

APPLICATION ON PAPERS

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Hiten Kumar J Shah

Considered on: Tuesday, 29 July 2025

Chair: Mr Andrew Gell

Legal Adviser: Ms Jane Kilgannon

Outcome: Consent Order approved

Summary: Severe reprimand
Fine of £5,000
Costs payable to ACCA - £2,197.50

INTRODUCTION

1. This matter was referred to a Chair of the Disciplinary Committee of the Association of Chartered Certified Accountants (ACCA) pursuant to Regulation 8(8) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (the Regulations) to determine, on the basis of the evidence before them, whether it is appropriate to deal with the complaint by way of a consent order and whether to approve or reject a proposed draft Consent Order.

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2. Under Regulation 8(8) of the Regulations, consideration of the draft Consent order is made by a Chair in the absence of the parties and without a hearing.

DOCUMENTATION

3. The Chair had been provided with and read the following documentation:
 - a. A bundle of documents (pages 1 to 253), a draft Consent Order, signed by Mr Hiten Kumar J Shah (Mr Shah) on 17 July 2025;
 - b. ACCA document 'Consent orders guidance' (January 2021); and
 - c. ACCA document 'Consent orders – Frequently asked questions' (January 2021).
4. The Chair also had reference to:
 - a. ACCA document 'Guidance for disciplinary sanctions' (February 2024); and
 - b. ACCA document 'Guidance on costs orders' (September 2023).

DRAFT CONSENT ORDER

5. The Chair noted the content of the draft Consent Order, which was set out in the following terms:

The Association of Chartered Certified Accountants (ACCA) and Mr Hiten Shah (the Parties), agree as follows:

A. Mr Shah, a member of ACCA and the Money Laundering Reporting Officer and principle of Company A ('the Firm'), admits the following:

1. *Between 1 June 2019 and 9 July 2024 he failed on behalf of the Firm, to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, namely:*
 - a. *Regulation 18(4) (Firm-wide risk assessment by relevant person)*
 - b. *Regulation 19(1)(c) (Policies, controls and procedures)*
 - c. *Regulation 28(16) (Customer due diligence measures)*
 2. *By reason of the conduct set out at Allegation 1, Mr Shah failed to comply with Section B2 of ACCA's Code of Ethics and Conduct (Anti-Money Laundering) (as applicable in 2019 to 2024).*
 3. *By reason of the conduct set out in Allegations 1 and 2, Mr Shah is guilty of misconduct pursuant to bye-law 8(a)(i).*
- B. *That Mr Shah shall be severely reprimanded, pay a fine to ACCA of £5,000; and pay costs to ACCA in the sum of £2,197.50.*

[Signatures of the parties]

If the Consent Orders Chair is satisfied it is appropriate to deal with the complaint by way of a consent order and the signed draft consent order is approved, it constitutes a formal finding and order. The Consent Orders Chair has the power to recommend amendments to the signed draft consent order and to subsequently approve any amended order agreed by the Parties.

Publicity

All findings and orders of the Consent Orders Chair shall be published naming the relevant person, as soon as practicable, and in such manner as ACCA thinks fit.

6. The Chair noted the ACCA referral report set out as follows:

1. Relevant Facts, Failings and/or Breaches

- 1.1 *The investigating officer has conducted their investigation into the allegations against Mr Hiten Kumar J Shah ('Mr Shah') in accordance with Regulation 8(1)(a) of the Complaints and Disciplinary Regulations (CDR) (2019) and is satisfied that:*
- a. *they have concluded the appropriate level of investigation as evidenced by the enclosed evidence bundle, and determined that there is a case to answer against Mr Shah and there is a real prospect of a reasonable tribunal finding the allegations proved; and*
 - b. *the proposed allegations would be unlikely to result in exclusion from membership.*
- 1.2 *The relevant facts, failings and/or breaches have been agreed between the parties and are set out in the detailed allegations above together with the proposed sanction and costs.*

2. Summary of the key facts:

- 2.1 *4 November 1993 Mr Shah became a Member of ACCA.*
- 2.2 *4 November 1998 Mr Shah became a Fellow of ACCA.*
- 2.3 *Mr Shah holds an ACCA practising certificate and held a practising certificate during the periods set out in the allegations.*
- 2.4 *Mr Shah joined the Firm in 2005, been partner since 2005 and became MLRO 1 June 2019.*
- 2.5 *On 26 June 2017, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ('the MLRs 2017') came into force requiring that:*
- 2.5.1 *Regulation 18: To conduct and keep up to date a firm-wide risk assessment.*

2.5.2 Regulation 19: Firms have documented anti-money laundering (AML) policies and procedures.

2.5.3 Regulation 27-32: Firm must complete Customer Due Diligence (CDD) on clients when entering into a business relationship. CDD must be completed 'before the establishment of a business relationship or the carrying out of a transaction'. CDD may be completed during the establishment of a business relationship, but this is 'provided that the verification is completed as soon as practicable after contract is first established. The relevant person must be able to demonstrate to its supervisory authority that the extent of the measures it has taken to satisfy its requirements under this regulation are appropriate.

2.6 On 22 November 2023 the MRLO returned the ACCA Anti-Money Laundering (AML) Risk Assessment Questionnaire. In this questionnaire Mr Shah recorded that:

2.6.1 A Firm-Wide Risk Assessment had been undertaken, documented and was updated on a periodic basis.

2.6.2 The Firm had documented AML Policies and Procedures which were updated on a periodic basis.

2.7 On 16 May 2024 ACCA emailed Mr Shah as MLRO with notification that the firm had been selected for an AML review. The MLRO was asked to complete the AML Compliance Review Assessment Form to provide ACCA with information and documents in relation to its AML controls.

2.8 The form was submitted to ACCA 3 June 2024 confirming that::

2.8.1 The Firm had formally completed and documented a firm-wide risk assessment (FWRA)

2.8.2 That the document submitted as the Firm's FWRA was the 'first and only' such document.

2.8.3 That the Firm had an AML policy and procedures (P&P) document in place.

2.8.4 That the document submitted as the AML P&P was not the Firm's first such document.

2.9 On 12 June 2024 the Firm was provided with the AML report with the findings of the review, to include a report of non-compliant controls and corresponding actions as follows:

2.10 Firm-Wide Risk Assessment

2.10.1 The Firm had not been periodically reviewing and updating its FWRA as required by the MLR 2017.

2.10.2 The FWRA had not been updated to include an assessment of the firm's clients' exposure to proliferation financing risks, despite this being raised in the previous AML review.

2.10.3 The FWRA closely resembled the one provided during the previous AML review and lacked essential details such as the dates when it was created, last updated, and when it will next reviewed.

2.11 AML Policies and Procedures

2.11.1 The firm had not been periodically reviewing and updating its AML P&P as required by the MLR 2017. For example:

2.11.1.1 The AML P&P has not been updated to include missing policies and controls, such as sanction screening and control assurance process, despite this being raised in the previous AML review.

2.11.1.2 The firm's CDD process lacked procedures for identifying, recording and reporting any material discrepancies with People with Significant Control (PSC) register to Companies House or HMRC – a legal requirement in effect since January 2000.

2.11.1.3 The current AML P&P version, created on 7 May 2024 closely resembled the prior version created on the 1 August 2019, and which was due for review on 15 July 2020. This lack of substantive updates indicates the firm has not been reviewing and updating its AML P&P periodically, despite this issue being highlighted in the previous AML review.

2.11.2 As a result, the firm appears to be in breach of the MLR 2017 for failing to maintain an up-to-date AML P&P.

2.12 Client Due Diligence (CDD)

2.12.1 The firm lacked a formal client risk assessment process, in breach of the MLR 2017.

- 2.13 *Company A has since regularised these breaches with effect from 9 July 2024.*
- 2.14 *Mr Shah was referred to Professional Conduct for investigation. On 31 January 2025, the complaint was put to Mr Shah and he responded through representatives in a letter dated 14 March 2025.*
- 2.15 *On 14 May 2025, ACCA proposed that the matter be disposed of by consent order.*
- 2.16 *On 16 June 2025, Mr Shah confirmed that he agreed for the matter to be disposed of via consent.*

3. Sanction

- 3.1 *The appropriate sanction is severe reprimand, a fine of £5,000 and for Mr Shah to pay ACCA's costs in the sum of £2,197.50.*
- 3.2 *In considering this to be the most appropriate sanction, ACCA's Guidance for Disciplinary Sanctions ("the GDS") has been considered and particularly the key principles. One of the key principles is that of the public interest, which includes the following:*
- a. Protection of members of the public;*
 - b. Maintenance of public confidence in the profession and in ACCA; and*
 - c. Declaring and upholding proper standards of conduct and performance.*
- 3.3 *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.*
- 3.4 *The **aggravating factors** are considered to be as follows:*
- 3.4.1 Compliance with the MLRs 2017 is a legal requirement and mandatory;*

- 3.4.2 *Mr Shah has been MLRO of Company A since 1 June 2019;*
- 3.4.3 *The potential risks arising from a failure to implement and document adequate AML policies and procedures in the Firm;*
- 3.4.4 *The extent of the Firm's non-compliance;*
- 3.4.5 *The Firm's failure to follow ACCA's previous direction for review/update;*
- 3.4.6 *The length of time since the MLRs 2017 came into effect; and*
- 3.4.7 *That Mr Shah's conduct fell below the standards expected of a qualified ACCA member.*

3.5 *In deciding that a severe reprimand and fine is the most suitable sanction paragraphs C4.1 to C4.5 of ACCA's Guidance have been considered and the following **mitigating factors** have been noted:*

- 3.5.1 *Mr Shah has been an ACCA member in continuous good standing since 4 November 1993 and has no previous complaint or disciplinary history;*
- 3.5.2 *Mr Shah has regularised his position and there is no continuing risk to the public;*
- 3.5.3 *Having considered Mr Shah's conduct and his responses to the investigation the conduct does not appear deliberate or dishonest;*
- 3.5.4 *Mr Shah has fully co-operated with the investigation and regulatory process;*
- 3.5.5 *Mr Shah has made admissions by agreeing to dispose of the case by consent;*
- 3.5.6 *There is no evidence of harm; and*
- 3.5.7 *There is no evidence of actual enabling of any money laundering.*

3.6 *ACCA has considered the other available sanctions and is of the view that they are not appropriate. ACCA considers that a severe reprimand and fine proportionately reflects Mr Shah's conduct and the public policy considerations which ACCA must consider in deciding on the appropriate*

sanction. This is a public interest sanction due to the misconduct bringing discredit to ACCA and the profession; and it conveys a message of the importance of fundamental standards of professional conduct.

3.7 In addition, Section H of the GDS (Additional guidance in relation to AML allegations) has been consulted to help determine the appropriate sanction.

LEGAL ADVICE

7. The Chair accepted the following advice of the Legal Adviser:
 - a. The powers available to the Chair are to:
 - i. Approve the draft Consent Order, in which case the findings on the allegations and the orders contained within it become formal findings and orders (Regulation 8(11) and 8(14) of the Regulations);
 - ii. 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 or removal from the student register or affiliate register, as appropriate (Regulation 8(12) of the Regulations);
 - iii. Recommend amendments to the draft Consent Order, if satisfied that it is appropriate to deal with the complaint by way of consent order but wish the terms of the draft Consent Order to be amended (Regulation 8(13) of the Regulations).
 - b. The power of the Chair to approve a draft consent order is subject to the limitation that they may not approve a sanction of exclusion from membership or removal from the student register or affiliate register, as appropriate (Regulation 8(11) of the Regulations).

- c. In making their decision, the Chair must have regard to all of the evidence before them and the relevant ACCA guidance documents.
- d. The ACCA document 'Consent orders guidance' indicates that the essential requirements of a disposal by consent are:
 - i. The relevant person is willing to admit the allegation(s), facts and any failings and/or breaches in full;
 - ii. The investigating officer has conducted an appropriate level of investigation and/or enquiries;
 - iii. There is a case to answer against the relevant person;
 - iv. There is a real prospect of a reasonable tribunal finding the allegation(s) proved; and
 - v. The proposed allegation(s), if found proved, would be unlikely to result in exclusion from membership or removal from the student or affiliate register, as appropriate.
- e. The Chair must only dispose of the case by consent where it is in the public interest to do so, in order to:
 - i. ensure an appropriate level of public protection;
 - ii. maintain public confidence in the accountancy profession and its regulatory body; and
 - iii. declare and uphold proper standards of conduct and behaviour for relevant persons.

DECISION

8. In making their decision, the Chair had regard to all of the evidence before them, the legal advice and the relevant ACCA guidance documents.
9. Pursuant to Regulation 8(8)(a) of the Regulations, the Chair decided that it was appropriate to deal with this complaint by way of consent order for the following reasons:
 - a. The Chair was satisfied that there was a signed draft Consent Order setting out all of the required matters (the relevant facts, the relevant failings and breaches, the proposed sanction and costs), that Mr Shah had admitted the matters alleged in full and that Mr Shah understood that the proposed order would be considered by the Chair;
 - b. The Chair was satisfied that the Investigating Officer had carried out an appropriate and thorough investigation;
 - c. The Chair found the summary of facts set out in the draft Consent Order to be consistent with the evidence before them;
 - d. 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;
 - e. The Chair was satisfied that the admitted misconduct would not be likely to result in exclusion from membership. Taking into account the seriousness of the allegations, the aggravating factors, the mitigating factors, and the risk to the public and the public interest, the Chair considered that the admissions made by Mr Shah and his acceptance of a sanction of severe reprimand and a fine of £5,000 would more likely than not lead a Disciplinary Committee to conclude that removal from membership was not required in this case; and

- f. The Chair was satisfied that disposal of the case by consent was in the public interest.
10. Pursuant to Regulation 8(8)(b) of the Regulations, the Chair decided to approve the draft Consent Order for the following reasons:
- a. The Chair is satisfied that Mr Shah had admitted the matters alleged in full;
 - b. The Chair agreed that, as a result of those admissions, Mr Shah is guilty of misconduct;
 - c. The Chair agreed that Mr Shah's misconduct was serious. However, in light of the mitigating factors, the Chair did not consider that it amounted to conduct that was fundamentally incompatible with continued membership of ACCA;
 - d. The Chair agreed that the sanction of severe reprimand and fine of £5,000 was appropriate in this case. The Chair had particular regard to Mr Shah's cooperation throughout the ACCA investigation and his insight (demonstrated by his full admissions and agreement to the draft Consent Order). The Chair noted that remedial action had been taken. As such, the Chair assessed the risk of repetition to be low. Noting the seriousness of the matters admitted, the aggravating and mitigating factors, and the relevant ACCA guidance, the Chair considered that the sanction of severe reprimand and a fine of £5,000 was sufficient to meet the public interest to ensure an appropriate level of public protection, maintain public confidence in the accountancy profession and its regulatory body, and to declare and uphold proper standards of conduct and behaviour for relevant persons. The Chair was likewise satisfied that the sanction of severe reprimand and a fine of £5,000 was proportionate, balancing the interests of Mr Shah with the interests of members of the profession, the ACCA and the wider public.

- e. The Chair considered ACCA to be entitled to its costs in principle, and found the amount claimed and agreed (£2,197.50) to be fair and reasonable.

ORDER

- 11. Accordingly, the Chair approved the draft Consent Order.

EFFECTIVE DATE OF ORDER

- 12. Regulation 8(17) of the Regulations provides that there is no right of appeal against a consent order. Therefore, this Order comes into effect immediately.

Mr Andrew Gell
Chair
29 July 2025