



29 April 2022

Rt Hon Boris Johnson MP  
Prime Minister  
10 Downing Street  
London  
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Dear Prime Minister

## **REINFORCING THE ROLE OF ACCOUNTANTS IN FIGHTING ECONOMIC CRIME**

The Russian invasion of Ukraine has highlighted the need to ensure that the UK's defences against economic crime are robust and effective. The desire to drive dirty money out of our financial systems is catalysing political will and bringing cross-party unity on the need for reform.

ICAEW is the largest accountancy professional body supervisor for anti-money laundering (AML) in the UK, supervising and monitoring around 11,000 firms for AML activity. Our strategy is to provide rigorous AML supervision through a risk-based regime, focusing our efforts on firms where the possibility is highest that they might be involved in enabling money laundering. Since the introduction of AML supervision in 2007, ICAEW has carried out more than 21,000 monitoring reviews at firms. In the Financial Year 2021/22 alone, ICAEW imposed sanctions totalling £267,000 on 53 individuals, excluded 7 members for dishonesty or fraud, and conducted over 1000 monitoring reviews.

ICAEW is uniquely placed to support you and your ministers in protecting the public interest and cracking down on so-called 'professional enablers': we chair the Accountancy AML Supervisors Group, and we sit on government's Economic Crime Strategic Board and Joint Fraud Taskforce, and the Fraud Advisory Panel.

Last month, ICAEW hosted the top 20 UK accountancy firms and other AML supervisors and accountancy oversight bodies for the premiere of our latest training film, *All Too Familiar*. This film, co-produced with HMRC, explores the degree of trust still placed in personal and professional relationships and looked into whether enough scepticism was being used in the fight against economic crime. This launch, which opened with a keynote speech by the Economic Secretary to the Treasury, is a good example of our proactive work to train and equip chartered accountants to detect and deter economic crime.

ICAEW commends the government for the pace with which the Economic Crime (Transparency and Enforcement) Act 2022 was taken through Parliament. ICAEW Chartered Accountants, in practice and in business, will play the fullest possible role in making these measures effective.

### **ICAEW**

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However, as you know, there is much more to be done. Turning to the further legislation planned for the next Parliamentary session we believe there are three specific areas where the government could - acting in the public interest - both strengthen the regulation of accountants and make them even more efficient gatekeepers to the UK's financial systems:

- **Make 'accountant' a protected title:** ICAEW is strongly of the view that the government should make the term 'accountant' a legally protected designation. The use of comparable titles in other professions, such as 'solicitor' and 'architect', is rightly restricted by law to properly qualified individuals, who are subject to ongoing technical, ethical and disciplinary oversight by a recognised supervisory body. It is anomalous that this level of assurance does not apply to accountancy, and we believe that removing the ability for unregulated advisers to represent themselves as accountants would be another significant step in protecting the public, and the public interest.
- **Facilitate information sharing by accountants:** ICAEW welcomed the announcement from the Home Secretary that the forthcoming economic crime legislation will contain measures to provide businesses with more confidence to share information on suspected money laundering. We believe it is essential this legislation is drafted to cover accountants and accountancy firms, and include a 'legal or professional duty or right' to disclose as is required under the Code of Ethics, thereby allowing for the sharing of information received in confidence.
- **Improve intelligence sharing by law enforcement:** ICAEW takes AML intelligence-gathering about our firms seriously, but we receive very limited intelligence from the authorities if and when any firm that we supervise is suspected of involvement in money laundering. AML supervisors, such as ICAEW, want to be part of the efforts to drive 'professional enablers' out of business. Where law enforcement has cases where our firms are involved, we want to know so we can act. ICAEW would welcome the opportunity to work with government to extend information sharing powers to law enforcement, ensuring that they are implemented in a practical and effective manner.

Your government's forthcoming bill on economic crime, alongside HM Treasury's response to their *Review of the UK's AML/CTF regulatory and supervisory regime*, provides an opportunity to isolate and eliminate the so-called 'professional enablers'. The proposed reforms set out above would significantly strengthen the ability of accountancy regulators, and the wider profession, to fight economic crime.

ICAEW would be happy to work with you and your government, as well as other stakeholders, on introducing these measures in the next parliamentary session. I have shared this letter with the Chancellor of the Exchequer, the Home Secretary, and the Business Secretary for their information.

Yours sincerely



Michael D M Izza  
Chief Executive, ICAEW