



AUGUST 13, 2021

Financial Action Task Force (FATF)  
[FATF.Publicconsultation@fatf-gafi.org](mailto:FATF.Publicconsultation@fatf-gafi.org)  
Via e-mail

**Re: Comments of IFAC on the draft Amendments to Recommendation 24**

Dear FATF,

IFAC (International Federation of Accountants) welcomes the opportunity to comment on the FATF's review of Recommendation 24 relating to beneficial ownership transparency. As the global voice of the accountancy profession, IFAC represents over 180 Professional Accountancy Organizations in 135 jurisdictions, thereby representing over three million professional accountants worldwide.

IFAC—and the global accountancy profession that we represent—strongly supports the work of the FATF and others in advancing the fight against money laundering, terrorism financing and the proliferation of weapons of mass destruction. Supporting and contributing to this fight are central parts of our mission as an organization and of the accountancy profession's public interest mandate.

IFAC's commitment to fighting money laundering is detailed in our [Point of View: Fighting Corruption and Money Laundering](#). Money laundering is a major threat to economic stability and growth, in every region and every country, and incentivizes underlying crimes with real human costs, such as drug and human trafficking. Every day, IFAC, our member organizations, and their member professional accountants, work alongside government, regulators, law enforcement and international bodies to combat money laundering.

Professional accountants are internationally regarded as key allies in the fight against money laundering. Grounded in a strong ethical code and serving the public interest, professional accountants play a critical role by safeguarding public trust. The global accountancy profession supports its inclusion within the legal and regulatory AML frameworks in line with FATF standards.

The profession supports initiatives to increase the transparency of beneficial ownership for entities and legal arrangements in a way that enables competent authorities to determine beneficial ownership in a timely manner. Corporate transparency that assists in the identification of high-risk parties and enhances the traceability of assets and sources of funds is valuable in preventing and detecting further illicit conduct, as well as supporting prosecutions. Accordingly, IFAC supports Recommendation 24 and the FATF's efforts to ensure that Recommendation 24 and its local implementation are as effective as possible.

Recommendation 24 rightfully prioritizes access to beneficial ownership information by law enforcement and/or other competent authorities. We believe that this emphasis should be maintained in any revisions to Recommendation 24 and should serve as a guiding principle for any other reforms. That said, as frequent users of beneficial ownership information, it is important that professional accountants have meaningful and timely access to this information in order to discharge their regulatory responsibilities and support the public interest.

The present Consultation also rightfully emphasizes the importance of information accuracy. Low levels of accuracy—whether in a public registry, non-public register, or otherwise—render the information unreliable and significantly reduce its value for both law enforcement and DNFBPs. At the same time, it is important to recognize the scale of resources required to ensure actionable levels of accuracy in a



centralized database, especially for large jurisdictions. There is no easy answer here. National authorities are likely best suited to assess the level of activity in their jurisdictions, the risks to accuracy faced in their systems, and the level of resources required to mitigate them, and thereby come to a conclusion about achieving the right balance. IFAC further notes that experience shows that a decision by a jurisdiction to adopt a public beneficial ownership registry does not immediately ensure that law enforcement and others have access to accurate information in a timely manner.

That said, technology has the potential to both significantly reduce the cost and increase the efficacy of efforts to ensure accuracy of beneficial ownership information. There is likely an important role for the FATF to play in convening stakeholders to share best practices and facilitate the adoption of useful technologies in the public interest while maintaining its independent standard setting role.

Finally, it is important to recognize that there is significant work on related topics by other organizations, such as the Anti-Bribery Recommendation from the OECD. It is important to ensure alignment of definitions and recommendations across these different initiatives to avoid confusion and ensure maximum impact.

In conclusion, IFAC and the global accountancy profession are committed partners in the fight against money laundering, and we look forward to engaging with the FATF and others to advance the cause of beneficial ownership transparency in support of the public interest. Please see the report published by IFAC and our member CPA Canada, [\*Approaches to Beneficial Ownership Transparency: The Global Framework and Views from the Accountancy Profession\*](#), for further information on the accountancy profession's perspectives on beneficial ownership transparency.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Dancey', is written over a light grey circular watermark.

Kevin Dancey, CEO IFAC