Firm-wide risk assessment

Under regulations 18 and 18A of the Money Laundering Regulations 2017. Fill in the square brackets, rate each risk and keep the signed copy with the information you used.

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1. About the firm

Firm: [firm name]. Offices: [locations]. Partners and staff: [number].

Work in scope of the Money Laundering Regulations: [for example residential conveyancing, company sales, trusts, tax advice]. Share of the firm's matters: [percentage].

Prepared by [name], MLCO, with [name], MLRO, on [DD/MM/YYYY].

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2. What we took into account

The SRA's information on money laundering and terrorist financing risk in the legal sector, read on [DD/MM/YYYY].

Our own matters, client and matter risk assessments, internal reports to the MLRO and file reviews from [period].

[Anything else you used, such as the Treasury's proliferation financing risk assessment or an SRA warning notice.]

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3. Our clients

The first six are the client risk factors in regulation 33. Delete any that never apply and add your own. Regulations 33 and 35 always require enhanced due diligence for a PEP, their family and close associates.

Risk factor	How it applies to us	Risk: low, medium or high	How we manage it
Instructions given in unusual circumstances			
Clients living in a high-risk country or area			
Companies or trusts used to hold personal assets			
Companies with nominee shareholders or bearer shares			
Cash-intensive businesses			
Ownership that is unusual or overly complex for the business			
Politically exposed persons, their family and close associates			

4. Countries and areas

Risk factors from regulations 18 and 33. Regulation 33 always requires enhanced due diligence where a party is established in a FATF call-for-action country.

Risk factor	How it applies to us	Risk: low, medium or high	How we manage it
Where our clients, their money and their counterparties come from			
Countries without effective anti-money laundering systems			
Countries with significant corruption or other criminal activity			
Countries under sanctions or embargoes			
Countries that fund or support terrorism			
FATF call-for-action countries			

5. Our services

The work that brings a firm into scope, plus the service risk factors in regulation 33. Rate each one you offer.

Service	How much we do	Risk: low, medium or high	How we manage it
Buying and selling property			
Buying and selling businesses			
Managing client money, securities or other assets			
Opening or managing bank, savings or securities accounts			
Setting up or running companies, trusts or similar structures			
Trust or company services, such as nominee directors or shareholders			
Tax advice			

6. Transactions

Risk factors from regulations 19 and 33.

Risk factor	How it applies to us	Risk: low, medium or high	How we manage it
Transactions that might favour anonymity			
Payments from unknown or unconnected third parties			
Transactions that are unusually complex or large, or have no apparent economic or legal purpose			
Transactions involving oil, arms, precious metals or tobacco products			
Money passing through client account with no legal work behind it, against rule 3.3 of the SRA Accounts Rules			

7. How clients reach us

Regulation 18 calls these delivery channels. Regulation 19 asks you to assess the risk of new technology and new ways of working before and while you adopt them.

Risk factor	How it applies to us	Risk: low, medium or high	How we manage it
Clients we don't meet in person, without safeguards to confirm who they are			
New services or new ways of working			
New technology, such as online ID checks or AI tools			

8. Proliferation financing

Regulation 18A asks for the same assessment for proliferation financing, taking into account the Treasury's own risk assessment.

Area	Why it is or isn't a risk for us	Risk: low, medium or high	How we manage it
Our clients			
Countries and areas			

Our services			
Transactions			
How clients reach us			

9. Overall risk and what changes

We rate the firm's overall risk as [low, medium or high] because [main reasons].

This assessment sets how far our client due diligence goes on each type of matter, when we apply enhanced or simplified due diligence, and what our client and matter risk assessments ask.

Change to our policies, controls or procedures	Owner	By
[What will change, and the risk it manages]	[Name]	[DD/MM/YYYY]

10. Review and sign-off

We review this assessment every [12 months], and sooner when we take on a new type of work, adopt new technology, the SRA publishes new risk information or a file review finds a problem.

We keep the information this assessment is based on with it. The SRA can ask for both.

Approved by [name and role] on [DD/MM/YYYY]. Shared with everyone who works on matters in scope on [DD/MM/YYYY]. Next review: [DD/MM/YYYY].