



ANNUAL REPORT: 6 APRIL 2022 – 5 APRIL 2023

UK AND IRELAND ANTI-MONEY LAUNDERING (AML) SUPERVISION



Think Ahead

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ABOUT ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **247,000** members and **526,000** future members in 181 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

Find out more at www.accaglobal.com



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INTRODUCTION

This Annual Report demonstrates how ACCA sets out to achieve its purpose through our robust AML supervision regulatory framework.

ACCA has a designated AML Supervisory Team with responsibility for ensuring compliance of its AML supervised population.

With many professional accountants working in positions of strategic or functional leadership for businesses and governments worldwide, accountants and their professional bodies have a central role in protecting the public interest and delivering public value.

ACCA supports its members in delivering public value not only by satisfying the needs of individual clients or employers, but also by considering the wider impact of their professional activities on society as a whole. The public at large, through access to high quality accountants, are the ultimate beneficiaries of everything ACCA does to promote ethics and professionalism.

Regulation is integral to ACCA's brand promise of global quality. ACCA's reputation, in turn, enhances the value of membership. Public value is, therefore, embedded in ACCA's regulatory system.

The Regulatory Board provides robust and independent oversight of ACCA's regulatory and disciplinary framework. The Board also has responsibility for overseeing ACCA examinations and other matters in relation to the integrity of the qualifications process. The majority of the Board's members are non-accountants. Full details of the Board's regulatory policies and activities, including minutes of Board meetings, are available at www.accaglobal.com

SECTION 1 – FOREWORD

REGULATORY BOARD CHAIR STATEMENT – LUCY WINSKELL

The Regulatory Board is tasked with providing general oversight over ACCA's regulatory arrangements and, supported by the Appointments, Qualifications and Standards Boards, plays a critical role in safeguarding the public interest and in delivering public value. The public interest oversight arrangements in place, including the substantial level of lay (ie non-accountant) involvement, is a key differentiator and a real strength in demonstrating that impartiality and public interest are at the fore.

We continue to live through unusual and challenging times where the regulatory landscape moves at pace and is ever evolving. In addition, geopolitical and other factors, such as the ongoing Ukraine conflict and the continuing social and economic uncertainty, create new challenges. In these uncertain and challenging times, it is vital that the Board plays its part in ensuring ACCA's regulatory arrangements are robust, transparent and proportionate, and in the public interest.

The Board keeps abreast of key developments both in the UK and the wider global environment and the impact on the ever-evolving regulatory landscape.

The Board takes very seriously its role to oversee ACCA's AML supervisory activities and also encourages ACCA to continue to have open and constructive dialogue with the AML oversight regulators.

In these challenging times it is vital that I and the Board remain committed to play our part in ensuring ACCA's AML supervisory arrangements are robust, transparent and proportionate, and in the public interest. The Board fully understand the critical role we play in combatting money laundering and ensuring the firms ACCA supervise adhere to the highest standards.

EXECUTIVE DIRECTOR – STRATEGY AND GOVERNANCE STATEMENT – MAGGIE MCGHEE

Being a force for public good is embedded in our purpose and powers and in everything that we do. ACCA is committed to shaping the future of our profession and the regulatory environment that underpins it.

ACCA is aware of the devastating impact that money laundering has on society. We take our role as an AML Supervisor seriously so that we, and those we supervise, are effective and play our part in the fight to combat it.

The report sets out the key outcomes and activities that are undertaken by ACCA to effectively fulfil our responsibilities as an AML supervisory body in the UK and Ireland and covers the period 1 April 2022 to 5 April 2023.

The report is set against a backdrop of accelerating external change and disruption. These changes have been profound and multi-stranded. We have experienced severe geopolitical tensions and global economic challenges. As we fully emerge from the Covid 19 pandemic, societal expectations are rightly increasing, and we are seeing increasing public demand for business and government accountability globally. Trust, ethical behaviour and acting in the public interest is of critical importance. We set and enforce high ethical standards for our members and future members – to which all must adhere. These are outlined in the ACCA Code of Ethics and Conduct, and we ensure that appropriate disciplinary action will be taken when breaches are identified.

ACCA conducts designated AML compliance reviews in order to ensure that those we supervise are operating to standards compliant with the regulations. This protects the firm itself from being exploited by criminals and ultimately helps protect society from the impacts of money laundering.

During the period covered by the report we saw an increase in the total number of AML compliance reviews completed by 48 from the last year, to a total of 395 reviews.

A component of the completed reviews were our specific sanctions thematic reviews. They were quickly developed and deployed following the Russian invasion of Ukraine and the subsequent imposition of the UK government and European Union's financial sanctions against named Russian individuals, entities and industries. This work showed our flexibility and agility in adapting our work in response to emerging threats and trends. More can be read on this within the report.

This report encompasses all the AML supervisory activities undertaken by ACCA, as well as highlighting the key themes identified during our work. This will help those in the sector, as well as the wider public, understand what is required to be compliant.

The report also highlights resources available for members to help them implement appropriate controls.

SECTION 2 – OUR ROLE AS AN AML SUPERVISOR

WHY IS ACCA AN AML SUPERVISOR?

ACCA and our members act as a force for public good.

ACCA have a vital role to play in helping society combat the harmful impacts of money laundering through our AML supervisory activities, ensuring our members have effective AML policies, procedures and controls in place.

Our members play a critical role through having robust AML procedures, policies and controls to protect their services being exploited by criminals and by understanding the money laundering risks that exist in their business.

In the UK, ACCA is a Professional Body Supervisor (PBS) for money laundering as detailed in schedule 1 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017).

In Ireland, ACCA is a Prescribed Accountancy Body (PAB) under the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2010 to 2021.

WHAT MONITORING POWERS DOES ACCA HAVE?

When members apply for an ACCA Practising Certificate, they agree to be bound by the provisions of the ACCA Rulebook. The ACCA Rulebook sets out the requirement in relation to AML compliance and ACCA's powers concerning the monitoring and compliance of ACCA Practising Certificate holders.

In addition, if a case is referred to ACCA's Admissions and Licensing or Disciplinary Committees, those Committees have powers to require members to produce necessary documents and any other information and explanations relevant to the matter in question.

More can be read about ACCA's Regulation and Standards work at <https://www.accaglobal.com/gb/en/about-us/regulation.html>

ACCA'S APPROACH TO AML SUPERVISION

ACCA has a designated AML Supervisory Team with responsibility of ensuring compliance of the AML supervised population with the requirements set out in money laundering legislation, and to ensure ACCA is able to effectively meet its AML supervision responsibilities in the UK and Ireland.

The team follow a risk-based approach to AML supervision using information collected on our firms through the AML risk assessment questionnaire and through other sources. The assessment of this information informs our monitoring plan and allows us to allocate our resources appropriately.

ACCA conducts its AML risk assessment of its supervised firms periodically. The data collected enables us to fully assess each supervised firm for its risk of being exposed to money laundering or terrorist financing. More detail on the factors included in the risk assessment is covered under the section 'Money Laundering Risk in the Accountancy Sector' in this report.

ACCA's AML compliance reviews are conducted by experienced AML professionals. We adopt different methods to conduct the AML compliance reviews. Whichever type of review a firm receives, it will comprehensively assess the firm to ensure that it has appropriate money laundering policies, procedures, controls and framework in place to ensure it is compliant with the AML requirements in the jurisdiction it operates.

At the conclusion of the review the firm will be issued with an AML report.

Where non-compliance is identified, a firm will be issued with an AML report that details the findings and the actions the firm is required to implement to become compliant. The firm will have a deadline of 30 days to implement the action where a control is assessed as non-compliant and provide evidence to ACCA of the action taken. ACCA may also take enforcement action in respect of the non-compliant controls.

OVERSIGHT OF AML SUPERVISORY ACTIVITIES UK

In the UK, ACCA's AML supervisory activities are subject to oversight by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). OPBAS has oversight of the twenty-two accountancy and legal sector PBSs detailed in schedule 1 of the MLRs 2017.

OPBAS is housed within the FCA, and its key objectives are to reduce the harm of money laundering and terrorist financing by:

- 1 Ensuring a robust and consistently high standard of supervision by the professional body AML supervisors (PBSs) overseeing the legal and accountancy sectors.
- 2 Facilitating collaboration and information and intelligence sharing between PBSs, statutory supervisors and law enforcement agencies.

In January 2023, OPBAS published their updated sourcebook. The sourcebook provides information for professional body supervisors on how to comply effectively with their obligations under the MLRs 2017. The sourcebook covers the key elements of the AML supervisory approach and explain the standards OPBAS uses to assess professional body supervisors in relation to their AML supervisory obligations, outlining how they can demonstrate continuous improvement and effectiveness.

OPBAS publishes annual reports that detail its findings and themes from their activities that year.

Further detail, including the sourcebook and annual reports, of OPBAS can be accessed at: <https://www.fca.org.uk/about/how-we-operate/who-work-with/opbas>

MONEY LAUNDERING RISK IN THE ACCOUNTANCY SECTOR

In the UK, HM Treasury and the Home Office publish the national risk assessment (NRA) of money laundering and terrorist financing. The third, and latest, NRA was published in 2020.

In Ireland, the Department of Finance (DoF) and the Department of Justice and Equality (DoJE) published Ireland's updated money laundering and terrorist financing NRA in 2019. In addition, four sector specific money laundering and terrorist financing risk assessments have been published between 2018 and 2022.

The publications assess the threats and vulnerabilities of sectors being exploited based on factors such as the products and services they offer, their client base or the jurisdictions in which they operate.

The UK NRA highlights the risk of being exposed as highest when accountancy service providers (ASPs) do not fully understand the money laundering risks that their clients pose and therefore do not implement appropriate risk-based controls. The Irish NRA also reflects this theme and states that accountants may unknowingly facilitate money laundering when client due diligence procedures are too rudimentary to establish sources of funds, or the ultimate beneficial owner of funds involved in what may be complex transactions, which may involve multiple jurisdictions and legal arrangements.

Some of the other key areas highlighted by both the UK and Ireland NRAs of why accountants are at high risk of exploitation by criminals include:

- Accountancy services remain attractive to criminals due to the ability to use them to help their funds gain legitimacy and respectability, as implied by accountant's professionally qualified status.
- Accountants providing company formation services. The risk is greatest when company formation services are offered alongside other accountancy services in order to create complex corporate structures that conceal the true source of wealth and/or funds and to obscure beneficial ownership.
- False accounting enables criminals to mask the true source of their funds. This falls under three categories: false bookkeeping, production of false documents and audit.
- Facilitation of tax evasion through the provision of tax advice and acting as an agent with HMRC.
- Criminals may target accountants who have client accounts to try and move large amounts of funds on their behalf.

ACCA use the NRAs, as well as other sources, to form the AML risk assessment of our firms. We periodically conduct a bulk money laundering risk assessment of our firms focussing on the following factors and areas of risk:

- Size of the firm (employees and revenue).
- Total number of clients.
- Types of clients (eg those typically considered as high-risk, such as cash-intensive, cryptocurrency, high-net-worth individuals, Politically Exposed Persons etc).
- Location of the clients and any associations with high-risk countries as listed in the MLRs.
- Number of internal Suspicious Activity Reports (SARs) received by the MLRO and subsequent number of external SARs filed by the MLRO to the NCA.
- Services offered (such as handling of client money, payroll, TCSP services etc) and percentage of turnover generated from these.

ACCA proactively engages with other accountancy bodies and HMRC through the AML Supervisors Group (AASG) and Intelligence Sharing Expert Working Group (ISEWG) in the UK and with other accountancy bodies and the Garda in Ireland through the Joint Practices Group. This ensures that we are able to share best practice and emerging trends that ensures consistency across the sector in supervisors' approaches in both jurisdictions.

The AML Supervisory Team's operating model allows for flexibility in approach as we recognise that financial crime has constantly emerging threats that often require an immediate response. During this period, the flexibility meant we were able to adapt our activities to conduct a targeted review to understand the exposure of our firms in relation to the financial sanctions applied to Russia.

SECTION 3 – OUR AML SUPERVISED POPULATION

WHO DOES ACCA SUPERVISE?

ACCA supervises firms for AML if one, or more, ACCA member holds an ACCA Practising Certificate and have combined majority control over the firm. ACCA supervises Sole Practitioners (SPs) who hold an ACCA Practising Certificate.

If a member does not hold an ACCA Practising Certificate or the majority control of the firm, then ACCA cannot act as its AML supervisor. In these situations, the member/firm would need to seek supervision from the body they hold professional membership with, or HMRC in the UK and the Minister for Justice and Equality in Ireland.

ACCA'S AML SUPERVISED POPULATION

The table below reflects the number of firms, including SPs, supervised by ACCA during the relevant period covered by this report:

Supervised population	
UK	6,951
Ireland	581
Total	7,532

Accountancy firms/SPs may also act as Trust or Company Service Providers (TCSP). Any ACCA supervised firms/SPs that provide services that fall into the scope of the TCSP definition in addition to their accounting services are required to declare this to ACCA.

In the UK, where an entity is solely providing TCSP services unrelated to an accountancy business, even though it may include an ACCA member, it is expected that the entity will be supervised by HMRC.

In Ireland, the Department of Justice - AML Compliance Unit (AMLCU) are responsible for supervision of TCSP services unrelated to an accountancy business. There is a Memorandum of Understanding that sets out the role of the AMLCU and professional bodies in supervising TCSPs. This can be accessed at <https://www.amlcompliance.ie/wp-content/uploads/2022/01/AMLCU-MOU-with-Accountancy-Bodies-2022-6.pdf>

Of the firms we supervised during the period covered by this report, the table below reflects the number of firms who also provided TCSP services:

Supervised firms providing TCSP Services	
UK	4,250
Ireland	54
Total	4,304

In 2022 ACCA published a report on its risk assessment of firms providing TCSP services. The report is to help raise awareness with firms and help them adopt a risk-based approach to mitigate the risks such as those highlighted in the NRA's assessment. The report can be accessed at [Anti-Money Laundering \(AML\) | ACCA Global](#)

SECTION 4 – MONITORING ACTIVITIES DURING THE PERIOD

ACCA'S AML COMPLIANCE REVIEWS

ACCA conducts specific AML compliance reviews which purely focus on the money laundering controls and framework that are in place in the firm. The reviews comprehensively assess them to ensure the firm's compliance with AML requirements in the jurisdiction it operates.

The review will be primarily conducted via the Money Laundering Reporting Officer (MLRO) of the firm but there may also be a need to interview a sample of employees as well.

ACCA use a range of methods to conduct the AML reviews. However, whatever method of review a firm receives it will be required to submit records and documentation to the AML supervisory team during the process.

The controls that are typically reviewed and tested during the process are:

- The firm-wide money laundering risk assessment.
- AML policies and procedures.
- Client risk assessment processes, e.g. for consistency and documentation of rationale for client risk ratings.
- Client due diligence (CDD), enhanced due diligence (EDD) and ongoing monitoring procedures, including a review of a sample of client files, eg for evidence of relevant and up-to-date Know Your Client (KYC) information and evidence of the client risk assessment.
- The firm's process for identifying and reporting suspicious activity/transactions, including a sample of records of internal and external SAR/suspicious transaction reports for accuracy and completeness.
- AML training provided to the firm's employees (including evidence of their understanding of money laundering regulations and how to recognise red flag indicators and deal with suspicious activities/transactions). This includes reviewing AML training records to ensure materials are up to date and cover appropriate topics.
- Record-keeping systems, procedures and controls.

The table below reflects the number of AML compliance reviews conducted in the relevant period with a comparison against the previous periods:

Number of AML compliance reviews						
Review type	2020/2021		2021/2022		2022/2023	
	UK	Ireland	UK	Ireland	UK	Ireland
Desk based	156	26	299	48	338	57
Total	182		347		395	

ACCA records the outcome of AML compliance reviews as compliant, non-compliant or generally compliant.

A compliant rating is applied to a firm where it can demonstrate, and provide evidence, that it has effective and appropriate systems and controls in place that meet the requirements of the relevant money laundering legislation. The controls minimise the likelihood that the firm will be exploited by those engaged in financial crime. A compliant firm will be able to provide evidence that these policies, procedures and controls are used consistently and are reviewed by the MLRO for effectiveness on a regular basis.

A generally compliant rating is applied to a firm that demonstrates it has systems and controls in place but there is insufficient evidence that they are fully effective; or they are not applied consistently in line with how they are written; or there is no evidence they are embedded into the firm's practices. An example is where firms rely on a third-party template for their AML policies and procedures that have not been tailored to reflect how the firm conducts its activities. A generally compliant firm will be given actions to address the weaknesses we have identified, typically, these will be checked as part of our next AML compliance review to ensure they have been effectively implemented.

A non-compliant rating is applied when a firm's systems and controls are non-existent, or lacking to the extent that the firm is vulnerable to exploitation by criminals. A non-compliant firm will be given 30 days to rectify the issues identified and provide evidence of the action taken. The firm may be referred to ACCA's Professional Conduct Department for further investigation that may lead to financial sanctions and/or exclusion of membership.

The outcomes of reviews, with a comparison against the previous two periods, can be found below:

Outcome of AML compliance reviews									
Rating	2020/2021			2021/2022			2022/2023		
	UK	IRE	Total	UK	IRE	Total	UK	IRE	Total
Compliant	1	0	1	0	6	6	15	1	16
Generally compliant	132	24	156	271	40	311	299	56	355
Non-compliant	23	2	25	28	2	30	24	0	24

CASE STUDY 1 – Non-Compliant AML Compliance Review

During a routine AML compliance review Firm A was identified to be non-compliant as it had no firm wide risk assessment or AML policies and procedures until after they had been notified of the AML compliance review. Firm A also did not provide AML training to employees. The firm was issued their report detailing the remedial action it needed to take and were required to do this within 30 days. Within the report, it was requested that the firm provided evidence to ACCA so that it could be assessed to confirm it was now compliant. Firm A was also referred to ACCA's Professional Conduct Department for potential disciplinary action due to the seriousness of the breaches of the MLRs 2017. The firm were subject to a consent order with a financial penalty and costs totaling £7,100.

CASE STUDY 2 – AML Compliance Review

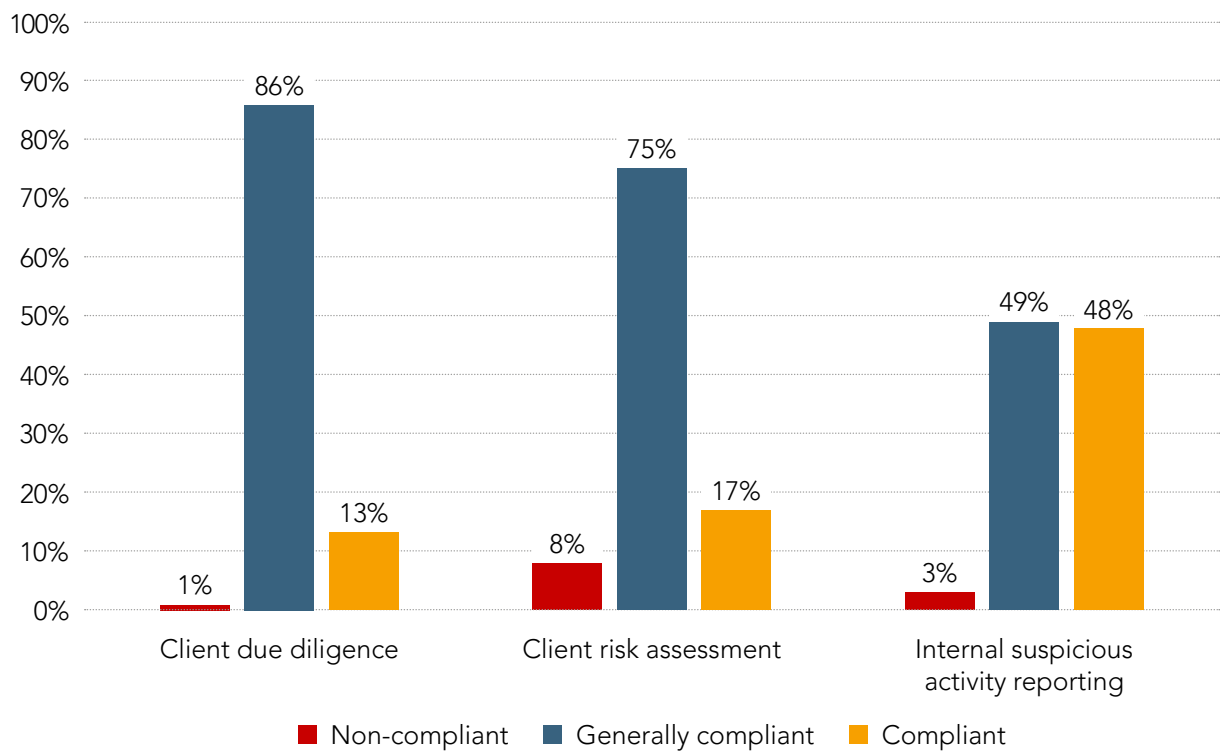
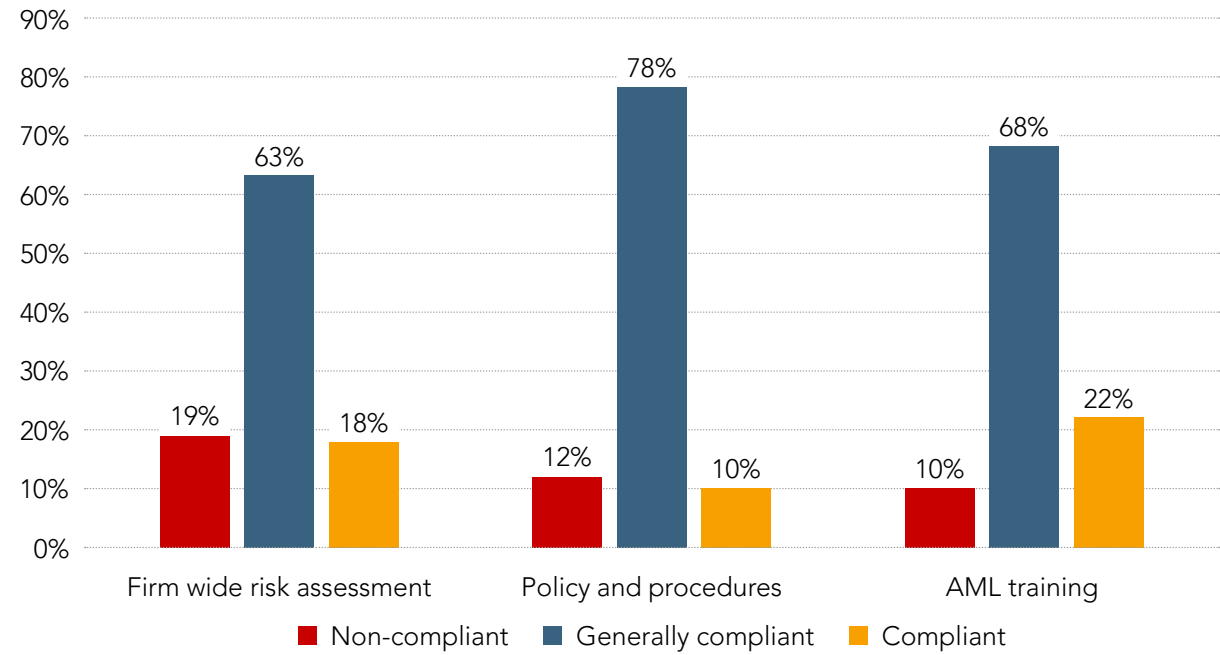
As part of ACCA's AML review of Firm X, an open-source intelligence (OSINT) search was conducted by an ACCA Supervision Officer on a client of Firm X. Although Firm X used a third-party AML software to conduct its know your client (KYC) review, the ACCA Supervision Officer's OSINT found some significant negative news in respect of the client, which was overlooked by the AML software. This was promptly brought to the firm's attention by ACCA and the firm in turn immediately applied / activated its Enhanced Due Diligence checks onto the client. Following identification of this gap in the firm's KYC processes the firm also revised its KYC process to include its own OSINT search of clients to reduce the risk of repetition.

CASE STUDY 3 – AML Compliance Review

During a routine AML compliance review Firm Y's internal and external SAR reporting processes were checked. It was identified that there were inconsistencies in the internal process between those stated in Firm Y's AML policies & procedures, and what was advised by Firm Y's MLRO and was observed during the review. The firm was issued their report detailing the remedial action it needed to take. The firm were required to implement a formal, documented process to ensure consistency of reporting so that the firm can demonstrate employees are meeting their legal obligations of reporting SARs to the MLRO.

COMMON FINDINGS FROM THE AML COMPLIANCE REVIEWS

Compliance ratings of individual key AML controls



Where non-compliance with the requirements is identified, a firm will be issued with the AML report that details the findings from the review and the actions the firm is required to implement.

For controls assessed as non-compliant, the AML report will provide actions that the firm is required to implement within 30 days of the report date. The firm will be required to provide evidence to ACCA of what has been done. ACCA will examine the response and assess if the firm is 'compliant'. Once fully satisfied ACCA will close the AML review and at the firm's next review, we will test to ensure the control has been maintained to the required standard.

ACCA has created a number of supporting factsheets for members that help firms understand their responsibilities. The factsheets will help them put the appropriate controls in place. They are available for all members and the link to access them can be found in the 'AML Resources' section of this report.

The following is a summary of the common findings from our reviews during the period covered by this report:

1 Firm wide risk assessment

Firm wide risk assessment is not specific to the firm and the risks it faces. During AML compliance reviews we have seen some firm wide risk assessments that are templates and generic. They have not assessed the specific risks of the firm and often consider factors that are not applicable as they use the examples or potential risk factors contained in the template obtained from a third party. Therefore, the firm has not accurately assessed the risk of it being exposed to money laundering.

Additionally, we have found a significant number of firm wide risk assessments that do not have sufficient detail to explain the rationale of the findings documented.

2 AML policies and procedures (AML P&Ps)

Policy and procedures need to be relevant for the firm and informed by the firm-wide risk assessment. We have seen several documents that are templates from external sources. This itself is not an issue, but firms have not tailored the documents sufficiently to align with their process and its inherent risk. ACCA expects that the procedures a firm produce should ideally provide the firm's employees with a step-by-step process and therefore should not be generic.

3 AML training

AML training programme is not conducted regularly or is missing key components. In addition to this, insufficient training records are kept to demonstrate what AML training has been provided to relevant employees and when. As well as no evidence of employee understanding of the training (eg, assessment results).

4 Client due diligence (CDD)

We have found a number of firms know and understand their clients. However, on several occasions the supporting documentation or records have not been recorded in the client file. ACCA expects that they are recorded as the evidence supports the work that has been done. We have found that records, such as identification and proof of address, are sometimes absent. We have also found on occasions that not all directors or person of significant control have been identified.

5 Client risk assessment

When a client is risk assessed the appropriate risk rating is not applied consistently and therefore clients have not been appropriately risk rated. This means that an insufficient level of CDD and EDD has been applied to the client. Consequently, the money laundering risks associated with the client are not mitigated. For example, the appropriate risk factors haven't always been considered or they have not been documented so it's not clear how it has been defined. Some firms consider clients low risk when there are high-risk factors present and no documentation or rationale recorded to advise how the low-risk rating has been reached.

6 Inconsistent escalation of suspicious activity

Firms do tend to have some form of process. However, we have found it's either not documented or not consistent. For example, some firms have stated that their employee would verbally discuss the suspicious activity with the MLRO. During the AML compliance review we will also review a sample of suspicious activity reports filed with the NCA to ensure they are of the required standard.

In response to the common issues outlined above ACCA developed specific AML factsheets that provide guidance for members to ensure that they are compliant.

Links to access the resources can be found in the 'AML Resources' section of this report.

ACCA'S SANCTIONS THEMATIC REVIEWS

Following the Russian invasion of Ukraine in March 2022 the UK government and European Union imposed financial sanctions against a number of Russian individuals, entities and industries.

ACCA developed a methodology that enabled us to identify firms likely to have the greatest risk exposure to the clients who were subject to the sanction's regime. The identified firms had the greatest likelihood of having ongoing professional engagements with clients that are designated persons/entities (subject to targeted asset freezes and investment bans) due to the types of services they provide and clients they engage with.

The methodology comprised multiple variables with its parameters are informed by the literature and intelligence published by key stakeholders in the sector such as industry subject matter experts (Accountancy Europe, Transparency International), Government (HMT, OFSI & US Government) and law enforcement (NCA). In reviewing the guidance and information provided by these sources – ACCA identified the key risk factors, traits, characteristics, and activities that act as red flags and indicators of possible sanctioned persons and entities and highlighted the services most at risk of being exploited.

Identified firms were subject to a bespoke review to assess the firms exposure and to ensure it had appropriate and proportionate controls to mitigate its sanctions risks.

ENFORCEMENT

ACCA has developed specific AML financial sanctions guidance. This is a Regulatory Board approved policy document and has been published on the ACCA website. It can be accessed at: <https://www.accaglobal.com/gb/en/about-us/regulation/disciplinary-and-regulatory-hearings/guidelines-disciplinary.html>

Twenty firms were subject to disciplinary action following AML compliance reviews during the period covered by this report.

The disciplinary action was taken for the following reasons: 13 firms were found to be in breach of money laundering regulations; 4 firms were referred for both breaches of money laundering regulations and conduct issues; 3 firms were referred for conduct issues.

Three members were excluded following the disciplinary process with a further member having their PC suspended by ACCA's Interim Order Committee.

The table below details the financial sanctions imposed by ACCA during the period covered by the report with a comparison against the previous periods:

AML PENALTIES	2020/2021	2021/2022	2022/2023
Number of members fined	6	12	20
Total of fines	£18,000	£44,000	£58,500
Total costs	£14,974	£12,914	£31,865
Members excluded	1	0	3

CASE STUDY 4 – Enforcement Activity Consent Order¹

The Chair of the Complaints and Disciplinary Committee approved a Consent Order for a severe reprimand, a fine of £5,000 and costs to ACCA in the sum of £2,600 in relation to Firm C. Following a routine AML compliance review Firm C was found to be non-compliant in its requirements to have a documented Firm Wide Risk Assessment; documented AML policies and procedures and to provide formal AML training to employees. Firm C admitted these allegations and the case was resolved by a Consent Order.

CASE STUDY 5 – Enforcement Activity: Exclusion for breaches of MLRs and dishonesty

Following a routine AML compliance review Firm Z was found to be non-compliant in its requirement to conduct a firm wide risk assessment and to provide formal AML training to employees. In addition, Firm Z falsely represented during the reviews that AML policy and procedures had been in place since 2018. The firm was issued their report detailing the remedial action it needed to take and were required to do this within 30 days. Within the report, it was requested that the firm provided evidence to ACCA so that it could be assessed to confirm it was now compliant.

Firm Z was also referred to ACCA's Professional Conduct Department for potential disciplinary action due to the seriousness of the breaches of the MLRs 2017 and the dishonesty issue with the false representation in respect of written AML policy and procedures.

The matter was referred to ACCA's Disciplinary Committee due to the serious nature of the findings and the dishonesty. The Disciplinary Committee ordered that the member was excluded from ACCA and pay costs of £6,000.

¹ A consent order is a formal disciplinary order that records when a relevant person accepts responsibility for a disciplinary allegation and agrees a provisional sanction by way of consent with ACCA to dispose of a complaint without the need for a full investigation and disciplinary process.

CASE STUDY 6 – Enforcement Activity: Exclusion for breaches of MLRs and refusal to rectify identified issues

Following a routine AML compliance review Firm D was found to be non-compliant in its requirements to have a documented Firm Wide Risk Assessment and documented AML policies and procedures.

The firm was issued their report detailing the remedial action it needed to take and were required to do this within 30 days. Within the report, it was requested that the firm provided evidence to ACCA so that it could be assessed to confirm it was now compliant.

Firm D was also referred to ACCA's Professional Conduct Department for potential disciplinary action due to the seriousness of the breaches of the MLRs 2017. Following the referral Firm D repeatedly failed to co-operate and rectify the identified issues, consequently remaining in breach of the MLRs 2017.

The Disciplinary Committee ordered that the member was excluded from ACCA and pay costs of £8,400.

ACCA publishes decisions of regulatory and disciplinary hearings and they can be accessed at <https://www.accaglobal.com/hk/en/about-us/regulation/disciplinary-and-regulatory-hearings.html>

In addition to the AML cases, ACCA also deals with complaints about its members, affiliates and students, including allegations of misconduct. ACCA's responsibilities encompass conciliation, investigation and discipline. In all of these areas, ACCA acts in the public interest and in accordance with the principles of better regulation. It strives to take effective and proportionate disciplinary action, where appropriate, while carrying out procedures that are consistent and transparent. ACCA is a global regulator and applies the same standards to all its members, affiliates and students worldwide.

Further information on complaints and discipline is provided in ACCA's Report on Regulation 2023 which can be accessed at [Report on regulation | ACCA Global](#)

SECTION 5 – AML RESOURCES

ACCA has produced a number of technical resources that are hosted in the AML section of our website that help members understand and comply with the requirements of the money laundering legislation.

For the UK, this can be located [here](#).

For Ireland, this can be located [here](#).

Members can also contact the ACCA Technical Advisory function for specific advice. This is a free resource available to members.

In addition, members can attend relevant ACCA courses and events on AML that are organised throughout the year.

SECTION 6 – WHISTLEBLOWING

ACCA has a dedicated whistleblowing hotline and email address for those who wish to make a report about an ACCA member or firm. These have been set up so that ACCA can be instantly alerted about instances of non-compliance with the AML laundering regime, or potential involvement in money laundering or terrorist financing by ACCA members or firms. ACCA is committed to supporting anyone who wishes to make a confidential report about an ACCA firm, member, affiliate or student, where it is known or suspected that they:

- a Should be regulated under the Money Laundering Regulations, but are not; or
- b Appear to be ignoring the MLRs; or
- c Appear to be engaged (whether inadvertently or knowingly) in money laundering or terrorist financing.

If you wish to report an individual or firm whose supervisor for AML is ACCA you can report the matter confidentially to ACCA at this link: <https://www.accaglobal.com/gb/en/footer-toolbar/contact-us/whistleblowing-procedure-acca-members/acca-whistleblowing-policy.html>

SECTION 7 – LOOKING FORWARD

ACCA are engaging with HM Treasury in respect of their consultation on '*reforming anti-money laundering and counter-terrorism financing supervision*'. The consultation closed on 30 September 2023 and can be accessed at: <https://www.gov.uk/government/consultations/reforming-anti-money-laundering-and-counter-terrorism-financing-supervision>

ACCA have responded to confirm that we fully support the development of an effective UK AML supervisory regime that provides confidence in the UK as a safe, transparent and compliant jurisdiction to conduct business in.

We believe that a robust and effective framework to tackle economic crime will help improve and facilitate further commercial activity for businesses in the UK.

Furthermore, ACCA shares the government's ambition to reform the regime in a way that better tackles economic crime, but we believe only one of the models proposed in the consultation can effectively do this: Model 1 (OPBAS+). The other three models proposed carry with them significant risks which at best could see money laundering grow, and at worst, see the whole supervisory regime collapse.

MLRO's should continually review the ACCA resources available to ensure that they are up to date and compliant with the regulations. It is vital in the role of an MLRO that you continue to keep up to date with money laundering news and any imminent changes. For example, MLROs in the UK should ensure that they register with the newly updated NCA SARs portal. Guidance on how to do this can be found at: [New SAR Portal FAQs \(nationalcrimeagency.gov.uk\)](#)

MLRO's are required to complete the AML risk assessment questionnaire on behalf of their firm. This must be done during the practising certificate renewal process.

ACCA'S AML compliance reviews are constantly evolving to ensure they are effective and aligned with any emerging typologies and trends. Firms should look out for notifications from the AML supervisory team that will inform them when they are due for an AML compliance review. The notification will also provide further details on what must be provided to the AML supervisory team for the review.

Information and intelligence sharing will continue between the accountancy sector supervisory bodies. We have long-standing methods of sharing information with other supervisors, such as the AASG, ISEWG and Joint Practices Group, as well as utilising the SIS and FIN-NET platforms to which we subscribe via the FCA. We will continue to use our ability to assess intelligence or emerging threats to conduct specific targeted reviews.

We will continue to work with other professional body supervisors, supervisory authorities, government and law enforcement through the AML Steering Committee in Ireland and the Joint Practices Group.

We hope to see more sharing from law enforcement of trends and typologies that are specific to our sector so that we can factor these into our supervisory activities and hope for the opportunity to continue to work proactively with law enforcement and other supervisors in this area.

APPENDIX 1 – ACCA FACTSHEETS AND RESOURCES

[ACCA AML Risk Assessment link UK Firms](#)
[ACCA AML Risk Assessment link Irish Firms](#)
[ACCA Technical Factsheets – UK](#)
[ACCA Technical Factsheets – Ireland](#)
[ACCA disciplinary sanctions guidance](#)
[ACCA regulatory board](#)
[ACCA Disciplinary and regulatory hearings](#)
[ACCA Report on regulation 2023](#)
[ACCA regulatory board AML policy statement](#)
[ACCA Rulebook](#)
[ACCA Whistleblowing Policy](#)

APPENDIX 2 – EXTERNAL LINKS

[UKFIU SARS Reporting portal](#)
[FIU Ireland Reporting portal](#)
[UK National risk assessment of money laundering and terrorist financing 2020](#)
[Irish National risk assessment of money laundering and terrorist financing 2019](#)
[Consultative Committee of Accountancy Bodies \(CCAB\) AML Guidance](#)
[Consultative Committee of Accountancy Bodies Ireland \(CCAB-I\) AML Guidance \(accessed via the ACCA Ireland Technical Pages\)](#)
[Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)
[Criminal Justice \(Money Laundering and Terrorist Financing\) \(Amendment\) Act 2010 to 2021](#)
[Proceeds of Crime Act \(POCA\)](#)
[Office for Professional Body Anti-Money Laundering Supervision \(OPBAS\)](#)
[Department of Justice Ireland](#)



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Think Ahead