



AML Compliance: Accountants' Guide to Digital AML Checks



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Introduction

As key gatekeepers for the financial system, accountants are crucial in facilitating essential transactions that underpin the UK economy.

They bear a significant responsibility in ensuring that their services are not exploited for criminal purposes. An important component is ensuring absolute anti-money laundering (AML) compliance and conducting thorough due diligence on existing and new clients.

Traditionally, Know Your Customer (KYC) and Anti-Money Laundering (AML) checks have relied on manual procedures.

This often entails in-person meetings with clients, manual identity verification, and email exchanges to gather essential documents like photo ID, proof of address and other information. This approach can impose a substantial administrative burden on accountants, leading to the loss of billable hours.

However, the accountancy sector is evolving rapidly with the introduction of innovative digital technologies. These digital solutions not only enhance efficiency but also align with regulatory recommendations. Consequently, firms are increasingly adopting a digital approach surpassing traditional methods' limitations in AML checks and compliance.

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For more than 20 years now, accountants have been required to know who their clients are and keep records showing this, thanks to The Money Laundering Regulations 2003. Since then, these rules have changed, focusing more on understanding clients and their businesses to spot any potential involvement in economic crime. The debate between using paper or digital methods has been ongoing. This guide breaks down the main duties in a clear, easy-to-understand manner and looks into the advantages of using digital tools.

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Jeremy Clarke,
Assistant Director of Practice at ICAS

Understanding your AML Obligations

The [guidance by CCAB](#) (Consultative Committee of Accountancy Bodies) outlines obligations for accountancy firms to prevent, recognise and report money laundering and terrorist financing while ensuring compliance with the relevant legislation. These include:

- **Risk Assessment:** Firms must conduct risk assessments to identify and understand the risks they face regarding money laundering and terrorist financing.
- **Customer Due Diligence (CDD):** Firms are required to perform CDD on their clients to verify their identities and understand the nature and purpose of their business relationships.
- **Reporting Obligations:** Firms must report suspicious activities to the relevant authorities.
- **Record-Keeping:** Firms should maintain records of CDD, transactions, and risk assessments.
- **Training and Awareness:** Firms should provide appropriate training to their staff to ensure they understand their AML/CTF obligations and can recognise suspicious activities.
- **Compliance Monitoring:** Regular monitoring and review processes should be in place to ensure compliance with AML regulations.
- **Policies and Procedures:** Firms must establish and implement policies and procedures to mitigate and manage the risks identified in their risk assessments.

In addition to checking existing and new clients, the guidance also lays down rules around employee screening. [Section 3.6.22](#) states:

Businesses must consider the skills, knowledge, expertise, conduct and integrity of all relevant employees before and during their appointment...However, it is important that businesses have a mechanism for evidencing Money Laundering, Terrorist and Proliferation Financing (MLTPF) knowledge within such procedures: for example, a test for which the results are recorded can evidence knowledge and expertise.



Assessing your AML Compliance

Irrespective of whether you currently conduct AML checks and processes manually or employ digital tools for this purpose, assessing the most suitable approach for your practice requires careful consideration of the following questions:

- Are you compliant with the latest AML legislation and guidance?
- What is your process for keeping client data safe?
- What types of checks do you need to conduct on your clients?
- Do you screen your BOOMs (beneficial owner, officer, or manager) and frontline AML staff?
- How much time and resources do you spend conducting AML/KYC checks?
- How do you shape the client experience during the onboarding process?
- How do you maintain an audit trail?
- How do you manage client and firm-wide risk assessments?

Deciding Which Approach to Take (Manual vs. Digital)

Though well-established, the traditional, manual approach to AML/KYC checks can be complex and time-consuming. Accountancy firms must evaluate the compliance risks associated with this method. The consequences of non-compliance can result in heavy penalties and reputational damage.

	Manual	Digital
Collecting Documents	Documents are collected via unsecured email, post or in-person and stored physically.	Documents are collected online via secure encrypted portal and stored in digital form
Checking the authenticity of documents	The identity document is reviewed through a visual examination and results may vary depending on the training and tools available. The training requirements for this process would add time, cost, liability etc.	The identity document is verified against numerous online secure sources of data. Checking the authenticity of identity documents digitally is a robust process which involves checking for image quality, data integrity, consistency etc, and gives accurate results.
Verification	The process can take up to weeks. Professionals may have to meet clients face-to-face to verify their identity against their ID documents.	Advanced biometric comparison enables professionals to remotely verify identity and onboard clients up to 4x faster than manual processes.

Benefits of Using a Digital Provider

Using a digital tool or provider for identity verification and AML checks offers several advantages, including:

Compliance

A digital provider offers a robust solution for ensuring compliance with the latest AML regulations. It simplifies the process of staying up-to-date with evolving legislation by automatically incorporating regulatory changes into the system.

Client Data Security

Digital providers often come with advanced security features, including encryption, secure data storage, and access controls that safeguard your client data from unauthorised access and data breaches.

A Range of Checks from a Single Platform

Digital solutions provide a centralised platform for conducting the full suite of KYC/AML checks. This streamlines the process and ensures that all necessary checks are performed consistently and efficiently.

Integration

Many digital providers are designed to integrate seamlessly with your practice management software. This integration improves workflow efficiency, reduces data duplication, and simplifies record-keeping.

Staff Screening

A digital provider can assist in conducting checks on your staff, including Right to Work verification and criminal record checks.

Time and Cost Saving

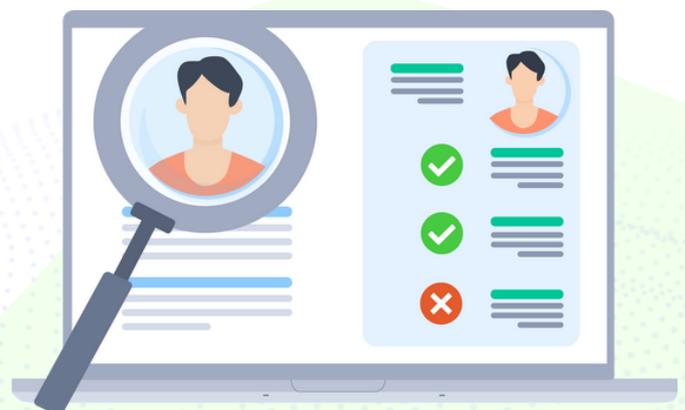
By automating AML checks and processes, your firm can allocate resources more efficiently. This also reduces operational costs associated with conducting AML checks manually.

Better Client Experience

Same-day access to services has become the norm in other sectors, and clients are now seeking such convenience in professional services. A digital solution empowers clients to complete checks via a user-friendly platform.

Managing Risk Assessment and Audits

With digital providers, you can seamlessly complete, track and store risk assessments. For audits, you can digitally record and monitor every stage of the AML process, creating an exhaustive audit trail of actions and decision-making.



Choosing the Right Digital Provider

Selecting the right digital provider for AML/KYC checks is a critical decision. Consider the following key questions and vendor selection criteria:

Usability: Is the solution user-friendly for your firm and clients, accessible through various devices, and easy to navigate?

Accreditation: Is the digital provider accredited under the UK Government Digital Trust Framework or similar standards, and to what level ie low, medium or high?

Monitoring: Does the provider offer ongoing monitoring for PEPs, sanctions, and adverse media screening?

Efficiency: Does the solution streamline onboarding new clients while ensuring compliance?

Comprehensive Support: Can the provider assist with all aspects of AML compliance, including checking relevant staff members and providing a risk assessment feature?

Integrations: How easy is integrating the provider into your practice management software and internal systems?

Security: Is the provider ISO27001 accredited or meets Cyber Essentials Plus as a minimum requirement, ensuring data security?

Accessibility: Does the solution adhere to web accessibility standards, ensuring ease of use for clients?



Conclusion

AML compliance has evolved beyond identity verification; it now encompasses a comprehensive approach that involves understanding clients, assessing risks, and monitoring transactions.

By carefully evaluating digital solutions against strict criteria, accountants can enhance efficiency, security, and compliance while providing a top-notch client experience.

[Book a free demo](#)



How Can Amiqus Help

Amiqus goes beyond being an AML reporting tool; it is a comprehensive end-to-end onboarding and compliance platform designed to provide a seamless experience for businesses and their clients. In addition to AML compliance, Amiqus also empowers accountancy firms to carry out Right to Work, DBS criminal record checks, and all other pre-employment screening checks on their staff, all from a single platform.

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