

Technical factsheet

ACCA 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 and human trafficking.

Who needs to be trained and how often?

The Money Laundering Regulations require the firm's money laundering reporting officer (MLRO) to

take appropriate measures to ensure that its relevant employees are –

(i) made aware of the law relating to money laundering and terrorist financing, and to the requirements of data protection, which are relevant to the implementation of these Regulations; and

(ii) regularly given training in how to recognise and deal with transactions and other activities or situations which may be related to money laundering or terrorist financing"

A relevant employee is an employee (including partner) whose work is relevant to compliance with the Money Laundering Regulations or is otherwise capable of contributing to the identification and mitigation of the money-laundering risks. ACCA has interpreted the regulations' call for regular training to mean as often as necessary, with an 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 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) and ongoing monitoring
- suspicious activity reports (SAR) and how to deal with suspicious transactions
- tipping off
- record-keeping and the relevant data protection requirements.

Copies of training materials, including presentation slides, booklets and leaflets, should be retained so that the firm can evidence that satisfactory training has been provided to its employees should the need arise.

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 have understood its objectives and met the required standard of comprehension. Again, this will be valuable to firms in demonstrating that employees are adequately trained and fully understand the training materials.

Firms should also take care to ensure that ongoing training covers all relevant updates.

Records must be kept of the training given that shows who has received training, the training received, when it took place and results of any assessments.

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

It is considered best practice to supplement AML training with the actions such as those listed above.

I am an MLRO. Is there anything else I need to do?

The responsibilities incumbent on an MLRO demand that they undergo a more rigorous and comprehensive programme of training than a regular employee. To be effective in the role, there is an expectation that the MLRO 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 \(MLR 2017\)](#)
- [The CCAB's *Anti-Money Laundering, Counter-Terrorist and Counter-Proliferation Financing Guidance for the Accountancy Sector*](#)
- [HM Treasury's national risk assessment of money laundering and terrorist financing](#)
- The Financial Action Task Force's [Guidance for a risk-based approach: accounting profession](#)
- [The National Crime Agency's \(NCA\) website and relevant materials](#)

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; while many members find this more convenient to do so, it is not mandatory.

If an MLRO decides to use the services of an external provider, it is the responsibility of the MLRO to ensure that the training covers the key topics and is sufficient enough to enable employees to perform in their roles.

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 AML PowerPoint example](#) 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, Counter-Terrorist and Counter-Proliferation Financing Guidance for the Accountancy Sector](#) and the [NCA's 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 [Microsoft Forms](#) to produce an assessment for employees to sit after completing the training to assess understanding.

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, who 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 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 the NCA, then it is especially important that 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 and cash-intensive businesses)? These are the types of questions that 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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