

Managing HMRC Anti-Money Laundering (AML) Obligations:

Risks and Opportunities impacting your business in 2014 and beyond

Risks

Three estate agencies were fined almost £250,000 by the Office of Fair Trading (OFT) for money laundering failures in March 2014. On 1 April 2014 HMRC became the supervisor of the estate agency business under the Money Laundering Regulations 2007, leading to the possibility of more fines.

The Proceeds of Crime Act makes failure to report suspicious activity an offence. HMRC holds senior managers in estate agencies as personally liable if the business does not have adequate AML policies and procedures.

Opportunity

Assessing your business's risk profile to help design the right systems to prevent money laundering.

Reducing compliance costs by adopting the risk based approach.

Understanding best practice of record keeping with a focus on retrieving records specially to comply with legal orders.

Our services

Key UK Legislation and Guidance will provide the background of the training to reinforce key areas of increased focus. Assessment of the current AML policies and procedures.

Assist with defining and revalidating the AML [and sanctions] risk appetite of the business.
Establish the AML risks faced by the business.

Our Process

Phase I Mobilising

Work collaboratively with you to agree the scope of training required and the specific risks to the business. We will also agree with you the format of the training and the deadlines for production and delivery.

Phase II Production of AML training

Undertake the work agreed upon and produce the training materials specific to the business around the timescales set out in the agreed scope.

Phase III Delivery of AML training

We will work closely with senior management/MLRO to deliver the training. This training will be delivered across two sessions to ensure all material is captured and delivered in a reasonable time frame.

To achieve the objectives set out on the previous slide we would suggest a 5 step approach to the training detailed below. This approach would use 5 key areas of the AML review process which could then be used to incorporate the agreed scope of the material and topics to be covered.

Key areas	Example topics
Risk Assessment	Simplified Due Diligence (SDD) Enhanced Due Diligence (EDD)
KYC – On boarding	Politically exposed persons (PEP's)
Transaction Monitoring – On going assessment	Ongoing monitoring and Enhanced monitoring
Record Keeping	Customer records Suspicious activity reports (SARs')
Training	Annual refresher obligation



Gauri Sinha - Profile

Gauri brings experience of working on financial crime projects across varied sectors. She has worked on large AML projects with Pricewaterhouse Coopers and KPMG. She has also been the AML and Sanctions trainer for the Pricewaterhouse Coopers financial services team. A lawyer by profession, she has recently completed a PhD in AML compliance during which she was in close contact with the Financial Conduct Authority and the National Crime Agency. She has extensive knowledge on AML laws and regulations (including sanctions) operating in the UK and internationally. Gauri has also worked on a World Bank funded project towards building a KYC security framework for a carbon trading platform. Suspicious activity monitoring and reporting with special focus from an Money Laundering Reporting Officer (MLRO) perspective. Client Due Diligence ensuring that a focus on "risk assessment" is maintained throughout the training. Counter Terrorist Financing focusing on sanctioned individuals, entities and jurisdictions alongside understanding the different methods of screening and best practice for discounting partial matches or false positives. MLRO matters which will include defining roles and responsibilities. A focus on senior management ownership and responsibilities will also be considered.