**Instructions**

* The Law Society has developed three sample forms to help solicitors ‘document their thought process’ process for Customer Risk Assessments, concerns about ML/TF or red flags, decisions about CDD measures applied and any other compliance decisions.
* The forms are designed to be used in conjunction with the Risk Factor Questionnaire (provided separately) and are best completed **after** the Risk Factor Questionnaire for Customer Risk Assessment (provided separately).
* These examples can be adapted by firms to suit their firm’s individual needs. They can be tailored by solicitors across the life-cycle of an AML-regulated legal service as they assess and document risk. For example, Form 1 can be used to guide and document decisions about whether to provide an AML-regulated legal service.
* This approach allows solicitors to place all relevant circumstances in context and, should the need arise in the future, enables solicitors to demonstrate their level of knowledge and rationale for proceeding with a legal service or not and the rationale for the CDD applied. This also allows solicitors to follow the FATF’s recommended method for interpreting red flags/indicators of suspicion as follows:

“…the methods and techniques used by criminals to launder money may also be used by clients with legitimate means for legitimate purposes. Because of this, red flag indicators should always be considered in context. The mere presence of a red flag indicator is not necessarily a basis for a suspicion of ML or TF, as a client may be able to provide a legitimate explanation. These red flag indicators should assist legal professionals in applying a risk-based approach to their CDD requirements of knowing who their client and the beneficial owners are, understanding the nature and the purpose of the business relationship, and understanding the source of funds being used in a retainer. **Where there are a number of red flag indicators, it is more likely that a legal professional should have a suspicion that ML or TF is occurring.**”

* If you have assessed the risk as **high** at any point during an AML-regulated legal service, have any reservations or concerns or have observed ML/TF red flags, please refer to **[the Managing Partner, the MLRO]** before continuing to act for the client. The Society recommends that, before applying enhanced measures, solicitors consider the extent to which they might unwittingly commit the substantive offence of money laundering by providing a high risk legal service requiring enhanced CDD.

**FORM 1**

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| **INITIAL ASSESSMENT OF RISK:** | LOW MEDIUM HIGH  (Standard CDD) (Standard CDD) (Do not proceed or  Enhanced CDD) |
| Please note below reasons for your initial ML/TF risk assessment:  Please document the CDD measures to be applied, have been applied and any compliance decisions taken:  **NB** If there is a risk client is involved in ML/TF, ascertain whether they have PEP status and, if they are a PEP, apply section 37 enhanced CDD. | |
| SIGNED BY: | DATE: |

**FORM 2**

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| **INTERIM/ONGOING RISK ASSESSMENT –IF ANY RISK FACTORS CHANGED?** | LOW MEDIUM HIGH  (Standard CDD) (Standard CDD) (Do not proceed or  Enhanced CDD) |
| Please note below reasons for your assessment:    *(If no chance, quick note stating such, signed and dated – this evidences that a review has been undertaken and consideration given)*  Please document the CDD measures to be applied, have been applied and any compliance decisions taken: | |
| SIGNED BY: | DATE: |

**FORM 3**

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| **FINAL RISK ASSESSMENT – HAVE THERE BEEN ANY LAST MINUTE CHANGES THAT GIVE CAUSE FOR CONCERN?** | LOW MEDIUM HIGH  (Standard CDD) (Standard CDD) (Do not proceed or  Enhanced CDD) |
| *(Ideally, should be undertaken before monies are transacted/enter the client A/C)*  Please note below reasons for your assessment:    *(If no change, quick note stating such, signed and dated – this evidences that a review has been undertaken and consideration given)*  Please document the CDD measures to be applied, have been applied and any compliance decisions taken: | |
| SIGNED BY: | DATE: |

*The Society accepts no responsibility for any compliance failures or loss incurred as a result of reliance on these sample forms. Solicitors’ firms must always ensure they are in compliance with all of their statutory AML obligations. The Law Society is grateful to the Law Society of Scotland on whose template forms this document is based, adapted for the Irish legislative framework.*