

The Money Laundering Reporting Officer Requirements

MLRO OCCUPATIONAL REQUIREMENTS

MLRO Applicants must evidence that they understand the AML responsibilities of the body and are competent to act upon AML concerns raised by staff and make reports to the National Crime Agency (NCA) where necessary*.

APPLICANTS MUST DEMONSTRATE AN UNDERSTANDING OF: -

1. Being up to date with legislative and regulatory AML, Terrorist and Proliferation financing requirements.
2. Understanding how to ensure that the body has appropriate AML Policies, Procedures and Controls (PCPs) in place which are reviewed regularly.
3. Knowing how to implement an independent AML audit programme where appropriate to the size and nature of the body**.
4. When to ensure that all staff receive appropriate and regular AML training.

SPECIFIC TRAINING REQUIREMENTS

At a minimum a prospective MLRO should evidence having completed training covering the below topics:

1. Money Laundering and Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations
2. Proliferation financing and criminal, subversive, and irregular use of the Client Account
3. Advice from the Financial Action Task Force ("FATF") - Guidance for the UK
4. Guidance from The Legal Sector Affinity Group (LSAG)
5. The CLC AML Risk Assessment Guidance and templates
6. The following practice owned KYC protocols: -
 - a. Client Due Diligence ("CDD") and Enhanced Due Diligence (ECDD)
 - b. AML Practice Wide and Client Risk Assessments
 - c. Source of Funds and Source of Wealth
 - d. Oversees clients/PEP/Sanctions
 - e. SAR/DAML
 - f. Recorded Risk Factors.

Please note the above is not an exhaustive list and additional topics should be covered is appropriate to meet the needs of the size and scale of the practice.

MLROs should also demonstrate how they intend to maintain their legal and technical knowledge at industry level on:-

1. changes/updates to the Legislation;
2. updated National Risk Assessment;
3. updated Sectoral Risk Assessment;
4. updated advice from the industry regulators;
5. updated sanctions from HM Treasury;
6. updated advice from the Financial Action Task Force ("FATF");

**where you have actual knowledge or suspicion, or where (based on what an ordinary member of the public might think) there are reasonable grounds to know or suspect a money laundering offence has been committed.*

***You do not need to implement an independent audit if you do not employ or act in association with any other person as specified under (R21(6)) of the 2017 AML Regulations - e.g., if you are a sole practitioner who does not employ any staff nor use any agents.*