



Interview

Scott Hanson

Director, Policy & Global
Engagement IFAC

MADE BY

C.P.C. y L.D. SILVIA ROSA MATUS DE LA CRUZ
Vicepresidenta de Práctica Externa del IMCP
vp.pexterna.2023-24@imcp.org.mx

As Director, Policy & Global Engagement, Scott Hanson is responsible for coordinating IFAC's engagement strategy with global organizations and non-accountancy stakeholders. Mr. Hanson also leads IFAC's policy and advocacy related to anti-corruption, anti-money laundering and economic crime, and oversees IFAC's engagement in donor-funded capacity building initiatives.

Mr. Hanson began his career in markets supervision roles at NYSE Regulation and FINRA (the Financial Industry Regulatory Authority) in New York, before transitioning into international regulatory policy at FINRA in Washington, DC.

Mr. Hanson then worked in regulatory policy within the European System of Financial Supervision at the Central Bank of Ireland (Dublin), touching on diverse policy areas across the Bank and leading the establishment of the Central Bank of Ireland's Innovation Hub.

Mr. Hanson holds a B.A. from the University of Chicago, a J.D. from Brooklyn Law School, and has been to over 90 countries.

Thank you for taking the time to talk with us. Please share with our readers a little more about yourself and your professional experience

First, I would like to thank Silvia Matus and the team at the IMCP for the opportunity of this interview. IMCP is an important member of IFAC and one of the leading accountancy bodies in Latin America.

Growing up, I was a bit all over the place. I was born in New Jersey and lived in Connecticut and Ohio before going to the University of Chicago for my bachelor's degree in history. Then I moved to New York, then Washington DC, Dublin Ireland, and then back to New York. After COVID, I became a remote employee for IFAC and moved to the mountains of Colorado. I

also spent time living in Istanbul, Sao Paulo, and Hamburg... so yes, all over.

In terms of my career, my background is as a financial services regulator. After qualifying as a lawyer in the United States (I'm not an accountant), I worked in technical market supervision roles at the New York Stock Exchange and at FINRA, the self-regulatory organization for securities brokers in the United States. Over time, I moved from market supervision to international regulatory policy, which ultimately led me to the Central Bank of Ireland.

At the Central Bank of Ireland, I had the privilege of leading the development of the Central Bank's FinTech regulation initiative. So, I built and launched the Central Bank's "Innovation Hub." It is here that I started working closely with anti-money laundering (AML), as many of the FinTech companies in Ireland at the time were focused on technology-based AML compliance solutions. I understand that this is still the case.

Since when have you been collaborating with IFAC, and what areas are you involved in?

I joined IFAC in July 2019 and immediately began working on the AML policy file. This has steadily grown in importance and now takes up a significant portion of my time. But this is only one of my responsibilities—my formal title is Director, Policy & Global Engagement. AML and anti-corruption are the "Policy" piece. I am also responsible for overseeing IFAC's global engagement work, which refers to IFAC's relationships with global non-accountancy stakeholder like the United Nations, the OECD, the International Organization of Securities Commissions (IOSCO)... these types of organizations. As part of that responsibility, I also oversee IFAC's relationships with development partners like the World Bank and Inter-American Development Bank and IFAC's capacity building program.

As the head of the anti-money laundering area, could you explain what this group consists of and what its objectives are?

IFAC is a small organization—we have about sixty full-time staff. We are not able to devote large teams to specific issues. So as the lead for AML and anti-corruption at IFAC, most of the responsibility falls with me.



That said, IFAC is an extremely collaborative organization, and AML and anti-corruption are important topics across IFAC. Accordingly, I will often find myself working with my global engagement and capacity building colleagues, the sustainability team, the professional accountants in business team, the small and medium practices team, and the education team, among others.

In terms of objectives, at the highest level, it is really about 1) awareness raising, 2) encouraging professional accountancy organizations to be pro-active and AML and anti-corruption issues, and 3) to help professional accountancy bodies comply with evolving AML requirements and participate in AML mutual evaluations led by the Financial Action Task Force (FATF).

We now have nine documents in the Anti-Money Laundering Basics series, are there plans to release more basic documents?

AML The Basics is a really great series that breaks down the FATF requirements for accountants into easily digestible pieces. We are very proud of this work and hope organizations like the IMCP find it helpful. For now, we are focused on translating the series into additional languages to make it more accessible. That said, as we are now entering a new round of mutual evaluations by the FATF, we are considering additional work to help professional accountancy organizations engage with this process. We hope to have more to say about this in the coming months.

What has been the global response from accountants regarding these anti-money laundering basic documents?

The response has been overwhelmingly positive. It is important to remember that the FATF only first introduced requirements for accountants 20 years ago. And these requirements then had to be transposed into national law and effectively implemented, a process that is still underway in many countries, including Mexico. So, most of the AML requirements for accountants have come about after most currently practicing accountants qualified. This is new, and accountants need easy to use resources to help them come up to speed.

Could you explain what IFAC's anticorruption plan is?

When I joined IFAC in 2019, AML and anti-corruption were priorities, but not top priorities. At that time, the focus was really on audit regulation and reform. Over the following years, however, sustainability became a central priority for IFAC and the global accountancy profession. In parallel to that, there was a realization of the severe negative impact of corruption



Anti-money laundering and anti-corruption are important topics throughout IFAC

to sustainable development. At the same time, there has been increased scrutiny of the accountancy profession as professional gatekeepers. Accordingly, we elevated our focus on anti-corruption.

The central output of this was the development of IFAC's anti-corruption action plan in 2022. This sets out a strategy for how IFAC can support the global accountancy profession to increase its positive impact in the fight against corruption. It is based on five pillars: Education, global standards, evidence-based policymaking, partnership and thought leadership. This has guided the many individual initiatives from IFAC related to anti-corruption and AML in the years since.

What is IFAC's role in collaboration with the Financial Action Task Force (FATF)? How do we work with them?

The FATF is the global standard setter for AML. This makes the FATF one of the most important global stakeholders for IFAC, and strengthening our relationship with the FATF has been a top priority for me personally over the past five years. We have done that by contributing to a number of FATF consultations on behalf of the global accountancy profession, participating in the FATF's annual private sector forum, and connecting the FATF with the IFAC AML Community of Practice. I would say this has been a great success, as six years ago we had a very limited relationship with the FATF, and now I would consider them close partners.

In this regard, and before concluding the interview, what other anti-money laundering projects are IFAC planning?

With the FATF in the process of starting the fifth round of mutual evaluations, which will include an increased focus on accountants, this is an important moment. Looking across the 180+ IFAC member accountancy bodies, we realize that there is a significant need in terms of capacity building, as more countries come into compliance with the FATF Recommendations and expectations of professional accountancy bodies increase.

To meet this demand, we have partnered with the FATF and the International Bar Association (IBA), the global organization for the legal profession, to develop a capacity building initiative aimed at professional bodies. We are hoping to launch this in mid-2025 and hope to be able to communicate more concrete details soon. This is something that we are very excited about.

Again, thank you very much for this talk and for your comments. What message would you like to share with gatekeepers, particularly public accountants in Mexico?

My key message is to recognize the unique and powerful position that accountants have to make a positive difference in the fight against corruption, money laundering and financial crime. This is not a compliance exercise, but a core part of the profession's public interest mandate. Every accountant is a super hero!