

**Overview**

This standard is about reporting a financial crime

You need to keep yourself up-to-date with relevant information affecting reporting issues, such as those which need to be made to the regulator and other authorities. You will need to report suspicious and non-compliant activity. This could involve escalating reports internally, or reporting externally to law enforcement agencies or to the regulator. When making reports you will need to provide all information to the agencies which they are entitled by law to receive, whilst maintaining confidentiality, as required.

This standard is relevant to roles in countering financial crime.

## Performance criteria

*You must be able to:*

1. deal with reports of suspicious activities and/or breaches of your organisation's policy and procedures
2. confirm suspicious activity, financial crime and/or breaches of your organisation's policy and procedures
3. determine the information which needs to be included in your report, observing confidentiality obligations
4. record the reasons for the suspicions clearly and accurately
5. establish the urgency and priority of the report
6. report your findings according to your organisation's financial crime procedures
7. check that all necessary supporting information included with your report is complete and accurate
8. ensure that your actions do not compromise any ongoing or planned investigations
9. escalate internally and/or externally to relevant authorities as appropriate

## Knowledge and understanding

*You need to know and understand:*

1. what constitutes financial crime in your organisation
2. the reporting protocols and requirements and the information necessary to provide in the report
3. the appropriate use in the context of reporting a financial crime of Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs)
4. the difference between suspicious activity, internal breaches and actual crime in order to determine to whom reports should be made
5. the laws relating to financial crime and the differences between laws and regulations for anti-money laundering, fraud and market abuse
6. the differences between money laundering, fraud and market abuse
7. levels of authorisation that different roles and responsibilities have for accessing information
8. what constitutes suspicious activity and crime and how your organisation defines this
9. how to assess the urgency of the required report
10. the importance of checking if the suspicion is reasonable and worthy of further action
11. what constitutes material activity which may need further monitoring and reporting
12. the records that need to be securely retained, and for how long
13. the legislation, regulations and codes of practice, relevant to you and your organisation and any specific obligations

## Glossary

### **Empowered Authority**

This is any individual or authority that is legally entitled to make a request of your organisation. This most often takes the form of a request for information and in the cases of financial crime is likely to originate from a law enforcement agency or regulator.

### **Financial Crime**

This includes any offence involving money laundering, terrorist financing, fraud or dishonest or market abuse. (Definition based on the FCA definition of financial crime). This includes financial crime both internal and external to a financial services organisation.

### **Legal and regulatory requirements**

This refers to a range of obligations incumbent upon financial organisations and is commonly referred to as 'compliance' requirements. The legal and regulatory requirements of an organisation or individual/s within it (such as 'approved persons') may differ slightly according to the type of financial organisation and the services it offers. The regulator of all providers of financial services in the UK oversees a number of regulated activities under powers derived from the Financial Services and Markets Act 2000.

A number of other pieces of UK legislation are relevant to the countering of financial crime, such as the Proceeds of Crime Act (POCA), the Serious Organised Crime and Police Act (SOCPA), the Fraud Act 2006, for example. UK financial institutions are also subject to European Commission legislation enacted by the British Government such as the Market Abuse Directive and the Basel 2 Accord (for capital adequacy).

Financial organisations, like any other employer, are also subject to a range of legal requirements covering areas such as discrimination, equality and diversity, Health and safety and Data protection.

## Report a financial crime

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