



MONEY LAUNDERING REPORTING OFFICER GUIDEBOOK



PROFESSIONAL
STANDARDS
DEPARTMENT

CONTENTS

A comprehensive guide for new and existing money laundering reporting officers to enable you to fulfil your role effectively and break it down into manageable tasks.

Read the section that corresponds with your role for full guidance on your responsibilities.

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ESSENTIAL RESOURCES

ICAEW resources

[MLRO hub](#)

[Raise an AML concern](#)

[AML resources](#)

[AML-the essentials](#)

[AML webinars](#)

[SARs thematic review](#)

[AML bites](#)

[AML risk](#)

Other resources

[Consultative committee of accountancy bodies](#)

[National Risk Assessment](#)

[AASG Outlook](#)

[National Crime Agency](#)

[SARs reporting](#)

REGULATORY COMMUNICATIONS

You will automatically receive regulatory updates from ICAEW via AML-the essentials and Regulatory and Conduct News, along with AML risk bulletins.

It is important that you read and share these updates, to help ensure you, your firm and your colleagues remain up to date with the latest requirements.



Call ICAEW for guidance

+44 (0) 1908 248 250

**PROFESSIONAL
STANDARDS
DEPARTMENT**

THE NOMINATED OFFICER

The nominated officer is the person nominated by a firm to receive and consider suspicious activity reports (SARs). Whoever takes on this role has a legal obligation to report suspicion of money laundering to the National Crime Agency (NCA). Failure to report is a criminal offence under the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

YOUR NEED TO KNOW CHECKLIST

1 The role

You should:

Have sufficient seniority to enforce your decisions as there may be instances where your decisions are challenged.

Have the authority to make external reports to the NCA without reference to another person.

Have the time, capacity and resources to review internal SARs and make external SARs in a timely manner.

Consider who will cover the role in your absence. Do you need a deputy?

Read your job specification and ensure it is relevant. If there is not one, consider creating one.

2 What should I do immediately on starting the role?

You should:

Inform ICAEW (ie, your firm's AML supervisor) within 14 days of your appointment. Use **standing data form 5** to notify us.

Make sure ICAEW has your email address. We must have a current email address so that we can contact you in line with your regulatory role. This should ideally be a direct work email address (rather than a shared inbox, or a web based email application such as gmail or Outlook). Update your details by emailing amlr@icaew.com.

Ensure your appointment has been announced to staff, alongside your contact details. They can then report SARs to you, meeting their regulatory responsibilities under the Proceeds of Crime Act (PoCA).

3 Suspicious activity reports

When starting in this role it is important to read and understand your firm's current procedures for reporting suspicious activity to the NCA and ensure:

You are registered to file SARs using the SARs portal.

If your firm already has access to the SARs portal, that the UKFIU has the correct contact and email address for you and that you have current passwords.

You can access and understand your firm's previously submitted SARs and associated documentation. (These are not stored on the SARs portal).

Internal and external SARs are stored securely and confidentially.

You keep copies of SARs you have submitted to the NCA.

You have a procedure for recording the reasons for submitting; or not submitting an internally reported suspicion to the NCA.

Written procedures are updated so that staff know that you are the new reporting officer and how to report to you.

You have read your firm's money laundering firm-wide risk assessment. Understand the risks that have previously been identified and share information with the MLCO on new and emerging trends identified in the internal SARs submitted.

If your firm had a visit from ICAEW (ie, its AML supervisor) in the last few years. You see the report and consider whether matters have been resolved effectively.

4 People

Staff:

Introduce yourself to staff and make sure you are accessible from day one. If staff have queries they need to be comfortable approaching you.

The compliance officer:

If there is a separate role of compliance officer, meet with them to discuss and understand:

Their expectations of your role and what information they need from you.

The suspicious activity reports that have previously been submitted (eg, the quantity of SARs, themes and red flags).

How you will maintain an ongoing line of communication.

Reporting requirements. For example, will management expect regular reporting of the number of internal/external SARs, the nature of SARs, granularity of reporting and training provided or needed.

THE ESSENTIALS

You should know:

- When to make a SAR to the NCA.
- What constitutes tipping off.
- What a defence against money laundering (DAML) SAR is.
- How to submit a SAR and/or a DAML.
- What a good quality SAR looks like.
- Money laundering risks and red flags.

WHAT ARE MY ONGOING RESPONSIBILITIES?

1 People

As the nominated officer it is your responsibility to:

- Ensure staff feel confident to approach you and know what to report and how.
- Make sure staff know what constitutes a reportable suspicious activity.
- Have regular AML updates reminding staff of red flags and current risks.
- Make sure staff know about tipping off.
- Ensure staff know there is no deminimis.
- Be visible and accessible. Attend staff meetings/management meetings.
- Regularly review the quality and effectiveness of staff training.
- Regularly review the quantity and quality of internal reports.
- Understand the business.

2 Suspicious activity reports

You should ensure that you:

Keep all suspicious activity reports secure.

Review internal reports of suspicion in a timely manner.

Report to the NCA in a timely manner.

Keep copies of SARs submitted to the NCA (the portal doesn't store these), ICAEW (ie, your professional body supervisor) may want to see submitted SARs.

If you have submitted a SAR in relation to a client, you must revisit the customer due diligence.

3 Training

It is important that you undertake regular training using:

The National Crime Agency [website](#).

[ICAEW guidance](#) - AML-the essentials/risk alerts and webinars.

See essential resources on [page 3](#).

4 Board reporting

Do you report to the board? If so:

Consider what management information might be required.

What are my legal responsibilities?

It is extremely important that you are familiar with the relevant legislation, some key points include:

“ Where a disclosure is made to the nominated officer, that officer must consider it in the light of any relevant information which is available to the relevant person and determine whether it gives rise to knowledge or suspicion or reasonable grounds for knowledge or suspicion that a person is engaged in money laundering or terrorist financing.

- The Money Laundering Regulations, Reg 21 (5)

”

“ Within 14 days of the appointment of either the responsible board member/senior management and/or the nominated officer, the business’ anti-money laundering supervisory authority must be informed of the identity of the individual(s).

- The Money Laundering Regulations, Reg 21 (4)

”

“ The nominated officer, under certain conditions, commits an offence if they do not make the required disclosure (a SAR) and know or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in money laundering.

- PoCA 2002 (Section 331)

”

Consultative Committee of Accountancy Bodies (CCAB) guidance states that the nominated officer should have:

- sufficient seniority to enforce their decisions;
- the authority to make external reports to the NCA without reference to another person;
- the time, capacity, and resources to review internal SARs and make external SARs in a timely manner.

THE MONEY LAUNDERING COMPLIANCE OFFICER

The money laundering compliance officer (MLCO) takes responsibility for the firm's compliance with the Money Laundering Regulations. This is a significant responsibility and ICAEW expects the MLCO to have a good understanding of the Money Laundering Regulations.

YOUR NEED TO KNOW CHECKLIST

1 The role

You should:

Consider whether you have enough time to commit to the role.

Read your job specification and ensure it is relevant. If there is not one, consider creating one.

2 What should I do immediately on starting the role?

You should:

Check that your firm has an AML supervisor and **confirm who it is**. If your firm has connected entities and/or subsidiaries check that these entities also have an AML supervisor.

Inform ICAEW (ie, your firm's AML supervisor) within 14 days of your appointment. Use **standing data form 5** to notify us.

Make sure ICAEW has your email address. We must have a current email address so that we can contact you in line with your regulatory role. This should ideally be a direct work email address (rather than a shared inbox, or a web based email application such as gmail or Outlook). Update your details by emailing amlr@icaew.com.

Read and understand your firm's current AML firm-wide risk assessment.

Ensure you have access to and understand your firm's current AML policies and procedures.

Read the findings and action points from your firm's latest anti-money laundering compliance review. Build these into your ongoing monitoring of compliance.

Understand the mechanism for staff training on money laundering.

Understand your firm's risk appetite. Explore its appetite for higher risk clients. Ensure the firm's policies and procedures reflect what you are being told.

Ensure there is a mechanism for approving the take on of clients that appear higher risk (eg, politically exposed persons and higher risk countries) and understand this mechanism.

Meet with heads of service lines, if applicable, to ensure you understand the services provided, the client base and the money laundering risks.

Be aware of the potential impact of changing regulations.

Check any changes in the risk profile of the firm and assess the impact on firm-wide risk assessment.

3 Suspicious activity reports

You should monitor and understand:

- The number of internal and external SARs at your firm.

- Any emerging themes and the nature of the SARs.

- Which service lines are impacted.

- The quality and frequency of internal SARs.

- The timeliness of reporting.

THE ESSENTIALS

You should know:

- The obligations of you and your firm under the Money Laundering Regulations.

- Risks, red flags and emerging risks.

- The firm's service offerings.

- What constitutes higher risk.

WHAT ARE MY ONGOING RESPONSIBILITIES?

1 The role

As a money laundering compliance officer it is your responsibility to:

Understand your firm's Money Laundering Regulations firm-wide risk assessments and ensure they are kept up to date.

Ensure there are procedures in place to regularly monitor the firm's compliance with the Money Laundering Regulations and the firm's own AML systems, controls, and procedures.

Take remedial action where monitoring reveals inadequate procedures or non-compliance with the firm's own procedures.

Ensure that the **required criminal checks** have been carried out on beneficial owners, officers and managers.

Develop and implement appropriate AML systems, controls, policies, and procedures that include:

Reliance and record keeping (**see regulations 39 to 40**).

Risk management practices.

Internal controls (**see regulations 21 to 24**).

Customer due diligence (**see regulations 27 to 38**).

The monitoring and management of compliance with, and the internal communication of, AML policies, controls, and procedures.

2 Staff

You should ensure that:

- Staff receive adequate money laundering training.

- There is ongoing engagement with heads of service lines and management, if applicable.

- Regular meetings with management are held to monitor changes in risk profiles and services offered.

The nominated officer

If there is a separate role of nominated officer, meet with them to discuss and understand:

- Suspicious activity reporting procedures.

- SARs that have previously been submitted (eg, the quantity, any themes and red flags).

- How you will maintain an ongoing line of communication together. How often should SARs be reported to you and what should be included in these reports?

- Any information they require for management reporting, if relevant.

3 Board reporting

Do you report to the board? If so, consider what management information might be required. Reporting should be regular and include:

- The results of internal or external monitoring and compliance reviews.

- Action that will be taken to address failings identified in reviews.

- A summary of internal and external SARs and any themes you have identified.

- Emerging risks.

- Changes in the regulatory framework and any impact on the firm.

- Analysis of higher risk clients - review and monitoring.

- Reporting of SARs - we recommend this should include the number of SARs and any themes that emerge.

- Reporting of the risk profile of your client base (eg, high risk clients, politically exposed persons, high risk third countries etc).

WHAT ARE MY LEGAL RESPONSIBILITIES?

It is extremely important that you are familiar with the relevant legislation, some key points include:

“ Where appropriate with regard to the size and nature of its business, a firm must appoint one individual who is a member of the board of directors (or if there is no board, of its equivalent management body) or of its senior management as the officer responsible for the relevant person's compliance with these Regulations.

- The Money Laundering Regulations, Reg 21 1(a)

”

“ Within 14 days of the appointment of either the responsible board member/senior management and/or the nominated officer, the business' Anti-Money laundering supervisory authority must be informed of the identity of the individual(s).

- The Money Laundering Regulations, Reg 21 (4)

”

CCAB guidance states that the person responsible for the firm's compliance with the Money Laundering Regulations should have:

- An understanding of the business, its service lines, and its clients;
- Sufficient seniority to direct the activities of all members of staff including senior members of staff);
- The authority to ensure the business's compliance with the regime; and
- The time, capacity, and resources to fulfil the role.

COMBINED ROLE - THE MONEY LAUNDERING REPORTING OFFICER

Your role encompasses the combined roles of the nominated officer and the compliance officer.

Whoever takes on this role has a legal obligation to report suspicion of money laundering to the National Crime Agency (NCA) and takes responsibility for the firm's compliance with the Money Laundering Regulations.

YOUR NEED TO KNOW CHECKLIST

1 The role

You should:

Consider your other responsibilities. If you have no time to allocate to the role then your firm could be in breach of the Money Laundering Regulations.

Have sufficient seniority to enforce your decisions as there may be instances where your decisions are challenged.

Consider who will cover your role in your absence. Do you need a deputy?

Read your job specification and ensure it is relevant. If there is not one, consider creating one.

2 What should I do immediately on starting the role?

You should:

Check that your firm has an AML supervisor and **confirm who it is**. If your firm has connected entities and/or subsidiaries check that these entities also have an AML supervisor.

Inform ICAEW (ie, your firm's AML supervisor) within 14 days of your appointment. Use **standing data form 5** to notify us.

Make sure ICAEW has your email address. We must have a current email address so that we can contact you in line with your regulatory role. This should ideally be a direct work email address (rather than a shared inbox, or a web based email application such as gmail or Outlook). Update your details by emailing amlr@icaew.com.

Introduce yourself to staff and make yourself accessible from day one. If they have queries they need to be comfortable approaching you.

Ensure that internal procedures are updated so that staff know you are the new reporting officer.

Consider whether there has been appropriate follow up by your firm in relation to suspected clients, tipping off, and any additional customer due diligence that may have been required.

Read your firm's current AML firm-wide risk assessment. Understand the risks that have previously been identified and how your firm mitigates those risks.

See if your firm had a visit from ICAEW (ie, its professional body supervisor) in the last few years? If so, ask to see the report and consider whether matters have been resolved effectively.

Read and understand the results of any other external reviews.

Ensure you have access to and understand the firm's current AML policies and procedures.

Obtain the latest anti-money laundering compliance review. Read the findings and action points. Build this into your ongoing monitoring of compliance.

Understand the mechanism for staff training on money laundering.

Understand your firm's risk appetite. Explore its appetite for higher risk clients. Ensure your AML policies and procedures reflect what you are being told.

Ensure there is a mechanism for approving the take on of clients that appear higher risk (eg, politically exposed persons/those in higher risk countries). Make sure you understand this mechanism.

Meet with heads of service lines, if applicable, to ensure you understand the services provided, the client base and the money laundering risks.

3 Suspicious activity reports

Read and understand the firm's current procedures for reporting suspicious activity to the National Crime Agency and ensure:

You are registered to file SARs online with the NCA. If your firm already has access to SARs online, ensure that you have the relevant details and passwords.

You can access and understand your firm's previously submitted SARs and associated documentation.

Both internal and external SARs are stored securely.

You have a procedure for recording the reasons for submitting or not submitting an internally reported suspicion to the NCA.

Review recent SARs and ensure that there has been appropriate follow up by your firm in relation to suspicious activity and any additional customer due diligence that may have been required.

You should monitor:

- The number of internal and external SARs.
- Any emerging themes and the nature of the SARs.
- Which service lines are impacted.
- The quality and frequency of internal SARs.
- The timeliness of reporting.

4 Board reporting

Do you report to the board? If so, consider what management information might be required. Reporting should be regular. We have included our recommendation of what should be included on [page 18](#).

THE ESSENTIALS

You should know and understand:

- What a suspicious activity report is.
- What constitutes tipping off.
- What a defence against money laundering SAR is.
- What constitutes a good quality SAR.
- How to submit a SAR and/or a DAML.
- Obligations of you and your firm under the Money Laundering Regulations.
- Risks, red flags and emerging risks.
- All the firm's service offerings.
- What constitutes higher risk.

WHAT ARE MY ONGOING RESPONSIBILITIES?

1 The role

You are responsible for:

Appropriate AML systems, controls, policies, and procedures that include:

reliance and record keeping ([see regulations 39 to 40](#));

risk management practices;

internal controls ([see regulations 21 to 24](#));

customer due diligence ([see regulations 27 to 38](#)); and

the monitoring and management of compliance with, and the internal communication of your firm's AML policies, controls, and procedures.

The firm-wide risk assessment.

Procedures to regularly monitor the firm's compliance with the Money Laundering Regulations and the firm's own AML systems, controls, and procedures.

Remedial action where monitoring reveals inadequate procedures or non-compliance with your firm's own procedures.

Ensure that the [required criminal checks](#) have been carried out on beneficial owners, officers and managers.

2 Staff

Make sure staff know:

What constitutes a reportable suspicious activity.

How to make a report.

About tipping off.

That there is no deminimis.

You should also:

Have regular AML updates reminding staff of red flags and current risks.

Be accessible and make sure staff feel confident to approach you with a query.

Carry out inductions for new staff that explain reporting requirements and how to report.

Regularly review and give feedback on the quantity, quality and level of detail of internal reports.

Ensure ongoing engagement with service lines and management, if applicable.

3 Suspicious activity reports

You should ensure that you:

- Have access to your firm's SARs online registration.

- You keep all SARs secure.

- Review internal reports of suspicion in a timely manner.

- Report to the NCA in a timely manner.

- Have a procedure for documenting why you decided to submit or not to submit an internal SAR to the NCA.

- Have access to SARs online.

- Keep copies of SARs you have submitted.

4 Training

It is important that you undertake regular training, including for staff using:

- The National Crime Agency [website](#).

- [ICAEW guidance and communications](#).

See essential resources on [page 3](#).

5 Board reporting

We recommend regular board reporting should include:

- The results of internal or external monitoring and compliance reviews.

- Action that will be taken to address failings identified in reviews.

- A summary of internal and external SARs and any themes you have identified.

- Emerging risks.

- Changes in the regulatory framework and any impact on the firm.

- Analysis of higher risk clients – review and monitoring.

- Reporting of SARs – we recommend this should include the number of SARs and any themes that emerge.

- Reporting on the risk profile of your client base (eg, high risk clients, politically exposed persons, high risk third countries etc).

WHAT ARE MY LEGAL RESPONSIBILITIES?

It is extremely important that you are familiar with the relevant legislation, some key points include:

“ Where a disclosure is made to the nominated officer, that officer must consider it in the light of any relevant information which is available to the relevant person and determine whether it gives rise to knowledge or suspicion or reasonable grounds for knowledge or suspicion that a person is engaged in money laundering or terrorist financing.

- The Money Laundering Regulations, Reg 21 (5)

”

“ Where appropriate with regard to the size and nature of its business, a firm must appoint one individual who is a member of the board of directors (or if there is no board, of its equivalent management body) or of its senior management as the officer responsible for the relevant person’s compliance with these Regulations.

- The Money Laundering Regulations, Reg 21 1(a)

”

“ Within 14 days of the appointment of either the responsible board member/senior management and/or the nominated officer, the business’ Anti-Money laundering supervisory authority must be informed of the identity of the individual(s).

- The Money Laundering Regulations, Reg 21 (4)

”

CCAB guidance states that the person responsible for the firm’s compliance with the Money Laundering Regulations should have:

- an understanding of the business, its service lines, and its clients;
- sufficient seniority to direct the activities of all members of staff (including senior members of staff);
- the authority to ensure the business’s compliance with the regime; and
- the time, capacity, and resources to fulfil the role.
- sufficient seniority to enforce your decisions;
- the authority to make external reports to the NCA without reference to another person;
- the time, capacity, and resources to review internal SARs and make external SARs in a timely manner.

ICAEW's regulatory and conduct roles

Our role as an improvement regulator is to strengthen confidence and trust in those regulated by ICAEW. We do this by enabling, evaluating and enforcing the standards expected by the profession, oversight regulators and government.

ICAEW's regulation and conduct roles are separated from ICAEW's other activities through internal governance so that we can monitor, support and take steps to ensure change if standards are not met. These roles are carried out by the Professional Standards Department and overseen by the ICAEW Regulatory Board and oversight regulators including the Financial Reporting Council, Office for Professional Body Anti-Money Laundering Supervision, the Insolvency Service and the Legal Services Board.

We:

- **authorise** firms and individuals to undertake work regulated by law: audit, local audit, investment business, insolvency and probate;
- **support** professional standards in general accountancy practice through our Practice Assurance scheme;
- **provide** robust anti-money laundering supervision and monitoring;
- **monitor** registered firms and individuals to ensure they operate in accordance with laws, regulations and expected professional standards;
- **investigate** complaints and hold ICAEW Chartered Accountants and students, ICAEW-supervised firms and regulated and affiliated individuals to account where they fall short of the required standards;
- **respond** and comment on proposed changes to the law and regulation; and
- **educate** through guidance and advice to help ICAEW's regulated community comply with laws, regulations and expected professional standards.

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 208,000 members and students around the world. 99 of the top 100 global brands employ ICAEW Chartered Accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

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* includes parent companies. Source: ICAEW member data
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ICAEW is
carbon neutral