



AML Certificate completion notes

- 1) Law firms in Scotland must complete an Anti-Money Laundering (AML) Certificate if they fall within scope of [AML Regulations](#). Paragraph 12(1) of the Money Laundering Regulations 2017, defines the activities which bring a firm into scope as follows.
 - (a) *the buying and selling of real property or business entities;*
 - (b) *the managing of client money, securities or other assets;*
 - (c) *the opening or management of bank, savings or securities accounts;*
 - (d) *the organisation of contributions necessary for the creation, operation or management of companies*
 - (e) *the creation, operation or management of trusts, companies, foundations or similar structures,*

and, for this purpose, a person participates in a transaction by assisting in the planning or execution of the transaction or otherwise acting for or on behalf of a client in the transaction.
- 2) Firms which do not participate in the activities above may be exempt. If you have not yet been exempted but believe you should be, you must inform as soon as possible, otherwise you remain obliged to submit an AML Certificate. You can click 'Claim Exemption' on the landing page of the AML Certificate in the portal or forward your exemption queries to aml@lawscot.org.uk.
- 3) The certificate is designed to gather information about your practice, your services and your client base, only in relation to business of the types listed above. You should not include other transactions or matters, such as criminal defence, litigation or family law, in your figures.
- 4) This exercise does require some detail and it is recommended that you begin the exercise as soon as possible.
- 5) As part of the form, we will ask you to attach your mandatory 'firm level risk assessment'. A risk assessment pro forma can be found in our online AML toolkit under the heading "Risk and policy templates" (<https://www.lawscot.org.uk/amltoolkit/>).

Note: this is not the same as any client or matter risk assessment you may use. It is an assessment of the broader risks faced by your firm as a whole.
- 6) The Money Laundering Reporting Officer (MLRO) must complete and submit the form but the data can be entered by another employee in your office if they have been set up to do so.
- 7) You can find more information on the AML Certificate and exemption on the AML pages of our website, by typing AML CERTIFICATE into the search bar.
- 8) In some sections, the AML Certificate now requires you to give actual volumes in numbers (as opposed to last year's request for % brackets). While we understand that it may be difficult to provide exact numbers, firms must give accurate estimates. However, in this first year of reporting actual numbers, there is an understanding that numbers may not be 100% accurate, although you should be able to provide reasonable justification for those estimates if requested.
- 9) Working with real numbers, instead of percentages of total business, allows us to more accurately and fairly assess risk within firms and across the population. This is a crucial part of our drive to implement a fairer evidence-based AML supervision regime.
- 10) Transactions and matters should be considered reportable where a fee-note or interim fee-note was rendered during the relevant period.
- 11) The relevant period covered by questions in this certificate is 1 November 2018 – 31 December 2019. Going forward the relevant period will always be the preceding calendar year i.e. when you submit in 2021, the relevant period will be the calendar year 2020.



- 12) If an employee who carried out relevant business within the relevant period has now left your firm, you must still capture that business within this AML Certificate.
- 13) If your firm is part of a multi-domiciliary/multinational with a separate legal entity outside of Scotland, you should answer the questions only insofar as they pertain to the Scottish legal entity. However, where your firm is a parent to any subsidiary with relevant business, you must capture that subsidiary business in this AML Certificate if the fee goes through the parent entity.

Using the online portal

- 14) The online form can be found by signing into the members' area of our website. You will find the sign in button at the top right of any page. Once you are logged in, click AML, which you will find in the left-hand side menu and find 'AML Certificate.'
- 15) By default, only the MLRO's login credentials will reveal the online form. If any other individual will be helping to complete the form, you should send their details to us as aml@lawscot.org.uk and we will update their details and enable them to view the form.
- 16) You should view the information boxes where they appear as an 'i' next to questions as well as our website's [FAQs page \(https://www.lawscot.org.uk/amlcertificate/\)](https://www.lawscot.org.uk/amlcertificate/) before submitting any queries to aml@lawscot.org.uk.
- 17) You will not be able to move on from a page until every field has been completed. For that reason, you may wish to fully complete a paper copy offline first. [You can also find a copy of the form on our FAQ page. \(https://www.lawscot.org.uk/amlcertificate/\)](https://www.lawscot.org.uk/amlcertificate/).
- 18) On the first page, you should use the 'Find Firm' button to select your organisation's details from the dropdown menu, before entering and saving any information. If you do not, your information may not be saved.
- 19) If you save information and exit the form, you must use the 'Find Firm' button again to re-load your answers.
- 20) You should keep a copy of your answers for future reference. It may not be possible for the Society to send you them after you submit online.

You must submit your certificate by 10 April 2020.