

<b>Date</b>	<b>16 October 2024</b>
<b>Item</b>	<b>6.0</b>
<b>Title</b>	<b>AML Supervision Report 2023-2024</b>
<b>Author</b>	<b>Simon Blandy, Director of Regulation</b>
<b>Purpose</b>	This paper reports on CRL's AML and Economic Crime supervision activities 2023-2024.
<b>Recommendation</b>	The Board is asked to: <ul style="list-style-type: none"> <li>(a) <b>APPROVE</b> the AML Supervision Report 2023-2024, and</li> <li>(b) if it considers appropriate, <b>AGREE</b> that the Terms of Reference of the Strategic Risk Committee (SRC) should be amended to assign to it operational oversight of CRL's Economic Crime and AML Supervision to include approval of the AML Supervision Report for 2024-2025 reporting year.</li> </ul>
<b>Timing</b>	The Report is due to be submitted to HM Treasury and OPBAS by 1 November 2024
<b>Impact assessment</b>	The report sets out CRL's AML and Economic Crime activities 2023-2024 and summarises the level of AML compliance evidenced by CRL firms. OPBAS uses this as an importance source of evidence in assessing CRL's performance as an AML supervisor.
<b>Impact on Regulatory Objectives</b>	The Economic Crime objective came into force in October 2023. This requires the LSB, and the regulators it oversees (including CRL), to promote the prevention and detection of economic crime. The LSB intends to develop guidance on how regulators are expected to demonstrate they are acting in accordance with the new regulatory objective. The AML activities CRL supervises impact positively principally on the following regulatory objectives: public interest, rule of law and the interests of consumers
<b>Implications for Resources</b>	There will be no additional cost as the costs associated with the activities set out in the Report are included in the budget.
<b>Impact on Consumer Empowerment</b>	There is no direct impact on consumer empowerment
<b>Impact on Ongoing Competence</b>	The last area for development 2024/25 listed in the Report is to collaborate with CILEX in promoting the prevention and detection of economic crime to CILEX members, CRL firms and the wider community to include an awareness campaign and the provision of CPD courses and webinars focusing on AML and economic crime.
<b>Publication Status</b>	For publication
<b>Appendices</b>	Annex 1 - AML Supervision Report 2023-2024

## Background

1. [Regulation 46A](#) of the Money Laundering Regulations 2017 requires a professional body supervisor to publish an annual report for the period 6 April to 5 April in each year containing prescribed information and data about its AML supervisory activities. The report must be sent to HM Treasury and OPBAS and published on the CRL website by 1

November each year<sup>1</sup>. OPBAS encourages AML supervisors to use the Report as an opportunity to highlight its role and remit within the AML/CTF supervisory landscape and draw out the progress and outcomes delivered by its supervisory approach and overall effectiveness.

## Proposals

2. The purpose in asking the CRL Board to approve the AML Supervision Report is to ensure that it has the information to understand the scope of CRL's responsibilities as AML Supervisor and the context in which the regular reports on Economic Crime and AML activities are provided to it.
3. The Report includes detail about operational activities which the Board may determine should be considered by a CRL committees. Given the range of functions the SRC is being tasked to carry out (see agenda item 4.0), subject to the Board's approval it is suggested that oversight of CRL's Economic Crime and AML activities might be assigned to the SRC. Whilst regular reports would continue to be made to the Board, the SRC could be tasked with oversight of these activities and therefore be well placed to approve the annual AML Supervision Report. After it had been approved, the Report would be presented to the Board for noting. This follows the process for agreeing all other [annual reports](#) (with the exception of the [CRL Annual Report](#)).
4. The Board is asked to:
  - (a) **APPROVE** the AML Supervision Report 2023-2024 at **Annex 1**, and
  - (b) if it considers appropriate, **AGREE** that the Terms of Reference of the SRC be amended to assign to it operational oversight of CRL's Economic Crime and AML Supervision to include approval of the AML Supervision Report for 2024-2025 reporting year.

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<sup>1</sup> Para 11.2 [OPBAS Sourcebook](#)