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Welcome to this newsletter which aims to provide you with interesting news and useful information on money laundering and related topics.

SUPERVISION BY HMR&C

Readers will be aware that accountants in public practice, known as Accountancy Service Providers or ASPs in the jargon, fall within the 'regulated sector' for the purposes of the Money Laundering Regulations 2007. In consequence they are required to have their compliance with the regulations monitored by an external supervisory body.

ASPs who are members of one of the professional bodies which is a supervisory body recognised in the regulations are monitored by the their professional body. All other ASPs are to be monitored by HM Revenue and Customs.

Before the 2007 regulations were introduced it was estimated by HM Treasury that approximately 40,000 ASPs would be monitored by HMR&C.

I have recently learned that, in the event, less than 3,300 ASPs have registered with HMR&C as their supervisory body.

The question is, "Why have so few ASPs registered with HMR&C?"

There are a number of possible explanations. It could be that the original estimate of 40,000 ASPs operated by accountants who were not members of a recognised professional body was a huge over-estimate. It is certainly the case that, since that estimate was made, additional bodies have been recognised by HM Treasury as appropriate supervisory bodies for accountants. So members of those additional bodies have not, in the event, been obliged to register with HMR&C.

However there remains a real possibility that there are a large number of ASPs who ought to have registered with HMR&C but have not done so. It remains to be seen what steps, if any, are to be taken to identify such ASPs and cajole them to register.

NEW LAW JOURNAL

Last month in this newsalert I commented upon the difference in practice between the operation of confiscation legislation in England and Wales, on one hand, and in Scotland, on the other, particularly in the prosecutor's approach to the calculation of benefit,.

Following that I was invited to write an article which was published in the New Law Journal on 23 November. The article also deals briefly with circumstances in which a benefit figure, once enshrined in a Court Order, can come back to haunt the offender many years later.

ANNUAL REPORT FROM SOCA

SOCA has recently published its annual report on the operation of the Suspicious Activity Reports (SARs) regime. The report covers the year ended 30 September 2008.

There is an immense amount of detail in the report - rather too much to go into here - but one interesting feature is that there has been a slight fall in the number of SARs submitted to SOCA in the year from, in round figures, 220,000 to 210,000.

In line with that fall in total SARs submitted the number of SARs from accountants fell from 8,110 to 7,354. There was a sharp fall in the number of SARs from solicitors from 11,300 to 6,460.

Over 5,700 organisations submitted one or more SARs to SOCA in the year, but the top 20 of those organisations accounted for approximately two-thirds of all the SARs submitted. Not surprisingly, the majority of SARs submitted came from the banking sector.

There continues to be a steady reduction in the number of reports submitted on paper.

SOCA are planning developments in their IT facilities and have already embarked on some interesting data matching exercises comparing, for example, persons subject to confiscation orders with those named in SAR consent requests. They have also located from SARs received 180 missing individuals wanted for crimes ranging from traffic offences to murder.

The annual report, which can be downloaded from the SOCA website, also gives interesting figures on law enforcement outcomes in cases in which SARs have featured.

FIRST TIME UNLUCKY

Mr Michael Wheelhouse earned a footnote in history last month as the first individual MLRO handed down a personal financial penalty by the FSA.

A penalty of £17,500 was imposed on Mr Wheelhouse personally as MLRO in respect of his failures in overseeing and implementing the anti-money laundering systems and controls at Sindicatum Holdings Ltd in the period from October 2003 to September 2007.

The FSA says it imposed the penalty on Mr Wheelhouse for failures in respect of the identification of his firm's clients, including overseas based clients.

If you require any assistance or have any queries concerning issues related to forensic accountancy, proceeds of crime or money laundering contact d.winch@AccountingEvidence.com or visit our website www.AccountingEvidence.com.

Kind regards

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