



A c c o u n t a n t s & T a x A d v i s o r s

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Anti-money laundering penalties total £6.2 billion worldwide in 2019

Anti-money laundering (AML) penalties reached a record high of £6.2 billion worldwide last year, according to data from software company Encompass Corporation.

Globally regulators handed out 58 AML penalties, which is double the 29 issued during 2018, and reaching a significantly higher volume than the £3.2 billion imposed that year.

Regulators in the USA were the most active, handing out 25 penalties totalling £1.7 billion. The UK was next with 12 fines totalling £292 million.

The largest single fine was £3.9 billion, which was imposed by French authorities, while the average penalty rate for 2019 was £110.9 million.

Under half of penalties given out in 2019 were to banks, compared to two-thirds in 2018.

Commenting on the data, Wayne Johnson, CEO of Encompass Corporation, said: 'Since 2015, annual AML penalty figures have been steadily rising each year. Multi-million dollar fines have been commonplace for a while, but we are now seeing more penalties of one billion dollars or over, with two in 2019 alone.'

'Historically, the majority of these fines have been given to banks, but this year the proportion was less than half, demonstrating that money laundering is now recognised as a general business issue, not just one that is specific to financial services.'

HMRC publishes secondary draft legislation for off-payroll reforms

HMRC has now published draft secondary legislation for the off-payroll working rules that are due to come into force in April this year.

In 2017, HMRC introduced new off-payroll rules to the public sector, which saw some contractors' net income cut significantly. HMRC also shifted the responsibility for compliance from individual contractors to public bodies or recruitment agencies.

From 6 April 2020, the new tax rules will use the 2017 changes as a starting point for the extension to medium and large organisations in the private sector. These reforms will shift the responsibility for assessing employment status to the medium and large organisations employing the individuals.

The new draft legislation, open for consultation until 19 February 2020, includes details on how the government plans to operate the transfer of debt obligations.

Earlier this year the government launched a review of the upcoming changes, although it has now been limited in scope.

Jesse Norman, the Financial Secretary to the Treasury, said: 'We recognise that concerns have been raised about the forthcoming reforms to the off-payroll working rules. The purpose of this consultation is to make sure that the implementation of these changes in April is as smooth as possible.'

IoD calls for government to publish Brexit negotiating objectives

The Institute of Directors (IoD) has urged the government to publish its negotiating objectives as the UK moves towards the next stage of Brexit talks.

The business group surveyed 950 firms and found that many businesses don't think the Withdrawal Agreement provides enough certainty to unlock business investment.

55% of those polled said that they can only make planning and investment decisions with certainty once they understand what the relationship between the UK and the EU will look like. Just 35% of businesses feel the current withdrawal deal gives enough certainty.

'To put in place their investments, many of our members need to work from a clearer framework on our post-Brexit relationship with the EU,' said Allie Renison, Head of Europe and Trade Policy at the IoD.

'The Withdrawal Agreement provides clarity for the next 12 months and no further – enough for some organisations but not for those trying to take long-term decisions.

'To give businesses any chance of being ready for the new relationship by the end of 2020, the government needs to be as clear as possible about what its intended destination is.'