News release

SRA puts firms on notice for money laundering compliance checks

20 March 2019

We will be carrying out rigorous checks on law firms to make sure they are meeting their anti-money laundering obligations.

We will shortly be writing to an initial sample of 400 firms asking them to demonstrate compliance with the Government's 2017 Money Laundering Regulations[^note1]. There are around 7,000 SRA-regulated law firms who fall under the scope of these Regulations.

We want to make sure that firms have a money laundering risk assessment in place and are implementing it. A risk assessment is required by legislation and should be the backbone of a firm’s anti-money laundering approach. If firms are not complying, they will go into the regulator’s enforcement processes.

Each case will be judged on its facts, but if there are serious issues or a lack of willing to resolve issues promptly, we will take disciplinary action. We also plan to carry out further compliance checks if we find that there are sector-wide issues.

Paul Philip, SRA Chief Executive, said: "Money laundering is far from being a victimless crime and must be taken seriously. Solicitors, as enablers of moving funds around, can willingly or unwillingly be part of the problem. So we expect firms to be vigilant and they, in turn, can expect us to be robust in our enforcement action where solicitors firms are involved in money laundering or are not complying with the relevant legislation."

In the last five years, we have taken more than 60 cases - linked to potential improper money movements - to the Solicitors Disciplinary Tribunal. This has resulted in more than 40 solicitors being struck off, voluntarily coming off the roll, or suspended from practising.

We have been carrying out a range of work to assess how well the sector is doing to tackling the risks of money laundering, including a targeted review of firms providing trust and company services. We will publish the results of this review later this year. We have also produced a package of support to make sure firms are complying with their obligations.

Materials are available to view here:

Go to the money laundering page [/home/hot-topics/anti-money-laundering/]