The Chartered Institute of Management Accountants®

Anti-Money Laundering Supervision Annual Report

2024–25

Contents

Fact file

100%

of renewing CIMA members in practice (MiPs) were risk assessed

£3,250

fines in AML/CTF-related conduct cases

100%

overall compliance grading from AML/CTF compliance visits following completion of remedial actions

84

approved new MiP applications

1,631

MiPs renewed their authorisation

12

AML/CTF desk-based reviews

98%

overall satisfaction rating from our MiP conference, which included an AML/CTF update

32

AML/CTF onsite compliance visits

4

comprehensive reports on CIMA's supervisory activity were received and endorsed by the Professional Standards Committee and, subsequently, CIMA Council — the highest level of CIMA governance.

Foreword

As an anti-money laundering and counter-terrorist financing (AML/CTF) professional body supervisor (PBS), CIMA is recognised as a competent authority under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and subsequent amendments. Our work in preventing money laundering and terrorist financing is overseen by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS).

As a designated AML/CTF supervisor, CIMA remains committed to addressing the evolving risks within the regulated sector. The National Risk Assessment of Money Laundering and Terrorist Financing 2025 (NRA) highlights persistent and emerging threats, including the misuse of company and trust structures, sanctions evasion, and the increased use of complex financial products and technologies. These developments pose significant risks to the UK's national security, with criminals continually seeking to exploit the financial system for illicit gain.

National concerns are therefore central to our supervisory approach. We remain focused on protecting the integrity of the financial system and the regulated accountancy sector, recognising that management accountants in public practice are on the frontline of the AML/CTF response. To support our supervised population, CIMA continues to carry out key supervisory functions, overseeing compliance, updating members on emerging risks, monitoring standards, and taking enforcement action where appropriate.

Collaboration across the system is critical. CIMA maintains a strong engagement with law enforcement, HM Treasury, Companies House, and AML/CTF PBSs, contributing to intelligence-sharing initiatives that help identify and disrupt financial crime. These partnerships are essential in tackling the networks that facilitate money laundering and terrorist financing and in safeguarding the UK's international reputation.

In this reporting period, we have seen significant reforms under the Economic Crime and Corporate Transparency Act (ECCTA). The 2025 introduction by Companies House of the new authorised corporate service provider (ACSP) regime, including mandatory identity verification and stricter reporting obligations, marks a change in the UK's corporate transparency framework. Alongside reforms to AML/CTF supervision, the UK professional enablers strategy and the growing emphasis on measuring supervisory effectiveness reflect a regulatory landscape that is becoming both more rigorous and more focused on outcomes.

CIMA supports the objectives of the ECCTA that bring together government, law enforcement, supervisory bodies, and the private sector to strengthen the UK's defences against economic crime. In this reporting period, we have worked closely with the National Economic Crime Centre, National Crime Agency, and regulatory authorities to advance a cross-system strategy on professional enablers, and this work continues into 2025/26 and beyond.

This foreword serves as a prelude to a comprehensive supervision report that takes a deeper dive into our supervision activity across the reporting period 6 April 2024 to 5 April 2025, presents key themes from our AML/CTF supervision, and provides an approach for looking forward through 2025/2026.

Andrew Harding, FCMA, CGMA, Chief Executive Officer, Management Accounting
Association of International Certified Professional Accountants

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CIMA as an anti-money laundering and counter-terrorist financing (AML/CTF) professional body supervisor (PBS)

1.1 Governance of CIMA's AML/CTF supervisory framework

CIMA's AML/CTF supervisory framework is overseen by CIMA's Professional Standards Committee (PSC).

The PSC approves changes to CIMA's Royal Charter, Bye-laws and Regulations to ensure CIMA's professional standards and conduct regime remains up-to-date and commands the confidence of stakeholders and the public. This objective includes rigorous scrutiny of CIMA's compliance with its legal and regulatory requirements as an AML/CTF supervisor for members in practice (MiPs) under current money laundering regulations and the standards set by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS).

CIMA's governance function meets the requirements of Regulation 49 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), which requires a PBS to:

- 'Make arrangements to ensure that their supervisory functions are exercised independently of any of their other functions which do not relate to disciplinary matters' (Regulation 49(1)(a)) arrangements to ensure that their supervisory functions are exercised independently of any of their other functions which do not relate to disciplinary matters' (Regulation 49(1)(a))
- 'Provide adequate resources to carry out the supervisory functions' (Regulation 49(2)(a))

CIMA works within the requirements set out in the OPBAS Sourcebook when periodically reviewing the adequacy of its governance functions for its AML/CTF framework.

The PSC is kept abreast of the activities and changes made within the Professional Standards & Conduct (PS&C) department through reporting throughout the year. These comprehensive reports include an AML standing paper that is presented to the PSC quarterly. The paper covers AML activity within the department as well as the relevant external developments in legislation and practice. Occasionally, the Professional Standards team may request policy changes to be approved by the committee, such as those necessary to expand the scope of AML/CTF supervision to member-in-practice owned firms described herein.

The PSC and Council are kept well informed of AML activity in the department and are made aware of changes that may have an impact on CIMA's AML supervision. The PSC continues to be consulted whenever decisions outside the delegated powers of staff are to be made.

The PS&C department recently consulted with the PSC to discuss widening the scope of AML/CTF supervision to better align with the Companies House ACSP requirements, introduced under the Economic Crime Corporate Transparency Act 2023 (ECCTA) to enhance transparency. The PSC agreed to make the necessary changes to CIMA's AML/CTF processes to include the supervision of firms where they wish to act as an ACSP.

Testimonial

Peter Steel
General Counsel — CIMA
Vice President, Professional Standards and Conduct

I am proud of the ongoing and valuable work of our Professional Standards and Conduct team to protect the public and help members in the fight against economic crime. CIMA aims to be at the forefront of professional regulation by enforcing the highest standards of AML compliance among members in practice and their businesses, and by equipping MiPs and the wider membership with the tools and knowledge to prevent dirty money entering the system. This ultimately benefits clients and the wider economy.

CIMA AML supervision highlights during 2024/2025

- **PSC approved the updating** of the Professional Standards and Conduct team's AML/CTF processes to include firm supervision.
- **A firm supervision project plan** was devised to establish the firm supervision process.
- **CIMA conducted an extensive communications campaign** to ensure MiPs were aware of upcoming UK company law changes, including the requirement to register as an ACSP.
- **An AML supervision contract was drafted** for incorporated firms, limited companies, partnerships, and limited liability partnerships acting as ACSPs to permit them to be supervised by CIMA.
- **Key AML staff presented AML/CTF updates** at the 2024/25 MiP conference.
- **CIMA's risk assessment was reviewed** to ensure alignment with current and emerging AML/CTF threats.
- **Ongoing engagement continued with AML/CTF accountancy PBSs**, including CIMA's co-chair role in the Accountancy AML Supervisors Group (AASG).
- **The team supported implementation** of ECCTA 2023–2026.
- **The team continued to collaborate and share intelligence** with law enforcement and other relevant authorities.
- **The team ensured governance of AML/CTF** remained robust through ongoing upward reporting to CIMA's PSC and Council.
- **The team issued updated guidance and support** to supervised firms to ensure compliance with the money laundering regulations (MLRs).

1.2 CIMA's supervisory role

CIMA is a designated supervisory authority for accountancy services providers under Schedule 1 of the MLRs. In this role, CIMA ensures that supervised MiPs have adequate controls and safeguards in place to mitigate the risks of money laundering and terrorist financing in their practices. CIMA's role as an AML supervisor is overseen by OPBAS, housed within the Financial Conduct Authority (FCA). The FCA's key role is to set a robust and demanding supervision standard for PBSs and to facilitate collaboration, intelligence, and information sharing between PBSs and statutory supervisors and law enforcement agencies.

CIMA's MiPs provide accountancy services to the public, either in a personal capacity, as the sole proprietor of a business, as a director of a company, or as a partner in a partnership. In addition to the MLRs, CIMA's MiPs are governed by CIMA's Member in Practice Rules (MiP rules), a set of rules intended to promote best practices and protection of the public. CIMA's MiPs have a duty to abide by its laws, to observe the highest standards of ethical conduct and integrity, and to uphold the good standing and reputation of the profession. CIMA Bye-law 8 ensures that those offering accounting services to the public states must meet those standards by requiring that 'members in practice shall be registered and regulated in accordance with Regulations.'

2

CIMA's approach to AML/CTF supervision

2.1 Entry to register as a member in practice

Under CIMA's Royal Charter, Bye-laws and Regulations, CIMA has only ever regulated and supervised individual MiPs. However, this is set to change following the Companies House reforms introduced by ECCTA. CIMA will continue to supervise unincorporated sole practitioners. MiPs operating through a business (e.g. limited companies, LLPs, or partnerships) will need to ensure that their firms are also supervised by CIMA under a contractual agreement.

CIMA will continue to have existing agreements in place with other PBSs to supervise a MiP (or their businesses) for AML compliance where an agreement has already been established.

2.2 CIMA AML supervision of firms under contract

(i) Entry into AML/CTF supervision

Companies House is undergoing significant reform as a result of ECCTA. Companies House has been given greater powers to improve the accuracy and transparency of information on its registers, allowing it to take a more significant role in tackling economic crime and supporting economic growth. One of the reforms is the introduction of ACSPs.

Many MiPs operate through limited companies or partnerships. Under the new law, those firms will also have to be regulated and supervised for AML to act as ACSPs. CIMA will only supervise firms where there is an existing MiP within the firm. CIMA will enter into a contract with firms who want to act as an ACSP and will supervise the firm for AML purposes.

CIMA began enhancing its current AML processes and putting in place a contractual framework to supervise firms that intend to act as an ACSP for AML compliance.

CIMA will supervise firms where a CIMA member is a director or partner and the firm acts as an ACSP.

This will include the supervision of BOOMs within the firm, and we expect the numbers of our supervised population to increase from 2025/26 onwards. This is the first time CIMA has made such a significant change to its AML supervision since being granted AML supervision status in 2007.

There will be some key changes to CIMA's AML processes. This includes a new fee structure for firm supervision, approved by CIMA's Professional Standards Committee. CIMA's MiPs have also been informed of the new fee structure and of the requirements to bring firms under CIMA's AML supervision.

2.3. Fit and proper persons

(i) Entry into AML/CTF supervision

Under Bye-law 4 and Regulation I.19 of CIMA's Royal Charter, Bye-laws and Regulations, Members and Registered Students must declare any convictions or cautions both at the point of application and at any point in their membership. CIMA MiPs are also required to make an annual declaration to confirm that they have not been subject to criminal proceedings, by another body or tribunal, and they are required to declare whether they have been subject to disqualification as a director, or insolvency or similar, in the UK or elsewhere. Disciplinary action may be taken if a MiP (or any other member) fails to disclose criminal convictions. This allows us to ensure that all MiPs remain fit and proper persons. CIMA runs regular checks on MiPs to identify those practising without being registered. CIMA will take robust disciplinary action where necessary.

All new applicants for MiP status are checked against the FCA's Shared Intelligence Service (SIS) database as a prerequisite to entry. New applicants who have been a resident overseas during the past five years must provide further evidence to satisfy the Regulation 26 of the MLRs in line with the OPBAS sourcebook.

As part of CIMA's AML supervision of firms, CIMA has introduced a fit and proper declaration form to be completed by all BOOMs in the firm. This includes a criminality check for BOOMs who have not already been declared to CIMA. CIMA undertakes checks to confirm the BOOMs have satisfactorily completed the fit and proper declaration form as part of the firm supervision application. CIMA is unable to continue with applications for AML/CTF supervision of the firm if fit and proper declaration forms for any BOOMs are missing or have incomplete information. CIMA's supervision of firms under the arrangements described above will increase the size of our supervised population and will include all the BOOMs associated with regulated firms.

(ii) Gatekeeper role

CIMA's supervised population must meet the ongoing requirements for continuous participation in the profession. CIMA responds quickly to any notifications of criminal convictions, insolvency, or disqualification as directors. Such notifications may result from a MiP's self-declaration under CIMA Regulation 19 or from a third party. Each case is examined, and appropriate action is taken to ensure that MiPs subject to criminal convictions, insolvency, or disqualification are prevented from practising under the auspices of CIMA.

Expulsion from CIMA for any reason automatically includes the removal of a practising certificate, removal of MiP status, and removal from CIMA's AML/CTF supervision regime.

CIMA retains a record of MiPs sanctioned for any misconduct potentially linked to AML/CTF supervision.

2.4 Practising certificate

CIMA's practising certificate is a mark of professionalism. The practising certificate highlights that the holder has attained a level of competency to offer management accountancy services to the public and does so ethically and professionally. Practising certificates are issued following admission to CIMA's MiP register or following successful annual MiP renewal.

CIMA must protect the public. Therefore, we must have confidence in the integrity and standards of those who are licensed by CIMA. MiPs must uphold the high ethical standards of CIMA. To ensure that only registered and monitored MiPs are licensed, practising certificates are only valid for one calendar year. Replacement practising certificates are issued once the annual MiP renewal is completed.

2.5 The MiP application process for new applicants and applicants who are renewing their MiP status

New applicants

New MiP applicants are required to provide evidence of all mandatory registration requirements, which includes their standard terms of engagement and proof of professional indemnity insurance.

CIMA's registration processes include an assessment of the applicant's AML/CTF annual return (along with their policy, risk assessment, and client due diligence documentation), a disclosure and barring service (DBS) check for the member and any associated BOOMs, and confirmation of their fit and proper status, and further checks conducted using SIS. When a new applicant fails to provide any of the above, their application is not progressed, and further checks are made to ensure that they do not practise or attempt to practise without being registered as a MiP.

Renewing MiP status

MiPs are required to renew their status annually. This allows CIMA to confirm that practising accountants continue to have appropriate processes and documentation in place to meet the regulatory requirements. As part of the renewal process, MiPs are required to declare whether they have been subject to criminal proceedings in the intervening year.

MiPs failing to renew by the annual deadline enter lapsed status, and further checks are conducted to determine whether the member is still working in practice. CIMA has a set procedure for these members, requiring them to register within 28 days before services are stopped. If they do not comply, a referral is made to the PS&C department that may lead to disciplinary action.

3
Risk-based approach

3.1 CIMA's risk-based approach

An effective, risk-based supervision regime is an essential part of a strong AML system. CIMA utilises guidance from the Financial Action Task Force (FATF) and the NRA to implement our risk-based strategy. This strategy is revised each year and as new risks emerge. We have developed a risk assessment model that uses the information MiPs provide in their AML/CTF annual return during renewal. In addition, risk scores are adjusted to reflect those who have demonstrated poor compliance with CIMA's regulatory processes (such as continuing professional development requirements). Any disciplinary issues and intelligence received from law enforcement or other regulators are also factored into our risk analysis.

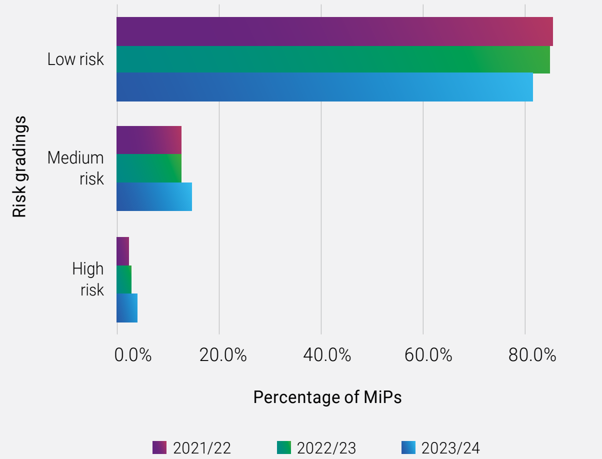
In 2024/25, 1,631 MiPs renewed their status and were assessed by the risk assessment model, compared to 1,646 in 2023/24 and 1,619 in 2022/23.

In 2024/25, our risk assessment model indicated that 4% of MiPs were considered to have a high risk exposure to money laundering. This has increased compared from 2023/24 when 2.7% MiPs were classified as high risk. This increase is because of the annual updating of CIMA's risk model and the consequent adjustment of the risk scores.

MiPs classified as medium risk account for 14.5% of the supervised population, compared to 12.5% in 2023/24. The majority of MiPs are still considered low risk, with 81.4% categorised as low risk in 2024/25 compared to 84.8% in 2023/24.

CIMA conducts a risk analysis of the AML/CTF annual return submitted by our supervised population each year. We also conduct a comparison of risk outcomes from the AML/CTF annual return analysis against the previous year to ensure risk trends remain consistent with expectations.

Risk profile of supervised members in practice (MiPs)



In this reporting period, as part of our AML/CTF supervision, we introduced a new interim monitoring process that falls in line with our risk-based strategy for 2024/25. Our interim monitoring process has been scoped as part of our risk assessment model and includes a follow-up telephone call with MiPs. This was introduced as a follow-up to confirm improvements have been maintained for those members who are considered to be high risk and were found to be non-compliant initially at their previous visit. The interim call is scheduled around 24 months after the last visit. This allows us to understand the extent of progress since the visit and, if necessary, abridge the time to the next onsite visit.

3.2 CIMA's AML/CTF Annual Return

CIMA's MiPs are required to submit a comprehensive AML/CTF annual return. CIMA interrogates the AML/CTF annual return data to analyse the extent or impact of risk factors and identify emerging risks. The AML/CTF annual return data also allows us to identify common traits and patterns that might provide insights into the exposure certain types of MiPs might have to specific risks.

The information in each section provides some insights surrounding our supervised population from our AML/CTF annual return submissions in 2024/25.

3.3 Size and types of MiPs' businesses

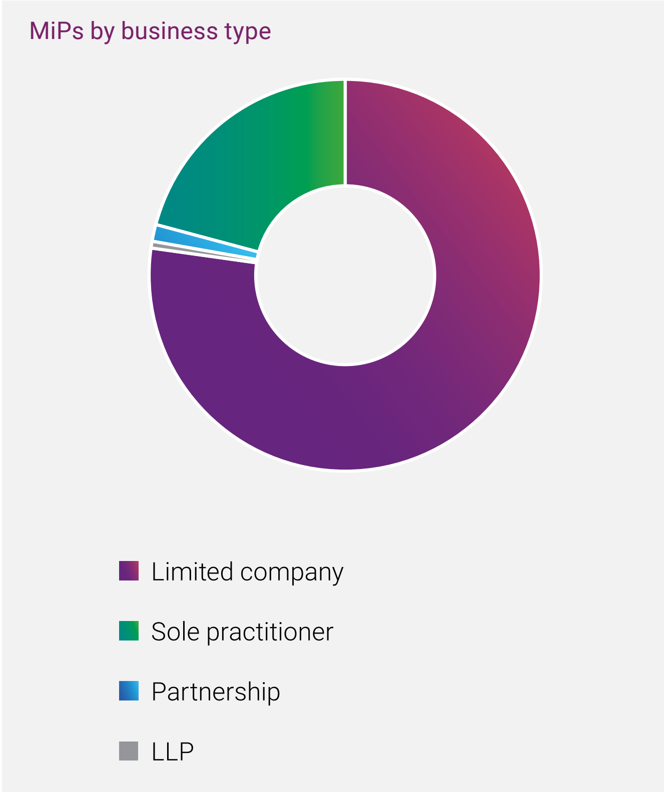
The bulk of CIMA's supervised population typically operates as micro-entity businesses, often with no, or very few staff.

We have set out the following statistical information summarised from the AML/CTF annual returns submitted by MiPs to illustrate the relative size and complexity of the practices operated by our supervised population.

Business types

The majority of MiPs (77%) operate via a limited company. MiPs operating as sole practitioners accounted for around 21% of the total population.

The remaining 2% operate via partnerships or limited liability partnerships. The mix of legal entity type operated by MiPs has changed very little compared to the previous year.



Staff numbers

Just over half (53%) of MiPs supervised by CIMA operate without any employed staff. Of the remaining MiPs, 20% employed one member of staff, 8% employed two staff members, 15% employed between three and 10 staff, and 4% operate practices employing more than 11 members of staff.

Annual turnover

A review of data provided by MiPs in AML/CTF annual returns over the last three years highlights there is very little change in respect of the number of MiPs in each turnover banding.

About one-third (35%) of MiPs reported earnings of less than £30k via their practices. This can be, because a number of members operate their business alongside other full- or part-time employments.

Just over 35% of MiPs operate businesses with an annual turnover between £31k and £100k per annum. Of the remaining MiPs, 24% had a turnover between £101k and £500K, 4% had a turnover between 500K-£1M and at the high end of turnover only 2% of MiPs reported earnings in their practices in excess of £1M.

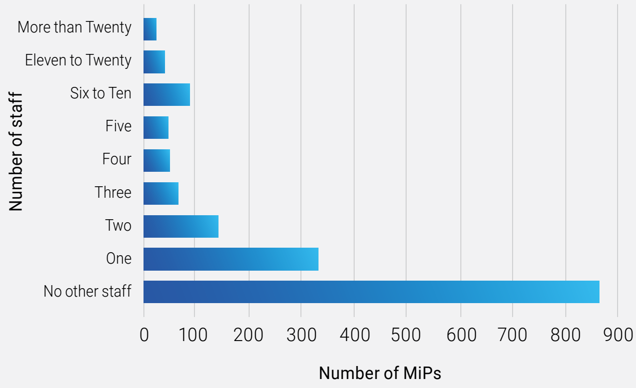
Client numbers

Supporting the observation that MiPs tend to operate very small practices, it is noted that 40% of MiPs reported acting for between one and 10 clients in 2024/25. A further 24% of MiPs acted for between 11 and 50 clients, 13% percent had between 51 and 100 clients and 20% of MiPs had between 101 and 500 clients. Just over 3% of MiPs reported acting for more than 501+ clients.

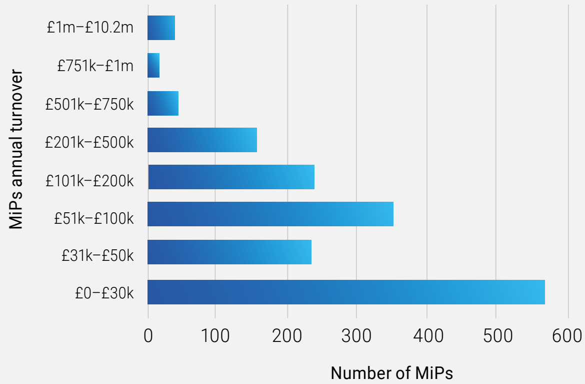
Services provided

A review of AML/CTF annual returns confirmed that there is very little change each year in respect of the services offered by MiPs to their clients. In 2024/25, the most common service offered was accountancy services (financial and management) with 93% of MiPs offering both services to clients. The second most common service was bookkeeping services with 87% of MiPs offering this service to their clients. Payroll services are offered by 70% of MiPs, and 64% reported providing taxation services. Only about 5% of MiPs reported offering handling client money. There has been a slight fall in the number of MiPs who reported that they act as a Trust and Company Services Providers (TCSPs), with 48% indicating that they offered these services in 2024/25 compared to 51% in 2023/24.

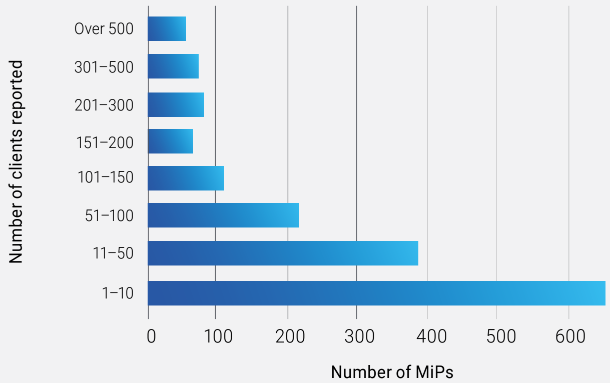
Number of MiPs analysed by numbers of staff employed



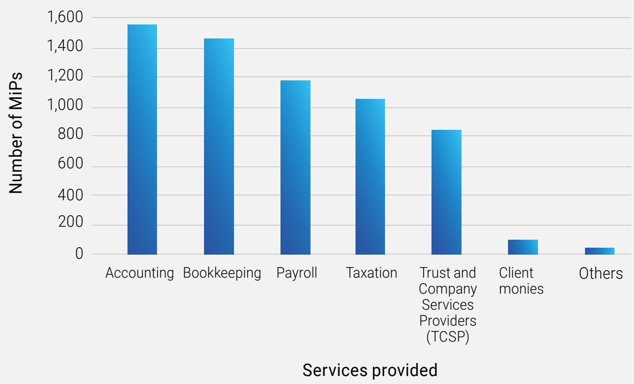
Annual turnover



Client numbers



Services provided



TCSP activities

The 2025 NRA set out that TCSP is higher risk. Organised criminals often use complex corporate structures to make it difficult to follow the movement of funds and obscure the original source of the illegitimate funds in order to launder tens of millions of pounds. With that awareness, CIMA's AML/CTF annual return requires MiPs to report on the types of TCSP activities that they provide to their clients.

The two most common services offered to clients are company formation and the provision of registered office address.

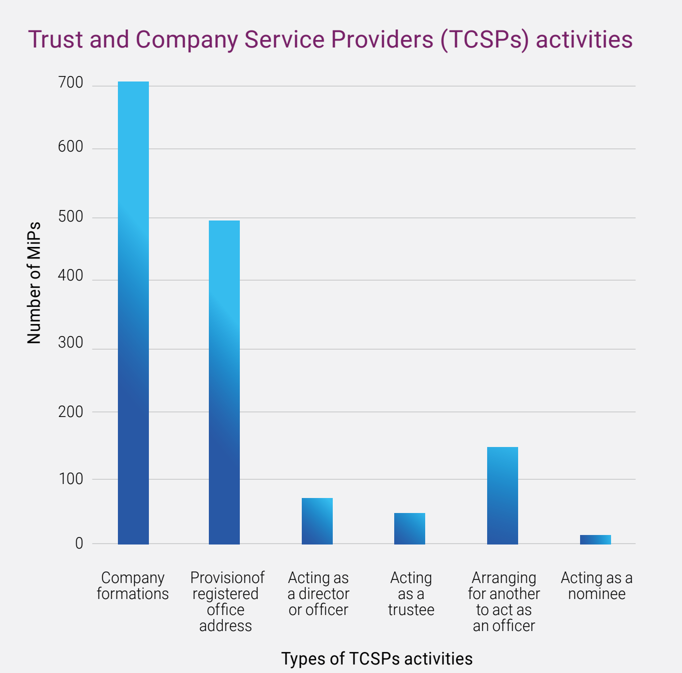
From the 1,631 MiPs who submitted their AML/CTF annual returns in 2024/25, 789 reported that they provide the two most common TCSPs:

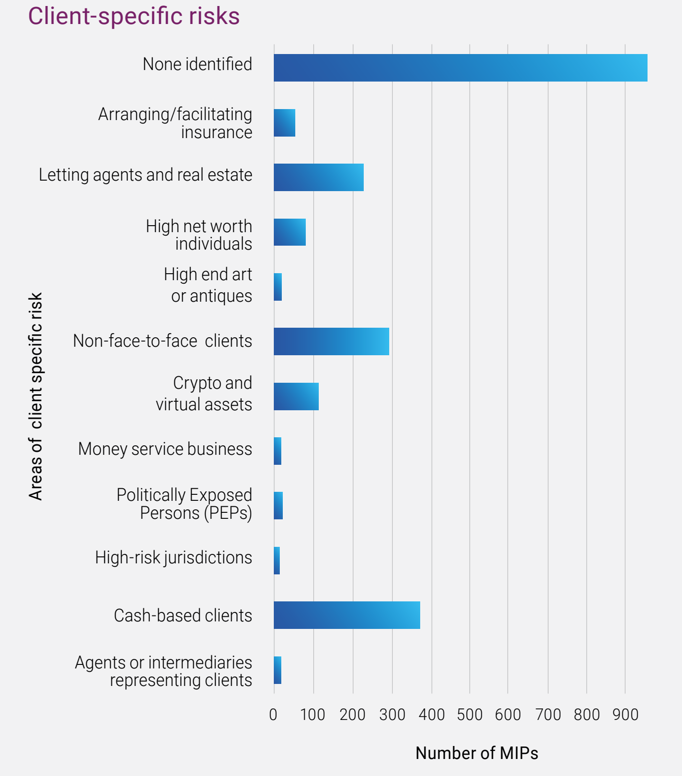
- 88% of MiPs assist clients with company formations.
- 62% of MiPs provide facilities associated with a registered office.

The majority of MiPs provide TCSP services incidentally to their core accountancy services and provide them only to clients who are also accountancy clients of their practices. TCSP activities such as assistance with company formations and the provision of registered office address are essentially add-ons to assist clients with their administrative responsibilities. This is consistent with discussions conducted during CIMA's AML/CTF compliance visits. There is, however, the recognised risk that a MiP providing a registered office address could avoid drawing attention to the client's own address and business activity and for this reason this risk factor is added into our risk assessment model.

3.4 Client-specific risks

CIMA's AML/CTF annual return completed by MiPs provides an insight into the exposure of our supervised population to various money laundering risk factors. Subsequent sections provide further insight to the most prevalent factors.





The chart illustrates that two of the most common areas of client-specific risk in 2024/25 are cash-based clients (23%) and clients that have not been met face-to-face (18%). Whilst cash remains the largest risk factor identified, the overall number of cash-based clients has been gradually falling in recent years. The number of cash-based clients was 26% in 2023/24 and 27% in 2022/23. This is consistent with evidence identified from onsite visits where the use of cash amongst clients decreased following the COVID-19 pandemic, with electronic payment becoming more prevalent.

Non-face-to-face clients

Roughly 18% of MiPs report that they act for clients whom they have not met face-to-face. This has been at a consistent level over the last three years. We recognise that this has been the norm in recent years as there has been growth in the level of virtual interactions since the COVID-19 pandemic.

Letting agents and real estate

Real estate represents a common store of wealth and value for criminal proceeds and therefore is a risk factor included within our AML/CTF annual return documentation. It is the third most common risk factor, with 14% of MiPs in 2024/25 reporting an exposure to this sector.

Crypto and virtual assets

Crypto assets are known to be used by organised crime groups (OCGs) to store and transmit funds around the world. MiPs report that 7% of clients have this exposure. This exposure has risen from 6% in 2023/24; however, this is at a level similar to that reported in 2022/23. It is difficult therefore to identify any specific trend in respect of this risk factor at this stage.

From our visit programme, most MiPs who indicate that they have some exposure to clients with crypto assets tend to report that clients are typically investing in the asset class speculatively rather than using it as an alternative to more traditional banking arrangements or methods of payment.

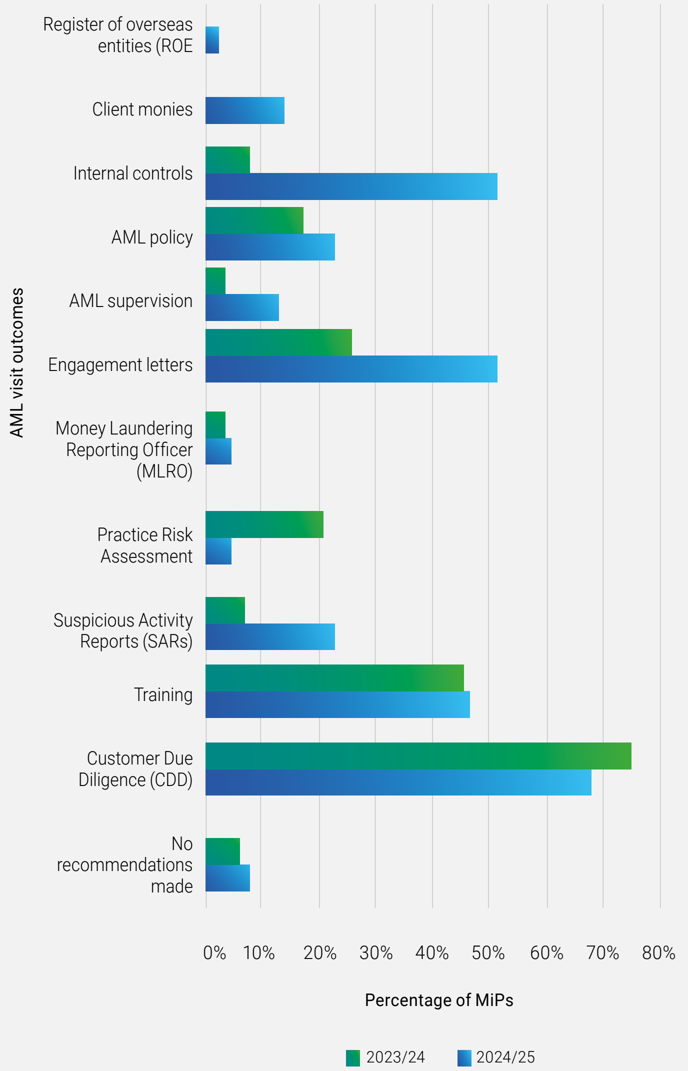
3.5 Key themes identified from our supervision

CIMA has been increasing the number of onsite visits and desk-based reviews (DBRs) conducted each year, with a total of 44 reviews conducted in 2024/25. Thirty-two visits were conducted onsite, with 12 DBRs, compared to a total of 37 visits in 2023/24, with 30 conducted onsite and seven DBRs.

Remedial actions

As part of CIMA's visit process, all MiPs are graded as either Compliant, Generally Compliant, or Non-compliant based on the HM Treasury grading system, as detailed in section 4.2 of this report. All PBSs in the UK use the same approach to grade visits. MiPs who receive a Generally Compliant or Non-compliant grading following the assessment are required to complete remedial actions within a 28-day period to demonstrate that the recommendations made have been addressed satisfactorily. Upon completion the member will be regraded as compliant.

Summary of AML visit outcomes



CIMA has robust AML/CTF processes and will require remedial actions even where there are only minor improvements to be made. Therefore, it can be very difficult for a MiP to obtain a compliant grading due to the extensive AML/CTF compliance criteria by which CIMA assesses members. To assist the MiP during this process, CIMA has a wealth of resources and expertise to support members in completing their remedial action plan.

For the year that ended 5 April 2025, 100% of MiPs who were subject to a visit or DBR have satisfactorily addressed their remedial actions, and all are therefore considered to be compliant with the provisions of the MLRs.

The key themes identified from our AML/CTF visit programme are summarised in the 'Summary of AML/CTF visit outcomes' chart:

The following paragraphs provide further details of the most common recommendations arising from CIMA's onsite visits and DBRs in 2024/25:

- Internal controls
- Customer due diligence (CDD)
- AML/CTF policy issues
- Whole of firm risk assessments
- Training

Internal controls

There are two specific internal controls issues raised in our 2024/25 visit programme:

- Screening of staff
- Independent audit function

Screening of staff

Regulation 21(1)(b) requires that relevant employees are screened prior to their appointment and during the course of their appointment. Screening includes an assessment of the skills, knowledge, and expertise of the employee and their conduct and integrity. This aspect has been given more prominence in our most recent visit programme and as a result was raised as a recommendation in 27 visits in 2024/25.

CIMA has published a fit and proper awareness declaration to assist members in achieving this requirement.

Independent audit function

Regulation 21(1)(c) requires that an independent audit function is established, although this is not required where the relevant person does not employ nor act in association with another person. The independent audit function provides a review of the MiP's compliance with the MLRs. This was an issue highlighted for improvement in 16 instances from the 2024/25 visits. To assist MiPs with this obligation, CIMA published an AML compliance review template that helps MiPs demonstrate that they have an independent audit function as required by the MLRs.

Customer Due Diligence

A robust review of CDD procedures and documentation forms a key element of CIMA's onsite visits and DBRs. The statistics illustrated in the 'Customer Due Diligence (CDD) recommendations' chart reflect a whole range of shortcomings associated with CDD documentation, from minor omissions and inconsistencies in approach to more systemic issues such as failing to record risk assessments adequately.

Improvements to CDD continue to be raised as an issue during CIMA's AML/CTF compliance visits. In 75% of the visits conducted in 2024/25, there were recommendations raised in relation to CDD documentation.

The most common issues identified were:

- Need for improvements in client-specific risk assessments.
- Limited knowledge and understanding of recorded client information.
- Incomplete identity documentation, typically observed in isolated cases where required documents were missing from the file, rather than as a result of a systematic omission of obtaining such documentation.
- Inadequate evidence or recording of ongoing monitoring procedures.
- Insufficient documentation of Persons of Significant Control checks.
- Inconsistencies in CDD documentation across different clients.

CDD is an integral element of AML compliance. It is therefore essential that this aspect is addressed consistently and thoroughly for each client. There are several commercial products available that assist members with recording their due diligence, and there are minimising risk templates available that can be used to assist members to achieve compliance with these requirements.

It is pleasing to note that all MiPs reported that they completed sanctions checks and enhanced due diligence where necessary.

AML/CTF policy issues

Regulation 19 of the MLRs requires that policies, controls, and procedures are in place to mitigate and manage effectively the risk of money laundering, terrorist financing, and proliferation financing. The regulation requires that such polices are kept up-to-date and are in writing.

The most often raised issue (16 instances) was that policies should be updated to include reference to proliferation financing risk. In five cases, the policy used was too generic and ought to have been better tailored to accurately reflect how the member's practice operated.

In another four instances, the policy provided was considered to contain insufficient detail to address all the requirements of the regulation.

CIMA has provided a template that members can utilise to customise AML/CTF policies to their UK practice. This is available on the website and is updated as necessary when changes to the regulation are implemented.

Firm-wide risk assessments

Similar to the observation raised in the AML/CTF policy above, the most common point noted in the whole of firm risk assessments was that there was no consideration of proliferation financing risks. This was an issue in 10 instances.

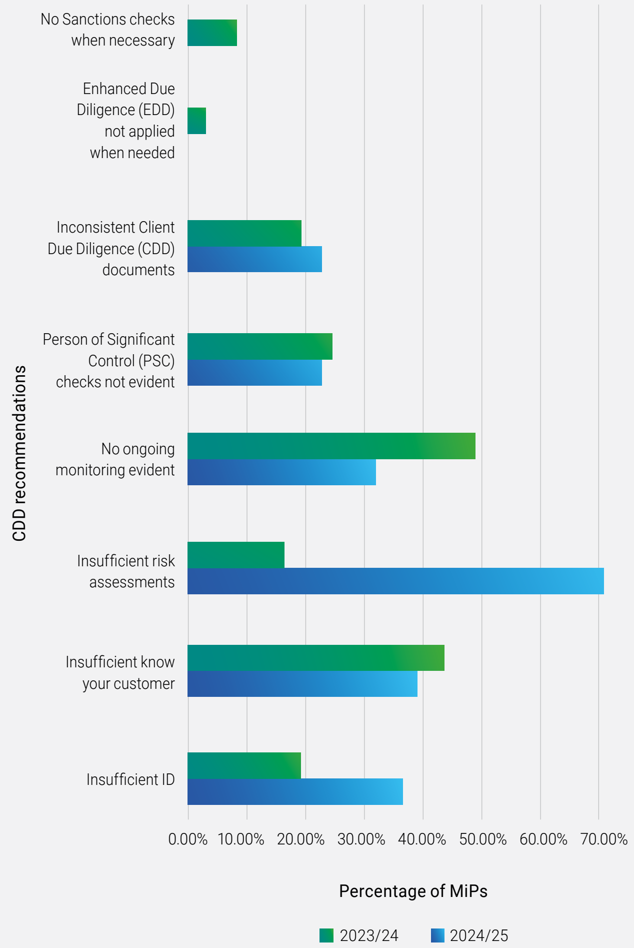
Only three members were unable to provide evidence that a whole of firm risk assessment had been undertaken. A further three members were using an out-of-date template and were advised that this needed to be updated to ensure greater effectiveness.

Training

Most MiPs were able to confirm that AML training was undertaken. The various recommendations raised in connection with training mostly referred to issues regarding recordkeeping.

For each training session, records should be maintained of attendees, the date the training took place, details of the content; when possible, the records should provide a summary of the outcomes.

Customer Due Diligence (CDD) recommendations



3.6 Emerging money laundering and terrorist-financing threats

We continue to monitor emerging threats within the accountancy sector and incorporate such risks within our risk-based strategy. Several emerging threats have been shared via the Joint Money Laundering Intelligence Task Force (JMLIT) and AASG alert communications to our MiPs. This ensures MiPs stay informed and mitigate any risks within their own practice by incorporating AML/CTF risk within their firm-wide risk assessment and monitoring tools. We will continue to monitor the effectiveness of such communication within our supervised population. CIMA continues to attend the Information Sharing Expert Working Group (ISEWG) as part of its monitoring of AML/CTF threats.

Artificial intelligence (AI)

CIMA is aware of the increasing use of AI and the risk that it could be utilised to fabricate identity documents or other documentation used in the CDD process. Whilst various AML software tools in the market are used to generate risk assessments for clients, we encourage MiPs to guard against using them blindly or complacently.

3.7 CIMA's approach to incorporating emerging threats within its supervision

CIMA actively participates in a range of industry forums on money laundering across the UK, Ireland, and the EU. The associate director of the PS&C is co-chair of the AASG in the UK. Other key AML staff, including our regulatory compliance manager, also attend AASG. We contribute to discussions on AML/CTF regulatory developments and share best practice with our supervised population.

We are also engaged in a number of public-private sector partnerships that focus on identifying emerging money laundering threats and risks, including ISEWG. Participation in these groups enables CIMA to remain alert to evolving threats and to ensure that our supervisory approach, particularly our risk-based strategy, remains well informed. Emerging risks identified through these engagements are communicated to our MiPs via our established communication channels.

We gather and assess data on emerging risks through several channels, including:

- Annual AML/CTF return submissions, which provide insight into the exposure of our supervised population.
- Analysis of existing internal data to assess exposure levels to new or evolving risks.
- Incorporation of findings from authoritative sources, including reports, advisories, and publications from the FATF, HM Treasury, OPBAS, and other open sources.

Our risk assessment model is reviewed and updated annually. It is structured to allow detailed interrogation of individual risk factors, enabling targeted analysis of specific themes, areas of concern, or emerging risks. Where increased exposure to AML/CTF risks among MiPs has been identified, these findings directly inform our supervisory planning, including visit selection for 2024/25.

Adjustments to scoring are made where appropriate to reflect the relative significance of particular risks. In some cases, a specific review of exposure may be undertaken, with outcomes feeding into our supervisory approach and selection of the visit pool accordingly.

3.8 CIMA's support of the Economic Crime and Corporate Transparency Act (ECCTA)

CIMA has actively supported the implementation of ECCTA through various measures. These include:

- **HM Treasury Effectiveness Framework** — HM Treasury is committed to the development of a framework to better demonstrate the effectiveness of its AML/CTF supervisory regime. CIMA continues to support the supervisory effectiveness framework by keeping track of metrics through our AML/CTF regulatory processes and is reflective in our AML/CTF annual supervision return submitted to HM Treasury.

- **Professional Enablers Strategy** — As co-chair of AASG, CIMA continues to support the work of the Professional Enablers Strategy. Its collaborative approach brings together all parts of the system, including law enforcement, supervisory/regulatory bodies, UK government bodies, prosecutors, and the private sector to enhance the UK's response to professional enablers by engaging the use of the knowledge, skills, and capabilities distributed across partners. AASG meetings have monitored the delivery of the strategy and the role of AML/CTF PBSs. We expect work in this area to continue 2025/26 onwards.

- **Companies House Reform** — CIMA has an information sharing agreement with Companies House to enable CIMA to share details of AML/CTF supervised firms and individuals. CIMA will continue to work closely with Companies House in the delivery of its reform and to ensure the integrity of the Companies House register.

- **Companies House/Register of Overseas Entities (ROE)** — CIMA's verification checks on the ROE list are adopted within our risk-based strategy and are considered business as usual. Where CIMA has found members offering ROE services whilst unsupervised for AML supervision, their details are supplied to Companies House and they are referred to the CIMA conduct processes.

3.9 External changes in our approach to supervision

CIMA responds promptly to external triggers that introduce new or increased AML/CTF risks, such as regulatory changes or typology updates issued by external bodies. In these instances, we review our strategic approach to ensure that supervisory resources are directed to the areas of greatest need and that our framework remains proportionate, risk-based, and robust.

To maintain this responsiveness, we conduct both external and internal AML/CTF risk assessments, systematically evaluating risk factors that could impact CIMA's supervisory framework. This includes considering developments in international financial crime trends as well as risks specific to our supervised population.

Our ability to identify both international and domestic risks is strengthened through active participation in information sharing forums, including AASG, Anti-Money Laundering Supervisors' Forum (AMLSF), ISEWG, Republic of Ireland equivalents and updates from Public Private Threat Groups (PPTGs).These forums provide timely intelligence on emerging threats, support cross-sector collaboration, and enhance our capacity to adapt supervisory priorities in line with evolving risk.

3.10 Financial sanctions

Compliance with Russian sanctions imposed by the Office of Financial Sanctions Implementation (OFSI) is now an integral part of all onsite visits and DBRs. Overall exposure to Russian sanction risk within CIMA-supervised populations remains relatively low. Where higher exposure is identified, we conduct onsite visits to assess compliance, provide guidance, and support mitigation efforts. This proactive approach facilitates communication and helps us monitor evolving risks.

During this reporting period, CIMA published several articles directing MiPs to the latest OFSI guidance. This included guidance for high-value dealers and art market participants on navigating UK financial sanctions and reporting obligations. OFSI also published its first Financial Services Threat Assessment Report, highlighting key evasion risks, red flags, and recommended mitigation strategies. This report provides MiPs with practical insights into OFSI's work following the Russian invasion of Ukraine in February 2022, particularly regarding financial services risk.

4

CIMA's AML/CTF supervision tools

4.1 Visit selection

We utilise our risk assessment to select a proportion of MiPs to visit within each visit cycle.

We have developed a comprehensive work programme used for all visits. The work programme includes checks to ensure that the MiP is complying with the Money Laundering Regulations' requirements as expected. The visit programme we use on each visit is frequently updated to ensure new and emerging risks are incorporated into the work conducted during a visit. We focus our resources on those MiPs considered to have a higher potential exposure to money laundering risks. In the last three reporting periods, CIMA has almost doubled the number of visits. CIMA carried out 44 visits in 2024/25, compared to 37 visits in 2023/24 and 24 visits in 2022/23. With the new additional resource set to carry out onsite visits and DBRs, we expect the number of visits to continue to increase in the next reporting period.

We collate the outcomes of each visit and report annually the outcome of our visit programme. This is typically shared in this public report as required by Regulation 46A of the MLRs. Throughout the year, we have also discussed and presented visit statistics via webinars and at CIMA's annual MiPs conference.

Whilst our resources focus on high-risk MiPs, we also conduct random visits to a number of MiPs categorised as low or medium risk to help us confirm the effectiveness of our risk-based strategy and to verify the compliance of a cross-section of MiPs.

Visit selection case study

CIMA's MiP rule 8 states: 'Members in practice must comply with any scheme operated by the Institute, which includes procedures for monitoring compliance with the provisions of these rules. This requirement extends to members in practice who have had their practising certificates suspended or withdrawn in so far as is necessary for the Institute to fulfil its regulatory responsibilities'. This means, when a MiP is selected for an onsite visit or a DBR, they are required to follow through and comply with CIMA's monitoring processes. CIMA undertakes robust processes when conducting onsite visits and DBRs. MiPs who fall short of the compliance assessment are required to undertake remedial actions within 28 days. When a MiP fails to provide satisfactory evidence during this period, CIMA will take necessary enforcement action, which may include disciplinary action. A case study demonstrating enforcement action during the 2024/25 reporting period follows:

Following an AML/CTF compliance visit to a MiP, a small number of recommendations were raised and as a result remedial actions were required before the MiP could be considered compliant with the MLRs. The MiP took longer than the permitted 28 days to complete their remedial actions. Subsequent reminders were issued without a response being received.

A 'Notice to Comply' letter was issued, which was followed up by a suspension of the MiP's practising certificate as the MiP had still not provided the requested information.

This meant the MiP was not permitted to offer services to the public as defined in Member in Practice rule 2. Once the MiP had responded and had satisfied us that they had fully complied, the suspension was lifted.

This demonstrates CIMA's robust and proportionate AML/CTF processes and enforcement action against a MiP when AML/CTF compliance failings were identified.

4.2 AML/CTF compliance visit process

The purpose of the AML/CTF compliance visit is for CIMA to monitor its supervised population, take measures to ensure compliance with regulatory requirements, and carry out a visit programme that is robust and upholds the reputation of CIMA as an AML/CTF supervisor. During the visit, CIMA scrutinises the effectiveness of the measures in place to ensure that there are robust processes to mitigate the risks of money laundering and terrorist and proliferation financing. CIMA also reviews the quality of suspicious activity reports (SARs) to ensure that reporting where necessary is carried out in line with the money laundering legislation. If there are gaps in knowledge, we advise on best practices and offer guidance. When we identified the need for improvement, this is discussed in detail with the MiP during the assessment. We always endeavour to assist MiPs with understanding their obligations under the MLRs. Persistent failure to meet the obligations is dealt with by regulatory action through our conduct processes.

AML/CTF compliance visit testimonial

Joanna Fox, ACMA, CGMA
MiP
Money Talks Accountancy Services Ltd.
Peterborough, Cambridgeshire, UK

Like many practices, we initially approached the prospect of a CIMA AML/CTF onsite visit with nervous anticipation. The idea of being reviewed against regulatory standards naturally carried a degree of pressure. However, the experience turned out to be far more constructive and reassuring than we expected.

The CIMA assessment team carried out the review with professionalism and clarity, quickly putting us at ease. The process was not only comprehensive but also highly supportive. They recognised the strengths of our existing AML framework and provided valuable, practical recommendations on areas for enhancement. What stood out most was the constructive nature of the process — it was clear that the aim was not to catch us out, but to help us build resilience and embed best practices to ensure quality and robustness of our AML procedures in day-to-day operations.

In addition to the visit itself, CIMA's many AML/CTF tools, templates, and guidance documents were invaluable in our preparation. These resources ensured we had the right structures in place, and they continue to serve as practical aids in the ongoing management of our AML obligations.

What began as a source of stress and apprehension ultimately became a confidence-building exercise. The visit strengthened our compliance framework and reinforced our commitment to upholding the highest professional standards.

AML/CTF compliance visit testimonial

Alison Robinson, ACMA, CGMA, FCMA,
MiP
SV Finance Services Limited
Ashford, Kent, UK

The onsite AML visit conducted by CIMA was a refreshing change from other reviews/audits I have experienced. It was conducted in a collaborative way and was as much about education and sharing of experiences and knowledge and how best to apply the legislation to our own practice as it was about making sure, we were applying the appropriate regulations to cover our legal duties.

All points raised were discussed prior to the report being sent out so there were no surprises when the report was received.

Overall, it was a great experience and a valuable opportunity to make sure we are covering all aspects of this complicated legislation to the best of our ability.

CIMA uses the HM Treasury grading to classify MiPs as Compliant, Generally Compliant, and Non-compliant for all visits as set out here:

Compliant	Effective systems and controls (including training) in place to both minimise the likelihood of the practice's involvement in financial crime, and report suspicious activity, with evidence that this infrastructure is used and reviewed for effectiveness regularly.
Generally compliant	Systems and controls (including training) in place to both minimise the likelihood of the practice's involvement in financial crime and report suspicious activity, but improvements can be made, and/or there is a lack of evidence to demonstrate that the infrastructure is embedded into the practice or reviewed for effectiveness regularly.
Non-compliant	Systems and controls (including training) within the practice are lacking to the extent that the practice would be vulnerable to exploitation by criminals in pursuit of disguising the proceeds of crime.

4.3 Desk-based review process

Our DBR process is aligned with HM Treasury's definition of a DBR.

When a DBR is conducted, the approach is broadly the same as that of an onsite visit. However, documentation such as policies and procedures and the sample of CDD documentation is submitted to the reviewer and reviewed remotely.

If the MiP is operating on a modest scale and the perceived risk is low, a DBR will be considered. Larger, more complex practices will more likely be subject to an onsite visit. If issues or concerns were to arise during a DBR, we reserve the right to also conduct an onsite visit of the practice.

In 2024/25 CIMA conducted 12 DBRs, compared to seven DBRs in 2023/24.

4.4 Interim monitoring

When recommendations are made during a visit, remedial actions are required to demonstrate that the recommendations made have been implemented. MiPs are considered compliant once the remedial actions have been concluded satisfactorily.

We are keen to see that AML/CTF compliance improvements within the MiP's practice have been maintained following a visit. During the 2024/25 monitoring period, CIMA developed a new interim monitoring process that was rolled out primarily to MiPs who were considered to have a higher potential exposure to money laundering. We conducted three interim monitoring reviews in 2024/25 and found that these reviews worked well and did not highlight any requirements to bring forward AML/CTF compliance visits. We anticipate continuing interim reviews in the next monitoring period (2025/26).

5

Intelligence and information sharing

5.1 Intelligence-sharing with other PBS and law enforcement

We cooperate with other supervisory authorities, HM Treasury, and law enforcement to share intelligence. Such requests are dealt with as a priority. Regulation 52 of the MLRs provides a gateway between relevant authorities, including other PBSs, to share information for purposes connected with the discharge of their supervisory functions. We use the criminal justice secure mail system to share sensitive information with relevant bodies.

5.2 Shared Intelligence Service (SIS)

We subscribe to the SIS, which is overseen and maintained by the FCA. As a SIS member, we respond to intelligence-sharing queries from other SIS members and proactively upload intelligence onto SIS. We have a policy on the use of SIS that is approved by CIMA's PSC. The PSC reviews our SIS policy periodically to ensure it remains in line with current information sharing requirements and best practice.

5.3 Concerns about money laundering in CIMA's supervised population

We have an independent, dedicated money laundering reporting hotline for anonymous and confidential disclosure of concerns. This is a designated reporting hotline for employees or clients of a CIMA MiP. Employees or clients can contact the hotline if they are concerned that money laundering may be occurring or are concerned that the practice is vulnerable to criminal exploitation and cannot bring this information to the attention of the MiP or the firm's money laundering reporting officer (MLRO). An employee or client may call the designated hotline or email the disclosures inbox to make a confidential report. All disclosures are taken seriously and, depending upon how much information is provided, appropriate action may be taken following a disclosure. A record is kept of reports made through the dedicated reporting line and is overseen by a key member of staff.

All supervised MiPs are required to inform their clients and staff that CIMA has a confidential disclosures hotline and inbox to enable them to raise concerns with us. The reporting hotline/inbox empowers staff and clients to report concerns that cannot be reported to the practice's MLRO. It is not a substitute for making a SAR to the National Crime Agency (NCA).

All supervised MiPs are required to confirm in their AML/CTF annual return submission that key AML staff are aware of the reporting line or inbox as part of their training. We confirm this information during our AML/CTF compliance visits and DBRs.

5.4 Suspicious activity reports (SARs)

Under Regulation 66 (1A) and Schedule 4 (15A) of the MLRs, we have the power to require our supervised MiPs to provide a copy of any SARs submitted to the NCA as part of our supervisory assessments. Since this has come into force, we have been reviewing the quality of these reports during our supervisory assessments to improve their effectiveness and use to the UK Financial Intelligence Unit. We also use the data from our visits and DBRs to inform our understanding of what intelligence is reported within our supervised population and offer guidance to both encourage and strengthen reporting within the accountancy sector.

Concerns around reporting that have been identified are addressed during an onsite visit or DBR. CIMA offers support to MiPs and uses this as an opportunity to offer guidance and support to MiPs. CIMA has published an internal suspicious activity report form to help MiPs formalise the internal reporting and decision-making process.

We actively communicate with our supervised population to offer guidance on the importance of reporting obligations and responsibilities and improvements on report quality. We ensure that our supervised population understand that high-quality SARs can provide crucial intelligence for law enforcement and can help prevent a wide range of serious and organised crime and terrorist activities. CIMA continues to engage with SAR improvement programmes and supports the SAR work following the ECCTA.

We also provide regular guidance on SAR glossary codes and reporting routes and offer additional guidance via our webinars and conferences. We respond to any queries we receive on submitting SARs and inform MiPs on how to effectively comply with this requirement. Following the launch of the new NCA SAR portal, we ensure that our supervised population are well informed on how to submit SARs using the new system.

6
Enforcement

6.1 Enhancement to regulatory and enforcement processes

CIMA has a robust process in place to investigate allegations of misconduct and take disciplinary action where appropriate. Enhancements following our conduct review have now been implemented. Where a MiP fails to comply with AML/CTF regulatory requirements, the AML team refers the matter to the conduct team where each case is assessed under CIMA's conduct procedures. The relevant conduct committees consider the evidence, arrive at a reasoned conclusion, and apply the indicative sanctions guidance to determine appropriate disciplinary outcomes.

6.2 Breaches of money laundering regulations

All members are bound by CIMA's laws — the Royal Charter, Bye-laws and Regulations and other associated documents, particularly the CIMA Code of Ethics and the MiP rules.

The CIMA Code of Ethics is designed to promote the highest standards of conduct and integrity amongst all CIMA members and registered students by setting out the fundamental principles of professionalism and good practice. The fundamental principles of CIMA's Code of Ethics are integrity, objectivity, professional competence and due care, and confidentiality and professional behaviour. The fundamental principle of professional behaviour is of particular importance as it requires members to comply with relevant laws and regulations.

MiPs are required to report breaches of the MLRs not only by their clients, but also when they become aware of another CIMA MiP breaching the MLRs. Under CIMA's Bye-law 11, members or registered students shall report promptly to CIMA any facts or matters which cause them to believe reasonably that another member or registered student may have been guilty of misconduct as defined in Bye-law 1, and when considering such a report shall have regard to guidelines issued in this connection by CIMA. Members and registered students must notify the PS&C department of any breaches.

Misconduct is a breach of CIMA's laws — these are the rules governing the professional behaviour of all CIMA members and registered candidates. Unprofessional behaviour and failing to meet the standard required by the CIMA Code of Ethics are regarded as misconduct.

Conduct resulting in a conviction or sanction by a court or other tribunal also falls within the definition of misconduct. We have a robust conduct process in place to investigate allegations of misconduct and publish disciplinary decisions.

The most common breaches of the MLRs within our supervised population include

- where a CIMA member fails to register as a MiP and is found to be working in practice whilst unsupervised for AML/CTF compliance, or
- where a MiP fails to comply with any scheme that includes monitoring of AML/CTF compliance, or
- where a MiP fails to comply with remedial actions following an onsite visit.

CIMA takes all breaches of the MLRs seriously and will take regulatory action or make a referral to the PS&C department, where disciplinary action may be taken.

6.3 CIMA's disciplinary process

Our conduct committees (the Investigation, Disciplinary and Appeals Committees) have the power to take disciplinary action against members who fail to uphold CIMA's professional and ethical standards. The conduct committees have a wide discretion in relation to their power to fine a respondent against whom a complaint has been upheld. However, as with all judicial discretion, it must be exercised in accordance with established rules of fairness. The relevant committee's primary duty is to ensure that the level of the fine should reflect the gravity of the respondent's misconduct, having regard to all relevant aggravating and mitigating factors.

The imposition of the maximum available fine should be reserved for the most serious misconduct that would be reasonably likely to occur. The existence of significant mitigation should normally preclude the imposition of the maximum fine. The relevant committee will select the sanction that is appropriate and proportionate to the facts found to be proved and to protect the public and the profession.

CIMA's Disciplinary Committee has the power to implement sanctions which include the following:

- Admonishment
- Reprimand
- Severe reprimand
- Suspension of membership (with remedial action)
- Expulsion from membership

CIMA's Indicative Sanctions Guidance was updated in February 2025. This guidance is used by the Investigation and Disciplinary Committees and sets out the level of sanction that may typically be offered or imposed, although each case of misconduct is considered individually on the evidence provided. CIMA's approach to sanctions reflects the guiding principles of the conduct process which are to:

- Protect the public.
- Maintain public confidence in the profession of management accountancy.
- Uphold proper standards of conduct in the profession.
- Ensure that CIMA's conduct processes are effective in dealing with complaints of professional misconduct in the interests of the public and all stakeholders.

Disciplinary cases

In 2024/25, CIMA dealt with three disciplinary cases relating to AML/CTF. One MiP was found to have breached the Integrity and Professional Behaviour requirements under CIMA's Code of Ethics and was required to contribute a sum in costs to CIMA. A second MiP breached the Professional Competence and Due Care requirement of CIMA's Code of Ethics and was reprimanded with a fine of £250 and costs. The third member failed to comply with CIMA law by failing to register as a MiP and be supervised for AML/CTF compliance, which resulted in their receiving a 12-month suspension and a fine of £3,000.

6.4 CIMA's conduct cases

In 2024/25, the most common disciplinary cases were members found to be providing accountancy services without being registered MiPs and without AML supervision.

7

Guidance for supervised MiPs

7.1 CIMA's guidance

We provide MiPs with comprehensive and regularly updated guidance on AML/CTF issues, particularly on money laundering, suspicious activity reporting obligations, AML accountancy sector alerts, terrorist-financing risk and financial sanctions requirements. We also share relevant trusted third-party guidance to our supervised population and encourage MiPs to act upon the guidance, share information with their employees, and make appropriate reports where necessary. The availability of our guidance is promoted by email or through CIMA newsletters. We also provide the following guidance on our website:

- Registering to Become a MiP
- Criminality Test (updated 2025)
- AML/CTF Firm Supervision Process
- CIMA's FAQs on Authorised Corporate Service Providers (ACSPs)
- Reporting Suspicious Activity
- Money Laundering Reporting Hotline
- TCSP services/HMRC register
- Trust and Company Service Provider (TCSP) thematic review
- Minimising Risk (updated 2024)
- AML Guidance hub
- Financial Sanctions
- AML Guidance — AASG risk outlook
- AML/CTF Compliance Visits Onsite and DBRs

7.2 Trusted resources

- *National Risk Assessment of Money Laundering and Terrorist Financing 2025* (gov.uk)
- 'Authorised Corporate Service Providers' (gov.uk)
- 'Being an Authorised Corporate Service Provider' (gov.uk)
- *Anti-Money Laundering, Counter-Terrorist and Counter-Proliferation Financing Guidance for the Accountancy Sector* (CCAB)
- *National risk assessment of proliferation financing* (HM Treasury)
- National Crime Agency (NCA) — SARs in Action
- NCA — SARs glossary codes
- NCA — SARs Reporter Booklet
- NCA — *Suspicious Activity Report (SAR) Glossary Codes and Reporting Routes*
- *National Economic Crime Centre Annual Report 2024–2025*
- *Cross-System Professional Enablers Strategy 2024–2026*
- 'The FATF Guidance for a Risk-Based Approach for Trust and Company Service Providers'
- Joint Money Laundering Steering Group (JMLSG)
- The UKFIU podcast (podbean.com)

8

Looking forward: AML/CTF supervisory activity

8.1 Meeting our Office for Professional Body Anti-Money Laundering Supervision (OPBAS) requirements

The AML team will continue to work towards meeting the requirements of CIMA's AML/CTF professional body regulator, OPBAS. Key deliverables are tracked through CIMA's AML strategic plan and our quarterly proactive engagement meetings with OPBAS.

OPBAS published its fifth supervisory report September 2024. CIMA reviewed the report, noting areas of best practice and recommendations for improvements within professional body AML/CTF supervision.

OPBAS held its inaugural conference 28 November 2024 for AML supervisory bodies, law enforcement, and statutory AML supervisors. OPBAS gave an update on its priorities and workplan for 2024/25. Where required, CIMA integrated outcomes into its regulatory processes.

CIMA has also been working closely with OPBAS over the reporting period to support OPBAS projects around the quality of SARs and understanding risk associated with TCSPs. This work will continue into the next reporting period.

8.2 CIMA AML/CTF firm supervision

ECCTA has enabled Companies House to undergo significant reform. Companies House has been given greater powers to improve the accuracy and transparency of information on its registers, allowing it to take a more significant role in tackling economic crime and supporting economic growth. One of the reforms is the introduction of ACSPs.

CIMA has only ever regulated and supervised individual MiPs for AML/CTF compliance. Many of our MiPs operate through limited companies or partnerships. Under the new Companies House requirements, when MiPs are operating through a firm, that firm must be regulated and supervised for AML/CTF to act as an ACSP.

CIMA's AML/CTF firm supervision requires that firms register to be supervised under contract. We expect applications for firm supervision to continue throughout 2025 onwards and will be increasing our resources within the Professional Standards team to help support this work.

CIMA has been liaising with Companies House to ensure a smooth transition for firms registering to act as ACSPs.

8.3 Risk-based approach

CIMA will continue to undertake a risk-based approach to monitoring and assessing the risks within our supervised population. Our risk assessment model includes detailed scoring for MiPs identified as engaging with high-risk activity or engaging in verification work for clients on the ROE. MiPs who conduct this work have been subject to an onsite visit as part of our 2024/25 visit programme.

We utilise the AML/CTF annual returns to assess the risk of our supervised population. Where there are concerns regarding a MiP's understanding of risk, CIMA will address this through our own risk-based approach and prioritise a review through an onsite visit or DBR.

8.4 Reforming the UK's AML/CTF supervision

Whilst CIMA awaits the outcome of supervision reform, we have proactively increased AML resources within the Professional Standards team to better support meeting OPBAS requirements. We intend to further increase our AML resources during the next reporting period.

We are eagerly awaiting a response to the consultation outlining the preferred option for reform so that we can factor any changes to our AML/CTF processes or additional work into our work plan.

8.5 Collaboration with wider external parties for AML supervision

CIMA's involvement in the UK's NRA and Professional Enablers Strategy keeps CIMA informed on current risks impacting the accountancy sector. CIMA also works closely with the National Economic Crime Centre (NECC) and National Assessment Centre (NAC), which share updates on domestic and international risks. All key AML staff are made aware of those risks. These external risks are incorporated within CIMA's risk-based strategy and are reflective in our approach to AML supervision of our supervised population. Understanding the

8.6 ECCTA

CIMA continues to support the objectives of ECCTA in strengthening the UK's defences against economic crime through its active role as co-chair of the AASG, with this work extending into 2025/26 and beyond.

9

Glossary of terms and acronyms

AASG	Accountancy AML Supervisors' Group
ACSP	Authorised Corporate Service Provider
AML	Anti-money laundering
AML/CTF	Anti-money laundering/counter-terrorist financing
AMLSF	UK Anti-Money Laundering Supervisors' Forum
BOOM	Beneficial owner, officer, or manager
CDD	Customer due diligence
DBS	Disclosure and Barring Service
DBR	Desk-based review
ECCTA	Economic Crime and Corporate Transparency Act 2023
FATF	The Financial Action Task Force
FCA	Financial Conduct Authority
HMRC	His Majesty's Revenue and Customs
ISEWG	Intelligence Sharing Expert Working Group
JMLIT	Joint Money Laundering Intelligence Task Force
MLRs	Money laundering regulations (i.e., the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended))
MLRO	Money Laundering Reporting Officer
MiP	Member in practice
NAC	National Assessment Centre
NCA	National Crime Agency
NECC	National Economic Crime Centre
NRA	National Risk Assessment of Money Laundering and Terrorist Financing 2025
OCGs	Organised crime groups
OFSI	Office of Financial Sanctions Implementation
OPBAS	Office for Professional Body Anti-Money Laundering Supervision
PPTGs	Public-private threat groups
PSC	Professional Standards Committee
PBS	Professional body supervisor
ROE	Register of Overseas Entities
SARs	Suspicious Activity Reports
SIS	Shared Intelligence Service
TCSP	Trust and Company Services Provider
UKFIU	UK Financial Intelligence Unit

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