

CONDENSED AGENDA: 1-DAY SEMINAR ON 4th EU ANTI-MONEY LAUNDERING DIRECTIVE (4AML)

Scope and timing of 4AML:

- Obligation on bank groups to apply 4AML in their global network
- Identification of parties
- Ultimate Beneficial Ownership
- Politically-Exposed Persons
- Official databases of reference information
- Trusted Third Parties (TTPs) and who can place reliance on whom
- Replacement of Whitelist of countries with risk-based formula
- Structure of Financial Action taskforce membership and those countries that are main members that are not on the EU Whitelist
- Regular due diligence and enhanced due diligence

Parallel strategic direction in banks and impact on international business:

- Heightened concerns about risks of dealing with given countries
- Need to look at secondary business connections of counterparties
- Retrenchment from international business generally while business and customers are globalising
- Reduction of facilities, people and departments (and reduction in turn of their remit and authority) charged with looking at anything with an international dimension
- What happens when a customer or piece of business when enhanced due diligence is required

Identification information for counterparties:

- Customer responsibility for having UBO and PEP information – but it cannot come just from them
- Requirement for official databases – but do they exist or are they just fed by the customer?

Trusted Third Parties:

- What is a TTP?
- What is the basis on which a bank would regard an entity as a TTP, and what would the bank want to know about the TTP to establish it as such?
- Interconnection with whether the TTP is in an EU Whitelist country, even if 4AML decommissions the Whitelist
- Translations, notarisation and apostiling – the traditional mechanism for transmission of trust
- Banks as TTPs for one another within the same group – or not
- Banks as TTPs for one another on a multibank basis

Case studies of permutations where a customer may not be able to get a bank account:

- Because of their home country
- Because of who their main banker is
- Because their home country does not have an official database of UBO information
- Because their accountant has no correspondents in Whitelist countries
- Impact on Foreign Direct Investment into countries
- Impact on ability of companies in a country to trade internationally
- Impact on global economy versus added value