



**RESPONSE BY TISA TO 'ANTI-  
MONEY LAUNDERING  
SUPERVISORY REVIEW  
CONSULTATION'**

**17<sup>TH</sup> AUGUST 2017**



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## Response by TISA to 'Anti-money laundering supervisory review: consultation'

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### About TISA

TISA is a not-for-profit membership association operating within the financial services industry. The focus of our recommendations and actions is improved outcomes for consumers and UK plc with this approach leading to a stronger UK financial services industry.

TISA's growing membership comprises over 150 firms involved in the supply and distribution of savings and investment products and services. These members represent many different sectors of the financial services industry, including asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers, pension providers, banks and stockbrokers.

Having a legacy of focusing predominantly within the tax incentivised products area, TISA has in recent years moved into the broader savings and investments world, extending our standing as trusted adviser over a much greater remit.

TISA has a successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for the public. Effective policy and regulation and the creation of efficient industry infrastructure continues to be the major focus for our members. TISA is unique in that it represents the entire financial services industry, incorporating cross-sector policy, industry and technical expertise. Whilst we maintain a solid partnership with government, the regulators and wider industry, we remain independent and develop neutral views and opinions. This impartiality is reflected in our ability to drive development projects which improve industry performance and consumer outcomes, putting us in the unique position of being able to constantly challenge the status quo to bring about material improvement.



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### Consultation Response

TISA welcomes the intention to reduce the scope for criminals to operate in the UK financial landscape by removing inconsistencies of application of the Money Laundering Regulations (MLRs) by Professional Body Supervisors (PBSs). It is encouraging to note many inclusions in The Oversight of Professional Body Anti-Money Laundering Supervision Regulations directly related to the previous consultation responses received by HM Treasury, indicating the willingness to work with the industry to achieve its objective.

Being centrally housed at the FCA, OPBAS will sit in a unique position to ensure a fair and consistent approach across all regulated sectors and firms. However OPBAS must ensure their costs are not prohibitive to PBSs as there may be a risk of withdrawal, leaving members to interpret their individual compliance and potentially leading to further inconsistencies.

We do feel that consideration should also be given to firms not regulated by a professional body or supervised by HMRC as they would not fall within the oversight scope of OPBAS. While the scale and impact of this area may be small, any remaining inconsistencies would continue to hold the risk of increased criminal activity.

#### **5.1 Section 1 – Question 1: Do the draft regulations deliver the government's intention that OPBAS help, and ensure, PBSs comply with their obligations in the MLRs? In particular, are further legislative amendments required to ensure legal PBSs can raise funding for the OPBAS fee?**

The draft regulations do set the framework to allow for the consistent approach to PBSs complying with their MLR obligations to be achieved, however it is in the detail of the guidance where the true potential can be measured.

We do not believe any legislative amendments would be required to allow for PBSs to raise funding for the OPBAS fee as membership and fee gathering terms would be individual to each Professional Body. Any prescriptive legislation may have a detrimental effect in restricting the powers to collect fees of those PBSs.