

Anti-money laundering – what you need to know

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To cover



Themes we are seeing	
Focus for the year ahead	
Findings from proactive supervision	
Trends in enforcement	
Law firm perspective	
Q&A	

What did we do?





273

Firms we reviewed or inspected



38,000

Views of guidance and support



17,000

Views on webinars

Key themes



Improvements in the sector:

- Quality of firm wide risk assessments
- Suspicious Activity Reports

Focus of the year ahead



Client and matter risk assessments

On-going proactive sanctions compliance

Source of funds

Proactive update



Client and matter risk assessments

Policies, controls and procedures

Independent audit

Enforcement and case studies

Client and matter risk assessments



42% of client/matter risk assessments reviewed were ineffective

 30% did not show clearly when EDD was necessary, including where mandated under the regulations

20% did not reflect the firm's firm wide risk assessment

Policies, controls and procedures



We reviewed AML policies for 224 firms

 More than half of the policies we reviewed needed improving (58%)

High risk third countries & high risk jurisdictions

Process for ensuring compliance with the sanction's regime

Independent Audit



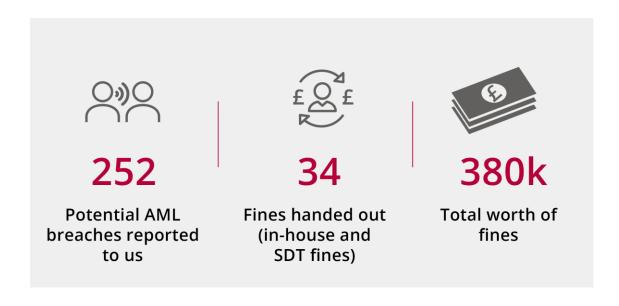
Of the 143 firms we inspected, 51% had not undertaken an independent audit

- Of these, we deemed that 45% should have had one
 - Majority due to size of firm
 - Also consider multiple offices
 - Nature of work, is it high risk

Enforcement



We continue to see a high number of reports



Enforcement



Similar themes for reports and outcomes

- Inadequate Customer Due Diligence
- Failure to do necessary source of funds checks
- Failure to carry out a firm wide risk assessment and cooperate with regulator

Case examples and learnings



Inadequate identity and customer due diligence checks

What is the third-party certifying?

Suitably qualified and true likeness for non face-to-face client

Case examples and learnings



Lack of client and matter risk assessments

Who is responsible in the firm?

Make sure process in place

Align with your firm wide risk assessment

On-going monitoring

Sensitivity: General

Sue Hatton MD, MLRO & MLCO

Pickerings Solicitors



Sensitivity: General

SRA Inspection - March 2022

Sensitivity: General

Firm wide risk assessment

Training

Case management

Client and matter risk assessment

Timing of due diligence

Source of funds

Ongoing monitoring