**Role of the Money Laundering Reporting Officer (MLRO)**

* The role of the MLRO is to act as the focal point within the FI for the oversight of all activity relating to anti-money laundering (AML) and Counter-Financing Terrorism (CFT). In most jurisdictions, there is a regulatory requirement to have a MLRO under local AML regulations and MLROs are usually vetted by the relevant regulator. The MLRO may also act as the lead compliance officer or head of financial crime, taking on wider responsibilities for sanctions, anti-bribery & corruption and fraud.
* The FI must ensure the MLRO can carry out his function independently and effectively and ensure the MLRO has a sufficient level of seniority within the firm and has sufficient resources to conduct their role and responsibilities effectively.
* The MLRO should report to both the CEO or COO and the relevant board committee such as Risk & Audit.
* An MLRO should be senior and experienced individuals, to be free to act on their own authority and to be informed of any relevant knowledge or suspicion of money laundering in the FI. In turn they need to pass on relevant suspicions to their local financial intelligence unit (FIU) and where relevant, liaise with the regulator or law enforcement on the issue of whether to proceed with a transaction of customer or on what information can be disclosed to a third party.
* The MLRO role can be performed by the FI’s Chief or Deputy Compliance Officer but this should be stipulated in the firm’s policies.
* The FI must ensure the MLRO is able to monitor the day-to-day operation of its AML systems, processes/controls, and respond promptly to any reasonable request for information from the regulator.
* Key responsibilities of an MLRO include:
  + receiving internal reports on compliance with the firm’s AML regulations;
  + taking reasonable steps to access any relevant business information e.g. client files to enable them to make informed decisions;
  + making external reports to the FIU and advising on how to proceed once an internal report and/or SAR has been made;
  + being involved in the design and implementation of internal AML/CFT systems, controls and the FI’s policies and procedures
  + taking reasonable steps to establish and maintain adequate arrangements for awareness and training (whether by themselves or someone else), and
  + where required, making annual (or equivalent) reports to the FIs senior management.
* The size and nature of some FIs may lead to the MLRO delegating certain duties regarding the business's anti-money laundering/counter financing terrorism obligations, for example for large banks operating in multiple jurisdictions with different businesses e.g. retail, corporate, private and investment banking. Duties may also be split for reporting purposes and for general oversight of AML/CFT activities.
* Delegation does not relieve the MLRO and the FI of its regulatory obligations and responsibility under the applicable regulation. In some large businesses, one or more permanent deputies of suitable seniority may be appointed. Internal reporting channels should be well known to all relevant employees. All businesses will need to consider arrangements for temporary cover when the MLRO/nominated officer is absent.