



GLOBAL FINANCIAL INTEGRITY

**INCREASING  
PROFESSIONAL  
INTEGRITY:  
UNDERSTANDING  
PROFESSIONAL  
GATEKEEPERS AND  
BELIZE'S REGULATIONS**

---

January 2025

# Professional Enablers



Professionals honor their careers following ethical and lawful commitments, however due to their services and expertise, they can be key to criminals abusing the system and disguising illegal acts and proceeds.

Globally, professional enablers are described also as facilitators, and controllers, among other terminologies that address similar concepts.<sup>1</sup> For example, Transparency International defines professional enablers as “gatekeepers of the financial system whose willful, complicit or negligent conduct can open closed doors for criminals to launder their illicit funds”.<sup>2</sup>

Enablers or Gatekeepers play a critical role in the infrastructure of financial crime by providing the necessary support systems that allow these illicit activities to thrive. They often exploit legal and financial systems to help criminals launder money, evade taxes, and hide assets, among other illegal activities.

# Professional Money Launderers



Professional Money Launderers (PMLs) play an integral role in facilitating global financial crimes by offering specialized services that enable the laundering of illicit proceeds. The Financial Action Task Force (FATF) defines a “professional” money launderer as those “individuals, organisations and networks that are involved in third-party laundering for a fee or commission.”<sup>3</sup>

These operatives are adept at manipulating financial systems to obfuscate the source, ownership, and destination of illegal funds, thereby assisting criminals in bypassing regulatory measures and securing the profits from their illegal activities.

The presence of PMLs within financial systems poses significant challenges to the integrity of global financial markets and institutions, highlighting the urgent need for robust regulatory frameworks to address these sophisticated financial crimes.

<sup>1</sup> Financial Action Task Force. (2018). Professional money laundering. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Professional-Money-Laundering.pdf>





# Types of Professional Gatekeepers<sup>4</sup>:

- **Lawyers:** May offer legal expertise to structure complex schemes that obscure the origins of illicit funds or the ownership of assets, often by creating shell companies or trusts in jurisdictions with strict secrecy laws.
- **Accountants:** Can utilize their financial acumen to manipulate financial records and create opaque financial statements that can mask illicit activities, making tracing illicit funds more challenging.
- **Financial Advisors:** Can potentially advice on investment strategies and financial planning that can involve illicit funds, including recommending vehicles for investment that offer anonymity or are located in jurisdictions with lax regulatory oversight.
- **Real Estate Agents:** May facilitate the purchase of property to launder money. High-value real estate transactions can legitimize illicit funds through the real estate market.

- **Bankers and Other Financial Services Professionals:** Can provide access to financial systems through which illicit funds can be moved, held, or invested. They may assist in setting up accounts or moving funds in a manner that minimizes scrutiny.

These individuals have the ability to use their expertise and authority to manipulate legal and financial systems to benefit criminal enterprises.



---

<sup>2</sup> Duri, Jorum. "Professional Enablers of Economic Crime During Crises." U4 Anti-Corruption Helpdesk, Transparency International, May 25, 2020. [https://knowledgehub.transparency.org/assets/uploads/kproducts/2020\\_Professional-enablers-of-economic-crime-during-crises.pdf](https://knowledgehub.transparency.org/assets/uploads/kproducts/2020_Professional-enablers-of-economic-crime-during-crises.pdf).

<sup>3</sup> Financial Action Task Force. (2018). Professional Money Laundering (p. 11). FATF. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/FATF-afi/reports/Professional-Money-Laundering.pdf.coredownload.pdf>

<sup>4</sup> FATF-Egmont Group. 2018. Concealment of Beneficial Ownership. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>



# How Enablers Facilitate Financial Crimes



- **Money Laundering:**<sup>5</sup>
  - Gatekeepers assist in creating complex corporate structures that obscure the true ownership and source of illicit funds. They use their knowledge of financial regulations to advise on transactions that appear legitimate but are structured to move criminal proceeds.
- **Tax Evasion:**<sup>6</sup>
  - These enablers and launderers exploit tax havens and loopholes in tax legislation to assist clients in hiding assets and income from tax authorities.
  - They prepare deceptive financial statements and documentation that underreport income or inflate deductions to reduce tax liabilities.
- **Corruption:**
  - Gatekeepers often establish networks that connect corrupt politicians, businesspersons, and criminals, providing a platform for exchanging favors and laundering bribes.
  - They facilitate the creation of secret agreements and bribes, often structuring payments through third parties or offshore entities to mask the recipients.

---

<sup>5</sup> Valvi, E.-A. (2023), "The role of legal professionals in the European and international legal and regulatory framework against money laundering", Journal of Money Laundering Control, Vol. 26 No. 7, pp. 28-52. <https://doi.org/10.1108/JMLC-12-2021-0139>

<sup>6</sup> Zagaris, B., MacDonald, S. B., & Adhoob, M. (2021). Money Laundering and Bank Secrecy. International Enforcement Law Reporter, 37. <https://heinonline.org/HOL/LandingPage?handle=hein.journals/ielr37&div=29&id=&page=>





# Examples of Techniques Used<sup>7</sup>

- **Establishing Offshore Accounts:** PMLs set up accounts in jurisdictions with stringent secrecy laws, making it difficult for regulators to trace transactions back to their origins.
- **Shell Companies and Trusts:** These entities are used to hold assets and conduct transactions without revealing the identities of the true owners.
- **Back-to-Back Loans:** This technique involves issuing loans between related companies to move and launder money under the guise of legitimate business transactions.
- **Invoice Manipulation:** Overstating or understating the value of invoices to move money across borders undetected by regulatory bodies.

The role of gatekeepers in financial crimes is a significant global issue that undermines the integrity of financial systems and promotes criminal activities. Combating these activities requires international cooperation and stringent regulatory measures to close loopholes and increase transparency in financial transactions.



<sup>7</sup> Levi, M. Making sense of professional enablers' involvement in laundering organized crime proceeds and of their regulation. Trends Organ Crim 24, 96–110 (2021). <https://doi.org/10.1007/s12117-020-09401-y>



# GATEKEEPER REGULATION AND BELIZE



## Gatekeeper Regulation: A Global Overview

- Gatekeeper regulation refers to the legal and regulatory frameworks that impose duties on certain professionals and entities to prevent or mitigate illegal activities such as money laundering, fraud, and other financial crimes. These entities and professionals, often called "gatekeepers," include lawyers, accountants, financial institutions, and other professionals who might facilitate access to financial systems through their services.<sup>8</sup>
- The primary purpose of gatekeeper regulation is to protect the integrity of the financial system and to enhance the transparency of financial transactions. This is accomplished by requiring gatekeepers to conduct due diligence, report suspicious activities, and comply with regulatory standards designed to detect and prevent illicit financial activities.
- Gatekeeper regulations play a crucial role in international efforts to combat financial crimes. They align with global standards set by bodies like the Financial Action Task Force (FATF) and the Organisation for Economic Co-operation and Development (OECD), which provide guidelines and best practices for countries to implement effective regulatory frameworks. In this sense, international standards help ensure a cohesive global response to financial crimes, enhancing cooperation across borders and sectors.

---

<sup>8</sup> Rupprecht Podszun, Private Enforcement and Gatekeeper Regulation: Strengthening the Rights of Private Parties in the Digital Markets Act, Journal of European Competition Law & Practice, Volume 13, Issue 4, June 2022, Pages 254–267, <https://doi.org/10.1093/jeclap/lpab076>





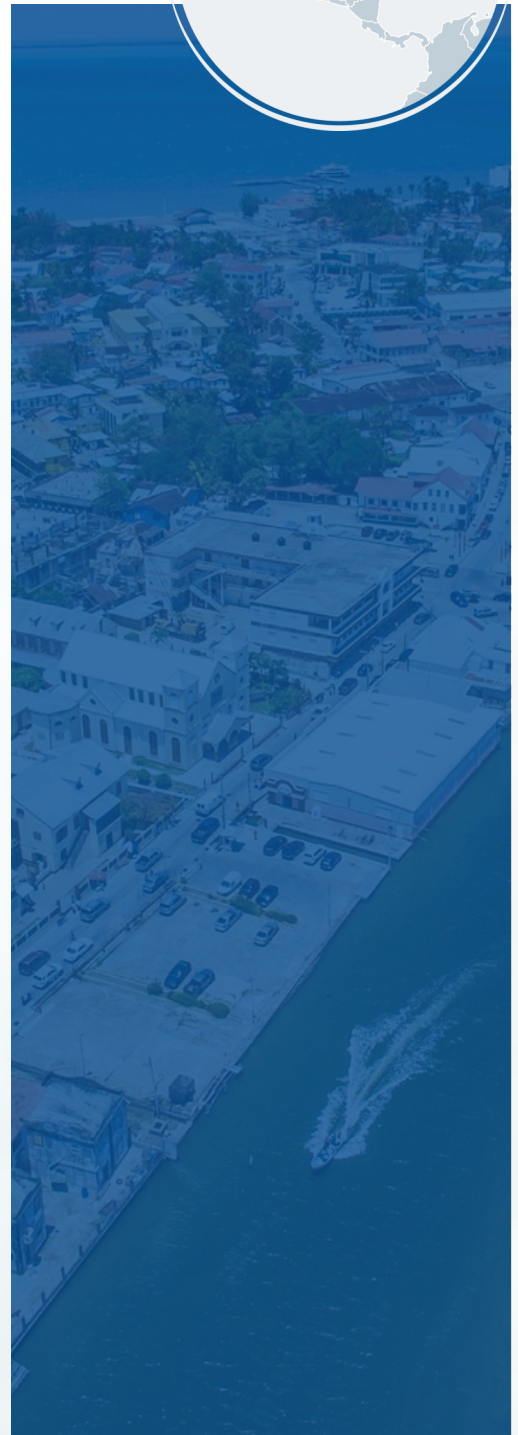
# Belize's Response to Global Standards



Belize has actively engaged with global standards for financial regulation, emphasizing measures against illicit financial flows. Over the past few years, the country has made some serious attempts to follow the guidelines set by prominent organizations such as the Financial Action Task Force (FATF), the Organization for Economic Co-operation and Development (OECD) and regional bodies like the Caribbean Financial Action Task Force (CFATF).

To align with these international frameworks, Belize has enacted significant legal reforms and improvements in financial transparency. This includes adopting stricter anti-money laundering (AML) regulations and enhancing the oversight of financial transactions through agencies such as the Financial Service Commission, the Financial Intelligence Unit, and the Central Bank of Belize. These efforts are part of Belize's broader commitment to preventing the misuse of financial systems and addressing challenges such as corruption and tax evasion.

The involvement with CFATF has been instrumental in aligning Belize's policies with regional practices that tackle similar challenges across the Caribbean, fostering a more unified approach to financial integrity within the region. The FATF and CFATF continue to update their recommendations to strengthen global and regional financial systems, focusing on transparency, combating the financing of terrorism, and enhancing international cooperation.





# A Case Study: Panama Papers & Belize – The Role of Professional Enablers<sup>9</sup>

The Panama Papers scandal, which erupted in 2016, revealed the extensive use of offshore entities to hide assets and evade taxes, impacting over 200 countries.<sup>10</sup> Belize was notably highlighted for the role of professional enablers within its jurisdiction, who facilitated the creation and management of these secretive offshore structures. Professionals, including lawyers and accountants, leveraged their expertise to exploit weak regulatory frameworks, thereby assisting clients in skirting international law. The revelations underscored the urgent need for regulatory reforms to curb such abuses and highlighted the challenges in enforcing existing laws against sophisticated financial crimes facilitated by professional intermediaries.

## Recommendations for Belize to Strengthen Gatekeeper's Regulations

To limit the role of professional enablers in illicit financial flows and strengthen gatekeeper regulations in Belize, several strategies can be implemented based on insights from international frameworks and expert recommendations. Here are four recommendations:

---

<sup>9</sup> The Panama Papers And Belize. 7 News Belize. (2016, April 4). <https://www.7newsbelize.com/sstory.php?nid=35863>





## 1. Implement a Comprehensive Regulatory Framework

- Adopt a robust and comprehensive regulatory framework for gatekeepers that includes mandatory due diligence processes and reporting obligations. This approach should target all relevant professionals, such as lawyers, accountants, and real estate agents, who can potentially facilitate illicit financial flows. This can be done by the Financial Service Commission and Financial Intelligence Unit of Belize.<sup>11</sup>

## 2. Enhance Sector-specific Training and Awareness

- Provide targeted training and awareness programs for professionals in high-risk sectors, such as real estate and corporate services. These programs should focus on identifying and preventing potential risks associated with illicit financial flows. The training can help professionals understand their role in preventing such flows and the legal consequences of non-compliance.<sup>12</sup> Global Financial Integrity can work with the relevant agencies to aid in supporting this recommendation.

## 3. Adopt a Risk-based Approach to Supervision

- Implement a risk-based approach to the supervision of professionals who may act as enablers of illicit financial flows. This involves identifying high-risk jurisdictions and services, such as company formation and tax advisory services, and applying stricter oversight and control measures in these areas. Such an approach allows for more effective allocation of resources and better targeting of potential risks.<sup>13</sup>

## 4. Public Endorsement and Compliance Monitoring

- Encourage professionals and their associations to publicly endorse regulatory frameworks to prevent illicit financial flows, such as the Unifying Framework. Additionally, a system for ongoing monitoring and compliance checks should be established to ensure that these professionals adhere to the established guidelines and practices. Public commitment can also increase transparency and accountability among gatekeepers.<sup>14</sup>

<sup>10</sup> International Consortium of Investigative Journalists. (n.d.). Offshore Leaks Database. <https://offshoreleaks.icij.org/search?c=BLZ&cat=1>

<sup>11</sup> STAR, World Economic Forum Partnering Against Corruption Initiative (PACI). (2021, June 2). The role and responsibilities of gatekeepers in the fight against illicit financial flows: A unifying framework. The Role and Responsibilities of Gatekeepers in the Fight against Illicit Financial Flows: A Unifying Framework | Stolen Asset Recovery Initiative (StAR). <https://star.worldbank.org/publications/role-and-responsibilities-gatekeepers-fight-against-illicit-financial-flows-unifying>.

<sup>12</sup> France, G. (2024, October 29). PROFESSIONAL ENABLERS OF ILLICIT FINANCIAL FLOWS AND HIGH-RISK SERVICES AND JURISDICTIONS. Transparency International - Knowledge Hub. <https://knowledgehub.transparency.org/helpdesk/professional-enablers-of-illicit-financial-flows-and-high-risk-services-and-jurisdictions>

<sup>13</sup> See footnote 11

<sup>14</sup> See footnote 12

