

Anti-Money Laundering/ Counter-Terrorist Financing (AML/CTF) Compliance Visits (Virtual)

AML/CTF compliance visits for the 2021 programme will be carried out by Mercia in a virtual session via MS Teams or Zoom.

What is the purpose of the AML/CTF compliance visit?

In the UK, AML/CTF compliance visits are carried out under the Money Laundering, Terrorist Financing, and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering and Terrorist Financing (Amendment) Regulations 2019.

In the Republic of Ireland, visits are carried out under the Criminal Justice (Money Laundering and Terrorist Financing) Amendment Act 2021 (amendments of Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended in 2018).

The purpose of a visit is for CIMA to gain a wider understanding of its supervised population and ensure members in practice remain compliant under the current money laundering legislation.

When are the visits conducted?

Visits are conducted annually. Members in practice who are selected for a virtual visit will be notified in advance by the professional standards team.

Who will conduct the AML/CTF compliance visits?

The AML/CTF compliance visits are conducted by Mercia (CIMA's third-party reviewers). Whilst CIMA will look to accommodate your busy schedule, we ask that co-operate with the professional standards team to ensure both you and the reviewer agree on a date for the visit to take place.

How were visits conducted before COVID-19 and how is the 2021 programme different from previous visits?

Before the COVID-19 pandemic, AML/CTF compliance visits were undertaken on-site at the location of the members' practice. The difference between the current 2021 programme and previous visits is that the visits are now undertaken in a virtual session via MS Teams or Zoom. The structure of the visits remains the same, and updates from the MLR 2019, National risk assessment 2020, and Criminal Justice Act 2021 have been implemented into the visit assessments

What criteria will CIMA use when selecting members in practice for visits?

CIMA uses a risk-based approach for selecting which members to visit. This is based on CIMA's risk assessment analysis of the AML/CTF annual returns.

What are the benefits of an AML/CTF compliance visit?

All members in practice are required to ensure relevant procedures, policies, and controls are in place.

In the UK, Regulations 18 and 19 are relevant requirements under Schedule 6 of The Money Laundering, Terrorist Financing, and Transfer of Funds (Information on the Payer) Regulations 2017. In the Republic of Ireland, section 30A and section 54 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 are also relevant requirements under the money laundering legislation.

If you are selected for a visit, CIMA will advise you on any improvements you should make to reduce the risk to yourself and remain compliant with the money laundering legislation. CIMA will help you understand your obligations to ensure you do what is necessary to meet these requirements.

Under Regulation 86 of 'The Money Laundering Regulations 2017' and Section 54 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 Failure to meet these requirements is a criminal offence and contravenes [CIMA's Member in Practice Rule 8](#) which may lead to passing your details onto Professional Conduct.

If you were unwittingly involved in money laundering, you would be required to prove that you had followed the necessary checks and had adequate internal processes in place.

Will there be further information provided before the visit?

Yes. All members in practice who are selected for an AML/CTF compliance visit will be provided with pre-visit documentation in advance in preparation for the visit.

What can I expect during the visit?

The visit will take place in a single session. On the day there will be an assessment where the reviewer will go through a range of questions with you and will review documentation sent to them *before* the visit. There will be ample time for you to speak with the reviewer during the assessment.

What can I expect following the visit?

After the visit, an AML/CTF compliance report will be produced and sent to CIMA and the member in practice with an overview of the visit and any steps of improvements required. **Upon receipt of your AML/CTF compliance report, and where there are weaknesses in your AML processes, you will be required to provide CIMA with an update on remedial actions within 28 days. Failure to meet this requirement may result in disciplinary action by Professional Conduct (i.e. the removal of your Practising Certificate and the right to operate as a CIMA member in practice).**

What should I do if my client files are stored in hard copies?

Client files that are stored in hard copies can be reviewed before the assessment. The reviewer will request to receive copies of all relevant documentation to be reviewed as part of the assessment. Once the visit date has been agreed the reviewer will contact you in advance to arrange the logistics of the visit.

Are the AML/CTF compliance visits mandatory or can I opt-out from the visit?

AML/CTF compliance visits are mandatory. As a member in practice, under [CIMA's Member in Practice Rule 8](#), you must comply with any scheme operated by the Institute, which includes procedures for monitoring compliance with the provisions of these rules.

Can the visit be cancelled?

Once a member in practice has confirmed the visit with the CIMA member of staff, the scheduled visit **cannot** be cancelled.

I am only a small practice with a few clients, is it likely I would receive a visit?

CIMA is aware that we have registered practices of various sizes, many of which have small client bases, very few staff, or no staff at all. However, as a member in practice, you fall under the definition of an 'external accountant', under the MLRs (or in the Republic of Ireland 'The Act') therefore, no matter how small your practice is you must still be compliant with the legislation. We understand that it can be difficult for smaller practices to juggle complying with numerous regulatory requirements and time to run a successful business. That is why CIMA is offering support during the visit to ensure you remain compliant.

How does CIMA ensure the confidentiality of any personal data or information reviewed during the visit?

Confidentiality is a priority for CIMA. CIMA has a formal contract in place with Mercia, to ensure the confidentiality of any information shared is done with high-security measures in place. Any documents shared with Mercia will be sent via a secured portal that is only shared with the professional standards team.

Who can I contact if I have any questions?

If you any questions regarding visits, please contact aml@aicpa-cima.com and a member of the professional standards team will assist you.