
STATUTORY INSTRUMENTS

2017 No. 1301

**The Oversight of Professional Body Anti-Money Laundering
and Counter Terrorist Financing Supervision Regulations 2017**

PART 4

Enforcement and appeals

Recommendation for removal from Schedule 1 to the MLR

17.—(1) If the FCA is satisfied that a self-regulatory organisation has failed to comply with—

- (a) a supervision requirement,
- (b) a requirement under regulation 7, regulation 12 or regulation 13,
- (c) a direction given under regulation 14, or
- (d) a requirement under regulation 27,

the FCA may make a recommendation to the Treasury that the self-regulatory organisation is removed from Schedule 1 to the MLR.

(2) The FCA may make a recommendation for removal if, in purported compliance with a supervision requirement or a requirement imposed on the self-regulatory organisation by or under these Regulations, it provides information to the FCA which is false or misleading in a material particular and—

- (a) knows that the information is false or misleading, or
- (b) is reckless as to whether the information is false or misleading.

(3) The FCA must not make a recommendation for removal for failure to comply with a requirement listed in paragraph (1) if the FCA is satisfied that the self-regulatory organisation took all reasonable steps and exercised all due diligence to ensure that such a requirement would be complied with.

(4) In deciding whether a self-regulatory organisation has failed to comply with a supervision requirement, the FCA must consider whether at the time the self-regulatory organisation followed—

- (a) any relevant guidance which was at the time issued by the FCA;
- (b) any relevant guidelines issued by a European Supervisory Authority in accordance with Articles 17, 18(4) or 48(10) of the fourth money laundering directive.

(5) The Treasury must take the FCA's recommendation for removal into account when deciding whether to make regulations removing a self-regulatory organisation from Schedule 1 to the MLR.