



The Law Society

## **Anti-money laundering – draft paragraphs for client care letters or terms of engagement**

**Law Society's Money Laundering Task Force  
5 February 2007**

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## Version 1

### 1. Proof of Identity

In order to comply with the law on money laundering, we need to obtain evidence of your identity as soon as practicable. We should be grateful, therefore, if you would provide us with documents to verify your identity and address as set out on the attached sheet.

### 2. Confidentiality

Solicitors are under a professional and legal obligation to keep the affairs of clients confidential. This obligation, however, is subject to a statutory exception: recent legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose information to the Serious and Organised Crime Agency. Where a solicitor knows or suspects that a transaction on behalf of a client involves money laundering, the solicitor may be required to make a money laundering disclosure. If this happens, we may not be able to inform you that a disclosure has been made or of the reasons for it.

### 3. Cash

Our firm's policy is:

- (a) not to accept cash from clients;  
or
- (b) to only accept cash up to £X?<sup>1</sup>

If clients circumvent this policy by depositing cash direct with our bank we reserve the right to charge for any additional checks we deem necessary regarding the source of the funds.

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<sup>1</sup> Firms should consider whether to prohibit the receipt of cash from clients or third parties, or whether to set a maximum amount of cash which is appropriate for the nature of the work being undertaken.  
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## Version 2

### 1. Proof of Identity

The law now requires solicitors, as well as banks, building societies and others, to obtain satisfactory evidence of the identity of their clients. This is because solicitors who deal with money and property on behalf of their clients can be used by criminals wishing to launder money. In order to comply with the law on money laundering, we need to obtain evidence of your identity as soon as practicable. We should be grateful, therefore, if you would provide us with documents to verify your identity and address, as set out on the attached sheet.

### 2. Confidentiality

Solicitors are under a professional and legal obligation to keep the affairs of clients confidential. This obligation, however, is subject to a statutory exception: recent legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose information to the Serious and Organised Crime Agency. Where a solicitor knows or suspects that a transaction on behalf of a client involves money laundering, the solicitor may be required to make a money laundering disclosure.

If, while we are acting for you, it becomes necessary to make a money laundering disclosure, we may not be able to inform you that a disclosure has been made or of the reasons for it.

### 3. Cash

- (a) not to accept cash from clients; or
- (b) to only accept cash up to £X?<sup>1</sup>

If clients circumvent this policy by depositing cash direct with our bank we reserve the right to charge for any additional checks we deem necessary regarding the source of the funds.

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<sup>1</sup> Firms should consider whether to prohibit the receipt of cash from clients or third parties, or whether to set a maximum amount of cash which is appropriate for the nature of the work being undertaken.

## Version 3

### 1. Proof of Identity

The law now requires solicitors, as well as banks, building societies and others, to obtain satisfactory evidence of the identity of their clients. This is because solicitors who deal with money and property on behalf of their clients can be used by criminals wishing to launder money. In order to comply with the law on money laundering, we need to obtain evidence of your identity as soon as practicable. We should be grateful, therefore, if you would provide us with documents to verify your identity and address, as set out on the attached sheet.

### 2. Confidentiality

Solicitors are under a professional and legal obligation to keep the affairs of clients confidential. This obligation, however, is subject to a statutory exception: recent legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose information to the Serious and Organised Crime Agency. Where a solicitor knows or suspects that a transaction on behalf of a client involves money laundering, the solicitor may be required to make a money laundering disclosure.

If, while we are acting for you, it becomes necessary to make a money laundering disclosure, we may not be able to inform you that a disclosure has been made or of the reasons for it. Where the law permits us to do, we will tell you about any potential money laundering problem and explain what action we may need to take.

### 3. Cash

- (a) not to accept cash from clients; or
- (b) to only accept cash up to £X?<sup>1</sup>

If clients circumvent this policy by depositing cash direct with our bank we reserve the right to charge for any additional checks we deem necessary regarding the source of the funds.

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<sup>1</sup> Firms should consider whether to prohibit the receipt of cash from clients or third parties, or whether to set a maximum amount of cash which is appropriate for the nature of the work being undertaken.