

Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for Legal Professionals

Legal professionals are attractive to organised criminal networks because they can facilitate the movement, structuring and concealment of assets through the creation of trusts, companies, property transactions and client accounts, all under the protection of legal privilege and client confidentiality.

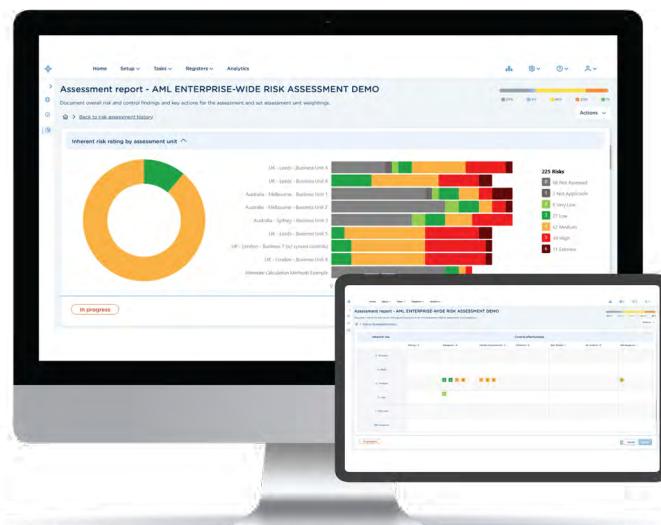
Criminals may exploit lawyers to disguise beneficial ownership, legitimise illicit transactions, or manage complex corporate or real estate structures that obscure the true source of funds. To counter these risks, it is essential that legal professionals maintain a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework.

By systematically identifying and assessing their exposure to financial crime risks and by evaluating the design and operational effectiveness of their mitigating controls in a manner appropriate and proportionate to their nature, size and complexity, they can safeguard their professional reputation, meet ethical and regulatory obligations and uphold the integrity of the legal system.

About Arctic Intelligence's Risk Assessment Platform

Arctic Intelligence's [Risk Assessment Platform](#) can be used by smaller reporting entities out-of-the-box with standardised risk and control libraries or configured by medium and larger enterprises to suit any enterprise risk management framework.

Our multi-award-winning platform is highly-configurable and can be tailored to suit your methodology, risk indicators, applying risk and/or control weightings as appropriate, with a full audit trail and real-time data aggregation of individual business lines or consolidated across enterprises.



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Digitisation

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Automation

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Legal Professionals

Who is this risk and control module designed for?

The money laundering, terrorism and proliferation financing risk and control module contains a library of risks, controls and control tests designed specifically for different types of Legal Professionals:

- ✓ Banking, Finance and Securities Lawyers
- ✓ Commercial and Corporate Lawyers
- ✓ Independent and Private Practice Lawyers

- ✓ Notaries / Notaries Public
- ✓ Property and Conveyancing Lawyers
- ✓ Trust and Estate Lawyers

What designated services are covered under AML/CTF laws?

These laws apply to your business if you:

- ✓ Act as an intermediary in buying, selling, or transferring property (i.e., brokering the sale or transfer)
- ✓ Assist or advise in property transactions (i.e., offering legal or conveyancing support)
- ✓ Hold or manage client funds in connection with real estate deals (i.e., facilitating real estate transactions)
- ✓ Market or sell property as a developer or agent (i.e., Selling real estate property)

What's included in the risk and control module?

Each of our expert-designed risk modules contain an Enterprise-Wide Risk Assessment, a Product Risk Assessment and a Country Risk Assessment containing hundreds of risk indicators and risk factors, grouped under different risk categories and risk groups.

In addition to a fully comprehensive risk library, our module also contains a library of controls and control tests that you can use to assess the design and operational effectiveness of your control environment.

Our content modules can be used out-of-the-box, easily modified to suit your requirements or you can simply build and import your own risk and control content. We can support implementation directly or through our growing advisory network.

What's the structure of the risk and control module?

Environmental Risk

External Threat Environment

✓ **Exposure to External Risks**

Higher Risk Environments; Higher Risk Relationships and Higher Risk Regulatory Environments.

Internal Threat Environment

✓ **Exposure to Internal Risks**

Higher Risk Business Operations; Governance and Oversight; Program Alignment to ML/TF/PF Risks; Business Location Risks; Business Activity Risks; Employee Risks and Outsourcing Risks.

Customer Risk

Customer Base Profile

Customer Type (Individuals and Entities); Customer Location and Changes in Customer Base Profile.

Customer Legal Form Risk

Customer Type Distribution and Customer Types Identified as Higher Risk.

Politically Exposed Person (PEP) Risk

PEP Type; PEP Classification and Changes in PEP Profiles.

Customer Location Risk

Customer Location Distribution.

Customer Industry / Occupation Risk

Business Activities and Industry / Occupation Risk.

Customer Activity Risk

Customer Behaviours, Profiles and Activities and Politically Exposed Persons, Sanctions or Proliferation Financing Risk.

Industry Red Flag Risk

-  Customer Behaviour and Due Diligence Evasion
-  Misuse of Legal Services
-  Ownership and Identity Concealment

-  Unusual or Complex Business Structures
-  Transactional and Other Red Flags

Product and Services Risk[^]

-  Acting as or appointing a nominee shareholder
-  Buying, selling or transferring real property
-  Buying, selling or transferring legal entities
-  Creating, operation or management of legal entities
-  Company formation and operation
-  Providing or appointing key roles in a company
-  Providing registered office / principal place of business / correspondence addresses
-  Receiving, holding, controlling or disbursing assets

[^]Our separate product and services risk model contains different products offered by Legal Professionals and includes ML/TF/PF risk factors aligned to the features and characteristics of each.

Channel Risk

Direct Channel Risk

Non-Face-to-Face Onboarding.

Indirect Channel Risk

Use of third-parties to onboard customers.

Transaction Risk

High Risk Transaction Types

Higher Risk Transactions; Transactions involving Third-Party Intermediaries and Customer Behaviours related to Transactions.

Country Risk^

Higher Country Risk

Exposure to higher risk customers; Residency, Nationality or Citizenship (Individuals) and Country of registration, incorporation, domicile or operating in (Entities).

[^]Our separate country risk model contains country risk ratings generated for over 240 countries and territories.

Key Features

To help manage your enterprise-wide risks, whatever the risk domain you're assessing

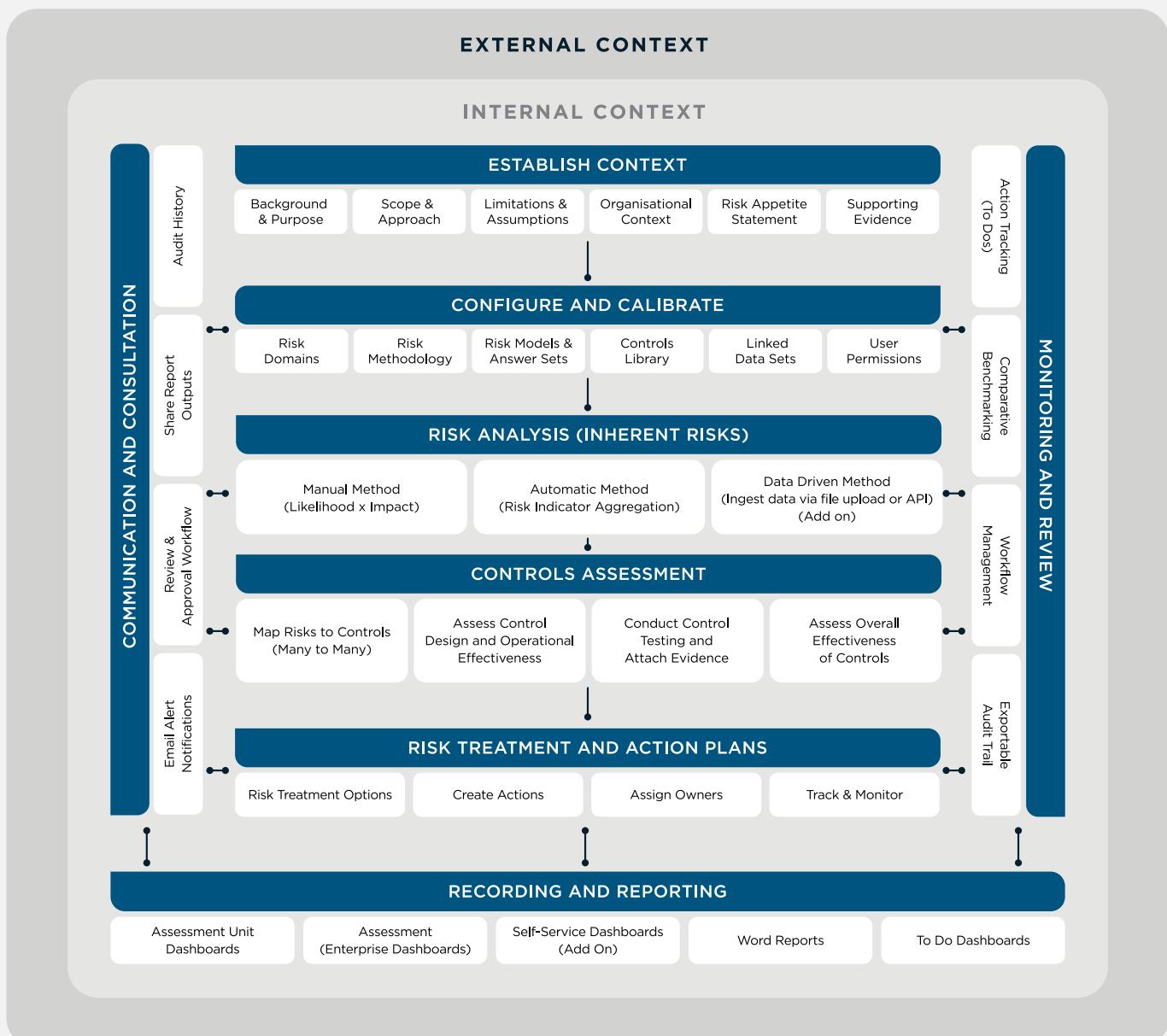
-  Highly configurable so you can tailor the platform to suit your needs
-  Import your own risk and controls or use our expert-built risk domains
-  Flexible risk methodology, tailored to your risk-based approach
-  Auditable workflow process for conducting risk analysis and controls assessment
-  Digitise and automate by ingesting data via API or file upload
-  Track, monitor and report on actions, issues and incidents
-  Real-time dashboards and analytics, with exportable reports
-  Fully hosted in a secure cloud with dedicated support

Why choose the Risk Assessment Platform?

- ✓ Fully configurable risk analysis and controls assessment platform
- ✓ Expert-built content modules with hundreds of risks and controls
- ✓ Digitise spreadsheet-based approaches, improving quality
- ✓ Automate risk assessments by ingesting data, improving efficiency
- ✓ Real-time analytics, approval workflows and fully auditable
- ✓ Save time and money, reducing compliance costs

How it works

The diagram below visualises recognised industry best risk assessment practices overlaid against the features within the Risk Assessment Platform that supports these processes.



Companies we've helped

APAC



EMEA



AMERICAS



Our customer footprint

Our customer footprint

About Arctic Intelligence

Arctic Intelligence is a multi-award-winning RegTech firm that specialises in financial crime risk and controls risk management software to help regulated businesses to identify, assess, mitigate and manage financial crime.

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Compliance. The smart way.