

**ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM /COUNTER  
PROLIFERATION FINANCING IN FOCUS**

**Part Twenty-Five:**

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-  
Recommendation 22: DNFBPs-Customer Due Diligence**

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Customer due diligence is a cornerstone of the Financial Action Task Force's Forty (FATF) Recommendations. In Recommendation 22 customer due diligence related to designated non-financial businesses and professions (DNFBPs) is examined.

The FATF requires DNFBPs, or as they are referred to in the Money Laundering (Prevention) Act 'other business activity', to conduct proper customer due diligence on prospective and established customers. Under the Money Laundering (Prevention) Act other business activities include but are not limited to attorneys, jewellers, casinos and real estate agents. It should be noted that the requirements for customer due diligence as captured in Recommendation 10 are relevant here. Therefore, persons engaged in other business activities are required to:

- Identify and verify the customer's identity using independent and reliable source documents;
- Understand and where possible obtain information on the purpose and intended nature of the business relationship;
- Take all possible steps to identify the beneficial owner of the business, and
- Conduct ongoing due diligence throughout the business relationship.

Recommendation 22 mandates that customer due diligence be applied by various DNFBPs in the following situations. For casinos, the requirement is applicable if customers engage in financial transactions which are equal to or above the threshold of USD/EUR 3000. Real estate agents are impacted through transactions of buying and selling real estate for their clients. Jewellers are expected to meet the requirements of recommendation 10 when they engage in any cash transaction with a customer equal to or above the applicable designated threshold of USD/EUR 15,000. Lawyers and accountants are impacted when they prepare or carry out transactions for their clients concerning the following activities: buying or selling of real estate, management of client's money, management of bank, savings or securities accounts, organization of contributions for the creation, operation or management of companies; and the creation, operation or management of legal persons or arrangements, and buying and selling of business entities. For trust and company service providers the impact occurs when they prepare for or carry out transactions for a client concerning the following activities: "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 performing the equivalent function for another form of legal arrangement; acting as (or arranging for another person to act as) a nominee shareholder for another person”.

Section 17 of the Money Laundering (Prevention) Act gives very clear guidelines to persons engaged in other business activities on conducting customer diligence.

The on-site visit from the Caribbean Financial Action Task Force assessors from September 16-27, 2019, will examine compliance to this recommendation.

More detailed information on Recommendation 22 can be sourced from the CFATF website at <https://www.cfatf-gafic.org>.