

Technical factsheet:

Suspicious activity reports (SARs)

Introduction

A suspicious activity report (SAR), sometimes referred to internationally as a suspicious transaction report (STR), is a report submitted to the UK Financial Intelligence Unit (UKFIU), part of the National Crime Agency (NCA), where there is knowledge or suspicion of money laundering, terrorist financing or other criminal activity. SARs play an important role in the sharing of intelligence at all levels, from small businesses through to national and international law-enforcement agencies. SARs may also support investigations into sanctions evasion, fraud, terrorist financing and proliferation financing.

As the UK's anti-money laundering framework has developed, there has been an increased focus on strengthening AML controls and procedures to better protect against economic crime and the abuse of professional services. SARs play an important role in the sharing of intelligence at all levels, from small businesses through to national and international law-enforcement agencies. SARs may also support investigations into sanctions evasion, fraud, terrorist financing and proliferation financing.

When to submit a SAR

The NCA has used words such as 'know' and 'suspect' to determine when an individual must submit a SAR. You should never feel a suspicion is too small to report, as it may contribute to information that has already been submitted from other sources, and build a better picture of criminal activity, or it may prove to be valuable information that leads on to solving criminal cases.

Where suspicion exists, a SAR should be submitted promptly. Reports should be clear, concise and contain sufficient detail to support law-enforcement analysis. The UK government's [national risk assessment of money laundering and terrorist financing 2025](#) continues to identify the accountancy sector as exposed to high money laundering risk and reinforces the importance of effective suspicious activity reporting and strong AML controls within the sector. It further highlights the importance of timely identification and reporting of suspicious activity to support the UK's wider economic crime framework.

In regulated sectors, such as accounting, there may be an obligation to make a submission and not doing so could be a criminal offence. A SAR may be required where a relevant employee knows, suspects or has reasonable grounds to suspect that a person is engaged in money laundering or terrorist financing. However, this is not only limited to regulated sectors, and the obligation to report may also extend to those in unregulated sectors.

The [NCA has a very useful page](#), along with several related publications, that provides a

comprehensive outline of the current landscape around money laundering in the UK.

How do I submit a SAR?

A SAR should be submitted to the NCA via its [SAR online portal](#). Alternatively, hard copies can be posted to UKFIU, PO Box 8000, London SE11 5EN. However, it is strongly advised to use the online portal as SARs submitted by post will not receive an acknowledgement from the NCA.

When submitting a SAR, the relevant glossary code should be used to help the NCA identify specific types of activity and ensure that the SAR is handled by the correct agency. While the use of the codes is not mandatory, including the correct code will assist law enforcement. [Read the NCA's best practice guidance](#).

Defence Against Money Laundering (DAML)

A DAML (previously known as a consent SAR) is the 'appropriate consent' given by the NCA to allow a party to proceed with a certain activity that may otherwise be classified as a money laundering offence, such as transferring funds on behalf of the client that you suspect are the proceeds of crime. Its sole purpose is to provide a defence against a money laundering offence under the Proceeds of Crime Act 2002 (POCA). The offences are outlined in sections 327 to 329 of POCA. [Read more in the NCA's best practice guidance](#).

DAML requests are not to be confused with filing a SAR. A SAR must be made when you suspect a client may be engaged in suspicious activity that does not involve the firm. DAML requests should only be made when it is necessary for the firm to directly interact with what it suspects to be criminal property on behalf of its clients.

Tipping off

Once a SAR has been submitted, care must be taken to ensure that the relevant parties are not made aware of this where doing so may prejudice an investigation. The disclosure of such information is commonly referred to as 'tipping off' and may constitute a criminal offence under section 333A of the Proceeds of Crime Act 2002 (POCA). Firms and relevant employees should also avoid actions that could prejudice an investigation, including informing a client that a SAR has been submitted, unnecessarily disclosing concerns internally, or communicating in a manner that could alert the client to the existence of a report or law enforcement interest.

Responsibilities of an accountancy service provider/relevant employees

As a result of the UK money laundering regulations, there are various SAR-related requirements you need to have in place:

- A nominated officer/money laundering reporting officer (MLRO) must be appointed. (This is not applicable for sole practitioners, as they will be held responsible and assume responsibility for this.)
- Internal procedures for relevant employees to report suspicions or knowledge of money laundering activities must be created, with involvement from the MLRO.
- Policies and procedures must be documented, and the relevant employees should be aware of and be up to date with them.
- Sufficient training must be provided to all relevant employees, to allow them to understand their legal obligation under the 2017 Money Laundering Regulations, and also to recognise and deal with activity that may be related to money laundering or terrorist financing. Employees must know how to report suspicious activities to the MLRO.

- Records of any documents or information obtained to meet customer due diligence requirements must be kept for a minimum of five years, eg records pertaining to a transaction to the level that it can be reconstructed.

This is not the complete list of requirements that accountancy service providers must have in place. It is recommended that firms also familiarise themselves with ACCA's [AML monitoring review process factsheet](#) for further details.

Internal and external SAR process

You should have a clear, consistent and confidential process in place that allows employees to escalate suspicious activities to the MLRO; this is known as an internal SAR. If an MLRO decides that the concerns raised are not suspicious, then this should be documented, explaining the rationale and reasons for the decision.

It is strongly advised that you create an internal SAR form for multiple reasons:

- It serves as written evidence that the employee has raised their concerns and what the MLRO has been made aware of. Simply discussing the matter face-to-face or in a meeting is not acceptable.
- A good form will streamline the reporting process by requesting the key and relevant information, and facilitate an environment for more reliable decision making from the MLRO.
- It allows for a direct channel to MLRO that employees of all levels can utilise.

An external SAR is when the MLRO reports suspicious activity to the NCA. They can often become quite complex and it is important to follow the NCA's guidance documents where provided. Furthermore, it is imperative that communications with the NCA are via the MLRO to ensure that the necessary protections are in place against any breaches of confidentiality.

Once again, where suspicions have been raised, this should not be brought to the client's attention, to avoid falling into the realms of tipping off.

The MLRO should consider the volume and nature of both internal and external SARs reported and periodically review trends to assess whether additional staff training, awareness or procedural improvements are required. If no internal SARs have been received from employees, the MLRO should consider the reasons for this – for example, whether employees are unclear on their responsibilities, unfamiliar with the reporting process, or lack sufficient understanding of red flags and suspicious activity indicators.

Maintaining records of SARs

While there is no retention period specified within the regulations relating to internal and external SARs, maintaining these records is important as it evidences that employees and the MLRO are undertaking their legal obligations. Therefore, it is very important to maintain a record of internal SARs received and external SARs your practice has made to the NCA. Below is a template example of a SAR log with column headers that could be used to evidence internal and external SARs made.

| Internal ref no | Date received | Sent by | Firm/ individual name | Reason for suspicion | SAR filed to NCA? | Date SAR filed | NCA reference number | Date closed | Comments/further action taken |
|-----------------|---------------|---------|-----------------------|----------------------|-------------------|----------------|----------------------|-------------|-------------------------------|
| xx | xx | xx | xx | xx | xx | xx | xx | xx | xx |

Disclaimer: this should be modified to suit your practice's purpose and not just copied into your own files.

Further resources

[Proceeds Of Crime Act 2002](#)

[Money Laundering Regulations 2017](#)

[CCAB Guidance \(AMLGAS\) – Section 6](#)

[National Crime Agency \(NCA\) website](#)

[NCA SAR Portal](#)

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