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FAQs

Anti-Money Laundering

Supervision in the UK



FAQ: Anti-Money Laundering Supervision in the UK

What is the current state of anti-money laundering (AML) supervision in the UK legal and accountancy sectors?

Most Professional Body Supervisors (PBSs) comply with the Money Laundering Regulations 2017 (MLRs). However, OPBAS assessments reveal a lack of consistent effectiveness across PBSs, with none achieving full effectiveness in all areas. While most PBSs demonstrate compliance, improvements are needed to ensure they proactively and effectively combat financial crime.

What are the main areas of concern for OPBAS regarding AML supervision?

Key concerns include weaknesses in risk-based approaches, inconsistencies and gaps in supervisory methodologies, ineffective use of enforcement tools, and inadequate information and intelligence sharing. These issues hinder PBSs' ability to prevent financial crime effectively.

Why is a risk-based approach important for AML supervision, and what are some weaknesses identified in this area?

A risk-based approach is crucial for allocating resources efficiently and focusing on higher-risk firms and activities. However, many PBSs fail to substantiate risk profiles adequately, use narrow risk indicators, and neglect crucial risks like those associated with Trust and Company Service Providers (TCSPs).

What are some challenges related to information and intelligence sharing, and how can these be addressed?

PBSs show reluctance in using information-sharing gateways and sharing intelligence on live investigations, limiting their ability to identify and address risks effectively. Increasing awareness, building trust, and encouraging proactive sharing through existing platforms like FIN-NET and SIS are crucial steps for improvement.

How does outsourcing AML supervisory activities impact overall effectiveness?

While some PBSs outsource inspections, concerns arise regarding inadequate oversight of contractors, inconsistent application of PBS policies, and a lack of

transparency. Strong oversight and consistent training for external inspectors are necessary to ensure effective AML supervision.

What is the role of enforcement in AML supervision, and are there any concerns in this area?

Enforcement is crucial for deterring non-compliance and promoting a culture of compliance. However, PBSs show a preference for assisted compliance over robust enforcement actions. There is a decline in fines and suspensions, suggesting that enforcement tools are not being used effectively as deterrents.

What are OPBAS's priorities for improving AML supervision in the coming year?

OPBAS will continue to focus on multi-PBS work in high-risk areas like TCSPs and conveyancing. They will also work towards strengthening the AML supervisory regime by supporting the Economic Crime Plan 2 (ECP2) actions, facilitating information sharing, and contributing to the next National Risk Assessment (NRA).

How can I find out if a specific lawyer or accountant is supervised for AML purposes?

Currently, there is no single, consolidated database. However, all PBSs now provide a member search function on their websites. You can use these functions to check the AML supervision status of a particular professional.

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