

## CONSENT ORDERS HEARING

### CONSENT ORDERS COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

**In the matter of:** Mr Ketan Patel

**Heard on:** Tuesday, 03 December 2019

**Location:** ACCA, The Adelphi, 1-11 John Adam Street, London, WC2N  
6AU

**Committee:** Mr Andrew Popat CBE (Chairman)

**Legal Adviser:** Mr Mark Ruffell (Legal Adviser)

**Persons present  
and capacity:** None

**DECISION:** The Committee approved the Consent Order that Mr Patel should be severely reprimanded, pay to ACCA costs in the sum of £1,149.00, and a fine in the sum of £2,500.00.

1. The Committee met to consider a referral to the Consent Orders Committee concerning Mr Patel. The Committee had read and considered the service bundle, pages 1-10, and the case papers that included the draft agreement and pages 1-161.

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## **Constitution of the Committee**

2. The Chartered Certified Accountants' Regulatory Board and Committee Regulations 2014, amended 1 January 2017, Regulation 5(7) states:

*(7) The Consent Orders Committee shall consist of either a chairman and a legal adviser, or an assessor and a legal adviser.*

3. For avoidance of doubt, the Legal Adviser is an independent barrister or solicitor; the meaning of a Legal Adviser is as generally set out in ACCA's Regulations. The Committee proceeds on the basis that the Legal Adviser's role is advisory only. The Legal Adviser is not a voting member of the Committee as this would be a departure from the function. The Chairman alone will make a determination on the signed draft consent order.

## **ALLEGATIONS**

- (a) Between 2013 and 2019, Mr Patel, a Fellow member of ACCA, was not sufficiently familiar with Money Laundering regulations (2007) 7 and/or 8 and/or 14 and/or 19 and/or 20 and/or Money Laundering Regulations (2017) 19 and/or 21 and/or 27 and/or 28 and/or 35 and/or 40 (as applicable).
- (b) Between 2013 and 2019, Mr Patel did not establish policies and/or controls and/or procedures as required by Money Laundering Regulation (2007) 20 and/or Money Laundering Regulation (2017) 19 (as applicable).
- (c) By virtue of any or all of the facts in (a) and (b) above, Mr Patel did not comply with paragraphs 3 and/or 5 of Section B2 of ACCA's Rulebook (2013-2019).
- (d) By virtue of any or all of the facts in (a) to (c) above, Mr Patel is guilty of misconduct pursuant to bye-law 8(a)(i).

## **BRIEF BACKGROUND**

4. Mr Patel is the sole proprietor of his firm. On 6 March 2013, ACCA conducted a desktop review of Mr Patel's firm. As part of the review, Mr Patel completed a questionnaire, part of which related to money laundering. ACCA wrote to Mr Patel with the result of the review, and as a result of his answers to the questionnaire concerning money laundering, advising him that:

*'The firm does not appear to be sufficiently familiar with all the obligations under the Money Laundering Regulations. Failure to comply with the regulations is a criminal offence and, in addition, ACCA members could be subject to disciplinary action...The firm should make the following improvements to its procedures as soon as possible...Mr Patel should attend a course on Money Laundering Regulations to brush up and familiarise himself with the requirements...The firm should confirm to ACCA as soon as possible that the firm has received this report and is dealing with the issues raised.'*

5. Mr Patel responded to ACCA stating: *'I have received and read the report that you emailed on 6 March. I note the future actions that I need to carry and will ensure that I attend a course on Money Laundering Regulation in the current year.'* ACCA deemed that Mr Patel's response was satisfactory and concluded the Compliance Review.
6. On 25 February 2019, ACCA conducted a desktop review of Mr Patel's firm. As part of the review, Mr Patel completed a questionnaire, part of which related to money laundering. ACCA wrote to Mr Patel with the result of the review and as a result of his answers to the questionnaire concerning money laundering, advising him that:

*'The firm has demonstrated insufficient knowledge of its obligations under the Money Laundering Regulations. The firm is required to follow the legislative requirements of the United Kingdom and should comply with the relevant section (B2) of the CEC's. Failure to comply with the regulations is a criminal offence and, in addition, ACCA members could be subject to disciplinary action. The firm was advised of this at the previous monitoring*

*visit and does not appear to have made any improvements...The firm has not documented its Anti-Money Laundering (AML) policies, controls and procedures...The firm is not sufficiently familiar with the requirements surrounding customer due diligence and does not appear to keep records relating to this. Regardless of the nature of the work, customer due diligence procedures should be carried out regularly and recorded...The firm is not aware that the external body to which any suspicious activity should be reported is the National Crime Agency (NCA)...The firm is not sufficiently familiar with the requirements surrounding identifying Politically Exposed Persons (PEPs) and enhanced due diligence procedures...the firm does not appear to be aware that documents relating to the Money Laundering Regulations must be kept for a minimum of five years after the end of the client relationship.'*

7. ACCA required confirmation that Mr Patel had attended a course on Money Laundering Regulations. In response to ACCA's findings, Mr Patel stated that:

*'I have read the MRL guidance and will be attending CPS courses relating to the Money Laundering Regulations...I am setting up the required recording of Anti-Money Laundering policies, controls and procedures based upon the guidance provided from your email.'*

8. ACCA took disciplinary action against Mr Patel in relation to the findings of both desktop reviews, as drafted in the allegations.
9. Mr Patel admitted the allegations, and had agreed to be severely reprimanded and pay costs to ACCA in the sum of £1,149.00, and a fine in the sum of £2,500.00.

#### **COMMITTEE'S DECISION**

10. Under Regulation 8(8) of the Complaints and Disciplinary Regulations 2014, the Committee has to determine whether, on the basis of the evidence before it, it is appropriate to approve or reject the draft consent order.

11. The Committee noted that Under Regulation 8(12) it shall only reject the signed consent order if it is of the view that the admitted breaches would, more likely than not, result in exclusion from membership.
12. The Committee considered the seriousness of the breaches and the public interest, which includes the protection of the public, the maintenance of public confidence in the profession, and the declaring and upholding of proper standards of conduct and performance. It balanced this against Mr Patel's interests and his previous good character; his admission of the failures and misconduct and his co-operation with ACCA. In addition, no financial harm or loss had been caused and he had agreed to take corrective steps.
13. The Committee specifically agreed with the list of aggravating and mitigating factors listed at paragraphs 4.5 and 4.6 of the draft Consent Order.
14. The Committee had regard to ACCA's Guidance for Disciplinary Sanctions. It was satisfied that there had been early and genuine acceptance of the misconduct, and that the risk to the public from Mr Patel continuing in practice was low.
15. For the reasons set out above, the Committee was satisfied that the admitted breaches would be unlikely to result in exclusion from membership, and therefore there was no basis for it to reject the consent order under Regulation 8(12). The Committee noted the proposed consent order, and considering all the information before it, was satisfied that it was an appropriate and proportionate disposal of this case and made the Order consented to by both parties.

## **ORDER**

16. The Committee, pursuant to its powers under Regulation 8, made an Order in terms of the draft Consent Order, namely that Mr Patel be severely reprimanded, pay to ACCA costs in the sum of £1,149.00 and a fine in the sum of £2,500.00.

**Mr Andrew Popat CBE**  
**Chairman**  
**03 December 2019**