

Garnet: A new investigatory role for the banks?

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The decision of the Court of Appeal in the matter of The Chief Officer, Customs and Excise, Immigration and Nationality Service -v- Garnet Investments Limited could have wide ramifications for the banking industry and those regularly subject to the reporting regimes under the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law 1999 (the Proceeds Law).

The Court of Appeal in Garnet has set out its view that the burden of demonstrating whether or not the funds a bank holds are 'tainted' fall on the bank, rather than its customer or the Financial Intelligence Service (the FIS).

Background - the anti-money laundering regime

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