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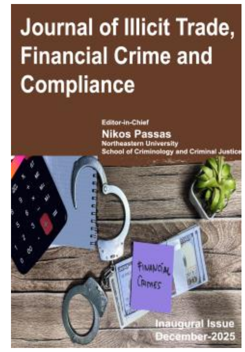

Divergent Anti-money laundering Regulatory Architectures for Accounting Professionals: A Comparative Study between China and Ireland

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ABSTRACT

This article compares the AML regulatory architectures governing accounting professionals in China and Ireland, a comparison made possible by China's 2025 Anti-Money Laundering (AML) Law, which extends regulation to accounting firms. It asks under what conditions criminal liability for AML failures can be activated. Treating regulatory architecture as three tiers the supervisory model, operational obligations, and the criminal liability regime it finds a structural asymmetry. In Ireland, accountants are supervised under a self-regulatory model that channels breaches toward internal discipline rather than criminal referral. The standalone offences, despite their low threshold, are therefore not activated a constraint that is relational, lying not in the offences but in the supervisory model surrounding them. In China, the absence of standalone AML offences means such failures are pursued under Article 191 of the Criminal Code as money laundering by omission, whose causation requirement is doctrinally hard to satisfy for procedural breaches; the constraint is inherent in the criminal liability regime. Both regimes are thus left without activation, by opposite routes. Addressing this requires, in Ireland, a referral mechanism linking the disciplinary process to criminal investigation; and in China, a standalone offence for AML failures that does not require proof of a laundering outcome.

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1. Introduction

Accounting professionals serve as critical “gatekeepers” to the global financial system. By auditing accounts, structuring transactions, and managing client funds, they occupy a unique vantage point to detect illicit financial flows, a position that distinguishes them from other Designated Non-Financial Businesses and Professions (DNFBPs). Yet as the FATF [1] observes, this gatekeeping position is double-edged: accounting professionals can facilitate illicit finance either unwittingly, by providing expertise without awareness of its purpose, or deliberately, by exploiting the legitimacy of their profession. Recognising this vulnerability, the FATF designates accounting professionals as obligated entities through Recommendations 22 and 23 [2]. Following the scope of “accounting profession” in FATF guidance [3], this article uses 'accounting professionals' to refer to professional accountants in public practice, both firms and individual practitioners providing services to third parties, regardless of functional classification (audit, tax, advisory), while excluding internal accountants employed within institutions.

The AML regulation of accounting professionals has been examined far less than that of general AML regimes [4-7] or of the legal profession, the latter including cross-jurisdictional comparative work [8, 9]. The most systematic study to date is Van den Broek’s [10] comparison of AML supervision of accountants alongside banks and real estate agents across four EU member states. That study, however, concerns the effectiveness of supervisory architectures; it does not address the criminal liability regimes through which AML failures are ultimately criminally sanctioned, nor does it extend beyond the EU. Other work remains confined to single jurisdictions: Guo [11], for instance, argued for imposing AML obligations on accountants in China without undertaking comparative analysis. This study builds on Van den Broek’s supervisory typology [10] but extends it in two directions: it incorporates the criminal liability regime as an integral component of the regulatory architecture, and it brings China into comparison with an established European regime, thereby addressing how supervision and criminal liability jointly determine whether AML failures are sanctioned.

This study offers a comparative analysis of AML regulatory architectures for accounting professionals in China and Ireland, a comparison that China's 2025 *Anti-money Laundering Law* [12] (hereinafter the “2025 AML Law”) has only now made feasible, as it firstly designates accounting firms as regulated entities, making the Chinese framework comparable with established regimes such as Ireland’s. The central research questions are twofold. First, how do Ireland and China structure their AML regulatory architectures across three components supervisory models, operational obligations, and criminal liability regimes and in what ways do these architectures diverge? Second, under what conditions is the activation of criminal liability for AML failures structurally constrained in each jurisdiction, and how do these conditions differ? The central argument is that the criminal liability provisions in both jurisdictions are subject to a structural asymmetry in how their activation is constrained: in Ireland, the constraint emerges through the interaction between supervisory model and criminal liability regime; in China, it is inherent in the criminal liability regime’s own design. Despite these opposite generative paths, both architectures produce the same outcome: the criminal liability provisions are not activated in practice.

The article proceeds as follows. Section 2 sets out the analytical framework and research design; Section 3 maps the two regulatory architectures against the FATF baseline; Section 4 examines how the supervisory model and criminal liability regime function and constrain the activation of criminal liability in each jurisdiction; Section 5 concludes with jurisdiction-specific reform directions.

2. Analytical Framework

2.1. Conceptual Framework

FATF Recommendation 22(d) subject’s accountants to AML obligations only when they “prepare for or carry out transactions for their clients”. By stipulating those services must be performed for a third party, the FATF anchors the gatekeeping designation in the nature of the professional relationship rather than professional status alone, what this paper terms the “Independence Criterion”. Applying this criterion across jurisdictions reveals a divergence in designation approach: Ireland designates individual practitioners, namely auditors, external accountants, and tax advisers, as obliged persons [13], under Section 60 of the Criminal Justice (Money Laundering and Terrorist

Financing) Act 2010 (hereinafter “the 2010 Act”), these practitioners are supervised by the designated accountancy body of which they are members; however, practitioners outside any such body fall to the state supervisor (the Anti-Money Laundering Compliance Unit) by default [14]. This study is accordingly concerned with accountants supervised within that self-regulatory tier. Whereas China’s 2025 AML Law targets accounting firms as institutional entities under Section 64. While formally distinct, these approaches are functionally equivalent, justifying the use of “accounting professionals” as the overarching comparative term throughout this paper, referring to both individual practitioners and accounting firms subject to AML obligations under Recommendation 22(d), irrespective of how the regulatory subject is conceptualized under each jurisdiction’s domestic law.

Accountants are selected as the focus of this study for two reasons: First, through statutory audit, financial verification, and corporate secretarial services, accountants have direct access to the financial substance of client activities, and FATF research has documented specific typologies of their misuse, including corporate secretarial services used in conjunction with shell company structures [3,15]. Second, and more central to this study, the accounting profession has a strong tradition of self-regulation, under which professional associations are formally or informally involved in AML supervision [10]. This self-regulatory tradition makes the profession a particularly instructive case for the present analysis.

This paper conceptualizes regulatory architecture as three interdependent tiers that correspond to the structure common to AML legislation in China and Ireland, which addresses supervision, preventive obligations, and legal liability as distinct components. The first tier, the supervisory model, determines who monitors compliance and responds to violations; the second tier, the operational obligations, defines the substantive duties imposed on accounting professionals; and the third tier, the criminal liability regime, comprises the offences and legal basis through which criminal liability may be imposed for AML failures. This paper sequences these tiers to reflect its analytical logic rather than any particular legislative structure. The analysis focuses on the conditions under which criminal liability for AML failures can be activated in each jurisdiction, and on how these conditions differ between them.

2.2. Research Design and Data Sources

This study employs comparative legal analysis to examine the AML regulatory architectures governing accounting professionals in China and Ireland. Its central concern is not the frequency with which AML failures are prosecuted, but the structural conditions that determine whether the criminal liability regimes can be activated a question that turns on how each jurisdiction's regulatory architecture is designed. The analysis is accordingly structural and normative, grounded in the design of the supervisory and criminal liability provisions.

Ireland is selected as the comparative counterpart to China because the two jurisdictions represent opposite ends of the spectrum on both dimensions that matter for this analysis. The first is the supervisory model. Van den Broek’s typology distinguishes several AML supervisory models for accounting professionals [10], two of which are relevant here. Under the internal model, professional associations bear primary supervisory responsibility; under the external model, that responsibility rests with state authorities. Ireland, drawing on a common-law tradition of professional self-regulation, follows the internal model, while China follows the external model (as discussed in Section 3.1). The second dimension is the design of criminal liability for AML failures. The two jurisdictions also differ sharply: under the 2010 Act, an accountant who fails to meet an AML duty such as customer due diligence commits a standalone offence (e.g., section 33(9)), with a low threshold for liability, whereas China has no such offence and must rely instead on the money-laundering offence under Article 191 of its Criminal Code, which requires proof of causation that is difficult to establish for a failure to act (as discussed in Section 4.2).

Comparing two jurisdictions that differ sharply on both dimensions makes it possible to see whether such contrasting designs reach the same outcome, whether criminal liability proves equally difficult to activate at both ends of the spectrum. Additionally, both jurisdictions are FATF member states under equivalent international mandates, ensuring that the divergences observed reflect domestic regulatory choices rather than differing international obligations.

The analysis is confined to the failure to perform core AML duties inadequate customer due diligence, non-reporting of suspicious transactions, and record-keeping breaches rather than the full range of AML-related offences. This focus is dictated by comparability: Ireland's standalone failure offences and China's treatment of such failures under Article 191 of the criminal code address the same category of conducts and can therefore be meaningfully compared, whereas certain offences in one jurisdiction have no counterpart in the other. (For instance, tipping-off under Section 49 of the 2010 Act has no clear standalone counterpart in Chinese criminal law and is excluded from this comparison)

Primary sources include statutory instruments from both jurisdictions [12,13,16,17,20,21]; FATF Recommendations and related reports (including thematic guidance and the Mutual Evaluation of Ireland) [1–3,15,36]; the annual AML supervision reports published by Chartered Accountants Ireland [14,18,19,34,35]; and publicly reported CICPA data on the organizational composition of Chinese accounting firms [23]. Secondary sources comprise peer-reviewed scholarship. Searches of the publicly available judicial databases of both jurisdictions the British and Irish Legal Information Institute (BAILII) for Ireland and the People's Court Case Database for China return no reported prosecutions of accountants for failing to assume the statutory AML obligations.

However, the absence of reported cases does not mean that such prosecutions never occur; nor does the argument here depend on their frequency. The analysis is doctrinal and structural: it identifies the conditions under which criminal liability for AML failures can be activated. In Ireland, minor AML breaches may be prosecuted summarily under Section 7 of the 2010 Act, and summary proceedings before the District Court are not systematically reported; in China, enforcement data under the 2025 AML Law has not yet accumulated, so that the claim for China remains a structural prediction, to be tested as enforcement practice develops. The two jurisdictions differ markedly in their AML regulatory architectures for accounting professionals, yet neither yields any reported conviction of an accountant for such failures. This convergence is consistent with the structural constraints analysed in Section 4.

3. Statutory Mapping of Regulatory Architectures

This section maps the AML regulatory architectures of Ireland and China against the FATF baseline, taking the three tiers in turn; the criminal liability regimes' relationship with the supervisory model is examined in depth in Section 4.

3.1. Supervisory Models: Internal vs. External Supervision

3.1.1. Ireland: Internal Supervision by Self-Regulatory Bodies

Ireland transposes the EU AML Directives, which designate auditors, external accountants and tax advisers as obliged entities [16, 17], through the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 [13] (hereinafter "the 2010 Act"), section 25(1)(c) of which classifies these professionals as designated persons subject to AML obligations. However, the Directives do not set a uniform supervisory model: as Van den Broek notes [10], Member States' supervisory models are shaped by national politics, culture, and legal traditions.

Consistent with Ireland's common law tradition of professional autonomy, section 60(1)(c) of the 2010 Act explicitly designates "designated accountancy bodies" such as Chartered Accountants Ireland (CAI) [18] as the competent authorities for their respective members. Rather than vesting supervisory powers in a direct state apparatus, the Irish legislature pragmatically relies on the profession's self-regulatory capacity. This designation perfectly satisfies the defining principle of Van den Broek's internal model: professional associations bear the primary supervisory responsibility, with state authorities assuming competence only where the professions' bodies have no jurisdiction [10]. In practice, CAI discharges its supervisory function through its Professional Standards Department, which conducts both desk-based and on-site monitoring reviews of member firms, and publishes annual AML Supervision Reports pursuant to Section 65(2) of the 2010 Act.[19]

3.1.2. China: External Supervision by State-Led Authorities

Although China enacted its first AML Law in 2007, accounting professionals were not explicitly designated as obligated entities under that legislation, leaving the profession outside the formal AML legal framework for nearly two decades. This regulatory gap was only resolved with the enactment of the 2025 AML Law and the promulgation of the *Measures for the Administration of Anti-Money Laundering Work in Accounting Firms* [20] (hereinafter "the Administration Measures") by the Ministry of Finance pursuant to Section 15 of the 2025 AML Law which mandates that DNFBP regulations shall be issued by "the relevant authority under the State Council".

Applying Van den Broek's typology [10], China's supervisory model falls within the external model: state authorities bear primary supervisory responsibility, maintaining no direct professional relationship with the regulated entities. This defining criterion is satisfied by the institutional arrangements under the Administration Measures: primary supervisory responsibility is vested in provincial-level and above finance departments, with the People's Bank of China (PBOC) and its branches playing an auxiliary supervisory role (Articles 23 and 25 of the Administration Measures). The CICPA, by contrast, undertakes a subordinate self-regulatory role encompassing guideline formulation, risk alerts, and disciplinary actions against non-compliant firms, with any such measures required to be reported to the relevant finance department (Article 24 of the Administration Measures). Consequently, professional associations play a guided, subordinate role rather than bearing primary supervisory responsibility, precisely inverting the governance logic of Ireland's internal model.

3.2. Operationalizing AML Duties: Core Preventive Measures

FATF Recommendations 22 and 23 [2] impose three core duties on accounting professionals engaged in specified high-risk client activities: customer due diligence (CDD), suspicious transaction reporting (STR), and record retention. As FATF member jurisdictions, both Ireland and China have transposed these obligations in substantively comparable terms: Ireland through Sections 33, 42 and 55 of the 2010 Act, and China through Articles 6–20 of the Administration Measures, with divergences of detail mapped in Table **1**:

Table 1: Operational AML Obligations: Core Requirements and Regulatory Details

Obligation	Ireland	China
CDD	Section 34, 2010 Act: statutory exemptions for making CDD for low-risk customers/products; Disapplied for high-risk scenarios including designated regions and politically exposed persons (PEPs)	Administration Measures, Articles 6-15: Enhanced Due Diligence mandatory for high-risk clients; Simplified Due Diligence permitted for predefined low-risk scenarios only
STR	Section 42, 2010 Act: reporting to Irish FIU; internal reporting defence under Section 44; legal privilege exemption under Section 46	Administration Measures, Articles 16-17: reporting regardless of transaction amount; submitted via CICPA unified platform to Chinese FIU
Record Retention	Section 55, 2010 Act: minimum 5 years; obligation transfers to successor entity upon cessation	Administration Measures, Article 19: minimum 10 years; strict confidentiality obligations apply

Ireland's obligation framework is marked by statutory exemptions and legal privilege protections, reflecting the internal model's deference to professional autonomy. China's framework imposes stricter record retention requirements and routes STR reporting through the profession's own regulatory infrastructure under state oversight, reflecting the external model's emphasis on hierarchical administrative control. While the obligations converge in substance, the criminal liability regimes attaching to their breach diverge fundamentally.

3.3. Criminal Liability Provisions

FATF Recommendation 35 [2] requires that countries ensure a range of 'effective, proportionate and dissuasive' sanctions for AML non-compliance. This section examines the specific criminal liability provisions applicable to accounting professionals in Ireland and China: Ireland through independent statutory offences under the 2010 Act, and China through Article 191 of the Criminal Code [21].

3.3.1. Ireland: Independent Statutory Offences

The 2010 Act establishes independent statutory offences directly criminalizing procedural AML failures: failing to conduct CDD (section 33(9)), to file STRs (section 42(9)) and to retain records (section 55(12)) each constitutes a standalone offence carrying up to five years' imprisonment on indictment, without proof of actual money laundering—offences representative of the broader category of failure offences in Part 4 of the Act.

3.3.2. China: Referral Mechanism to the Criminal Code

By contrast, Chinese legislation does not establish independent criminal offences for AML procedural failures. Article 62 of the 2025 AML Law and Article 27 of the Administration Measures adopt a referral mechanism: criminal liability for accounting firms shall be determined in accordance with the relevant provisions of the Criminal Code.

These directive clauses do not specify which provisions apply. In principle, Article 229 of the Criminal Code (issuance of false certification documents by intermediary organizations) or Article 310 (harboring or shielding criminals) may also apply where the constituent elements are satisfied. It paper focuses on Article 191 (the money laundering offence) for two reasons: It is the provision that corresponds directly to accountants' gatekeeping role and the legal basis through which the AML framework intends to assign criminal liability for AML failures; the other provisions (as mentioned above) implicate money laundering only incidentally.

Whether an accounting firm may be held criminally liable depends on its organizational form: only entities with legal person status qualify as subjects of corporate crime [22]. According to CICPA, by the end of 2024, over 62% of Chinese accounting firms were structured as general or special general partnerships lacking legal person status [23]. Consequently, although AML obligations are imposed on firms with the legislative intent of institutional liability, the prevalent partnership structure displaces criminal liability onto directly responsible individual practitioners.

Under the 2025 AML Law, accountants who fail to fulfil their statutory AML obligations, thereby enabling money laundering, may be convicted of money laundering by omission under Article 191 [24]. The doctrinal demands of this omission-based liability are examined in Section 4.2.2.

4. Enforcement Paradoxes: Supervision and Criminal Sanctions

Section 3 has revealed convergence alongside divergence: while the AML obligations imposed on accounting professionals are substantively the same in their core requirements across both jurisdictions, the supervisory models and criminal liability regimes diverge fundamentally. Any explanation for the enforcement paradoxes below must therefore be sought not in what accountants are required to do, but in how AML compliance is supervised and how criminal liability is structured. This section examines how these two tiers function in each jurisdiction, and the conditions under which the activation of criminal liability is structurally constrained.

4.1. Theoretical Underpinnings of Divergent Supervisory Models

As established in Section 3, Ireland exemplifies the internal supervision model while China exemplifies the external model. This section examines the theoretical logic underpinning each.

4.1.1. Ireland: Internal model guided by Responsibilization Strategy

Ireland's regulatory architecture serves as an exemplary case of the internal supervision model. Four designated accountancy bodies hold statutory AML supervisory responsibility for their respective members. However, this analysis focuses on Chartered Accountants Ireland (CAI), by far the largest, supervising roughly seven in ten of all firms subject to accountancy-body AML supervision in Ireland.[37] This arrangement reflects what Streeck and Schmitter [29] term "regulated self-regulation": the profession regulates detailed norms while the Government sets the general framework a pattern common to all internal AML supervision models [30]. Within the Irish context, the CCAB-I AML Guidance [31] serves as the formally recognized operational baseline, developed by the professional association within the framework established by the 2010 Act. This delegation exemplifies Garland's responsibilization strategy [25]: rather than preventing crime directly through state agencies, the state enlists the specialized knowledge of non-state actors here, accountants' capacity for financial scrutiny as a frontline defence against money laundering.

However, this delegation places Ireland's AML supervision within what Black [26] characterizes as a decentred regulatory order, in which the defining challenge is no longer whether to regulate, but how to regulate self-regulation. Once the state delegates regulatory functions, it can no longer enforce directly, nor can it readily ensure that the delegated actor enforces on its behalf. Regulatory authority is distributed among the state, the professional associations, and individual firms, and no single actor has the knowledge or capacity to oversee the system as a whole [26]. However, Black identifies this difficulty only at a general structural level; she does not specify how it operates within any particular regulatory field.

In the AML context, that mechanism is supplied by the specific nature of the delegated actor. CAI simultaneously advocates for the profession's reputation and enforces its AML compliance obligations, a dual role characteristic of professional regulatory associations as described by Friedman and Phillips [32]. This dual role creates an institutional incentive to treat statutory AML breaches as matters of internal compliance rather than as triggers for criminal referral, orienting CAI away from the criminal liability provisions established under the 2010 Act. Section 4.2 examines how this orientation impedes the activation of those provisions.

4.1.2. China: External model under Overall National Security Outlook

China's administrative supervision exemplifies what Van den Broek [10] defines as the external supervision model. The core characteristic of this architecture is that primary supervisory authority is vested in external state institutions, specifically, the People's Bank of China (PBOC) and the Ministry of Finance (MOF). By relying on these national administrative bodies, the Chinese framework deliberately establishes a "certain distance", ensuring supervisors maintain "no direct, professional relationship" with the regulated accounting firms [10]. This structural design effectively overcomes the internal model's inherent conflict of interest between commercial advocacy and statutory enforcement.

Driven by China's Overall National Security Outlook, the state's AML conceptualization has undergone a "three-level jump" [27-28] evolving from a narrow focus on institutional reputation and stability into a strategic "grasp" for safeguarding non-traditional security and modernizing the "national governance system". Codified in the 2025 AML Law, this governance logic enforces the top-level mandate to subject all financial activities to statutory oversight and "hold the bottom line against systemic risks". This conception finds a theoretical parallel in Hörnqvist [33], who argues that AML regulation has less to do with correcting market failures than with pursuing "enemies of the state" submerged within the economy. This sovereign logic, this paper argues, resembles China's Overall National Security Outlook, under which the management of systemic financial risk is conceived as a core dimension of sovereign security. Such a conception requires direct state supervision, which explains why AML authority is held exclusively by national agencies rather than delegated to professional associations.

Unlike the Irish framework guided by responsibilization strategy, the Chinese prioritizes state control over professional autonomy, subjecting firms directly to state supervision. Where the internal model tends to internalise compliance failures within professional discipline, the external model orients the supervisory response toward direct administrative sanction by the state. This contrast, however, concerns the supervisory tier alone. As Section 4.2 will show, in China, this supervisory divergence does not determine whether criminal liability is activated; that question turns on the design of the criminal liability regime.

4.2. Criminal sanctions and Compliance Paradoxes

4.2.1. Ireland: The Paradox of Conduct-Based Liability

Ireland structures the criminal liability of accounting professionals for failing to assume AML duties within the conduct-based offences regime. Failing to execute obligations such as CDD (s.33) or filing an STR (s.42) constitutes a standalone crime under the 2010 Act, requiring no proof of resultant harm. By criminalising the act itself, the statute ensures that liability relies on the accountant's own procedural breach, rather than the uncontrollable outcome of a client's laundering success. However, as analysed below, the structural orientation identified in Section 4.1.1 prevents these provisions from being activated through the criminal justice system.

Specifically, when an accountant fails to fulfil statutory AML duties, this omission constitutes a criminal offence under the 2010 Act. However, upon detecting such violations, CAI, the regulatory body for Irish accounting professionals, faces the structural role dichotomy identified by Friedman and Phillips [32]: professional associations confront an intrinsic tension between advocating for their members and acting as state regulators. As Van den Broek [10] notes, professional associations may hesitate actively to verify AML compliance and impose sanctions, since a high number of sanctions could suggest low professional standards and diminish trust in the profession. Extended to the criminal dimension, the same orientation implies an even greater reluctance to refer breaches to the state for criminal prosecution, a step that would expose a member to prosecution and the profession to greater reputational risk.

This theoretical tension is empirically corroborated in the Irish context. In its AML supervision reports for 2023/24 and 2024/25, CAI completed 54 and 67 AML inspections of accounting firms in Ireland (onsite visits and desk-based reviews) respectively, grading 8 and 10 firms non-compliant; yet every recorded supervisory response remained within the association's own disciplinary framework: confirmations of remediation, externally conducted compliance reviews, restrictions on conducting such reviews for other firms, and accelerated monitoring visits, with no regulatory penalty offered for AML-related breaches in either period, still less any criminal referral [34,35]. Nor can this pattern be attributed to low sectoral money laundering risk. Ireland's 2026 National Risk Assessment (NRA) rates the money laundering risk of accounting services providers as significant, describing the sector as a gatekeeper whose involvement can lend a "veneer of legitimacy" to illicit activity [37].

Additionally, the FATF Mutual Evaluation [36] (the most recent assessment of supervisory effectiveness; later follow-ups re-rated only technical compliance) of Ireland identified that the designated accountancy bodies had not applied effective, proportionate and dissuasive sanctions for AML non-compliance, relying instead on remedial actions. Neither report records any AML failure by a member firm being referred to Garda Síochána (Irish police authority) for criminal investigation, nor describes any mechanism by which such a referral would be made.

This remedial logic holds even in the most serious cases: CAI's report describes a firm whose inspection produced the lowest available grade, with deficient customer due diligence across all files reviewed and both its internal policies and its firm-wide risk assessment found non-compliant with the 2010 Act [35]. The response from CAI was an external compliance review and a restriction on conducting AML compliance reviews for other firms, the latter to be lifted once the firm regained a satisfactory grade. Even here, the breach was addressed solely as a matter of supervisory remediation. The standalone criminal offences in the 2010 Act, which by design require no threshold of seriousness or resulting harm, found no application in the most serious case the supervisor had identified.

In treating serious AML breaches as compliance matters to be corrected internally rather than as criminal matters warranting referral, CAI absorbs the enforcement response within its disciplinary framework. Therefore, the interaction between the supervisory model (Tier 1) and the criminal liability regime (Tier 3) within Irish regulatory context follows from this. The criminal provisions are designed to operate through the criminal justice system, but in practice their activation turns on the supervisor first identifying the breach. Failures of this kind in customer due diligence, risk assessment, or internal policies come to light largely through inspection, and it is the supervisor that conducts those inspections. Where the supervisor resolves such a breach internally, the criminal provisions, however well designed in textual terms, are not triggered. For accountants supervised within this self-regulatory tier, the 2010 Act's standalone offences, though applicable to procedural failures, are thereby left without activating force, consistent with the absence of reported prosecutions identified in Section 2.2.

4.2.2 China: The Referral Mechanism and Its Structural Incompatibility with AML Procedural Failures

As established in Section 3.3, the majority of Chinese accounting firms are structured as non-legal-person partnerships, which under Chinese legal context cannot be held as subjects of entity (corporate) crime. Criminal liability for AML non-compliance therefore falls almost exclusively on directly responsible individual accountants. Lacking standalone offences for AML breaches, China pursues such individual liability through Article 191 of the Criminal Code (the money laundering offence) under the referral mechanism. Under Article 191, the accountant's failure to fulfil statutory AML duties should be prosecuted as money laundering committed by omission. However, the structure of omission liability imposes a stringent threshold on prosecuting accountants' AML compliance failures: it requires a causal link between the omission and the resulting harm.

In the AML context, this causal requirement is particularly difficult to satisfy. Specifically, an accountant's failure to perform AML duties such as inadequate customer due diligence or non-reporting of a suspicious transaction is rarely the direct cause of money laundering. The causal chain typically runs through multiple intermediate actors and decisions: the launderer's design of the scheme, the involvement of banks and other intermediaries, the availability of alternative laundering channels. For conviction, it must be shown that the laundering outcome would not have occurred had the accountant performed their duties but in a multi-step process involving many actors, this is rarely the case. Consequently, while Article 191 is formally available as a route to criminal liability, the doctrinal structure of omission liability sets a causation requirement that constrains the activation of the criminal liability regime for AML procedural failures.

The supervisory model (Tier 1) in China nonetheless produces a parallel consequence. State regulatory authorities (the provincial-level and above finance departments and PBOC) are bound by statutory AML supervisory duties to actively address any potential AML non-compliance cases from accounting professionals. When the criminal route is structurally unavailable, such cases can be expected to be addressed through the only remaining avenue: administrative sanction. This reliance on administrative sanction would be a parallel consequence of the criminal regime's design (Tier 3), the constraint originates within Tier 3 itself.

This expectation is grounded in existing enforcement practice. The PBOC's 2024 China Anti-Money Laundering Report records that procuratorates that year prosecuted 2,488 cases under the money laundering offence (Criminal Code Article 191) and 88,521 under the offence of concealing criminal proceeds (Article 312) [38], all concerning those who launder or handle criminal proceeds, none recording obliged institutions, let alone accountants prosecuted for AML procedural failures. Such failures are instead subject only to administrative penalties: under Article 27 of the Administration Measures, breaches by accounting firms are sanctioned by the finance authorities pursuant to Article 58 of the AML Law. The finance authorities' willingness to enforce forcefully against accounting firms is illustrated by the Ministry of Finance's action in September 2024 against PwC Zhong Tian, which though an audit-quality rather than an AML case suspended the firm for six months, revoked its Guangzhou branch, and imposed fines of RMB 116 million under the Certified Public Accountants Law.[39] These patterns bear out the prediction set out above: with the criminal route structurally closed and the administrative track both statutorily prescribed and actively enforced, AML procedural failures by accountants can be expected to be channelled to administrative sanction as the regime matures.

Ultimately, both architectures arrive at the same outcome by different routes: In Ireland, standalone offences are left without activation because the self-regulatory body channels compliance failures toward professional discipline. In China, the absence of standalone offences for AML failures and the doctrinal demands of omission liability limit the referral mechanism; the resulting reliance on administrative sanction erodes the function of criminal law as the AML system's ultimate backstop. The absence of reported convictions under Article 191 against accountants, while attributable in part to the recency of the 2025 AML Law bringing accountants within the regulatory perimeter, is consistent with these constraints.

5. Conclusion

This study has examined how two divergent AML regulatory architectures bear on the same question: whether criminal liability for the failure of accounting professionals to perform their AML obligations can be activated. In both Ireland and China, its activation is structurally constrained but for different reasons. In Ireland, the constraint is relational: low-threshold standalone offences are not activated because the internal supervisory model, in which the professional association that supervises also represents the profession, channels AML failures toward professional discipline rather than the criminal justice system. In China, the constraint is internal: with no standalone AML offences, an accountant's breach of his AML duties is characterized under Article 191 of the Criminal Code as money laundering committed by omission, whose causation requirement is doctrinally difficult to satisfy for procedural breaches.

Though their mechanisms differ, both jurisdictions thus reach the same outcome: the criminal liability regime cannot perform its intended role as the AML system's ultimate backstop. The three-tier framework developed here, summarized in Table **2**, makes this visible.

Table 2: Comparative Structure of AML Regulatory Architectures and the Constraint on the Activation of Criminal Liability

	Ireland	China
Supervisory Models (Tier 1)	Internal: self-regulatory body (CAI)	External: state authorities (provincial-level and above finance departments /PBOC)
Criminal Liability Regimes (Tier 3)	Conduct-based standalone offences; no proof of money laundering activities required	No standalone offences; referral to Article 191 of the criminal code, requiring causation under omission liability
Causes of Constraint	Interaction: the internal supervisory model channels AML breaches toward internal discipline rather than criminal referral, leaving the offences without activation	Inherent in Tier 3: the omission-based causation requirement is doctrinally difficult to satisfy for AML procedural failures
Roles of Supervisory Models	Generative: the constraint arises through Tier 1's interaction with Tier 3	Parallel: Tier 1 channels cases toward administrative sanction, a consequence rather than the cause of the constraint
Outcome	Criminal liability regimes are left without activation, through distinct routes	

Note: "activation" in table **2** refers to criminal liability for the AML failures of accountants supervised within each jurisdiction's supervisory tier, not to the operation of the criminal provisions across all obliged entities.

The three-tier framework developed here is not confined to accountants or to the two jurisdictions examined. By distinguishing the supervisory model, operational obligations, and criminal liability regime, it offers a structured means of analyzing the AML regulatory architecture. Specifically, it works as a two-step analysis. The first step examines the criminal liability regime. Where AML failures are not criminalized as standalone offences, the constraint is inherent in Tier 3: criminal liability can be pursued only through the substantive money laundering offence by omission; yet the doctrinal structure of omission liability sets a causation requirement that constrains activation for procedural failures (see section 4.2.2). Administrative sanction then fills the space the criminal route leaves empty, as in China. By contrast, where such offences do exist, the second step examines the supervisory model, since it is the supervisor that determines whether detected breaches reach the criminal justice system. This model takes different forms—internal, external, FIU-based or hybrid, in Van den Broek's typology [10]. The United Kingdom, which shares Ireland's internal model, is instructive: the Institute of Chartered Accountants in England and Wales (ICAEW) sanctions far more dissuasively than Ireland's accountancy body, imposing consent-order fines and exclusions on non-compliant firms [40]; but referral for AML breaches runs only within the professional structure, from monitoring to the conduct department, and on to the body's own tribunal, with no route recorded to the criminal justice system.

These findings point to correspondingly different reform directions. In Ireland, where the internal supervisory model tends to absorb compliance failures rather than channel them outward, a route for referring serious AML failures for criminal investigation is needed. This direction is reinforced by Article 52 of the EU's sixth AML Directive, which places the AML supervision performed by self-regulatory bodies under the oversight of a public authority and requires that authority to inform the authorities competent for investigation and prosecution, directly or through the FIU, of breaches subject to criminal sanctions that it detects in performing its tasks (Article 52(6)) [41]. This calls for action at two levels. For the State as regulator, Ireland has yet to designate that oversight authority ahead of the July 2027 transposition deadline [37]; its mandate should expressly extend beyond this minimum to monitoring whether serious AML failures are in fact referred. For CAI as the professional body, beyond establishing such a referral mechanism, it can give the mechanism concrete form by incorporating referral criteria into its existing disciplinary framework, specifying which categories of serious failure warrant criminal referral, and by disclosing referral figures in the annual AML supervision reports.

In China, where the constraint of activation lies in the criminal regime for AML failures rather than in the supervisory model, it would require introducing a standalone offence for the failure to perform AML duties, one that does not depend on proof of a completed laundering outcome. This is a task for the legislator. The professional accountancy body, CICPA, could then reinforce this. Under the Administration Measures and its own AML guidance for firms, CICPA is already required to report sanctionable violations to the finance departments [20, 42]. A referral route toward administrative sanction thus already exists; once the standalone offence is enacted, the content of this reporting duty should be extended to cover failures that may constitute the new offence, which the finance departments can then transfer for criminal investigation.

Conflict of Interest Statement

The author declares that there is no conflict of interest regarding the development, publication, or results of this manuscript.

Author Contributions Statement

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Data Availability

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

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