

# Association of Accounting Technicians response to FCA Consultation CP18/32: Recovering the costs of the Office for Professional Body Anti-Money-laundering Supervision (OPBAS)

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## 1. Introduction

- 1.1. The Association of Accounting Technicians (AAT) is pleased to respond to the FCA Consultation CP18/32: Recovering the costs of the Office for Professional Body Anti-Money-laundering Supervision (OPBAS), published on 18 October 2018.
- 1.2. AAT is a professional accountancy body with approximately 50,000 full and fellow members and over 90,000 student and affiliate members worldwide. Of the full and fellow members, there are more than 4,250 licensed accountants who provide accountancy and taxation services to over 400,000 British businesses.

## 2. Executive summary

- 2.1. **The Association of Accounting Technicians (AAT) strongly supports the UK's drive to combat money laundering and terrorist financing.**  
AAT also recognises that establishing consistency within the AML regime in the UK is paramount.
- 2.2. **The basis for the OPBAS running costs figure, used to arrive at the fee level under consultation, remains unclear.**  
That said, AAT acknowledges that being able to take account of actual expenditure has enabled a reduction in the forecast running costs for 2018/19 and the AFR.
- 2.3. **AAT is content with the recommended approach to reporting supervised individuals on an annual basis.**

## 3. AAT comments

Q1: Do you have any comments on our proposed variable fee of £41.03 per supervised individual?

- 3.1. AAT understands the process that has been followed in establishing the proposed variable fee and whilst disappointed that it is more than double what was suggested in 2017, also understands that over reporting has caused this increase.
- 3.2. AAT notes the detail captured at 2.10 and 2.11 of the consultation paper, which references the impact in terms of cost increases to some of the supervisors, with the removal or reframing of the minimum fee. AAT supports the view that the removal or the reframing of the minimum fee would have a disproportionate impact on the smaller supervisors, would impact on competition and would not represent a proportionate structure.
- 3.3. AAT understands that the figure arrived at is based upon the results of previous consultations and in accordance with the number of individual supervisors declared by the supervisory bodies as a result of those consultations. However, as AAT and other bodies have repeatedly stated, even at this late stage, it remains unclear as to the basis of the running costs identified for OPBAS - even with the added certainty of dealing with actual expenditure to date.
- 3.4. Whilst AAT supports the way that the proposed variable fee has been arrived at (based on the forecast costs that are to be recovered), in the absence of having seen a business plan mapping running costs against specific activities or outcomes, it is difficult to comment on the relationship between the variable fee and the overarching costs basis for calculating it.

Q2: Do you agree that for fees purposes professional body supervisors should report the most recent count of supervised individuals in the 12 months ending 5 April each year and submit the figure to us by 31 October of the year preceding the relevant fee-year?

3.4 AAT is content with the recommended approach to reporting supervised individuals on an annual basis.

#### 4. About AAT

- 4.1. AAT is a professional accountancy body with approximately 50,000 full and fellow members and over 90,000 student and affiliate members worldwide. Of the full and fellow members, there are over 4,250 licensed accountants who provide accountancy and taxation services to individuals, not-for-profit organisations and the full range of business types.
- 4.2. AAT is a registered charity whose objectives are to advance public education and promote the study of the practice, theory and techniques of accountancy and the prevention of crime and promotion of the sound administration of the law.

#### 5. Further information

If you have any questions or would like to discuss any of the points in more detail then please contact Adam Williamson, AAT Head of Professional Standards, at:

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