

Consultation Response

*OPBAS Sourcebook Update
FCA Consultation CP22/16*

August / September 2022

AIA Response: OPBAS Sourcebook Update CP22/16

Introduction

As a professional body supervisor (PBS) AIA is committed to fighting economic crime through educating our members and undertaking effective, and robust, monitoring of our supervised population.

We welcome this opportunity to provide feedback on proposed updates to the OPBAS Sourcebook, which was originally issued in January 2018.

Where we have identified areas that we consider require clarification or amendment, we have highlighted these concerns in our response to specific chapters of the Sourcebook.

Overall, we support the work of OPBAS to improve the effectiveness of AML supervision in the United Kingdom and welcome proposals to expand the Sourcebook to provide examples of outcomes which demonstrate effective supervision, including examples of good and poor practice.

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Question 1: Do you agree that we should add the new chapters we have proposed to the OPBAS sourcebook? If not, please explain why. Is there different content you think we should include?

We welcome any additional guidance or clarity regarding OPBAS's approach to supervision and consider that providing examples of outcomes which demonstrate effective supervision is a useful addition to the Sourcebook.

Overall, we agree that introducing content to support the understanding of PBSs of how OPBAS undertakes its assessments will provide additional guidance on ensuring that PBSs meet their supervisory expectations and therefore provide effective supervision.

In particular, within Chapter 2 we welcome the provision of a scale of assessment for effectiveness.

Chapter 2 provides good detail on OPBAS's documented role of ensuring a high standard of supervision, however we consider it would be useful to highlight within this section the role of the regulator in facilitating intelligence sharing and collaboration between law enforcement and the PBSs to ensure this important area is not overlooked.

Chapter 11 provides a good overview of reporting requirements; it is a useful addition to the overall Sourcebook for all stakeholders involved in a PBS's supervisory activity and wider civil society.

Question 2: Do you agree that we have identified appropriate outcomes for chapters 3 to 11 of the sourcebook? If not, what outcomes do you think we should include?

AIA fully supports the goal of increasing effectiveness in the UK's AML supervisory framework and has invested significant time and resources into this activity

We welcome the inclusion of outcomes indicating more effective practice and we consider this will be useful for PBSs when undertaking self-assessments and internal audits of their monitoring and supervision activity.

AIA considers it would be useful to include a publicised Sanctions Policy / public guidance on penalties for AML breaches as an example of good practice and indicator of effective monitoring and supervision within Chapter 9 – Enforcement.

Question 3: Do you have any comments on our proposed changes to the existing chapters of sourcebook?

Chapter 3 (Governance)

AIA would support the amendment of text relating to the Single Point of Contact (SPOC), although we support in principle that a SPOC is appointed to maintain oversight of supervisory activities and a link between governance of a PBS and monitoring and supervision activity.

The wording which prefers the SPOC to be 'at board level of equivalent' does not give consideration to the majority of PBSs' governance arrangements which are undertaken by voluntary Councils/Committee made of members (and lay members) and are not undertaken by full-time staff.

At present the SPOC role within AIA is undertaken by a senior staff member responsible for AML regulation, with a direct reporting line to the Executive Team and Regulatory Oversight Committee

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(ROC). This means the SPOC is easily accessible, experienced, and accountable.

Chapter 4 (A Risk-based Approach)

AIA has no further specific comments.

Chapter 5 (Supervision)

AIA has no further specific comments.

Chapter 6 (Information and Intelligence Sharing)

It would be useful for wider stakeholders for the Sourcebook to explain how SIS and FIN-NET work, how they are funded, and costs associated for PBSs with meeting this example of best practice.

Chapter 7 (Information and Guidance for Members)

AIA has no further specific comments.

Chapter 8 (Staff Competence and Training)

AIA has no further specific comments.

Chapter 9 (Enforcement)

AIA has no further specific comments in addition to those raised in our answer to Q2 above.

Chapter 10 (Record Keeping and Quality Assurance)

AIA has no further specific comments.

Question 4: Do you agree with our analysis of costs in Annex 2 of this consultation? If not, please explain why, providing evidence of costs where possible.

AIA has considered the estimated resource figures provided by OPBAS within Annex 2.

We would add that resource investment will vary dependent on any role being filled, national salary weightings, and experience.

About AIA

The Association of International Accountants (AIA) was founded in the UK in 1928 as a professional accountancy body and promotes the concept of 'international accounting' to create a global network of accountants.

AIA is recognised by the UK government as a recognised qualifying body for statutory auditors under the Companies Act 2006, across the European Union under the mutual recognition of professional qualifications directive and as a prescribed body under the Companies (Auditing and Accounting) Act 2014 in the Republic of Ireland. AIA also has supervisory status for its members in the UK under the Money Laundering Regulations 2017. AIA is a Commonwealth Accredited Organisation. AIA is a member of the European Federation of Accountants and Auditors (EFAA) for SMEs and SMPs.

AIA believes in creating a global accountancy profession and supports the International Federation of Accountants (IFAC) in their vision of a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets and economies. AIA has adopted IFAC's Code of Ethics for professional accountants and also incorporates IFAC's International Education Standards (IES) into its qualifications and policies.

AIA has members working throughout the whole spectrum of the accountancy profession. Many of our members are at the top of the accountancy industry, from senior management to director level. Conversely, significant numbers of our members work in small and medium sized businesses (SMEs) and we strive to champion the importance of SMEs and their needs.

Further Information

The above replies represent our comments upon this consultation document. We hope that our comments will be helpful and seen as constructive. AIA will be pleased to learn of feedback, and to assist further in this discussion process if requested.

If you require any further information, please contact:

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