

Anti-Money Laundering Supervision **Report 2021/22**

Chair's foreword | Jonathan Rees

I am delighted to introduce this comprehensive report. The events in Ukraine this year have demonstrated the importance of the whole sector working collectively to help combat the risks that are posed to the legal sector and the wider public. Ensuring the effective implementation of the sanctions regime by our firms became our priority in 2022 and the Board recognised both the swift response by CILEx Regulation to this changing focus and the positive engagement by all CILEX supervised firms.

This report continues to show the collaboration between CILEx Regulation and the other supervisors, as well as HM Treasury and OPBAS, in developing the supervision of individuals and firms. It sets out the work that CILEx Regulation has carried out as well as the risks that have been identified with our firms and those that they have faced. We welcome the focus on demonstrating our effectiveness through the actions we have taken, and the resources provided to our supervised community.

The Board will continue to oversee the important work that is carried out.



Background

CILEX became an approved anti-money laundering (AML) supervisory authority on 6 February 2015 and is listed as a Professional Body in Schedule 1 of [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) (MLRs). In line with other regulatory functions CILEX delegates to CILEx Regulation (CRL) the AML supervisory activities and functions, including risk assessment, monitoring and enforcement, and these responsibilities are set out in the Internal Governance rules.

The 5th Money Laundering Directive required all self-regulatory bodies to publish an annual report containing information on their supervisory activity and CRL published its first annual report in 2019.

This annual report sets out the AML supervisory activity carried out by CRL for the period 6 April 2021 to 5 April 2022. It also identifies areas for development for CRL's AML supervision in 2022/23.

The report also covers sanctions related supervisory work undertaken in 2022 outside of the reporting dates.

Scope of Supervision

The majority of the 17,500 CILEX members work in law firms or other companies and organisations who, if required, are supervised by other AML supervisors, including HMRC and the FCA. The actual CRL AML supervised community, as set out in the table below, is therefore very small in relation to the total regulated CILEX population.

CRL has agreed with the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) that its scope of AML supervision only extends to the following:

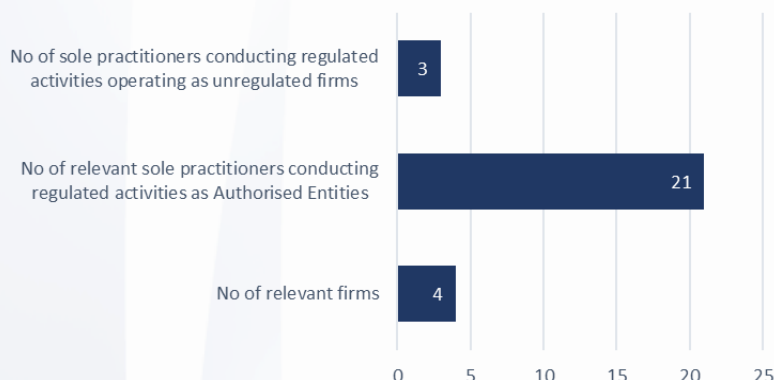
CILEX Authorised Entities

Unregulated sole practitioners
(not operating through a Limited
Company or LLP)

CRL does not supervise unregulated entities (Limited companies or LLP) as these are not members of CILEX.

During the period of this report, CRL firms recovered well from the effects of the pandemic. CRL firms only have offices in England & Wales, and it is very rare that they deal with clients who are not either local or with whom they have well established relationships. During 2021/22 the CRL supervised community comprised:

Supervised Community

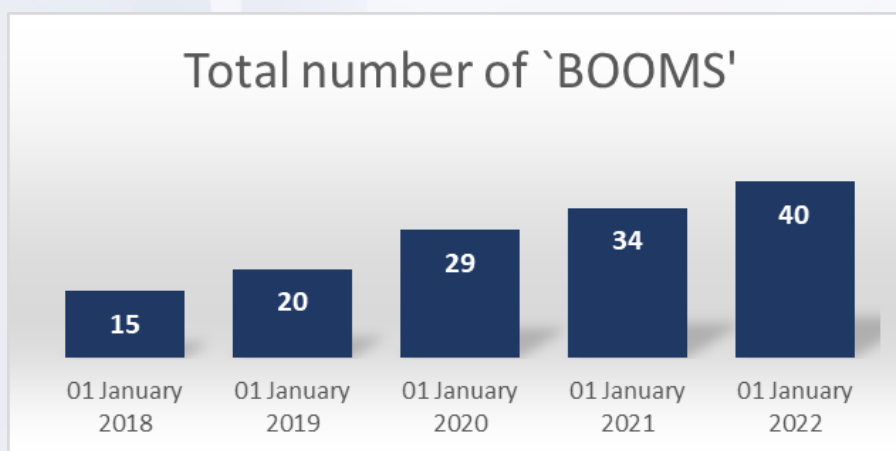


CRL regulates its law firms by specialism. It had no firms or sole practitioners who act solely as a Trust & Company Service Provider, although two firms offered these types of service as part of their authorised specialism.

During 2021/22, CRL commenced the authorisation of CILEx-ACCA Probate Entities. These are separate firms, linked to an ACCA accountancy firm, set up for the sole purpose of applying for a grant of probate and they are not permitted to hold client money. OPBAS has agreed with CRL that these firms do not fall under the scope of the MLRs. CRL has agreed with ACCA that responsibility for AML supervision for ACCA firms should remain with ACCA for all activities.

Within the AML supervised community CRL had the following beneficial owners, officers, or managers:

Total beneficial owners, officers, or managers within a firm ("BOOMS") as referred to in Regulation 26



As the majority of CRL firms hold client money, CRL recommends that even if they do not fall within the scope of the regulations, they put in place policies and procedures, including a risk assessment for the firm, so they can tackle the risks of being targeted by criminals, and comply with the requirements of the Proceeds of Crime Act 2002 and Terrorism Act 2000.

CRL acknowledges that its regulated firms continue to adopt a positive approach to both the potential risk that criminal activity related to money laundering poses to their firm and how they seek to put in place processes and procedures to mitigate this risk.

However, as CRL raised in its response to the HM Treasury consultation on changes to the Money Laundering Regulations, there are many unregulated law firms conducting work that would see them fall within the definition of 'Independent Legal Professional' (regulation 12, MLRs). These firms do not have an AML Supervisory body and therefore they are not subject to the scrutiny to which the CRL supervised community are subject. This has remained a frustration for both the supervised community and CRL.

CILEX continues to have an important role in raising awareness of individuals obligations under the regulations and ensuring that individuals and firms are correctly directed to the supervision and guidance that is appropriate to their circumstances.

Office for Professional Body Anti-Money Laundering Supervision

The key objective of the [Office for Professional Body Anti-Money Laundering Supervision](#) (OPBAS) is to reduce the harm of money laundering and terrorist financing by:

1. ensuring a robust and consistently high standard of supervision by the PBSs overseeing the legal and accountancy sectors
2. facilitating collaboration and information and intelligence sharing between PBSs, statutory supervisors and law enforcement agencies

During 2022 CRL addressed the final requirements of the OPBAS Action Plan agreed in January 2021, following the 2020 OPBAS supervisory assessment. These included mitigating the risk of losing AML knowledge and continued improvements to CRLs intelligence gathering/ sharing arrangements. Quarterly updates of progress made were provided to OPBAS.

Governance and resources

The supervisory activities of CRL are carried out under the guidance of the Money Laundering Reporting Officer (MLRO) and the Executive Team (ET).

CRL provides regular updates to the CRL Board on its AML activities, progress against the OPBAS Action Plan and, during 2022, supervisory actions related to the financial sanctions regime.

In early 2022 CRL created the new roles of Chief Operating Officer and Director of Operations. The Director of Operations, who is the MLRO and the Single Point of Contact for the Shared Intelligence Service (SIS) and OPBAS, now has overall responsibility for regulatory authorisation, supervision, and enforcement. This has enabled CRL to strengthen the awareness of AML compliance across more functions within CRL. The Chief Operating Office is the Deputy MLRO.

The Strategic Risk Committee (an independent committee providing oversight of CRL's risk frameworks for individual and firm supervision), continued to provide additional oversight on CRL's AML supervision and progress against the OPBAS action plan. They were also updated on work related to the sanctions regime.

CRL recognised the risks within a small organisation, of knowledge being held with one individual and sought to actively address this for AML. This was achieved by widening the experience of other staff, through involvement in sector meetings where greater knowledge of risks can be obtained. CRL provides resource that is proportionate to the risk assessed due to the AML work being integrated within other regulatory supervision activities.

Meetings are held with CILEX to discuss key operational issues that affect both the professional body and the regulatory body.



Information to Supervised Community

CRL was not able to hold an entity event during 2022 but planning for 2023 has commenced and will feature AML compliance, alongside sanctions. **All supervised firms are included in the AML emails which are sent covering topics such as:**

CRL Sectoral Risk Assessment

SARS

Risks of non-compliance

UKFIU communications

AML responsibilities

Guidance on reporting breaches

Final parts of the LSAG guidance

Links to the People with Significant Control (PSC) discrepancy reporting

LSAG (Legal Sector Affinity Group) Covid 19 Advisory Note still remaining relevant because of remote working and the associated risks resulting from that operational model.

CRL updated its [sectoral risk assessment](#) in March 2022 to reflect the increased focus on financial sanctions and, later in 2022, published a separate financial sanctions risk assessment.

The sectoral risk assessment included evidence of risks that CRL had observed from its supervisory activities, as well as reflecting the challenges that firms had seen with the impact of the Covid-19 pandemic. Because of the small size of the supervised population, CRL continues to rely upon information and reports on money laundering risks from a wide range of supervisory bodies. CRL includes feedback from the AML Supervisors Forum and LSAG meetings, together with information from Legal Intelligence Sharing Expert Working Group (LISEWG) meetings, and intelligence from the National Crime Agency (NCA).

Beyond changes related to financial sanctions, CRL made no additional changes to the sectoral risk assessment in March 2022. The main points that were added to the risk assessment were as follows:

- Russia and sanctions
- Sanctioned Persons

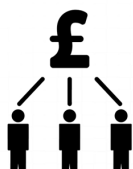
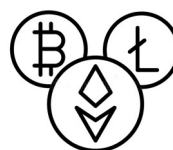
CRL highlighted that the [2020 National Risk Assessment](#) had again identified that the services at highest risk of exploitation remain trust and company formation, conveyancing, and client account services, and that the risk of these services being exploited by criminals increases when legal professionals fail to carry out their obligations under the MLRs or take a tick-box approach to compliance.

CRL reinforced the message that there are now new areas of concern:



Sham litigation (i.e. fake lawsuits where the payment of damages through the courts allows money to be laundered)

Cryptocurrencies where the original ownership is hard to identify



Crowdfunding which can make the source of funds extremely difficult to establish

In seeking to improve how CRL presented the information in its sectoral risk assessment, CRL created a new section on Emerging Risks where it looked at three main areas:

1. Covid-19 Pandemic
2. Technology
3. Risks identified from CRL supervisory activities

The updated sectoral risk assessment was shared with all firms, whether within the scope of the regulations or not, as it is important for them to understand the risks associated with moving into new areas of law, new customer groups or if they are looking to provide new services to existing clients.

CRL expects that future years assessments will reflect the increasing focus on the general topic of economic crime and how this is closely linked to AML risks.

CRL ensured that information on its website remained up-to-date.

Information related to the sanctions regime, including the new [financial sanctions webpage](#), is covered in the section later in the report.

Training

Staff with key AML responsibilities including members of the Executive attended the AML Masterclass training sessions over two days in January 2022. The focus of training was on actual risks that the AML specialist had seen in firms that they had worked with and how these might relate to the practical risks that CRL staff and firms might see.

CRL staff will also have specific training on the sanctions regime during 2022.

Staff at CILEX and CRL have access to a suite of eLearning courses which include Preventing Money Laundering, Whistleblowing and Preventing Bribery in Business. Completion of these courses is monitored to ensure that all existing and new staff complete or refresh their AML training annually.

Areas developed in 2021/22

- ⇒ CRL continued to work with HM Treasury and OPBAS to ensure that its AML supervisory activities are to the standard expected.
- ⇒ The last remaining issues identified under the latest action plan were addressed.
- ⇒ CRL did not reinstate the face-to-face visits to new firms because of the residual issues related to the pandemic and the adoption of new working arrangements.
- ⇒ CRL continued to develop the information available through the CRM system to identify those members and firms that require supervision for compliance with the regulations and to put in place a new AML Risk Matrix. This is expected to go live in late 2022.
- ⇒ CILEX and CRL continued to work on their joint approach to combating the risks posed by money laundering activities.
- ⇒ CRL developed and improved its focus on sanctions related work during 2022.

Supervisory activity

CRL has moved to become a totally remote working legal services regulator and AML supervisor. The firms have been accepting of this approach and support CRL's desire to adopt new technologies to aid in the delivery of compliance oversight.

Many firms have adopted new ways of working (e.g. third party ID checks) they have reflected on risks that are presented to them and identified how best to deal with them. They have maintained their firm level risk assessments and adapted these as they have started new areas of work post lockdown.

CRL continued to request the submission of information as set out in the following sections and used successfully a survey to gather information related to financial sanctions at the beginning of 2022. Firms continue to communicate well with CRL regarding any changes to their working models.

The intention is to recommence visits in 2023 alongside an annual AML return for all firms. This will allow CRL to:

Analyse the AML data collectively for all CRL supervised firms

React to changing information requests and gain more detail

Enhance the HMT supervisory return and AML annual report

Use technology better to gain information

Risk profiles

Because CRL has a small, supervised population, it does not publish data on the risk profiles of its supervised population. This information is provided to HM Treasury as part of the Annual AML / Counter Terrorism Financing (CTF) Supervision Return.

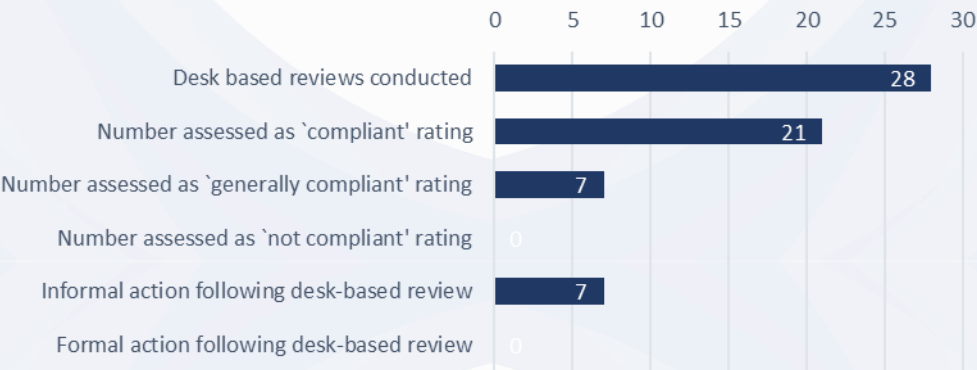
Supervisory Inspections

CRL requests information from its applicant firms to enable it to conduct desk-based reviews of their compliance with the regulations. The information requested includes sight of the required policies and procedures, including their own risk assessment. The firms can utilise the templates provided on the CRL website. CRL asks all firms to supply a copy of their firm level risk assessment so it can identify whether the firms understand the risks that might be posed. Guidance is provided if there are any weaknesses in the assessment.

CRL ensure that all BOOMS are checked against external databases.

Firms are required on an annual basis to submit any changes to their AML policy and risk assessment in last 12 months (if none, they may be challenged as to the reasons why), details of the MLRO or nominated official and the Number of Suspicious Activity Reports (SARs) submitted to or rejected by the NCA. These are desk-based reviews, however where non-compliance is identified to warrant a visit, this would be completed.

Inspections - Desk Based Reviews



Where the intelligence gathered requires further investigation, then a visit to the firm would be arranged.

There were no onsite inspection visits in 2021/22

Unregulated sole traders

CRL continued to request that those CILEX members who are identified as running unregulated firms as sole practitioners (in their own name) complete a questionnaire and supply supporting documentation to evidence their risk assessment and practices. Because CRL does not have powers to visit these members beyond those in the ML regulations, these are all desk-based reviews. They are required to submit an annual return.

CRL has expressed elsewhere its continuing concerns about the AML supervision of those working in the unregulated legal sector.

Areas of risk identified from supervisory activities

The following areas of risk remain typical of those CRL saw with its supervised firms in 2021/22 and have not changed significantly from the previous year. They are grouped as follows:

1. Risks relating to the compliance system infrastructure of the firm.
2. Risk relating to the application of the firm's systems.

1. Risks relating to the compliance system infrastructure of the firm

Prior to authorising a firm, CRL ensures that its policies and systems cover adequately key areas such as anti-money laundering, but it is the responsibility of the firm to ensure not only that these policies remain up to date but that the staff to which they relate are adequately trained.

Failure to keep compliance systems up to date

CRL has always believed that by ensuring that firms have their policies, procedures and risk assessments in place prior to initial authorisation, and then providing targeted information on changes, this will help the majority of firms to ensure that their compliance systems are maintained up to date and relevant to the work they conduct.

However, where CRL identified non-compliance through its Annual Return risk assessments of firms, CRL requires prompt corrective action due to the risk that inadequate systems present. Where a firm fails to update policies and systems in a timely manner, it is not only a breach of the CILEX Code of Conduct, but it is also a breach by the firm of the CILEX Authorisation Rules, so CRL has the power, where necessary, to revoke authorisation.

Failure to provide appropriate training

Whilst the regulations take into consideration the size of a firm, the services it provides and the risk of money laundering, the inclusion of the term 'regularly' in regulation.24 necessitates some level of biennial training, even if this is limited to basic refresher training to remind staff employed by the firm of their obligations.

As some firms have interpreted the word 'regularly' to encompass a somewhat wider time-period, CRL reinforces its expectations in the feedback it provides to firms.

External sourcing of policy updates

Some applicants and firms may resort to copying 'off-the-shelf' or 'internet' policies which, whilst most of the time correctly addressing legislative changes, do not marry up to the size, structure and operation of the firm in question, thus rendering them at best unsuitable. With this lack of relevance to the work of the firm, there is then often a lack of evidence of how this guidance can be used appropriately by the staff. CRL flags the risks associated with not having suitable resource within their AML compliance.

CRL directs firms to the support materials available on its website and expect policies and risk assessments appropriate to the firm to be in place.

2. Risks relating to the application of the firm's systems

Risks in this category are less common as having a well-defined system, with suitably drafted and documented policies and procedures, and regular checks on the application of the system should minimise failures. However, failures do occur and risks are created as a result.

Safeguarding account details until ID checks have been completed

Whilst rare, CRL has had examples of firms being over eager to provide clients with bank details for advanced payments, thus enabling a client to make a payment prior to the firm carrying out its due diligence checks.

This tends to come to CRL's attention when the client subsequently fails to provide the necessary identity documents and the client's matter cannot be processed. This causes problems for the firm as they must then establish how best to deal with the money that has been transferred to them. They must also consider the necessity to submit a SAR.

CRL reminded its firms about the need to remain vigilant to the exact source of the money received from overseas and to be aware of the current list of high-risk third countries.

CRL flagged that there were also reports of a significant number of incidents of businesses falsely claiming grants, bounce back loans and other forms of support during the lockdown, or falsifying records to obtain more funds. This put conveyancing firms at a significant risk as fraudsters sought to move money into property.

These risks were highlighted within the AML Sectoral Risk Assessment.

Because of the size of the supervised population, CRL cannot draw common themes for the areas of non-compliance set out above and the instances provided were often isolated cases of non-compliance.

Actions during the pandemic

Within the sectoral risk assessment, CRL highlighted the huge challenges that had been faced by firms and that criminals recognised that they were able to exploit some firms where the tolerance to risk may have changed because of financial pressures. The trend for firms not meeting clients face to face had understandably grown and this brought its own risks for effective identification of clients.

CRL reiterated the need for robust policies, controls and procedures (including the assessment of the risks faced by the firm) and that the use of effective electronic identification and verification tools may assist in delivering identification requirements. CRL highlighted the [Financial Action Task Force](#) (FATF) guidance on use of digital identity and the CRL sectoral risk assessment set out the risks that CRL had identified as they related to the pandemic.

CRL promoted the [LSAG Covid 19 Advisory Note](#) to all firms.

Financial sanctions

CRL fully understands the responsibility to safeguard the UK and protect the reputation of the CILEX profession and the wider legal system by upholding the sanctions and anti-money laundering regime. The CILEX Code of Conduct requires Chartered Legal Executives, CILEX members and firms to operate to the highest ethical standards and to demonstrate this to the public.

The work that CRL has carried out, was led by the MLRO and discussed with the Executive Team. Updates on actions taken, including the outcomes of meetings with OPBAS and the LSB, have been provided to the CRL Board.

Over this period of focus on sanctions compliance, CRL communicated quickly with its firms and took steps to improve their awareness of the financial sanction's regime. CRL has also ensured that the firms are aware of any new legislation as it has been implemented.

As CILEX members work in a wide variety of organisations, the CRL Newsletters, issued to the regulated community, have highlighted the issue of sanctions and the work of all the legal regulators to raise awareness of the requirement for licences.

CRL initially updated its AML website page with additional information on Russia & sanctions, including new content on licences, which was based on OFSI text. The sectoral risk assessment reflected the situation at that time with new risks highlighted to CRL regulated firms. CRL subsequently created a separate page related to [financial sanctions](#) on its website.

CRL community engagement on financial sanctions

To measure the effectiveness of CRL's messages, it has monitored the engagement with its communications by CILEX members and firms.

On 16 March 2022, a survey was sent to all CILEX Authorised Entities requesting details of the type of clients with whom they work, and 100% responses were received. Requests covered:

Firm exposure to, and understanding of, the sanctions regime

- Firm awareness of the licence regime
How the firm's exposure, understanding and awareness of licensing was reflected in day-to-day processes.

The survey responses have confirmed CRL's previous assessment of its firms' exposure to work with sanctioned individuals and entities. CRL received 100% confirmation that none of its firms has been approached to carry out work for, or has dealt with, any sanctioned individuals and entities.



Entity Survey 2022

The responses, when considered alongside the other questions posed relating to AML, demonstrated a good base awareness of sanctions and licensing on which CRL were able to build further. There was no indication that any enforcement action was required.

CRL has reconfirmed the ownership structure of all CILEX Authorised Entities to ensure that no sanctioned individuals or entities form part of the ownership of the firm. Whilst CILEX-ACCA Probate Entities do not hold client money and have authorisation limited to the application for the grant of probate, CRL has also checked their ownership structures as part of the initial authorisation process.

CRL recommended that there should be better sharing of information between OFSI and the regulators, particularly around the process for assessing firms' suitability for a licence.

Following the LSB setting out its basis as to how regulators should ensure compliance with the Sanctions regime, CRL was required to submit an Action Plan to address the LSB's expectations. Actions included a further review of the information provided on the CRL website, which was addressed by improving the content and presentation on the financial sanctions page, and the publication of a new [Sanctions Risk Assessment](#).

Financial sanctions information is to be collected in a new AML return that CRL is preparing.

The Senior Executive Team and the CRL Board are committed to supporting the government's actions and maintaining confidence in the sector and the wider legal system at this difficult time. CRL will continue to ensure that future government messages are communicated promptly to all CILEX-regulated firms and individuals, and that resources are available to support their understanding.

Enforcement action

The examples of non-compliance remain minor with any instances corrected by guidance and follow up checks. The initial review of policies and other assessments prior to authorisation continue to help reduce non-compliance and gain engagement with any rectification that is necessary.

CRL did not receive any intelligence from law enforcement agencies regarding suspicions about its supervised firms nor did it submit any Suspicious Activity Reports (SARs).

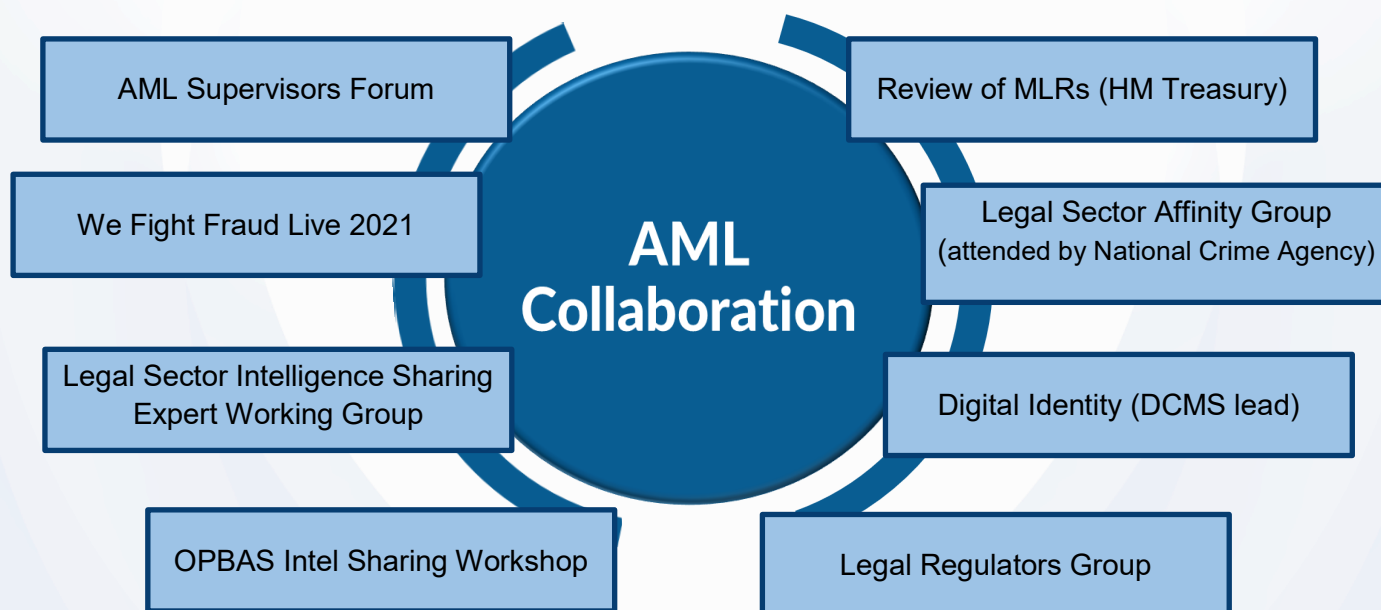
CRL firms continue to contact us to seek guidance on any appropriate actions that they should take, demonstrating that they are engaged with us on AML matters and reducing risk. This was further evidence as to how they engaged with requests for information concerning financial sanctions compliance.

There was **no** enforcement action related to AML non-compliance during 2021/22.

Disciplinary measures for contraventions of the Regulations	
Suspension / Fine / Reprimand / Undertaking / Warning / Action Plan	0
Referrals to Law Enforcement for ML/TF related matters	0

Collaboration

CRL attended meetings to discuss best practice, share information and gain sector intelligence.



There was no direct engagement with law enforcement in relation to the supervised community, because of the limited instances of money laundering identified within the CILEX membership.

CRL provides links to external websites and resources to aid its AML supervised community. These include:

- [CRL AML webpage](#)
- [LSAG AML Guidance](#)
- [National Risk Assessment 2020](#)
- [FATF - The UK's measures to combat money laundering](#)
- [The National Crime Agency](#)
- [How to report suspicious activity](#)
- [Reporting breaches of the MLRs](#)
- [OFSI](#)

CILEX activity

As the named Professional Body in the regulations, CILEX retains a residual role in achieving AML compliance even though the 'business of regulation' is delegated to CILEX Regulation in accordance with the Legal Services Act 2007 and the LSB's Internal Governance Rules which sit beneath it.

Activity/Delivery	Update for the period of report
Awareness raising through: <ul style="list-style-type: none"> • All staff Meetings • Knowledge sessions 	<ul style="list-style-type: none"> • Relevant HR and training updates referenced at meetings as appropriate. • Internal Awareness Raising Campaign – November 2022 re SARS process. Policy and procedure review November 2022 including review of internal e-learning modules. • Ongoing assessment of scores/pass rates of obligatory online AML staff training to identify any knowledge gaps and remedial action required.
CILEX Regulation liaison	Formal minuted meetings between CILEX Regulation and CILEX take place regularly to discuss general mutual matters of interest.

Training – targeted/detailed for relevant staff teams	<p>Preventing Money Laundering, Whistleblowing and Preventing Bribery in Business modules on E-Learning Hub completed by all CILEX staff.</p> <p>Online bespoke training sessions in January 2022 to relevant staff focusing on real risks that CILEX firms, individuals and staff might see, which took place over the course of 2 half day sessions.</p>
Access to compliance software	CILEX continues to make investigations for complementary AML software provision from a provider interested in partnering and offering access as a member affinity service. However, demand/interest from members continues to be very low due to the impact of COVID and the recessionary developments affecting firms negatively, reducing appetite to invest any money, however subsidised, on additional IT systems.
External Stakeholder Liaison: <ul style="list-style-type: none"> • Legal Sector Affinity Group • AML Supervisors' Forum • Law Commission • Intelligence Sharing Expert Working Group 	<p>Continuing to regularly attend all relevant meetings and symposia in relation to external AML initiatives.</p> <ul style="list-style-type: none"> • LSAG • AMLSF • ISEWG • AML Supervisory reform/Legal HMT Roundtable • UKFIU- SARs Reform Supervisory scoping meeting • OFSI questionnaire re Enforcement and Monetary Penalties Guidance reviewed.
AML Webpage	<p>Continuing to update AML web page regularly (using a new system of diary reminders), including:</p> <ul style="list-style-type: none"> • SARS reform programme from the NCA • Wording re which AML breaches individuals/firms must report to us under the MLRs • LSAG AML guidance changes re HMT • https://www.cilex.org.uk/membership/practice_advice/anti-money_laundering supported by e-shot to members • Update added to website re HMT approval of AML guidance. Same added to member e-shot.
AML Webinars	<p>Continuing to try and progress. In discussion with external compliance software suppliers (see above) and new providers of internal online training platforms. Continuing liaising with NCA about being included in their planned schedule of webinars.</p> <p>Attempting to source an AML expert to discuss general AML issues, but also specifically in relation to CILEX members. Unable to locate said expert to assist at this point. However, the CPD / webinars work now sits with Head of Programme Development's team, who organised an AML and Trust Registration webinar, which ran on 9 May 2022 and had 26 members purchase to attend.</p>
Quality Assurance	Internal AML audit completed in April 2022, with identified issues reported May 2022. The purpose of the audit was to follow up on the previous audit carried out in 2021 to determine whether recommendations agreed previously have been implemented and it has been confirmed that they have. The Auditor provided a Substantial Assurance opinion.

Sanctions	<ul style="list-style-type: none"> • In February 2022 information on Russian sanctions was sent to all members via e-shot and this was followed up in May 2022. In the same month members were reminded of their obligations in relation to Russian sanctions by e-shot, with embedded links to the OFSI website, which were also added to website. • April 2022 – Responded to letter from the (then) Deputy Prime Minister highlighting CILEX's particular contribution to the legal sector's efforts to enforce the sanctions regime following the Russian invasion of Ukraine • Attended OPBAS roundtables on Russian sanctions on 4th March and 10th May 2022.
Governance <ul style="list-style-type: none"> • Internal 	<ul style="list-style-type: none"> • AML compliance is a standard feature in agendas of CILEX Audit & Risk Committee (reporting up to the main CILEX Board) and Executive Committee.
Governance <ul style="list-style-type: none"> • NCA • OPBAS 	<ul style="list-style-type: none"> • Regular contact with both the NCA and UKFIU maintained. • NCA Intelligence Assessment completed • Replied to OPBAS formal request for written submission on what CILEX are doing in relation to Russian sanctions. • AML Action Log maintained and deployed as part of the programme of regular OPBAS assessment meetings

Areas for development 2022/23

- ⇒ During 2022/23, CRL will continue its work with HM Treasury and OPBAS to ensure that its AML supervisory activities are to the standard expected as well as collaborating on any planned changes. CRL will engage positively with the work on the 'Economic Crime Plan 2' and any work related to combatting fraud.
- ⇒ CRL will continue to develop the information available through the CRM system to identify those members and firms that require supervision for compliance with the ML regulations.
- ⇒ CRL will design and launch a new AML Annual Certificate to aid its analysis of risks faced by the CRL supervised community.
- ⇒ CRL will continue to work on combating the risks posed by money laundering activities alongside CILEX.