



AML risk assessments and compliance

CLC Webinar

Council for Licensed Conveyancers

6 September 2018

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What's new?



<https://www.clc-uk.org/lawyers/>

- CLC AML risk assessment
- Legal sector AML guidance (*HM Treasury approved*)
- AML red flags
- MLR 2017 update
- National Risk Assessment 2017 summary
- 'A year of change'
- AML resources

CLC AML risk assessment



- Why is conveyancing at risk of money laundering?
- What is the CLC's role?
- Who does it apply to?
- Risk-based approach

CLC AML risk assessment



- National Risk Assessment 2017
 - Conveyancing
 - Client Account
 - Trust and company formation

Risk factors – Product/service



- Conveyancing
- Client account
- Trust and company service providers (TCSPs)

Risk factors - Client



- Politically Exposed Persons (PEPs)
- Clients seeking anonymity or who cannot prove their identity

Risk factors - Transaction



- Size and value of transaction
- Payment type
- Transactions that don't fit with the practice or client's normal pattern
- New services, delivery methods or technologies
- Complex transactions

Risk factors – Delivery channels



- Remote clients
- Payments to or from third parties

Risk factors - Geographical



- Location of client and beneficial owners

Regulation 18, MLR 2017



- Practice-wide risk assessment
 - identify and assess the risk of money laundering and terrorist financing
- Policies, controls and procedures
 - effectively manage, monitor and mitigate the risks
- Chapter 2 of the Legal Sector AML Guidance

Areas of AML/CTF Compliance



- Members of staff being aware of what type of work is not accepted
- Decline register
- In-depth checking of source of funds
- Multiple risk assessments completed

Areas of AML/CTF Non-Compliance



- AML policy not updated with MLR 2017
- No practice-wide risk assessment [MLR 2017, Regulation 18]
- Not having a Money Laundering Reporting Officer (MLRO)
- MLRO not completing enhanced training

Areas of AML/CTF Non-Compliance



- No record of AML training for staff
- Inconsistent approach to CDD and EDD
- Lack of appropriate source of funds and source of wealth checks

5 AML Top Tips



1. Ensure that you have a Practice wide Risk Assessment
2. Ensure that regular AML training is undertaken (and documented!)
3. Conduct several risk assessments
4. Internal AML policy
5. Don't be afraid!

Remember...



- CLC support to achieve compliance
- Speak to your Regulatory Supervision Manager
- AML legislation to protect the practice as well as the client



Questions?



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