



**NOVEMBER 24, 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, terrorist financing and other financial crimes. 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 professional accountant members, 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 and acknowledges the important role of 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. 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. To that end, IFAC supports the flexibility embedded in the FATF Recommendations, which fosters effective local implementation.

With respect to the specific revisions contemplated in the Consultation, IFAC would like to raise the following points:

1. IFAC strongly supports the revised language in new Section 7(a) with respect to requiring cooperation with DNFBCPs on the part of companies. This cooperation is necessary to enable DNFBCPs, such as professional accountants, to effectively play their role in fighting money laundering/terrorist financing.
2. We would request clarification with respect to the language in Section 7(c) “countries should use any additional supplemental measures that are necessary to ensure the beneficial ownership of a company can be determined...including for example...information obtained by DNFBCPs.” Beneficial ownership information held by DNFBCPs certainly has an important role to play in the beneficial ownership transparency ecosystem, but the language as worded could imply extreme measures with respect to law enforcement’s access to DNFBCPs’ records. Clarification around “any additional supplemental measures” is warranted.
3. In Section 11, the discussion of “accurate” transitions from the definition of accuracy to a discussion of methods for verifying information. This may be confusing, and belies the importance of verification. We would suggest separating the language related to verification into a separate section (e.g., a new Section 12). At the same time, IFAC would recommend that the FATF take this opportunity to significantly expand the discussion of verification.
4. In Section 12, a similar comment to item 2 above. We would request clarification of the language “Competent authorities, and in particular law enforcement authorities, should have all the powers necessary to be able to obtain timely access to the basic and beneficial ownership information held by the relevant parties, including rapid and efficient access to information held or obtained by...DNFBCPs.” Again, this could imply extreme measures with respect to law enforcement’s access to DNFBCPs’ records. Clarification around “all the powers necessary” is warranted.
5. In Section 12, there is new language related to public procurement. While integrity in public procurement, and anti-corruption issues generally, are of the highest importance, the context and purpose of this reference within anti-money laundering standards are unclear.
6. Finally, we support the specific language in revised Section 13 “Countries should also *consider* facilitating timely access by financial institutions and DNFBCPs to information referred to in paragraph 4(b) above and to beneficial ownership information held pursuant to paragraph 7 above, as well as public access to these information.” Again, timely access to beneficial ownership information on the part of DNFBCPs is vital in ensuring that DNFBCPs effectively play their role in fighting money laundering/terrorist financing. At the same time, we appreciate the nuance around “countries should *consider* public access to [beneficial ownership] information.” The issue of public beneficial ownership registries is complex, but we believe that priority at this juncture must be on ensuring information is adequate, accurate and up-to-date for use by competent authorities/law enforcement. Experience shows that a decision by a jurisdiction to adopt a public beneficial ownership registry does not directly ensure that law enforcement and others have access to accurate information in a timely manner. Further, at least in some instances, professional accountancy organizations advise their professional accountant members that they cannot rely on the beneficial ownership registry in their jurisdiction for compliance with local money laundering legislation due to low levels of accuracy.

With respect to verification, 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.



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, which appears to read 'Kevin Dancey', is positioned below the word 'Sincerely,'. The signature is fluid and cursive.

Kevin Dancey, CEO IFAC