

# Money Laundering Prevention Process

## Money Laundering Officer (MLRO)

All financial firms must appoint a MLRO. They must be a person of seniority and be subject to the Senior Managers and Certification Regime (SMCR). The MLRO must keep procedures up to date in view of changing rules and trends within the financial industry.



1

## Staff Training

All financial firms must train their staff on a regular basis. Records must be kept of staff training.



2

3



## Staff must know the identity of the Money Laundering Officer

As part of training, staff must be made aware of the identity of the MLRO and their responsibility in preventing Money Laundering.



4

## Client Identification

Firms must obtain 2 pieces of ID for all new clients and where transactions exceed €15,000 (or equivalent) whether as a single transaction or as linked transactions and €10,000 if high value dealers trading in goods and services.



## Suspicion

If the adviser suspects money laundering they must send a report to the MLRO. Advisers must be careful that they do not "Fail to Disclose". If there is reasonable suspicion they must report it.



5

## Investigation

The NCA will commence the investigation and will work with other law enforcement organisations to reduce serious and organised crime.



8

## National Crime Agency (NCA)

The MLRO will send a report via the **Suspicious Activity Reports System (SARS)** to the NCA who will commence an investigation.



6

7

## Tipping Off

Advisers must be aware that "Tipping off" a person who is suspected or being investigated for Money Laundering is an offence and is punishable for up to 5 years in prison and/or an unlimited fine.



Money Laundering Training is an essential part of being a Mortgage or a Financial Adviser.

One of the FCA's objectives is to protect and enhance the integrity of the UK financial system. This can be upheld by preventing financial crime, as financial crime affects consumer protection and the integrity of markets.

Money Laundering can be described as the process of filtering the proceeds of criminal activity through a series of accounts or other financial products in order to give it apparent legitimacy or to make its origins difficult to trace. "Criminals try to wash the money clean". The hardest thing for a criminal is to spend money obtained illegally without raising suspicion.

Financial and Mortgage advisers will receive regular training in order to help combat Money Laundering.

THINKING OF BECOMING AN ADVISER?

TO FIND OUT MORE CLICK HERE

Clarity Financial Training Ltd is an LIBF accredited training provider that offers courses to qualify as a Mortgage or a Financial Adviser. If you think you may be interested, please contact us to find out more.