



CCAB Press Release

Lack of joined-up approach poses money laundering threats, finds new report

- *However, UK anti-money laundering regime considered among the best in the world*
- *Accountants are “gatekeepers” of the financial system*

The success of the UK’s Anti-Money Laundering regime is being hindered by a disjointed approach, lack of connectivity and co-ordination between organisations, respondents say in a new report from CCAB, the collective forum of accountancy bodies, made up of ICAEW, ACCA, ICAS, CIPFA and Chartered Accountants Ireland.

The report “Coming out in the wash” is based on the views of leading accountancy and business practitioners, policymakers and law enforcement officials in the anti-money laundering sphere.

Despite this, the general view is that while the UK’s anti-money laundering regime is considered to be among the best deterrents, more could be done to strengthen it, including more sharing of information in a timely manner between the relevant organisations involved in tackling money laundering, greater effectiveness in cracking down on cross-border laundering, as well as more resources across all sectors.

They also say that there are misperceptions of the UK’s anti-money laundering regime, of what the regulation is for and the role of professionals in the regime. Their solution to tackle this is the need for a communications drive that focuses on business, and the general public to communicate the valuable work of professions.

The report also claims that more can be done to achieve regulatory consistency of those providing accountancy services under the UK’s anti-money laundering framework, with respondents asserting that those accountants who are regulated by recognised professional bodies are subject to more rigorous controls than those from unrecognised bodies who are monitored by HMRC.

Anthony Harbinson, chair of CCAB, Director of Safer Communities, Northern Ireland Department of Justice, said: “The purpose of this report was to see what was working, what wasn’t and where we need to go as a profession in the future to play a full and effective role in the collective effort to tackle organised crime.

“Clearly, across the accountancy profession, AML measures are taken seriously, but the system, although recognised as being among the best in tackling money laundering, is far from perfect. The paper aims to identify where we can work with others in a joined-up approach, to communicate successes and the role of the profession in tackling money laundering, as the regime is implemented by more EU member states and extended by the

fourth money laundering directive. It should give food for thought to the authorities on what might be done, in statutory and other terms, to enhance the effectiveness of the regime.”

“While AML poses challenges to be tackled by the professions, businesses, government and crime fighting agencies collectively, the accountancy profession is keen to play a key role in that effort. However, we cannot do it alone.”

“Policy makers and regulators have to address the risks posed by unqualified accountants who are perceived as less effective in detecting and guarding against this kind of financial crime. Equally, cross border efforts and the sharing of intelligence is a prerequisite of maintaining an effective system.”

The future of AML

According to the report, research participants think that in future, there will be a greater emphasis on information sharing between stakeholders involved in the AML regime, coupled with a better awareness of AML, especially among businesses and the general public. They also expect to see tighter regulation, with more control of the unregulated sector and a more standardised approach across accountancy firms and the regulated sector.

Anthony Harbinson said: “Organised criminals are well resourced and innovative. Whenever new opportunities present themselves they will be exploited for their potential as devices for laundering money – the current spread of mobile payment technologies is a good example of the dynamic environment we are dealing with. To meet this evolving challenge, all those operating in the financial sector need to maintain the same commitment and professionalism in tackling financial crimes, including those who are currently unregulated or unqualified.”

Read the full report <http://www.ccab.org.uk/documents/AMLFinalReport.pdf>

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Notes for editors

1. The combined membership of the five CCAB bodies - ICAEW, ACCA, ICAS, CIPFA and Chartered Accountants Ireland - amounts to 245,000 professional accountants in the UK and the Republic of Ireland (354,000 worldwide).
2. CCAB provides a forum for the bodies to work together collectively in the public interest on matters affecting the profession and the wider economy.
3. CCAB’s credibility stems from its insight into all areas of finance and accounting, from finance director and audit partner to management accountants, professional advisers, public sector finance leaders and entrepreneurs. CCAB’s members work through the financial value chain in all sectors as key decision makers and business leaders within the UK and around the world.
4. Brunswick Insight conducted thirty-one qualitative in-depth interviews between 8 January and 22 April 2014. These interviews were conducted by telephone and

lasted approximately 30 minutes. Participants were asked for their views on the current anti-money laundering regime in the UK, ways the regime could be improved and views on the accountancy profession's contribution towards prevention of money laundering activities.

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