

Anti-money laundering - getting it right for your firm

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Money laundering: Why do we care?



Money laundering: Why do we care?

Solicitor “ignored money laundering duties”

Solicitor “taken in” by gangster struck off for money laundering offences



London lawyer fined for anti-money laundering failures.
PEP issues over wealthy clients



Panama Papers solicitor fined £45,000

Professional body supervision

- We are the **largest** legal services anti-money laundering (AML) supervisor
- We are **regulated** by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS)
- OPBAS assesses our AML supervision of those we regulate

What you need to know?

2017 Money Laundering Regulations

- Are you in scope? If not, where's the risk?
- Nominate a Money Laundering Compliance Officer (MLCO) and Reporting Officer (MLRO)
- Get your beneficial owners, officers and managers approved with the SRA

What you need to know?

2017 Money Laundering Regulations

- Do your risk assessment at both firm and client/matter level (for **each** client)
- Have proportionate policies, procedures and controls
- Train your staff and make training records
- Do risk-based customer due diligence and record your decisions

What are the basics to know?

Proceeds of Crime Act 2002

- Know the warning signs of money laundering – criminals are using solicitors to add a veneer of trust
- Make sure staff know who to tell – make sure you have an internal suspicious activity report process
- Report suspicious activity to the National Crime Agency whether you turn the client away or not – this is in the national interest

Are we nearly there yet?



Risk assessment review



400 firms
involved



40 sent wrong document,
another **40** missed
essential information



Published useful
guidance and
template



Further checks planned for the future



What we **are** looking for

- Considered and thoughtful approach to identifying risk
- Reflects who your clients are
- Understands and explores service risk
- Considers your firm's transactions and means of delivering services
- Considers geographical risks to your business, clients, transactions and third parties



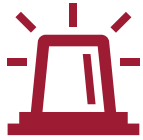
What isn't enough

- Not written down
- Not kept up-to-date
- Not customised to your own business
- Reliance on standardised text
- Doesn't consider the national risk assessment, sector risk assessment or the approved guidance

Where's the risk?

- Product and services risk
- Client risk
- Transaction risk
- Delivery channel risk
- Geographical risk

Our focus for 2020



AML remains a high
priority



Expanding AML
team



Enforcement



Focus on pro-active
supervision



Regular reviews of
risk assessments
and policies



Investigating
related cases

Economic Crime Plan 2019-2022

- 52 actions across multiple stakeholders (Home Office, Treasury, NCA, UK Finance etc)
- Priorities include improved information sharing and enhanced powers

Major changes – coming 10 January 2020

- Must notify Companies House of discrepancies
- Trust registration extended
- All new AML approvals will need a DBS check

More new regulations

Q: What comes after the 5th Money Laundering Directive?

A: 6th Money Laundering Directive - coming by 10 Dec 2020

Help is available



Risk Outlook, risk assessments



Warning notices



Thematic review findings



Legal sector guidance (new edition spring 2020)



Ethics helpline and webchat



Visit us on the AML stand today in Hall 3!

sra.org.uk/staysharp