

THIS DOCUMENT IS ARCHIVED

It is retained for reference only and may no longer reflect current requirements.



**CONSULTATION PAPER ON A
PROPOSED AML/CFT FRAMEWORK
FOR FIRMS OF LEGAL
PROFESSIONALS, ACCOUNTANTS
AND ESTATE AGENTS**

MAY 2008

Introduction

1. Global standards on anti-money laundering (AML) and combating the financing of terrorism (CFT) are set by the Financial Action Task Force on Money Laundering (FATF). The Recommendations and Special Recommendations of the FATF lay down AML/CFT standards to be followed by firms of lawyers, notaries and other legal professionals, and firms of accountants and estate agents when carrying out specified activities. These firms, where they are carrying out the activities referred to in paragraph 5 below, are “prescribed businesses” for the purposes of the AML/CFT framework proposed in this consultation paper.
2. The proposals in this document seek to meet the Recommendations and Special Recommendations of the FATF in respect of such businesses.
3. The proposals cover the following legislation, rules and guidance:
 - (a) the introduction of Regulations under the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (the Proceeds of Crime Law);
 - (b) the introduction of a Handbook for Legal Professionals, Accountants and Estate Agents on Countering Financial Crime and Terrorist Financing (the Handbook) to be issued by the Commission;
 - (c) the introduction of a new Bailiwick-wide law covering firms (including sole practitioners) of legal professionals, accountants and estate agents - the Prescribed Businesses (Bailiwick of Guernsey) Law, 2008 (the Prescribed Businesses Law).
4. Comments are being sought by the Commission on the proposals, which are outlined below. The draft legislation and Handbook referred to above are available from the legislation and guidance section of the countering financial crime chapter of the Commission’s website at www.gfsc.gg.

Relevant businesses/financial services businesses

5. Firms of legal professionals, accountants and estate agents (firms) are included in Schedule 2 to the Proceeds of Crime Law as relevant businesses in the following circumstances:

“Estate agency

Things done by a person in the course of a business pursuant to instructions received from another person (‘a client’) who wishes to dispose of or acquire an interest in or in respect of real property (including for the avoidance of doubt a leasehold interest):

- (a) for the purpose of or with a view to effecting the introduction to the client of a third person who wishes to acquire or (as the case may be) dispose of such an interest, and

- (b) after such an introduction has been effected in the course of that business, for the purpose of securing the disposal or (as the case may be) the acquisition of that interest.

Legal and accountancy services

The business of lawyer, notary or other independent legal professional, or accountant, when they prepare for or carry out transactions for a client in relation to the following activities:

- (a) the acquisition or disposal of an interest in or in respect of real property (including for the avoidance of doubt a leasehold interest);
- (b) the management of client money, securities or other assets;
- (c) the management of bank, savings or securities accounts;
- (d) the organisation of contributions for the creation, operation, management or administration of companies;
- (e) the creation, operation, management or administration of legal persons or arrangements, and the acquisition or disposal of business entities.

An 'independent legal professional' does not include legal professionals employed by:

- (a) public authorities, or
- (b) undertakings which do not by way of business provide legal services to third parties.

An 'accountant' means any person who by way of business provides accountancy services."

With regard to estate agency, the Commission's view is that the AML/CFT framework will apply to estate agents who are directly securing the disposal or (as the case may be) the acquisition of any interest in respect of real property themselves and not to persons merely acting in the course of that business as agent for a third party estate agent. For example, where a person or firm in the Bailiwick is only introducing a client to a foreign estate agent and subsequently receives a commission in respect of the introduction, the AML/CFT framework will not apply to that person or firm.

The Commission is also of the view that the above list of accountancy services will cover services in relation to liquidations.

6. Section 49A of the Proceeds of Crime Law allows regulations to be made in respect of the duties and requirements to be complied with by relevant businesses for the purposes of forestalling and preventing money laundering. Schedule 2 to the law states that a business is not a relevant business if it is financial services business as defined in the Proceeds of Crime Law. The effect of this is that a financial services business (i.e. a business which is regulated by the Commission or a business which will be registered under the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008) will not be a relevant business and therefore will not be covered in any

way by the legislation and Handbook referred to in paragraph 3 above. This would not comply with the FATF's Recommendations and Special Recommendations. Accordingly, the Commission proposes that Schedule 2 to the Proceeds of Crime Law should be amended so that when a regulated financial services business or a registered non-regulated financial services business is undertaking an activity which is not financial services business, but is relevant business of the kind covered in paragraph 5 above, then that firm can be subject to the legislation and Handbook for prescribed businesses in respect of that activity.

7. It is not the intention of the Commission for financial services businesses carrying out an activity which is both financial services business and prescribed business to have to comply with two sets of regulations made under the Proceeds of Crime Law. Where the activity being undertaken by the firm is both financial services business and prescribed business and the firm is licensed or registered to undertake such activity under the regulatory laws or the Registration of Non-Regulated Financial Services Businesses Law, then the firm would not be subject to the legislation and Handbook for prescribed businesses. Examples of activities which could be both financial services business and prescribed business are described in paragraphs 8 and 9.
8. The management of client securities or other assets which are controlled investments under the Protection of Investors Law, and the management of securities accounts, are activities which require a person to be licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987. Persons carrying out such activities, who are licensed under that law, are carrying out financial services business for the purposes of the Proceeds of Crime legislation, will not be included in the AML/CFT framework for legal professionals, accountants and estate agents proposed in this consultation document for those activities.
9. The operation, management or administration of companies, and the operation management or administration of legal persons or arrangements, are activities which require a person to be licensed under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000. Persons carrying out such activities, who are licensed under the Regulation of Fiduciaries Law, are carrying out financial services business for the purposes of the Proceeds of Crime Law. They will not be included in the AML/CFT framework for legal professionals, accountants and estate agents proposed in this consultation document for those activities.

New regulations and handbook

10. The proposed Regulations have been drafted to lay down the general framework for the AML/CFT standards to be adopted by firms.
11. The Regulations and the Handbook effectively require firms to adopt a risk based approach to their policies, procedures and controls in relation to AML/CFT, taking into account customers, products and services and the provision of those services. They provide that firms should take risk into account when determining the extent of their customer due diligence measures.

The Regulations and the Handbook allow firms to reduce or simplify the measures they take for low risk customers. This approach should avoid disproportionate demands on businesses and on low risk customers (for example, locally resident customers who have a simple relationship of a type expected by the business). Conversely, the Regulations and the Handbook require businesses to carry out enhanced customer due diligence for high risk categories of customer, product or transaction. The Regulations and the Handbook also contain provisions for the ongoing monitoring of business relationships – high risk customers, products and transactions are subject to a higher level and frequency of monitoring. This risk based approach is the central philosophy of the Regulations and the Handbook.

12. Different types of firms will be affected by the Regulations and Handbook in different ways. For example, estate agents are not likely to have many ongoing business relationships with clients who are selling property. Hence, the requirements for ongoing monitoring of business relationships are less likely to apply to estate agents. The client base for estate agents is also less international than that for lawyers. Most property transactions involve face to face business with local residents, thus reducing the vulnerability of the estate agent sector to money laundering. This will mean that estate agents will often be able to use the provisions in the Regulations and the Handbook for low risk business.
13. The Handbook contains rules and guidance. The FATF requires a significant amount of the standards for legal professionals, accountants and estate agents to be required either by law or regulation or by other enforceable means – guidance is usually not enforceable. Hence, it is proposed to establish rules for a number of elements in the Handbook. The overall approach of the draft Handbook is therefore a combination of Commission rules, which will be subject to regulatory sanction, and guidance which will present ways of complying with the Regulations and the rules.
14. Another feature of the Regulations and the Handbook is the inclusion of explicit responsibilities for the Board of firms, in particular by requiring a review of compliance to be discussed at a board meeting at appropriate intervals. These provisions seek to establish a way of ensuring firms take their responsibilities seriously rather than simply identifying all of their customers as low risk.
15. The Commission proposes that different parts of the Regulations will come into force at different times:
 - (a) the Commission proposes that a month after the Regulations have been signed by the Policy Council, affected firms must have registered with the Commission, appointed a money laundering reporting officer and be able to satisfy Business from Sensitive Sources Notices issued by the Commission. A copy of the Notice the Commission intends to issue a month after the Regulations have been signed is attached as an appendix;
 - (b) the Commission proposes that firms of legal professionals and accountants should meet the remaining Regulations (i.e. those which do

not have to be met at sub-paragraph (a) above) and the Handbook two months after the Regulations have been signed;

- (c) on the basis that estate agents will be less familiar with AML/CFT policies, procedures and controls than legal professionals and accountants, the Commission proposes that estate agents should not have to meet the remaining Regulations and the Handbook (ie those which do not have to be met at sub paragraph (a) above) until three months after the Regulations have been signed.
16. The registration requirement in the Regulations referred to above will enable the Commission to identify which firms will be covered by the framework. The Regulations also include a requirement for the Commission to publish a list of registered firms on its website.
 17. The Regulations include a requirement for firms to certify to the Commission annually that they comply with the requirements of the Regulations, the Handbook and any instructions and notices issued by the Commission. It is proposed the first certificate will be required from firms of legal professionals and accountants two months after the Regulations have been signed by the Policy Council and from estate agents three months after the Regulations have been signed. It is also proposed that firms should annually advise the Commission of the number of full-time equivalent staff (including executive directors and partners).
 18. The Regulations provide for the payment of a registration fee of a base fee of £600 for each firm, together with a fee of £70 for each full-time equivalent member of staff (including executive directors and partners) up to a maximum of 25 full-time equivalent members of staff. This means that a sole practitioner would pay £670 while a firm of 25 or more staff would pay £2,350. The Regulations also provide for an annual fee, calculated on the same basis, payable from 2009 after the provision of the certificate referred to in paragraph 16. Firms registering during an annual payment period will pay a pro-rated annual fee. These fees will cover the costs of the Commission in administering the framework. The Commission is not intending to carry out a programme of routine on-site inspections – any such programme would cost significantly more than the figures proposed in this paragraph.
 19. The Regulations include the ability for the Commission to conduct on-site inspections of a firm's compliance with the Regulations and the Handbook if necessary. The Proceeds of Crime Law provides that, during an on-site inspection, there is no obligation to provide the Commission with legally privileged information and documents.
 20. There are also provisions in the Regulations on the imposition and variation of the conditions by the Commission on a registration. Conditions may, for example, require firms to provide evidence of compliance with the Handbook and to correct breaches of the rules in the Handbook. A person aggrieved by a decision of the Commission to impose or vary a condition will be able to appeal to the Court against the decision.

Exemptions in the financial services businesses regulations

21. The Commission would like to know whether the introduction of a framework for prescribed businesses enables two of the exemptions in the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007 to be repealed. These exemptions are contained in paragraph 24 of schedule 1 to the regulations and allow:
 - a. a lawyer carrying out financial services business where such business is incidental to the provision of legal advice or services;
 - b. an accountant carrying out financial services business where such business is incidental to the provision of accountancy advice or services;

not to meet the 2007 regulations. Any AML/CFT framework should only allow exemptions which are necessary – the Commission would welcome views from firms of lawyers and accountants whether these incidental activity provisions will remain necessary when the prescribed businesses regulations are introduced.

Primary legislation and enforceability

FATF expectations

22. The FATF expects jurisdictions to ensure that effective, proportionate and dissuasive sanctions are available to deal with persons covered by the FATF Recommendations that fail to comply with national AML/CFT requirements. In the Guernsey context, criminal sanctions will be expected for breaches of the Regulations and a range of administrative sanctions specified in legislation will be expected for breaches of the rules in the Handbook. Sanctions should be available in relation not only to firms but also to their directors and senior management.
23. The Commission proposes that an appropriate sanctions framework for breaches of the rules by firms and their senior management (including partners), will be achieved through a new Bailiwick-wide law, the Prescribed Businesses Law. The Commission has previously stated that, for advocates and firms of advocates, it would work with the Chambre de Discipline process in the Guernsey Bar (Bailiwick of Guernsey) Law, 2007. This law is not yet in force and it would require significant and lengthy amendment so that its provisions would be as close as possible to the Prescribed Businesses Law. In order to ensure equivalence between all prescribed businesses, to establish the simplest possible AML/CFT framework and to retain the Bar Law as a disciplinary law rather than change it to become a law through which the Commission can potentially apply sanctions in a way which meets the FATF's standards, the industry steering group considered that one law should apply to all prescribed businesses. In addition to sanctions, the Prescribed Businesses Law should include important ancillary provisions, for example, provisions which will allow the Commission to be able to obtain information and documents, appeals provisions, provisions on confidentiality, provisions on the disclosure of

information and provisions such as the service of notice which will allow the law to be effective. The contents of the proposed law are summarised below.

Information, documents and inspectors

24. Although the Regulations will give the Commission the ability to undertake on-site inspections, and to obtain information and documents at that stage, to assess compliance by firms with the Regulations and the Handbook, the Commission also needs information and documents to be provided to it outside of on-site inspections for these purposes. Such a power should be included in law, together with the ability for firms to appeal against a notice by the Commission to provide information and documents. The ability to obtain information and documents should extend to the investigation of suspected breaches of the AML/CFT legislation including, for example, a breach of the requirement of the Regulations for firms to be registered and suspected breaches of conditions imposed by the Commission. The Commission should also be able to require verification of information and documents provided to it.
25. If the Bailiff is satisfied by information on oath that there are reasonable grounds for suspecting a notice by the Commission requiring information or documents has not been met or the information or documents provided are not accurate or complete, he should be able to grant a warrant authorising any officer of the police, together with any other person named in the warrant, to enter and search premises in relation to documents, to take copies or extracts from any documents and to require persons named in the warrant to answer questions, make explanations and to state where relevant documents may be located.
26. None of the powers of the Commission to obtain information or documents should override legal professional privilege.
27. The Commission also proposes it should have the ability to appoint inspectors, potentially at the cost of the firm, in order to ascertain compliance with the Bailiwick's AML/CFT legislation and the Handbook. For example, inspectors could be appointed to ascertain compliance with the Regulations. A firm would be able to appeal to the Court against any appointment of inspectors. No sum in respect of the costs, fees and expenses for an investigation by inspectors should be recovered by the Commission where the Court is satisfied that the sum is not reasonable in amount, not reasonably incurred or where the Commission has acted unreasonably, frivolously or vexatiously in incurring the sum.
28. It should be an offence for a person suspecting that a notice requiring information or documents is to be issued or that an inquiry or investigation is to be carried out to falsify, conceal, destroy or dispose of information or documents.

Sanctions

29. The Commission proposes that it should have the ability to:
- (a) issue confidential, private reprimands;
 - (b) impose fines up to a maximum of £200,000 for each firm and each individual of the level of senior manager and above for material breaches of the Regulations and the rules in the Handbook;
 - (c) make public statements about firms and individuals of the level of senior manager and above.

These sanctions will complement the provisions of the Regulations for the Commission to impose conditions.

30. The law should require the Commission, in deciding whether or not to impose a fine or to make a public statement, to take into consideration the following factors:
- (a) whether the contravention or non-fulfilment was brought to the attention of the Commission by the person concerned;
 - (b) the seriousness of the contravention or non-fulfilment;
 - (c) whether or not the contravention or non-fulfilment was inadvertent;
 - (d) what efforts, if any, have been made to rectify the contravention or non-fulfilment and to prevent a recurrence;
 - (e) the potential financial consequences to the person concerned, and to the third parties including customers and creditors of that person, of publishing a statement; and
 - (f) the action taken by the Commission under this section in other cases.

These factors are identical to those in other legislation being considered by the Privy Council in the UK and which will be administered by the Commission.

31. All decisions by the Commission to apply a sanction should be subject to statutory appeal provisions. Adverse decisions by the Commission, such as the imposition of a sanction, are subject to statutory and non-statutory checks and balances. If a supervised person disagrees with a Division's conclusion that the person should be subject to a sanction, that person has access to a Decisions Committee of the Commission. The Decisions Committee will, if it issues an adverse decision, issue it as a decision of the Commission. Following an amendment to the Financial Services Commission (Bailiwick of Guernsey) Law in 1987, expected to come into force later in 2008, the Committee will comprise three Commissioners, supported and advised by either two Directors of the Commission (in this context the term "Director" will include the Director General) or one Director and one Deputy Director, but not those of the Division proposing the sanction. Individuals and firms will have the opportunity to make representation to the Decisions Committee if they disagree with the proposed issue of a sanction. In addition, any adverse decision by the Committee would be appealable to the Royal Court through the prescribed businesses law. The Commission proposes that the grounds of appeal would be:

- (a) the decision was ultra vires or there was some other error of law;
- (b) the decision was unreasonable;
- (c) the decision was made in bad faith;
- (d) there was a lack of proportionality; or
- (e) there was a material error as to the facts, or as to the procedure.

These grounds of appeal are identical to those in other legislation being considered by the Privy Council in the UK and which will be administered by the Commission.

32. The Commission should not itself have the ability to suspend or revoke a firm's registration as it will only be the supervisor for AML/CFT purposes and, for suspension or revocation to have any meaningful effect, it would need to prevent a firm from carrying out some or all of its business activities. It would not be appropriate for the Commission to be provided with these sanctions, which are available for use in respect of regulated financial services businesses. Instead, the new law should, where necessary, require the involvement of the Court in considering whether or not such strong sanctions should be applied – see paragraphs 33 and 34 below.
33. It is important that the Guernsey authorities are able, where necessary, to prevent firms covered in this consultation paper from operating in the Bailiwick. As a consequence, the legislation should provide that the Commission may apply to the Court to wind up the firm or to grant an injunction preventing the firm from carrying out business in the Bailiwick where this appears to be necessary:
 - (a) on the ground that the business has contravened a material particular of the Bailiwick's AML/CFT legislation or the rules in the Handbook;
 - (b) to counter financial crime and the financing of terrorism in the Bailiwick or elsewhere.
34. Where there are material breaches of compliance with the AML/CFT legislation the Court should be able to sanction directors and senior management as well as firms. The Court should be able to disqualify any such person employed by the firm from performing any function, any specified function or any specified description of function where that person is considered by the Court to be other than fit and proper due to breaches of the AML/CFT framework.

Disclosure of information

35. Any non-public information and documents received by the Commission in exercising its role as AML/CFT supervisor will be confidential by virtue of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987. The Financial Services Commission Law also provides gateways for the disclosure of information. There are criminal offences which apply to the Commission and Commission staff for the wrongful disclosure of information. In line with other legislation administered by the Commission, it would be appropriate for the AML/CFT legislation proposed in this paper to state that, subject to specific legal gateways, it will be an offence for the Commission to disclose information

without the consent of the person from whom it was obtained. The legislation should list how the Commission can disclose information. This would include the disclosure of information to assist other supervisors and for the prevention, detection, investigation and prosecution of crime. It would also include the disclosure of information to the Registrar of the Chambre de Discipline.

Miscellaneous

36. In order to allow ease of amendment, the Commission proposes the new law should be capable of amendment by Ordinance.
37. The legislation should contain the normal general provisions included in other laws administered by the Commission, that is those relating to: criminal proceedings; the exclusion of liability of the political authorities in the Bailiwick and the Commission (including their members, officers and servants) unless anything is done or omitted to be done in bad faith; notice of documents; admissibility of evidence; definitions; the publication of public notices; and the citation of the law.

Consultation

38. Comments on this consultation paper and the proposed new AML/CFT framework should be provided to the Commission by the close of business on Thursday 3 July. Please note that copies of the comments will be provided to the Policy Council and the Commerce and Employment Department. Comments should be addressed to:

Sylvia Sirett
 Assistant Director of Policy and International Affairs
 Guernsey Financial Services Commission
 PO Box 128
 La Plaiderie Chambers
 La Plaiderie
 St Peter Port
 Guernsey
 GY1 3HQ

Guernsey Financial Services Commission
 23 May 2008

Appendix

BUSINESS FROM SENSITIVE SOURCES NOTICE (NUMBER 1) FOR PRESCRIBED BUSINESSES

[] 2008

The Financial Action Task Force (FATF)

The Forty Recommendations and Nine Special Recommendations of the Financial Action Task Force (FATF) are the international standard for effective anti-money laundering and terrorist financing measures. Through periodic mutual evaluations, the FATF reviews its members' compliance with these Forty Recommendations, as well as the Nine Special Recommendations on Terrorist Financing, and suggests areas for improvement as necessary.

The Non-Cooperative Countries and Territories (NCCTs) exercise began in 1998 at a time when many countries around the world did not have adequate AML measures in place. The goal of the initiative was to secure the adoption by all financial centres of international standards to prevent, detect and punish money laundering, and thereby effectively co-operate internationally in the global fight against money laundering.

To ensure continued effective implementation of the reforms enacted, the FATF adopted a monitoring mechanism. This mechanism included the submission of regular implementation reports and a possible follow-up visit to assess progress in implementing reforms and to ensure that stated goals had been fully achieved.

Myanmar

Myanmar, which was formerly listed as non-cooperative, is listed by the FATF as a country subject to its monitoring mechanism.

Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe and the northern part of Cyprus

The FATF is concerned about the lack of comprehensive AML/CFT systems in Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe and the northern part of Cyprus and has taken new steps to protect the international financial system from abuse, by putting the following notice on its website.

“Uzbekistan

The FATF is particularly concerned that a series of presidential decrees in Uzbekistan has effectively repealed the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in that country and generates a money laundering/financing of terrorism (ML/FT) vulnerability in the international financial system. The FATF calls upon Uzbekistan to restore its AML/CFT regime and to work with the Eurasian Group to establish an AML/CFT regime that meets international standards. The FATF calls on its members and urges all jurisdictions to advise their

financial institutions to take the risk arising from the deficiencies in Uzbekistan's AML/CFT regime into account for enhanced due diligence.

Iran

Since its October 2007 Plenary meeting, the FATF has engaged with Iran and welcomes the commitment made by Iran to improve its AML/CFT regime. Consistent with its Statement on Iran, dated 11 October 2007, the FATF confirms its call to its members and urges all jurisdictions to advise their financial institutions to take the risk arising from the deficiencies in Iran's AML/CFT regime into account for enhanced due diligence. Iran is encouraged to continue its engagement with the FATF and the international community to address, on an urgent basis, its AML/CFT deficiencies.

Pakistan

The FATF notes Pakistan's recent progress in adopting AML legislation. However, financial institutions should be aware that the remaining deficiencies in Pakistan's AML/CFT system constitute a ML/FT vulnerability in the international financial system. Pakistan is urged to continue its efforts to improve its AML/CFT laws to come into closer compliance with international AML/CFT standards and to work closely with the Asia Pacific Group to achieve this.

Turkmenistan

The FATF is concerned with deficiencies in the AML/CFT regime of Turkmenistan. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon Turkmenistan to continue to engage with the international community on these issues.

Sao Tome and Principe

The FATF is concerned with deficiencies in the AML/CFT regime of São Tomé & Príncipe. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon São Tomé & Príncipe to continue to engage with the international community on these issues.

Transactions with Financial Institutions Operating in the Northern Part of Cyprus

The FATF welcomes the recent progress in policies and practices to combat money laundering and terrorist financing in the northern part of Cyprus. However, given the existing deficiencies, the FATF calls on its members and urges all jurisdictions to advise their financial institutions to pay special attention to the ML/FT risks in transactions with financial institutions operating in the northern part of Cyprus. The FATF encourages further progress to address the deficiencies."

Concerns of the Commission regarding Venezuela and West Africa

Venezuela

It has come to the attention of the Commission that there may be doubts over the validity of some identity documents issued in Venezuela. In light of widespread corruption in that country, it has been suggested that corrupt officials have been issuing national identity cards and passports to criminals and to individuals with suspected links to terrorist organisations.

It should also be noted that, due to its proximity to the major drug producing country of Colombia, Venezuela has become an important hub for the transport of drugs for consumption in the United States and western Europe.

West Africa

The Commission notes that there has recently been a significant increase in trafficking between South America and west Africa of drugs that are ultimately destined for use in western Europe. A number of the same countries have also been traditionally used as transit points for heroin from south west and south east Asia. Furthermore, it should be noted that people trafficking continues to take place in the more northerly group of west African countries.

The concerns of the Commission relate to the west African countries of:

Morocco
Mauritania
Senegal
Cape Verde Islands
Guinea-Bissau
Guinea
Sierra Leone
Liberia
Ivory Coast
Ghana

Action to be taken by Prescribed Businesses

Prescribed businesses must exercise a greater degree of caution when taking on business from the countries or territories specified in this Business From Sensitive Sources Notice. Additionally, prescribed businesses must ensure special attention is given to all business relationships and transactions connected with such countries or territories.

The Commission would be pleased to provide further advice if you have any queries arising from this Notice.