

Anti Money Laundering Newsletter - Issue Eight



July 2011



The Association of Taxation Technicians

HMT consultation on the review of the Money Laundering Regulations 2007

HM Treasury has published its response to the review of the Money Laundering Regulations 2007 (MLR) with responses to be submitted by 30 August 2011.

The main proposals for consultation are:

- Removal of criminal sanctions for failing to comply with the MLR. Civil penalties would remain although failure to report a suspicion under s330 of the Proceeds of Crime Act 2002 would continue to be a criminal offence.
- Increased powers for supervisors, e.g. to impose penalties for unreasonable behaviour to provide information, enforce payment of fees.
- Reliance on Customer Due Diligence to be extended to all professional bodies (including CIOT and ATT) in Schedule 3.
- De-minimis exclusion for businesses with a VAT exclusive turnover of €15,000 or below, or a reduction in the requirements placed on such businesses.

The consultation document can be found online [here](#). CIOT and ATT will both be responding to the consultation. If you have any comments on it, please let us know.

SOCA provided Top 10 Tips for Accountancy Sector

This guidance (please see separate pdf document) follows a review by the Vetted Group (security cleared expert stakeholders) of SARs submitted by the

accountancy sector. It is hoped that it will assist with the submission of good quality SARs and has been endorsed by those of us that are Anti-Money Laundering Supervisors for the accountancy sector.

AML training

We had a successful round of ATT Conferences in May/June with one of the slots including an anti-money laundering update. The update covered reporting, training requirements and current issues such as the HMT consultation on the MLR, HMT financial sanctions list and politically exposed persons. We are hoping to do a joint CIOT/ATT conference on AML later this year with a representative from SOCA as one of the speakers.

Frequency of training is a query that has been raised by a number of members. The MLR specifies that training is to be given "regularly". The [CCAB](#) guidance suggests that AML training should possibly be carried out annually but it is a matter for each business to consider. It may be influenced by changes in law, regulation or professional guidance, new case law or by a change in the profile and perceived risks of the business. It may not be necessary to repeat the whole training programme if employees are sufficiently aware; a refresher of general reminder may be enough.

Case Update - Gang jailed for VAT fraud

A gang of seventeen members involved in a £60 million money laundering scam have been jailed following a large scale international investigation by HM Revenue and Customs (HMRC).

The scam worked when fraudsters claimed to be continually importing and exporting small electronic items, such as mobile phone chips, attracting multiple VAT rebates. More than £60 million in VAT was fraudulently evaded and the proceeds laundered to fund luxury lifestyles for gang members. [Read more here](#)