

## Regional accounting profession imperiled by de-risking, says Caribbean diplomat



GEORGETOWN, Guyana -- Veteran Caribbean diplomat, Sir Ronald Sanders, has warned the accounting and auditing community of the Caribbean that their businesses could soon be at risk as a result of rules that governments are expected to legislate and implement.

According to the Antigua and Barbuda ambassador, who has been actively involved in Caribbean discussions with the Financial Action Task Force (FATF) and the Organisation for Economic Cooperation and Development (OECD) on financial matters since 1996, the FATF has set guidelines imposing new requirements on accountants and auditors.

Sanders made the observations at the 35th Annual Meeting of the Caribbean Association of Accountants, held in Guyana on Friday 23rd June 2017, at which he was the keynote speaker.

He warned more than 100 delegates from all the region that “accountants, tax advisers, auditors, estate planners - are now expected to be ‘whistle blowers’ on their own clients” and “to establish unprecedented machinery to guard against charges of facilitating money laundering, tax evasion and the financing of terrorism”.

“These requirements”, he said, “have serious implications the survival of many of their businesses for they will be costly and risky”.

“Some small accounting firms could opt for closure, leaving the accounting business in the region only to very large firms that have the capacity to conduct extensive checks on clients and their business” he

declared, adding that “there would also be the danger that small businesses would not be able to pay the fees charged by large accounting firms, resulting in a large number of small businesses being deprived of accounting services for many activities, including filing tax returns”.

This de-risking exercise is similar to the present experience of the banking sector in the region from whom correspondent banking relations are being withdrawn by global banks in the US and UK.

Sanders also emphasised that there continues to be a double standard in which FATF and OECD rules are being applied that disadvantage Caribbean jurisdictions.

“Nothing is being done about powerful countries that disregard the rules and rake in huge revenues as a result’, he said.

But, Caribbean jurisdictions have little choice but to implement the rules or suffer the consequences of black listing and counter measures. He cautioned the accounting and auditing community to know the business of their clients in far greater detail than ever before, and to exercise extreme caution in providing a range of advice.

Speaking to an attentive audience, including international accountancy leaders, Sanders advised that “Practitioners must now constantly keep abreast of international, regional and national developments. You will need to invest in systems, including software, to know and understand your clients’ business to protect yourselves. Increasingly, the costs and risks involved will rise”.



Tweet



---

Read 44 times

Tweet



Be the first of your friends to like this.