

## News

# Tell us about your work within scope of the money laundering regulations

19 May 2022

[Updated 8 June 2022]

As an anti-money laundering supervisor under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, we have to assess the risk of the law firms we supervise.

To help us do this, we are collecting information from your firm about work that falls under the money laundering regulations.

The deadline to submit the information is 31 July.

## How to complete the submission form

On 6 June, we emailed Compliance Officers for Legal Practice (or authorised signatories in some cases) a unique hyperlink to their firm's online form. Follow the link in the email to access the form and guidance to help you complete it.

## Firms not in scope of AML regulations

If your firm is no longer in scope of the money laundering regulations, you must respond accordingly in your firm's online form. If your firm is no longer in scope, you also need to complete a form (Form FA10b) in mySRA to amend your firm's authorisation records. [Log in to mySRA \[https://referral.sra.org.uk/mysra/\]](https://referral.sra.org.uk/mysra/), select **Start a new application**, then, **Organisation applications**, then, **Make changes to your anti-money laundering authorisation**.

## Questions in the submission form

Where we ask for information in relation to 'the last year'. Please choose the time period that works for your firm. This could be:

- the last calendar year
- the last tax year or
- the last year to date
- the last business year.

If you cannot answer a question exactly (eg because your firm has not been trading for a full year), please try to estimate the correct answer. If



that is not possible, you may submit a response of 'don't know.'

When estimating, please try to provide the most accurate information that you can.

For example, when you are asked about what is in scope of AML, try to avoid answering on the basis of all work both in and out of scope where this would be unrepresentative. In other cases, it may be helpful to estimate the answer for all of your firm's work, and then reduce by the proportion of work out of scope.

If you have subsidiaries or offices outside England and Wales, please do not include work done from these if possible.

We are not at this stage asking for you to supply any documents or supporting evidence.

## **The questions we are asking you are as follows**

1. What percentage of all the matters opened (ie new matters) were in scope of AML last year?
  - 0
  - 1-25
  - 26-50
  - 51-75
  - 76-100
  - All matters treated as in scope, whether in scope or not
  - Don't know
2. What percentage of your fee earners do any work in scope of AML?
  - 0
  - 1-5
  - 6-20
  - 21-50
  - 51-99
  - 100 (or we assume all fee earners do work in scope)
  - Don't know
3. What was the largest single deposit (ie transfer) of money into your client account in the last year?
  - £0
  - £1-10,000
  - £10,001-100,000
  - £100,001-1,000,000
  - £1,000,001-10,000,000
  - £10,000,001+
  - Don't know
4. What is your acceptance limit for physical cash payments (excluding physical cash payments for fees)?
  - None allowed
  - £1-500



- £501-2,000
  - £2,001-5,000
  - £5,001+
  - Don't know
5. How many formal internal reports of suspicion were made by staff to the Money Laundering Reporting Officer (sometimes known as the 'nominated officer') or any of their deputies in the last year?
- 0
  - 1-3
  - 4-7
  - 8-15
  - 16-30
  - 31+
  - Don't know
  - Not applicable - there is only one person working at my firm
6. How many Suspicious Activity Reports (SARs) did your firm submit to the National Crime Agency last year?
- 0
  - 1-3
  - 4-7
  - 8-15
  - 16+
  - Don't know
7. What percentage of your firm's new AML matters in the last year had Enhanced Due Diligence applied to them? (If you cannot answer this question, please answer with the percentage of new AML matters that were rated as high risk).
- 0
  - 1-10
  - 11-20
  - 21-40
  - 41-60
  - 61-100
  - Don't know
8. What percentage of new AML matters in the last year involved a client or /counterparty established in a high risk third country or in a country that your firm treats as a high risk third country for the purposes of customer due diligence?
- 0
  - 1-10
  - 11-20
  - 21-40
  - 41-60
  - 61-100
  - Don't know
9. Has your firm acquired, amalgamated with or been absorbed by (including being purchased in its entirety by) another entity in the last year?
- Yes



- No
- 10. What was the largest percentage of overall (both in and out of scope of AML regulations) fees earned from one client over the last year (ie what percentage of your total fees came from the client that paid you the most in fees)? This client could be an individual, an entity or a group of entities.
  - 1-5
  - 6-10
  - 11-20
  - 21-40
  - 41+
  - Don't know
- 11. How many clients have you acted for in the last year who were a Politically Exposed Person (PEP) excluding instances where the beneficial owner of a client was a PEP? (A definition of PEP can be found in [16 of the Financial Conduct Authority's guidance \[https://www.fca.org.uk/publication/finalised-guidance/fg17-06.pdf#page=6\]](https://www.fca.org.uk/publication/finalised-guidance/fg17-06.pdf#page=6) and includes, for the purpose of this question 'a family member or a known close associate of a PEP' as per regulation 35(1)(b))
  - 0
  - 1-3
  - 4-7
  - 8-15
  - 16+
  - Don't know
- 12. Number of times that you have returned more than £5,000 from your client account in the last year? This could be either because your instructions from the client have been cancelled or a party (client or otherwise) claimed to have deposited money in your account in error.
  - 0
  - 1-3
  - 4-7
  - 8-15
  - 16+
  - Don't know
- 13. In the last year, have you carried out any work for a [sanctioned \[https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets\]](https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets) (ie they were sanctioned by the UK Government at the time of the work and not subsequently) individual or organisation, also known as a designated person?
  - Yes, with a licence from OFSI
  - Yes, without a licence from OFSI
  - No
  - Don't know

**Why are we asking for this information**



This will help us assess the AML risk posed by the firms we regulate. We will not use the answers to any one question to automatically rate a firm as being high-risk.

For example, a firm is not necessarily high risk because they sometimes deal with physical cash, but higher acceptance limits may be indicative of higher risk in some firms.

If you do not submit the information by the deadline, we may have to take regulatory action.

## **Help submitting your information**

To help you prepare your responses, you can download a copy of the questions here - in MS Word format or PDF. However, you must submit your firm's responses online, following instructions we emailed your firm on 6 June. Responses submitted by email or post cannot be acknowledged or processed.

- [Download copy of AML questions in MS Word \(DOC 4 pages, 533KB\)](https://referral.sra.org.uk/globalassets/documents/sra/news/aml-specimen-questions.docx?version=49adf0)  
[https://referral.sra.org.uk/globalassets/documents/sra/news/aml-specimen-questions.docx?version=49adf0]
- [Download copy of AML questions in PDF \(PDF 4 pages, 118KB\)](https://referral.sra.org.uk/globalassets/documents/sra/news/aml-specimen-questions.pdf?version=49adf0)  
[https://referral.sra.org.uk/globalassets/documents/sra/news/aml-specimen-questions.pdf?version=49adf0]

Further advice and help:

- [What work is in scope of AML regulations](https://referral.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/scope-money-laundering-regulations/)  
[https://referral.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/scope-money-laundering-regulations/]
- [Our AML guidance page](https://referral.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/) [https://referral.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/]

If you have any queries regarding whether you are in scope, contact our [Professional ethics helpline](https://referral.sra.org.uk/contactus#helplines) [https://referral.sra.org.uk/contactus#helplines].