



## Technical factsheet

# Anti-money laundering (AML): Am I AML compliant?

### About this technical factsheet

The purpose of this factsheet is to provide a user-friendly checklist of the AML controls that all firms, including sole practitioners, must have in place to ensure that they are compliant with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

We have signposted the relevant ACCA AML factsheets which will provide you with more detailed information regarding the specific AML controls, should you require further assistance and guidance.

It is advised that you familiarise yourself with the [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) and the CCAB's [Anti-Money Laundering, Counter-Terrorist and Counter-Proliferation Financing Guidance for the Accountancy Sector](#). If you have a specific query that is not covered in the above, please email the advisory at [advisory@accaglobal.com](mailto:advisory@accaglobal.com).

**Please note, if you answer 'no' to any of the responses, you should implement them as soon as possible as you may be in breach of the Money Laundering Regulations. This could lead to disciplinary sanctions against the firm.**

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### ACCA LEGAL NOTICE

This factsheet is for guidance purposes only. It is not a substitute for obtaining specific legal advice. While every care has been taken with the preparation of the factsheet, neither ACCA nor its employees accept any responsibility for any loss occasioned by reliance on the contents.

## AML checklist

### 1. Does the firm have a documented firm-wide risk assessment?

*All firms, regardless of size and including sole practitioners, must have a documented firm-wide risk assessment.*

Yes  No\*

*\* If your firm does not have a documented firm-wide risk assessment, you must conduct one as soon as possible. You should refer to ACCA's [technical factsheet: AML firm-wide risk assessment](#) and implement the relevant guidance. This is a legal requirement under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.*

### 2. Is the firm-wide risk assessment updated periodically?

*It is a legal requirement for a firm to keep up to date its firm-wide risk assessment.*

Yes  No

### 3. Does the firm have documented AML policy and procedures?

*All firms, regardless of size and including sole practitioners, must have documented AML policy and procedures.*

Yes  No\*

*\* If your firm does not have an AML policy and procedures document, you must create one as soon as possible. You should refer to ACCA's [Technical factsheet: anti-money laundering \(AML\) policy and procedures](#) and implement the relevant guidance. This is a legal requirement under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.*

### 4. Is the AML policy and procedures document updated periodically?

*It is a legal requirement for a firm to regularly review and update its AML policy and procedures document.*

Yes  No

**5. Does the AML policy and procedures document cover the following topics?**

- Client due diligence (including enhanced due diligence)
- Firm-wide risk assessment
- Client risk assessment process
- Training
- Record-keeping requirements
- Suspicious activity reporting (SAR) – both internally (employee to MLRO) and externally to the National Crime Agency.
- Ongoing client monitoring (eg periodic review of client information to ensure it is up to date)
- Sanctions screening process
- Compliance management (eg MLRO report and independent assessment of AML controls)

**6. Have all employees read and confirmed that they have understood the AML policy and procedures?**

*This should be documented.*

Yes  No

**7. Does the firm have a designated [money laundering reporting officer \(MLRO\)](#)?**

*Is it formally documented (ie stated in the firm's AML policy and procedures)? Have all relevant employees been formally notified?*

Yes  No

**8. Does the MLRO have the appropriate level of authority?**

*Does this person have sufficient authority to take decisions affecting their risk exposure?*

Yes  No

**9. Has the MLRO undertaken formal [AML training](#)?**

Yes  No

**10. Has the MLRO conducted an annual [MLRO report](#)?**

Yes  No

**11. Does the firm have a formal process for employees to document and [report suspicious activity](#)?**

*Internal SAR form is completed and submitted to the MLRO. The process is outlined within the firm's AML policy and procedures.*

Yes  No

**12. Has the MLRO registered with the [National Crime Agency's suspicious activity reports online system](#)?**

Yes  No

**13. Has the firm provided formal AML training to all relevant employees?**

*On-the-job training (eg providing feedback and reviewing work), reading policies and procedures and regular meetings are not considered formal AML training.*

Yes  No\*

*\* If your firm does not provide AML training, you must do so as soon as possible. You should refer to ACCA's technical factsheets on [AML training](#) and implement the relevant guidance. This is a legal requirement under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.*

**14. Have records been kept of the training given to relevant employees?**

*Records must be kept that show who has received training, the training received and when training took place.*

Yes  No

**15. Does the formal AML training provided include the following topics:**

- Explanation of the Money Laundering Regulations
- Explanation of what money laundering is
- 'Red flags' (ie how to identify suspicious activity, and what it may look like)
- Suspicious activity reporting
- Client due diligence
- Role of the MLRO
- Tipping off and failure to report suspicious activity
- Assessment to evidence employee understanding of the AML training and/or AML knowledge

**16. Does the firm have a formalised customer onboarding process?**

What is the firm's [customer due diligence process](#)? Does the firm complete a [Know your client and client risk-assessment form](#)?

Yes  No

**17. Does the firm have a process to ensure clients are not subject to financial sanctions?**

Yes  No

**18. Does the firm check and document the following:**

- Proof of identification
- Verification of address
- Evidence of source of wealth and/or source of funds (eg bank statements, proof of salary)
- Company structure
- Formally identify the person(s) of significant control (PSC) and all the directors
- Check [PSC Register](#) (Companies House)
- Adverse media checks

**19. Does the firm review existing clients' records as part of ongoing monitoring?**

Yes  No

**20. Does the firm [risk assess](#) clients and apply a risk rating?**

Yes  No

**21. Does the firm consider the following risk factors?**

- Cash-intensive businesses
- Industry the client operates in
- Client dealing with high-value goods and/or large transactions
- Turnover of the client is high
- Jurisdiction client operates in or transacts with
- Client dealt with remotely (ie not met face-to-face)
- High-net-worth individual (ie owns assets of over £10m)
- Politically exposed person

**22. Does the firm conduct and document an independent assessment of its AML controls?**

*A firm must establish an independent audit function to assess the adequacy and effectiveness of its AML systems and controls. Please note: independent does not necessarily mean external, as a partner/director who is not the MLRO can conduct this.*

Yes  No

**23. Has the firm notified ACCA of any [beneficial owners, officers and managers \(BOOMs\)](#) that are not affiliated with ACCA?**

*For example, not a student, member, affiliate or Practising Certificate holder.*

Yes  No

**Notes/comments**

**Action required**

**Completed by:**

**Date:**