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Anti-money laundering:

What the SRA learnt from law firm visits

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Introduction

When the SRA virtually visited firms to check on their money laundering systems, over 10% of firms were not compliant and referred for investigation. Would yours pass?

The SRA has several ways of engaging with firms to check that they are complying with the regulations, help them into compliance, and act, if need be, where more serious cases of non-compliance are found. Following the first round of visits to firms, the SRA published a report on their findings. The report highlighted that the three biggest areas that firms are struggling to comply with were independent audit, staff screening and customer due diligence (CDD).

Last week (21 and 22 September 2021), at the Law Society AML and Financial Crime Conference, Colette Best, the SRA's director of AML, said eight of 69 firms visited virtually by the SRA in the year to April 2021 were not compliant with the AML regulations and referred for investigation. The SRA has made it explicitly clear (and has been doing so for some time) that firms must be compliant with the AML regulations and must carry out a risk assessment to identify and assess the business's risks of money laundering and terrorist financing alongside appropriate due diligence on clients and matters.




Fast Track, Cost Effective and Robust Compliance Solutions

The Strategic Partner's packaged compliance solutions for firms enables our clients to achieve a compliant status, and we continue to work with them on an ongoing basis. This allows the owners and staff to focus on services for their clients and running the firm knowing that their AML requirements are taken care of. At £3000 per annum (which can be paid monthly or quarterly and is discounted further for Members of The Strategic Partner) the relative cost savings to firms is significant, not least of all in comparison to any potential costs and fines a firm could receive if they are found in breach of the AML obligations and find themselves confronted with an SRA enquiry.

Our focus is to ensure each firm that works with us operated in a fully compliant environment and stays there. Through achieving this, the compliance officers in the business can be assured and confident that their obligations are being met, enabling them to focus on other areas of the firm.

Our Risk, Regulation and Compliance Service including AML provide firms with a robust approach to Regulations, Compliance and risk management, giving the compliance officers peace of mind that the requirements of the regulator are being met on an ongoing basis and can be evidenced. For firms with an internal team or person allocated to managing regulation and compliance, external expert support will enhance your internal strategies.



If you believe your firm may be at risk or you simply wish to confirm your firm is achieving the required standard, at The Strategic Partner, we offer a range of solutions which include: –

Review – A review of the firm's approach to regulation and compliance to include AML procedures. The output of which provides the firm with a written gap analysis and solutions to remedy any issues.

Training – to include: –

- AML Training for ALL staff to meet the firm's obligation to provide annual training.
- 1-2-1 training for the MLRO and MLCO on their obligations and requirements.
- Practical training for those involved in client onboarding to ensure their ID and AML checks are correctly completed.

Auditing – Procedural, staff, systems, and files to ensure the procedures are up to the required standard and being implemented at case level with a report of the outcome.

Solutions – Implementation of robust solutions to ensure the firm achieves compliance and then remains compliant through the provision of ongoing support and assistance: –

*Risk Regulation & compliance Service including AML
Risk Compliance AML Guidance and Administration Service*


Enhanced Client Due Diligence

The Strategic Partner is proud to introduce Mirror as one of its new Partner businesses. Mirror is working with law firms to change the way they think about Client Due Diligence providing solutions that protect the firm and the innocent parties that get wrapped up in fraud. Mirror creates barriers for fraudsters while keeping onboarding fast and simple for your clients.

- UK Money Laundering Regulations Compliant
- GDPR Compliant
- Enhanced Audit Capabilities (Full Audit Trail Provided)

Mirror is revolutionising compliance by giving firms a simple, all-in-one system for KYC and AML. They can verify your client's identity and address at source, with biometric identity verification, document validation, and AML checks.

To speak to Mirror about how they can work with your firm to improve your KYC and Client onboarding process you can book a demo or contact them online via their website.



Our Compliance Services

We would be very happy to discuss your current approach to regulation and compliance and how our services will assist you in ensuring your firm is protected.

Often expert advice and guidance is essential to ensure your firm achieves a compliant status and maintains it.

How we can help

The Strategic Partner provides essential support to law firms. We offer a range of services and consultancy tailored to the Legal sector. We have gained a wealth of knowledge and experience in the overall management of law firms and work with them to achieve profitability, stability, and efficiency. Our goal is to become a valued and respected partner to our member law firms providing high-quality services and solutions at all times.

For more information about The Strategic Partner, you can call us on 0203 911 9710, email us info@thestrategicpartner.co.uk or visit our website to make an online enquiry.

