



## NEWS RELEASE

# INTERNATIONAL BAR ASSOCIATION

## The Global Voice of the Legal Profession

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### **IBA Debates Concerns about Anti-Money Laundering Legislation at FATF Summit**

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The **International Bar Association's (IBA) Anti-Money Laundering Legislation Implementation Group (AMLLIG)** recently participated in talks with the **Financial Action Task Force (FATF)** on ways in which lawyers can support the fight against money laundering without breaching their duties in respect of independence, privilege and professional confidentiality.

The FATF, an inter-governmental, policy-making body, organised the meeting to continue the dialogue with representatives of the private sector directly affected by the implementation of the organisation's Recommendations. The FATF 40+9 Recommendations are the key set of standards to deter the crime of money laundering which countries implement according to their particular circumstances and constitutional frameworks. However, implementation is proving challenging in some countries and with regard to some affected professions – in particular concerns have been expressed by the legal profession.

These concerns were broadly divided into four sessions for ease of discussion: customer due diligence; the risk-based approach; suspicious transactions reporting; and regulation and oversight. Lawyers reiterated that one of the greatest issues affecting them was the obligation to report suspicious transactions. Lawyers argued that such an obligation breached the principle of the attorney-client relationship - which lies at the core of the legal profession worldwide; severely harms the rule of law and democracy; and impairs access to justice. Enforcing this particular aspect of the FATF Recommendations is incompatible with the responsibility all lawyers have to their clients and to society at large. As a result,

for example, the United States has not implemented this aspect of the FATF Recommendations. The obligations of reporting are further complicated with lawyers working across national borders where the Recommendations have been implemented according to each country's own constitutional and legal framework and may require lawyers to take different actions including to report as compared to those working on the same transaction in another jurisdiction.

Stephen Revell, Chair of AMLLIG said, *'Although fundamental concerns remain, relating to the challenges the Recommendations make to the independent role of the lawyer, the Ant-Money Laundering Legislation Implementation Group of the IBA is pleased that a meaningful discussion has been had with FATF about a wide range of practical issues and consequences that arise for lawyers as a result of the implementation of the Recommendations.'* He added, *'It was a constructive meeting and I am delighted that AMLLIG, which was instrumental in framing the issues of importance to lawyers throughout the world, was given the opportunity to fully participate in this dialogue with FATF.'*

The meeting, held 7 - 8 November in Amsterdam, was attended by representatives from the European Commission, International Monetary Fund, World Bank and various bar associations including the Council of Bars and Law Societies of Europe, Law Society of England and Wales, the Federation of Law Societies in Canada, the Australian Law Council, and the Japan Federation of Bar Associations.

Representatives from the FATF made clear that they do not intend to revise the FATF 40+9 Recommendations in the short term but will instead consider developing interpretation and clarification guidelines on some identified issues which may assist the legal profession in those countries implementing the Recommendations.

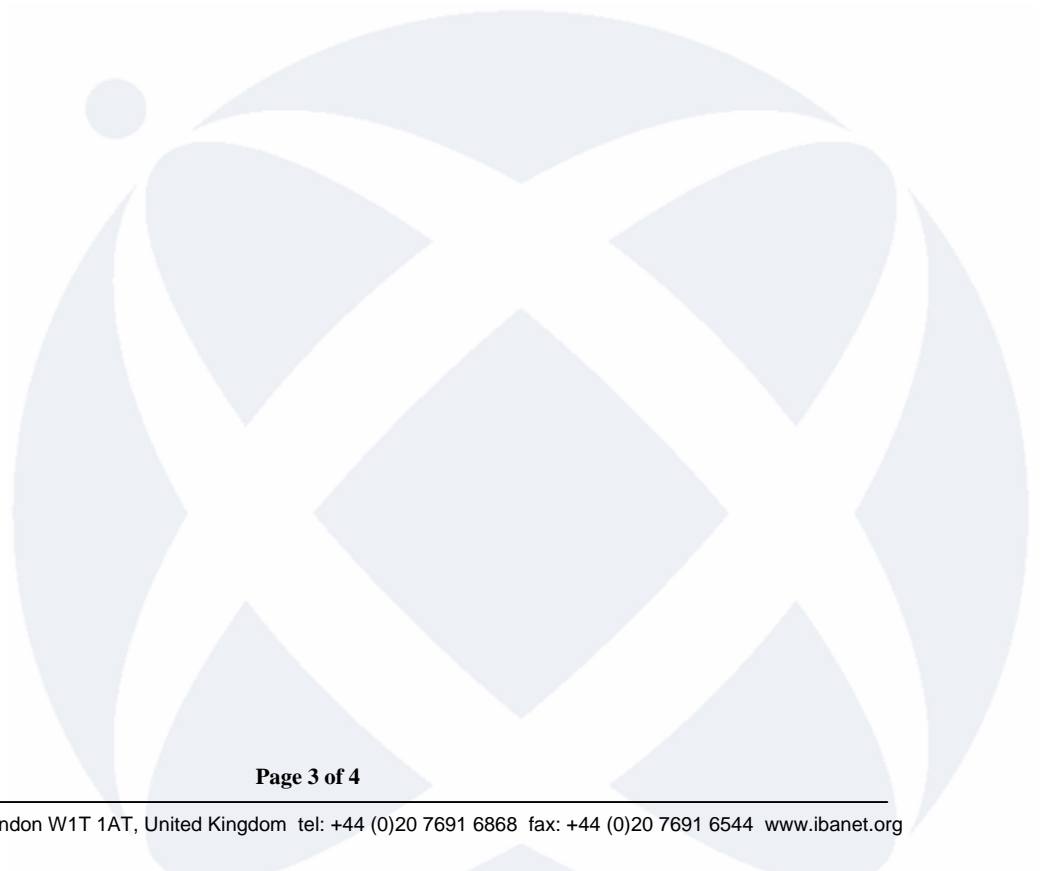
Stephen Revell of Freshfields Bruckhaus Deringer; Louise Delahunty of Simmons and Simmons; and Valentina Zoghbi, IBA Project Lawyer attended the meeting on behalf of the IBA AMLLIG

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## **About the International Bar Association**

### **- the global voice of the legal profession**

In its role as a dual membership organisation, comprising 30,000 individual lawyers and over 195 Bar Associations and Law Societies, the International Bar Association (IBA) influences the development of international law reform and shapes the future of the legal profession. Its Member Organisations cover all continents and include the American Bar Association, the German Federal Bar, the Japan Federation of Bar Associations, the Mexican Bar Association and the Law Society of Zimbabwe.

Grouped into two Divisions – the Legal Practice Division and the Public and Professional Interest Division – the Association covers all practice areas and professional interests. It provides members with access to leading experts and up-to-date information as well as top-level professional development and network-building opportunities through high quality publications and world-class Conferences. The IBA's Bar Issues Commission provides its Member Organisations with substantive and social programmes at meetings and the IBA's Human Rights Institute works across the Association, helping to promote, protect and enforce human rights under a just rule of law, and to preserve the independence of the judiciary and the legal profession worldwide.

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