

November 2024



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

AML Webinar – Monday 25 November 2024

The CIOT and ATT will be presenting a webinar on Monday 25 November 12.00pm
The webinar will cover:

- Companies House changes – what we know and what is coming down the line (presented by Mark Buckley from Companies House)
- Top tips to ensure AML compliance based on our supervisory activity
- Risks and red flags to be aware of
- Suspicious Activity Reports
- What to expect from an AML visit
- Questions and answers

To register for the webinar please use the following link:

<https://web.cvent.com/event/42d75b59-ffb1-472d-bad5-02dfada66918/summary>

To watch the webinar live on Monday 25th November please use the following link:

<https://www.presenta.co.uk/CIOT/AML/251124>

Updates to the High Risk Third Country List

Earlier in the year there was an update to the definition of High Risk Third Countries (HRTC) under Regulation 33(3)(a) of The MLRs. Firms must now refer directly to the Financial Action Task Force (FATF) lists of “High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring” which can be found [here](#).

These lists were updated on 25th October 2024 to include the addition of Algeria, Angola, Côte d’Ivoire and Lebanon, and the removal of Senegal.

Fraud Guidance and Red Flags

CIOT and ATT have produced some guidance on red flags that may indicate fraudulent activity by clients, and others, you may come across in your role as tax advisers. 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 2023-24 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 in 2024-25.

AML Reviews (including onsite visits)

We are currently working on the programme of visits for the period through to Spring 2025. We understand the pressures on firms undertaking tax return work and aim to avoid undertaking reviews on these firms in the run up to 31 January 2025. We may however be in touch to arrange a visit for the February, March or April 2025.

As all firms are required to be compliant with all AML obligations, all supervised firms should be aware that they may be selected for a review. However, we provide guidance at the time we contact you to arrange a review and have also published guidance on the CIOT website [here](#) and the ATT website [here](#).

Feedback from members is that they generally find these reviews helpful. The review is there to check compliance but is also the opportunity for members to ask questions and get reassurance that they are dealing with the requirements correctly.

Non-compliance with AML Requirements

There are some common areas of non-compliance identified during AML visits or from the AML registration and renewal forms. These are:

- No written practice risk assessment or written risk assessment requires improvements
- No written risk-based policies and procedures (P&Ps) or P&Ps require improvement
- Lack of written AML training log including:
 - the training that was given
 - the dates on which it was given
 - which individuals received the training
 - the results from any assessments
- Lack of individual client risk assessment on file for each client
- Lack of evidence of ongoing monitoring of client information and risk assessment

These are requirements placed on **all firms** including sole practitioners and those with very low fee income.

Our starting point is to work with members to ensure compliance and we are here to provide guidance and support but where there are serious failings to meet the requirements of the MLR or ongoing non-compliance there is a requirement placed on us to consider enforcement action such as fines and referrals to the Taxation Disciplinary Board.

Our supervisors (the Office for Professional Body AML Supervision) expect the CIOT and ATT to take action against firms not complying with the requirements and to ensure that members are subject to “effective, proportionate and dissuasive disciplinary measures”.

The latest pro forma practice risk assessment and policies and procedures documents are available on the CIOT website [here](#) and the ATT website [here](#).

Annual Membership Return 2024

The 2024 Annual Membership Return is now open **until midnight 31 January 2025**.

All members are required to pay their membership fees and submit their Annual Return (except fully retired or student members). Failure to complete an Annual Return is contrary to membership obligations and may result in referral to the Taxation Disciplinary Board. The nominated principal registering for AML supervision agrees to ensure membership obligations are kept up to date so it is particularly important that these members submit their returns by the deadline.

To complete your Annual Return and pay your 2025 membership subscription please log on to the [Portal](#) then click on the banner “Annual Return 2024 now open”.

This is your annual membership renewal and is a separate requirement to your AML supervision. Further guidance on the 2024 Annual Return can be found on the CIOT website [here](#) and the ATT website [here](#).

SARs In Action magazine and SARs Reporter Booklets

The NCA have issued their July, September and October editions of the SARs in Action magazine. These issues include information on the cross system professional enablers strategy, artificial intelligence enabled fraud, SAR case studies and new terrorist financing glossary codes. The issues are available on the NCA website through the following links:

[SARs in Action – July 2024](#)

[SARs in Action – September 2024](#)

[SARs in Action – October 2024](#)

The latest SARs Reporter Booklets were issued by the UKFIU in August and November. These issues include case studies of law enforcement agencies utilising SAR intelligence in investigations relating to fraud and money laundering. The issues are available on the NCA website through the following links:

[August SARs Reporter Booklet](#)

[November SARs Reporter Booklet](#)

Contact Us

If you have any queries relating to AML matters, please contact the team by emailing aml@tax.org.uk or aml@att.org.uk