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Simply brilliant software

AML

Turn anti-money laundering challenges into triumphs

Agenda

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1. Basics of AML
2. Best practice for firms
3. What to do if you suspect that a client is engaging in suspicious activity
4. How to streamline your AML process
5. Q&A

Disclaimer: This is not legal advice. We advise that you regularly research AML regulations and speak to your governing body to ensure that you are always compliant with the most recent regulations

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AML basics

AML: The basics

- Laws and regulations to help prevent and detect money laundering activity
- Over 900,000 SARS received and £300 million in funds denied from DAML requests between 2021-2022

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AML: The basics

> Taking on a client who launders money isn't unheard of

> Have you or a firm you know ever taken on the odd 'problem client'?

> This is how problems can first start, and then snowball into much bigger issues with disastrous consequences

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AML best practice tips

Staff training

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> Make sure staff are trained in AML procedures

> Must be aware of AML regulations and who MLRO is

> Not a one-time event. AML training should be ongoing and done regularly

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Record keeping

> Keep record of staff training

> Policies and procedures must be in writing and read regularly

> CDD records must be kept for 5 years from end of business relationship

> How frequently do checks need to be done after onboarding a new client?

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For example

- ICAEW on-site reviews would also consider factors such as role of MLRO, sanctions compliance, prohibiting providing accountancy services to high-risk countries, etc.
- Think about how regularly these need to be reviewed
- What could constitute an increased frequency in checking?

Customer Due Diligence

- You must carry out CDD
- Risk assessments and verifying IDs
- Assess risk level for each client
- Go back to your policies and procedures and act accordingly based on risk level

What if someone is suspicious?

Signs of suspicious activity

- Reluctant to provide paperwork and ID
- Predominantly cash-based
- Lots of layers to company structure
- Push for quick returns
- Unclear source funds
- Rapid turnover rate

Reporting an SAR

- MLRO reports suspicious activity by making an SAR
- Done on NCA website
- Give as much information as possible
- Helps safeguard your firm and the profession
- Non-compliance can lead to legal action, loss of credibility and reputation

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Consequences of non-compliance

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- Could lead to legal action
- Names of business who face penalties are published on HMRC
- MLRO takes on significant personal liability in their firm

How to streamline your AML process

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Onboarding and task delegation

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- Streamline onboarding and task delegation
- Ensures smooth workflow from the get-go
- Real-time team collaboration
- Notify staff when it's their turn to take over a task
- Look out for solutions tailored to the industry that can offer additional features to automate your firm further
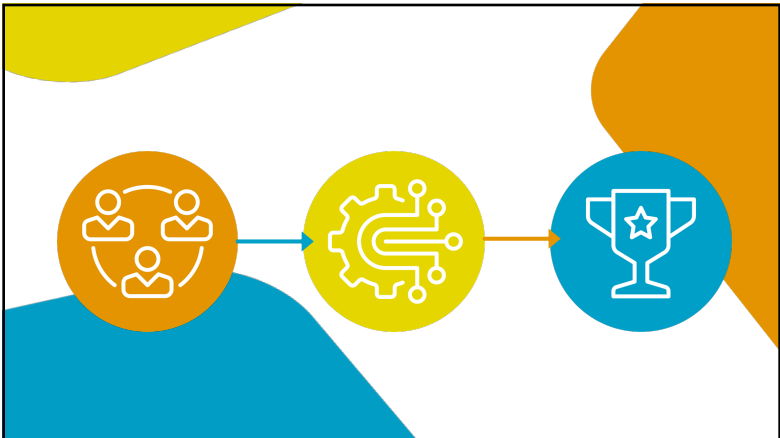
ID checks

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> Even if you know the client personally, **it still has to be done**
> Vary in cost – shop around and see what suits best
> Automated approach streamlines your AML process
> Cuts down on printer ink and paper costs

Risk assessments

> If you're manually writing or typing up risk assessments, big changes must be made
> Use a system with a built-in risk assessment questionnaire
> Make sure it's tailored for the industry
> Makes it much easier for your team to get through and ensures no details get lost

All-in-one system!

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