

Accountants and Anti-Money Laundering Compliance in the Real Estate Sector

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Abstract : This paper aims to examine the role of accountants as gatekeepers in anti-money laundering compliance in real estate transactions. The paper seeks to answer questions on ways in which accountants are involved in real estate transactions and mandatory compliance with regulatory authorities in Canada. The data for the study came from semi-structured interviews with accountants, lawyers, and government officials. Preliminary results reveal that there is a conflict between accountants' obligation to disclose and loyalty to their clients. Accountants often do not see why they are obligated to disclose their clients' information to government agencies. The importance of the client in terms of the amount of revenue contributed to the accounting firm also plays a significant role in accountants' reporting decision-making process. Although the involvement of accountants in real estate purchase and sale transactions is limited to lawyers or notaries, they are often involved in designing financing schemes, which may involve money laundering activities. The paper is of wider public policy interests to both accountants and regulators. It is hard not to see Chartered Professional Accountant (CPA) Canada and government regulators using the findings to better understand the decision-making processes of accountants in their reporting practices to regulatory authorities.

Keywords : money laundering, real estate, disclosure, legislation, compliance

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