



AML HQ

AML Obligations for Accountants

Presenters



Ben Cronin
CEO

Ben.Cronin@amlhq.com



Kevin Kerrigan
COO, Head of Product

Kevin.Kerrigan@amlhq.com

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Scope & Structure



**AML
Overview**



FAQs



**Risk Based
Approach**



**Customer
Due Diligence**



**MLRO
Duties & Reporting**

AML Overview

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What is money laundering?

The legal definition is:

Knowing or believing that property is or 'probably comprises' the proceeds of criminal conduct, or engages in any of the following acts in relation to the property:

- a. Concealing or disguising the true nature, source, location, disposition, movement or ownership or the property, or any rights relating to the property;*
- b. Converting, transferring, handling, acquiring, possessing or using the property;*
- c. Removing the property from, or bringing the property into, the State.*

What is money laundering?

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended)

Core definition

s.7 CJA 2010 – knowing or believing that property is or 'probably comprises' the proceeds of criminal conduct, or engages in any of the following acts in relation to the property:

- Conceals or disguises the true nature, source, location, disposition, movement, ownership or rights with respect to property.
- Converts, transfers, handles, acquires, possesses, or uses such property.
- Removes it from, or brings it into, the State.

Property covered

“Property” means all real, personal, movable, immovable, tangible and intangible property, wherever located.

Knowledge / suspicion test

Offence committed if the person **knows, believes or is reckless** as to whether the property is the proceeds of criminal conduct (s.7(3)).

Extra-territorial scope

Applies to proceeds of criminal conduct **wherever the conduct occurred**, if also a criminal offence in Ireland (s.7(4)).

Other related offences

- Failure to report (s.42).
- Tipping off (s.49–52).

What is money laundering?

Handling or processing the proceeds of criminal conduct and can include:

1. Money or money's worth
2. Saved costs
3. Tangible or intangible property
4. Offences committed in Ireland and overseas
5. Includes terrorist financing
6. There is no materiality or 'de minimis' exceptions

It may not always be an offence...



Knowledge



Recklessness



Reporting



**Outside
Jurisdiction
(lawful action)**



It is an offence...

- ❖ To not report a suspicion
- ❖ To tip off the client that you have raised a report

“I don’t take on bad clients...”

5 Pillars of Compliance



Awareness &
Management
of AML
Obligations



Firm-wide
Risk
Assessment



AML
Training



Customer
Due
Diligence



AML
Reporting

Frequently Asked Questions

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Risk Based Approach

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Principle

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended)

Firm-wide business risk assessment

Section 30A – Designated persons must identify and assess the risks of ML/TF to their business.

Section 30B – Must document, keep up to date, and make available the risk assessment.

Policies, controls, and procedures

Section 54 – Designated persons must adopt internal policies, controls, and procedures to prevent and detect ML/TF, informed by their risk assessment.

Risk-sensitive CDD

Section 33(1) – The extent of CDD measures must be determined on a *risk-sensitive basis* having regard to type of customer, business relationship, product, or transaction.

Enhanced Due Diligence (EDD)

Section 35(3) – Requires EDD where higher risk is identified, including specific triggers such as PEPs or high-risk countries.

Simplified Due Diligence (SDD)

Section 34(1) – Permits SDD where lower risk is identified, consistent with firm's risk assessment.

Ongoing monitoring

Section 35(1) – Ongoing monitoring must be applied throughout the business relationship, with intensity based on risk.

Principle-based



**Criminal Justice (Money
Laundering and Terrorist Financing)
Act 2010 (as amended)**



**The Consultative Committee
of Accountancy Bodies-Ireland**

Chartered Accountants Ireland
The Association of Chartered Certified Accountants

Chartered 
Accountants
Ireland



An Roinn Dlí agus Cirt
agus Comhionannais
Department of Justice
and Equality



Key Risk Components



Client Identification

The initial step of establishing who the client is by obtaining their basic details (name, date of birth, address, company registration, beneficial ownership).

Risk Assessment

Determining risk level to decide how much checking and scrutiny is needed.

Customer Due Diligence

The process of verifying identity/ownership, obtaining and testing purpose/nature of relationship, and ongoing monitoring on a risk-sensitive basis.

Assessment of Money Laundering risks that the business is exposed to factoring internal and external factors

SCOPE

»» Across the full practice and complete portfolio of clients

Objectives

- »» Identifying risks and establishing mitigating measures
- »» Consider the operating context of your business
- »» Ensure your PCPs remain relevant and effective
- »» Ensure management and staff are aware of current and emerging risks

Firm-wide business risk assessment

Practice Profile

Risk Categories

Client	Geographic	Service	Transaction / Industry	Delivery
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Q&A
Client specific detail
Mitigating Actions

Required Actions

Conclusion

Assessment of money laundering and terrorist financing risks associated with an individual client, taking into account their specific characteristics, behaviour, and circumstances, as well as relevant internal and external risk factors.

Risk Categories



Client risk



**Geographic
risk**



Service risk



Industry risk



**Delivery
channel risk**

Firm-wide business risk assessment

Client Profile

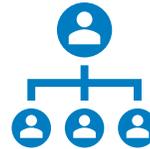


Q&A
Client specific detail
Mitigating Actions

Risk Rating & Due Diligence Level



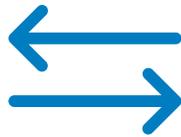
**Client Risk
Reviews**



Client identity
(corporate / individual)



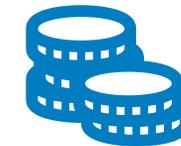
**PEP / sanction
screening**



Transactions



**Client
behaviour**



**Business activities /
financial situation**



1. Proportionate risk-sensitive approach
2. Firm-wide business risk assessment (annual requirement)
3. Client Risk Assessment – prior to starting work
4. Periodic client risk review and ongoing monitoring
5. Must raise a suspicion (avoid tipping off)

Customer Due Diligence

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The Act (s.33) defines **customer due diligence (CDD) measures** as including the following four elements:

1. **Identifying the customer and verifying their identity** on the basis of reliable, independent sources.
2. **Identifying the beneficial owner(s)** and taking measures to verify their identity so that the designated person is satisfied they know who the beneficial owner is.
3. **Obtaining information on the purpose and intended nature** of the business relationship.
4. Scrutinising transactions (**Conducting ongoing monitoring**), to ensure that they are consistent with the designated person's knowledge of the customer and the customer's business and risk profile and the source of funds

Risk Assessment

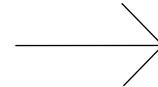
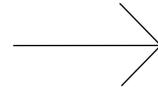
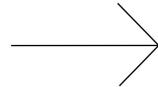
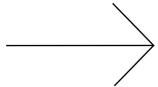
Ongoing Monitoring



CDD Process – Individuals

- a) Name
- b) Address
- c) DOB
- d) Nationality
- e) Nature of engagement

IDENTIFY



- a) Discovery / Declarations from client
- b) Answer questions about the individual
- c) PEP / Sanction screening
- d) Source of Wealth / Funds

RISK ASSESSMENT

- a) Client Risk Review
- b) Periodic ID / POA refresh
- c) Screening refresh
- d) Risk rating review

ONGOING MONITORING

VERIFY

- a) Collect ID and Proof of Address.

ESTABLISH RISK RATING

- a) Could lead to further scrutiny or evidence gathering? (EDD)
- b) MLRO / Senior Manager sign-off

CDD Process – Corporate or Legal Entity

- a) Registered Number
- b) Registered office address
- c) Legal type
- d) Purpose / objective of company
- e) Nature of engagement
- f) Who are the owners and controllers?

IDENTIFY



- a) Discovery / Declarations from clients
- b) Answer questions about the corporate
- c) PEP / Sanction screening
- d) Source of Wealth / Funds

RISK ASSESSMENT

- a) Client Risk Review
- b) Periodic ID / POA refresh
- c) Screening refresh
- d) Risk rating review

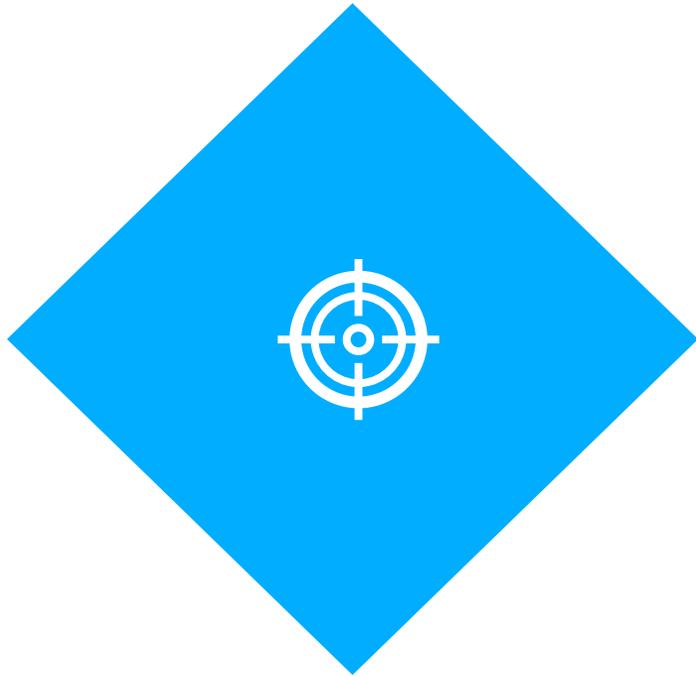
ONGOING MONITORING

VERIFY

- a) Verify against the official registers (CRO and RBO)?
- b) Verify the individual's identity (ID and Proof of Address)

ESTABLISH RISK RATING

- a) Could lead to further scrutiny or evidence gathering? (EDD)
- b) MLRO/Senior Manager sign-off



- 1. Must be completed before work commences**
- 2. Risk rating determines Due Diligence level**
- 3. Look at the full picture – scrutinise where the risk is not just tick-box**

MLRO duties & reporting

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MLRO duties



Policy, Controls and Procedures

Risk Assessment
& Management



Customer Due
Diligence



Record keeping



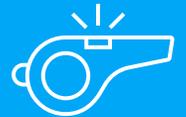
Internal
Controls



Ongoing
Monitoring



Reporting
Procedures



Compliance
Management



Communication



Training &
Awareness





1. Induction / New joiners
2. Annual refresher course
3. MLRO specific training



Training
Logs



Annual Staff
Declaration

Importance of Training

1. Legal Obligation
2. Obligation for all staff members to report
3. Offences come with serious penalties
4. Risk is contextual to the business / practice profile
5. Annual training / breakfast / lunch briefings
6. Devil in the detail

Red flags



Sources of Red Flags

1. Client behaviour
2. Client information (CDD)
3. AML screening (PEP / Sanctions / adverse media)
4. Bookkeeping / transaction level
5. Real world observations

What to look out for...

- »» Businesses that are cash intensive
- »» Margins too high/low
- »» Payment received from unknown third parties
- »» Payments outside country
- »» Observed trading levels don't match recorded sales
- »» Staff levels (wages) don't match trading levels
- »» Insufficient profit to support the business owner's lifestyle
- »» Disproportionate expenses to director's account
- »» Accepting "Cash Only"
- »» Purchase and sale of assets above/below market value
- »» Construction: Lack of/inconsistent receipts for materials
- »» Trading in crypto currency
- »» Loans being written off
- »» Transactions involving multiple or high-risk jurisdictions
- »» No material / tangible business activity



Further consideration
and professional review
required



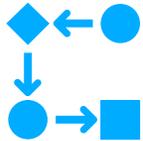
- 1. Internal Reporting**
- 2. External Reporting – Suspicious Transaction Reports (STRs)**
- 3. RBO Discrepancies**
- 4. Compliance Gap Analysis**
- 5. Periodic Reviews**

Seasonal Opportunities

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**Policy Controls and
Procedures Review
(2025)**



**Firm-wide Business
Risk Assessment
(2025)**



**AML Training Logs
and Training
Declarations**



**Client Risk
Review**



**Compliance
Effectiveness
Review**

Q&A Session

AML HQ



Ben Cronin
CEO

Ben.Cronin@amlhq.com



Kevin Kerrigan
COO, Head of Product

Kevin.Kerrigan@amlhq.com

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touch



www.amlhq.com

support@amlhq.com

01 485 3848