

Technical factsheet

Anti-money laundering (AML) training: frequently asked questions

Why is AML training so important?

Staff training and awareness-raising have long been recognised as key AML/CTF (counter terrorist financing) controls. The reason is simple. Employees are a firm's best defence against money launderers and terrorist financiers who may try to abuse the services it offers for their own, illegal purposes. By not providing AML training to employees, a firm is making it easier for organised criminals to launder the proceeds of their crimes into the financial system, undermining the UK economy and becoming unwitting accessories to criminals committing serious offences such as drug trafficking and human trafficking.

Who needs to be trained and how often?

The money laundering regulations call for all relevant employees to receive AML training, stating *'all 'relevant employees' (including partners) are made aware of MLTF law and are trained regularly to recognise and deal with transactions which may be related to MLTF, as well as to identify and report anything that gives grounds for suspicion'*. A relevant employee can be any individual employed at the firm, either as a permanent member of staff or as a subcontractor who is engaged in providing accounting services to clients, from bookkeeping and payroll through to tax returns and audit work. ACCA has interpreted the regulations' call for periodic and regular training to mean as often as necessary, with a minimum expectation of providing training to relevant employees on an annual basis and whenever there is an important update to the regulations.

Training must also be provided to all new starters at the firm as soon as is reasonably convenient to do so.

What is the purpose of AML training?

AML training must equip employees with sufficient knowledge to effectively recognise red flags and suspicious activity. Employees must be aware of their legal obligations to recognise and report suspicious activity to the firm's money-laundering reporting officer (MLRO). If employees can do this, then it will be a step towards making the UK a more hostile environment for criminals to successfully launder their proceeds.

What does my firm need to do?

ACCA expects that firms adopt a training programme that is, firstly, relevant to the accounting sector, and secondly, addresses the risks the firm is exposed to by the type of clients it engages with and the services it offers. At a minimum it is expected that training covers the following areas:

- Money laundering red flags
- Explaining the law and regulations, and placing them in the context of the firm's business activities
- Conducting customer due diligence (CDD)
- SARs and how to deal with suspicious transactions
- Tipping off
- Record-keeping

Copies of training materials, including presentation slides, booklets, leaflets and any other accompanying material, must be retained. It is important that firms do so, so they can evidence that satisfactory training has been provided to its employees should the need arise. This also extends to digital materials, where possible firms must take measures to record training that is delivered electronically on various digital platforms.

It is also advised that firms adopt a training programme that has a post-course assessment (eg a test), in order to ensure that employees who have participated in any training have understood its objectives and met the required standard of comprehension. Again, this will be valuable to firms in demonstrating they have employees that are adequately trained, and they fully understand the training materials.

Firms should also maintain a training log that documents and records the nature of the training undertaken, the date of completion, attendance, employee assessment results and details of scheduled training.

Please note that simply requiring employees to certify that they've read and understood the firm's AML policies and procedures, or read a training handout, does not qualify as AML training – neither does 'on-the-job training', such as informal instruction from the MLRO on an ad hoc basis, satisfy the requirement of AML training.

However, it is considered best practice to supplement AML training with the actions such as the listed above.

I am an MLRO: is there anything else I need to do?

The responsibilities incumbent upon an MLRO demand they undergo a more rigorous and comprehensive programme of training than a regular employee. To be effective in the role of MLRO, there is an expectation that they be familiar with some of the wider AML literature

produced for the accounting sector by law enforcement agencies, national government and other bodies. ACCA believes it prudent that MLROs familiarise themselves with the following materials:

- [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017\(MLR 2017\)](#)
- [CCAB's Anti-Money Laundering Guidance For The Accountancy Sector \(AMLGAS\)](#)
- [HM Treasury National Risk Assessment](#)
- [FATF Guidance on the Risk-Based Approach for Accountants](#)
- [Review National Crime Agency website and relevant material](#)

The above guidance is particularly relevant to sole practitioners, who are responsible for all elements of their practice's compliance with the money laundering regulations.

Can I produce my own training material?

ACCA does not oblige its members to procure the services of external consultancies in providing training; whilst many members find this more convenient to do so, it is not mandatory. MLROs can produce their own training materials, so long as they cover the above-mentioned topics with the appropriate detail. A simple PowerPoint presentation could be sufficient (please refer to the ACCA [Anti-money laundering training: PowerPoint example](#) document for further information).

There are many open-source resources available online for MLROs to use as well. Relevant extracts from sources listed above, such as the CCAB's Anti-Money Laundering Guidance For The Accountancy Sector and the National Crime Agency (NCA) website, can help shape your training programme. Relevant cases reported in the media can be used as case studies to help employees understand the real threat of money laundering within the accountancy sector. MLROs can also use resources such as; <https://forms.office.com/> to produce an assessment for employees to sit after completing the training to assess understanding.

You may also want to consider delivering training internally every year and externally every two years to get a blended approach.

We're a small practice and know all our clients personally. Do we still have to do this?

This is a requirement for all members who are in practice, no matter the size of their practice or the nature of their clients. Money laundering is a widespread phenomenon and may occur at any time. Criminals seeking to launder the proceeds of crime or commit tax evasion are constantly looking for new methods to do this successfully. This is why it is important that all accountants are trained to be vigilant and monitor their clients for any suspicious activity, regardless of who they are. It is important to note that a small practice can still be targeted by criminals. They may assume, rightly or wrongly, that their AML controls will not be as effective as those of a large firm with more resources at their disposal.

We have never reported a SAR to The National Crime Agency (NCA) or had an internal SAR escalated to the MLRO

If your firm has never had cause to report a SAR, both internally to the MLRO and externally to NCA, then it is especially important your firm undertakes AML training. It may be the case that previous suspicious activity was missed and not highlighted as a result of a lack of knowledge and understanding. Do your staff have awareness of red flags, trends and risks? Are staff aware of what suspicious activity looks like? Do they know what industries and services would be considered higher than normal risk (eg import and export services, high-value dealers, cash-intensive businesses etc)? These are the types of questions the MLRO must ask themselves if they have never received an internal SAR or submitted an external one to the NCA.

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