AI AND CLIENT CONFIDENTIALITY

Your team is already using AI. How do you protect your clients' numbers?

AI can help with research, reviewing documents and first drafts. It can also expose client financial information, or produce figures and tax references that look right but are wrong. Banning it is not enough. Staff need a safe way to use AI, with clear rules and an accountant checking the result.

THREE RISKS FOR ACCOUNTING FIRMS

01

Client financial information can leave the firm

Pasting a tax computation, payroll file or client ID into an outside AI service sends it beyond the firm's own systems. Accountants have no legal privilege to fall back on.

02

AI can produce figures that look right and are wrong

Most AI answers from memory: what it absorbed in training. It can quote old tax rates, invent rulings or mix up figures. The accountant remains responsible for what is filed.

03

One client's numbers can surface in another's work

AI can search thousands of working papers in seconds. Without clear access rules, one client's figures or tax position could appear in work for someone else.

Where the data is stored is not the whole answer

Under the US CLOUD Act, a US technology company can sometimes be required, through valid legal process, to hand over data it controls, even when that data is held in another country. This is not routine, but it is worth understanding before client files go into any outside AI service.

WHAT PROFESSIONAL BODIES ARE SAYING

Keep client information confidential, check what the AI produces, and keep the accountant responsible.

Malaysia

MIA's technology guidelines and By-Laws require members to protect client information whenever technology is used. Under the amended PDPA, breaches can bring fines of up to RM1 million.

Singapore

ISCA's ethics code (EP 100) and ACRA's code adopted new technology rules in December 2024. Using a tool does not hand over judgement; the accountant stays responsible.

United Kingdom

ICAEW tax guidance says putting client data into a publicly available AI tool is likely to breach confidentiality unless the client has agreed. Any input should be anonymised and generic.

Overleaf: how Secure Accounting helps a firm use AI safely with confidential work.

Sources: MIA Ethical Guidelines on Technology Usage (2023); MIA By-Laws, technology revisions (December 2024); PDPA (Amendment) Act 2024; ISCA EP 100 (revised 2024); ACRA Code (2024); ICAEW PCRT topical guidance on AI (January 2026). Summary only, not legal advice.

A PRACTICAL ANSWER

Secure Accounting: private AI that looks things up first

Secure Accounting, powered by SAIA (Secure Accounting Internet Appliance), runs in your office. It searches a private library of tax rules and firm knowledge, then shows its sources.

INSIDE THE FIRM

THE PRIVATE LIBRARY

Published rules
Tax legislation, accounting standards and regulator guidance where the firm works. Kept current; new material is checked first.

Your firm's knowledge
Approved working papers, templates, past advice and know-how. Principals decide what goes in.

The client's file
Only the files for this engagement, and only for the people working on it.

1. **An accountant asks a question**
2. **Secure Accounting finds the relevant passages**
3. **It drafts an answer, showing each source**
4. **The accountant checks and approves**

Approved work can be added to the firm's knowledge, so the library grows with every engagement.

WHY THE LIBRARY MATTERS

	AI ANSWERING FROM MEMORY	SECURE ACCOUNTING USING THE LIBRARY
Source of the answer	Training data, up to a fixed date	Current rules and approved documents
Does it know your firm?	No. It has never seen your files	Yes. Your working papers and past advice
Can you check it?	Sources are often unclear	Each point links to its source
When it does not know	It may fill the gap with a guess	It is designed to say so
When the rules change	Behind until the provider updates it	New rules are added once checked

The technical name is retrieval-augmented generation (RAG). It reduces the risk of invented answers; an accountant still checks.

IN SHORT

AI is useful, but responsibility for client figures stays with your firm. Secure Accounting runs in your office, answers from sources you approve, and leaves the final decision with the accountant. By default, client files are not sent to a public AI service.

Start with a confidential-work assessment
enquiry@intelekiq.com
intelekiq.com