

Consultation Paper - Analysis of Responses

Prevention of Money Laundering and Combating Terrorist Financing Guidance and Toolkit 2015

Between June 2015 and September 2015 we consulted on proposed amendments to the Guidance issued by the CLC on Prevention of Money Laundering and Combating Terrorist Financing. The changes were made to update the Guidance in line with legislation, reflect the CLC's approach to best practice and offer a minimum level of AML/CTF procedures for Practices to adopt to achieve compliance.

The CLC received 2 completed responses from Licensed Conveyancers, despite prompts and reminders to the regulated community being sent by the Communications team. Clearly this is a very low response rate but perhaps reflective of the fact that the proposed amendments were minor and uncontroversial.

The consultation responses are summarised below:

- The AML/CTF Guidance was updated to include the recommendation that staff training be undertaken at least every two years. The responses received were supportive of this in principle and raised the importance of tailoring training to suit the needs of the Practice, the individual and emerging trends. The CLC is supportive of Practices assessing training needs on an individual basis and providing training more frequently than the recommended minimum if there is staff turnover, a change in an employee's role, or a specific need identified.
- The AML/CTF Guidance was recognised by Respondents as a useful tool in helping businesses mitigate risk, whether taken as a template or simply as a starting point to considering the risks faced. One Respondent made the point that each risk needs to be analysed on an individual and proportionate basis. This Respondent's Practice has developed its own risk sensitive procedures in line with its own business practices.
- One Respondent suggested a clearer distinction needs to be made in the Guidance between referral reports made internally, and Suspicious Activity Reports made to the National Crime Agency. The Guidance will be checked for clarity in this matter.

Since 15 December 2007, Licensed Conveyancers have been regulated under the Anti-Money Laundering (AML) and countering terrorist financing (CTF) legislation which includes the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Terrorism Act 2000. A large part of the existing requirements continues as before. This consultation was issued to highlight where this guidance has changed or been extended, and to invite feedback on the Guidance and the Toolkit as useful documents in fulfilling obligations under AML and CTF legislation in a way that is risk based, proportionate and effective.

September 2015