

Application to become a professional body anti-money laundering supervisor: OPBAS approval for recommendation to HM Treasury

Accompanying notes

Please take time to read these notes carefully. They are intended to help you fill in the application correctly to OPBAS to be approved for recommendation to HM Treasury to become a profession body anti-money laundering supervisor.

When completing the application form you may need to refer to:

- this document
- [the Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) (the 'Money Laundering Regulations 2017')
- [the Office for Professional Body Anti-Money Laundering Supervision sourcebook for professional body anti-money laundering supervisors](#) (the 'OPBAS sourcebook')
- [the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017](#) (the 'OPBAS Regulations 2017')
- the National Risk Assessments of Money Laundering and Terrorist Financing in the UK, [2015](#) and [2017](#)

If after reading these notes you need more help please contact OPBAS at OPBAS.info@fca.org.uk

These notes aim to help you but do not replace the Money Laundering Regulations 2017, the OPBAS Regulations 2017, and the OPBAS sourcebook.

For a list of terms used please refer to the table on pages 2-3 of the application form.

Important information

At the point of being listed in the Money Laundering Regulations 2017 as a professional body anti-money laundering supervisor, we expect the Applicant to be ready, willing and organised to act as a professional body anti-money laundering supervisor.

The Applicant must pay the applicant fee of £5,000. Details of how to pay can be found on page 1 of the application form.

We expect the Applicant to pay regulatory fees when invoiced. The FCA is still in the process of consulting on regulatory fees. Further information on this can be found here: <https://www.fca.org.uk/publication/policy/ps18-09.pdf>

Resources

If the links below do not open up when clicked on then please copy and paste them in to your browser.

1. Application form: <https://www.fca.org.uk/publication/opbas/opbas-application-form.doc>
2. OPBAS Sourcebook: <https://fca.org.uk/publication/opbas/opbas-sourcebook.pdf>
3. National Risk Assessments for money laundering and terrorist financing in the UK 2015: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/468210/UK_NRA_October_2015_final_web.pdf
4. National Risk Assessments for money laundering and terrorist financing in the UK 2017: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655198/National_risk_assessment_of_money_laundering_and_terrorist_financing_2017_pdf_web.pdf
5. Financial Action Task Force recommendations and immediate outcomes: <http://www.fatf-gafi.org/media/fatf/documents/methodology/FATF%20Methodology%2022%20Feb%202013.pdf>
6. The Money Laundering Regulations 2017: <http://www.legislation.gov.uk/uksi/2017/692/made>
7. The Proceeds of Crime Act 2002: <http://www.legislation.gov.uk/ukpga/2002/29/contents>
8. The OPBAS Regulations 2017: <http://www.legislation.gov.uk/uksi/2017/1301/contents/made>

1

Basic information

We require this information in order to identify the Applicant, understand what it does, and get in touch if we have any questions.

1.1. Does the Applicant have any other name commonly used in addition to the name given on the front page of this form?

If the Applicant is legally registered with Companies House (or equivalent) under one name but trading under a different name, then please provide both names and identify each one.

1.2. Companies House number

Applicants may not be registered with Companies House owing, for example, to legal requirements to register elsewhere with an equivalent body (eg the Charities Commission). If this is the case please provide details of other registration arrangements and numbers.

1.3. Date of application (dd/mm/yyyy)

No additional notes.

1.4. Contact details of the person we will get in touch with about this application

Please provide the details of the lead individual responsible for filling out and submitting the form. This should be someone OPBAS can contact to request further information or discuss parts of the application.

1.5. Registered Office Address

No additional notes.

1.6. Is the head office address the same as the registered office?

No additional notes.

1.7. Name and contact details of the CEO (or equivalent)

No additional notes.

1.8. Date the Applicant was established (dd/mm/yyyy)

This could be for example by Charter, or by registration with Companies House.

1.9. Sector(s) or persons the Applicant is seeking to supervise under the Money Laundering Regulations 2017

No additional notes.

1.10. Does the Applicant have a website address?

No additional notes.

1.11. Please attach a copy of the Applicant's most recent annual report and audited accounts.

If the Applicant does not have any obligations to get accounts audited then please state this and explain why.

1.12. Does the Applicant perform any statutory regulatory functions?

This might include for example, supervising certain activities.

1.13. Are there any key external stakeholders which OPBAS should be aware of?

No additional notes.

2

Requirements on professional body anti-money laundering supervisors

The information requested here will help us to understand how the Applicant will be able to meet the requirements set out in the Money Laundering Regulations 2017 and the OPBAS Regulations 2017. The Applicant may wish to attach documents to the answers in this section.

2.1. Does the Applicant currently play any role in ensuring that its members comply with the Money Laundering Regulations 2017?

The Applicant may require compliance under its own code of conduct for example, and may oversee compliance to some degree.

2.2. Please confirm that Applicant understands and accepts the duties placed on PBSs under the Money Laundering Regulations 2017.

Please use the space provided to state that the Applicant understands and accepts the duties placed on PBSs under the Money Laundering Regulations 2017. Add any further comments here also. Applicants should have a thorough understanding of the duties imposed on PBSs under the Money Laundering Regulations 2017. An Applicant which does not understand these duties is unlikely to be recommended for approval.

2.3. Please confirm that the Applicant understands and accepts the provisions set out in the OPBAS Regulations 2017.

Please use the space provided to state that the Applicant understands and accepts the provisions set out in the OPBAS Regulations 2017. Add any further comments on this here also. Please ensure you understand the requirements upon PBSs, such as to provide information when requested, how to treat confidential information, to comply with notices to appoint a skilled person, to pay fees for the costs incurred by the Financial Conduct Authority etc. Please also make sure you understand the powers that OPBAS holds under the OPBAS Regulations 2017, for example, to make a public censure of a PBS, and to recommend to HM Treasury that a PBS is removed from Schedule 1 of the Money Laundering Regulations 2017.

2.4. Please provide a summary of how the Applicant will ensure it operates effectively as a PBS.

Please stay within 300 words.

3A

Membership information

The information requested here will help us to understand the Applicant's membership, what oversight there is over those members, and how that might change if the Applicant becomes a PBS.

3.1. Please provide a summary of the services provided by the Applicant's members and the sector within which the members operate.

We want to understand the Applicant's membership. Some services within a sector are higher or lower risk than others. Some professional bodies may exclude certain activities from their membership for any number of reasons. It is helpful to understand if this is the case with the Applicant.

3.2. Please provide a summary of the money laundering and terrorist financing risks that impact the sector / persons the Applicant wishes to supervise under the Money Laundering Regulations 2017.

Please stay within 300 words. The Applicant should be able to demonstrate an understanding of the money laundering and terrorist financing risks facing members the Applicant wishes to supervise.

3.3. Are the Applicant's members currently supervised by any other supervisory authority, under the Money Laundering Regulations 2017?

For example, members may currently be supervised by HRMC. They may not yet conduct activities which are supervised under the Money Laundering Regulations 2017, and so have no anti-money laundering supervisor. Please state if this is the case.

3.4. If approved as a PBS, how would the Applicant supervise an individual, who works for a firm over which the Applicant does not have overall AML supervisory responsibility?

Please stay under 300 words. Many PBSs supervise individuals within a firm, while the firm is supervised by another PBS. If approved, the Applicant will need to be able to coordinate with other PBSs in this situation to ensure that there are no gaps in supervision.

3.5. If approved as a PBS, how would the Applicant supervise a firm which employs, at a senior level, an individual for whom it does not have overall AML supervisory responsibility?

Please stay under 300 words. Many PBSs supervise anti-money laundering supervised firms, within which there are senior members of staff who are supervised by another PBS. If approved, the Applicant will need to be able to coordinate with other PBSs in this situation to ensure that there are no gaps in supervision.

3.6. Does the Applicant have different membership types?

Some professional bodies have multiple membership types, with different membership prices and requirements. For example, those with practising certificates and retired members.

3.7. What requirements and processes are in place for new member applications?

No additional notes.

3.8. Please elaborate on the requirements and processes stated above.

The Applicant may require that members hold certain qualifications, or undergo a 'fit and proper' test, where suitability and integrity of the member is checked. Please explain why these requirements are in place and the processes undertaken for them.

3.9. Does the Applicant use a third party for any element of the requirements and processes in 3.7 and 3.8?

Please set out how much of the requirements and processes the third party undertakes, how much reliance the Applicant places upon them, and any other relevant information on this.

3.10. If approved as a PBS would any of the arrangements set out at 3.7 – 3.9 change?

No additional notes.

3.11. In the past 12 months, has the Applicant accepted any new members?

No additional notes.

3.12. In the past 12 months, has the Applicant rejected any new member applicants, or advised applicants to withdraw their applications?

We recognise that some professional bodies may not reject a new member application outright, but instead may advise the Applicant to withdraw, or similar. This may be because a rejection would negatively impact the member's record, whilst if they withdraw (having been advised to do so by the Applicant) then it would not.

3B

Membership data

The information requested here will help us to understand the underlying membership of the Applicant. It also clarifies how much information the Applicant holds about its membership.

3.13. Please provide the following information split by 'entire membership' and 'members who are subject to the Money Laundering Regulations 2017'.

In this question, 'entire membership' refers to all members of the Applicant, irrespective of membership type.

- *Total members (all membership types):* All members irrespective of membership type or status.
- *Members who are individuals (including sole traders):* 'Individuals' means natural persons including sole practitioners.
- *Members who are firms (eg LLPs, limited companies, PLCs etc):* 'Firms' means legal entities, such as LLPs, limited companies, publicly listed companies etc.
- *Number of members who are individuals within a firm:* This means natural persons who work at a firm. The firm does not have to be a member for the individual to be included.
- *Number of members operating from within the UK:* Where members conduct business from within the UK. This does not have to be exclusively within the UK – they could also operate outside the UK.
- *Number of members operating outside the UK:* Where members conduct business from outside the UK. This does not have to be exclusively outside of the UK – they could also operate within the UK.
- *Number of members within each category of membership:* 'Each category of membership' refers to the membership categories that the Applicant may have explained earlier at 3.6.

3.14. Please provide the combined total of all: (a) beneficial owners, officers and managers of all supervised firms that are relevant persons, and (b) sole practitioners who are relevant persons.

Please only provide the combined number - we do not need to see the breakdown of each category.

3.15. If the Applicant does not currently collect any of the above requested information, please state why and, if relevant, please explain how it proposes to do so.

The Applicant can also use this space to state if estimates were provided instead of exact figures.

4

Governance and conflicts of interests

The information requested here will help us to understand the Applicant's governance procedures, and to establish whether there may be a risk of any conflict of interest.

4.1. What person within the Applicant will be ultimately responsible for fulfilling the Applicant's obligations as a supervisor under the Money Laundering Regulations 2017?

Regulation 49(2)(b) of the Money Laundering Regulations 2017 requires that a person be appointed to monitor and manage a PBS's compliance with its duties under the same regulations. We are trying to identify who this person would be if the applicant became a PBS.

4.2. Please provide a summary of each of the Applicant's senior committees. Please state what each one does and any statutory powers they may have.

No additional notes.

4.3. Please outline any other reporting and escalation arrangement which would relate to the Applicant in its role as a PBS.

This could include, for example, escalation to senior management of concerns with individual members over practices which relate to anti-money laundering controls, or fitness and propriety.

4.4. Does the Applicant have a Money Laundering Reporting Officer (MLRO)?

No additional notes.

4.5. Name of MLRO

No additional notes.

4.6. Does the MLRO hold any other position/s within the Applicant?

No additional notes.

4.7. Date MLRO was appointed (dd/mm/yyyy)

No additional notes.

4.8. Does the Applicant report money laundering risk to its senior management?

Please stay within 500 words.

4.9. Does the Applicant currently, or plan to, conduct advocacy or representation activities for members?

Please be reminded that 'advocacy or representation' refers to activities where the Applicant may represent or advocate a viewpoint on behalf of members to other bodies or organisations, for example the government, peers etc.

4.10. How frequently does / will the Applicant engage in advocacy or representation activities?

No additional notes.

4.11. What might prompt such activity?

Advocacy or representation activities might be triggered for example by new legislation, internal requirements (eg requirement to maintain relationships with government departments through regular meetings), or requests from members. Please stay within 200 words.

4.12. How much of the Applicant's resources are / will be dedicated to advocacy or representation activities?

Please be as accurate as possible.

4.13. Does the Applicant foresee a need to, or plan to, change the amount of resource dedicated to advocacy or representation activities if it is approved as a PBS?

No additional notes.

4.14. How will the Applicant ensure that its advocacy or representation role will not cause any conflict of interest between advocating on behalf of its members, and supervising and enforcing compliance with the Money Laundering Regulations 2017?

Please stay within 300 words.

5A

Risk-based approach and supervision

The information requested here will help us to assess whether the Applicant understands how, and is able, to apply a risk-based approach to supervision.

5.1. Please explain the risk-based approach that the Applicant intends to use and the factors it will consider when doing so.

With this question we want to understand how the Applicant intends to apply a risk-based approach.

A risk-based approach means focussing efforts where the risks are highest and considering the likelihood of unwanted outcomes. This helps to identify situations where additional measures and controls may be appropriate.

Regulation 46(2)(a) of the Money Laundering Regulations 2017 requires a PBS to adopt a risk-based approach to the exercise of its supervisory functions.

5.2. How much of the Applicant's resources are currently dedicated to oversight or supervision of membership compliance with conduct standards or requirements?

Please be as accurate as possible.

5.3. Does the Applicant foresee a need to, or plan to, change the amount of resource dedicated to supervising membership compliance with conduct standards or requirements if it is approved as a PBS?

No additional notes.

5.4. Please provide a summary of how the Applicant will ensure that it is compliant with the risk-based supervision obligations in the Money Laundering Regulations 2017.

It will help the Applicant to consider part 4 of the OPBAS sourcebook when answering this question. Please stay within 300 words.

5B

Supervisory tools

The information requested here will help us to understand the supervisory tools used by the Applicant.

5.5. Does the Applicant use any of the tools listed below to oversee its members?

No additional notes.

6

Information and intelligence sharing

The information requested here will help us to understand how the Applicant currently shares information and intelligence.

6.1. Is the Applicant prevented from sharing intelligence with other supervisors, public authorities, law enforcement and overseas authorities?

No additional notes.

6.2. How does the Applicant ensure that intelligence and sensitive information are treated securely?

No additional notes.

6.3. Without breaching confidentiality, please provide examples of the Applicant sharing information with other supervisors or public authorities in the past two years.

Please note that we are not looking for examples of intelligence sharing such as actual suspicious activity reports.

6.4. If applicable, how many suspicious activity reports has the Applicant submitted about its members or their clients / customers in the last two years?

We note that the Applicant may not be obliged to submit SARs and as such may refer any suspicious activity to other law enforcement.

6.5. Without breaching confidentiality, please provide examples of some of the issues cited in the suspicious activity reports submitted in the last two years.

Please stay within 300 words.

6.6. Does the Applicant encourage its members to submit suspicious activity reports?

No additional notes.

6.7. How many of its members has the Applicant referred to law enforcement in the last 12 months?

This might be by referring a case to the local police authority.

6.8. Does the Applicant have a single point of contact responsible for monitoring and managing information and intelligence sharing, and for liaison with other supervisory authorities, public authorities, law enforcement and overseas authorities?

No additional notes.

6.9. Does the Applicant have processes in place for dealing with whistleblowing?

Please note that whistleblowing refers to the act of a person confidentially reporting misconduct or wrongdoing by another. Although the Applicant may unlikely to be the correct organisation to report criminal conduct to, there may be cases where a person does whistleblow to the Applicant.

6.10. How will the Applicant incorporate the information and intelligence sharing obligations in the Money Laundering Regulations 2017 into its activities?

Please stay within 300 words.

7

Training, information and guidance to members

The information requested here will help us to understand how the Applicant provides training, information and guidance to members.

7.1. Do the Applicant's members have ongoing professional development requirements?

No additional notes.

7.2. Does the Applicant provide training, information or guidance to its members? E.g. newsletters, web-based information, webcasts, webinars

No additional notes.

7.3. Does the Applicant provide AML training activities?

Examples might include online training, forums, webinars etc.

7.4. How much of the Applicant's resources are currently dedicated to providing training, information and guidance?

Please be as accurate as possible.

7.5. Does the Applicant foresee a need to, or plan to change the amount of resource dedicated to training, information and guidance to members if it is approved as a PBS?

No additional notes.

7.6. Please explain how the Applicant will incorporate the obligations on training, information and guidance to members of the Money Laundering Regulations 2017 into its activities.

Please stay within 300 words.

8

Staff competence and training

The information requested here will help us to understand how the Applicant ensures that its own internal staff are appropriately qualified and trained.

8.1. Does the Applicant provide training on oversight of compliance with conduct standards or requirements or on AML to internal staff?

No additional notes.

8.2. How will the Applicant ensure that staff are fully qualified and educated on relevant matters?

Relevant matters include all topics which they need to carry out their roles effectively. For example, conduct standards or requirements oversight, record-keeping, whistleblowing procedures, etc. It would be helpful to answer this question in light of the sections within the OPBAS sourcebook.

8.3. If the Applicant is successful in its application to become a PBS, will it recruit any AML specialists / any additional AML specialists?

No additional notes.

8.4. Will the Applicant have a member of senior management who is responsible for its AML approach (if any)?

No additional notes.

8.5. Please explain how the Applicant will incorporate the staff training and competence obligations in the Money Laundering Regulations 2017 into its activities, and the resource which will be devoted to doing so.

Please stay within 300 words.

9

Enforcement powers and procedures

The information requested here will help us to understand the Applicant's enforcement / disciplinary approach and capabilities.

9.1. Does the Applicant have the power to take enforcement / disciplinary action against members?

This could include powers derived from legislation, or a contractual arrangement with members, for example.

9.2. Does the Applicant have any of the powers listed below, over members?

Please add any powers that the Applicant has which have not been listed.

9.3. Please explain the processes and procedures for the various enforcement / disciplinary stages listed below.

Please stay within 250 words on each stage.

9.4. Does the Applicant have an enforcement / disciplinary strategy?

No additional notes.

9.5. Will the Applicant publish enforcement / disciplinary actions and their outcomes?

The term 'outcomes' in this context refers to all possible outcomes, including no further action.

9.6. In the past two years, how many times has the Applicant (successfully) taken enforcement / disciplinary action against members?

Successful here means cases where there was an enforcement / disciplinary action imposed, for example a fine, censure or removal.

9.7. Does the Applicant share any of its enforcement / disciplinary process or strategy with all members, or more broadly to the public?

No additional notes.

9.8. Does the Applicant have processes in place for dealing with complaints against members?

No additional notes.

9.9. How many complaints has the Applicant received within the last 12 months, and how many of these complaints contained a money laundering element?

No additional notes.

9.10. What is the average time to resolve complaints?

If the Applicant does not have, or know of, an average time, please indicate whether it aims to deal with complaints within a set time.

9.11. How and when is a complaint escalated into an investigation (if at all)?

No additional notes.

9.12. How are repeat breaches / poor conduct dealt with?

Please stay within 200 words.

9.13. Please explain how the Applicant will incorporate enforcement obligations in the Money Laundering Regulations 2017 into its supervisory activities, and the resource which will be devoted to doing so.

Please stay within 300 words.

10

Record-keeping and quality assurance

The information requested here will help us to understand the Applicant's record-keeping and quality assurance processes.

10.1. Does the Applicant have clear, written record-keeping and quality assurance processes and procedures?

No additional notes.

10.2. How does the Applicant store information about its members?

No additional notes.

10.3. Please explain how staff are made aware of the record-keeping and quality assurance process and procedures.

No additional notes.

10.4. Are key decisions – at all levels of the organisation – clearly recorded in writing?

Indications that they are would include clear minuting of committees and other decision-making-meetings.

10.5. Does the Applicant have an internal audit function?

No additional notes.

10.6. Is the Applicant subject to any external audit or quality assurance testing?

No additional notes.

10.7. Please explain how the Applicant will incorporate the record-keeping and quality assurance obligations in the Money Laundering Regulations 2017 into its activities.

Please stay within 300 words.

11

Other

This section is for the Applicant to add in any additional information which we have not requested but which the Applicant thinks is relevant to the application.

11.1. Is there any other information which we should consider as part of this application?

Please use this space to add in any information that we have not asked for, which you think is pertinent to the application. If you attach additional documents which we have not requested please use this space to identify and explain them.