Think Ahead ACCA

APPLICATION ON PAPERS

CONSENT ORDER CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	**Mr Rakesh Khosla**
Heard on:	**Friday, 14 November 2025**
Location:	**Remotely via Microsoft Teams**
Chair:	**Ms Ilana Tessler**
Legal Adviser:	**Ms Giovanna Palmiero**
Decison:	**The Chair made orders in the terms of the Consent Order: Draft Agreement that Mr Rakesh Khosla be severely reprimanded and pay a fine in the sum of £5,000.00 and costs to ACCA in the sum of £647.50.**

1. This matter has been referred to a Chair of the Disciplinary Committee of ACCA ("the Chair") pursuant to Regulation 8(8) of The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014, as amended ("the Regulations") for the Chair to determine, on the evidence before her, whether to approve or reject the Consent Order: Draft Agreement that has been agreed by ACCA and Mr Rakesh Khosla.

2. The Chair had before them a bundle of papers, numbered pages 1-310, a Referral to Consent Orders, a Detailed and Simple Schedule of Costs and a Consent Order Signed by Mr Rakesh Khosla.

3. The Chair considered the proposed consent order in the absence of the parties and without a hearing in accordance with Regulation 8(9) of the Regulations.

4. The Chair was satisfied that Mr Rakesh Khosla was aware of the terms of the proposed consent order and noted that he had signed the proposed consent order on 03 November 2025.

5. The Chair noted the terms of the 'Consent Order: Draft Agreement' as follows:

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

1. Mr Rakesh Khosla admits the following:

Mr Rakesh Khosla, an ACCA Fellow:

1. Between 26 June 2017 and 10 June 2025 failed on behalf of Firm A to comply with or demonstrate compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the MLRs 2017"), namely:

(a) Regulation 18 - Risk assessment by relevant persons: Firm-wide risk assessment;

(b) Regulation 19 - Policies, controls and procedures: AML policy and procedures;

(c) Regulation 24- Training.

2. By reason of his conduct set out at allegation 1 above, Mr Khosla failed to comply with Subsection 115 of ACCA's Code of Ethics and Conduct (the Fundamental Principle of Professional Behaviour) and Section 82 of ACCA's Code of Ethics and Conduct (Anti-money laundering).

3. By reason of his conduct, Mr Khosla is guilty of misconduct pursuant to bye-law 8(a)(i).

2. Mr Rakesh Khosla shall be severely reprimanded, shall be fined £5,000 and shall pay costs to ACCA in the sum of £647.50.

BRIEF BACKGROUND

6. Mr Rakesh Khosla is a principal and the Money Laundering Reporting Officer (MLRO) of Firm A. Mr Khosla holds a practising certificate with ACCA.

7. As a holder of a practising certificate with ACCA, there is a mandatory requirement for Firm A to be monitored by ACCA to assess compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("MLRs 2017").

8. ACCA also considers Anti-Money Laundering Guidance for the Accountancy Sector ("AMLGAS") AMLGAS is guidance based on the law and regulations as of 13 July 2021. It covers the prevention of money laundering and the countering of terrorist financing. It is intended to be read by anyone who provides audit, accountancy, tax advisory, insolvency, or trust and company services in the United Kingdom and has been approved and adopted by the UK accountancy AML supervisory bodies.

9. As part of the ACCA's AML's Team's supervisory work, a desk-based monitoring review of Firm A was carried out in March 2025. This was a routine monitoring review. The purpose of the review was to monitor Firm A's compliance with the MLRs 2017.

10. During the AML compliance review, Firm A displayed poor AML controls. The following AML controls were tested and found to be non-compliant:

<u>Firm-wide risk assessment (FWRA)</u>

Firm A had not conducted and documented a FWRA until December 2024. During the AML review, the MLRO confirmed in the AML Compliance Review Assessment Form that the FWRA submitted for the

review was its first and only documented FWRA. It has been a legal requirement since June 2017 to conduct, document and keep up-to-date a FWRA.

AML policy and procedures (AML P&Ps)

Firm A submitted an ongoing monitoring customer due diligence (COD) form as evidence that it had documented AML P&Ps in place. However, this did not constitute a set of AML P&Ps as defined in Regulation 19 of the MLRs 2017 and therefore, this control was assessed as non-compliant. During the review, the MLRO confirmed in the AML Compliance Review Assessment Form that the AML P&Ps submitted for the review were its first and only documented set of AML P&P. It has been a legal requirement since June 2017 to document and keep up-to-date a set of AML P&Ps. The AML Team have now confirmed that Firm A have regularised their breach of Regulation 19.

Training

Firm A responded 'Yes - but only to some relevant employees' when asked if it had provided training to relevant employees in the AML Compliance Review Assessment Form. However, it was unable to provide any evidence of this upon request, therefore this control was assessed as non-compliant. It has been a legal requirement since June 2017 to provide regular AML training to all relevant employees and keep a record of this. The AML Team have now confirmed that Firm A have regularised their breach of Regulation 24.

11. In signing the proposed Consent Order Mr Khosla has admitted the allegations and accepted that he should be severely reprimanded and pay ACCA's costs in the sum of £647.50 and a fine in the sum of £5,000.00.

DECISION AND REASONS

12. Under Regulation 8(8) of the Regulations the Chair must determine, on the evidence before them, whether it is appropriate to approve or reject the draft consent order or to recommend any amendments.

13. In considering this matter the Chair accepted the advice of the Legal Adviser and paid due regard to the ACCA documents 'Guidance for Disciplinary Sanctions' and 'Consent Orders – Frequently Asked Questions'.

14. The Chair was satisfied that there was a case to answer and that the Investigating Officer had followed the correct procedure. The Chair considered the bundle of documents together with admissions and found Allegations 1a, 1b, 1c, 2 and 3 proved. The Chair was also satisfied that Mr Rakesh Khosla's actions and omissions amounted to misconduct and had brought discredit to him, the Association and the accountancy profession.

15. The Chair noted that under Regulation 8(12), they should only reject the signed consent order if they are of the view that the admitted breaches would, more likely than not, result in exclusion from membership.

16. The Chair considered the seriousness of the allegations 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.

17. 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.

18. The Chair found the following to be aggravating factors:

- The length of time during which Mr Khosla was in breach of the MLRs 2017.

- The conduct which led to Mr Khosla being in breach of the MLRs fell below the standards expected of an ACCA Fellow.

19. The Chair found the following to be mitigating factors

- Mr Khosla has been a Fellow of ACCA since 01 November 1989 and has a previous good record with no previous complaint or disciplinary history.

- Mr Khosla has fully cooperated with the investigation and regulatory process.

- Mr Khosla has now regularised all breaches of the MLRs 2017 and is considered generally compliant.

- Mr Khosla has expressed genuine insight and remorse into the conduct which led to this referral being made by the AML Team.

20. The Chair paid due regard to ACCA's Guidance for Disciplinary Sanctions (updated 14 February 2024) and found factors in relation to the sanction of severe reprimand were relevant in this case.

21. The Chair considered the other available sanctions and is of the view that they are not appropriate. and considers that a severe reprimand proportionately reflects Mr Khosla's conduct and the public policy considerations in deciding on the appropriate sanction.

22. The Chair, having considered all the documentary evidence before them, was satisfied that the sanction of a severe reprimand was the appropriate and proportionate sanction in this case. The Chair noted that Mr Khosla had agreed to pay ACCA costs in the sum of £647.50 and a fine of £5000.00. The Chair, accordingly, pursuant to her powers under Regulation 8 of the Regulations, made an Order in the terms of the draft Consent Order.

ORDER

i. Mr Khosla shall be severely reprimanded.
ii. Mr Khosla shall pay costs to ACCA in the sum of £647.50.
iii. Mr Khosla shall be fined in the sum of £5,000.00

23. By virtue of Regulation 8(17) there is no right of appeal against this Order. The Order will, therefore, come into effect immediately.

Ms Ilana Tessler
Chair
14 November 2025