

## Key Regulatory Obligations

As someone in the France office, you should know that:

- French financial institutions must collect specific documents to verify the identity of their clients and their beneficial owners (e.g., transparency register extracts, etc.). They must understand and document the activities and Source of Wealth (SoW) of their clients on a risk-based approach and know the nature and purpose of each of their business relationships. Evidencing the SoW is required for PWM clients if they are HR or there are any doubts around their SoW.
- Specific approvals are required for Politically Exposed Persons (PEPs) and clients established in high-risk jurisdictions identified by the EU, the FATF or the French Government.
- Any suspicion relating to offences punishable by at least one year's imprisonment, money laundering, terrorism financing or tax fraud must be reported as soon as possible to TRACFIN, the French Financial Intelligence Unit (FIU), via a Suspicious Activity Report (SAR).

## Protocols

Here are the protocols that must be followed:

- Ensure that a French KYC (Know Your Customer) has been completed and approved for a client before executing a transaction or signing an engagement letter. A refresh may still be required for existing clients.
- Clients associated with a higher financial crime risk require Enhanced Due Diligence (EDD) and increased levels of monitoring.
- Immediately escalate unusual transactions to Compliance for investigation: transactions with no apparent economic or lawful purpose, transactions involving unusually large amounts, or particularly complex transactions (e.g., multiple entities and countries, trusts and complex structure, etc.).
- Make sure you are familiar with the [GS France AML/CFT Policy](#).
- The [GS France Escalation Policy](#) which was introduced for employees based in France in accordance with the Sapin II Law on whistleblowing.

## Risks

Failure to follow these protocols poses the following risks:

- Insufficient Client Due Diligence (CDD), leading to inadequate levels of monitoring and approvals for high-risk relationships.
- Unusual activities and transactions aren't properly identified and investigated, leading to failures to report suspicious activities and transactions to the FIU.

## Consequences

The consequences of non-compliance include:

- Complicity in money laundering carries a jail sentence of up to 5 years (10 years for terrorism financing) and a significant fine.
- Regulatory fines for AML/CFT failures can reach 10% of the total annual turnover of the Firm and have significant reputational consequences.

## The Bottom Line

**Promptly report unusual/suspicious activity or issues that may raise money laundering concerns to your local Compliance team and to FCC.**

French rules are often more stringent than firm requirements and specific documents or approval may be required. Clients established outside of the EU, politically exposed clients and PWM clients usually require additional checks and documents.

## Contacts

For any questions or concerns please reach out to your [Money Laundering Reporting Officer \(MLRO\)](#), Jean-Nicolas Barbier, or your local Compliance team: Hugo Gillet and Pierre-Etienne Petit ([Compliance-Paris-Reg-Affairs](#)).

## Additional Information

In addition to the material in this training, the Anti-Bribery Group or your regional compliance officers may inform you of particular local laws, rules and regulations that may impose specific anti-bribery / anti-corruption legal or compliance requirements in France. If applicable, please become familiar with those requirements.