

Guidance Notes Working Party

Chair:

Lucy Makinson, Head of Financial Systems and International Standards, HM Treasury

Membership:

- HM Treasury
- Home Office
- FSA
- NCIS
- ACPO/City of London Police
- HM Revenue and Customs
- JMLSG
- Law Society
- Consultative Committee of Accountancy Bodies
- Gaming Board for Great Britain
- National Association of Estate Agents/Royal Institute of Chartered Surveyors
- UK Notarial Forum
- Auditing Practices Board

Frequency/Status:

The group will operate on a virtual basis, with no formal meetings for now, as it is felt that the detail of work on guidance can be undertaken by email. The success of this arrangement will be reviewed in due course.

Terms of Reference:

Examine industry produced guidance notes and make recommendations prior to submission for government approval.

Objectives:

- Assist with the development of guidance notes by trade associations, professional bodies and regulators;
- Consider specific issues in draft guidance notes, as identified by drafters or by the Secretariat, with a view to ensuring consistency;
- Consider sector-specific issues in depth; and
- Operate as a “keeping in touch” forum to enable communication.

Process:

As with existing arrangements, group members will be asked to comment on draft guidance before it is submitted to Treasury Ministers for approval. The fact that the guidance will have been vetted in this way will:

- provide Ministers with reassurance when deciding whether to approve it;
- result in better quality guidance for the regulated sector.

Given the demands on stakeholders' time, it is **not** suggested that all members of the group be required to read in its entirety all the guidance that is submitted to MLAC for comment/approval. Rather, the secretariat will identify areas that group members might be able to provide a useful input to, and commission requests accordingly. Group members will also be able to approach each other directly for views. In this way a discussion/keeping in touch forum will be developed. Recommendations will be fed back to drafters either through the secretariat or directly from group members.

Recent progress in this area:

JMLSG: On 14 March 2005, the JMLSG issued a consultation draft of its revised guidance notes. Unlike the existing guidance, the new draft encourages a risk-based approach and also now includes sector-specific material.. The end of the consultation period is 30 June 2005. The Government welcomes the move towards a risk-based approach and the authorities are providing the JMLSG with comments on the draft.

Casinos: A number of meetings have taken place between the Treasury, the Department of Culture, Media and Sport, Law Enforcement, NCIS and the Gaming Board for Great Britain on the issue of verifying the identity of customers of casinos, in order to inform the Gaming Board's guidance to the industry. This work will continue, with an eye on changes to the sector that will be brought about by the implementation of the Gambling Act 2005.

Notaries: The Treasury and the Home Office have now provided detailed comments on draft guidance produced for Notaries. These comments are now being considered by the members of the United Kingdom Notarial Forum.

Auditors: Draft guidance produced by the Auditing Practices Board is currently being considered in light of the passing of the Serious Organised Crime and Police Act 2005. In due course it will be submitted to Treasury Ministers for approval.

Public Sector: On 20 April 2005, the Chartered Institute of Public Finance and Accountancy published guidance for public service organisations.