

News

Government responds to views on anti-money laundering regime

06 July 2022

The Government has published its response to those that submitted views on the anti-money laundering regime in the Call for Evidence last month. The call ran through the second half of last year.

The Call for Evidence sought views on the possibility of changes to simplified due diligence and reliance, but the response determined that no changes were needed.

The main announcement was Government's intention to remove the prescriptive form of enhanced due diligence required in relation to clients and/or counter parties established in High Risk Third Countries. This will be replaced by a requirement simply to do enhanced due diligence in these scenarios.

If any changes that affect you and your work are introduced, we will let you know.

Issues that are under consideration by government and that might lead to changes in due course include:

- changes to the metrics used to consider when determining whether a jurisdiction should be listed as a high-risk third country
- whether "complex or unusually large transactions" are always appropriate for being treated as high risk, and what the term means
- whether UK politically-exposed persons (PEPs) pose less risk than international PEPs
- how small and newly-regulated firms are currently supported to fulfil their obligations, and whether there is any additional support that could be offered
- the treatment of pooled client accounts for client due diligence purposes

Alongside the response, the Government published its post-implementation reviews of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“the regulations”) and the legislation that established the Office of Professional Body AML Supervision (OPBAS). It also included the announcement of an amended set of objectives for the money laundering regulations.

All these can be found on the Government’s website

[<https://www.gov.uk/government/publications/review-of-the-uks-amlcft-regulatory-and-supervisory-regime>] .