

Anti-money laundering: client/matter risk assessments

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Client and matter risk assessments

- SRA template
- SRA guidance
- Webinars
- Warning notice

Why is it important?

- Regulatory requirement
- Decide whether to accept instructions
- Decide level of client due diligence required
- Promote good business
- Financial sanctions risks



A year on!

	2022 -2023	2023 - 2024
Missing on files	21%	19%
Effectiveness	51%	12%

Good practice

- Sets out factors fee earners must consider when assessing client or matter risk
- Client and matter risk assessments (CMRA) forms that were tailored to the firm's risk exposure
- CMRAs were reviewed reactively
- Collaborative effort by fee earners and risk teams to assess risk

Do you expect to see the same risk level allocated to an area of work on the firm-wide risk assessment (FWRA), duplicated on a client and matter risk assessment?

For example, conveyancing is 'high' on the FWRA, but the matter is regarded as 'medium', or should they both be 'high'?

When am I required to do a client and matter risk assessment?

Is it absolutely required to have a formal document to show compliance? My files confirm source of funds, ID etc.

Do you expect to see a risk assessment for each client, separate to the risk assessments for each matter? Or can the matter risk assessment incorporate an assessment of the client risk?

Where there is a suspicion around a client/matter do you expect to see details noted on CMRAs, for example, reports made to the MLRO/NCA?

Further resources

Client and matter risk assessment guidance:

sra.org.uk/client-risk-assessments