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## Money Laundering – Three-Stage Overview (Placement, Layering, Integration)

This page summarises the classic three-stage model of money laundering. It can be used as a simple diagram in training slides or handouts and adapted to your institution's products and channels.

### Three-Stage Overview

Stage	Purpose	Typical methods / channels	Examples of controls
Placement	Introduce criminal funds into the financial system for the first time.	Cash deposits, purchase of prepaid cards, use of money remitters, cash-intensive businesses mixing illegal cash with real sales.	Customer due diligence, cash transaction limits, monitoring of unusual cash activity, scrutiny of high-risk sectors, reporting of suspicious deposits.
Layering	Create distance between the funds and the underlying crime by moving value around.	Rapid transfers between accounts, use of shell or front companies, cross-border payments, complex trade transactions, currency exchanges, use of intermediaries.	Transaction monitoring, analysis of unusual patterns, review of ownership structures, correspondent banking controls, enhanced due diligence where needed.
Integration	Reintroduce laundered funds as apparently legitimate assets or income.	Investment in property or businesses, loans that are repaid with laundered funds, luxury purchases, dividends or salaries from controlled companies.	Review of source of funds and wealth, assessment of large asset purchases, ongoing monitoring of higher-risk customers, investigations of unusual wealth growth.

You can recreate this structure as a horizontal diagram with three boxes labelled "Placement", "Layering", and "Integration" connected by arrows, and use selected bullet points under each box for team briefings.

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