

## GLOBAL INVESTIGATIONS AND COMPLIANCE

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### About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the Firm primarily serves clients in the healthcare, energy and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at [navigant.com](http://navigant.com).

## UK CREATES LARGEST MONEY LAUNDERING REFORMS IN OVER A DECADE

In anticipation of the 2016 Anti-Corruption Summit in London, the Home Secretary of the United Kingdom and the Rt Hon Theresa May MP announced the most significant changes to the region's anti-money laundering and counter-terrorist finance regime in over a decade.<sup>1</sup>

### WHAT'S NEW

The action plan seeks to protect the United Kingdom's financial economy and create a more hostile environment for those seeking to hide or use the proceeds of criminal or corrupt activities by implementing three key elements.

The three priorities of the action plan are:

1. An **enhanced law enforcement response** to existing threats including building new capabilities in law enforcement agencies and creating tough new legal powers to enable the relentless disruption of criminals and terrorists
2. A **reform of the supervisory regime** to ensure consistent, effective enforcement against those few companies who facilitate or enable money laundering
3. To **increase the international reach of law enforcement agencies and international information sharing** to combat money laundering and terrorist financing threats

Home Secretary's office will gain perspectives from law enforcement, consulting firms, non-governmental organizations and major businesses during a 6-week consultation on various measures including the following:

- Fundamental reform of the suspicious activity reports regime, under which people in the regulated sector may have to report suspicions of money laundering to the National Crime Agency
- Creation of new powers which include unexplained wealth order ("UWO"), which would require those suspected of money laundering to disclose their wealth
- The provision of a linked forfeiture power for use where the answers provided are unsatisfactory, or where the subject of a UWO fails to respond

1. Biggest reforms to money laundering regime in over a decade, Home Office, HM Treasury, Rt. Honorable Theresa May, April 21, 2016 <https://www.gov.uk/government/news/biggest-reforms-to-money-laundering-regime-in-over-a-decade>.

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- The creation of an illicit enrichment offense, which is to be used for when public officials have a significant and inexplicable increase in their assets
  - New administrative power to designate an entity as being of money laundering concern and require the regulated sector to take special measures with them

## WHAT DOES THIS MEAN FOR YOU?

- Financial institutions and other businesses in the United Kingdom will be facing a variety of additional regulatory requirements.
- Law enforcement will apply new tools in the fight against money laundering and terrorist financing.

Banks may have to ensure they have the proper protocols in place to appropriately report on sources of revenue and income. Initial steps may include:

- Conducting an assessment of your Know Your Customer (“KYC”) policies and procedures.
- Communicating the changes to senior leadership, affected business units, and pertinent third-parties.

## HOW NAVIGANT CAN HELP

### Risk Assessment

Navigant can conduct a comprehensive review of your organization and assess the potential risks associated with customers, products and services, delivery channels and geographic locations.

### Development and Delivery of Training and Educational Programs

Navigant can help your financial institution develop and deliver training materials that clearly and concisely interpret applicable legal, regulatory, policy and procedural requirements as well as the possible ramifications associated with non-compliance.

### Customer Due Diligence

Navigant can assist you in your KYC and Enhanced Due Diligence (“EDD”) file remediation.

