

# In Practice News

## New Bye Law 15, Anti Money Laundering Regulations

New Bye Law 15, Anti Money Laundering Regulations, becomes effective for CPA members from 1st January 2021.

The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended, (the Act), provides the legislative framework for the combat of money laundering and terrorist financing (MLTF) in Ireland. The accountancy profession plays an important role within this framework, CPA members and firms who provides audit, accounting, tax and trust and company services are required under the Act to have in place specific policies and procedures to combat MLTF.

CPA Ireland is recognised as a competent authority under S.60 of the Act and under this legislation is required to effectively monitor and take measures that are reasonably necessary for the purpose of securing compliance by its members, with the requirements of the Act.

## New CPD Requirements for Statutory Auditors

From January 1st 2022, new CPD Requirements for Statutory Auditors commence with the introduction of new IAASA CPD Guidelines. CPA members, affiliated partners and responsible individuals who are authorised by CPA Ireland as statutory auditors are reminded of requirements to maintain their competence in audit through CPD. The new guidelines require statutory auditors to retain CPD records for a period of 6 years, these are to be sufficient to demonstrate CPD planning, completion and evaluation.

Source: [www.iaasa.ie](http://www.iaasa.ie)

## Members in Public Practice

The Act places obligations on CPA members who are considered "designated persons" to guard against their businesses being used for money laundering or terrorist financing purposes and provides for the supervision of all "designated persons" by a competent authority.

"Designated persons" coming under the supervision of CPA Ireland include those members who are:

- auditors
- external accountants
- tax advisers
- trust company service providers.

Those members currently holding CPA practising certificates are supervised under the Institute's

current Quality Assurance programme for AML purposes.

Members who provide services which render them a designated person under the Act, but which do not require them to hold a practising certificate in accordance with Bye Law 13, Practice and Audit Regulations, such as book-keeping services are required to register separately for AML purposes with CPA Ireland.

The introduction of Bye Law 15, Anti-Money Laundering Regulations, provides for the consolidation of the AML obligations of the Institute and its Members within one regulation.

Source: Bye Law 15 AML Regulations CPA Ireland website

## Bye Law 9, Professional Indemnity Insurance Revised

Revisions to CPA Ireland's Bye Law 9, PII, become effective from 1st January 2021 and apply to members who hold practising certificates. The changes can be summarised as follows:

- Members engaging in investment business must ensure that they have adequate PII which should be ring fenced in respect of the firm's investment business activities. They must have in place a minimum cover of €1,300,380 in respect of each and every claim and €1,924,560 in aggregate per year for all claims. There are exemptions available from these levels for members who hold Category 1A authorisation or who have not conducted any investment business in the previous 12 months.
- The Bye Law has been updated to reflect the statutory PII requirements for members who accept liquidation appointments, pursuant to S.633 of the Companies Act 2014. Such members must hold professional indemnity insurance that meets the

requirements of the Companies Act 2014 (Professional Indemnity Insurance) (Liquidators) Regulations 2016 or any enactment or re-enactment thereof. These regulations provide for a limit of liability for each and every claim of not less than €1,500,000 (exclusive of defence costs) and provide cover for defence costs.

- The self-insured excess has increased and shall not exceed €25,000 each and every claim, multiplied by the number of principals.
- Professional indemnity insurance shall include retroactive cover for liabilities arising from work carried out previously. Where a retroactive date is included on a policy, it shall not predate a period of six years or if the firm has been in existence for less than six years, from the date of the inception of the firm, except for claims or potential claims known about at the time the insurance was first taken out.

Source: Bye Law 9, PII CPA Ireland website.