

December 2023



**The CIOT and ATT are pleased to provide an update on a number of issues of importance for AML Supervised firms**

### **Economic Crime and Corporate Transparency Act**

The Economic Crime and Corporate Transparency Act (ECCTA) received royal assent on 26 October 2023.

This act brings a number of reforms to Companies House, including the introduction of identity verification on directors, People with Significant Control (PSCs) and those delivering documents to the Companies House register. This aims to prevent bad actors from fraudulently setting up companies under false information and improve the quality and reliability of Companies House registers.

This act introduces Authorised Corporate Service Providers (ACSP) to deliver documents and provide identity verification to Companies House on behalf of clients. ACSPs must be AML Supervised to provide these services.

The ECCTA also brings improvements to information sharing between businesses and law enforcement and provides greater powers to the National Crime Agency (NCA).

Further information can be found on the CIOT website [here](#) and ATT website [here](#).

### **Updates to the High Risk Third Country List**

HM Treasury updated the High Risk Third Country list on 5 December 2023. Updates include the addition of Bulgaria, Cameroon, Croatia, Nigeria, South Africa and Vietnam, and the removal of Albania, Cayman Islands, Jordan, and Panama from Schedule 3ZA to reflect changes in Financial Action Task Force (FATF) lists. An updated advisory notice on high risk third countries to explain the upcoming changes and clarify firms' obligations is available on gov.uk [here](#).

### **Amendment to the Money Laundering Regulations**

An amendment to the MLR will come into force on 10 January 2024. This sets out updated requirements in relation to Politically Exposed Persons (PEPs).

Where a client is a domestic PEP, or a family member or known close associate of a domestic PEP, the starting point for the assessment is that the customer presents a lower level of risk than a non-domestic PEP. The extent of enhanced customer due diligence measures to be applied in relation to that customer should be less than for non-domestic PEPs, unless enhanced risk factors apply.

For the full text of the statutory instrument please see [here](#).

### **AML Update Webinar**

The Professional Standards Team were pleased to be able to present a live AML update webinar on 27 November. The link to view the recording of the webinar and download the slides can be found [here](#).

The webinar covered the following topics:

- Suspicious Activity Reporting - the new SAR Portal and SAR quality
- Risk based approach
- Emerging risks
- Discrepancy reporting
- Sanctions
- Hints and tips on how to stay compliant based on our supervisory programme
- Queries from members

The UKFIU joined us to provide details of the New SAR Portal and SAR quality. A recording of the webinar can be found on the CIOT website [here](#) and the ATT website [here](#).

### **Risk Based Approach**

CIOT and ATT have produced some guidance on the risk-based approach and how to apply this to your firm. This is available on the CIOT website [here](#) and the ATT website [here](#).

### **Annual AML Supervision Report**

The CIOT and ATT work together in providing AML supervision to our members in practice, we strongly support the UK's drive to combat money laundering and terrorist financing and recognise that AML supervisory activity is a key element in the fight against financial crime. Our Anti-Money Laundering Supervision Report for 2022-23 can be found [here](#). This includes useful information for members such as the main areas of non-compliance, guidance for supervised firms and what to expect from 2023-24.

### **SARs Reporter Booklet November 2023**

The National Crime Agency (NCA) have issued their November 2023 SARs Reporters Booklet which can be found [here](#), this includes feedback from law enforcement agencies on their use of SARs, best practice information on reporting, as well as information and updates from the UK Financial Intelligence Unit (UKFIU).

### **SARs In Action magazine**

The NCA have issued their December edition of SARs in Action magazine. This issue includes SAR Portal updates, the use of SAR intelligence and The Economic Crime and Corporate Transparency Act. The issue is available on the NCA website [here](#).

### **Annual Return**

Members are reminded to complete their 2023 Annual Return by 31 January 2024. Supervised firms are required to ensure that information is correct and up to date and must complete their submissions by 31 January 2024 to avoid referral to the Taxation Disciplinary Board (TDB).

### **Practice Wide Risk Assessment & Policies and Procedures**

We know that a number of our supervised firms take the opportunity to update their policies and procedures in February and March. We have been updating the pro forma documents to reflect the changes in the recent update to AMLGAS. We will let members know when these are added to the websites and do make a diary note to make sure you are regularly reviewing and updating your documents.

### **Contact Us**

If you have any queries relating to AML matters please contact the team by emailing [aml@tax.org.uk](mailto:aml@tax.org.uk) or [aml@att.org.uk](mailto:aml@att.org.uk)