



**AML Refresher Training**  
For all staff with a client facing role in an accounting practice

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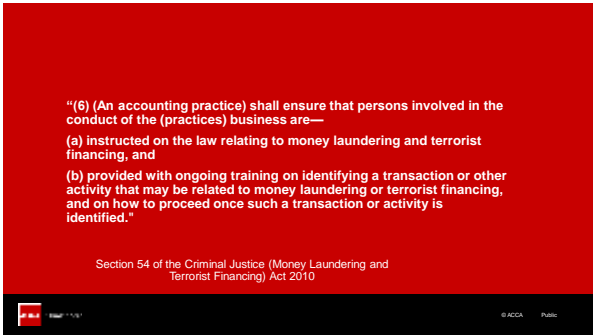
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"(6) (An accounting practice) shall ensure that persons involved in the conduct of the (practices) business are—  
**(a) instructed on the law relating to money laundering and terrorist financing, and**  
**(b) provided with ongoing training on identifying a transaction or other activity that may be related to money laundering or terrorist financing, and on how to proceed once such a transaction or activity is identified."**

Section 54 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010

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**The law**

- Criminal Justice (Terrorist Offences) Act 2005 (as amended);
- Criminal Justice (Terrorist Offences) Amendment Act 2015;
- Criminal Justice (Money Laundering and Terrorist Financing) Act 2010;
- Criminal Justice Act 2011;
- Criminal Justice Act 2013;
- Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018;
- Criminal Justice (Corruption Offences) Act 2018;
- Investment Limited Partnerships (Amendment) Act 2020;
- Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021
- Criminal Justice (Theft and Fraud Offences) (Amendment) Act 2021.



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**Guidance on the law**

- <https://www.accaglobal.com/ie/en/technical-activities/technical-resources-search/2019/may/aml-guidance.html>
- Industry wide guidance is available to download
- Companion reading to this presentation



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**What is money laundering offence – the legal definition**

- knowing or believing (or being reckless as to whether or not) that property is or 'probably comprises' the proceeds of criminal conduct, engages in any of the following acts in relation to the property:
- Concealing or disguising the true nature, source, location, disposition, movement or ownership of the property, or any rights relating to the property;
- Converting, transferring, handling, acquiring, possessing or using the property;
- Removing the property from, or bringing the property into, the State.

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**Traditional money laundering model**

<b>Placement</b> Money paid into cash business	<b>Layering</b> Mixed with business proceeds, tax and VAT paid etc.	<b>Integration</b> Drawn as salaries, etc. from legitimate business
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**Anti-Money Laundering – serious crimes covered by legislation**

- **Drugs**
- **Financing Terrorism**
- **Theft**
- **Fraud**
- **Carousel fraud**

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**Anti-Money Laundering – some less serious crimes also covered**

- Bribery & Corruption
- Price fixing
- Incorrect tax returns
- Tax evasion
- Income tax fraud
- VAT frauds




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**Our practice does not have an Anti-Money Laundering problem because all our clients:**

- Have a licence for all their software
- Have planning permission for all of their buildings and developments
- Have disclosed all of their income for tax purposes
- Include all Christmas bonuses in the PAYE records
- Never watch pirated films and other content on the internet
- Never copy music without a licence

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**Our practice does not have an Anti-Money Laundering problem because all our clients:**

- always paid occasional staff through the PAYE system
- Never pay for small building jobs in cash and VAT is always included
- all non national staff will have the correct work visas
- Pay staff at least minimum wage
- Dispose of all their rubbish and waste in the correct way

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**What does proceeds include?**

- Tax evasion
- Include "saved costs" arising from illegal acts
- There are no "de minimis" concessions

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**Some real examples**

- A new client deposits cash into your client account to allow you bid on a property/business at auction. No information on the source of the cash
- Client deposits cash into your client account to pay the premium on a life policy – policy later surrendered early
- The client makes an underpayment error in a CAT return. The client refuses to remedy the error
- Ethnic restaurant operator asked you to do the conveyance of his currently rented restaurant to his uncle in his home country whom he will rent from in future – payment is by bank transfer from a black or grey listed country.

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**Some more examples**

- Client in the news for drug dealing
- Settlement made at revenue audit for unrecorded sales
- You spot a “milk” truck delivering diesel to the clients petrol station
- The client operates a “cash only, no receipts” diesel pump at the back of this garage
- A loan is obtained from a third party to finance the business
- Client buys property in Spain – no explanation for source of funds

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**Some more examples**

- Client in a cash business is accepting cash from another business and issuing cheques in exchange
- The clients bank account is being used to lodge other peoples money
- “Business angel” from foreign countries investing in local firm
- The use and acceptance of the “Bin Laden” bank note (€500)

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**Some more examples**

- Crypto currency – trading in
- Fake charities
- Charities making payments to unvouched persons
- Purchases or sale of assets at under or over value (trade based laundering)
- Payments to “consultants” in tax havens

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**People trafficking**

- Lots of airfares
- Lots of taxis
- Short term Airbnb rentals
- Mobile phone top ups
- Payments to ISPs (usually small amounts for advertising)
- Wages are all the same/paid to one shared bank account

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**People trafficking**

- Wages too low for hours the business is open
- Excess profits
- Almost all customers using debit cards when there should be more cash used
- Round sums and too consistent

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**Construction**

- Purchase and sale of machinery at above or below value
- Inconsistent payments to subbies
- Materials used not consistent

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**Cash businesses**

- Margins too high or low
- Payments to outside the country
- Business levels inconsistent with recorded sales
- “cash only”
- insufficient profit to support lifestyle

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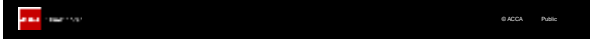


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**Other red flag**

<https://bit.ly/3FML6aY>

[www.accaglobal.com/technicalireland](http://www.accaglobal.com/technicalireland)



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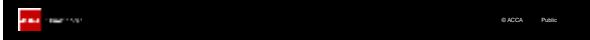
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**The legal requirements in summary**

Staff in an accounting office

- Understand what money laundering is and how it is done
- Keep up to date on money laundering trends
- Risk assess every client or update existing risk assessment
- Perform customer due diligence (CDD)
- Inspect and update CDD as required
- Be aware to money laundering by clients
- Report to the AMLRO if you suspect money laundering



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### Risk assess every client or update existing risk assessment

Every new client needs to be risk assessed

- Service risk
  - Geography
  - Industry/sector
  - Networks
  - Delivery channel risk
- } Documentation of these is necessary
- If the client is a Politically Exposed Person (PEP) the risk form needs to be signed off by the AMLRO




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### Risk based approach

<https://bit.ly/3K2MkSa>




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### Risk assessment

- Update every year
- Update if circumstances change
- Usually just an initial and date "no change"
- High/medium/low risk
- 60% medium (really means "normal" risk)
- 10% low (really means designated persons)
- 30% high (all cash businesses)

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## Perform customer due diligence (CDD)

On all beneficial owners (25%)

On a risk-based approach: the directors

- Identification required is based on risk
- Number of identification documents is based on strength of document received



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## CLG

- Any 25% owner
- if no 25% owner
  - Manager/controller

Property management company

- Use property agent for everything – CDD property agent
- Directors run the CLG – CDD the main directors



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### CDD case study

- Client sends in scans of documents
  - Risk profile them
  - If a staff member can vouch – get them to sign the documents and nothing else required
  - If it is a unknown new client – ask for originals
  - If it is non-Irish documents - ask for originals
- Local country councillor
  - Risk profile them
  - Check if on National Executive of political party = PEP
  - Check electoral register
  - Copy one bank statement from their books and records
  - Copy any Revenue correspondence
  - Supervise them closely



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CDD case study

- Elderly person – no photo ID but known to you and has proof of address
  - Risk profile them
  - Take their photo on your phone and print out and sign it.
  - Check electoral register
- Local politician
  - Risk profile them
  - AMLRO has to approve onboarding
  - Get Leinster House official profile page – print out
  - Check electoral register
  - Copy one bank statement from their books and records
  - Copy any Revenue correspondence
  - Supervise them closely

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CDD case study

- Non-national, photo ID in foreign language, no utility bills yet
  - Risk profile them
  - Take their photo on your phone and print out and sign it.
  - Use google translate on the photo ID
  - Google the persons name
  - look at social media presence
  - Look for a passport
  - Look for visa details
  - Use online verification tool
  - Can a responsible person vouch for them? – CDD the person vouching them
  - Refuse to act until you are happy you know who they are and where they live.

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CDD case study

- Long standing friend of yours
  - Risk profile them
  - Vouch their photo id yourself – document you know them
  - Get one bank statement or revenue letter
- Local criminal looking to go clean
  - Risk profile them
  - Photo ID
  - Utility bill
  - .....but scrutinise their transactions more closely.

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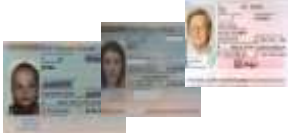
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### Inspect and Update CDD as required

Proof of address – every year  
Photo ID – when it does not look like them any more



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### CDD can't be performed

- A short delay is acceptable – e.g insolvency appointment
- But needs at least an initial assessment
- Only for logistical reasons
- Consider reason for any delay – is it credible
  
- Client refuses to provide CDD
- Discontinue relationship
- Consider reporting



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### Russian clients (as at March 2023 – check for updates)

- "established in Russia" – no
- On sanctions list - no
- Not established in Russia and not separately listed – yes
- Dual citizenship – not relevant



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### Sanction testing

- "sanction list EU"
- Create an account
- Download list
- Search Ctrl F



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### PEP

- TD's
- Senators
- Supreme court Judges
- Country Councillors (who are members of their political party's national council)
- Senior Army, ambassador, chargé d'affairs
- "immediate family member" of a PEP (spouse, child, parent)
- CDD is not an issue
- But need closer supervision
- PEP stays as a PEP for as long after as necessary
- Family member ceases to be PEP immediately



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### Be aware to money laundering by clients

You need to be aware to the possibility that a client is laundering criminal proceeds – if you are suspicious:

- Report to the AMLRO



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**Be aware to money laundering by clients**

You need to be aware to the possibility that a client is laundering criminal proceeds – if you are suspicious:  
Report to the AMLRO

Further reading  
[RISK-BASED APPROACH GUIDANCE FOR THE ACCOUNTING PROFESSION \(fatf-gafi.org\)](#)

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### Beneficial Ownership Register

- Beneficial ownership registers
- New client - check
- Existing client – check if changed

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**AML Refresher Training**  
For all staff with a client facing role in an accounting practice

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