HAT Group
The White Chapel Building, 10 Whitechapel
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hatgroup.co.uk

YOUR COMPLIANCE PARTNER

Updates and Insights

Issue 2.2026
Edited by Simon Kettlewell

Welcome

Welcome to the latest edition of HAT Updates and Insights.

We have had a bit of a refresh and will now be bringing you these Updates more frequently. You can expect to receive these every four to six weeks, making it easier for you to digest the continual regulatory and technical changes that we face.

Any feedback on the new format is gratefully received – please let Bertie know your thoughts.

This edition comes hot on the heels of the previous edition, but that doesn't mean there isn't much to cover. We have had updated Strategic Report guidance form Companies House, an updated FATF Grey list, and confirmation of cryptoasset regulation.

Further details on these changes (and more) can be found in the Technical Update section.

If you are considering your CPD requirements for 2026 and would like some bespoke sessions to be run in-house, please get in touch to discuss how we can help you achieve your goals.

Simon Kettlewell - Technical Director

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SRA Accounts Rules Update 2026

SECURE YOUR PLACE - 17 MARCH 26

A 90-minute online CPD update for Reporting Accountants and their teams working on SRA assignments. Starts at 10am.

Upcoming Courses and Events

Our website provides details of all our current courses.

Courses for 2026 have now been planned, and include:

Course	Presenter	Date	Location
SRA Update	Andrew Jarvis	17 March 2026 10.00am – 11.30am	Online
Charities Update, including FRS 102 changes	Andrew Jarvis and Adam Loake	14 April 2026 9.30am – 12.30pm	Online
AML 2026 Update	Kate McCaffrey	13 May 2026 2.00pm – 3.30pm	Online
FRS 102: What You Need to Know	Kate McCaffrey	9 June 2026 24 November 2026 9.30am – 12.30pm	Online
Being an Effective R.I	Kate McCaffrey	14 July 2026 9.30am – 12.30pm	In person
Effective Audit Review	Adam Loake	12 November 2026 9.30am – 4.30pm	In person
AML Compliance: A guide for Senior Management	Simon Kettlewell	12 November 2026 2.00pm – 4.00pm	Online
Audit Planning Workshop	Kate McCaffrey	26 November 2026 9.30am – 12.30pm	In person

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Career Development Courses

Our popular Career Development course programme covers the skills needed for trainees and newly qualified staff. Full details are provided below.

Course	Date	Venue
Kickstart Your Career	28 August 2026	London
Introduction to Accounting	14 – 18 September 2026	London
Introduction to Auditing	21 – 25 September 2026	London
Advanced Accounting	22 – 23 June 2026	London
Practical Auditing	6 – 10 July 2026	Residential – Ipswich
A Practical Introduction to UK GAAP	15 – 16 June 2026	London
Becoming an Effective Audit Senior	20 – 24 April 2026	Residential – Norwich
Becoming an Effective Supervisor	9 – 13 November 2026	Residential – venue TBC
Managers Course	Contact Kate McCaffrey to discuss	

Further information

Full details of the Career Development courses can be found on the HAT website here.

Should a firm require any other information about our Career Development courses, please contact Kate McCaffrey.

Please see the HAT website www.hatgroup.co.uk for our full range of courses and further details such as pricing. Bookings can be made via our website or please email hat@hatgroup.co.uk or call 020 7213 9911 for more details.

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Updates To The Hat Methodologies

The following updates have been released in past few months:

Reference	Date	Content
TM 03/25	1 Oct 2025	HAT Corporate Audit Methodology – 2025 Update
TM 04/25	1 Oct 2025	HAT Groups Methodology – 2025 Update
TM 05/25	11 Dec 2025	HAT Non-audit Assignments Methodology – 2025 Update
TM 01/26	9 Jan 2026	HAT Charities Methodology – 2025 Update
TM 02/26	25 Feb 2026	HAT Pension Schemes Methodology: 2025 Update
TM 03/26	25 Feb 2026	HAT Not For Profit Entities Methodology: 2025 Update
TM 04/26	25 Feb 2026	HAT Registered Social Housing Providers (Rshp) Methodology: 2025 Update
TM 05/26	27 Feb 2026	HAT FRS 102 (September 2024) – Disclosure Checklists

The updates to methodologies mentioned above have been primarily driven by the need to reflect the new company size thresholds, which apply for accounting periods commencing on or after 6 April 2025.

Other methodologies affected by these changes will be updated during the first quarter of 2026.

NB; the update to the Charities methodology does not reflect the revised Charities SORP, effective for periods commencing on or after 1 January 2026, nor does it reflect changes to audit thresholds expected later this year. These will be covered in the 2026 update, expected in the final quarter of this year.

Summaries of the changes to our methodologies in the above updates are available here.

A summary of our current methodology and compliance pack including details of effective dates can be obtained by logging into the members' area of the HAT website. Remember, key elements of our audit and non-audit methodology are available from our partners, CaseWare and MyWorkPapers. For full details of the availability of our documentation within these platforms please contact us.

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Technical Update

Company Law

Updated FRC Guidance On The Strategic Report

The FRC has issued updated Guidance on the Strategic Report and their Press Release advises that the guidance has been developed to support all UK entities that prepare strategic reports under company law and is intended to provide practical, proportionate help and support high-quality reporting for entities.

It reflects changes to legislative and regulatory requirements, including the revision of the UK Corporate Governance Code 2024, legislative changes to directors' report disclosures, and other developments in wider corporate reporting practice. It also delivers improvements to its structure and accessibility to improve usability and functionality for preparers.

Alongside the guidance, the FRC has also published updated Scoping Tables to support entities complying with Companies Act 2006 disclosure requirements for the strategic report, the directors' report and the energy and carbon report, to reflect reporting of payment practices within the Directors Report.

ACTION FOR FIRMS

This is a useful aide-memoire which identifies with ease the reporting requirements which apply to every company unable to apply exemptions available for small companies.

Anti-Money Laundering

Changes To The FATF List Of Jurisdictions Under Increased Monitoring

At the conclusion of the February 2026 Financial Action Task Force ("FATF") Plenary Meeting, it was confirmed that Kuwait and Papua New Guinea have been added to the list of jurisdictions under increased monitoring and no countries have been removed from the list of jurisdictions under increased monitoring.

ACTION FOR FIRMS

These changes have immediate impact in the UK and as such, client links to these countries now require enhanced due diligence measures to comply with the Money Laundering Regulations 2017.

Amendment To Economic Crime Levy

Following an initial announcement in the Budget 2025, it has been confirmed that the amount charged under the Economic Crime (Anti-Money Laundering) Levy will increase from financial years beginning April 2026 onwards. It affects entities that are both regulated for anti-money laundering purposes and have UK revenue over £10.2 million each year.

It splits the previous large band into two new bands, namely Band B for entities with UK revenue between £36 million and £500 million (Economic Crime Levy payable of £36,000); and Band C for entities with UK revenue between £500 million and £1 billion (Economic Crime Levy payable of £500,000).

It also renames the remaining bands as A (previously medium) and D (previously very large) and increases the Economic Crime Levy payable by band A to £10,200, and Band D to £1,000,000.

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ICAEW / ACCA / Regulatory

ICAEW Guidance On Clients' Money Regulations

ICAEW have issued guidance in respect of the Clients' Money Regulations, where associated or commonly controlled firms are using shared client money accounts, contrary to the Clients' Money Regulations.

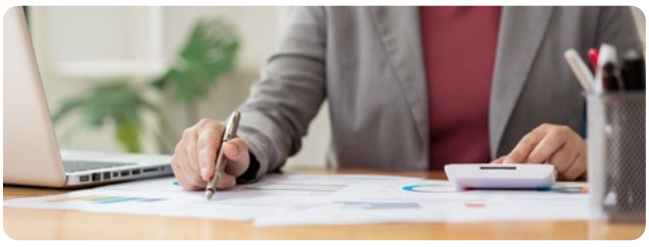
The key concern is that ICAEW has found examples of member firms that are either associated with each other or under common control, using client money accounts in the name of only one of the firms. For example, member firms A, B, C are associated or under common control. A, B and C each provide services which require client money bank accounts to handle client money in accordance with the Clients' Money Regulations. However, the only client bank accounts are in the name of firm A. Firms B and C use Firm A's client money bank accounts whenever the need to hold clients' money arises. This is contrary to the Clients' Money Regulations because Firm A's client money bank account is being used for entities that are not their clients and for funds in relation to services not performed by A.

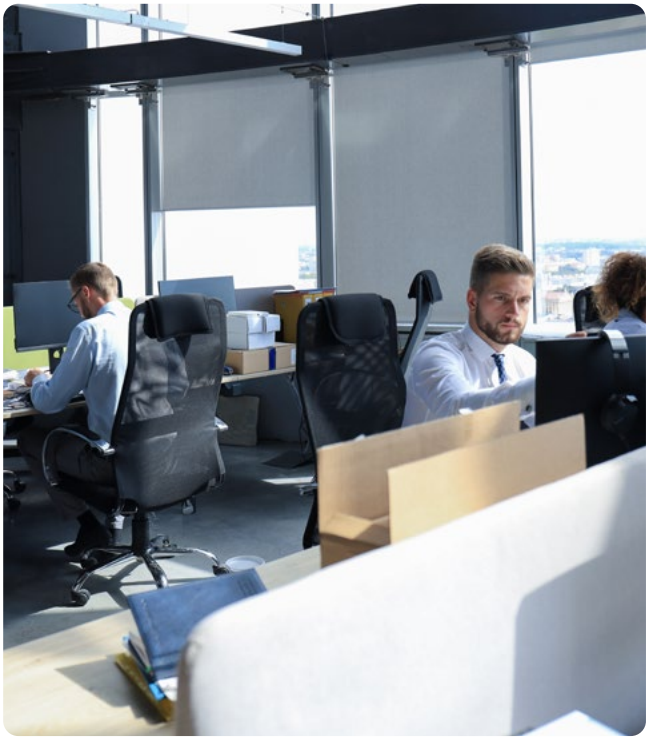
To ensure that firms remain in compliance with the Clients' Money Regulations it is necessary for each entity, regardless of how they may be associated or under common control, to maintain a client account in their own name to be used solely for their own clients.

Although this specific issue has not been raised by ACCA / ICAS, the ability to hold client money derives from an exemption from the provision of banking services, which is common across all accountancy and legal bodies and as such, this issue applies equally across the entire accounting sector.

ACTION FOR FIRMS

This is an opportunity to revisit how your firm holds client money to ensure that the rules of your professional body are being complied with and to take remedial action as and where required.





Client Money

Cryptoasset Regulation Confirmed For 25 October 2027:

The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026 / 102) ("the S.I.") have been made, along with an Explanatory Note and these largely come into force on 25 October 2027.

It establishes a regime for certain cryptoasset activities to be regulated by the Financial Conduct Authority ("FCA") from that date and in advance of their regulation, the S.I. enables the FCA to set rules, offer guidance and carry out preparatory regulated steps (including inviting applications for registration).

HAT RESPONSE

Once the FCA has published final rules, HAT will perform a detailed review to identify any required amendment to the HAT FCA Client Assets Report Methodology.

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FCA Regulation Of Deferred Payment Credit From 15 July 2026:

The FCA has confirmed that Deferred Payment Credit (commonly known as "buy now, pay later" ("BNPL")) will fall within their regulation and they have published Policy Statement 26/1 – Regulation of Deferred Payment Credit (unregulated Buy Now Pay Later). The new rules seek to ensure that consumers are:

- Given information that equips them to understand the potential risks, their obligations, rights and protections under a deferred payment credit agreement;
- Able to borrow sustainably and affordably, miss fewer repayments and consequently be charged fewer late fees; and
- Given appropriate support if they are approaching, or are in, financial difficulty.

Firms undertaking BNPL activity not currently holding the necessary consumer credit permissions will need to register for the Temporary Permissions Regime from 15 May 2026, in advance of the changes coming into force on 15 July 2026.

HAT RESPONSE

These are regulatory changes which do not amend SUP 3 / CASS in the FCA Handbook and as such, no amendment is required to the HAT FCA Client Assets Report Methodology.

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