

## **MLAC meeting minutes**

**MLAC meeting: 21 November 2007 @ Conference Room 2 Home Office @ 14:30**

Attendees

Barclays Bank  
British Bankers Association (BBA)  
Financial Services Authority (FSA)  
Foreign & Commonwealth Office (FCO)  
Gambling Commission  
HM Revenue & Customs (HMRC)  
HM Treasury (HMT)  
Home Office (HO)  
Legal & General  
Joint Money Laundering Steering Group (JMLSG)  
Association of Chief Police Officers (ACPO)  
Institute of Chartered Accountants in England and Wales (ICAEW)  
Law Society (LS)  
National Association of Estate Agents (NEAE)  
Royal Institute of Chartered Surveyors (RICS)  
Serious Organised Crime Agency (SOCA)

HO welcomed attendees to the Home Office.

### **1. Implementing the 3<sup>rd</sup> Money Laundering Directive**

#### **– HMT Money Laundering Regulations**

The Regulations had been laid and would come into effect on 15 December. The Transfer Of Funds Regulation 2007 were to be laid to come into force also on 15 December.

#### **– Home Office: Updating POCA and the Terrorism Act 2000**

Around 16 responses had been received to the HO consultation which closed in September. HO were proposing to amend the Regulations in response to issues raised by industry. The Tipping Off offence would only apply to the regulated sector. It was also proposed to re-introduce a prejudice test similar to sec 333(1) (b) of POCA. This would mean that a Tipping Off offence would only be committed when the disclosure would be likely to prejudice an investigation that might be made. The aim was to lay the Regulations by end of November.

#### **– Tour de table: Guidance (State of play & timetable)**

Industry representatives set out the latest position on their sector's guidance.

In general discussion the regulated sector stressed the importance of a period of consolidation after implementation of 3MLD and took the view that no new

EU measures were needed. They would look to the Commission to police implementation of the Directive by Member States.

## **Future of MLAC**

HMT presented a paper on the MLAC Review, which made a number of recommendations to improve the effectiveness of the Committee following earlier consultation with members.

### Membership

The Group acknowledged that there were gaps in the representation of some sectors or areas, but certain sectors did not have an obvious and relevant representative body. It was agreed that membership should be offered for certain sectors and areas as a matter of priority. Organisations considered for representation were the Crown Prosecution Service, for Prosecutors, the Office of Fair Trading, a possible identified representative for the money transfer business and relevant representatives in relation to the casinos and trust and companies providers.

### Processes

The recommendations in the paper in relation to process were agreed by the group, these included; the direct participation of Ministers in MLAC, a more formalised secretariat and continuing to have three meetings a year.

### Relationship of MLAC to other Groups

It was agreed that the strategic part of the Criminal Finances and Profits Board (Organised Crime Control Strategy Programme 4) merge with the MLAC alongside a standing agenda item for SOCA to update members on the work of the tactical part of Programme 4. This raised issues about the size of MLAC. It was agreed that not all members of the SOCA CFP Board would need to attend MLAC meetings. Attendance would be linked to agenda items, but relevant papers would be copied to all current Board members.

### Thematic Work Programme

It was agreed that SOCA should provide MLAC with a regular note on the work of the SARs Committee.

It was also agreed that HO and HMT would work with members to develop a forward work plan for the year ahead that would be sent to Members for comment.

The group agreed to continue to maintain the guidance working group as a virtual forum, though there was some support for the setting up of a real sub-group.

## **2. Consent Consultation**

HO informed the group that Ministers had agreed to the publication of the Consent Regime consultation paper which was expected to be issued very soon.

## **3. FATF Presidency**

HMT reported that under the UK Presidency, the FATF Plenary agreed to establish a consultation forum between FATF and private international bodies. It stated that a small private sector- FATF meeting was planned for London in December and on 11 December there will be a meeting between non-financial businesses and FATF.

HMT highlighted that one of its Presidency aims was to achieve a closer working relationship between business and FATF. .

It confirmed that good progress was being made on the work relating to global threat assessments, Weapons of Mass Destruction Proliferation and the support of low capacity countries agendas. Work would also begin in relation to the Asset Recovery/ Asset Sharing proposals from the HO.

On evaluations, BBA raised the issue of whether the matter of effectiveness of methodology of evaluation was being looked into. It was considered that the current methodology allowed for a disparity in how rigorously states tackled FATF obligations. The HMT stated that this had not been part of their Presidency objectives, but they would convey these concerns and raise the need for a look into this area of FATF business when possible.

## **4. Standing Items**

### SOCA SARs

SOCA presented its SARs update paper to the Group. The SARs annual report prepared by the SARs Committee would be published later in the month. All 24 recommendations in the Sir Stephen Lander Review (SARs Review) had been addressed, although there was still ongoing work needed, in particular in relation to maximum value being extracted from the end users.

Also note that this item will henceforth be a general update from the SARs Committee.

### Equivalence

HMT informed the group that it was putting together a non-legally binding list of equivalent countries. It stated that this list will be confirmed in early January.

6. AOB

ICAEW reminded the group that that AML policy development would benefit if it undertaken with an awareness of the constraints imposed by codes of professional ethics.

SOCA informed the Group that it expected the SARs Prescribed Form and Manner to come into force on 1 April 2008 and that it would be approaching the MLAC with guidance it is preparing to ensure all relevant bodies were well informed of this development.

HO confirmed that a copy of the enabling SI will be presented, for information only, to the next SARs Committee on 15 December.

HMT will host the next meeting.