

To: Mr John Carlson  
FATF  
"cc" Emma Oettinger  
FATF Working Group on the typologies report

4 June 2013

**Re: Draft FATF typologies report on money laundering and terrorist financing vulnerabilities of legal professionals**

Dear Mr Carlson,

I write in relation to the draft FATF typologies report on money laundering and terrorist financing vulnerabilities of legal professionals (the "report").

The CCBE has been following developments regarding the report. As you are aware, we asked our membership to assist from an early stage by completing the survey, and I understand you had a good response from our member organisations. This was partly due to the fact that we motivated our members by informing them that the expected end result – indicators where lawyers have been unwittingly used for money laundering purposes – would be of assistance to the profession, and would finally provide information and evidence that we have been seeking for many years.

We have now had the opportunity to read the draft report in addition to participating in the meeting on 14 May in London. We note that the draft report unfortunately does not meet its initial objective of identifying potential money laundering/terrorist financing "vulnerabilities" of the legal profession. This implied the elaboration of typologies illustrating situations where there are risks for lawyers to unwittingly participate in money laundering activities even when lawyers have completed their due diligence requirements.

We therefore understood that the purpose was thus to prepare a report based on concrete and existing cases. This type of report would have been a useful pedagogical tool for lawyers and also a way to minimise money laundering risks.

Unfortunately, it appears that the report ended up as a compilation of "cases" regarding, to a large extent, hypotheses where lawyers would deliberately be involved in criminal activities in collusion with their clients.

Therefore, the typology initially foreseen to be prepared is absent from the report and the notion of "red flag" indicators have been utterly diverted from their initial objective. As a consequence the outcome of the project lacks interest and has no pedagogical purpose.

The CCBE suggests that the FATF should return to its initial project and remove from the report all the hypotheses that do not represent cases of unwitting participation in money laundering activities. If the FATF fails to do so, the CCBE sees no purpose in commenting further on the report as it is removed from its initial aim.

Lawyers, when advising their clients on the law governing a particular situation, contribute towards preventing any future violations of the law. I hope our well intentioned concerns, together with those of the ABA, the IBA and the Federation of Law Societies of Canada, are taken into account, as this would demonstrate the commitment of the FATF to real cooperation now and in the future, and it would turn the exercise into one of usefulness rather than a missed opportunity.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'E. Tsouroulis', with a stylized flourish at the end.

Evangelos Tsouroulis  
President