



PRESS RELEASE

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FIU CONDUCTS ANTI-MONEY LAUNDERING COMPLIANCE EXAMINATION OF LAWYERS AND ACCOUNTANTS

The Financial Intelligence Unit (FIU), as Fiji's anti-money laundering regulator, is conducting onsite examinations of law firms and accounting firms from 1–6 December 2016. Lawyers and accountants are required under the Financial Transactions Reporting (FTR) Act to implement certain obligations and preventative measures that aim at detecting illegal and money laundering activities.

The Director FIU, Mr Razim Buksh said, that law firms and accounting firms are covered under the FTR Act when preparing or carrying out transactions for clients relating to buying and selling real estate, managing client money and other assets, managing bank accounts for their clients, creating and managing legal entities, trusts and other business entities. Key requirements include identification and verification of clients and the source of their funds, and reporting of suspicious transactions to the FIU. They are also required to monitor client's financial activities and have internal controls and processes to mitigate fraud and money laundering.

Mr Razim Buksh said that commercial banks and other regulated financial institutions in Fiji undergo such compliance examinations regularly by the Reserve Bank of Fiji. The focus now is on lawyers and accountants as they are seen as the "gatekeepers" to our legal and financial system which, if compromised, will have significant adverse impact for Fiji. The National Risk Assessment that was conducted in 2015 noted that there were gaps and vulnerabilities in these sectors which could be targeted by criminals to launder their tainted money if they are not properly addressed and rectified.

The FIU is aware that certain transactions related to sale and purchase of properties have been processed in the past without proper scrutiny of clients and their source of funds as required under the FTR Act. The onsite examination will ensure that all financial institutions and designated non-financial businesses and professions such as lawyers, accountants and real estate agents understand and comply with the preventative and reporting measures in Fiji.

RESERVE BANK OF FIJI