Solicitors Regulation Authority

# Roche Legal Limited
## 4 Westfield House, Millfield Lane, York , YO26 6GA
## Recognised body
## 624200

**Agreement Date: 5 November 2024**

## Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 5 November 2024

Published date: 25 November 2024

## Firm details

No detail provided:

## Outcome details

This outcome was reached by agreement.

#### Decision details

#### 1. Agreed outcome

1.1 Roche Legal Limited (the Firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA) agrees to the following outcome to the investigation:

a. Roche Legal Limited will pay a financial penalty in the amount of £4,698.
b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedures rules; and
c. Roche Legal Limited will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Rules.

#### 2. Summary of Facts

2.1 We carried out an investigation into the firm following an inspection by our AML Proactive Supervision team.

2.2 Our inspection identified areas of concern in relation to the firm's compliance with the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2011,

the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

2.3 During the investigation, historic breaches of the Money Laundering Regulations 2007, for conduct before the MLRs 2017 came into force, were identified too.

**Firm-wide risk assessment**

2.4 Between 26 June 2017 and February 2023, 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 and procedures / Policies, controls and procedures**

2.5 Between 14 September 2015 and 25 June 2017, the firm failed to establish and maintain fully compliant policies and procedures and risk-sensitive policies and procedures (P&Ps) pursuant to Regulation 20(1) of the MLRs 2007, and

2.6 Between 26 June 2017 and February 2023, the firm failed to establish and maintain policies, controls, and procedures (PCPs) to mitigate and manage effectively 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/or regularly review and update them pursuant to Regulation 19(1)(b) 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: From 14 September 2015 to 25 November 2019 (when the SRA Handbook 2011 was in force) the firm breached:

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 provisions 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 7.5 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 February 2023, the firm breached:

d. 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.
e. 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.
f. 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 in place and PCPs (previously P&Ps) as control measures, to protect itself from money laundering and terrorist financing.

4.2 It was incumbent on the firm to meet the requirements set out in the MLRs 2007 and MLRs 2017. The firm failed to do so. The public would expect a firm of solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.

4.3 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 has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
c. The firm has assisted the SRA throughout the investigation and has shown remorse for its actions.
d. The firm did not financially benefit from the misconduct.

4.4 Rule 4.1 of the Regulatory and Disciplinary Procedure Rules states that a financial penalty may be appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. There is nothing within this Agreement which conflicts with Rule 4.1 of the Regulatory and Disciplinary Rules and on that basis, a financial penalty is appropriate.

**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, we and the firm agree the nature of conduct in this matter as more serious (score of three). This is because we consider that the firm's conduct continued after it was known to be improper, when it submitted its declaration in December 2019 confirming it had a compliant FWRA in place. We also consider not having any AML policies in place for a period of over seven years, is a continuation of the firm's conduct after it was known to be improper and formed a part of a pattern of misconduct.

5.3 The firm has failed to ensure that it was fully compliant with its statutory obligations until February 2023, a period of over five years since the MLRs 2017 came into effect, notwithstanding the MLRs 2007 being in force previously, since the inception of the firm in September 2015.

5.4 The impact of the harm or risk of harm is assessed as being medium (score of four). This is because the firm failed to ensure that it had an FWRA and any PCPs (previously P&Ps) in place until February 2023. Although we note its current PCPs are compliant, not having any policies in place for a significant period is a breach of MLRs 2017 and its predecessor MLRs 2007. Consequently, the firm's conduct left it vulnerable to the risks of money laundering and the firm left itself without effective arrangements in place to manage compliance with both MLRs 2007 and MLRs 2017.

5.5 The 'nature' of the conduct and the 'impact of harm or risk of harm' added together give a score of seven. This places the penalty in Band 'C', as directed by the Guidance.

5.6 We and the firm agree the financial penalty to be in Band C1, which determines a basic penalty of 1.6% of annual domestic turnover (firms).

5.7 The latest declared annual domestic turnover, to be used in the calculation of the financial penalty, is £367,017.

5.8 The basic penalty is therefore £5,872 (£367,017 x 1.6/100).

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

a. FWRA and PCPs – the firm did have appropriate and compliant AML documents in place from February 2023.
b. Remedy harm – the firm took steps to improve its FWRA in line with our guidance provided.

c. Cooperating with the investigation – the firm has cooperated with the SRA's AML Proactive Supervision team and AML Investigation teams.

5.10 The adjusted penalty is therefore £4,698.

5.11 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 financial penalty is £4,698.

**6. Publication**

6.1 Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules states 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.

6.2 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.

**7. Acting in a way which is inconsistent with this agreement**

7.1 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.

7.2 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.

**8. Costs**

8.1 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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