

APPLICATION ON PAPERS

**CONSENT ORDERS CHAIR OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS**

REASONS FOR DECISION

In the matter of: **Mr Dilipkumar Gokaldas Patani**

Considered on: **Tuesday, 17 August 2021**

Chair: **Ms Wendy Yeadon**

Legal Adviser: **Mr Iain Ross**

Outcome **Draft Consent Order approved.**

INTRODUCTION

1. This matter has been referred to the Chair of the Complaints and Disciplinary Committee for them to determine on the basis of the evidence before them whether to approve or reject the draft Consent Order.
2. The Chair had a case bundle numbered pages 1-457 and a letter dated 10 August 2021, informing Mr Patani that the draft Consent Order would be considered by the Chair on 17 August 2021.

RELEVANT FACTS / PROVISIONAL AGREEMENT

3. Mr Dilipkumar Gokaldas Patani is the Director of Patani Associates Limited (the firm') and is the appointed Money-Laundering Supervision Officer of the firm.

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4. On or around February 2020, a desk-based review of the firm was concluded by ACCA's Anti Money Laundering (AML) team in order to assess its compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.
5. The review revealed evidence of poor anti money laundering compliance regarding AML controls.
6. By a Consent Order signed on 06 May 2021, Mr Patani admitted the following allegations:
 1. It is alleged that Mr Dilipkurnar Gokaldas Patani, Director of Patani Associates Limited ("*the firm*");
 - a. On dates between 26 June 2017 and 03 November 2020, failed to comply with the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in relation to practice conducted in the firm in that he:
 - i. Did not put in place adequate steps to ensure the firm had in place a dedicated policies and procedures document outlining the firm's anti- money laundering systems and controls, contrary to Regulation 19;
 - ii. Did not take appropriate measures to ensure the firm had in place a formal process for reporting suspicious activity both internally or externally, contrary to Regulation 19 and 21;
 - iii. Did not take adequate steps to ensure the firm had in place formal client risk assessment and enhanced customer due diligence processes, contrary to Regulations 33 – 36.
 - b. His conduct in respect of 1 above was:
 - i. Contrary to Section B2 of ACCA's Code of Ethics and Conduct (Anti- money laundering) [as applicable between 2017 and 2020];

- ii. Contrary to Subsection 113 of ACCA's Code of Ethics and Conduct (the Fundamental Principle of Professional Competence and Due Care) [as applicable between 2017 and 2020];
 - iii. Contrary to Subsection 115 of ACCA's Code of Ethics and Conduct (the Fundamental Principle of Professional Behaviour) [as applicable between 2017 and 2020].
 - c. In light of any or all of the facts set out at Allegations 1 a and 1 b above, he is:
 - i. Guilty of misconduct pursuant to byelaw 8(a)(i), or
 - ii. Liable to disciplinary action pursuant to byelaw 8(a)(iii).
- 2. Having admitted the allegations, Mr Patani also agreed to a sanction of a Severe Reprimand, together with a fine of £5,000 and to pay costs to ACCA in the sum of £1,368.50.

DECISION

- 3. The powers available to the Chair are to:
 - (a) Approve the draft Consent Order, in which case the findings on the allegations and the orders contained in it become formal findings and orders (CDR 8(11) and 8(14));
 - (b) Reject the draft Consent Order, which they may only do if they are of the view that the admitted breaches would more likely than not result in exclusion from membership (CDR 8(12));
 - (c) Recommend amendments to the draft Consent Order, if satisfied it is appropriate to deal with the complaint by way of consent but wish the terms of the draft order to be amended (CDR 8(13)).
- 7. The Chair had regard to ACCA's Guidance for Consent Orders. Having carefully considered all of the material before them, the Chair was satisfied that the matter had properly been investigated by ACCA. The Chair was further satisfied

that Mr Patani had properly and willingly admitted all of the allegations, whilst being legally represented.

8. In considering whether a Severe Reprimand was the appropriate sanction, the Chair noted that ACCA's Guidance for Disciplinary Sanctions (Guidance) had been considered and particularly the key principles which includes the following:
 - Protection of members of the public;
 - Maintenance of public confidence in the profession and in ACCA; and
 - Declaring and upholding proper standards of conduct and performance.
9. Another key principle is that of proportionality, that is, balancing the member's own interests against the public interest. Further, the aggravating and mitigating features of the case have been considered.
10. The Chair also noted that ACCA submit that *"this is a public interest sanction due to the conduct bringing discredit to ACCA and to the profession and it conveys a message of the importance of fundamental standards of professional conduct."*
11. Taking into account all of the above factors, the Chair agreed that a severe reprimand and a fine was a proportionate sanction which sufficiently dealt with the public protection and public policy considerations.

ORDER

12. The Chair made the following order:

The draft Consent Order is approved.

Ms Wendy Yeadon
Chair
17 August 2021