

# Make changes to your anti-money laundering authorisation

Updated 15 July 2022

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You can apply by logging into mySRA to make changes to your anti-money laundering (AML) authorisation.

## Firms

You must confirm the services your firm undertakes that are subject to money laundering regulations.

If you are applying to do Trust and Company Service work, you will only be able to start this kind of work once your firm has been included on HMRC register.

We will recommend beneficial managers, owners and officers are fit and proper, and then HMRC will make the final decision to including a firm on the register. You will be provided with a copy of the decision once you have been approved by us. You should be aware that it is a criminal offence to undertake Trust and Company Service work unless you are on the HMRC's register.

You need to tell us if you have stopped providing a particular service, or if you want to start providing a new service which falls within scope of the MLRs. Failure to do so may result in breaches of both our Standards and Regulations and of the MLRs resulting in you committing a criminal offence.

## Limited companies and all partnerships

You should be aware that definition of 'officers' under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the MLR) specifies that all directors in a limited company and all partners in a partnership, will meet the definition of an 'officer' under the MLR ( please see definition of "officer", except in Part 8 and Schedule 5).

## What does it mean for Limited Companies and Partnerships?



[Regulation 26](http://www.legislation.gov.uk/ukxi/2017/692/regulation/26/made) [http://www.legislation.gov.uk/ukxi/2017/692/regulation/26/made] states that any individuals who are considered managers, beneficial owners or officers of the firm under the MLR, have to be approved by the us. If your a firm is doing work under the MLR, and you are a limited company, all of the directors need to be approved by us as AML Officers. Similarly, if you are firm is doing work under the MLR, and you are a partnership, all of the partners need to be approved by us as AML Officers.

## Individuals

You will need to nominate the following role holders:

- money laundering compliance officer (MLCO)
- money laundering reporting officer (MLRO)

If your firm has any individuals that under the money laundering regulations are considered a manager, beneficial owner or officer of the firm (BOOM), they need to apply for approval to us under regulation 26. These officers will be identified in mySRA after they have been approved by the role title "anti money laundering officer".

## How to apply

- Please read the [guidance](https://news.sra.org.uk/solicitors/resources-archived/money-laundering/1) [https://news.sra.org.uk/solicitors/resources-archived/money-laundering/1] before you start

When a new Beneficial Owner, Officer or Manager (BOOM) applies, or moves firms, we need proof that they do not have any criminal convictions that would prevent them from becoming a BOOM.

This proof comes from a basic disclosure and barring service (DBS) check which is no more than three months old when you apply.

To find out how to apply for a UK or overseas DBS check you should read our [guidance](https://news.sra.org.uk/solicitors/firm-based-authorisation/disclosure-barring-service-checks/1) [https://news.sra.org.uk/solicitors/firm-based-authorisation/disclosure-barring-service-checks/1].

We can only accept checks carried out by one of the [responsible organisations](https://www.gov.uk/guidance/responsible-organisations) [https://www.gov.uk/guidance/responsible-organisations] registered with the DBS to carry out checks.

Please note we will not accept applications without the associated DBS check.

You will also need to provide a five year address history for each individual nominated as a BOOM alongside the DBS check.

[Make changes to your Anti-Money Laundering authorisation](#)

[Log in to mySRA to apply](#)

[<https://news.sra.org.uk/link/93f017776e78490eac32edeb8f5a63e0.aspx>]

Alternatively you can download the [application form \(PDF 9 pages, 2MB\)](#)

[<https://news.sra.org.uk/globalassets/documents/solicitors/firm-based-authorisation/aml-fa10b.pdf>], send it to our [Authorisation team](#)

[<https://news.sra.org.uk/home/contact-us/>], and copies of the DBS checks to our [DBS team](#) [<https://news.sra.org.uk/home/contact-us/>].

There is no fee for this application.

## **What you can expect from us**

We will let you know if your application is incomplete or ineligible.

We aim to decide within 30 days.

It can take longer if additional information is required.

The individual must not take up the role until they have been approved.

## **After submitting your application**

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### **What about approvals and next steps?**

Once we have received your completed AML application we will begin a process to approve the officers, managers and beneficial owners and to form an opinion on whether Trust or Company Service Providers are fit and proper and should be included on the HMRC register.

### **What if I am a Trust or Company Service Provider?**

If any officer, managers or beneficial owners have a criminal conviction set out in Schedule 3 of the money laundering regulations, we cannot consider your firm to be fit and proper until they have been removed from this position and the firm will not be included on the HMRC register until this point.

### **What if I am an independent legal professional?**

If any of these individuals have a criminal conviction set out in Schedule 3 of the money laundering regulations, they may no longer hold the position of officer, manager or beneficial owner in a firm offering activities within scope of the money laundering regulations.

## **Process guidance**

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### **I am setting up a new firm, how do I apply for anti-money laundering authorisation, what do I do?**

Go to mySRA and go to Individual Available Applications, select Make changes to your Anti-Money Laundering authorisation application.

### **I have received my decision document from the SRA but I need to make changes to my anti-money laundering authorisation, what do I do?**

Go to mySRA and go to Individual Available Applications, select Make changes to your Anti-Money Laundering authorisation application.

## **Guidance on the regulations**

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### **Who are the officers, managers and beneficial owners in my firm?**

Relevant individuals are beneficial owners, officers and managers, as defined in the money laundering regulations. If you are still unclear on your obligations under the regulations, we would suggest you obtain specialist advice.

### **Who are the officers for the purpose of the application?**

For body corporates (eg companies or LLPs) it will include any director, secretary, member of the committee of management or a person purporting to act in such capacity. It will also include anyone acting or purporting to act as a controller of the body.

For partnerships (not including LLPs) it will include any partner, secretary manager, secretary or similar officer of the partnership (or a person purporting to act in such capacity). For any unincorporated association, it will include any officer of the association, member of the governing body or any person purporting to act in such capacity.

### **What are the types of work covered by the regulations?**

Regulation 8 states that the MLR apply to certain categories of persons acting in the course of business carried on in the UK. The main categories likely to be relevant are:

- independent legal professionals participating in certain financial or real property transactions (regulation 12(1))



- trust or company service providers (regulation 12(2))
- auditors, insolvency practitioners, external accountants and tax advisers (regulation 11)
- estate agents (regulation 13)

We are asking you to tell us if you undertake work in any of these categories because we are required to maintain a record of who we supervise under each category.

The category that is most likely to be applicable is “independent legal professional”. This applies to all firms participating in the financial or real property transactions listed at [regulation 12\(1\)](#)

[\[http://www.legislation.gov.uk/ukxi/2017/692/regulation/12/made\]](http://www.legislation.gov.uk/ukxi/2017/692/regulation/12/made). It is likely to include those firms offering conveyancing services or corporate finance work.

Many firms may also be acting as a trust or company service provider, and some others may be acting as tax advisers, or estate agents, etc.

**Example 1 We are a small practice that concentrates on road traffic criminal cases but from time to time will carry out property transactions for established clients on a fixed fee basis. We rarely use client account other than to receive funds in respect of the purchase or sale proceeds. Surely we are 'managing client money, securities or other assets' as we are facilitating the conveyancing transactions?**

You will not be 'managing client money, securities or other assets' by receiving these funds for that purpose. Managing client money has a narrower definition than just handling funds through your client account in accordance with your client's instructions. In order to 'manage' there must be some additional discretion and involvement by the firm in relation to the funds held. An example of this would be if the firm has been appointed as an attorney and operates a client's own account.

**Example 2 We are firm that specialise in will writing. Many of our clients are elderly and instruct us in relation to private client matters generally. On occasion we are asked to be their receiver if they lose capacity and on occasion need to make arrangement for assets to be realised, shares etc, to pay for nursing home fees. Do we fall within the Money Laundering Regulations 2017?**

Yes you are right. You will fall within the category of 'managing client money, securities or other assets' in Regulation 12(1)(b) of the regulations. Although will writing falls outside the regulations, if the firm advises a client on estate planning as part and parcel of its will writing service it will be regarded as a 'tax adviser' as defined in Rule 11(d) of the regulations.



**Example 3 As a firm we offer exclusively employment and immigration law services to clients on a fixed-fee basis. We do not ask clients to pay money on account and prefer to pay any disbursements associated with a client's matter from office and bill the client at the end. The exception to this is when we instruct counsel. When this is the case, we ask the client for money on account. Are we caught by the Money Laundering Regulations 2017 and have to appoint a money laundering reporting officer?**

No. You will not be caught by the regulations by virtue of the employment work which, by its nature, will fall outside the regulated sector. Receiving money in payment of your fees or for the fees of a third person instructed on a matter will not bring you within you within the Regulations. Your firm will not be involved in 'managing client money, securities or other assets'.

If a firm's activities fall entirely outside the scope of the Money Laundering Regulations, it is not compulsory to appoint a money laundering reporting officer. Firms may still wish to appoint an MLRO. This is because it will still be subject to the Proceeds of Crime Act and the Terrorism Act and may need to receive disclosures from members of staff and make disclosures to the National Crime Agency.

### **[Is there any guidance on the scope and application of the regulations?](#)**

Yes. See chapter 1.4.5 of the [Legal Sector Affinity Group \(LSAG\) Guidance for the Legal Sector \(PDF 153 pages, 1.5.MB\)](#) [<https://news.sra.org.uk/globalassets/documents/solicitors/code/lsag-anti-money-laundering-guidance.pdf?version=4a8a4b1>] for detailed guidance on the meaning of "independent legal professional" and the other terms above.

Chapter 1.4.5 also clearly sets out what is not covered by the regulations. For instance:

- payment on account of costs
- provision of legal advice
- participation in litigation, and
- work funded by the Legal Aid Agency

are all generally unlikely to be viewed as "participation in a financial transaction".

### **[Are there any exemptions?](#)**

There are some exclusions set out at regulation 15 of the Money Laundering Regulations. In order to be covered by an exemption, all of the following would need to apply to you:



- a. the person's total annual turnover in respect of the financial activity does not exceed £100,000;
- b. the financial activity is limited in relation to any customer to no more than one transaction exceeding 1,000 euros, whether the transaction is carried out in a single operation, or a series of operations which appear to be linked;
- c. the financial activity does not exceed 5 per cent of the person's total annual turnover;
- d. the financial activity is ancillary and directly related to the person's main activity;
- e. the financial activity is not the transmission or remittance of money (or any representation of monetary value) by any means;
- f. the person's main activity is not that of a person falling within regulation 8(2)(a) to (f) or (h);
- g. the financial activity is provided only to customers of the main activity of the person and is not offered to the public.

### **Must I have a money laundering compliance officer and a money laundering reporting officer under Regulation 21?**

All firms carrying out work falling under the MLR, must have a money laundering compliance officer and a money laundering reporting officer. These roles are set out in Regulation 21(1)(a) and 21(3) and are an important part of making sure your firm is geared up to prevent and detect money laundering.

There are some limited exemptions in the regulations:

- You may not have a money laundering compliance officer if it is inappropriate for the size or nature of your business (Regulation 21); or if you are a sole trader, who does not employ anyone and do not act in association with any other person (Regulation 21(6)).
- You may not have a money laundering reporting officer if you are a sole trader, who does not employ anyone and do not act in association with any other person (Regulation 21(6)).

If you think either exemption applies to your firm, you will need to notify us that you do not have a money laundering reporting officer and/or money laundering compliance officer by emailing our [Authorisation team](mailto:authorisation@sra.org.uk) [<https://news.sra.org.uk/home/contact-us/>].

### **Who are the managers for the purpose of the application?**

“Manager”, in relation to a firm, means a person who has control, authority or responsibility for managing the business of that firm, and includes a nominated officer. The exact wording of Regulation 3 is as follows: “manager”, in relation to a firm, means a person who has

control, authority or responsibility for managing the business of that firm, and includes a nominated office.

### **Do I have to complete an application for subsidiary entities?**

Yes, if the subsidiary is a separate legal entity, you will need to complete a separate application for this company.

### **Do I have to complete an application for any subsidiary companies or bodies?**

If the entity is authorised or regulated by us, or should be - yes

If the entity is not authorised by us and does not need to be. However while we may not be the supervisory authority for the subsidiary, if the entity is carrying on an activity which is caught by the MLR, we will still need to seek approval with the relevant supervisory authority - no

Regulation 7 of the regulations sets out the relevant supervisory authorities.

### **Do I have to complete the application if I am a corporate partner in a law firm?**

Yes, all firms that we authorise are required to complete the application. However, as long as all legal services are being provided through the main entity, you can declare that you are not carrying out any of the activities covered by the money laundering regulations and you will not need to appoint any of the relevant individuals.

### **Do I have to complete an application for firms based overseas?**

The money laundering regulations apply to those acting in the course of business carried on in the UK. If the firm is acting in the UK they may be in the scope of the regulations and will need to complete an online application.

**Example 1 We have an office in London that is regulated by you as an authorised body. The work generated by the firm is carried out exclusively by our branch offices abroad in relation to matters in those particular jurisdictions and not the London office. Does the firm have to complete the application in mySRA?**

The mySRA application must be completed by every firm we regulate as an authorised body. The Money Laundering Regulations 2017 apply to those acting in the course of business in the United Kingdom. If you are an entity authorised by us but you are not offering these services in the



UK, you can select 'no' to questions relating to whether the firm carries out work covered by the Money Laundering Regulations and proceed directly to the declaration.

**Example 2 We are an international law firm that has branch offices situated abroad. While the head office does not conduct any work governed by the Money Laundering Regulations, our branch offices do on occasion carry out work that relates to property or assets in the UK that comes within the regulations. Do we need to consider the work carried out by these offices when completing the money laundering application?**

The Money Laundering Regulations apply to those acting in the course of business in the United Kingdom. The application is designed to capture this information in relation to work carried out by the authorised body as a whole. If an office is part of an entity we regulate and it conducts work regulated by the Money Laundering Regulations, we need know about this.

**Example 3 We are an international law firm with many offices worldwide not all of which are regulated by the SRA. Some of the directors in a non-regulated entity have owners and managers in common with an SRA-regulated entity in the group structure. Do these foreign lawyers need to be included on the money laundering application?**

All owners, managers and beneficial owners as defined by the Money Laundering Regulations of a firm we regulate must be included on the money laundering application. This is the case even if the individuals are based overseas and do not carry out legal services for clients in the name of the authorised body.

## **DBS checks**

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### **[What criminal convictions must be declared in the mySRA application?](#)**

The person completing the application in mySRA must declare whether any person they are seeking to be approved under the money laundering regulations has one of the convictions set out in Schedule 3 of the Money Laundering Regulations which is unspent. [Read the list of convictions \[http://www.legislation.gov.uk/ukxi/2017/692/schedule/3/made\]](http://www.legislation.gov.uk/ukxi/2017/692/schedule/3/made).

### **[What happens if a conviction is identified on the DBS check?](#)**

Individuals should be aware that in this situation, approval of the firm may be delayed until all named individuals are approved.

The SRA cannot approve any individual who has a conviction listed in Schedule 3 of the [Money Laundering Regulations 2017](https://www.legislation.gov.uk/uksi/2017/692/schedule/3/made) [<http://www.legislation.gov.uk/uksi/2017/692/schedule/3/made>].

## **Enforcement**

### **What does it mean if I do not complete the application in mySRA, but am doing work that is covered by the AML regulations?**

Those undertaking work within the scope of the money laundering regulations who have not completed the application in mySRA, and therefore applied for approval as required by regulation 26, are committing a criminal offence.