

BUSINESS RISK **ASSESSMENT**

SECTION 30A

Key resources:

Section 2 2018 Guidance, follow step-by-step approach & adapt sample BRA, see infographic 2.

> Conduct firm's **Business Risk** Assessment



SENIOR MANAGEMENT 'BUY-IN' ESSENTIAL

Senior Management must approve BRAs and approve and keep under review PCPs

Key resources:

Section 3C and Section 2 Step 4 of 2018 Guidance

AN OVERVIEW OF AML DUTIES **& KEY RESOURCES 2018**

When complying

with statutory

AML obligations

follow your firm's

PCPs and CRA.

See infographic 3,

which details your

statutory CDD.

Infographic 1



Firm's BRA is relevant to PCP development



POLICIES. CONTROLS AND **PROCEDURES** (PCP)

SECTION 54

Key resources:

Section 3 2018 Guidance & adapt sample PCP



CUSTOMER RISK **ASSESSMENT**

Key resources:

Section 4 2018 Guidance & adapt sample CRA Forms



RESPONSIBILITIES OF SOLICITORS' FIRMS' **EMPLOYEES**

(SOLICITORS AND NON-SOLICITORS)

NB Section 54(2) and 54(10) applies PCPs to any person in a solicitors' firm involved in providing an AMLregulated legal service (e.g. sole practitioner, partners, associates, fee earners, trainees, executives, secretaries and receptionists)

Key resources:

for a full list of statutory solicitor AML, see infographic 3.

Develop Customer Risk Assessment processes/ templates for fee

earners

Develop existing

AML internal

policies to bring

into line with

2018 Act

SECTION 30B

Risk Factor Questionnaire

Document Your Thought <u>Process</u>

Research to expand your understanding of:

- 1 Statutory legal services vulnerable to ML/TF see AML-Regulated Legal Services
- 2 Risk to legal sector in the National Risk Assessment
- 3 Internationally recognised ML Typologies in the Legal Sector
- 4 Internationally recognised ML/TF Red Flags in the Legal Sector
- 5 Comparative risks to Legal Sector in other jurisdictions > SRA & Affinity



3 Countries and geographical

areas **4** Transaction types 5 Delivery channel types



STEP 3

Adapt the Society's Sample Business Risk Assessment



STEP 5

Keep Business Risk Assessments under review in line with PCPs



Obtain Senior the firm's Business Risk

Infographic 3

Customer Risk Assessment to determine CDD and ML Risk

AVOID UNWITTINGLY COMMITTING THE SUBSTANTIVE OFFENCE OF ML/TF Key Resources:

- <u>Section 2.5.103</u> 2018 Guidance
- Chapters 2 and 9 2010 Guidance
- ML Typologies
- ML Red Flags

remember if ML/TF · · · >

REPORTING OBLIGATION

(Section 42, Key Resources – 2010 Guidance <u>chapter 8</u> and goAML web notice)



SECTION 30B

Key resources:

Section 4 2018 Guidance & adapt sample CRA Forms

- Risk Factor Questionnaire
- <u>Document Your Thought</u> <u>Process</u>

use your CRA throughout to

use your CRA throughout to



DETERMINE CDD (CUSTOMER DUE DILIGENCE)

Key resources:

Section 5 2018 Guidance

SIMPLIFIED

Resources about how to apply the statutory criteria for eligibility

STANDARD

- Measure 1: Identifying the client and verifying the client's identity
- Measure 2: Identifying the beneficial owners and taking measures
- Measure 3: Obtaining information reasonably warranted by the risk of ML/TF on the purpose and intended nature of the business relationship
- Measure 4: Conducting ongoing monitoring

ENHANCED

- Duty 1: Complex/Unusual transactions Section 36A
- **Duty 2:** Risk that client involved in ML/TF, ascertain PEP status Section 37
- **Duty 3:** Client is established or resides in a high-risk third country Section 38A
- Duty 4: Business relationship (client or AML-regulated legal service) is High Risk for ML/TF Section 39