
Overview

This standard is about identifying an internal report into a suspicious transaction or activity as requiring onward transmission to external enforcement authorities. You must provide appropriate information to the enforcement authorities for them to evaluate the case further and you must maintain accurate records. You must also ascertain from the enforcement authorities if your organisation may or may not proceed with a transaction and, if so, on what basis. You must respond to appropriate orders of the court and be able to manage the risks of constructive trusteeship

Performance criteria

You must be able to:

1. identify internal reports of suspicious transactions, trends and activities about which your evaluations have confirmed the need for referral to enforcement authorities
2. determine the information which needs to be included in the report to enforcement authorities
3. complete the external Suspicious Activity Report (SAR) with sufficient information and submit this to the enforcement authority within agreed timescales and the correct format
4. report the reasons for your suspicions clearly and accurately
5. identify any additional information which may be required to contribute to or contextualise the reasons for the suspicion
6. seek consent from enforcement authorities, where required under applicable legislation, to proceed with a suspected transaction or activity
7. confirm that all key factors are included within the consent submissions
8. analyse the consent of enforcement authorities to ascertain exactly what has been consented to and your organisation's ongoing obligations to law enforcement
9. monitor the activity and chase up for consent as necessary
10. respond within the specified timescale (or agreed revised timescales) to appropriate orders issued by a court with all pertinent information that falls within the scope of the order
11. conduct client reviews which take into account features common in suspect client relationships
12. keep accurate and complete records of external SARs, storing them securely and ensuring that they are only available to authorised persons

Knowledge and understanding

You need to know and understand:

1. how to determine whether an internal report of suspicious activity has merit and should be reported to external enforcement authorities
2. format of reports for enforcement authorities and what information to give them, including how to deal with requests for additional information
3. documentation required of your evaluation of an internal report
4. how to manage communications with enforcement authorities after an SAR has been submitted
5. constructive trusteeship and how to recognise and manage the risk of it
6. enforcement and discovery orders in civil cases and the response required
7. how to proceed with relationships and transactions once an SAR has been made to an enforcement authority
8. what to do when consent to proceed with relationships and transactions is withheld by enforcement authorities
9. key factors that should be included within consent submissions
10. production orders, restraint orders and confiscation orders and the response required by them
11. the importance and value of business review techniques in the light of experience of SARs
12. what records need to be securely retained, and for how long
13. your organisation's requirements relating to the application of codes, laws regulatory requirements and guidance, and potential conflicts with other regulatory regimes, as they impact on your activities

Glossary

Anti-money laundering and counter terrorist financing measures

This encompasses all required policies, procedures and systems as well as the requirement for regulated organisations to apply enhanced customer due diligence and enhanced ongoing monitoring on a risk-sensitive basis in certain defined situations and any other situations which present a higher risk of Money Laundering or Terrorist Financing.

Enforcement authorities

This should be extended to all jurisdictions which have control over the organisations, including regulatory, statutory, legal, investing, licensing, issuing and supervisory authorities.

Enforcement authorities is a term used across the UK however internationally there may be other relevant authorities that would cover this aspect dependent upon the country of use.

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