



HM TREASURY



Home Office

Dear colleagues

National Risk Assessment of Money Laundering and Terrorist Financing

Tackling illicit finance is a key priority for the UK and has been a cornerstone of the UK's Presidency of the G8 this year. The Prime Minister has committed to lead from the front in implementation of the Financial Action Task Force Standards, and in particular, to conducting the UK's first National Risk Assessment (NRA) of money laundering and terrorist financing risk by 2014.

The NRA will be the first systematic assessment of threats and vulnerabilities in the UK. It will co-ordinate action to assess risks, apply resources and mitigate those risks, as required by the Standards. Led by HM Treasury and the Home Office, it will provide an evidence base to help Government assess the effectiveness and proportionality of current requirements and the application of the risk-based approach by supervisors and firms. It will also help ensure that we have the right level of expertise and resources targeted at these risks across Government and law enforcement agencies, and support further policy development. Risks will be periodically reviewed and updated in response to the changing AML/CTF environment and to developments in new products and services.

How it will help you

The most common criticism the Government receives is the lack of feedback and information from law enforcement agencies and others. The NRA will provide an up to date picture of the risks we collectively face and provide the basis for more and better information to be shared with supervisors and firms. This should help you target your resources at the right areas and ensure more risk-based, effective and proportionate measures. It will take time to develop this process but the NRA should provide a much sought after indication of the relative scale and impact of different risks. Therefore the greater your input into this exercise, the better and more helpful the outputs will be for Government and external stakeholders.

The NRA presents a unique opportunity for supervisors, law enforcement and the private sector to help develop a comprehensive view of the money laundering and terrorist financing risks that the UK faces. In particular, private sector participation is vital to ensuring that we develop an accurate assessment of these risks and that the measures we take in response are effective and proportionate.

To that end, we have already held a number of workshops with private sector stakeholders, and we are also asking for your input through the attached questionnaire. This questionnaire seeks detailed information from you on how you implement the current AML/CTF requirements, what you consider to be the greatest risks your business faces and how you mitigate them. **We would be very grateful if you could contribute to the NRA by completing the survey and return your responses by 31 January 2014. Please see the following page for instructions.**

The Home Office and HM Treasury will use your survey responses to inform and develop the NRA, and we will host a number of further workshops to test initial findings with stakeholders. Please contact the NRA team on the address below if you wish to participate further in the NRA. **Many thanks for your continuing support and input into the NRA.**

Ian Caplan

Head of Organised Crime, Pursue Unit
Home Office

David Lewis

Head of AML/CFT
HM Treasury



Instructions on completing the questionnaire

Submitting your response

Attached to this email you will find a hard copy of the questionnaire, and a link to an online version of the questionnaire through Survey Monkey. Given that it is not possible to print off the questionnaire through Survey Monkey, we have provided a hard copy for you to print, consider and populate with information, and to allow for easier clearance within your organisation. However, **we would encourage you to provide your final response through Survey Monkey to allow for easier collection of data and analysis by the NRA team.** We have designed the online questionnaire so that it is user friendly and accessible but please do not hesitate to contact the NRA team for further assistance on this matter.

Survey Monkey has been cleared by HM Government's online security teams for use on the NRA. Survey Monkey's privacy policy can be found here: <https://www.surveymonkey.com/mp/policy/privacy-policy/>; please ensure you read this before proceeding with the questionnaire.

If however, you prefer to send your response through the attached version of the questionnaire via protected email, then please send to the email address below. Furthermore, if you are willing to share a copy of your current ML/TF risk assessment(s)/risk profiling documents with us, please also send these via email to the following secure email addresses: NRA@hmtreasury.gsi.gov.uk and NRA@homeoffice.gsi.gov.uk, specifying your sector and supervisor in the subject heading.

Confidentiality of your response

The information that is requested in this questionnaire is related to you and your AML/CTF activity, policies and procedures. This includes specific detail about your risk-based approach, Customer Due Diligence & Enhanced Due Diligence (CDD & EDD) criteria, Suspicious Activity Reports (SARs) and AML/CTF controls.

As such, we appreciate that the questionnaire will involve providing commercially sensitive information. For that reason, **the information you provide will be anonymised** and will only be reviewed by Home Office and HM Treasury staff engaged on the NRA project. **It will not be passed to law enforcement or supervisors.**

Furthermore, under section 41 of the Freedom of Information Act, confidential data collected in voluntary surveys conducted by the Home Office and HM Treasury is protected under an absolute exemption. The statutory Code of Practice under section 45 of the Freedom of Information Act also sets out, amongst other things, the obligations of confidence that public authorities must comply with.

As such, if you consider that your response should be kept confidential, please ensure that you clearly indicate and explain so in your response. There is a dedicated section of the questionnaire in which you should do this. An automatic confidentiality disclaimer generated by your IT system will not, by itself, be regarded as binding on the Departments.

FATF Guidance

The FATF guidance on the NRA process can be accessed here:

http://www.fatf-gafi.org/media/fatf/content/images/National_ML_TF_Risk_Assessment.pdf.