



The collaboration of
notaries in the prevention
of money laundering,
terrorist financing
and tax fraud

OCP  **TARIADO**
CENTRALIZED ORGANIZATION
FOR THE PREVENTION OF MONEY LAUNDERING

Notaries play a decisive role in the prevention of money laundering, terrorist financing and tax fraud. The more than 2,800 Spanish notaries, from their notary offices, have become increasingly indispensable allies of the state in fighting against these crimes.

To intensify and channel this work, in 2005 the Ministry of Economy created within the General Council of Notaries on **Centralized Organization for the Prevention of Money Laundering (OCP)** and in 2007 the **Tax Control Body (OCT)**, which are now a beacon of the notarial commitment to this matter.

An internationally recognised model, which exemplifies good practice for international organisations such as the **Council of the European Union** and the **Financial Action Task Force (FATF)**.

What is the **OCP** and how does it function?

The Centralized Organization for the Prevention of Money Laundering (OCP) is the main structure that the Spanish Notariat has in place to combat economic crime. Its creation, by Order EHA 2963/2005, made it possible to intensify and channel the collaboration of notaries in this field with public authorities and judicial and police authorities.

The technicians of the Centralized Organization for the Prevention of Money Laundering perform their work by analysing and crossing-referencing data (always in the context of Spanish data protection regulations), thanks to the fact that operations carried out by notaries are parameterised and stored in the **Single Computerised Notarial Index**, a powerful database created by the Notariat in 2004. They also receive alerts and notices from notaries themselves about transactions that seem suspicious to them, which they trace and investigate thoroughly.

The Notariat's OCP greatly facilitates the work of notaries as it is the body itself that investigates and communicates suspicious transactions to the competent authorities

In turn, two other essential tools are derived from the Single Computerised Notarial Index: the **Beneficial Ownership Database** and the **Database of Persons with Public Responsibility**.

The Single Computerised Notary Index

It contains information on the operations performed on a daily basis by the more than 2,800 Spanish notaries. This database contains more than 116 million parameterised documents; a volume only comparable to that operated by the State Tax Agency. It contains the main details of the public documents and other documents authorised by notaries, recorded in a disaggregated manner at each notary office.

This index allows OCP professionals to **identify and trace** any act or business which lead them to believe that they may constitute money laundering or other crimes. In the event of detecting an alleged offence, the OCP technicians notify the Executive Service of the Committee for the Prevention of Money Laundering and Monetary Offences (SEPBLAC), the highest Spanish authority in the fight against money laundering. The OCP also receives requests on a daily basis for information from the public authorities fighting these scourges.

This basis serves to identify and trace any act or business that are indicative of money laundering or other crimes

The Beneficial Ownership Database (BDTR)

It is one more step in the commitment of the Notariat against money laundering and the fight against terrorism. The OCP started working on this database in June 2010, and in March 2012 it officially created this new file following a favourable opinion by the **Spanish Data Protection Agency**. The **BDTR** is unique in the world and allows public authorities to obtain the maximum performance from the information contained in the Single Computerised Notary Index on the ownership of companies. Its mission is to identify who is behind a company, a decisive figure in the fight against such crimes where it is common to use frontmen and front companies.

Today, thanks to the BDTR, it is possible to know who is the beneficial owner of more than 2.3 million companies and organisations in less than three minutes, whether they are limited liability companies, public limited companies, foundations, political parties or other associations and organisations with complex corporate structures.

Another of its strengths is that it allows the actual ownership of many foreign companies that operate in Spain, whether directly or through a Spanish company. This is the only database where this information is stored, since these companies are not required to register at any companies or administrative registry.

Its mission is to identify who is behind a company, a decisive point in the fight against such crimes where it is common to use frontmen

The Database of Politically Exposed Persons (BDPRP)

Thanks to the information contained in the Single Index and the BDTR, the Centralized Organization for the Prevention of Money Laundering has been able to create a database which identifies more than 25,000 persons with public responsibility and their associates. A file that notaries have also made available to judicial authorities, State security forces and other institutions responsible for preventing and combating economic crime.

A database where more than 25,000 politically exposed persons and their associates are identified

The Tax Control Body (OCT)

In 2007, the Tax Control Body (OCT) for the prevention and fight against tax fraud became operational. By implementing this structure, the Notariat strengthened its collaboration with the Treasury, providing information on the most significant movements in terms of tax.

The OCT reports monthly to the State Tax Agency information on operations with significance in terms of tax in which some of the persons had not informed the notary of their tax identification number (NIF) or refused to identify or provide information on the means of payment used in the purchase and sale of real estate.

Responsible supervision

The work of the OCP and OCT technicians is performed in full compliance with Data Protection regulations, guaranteeing the right of citizens to the **privacy and confidentiality** of their information. This procedure also applies when their technicians respond to thousands of requests for information from judicial, administrative and police bodies made in the performance of their functions to combat these crimes, since collaboration between the different institutions is always two-way.

The system designed by the Spanish Notariat ensures that the information remains protected and encrypted, with a small number of institutions and persons being able to request it, always in the context of combating money laundering, terrorist financing and tax fraud.

The work of the OCP and OCT technicians is done in accordance with Data Protection regulations, guaranteeing citizens' right to privacy

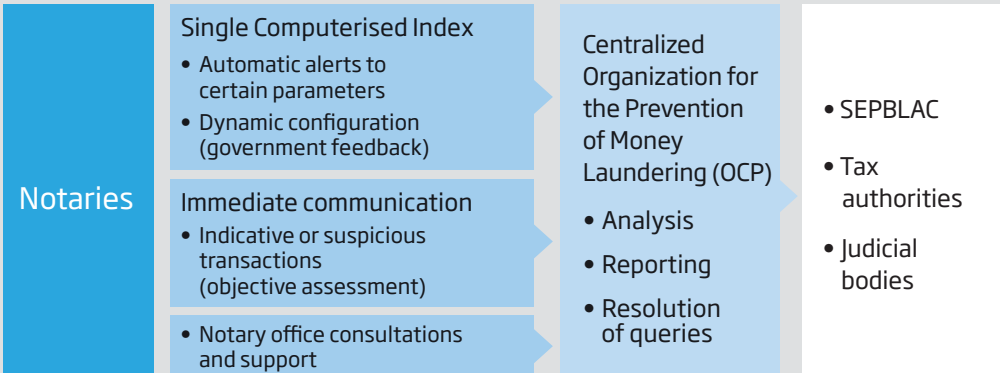
Indispensable institutional collaboration

Institutional cooperation is one of the most effective money laundering tools. As provided in the Prevention of Money Laundering and Terrorist Financing Act (Law 10/2010), information handled by the Centralized Organization for the Prevention of Money Laundering is provided to State bodies, which in turn share it with their international counterparts under the collaboration agreements signed for this purpose.

As the highest Spanish authority in the fight against money laundering, the relationship with SEPBLAC is particularly intense. But this information is also passed on to the State Tax Agency, the Regional Treasuries, the regional Finance departments and the General Intervention Board of the State Administration. As part of the international fight, the OCP collaborates with various European authorities such as OLAF (the European Anti-Fraud Office) and Europol, in addition to Interpol.

Institutional cooperation is one of the most effective anti-money laundering tools

Information flow in the prevention of money laundering



Internationally recognised work

The efforts of Spanish notaries in the prevention of money laundering and other economic crimes have not inadvertently become a problem in which international cooperation is considered essential. The Council of the European Union has recognised and used as a model the pioneering action taken by the Centralized Organization for the Prevention of Money Laundering in *The Manual of Good Practices in its Fight against Financial Crime*, with particular interest in the use of technology in the fight against this sophisticated crime.

International mentions include that of the Financial Action Task Force (FATF).

In particular, the international body has praised the functioning of the Beneficial Ownership Database (BDTR) created by the OCP, describing it as unique among the 35 countries that make up this institution.

The Centralized Organization for the Prevention of Money Laundering, created by the Notariat, actively participates in the most influential international forums to explain its model of action, a pioneer in the prevention of this economic crime. An explanatory task which has consolidated it as one of the international benchmarks in the fight against money laundering, the financing of terrorist organisations and tax offences.

It facilitates the notary's tasks

It is the duty of the notary to request information or documentation demonstrating the means of payment used in certain transactions, in preventing crimes such as money laundering and tax fraud. The notary will inform you of this duty and ask for the necessary documentation. Through the collaboration of the Notariat in the prevention of these crimes, we all win.

The Notariat today

Notaries are public officials who, by delegation of the State, are assigned important functions, such as public attestation and controlling legality. Thus, documents and agreements drawn up and/or authorised by a notary acquire public document status, the veracity, firmness and evidentiary force of which are recognised by the law. Notaries provide preventive legal certainty under the Constitution. The notary is a guarantee of authenticity, legality and security, both for citizens and companies and for the State.