

Suspicious Activity Reporting Trends 2023/24

Overview

Suspicious Activity Reports (SARs)¹ alert law enforcement to potential instances of money laundering or terrorist financing and are a vital source of intelligence not only on economic crime but on a wide range of criminal activity.

NCA SARs Information


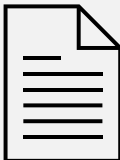
They provide information and intelligence from the private sector that would otherwise not be visible to law enforcement.

A SAR is required when, during the course of their business in a regulated sector, a relevant employee (e.g. a Member in Practice) develops a suspicion of a crime with proceeds. More guidance on each of these elements is contained within [Anti-Money Laundering Guidance for the Accountancy Sector \(AMLGAS\)](#).

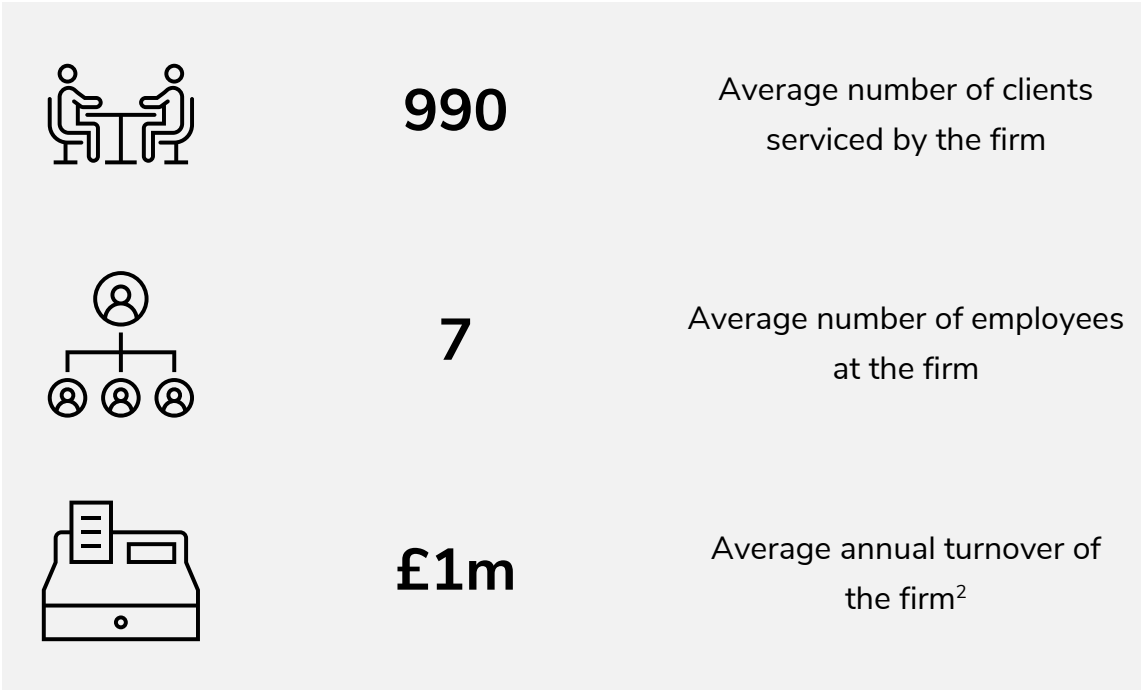
If AIA Members in Practice suspect that money laundering may be taking place, they are legally obligated to report it.

Reporting knowledge or suspicion of money laundering is a legal requirement – and there are statutory penalties for failing to report or for tipping off a subject of a suspicious activity report.

Each year AIA Members in Practice must submit an Annual Declaration relating to their firm, internal controls and evidence relating to Continuing Professional Development and Professional Indemnity Insurance. As part of this Annual Declaration AIA requests information on the number of Suspicious Activity Reports made in the past 12 months and their general categorisation.

	30	Number of AIA Members in Practice Declaring Submission of SARs
	59	Total number of SARs submitted by AIA Members in Practice

¹ Suspicious Transaction Report (STR) in the Republic of Ireland. For ease SAR is used through this document to refer to both reporting jurisdictions.



Common Themes

As part of the Annual Declaration AIA requires firms who have indicated a submission of a Suspicious Activity Report must explain, in general terms, the reason for their suspicion and report. The following themes were identified during the 2023/24 renewal period:



² The highest turnover within the sample was over £6.4m and the lowest approximately £25k.

Red Flags of Money Laundering

Recognising warning signs of money laundering is a continual challenge but AIA provides guidance to help: typologies, alerts and sector guidance are provided to AIA members.

Customer due diligence is a key part of a robust risk-based approach. There are several key red flags that could indicate that there is a strong chance of money laundering being present.

Red flags such as those highlighted here might not mean anything in isolation but taken together can provide a strong indication of money laundering.

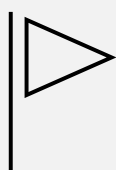
- **TRANSACTIONS** - Are transactions unusual because of their size, frequency or the manner of their execution, in relation to the client's known business type?
- **ASSETS** - Does it appear that a client's assets are inconsistent with their known legitimate income?
- **IDENTITY** - Has the client taken steps to hide their identity, or is the beneficial owner difficult to identify?
- **POLITICAL STATUS** - Is the client engaged in unusual private business given that they hold a prominent public title or function? Or do they have ties to an individual of this nature?
- **GEOGRAPHIC AREA** - Is the collateral provided, such as property, located in a high-risk country, or are the clients or parties to the transaction native to or resident in a high-risk country?
- **STRUCTURES** - Are there complex or illogical business structures that make it unclear who is conducting a transaction or purchase?
- **RESOURCES** - Are a client's funds made up of a disproportionate amount of private funding or cash, in relation to their socioeconomic profile?
- **BEHAVIOUR** - Is the client behaving oddly in either a personal or a public capacity, given the nature of their role in the business? Or do they have links to people acting oddly?
- **DOCUMENTS** - Are information or documents being withheld by the client or their representative, or do they appear to be falsified?
- **CHOICE OF PROFESSIONAL** - Have you, or other professionals who are involved, been instructed at a distance, asked to act outside of your usual speciality, or offered an unusually high fee?

Guidance and Support

Reporting requirements are applicable to firms dependent on location; AIA has provided specific guidance for members submitting reports in the United Kingdom and Republic of Ireland respectively.



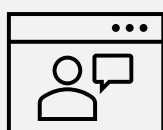
AML Guidance Hub for Members in Practice online at
www.aiaworldwide.com/my-aia/aml



Red flags and typologies



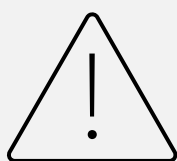
Templates and checklists



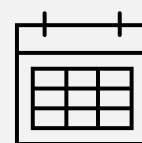
Webinar recordings on reporting suspicious activity
and events with the NCA and An Garda Síochána



Face-to-face events and training



Alerts issued by the Accountancy AML Supervisors'
Group (AASG) and National Crime Agency (NCA)



Monthly In Practice bulletin



SARs in Action magazine



UKFIU Podcast recordings