

How we regulate

23 January 2024

Supervision

We expect all firms to comply with their AML responsibilities at all times. Our Guidance and Support section includes help and advice for those unsure of the best way forward.

We will from time to time contact firms to ask about areas of their compliance with the regulations eg enquiring as to their processes and controls or asking them to make declarations.

Firm visits

We have a rolling programme of firm reviews to check on their compliance with the rules in general or specific areas. We have published the results from these reviews to help other firms identify good practice and areas for improvement.

We have produced guidance on what to expect and how to prepare for when we come to your firm [<https://www.sra.org.uk/solicitors/resources/money-laundering/guidance-support/firm-inspections/>] .

We spoke to firms about the main anti-money laundering roles - money laundering compliance officer (MLCO) and money laundering reporting officers (MLRO) - to better understand the challenges they face. We have produced guidance following this review, along with a guide for new role holders. Read Money Laundering Governance: Three Pillars of Success [<https://www.sra.org.uk/sra/how-we-work/archive/reports/money-laundering-governance-three-pillars-of-success/>] .

We carried out the first of a series of general firm visits [<https://www.sra.org.uk/sra/how-we-work/archive/reports/anti-money-laundering-visits-2019-2020/>] to assess overall AML processes in 2020. More will follow.

We also carried out a review of client matter risk assessments [<https://www.sra.org.uk/sra/research-publications/client-matter-risk-assessments/>] .

A review into the work of firms working as Trust and Company Services Providers [<https://www.sra.org.uk/sra/how-we-work/archive/reports/aml-thematic-review/>] has also taken place.

We also spoke to a sample of firms in 2018 to see how they were responding to the introduction of the new regulations review in 2018 [<https://www.sra.org.uk/link/d2e2a1264d094353996dbc7ab1582ef8.aspx>] .

Desk-based reviews

As part of our risk-based supervisory work, we carry out desk-based reviews (DBRs) to ensure firms in scope of the MLRs are complying with their legal obligations under the legislation. This guidance

[<https://www.sra.org.uk/solicitors/resources/money-laundering/guidance-support/guidance-desk-based-reviews/>] outlines what to expect.

Warning notices

We issue warning notices on money laundering to remind everyone in the profession of their obligations around specific areas when we have concerns that firms are failing to uphold their obligations.

Warning notice: Client matter risk assessments

[<https://www.sra.org.uk/solicitors/guidance/client-and-matter-risk-assessments/>]

Warning notice: Compliance with the money laundering regulations – firm risk assessment [<https://www.sra.org.uk/solicitors/guidance/warning-notices/compliance-with-the-money-laundering-regulations-firm-risk-assessment-warning-notice/>]

Warning notice: Improper use of client account as a banking facility

[<https://www.sra.org.uk/solicitors/guidance/improper-client-account-banking-facility/>]

Warning notice: Money laundering and terrorist financing

[<https://www.sra.org.uk/solicitors/guidance/money-laundering-terrorist-financing/>]

Warning notice: Money laundering and terrorist financing - suspicious activity reports [<https://www.sra.org.uk/solicitors/guidance/money-laundering-terrorist-financing-suspicious-activity-reports/>] .

Disciplinary action

When we find firms are not upholding their AML obligations, we will in the first instance engage with that firm to remedy any failures. However, repeated or sustained breaches of our rules could lead to disciplinary action in line with our enforcement strategy [<https://www.sra.org.uk/sra/corporate-strategy/sra-enforcement-strategy/>] .

We have also produced a separate Topic Guide on our enforcement approach to AML [<https://www.sra.org.uk/sra/corporate-strategy/sra-enforcement-strategy/enforcement-practice/anti-money-laundering/>] .