

News release

SRA publishes new anti-money laundering report

13 October 2021

Work carried out to make sure solicitors keep criminals from using the profession to launder money has been detailed in a new review.

We have published our first professional supervisor report, a recent requirement placed on all supervisors by both the Money Laundering Regulations and guidance by the Office for Professional Body Anti-money laundering Supervision (OPBAS) and HM Treasury. It sets out work over the last 12 months to help firms make sure their processes are effective and followed properly. That includes action taken against those firms that failed to take their obligations seriously.

A total of 85 firm visits took place, offering guidance on issues such as tax advice (the definition of which was expanded by the regulations this year) with another 168 desk-based reviews taking place. The most common reason for non-compliance with the anti-money laundering regulations was not having a proper risk assessment in place for AML matters, while other issues included poor client due diligence and checks on the source of funds.

A failure of staff to follow procedures, inadequate training or supervision, and poor policies were other reasons for breaches of the regulations. There were 273 reports of potential AML breaches made to us. Twenty-nine enforcement actions resulted in total fines of £160,000 being issued. We also made 39 suspicious activity reports (SARs) to the National Crime Agency.

Anna Bradley, Chair of the SRA Board, said: 'Money laundering allows some of the worst crimes in society to be profitable. Our commitment to stamping it out is clear.

'I know from our discussions with local law societies that meeting their obligations is something that matters a lot to the profession. The overwhelming majority want to do the right thing, but there is still a small but nonetheless significant proportion of firms which are just not doing enough to prevent money laundering. As well as allowing criminals to profit from their actions, they undermine the trust consumers place in the profession, damaging confidence in the rule of law and the administration of justice.

We take our role as an AML supervisor very seriously, as this review of our work in 2020/21 demonstrates. I would urge all firms and solicitors to take

the steps needed to meet their obligations.’

In its latest threat assessment [<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/533-national-strategic-assessment-of-serious-and-organised-crime-2021/file>] , the National Crime Agency (NCA) estimates that at least 70,000 people are engaged in serious organised crime in the UK, with upwards of £12bn in criminal cash generated annually.

Our report [<https://www.sra.org.uk/sra/research-publications/antimoney-laundering/>] says that more than 6,500 firms are captured by the scope of the AML regulations, with the work of 23,430 relevant individuals specifically of interest.