

A victory for common sense and practicality

Accountants who are members of “appropriate professional bodies, referred to as relevant professional advisers in the legislation” breathed a massive sigh of release this week when the Institute of Chartered Accountants in England and Wales told its members about amendments to the Money Laundering Regulations 2003 and the Proceeds of Crime Act 2002.

Previously, all accountants had to report clients to the National Criminal Intelligence Service (NCIS) if they had suspicion of money laundering activities. Money laundering was broadened to include underpayments of tax, including items seemingly as trivial as putting a personal birthday card through the company franking machine. We were not allowed to tell our clients about the report to NCIS, which goes against our strong principles of open and frank client relationships. We were made secret snitches and were uncomfortable with the regulations and their effect on us.

From 21 February 2006, relevant professional advisers do not have to report money laundering activities if the knowledge is gained through privileged circumstances.

Privileged circumstances include working on tax matters, mergers and acquisitions, advice to directors, legal issues (and in particular insolvency matters) and employment law.

As a client, it has never been more important that you use an accountant that is aware of these regulatory changes and is a member of an appropriate professional body.

For more guidance, please refer to the news section of our website on www.resolvebusinesssolutions.com.