Short Session Report

Session Title:
Date & Time:
Report prepared by: Name, Position, Organisation

Experts:

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Moderated by: Clark Gascoigne
Session coordinated by: Chris Sanders

Main issues raised in kick off remarks. What’s the focus of the session?

The session will deal with the gatekeepers for keeping out dirty money out of the financial system – the bankers, the lawyers, the real estate brokers, the luxury goods companies.

We call them gatekeepers rather than enablers because language is important. The majority of them do not wake up each day and think they will help the corrupt launder or use their money.
Research on gatekeepers in 10 countries, on due diligence on clients ie. Were they obliged to find out the kind of information that would red flag illicit money?

Findings – national associations of attorneys and accountants did not have the kind of requirements that need to be in place. India and China were laggards. US were particular bad on disclosures.

What initiatives have been showcased? Briefly describe the Game Changing strategies/ ideas (if applicable)

Tutu Alicante – country specific remarks about how gatekeepers helped leaders of Equatorial Guinea extract millions of dollars from national budget for President Obiang and his son to transfer money out of EG to the US, $101million for Teodorin, and buy real estate and cars. The same happened in France, Switzerland, Brazil and South Africa.

Briefly describe the highlights including the thematically interesting questions and ideas that were generated from the discussion or from the floor, and session quotes.

Scary picture painted. Ie. Attorney/client relationships etc. Nominee directors etc.

What are the solutions? 2 million companies a year inc. in the US. Means it’s a big destination for corrupt too. Closing the gaps. Patriot Act – AML – temporary exemption for real estate. Geographic targeting
orders and there in NYC, Miami and others. Regulators are gathering information to close the gaps but not there yet. Disheartening that he president elect is a real estate magnet. Not sure what that will mean but think its not good.

US lawyers have no AML checks to do. Transactional lawyers need to do AMLs Some voluntary mechanisms but they don’t work.

Secret company ownership a risk to institutional investment. Trying to make the business argument for greater transparency. Lead to better supply chain transparency for institutional investment. Get the message out through chambers of commerce too.

Need for more dialogues between the people who are in the room. From FBI to CSO to Business to Government etc. Because there is a really strong business case for this.

What are the key recommendations, follow-up Actions (200 words narrative form)

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More needs to be done to bring together government, civil society and the private sector to work off the basic agreement on public registers of beneficial owners to more sophisticated and sustainable AML rules and processes.
Key Insights that could be included in the IACC Declaration

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Rapporteur’s name and date submitted

___Deborah Unger, Transparency International, 3 December 2016
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