

AML Regulations - Section 5 - AML Risk Assessments

Friday 29 January 2021 | 10.00am – 11.00am

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Presenters



Amy Bell

Money Laundering Taskforce and Director, Teal Compliance

Jo Riddick

Money Laundering Taskforce and General Counsel and MLRO,
Macfarlanes LLP

Mark Boyle

Policy Manager, Anti Money Laundering, Solicitors
Regulation Authority

Housekeeping



- We encourage you all to participate in today's session
- You can do this by asking questions in the chat box at the top left of the screen
- If you have any technical issues, please post these in the chat box and one of our team will respond to you via a private message
- You can also email queries to events@lawsociety.org.uk



LSAG 2021 – Risk Assessments

Mark Boyle, Policy Manager:
Anti-Money Laundering

Risk Assessments: our work

Activities

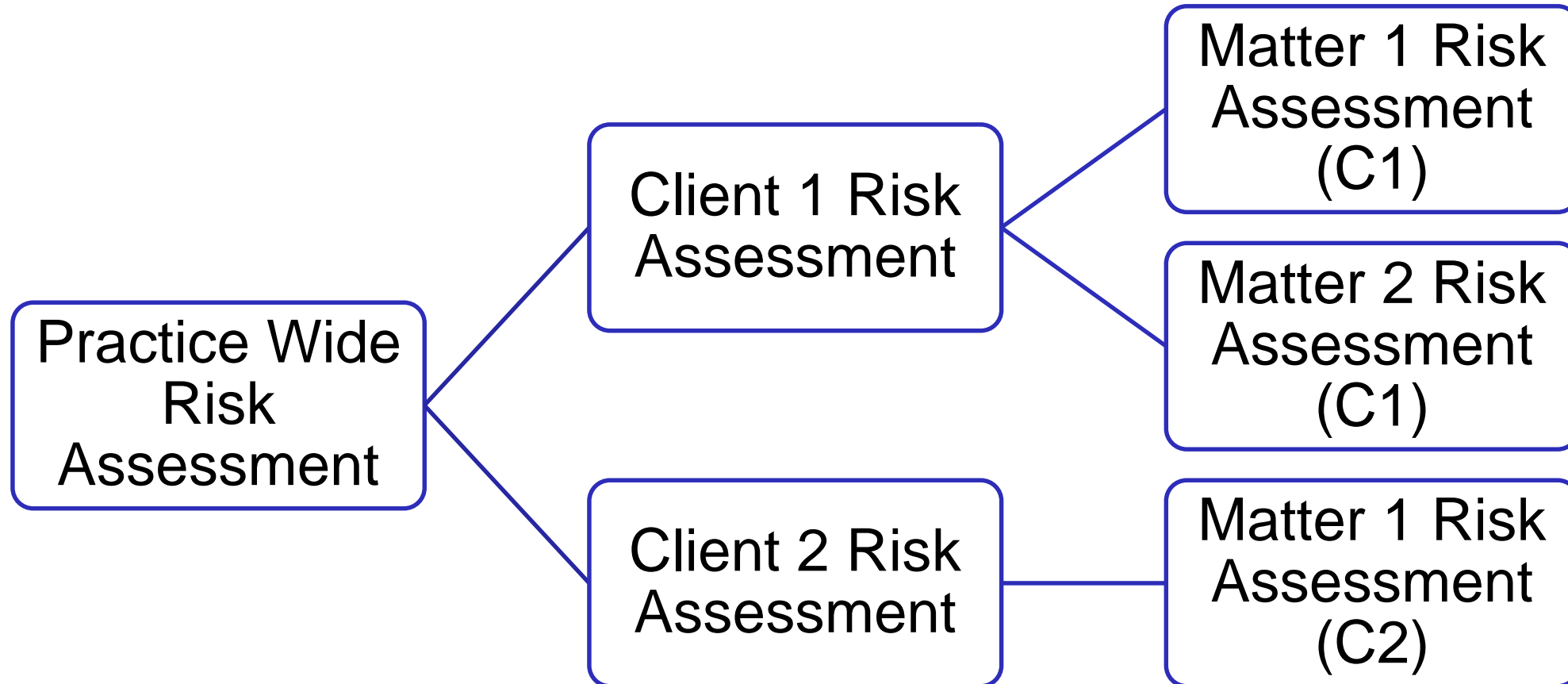
- TCSP thematic
- 400 risk assessment call in
- Risk assessment declaration

Products

- Guidance
- Template
- Warning notice



Risk Assessments: Levels



R18 Firm wide

R18 Firm wide

Resources to consider
Providing a snapshot of your firm
Living document –
when to review

R18 Risk categories

Clients
Geographic
Product/Service
Transactions
Delivery channels

Client and Matter Risk Assessments



AML Risk Assessments - an MLCO's Approach

Jo Riddick

MLCO and MLRO at Macfarlanes LLP

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The practice wide risk assessment

An honest and thorough snapshot

Which comes first - PCPs or PWRA?



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PCPs infrastructure at Macfarlanes



Anti Financial Crime Policy

ABC Policy

**Criminal Finances Act
Reasonable Prevention
Procedures**

PWRA

Real estate 'traffic light'
fraud risk assessment

CDD Procedures

MLRO's annual AFC report

Our PWRA

Seven pages...

- Preface
- Client risk factors
- Jurisdictional risk factors
- Service and transactional risk factors
- Delivery channel risks
- SARs analysis risks
- Summary and approach



Impact of the new LSAG guidance?

Rebalancing



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Amy Bell

Laundering Taskforce and Director, Teal Compliance

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How we got here?



The LSAG, which includes the Law Society and all the legal sector supervisors named in the anti-money laundering regulations, has published the 2021 revised guidance on anti-money laundering.

Triggered by the EU's 5th Money Laundering Directive which came into force on 10th January 2020, the guidance supports legal professionals in complying with the amended Money Laundering Regulations.

The redrafting has benefited from extensive practitioners' review and input from the Law Society's Money Laundering Taskforce.

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Firm Risk Assessments (PWRA)



- Reference to the NRA
- Include any issues noted from SARs in PWRA
- Helpful list of other resources to consider
- Review at least every 1 to 2 years
- Comment on client turnover
- List all the countries which your firm is exposed to and risk rate them

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Matter Risk Assessments



MRA should not be a tick box

- Risk rating
- Can have a template for similar cases but must not become tick box
- Should assess and have regard to negative news results
- Suggest review of MRA on long running matters
- Focus on recording reasoning for assessment
- Record why you've picked CDD approach
- Source of Funds and Wealth (timing)



Questions

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