

Helpsheet



MONEY LAUNDERING REGULATIONS 2017 COMPLIANCE REVIEW

Issued: 8 March 2018

1.0 THE FIRM		Yes	No	N/A	Reference
1.1	Is the firm a member firm in accordance with the disciplinary bye-laws?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	If not, has it registered with an anti-money laundering (AML) supervisor? (ICAEW is the automatic supervisory authority for ICAEW member firms. If your firm does not meet the definition of an ICAEW member firm you can apply for supervision by ICAEW through an agreement for Practice Assurance services, see icaew.com/amlr)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1.2	Has the firm appointed a money laundering compliance principal (MLCP) and, if this is not the same as the money laundering reporting officer (MLRO), advised its supervisor within 14 days of the appointment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.21(3) and s.21(4)
	Is the MLCP a member of its senior management team? (Note that unless advised otherwise ICAEW assumes the MLRO is also the MLCP and there is no need for the firm to inform us of this. There is no requirement for a sole practitioner to have an MLCP)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1.3	Has the firm introduced internal procedures, which are documented, designed to prevent money laundering? Do these procedures include:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.19(1)
a)	appropriate risk-based client due diligence (CDD) procedures for new clients?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
b)	collation and retention of evidence to support the CDD procedures (eg, proof of ID)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
c)	a process to trigger a review of CDD evidence held, updating it as necessary (ongoing CDD)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
d)	internal reporting procedures for any a suspicious activity?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
e)	procedures to review and report suspicious activities to the National Crime Agency (NCA)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
f)	provision of appropriate and adequate training of personnel (including principals) for MLR 2017?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
g)	procedures to monitor its compliance with the regulations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1.4	Has the firm reviewed the procedures in the last 12 months to ensure that they remain appropriately designed to prevent money laundering?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1.5	Are the procedures:				
a)	available to all staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
b)	applied across all services lines?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1.6	Does the firm retain all its records for at least five years after the end of a client business relationship?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.21(8)(a) and s40(3) CCAB 7.1.1
1.7	Does the firm store the records securely with no risk that they could be inadvertently destroyed?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

2.0 FIRM-WIDE RISK ASSESSMENT		Yes	No	N/A	Reference
2.1	Has the firm documented its firm-wide risk assessment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.18(1) and (4)
2.2	Does this risk assessment include consideration of the risk attributable to:				
a)	its client base?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 4.6
b)	the countries or geographical areas that its clients operate in?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 4.8
c)	the services provided?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 4.7
d)	types of transactions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 4.9
e)	delivery channels?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 4.10
2.3	Has the firm considered the high-risk factors disclosed by its supervisory authority?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.18(2)(a)
2.4	Has the firm implemented all of the mitigating actions designed to mitigate the identified risks? (The firm should consider its procedures to ensure that they are designed to prevent money laundering and mitigate the high-risks identified in the firm-wide risk assessment).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2.5	Has the firm reviewed its firm-wide risk assessment in the last 12 months to make sure it is up to date?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2.6	Has the risk assessment been approved by the senior management team?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.19(2)(b)

3.0 CUSTOMER DUE DILIGENCE (CDD)		Yes	No	N/A	Reference
3.1	Does the firm have effective client due diligence procedures which will help it to know and understand a client's identity and business activities so it can properly manage any money laundering or terrorist financing risks?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s27 CCAB 5 and Appendix C
3.2	Are there controls to prevent engagement teams starting work for the client before these procedures are complete?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s30(2)
	Is the firm certain that staff can't override these procedures?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3.3	Does the firm use a recognised AML system to document its CDD?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.1.15-17
	If so which one?				s28(3)(a)
	Date of last update				s37 CCAB 5.3.3-6
	If not, do the firm's own bespoke CDD procedures include the following:				s33
a)	Documentation of the firm's risk assessment for the client including the reasons for that assessment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.7-10
b)	Information on the intended purpose and nature of the business relationship?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s35 CCAB 5.3.11-16
c)	An understanding of the ownership and control structure?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.17-18
d)	Identification and independent verification of the client?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
e)	Identification and independent verification of the beneficial owners on a risk based approach? (Usually a living person who owns more than 25% of the business).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
f)	For a company does this involve a search of public records?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
g)	Circumstances in which the firm may apply simplified due diligence (SDD)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
h)	Circumstances in which the firm needs to apply enhanced due diligence (EDD)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
i)	Identification of politically exposed persons (PEPs), including domestic PEPs, their family members or known close associates?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
j)	Consideration of financial sanctions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

3.0 CUSTOMER DUE DILIGENCE (CDD)		Yes	No	N/A	Reference
3.4	Does the firm have a subscription to a service or online database which gives access to identity related information? If so, which service is used?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.35
a)	Has the firm checked that the information is reliable, comprehensive and accurate?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.36
b)	Does the system draw on multiple sources?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
c)	Does the firm understand the sources used and does it regularly check and review them?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
d)	Are there control mechanisms to ensure data quality and reliability?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
e)	Is the firm able to download an electronic copy or print off a hard copy for its own records?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3.5	Does the firm retain copies of identification and other evidence it has obtained to support the CDD? Are copies certified or endorsed, either by the employee that saw them or by other professional advisers?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.33
3.6	Does the firm require a principal to approve CDD?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.3.16 s35(5)(a)
3.7	Where the client involves a PEP, has the firm always completed EDD?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3.8	Has senior management approved all new clients where there is a PEP involved, or where EDD is required?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3.9	Where the firm hasn't been able to complete the CDD procedures satisfactorily, has the firm terminated the business relationship? Did the engagement team make a suspicious activity report to the MLRO?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s31(1) CCAB 5.4

4.0 ONGOING CDD		Yes	No	N/A	Reference
4.1	Does the firm have procedures to record ongoing monitoring and reviews of CDD information held?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s28(11)
4.2	Has the firm tailored the review period, based on the risk rating of the client?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 5.2.7
4.3	In addition to the periodic routine updates required as above, does the firm have procedures which prompt for an update and review in the following circumstances:				CCAB 5.2.4-6
a)	when a suspicious activity report (SAR) is made?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
b)	following a change of ownership or control?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
c)	on identification of the involvement of a PEP?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
d)	a change in the service provided to a client?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
e)	a significant change to key office holders?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
f)	a change in business activity?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
g)	a change in source of funds?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4.4	Has the firm designed any additional procedures for high-risk clients? Do staff understand what they should be doing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

5.0 SUSPICIOUS ACTIVITY REPORTING		Yes	No	N/A	Reference
5.1	Does the firm have internal reporting procedures for when a member of staff has knowledge or suspicion (or has reasonable grounds for knowing or suspecting) that a person is engaged in money laundering or terrorist financing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.19(4)(d)
5.2	Has the firm communicated these procedures to all staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.3	Do these procedures include a reminder:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 6 and Appendix D
a)	of the offences for failure to disclose?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
b)	to make the report on a timely basis?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	POCA s330, s331 and s332
c)	that there is no de minimus value in this respect?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 6.1.5
d)	in respect of 'tipping off'?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Do the procedures include guidance on what constitutes 'suspicion'?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.4	If the MLRO has delegated to other office representatives (deputy MLROs), are the reporting responsibilities clear, documented, communicated and understood?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.5	Reporting to the NCA:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 6.2.21
a)	Has the MLRO documented his/her conclusion in respect of all internal SARs received, in particular where the firm hasn't made a report to the NCA?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
b)	Has the MLRO made the reports to NCA on a timely basis or as soon as practicable? (The MLRO may commit a POCA s331 offence if they fail to do so).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
c)	Has the MLRO considered whether: <ul style="list-style-type: none"> consent is required from law enforcement for the engagement or any aspect of it to continue; and how client business should be conducted while a consent decision is awaited? 	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 7.5
d)	Has the MLRO considered whether the privileged circumstances exemption applies?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
e)	Has the firm filed all internal, and external reports separately, confidentially and securely?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
f)	Note information contained in internal AML reports and SARs is exempt from subject access requests under the Data Protection Act 1998.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.6	Has the firm reviewed the number of reports made in the past 12 months and considered whether the number, or type of, SARs should be reflected in the firm's risk assessment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	If there have been very few or none this may also reflect a lack of training or a training need for staff. (See section 5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	If there are any trends in SARs, the firm should consider whether these trends pose a high risk and what mitigating actions are required.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

6.0 STAFF AND TRAINING		Yes	No	N/A	Reference
6.1	Has the firm performed employee screening to ensure that its staff have the skills, knowledge and expertise, proper conduct and integrity to carry out their responsibilities according to the MLR 2017?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.21(b) CCAB 3.5.15
6.2	Has the firm assessed the information it holds on its beneficial owners, officers and managers to ensure that no such individual has committed a relevant criminal offence?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.26
6.3	Where the firm identifies that a beneficial owner, officer or manager has committed a relevant criminal offence, has it informed the supervisory authority within 30 days of being aware of the conviction?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.26
6.4	Has the firm communicated its AML policies and procedures to staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.19(c)(iii)

6.0 STAFF AND TRAINING		Yes	No	N/A	Reference
6.5	Do staff know who the MLRO is?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
6.6	Have all personnel (principals and all staff, both professional and support, and including any subcontractors, self-employed consultants and temporary personnel) been provided with adequate, regular training on MLR 2017 and the firm's procedures including how to report suspicions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.24 CCAB 7.4 and 8.2
6.7	Has the firm kept a written record of AML training provided to staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.24(b)

7.0 MONITORING		Yes	No	N/A	Reference
7.1	Has the firm reviewed and updated its anti-money laundering policies and procedures in the last 12 months?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	s.19(b)
7.2	Has the firm reviewed a sample of CDD (for both new and existing clients) to check for compliance with the firm's procedures?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 3.5.18
a)	Details of cold file reviews:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	1.				
	2.				
	3.				
	4.				
	5.				
	Or cross reference to separate working paper/file.				
b)	Has the firm selected files that cover a sample of the firm's principals and service lines?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
c)	Has the firm collated the results and included them in the report to the firm's senior management, as well as providing feedback to the staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
d)	Has the firm considered the impact of these findings on the firm's firm-wide risk assessment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
7.3	In the last 12 months, has the MLCP produced a written report to the board (or equivalent) that provides an assessment of the operation and effectiveness of the firm's anti-money laundering procedures?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	CCAB 3.2.10
7.4	Has the firm considered whether any further training is required either generally or for specific staff following the results of its monitoring activities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Completed by

Date

Reviewed by (MLRO)

Date

You can read further information at [icaew.com/moneylaundering](https://www.icaew.com/moneylaundering)

You may also wish to refer to the **CCAB anti money laundering guidance** or the **MLR 2017**.