

Money Laundering Regulations 2017 Compliance Checklist

It is important that you check who your AML supervisor is and if they supervise you as an individual or your firm. If in doubt, please contact your professional body.

1	Policies, controls and procedures	Yes	No	N/A
1.1	Does the firm have written policies, controls and procedures to mitigate the risk of money laundering? (MLR 19) <i>(Note: the CCAB guidance is not written policy, controls and procedures – it is a guide to what is best practice)</i>			
1.2	Have the policies, controls and procedures been tailored to the specific circumstances of the firm (structure, services provided, client types, etc)? (MLR 19)			
1.3	Do the policies, controls and procedures cover: <ul style="list-style-type: none"> • Risk management practices • Internal controls • Customer due diligence • Reliance and record keeping • Monitoring and management of compliance? (MLR 19)			
1.4	Are the policies, controls and procedures reviewed and updated regularly and is this approved by someone senior in the firm? (MLR 19)			
1.5	Have the policies, controls and procedures been communicated to staff, readily available for reference by all staff and is there evidence of this? (MLR 19)			
1.6	Has the firm designated a member of its management team to be responsible for compliance with the Regulations (this may be the same as the MLRO)? (MLR 21)			
1.7	If the firm is part of a group or has separate departments, are policies, controls and procedures consistently applied across all parts of the group / departments? (MLR 20)			

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2	Awareness and training	Yes	No	N/A
2.1	Have you provided adequate up-to-date training for all staff (including consultants and subcontractors)? This training should include training in data protection relevant to the Regulations. (MLR 24)			
2.2	Do you have a record of the training provided? (MLR 24)			
2.3	Have you made all staff aware of who the MLRO / deputy MLRO / compliance officer is? (MLR 19)			
2.4	Does the firm assess relevant employees' conduct and integrity and skills, knowledge and expertise prior to appointment and regularly thereafter? (MLR 21)			

3	Record keeping	Yes	No	N/A
3.1	Does the firm keep AML records for at least 5 years after a business relationship with a client ceases? (MLR 40)			
3.2	Has the firm registered with the Information Commissioner's Office under the Data Protection legislation? (MLR 41)			
3.3	Has the firm notified new clients of its Data Protection obligations? (MLR 41)			

4	Firm's risk assessment of money laundering or terrorist financing risks	Yes	No	N/A
4.1	Has the firm carried out a risk assessment on itself? (MLR 18)			
4.2	Does the firm's risk assessment cover risks associated with: <ul style="list-style-type: none"> • The clients • The countries and geographic areas in which it operates • The services provided to clients • The types of transactions undertaken • How it delivers its services? (MLR 18)			

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4.3	Has the firm considered the high-risk factors disclosed by its supervisory body? (MLR 18 (2) (a)) https://www.ifa.org.uk/technical-resources/aml/aag-list-of-high-risk-circumstances			
4.4	Has the firm reviewed and updated this risk assessment to make sure it is up to date? (MLR 18)			
4.5	Has the firm documented this risk assessment? (MLR 18)			
4.6	Has the firm's risk assessment been approved by senior management? (MLR 19)			

5	Client due diligence (CDD)	Yes	No	N/A
5.1	Does the firm have procedures to check a client's identity and business activities which mitigate the risk of money laundering activity? (MLR 27)			
5.2	Does the firm use a recognised AML system to record its CDD? (MLR 28)			
5.3	If the firm has developed its own CDD procedures do they document: <ul style="list-style-type: none"> • Client identification • Understanding of the client's activities • Understanding the reasons behind the services provided to clients • A conclusion on the level of risk? (MLR 28)			
5.4	Is the CDD process updated regularly (and immediately for any client on a change in their circumstances)? (MLR 28)			
5.5	Do you establish the beneficial owner of the client (usually a person who owns or controls 25% or more)? (MLR 28)			
5.6	Are there controls in place to ensure that CDD is undertaken prior to services being provided to the client? (MLR 30)			
5.7	Do you have any clients where you could apply simplified due diligence? (MLR 37)			

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5.8	Do you have any clients who are Politically Exposed Persons (PEPs), including their family members or known close associates? And, if so, have you carried out enhanced due diligence? (MLR 35).			
5.9	Has the establishment of a business relationship with a PEP been approved by senior management? (MLR 35)			
5.10	For any clients you have identified as high risk have you carried out enhanced due diligence? (MLR 33)			
5.11	Has the firm obtained evidence of identification for all clients and has it certified these documents as true copies? (MLR 28)			
5.12	Where clients operate in overseas domains have you checked against the financial sanctions list, proscribed terrorist list and list of high risk countries? (MLR 28 and 33)			
5.13	Where you haven't met a client face to face have you carried out suitable alternative procedures to verify their identity? (MLR 28)			
5.14	Do you place reliance on a third party for any of your CDD and, if so, do you have procedures to check that reliance is acceptable? (MLR 39)			
5.15	If the firm has not been able to complete its CDD procedures satisfactorily has it ceased its business relationship with that client? (MLR 31)			
5.16	Does the firm have processes and procedures for ongoing CDD monitoring and review of records held? (MLR 19)			

6	Reporting	Yes	No	N/A
6.1	Do you have a documented internal escalation and reporting process for reporting knowledge or suspicious activities to the MLRO? (MLR 19)			
6.2	Have you kept records of any SARs you have made? (MLR 19)			
6.3	Have there been any matters where you have needed to get confirmation of Defence Against Money Laundering (DAML)? (MLR 31) <i>Note: for further information refer to http://www.nationalcrimeagency.gov.uk/publications/902-defence-against-money-laundering-faq-may-2018/file</i>			

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7	Supervision	Yes	No	N/A
7.1	Have beneficial owners, officers and managers been approved by the IFA to conduct business in the regulated sector? (MLR 26)			
7.2	Do you have a procedure for informing the IFA within 30 days of a subsequent relevant offence conviction by a beneficial owner, officer or manager? (MLR 26)			
7.3	If the firm is providing trust or company services, is it on the trust or company services providers register maintained by HMRC? (MLR 56)			

8	Monitoring	Yes	No	N/A
8.1	Has the firm reviewed and updated AML policies, procedures and controls in the last 12 months? (MLR 19)			
8.2	Has the firm reviewed a sample of client files (covering new and existing clients, different client types and services provided and different staff) to check that its policies, controls and procedures have been applied consistently? (MLR 19)			
8.3	Has the firm put in place an action plan to address any areas in this compliance review where it has identified compliance issues? (MLR 19)			