We strongly refute the claim made that KPMG LLP (as one of the “big accountancy firms”) behaves “unethically and against the interest of the British state.” (Oral Evidence Session March 28 2018, HC932, Q72/73).

KPMG LLP is the UK member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. Each member firm has its own board and governance structure. KPMG LLP, like all member firms, is committed to following all applicable laws and regulations.

KPMG International’s Global Quality and Risk Management policies reflect the requirements of the International Ethics Standards Board for Accountants’ (IESBA) Code of Ethics. All KPMG member firms follow global policies, which are supplemented by individual member firms with policies to reflect local laws and regulations in each country. For KPMG LLP, this includes the Ethical Standard issued by the UK’s Financial Reporting Council and the Code of Ethics issued by the UK’s Institute of Chartered Accountants for England and Wales (ICAEW).

KPMG LLP has in place established procedures for accepting clients. These procedures include the appropriate anti-money laundering (AML) know your client (KYC) checks, which follow the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Money Laundering Regulations 2017), applicable industry guidance and KPMG International’s Global policies. The firm’s client acceptance procedures also include an assessment of whether individuals, entities (including beneficial owners and directors meeting certain criteria) are subject to sanctions, which would therefore restrict our ability to provide services to such clients. We monitor changes to lists of sanctioned individuals and sanctioned entities, as well as the scope and nature of any sanctions against them, and take appropriate steps to ensure that we continue to be in compliance.

Our processes for AML are subject to review by the ICAEW and Solicitors Regulation Authority (SRA), which jointly act as the firm’s supervisory authority under Schedule 3 to the Money Laundering Regulations 2017.

We note that the Committee transcript does not make reference to specific allegations regarding KPMG LLP clients or how KPMG LLP has acted against the interests of the British State. If there are specific issues that are brought to the attention of the Committee that refer to KPMG LLP we would be happy to investigate them and to respond as appropriate.

KPMG LLP

12 April 2018