Reform of Anti-Money Laundering and Counter Terrorism Financing Supervisory Regime

A consultation issued for public consultation by HM Treasury (**HMT**)

Comments from ACCA
29 September 2023
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GENERAL COMMENTS

ACCA is a Professional Body Supervisor (**PBS**) for anti-money laundering (**AML**) in the UK. We welcome the opportunity to provide views on the government's proposed reform of the AML and counter terrorism financing (**CTF**) supervisory regime, and the proposals for sanctions supervision. Our response to this consultation has been informed by input obtained from our supervised population and discussions with other accountancy PBSs.

ACCA fully supports 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.

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 can effectively do this: Model 1 (OPBAS+). The other three models carry with them significant risks which at best could see money laundering grow, and at worst, see the whole supervisory regime collapse. In our opinion, Models 2, 3 and 4 contain risks which appear to have been severely undervalued in the consultation.

Principally, our concerns can be summarised into three main areas:

- **Transition and failure risk –** Models 2, 3 and 4 would require an enormous administrative task to ensure supervision is maintained during implementation. There are also risks involved with transferring a vast amount of data and information from the current PBSs to the new supervisor. Under Model 2 there is also the risk that if the consolidated PBS were to fail, there would be no 'safety net' to cover AML supervision.

- **Loss of expertise –** AML supervision is extremely complex, and each PBS has a detailed and in-depth knowledge and understanding of its supervised firms. This knowledge and the PBSs' AML supervisory frameworks have been developed and enhanced over the past six years since the inception of the UK Money Laundering Regulations 2017 (**MLRs**). The reason there are so many PBSs is because of the sheer scale and variety of supervision needed, spanning different sectors, professions, and sizes of businesses. This requires the PBS to have a detailed level of knowledge and expertise to supervise firms to a high standard and understand the unique characteristics of the profession they oversee.

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- **Feasibility** – Models 2, 3 and 4 would likely see a significant rise in fees and bureaucracy given the challenges of a single AML supervisor. UK firms would face the prospect of dual supervision and dual fees for AML supervision and their professional body. Also, the length of time it would take to implement Models 2, 3 and 4 could cause considerable disruption in supervision.

ACCA believes that a key strength of the UK supervisory regime is the fact that the sectors are supervised by those with expertise in the sector. This enables the supervision to be conducted by those with the best understanding of their population, and to effectively identify and assess the money laundering risk posed by those they supervise.

Accountancy is a very diverse sector and a supervisor with no experience of the sector will not be able to fully identify and assess money laundering risks.

Furthermore, ACCA has regulatory oversight of other regulated activities. The responsibilities for monitoring are therefore embedded in our framework and this allows us to take consistent and effective enforcement action against non-compliance in all regulated activities, including those linked to the MLRs.

The government benefits from the support and input from the various AML supervisors into consultations on AML legislation and policy. The support provided as part of an AML supervisor's role adds no extra cost for the government. The supervisors provide a broad range of views that represent the diverse populations they supervise, in particular sole practitioners and small firms.

ACCA considers that OPBAS not having oversight of HMRC, who also supervise accountants, is a weakness. We are concerned that accountants that are supervised by HMRC are not subject to the same requirements as those that are members of a professional body. Therefore, we believe that HMRC should be brought into OPBAS oversight under the OPBAS+ model. We believe that this will result in greater consistency and higher standards across the whole accountancy sector.

ACCA has taken the approach of responding to the consultation in two parts. Part 1 provides details of our AML supervisory framework to provide context and further detail for HM Treasury to consider as part of the review. Part 2 focusses on the specific questions asked in the consultation document.

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PART 1: ACCA AML SUPERVISORY FRAMEWORK

Introduction

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.

ACCA's regulatory structures and activities are kept under review, in order to respond effectively to developments in society and the regulatory environment. ACCA's qualifications, ethical standards, licensing, continuing professional development, monitoring and disciplinary processes are key to reassuring the public and regulators that high standards are being promoted and enforced.

ACCA's regulatory and disciplinary framework is subject to oversight by a robust and independent Regulatory Board (**'the Board**'). 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. Further details of the Board's activities, including minutes of Board meetings and the Board's public Report on Regulation, are available at www.accaglobal.com.

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

ACCA's AML Supervised Population

ACCA supervises firms for AML if one, or more, ACCA members hold 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.

ACCA currently supervises 6,951 firms for AML in the UK.

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ACCA's Risk Based Approach

ACCA conducted the bulk inherent AML Risk Assessment of its supervised firms in October 2021. This is an exercise that ACCA conducts on a biennial basis.

The AML Risk Assessment collects relevant details that allow ACCA to fully assess and categorise the inherent money laundering risk posed to our supervised firms. It contains a granular level of detail that allows us to analyse and understand the risks associated with our firms and to allocate our resources appropriately.

The level of relevant data we hold, and our knowledge of our supervised population, enables ACCA to conduct activities such as: extracting data to inform our trust or company service provider (**TCSP**) thematic review; target firms at highest risk of exploitation to Russian Sanctions; and evolve and develop our AML compliance reviews based on our firms' profiles.

ACCA's money laundering risk assessment of supervised firms is not a static exercise. It continues throughout the firms' supervision through various sources that are both internal and external.

ACCA has an established process where internal teams share relevant information that may have an impact on the money laundering risk profile of the firms, for example if there is an issue seen by another monitoring team or a complaint received from a member of the public.

ACCA considers publications such as the UK National Risk Assessment (**NRA**), or those issued by other relevant bodies, and how they may have a material impact on the firms we supervise and the approach we need to take. For example, with the announcement of the Russian Sanctions by the UK government, ACCA considered various sources of information and this allowed us to quickly develop a typology and conduct a targeted review of those firms at highest risk of exposure.

We also consider intelligence shared and emerging trends through engagement at forums such as the Accountancy AML Supervisors Group (**AASG**) or Accountancy Sector Intelligence Sharing Expert Working Group (**ISEWG**) and sources such as publicly available adverse media or complaints received by other areas in ACCA.

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ACCA's AML Compliance Reviews

ACCA has an annual plan of AML compliance reviews. This has been developed to allow flexibility to focus on where risk is the greatest and priority needs to be placed.

The AML compliance review plan captures the key metrics so that information is available to Senior Management that provides an overview at any point in time of the progress of reviews and outcomes.

ACCA has a broad range of AML compliance reviews that have been developed specifically to address risks and issues for our supervised population. This ensures that firms receive effective and relevant supervision.

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

- The firm's firm-wide risk assessment.
- AML and CTF policies and procedures.
- Client risk assessment processes eg 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, including a sample of records of internal and external Suspicious Activity Reports (**SARs**) 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 number of AML compliance reviews over the previous four years can be found below:

2019/2020	2020/2021	2021/2022	2022/2023
68	156	299	338

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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 MLRs. 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 their AML policies, procedures and controls are used consistently and are reviewed by the money laundering reporting officer (**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, and 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 member/firm may be referred to ACCA's Professional Conduct Department for further investigation that may lead to financial sanctions and/or exclusion from membership.

The outcomes of reviews over the previous four years can be found below:

Rating	2019/2020	2020/2021	2021/2022	2022/2023
Compliant	6	1	0	15
Generally Compliant	49	132	271	299
Non-Compliant	13	23	28	24

ACCA has also conducted a thematic review of a sample of UK AML supervised firms that provide TCSP services following the identification of this service as high risk by the NRA. Alongside the review ACCA also analysed the data obtained through our AML risk assessment questionnaire. ACCA published its findings in a report[1] to raise awareness, as well as to aid

[1] https://www.accaglobal.com/uk/en/member/regulation/monitoring-statutory-regulation/aml.html

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firms in adopting a risk-based approach to mitigate the risks such as those highlighted in the NRA.

ACCA's Enforcement Powers

Enforcement

ACCA's information gathering and investigative powers in relation to AML non-compliance are derived from the Bye-laws and the relevant regulations in the ACCA Rulebook. Bye-law 8 provides the gateway by which members may be liable for disciplinary action if relevant provisions are engaged and AML non-compliance is alleged. The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 (**CDRs**) set out the process which applies to those members who are subject to ACCA's investigations and disciplinary regime.

The Bye-laws and the CDRs are ACCA's primary tools in terms of evidence gathering and investigating suspected AML non-compliance. However, depending on the nature and circumstances of the case, The Chartered Certified Accountants' Interim Order Regulations 2014, The Chartered Certified Accountants' Health Regulations 2014, The Chartered Certified Accountants' Appeal Regulations 2014 and The Chartered Certified Accountants' Regulatory Board and Committee Regulations 2014 may also be engaged. The regulations can be accessed at: https://www.accaglobal.com/gb/en/about-us/regulation/rulebook.html

ACCA has developed specific AML sanctions guidance that outlines the penalties we can impose when non-compliance with the MLRs is identified. This guidance is published and available at: https://www.accaglobal.com/gb/en/about-us/regulation/disciplinary-and-regulatory-hearings/guidelines-disciplinary.html

The financial sanctions imposed for breaches of the MLRs over the previous four years can be found below:

	2019/2020	**2020/2021**	**2021/2022**	**2022/2023**
Number of members fined	3	6	12	20
Total of fines	£2,500	£18,000	£44,000	£58,500
Total costs	£16,973	£14,974	£12,914	£31,865
Members excluded	2	1	0	3

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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

Information and Intelligence Sharing

ACCA believes that the accountancy PBSs work effectively together through established forums such as the AASG and ISEWG to share trends and typologies, and to develop and share best practice on supervision.

The accountancy PBSs work collaboratively, and this has led to a better understanding across the sector of the risks of ML/TF that it faces.

There are designated points of contact in each PBS and information and intelligence can, and is, shared between each other using gateways in the MLRs.

We believe that PBSs require more regular and more timely sharing of intelligence and risks from law enforcement. This will mean that the sector will be better informed and able to better identify and adapt to risks by using this information.

ACCA subscribes to, and uses, both the Shared Intelligence Service (**SIS**) and the Financial Crime Information Network (**FIN-NET**) to actively share intelligence.

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PART 2: AREAS FOR SPECIFIC COMMENT

Objectives

1. Do you agree that increased supervisory effectiveness, improved system coordination, and feasibility are the correct objectives for this project? Do you agree with their relative priority? Should we amend or add to them?

ACCA agrees that increased supervisory effectiveness and feasibility are the correct objectives for this consultation and agrees they should be treated as a priority.

Whilst ACCA agrees that system co-ordination is important, we note that evidence highlighting the current perceived issues that the consultation is seeking to resolve are lacking in detail within the consultation document. Therefore, we would welcome further discussions and engagement to understand the supporting evidence for this objective.

ACCA also believes that expertise needs to be considered within the objective of supervisory effectiveness. AML/CTF supervision in the accountancy sector is extremely complex due to the nature of the accountancy profession. The reason there are so many PBSs is because of the sheer scale and variety of supervision needed. It spans different sectors, professions, and sizes of businesses. This requires the PBS to have a detailed level of knowledge and expertise to supervise firms to a high standard and understand the unique characteristics of the profession they oversee. Expertise is therefore a critical element to the consultation's objective on supervisory effectiveness, yet Models 2, 3 and 4 would lose this capability.

ACCA believes that the consultation severely undervalues the importance of transition and failure risk. HMT may wish to consider developing these areas into the objectives.

For example, in respect of transition risk, Models 2, 3 and 4 will require an enormous administrative task to ensure money laundering supervision is maintained while the respective supervisor is set up. The risks of transferring data and information from 22 supervisors across to a new single supervisor would be high and money laundering cases could be ignored or lost during the change. In addition, staff retention and recruitment would be a major issue during the period of transition that will negatively impact the standard of supervision. Skilled, experienced staff will leave the sector to find a secure new role with potential replacements being reluctant to accept a short-term role.

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In addition, failure risk is a particular issue with Model 2 (a consolidated PBS) which includes a possibility that HMRC also transfers the firms it supervises. Under this scenario, if a single PBS for the accountancy sector was to fail, whether commercially or for another reason, there would be no 'safety net' to cover the supervision. With all other PBSs no longer having a supervisory function for AML and HMRC resources already stretched, there would be no capacity available, and this could lead to the collapse of the AML regime.

Office for Professional Body Anti-Money Laundering and Counter Terrorism Financing Supervision (OPBAS) +

2. What would the impact be of OPBAS having the FCA's rule-making power? What rules might OPBAS create with a new rule-making power that would support its aim to improve PBS supervision?

ACCA supports OPBAS being granted the FCA's rule-making power. This will support OPBAS in achieving its objectives and strengthen its ability to take action against PBSs that are not meeting the required standards.

ACCA would welcome definitions and guidance from OPBAS that clearly set expectations on what is deemed as 'effective' practice. This will provide clarity and consistency for all PBSs that will allow them to integrate expectations into their risk-based approach to supervision. As all PBSs will have the same clear and consistent guidance, this will enable OPBAS to clearly identify any PBS that is not following the set rules and to take proportionate action against those PBSs using the proposed powers under this model.

3. Which, if any, of these powers should OPBAS be granted under this model? Are there any other powers that OPBAS could be granted under this model to aid OPBAS in increasing the effectiveness and consistency of PBS supervision?

ACCA agrees with the proposed powers outlined in the consultation.

ACCA believes that OPBAS should be given more robust powers to hold PBSs that are not meeting the required standards to account. We believe that publication of findings against those PBSs deemed 'ineffective' would improve supervisory effectiveness and highlight and provide clarity on those PBSs and the sector in which they are supervising firms.

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However, ACCA recognises that with increased powers there will need to be an assurance process to ensure that OPBAS findings are consistent, transparent and accurate.

OPBAS will need to develop its own enforcement framework to support the process when using the additional powers. For example, PBSs that are being publicly named may disagree with the findings and will require a period of appeal and a process to manage this before the publication.

It should be noted that the latest OPBAS annual report[2] covers the assessment of nine PBSs out of a total of 22 in the legal and accountancy sectors. The report states those reviewed were selected using OPBAS's Risk-Based Approach (**RBA**) and were PBSs where OPBAS identified that they required improvement in areas previously assessed, or had the largest populations. Following these reviews, only one PBS was deemed 'ineffective' in three ('Information & Guidance', 'Staff Competence & Training' and 'Record keeping') of the eight areas assessed by OPBAS. The remaining eight PBSs were classified with a range of outcomes between effective, largely 'effective' or 'partially effective' in the areas tested. No PBS was assessed as 'ineffective' for supervision. Eliminating ineffective supervision is an objective of this consultation, however in OPBAS's annual report this is an issue in just one PBS.

The power to name the PBSs deemed as 'ineffective' would strengthen the objective of increasing supervisory effectiveness. Currently there is no way of knowing what impact the 'ineffective' PBS has on the wider supervision landscape. For example, it is not clear what the size of supervised population is, or if the PBS is from the accountancy or legal sector.

ACCA also notes that OPBAS did not test all sourcebook areas for all PBSs. For example, under 'Governance' only six of the nine PBSs were tested in this area, so therefore the assumption using OPBAS methodology is that the three not tested were fully 'effective' at their last OPBAS review.

In addition, OPBAS's annual report refers to the PBS deemed 'ineffective' as an outlier. Therefore, ACCA believes this further supports the OPBAS+ model as if there was a power to name, set rules and take action against this PBS that would drive more effectiveness for that particular PBS.

ACCA also believes that the fact that only one of the 22 PBSs has been highlighted as 'ineffective' in three areas demonstrates the progress that has been made by the PBSs under the current OPBAS model. No PBS has been classified as 'ineffective' for supervision.

[2] https://www.fca.org.uk/publication/opbas/opbas-report-progress-themes-supervisory-work-2022-23.pdf

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Therefore, we support the additional powers as this will continue to ensure effectiveness and allow for action to be taken for any PBSs that is 'ineffective'.

4. What new accountability mechanisms would be appropriate in order to ensure proportionate and effective use by OPBAS of any new powers?

ACCA believes that with increased power there will need to be a robust assurance process to ensure that OPBAS findings are consistent, transparent and accurate.

OPBAS will also need to develop its own enforcement framework to support the process when using the additional powers. For example, PBSs that are being publicly named may disagree with the findings and will require a period of appeal before the publication. There may be a need to develop an independent enforcement framework similar to those in place in PBSs.

5. Do you have evidence of any specific types of regulated activity which are at high risk of being illegally carried out without supervision?

ACCA believes that the government should explore the possibility of protecting the title 'accountant' to ensure high standards in the sector.

Currently there is a risk of individuals who are not a member of a PBS and who have no formal qualifications using the term to describe themselves and their services and operating without supervision.

The proposed models in the consultation do not address this risk.

ACCA believes that, in the absence of protection of the title 'accountant', adopting the OPBAS+ model and ensuring that HMRC is subject to their oversight, will help bring more consistency in the standards that qualified and unqualified accountants are held to.

We would also support the publication of a register of all AML supervised entities. This would introduce greater transparency across the sectors of entities that are registered for AML supervision and their supervisor. It will also provide consumers with a single source of information to check their accountant has the relevant supervision.

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6. Do you think a "default" legal sector supervisor is necessary? If so, do you think a PBS could be designated as default legal sector supervisor under the OPBAS+ option?

ACCA is unable to comment on this question on behalf of the legal sector.

7. Overall, what impact do you think the OPBAS+ model would have on supervisory effectiveness? Please explain your reasoning.

ACCA notes that it is already acknowledged in the consultation that OPBAS+ already meets the final objective as it is '*the most immediately feasible, requiring no structural change*'.

As noted in our response to Question 3, ACCA believes that great progress has been made and this is reflected in only one PBS being deemed 'ineffective' in three of the sourcebook areas assessed by OPBAS.

The OPBAS+ model builds on five years of activity since OPBAS was established and will maintain the expertise and level of supervision conducted across the PBSs. The new powers proposed will enhance this. There will be continuity of supervision so there is less scope for those engaged in economic crime to take advantage of gaps that will exist during transition to other models.

However, ACCA is of the opinion that, under the proposed model, OPBAS should have oversight of all AML supervisors in the accountancy sector. It is difficult to demonstrate consistency within the accountancy sector when OPBAS's remit does not currently include HMRC, and we believe they should be subject to the same oversight as the PBSs.

8. Overall, what impact do you think the OPBAS+ model would have on system coordination? Please explain your reasoning.

ACCA believes that this model will continue to develop and support the good work already being undertaken.

The accountancy sector PBSs collaborate and coordinate in respect of AML supervisory matters through long standing regular forums such as the AASG, ISEWG and the AML Supervisors Forum (**AMLSF**).

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The accountancy sector PBSs have proactively engaged with law enforcement to support intelligence sharing and raise awareness of our AML supervisory roles. ACCA has designated points of contact and secure methods for intelligence to be shared.

9. Overall, how significant do you think feasibility constraints would be for the OPBAS+ model? Please explain your reasoning.

ACCA believes that only OPBAS+ meets the consultation objective of feasibility in a meaningful way. Under Models 2, 3 and 4, fees would likely be significantly higher given the challenges a consolidated PBS would face, and firms would face the prospect of paying both for AML supervision and their professional body membership fees. Setting up a public sector body as a supervisor (Models 3 and 4) would also be very costly to the taxpayer and disproportionate to the problems the consultation seeks to solve. In this extremely challenging economic climate, these increased costs to businesses, large and small, and the taxpayer cannot be justified. While OPBAS+ is not without cost, it is arguably much lower and more manageable.

OPBAS+ is the only option that will not create a major bureaucracy exercise for UK accountancy firms. Models 2, 3 and 4 will create a large volume of paperwork for firms when they have to dual register with a single AML supervisor and their professional body and interact with different systems and different processes. There is an unintended consequence that AML supervision which is currently managed by the firm's PBS may get overlooked by the firm when having to deal with multiple registrations.

Professional Body Supervisor (PBS) Consolidation

10. Were we to proceed with the PBS consolidation model, what would the relative advantages be of (a) a UK-wide remit, (b) retaining separate PBSs in the Devolved Administrations? Which would best achieve the consultation objectives? Please answer with explicit reference to either the legal sector, the accountancy sector, or both.

ACCA is commenting on this question in respect of the accountancy sector only.

ACCA has concerns that are outlined throughout this consultation response over the negative impact this model will have. However, if these negative impacts are discounted by HMT, and this was the adopted model, then ACCA believes there should be one single accountancy PBS and not separate PBSs overseeing each devolved administration. This will minimise confusion

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and crossover for firms that may operate in dual administrations and also the risk of different approaches by different PBSs in each devolved administration.

ACCA strongly believes that the proposed benefits of this model, as detailed within the consultation, are fundamentally outweighed by the significant negative risks posed by it.

11. How could HM Treasury and/or OPBAS ensure effective oversight of consolidated PBSs under this model? Would it be appropriate to provide OPBAS with enhanced powers, such as those described in the OPBAS+ model description?

ACCA believes that further discussion and analysis is required to fully understand this proposal and what would be appropriate oversight of a reduced and limited number of PBSs.

If PBSs were to be consolidated into a single accountancy sector PBS, ACCA assumes that the selected PBS would be one deemed as 'Effective' and meeting all the requirements by OPBAS and HMT. Therefore, we would conclude that the requirement for OPBAS would be minimal and oversight could be taken by HMT who could assess the PBS in their annual return against agreed metrics.

OPBAS is currently funded by an annual fee payable by each PBS that allocates OPBAS running costs proportionately, based on the size of the PBS's supervised population. Under this model it is not clear who will incur this cost and the consultation lacks any detail or analysis to understand the impact of this on firms that will likely be subjected to increased fees. ACCA would therefore welcome further discussions on the impact of this model.

12. Under the PBS consolidation model, do you think that HMRC should retain supervision of ASPs and TCSPs which are not currently supervised by PBSs? Why/why not?

ACCA agrees that HMRC should retain supervision of unqualified accountants.

We believe that a consolidated PBS supervising unqualified accountants for just AML diminishes and weakens the wider work conducted by PBSs that is not reflected or acknowledged in the consultation.

PBSs have a much wider scope of activity than just AML supervision. Members are held to high standards and provided with resources and education that raises the standards and ethics in

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the accountancy profession. Being a member of a PBS gives consumers confidence in the ability of their professional accountant and the services they provide. If current HMRC supervised firms were to be supervised by a consolidated PBS for AML, this would give them the benefit of being supervised by a PBS despite not holding qualifications to be a member of that PBS.

As detailed in our response to Question 5, ACCA strongly believes that the government should explore the possibility of protecting the title 'accountant' to ensure high standards in the sector.

13. What would the impact be of consolidated PBSs having a more formal role in identifying firms carrying out unsupervised activity in scope of the MLRs? What powers would they need to do this?

ACCA would welcome further discussion on this point. There is a lack of analysis and detail in the consultation that would allow us to provide an accurate assessment. We are aware that HMRC conducts this activity currently but have no information on the size of the team responsible, the costs of this activity and the outcomes.

There are currently set criteria for the supervision of members of PBSs that have been agreed and formalised for a consistent approach through the AASG.

PBSs have set powers in their enforcement frameworks to take disciplinary action against their members, however these powers do not extend to non-members. Therefore, there would need to be new powers enshrined in legislation to allow a consolidated PBS to take action against individuals that are not members.

14. Under the PBS consolidation model, what would the advantages and disadvantages be of a consolidated accountancy or legal sector body supervising a range of different specialisms/professions for AML/CTF purposes?

ACCA believes that a key strength of the UK supervisory regime is the fact that the sectors are supervised by those with expertise in the sector. This enables the supervision to be conducted by those with the best understanding of their population, and to effectively assess the money laundering risk posed by those they supervise.

Supervision is close to the supervised population and this minimises the potential for misunderstanding and inaccurate assessment of money laundering risk. Accountancy is a very

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diverse sector and a supervisor with no experience of the sector may not be able to fully assess and identify money laundering risks.

ACCA believes that even with PBS consolidation, expertise will remain an issue as the types of firms that each PBS supervises varies widely, with a range of services and firm structures.

ACCA is concerned that if PBS consolidation would also include the supervision of HMRC firms then this may allow those firms to present themselves as a member of the PBS through their AML supervision despite not having the requisite qualifications. This could be a risk for consumers who put their trust in qualified accountants and may mistakenly engage with these firms under the impression they are a PBS member.

15. What steps, if any, could HM Treasury take under this model to address any inconsistencies in the enforcement powers available to supervisors?

ACCA has long-standing and embedded enforcement powers. We are aware that the other accountancy sector PBSs also have similar powers.

ACCA would welcome further discussion and information in respect of this question to understand what inconsistencies have been identified by HMT. This information is not contained in the consultation and therefore we are not in a position to provide a full response at this stage. We are also concerned that HMT does not fully understand the enforcement frameworks of PBSs.

16. Which option, to the extent they are different, would be preferable for providing for supervision of non-members under the PBS consolidation model? Are there alternatives we should consider?

ACCA believes that this is a very complex issue that would require an in-depth analysis of the outcomes being sought and a full assessment of any unintended consequences.

Nevertheless, ACCA would not support option two in compelling firms to register with the relevant PBS for AML supervision. Notwithstanding the additional bureaucracy and cost that firms will incur, there also does not appear to have been any consideration as to how this aligns with UK competition law, and we would welcome further discussions and information on this.

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In addition, there does not appear to have been any consideration given to aligning the wider supervision activities conducted by PBSs, for example in Audit Monitoring. Currently firms that conduct statutory audit activity are subject to oversight and monitoring by PBSs. In the UK this activity is overseen by FRC, and we believe consideration must be given to the impact on PBS work in other regulated areas. By treating AML as a 'standalone activity' that can simply be moved to a consolidated PBS, the proposal fails to take into account the large-scale impact this will have on all other areas of a PBS's regulatory work and responsibilities.

17. What powers, if any, might be required to minimise disruption to ongoing enforcement action and to support cooperation between the PBSs retaining their AML/CTF supervisory role and the PBSs which are not?

ACCA notes that the consultation lacks analysis to help assess the impact on ongoing enforcement action. For example, it would be beneficial to include numbers of enforcement actions ongoing and completed that are reported in the HMT annual return.

Whilst the focus of the consultation is on the initial transfer of ongoing cases at a point in time, there is no reference to those future cases that may have crossover of some breaches of the MLRs and other wider integrity issues. In respect of those cases, further discussion and analysis is required to agree the process, remit and responsibilities for enforcement activity.

ACCA believes that there will be significant disruption and confusion for both PBSs and also firms.

18. Overall, what impact do you think the PBS consolidation model would have on supervisory effectiveness? Please explain your reasoning.

ACCA believes that there would be a decrease in supervisory effectiveness and it would take a number of years to return to the current level.

It has taken five years for PBSs to develop and embed their AML supervisory frameworks and achieve the stage of maturity they are at now. A consolidated PBS would not be able to work at this level from day one and would likely need a similar period of time to build capacity and expertise in order to reach the required standard of effectiveness. The overall total of AML reviews of firms would decrease significantly during this period and therefore increase the risk of economic crime being facilitated.

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A consolidated PBS would not have access to non-AML information that current PBS have on those they supervise. This information is a critical component of the overall risk-based approach followed in AML supervision. Removing access to this information would weaken the selected PBS's risk-based approach and therefore overall supervision.

The consultation also does not consider the options if the consolidated PBS fails, particularly given the possibility that HMRC also transfers the firms it supervises. Under this scenario, if a consolidated PBS for the accountancy sector was to fail, whether commercially or for another reason, there would be no 'safety net' to cover the supervision. With all other PBSs no longer having a supervisory function for AML and HMRC resources already stretched, there would be no capacity available and this could therefore lead to the collapse of the AML regime.

19. Overall, what impact do you think the PBS consolidation model would have on system coordination? Please explain your reasoning.

ACCA does not believe this model would solve any of the issues that the consultation looks to address in this regard; in fact, we believe it adds an additional layer of complexity.

By consolidating into one PBS, processes, systems and potentially new regulations will need to be developed to allow sharing between the AML supervisory body and other PBSs.

PBSs conduct much wider activities than just AML supervision. Therefore, by separating AML from all other activities, a consolidated PBS will not have a holistic view of the firm so therefore potentially creating gaps. The consolidated PBS will need to contact the professional bodies to gain additional information to enable it to fully assess and respond to law enforcement. In addition, currently all PBSs have designated points of contact that allow law enforcement to share directly with them. This will be lost under this model.

The committees and groups in the accountancy sector, such as the AASG, ISEWG and AMLSF, will no longer exist. As a result, a valuable coordination and support mechanism for the government and law enforcement will be lost.

20. What additional powers or tools, if any, could enable OPBAS to ensure the transition to a new model is smooth and supervision standards do not fall in the interim?

ACCA has assumed that the selected consolidated PBS would be one deemed as 'Effective' and meeting all requirements by OPBAS and HMT.

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ACCA believes that because of the sheer volume of firms that would need to be transferred (in both the options with or without HMRC's supervised firms), there would be a long period where supervisory activity decreases as the new consolidated PBS develops its framework and increases its capacity.

Therefore, we would welcome further detail on how long HMT envisages the 'interim' period will last. The consultation does not reference that OPBAS is currently funded by an annual fee to each PBS that allocates OPBAS running costs proportionately, based on the size of the PBS's supervised population. Under this model it is not clear who will incur this cost and the consultation lacks any detail or analysis to understand the impact of this on firms that will likely be subjected to increased fees. ACCA would therefore welcome further discussions on the impact of this.

There is also no detail or analysis on what will happen if the consolidated PBS is not able to meet the required standard by the end of the interim period, given its increased responsibilities.

21. How do you believe fees should be collected under the PBS consolidation model?

ACCA believes that this is a complex area and consideration needs to be given to ensuring that firms are not subjected to increased fees and bureaucracy.

We are concerned that with all options proposed this will be the case.

ACCA also notes that, whilst the consultation is in respect of AML supervision, no reference is made to the upcoming Economic Crime Levy that 'in scope' firms in the accountancy sector will also be subject to and is due to be collected by HMRC.

22. Overall, how significant do you think feasibility constraints would be for the PBS consolidation model? Please explain your reasoning.

ACCA believes they would be very significant.

ACCA believes that because of the sheer volume of firms that would need to be transferred (in both the options with or without HMRC's supervised firms), there would be a long period where supervisory activity decreases as the new consolidated PBS develops its framework and increases its capacity.

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It has taken five years for PBSs to develop and embed their AML supervisory frameworks and achieve the stage of maturity they are at now. A consolidated PBS would not be able to work at this level from day one and would likely need a similar period of time to build capacity and expertise in order to reach the required standard of effectiveness. The overall total of AML reviews of firms would decrease significantly during this period and therefore increase the risk of economic crime being facilitated.

A consolidated PBS would not have access to non-AML information that current PBS have on those they supervise. This information is a critical component of the overall risk-based approach followed in AML supervision. Removing access to this information would weaken the selected PBS's risk-based approach and therefore overall supervision.

Under the proposed PBS consolidation model, fees would likely be significantly higher given the challenges a consolidated PBS would face, and firms would face the prospect of paying both for AML supervision and their professional body membership fees.

Firms currently pay a single fee to their PBS but under this model they will be subject to two separate fees payable to two separate bodies at two different points in time.

There is a lack of detail in the consultation on the feasibility of funding OPBAS which is currently funded by all the PBSs with a fee charged to each PBS dependent on the size of its supervised population. ACCA would welcome further detail and analysis of how OPBAS, as well as the consolidated PBS, will be funded under the proposed model and of the impact this will have on the cost to firms, as we are concerned they will face significantly increased fees.

The model will create a significant bureaucracy exercise for UK accountancy firms when they have to dual register with different bodies for different purposes at different times and interact with different systems and processes.

There will need to be a large investment in infrastructure to share information between the consolidated PBS for AML supervision and the other remaining professional bodies.

Additionally, if HMRC supervised firms are transitioned to the consolidated PBS they will have the benefit of being supervised by a PBS despite not holding qualifications to be a member of that PBS. This severely undervalues and diminishes the professional qualifications and benefit to society that PBS membership brings. Accountants who are members of PBSs work for many years to become skilled and gain their qualifications and are held to high standards and ethics

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that must be maintained. This raises standards for the public with better quality accountants but also protects them with the PBS framework.

Single Professional Services Supervisor (SPSS)

23. Do you agree these would be the key structural design features to consider if creating a new public body (whether it was an SPSS or an SAS)? Should anything be added or amended?

ACCA agrees with the points outlined in the consultation.

However, ACCA believes some important considerations are missing from three points.

We believe that consideration also needs to be given to any proposed new public body's relationship with the existing PBSs and HMRC as this is not covered by the points outlined. In the objective of system coordination, this relationship is important as there will need to be a lot of interactions as a Single Professional Services Supervisor (**SPSS**) will only have a very limited view of the firm and will require support from the professional bodies to obtain information to understand the full holistic view of their operations that existing PBSs currently have.

ACCA is also of the view that the size of any proposed new public body's supervised population needs to be considered as part of the structural design features. Whilst we note that reference is made to this later in the consultation, it is vital that it is considered upfront. Consideration needs to be given as to how this will be managed in a SPSS. There is a danger that silos will be created within the SPSS itself through each sector having its own section responsible for different subsets of types of firms under each sector.

The final point that ACCA believes is missing, and which is vital to ensuring an effective structure to meet the objectives, is the availability and existence of people with the relevant skill set to ensure effective AML supervision for such a wide and diverse range of firms being supervised.

The SPSS will need to be heavily resourced to meet the same level of activity conducted under the current framework and ACCA is concerned about the cost implications this will have for firms.

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24. If an SPSS were to be created, which sectors do you think it should supervise?

ACCA believes that a key strength of the UK supervisory regime is the fact that the sectors are supervised by those with expertise in the sector. This enables the supervision to be conducted by those with the best understanding of their population, and to effectively assess the money laundering risk posed by those they supervise.

Supervision is close to the supervised population and this minimises the potential for misunderstanding and inaccurate assessment of money laundering risk. Accountancy is a very diverse sector and a supervisor with no experience of the sector may not be able to fully assess and identify money laundering risks.

ACCA believes that the scale and experience of staff required for an SPSS would not be achievable in line with meeting the aims of this consultation. Finding AML professionals with the relevant level of AML experience for the range of sectors and at a reasonable salary cost will prove extremely challenging at best and impossible at worst. The SPSS will likely end up as a large unit working in silos with staff being split into teams based on their expertise.

25. Were an SPSS to be created, what powers should it have?

ACCA believes that the SPSS would need to replicate the powers currently held by PBSs and HMRC.

26. How should enforcement responsibility be transferred should an SPSS be created?

ACCA believes there will need to be powers granted to the SPSS in legislation to enable it to take enforcement action.

ACCA notes that the consultation lacks analysis to help assess the impact of the transfer of enforcement responsibility. Whilst the focus in the consultation is on the initial transfer of ongoing cases at a point in time, there is no reference to those future cases that may have crossover of some breaches of the MLRs and other wider integrity issues. In those cases, further discussion and analysis is required to agree the process, remit and responsibilities for enforcement activity.

ACCA believes that there will be significant disruption and confusion for the SPSS, existing PBSs and also firms, not only during the initial transfer but also during the ongoing relationship.

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27. What powers should HM Treasury have to oversee an SPSS?

HMT should have the same powers it currently has to oversee PBSs and the statutory supervisors.

In addition, ACCA believes that, given the significant cost and disruption to UK firms of creating an SPSS, there should be a publication of clear performance metrics. These should demonstrate that the changes and associated increase in costs are resulting in the SPSS meeting the objectives of this consultation, and provide tangible examples of the improvements for firms.

28. Overall, what impact do you think the SPSS model would have on supervisory effectiveness? Please explain your reasoning.

ACCA believes that the SPSS will not increase supervisory effectiveness.

According to the latest OPBAS annual report there is only one PBS deemed 'ineffective' in three of the eight assessed areas. This indicates that over the five years OPBAS has been in existence PBSs have significantly improved and developed AML supervisory frameworks. This would suggest only incremental improvements are required and not a large-scale overhaul. Creating a new SPSS would require a similar period of time to bring it to the position PBSs are currently at. This presents an unacceptable risk that economic crime will grow during this period and leave the UK more vulnerable to exploitation by criminals.

ACCA is of the view that the creation of an SPSS will increase the risk of firms operating without AML supervision. Currently there is a well-established framework for when PBSs supervise firms, with HMRC undertaking work to identify those engaged in public practice without supervision that do not meet the PBS criteria. Under the SPSS model, firms will have the additional requirement of completing another registration specifically for AML supervision with a new public body using a different system. There will be firms that miss deadlines or make errors in applications and the SPSS will need to be resourced to address these issues as well as processing applications.

ACCA believes that another weakness in the SPSS model is that the SPSS would not have an overall holistic view of the firm that currently exists in PBSs. This will also add another layer to

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information sharing as the SPSS or law enforcement will need to approach the professional bodies to identify any relevant information to support the matter being investigated.

ACCA is of the view that the consultation and proposed SPSS ignore the wider benefits that a PBS brings to the accountancy profession, such as the standards it upholds and the work in raising the quality of professional accountants. Our members are subject to high ethical standards and are supported through our qualifications to produce high standards of work for consumers.

ACCA believes that a key strength of the UK supervisory regime is the fact that the sectors are supervised by those with expertise in the sector. This enables the supervision to be conducted by those with the best understanding of their population, and to effectively assess the money laundering risk posed by those they supervise.

Supervision is close to the supervised population and this minimises the potential for misunderstanding and inaccurate assessment of money laundering risk. Accountancy is a very diverse sector and a supervisor with no experience of the sector may not be able to fully assess and identify money laundering risks. We believe that finding staff with the experience and expertise required to effectively supervise the sector will prove to be an issue for an SPSS.

29. How significant would the impact be on firms of splitting AML/CTF supervision from wider regulatory supervision in the sectors to be supervised by the SPSS?

ACCA believes that there would be a significant negative impact as a result of this proposed model on the accountancy profession. It will negatively impact numerous areas and requires further exploration and analysis. This has not been considered within the consultation.

ACCA believes that the consultation underplays the true impact that dual regulation would have by quoting examples but not providing supporting analysis and detail behind how the examples work and would benefit the UK supervisory regime. For example, in the UK there are 22 PBSs that will each have a unique IT infrastructure that holds members details. There is no consideration of the work required and associated cost, legal restrictions and data issues to develop a way to share AML related information (a very small part of the overall information a current PBS holds) between the professional body and the SPSS.

Ultimately the SPSS will still have to interact with the 22 existing PBSs so this model does not address the intended issue of creating a single authority nor remove the perceived issue that having this number of PBSs creates.

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ACCA also has concerns about negative impacts in the following areas:

- Firms will not have one clear responsible authority that has oversight of their overall practice. There are many areas that cross over and having multiple oversight bodies results in inconsistent approaches and requirements and increases the risk of matters 'slipping through the net'.
- Firms will need to register on multiple systems at different times increasing the confusion and bureaucracy.
- Firms will be subject to higher fees.
- Professional bodies will lose staff with AML experience so will not easily be in a position to identify and share information that may be relevant to the SPSS.
- Law enforcement will now require information from two places (the SPSS and the professional body) to obtain the complete intelligence picture. This is worse than the current position of having a designated point of contact in the team responsible for AML in the PBS. In the event of an SPSS, there will not be a designated point of contact within the professional body who will have the current level of AML knowledge or experience for the SPSS to engage with.
- There is no consideration on the impact of an SPSS on the wider regulatory landscape. For example, there is no consideration in the consultation in respect of FRC's oversight activities and the impact of placing AML into a silo within a new public body will have on this regulator.
- There is a major risk in considering AML in a silo without any consultation on the impact it has on the wider accountancy profession. There is a real risk of accountants being forced out of being a member of a professional body because of high fees for AML supervision. AML supervision would become the main driver to allow someone to practice and under this model and membership of a professional body would be an additional cost. Therefore, some members may choose not to retain their membership with a professional body. This will mean they do not benefit from the wide range of work and support from current PBS activities that raise standards in the sector and improve the profession. Ultimately this impacts the consumer who will not have access to the same calibre of accountants. The consumer will also lose the protection that they have through the firm being associated with a PBS and covered by the code of ethics.

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30. Overall, what impact do you think the SPSS model would have on supervisory effectiveness? Please explain your reasoning.

This appears to be a duplication of Question 28.

31. Overall, how significant do you think feasibility constraints would be for the SPSS? Please explain your reasoning.

ACCA believes the feasibility constraints would be high and the issues and costs presented do not represent value to firms or the UK taxpayer, who will bear the cost of this model, nor address the aims set out in the purpose for this consultation.

ACCA notes that the consultation states that the SPSS would operate on a full cost recovery model. However, there is no analysis in the consultation on proposed costs and the impact that this will have on the fees of those supervised by the SPSS. There will be significant one-off costs in setting up the SPSS (recruitment, IT, office space etc) that need to be considered and ACCA would welcome further discussion in this regard to be able to fully assess the impact.

As outlined in our response to Question 29, ACCA believes there are significant negative impacts of the SPSS.

Single AML/CTF Supervisor (SAS)

32. Do you foresee any major challenges for effective gatekeeping, under either the SPSS or SAS model? If so, please explain what they are, and how you propose we could mitigate them?

ACCA believes that the creation of either a SPSS or a Single AML/CTF Supervisor (**SAS**) will lead to a vast amount of additional and unnecessary bureaucracy and cost for UK firms, professional bodies and the SPSS/SAS. This will ultimately result in increased costs being passed onto consumers and will have a negative impact on the perception of AML legislation.

There is a risk that AML will be viewed as an exercise in bureaucracy and form filling, and this will undo all the positive work raising standards and educating firms that PBSs have done over the previous years. It will increase the risk of exploitation by those engaged in economic crime.

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The SPSS/SAS would not have a holistic view of the firm so may miss out on important information held by the PBSs that may impact their gatekeeper assessments.

ACCA believes that, due to the size of the proposed supervised populations in both the SPSS and SAS, the size of team to manage this administrative task will need to be large and this will result in further cost that needs to be considered for this model.

ACCA disagrees with the assertion in the consultation that under an SAS it will be easier to achieve a single register of supervised firms. There is no evidence in the consultation to support this. There is already evidence of PBSs maintaining a complete register of those supervised firms providing TCSP services in the UK using the HMRC portal. PBSs have expressed a willingness to include all firms in a public list but currently there is reluctance from HMRC to hold this data, so options are being explored by the AASG.

33. Overall, what impact do you think the SAS model would have on supervisory effectiveness? Please explain your reasoning.

ACCA believes that the SAS model will not increase supervisory effectiveness for the reasons we have outlined in our responses to Question 28 and Question 29.

34. Does the separation of AML/CTF supervision from general regulatory activity present a major issue for those firms currently supervised by the statutory supervisors? Please explain your reasoning.

ACCA is unable to comment as we are not a statutory supervisor.

35. Overall, what impact do you think the SAS model would have on system coordination? Please explain your reasoning.

ACCA believes that the SAS model would have a negative impact on system coordination and would in fact result in a worse position than the present day.

Limited information would be held by the SAS which would not benefit from the holistic picture that a PBS has due to the many interactions and engagements with its members outside of the silo of AML supervision that could be created within an SAS.

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The proposal of an SAS does not obviate the need to still interact with the 22 professional bodies; in fact, it adds an extra layer. The SAS will need to interact with each professional body to obtain further information so that it has the complete picture of firms. This may also require new legislation to allow lawful sharing of information between the SAS and professional bodies, as well as the establishment of a system to share the information securely and effectively.

ACCA is also concerned that the SAS model will lose the benefit of forums, such as AASG, ISEWG and AMLSF, that have developed consistent ways for PBSs to work and have agreed protocols and points of contact in areas such as intelligence and information sharing. The loss of this expertise will severely weaken the aim of system coordination.

36. Overall, how significant do you think feasibility constraints would be for the SAS? Please explain your reasoning.

ACCA believes that the SAS will have the same constraints as an SPSS for the reasons we have outlined in our response to Question 31.

Sanctions

37. Given the change in the sanctions context in the UK since Russia's invasion of Ukraine, have supervisors changed their approach to oversight of sanctions systems and controls amongst regulated populations? If so, what activity has this entailed?

In addition to the standard checks conducted in our business-as-usual AML compliance reviews, ACCA developed a methodology to implement a bespoke review of those firms identified as being at risk of exposure to potentially sanctioned individuals. We followed a risk-based approach in the analysis of the comprehensive data held on our firms from the AML risk assessment questionnaire. From the analysis we identified a section of firms with a higher inherent risk of exposure to sanctioned subjects using the methodology. A specifically created review was developed to assess the identified firm's exposure and its controls to mitigate its Russian sanctions risks.

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38. Do supervisors need additional powers to monitor sanctions systems and controls effectively, or can this be done under existing powers? What would any new powers need to consist of?

ACCA has sufficient powers through its regulations to support its monitoring activities.

ACCA believes that the current UK MLRs will require to be updated to include references to sanctions where relevant and this will support the monitoring requirement and powers of a PBS.

39. Aside from legislative powers, do you foresee any other barriers to supervisors effectively monitoring sanctions systems and controls?

ACCA does not foresee any barriers to supervisors effectively monitoring sanctions systems and controls.

40. Should any new potential supervisory powers relating to sanctions broadly cover all types of UK sanctions?

ACCA agrees that any new potential supervisory powers relating to sanctions should broadly cover all types of UK sanctions.

Options Comparison

41. How would you expect losing AML/CTF supervision to affect PBS' financial models, and the fees charged to supervised populations?

ACCA currently only passes on the costs of its OPBAS fees to supervised firms. This is a minimal cost to them. ACCA does not currently pass on the cost of the AML supervisory function to its supervised firms. Any creation of a new separate public body, or consolidation to a single PBS, will create a substantial increase in costs to our firms.

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42. Based on your experience and the considerations set out in this document, what is your analysis of the relative extent to which each of the four reform options would lead to (a) improved supervisory effectiveness and (b) improved system coordination.

ACCA believes Model 1, OPBAS+, is the only solution of the four reform options which meets the consultation's three objectives.

We do not share the view within the consultation that this would only see 'incremental' change as the type of change depends entirely on the new powers given to OPBAS. If OPBAS were to be given more robust powers to hold PBSs to account, we believe this would improve supervisory effectiveness. Its new powers could also be used to improve system coordination (another consultation objective) to ensure PBSs are sharing timely and accurate information with OPBAS and other bodies.

The consultation acknowledges that OPBAS+ already meets the final objective as it is "*the most immediately feasible, requiring no structural change*".

While OPBAS+ would not solve the lack of a default supervisor in the legal sector, ACCA would propose this issue is addressed separately.

The accountancy sector has a well-structured regime in place for AML supervision and it would be counterproductive to choose a different model that is unsuitable for one profession just to meet a specific gap in the other.

It is worth noting that the most recent OPBAS annual report only highlights one PBS deemed as 'ineffective' in three of the eight assessed areas. The 'ineffective' areas were not supervision, risk-based approach or information sharing, and so were not areas that are the focus of this consultation. The OPBAS report indicates that other PBSs are at least 'partially effective' in these areas, which again supports the case to build on the structures already in place through OPBAS+.

ACCA believes that the creation of a new separate public body, or consolidation to a single PBS, will unnecessarily raise costs, create confusion and ambiguity, lead to additional bureaucracy for UK firms, and will not meet the objectives of the consultation.

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Public Sector Equality Duty

43. Are you able to provide evidence as to how the options set out in this document would help or harm individuals or households with protected characteristics?

ACCA has no evidence to provide in respect of this question.

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