(iv) Supplement – Implications of the Revised Forty Recommendations issued by the Financial Action Task Force on Money Laundering

The fundamental FATF recommendations relate to client due diligence (FATF Recommendations 5, 6, 8 and 9), record keeping (FATF Recommendations 10-11) and suspicious transaction reporting (FATF Recommendations 13-15 and 21). Under the FATF framework, these apply to accountants, amongst others, when they prepare for or carry out transactions for a client concerning the activities referred to in FATF Recommendation 12(d), and to trust and company service providers, when they prepare for or carry out transactions for a client concerning the activities to which Recommendation 12(e) refers.

The activities specified in FATF Recommendation 12(d) are as follows:

- buying and selling of real estate;
- managing of client money, securities or other assets;
- management of bank, savings or securities accounts;
- organisation of contributions for the creation, operation or management of companies; or
- creation, operation or management of legal persons or arrangements, and buying and selling of business entities.

The activities referred to in FATF Recommendation 12(e) are as follows:

- acting as a formation agent of legal persons;
- acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
- providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
- acting as (or arranging for another person to act as) a trustee of an express trust; or
- acting as (or arranging for another person to act as) a nominee shareholder for another person.

Further details on the FAFT recommendations are contained in paragraphs 88 - 110 of the technical bulletin.