

The background of the entire page is a photograph showing a close-up of a person's hand holding a blue credit card and swiping it over a grey and black payment terminal. The terminal has a small screen and a keypad. The background is blurred, showing other people in a shop or cafe setting.

UK and Ireland **anti-money laundering (AML) supervision.**

Annual report: 6 April 2024 – 5 April 2025

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ABOUT ACCA

We are ACCA (the Association of Chartered Certified Accountants), the only truly global professional accountancy body.

Since we were founded in 1904, we've been breaking down barriers to the accountancy profession. Today we proudly support a diverse community of over **257,900** members and **530,100** future members in **180** countries.

We're redefining accountancy. Our cutting-edge 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 lead and drive sustainable value in organisations and economies worldwide.

Guided by our purpose and values, we're leading the accountancy profession for a changed world. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that focuses on people, planet and prosperity to create value for all.

Find out more at: www.accaglobal.com

INTRODUCTION

This Annual Report outlines how ACCA continues to fulfil its purpose through a strong and effective AML supervision and regulatory framework.

ACCA's dedicated AML Supervisory Team is responsible for ensuring that all those it supervises comply fully with AML requirements.

As professional accountants occupy key strategic and operational roles across businesses and governments worldwide, both they and their professional bodies play an essential part in safeguarding the public interest and creating public value.

ACCA enables its members to deliver this public value by not only meeting the expectations of individual clients and employers, but also by recognising the broader social impact of their professional work. Ultimately, the public benefits from ACCA's commitment to upholding ethics, integrity and professionalism through access to highly qualified accountants.

Regulation remains at the heart of ACCA's global quality promise. This reputation strengthens the value of ACCA membership, embedding public value within the organisation's entire regulatory system.

The Regulatory Board provides strong and independent oversight of ACCA's regulatory and disciplinary functions. It also monitors ACCA's examinations and the integrity of the qualifications process. The majority of Board members are independent of the accountancy profession. Further information about the Board's regulatory work, policies and meeting minutes can be found at www.accaglobal.com

SECTION 1 – FOREWORD

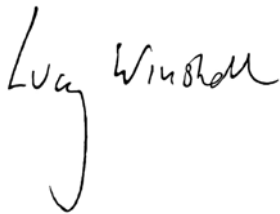
Regulatory Board Chair statement

The Regulatory Board holds overall responsibility for overseeing ACCA's regulatory framework, with the Appointments, Qualifications, and Standards Boards providing essential support. The Board fully acknowledges its vital role in protecting the public interest and ensuring public value is delivered.

In particular, the Board approaches its oversight of ACCA's AML regulatory activities with great diligence, consistently guided by the public interest. Mechanisms for public interest oversight incorporate extensive lay participation, which continues to be a distinguishing feature and a testament to the Board's impartiality and commitment to public trust.

Global geopolitical developments continue to create uncertainty, with direct implications for the regulatory environment. Against this backdrop, the Board remains committed to ensuring ACCA's AML supervision is effective, transparent, proportionate, and firmly grounded in public interest principles. The Board actively tracks developments in AML regulation both within the UK and internationally, assessing their impact on an evolving regulatory landscape.

Both I and the Board are steadfast in our commitment to uphold ACCA's regulatory arrangements, ensuring they remain rigorous, transparent, and proportionate to meet emerging challenges.

A handwritten signature in black ink, reading 'Lucy Winskell'. The signature is fluid and cursive, with the first name 'Lucy' written in a larger, more prominent script than the surname 'Winskell'.

Lucy Winskell

Chair, Regulatory Board

Executive Director statement

Our purpose reflects the value we aim to deliver to society: to act as a force for public good. This is anchored by a clear and bold ambition to lead the accountancy profession for a changed world. At the heart of this mission lies strong governance, ensuring that we never lose sight of our responsibility to create public value while guiding the profession forward. ACCA remains committed not only to shaping the future of our profession but also to maintaining a robust AML regulatory environment that underpins confidence in the integrity of the global financial system.

We continue to recognise the significant threats that money laundering poses to the UK and global financial systems. As criminals adopt increasingly sophisticated and technologically advanced methods to launder illicit proceeds, it is more important than ever that the profession maintains strong safeguards to protect the public interest. Our AML supervisory framework, guided by a risk-based approach, is central to this effort, helping to uphold the standards of professionalism, trust, transparency, and ethics that the profession demands.

ACCA sets and enforces high ethical standards for all members and future members, as outlined in the ACCA Code of Ethics and Conduct. Where breaches occur, appropriate disciplinary measures are applied. This report provides a detailed account of the outcomes of ACCA's supervisory activities over the period, including instances where enforcement action was necessary.

A commitment to continuous improvement underpins our regulatory approach, ensuring that we fulfil our statutory duties and safeguard the public. In 2025, a key focus has been addressing performance against core indicators, and this will remain an ongoing priority.

We also work closely with our lead regulator, the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), to support regulatory improvements, implement recommendations, and contribute to the development of AML supervision and policy in the public interest.

The foundation of ACCA's supervisory work is the AML compliance review of supervised firms, which evaluates the effectiveness of their AML controls in mitigating the risks of money laundering. These reviews also highlight deficiencies and knowledge gaps, supporting continuous learning and improvement. By doing so, firms are better protected against exploitation by criminals, and the public is safeguarded from the serious consequences of money laundering.



Maggie McGhee

Executive Director, Strategy and Governance

SECTION 2 – OUR ROLE AS AN AML SUPERVISOR

Why is ACCA an AML supervisor?

ACCA and its members act as a force for public good, upholding trust and integrity in financial and business activities. Accountants occupy a unique position in society. Their professional expertise, access to financial systems, and client relationships mean they play a vital role in detecting and preventing money laundering and economic crime.

Through our AML supervisory activities, ACCA ensures that its supervised firms have effective AML policies, controls, and procedures in place to prevent their services from being misused by criminals.

Through having robust AML policies, controls, and procedures, and understanding and risk assessing their clients, our members play a critical role that will protect their services being exploited by criminals.

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

In Ireland, ACCA is designated a Prescribed Accountancy Body (PAB) under the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2010 to 2021, with statutory responsibilities to supervise and ensure compliance of our members and firms with AML legislation.

Together, these supervisory functions reflect ACCA's wider mission to safeguard the public interest, enhance confidence in the accountancy profession, and promote a culture of ethical, compliant, and socially responsible professional accountants.

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.

ACCA has the authority to monitor compliance, request information, and conduct reviews of Practising Certificate holders to ensure adherence to AML requirements. In cases referred to ACCA's Admissions and Licensing or Disciplinary Committees, those Committees have powers to require members to produce necessary documents, records, or any other information and explanations relevant to the matter in question.

Where non-compliance or breaches of AML obligations are identified, ACCA may take disciplinary or enforcement action consistent with our regulatory framework and in line with the principles of fairness, proportionality, and public interest.

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 can effectively meet its AML supervision responsibilities in the jurisdictions that it is a supervisory authority.

The team follow a risk-based approach to AML supervision using information collected from supervised firms through the AML Annual Return and other relevant intelligence sources. The data collected through the AML Annual Return enables us to fully assess each supervised firm's exposure to money laundering and terrorist financing risks, and to determine its overall risk profile. This assessment informs our monitoring plan and allows us to allocate resources proportionately and focus our supervisory activities on areas of higher and emerging risks.

Further details on the factors included in the AML Annual Return for risk assessment purposes are provided below under the 'Money Laundering Risk in the Accountancy Sector' section of this report.

AML compliance reviews are conducted by experienced AML professionals, and we adopt different methods to conduct them. Whichever type of review a firm receives, it will comprehensively assess the firm to ensure that it has effectively implemented appropriate money laundering policies, controls, and procedures to ensure it is complying with the AML requirements in the jurisdiction it operates and address the money laundering risks it faces.

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

Oversight of AML Supervisory Activities in the UK

In the UK, ACCA's AML supervisory activities are subject to oversight by OPBAS, housed within the FCA. OPBAS supervises the AML professional body supervisors (PBSs) in the accountancy and legal sectors listed in schedule 1 of the MLRs 2017.

OPBAS's key objectives are to reduce the harm of money laundering and terrorist financing by:

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

OPBAS have a published sourcebook that provides information for PBSs on how to comply effectively with their obligations under the MLRs 2017. The sourcebook covers the key elements of the AML supervisory approach and explains the standards OPBAS uses to assess PBSs 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 and supervisory assessments of PBSs during the period.

Further detail, including OPBAS sourcebook and annual reports, 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 fourth, and latest, NRA was published in July 2025. The 2025 NRA continues to assess the accountancy sector as high risk for money laundering. It highlights that the sector's breadth, encompassing over 50,000 service providers supervised by PBSs or HMRC, and the diversity of services offered, from payroll and bookkeeping to insolvency and tax advice, make it inherently attractive to criminals seeking legitimacy and concealment for illicit funds. Key drivers of risks highlighted in the 2025 NRA include:

- **Accessibility and ubiquity of services:** Accountancy services are widely available across the UK and online, making them easily accessible to those seeking to exploit professional services to launder funds. Criminals may use accountants to provide an appearance of legitimacy to criminal transactions, for example through accountants' certificates of confirmation or falsified documentation, such as fabricated accounts or invoices.
- **Weak or inadequate AML controls:** The NRA highlights that firms with poor understanding of money laundering risks and weak AML policies, controls, and procedures remain especially vulnerable to abuse. Smaller firms and sole practitioners, which make up the majority of the sector, are particularly exposed, often lacking the resources, expertise, or systems to maintain robust AML compliance. Common weaknesses include poor client due diligence (CDD) at onboarding and during ongoing monitoring, allowing high-risk clients rejected by other firms to find new service providers with less stringent controls.
- **Fragmentation of services and limited oversight:** Criminals may exploit the fragmented nature of accountancy services, using multiple firms for separate functions such as payroll, tax advice, and company formation. This compartmentalisation could prevent any one firm from having a full picture of the client's activities, making it easier to obscure suspicious transactions and the true source or purpose of funds.
- **Specific service risks:** High-risk services identified include:
 - *Payroll services:* Which can be abused to legitimise illicit funds, for instance by fabricating employee payments or manipulating payroll records to disguise proceeds of crime or evade taxes.
 - *Tax advice services:* These are vulnerable where accountants (as professional enablers), knowingly or otherwise, assist clients in tax evasion or fraudulent claims, including the submission of false or incomplete information.
 - *Trust and company service provision (TCSPs):* This service remains one of the highest-risk service areas for accountancy firms. Many accountants are registered TCSPs, and the creation or management of corporate structures can facilitate concealment of ownership and layering of funds, a well-documented money laundering typology.

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 Irish NRA 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.

Both publications assess the threats and vulnerabilities to money laundering and terrorist financing based on factors such as the products and services they offer, their client base or the jurisdictions in which they operate.

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:

- **High-risk services:** In both jurisdictions, services such as trust and company service provision (TCSPs), payroll, tax advisory, insolvency, and auditing are highlighted as particularly susceptible to abuse for money laundering. Accountants may inadvertently or deliberately facilitate the layering and concealment of illicit funds.
- **Client risk profiles:** The sector serves high-net-worth individuals, politically exposed persons (PEPs), and cash-intensive or complex corporate clients, creating elevated money laundering exposure. Both NRAs emphasise that weak customer due diligence or failure to identify beneficial ownership is a key driver of risk.
- **Fragmentation and complexity:** Criminals may exploit fragmented services across multiple providers to obscure the full picture of a client's activity, particularly where cross-border or high-value transactions are involved. This risk is compounded when accountancy firms operate without robust internal controls or oversight mechanisms.
- **Professional status as a cover:** In both jurisdictions, the professional credibility of accountants can be misused to provide legitimacy to illicit transactions, facilitating access to financial systems and corporate structures.

ACCA applies a structured, intelligence-led approach to assessing the money laundering risk of each supervised firm. This process is informed by national and sectoral risk intelligence, as well as firm-level data gathered through the AML Annual Return.

The assessment draws insights from the NRAs, relevant economic crime and AML policy publications, and intelligence from various sources such as law enforcement, other supervisory bodies, and regulators. These sources help ACCA identify emerging threats, typologies, and systemic risks that inform the design of the AML Annual Return and the overall supervisory framework.

Each supervised firm is obliged to complete the AML Annual Return, which collects information used to determine its initial and ongoing risk profile. The AML Annual Return enables ACCA to assess inherent money laundering risks based on factors such as:

- **Firm size and structure**, including number of employees and annual revenue.
- **Client base characteristics**, including total number of clients, client types (e.g. those typically considered as high-risk, such as cash-based businesses, those with cryptocurrency exposure, high-net-worth individuals, politically exposed persons, etc).
- **Geographic risk exposure**, particularly any client connections or associations with high-risk jurisdictions.
- **Suspicious activity reports (SARs)/suspicious transaction reports (STRs) data**, including the number of internal SARs/STRs received by the MLRO and external SARs/STRs submitted.
- **Services provided**, including whether the firm offers high risk services (such as handling of client money, payroll, TCSP services etc) and the volume at which such services are provided.

The data collected through the AML Annual Return is analysed alongside intelligence from various sources, as well as the firm AML supervision history, to produce a risk-rated profile for each firm.

ACCA proactively engages with all other accountancy bodies and HMRC through forums such as the Accountancy 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 forums such as 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.

SECTION 3 – OUR AML SUPERVISED POPULATION

Who does ACCA supervise?

ACCA provides AML supervision for firms where one or more ACCA members hold an ACCA Practising Certificate and collectively have majority control of the firm, and in some instances where ACCA Practising Certificate holders do not have majority control. ACCA also supervises Sole Practitioners (SPs) who hold an ACCA Practising Certificate.

Where a member does not hold an ACCA Practising Certificate, ACCA is not able to act as their AML supervisor. In such circumstances, the member or firm must seek supervision from the professional body with which they are registered, or alternatively from HMRC in the UK, or the Anti-Money Laundering Compliance Unit of the Department of Justice, Home Affairs and Migration (AMLCU) 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	Ireland	Total
7,409	630	8,039

In the firms supervised for AML in the UK, 5,044 are SPs and 2,365 are firms. In Ireland, 465 are SPs and 165 are firms. Within the UK supervised population there are 9,541 individuals who meet the criteria of Business Owners, Operators and Managers (BOOMs) as defined in Regulation 26 of the MLRs.

Accountancy firms and SPs may also operate as Trust or Company Service Providers (TCSPs). ACCA supervise firms and SPs that offer services falling within the TCSP definition, in addition to their accountancy activities. Firms and SPs are required to notify ACCA when they provide this service.

In the UK, where an entity provides only TCSP services and does not operate as an accountancy business, supervision falls under HMRC — even if an ACCA Practising Certificate holder is involved.

In Ireland, the AMLCU is responsible for supervising TCSP activities that are unrelated to accountancy services. A Memorandum of Understanding outlines the respective roles of the AMLCU and the professional accountancy 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 provided TCSP services in addition to their core accountancy services:

Supervised firms providing TCSP services		
UK	Ireland	Total
4,583	134	4,717

Out of the firms supervised by ACCA for AML that provide TCSP services in the UK, 2,929 are SPs and 1,654 are firms. In Ireland, 89 are SPs and 45 are firms.

SECTION 4 – MONITORING ACTIVITIES DURING THE PERIOD

ACCA's AML Compliance Reviews

ACCA's principal means of monitoring its supervised population and assessing levels of compliance within it is the AML compliance review exercise. A key aspect of the review is a control assessment analysis which establishes whether each statutory control is in place, for how long they've been in place and finally, whether they are effective and fully compliant with AML legislation.

The MLRO serves as the point of contact during the review, being the firm's nominated officer that has recognised authority and responsibility for AML compliance matters. However, on occasion we may also seek to interview employees to find out more about day-to-day AML compliance practices at the firm and determine whether they have been provided with adequate training to perform in their roles.

ACCA employs multiple approaches to completing its monitoring activities and the type of review a given firm receives is informed by information and data gathered from our AML Annual Return, ensuring that we're agile and able to take a risk-based approach to maximise our resources impact in this critical area. The approach taken to our monitoring work is also influenced by emerging threat intelligence received from law enforcement agencies (that concern high level trends, typologies etc.) as well as by real time intelligence received in relation to specific firms, allowing us the flexibility to take a thematic approach to completing AML reviews where necessary.

However, whatever method of review a firm receives, it will be required to submit records and documentation to the AML supervisory team for review during the process.

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

- The firm-wide risk assessment (FWRA).
- AML policies and procedures (AML P&Ps).
- 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, e.g. for evidence of relevant and up-to-date Know Your Client (KYC) information and evidence that client risk assessments are completed.
- Suspicious activity/transactions reporting process should an employee encounter suspicious activity during the course of completing their work. This is tested by reviewing SAR/STR records and a sample of internal and external SARs/STRs 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						
	2022/2023		2023/2024		2024/2025	
	UK	Ireland	UK	Ireland	UK	Ireland
	338	57	319	52	244	59
Total	395		371		303	

The AML supervisory team continued to optimise their processes during the period to maintain review capacity across the team despite resource from the team supporting ACCA's wider Digital Transformation programme that occurred in the period. As a result, the number of AML compliance reviews conducted in the period was below previous years as work to build ACCA's future capacity was concluded. Following conclusion of the Digital transformation work measures have been implemented to take advantage of the improvements to our digital infrastructure, and review volumes are expected to return to previous levels in the 2025/26 period.

ACCA records the outcomes of AML compliance reviews as **compliant**, **generally compliant**, or **non-compliant**. To ensure consistency, ACCA works collaboratively with other accountancy supervisory bodies, and all apply the same standards and definitions for these outcomes.

A **compliant** firm has effective systems and controls (including training) in place to minimise the risk of the firm's involvement in financial crime and to ensure the reporting of suspicious activity or transactions. The firm can demonstrate that these controls are in place and are reviewed regularly for effectiveness.

A **generally compliant** firm has systems and controls (including training) in place to minimise the risk of involvement in financial crime and to report suspicious activity or transactions. However, improvements are required to enhance effectiveness, or there is insufficient evidence that these controls are reviewed regularly.

A **non-compliant** firm will have no systems and controls (including training) in place, or the existing systems and controls are so weak that the firm is vulnerable to exploitation by criminals. Firms receiving this rating are given 30 days to address the issues identified and to provide evidence of corrective action. In addition, the matter may be referred to ACCA's Professional Conduct Department (PCD) for further investigation, which could lead to financial sanctions and/or exclusion from membership.

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

Outcome of AML compliance reviews									
Rating	2021/2022			2022/2023			2023/2024		
	UK	IRE	Total	UK	IRE	Total	UK	IRE	Total
Compliant	15	1	16	3	2	5	0	4	4
Generally compliant	299	56	355	293	50	343	224	52	276
Non-compliant	24	0	24	23	0	23	20	3	23

Case study 1.

Non-Compliant AML Compliance Review

ACCA conducted a thematic questionnaire exercise across a sample proportion of its supervised population to assess whether key AML controls were in place.

Firm A completed this questionnaire and declared that several required controls were not in place - a declaration that was inconsistent with previous declarations made to ACCA.

As a result, ACCA issued a written warning to Firm A, advising that it was potentially in breach of the MLRs 2017 and that immediate corrective action was required to address these potential breaches. The firm was also required to complete a declaration confirming that the necessary remedial action had been taken.

Firm A failed to submit this declaration and was therefore escalated for an AML compliance review.

During this review, it was established that the firm was in breach of the MLRs 2017 and had failed to act on ACCA's earlier written warning.

Taken together, these behaviours raised serious concerns regarding the MLRO's honesty and integrity, as well as the firm's commitment and ability to comply with the MLRs 2017. Consequently, an immediate referral was made to ACCA's Conduct Department for investigation and potential enforcement action, demonstrating that ACCA takes robust action wherever breaches of the MLRs 2017 or professional standards are identified.

Case study 2.

AML Compliance Review

As part of our monitoring work, a routine review of Firm B identified that the firm had failed to identify the key risks it was exposed to in their firm-wide risk assessment. It was observed that it was using a third-party template for its firm-wide risk assessment. The template format was a non-exhaustive list of risk factors for each of the necessary risk areas; client, geography, products and services, transaction and delivery channel. The prepopulated risk factors included were inappropriate as they generally focused on red-flag scenarios, such as ‘clients involved in transactions with no apparent economic or legal purpose, clients that favour anonymity, or those with unexplained sources of funds’, and omitted many of the broader risk factors relating to the nature of the client’s trading activities and the sector the client operates in. The non-exhaustive list of risk factors and the absence of broader typical risk factors was also assessed to have significantly contributed to the lack of tangible findings identified within the firm-wide risk assessment.

These findings were presented to the firm within an AML report letter which clearly communicated the deficiencies identified as well as a clear action plan for the firm that required it to ensure that it considers common risk factors and that, if necessary, any underlying template be sufficiently tailored to take these into account. The firm was informed that its firm-wide risk assessment findings and mitigations must relate to the MLRO’s first-hand knowledge and experience of the firm’s clients and its operations and that the findings and mitigations included within it should be outlined in sufficient detail freehand.

Case study 3.

AML Compliance Review

During a routine AML compliance review, deficiencies were identified in Firm C’s client due diligence (CDD) practices. The firm’s onboarding procedures focused solely on verifying the identities of beneficial owners and directors, without collecting sufficient “know your client” (KYC) information. As a result, the firm lacked the necessary understanding of its clients to conduct accurate risk assessments or to identify unusual or suspicious behaviours that deviate from a client’s expected activity profile.

This issue was promptly raised with the firm by ACCA through a formal finding and action in the AML report. The firm was instructed to immediately rectify any omissions and anomalies within its existing CDD files and to implement robust procedures to ensure all future CDD files are completed in full.

Common findings from the AML compliance reviews

When non-compliance with regulatory requirements is identified, the firm receives an AML report outlining the findings from the review along with the specific actions required to address them.

For any controls assessed as non-compliant, the report sets out the actions the firm must implement within 30 days of the report's issue date. Firms are required to provide ACCA with evidence demonstrating that these actions have been completed. ACCA will review the firm's response and determine whether compliance has been achieved. Once satisfied, ACCA will close the AML review. At the firm's next review, we will revisit the control to ensure it continues to meet the required standards.

To support members in understanding and meeting their obligations, ACCA has produced a range of practical factsheets designed to help firms establish effective AML controls. These resources are available to all members and can be accessed via the '**AML Resources**' section of this report. ACCA regularly review and update the entire suite of factsheets to reflect the latest best practice, guidance, and insights gathered from our monitoring activities.

In addition, ACCA offers a variety of AML-focused CPD opportunities, including webinars, articles, and online learning modules, which members can access through [CPD online](#) | [ACCA Global](#).

A summary of the most common findings from our reviews during the reporting period is provided below:

1 Firm Wide Risk Assessment

Firm-wide risk assessments are not tailored to the specific risks faced by the firm. During AML compliance reviews, we have identified instances where firms have used generic third-party templates for their firm-wide risk assessments. These assessments often fail to consider the actual risks relevant to the firm's activities and instead include broad, non-specific examples or risk factors that may not apply to the firm's operations. As a result, the firm has not carried out a meaningful or accurate assessment of its exposure to money laundering risks.

In addition, a significant number of firm-wide risk assessments reviewed lacked sufficient detail to explain the rationale behind the conclusions documented, undermining their effectiveness as risk management tools.

2 AML Policies and Procedures (AML P&Ps)

Policies and procedures are most commonly found to be deficient because their contents are pre-populated and generic, often resembling guidance rather than outlining specific processes. As a result, the procedures set out do not effectively inform the firm's day-to-day compliance activities and are frequently ill-suited to the firm's specific operational needs.

This issue typically arises because the findings of the firm-wide risk assessment are not being used to shape and tailor the content of the policy and procedures document. Instead, the generic material remains untailored, leading to gaps in the firm's AML control framework.

It is ACCA's position that AML procedures should be prescriptive and have a clearly structured AML framework, with a step-by-step approach specified for each control that can be consistently followed in practice by employees reflecting what the firm does on a day to day basis.

3 AML training

The most common weakness identified in this area continues to be AML training programmes that are either not delivered on a regular basis or lack key components. Additionally, firms frequently fail to maintain adequate training records to evidence what AML training has been provided, to whom, and when. There is also often no documentation demonstrating employees' understanding of the training, such as assessment results.

4 Client due diligence (CDD)

We have observed that many firms possess a good understanding of their clients; however, in several cases this is not reflected in the client files. ACCA expects firms to retain clear evidence to support the work undertaken. In practice, essential records such as identification documents and proof of address are sometimes missing. In some instances, firms have also failed to identify all directors or persons with significant control.

5 Client risk assessment

An ongoing area of concern regarding client risk assessment is that there can be a complacent view of risk taken by practitioners, with many taking a blanket approach in this area and consider all clients as low risk. This appears to stem partly from a view that assumes clients who are well known to the firm are automatically considered low risk. Our reviews show that another contributing factor is the widespread use of third-party risk assessment templates and tools that are often not tailored and are therefore not fit for purpose for the risks posed to the firm using it.

Some templates often present a very limited number of risk factors and omit several key factors which may increase the likelihood that the outcome will be prejudiced towards the lower end of the risk spectrum. In addition to this, there is generally no supporting rationale for the risk rating applied, indicating that the firm may not understand the basis of the risk assessment's methodology and outcome.

6 Inconsistent escalation of suspicious activity

Most firms have some form of process in place; however, these processes are often either undocumented or applied inconsistently. For instance, some firms reported that staff would raise concerns verbally with the MLRO rather than following a formal escalation procedure. As part of our AML compliance reviews, we also examine a sample of external SARs/STRs submitted to assess whether they meet the required standards. To address the recurring issues identified, ACCA has produced dedicated AML factsheets that offer practical guidance to help firms meet their obligations. Links to these resources can be found in the 'AML Resources' section of this report.

ACCA’s thematic reviews

We have taken a proactive approach to identifying emerging trends and risks and implementing effective mitigation measures. This requires a pragmatic approach to managing the team’s regulatory priorities, which at times involves focusing on specific areas. For example, one initiative completed within the period was the creation of a thematic review which focused on SAR/STR and the firm-wide risk assessment.

SAR/STRs are a crucial source of intelligence for law enforcement. Consequently, both the quality and volume of SAR/STR reporting remain ongoing concerns within the sector. This review was therefore undertaken to enable ACCA to gain a deeper understanding of these issues.

The review involved contacting the selected firms and requesting that they complete an online review form and submit the required supporting documentation. Once received, supervision officers assessed the two controls within the scope of the review and tested their effectiveness. Reviewing the firm-wide risk assessments enabled ACCA to evaluate whether firms are fully aware of the risks to which they are exposed, as a lack of such awareness could contribute to insufficient SAR/STR reporting.

The findings indicated that improvements are needed in both the quality and volume of SAR/STR submissions. One possible reason for low reporting levels may be that firms are not fully aware of their exposure to certain risks, partly due to firm-wide risk assessments lacking depth in identifying actual risks.

Isle of Man

In addition to the UK and Ireland, ACCA also acts as a supervisory authority in the Isle of Man (IOM), responsible for ensuring compliance with the Anti-Money Laundering and Countering the Financing of Terrorism Code 2019. The table below outlines ACCA’s monitoring activity in the IOM during the reporting period.

Supervised population	14
Compliance reviews completed	8

Outcomes from reviews	
Compliant	0
Generally compliant	6
Non-compliant	2

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/uk/en/about-us/regulation/disciplinary-and-regulatory-hearings.html>

Within the period, 29 firms were referred to ACCA's Conduct Department to face potential disciplinary action for the following reasons: breach of money laundering regulations; breaches of money laundering regulations and conduct issues; non-cooperation, and dishonesty and integrity behaviours.

Enforcement action was concluded against 10 firms, with the allegations proven. Two members were excluded following disciplinary proceedings, and proceedings remain ongoing in respect of other firms.

The table below details the financial sanctions imposed by ACCA during the period covered by the report for its supervisory activities in the UK and Ireland, with a comparison against the previous periods:

AML PENALTIES	2022/2023	2023/2024	2024/2025
Proven enforcement actions completed	20	5	10
Total of fines and costs	£90,365	£31,742	£86,554.50
Members excluded	3	1	2

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 AML-related matters, ACCA also considers complaints concerning its members, affiliates and students, including allegations of misconduct. Its regulatory responsibilities include conciliation, investigation and disciplinary action. Across all these functions, ACCA acts in the public interest and follows the principles of better regulation. It aims to take disciplinary action that is effective and proportionate where necessary, while ensuring procedures remain consistent and transparent. As a global regulator, ACCA applies the same standards to its members, affiliates and students worldwide.

Case study 4.

Enforcement Activity – Disciplinary Committee

ACCA conducted a review of Firm D. During the course of the review numerous breaches of the MLRs 2017 were identified. These included breaches of the following controls and regulations:

- Regulation 18 (Risk assessment by relevant persons)
- Regulation 19 (Policies, controls and procedures)
- Regulation 21 (Internal controls)
- Regulation 24 (Training)
- Regulations 27-32 (Customer due diligence: general)
- Regulation 33-36 (Enhanced customer due diligence)
- Regulation 40 (Record-keeping)
- Regulation 56 (Requirement to be registered).

The AML review of Firm D was significantly delayed and hindered by the MLRO's failure to provide ACCA with sufficient information to be able to complete its monitoring process efficiently. Multiple requests for additional information that were made to the member that were not fulfilled, a referral was made to ACCA's Conduct Department on the basis of breaches of MLRs 2017 and failure to cooperate with ACCA's monitoring process.

After an initial investigation, the case was escalated to a disciplinary committee hearing. At its conclusion the chair of the Complaints and Disciplinary Committee found in favour of ACCA and ordered that the member be excluded from ACCA and imposed costs of £40,000 on the member.

SECTION 5 – AML RESOURCES

ACCA provides a range of technical resources, available in the AML section of our website, to help members understand and meet the requirements of money laundering legislation.

For UK members, resources can be accessed [here](#).

For Ireland, resources can be accessed [here](#).

Members may also contact ACCA's Technical Advisory team for tailored guidance – advisory@accaglobal.com. This free service offers support on specific AML queries.

In addition, ACCA organises a variety of AML-related courses and events throughout the year to help members stay informed and compliant.

SECTION 6 – WHISTLEBLOWING

ACCA has set up 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 more easily alerted about instances of non-compliance with the AML 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 Money Laundering Regulations; 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 via this [link](#).

ACCA encourages timely, responsible and lawful reports about what you know or suspect. Your report could help identify, stop or prevent reckless or dishonest behaviour which might pose a risk to the public.

Anyone wishing to make a report to ACCA may withhold their identity completely. However, ACCA would encourage everyone making a report to provide contact details to allow us to obtain further information if required.



SECTION 7 – LOOKING FORWARD

Enhancing our supervision regulatory framework

As part of our regulatory duties, ACCA remains committed to continuously strengthen its risk-based AML supervision regulatory framework. Our objective is to allocate resources proportionately to areas of greatest risk and ensure our supervisory activities effectively address higher and emerging risk areas across our supervised population. To achieve this, we will:

- **Leverage data and intelligence:** We will continue using data and intelligence obtained from AML Annual Returns, firm level AML reviews and other supervisory activities to design and apply a diverse range of risk based supervisory approaches and methods to conduct AML reviews of firms which covers the full spectrum of risk profiles within our supervised population.
- **Enhance the AML Annual Return process:** We will continue to strengthen the quality and timeliness of submissions to ensure all supervised firms complete their Annual Returns promptly, as this information is integral to our risk-based supervision model. As part of our ongoing digital transformation programme, we plan to embed the AML Annual Return within the practising certificate renewal process.
- **Conduct targeted and thematic reviews:** We will continue to assess and monitor emerging risks and intelligence to plan and deliver targeted AML reviews. Our thematic review approach, with specific focus areas including SAR/STR will continue.
- **Strengthen regulatory and disciplinary coordination:** We will continue to maintain constructive engagement with our independent investigation and disciplinary teams to ensure that cases involving breaches of AML laws and regulations, or professional ethics are handled fairly, proportionately, and in the public interest. This continued collaboration enhances the overall effectiveness and credibility of ACCA regulatory and disciplinary frameworks.
- **Expand guidance and sector outreach:** We will continue updating and publishing AML factsheets, guidance and compliance resources to support our supervised firms' understanding and implementation of their AML regulatory obligations as well as compliance with money laundering laws and regulations. The AML supervision team will also continue contributing to ACCA's wider continuing professional development (CPD) programme, including delivering targeted AML sessions at key industry events such as Accountex, to reach all regulated accountancy professionals in the UK, not only ACCA members.

Driving effectiveness of AML regulations and supervision

ACCA is equally committed to driving continuous improvement in the effectiveness of the UK and Ireland AML regulatory system. To achieve this, we will:

- **Engage with HM Treasury and policy reforms:** We will continue to proactively engage with HM Treasury on current and forthcoming consultations related to improving the effectiveness of the money laundering regulations and supervisory reform, ensuring that our supervisory insights inform national AML policy development.
- **Contribute to Ireland's National Risk Assessment (NRA):** ACCA are collaborating with The Department of Finance and the Department of Justice and Equality who are in the process of producing Ireland's next NRA.
- **Collaborate across supervisory and law enforcement networks:** We will continue to work closely with other professional body supervisors (PBSs), statutory supervisory authorities, government and law enforcement through bodies such as the AML Steering Committee in Ireland, AML Supervisors Forum (AML SF) in the UK as well as the Joint Practices Group and Intelligence Sharing Expert Working Group (ISEWG) to share intelligence and best practice.
- **Work with OPBAS and the NECC:** We will continue to collaborate effectively with OPBAS and the National Economic Crime Centre (NECC), for example, to identify and address the root causes of professional enabling within the accountancy sector. Insights gained will directly inform enhancements to our supervision model and member guidance. ACCA will continue to work proactively with OPBAS throughout the next year by having regular meetings, participating in OPBAS workshops, and engaging with OPBAS on our supervisory activities.
- **Support Companies House Reform Implementation:** We will continue to work with Companies House to ensure the efficient registration for our supervised population acting as authorised corporate service providers (ACSPs) and to support the effective roll out of the wider Companies House reforms introduced under the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

Information and intelligence sharing

ACCA recognises that effective AML supervision relies on high quality information sharing and intelligence coordination across the AML ecosystem. We remain committed to supporting the implementation of the information-sharing measures introduced by the ECCTA 2023, which enable improved collaboration between regulated entities, supervisors, and law enforcement. To achieve this, we will:

- **Collaborate through established sharing networks:** We will continue to actively participate in inter-supervisory working groups, such as the AASG, ISEWG and Joint Practices Group, and leverage intelligence platforms such as SIS and FIN-NET platforms. Through these channels, we aim to strengthen system coordination, close regulatory loopholes, and respond swiftly to emerging risks.
- **Integrating law enforcement intelligence into AML supervision:** We anticipate continuing working proactively with law enforcement and other supervisors to ensure that emerging typologies and sector specific trends are shared with ACCA so that these can be integrated into our AML supervisory frameworks including AML review activities.

APPENDIX 1 – ACCA FACTSHEETS AND RESOURCES

[ACCA Technical Factsheets – UK](#)
[ACCA Technical Factsheets – Ireland](#)
[ACCA Guidance for disciplinary sanctions](#)
[ACCA Regulatory Board](#)
[ACCA Disciplinary and Regulatory Hearings](#)
[ACCA Report on regulation 2025](#)
[ACCA Rulebook](#)
[ACCA Whistleblowing Policy](#)
[ACCA's Risk Assessment of Trust And Company Service Provider \(TSCP\)](#)
[ACCA's Proliferation Financing Guidance Article](#)
[ACCA article – Companies House reform – what you need to know for ACSP registration](#)
[2025 ACCA Anti-Money Laundering \(AML\) Annual Return – UK](#)
[2025 ACCA Anti-Money Laundering \(AML\) Annual Return – Ireland](#)

APPENDIX 2 – EXTERNAL LINKS

[UKFIU SARS Reporting portal](#)
[FIU Ireland Reporting portal](#)
[UK National risk assessment of money laundering and terrorist financing 2025](#)
[Irish National risk assessment of money laundering and terrorist financing 2019](#)
[UK National Risk Assessment of Proliferation Financing 2021](#)
[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 \(POCA\)](#)
[Criminal Finance Act 2017](#)
[Office for Professional Body Anti-Money Laundering Supervision \(OPBAS\)](#)
[Department of Justice, Home Affairs and Migration Ireland](#)
[UKFIU SAR Best Practice Guidance](#)
[Companies House confirms identity verification rollout from 18 November 2025](#)

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THINK AHEAD