

APPLICATION ON PAPERS

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Muhammad Razwan

Considered on: Monday, 09 January 2023

Chair: Ms Kathryn Douglas

Legal Adviser: Mr David Marshall

Summary: Consent Order confirmed. Severe
reprimand, cost of £500 and fine of £1,882.

1. The Chair considered a Draft Consent Order signed by Mr Razwan on 27 November 2022 and by ACCA on 30 November 2022. The matter was considered on the basis of documents only. Neither Mr Razwan nor ACCA was present or represented.
2. The Committee had a main bundle of papers containing 93 pages, a detailed costs schedule of one page and a simple costs schedule of one page.

BACKGROUND AND ADMISSIONS

3. Mr Razwan has been a member of ACCA since August 2018. In August 2021, it came to ACCA's attention that Mr Razwan appeared to be carrying out public practice, with the involvement of a firm called Zubair Accountants Ltd which he owned. In order to conduct public practice, Mr Razwan would require a Practising Certificate from ACCA. Any firm through which he operated would also require a practising certificate. In addition, he and his firm would have to be supervised for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Although

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Mr Razwan was supervised for a period and had a practising certificate from another regulator for a time. He had not met ACCA's requirements throughout the period when he was in public practice.

4. Mr Razwan provided detailed information to ACCA in response to his investigation. He explained that he held a practising certificate from the Institute of Financial Advisers from 25 June 2020 to 31 December 2020 but not from ACCA. During that period, (only) he had been supervised by IFA under the Money Laundering provisions. He also arranged a subsequent period of supervision by HMRC. He stated that he had not fully understood the regulatory requirements at the time but now accepted what ACCA said. Mr Razwan applied to ACCA for a practising certificate which was granted on 01 August 2022.
5. Mr Razwan admitted the following formal charges:

Allegation 1

Mr Muhammad Razwan, an ACCA member, has on dates between and including,

- a) *26 June 2017 - 23 August 2018;*
- b) *24 August 2018 - 24 June 2020;*
- c) *01 January 2021 - 30 July 2021.*

provided accountancy services within the terms of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 without having registered with a supervisory authority for monitoring purposes, contrary to regulation 8(2)(j) of Membership Regulations 2014 (as applicable from 2017 to 2018) and regulation 3(2) of Annex 1 of the Global Practising Regulations 2003 (as applicable from 2018 to 2021).

Allegation 2

Mr Razwan breached the Global Practising Regulations (as applicable from 2020 to 2021) by virtue of the following:

- a) *Between 25 June 2020 and 24 August 2021, Mr Razwan carried on public*

practice without holding a valid ACCA practising certificate, contrary to Regulation 3(1)(a) of the Global Practising Regulations 2003 (as applicable from 2020 to 2021).

b) Between 13 July 2020 and 24 August 2021, Mr Razwan was a director of Zubair Accountants Ltd, a firm which carried on public practice, without holding a valid ACCA practising certificate, contrary to 3(2)(a) of the Global Practising Regulations 2003 (as applicable from 2020 to 2021).

(c) Between 13 July 2020 and 24 August 2021, Mr Razwan held rights which in effect put him in a position of principal, by virtue of holding more than 75% shares in Zubair Accountants Ltd, a firm which carried on public practice, without holding a valid ACCA practising certificate, contrary to Regulation 3(2)(b) of Global Practising Regulations 2003 (as applicable from 2020 to 2021).

Allegation 3

Mr Razwan is guilty of misconduct in respect of the matters set out at allegations 1(a) to (c), and 2(a) to (c), pursuant to bye-law 8(a)(i).

DECISION AND REASONS

6. The Chair was satisfied that there was a signed draft order setting out all the required matters: the relevant facts; the relevant failings and/or breaches; the proposed sanction and costs; and that Mr Razwan understood that the proposed order would be considered by a Chair of the Disciplinary Committee.
7. The Chair was satisfied that the investigating officer had carried out an appropriate and thorough investigation and that there was a case to answer. She was satisfied that it was appropriate to deal with the matter by way of a consent order rather than in a public hearing.
8. The Chair agreed that there was a case to answer and that there was a real prospect that a reasonable tribunal would find the allegations proved.
9. The Chair agreed that it was unlikely that this conduct would result in exclusion. The allegation of misconduct concerns not being properly supervised under AML legislation and engaging in public practice without holding a PC during

stated periods. The conduct persisted over time but there is considerable mitigation as detailed in paragraph 10 of the report. Additionally, it appears that no fees were taken with respect to public practice in the relevant period.

10. The Chair was satisfied that the sanction met the public interest and was proportionate.

COSTS

11. The Chair considered that ACCA was entitled to its costs in principle and that the amount claimed, which was agreed, was reasonable.

ORDER

12. The Chair studied the terms of the Draft Consent Order but did not consider it necessary to recommend any amendments.
13. Accordingly, the Chair approved the attached Consent Order in full. In summary, Mr Razwan shall:
 - (a) be severely reprimanded;
 - (b) pay a fine for £1,882; and
 - (c) pay costs to ACCA in the sum of £500.

Ms Kathryn Douglas
Chair
09 January 2023