Research Topic: Impact of Money Laundering on Economic Growth

Case study: Nile Commercial Bank – Juba South Sudan

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ABSTRACT:

The aims of this study is to analyze the impact of money laundering on economic growth and to know measures taken by government to prevent the money laundering activities in South Sudan.

The researcher used qualitative and quantitative methods for collecting data; also the researcher used the statistical package for social science (SPSS) for data analysis.

Findings: The study revealed that money laundering has impact on economic growth of the country, money laundering could cause inflation, there is Act of Anti –money laundering in South Sudan, money laundering promoting corruption, senior management is responsible to manage money laundering

Recommendation: researcher has reached to the important recommendations as following;

KEYWORDS: Money laundering, Crime, and Regulations.

1.0 Background of the study:

Historically, money laundering is in existence since at- least 2000 years. Money laundering has affecting the global economy for years. Large sums of money are laundered every year, posing a threat to the legal economy and security. Chinese merchants cycled money through various businesses and complex financial transactions to hide income from government bureaucrats. But the term gained from glamour only when the accountant of Al- Capone found it difficult to explain the source of money obtained from illegal activities. The origin of term money laundering is from mafia's ownership of Laundromats in the US in 1920's and 1930's. The organized criminals were making so much money from extortion, prostitution, gambling, and bootlegging, they needed to show a legitimate source of the money. Prior to the 1980's, money laundering was barely considered a crime; tax evasion was the more serious offense, something that Al Capone was actually sent Jail for. As the 20th century progressed the drug trade proved to be the biggest sources of money laundering. However, prior to 1986, drug dealers were able retain their assets in the US and would have access to their profit once they left Jail. At the time, the drug trade itself was considered the bigger issue; money laundering was just an unfortunate side effect.

Money laundering: is the illegal process of converting money earned from illegal activities into '' clean'' money that is, money that can be freely used in legitimate business operations and does not have to be concealed from authorities. Money laundering operations deal with trillions of dollars in worldwide each year; therefore, money laundering activities exert a substantial impact on major national economic. Some banks have been complicit in aiding money laundering operations.

Money laundering defined as'' the use of money derived from illegal activity by concealing the identity of the individuals who obtained the money and converting it to assets that appear to have come from legitimate sources'' (Madinger 2012).

Term '' money laundering'' it is the conversion of black money into green (William, 1997).

According to Milan & Ayse money laundering is the process of transforming the proceeds of rime into ostensibly legitimate money or other assets.

According to Elizabeth Vallery, the term'' money laundering ''is derived from activities carried out by organized crime, which used laundry cleaning businesses to disguise,'' launder, large amount of cash actually earned through extortion, prostitution, gambling, and bootlegging.

1) https:// www.india forensic.com/certifications/origin of money laundering.

2) https://www.cagamini.com/wp- contnet/uploads/2017/7/ the growing threat of money laundering.

3)https://www.cicad-oas.org- money laundering article by Alex Fergusion,17/11/2021
4)https://William, C. Gil more ,2014 Diry money the evolution of international measures to counter money laundering and financing terrorism, published by council of European press 1997.
5) Milan Frank I, Money laundering and Terrorist Financing Activities
6) Elizabeth vallery mulg,Murphy smith , understanding and preventing money laundering

According to Dennis Cox Money laundering refers both the use of a cash business such as a launderette to facilitate the mingling of legal and illegal funds and also to the generic process of disguising the original proceeds of the funds a process more normally referred to as layering.

 According to Michael Levi (2001) - money laundering encompasses any concealing of the proceeds of drugs trafficking (or other serious crimes) beyond putting the loot visible on the bed or in one's domestic safe.

The definition of money laundering according to UK financial sector Guidelines States'' money laundering is a process used by criminals to cover up the origin and ownership of proceeds from criminal activity.

Process of money laundering:

The process of money laundering typically involves three stages:

- Placement: in the placement stage, the launderer tries to transform the cash into other assets such as postal orders or checks to remove the link between the cash and it source. Or to puts'' dirty money'' into the legitimate financial system.
- Layering: in the second stage, the goal is to conceal the audit trial, source, and ownership of funds. Or conceals the source of the money through a series of transactions and bookkeeping tricks.
- Integration: the launderer assimilates the money with other assets of the financial system. Or the now-laundered money is withdrawn from legitimate account to be used for whatever purposes the criminal have in mind for it.

Money Laundering Methods:

Common methods of money laundering are:

- The structuring of large amounts of money into multiple small transactions at banks.
- The use of foreign exchanges.
- Cash smugglers and wire transfers to move money across borders.

- Investing in high-value and moveable commodities such as diamonds and gold.
- Discreetly buying and selling valuable assets such as real estate.
- Foreign bank accounts counterfeiting.
- <u>Gambling and shell companies.</u>

7) Dennis Cox, 2014.Handbook of Anti money laundering, published by John Wiley & Sons,LTD.

8) Michael Levi (2001). Money laundering.

9) https:// www. Studocu.com /en-gb/document/ crime money laundering lectures notes

10) Milan Frank I, Ayse Ebru. Money laundering and terrorist financing activities. Published by business export press/LLC- United States of America.

11):www.tookitaki.ai/news-views.

Causes of Money Laundering:

The causes of money laundering are: Tax Evasion, weak financial Regulations, Bribery, Corruption, Failure of Banks in detecting launderers' and money, and nature of borders.

Effect of money laundering:

1. Economic impacts: money laundering reduces the control of government over economic policy.
2. Social impacts: money laundering gives birth to a number of social and dilemmas.

Preventing Money Laundering:

Government around the world have stepped up their efforts to combat money laundering in recent decades, with regulations that require financial institutions to put systems in place to detect and report suspicious activity. The amount of involved is substantial. According to the United Nations Office on Drugs and Crime, global money laundering transactions account for roughly $800billion to$2 trillion annually, or some 2% to 5% of global GDP.

International response to tackle Money Laundering:

In order to tackle the money laundering, the Financial Action Force Task (FATF) is the global money laundering and terrorist financing watchdog, and is the inter-governmental body sets international standards that aim to prevent theses illegal activities and the harm they cause to society. The FATF also works to stop funding for weapons of mass destruction. FATF is consists of (38) members.   Was established by G-7 summit in Paris in 1989 to develop a coordinated international response. One of the first tasks of the FATF was to develop Recommendations which set out the measures national government should take to implement effective anti- money laundering programmers' .The forty recommendations on money laundering (issued in 1990), 9 special Recommendation on Terrorism funding (issued in 2001).

- International convention for the suppression of the financing of Terrorism (1999).
- <u>UN convention against Transnational organized</u> Crime, UN convention Corruption (2003)

12) https://www.bolgnalawreview.unibo.it.Article by Waseem Ahamed Qureshi (P.314)

13)https://www.ivestopedia.com./terms/M/ money laundering

14)www.fatf.orggafi.org.July ,2021.

15)https://www.ijisrt.com/assets/upload/files/IJISRT mAY.20,2019 PDF. Journal impact of money laundering cases on Indian Economy and Business, by Akarsh Kume r, Harshali Kharole, Volume 5, issue, may, 2020 – international Journal of Innovative Science and Research Technology. ISSN No.2456-2165

Laws of South Sudan Anti Money Laundering and Counter Terrorist Financing:

 Government of South Sudan issued the anti- money laundering and counter terrorist financing Act, 2012, Act No.29 and it is consists of six chapters: chapter I, Preliminary provision ,chapter II, Financial intelligence unit and the national committee, ,chapter III,Prohibition of money laundering chapter IV, Anti- money laundering supervision, chapter V, Financial provision, chapter VI, Miscellaneous provisions.

Bank of South Sudan Anti –Money Laundering Policy Manual:

Bank of South Sudan issued Anti-Money Laundering Policy Manual in 2017. The policy was issued by the Bank of South Sudan to combat money laundering in South Sudan. And the policy manual comprise of introduction, Anti-money laundering scope and definition, Objectives, Risks management framework, Purpose and overview of the policy manual, AML/CFT Institutional policy framework, Identity verification, Documentary evidence of identity, Identification procedures for corporate entities, correspondent banking, One-off cash transactions, Monitoring , Recognizing &Responding to suspicious transactions, Anti Audit Function to Test the System, AML/CFT Record ,keeping ,Employee education and training program, Monitoring employee conduct, protection for staff who report violations, Administrative sanctions against staff that violate AML regulations, and concluding note.

Countries that are in watch list of money laundering: the countries are; Haiti, Malta, Philippines, and South Sudan they were place on grey list of countries under increased monitoring to counter money laundering and terrorist financing.

 Causes of money laundering in South Sudan:

The causes of money laundering in South Sudan are: Corruption, Cash smuggling, Bribery, Tax Evasion, and Drug Smuggling etc.

According to the South Sudan, Risk& Compliance Report, March, 2018, South Sudan is not on the FATF list of countries that have been identification as having strategy AML deficiencies.

Compliance with FATF Recommendations: South Sudan not yet undertaken a mutual evaluation report relating to the implantation of money laundering and counter- terrorist financing standards. South Sudan is not a member of a Financial Action Task Force.

16) Laws of South Sudan Anti – Money Laundering and Terrorist Financing ACT, 2012.

17) Bank of South Sudan Anti- Money Laundering and counter Terrorist Financing Policy Manual, 2017.

18) South Sudan Risk & Compliance Report, March, 2018.https:// knowyourcountry.info

1.1 Statement of Problem:

Money laundering is a serious threat to the world and is the major problem facing the global economy. The international community, developed countries, and individuals are continually trying to combat the money laundering activities. The reason to why choice this topic is to explore the causes and measures to be taken in order to address the issues concerning the money laundering in the country's.

1.2Objectives of the study:

- To analyze the impact of money laundering on economic growth.
- To find out the causes of money laundering in South Sudan.

-    To indentify the measures taken by government to combat the money laundering in South Sudan.

1.3 Research question:

-    What is the impact of money laundering on economic growth?
-    What are the causes of money laundering in South Sudan?
-    What are the measures taken by government to combat the money laundering in South Suda
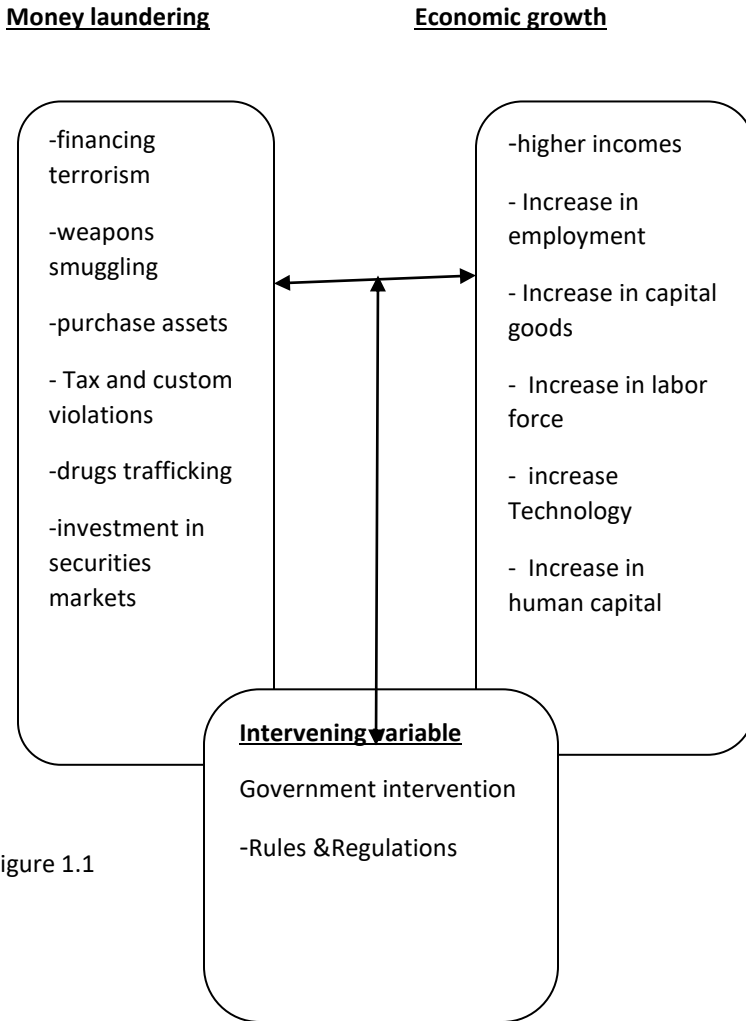
1.4 Conceptual framework:

Money laundering   **Economic growth**

-financing terrorism

-weapons smuggling

-purchase assets

- Tax and custom violations

-drugs trafficking

-investment in securities markets

-higher incomes

- Increase in employment

- Increase in capital goods

- Increase in labor force

- increase Technology

- Increase in human capital

Intervening variable

Government intervention

-Rules &Regulations

Figure 1.1

1.5 Significant of the study:

-    Academicians: the academicians will benefits from that study.
-    Knowledge: the study will enrich the researchers with knowledge and information about the topic.
-    Management: the study will help the managers to develop their strategies to reduce the money laundering activities.
-    Government: the study will contribute to enactment of legal policies to combat the money laundering in the countries.

RESULT PRESENTATION AND DISCUSSION

2.0. Introduction.

In this chapter the results obtained will displayed in Tabular and chart forms the results will be discussed. This chapter will presents the demographic characteristic of the respondents; gender, age, marital status, work experience, educational level. The chapter will presents the opinion of respondent on impact of money laundering on economic growth, economic growth, inflation, corruption, drug trafficking, financial stability. Opinion on how to apply anti money laundering.

Table 2.1: Gender Distributions for the respondents

| Gender	Frequency	Percentage
Male	22	78.6
Female	6	21.4
Total	28	100.0

Fig. 4.1: Gender distribution for the rerspondets
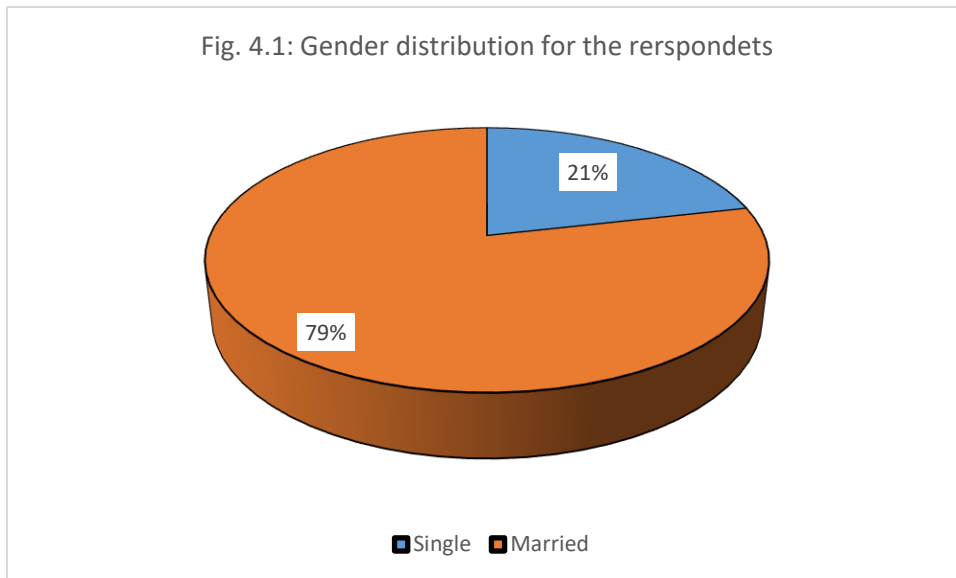
As can be noted from the Table 4.1, the majority of the respondents were Male (78.6%) and the Female accounted for 21.4% only. This results implies there disparity in gender as regard the employment and also as most female are educated and they are house -wife.

2.2: Age group distribution of the respondents

Age group	Frequency	Percentage
20-30 years	11	39.3
31- 40years	8	28.6
41- 50 years	6	21.4
51-60 years	1	3.6
above 60 year	2	7.1
Total	28	100.0



Fig. 4.12: Age group distribution
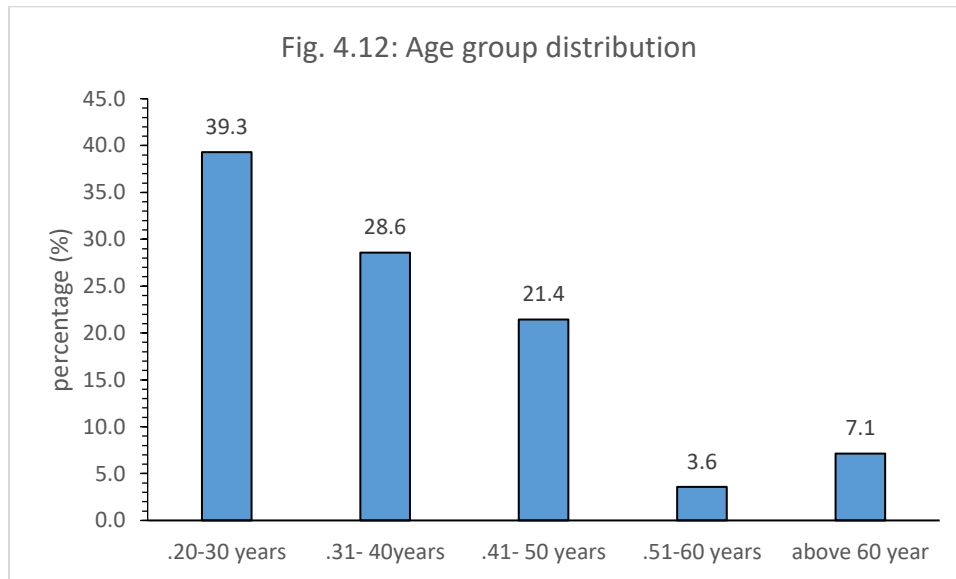
2.3 Age Group

As can be noted from the Table 4.2 above, the majority of respondents (39.3%) were in age range of 20-30 years. This was followed by28.6% represent those in the age range of 31-40 years. Those in age range of 41-50 years were 21.4%. Those in age range of 51-60 years were 3.6% lastly, 7.1% of the respondents were in age range of above 60 years. This result implies that about 88% respondents were in age group of 20-50 years, it t means they are still economic productive.

Table 2.4: Marital status distribution for the respondents

Age group	Frequency	Percentage
Single	6	21.4
Married	22	78.6
Total	28	100.0

Fig. 4.3: Marital status distribution for the respondents
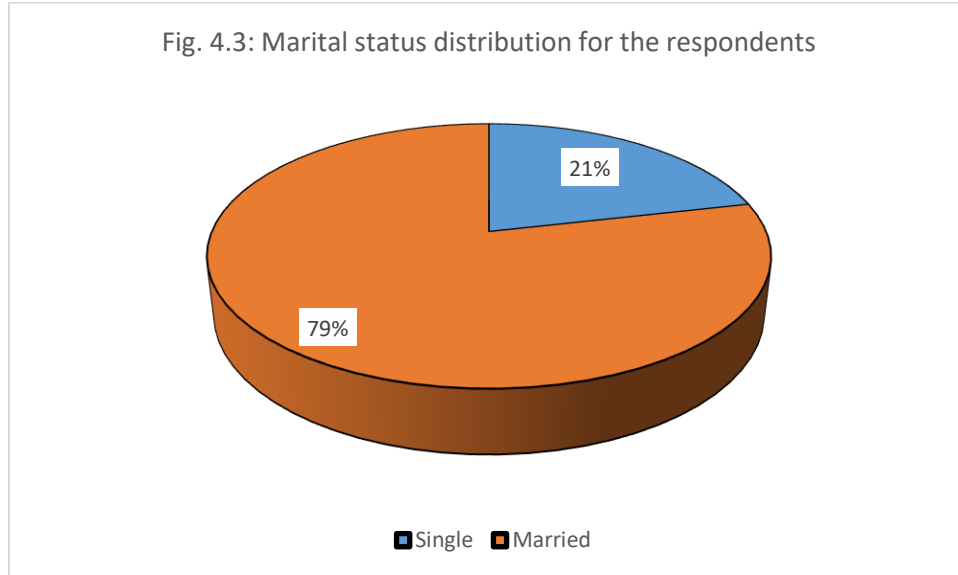
2.4 Marital status

As can be noted from the Table 4.3, the majority of the respondents were married (78.6%) and the single accounted for 21.4% only. This result implies large numbers of respondents were married because they have constant income.

Fig. 2.5: Education level distribution for the respondents

Age group	Frequency	Percentage
Secondary school	2	7.1
University	21	75.0
Postgraduate Diploma	3	10.7
Master's Degree	2	7.1
Total	28	100.0

Fig. 4.4: Education level distribution for respondents
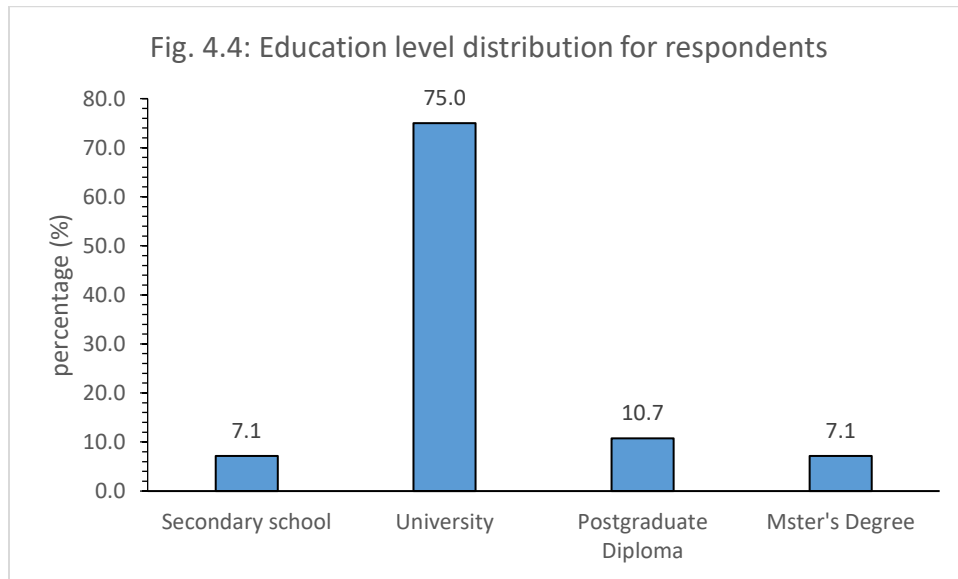
2.5. Educational Level

As can be noted from the Table 4.4, the majority of the respondents were Degree holders (75%) and the postgraduate Diploma holders accounted for 10.7%. Those of Master's Holders were 7.1% and lastly those who are Secondary certificate Holders were 7.1%. This result implies the respondents were highly educated, therefore, their response are highly credible.

Table 2.6: Work experience duration distributions for the respondents

Age group	Frequency	Percentage
1-5 years	16	57.1
6 - 10 years	4	14.3
11- 15 years	4	14.3
16- 20 years	2	7.1
Above 30 years	2	7.1
Total	28	100.0

Fig. 4.5: Work experience distribution for the respondents
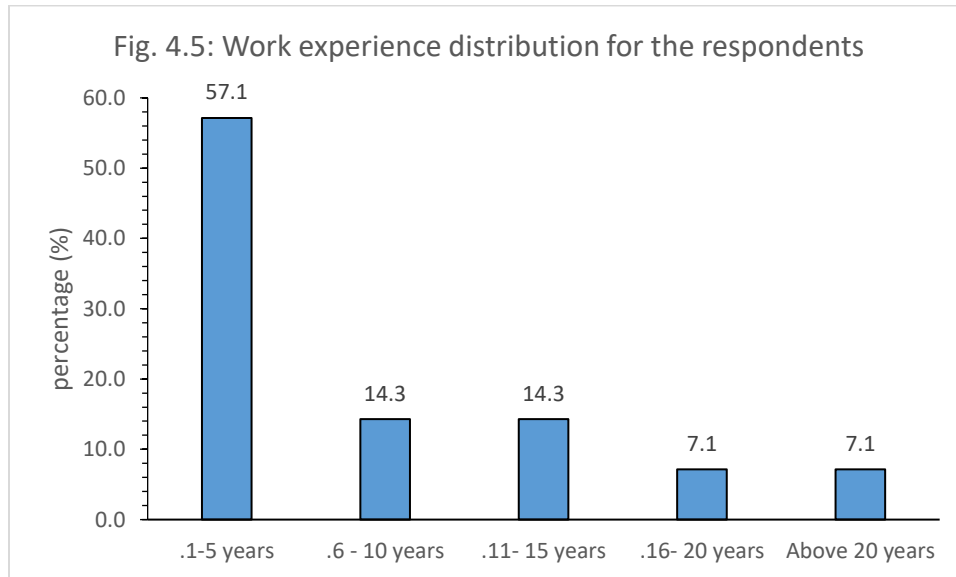
2.6. Work experience

As can be noted from the Table 4.5 above, the majority of respondents (57.1%) were in experience range of 1-5 years. This was followed by 14.3% represent those in the experience range of 6-10 years. Those in experience range of 11-15 years were 14.3% also. Those with experience year of the range 16-20 years were 7.1 %. Those in range of above 30 years were 7.1% also. This result implies that about 92% of respondents have experience of more than 5 years. This is a good indication that they are well informed with their jobs requirements.

Table .2.7: Money laundering has a direct impact on economic growth of the country

Response	Frequency	Percentage
Yes	25	89.3
No	3	10.7
Total	28	100.0

Fig.4.6:Money launderying has a direct impact on neconomic growth of the country
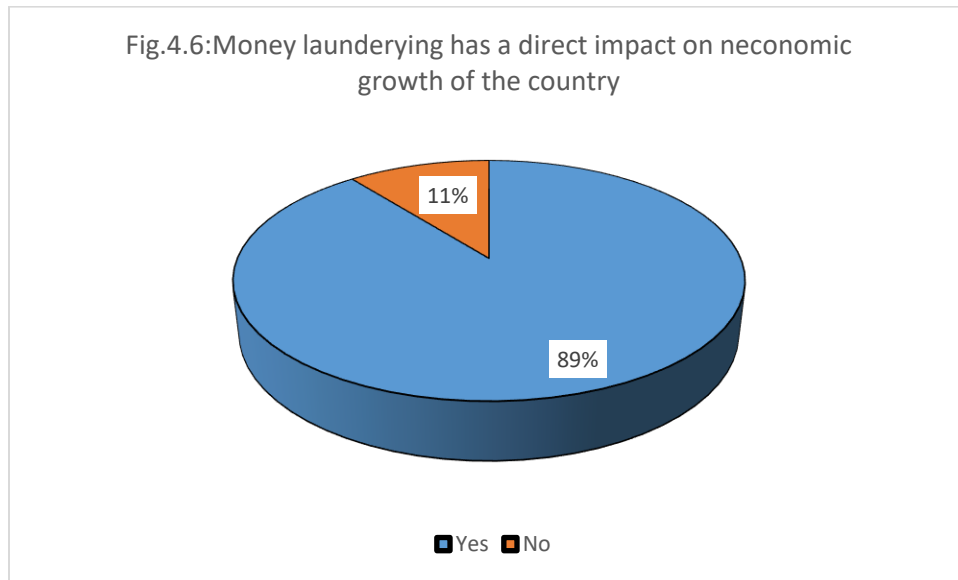
2.7: Impact of Money laundering on economic growth

As can be noted from the result in Table 4.6 Above, the overwhelming majority (89.3%) of the respondents have said Yes, Money laundering has a direct impact on economic growth of the country. On the other hand 10.7% of the respondents have said that No, Money laundering has no direct impact on economic growth of the country.

This result implies that Money laundering has a devastating impact on country economic growth such as Money laundering has potentially devastating economic, security, and social consequences. It provides the fuel for drug dealers, terrorists, illegal arms dealers, corrupt public officials, and others to operate and expand their criminal enterprises.

Table 2.8: Does money laundering exist in South Sudan

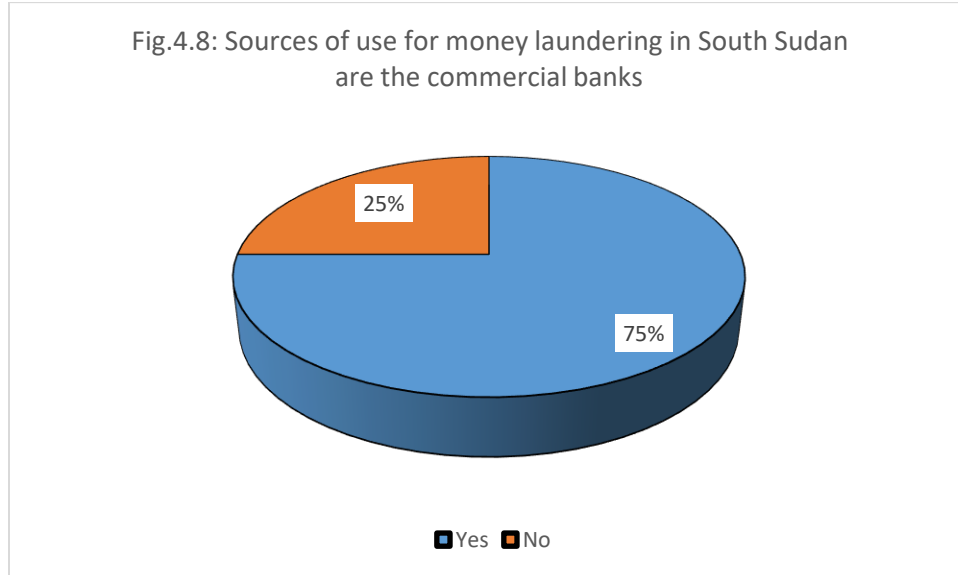| Response	Frequency	Percentage
Yes	22	78.6
No	6	21.4
Total	28	100.0

Fig.4.7: Does money laudering eixst in South Sudan
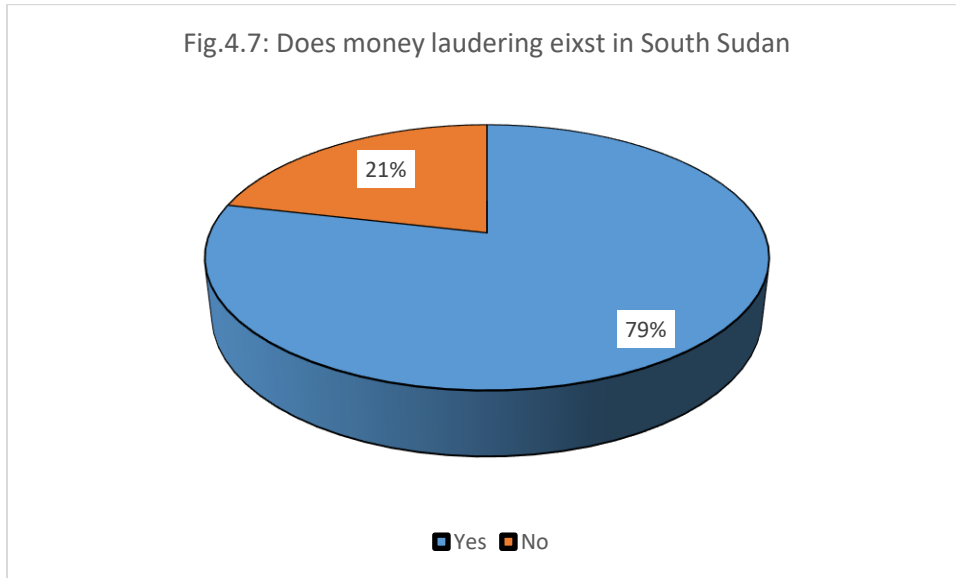
2.9. Money laundering in South Sudan

As can be noted from the result in Table 4.7 Above, majority (78.6%) of the respondents have said yes, money laundering does exist in South Sudan. On the other hand, 21.4% of the respondents have said that No, money laundering does not exist in South Sudan.

This result implies that Money laundering is there in South Sudan, this can be in instability of hard currency exchange, unstable markets prices

Table 2.9: Sources of use for money laundering in South Sudan are the commercial banks

Response	Frequency	Percentage
Yes	21	75.0
No	7	25.0
Total	28	100.0

Fig.4.8: Sources of use for money laundering in South Sudan are the commercial banks

2.10. Sources of money laundering in South Sudan

As can be noted from the result in Table 4.8 Above, majority (75%) of the respondents have said Yes, Sources of use for money laundering in South Sudan are the commercial banks.

 On the other hand, 25.4% of the respondents have said No, Sources of use for money laundering in South Sudan are not the commercial banks

This result implies that Money laundering is there in South Sudan and commercial banks are not the only sources of money laundering; some corrupt be sources for money laundering.

Table 2.11: Money laundering can cause inflation in the country

Response	Frequency	Percentage
Yes	26	92.9
No	2	7.1
Total	28	100.0

Fig. 4.9:Money laundering can cause inflation in the country

2.12. Money Launder and Inflation

As can be noted from the result in Table 4.9 Above, overwhelming -majority (92.9%) of the respondents have said Yes, Money laundering can cause inflation in the country. On the other hand, 8.1% of the respondents have said No, Money laundering cannot cause inflation in the country.

This result implies that Money cause inflation could be because Money laundering increases the demand for cash, makes interest and exchange rates more volatile, and causes high inflation..

Table 2.13 Are there laws in South Sudan against people practicing money laundering

Response	Frequency	Percentage
Yes	13	46.4
No	15	53.6
Total	28	46.4

Fig. 4.10: Are there laws in South Sudan against people practicing money laundering
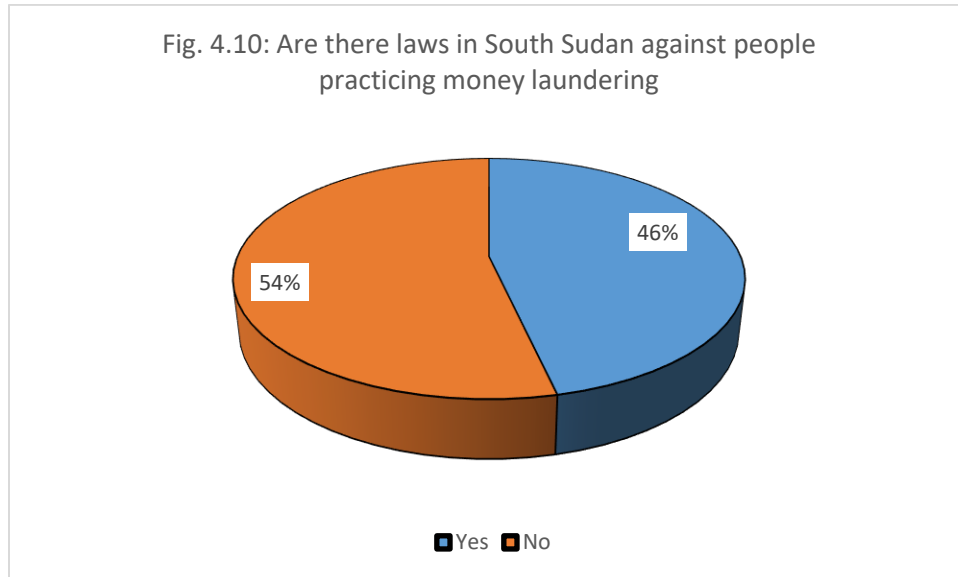
**2.14 Laws against money laundering practicing in South Sudan**

As can be noted from the result in Table 4.10 above, majority (46.4%) of the respondents have said Yes, there are laws in South Sudan against people practicing money laundering. On the other hand, 53.6% of the respondents have said No, there are no laws in South Sudan against people practicing money laundering.

This result implies that there laws for judging money launders but it seems the public don't know that is why about 53.3% said No there is laws against people practicing money laundering.

Table 2.15: Does bank aware about money laundering

Response	Frequency	Percentage
Yes	20	71.4
No	8	28.6
Total	28	46.4

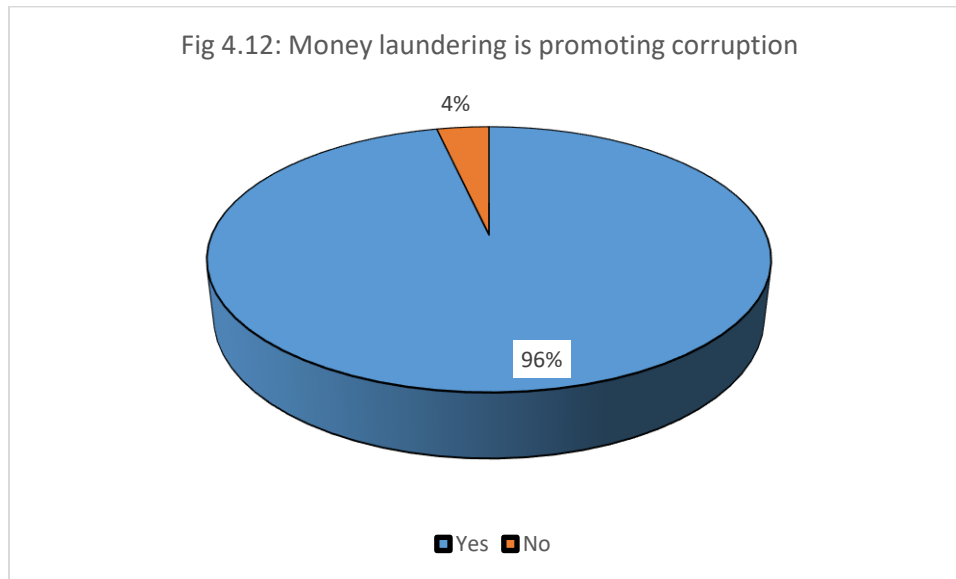Fig. 11: Does bank aware about money laundering
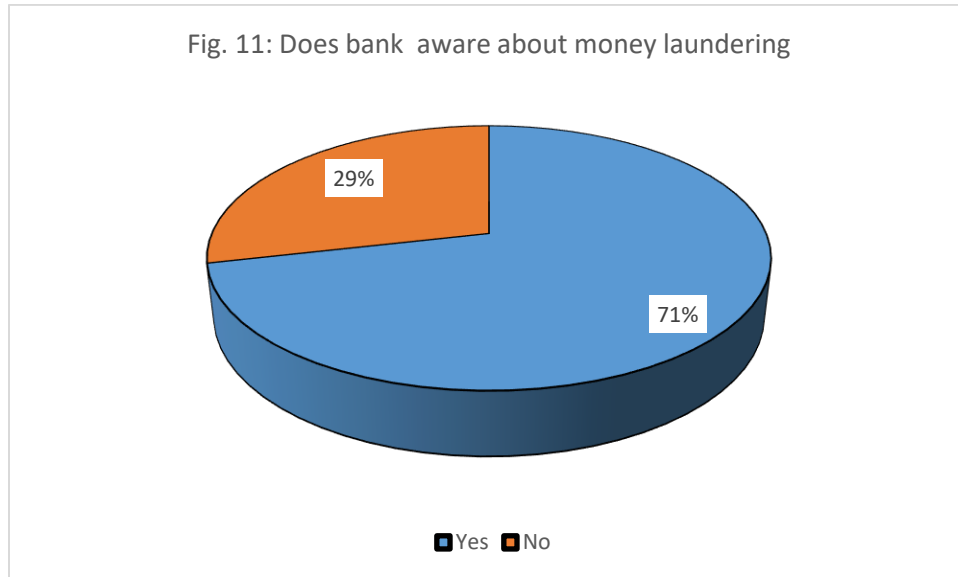
2.16. Awareness of Banks about Money laundering

As can be noted from the result in Table 4.11 Above, majority (71.4%) of the respondents have said yes, bank aware about money laundering. On the other hand, 28.6% of the respondents have said No, bank aware not about money laundering

This result implies that there some banks are either practicing money launder or they know some clients are practicing money laundering and they are keeping quite.

Table 2.17 Money laundering is promoting corruption

Response	Frequency	Percentage
Yes	27	96.4
No	1	3.6
Total	28	100

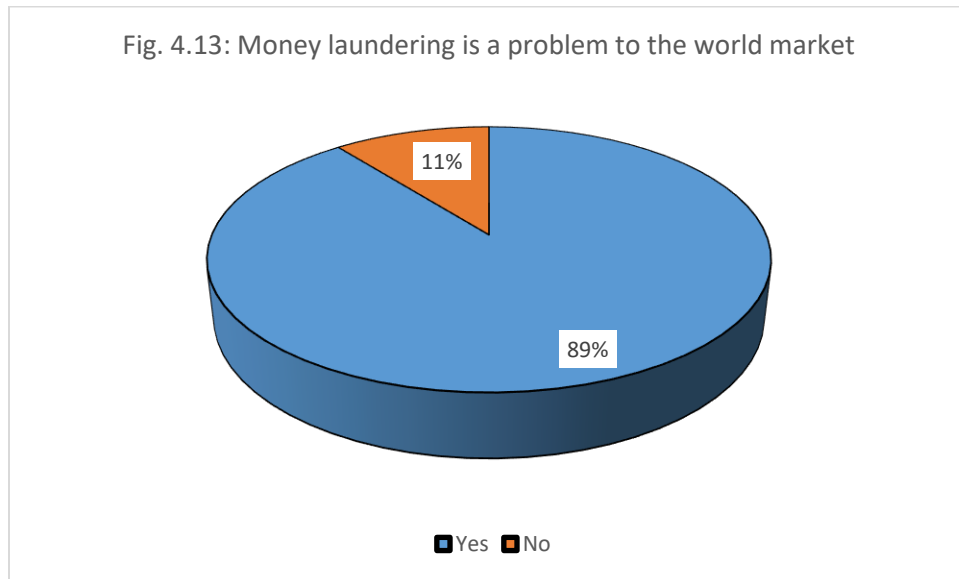Fig 4.12: Money laundering is promoting corruption

2.18. Money Laundering and corruption

As can be noted from the result in Table 4.11 Above, overwhelming majority (96.4%) of the respondents have said Yes, Money laundering is promoting corruption. On the other hand, 3.6% of the respondents have said No, Money laundering is not promoting corruption.

This result implies that money laundering is a corruption by itself; Corruption and money laundering are closely linked. Corruption offenses, such as bribery or theft of public goods, generate significant amounts of proceeds that need to be laundered -or "cleaned" -to enter the financial system without the stigma of illegality.

Table 2.19. Money laundering is a problem to the world market

Response	Frequency	Percentage
Yes	25	89.3
No	3	10.7
Total	28	100.0

Fig. 4.13: Money laundering is a problem to the world market
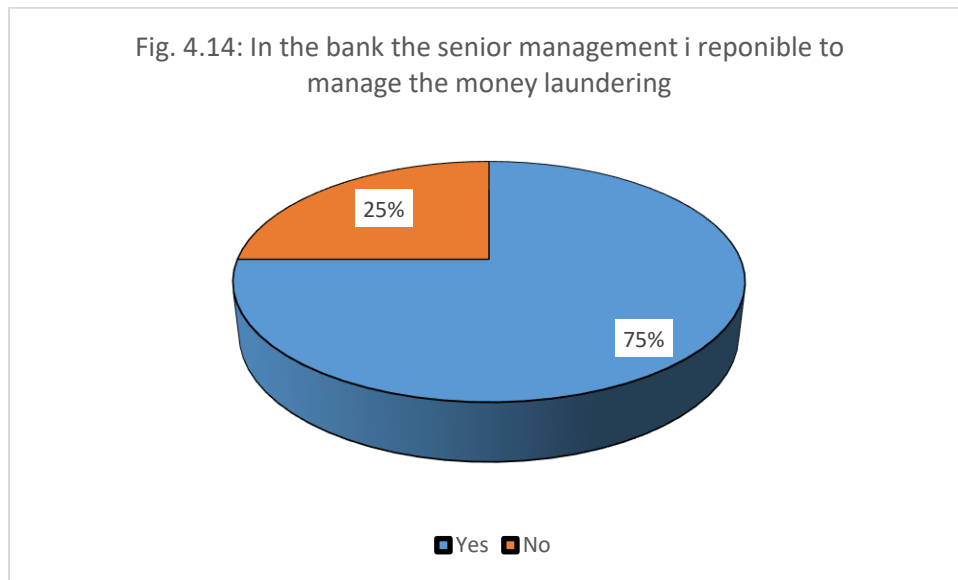
2.20. Money laundering and world market.

As can be noted from the result in Table 4.13 Above, overwhelming majority (89.3%) of the respondents have said Yes, Money laundering is a problem to the world market.

On the other hand, 3.6% of the respondents have said No, Money laundering is a problem to the world market

This result implies that money laundering is problem , because Could harms financial sector institutions critical to economic growth in addition to creating unpredictable money demand changes, money laundering causes large fluctuations   in   international   capital   flows   and   exchange   rates

Table 2.21: In the bank the senior management is responsible to manage the money laundering

Response	Frequency	Percentage
Yes	21	75.0
No	7	25.0
Total	28	100.0

Fig. 4.14: In the bank the senior management i reponible to manage the money laundering

2.21 Senior management and Money Laundering

As can be noted from the result in Table 4.14 Above, overwhelming majority (75%) of the respondents have said Yes, in the bank the senior management responsible to manage the money laundering.
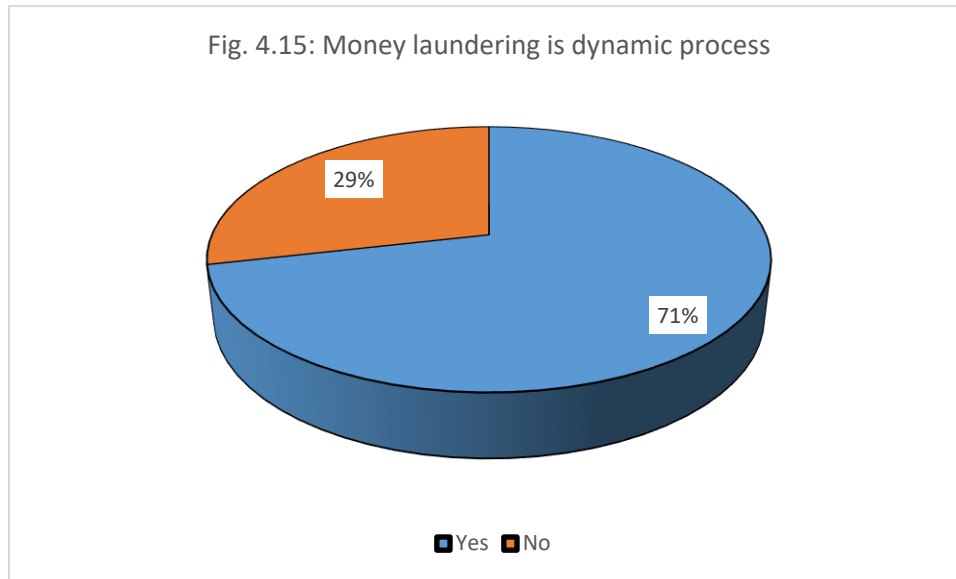
On the other hand, 25% of the respondents have said No, in the bank the senior management i responsible to manage the money laundering.

This result implies that some banks has a lot of precaution to avoid money laundering by assigning senior staff to be in charge of monitoring all the banks activities of transaction and money transfer and individuals accounts.

Table 2.22.: Money laundering is dynamic process

Response	Frequency	Percentage

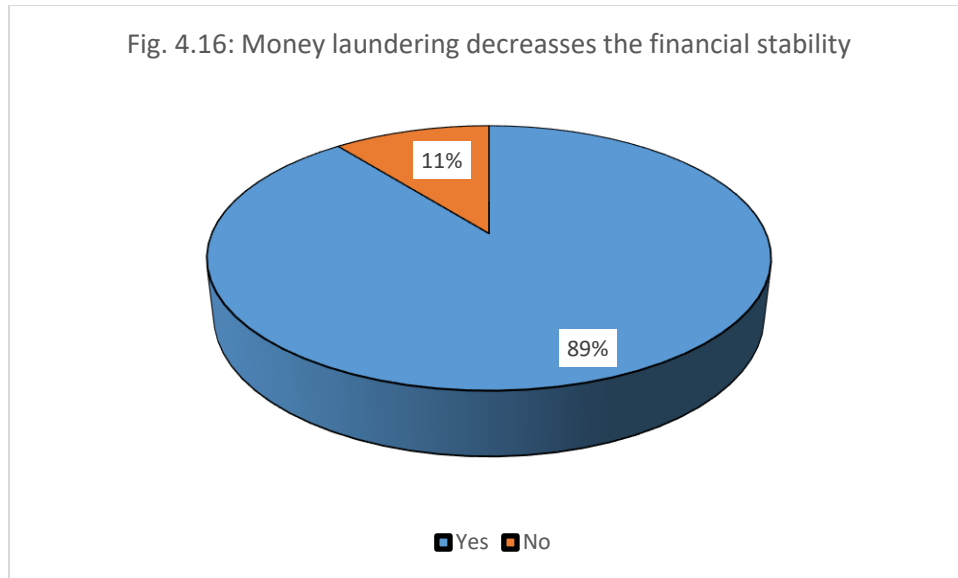|		
Yes	20	71.4
No	8	28.6
Total	28	100.0

Fig. 4.15: Money laundering is dynamic process

2.23. Money laundering is dynamic process.

As can be noted from the result in Table 4.15 Above, overwhelming majority (71.4%) of the respondents have said Yes, Money laundering is dynamic process. On the other hand, 28.6% of the respondents have said No, Money laundering is dynamic process.

This result implies that money laundering is dynamic process, could because it is a three-stage process that requires: first, moving the funds from direct association with the crime; second, disguising the trail to foil pursuit; and third, making the money available to the criminal once again with the occupational and geographic origins hidden from view.

Fig. 2.24.: Money laundering decreases the financial stability

Response	Frequency	Percentage
Yes	25	89.3
No	3	10.7
Total	28	100.0

Fig. 4.16: Money laundering decreasses the financial stability

2.25. Money laundering is dynamic process.

As can be noted from the result in Table 4.15 Above, overwhelming majority (89.3%) of the respondents have said Yes, Money laundering decreases the financial stability. On the other hand, 10.7% of the respondents have said No, Money laundering do not decreases the financial stability.

This result implies that Money laundering decreases the financial stability, this could because it effect on money demand, effect on growth, effect on income distribution and effect on financial institutions.

Table 2.26. Money laundering allows criminals such as drug traffickers or terrorist to expand their operations

Response	Frequency	Percentage
Agree	12	42.9
Strongly agree	14	50.0
Disagree	1	3.6
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.17: Money laundering allows criminals such as drug traffickers or terrorist to epand their operations
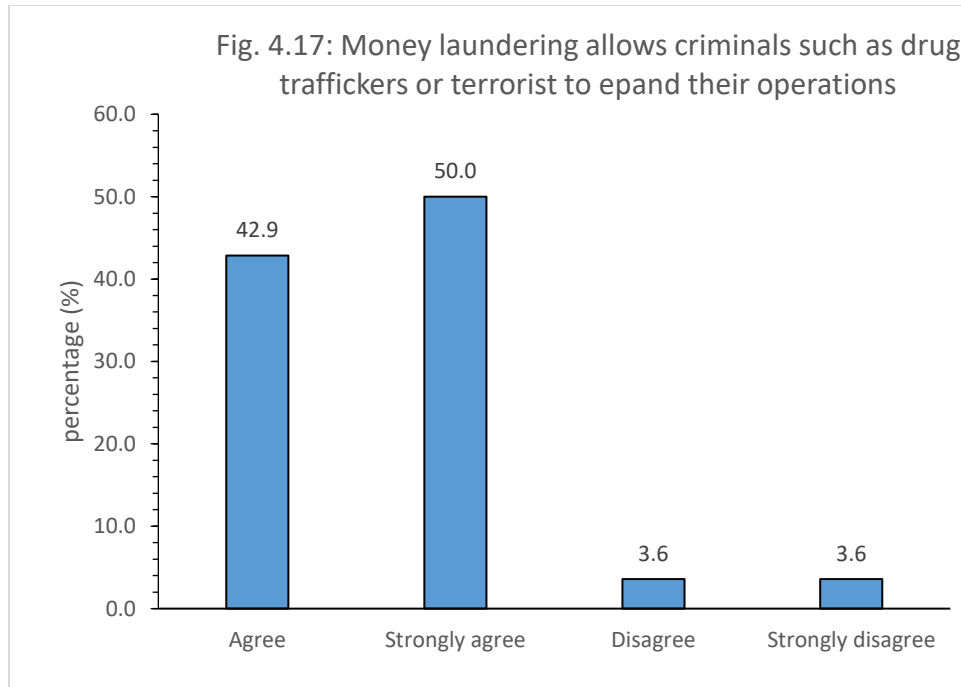
**2.27. Money laundering crimes such as drug trafficking, terrorism.**

As can be noted from Table 4.17 above, the respondents who strongly agreed that Money laundering allows criminals such as drug traffickers or terrorist to expand their operations, were 50%. Those respondents, who have agreed that Money laundering allows criminals such as drug traffickers or terrorist to expand their operations, were 42%. This result means about 92% of the respondents at least disagreed that Money laundering allows criminals such as drug traffickers or terrorist to expand their operations.

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 3.6% that Money laundering allows criminals such as drug traffickers or terrorist to expand their operations. This result shows that only about 6% of respondents at least disagreed that Money laundering allows criminals such as drug traffickers or terrorist to expand their operations.

This result implies that money laundering is easiest means for criminals, drug traffickers and some and terrorist organization to transfer money, and they could not be traced down because the money will considered as clean money.

Table2.28: Money laundering threatens economic growth

Response	Frequency	Percentage
Agree	10	35.7
Strongly agree	15	53.6
Disagree	2	7.1
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.18: Money laundering threatens economic growth
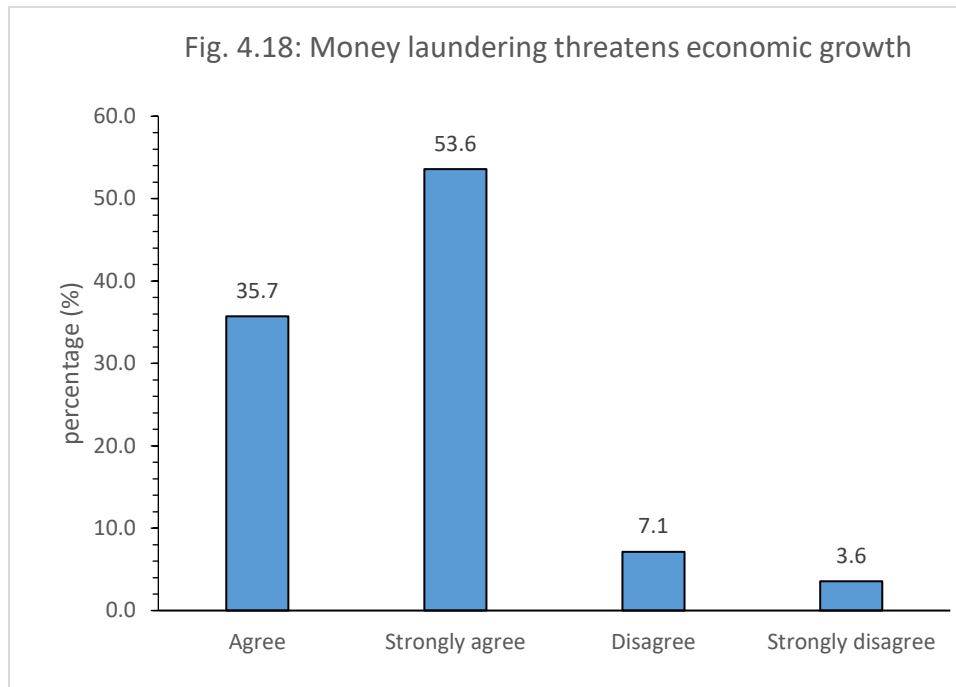
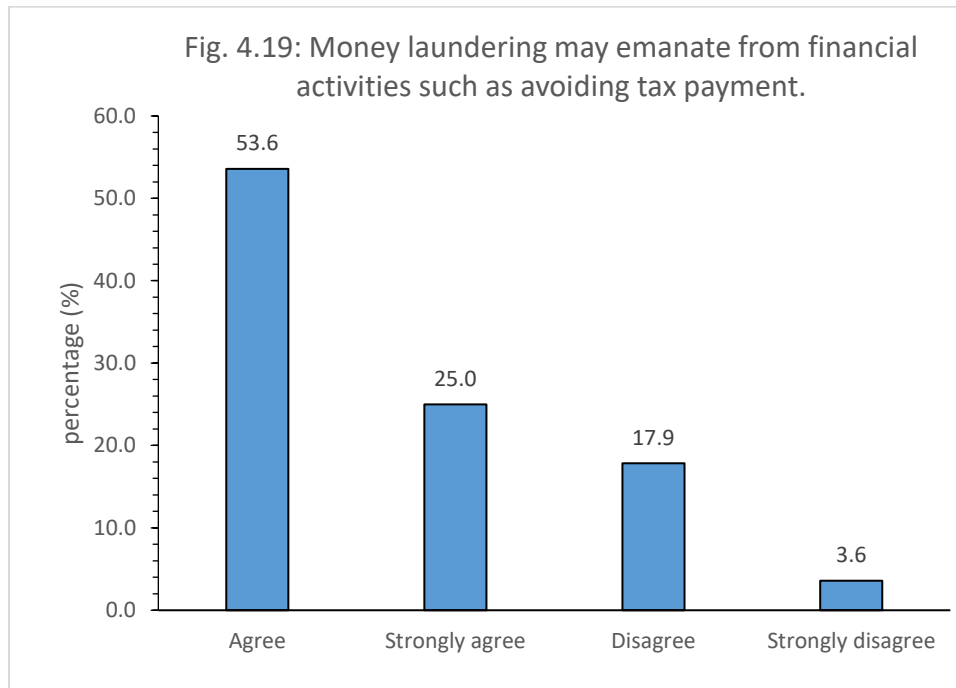**2.29: Money laundering threatens economic growth**

As can be noted from Table 4.18 above, the respondents who have strongly agreed that Money laundering threatens economic growth were 53.6%. Those respondents who have agreed that Money laundering threatens economic growth, were35.7%. This result means about 88% of the respondents at least have agreed that Money laundering threatens economic growth.

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 7.1% that Money laundering threatens economic growth. This result shows that only about 10% of respondents at least disagreed that Money laundering threatens economic growth.

This result implies that money laundering damages financial sector institutions that are critical for economic growth, promoting crime and corruption that slow economic growth, reducing efficiency in the real sector of the economy.

Table 2.30: Money laundering may emanate from financial activities such as avoiding tax payment.

Response	Frequency	Percentage
Agree	15	53.6
Strongly agree	7	25.0
Disagree	5	17.9
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.19: Money laundering may emanate from financial activities such as avoiding tax payment.

2.31: Money laundering threatens economic growth

As can be noted from Table 4.18 above, the respondents who have strongly agreed Money laundering may emanate from financial activities such as avoiding tax payment were 53%. Those respondents, who have agreed that Money laundering may emanate from financial activities such as avoiding tax payment, were 25%. This result means about 78% of the respondents at least have agreed that Money laundering may emanate from financial activities such as avoiding tax payment.

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 17.9% that Money laundering may emanate from financial activities such as avoiding tax payment. This result shows that only about 20% of respondents at least disagreed that Money laundering may emanate from financial activities such as avoiding tax payment.

This result implies tax avoidance is a sort of money laundering, because tax avoidance is a type of economic corruption and can be used to achieve money laundering.

Table 2.32: Money laundering damages financial sectors institution

Response	Frequency	Percentage
Agree	17	60.7
Strongly agree	9	32.1
Disagree	1	3.6
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.20: Money laundering damages financial sectors institution
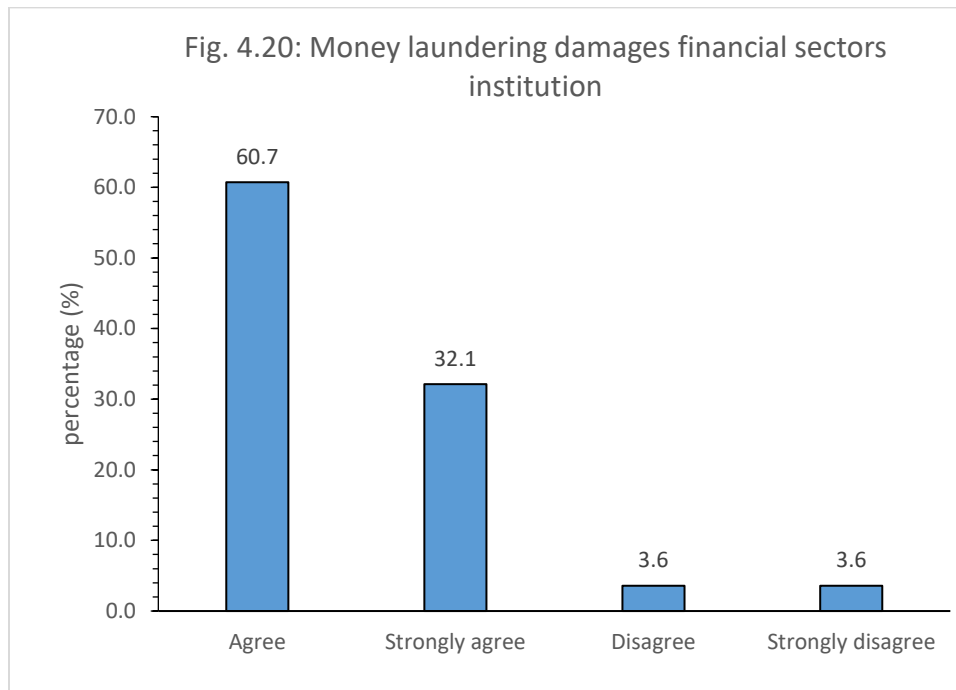
**4.33: Money laundering damages financial sectors institution**

As can be noted from Table 4.20 above, the respondents who have strongly agreed Money laundering damages financial sectors institution were 60.7%. Those respondents, who have agreed that Money laundering damages financial sectors institution, were 32.1%. This result means about 92% of the respondents at least have agreed that Money laundering damages financial sectors institution.

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 3.6% that Money laundering damages financial sectors institution. This result shows that only about 6% of respondents at least disagreed that Money laundering damages financial sectors institution.

This result implies that Money laundering damages financial sector institutions that are critical for economic growth, promoting crime and corruption, reducing efficiency in the real sector of the economy.

Table 2.34: Money laundering has impact on bank activities

Response	Frequency	Percentage
Agree	13	46.4
Strongly agree	12	42.9
Disagree	1	3.6
Strongly disagree	2	7.1
Total	28	100.0

Fig. 4.21: Money laundering has impact on bank activities
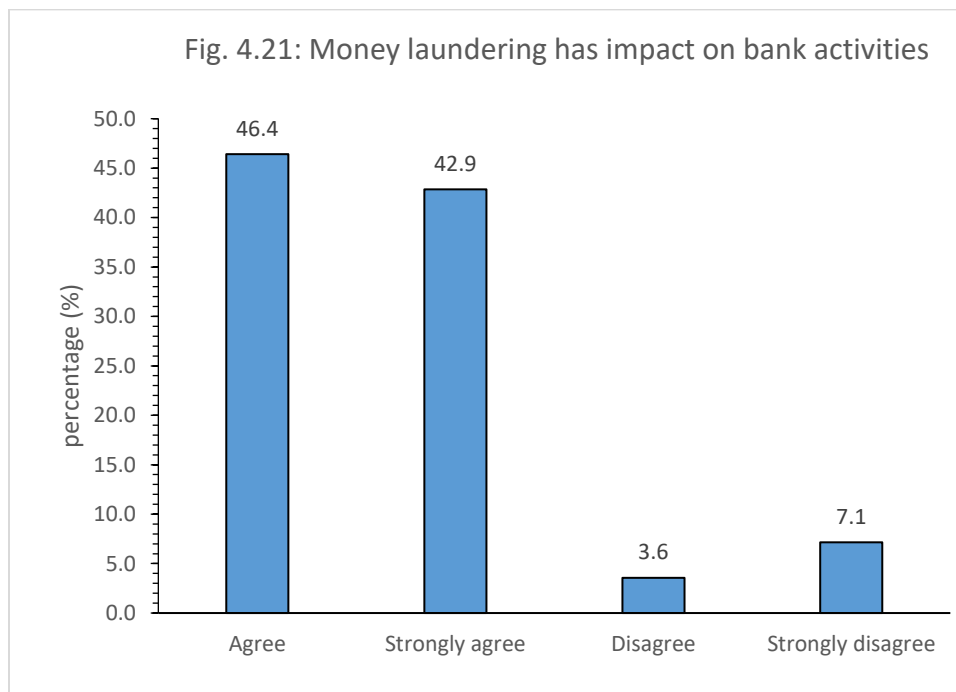
**2.35: Money laundering impact on bank activities**

As can be noted from Table 4.21 above, the respondents who have strongly agreed Money laundering has impact on bank activities were 60.7%. Those respondents, who have agreed that Money laundering has impact on bank activities, were 32.1%. This result means about 92% of the respondents at least have agreed that Money laundering has impact on bank activities

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 3.6% that Money laundering has impact on bank activities. This result shows that only about 6% of respondents at least disagreed that Money laundering has impact on bank activities.

This result implies that Money laundering has impact on bank activities, images of the banks and make the customers to loss trust in the banks and bank system will destroyed and money clients will leave the bank.

Table 2.36: Money laundering creates up predictable changes in money demand

Response	Frequency	Percentage
Agree	20	71.4
Strongly agree	3	10.7
Disagree	4	14.3
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.22: Money laundering creates up predictable changes in money demand
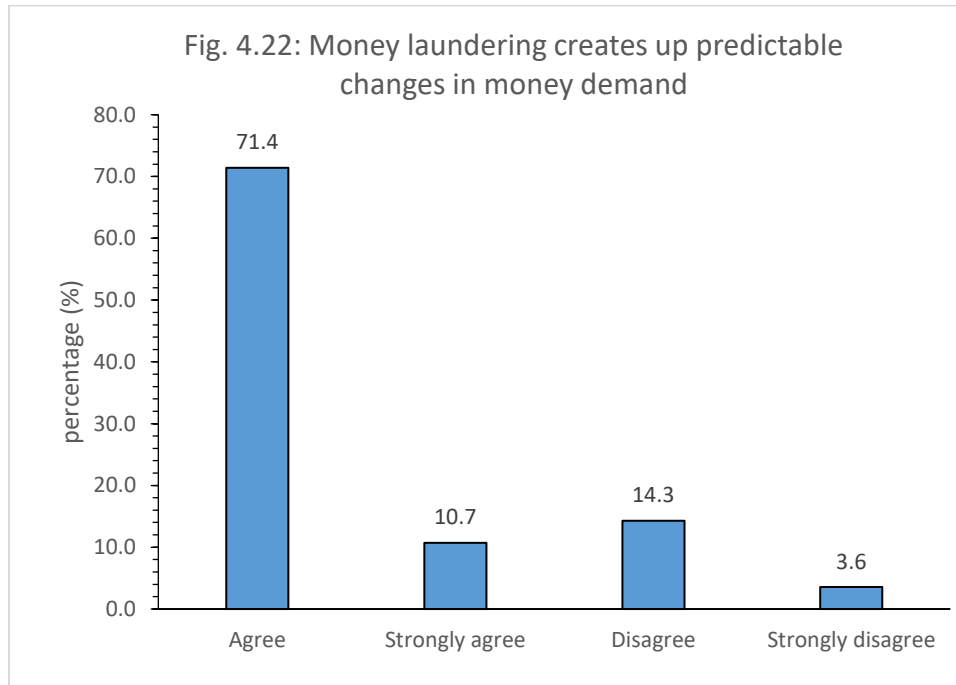
2.37: Money laundering creates up predictable changes in money demand
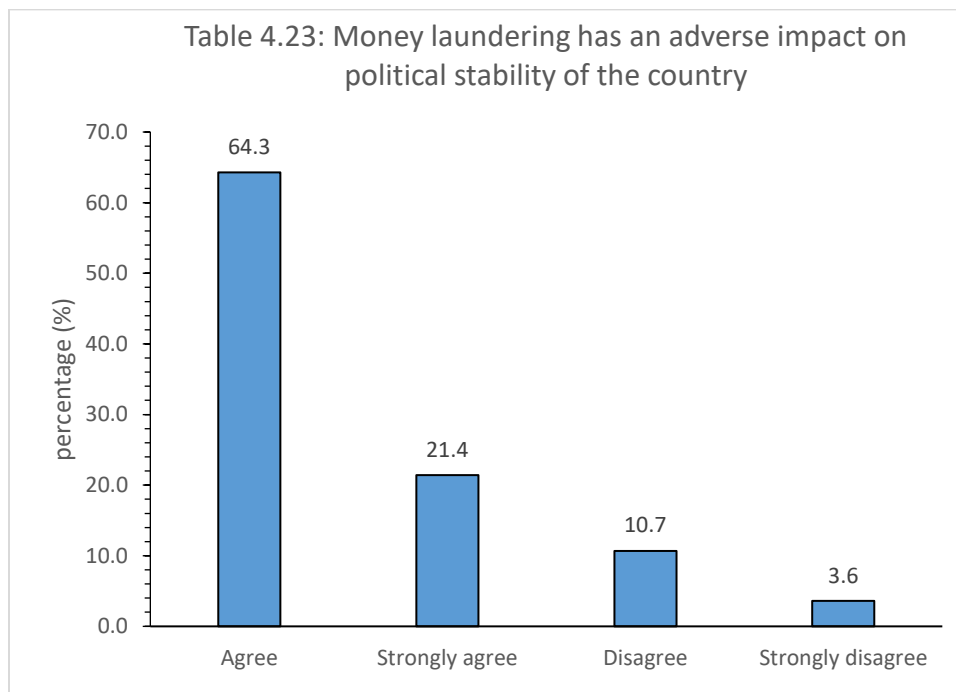
As can be noted from Table 4.22 above, the respondents who have strongly agreed Money laundering creates up predictable changes in money demand were 20.7%. Those respondents, who have agreed that Money laundering creates up predictable changes in money demand, were 71.4%. This result means about 91% of the respondents at least have agreed that Money laundering creates up predictable changes in money demand

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 14.3% that Money laundering creates up predictable changes in money demand. This result shows that only about 17% of respondents at least disagreed that Money laundering creates up predictable changes in money demand.

This result implies that Money laundering creates unpredictable changes in money demand, as well as causing large fluctuations in international capital flows and exchange rates.

Table 2.38: Money laundering has an adverse impact on political stability of the country

Response	Frequency	Percentage
Agree	18	64.3
Strongly agree	6	21.4
Disagree	3	10.7
Strongly disagree	1	3.6
Total	28	100

Table 4.23: Money laundering has an adverse impact on political stability of the country

2.39: Money laundering has an adverse impact on political stability of the country

As can be noted from Table 4.23 above, the respondents who have strongly agreed Money laundering has an adverse impact on political stability of the country were 21.4%. Those respondents, who have agreed that Money laundering has an adverse impact on political stability of the country, were 64.3%. This result means about 85% of the respondents at least have agreed that Money laundering has an adverse impact on political stability of the country
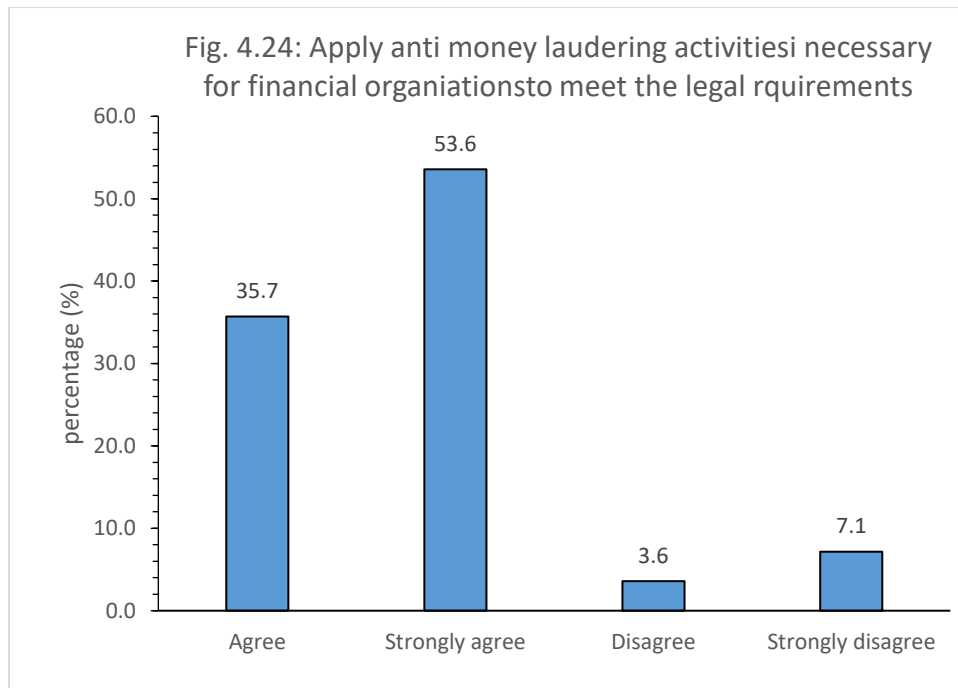
On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 10.3% that Money laundering has an adverse impact on political stability of the country

. This result shows that only about 13% of respondents at least disagreed that Money laundering has an adverse impact on political stability of the country.

This result implies that Money laundering has an adverse impact on political stability of the country these could because drug traffickers, smugglers, and other criminal to expand operations and the transfer of economic power from the market, government, and citizens to criminals. In extreme cases, money laundering can lead to a complete takeover of legitimate government

Table 2.40: Apply anti money laundering activities necessary for financial organizations to meet the legal requirements

Response	Frequency	Percentage
Agree	10	35.7
Strongly agree	15	53.6
Disagree	1	3.6
Strongly disagree	2	7.1
Total	28	100.0

Fig. 4.24: Apply anti money laudering activitiesi necessary for financial organiationsto meet the legal rquirements

2.41 Application of anti money laundering activities necessary to meet the legal requirements

As can be noted from Table 4.24 above, the respondents who have strongly agreed Apply anti money laundering activities necessary for financial organizations to meet the legal requirements, were 53.6%. Those respondents who have agreed that Apply anti money laundering activities necessary for financial organizations to meet the legal requirements, were 35.7%. This result means about 88% of the respondents at least have agreed that Apply anti money laundering activities necessary for financial organizations to meet the legal requirements
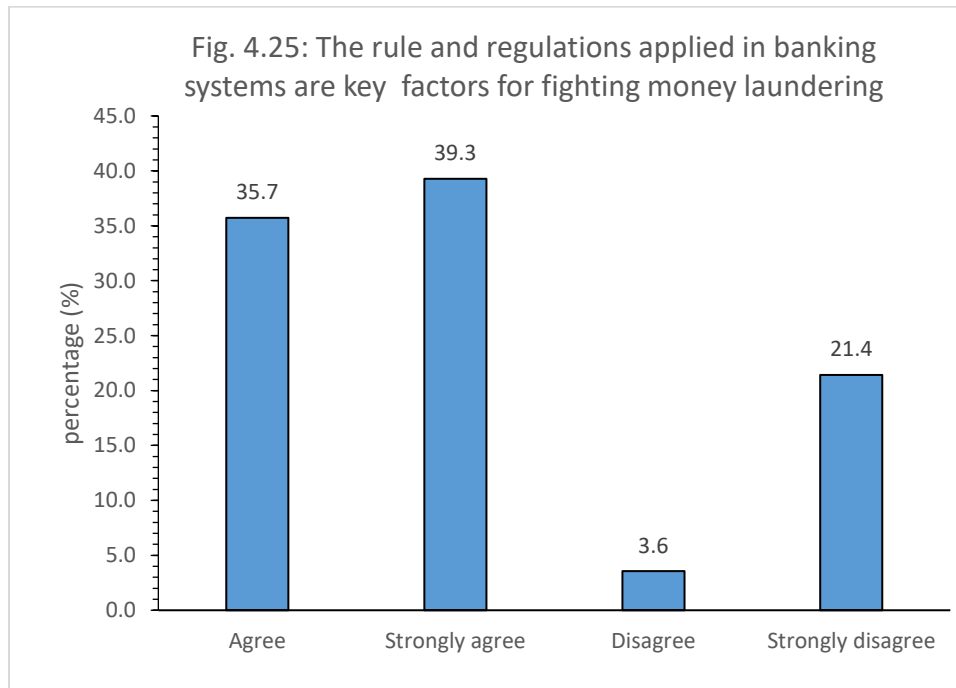
On the other hand, the respondents who have strongly disagreed were 7.1% and those disagreed were 3.6% that Apply anti money laundering activities necessary for financial organizations to meet the legal requirements This

result shows that only about 10% of respondents at least disagreed that Apply anti money laundering activities necessary for financial organizations to meet the legal requirements

This result implies that Anti-money laundering efforts are both a critical and effective component of anti-crime programs in order to reduce the ability of criminals to launder their proceeds and carry out criminal activities

Table 2.42: The rule and regulations applied in banking systems are key factors for fighting money laundering

Response	Frequency	Percentage
Agree	10	35.7
Strongly agree	11	39.3
Disagree	1	3.6
Strongly disagree	6	21.4
Total	28	100.0

Fig. 4.25: The rule and regulations applied in banking systems are key factors for fighting money laundering

**2.43: Banking systems rules are key factors for fighting money laundering**

As can be noted from Table 4.25 above, the respondents who have strongly agreed the rule and regulations applied in banking systems are key factors for fighting money laundering were 39.3%. Those respondents, who have agreed that the rule and regulations applied in banking systems are key factors for fighting money laundering, were 35.7%. This result means about 75% of the respondents at least have agreed that the rule and regulations applied in banking systems are key factors for fighting money laundering

On the other hand, the respondents who have strongly disagreed were 21.5% and those disagreed were 3.6% that The rule and regulations applied in banking systems are key factors for fighting money laundering. This result shows that only about 24% of respondents at least disagreed that the rule and regulations applied in banking systems are key factors for fighting money laundering.

This result implies that Banks are major players in for fight money laundering and that is by monitoring remittance and withdrawal and saving of clients' money, knowing the source of the money, monitor transfer and exchange of foreign currency, and also by making their banking system more efficient and monitoring the staff of the bank from being corrupts.

Table 2.44: Risk assessment methods and mobile money services important for money laundering and terrorist financing

Response	Frequency	Percentage
Agree	17	60.7
Strongly agree	9	32.1
Disagree	1	3.6
Strongly disagree	1	3.6
Total	28	100.0

Fig. 4.26: Risk assessment methods and mobile money services important for money laundering and terrorist financing
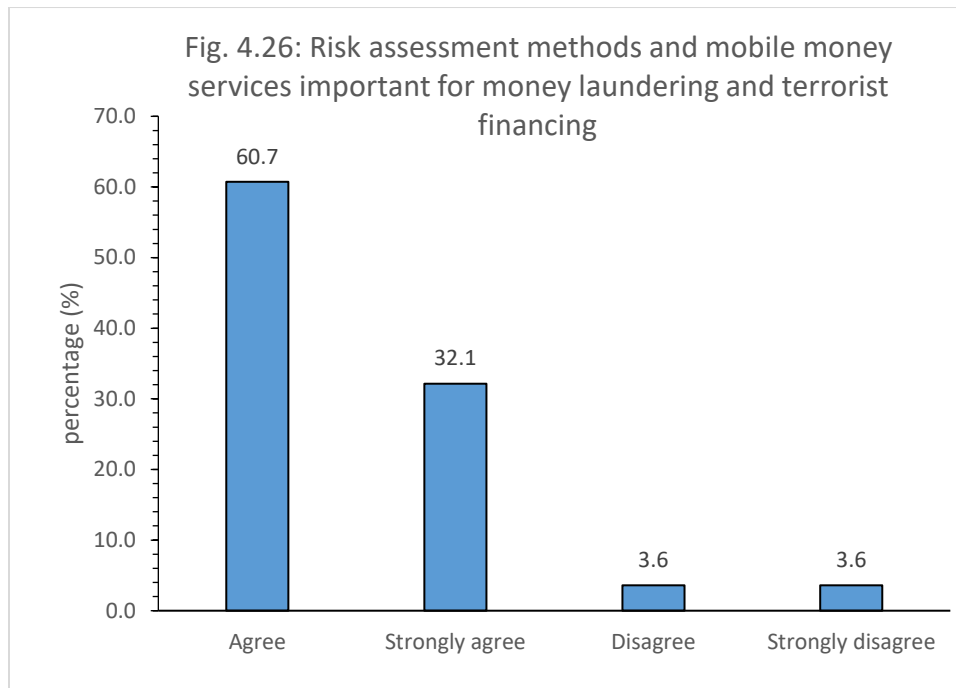
2.45: Risk assessment methods, mobile money services and money laundering and terrorist financing As can be noted from Table 4.26 above, the respondents who have strongly agreed Risk assessment methods and mobile money services important for money laundering and terrorist financing, were 32.1%. Those respondents who have agreed that Risk assessment methods and mobile money services important for money laundering and terrorist financing, were 60.7%. This result means about 92% of the respondents at least have agreed that Risk assessment methods and mobile money services important for money laundering and terrorist financing

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 3.6% that Risk assessment methods and mobile money services important for money laundering and terrorist financing. This result shows that only about 6% of respondents at least disagreed that Risk assessment methods and mobile money services important for money laundering and terrorist financing

This result implies that risk assessment an important method to fight money laundering because you can identify and assess the level of money laundering and terrorism finance risk to your business. The mobile can be abused to launder money, because a person can set different accounts under their own of false names and transfer money between them.

Table 2.46: Does authorities court the money laundry

Response	Frequency	Percentage
Agree	12	42.9
Strongly agree	6	21.4
Disagree	9	32.1
Strongly disagree	1	3.6
Total	28	100.0

Fig.4.27: Does authorities court the money laundery.
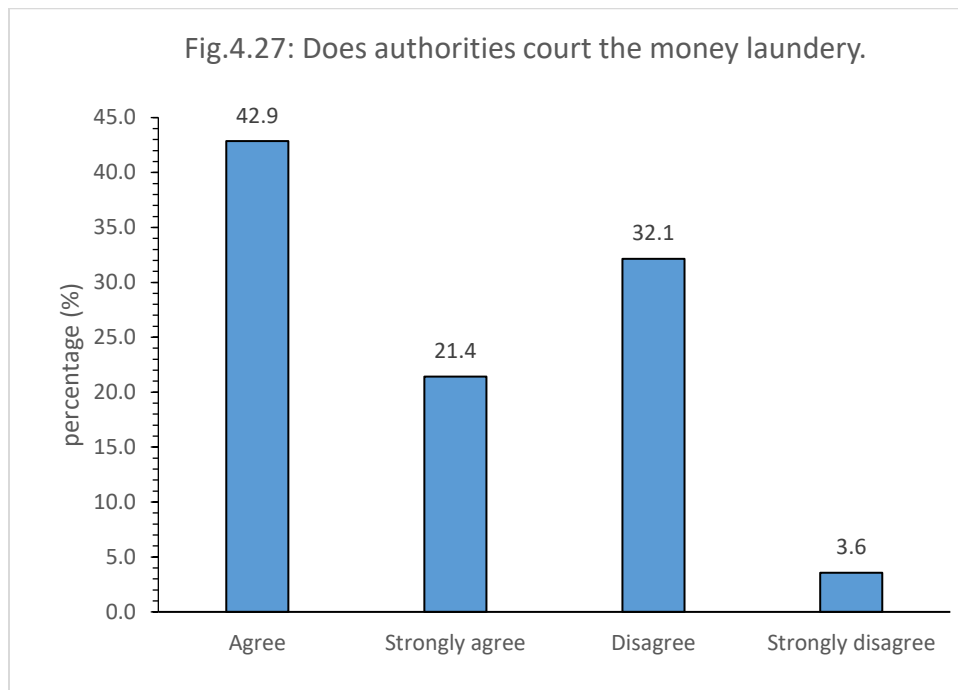
2.47 Authorities and courting the money launderers

As can be noted from Table 4.25 above, the respondents who have strongly agreed **authorities court the money launderers** were 21.4%. Those respondents, who have agreed that authorities court the money laundry, were 42.9%. This result means about 63% of the respondents at least have agreed that **authorities court the money laundry**

On the other hand, the respondents who have strongly disagreed were 3.6% and those disagreed were 32.1% that authorities court the money launder. This result shows that only about 35% of respondents at least disagreed that authority court the money laundering crimes.

This result implies that the authorities court the money launder but it seems no serious judgment is taken over them, for example no one has been clearly convicted and it becomes well known to the public, in other words no serious courting for money laundering in the country.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

3.0. Introduction

In This Chapter, present conclusion drawn based on the objectives, questions of the research. It will also present recommendation.

3.1. Conclusion

- The study has found out that money laundering damages financial sector institutions that are critical for economic growth, promoting crime and corruption that slow economic growth, reducing efficiency in the real sector of the economy.

- The study revealed that money laundering is easiest means for criminals, drug traffickers and some terrorist organizations to transfer money, and they could not be traced down because the money will considered as clean money.

- The study also found that Money laundering has an adverse impact on political stability of the country these could because drug traffickers, smugglers, and other criminal to expand operations and the transfer of economic power from the market, government, and citizens to criminals. In extreme cases, money laundering can lead to a complete takeover of legitimate government

- The study has shown that Money laundering is there in South Sudan, this can noted by   instability of hard currency exchange, unstable markets prices inflation. The study also proved that there are laws for judging money launders but it seems the public don't know that because no one has been convicted with crime of money laundering and the public come to know that. Some banks are either practicing money launder or they know some clients are practicing money laundering and they are keeping quite.

- The study that money laundering is a corruption by itself; Corruption and money laundering are closely linked. Corruption offenses, such as bribery or theft of public goods, generate significant amounts of proceeds that need to be laundered -or "cleaned" -to enter the financial system without the stigma of illegality

3.2. Recommendations:

The researcher has suggested the followings recommendations to the government of South Sudan.:

1. Government should implement the Anti- money laundering Act and Bank of South Sudan Anti – Money laundering policy manual.

2. Government should form Anti- money laundering commission.

3. The government should work hard to fight corruption in the institutions.

4. The banks should monitor the accounts of the clients as regard remittance, withdrawal and internal transfer of money.

5. Government should control the inflation in the country's.

6. Government should put restriction on money transfer outside of the country.

7. Government should control the border to avoid money laundering activities.

8. The Money launder should be face with full force of law and the rules of law to combat money laundering.

9. The Bank of South Sudan should control and regulate money circulation.

10. The bank should standardize the system e.g. Computerized system or electronic system to make easy communications with banks branches.

11. Use Data Analytics is to be used to Find Patterns.

12. Bank should conduct regular meeting with employee keep them update about money laundering activities.

13. Bank and financial institutions should provide training to their staff on money laundering prevention.

14. Bank should have identification record of its customers for period at least five years.

15. Government should joint Financial Action Task Force.

16. Suspicious transactions should be investigated before and after transactions.

17. Government should reduce taxes.

18. Government should create more investment to avoid money laundering activities.

19. There should be punishment for those who are involved in money laundering activities.

20. Government should activate National Audit Chamber in the country.

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