Professional Standards updates

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01 December 2018

Updates have been made to the to the Anti-Money Laundering (AML) scheme rules and Professional Rules and Practice Guidelines (PRPG)

Important Anti-Money Laundering (AML) Updates

Members and their firms supervised for AML by the CIOT and ATT should be aware of the update to the scheme rules and the additional information published by both bodies to assist them to comply with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017).

Supervision scheme rules

The CIOT and ATT scheme rules have required amendment as a result of MLR 2017 changes. The updated rules came into force for supervised members and firms in November 2018 and can be accessed on the CIOT website and ATT website.

Where members are carrying on a business in the tax and accountancy sector they or their firm must be supervised. Members already registered with the CIOT and ATT need take no new action as a result of the amendments to the scheme rules. For more on what a supervisory visit entails, see page 10 for an article by Jane Mellor.

Supervisory risk assessment

The CIOT and ATT have published a supervisory risk assessment for money laundering and terrorist financing (ML/TF). This provides information to members on areas of high ML/TF risk. It should assist firms in preparing the written practice risk assessment which is mandatory under MLR 2017. The practice risk assessment is required for all firms – even for sole traders with small levels of income. The risk assessment is available on the AML guidance sections of both the CIOT website and the ATT website.

Frequently Asked Questions (FAQ)

The AML FAQ have recently been updated and they provide useful information for members in relation to a number of
areas including:

- Registration for AML supervision
- What steps to take to meet the requirements of MLR 2017
- Guidance on written practice risk assessments and policies and procedures
- Suspicious activity reporting
- Whistleblowing where members or non-members are not meeting their requirements under the regulations.

The FAQ are available on the AML guidance sections of both the CIOT website and the ATT website.

Updated Professional Rules and Practice Guidelines

The latest edition of Professional Rules and Practice Guidelines (PRPG) was issued on 9 November 2018. It can be found in the Professional Standards areas of both the CIOT and ATT websites.

PRPG sets out the Fundamental Principles in Chapter 2 which apply to all members, students and international tax affiliates of the CIOT (collectively referred to as members in PRPG) as well as guidance aimed at helping the member in their working life.

Key changes include:

- Clarification of the rule on professional behaviour and how it extends to conduct in a member's private life (see 2.6);
- A new obligation to notify the CIOT and ATT if a member receives a dishonest tax agent conduct notice or a monitoring notice from HMRC under the Promoters of Tax Avoidance Schemes (POTAS) legislation (see 2.14);
- The updated rules on bankruptcy and IVA which align the CIOT and ATT positions (see 2.15);
- A table of suggested responses to a 'professional clearance' letter according to the various different circumstances of the former client (see 10.1.4);
- Enhanced guidance on the retention of records (see 11.2.6); and

- New chapters for members in Commerce and Industry and members employed in professional practice or other sectors (see Chapters 13-15).

If members have any queries in relation to these updates or more generally in relation to AML or PRPG they should contact the Professional Standards Team by email (aml@ciot.org.uk or aml@att.org.uk).