

**DESIGNATED
NON FINANCIAL
INSTITUTIONS (DNFIs) –
REGULATORY CHALLENGES
FOR DNFIs AND HOW
THESE ARE OVERCOME**

Since 2014, the Public Accountancy Board (PAB) has been reviewing, as part of the PAB's Practice Monitoring Programme, Registrants' knowledge and their awareness of the requirements of the Anti-Money Laundering (AML) Regulations.

The issues and challenges faced by registrants are discussed below.

**WHAT ARE THE
ISSUES/CHALLENGES?**

1. Some Registrants want to find out why should Registrants, particularly sole practitioners with very few clients which do not trade on the stock market, be included in the arena of professions that are required to make declarations and take certain actions as prescribed by the POCA and the Regulations.
2. Some Registrants want to know why persons in the used car industry are not subject to the monitoring process?

3. Another concern is that the Order does not deal with or bring into the loop the persons who are illegally practising accountancy by signing financial statements or offering an opinion on financial statements.

4. Finally, there are concerns about the reason(s) for putting in place procedures for revalidating client identification records, particularly for clients with whom the Registrant has a relationship before the regulations came into effect.

HOW HAS THE BOARD
DEALT WITH THESE
ISSUES?

Issues Nos 1 and 4

The Board's answer to the first and fourth issues was dealt with by reference to

- (i) The definition of Money Laundering
- (ii) The definition of Terrorist Financing
- (iii) The FATF + 40 Rules
- (iv) The role of the FATF and CFATF

It was pointed out to Registrants that they are regarded as “Gatekeepers” because they ‘protect the gates to the financial system’ through which the launderer must pass to succeed. They are advised that the FATF includes as gatekeepers

(i) Accountants

(ii) Attorneys

(iii) Tax Advisors

(iv) Trust and Service Company Providers

Issue No 2

It was pointed out to Registrants that the FATF Rules are under constant review and that FATF might, sometime in the future, make those revisions that they deem appropriate.

Issue No 3

The Board has pointed out that it has an active policy to prosecute persons who are engaging in practice but who are not Registered but has no other jurisdiction over these persons.

PUBLIC ACCOUNTANCY BOARD
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