



Welcome to the September edition of the CIOT and ATT AML Newsletter

AML renewals and problem areas

We have been reviewing the AML renewal forms for 2021/22 submitted by firms supervised by us and have identified a number of areas where some members appear to be having difficulty in complying with the requirements of the legislation.

These include:

- a. **Written policies and procedures and written risk assessment documents.** These are **mandatory** under the MLR even for sole practitioners so please ensure they are in place and are reviewed on a regular basis. Further guidance and pro forma documents for small firms are available on the CIOT website [here](#) and the ATT website [here](#). Many of the training providers also provide pro formas which you may find helpful.
- b. **AML Training.** In a few cases we identify that members have not been maintaining regular AML training for both principals and staff in the business. Further information about AML training providers is available on the CIOT website [here](#) and the ATT website [here](#).
- c. **Ongoing monitoring.** It is not only important to undertake client due diligence and risk assessment at the outset of the client relationship there must also be ongoing monitoring. You should ensure this is undertaken and recorded. Members deal with this in a variety of ways and many find it convenient to do this at the same time as completing annual tax returns or during a quieter period during the year.

In some cases, members have indicated that they are not undertaking Financial Sanctions (and proscribed terrorist list) checks. It is good practice to include these checks as part of client due diligence procedures and ongoing monitoring to ensure you are not acting for a client where you are prohibited to do so. Electronic ID checks generally incorporate checks of the financial sanctions lists but alternatively you can refer to the lists on the gov.uk website: [HM Treasury Financial Sanctions](#) and [proscribed terrorist list](#).

We will be in touch with you if you have given an answer on your renewal form which indicates you are not fully compliant. In the meantime if you need further guidance in relation to any AML matters please refer to the AML section of the CIOT website [here](#) and the ATT website [here](#) or email the team at Standards@tax.org.uk.

**** Date for the diary - - AML Webinar - 18 November 2021****

We are pleased to be presenting an AML webinar on Thursday 18 November at midday. The main focus will be on Suspicious Activity Reports. The webinar will be available on the CIOT website [here](#) and the ATT Website [here](#).

CPS guidance update: failure to report

Earlier this year the Crown Prosecution Service (CPS) updated their [guidance](#) on prosecuting standalone cases under s.330 POCA 2002 (failure to report). The CPS have confirmed they can prosecute where no suspicious activity report (SAR) was made, even if it subsequently turns out that there were no proceeds of crime. The revised guidance provides more clarity but the CPS do not envisage that there will be a significant increase in s.330 prosecutions.

It is important that supervised firms are aware of suspicious activity reporting requirements. As a reminder you should ensure:

- you train your staff on red flag indicators and the money laundering risks faced by your firm. The Supervisory risk assessments provided by the CIOT [here](#) and the ATT [here](#) should be reviewed as part of the firm's assessment of risk and may provide helpful guidance for staff
- robust procedures are in place for internal reporting of suspicions to the MLRO. As part of this make sure all staff know who the MLRO is;
- the MLRO (or sole practitioner) is clearly documenting decisions for reporting, or not reporting, a suspicion to the National Crime Agency.

London Metropolitan Police guidance on crime indicators for accountants and court orders

As a reminder the CIOT and ATT have been provided with further guidance to provide to members by the London Metropolitan police. This guidance covers crime indicators for accountants and court orders. Please refer to the CIOT website [here](#) and the ATT website [here](#) for further information.