

Regulatory Update

UK Edition

INDEX

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1.0 FCA UPDATES & DEVELOPMENTS	2
1.1 FCA Updates on Firm Handling of Complaints During COVID-19	2
1.2 FCA Updates SM&CR Webpage	2
1.3 FCA Consults on Extension of Annual Financial Crime Reporting Obligation	2
2.0 FINANCIAL CRIME	3
2.1 Wolfsberg Group Publishes Statement on Developing an Effective AML/CTF Programme	3
2.2 Wolfsberg Group Publishes FAQs on Source of Wealth and Source of Funds	3
ABOUT CCL	4

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1.0 FCA UPDATES & DEVELOPMENTS

1.1 FCA Updates on Firm Handling of Complaints During COVID-19

The FCA has updated its [webpage](#) on how firms should handle complaints during the coronavirus pandemic.

The FCA expects all firms to take all reasonable steps to ensure that complaints continue to be handled fairly and effectively, including where staff are working from home. Firms experiencing reduced complaint handling capacity are expected to prioritise:

- paying promptly to complainants who have been offered redress and accepted that offer (this includes compensation awarded by the Financial Ombudsman Service)
- the prompt and fair resolution of complaints from:
 - consumers who are likely to be vulnerable to harm if their complaint is not resolved promptly and fairly
 - micro-enterprises and small businesses who are likely to face serious financial difficulties if their complaint is not resolved promptly and fairly
- sending timely holding responses to those complainants in 2. where their complaints cannot be resolved promptly

The FCA defines vulnerable customers as someone whose personal circumstances make them especially susceptible to harm if a firm has not acted with appropriate levels of care. The regulator lists four factors which may increase the risk of vulnerability:

- Health
- Low financial or emotional resilience
- Low capability
- Low financial capability

Firms should be mindful that the FCA expects cooperation with the Financial Ombudsman Service (FOS) on any complaints and to request information in a timely manner as required by DISP 1.4.4.

The FCA expects to review this statement by the end of October 2020 at the latest.

To find out how CCL's compliance software, CCL C.O.R.E can help manage complaints, please click [here](#).

1.2 FCA Updates SM&CR Webpage

The FCA has updated its Senior Manager & Certification Regime (SM&CR) [webpage](#) for solo regulated firms to include a table on positive and negative indicators on fitness and propriety.

Small firms may interpret the indicators in a proportionate way but should still consider the intention of the indicators and should not reduce the effectiveness of its fitness and propriety assessments or the certification regime.

For guidance and advice on all SM&CR matters, please [contact us](#).

1.3 FCA Consults on Extension of Annual Financial Crime Reporting Obligation

The FCA is consulting to [extend the scope of its annual financial crime reporting obligation](#) to include firms that carry on regulated activities that potentially pose a higher money laundering risk.

The FCA uses the annual financial crime reporting obligation as means of gathering information on the potential money laundering risk faced by a firm, based on its regulated activities and the nature of its customers. The proposal of extension will include firms which the FCA considers potentially pose a higher money laundering risk and will be irrespective of a firm's revenue threshold.

The consultation is relevant to firms and businesses who are supervised under the Money Laundering Regulation by the FCA.

For advice on completing the REP-CRIM report, please [contact us](#).

2.0 FINANCIAL CRIME

2.1 Wolfsberg Group Publishes Statement on Developing an Effective AML/CTF Programme

The Wolfsberg Group has published a [statement](#) on developing an effective Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) programme. The document provides steps for financial institutions to take in order to improve their AML/CTF regimes, which would satisfy the requirements of an effective programme as set out in the Group's December 2019 statement on effectiveness:

- complying with AML/CTF law and regulations
- providing highly useful information to relevant government agencies in defined priority areas
- establishing a reasonable and risk-based set of controls to mitigate the risks of an FI being used to facilitate illicit activity

For all advice and support relating to your AML/CTF programme, please [contact us](#).

2.2 Wolfsberg Group Publishes FAQs on Source of Wealth and Source of Funds

The Wolfberg Group has published [FAQs](#) on how financial institutions can identify, mitigate and manage money laundering risks by undertaking source of wealth and source of funds checks on relevant customers where appropriate.

The document is primarily aimed at firms' private banking and wealth management customer segments.

To discuss how these FAQ's impact your business, or for wider advice and support relating to your AML/CTF programme, please [contact us](#).

ABOUT CCL

Established in the UK in 1988, 2006 in the UAE and 2012 in India, CCL provides specialist compliance services to firms regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

Consultancy Services & Support

- Regulatory Technology – CCL C.O.R.E
- Compliance Advisory
 - Assurance Reviews
 - Compliance Remediation
 - Compliance Support Services
 - Documentation
 - Financial Crime Prevention
 - Corporate Governance
 - Risk Management
- FCA Authorisation
- Prudential Rules & Regulatory Reporting
- Hot Topics
 - COVID-19
 - Senior Managers & Certification Regime (SM&CR)
 - Fifth Anti-money Laundering Directive (5MLD)

Training (through CCL Academy)

- Compliance Skills
- AML & Financial Crime Prevention
- FCA Regulations
- Senior Managers & Certification Regime (SM&CR)
- Risk Management
- CISI Qualifications

If you wish to discuss how CCL can assist you with any of the issues raised in this Regulatory Update, please contact one of the directors using the details below:

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This Regulatory Update provides information about the consultative documents and publications issued by the FCA/PRA which are still current, proposed changes to the Rules and Guidance set out in the FCA and PRA Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to FCA/PRA-regulated firms. This Regulatory Update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the particular FCA/PRA document referred to.