



Emerys Jones & Co

7-8 Broad Street, Welshpool, Wales , SY21 7RZ

Recognised sole practitioner

049389

[Agreement Date: 15 November 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 15 November 2024

Published date: 11 December 2024

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Reasons/basis

1. Agreed outcome

1.1 Emrys Jones & Co (the firm), a recognised sole practice authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. Emrys Jones & Co will pay a financial penalty in the sum of £6,592 under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules (the RDPRs),
- b. to the publication of this agreement, under Rule 9.2 of the RDPRs, and
- c. Emrys Jones & Co will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the RDPRs.

2. Summary of Facts

2.1 Our Anti-Money Laundering (AML) Proactive Supervision team carried out an AML inspection at the firm, to assess its compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (MLRs 2017).



2.2 In our letter of 10 June 2024, the AML Officer identified a number of AML control failings which are detailed below.

2.3 This resulted in a referral to our AML Investigations Team.

Firm-wide Risk Assessment (FWRA)

2.4 Between 26 June 2017 and 28 August 2024, the firm failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a firm-wide risk assessment (FWRA)), pursuant to Regulation 18(1) and 18(4) of the MLRs 2017.

Policies controls and procedures (PCPs)

2.5 Between 26 June 2017 and 28 August 2024, the firm failed to establish and maintain fully compliant PCPs to mitigate and effectively manage the risks of money laundering and terrorist financing, identified in any risk assessment (FWRA), pursuant to Regulation 19(1)(a) of the MLRs 2017, and regularly review and update them pursuant to Regulation 19(1)(b) of the MLRs 2017.

Client and matter risk assessments (CMRAs)

2.6 In all files reviewed during the inspection, the firm failed to conduct client and matter risk assessments as required by Regulation 28(12)(a) (ii) and Regulation 28(13) of the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017, it has breached:

To the extent the conduct took place before 25 November 2019 (when the SRA Handbook 2011 was in force):

- a. Principle 6 of the SRA Principles 2011 – which states you must behave in a way that maintains the trust the public places in you and in the provision of legal services.
- b. Principle 8 of the SRA Principles 2011 – which states you must run in your business or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

And the firm failed to achieve:

- c. Outcome 7.2 of the SRA Code of Conduct 2011 – which states you have effective systems and controls in place to achieve and comply



with all the Principles, rules and outcomes and other requirements of the Handbook, where applicable.

- d. Outcome 7.5 of the SRA Code of Conduct 2011 – which states you comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

And from 25 November 2019 (when the SRA Standards and Regulations came into force) until August 2024, the firm breached:

- e. Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
- f. Paragraph 2.1(a) of the SRA Code of Conduct for Firms 2019 – which states you have effective governance structures, arrangements, systems and controls in place that ensure you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.
- g. Paragraph 3.1 of the SRA Code of Conduct for Firms 2019 – which states that you keep up to date with and follow the law and regulation governing the way you work.

4. Why a fine is an appropriate outcome

4.1 The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating dubious transactions that could have led to money laundering (and/or terrorist financing). This could have been avoided had the firm not failed to have a FWRA, PCPs and CMRAs in place, as control measures, to protect itself from money laundering and terrorist financing.

4.2 The SRA's Enforcement Strategy sets out its approach to the use of its enforcement powers where there has been a failure to meet its standards or requirements.

4.3 When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by the firm and the following mitigation:

- a. The firm was able to implement compliant FWRA, PCPs and CMRA process within two months of feedback having been provided by us.
- b. The firm has cooperated fully with our AML Proactive Supervision and Investigation teams and sought assistance from them when needed.
- c. The firm is now compliant with the MLRs 2017.

4.4 The SRA considers that a fine is the appropriate outcome because:

- a. The agreed outcome is a proportionate outcome in the public interest because it creates a credible deterrent to others and



the issuing of such a sanction signifies the risk to the public, and the legal sector, that arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.

- b. There is no evidence of harm to consumers or third parties.
- c. The firm recognises that it failed in its basic duties regarding statutory money laundering regulations and regulatory compliance, as identified during our inspection and subsequent investigation.
- d. The firm has cooperated fully with us, admitted the breaches, shown remorse and remedied the breaches, and there is low risk of repetition.

4.5 A fine is appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. A financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

5. Amount of the fine

5.1 The amount of the fine has been calculated in line with the SRA's published guidance on its approach to setting an appropriate financial penalty (the Guidance).

5.2 Having regard to the Guidance, the SRA and the firm agree that the nature of the misconduct was more serious (score of three). This is because although there was no direct loss to clients, the firm's failure to ensure it had proper documentation in place, for at least seven years since the MLRs 2017 came into force, put it at greater risk of being used to launder money, particularly when acting in conveyancing transactions (which accounts for over 40% of the firm's turnover). The nature of conveyancing is considered high risk, owing to the risk of abuse of the system by criminals. This left the firm at risk of being used to launder money and in turn increased the risk of harm.

5.3 The impact of harm is assessed as being medium (score of four). This is because the firm's failure to have in place either a compliant FWRA or PCPs, and failure to carry out CMRAs, left it vulnerable to the risks of money laundering and terrorist financing, particularly in conveyancing transactions. However, no actual harm was caused by the firm's failures and therefore a scoring of medium is appropriate.

5.4 The nature and impact scores add up to seven, placing the conduct in penalty bracket Band 'C'. Therefore, the Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover is appropriate.



5.5 The SRA and the firm agree a financial penalty in Band C3 which is the middle of the bracket. This reflects the seriousness of the misconduct and overall risk of harm of potentially facilitating money laundering, while taking into consideration the improvements made by the firm. Band C3 determines a basic penalty of 2.4% of annual domestic turnover.

5.6 The firm's annual domestic turnover is £343,366, and this results in a basic penalty of £8,240.

5.7 We have also considered mitigating factors and consider that the basic penalty should be discounted by 20%. This is to take account of the following factors as indicated by the Guidance:

- a. Remedying harm - the firm took steps to rectify the non-compliant documents and is now compliant with the MLRs 2017.
- b. Cooperating with the investigation - the firm has cooperated with the SRA's AML Proactive Supervision and AML Investigations teams.

5.8 The adjusted penalty is therefore £6,592.

5.9 The firm does not appear to have made any financial gain or received any other benefit as a result of its conduct. Therefore, no adjustment is necessary, and the amount of the fine is £6,592.

6. Publication

6.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. The firm agrees to the publication of this agreement.

7. Publication

7.1 Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules state that any decision under Rule 3.1 or 3.2, including a Financial Penalty, shall be published unless the particular circumstances outweigh the public interest in publication.

7.2 The SRA considers it appropriate that this agreement is published as there are no circumstances that outweigh the public interest in publication, and it is in the interest of transparency in the regulatory and disciplinary process.

8. Acting in a way which is inconsistent with this agreement

8.1 The firm agrees that it will not act in any way which is inconsistent with this agreement, such as by denying responsibility for the conduct referred to above. This may result in a further disciplinary sanction.

8.2 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of Principles 1, 2 and 5 of the Principles and paragraph 3.2 of the Code of Conduct for Firms.

9. Costs

9.1 The firm agrees to pay the costs of the SRA's investigation in the sum of £600. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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