

Review of the Money Laundering Regulations 2007

We are still waiting to hear about progress on this from HM Treasury. In November 2011, HM Treasury published a summary of the responses (CIOT/ATT responded to this consultation) on proposed changes to the Money Laundering Regulations 2007. In their summary document, which can be found on their website at http://www.hm-treasury.gov.uk/d/condoc_responses_changes_money_laundering_regulations2007.pdf HM Treasury set out a timeframe for the publication of the Government's response to the consultation and the reason why it has been delayed. Namely because The Financial Action Task Force (FATF) agreed (in February 2012) a new set of standards aimed at combating money laundering and terrorist financing and because EU Member States are working with the Commission to consider how these new standards should be reflected in a further EU Money Laundering Directive. The UK government will implement any changes required thereafter. For now it is a 'watch this space' but we will keep you updated on all developments later in the year.

Post Office identity checking service

The Post Office have set up a new [service](#) where they will check and verify identity documents. They will check up to 3 original documents against the photocopies and certify each photocopy as a true likeness of the original document.

HM Treasury - Sanctions Update

HM Treasury has issued its latest financial sanctions update in relation to Guinea-Bissau, Al-Qaida and Burma/Myanmar:

- [01/06/12 Guinea-Bissau \(Reg 458/2012\) \(PDF 105KB\)](#)
- [17/05/12 Al Qaida \(Reg 415/2012\) \(PDF 82KB\)](#)
- [16/05/12 Burma/Myanmar \(Reg 409/2012\) \(PDF 79KB\)](#)

London 2012 and AML threats

It seems that there have been a number of Suspicious Activity Reports (SARs) made to SOCA that are Olympics related. The type of money laundering challenges the Olympics could pose include marketing frauds, including fake websites and email scams, fake merchandise, offering employment, tickets, and lotteries and prize draws which purport to raise funds for the Games. SOCA has had processes in place for some time to identify SARs potentially relating to the Olympic and Paralympic Games. Following feedback from a number of reporters, SOCA has now created the following specific Glossary Term and Prefix which they have asked us to pass on to our members:

London Olympic and Paralympic Games

XXLO2012XX

if you identify activity which you know or suspect may be connected to the London 2012 Olympic or Paralympic Games, the use of the SAR Glossary Term will enable law enforcement to identify and act upon the information provided. For further information on SAR Glossary of Terms, please visit the SOCA [website](#). Any enquiries concerning the SAR Glossary of Terms, please email ukfiusars@soca.x.gsi.gov.uk

SDLT Schemes

The CIOT and ATT have prepared a [factsheet](#) on Stamp Duty Land Tax (SDLT) Schemes, following on from the warning issued to solicitors by the Solicitors Regulatory Authority (SRA).

Website and AML FAQs

We are reviewing the content and layout of the AML section of our websites - [CIOT](#) and [ATT](#). Please let us have any feedback on what you might like to see. Also, we have added a couple of extra AML FAQs, including one on out-of-date passports and the following one on privilege:

I am a CTA and a partner in a 3 partner firm. One of my fellow partners is a chartered accountant and the other is qualified by experience (QBE). Does POCA privilege apply only to information which comes to me and my chartered accountant colleague (as we are both "relevant professional advisers") or can it also apply to information which comes to my QBE partner?

The short answer is that provided all other conditions are met POCA privilege can be applied to information received by any of the partners in the firm. However POCA privilege is a complex area and you may wish to seek specialist advice if you have concerns about its application.

More detailed guidance is given in Chapter 7 of the CCAB guidance and Paragraph 12 of the Tax Sector appendix. Paragraph 7.29 deals specifically with this issue -

'7.29 The legislation does not list which professional bodies meet the criteria listed in s 330 (14), but the CCAB bodies meet those criteria and, accordingly, individuals who are members of a CCAB body, those in partnership with such individuals in businesses regulated by the CCAB and the employees of such businesses and individuals are within the scope of the exemptions. If businesses or individuals are in any doubt as to whether these provisions apply to them, it is recommended that they seek legal advice.'

It is accepted that both the ATT and the CIOT meet the criteria in s330(14) and as such our members are 'recognised professional advisers'. However the CIOT and the ATT are not members of the CCAB and, unless they are also members of a CCAB professional body, their businesses are not regulated by a CCAB member body. Because of this we were concerned that the guidance might not cover our members and we sought Counsel's opinion on this point. He is of the view that the guidance applies to CTAs and ATTs in the same way as it applies to members of CCAB member bodies (ie ICAEW, ICAS, ICAI, ACCA, CIPFA). The Treasury has also confirmed that it accepts that CIOT and ATT members may be treated in the same way as CCAB body members. So, where a person who is not a 'relevant professional adviser' is in partnership with (or a director in a company or a member in an LLP) a relevant professional adviser POCA privilege may apply to information which comes to the firm in privileged circumstances.

Volunteers

We are on the look out for potential new members of our AML working party. If you are interested or have particular experience in this area, please get in touch with our Membership team.