

FSA Handbook Review

This is a special edition of our newsletter, being published to alert readers to the publication of the FSA's Consultation Paper 05/10 – 'Reviewing the FSA Handbook' (http://www.fsa.gov.uk/pages/Library/Policy/CP/2005/05_10.shtml).

As mentioned in the May edition of the newsletter, the CP includes proposals for the replacement of the Money Laundering Sourcebook with high-level provision in the Senior Management Arrangements, Systems and Controls (SYSC) module of our Handbook.

We see this as being an important and natural next step in the development of a more effective regime in the UK over money laundering ("ML") and terrorist finance ("TF"). It is something that will have considerable significance for all stakeholders involved in the fight against ML and TF, but particularly for Money Laundering Reporting Officers ("MLROs") and other senior managers with responsibility for managing ML/TF risks.

My letter of 12 July to Ian Mullen, Chairman of the Joint Money Laundering Steering Group, sets out some of the implications of what is proposed and explains how the ideas fit into the FSA's overall strategy for encouraging the development of a better anti-ML/TF regime. A copy can be found at http://www.fsa.gov.uk/pubs/other/letter_jmlsg.pdf.

Responses to the Consultation Paper

We hope that there will be a healthy debate in the industry – in trade associations, among firms' senior management, the MLRO community etc – and among other stakeholders (anti-ML/TF consultants, law enforcement, Government etc) on our proposals for the ML Sourcebook. We would encourage readers to take a close look at the proposals and to feed in their comments by 31 October 2005. You can do this using our online response form at http://www.fsa.gov.uk/Pages/Library/Policy/CP/2005/cp05_10_response.shtml or, if you would prefer to respond in writing, by sending your comments to:

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With kind regards



Philip Robinson
Financial Crime Sector Leader

Speech to the City & Financial Money Laundering and Financial Crime Fifth Annual Conference

In a speech he gave on 22 June promoting greater effectiveness in the fight against money laundering, Philip described the progress we have made in our work on the risk-based and targeted approach and defusing the ID issue. Philip also set out how the Handbook review fitted into that context as part of the FSA's efforts to help the development of a more proportionate and effective regime against ML and TF, which in turn fit in with our strategy of promoting effective and proportionate risk management. The full text of his speech can be found at: http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2005/0622_pr.shtml.

Circulation of this newsletter

This newsletter is written for all those in the industry, public sector and law enforcement who have a particular interest in the ways in which FSA-regulated firms manage their financial crime risks. We would encourage you therefore to cascade it to any colleagues who would have an interest in it, including your MLRO if you are part of a firm that has one and to any other senior managers with an anti-ML/TF brief.

If you have received this newsletter via an intermediary, please feel free to e-mail us direct at financial.crime@fsa.gov.uk and ask for your name to be added to our mailing list for future editions.

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Useful links

FSA website 'Scams and Swindles' at:
www.fsa.gov.uk/consumer/01_WARNINGS/scams/mn_scams.html

Further financial crime information is available at: www.fsa.gov.uk/Pages/About/Teams/Crime/index.shtml