inward and the extent to which the relationship between these parties is real.
- Maintain and maintain an effective reporting system on currency transfers and suspicious activities, and that the documents made on the account are kept for the duration of the account opening period, and that these documents are kept in the event of account closure for a period of not less than five years, including the bank records containing the data of the transactions made on this account.

In addition to the above, there are other measures that commercial banks can take to combat the phenomenon of money laundering, including the following elements:⁽¹⁴⁾

- Attention to suspicious transactions, where the bank must inquire from the customer about the source and destination of the funds, the subject of the operation, the identity of the beneficiary and the owner of the economic right, when the operation involves the following characteristics:
 - that the transaction takes place in unusual circumstances of complexity, and the bank or financial institution must assess these circumstances not only in view of the type and nature of the transaction but also in view of its apparent purpose;
 - The process should appear as if it has no economic justification or legitimate goal, especially because of the disparity between the process and the client's professional activity, or even between it and his habits and personality.
 - Providing anti-money laundering programmes at banks, including the development of policies, procedures and controls, with an official designating to monitor the compliance of the various websites with the internal instructions issued in this regard;
 - As for electronic activity, the Bank can combat the phenomenon of money laundering through the use of security protection systems such as detectors and electronic fingerprints, or work to provide programs to inventory and collect scattered electronic transactions per person;
- Reporting, such as:
 - Report cash operations on each banking working day and describe any transactions above a certain limit.
 - Report suspicious activity or when a particular transaction is suspected.
 - Reporting, monitoring and analysis of large transactions in cash, cheques or electronically.
 - Report of incoming and outgoing remittances.

All that has been discussed requires the existence of a good training system through which information is acquired and expertise, reports, studies and main references are transferred to the various human elements and cadres that determine the following:

- The most important areas where money laundering takes place;
- Institutions suspected of money-laundering;
- International banks suspected of money laundering;
- States and regions that do not have anti-money laundering measures in place;
- Means and methods used to carry out money laundering operations.

3. The role of the Central Bank in combating money laundering

Within the framework of the precautionary policy of central banks and keeping pace with the global trend towards combating money laundering operations, as well as cooperation with the

International Financial Committee to combat money laundering, there is a set of measures and measures carried out by the Central Bank to combat the phenomenon of money laundering locally, including:⁽¹⁵⁾

- As a prerequisite for the control process, the Central Bank must implement legislation that provides the general legal framework and establishes the obligations of financial institutions and other financial service providers. It must cover a wide range of crimes tainted by such acts and define the responsibilities and powers of the various government agencies involved in the process. Reporting requirements for different types of institutions should also be defined typically.
- Prepare reports that can help identify money laundering operations, including:
 - The volume of funds transferred outside the country and imported from abroad;
 - Classification by purpose of transfer, commercial, political, expatriate labor, reporting on these moving funds and related to their partial preferences, reporting suspected and fraudulent cases, measuring the normal and normal rate of expectations and purposes of funds with the reality of the local and external economy, and drawing attention to any apparent and striking departure from harmony with the economic reality.
- Effective communication with security authorities, customs, local and international anti-money laundering institutions, and commercial banks inside and outside the country, and learning about the latest developments in the field of fraud methods and combating them.
- Financial regulators should be held responsible for overseeing the anti-money laundering efforts of financial institutions and ensuring that their managers and owners pass the competency test, for example, the regulator of a bank will have to review the internal control procedures at a commercial bank to prevent internal fraud or unwise behavior and at the same time be able to ascertain whether the bank has the means to reduce the bank's exposure to money laundering as it puts Bank supervisors in different countries usually have arrangements for the exchange of information and cooperation in the supervision of internationally active institutions.
- Efforts to combat money-laundering do not depend on the existence of strict restrictions and control over financial and banking transactions and activities and the movement of funds, but mainly on the ability to investigate suspicious cases. In this sense, many countries have established specialized agencies called financial intelligence units that belong to certain ministries or the central bank or may be supervised by two bodies at the same time, but all deal in the same area, investigating, analysing and transmitting to the supervisory authorities financial information on proceeds of questionable criminal origin.
- The above must be supported by measures to ensure that criminals do not control financial institutions and banks, and if this happens it will be very difficult to detect money laundering, so it is important that large shareholders and senior managers in financial institutions demonstrate their competence to occupy positions of control and supervision.

4. Obstacles to combating money laundering in Algeria

Anti-money-laundering operations in Algeria face various difficulties and obstacles, the most important of which can be mentioned in the following points:⁽¹⁶⁾

- The economic and financial mafia is rampant within the Algerian administrations, and thus clandestine collusions that allow criminals to get away with it.
- Algeria is one of the most prolific countries in terms of laws, but one of the weakest countries in their application on the ground;
- The absence of agreements linking Algeria with some countries in the field of extradition, which encourages them to settle in those safe countries.

- The problem of serious reform in the field of the judiciary, the independence of Algerian justice, and its lack of pressure from stakeholders, as there are many cases of collusion of magistrates with criminals by offering bribes or making threats to these judges.

Conclusion:

By studying the phenomenon of money laundering in Algeria, it becomes clear that this phenomenon harms the Algerian national economy because of the existence of a hidden economy that threatens the official economy, as well as because of the instability of the national economy as a result of the rapid movement of funds due to globalization, since banking operations may legitimize funds obtained from an illegal source in one country by transferring them to a bank account in another country and disposing of them as if they were legitimate funds. Whitewashing also leads to an unusual distribution of wealth, threatens economic transparency, destroys the spirit of legitimate competition, and leads mainly to the spread of bribery and financial corruption....

Therefore, Algerian banks are required to combat this phenomenon, which has witnessed an unusual development due to the deplorable conditions they have experienced, and this is what drives them to take measures to prevent or reduce this dirty phenomenon that is eating away at the national economy.

Recommendations:

In order to reduce the phenomenon of money laundering and to contribute to the consolidation of the role of Algerian banks in combating this phenomenon, we make the following recommendations:

- Training and developing the capacities of employees of various banks to identify money-laundering operations and measures to combat them.
- The need to enact a national law to combat money laundering that provides for all forms and includes the penalty for the complete confiscation of dirty money and its tools, as well as severe penal penalties imposed on operators, collaborators, partners and shareholders of bank employees of all kinds.
- Tightening control over funds entering banks and identifying the sources of funds whose owners open accounts in these banks, especially if the amount is large and suspected of being from illicit gain.
- The Government should conduct courses to familiarize citizens with the phenomenon of money laundering and to give an idea of it, especially in institutions related to such operations.
- The need to activate international cooperation with regard to combating money laundering and to make the most of the experiences of some developed countries that have achieved impressive results in countering money laundering operations.
- Develop the reporting system in banks to become more effective and detailed so that any suspicious developments can be kept up-to-date.
- Developing and strengthening the existing intelligence and investigation service in banks so that it is effectively able to conduct full investigations about customers, the sources of their funds and the appropriateness of what they achieve with the reality of the activity with the reality of what they practice.
- Amend the immunity law granted to certain state officials to enable judicial authorities to investigate and hold accountable suspects or those involved in cases related to money laundering.

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