



[View this email in your browser](#)

## Annual Financial Crime Report

*Of particular interest to: all firms*

### In brief

In August last year the FCA issued a consultation paper (CP20/17) proposing **changes** to the annual financial crime reporting regime (**REP-CRIM**) – one consequence of which would be to capture some firms that are currently exempt from such reporting (you can read our Alert on CP20/17 [here](#)). The FCA has now published policy statement PS21/4 containing the final rules.

### Summary

Policy statement PS21/4 extends the scope of firms which are required to submit a REP-CRIM return from approximately 2,500 to approximately 7,000 firms – section 1.6 of PS21/4 includes a useful high-level summary. The FCA states that its rationale for this decision is based on its understanding of potential money laundering risks.

Currently one of the conditions for a firm needing to submit a REP-CRIM (SUP 16.23.2) is that the firm in question has annual revenue of £5m or more at its last accounting reference date (ARD). This **threshold** will (mostly) **be removed** so that e.g., simply 'managing investments' or 'managing an AIF' etc. will mean that a firm will be subject to REP-CRIM **irrespective of its total annual revenue**. The exception to the above will be the activities of:

- advising on investments
- arranging (bringing about deals) in investments
- advising on pension transfers and pension opt-outs
- credit-related regulated activity.

These activities will only be subject to REP-CRIM if the firm in question:

- also holds client money/client assets **OR**
- does not hold client money/assets but does have annual revenue of £5m or more at its last ARD

REP-CRIM reporting is delivered through the **FCA RegData portal**. Firms that are in scope will receive a notification of their obligation to submit the return before the due date. The return requires data in relation to geographic profile of clients as well as risk rating, presence of politically exposed persons and head count of personnel involved in financial crime prevention at the firm.

The revised rules and guidance notes, which can be found in Appendix 1 of PS21/4, will apply from **30**

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

#### Useful Links

[PS21/4](#)[CP20/17](#)[REP-CRIM \(PDF version\)](#)

If you have any comments on this article, or any questions in general, then please speak to your usual Optima consultant or contact us at [info@optima-partners.com](mailto:info@optima-partners.com)

**To stop all marketing communications** from us, please click unsubscribe below.  
[unsubscribe from this list](#)

*Copyright © 2021 Optima Partners, All rights reserved.*

**Our mailing address is:**

Terminal House, 1st Floor, 52 Grosvenor Gardens, Belgravia, London SW1W 0AU