

## FIRM-WIDE MONEY LAUNDERING RISK ASSESSMENT TEMPLATE

Name of firm:		Compliance for period:	
Completed by:		Date:	

1	Clients	Likelihood score	Impact score	Notes and/or applicable mitigation
1.1	Clients who are not locally based nor do they have an historic local connection?	Choose an item.	Choose an item.	
1.2	Clients who are not met face to face?	Choose an item.	Choose an item.	
1.3	Acts for demanding clients with onerous and pressurised requirements?	Choose an item.	Choose an item.	
1.4	Acts for un-cooperative or overly secretive clients?	Choose an item.	Choose an item.	
1.5	Acts for clients with connections to higher risk countries such as those countries with weaker money laundering regimes? <i>Set out in section 14.5.9 of GPPM</i>	Choose an item.	Choose an item.	
1.6	Acts for clients who have been convicted of criminal activity?	Choose an item.	Choose an item.	
1.7	Acts for clients with known links to organisations or individuals with criminal or terrorist activities? Or on the <a href="#">financial sanctions</a> list?	Choose an item.	Choose an item.	
1.8	Acts for domestic (i.e. UK based) politically exposed persons (PEPs)? <i>Not necessarily higher risk per <a href="#">FCA Guidance</a> but should consider.</i>	Choose an item.	Choose an item.	
1.9	Acts for overseas politically exposed persons (PEPs)?	Choose an item.	Choose an item.	
1.10	Clients sourced from marketing agencies or adverts rather than referral?	Choose an item.	Choose an item.	
1.11	Firm acts for clients with specific industry specialisms?	Choose an item.	Choose an item.	
1.12	Acts for clients where the structure, or nature of business/transactions, is unusual or complex?	Choose an item.	Choose an item.	

1	Clients	Likelihood score	Impact score	Notes and/or applicable mitigation
1.13	Acts for clients with cash intensive business activities?	Choose an item.	Choose an item.	
1.14	Acting for clients where senior management approval is required before take-on because of high-risk nature. Or any clients where concerns over the nature of the ID documentation?	Choose an item.	Choose an item.	
1.15	Any clients of the type listed in any guidance from ICAS as your AML supervisor? Example: - cash based businesses? - money service bureaux? - arms dealers? -	Choose an item.	Choose an item.	
1.16	Client where the service is being provided in unusual circumstances?	Choose an item.	Choose an item.	
1.17	Any client which is a legal entity/ arrangement that is a vehicle for holding personal assets?	Choose an item.	Choose an item.	
1.18	Any client which is a company that has nominee shareholders, bearer shares or nominee directors?	Choose an item.	Choose an item.	
1.19	High net worth individuals?	Choose an item.	Choose an item.	
1.20	Clients where firm has been unable to determine ultimate beneficial owner?  <i>Warning: verification of beneficial owner is required under ML Regs 2017</i>	Choose an item.	Choose an item.	
	Enter further firm-specific risks below:			
1.21		Choose an item.	Choose an item.	
1.22		Choose an item.	Choose an item.	
1.23		Choose an item.	Choose an item.	
1.24		Choose an item.	Choose an item.	

2	Geographic Areas of Operation	Likelihood score	Impact score	Notes and/or applicable mitigation
2.1	Provides services to clients largely based outside the United Kingdom?	Choose an item.	Choose an item.	
2.2	Provide services to clients based in countries which (identified by credible sources) have significant levels of corruption or other criminal activity?	Choose an item.	Choose an item.	
2.3	Provide services to clients based in the Crown Dependencies (Isle of Man, Channel Islands, Guernsey) or other offshore tax jurisdictions and covered by local jurisdiction legislation?	Choose an item.	Choose an item.	
2.4	Provides services to clients based in countries on <a href="#">FATF</a> list of countries not having effective ML regimes? <i>List set out in section 14.5.8 of GPPM</i>	Choose an item.	Choose an item.	
2.5	Refers clients to other accountancy/taxation/insolvency practitioners elsewhere in the United Kingdom for specialist advice?	Choose an item.	Choose an item.	
2.6	Refers clients to other accountancy/taxation/ insolvency practitioners outside the United Kingdom?	Choose an item.	Choose an item.	
2.7	Provides services to clients or countries identified on the <a href="#">financial sanctions list</a> , or subject to embargo or similar measures? <i>List set out in section 14.5.8 of GPPM</i>	Choose an item.	Choose an item.	
2.8	Provides services to countries providing funding or support to terrorism?	Choose an item.	Choose an item.	
2.9	Clients receiving funding from any countries of concern (as highlighted above)?	Choose an item.	Choose an item.	
2.10	Clients transacting with countries of concern (selling/purchasing/associations or connections with)?	Choose an item.	Choose an item.	
	Enter further firm-specific risks below:			
2.11		Choose an item.	Choose an item.	
2.12		Choose an item.	Choose an item.	



<b>3</b>	<b>Nature of products and services</b>	<b>Likelihood score</b>	<b>Impact score</b>	<b>Notes and/or applicable mitigation</b>
3.1	Payroll administration?	Choose an item.	Choose an item.	
3.2	Corporate finance:			
3.2.1	Acquisitions?	Choose an item.	Choose an item.	
3.2.2	Fundraising?	Choose an item.	Choose an item.	
3.2.3	Due Diligence?	Choose an item.	Choose an item.	
3.2.4	Business sales?	Choose an item.	Choose an item.	
3.3	Insolvency:			
3.3.1	Corporate insolvency?	Choose an item.	Choose an item.	
3.3.2	Personal insolvency?	Choose an item.	Choose an item.	
	Restructuring services/ Independent Business Reviews?	Choose an item.	Choose an item.	
3.4	Regulated investment business?	Choose an item.	Choose an item.	
3.5	Trust and company service provision for clients incidentally to other work performed for clients?	Choose an item.	Choose an item.	
3.6	Trust and company service provision for clients with no other connection with the firm?	Choose an item.	Choose an item.	
3.7	Trust and company service provision for clients includes the provision of nominee directors, nominee shareholders or shadow directors, or the formation of companies outside the UK?	Choose an item.	Choose an item.	
3.8	Provision of advice or referrals for advice in the areas of tax avoidance schemes?	Choose an item.	Choose an item.	
3.9	Acting in capacity of executor, estate manager or provision of probate services?	Choose an item.	Choose an item.	

3	Nature of products and services	Likelihood score	Impact score	Notes and/or applicable mitigation
3.10	Has access to client money or other assets belonging to the client?	Choose an item.	Choose an item.	
3.11	Has power of control over client's own bank accounts?	Choose an item.	Choose an item.	
3.12	Provides accounting or taxation services where there are concerns about the underlying books and records (falsification or substandard bookkeeping)?	Choose an item.	Choose an item.	
	Enter further firm-specific risks below:			
3.13		Choose an item.	Choose an item.	
3.14		Choose an item.	Choose an item.	
3.15		Choose an item.	Choose an item.	
3.16		Choose an item.	Choose an item.	
3.17		Choose an item.	Choose an item.	

4	Nature of transactions	Likelihood score	Impact score	Notes and/or applicable mitigation
4.1	Active use of the firm's client money account by clients?	Choose an item.	Choose an item.	
4.2	Fees are routinely remitted in cash?	Choose an item.	Choose an item.	
4.3	Firm engaged actively in establishing regulated investment business products on behalf of clients?	Choose an item.	Choose an item.	
4.4	Active management of payroll on behalf of clients (especially making payments on client behalf)?	Choose an item.	Choose an item.	
4.5	Active management/ control over any client's own account?	Choose an item.	Choose an item.	
4.6	Payments received from third parties/associates of clients?	Choose an item.	Choose an item.	
4.7	Firm providing a one-off transaction or service?	Choose an item.	Choose an item.	
4.8	Transaction or services which don't make commercial sense?	Choose an item.	Choose an item.	
4.9	Transactions where you can't easily check where the funds have come from?	Choose an item.	Choose an item.	
	Enter further firm-specific risks below:			
4.10		Choose an item.	Choose an item.	
4.11		Choose an item.	Choose an item.	
4.12		Choose an item.	Choose an item.	
4.13		Choose an item.	Choose an item.	
4.14		Choose an item.	Choose an item.	

<b>5</b>	<b>Firm's delivery channels</b>	<b>Likelihood score</b>	<b>Impact score</b>	<b>Notes and/or applicable mitigation</b>
5.1	The firm operates largely based on the internet, clients met face to face infrequently?	Choose an item.	Choose an item.	
5.2	Any clients where service is not face-to-face/online only?	Choose an item.	Choose an item.	
5.3	The firm trades from premises outside the UK, or outsources services to service providers outside the UK?	Choose an item.	Choose an item.	
5.4	Any services/transactions favouring anonymity of client/beneficial owners?	Choose an item.	Choose an item.	
5.5	Any services/transactions being transacted through intermediaries rather than clients directly?	Choose an item.	Choose an item.	
	Enter further firm-specific risks below:			
5.6		Choose an item.	Choose an item.	
5.7		Choose an item.	Choose an item.	
5.8		Choose an item.	Choose an item.	



6	Regulatory compliance and mitigation of risks	Yes	No	N/A	Notes
6.1	<p>The firm has documented AML policies and procedures, which are regularly updated and communicated to all personnel?</p> <p><i>Templates available of procedures and to assist with customer due diligence and compliance review etc in GPPM Chapter 14 and Specimen Documentation.</i></p>				
6.2	The firm has robust client acceptance procedures (accelerated to MLRO/MLCP where appropriate for high risk clients)?				
6.3	Robust client re-acceptance procedures (or ongoing checks on higher risk clients), involving MLRO and MLCP?				
6.4	Procedures and policies are applied equally by all aspects of the firm (including insolvency and other specialist areas)?				
6.5	The firm has implemented an appropriate approach to Customer Due Diligence records that is evident on all client files?				
6.6	Enhanced due diligence procedures are applied where appropriate?				
6.7	The firm has an appropriate SARs reporting procedure?				
6.8	The firm has a robust firm-wide risk assessment, with key risks communicated to staff and mitigations in place?				
6.9	The firm carries out an effective annual compliance review, which covers the full business, and also higher risk areas. This includes an action plan and follow up of remedial action, where appropriate?				
6.10	Staff and principals have undertaken appropriate up to date training in AML, including key requirements and how to identify money laundering. Records maintained of training and staff declarations signed?				
6.11	More frequent training for staff in higher risk areas?				

6	Regulatory compliance and mitigation of risks	Yes	No	N/A	Notes
6.12	Screening of staff, including regular screening in higher risk areas?				
6.13	Robust Clients Money procedures, in compliance with the Clients Money Regulations. <i>See chapter 17 of GPPM.</i>				
6.14	MLRO/MLCP keeping up to date on key requirements and emerging risks.				
6.15	Where reports are made to the National Crime Agency these are made in a complete & timely manner.				
6.16	There are no inordinate delays in reporting to the NCA following initial report from staff members.				
6.17	Additional safeguards, including additional engagement review procedures (eg second partner review/external review), for higher risk clients.				
	Additional safeguards:				
6.18					
6.19					
6.20					
6.21					
6.22					

7	Conclusion		
<p><b>Summary profile of firm</b></p> <p>{include background such as structure of firm, services offered, summary of types of clients acted for, geography of clients acted for, details of any special work undertaken, trust and company services provided and use of client money accounts etc.}</p>			
Risk area	Summary of firm	Overall assessment of risk	Mitigating actions
1 Clients			
2 Geographic			
3 Nature of products and services			
4 Nature of transactions			
5 Delivery channels			
6 Others			

Based on the various considerations above which are intended to prompt considerations of areas that may be considered to be of a higher risk from a money laundering perspective, each firm is required to conclude on an overall money laundering risk assessment for the firm. The conclusion should include a short narrative in support of the conclusion. There are three possible risk assessments – high, medium or low.

<b>Risk</b>	Circle as appropriate	High	Med	Low	
<b>Justification of risk assessment and summary of any actions to be taken.</b>					
<b>Risk assessment prepared by:</b>					
<b>Date risk assessment prepared:</b>					
<b>Subsequent Reviews</b>					

### **Scoring Reminders**

See associated guidance regarding the approach to completing this template.

- Likelihood scores
  - Initially the firm should assess the likelihood of the risk factor impacting the firm.
    - This is scored from 0 – 5
    - 0 - no likelihood of the risk factor impacting the business
    - 1 – rare, may occur at some time but this would be by exception
    - 2 – unlikely, may occur at some point
    - 3 – possible, likely that the event will occur at some point
    - 4 – probable, the event is likely to occur in most cases
    - 5 – Virtually certain, the event will occur in all but exceptional cases
  - Where a likelihood score exceeds zero, the firm will then need to address the impact assessment
- Impact scores
  - The impact assessment has been graded in a similar manner
    - Again, this is scored from 0 – 5
    - 0 – No sums of money could be laundered in the circumstances
    - 1 – Very limited sums of money could be laundered and the reputational damage to the firm would be low
    - 2 – Moderate sums of money could be laundered with some reputation damage to the firm
    - 3 – Large sums of money could be laundered with significant reputation damage to the firm
    - 4 – Significant sums of money could be laundered and the principals of the firm risk criminal prosecution
    - 5 – The firm is routinely assisting in facilitating money laundering and the principals of the firm will face criminal proceedings

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