



## Post Brexit.....

The **Sanctions Unit** of the UK Foreign Commonwealth and Development Office has advised that, after the transition period (11pm on 31 December 2020):

- The [new UK regulations and guidance](#) will come into effect, which should be read and understood to ensure compliance;
- The [UK Sanctions List](#) covers all sanctions made under SAMLA 2018, and the [OFSI Consolidated List of Financial Sanctions Targets](#) covers all financial sanctions designations. Substantial changes will be made to the data in both lists given that UK designations will be made under a new legal framework;
- There is new [guidance](#) on the post-Brexit [legislation](#) enacting UK measures similar to the EU Blocking Regulation;
- Only licences granted by the UK will be valid under UK sanctions legislation, and licences granted by the UK will not be recognised by the EU in respect of EU sanctions legislation;

### UK

The **UK's National Crime Agency (NCA)** is calling for additional reforms to the country's system for reporting suspicious transactions in an effort to scale back the volume of defensive filings it receives as highlighted in the recently published [SARs Annual Report 2020](#).

The NCA also published updated [SAR Glossary Codes and Reporting Routes](#).

**HMRC** published the [responses](#) received to the consultation seeking views on the expansion of the Trust Registration Service as required to transpose the 5MLD into national law.

The **JMLSG** noted a minor change in relation to trusts in its [Guidance](#).

**Companies House** published [Guidance on People with significant control \(PSCs\)](#). Although not directly aimed at FIs, this may be useful in helping to understand how companies are expected to identify and record the people who own or control them.

### US

The **Board of Governors of the Federal Reserve System** and the FinCEN [issued a proposed rule](#) that would:

- Reduce the threshold for the Recordkeeping and Travel Rules from \$3,000 to \$250 for transactions that begin or end outside of the U.S.; and
- Clarify the application of these rules to convertible virtual currencies and digital assets.

Lawmakers in the U.S. have [taken a significant step](#) closer to enacting a major anti-money laundering reform. If passed, the legislation would in large part end anonymous shell companies in the U.S., mandating that every company report its ultimate owner to the U.S. Treasury Department.

### Europe

The **European Banking Authority (EBA)** published an [Opinion](#) setting out how prudential supervisors should consider money laundering and terrorist financing risks in the context of the Supervisory Review and Evaluation Process. This Opinion forms part of the EBA's ongoing work to strengthen the fight against money laundering and terrorist financing in Europe.

Also in November, **European Union** finance ministers [agreed](#) to set up an EU body that would fight money laundering across the 27-nation bloc, supporting a European Commission [proposal](#) from May.

**Europol** published two reports in November that are worth noting. "[How COVID-19-related crime infected Europe during 2020](#)" looks at key developments in crime and terrorism since the onset of the Covid-19 pandemic. "[Malicious Uses and Abuses of Artificial Intelligence](#)" delves into current and predicted criminal uses of artificial intelligence (AI).

The new **EU human rights sanctions regime** [was agreed](#) by foreign policy experts from the 27 member states in last days of November and will be formally signed off on Human Rights Day on 10 December. The restrictive measures would target those involved in crimes ranging from genocide and torture to arbitrary arrests or detentions.

### Global

FIs servicing gold markets may want to review the **London Bullion Market Association (LBMA)** [statement](#) outlining regulatory standards gold markets must meet on issues such as money laundering and where they source their gold - or be blacklisted.

A recent [advisory](#) from the **Sentry** highlights the money laundering risks stemming from the flow of conflict gold from four sub-Saharan African countries affected by armed conflict and corruption

We are a consultancy with expertise in using financial and regulatory technology to combat financial crime.