

# Chapter 1

## Introduction

## 1.1 What is the FCTR?

**1.1.1** *FCTR* contains summaries of, and links to, thematic reviews of various financial crime risks. It includes the consolidated examples of good and poor practice that were included with the reviews' findings. Each chapter includes a statement about those to whom it is most relevant and, where good and poor practice is included, to whom that guidance applies. We have suggested where material may be of interest and use to a broader range of firms, but we will only take guidance as applying to those types of firms to whom we have directly applied it. Each chapter also includes cross references to relevant chapters in *FCG*.

**1.1.2** The statements of our expectations and the examples of good and poor practice in the body of *FCTR* have the same status as in *FCG*: they are "general guidance" as defined by section 158 of the Financial Services and Markets Act 2000. The guidance in *FCTR* is not binding and imposes no requirements on firms. Please refer to ■ **FCG 1** for more information about guidance in *FCG* and *FCTR*.

**1.1.3** As with *FCG*, *FCTR* contains guidance on *Handbook* rules and principles, particularly:

- ■ **SYSC 3.2.6R** and ■ **SYSC 6.1.1R**, which require firms to establish and maintain effective systems and controls to counter the risk that they might be used to further financial crime;
- Principles 1 (integrity), 2 (skill, care and diligence), 3 (management and control) and 11 (relations with regulators) of our Principles for Businesses, which are set out in ■ **PRIN 2.1.1R**;
- the Statements of Principle for Approved Persons set out in ■ **APER 2.1A.3R** and the conduct rules set out in ■ **COCON 2.1** and ■ **2.2**; and
- in relation to guidance on money laundering, the rules in ■ **SYSC 3.2.6AR** to ■ **SYSC 3.2.6JG** and ■ **SYSC 6.3** (Financial crime)

**1.1.4** Not all thematic reviews contain consolidated examples of good and poor practice. All reports do, however, discuss what the *FCA/FSA* found about the practices in place at the firms it visited. This information is not guidance, but firms interested in comparing themselves against their peers' systems and controls and policies and procedures in the areas covered by the reviews can

find more information on this in the original reports. Firms should consider whether information in historic thematic reviews in *FCTR* relating to the Money Laundering Regulations 2007 remain relevant for the *Money Laundering Regulations*.