

Newsletter

FCA Director highlights importance of purposeful anti-money laundering controls

Mark Steward, Director of FCA's Enforcement and Market Oversight emphasises the need to detect, investigate and prosecute Money Laundering Regulation breaches. Steward stresses the importance of instituting efficient systems and controls to actively and adequately monitor potential financial crime and AML risks. Two of the biggest sanctions over the last 12 months (resulting in fines of £37.8m and £96.6m) were for failures to address financial crime and anti-money laundering (AML) risks.

Banks have a long way to go to fully protect against financial crimes relating to taxation broadly, with HMRC's survey noting over 75% of firms are inadequately prepared for preventing tax evasion facilitation crimes per the Criminal Finances Act.

To safeguard against criminal liability, contact us at info@hansuke.co.uk

Find out more:

[The importance of purposeful anti-money laundering controls](#)

Operational resilience dominates regulatory agenda

The Prudential Regulatory Authority issue Policy Statement 6/21, informing of:

- Changes to the PRA Rulebook: new Operational Resilience components and amendments to the Group Supervision section
- New Supervisory Statement (SS 1/21) 'Operational resilience: Impact tolerances for important business services'
- New Statement of Policy (SoP) 'Operational resilience'

The Basel Committee on Banking Supervision (BCBS) issue their Principles for Operational Resilience, designed to make banks better able to withstand, adapt to and recover from severe adverse events. The Basel Committee also issued revisions to their Principles for the sound management of operational risks, reflecting the natural relationship between operational risk and resilience.

To prepare for compliance with the new rules effective March 2022, please contact us at info@hansuke.co.uk

Find out more:

[PS6/21 Operational Resilience: Impact Tolerances for Important Business Services](#)

[BCBS principles for operational resilience and risk](#)

PRA on outsourcing and third-party risk management

The PRA issue Policy Statement 7/21 on outsourcing and third-party risk management, stipulating that firms must comply with the accompanying Supervisory Statement (SS). Aligned with operational resilience expectations, firms must monitor outsourcing and third-party arrangements and establish end-to-end resilience for important business services.

Legacy outsourcing arrangements (i.e. pre-31 March 2021) must meet SS requirements no later than 31 March 2022.

Find out more:

[PS7/21 Outsourcing and Third-party Risk Management](#)

HMRC guidance on off-payroll working rules (IR35)

Under the new rules that came into effect on 6 April 2021, firms must determine the employment status of every worker and implement systems of issuance of Status Determination Statement (SDS). HMRC's factsheet details the education and support available to help firms adjust to the important off-payroll working rule changes.

Find out more:

[HMRC IR35 Education & Support Factsheet](#)