



EXAMINING NON-COMPLIANCE

AML SUPERVISION REPORT 2024/25



PROFESSIONAL
STANDARDS
DEPARTMENT

Who we are and what we do

ICAEW supervises c. 9,500 firms under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the Money Laundering Regulations 2017 or MLR17) and is the largest professional body supervisor in the UK.

ICAEW's role is to work as an improvement regulator, helping members and firms maintain high professional standards and holding them to those standards.

[Access the full details of our responsibilities and how we discharge our obligations](#)

ICAEW anti-money laundering supervisory activity

In April 2021, HM Treasury and OPBAS published guidance on the annual report required of professional body supervisors under regulation 46A of the Money Laundering Regulations 2017, which requires supervisors to publish an annual report for the year ended 5 April. This guidance is also included in OPBAS Sourcebook for professional body anti-money laundering supervisors.

This report, alongside the information we publish on [ICAEW's AML supervisory approach](#), sets out how ICAEW discharges its obligations as a supervisory authority under the Money Laundering Regulations 2017 and information that ICAEW is required to publish under regulation 46A.

Independent decision-making

ICAEW's governance structure ensures its regulatory and conduct roles are not influenced by its representative functions. These regulatory roles are overseen by the ICAEW Regulatory Board (IRB) which has a parity of lay and chartered accountant members and a lay chair who has a casting vote.

All significant decisions on AML regulatory matters are made by the Practice Assurance Committee (PAC) and the Conduct Committee. These committees are independent from staff and have the same equity of lay and non-lay members as the IRB. This maintains an important balance of technical and public interest insights.

View [Appendix 1](#) for more information about the oversight and governance of ICAEW's regulation and conduct activity.

A broader overview of our regulatory work is available in the [ICAEW Regulation and Conduct Annual Report: Protecting the public interest](#)

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"This year, our commitment to improvement regulation has been clearer than ever."

Duncan Wiggetts

Chief Officer, Professional Standards



Foreword

I am proud to present this year's Anti-money Laundering Supervision Report, which reflects the depth, breadth, and integrity of our supervisory work for the year ended 5 April 2025.

Our role is to act in the public interest to strengthen trust in ICAEW members and firms by raising standards through a programme of continuous improvement.

This year, our commitment to improvement regulation has been clearer than ever. With c.9,500 firms under our supervision, we have continued to invest in proactive monitoring, thematic reviews, and targeted interventions. Our work in the anti-money laundering space is vital, not only to protect the integrity of the profession but also to safeguard the wider economy and society from the harms of financial crime. We have worked closely with government, law enforcement, and other supervisory bodies to ensure our approach remains rigorous,

risk-based, and responsive to emerging threats.

Our regulatory model is underpinned by independence and transparency. All disciplinary decisions are made by committees (which, like the ICAEW Regulatory Board itself) have lay majorities or parity. We are not here to protect members from scrutiny, we are here to hold them to account.

At the same time, we recognise that regulation is not just about enforcement. It is about enabling improvement. Through education, CPD requirements and monitoring, and stakeholder engagement, we support firms and individuals to raise their standards and adapt to a changing landscape. In this report,

we have set out the work we have carried out to understand the root causes for why a firm hasn't complied. We plan to use this information to enhance our monitoring activity and to design guidance materials for firms.

Our work is continuous, collaborative, and always grounded in the public interest.

I would like to thank the dedicated staff of the Professional Standards Department, our independent committee members, and all those who contribute to our regulatory work.

Together, we are building a profession that is trusted, transparent and resilient.

Duncan Wiggetts

Chief Officer, Professional Standards



"The National Risk Assessment 2025 sets out that poor AML compliance exposes firms to the risk that they will be abused by criminals, potentially enabling money laundering. In this report, we've set out the results of our work on examining non-compliance and understanding the root causes."

Michelle Giddings
Head of AML,
Professional Standards
Department

Quality assurance monitoring results

In the financial year 2024/25 (FY24/25), we completed 1,185 monitoring reviews and found 80.0% of firms were compliant or generally compliant (FY23/24: 1,112 reviews, 80.6%).

It is encouraging that overall compliance rates appear consistent year-on-year, since the diverse nature of our supervised population and their clients means that the AML risks and compliance issues can vary dramatically from firm to firm. Most importantly, we have found that the proportion of firms that are compliant has increased year-on-year. This suggests the firms that need to make limited improvements have the commitment and ability

to make those changes. However, the percentage of firms that are non-compliant remains around 20%.

We assessed a further 364 firms via other desk-based measures. These desk-based reviews are aimed at assessing how effectively firms are applying risk-based controls and do not result in a formal judgement about compliance. They do, however, allow us to improve our understanding of risk and

compliance across the whole population and inform our ongoing allocation of supervisory resources.

During our on-site monitoring reviews we also reviewed the quality of suspicious activity reports (SARs) submitted by firms. During FY24/25, we reviewed SARs at 254 firms and found 5.9% (15) to be of poor quality.

	On-site reviews		Desk-based reviews		Total	
	Total reviews FY23/24	Total reviews FY24/25	Total reviews FY23/24	Total reviews FY24/25	Total reviews FY23/24	Total reviews FY24/25
Compliant ¹	33	42	121	188	154	230
Generally compliant	454	450	289	268	743	718
Non-compliant	158	177	57	60	215	237
Informal actions (follow-up only)	108	95	48	40	156	135
Formal actions (reprimand/ sanction)	50	82	9	20	59	102
TOTAL	645	669	467	516	1,112	1,185

¹ The categories "compliant", "generally compliant" and "non-compliant" are set by HM Treasury in their own AML Annual Report, with the accountancy professional body supervisors agreeing a definition for each.



ICAEW Quality Assurance Department

"We believe that effective CDD is essential to ensuring that firms do not become professional enablers."



Read more

→ [Customer due diligence](#)

Quality assurance monitoring results continued

In FY24/25 we found that:

- 19.4% of the firms we reviewed were compliant (FY23/24: 13.9%)
- 60.6% of the firms we reviewed were generally compliant (FY23/24: 66.8%)
- 20.0% of the firms we reviewed were assessed as non-compliant (FY23/24: 19.3%).

Most common findings

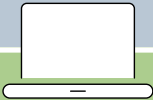
This year's most common findings, again, relate to customer due diligence (CDD). We have placed an increased focus on this in our updated monitoring methodology where we assess how well firms have conducted each stage of CDD. We believe that effective CDD is essential to ensuring that firms do not become professional enablers since it is the mechanism through which firms identify the risks and red flags in their client base and perform the appropriate mitigating actions to ensure they can provide accountancy and trust/company services to the client.

A **compliant** firm has effective systems and controls (including training) in place to minimise the likelihood of the firm's involvement in financial crime and report suspicious activity. There is evidence that these policies, procedures and controls are effectively used and reviewed on a regular basis.

A **generally compliant** firm has systems and controls (including training) in place to minimise the likelihood of the firm's involvement in financial crime and report suspicious activity. However, improvements can be made and/or there is a lack of evidence to demonstrate that the infrastructure is effectively embedded into the firm or reviewed for effectiveness on a regular basis. We ask the firm to explain what it will do to rectify the weaknesses we have identified and check the firm has made the necessary changes as part of our next monitoring review.

A **non-compliant** firm is where the systems and controls (including training) within the firm are lacking to the extent that the firm would be vulnerable to exploitation by criminals in pursuit of disguising the proceeds of crime. In these cases, we ask the firm to agree to an action plan. We will follow up with the firm to ensure those actions have been taken under powers delegated to staff (informal follow-up), or we may refer the firm to the [Practice Assurance Committee](#) (PAC) (formal follow-up). The PAC may refer the firm to the [Conduct Committee](#) for further investigation or sanction.

We may also report a firm to the PAC if, at a subsequent review, we find the firm failed to address issues raised at previous reviews. Firms should carefully review the closing record from the last Practice Assurance review and ensure they have taken action to address all the "matters requiring action".



Read more

→ [Common mistakes and the three stages of CDD](#)

Quality assurance monitoring results continued

Identifying the client	Assessing risk	Verification
<p>At 11.9% of all firms reviewed, we found that the firm had performed ineffective client identification procedures. In some cases, the firm had failed to identify all of the beneficial owners properly. In others, the firm had not properly understood the nature of the client’s business or the jurisdictions it operated in. During our reviews, we perform basic open source checks on the client and for some non-compliant firms, we identified information about the client that the firm didn’t know.</p>	<p>At 12.6% of all firms reviewed, we found ineffective risk assessment documentation. During our monitoring reviews, we re-perform the risk assessment to check that the firm has identified all the risks. We do this by reviewing the know your client information as well as open source information about the client, and cross-checking this information with sources of risks and red-flags such as the AASG Risk Outlook. Ineffective risk assessment documentation is where the firm has not documented all the same risks that we identified but where the firm is able to discuss and describe the risks.</p>	<p>At 10.2% of all firms reviewed, we found ineffective verification procedures. Where we have raised this area of non-compliance, the firm has not gathered sufficient evidence to manage or mitigate the risk identified. In some cases, the firm has simply performed more ID verification on a beneficial owner, when the money laundering risk relates to transactions in a high-risk third country. Firms must tailor their verification work to ensure they gather enough evidence to satisfy themselves that the risk of being used to launder is sufficiently reduced.</p>
Ongoing monitoring		
<p>We also found that 11.6% of all firms reviewed are not performing, and updating, their CDD throughout the duration of the client relationship. We raise this finding if there is no evidence of updated CDD on at least one of our sampled client files, or where we identify changes in the nature/structure of the client that the firm has not identified. Some of the firms in this bracket will have updated CDD on some of their clients but not all. Some firms may have considered whether there are changes but not recorded the review. In some firms, an electronic CDD system makes it difficult to document how they have updated their review.</p>		

Quality assurance monitoring results continued

Other common findings include:

- 8.3% of all firms reviewed did not have adequate procedures in place to identify and report a material discrepancy between the information they gather while carrying out their regulatory obligations on their corporate clients and the information their client has provided on the Persons of Significant Control (PSC) Register to Companies House.
- 5.3% of all firms reviewed haven't performed a regular review of the adequacy and effectiveness of their policies, controls and procedures (a compliance review).

- 4.4% of all firms reviewed haven't performed an adequate firm-wide risk assessment.

The firm-wide risk assessment and compliance review are crucial elements to an effective AML framework.

Firm-wide risk assessment

The firm-wide risk assessment gives the firm the opportunity to think carefully about its clients and services, and consider the likelihood that the firm may be used to launder money by high-risk clients through the provision of high-risk services. The firm should then design its CDD processes to mitigate or safeguard against those risks.

Compliance review

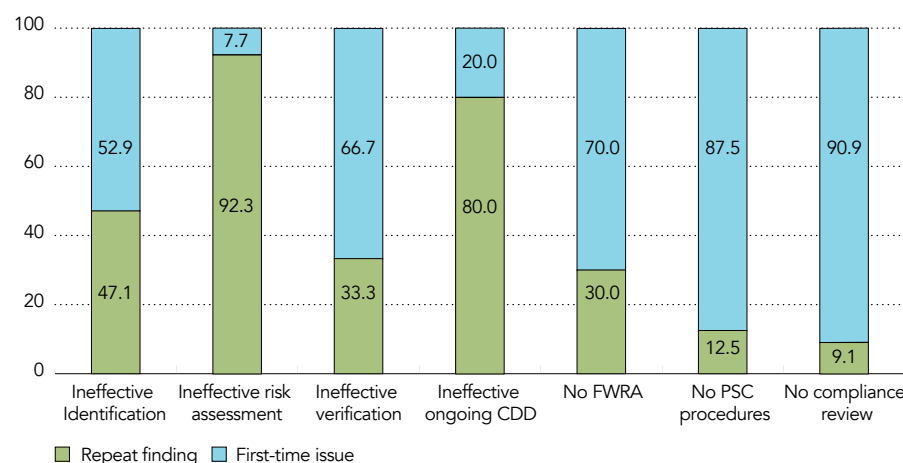
The compliance review allows the firm to look back to make sure that the firm's policies and procedures are working as intended, and gives the money laundering reporting officer (MLRO) the opportunity to identify gaps in staff knowledge of money laundering risks, policies and procedures that the firm can deal with through tailored training.

Are these findings recurring?

We have analysed the most common findings to understand whether these issues are raised at a firm for the first time, or whether they are areas of MLR17 that firms continue to struggle with. Where we find a firm has ineffective risk assessments, these are "repeat findings" in 92.3% of cases. We also find that a high proportion of firms with ineffective ongoing CDD, were previously found to have ineffective procedures in this area (80.0%). It is important that firms carefully reflect on findings from our monitoring reviews and ensure that they take effective action to rectify the areas of non-compliance identified.

The data currently shows that non-compliance with PSC discrepancy reporting and compliance review requirements are more likely to be a first-time issue. It should be noted however, that most firms are on an eight-year cycle and we have not yet revisited these areas of the MLR17.

Repeat issue v first time finding (%)



Read more

[Firm-wide risk assessment thematic review](#)

**£240-
£31,700**
range of fines applied

Enforcement outcomes

In cases where our monitoring review identifies serious concerns over compliance, we will prepare a report to the PAC setting out the key issue and our recommended course of action. The PAC has the power to award regulatory penalties to a firm where there have been breaches of MLR17. The PAC does not have the power to apply ICAEW's disciplinary sanctions and so it will refer the case to the Conduct Committee* if there are serious integrity or competency concerns or for non-cooperation.

The Conduct Committee can only impose disciplinary sanctions by consent. If the committee considers that the case is so serious that exclusion may be the only appropriate sanction, or the respondent does not consent to an order offered, the matter will be referred to the Tribunals Committee.

The following sanctions are available for the Conduct and Tribunals Committees:

- exclusion from ICAEW membership and the right to practise as a chartered accountant;
- unlimited fines;
- public reprimands; and
- conditions (usually from the regulatory committees, including follow-up review, being re-charged or not, and training).

	Number of fines	Sum of fines	Number of cancellations / exclusions
High risk	3	£9,150	-
High-medium risk	4	£38,775	-
Medium-low risk	10	£59,800	1
Low risk	-	-	1
No score	4	£39,250	-
Unregistered businesses	20	£50,731	1
TOTAL	41	£197,706	3

* Cases raised by the general public are also referred to the Conduct Committee.

Enforcement outcomes continued

Our [Guidance on Sanctions](#)² provides a flexible and comprehensive framework to deal with a variety of non-compliance and poor conduct issues. There are no limits on the fines that we can impose but the sentencing guidelines do provide a “starting point” for certain offences.

In FY23/24, the threshold for interim orders was broadened to enable temporary measures to be put in place during the investigation process if there is a clear and obvious concern that there is a risk of significant harm to the public. We applied for interim orders in a very small number of cases during FY24/25.

Case study: enforcement activity

We reviewed the AML compliance of two connected firms and identified extensive weaknesses, including no evidence of documented AML risk assessments, no evidence of ongoing review of risk for existing clients and no evidence of customer due diligence for some new clients. In addition, we identified that the AML training for staff and partners needed updating and there was an ineffective AML compliance review. The Practice Assurance Committee considered the matter and:

- **required the firm to have a follow-up review.** The firm was required to meet the cost of this review. We were satisfied the firm had made sufficient progress in improving and applying their CDD and AML procedures at the conclusion of this review; and
- **referred the non-compliance to the Conduct Department.** The Conduct Department investigated the non-compliance and, following their detailed investigation, submitted a report to the Conduct Committee which made a consent order of £31,700 and £10,400 against the two connected firms.

² ICAEW's Guidance on Sanctions is under review and changes to Disciplinary Sanctions Guidance are due to take effect in 2026, followed by a further consultation on Regulatory Sanctions Guidance.

26%

of non-compliant firms referred for formal action were in the £2m+ income bracket

Root causes: firms referred for formal follow-up

This year, we have performed an in-depth analysis of firms that we found to be non-compliant. We have assessed factors such as size of firm and whether findings were first-time issues or repeat issues.

We have also considered whether these root causes vary depending on the method of follow-up, either through informal procedures that require firms to implement an action plan under delegated staff authority or through formal processes involving the PAC.

Formal follow-up

Graph 1 reveals an interesting trend: firms with less than £300k of income are under-represented within the population of firms referred for formal follow-up action. Despite making up 70% of the supervised population, only 42% of the firms

referred to the PAC were in this group. On the other hand, larger firms with more than £2m of income are over-represented within these non-compliant firms. 26% were in this group, even though they constitute only 7% of the overall population.

Graph 1: Distribution of supervised population and firms referred for formal follow-up action



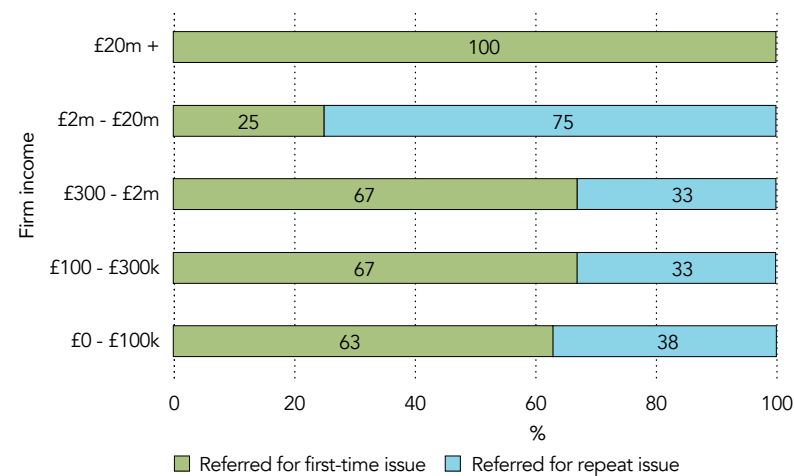
Root causes: firms referred for formal follow-up continued

Graph 2 considers whether non-compliance was a first-time issue or a repeat finding. For firms with practice income under £2m, two-thirds of referrals are for first-time issues, while around a third are repeat findings. This highlights the importance of firms reflecting on our monitoring

reviews and taking effective action to rectify areas of non-compliance. However, firms in the £2m-£20m bracket show a reverse trend, with around three-quarters of referrals relating to repeat findings, indicating a need for these firms to do more to ensure that non-compliance is

rectified and ensure standards are maintained. Notably, the very largest firms are referred for first-time issues only, suggesting they have the necessary resources and controls to address any previous areas of non-compliance efficiently and effectively.

Graph 2: Comparing distribution of first-time and repeat findings for formal follow-up



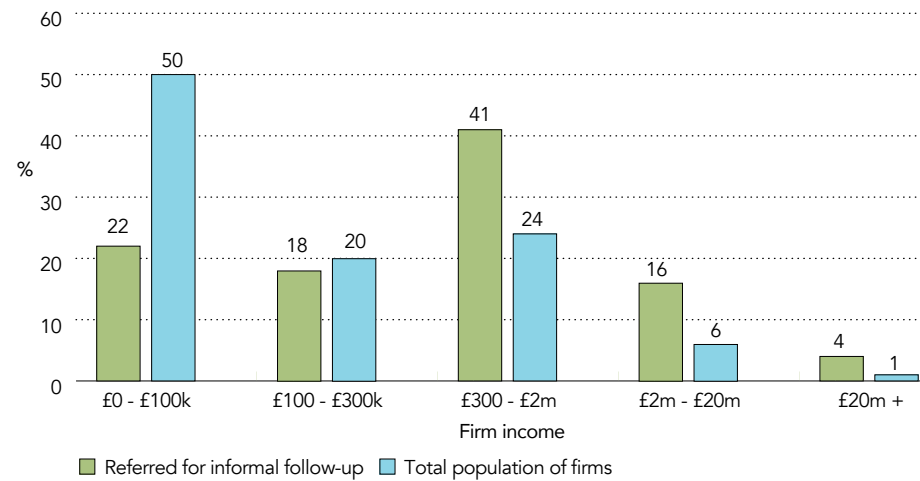
Root causes: firms referred for informal follow-up

Graph 3 shifts the focus to informal follow-up action. As we found for formal follow-up, firms with less than £300k of firm income are under-represented, with only 40% of firms required to implement an action plan falling in this bracket despite making

up 70% of the supervised population. Larger firms remain over-represented. 20% of those required to complete action plans generate more than £2m of firm income, while they only constitute 7% of the overall population.

Informal follow-up

Graph 3: Distribution of supervised population and firms referred for informal follow-up action





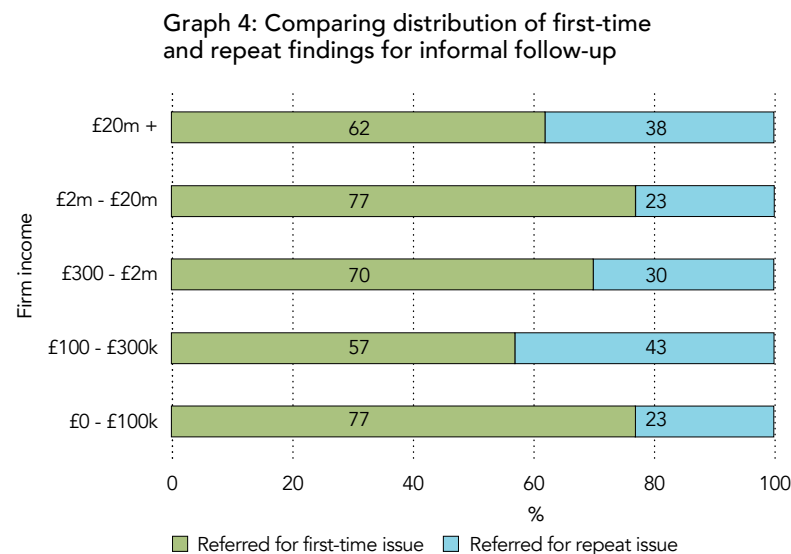
ICAEW Quality Assurance Department

"It is important that firms carefully reflect on findings from our monitoring reviews and ensure that they take effective action to rectify the areas of non-compliance identified so that they don't recur."

Root causes: firms referred for informal follow-up continued

Lastly, Graph 4 examines whether informal follow-up action was due to first-time issues or repeat findings. Generally, action plans are used for first time issues across all sizes of firm, with repeat issues ranging between 23% and 43%. It is

important that firms carefully reflect on findings from our monitoring reviews and ensure that they take effective action to rectify the areas of non-compliance identified so that they don't recur.



Other root causes

Other root causes	
Lack of knowledge/ understanding of the regulations	We generally find that firms are trying their best and will believe their compliance measures are effective, but our reviews reveal gaps in their understanding of the requirements. Many focus too much on ID verification and neglect assessing or mitigating client risks. Additionally, firms frequently fail to update risk assessments and mitigation efforts regularly.
Lack of understanding of risk	Firms overlook clear client risks and warning signs.
Long-standing relationship with client leading to insufficient checks	Firms assume that “it will never happen to them”, leading them to fail to identify obvious risks and red flags within their clients.

All Too Familiar

All Too Familiar is a high-quality educational training film created by ICAEW in collaboration with HMRC which explores the degree of trust still placed in personal and professional relationships and whether enough scepticism is being used in the fight against economic crime.

Use the film and accompanying Facilitator's Guide to help client-

facing staff think about their CDD obligations and how to identify red flags. All Too Familiar will also encourage partners and engagement leads to consider whether they should continue acting for a client and guide money laundering reporting officers on reporting suspicious activity and engaging with law enforcement.



How to watch the film

icaew.com/alltoofamiliar



Effectiveness of our supervisory strategy

We continue to monitor the compliance rate at the firms supervised during each period, as well as the number of fines and range/type of enforcement action we have taken during the year. Many of the “normal” metrics for measuring improvement or effectiveness mask the underlying picture. A comparison of findings and trends year on year presents challenges because our populations are different each year and firms benefit from the training and guidance delivered by our reviewers during their proactive monitoring reviews.

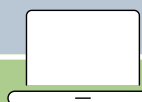
We set clear targets based on our risk-based approach for the number of proactive monitoring reviews we must perform each year, and monitor our progress against targets by regularly reporting to the ICAEW

Regulatory Board. We also set targets on how long it takes us to close monitoring reviews, and KPIs on timelines within an investigation case.

The effectiveness of our supervision can also be considered through the range of quality assurance mechanisms we have in place to ensure that reviewers and investigation officers are reaching the correct conclusion. We have both “hot” and “cold” reviews (ie, during the life of a visit/case or after it has concluded), which are conducted internally by staff as well as in the delegated powers reviews performed by the committees. These quality assurance mechanisms demonstrate that the outcomes and conclusions of our supervisory and enforcement action are appropriate.



"We recommend that firms read the NRA, alongside the AASG Risk Outlook, as together these documents provide detailed information on the threats and vulnerabilities in the UK and detail on the red flags and indicators for the key risk areas."



Read more

- [2025 National Risk Assessment](#)
- [AASG Risk Outlook](#)

Assessing money laundering and terrorist financing threats and trends

Accountancy service providers	NRA 2017	NRA 2020	NRA 2025
Money Laundering	High	High	High
Terrorist Financing	Low	Low	Low

In July 2025, HM Treasury and Home Office published the National Risk Assessment of Money Laundering and Terrorist Financing 2025 (NRA).

The NRA highlights the significant role accountants play in the UK's financial system, which makes it a target for money laundering. There are a range of services offered (such as payroll services, bookkeeping, insolvency, tax advice and audit) which can be used by criminals. While government has introduced a range of mitigating strategies to prevent this type of crime, such as regulatory frameworks and AML supervision, vulnerabilities remain - particularly in services that carry higher risks or where firms do not fully comply with the requirements of MLR17. The NRA emphasises that it is essential we continue to work towards enhancing sector-specific intelligence, improving collaboration between the public and

private sectors (and within them), and remaining alert to emerging risks to reduce the sector's exposure.

We recommend that firms read the NRA, alongside the AASG Risk Outlook, as together these documents provide detailed information on the threats and vulnerabilities in the UK and on the red flags and indicators for the following key risk areas.

High-risk service lines

The NRA sets out that several service lines within the accountancy sector are particularly susceptible to money laundering activities.

- **Providing accountants certificates of confirmation:** criminals can seek certificates of confirmation to provide the appearance of legitimacy to transactions that feature criminal funds or falsified documents and records.
- **Payroll services:** criminals may try to access these services to disguise illicit payments by falsely reporting employee numbers or salaries to move illegal funds or evade taxes. The risk increases when payroll is offered as a standalone service or when the accounting firm lacks familiarity with the client, making it easier for false information to go undetected, or when the accountancy firm is handling the client's funds and making payments on behalf of the clients.
- **Tax advice services:** accountants may facilitate tax evasion and fraudulent tax refunds, and consequently the laundering of the proceeds of those offences, where clients deliberately provide inaccurate or incomplete information.
- **Trust and company services:** these services are high-risk due to the potential for concealing the true ownership of companies and assets. Complex corporate structures appear in most case studies and typologies for money laundering.



ICAEW Quality Assurance Department

"The terrorist financing risk for trust or company service providers (TCSPs) has increased from low to medium."



Read more

→ [Trust and company service providers thematic review](#)

Assessing money laundering and terrorist financing threats and trends continued

Sector vulnerabilities

The NRA concludes that a key vulnerability of the sector is poor compliance with MLR17, as criminals will seek to take advantage of weak or inadequate risk assessments, policies, controls and procedures. In this report, we have identified that around 20% of our monitoring reviews are "non-compliant" and so one-in-five firms in our supervised population are exposed to this vulnerability.

Other key vulnerabilities are as follows.

- **Fragmentation of services:** criminals may use different firms for different accountancy services, preventing a single firm from seeing the full picture. Where a firm has access to, or knowledge of, most or all the activities and transactions of their customer, they will be better placed to understand the full picture and identify risks.
- **Supply chain:** a supply chain is created when the accountancy service is provided to an end-user via an intermediary and may compound risk by placing distance between the firm and the ultimate client.

Terrorist financing risk

The terrorist financing risk for accountancy firms remains low, with no evidence of abuse since 2020. However, accountancy firms that also provide trust and company services should be aware that the terrorist financing risk for trust or company service providers (TCSPs) has increased from low to medium. This is due to the potential for UK-based company and trust arrangements to receive funds from entities that may knowingly or unknowingly support terrorism. Firms offering such services should take note of this elevated risk and ensure they have factored this change into their firm-wide risk assessments.

The extent to which firms understand risks they face

Our assessment of firms' understanding of AML risk is that it has remained consistent – most firms have a good understanding. A limited number of firms are not identifying all the relevant risks within their clients (in FY24/25, we concluded 12.6% of firms were non-compliant in relation to risk assessment).

To reach this evaluation, we review the firm's firm-wide risk assessments and a sample of client risk assessments during both desk-based and on-site monitoring reviews to firms (both on-site and desk-based reviews). Quality assurance reviewers will compare the risks the firm has identified in its own assessments with the knowledge the reviewer has gained about the firm (taken from opening meeting discussions, annual return data and client information) to ensure that the firm-wide risk assessment is comprehensive and complete. They will use the NRA and AASG Risk Outlook as reference tools to ensure their monitoring approach is appropriate and consistent, which provides reviewers with a useful benchmark. The reviewer will also assess the mitigating actions described in the firm-wide risk assessment and ensure the firm has designed processes that will be relevant and effective to mitigate its gross risk profile as well as ensuring its staff are implementing those mitigating actions.

Looking forward

We continue to assess the risk of professional enabling within our supervised population, with the aim of identifying supervisory activity that can mitigate that risk. We are also reviewing the broad range of regulatory requirements on ICAEW members and firms that support the fight against economic crime.

ICAEW Code of Ethics

From 1 July 2025, the ICAEW Code of Ethics has new sections that relate to the role and mindset expected of accountants, focusing on the relationship between compliance with the code and the responsibility of the professional accountant to act in the public interest, and in requiring all professional accountants to have an inquiring mind. We have identified ways in which these new sections

can support ICAEW members and firms in protecting themselves against professional enabling and will provide support and guidance to link the ICAEW Code of Ethics and identifying suspicious transactions.

Responding to the 2025 NRA

The NRA has identified that there is an increasing body of evidence to suggest that accountants are involved with fraudulent confirmation statements or falsifying of accounts, either knowingly or unknowingly. During financial year 2025/26 (FY25/26), we will run a period of intensification to raise awareness of this risk area, and what our expectations are of ICAEW members and firms.

Thematic review: Suspicious activity reports

Our thematic review for FY25/26 looks at SARs. We first looked at suspicious activity reports in 2020, and will use this review to assess how processes and procedures around SARs have changed over the past five years. OPBAS has also conducted a project on SARs, publishing findings in phase one of April 2025. This thematic review, alongside the findings of the OPBAS project and UKFIU engagement activity, will provide help and guidance to support firms in submitting good quality SARs.



Read more

- [ICAEW Code of Ethics](#)
- [Anti-money Laundering Thematic Reviews](#)

Reporting breaches

Under the MLR17 we are required to report annually on:

- the measures we have taken to encourage our supervised firms to report actual or potential breaches of the regulations; and
- the number of reports received from our supervised firms about actual or potential breaches.

We received 16 reports through this channel during FY24/25 (FY23/24: 17).

This does not include other AML-related complaints that are reported through our [normal complaints process](#).

Raise a money laundering concern

We have a confidential and anonymous channel ([icaew.com/AMLconcern](#)) to enable anyone to raise a money laundering concern. Our firms, their staff and members of the public can complete the form and email it to MLCO@icaew.com

We take the appropriate steps to protect the identity of anyone who wishes to remain anonymous.

Suspicious activity reports

We have analysed how many SARs are submitted by our firms.

We have been collecting data on the topics these SARs relate to since 1 January 2025.

Our next thematic review looks at SARs to understand any threats and trends that can be identified from the latest SARs data.

SARs submitted by ICAEW-supervised firms

2025			2024	
# SARs banding	# Firms	Minimum # of SARs submitted*	# Firms	Minimum # of SARs submitted*
0	8,294	-	8,642	-
1 - 5	1,028	1,028	1,081	1,081
6 - 20	131	786	150	900
21+	42	882	42	882
2,696			2,863	

*Because we collect this data by bands, the exact number of SARs submitted is not available. We have therefore shown the minimum numbers of submitted SARs.

Duty to report misconduct

ICAEW's Disciplinary Bye-laws include a requirement for every ICAEW member, firm, or other relevant person (ie, those regulated by ICAEW) to report any information they have that indicates that any firm or individual regulated by ICAEW may have committed serious misconduct, including serious breaches of MLR17.

ICAEW disciplinary database

The [ICAEW Disciplinary Database](#) enables users to search for a disciplinary or regulatory record. The functionality of the database is a supplement to ICAEW's published list of future and past hearings, appeals and full reports of disciplinary orders and regulatory decisions made in the last five years available at [icaew.com/publichearings](#)



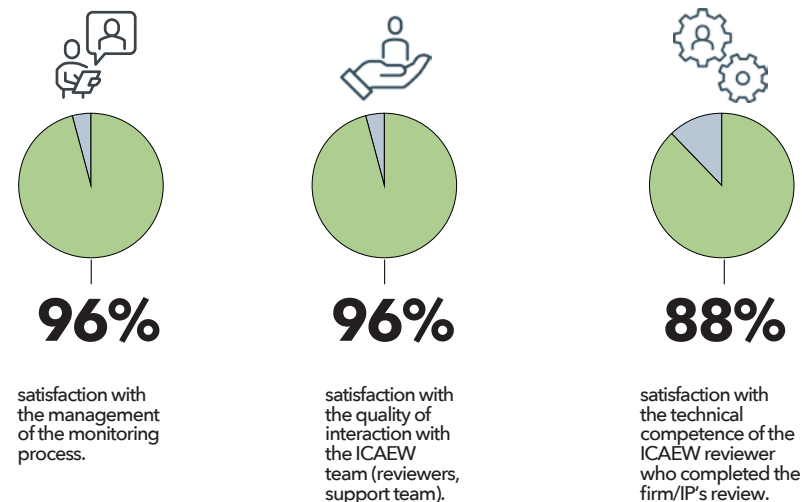
"[The review] was appropriate to the size and nature of the practice and I'm pleased to have gone through the process."

Feedback from firms

After each quality assurance monitoring review, firms are asked to complete an anonymous survey, providing feedback on the review process, the quality of interaction and the support provided.

These survey responses are collated and analysed by an independent research agency and we receive a quarterly and annual overview report which we use to support the continuous improvement of our monitoring processes and procedures.

Quality Assurance Monitoring Feedback Figures Q1 2025



Sample size: 87 respondents

413 emails sent out

21.1% response rate

Resources we produce to support compliance

It is a crucial part of our role to support our supervised population in understanding what they need to do to comply with MLR17. During the period, we have continued to publish a significant number of resources to

help our firms understand what is expected, particularly in relation to taking a risk-based approach.

All resources are available via icaew.com/AMLresources

One metric of measuring the effectiveness of our guidance and information is through engagement statistics, and feedback from the firms on how useful they have found the information we have provided. Our key metrics are shown in [Appendix 3](#).

→ [Anti-money laundering - the essentials](#)



→ [Risk Bulletins](#)



→ [AMLbites videos](#)



→ [ICAEW AML supervision webinars](#)



→ [ICAEW AML Thematic Reviews](#)



→ [Guidebook for money laundering reporting officers](#)



→ [AML Guidance](#)



→ [Regulatory News](#)



→ [Regulation and Conduct LinkedIn](#)



Appendix 1

Appendix 1: Oversight of ICAEW's regulatory and conduct work

ICAEW's regulatory and conduct work is monitored by oversight regulators including the Financial Reporting Council (FRC), the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), the Insolvency Service, the

Financial Conduct Authority (FCA) and the Legal Services Board (LSB).

ICAEW regulatory and conduct oversight structure



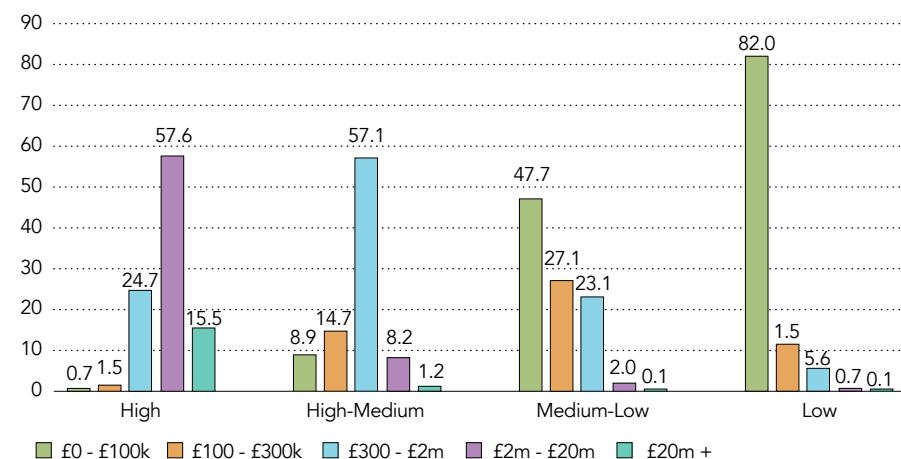
Appendix 2

Analysis of ICAEW's supervised population

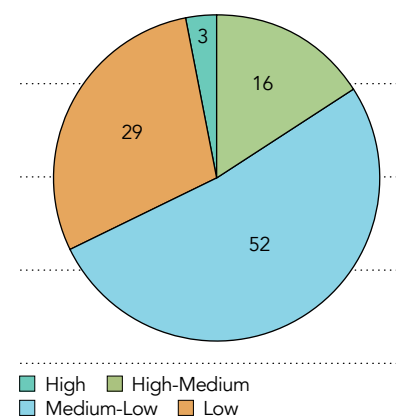
	FY23/24	FY24/25
Total size of supervised population		
Relevant firms	9,911	9,495
Total beneficial owners, officers and managers ³	30,425	31,292
Providing trust and company services		
Firms acting as trust and company service providers	6,428	6,188
Services offered:		
Company formation	4,091	4,755
Providing registered office	5,512	5,229
Arranging/acting as director/secretary/trustee	1,683	1,626

³. As defined in regulation 26.

Understanding size of firm in each risk category (%)



Risk profile of ICAEW's supervised population (%)



Appendix 3

Measuring impact - engagement and feedback

One metric for measuring the effectiveness of our guidance and information is through engagement statistics and feedback from the firms on how useful they have found the information we have provided.

We measure members’ feedback on the information and guidance provided through attendance rates, click and open rates⁴ and feedback scores. We have set out our key metrics below.

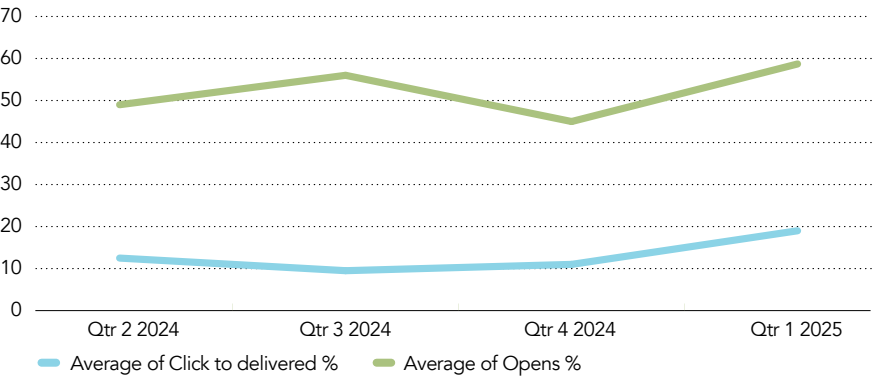
1. Webinars

Title	Date	Registered	Attended	Average webinar rating (out of 10)	Average presenter rating (out of 10)
AML: customer due diligence in practice	June 2024	2,081	1,308	8.5	8.7
2024 AML reports webinar	November 2024	1,546	911	8.45	8.6
How to prevent professional enabling	March 2025	1,362	675	8.58	8.8

2. Email campaigns

Regulatory email campaigns (results of campaign sent to MLROs and MLCPs)

AML Email Communications 2024/2025 (%)



ICAEW firm

“Excellent speakers that covered important topics in a clear and digestible way that really supports me as a sole practitioner.”

⁴ We do not report specific open rate increases or decreases, following changes in 2022 that impacted on their reliability. We do still review general patterns, however, to help us take a view on whether email engagement is increasing or decreasing.

Appendix 4

Glossary

AASG	Accountancy AML Supervisors Group	NCA	National Crime Agency
ACSP	authorised corporate service provider	NECC	National Economic Crime Centre
AML	anti-money laundering	NRA	National Risk Assessment
BOOM	beneficial owner, officer or manager	OPBAS	Office for Professional Body AML Supervision
CDD	customer due diligence The process by which the identity of a client is established, a client risk assessment performed and the process of verification, for both new and existing clients.	PAC	Practice Assurance Committee
EDD	enhanced due diligence	PEP	politically exposed person An individual who is entrusted with prominent public functions, other than as a middle-ranking or more junior official.
IDV	identity verification	PSC	persons with significant control All companies are required to keep a register of the people who can influence or control a company, that is, the PSC of the company. The register is held by the company and at Companies House.
IRB	ICAEW Regulatory Board	PSD	ICAEW's Professional Standards Department
JMLIT	Joint Money Laundering Intelligence Taskforce	QAD	ICAEW's Quality Assurance Department
KYC	know your client	ROE	Register of Overseas Entities
MLRs / MLR17 / Money Laundering Regulations 2017	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	SAR	suspicious activity report
MLCO	money laundering compliance officer	SDD	simplified due diligence
MLRO	money laundering reporting officer	SPOC	single point of contact
MLCP	money laundering compliance principal	TCSPs	trust or company service providers

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 210,000 members and students around the world. 98 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 more than 11,000 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 working towards becoming net zero, demonstrating our commitment to tackle climate change and supporting the 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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ICAEW is working
towards becoming net
zero

* includes parent companies. Source: ICAEW member data March 2025, Interbrand, Best Global Brands 2024