On August 24, the UK’s Financial Conduct Authority (FCA) published a consultation paper on extending its annual financial crime reporting obligation (REP-CRIM) to a wider range of FCA-regulated firms in the UK (the Consultation Paper).

REP-CRIM aims to identify indicators where there is a potential money laundering risk posed by a regulated firm, based on its regulated activities and customers.

The key changes proposed by the FCA in the Consultation Paper include:

1. extending the scope of firms obliged to report REP-CRIM information to include any firms involved in regulated activities that potentially pose higher money laundering risk, including certain payment institutions; and

2. removing “home finance mediation” and “making arrangements with a view to transactions in investments” from the REP-CRIM reportable activities, which are considered by the FCA to be outside of the scope of the money laundering regulations.
The FCA states in the Consultation paper that it did not extend the REP-CRIM
obligations to activities considered lower money laundering risks. However, it notes
in the Consultation Paper that it may consider doing so in the future.

The FCA plans to issue the final rules and publish a policy statement in the first
quarter of 2021.

The Consultation Paper is available here.

©2020 Katten Muchin Rosenman LLP

Source URL: https://www.natlawreview.com/article/fca-publishes-consultation-
paper-extending-annual-financial-crime-reporting