



Trade-Based Money Laundering Training: Red Flags, Invoice Manipulation and Bank-Customs Cooperation



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Introduction:

Trade-Based Money Laundering training on red flags, invoice manipulation and bank-customs cooperation is a 5-day course for trade operations, AML analysis and customs investigation teams, ending with a TBML Detection and Escalation Plan. Illicit value moves through mispriced invoices, phantom cargo and circular trade flows that pass ordinary document checks because nobody compares price, route and counterparty together. Nominees already handle trade files or alerts, and work through anonymised shipment packs, invoices and payment trails as case studies. CoreConcept Training Center delivers this trade-based money laundering course.

Course Objectives:

- Recognise over-invoicing, under-invoicing, multiple invoicing, phantom shipment and goods misdescription schemes in documentary and open-account trade files
- Apply the FATF and Egmont Group TBML risk indicators and the Wolfsberg Group Trade Finance Principles to a trade customer and transaction review
- Test declared unit prices, quantities, vessel movements and shipping routes against independent reference data to evidence or dismiss a pricing anomaly
- Identify where trade laundering overlaps with dual-use goods diversion, sanctions evasion and front-company networks
- Exchange case information between bank, customs and financial intelligence functions within the limits of tipping-off and confidentiality rules
- Prepare a TBML Detection and Escalation Plan with an alert triage route and a suspicious transaction report template

Target Audience:

- Bank trade operations staff responsible for checking documentary credit and collection files
 - AML and financial crime analysts responsible for reviewing trade-related alerts and customer activity
 - Customs investigators and post-clearance officers responsible for valuation fraud and smuggling cases
 - Financial intelligence analysts responsible for receiving and developing suspicious transaction reports
 - Correspondent banking and payments screening staff responsible for open-account trade payment flows
 - Corporate trade compliance staff responsible for vetting counterparties and shipment paperwork
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Course Outline:

Day 1: Trade Laundering Schemes and the Value Transfer Problem

- Value Transfer Through Trade Versus Cash and Wire Laundering
- Over-Invoicing and Under-Invoicing Price Gap Mechanics
- Multiple Invoicing and Repeat Presentation of One Shipment
- Phantom Shipments, Short Shipping and Goods Misdescription Schemes
- Black Market Currency Exchange and Third-Party Settlement Patterns

Day 2: International Guidance and TBML Risk Indicators

- FATF and Egmont Group TBML Risk Indicator Categories
- Business Structure Indicators for Front and Shell Traders
- Trade Activity Indicators Covering Volume, Commodity and Counterparty Fit
- Wolfsberg Group Trade Finance Principles for Bank Due Diligence
- Open-Account Visibility Gaps and Derisking of Legitimate Traders

Day 3: Document Scrutiny, Price Benchmarking and Shipment Verification

- Commercial Invoice and Packing List Consistency Review Method
- Unit Price Benchmarking Against Commodity and Trade Statistics
- Bill of Lading Authenticity and Carrier Verification Checks
- Vessel Tracking, Port Call and Shipping Route Plausibility
- Letter of Credit Red Flags in Amendments and Waivers

Day 4: High-Risk Overlaps, Information Sharing and Escalation

- Dual-Use Goods Diversion Through Transshipment Hubs
- Sanctions Evasion Patterns in Vessel and Cargo Ownership
- Free Trade Zone Re-Invoicing and Ownership Opacity Risks
- Bank-Customs Information Exchange and Public-Private Partnership Models
- Alert Triage, Tipping-Off Safeguards and Case Escalation Routes

Day 5: Case Study Work and the TBML Detection and Escalation Plan

- Electronics Re-Export Case With Inflated Invoice Values
 - Textile Import Case With Phantom Containers and Recycled Documents
 - Suspicious Transaction Report Narrative Drafting From Case Evidence
 - Joint Bank and Customs Case Review Simulation Debrief
 - TBML Detection and Escalation Plan Completion and Peer Challenge
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Skills You Will Gain:

- Trade Typology Recognition
- Invoice Price Anomaly Analysis
- Shipping Document Verification
- Vessel and Route Analysis
- Dual-Use Diversion Screening
- Trade Alert Triage
- STR Narrative Writing
- Inter-Agency Case Coordination

Why Attend This Course:

- Deliver a TBML Detection and Escalation Plan to the money laundering reporting officer and the head of trade operations for adoption
- Decide whether a pricing, routing or document anomaly warrants escalation, further evidence or closure
- Avoid unreported trade laundering, regulatory findings and needless derisking of legitimate trading customers
- Coach trade checkers, alert reviewers and customs colleagues with the red flag matrix and price testing worksheet

Conclusion:

Back at work, the participant presents the TBML Detection and Escalation Plan to the money laundering reporting officer and the head of trade operations. They use it to decide which trade red flags trigger review, which price and shipment checks are run, how alerts reach investigators and when customs or the financial intelligence unit is contacted. After the first quarter of use, the organisation should compare alert volumes, escalation quality and report outcomes against the plan and adjust the indicators that produced noise.

Frequently Asked Questions FAQ:

What should participants know before trade-based money laundering training?

Participants should already handle trade documents, trade-related alerts or customs cases and understand basic customer due diligence. Bringing an anonymised trade file or alert history helps during the case study day.

How does trade-based money laundering training differ from a general anti-money laundering course?

A general anti-money laundering course covers the whole programme, from risk assessment to customer due diligence and monitoring. This course concentrates on laundering through trade: invoice manipulation, phantom cargo, price and route testing, dual-use overlap and bank-customs cooperation.

Why is trade-based money laundering hard to detect in open-account trade?

Open-account trade gives banks only a payment, not the invoice, shipment or counterparty documents. Without that picture, mispriced or fictitious trade looks like ordinary settlement, so detection depends on customer knowledge, payment patterns and information shared with customs.

What do participants take back from trade-based money laundering training?

Participants take back a TBML Detection and Escalation Plan with a red flag matrix, price and shipment checks, an alert triage route, information-sharing contacts and a suspicious transaction report template ready for review.