

**SUPERVISION MANUAL (FINANCIAL CRIME REPORT)
INSTRUMENT 2016**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers); and
 - (c) section 139A (Power of the FCA to give guidance); and
 - (2) the following provisions of the Electronic Money Regulations 2011 (SI 2011/99):
 - (a) regulation 49 (Reporting Requirements); and
 - (b) regulation 60 (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 31 December 2016.

Amendments to the Handbook

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Supervision Manual (Financial Crime Report) Instrument 2016.

By order of the Board
28 July 2016

Annex

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

16 Reporting requirements

16.1 Application

...

- 16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.6 and SUP 16.17)

(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
<i>SUP 16.20</i>
<u><i>SUP 16.23</i></u>	<u><i>A firm subject to the Money Laundering Regulations and within the scope of SUP 16.23.1R</i></u>	<u><i>Entire section</i></u>
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16.3 General provisions on reporting

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Structure of the chapter

- 16.3.2 G This chapter has been split into the following sections, covering:

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- (15) *AIFMD* reporting (*SUP 16.18*);
- (16) reporting under the *MCD Order for CBTL firms* (*SUP 16.21*); ~~and~~
- (17) reporting under the *Payment Accounts Regulations* (*SUP 16.22*); and
- (18) annual financial crime reporting (*SUP 16.23*).

...

16.15 Reporting under the Electronic Money Regulations

...

16.15.5 D ...

16.15.5A D SUP 16.23.4R to SUP 16.23.7R (Annual Financial Crime Report) apply to an *electronic money institution* that has reported total revenue of £5 million or more as at its last *accounting reference date* as if a reference to *firm* in these rules and guidance were a reference to an *electronic money institution* and the reference to *group* is read accordingly.

...

After SUP 16.22 insert the following new section. The text is not underlined.

16.23 Annual Financial Crime Report

Application

- 16.23.1 R This section applies to all *firms* subject to the *Money Laundering Regulations*, other than:
- (1) a *credit union*;
 - (2) a *P2P platform operator*;
 - (3) an *authorised professional firm*;
 - (4) a *firm* with *limited permissions* only; or
 - (5) a *firm* excluded under SUP 16.23.2R.
- 16.23.2 R Unless a *firm* is listed in the table below, this section does not apply to it where both of the following conditions are satisfied:
- (1) the *firm* has reported total revenue of less than £5 million as at its last *accounting reference date*; and
 - (2) the *firm* only has *permission* to carry on one or more of the following activities:
 - (a) *advising on investments*;
 - (b) *dealing in investments as agent*;
 - (c) *dealing in investments as principal*;
 - (d) *arranging (bringing about deals) in investments*;
 - (e) *making arrangements with a view to transactions in investments*;

- (f) *assisting in the administration and performance of a contract of insurance in relation to non-investment insurance contracts;*
- (g) *agreeing to carry on a regulated activity;*
- (h) *advising on pension transfers and pension opt-outs;*
- (i) *credit-related regulated activity;*
- (j) *home finance mediation activity;*
- (k) *managing investments;*
- (l) *establishing, operating or winding up a collective investment scheme;*
- (m) *establishing, operating or winding up a personal pension scheme;*
- (n) *establishing, operating or winding up a stakeholder pension scheme;*
- (o) *managing a UCITS;*
- (p) *managing an AIF;*
- (q) *safeguarding and administering investments;*
- (r) *acting as trustee or depositary of a UCITS;*
- (s) *acting as trustee or depositary of an AIF; and/or*
- (t) *operating a multilateral trading facility.*

Table: Firms to which the exclusion in SUP 16.23.2R does not apply

<i>a UK bank;</i>
<i>a building society;</i>
<i>a EEA bank;</i>
<i>a non-EEA bank;</i>
<i>a mortgage lender;</i>
<i>a mortgage administrator; or</i>
<i>a firm offering life and annuity insurance products.</i>

Purpose

- 16.23.3 G (1) The purpose of this section is to ensure that the *FCA* receives regular and comprehensive information about the *firm's* systems and controls in preventing *financial crime*.
- (2) The purpose of collecting the data in the Annual Financial Crime Report is to assist the *FCA* in assessing the nature of *financial crime* risks within the financial services industry.

Requirement to submit the Annual Financial Crime Report

- 16.23.4 R (1) A *firm* must submit the Annual Financial Crime Report to the *FCA* annually in respect of its financial year ending on its latest *accounting reference date*.
- (2) A *firm* is only required to submit data that relates to the parts of its business subject to the *Money Laundering Regulations*.
- 16.23.5 G (1) If a *group* includes more than one *firm*, a single Annual Financial Crime Report may be submitted, and so satisfy the requirements of all *firms* in the *group*.
- (2) Such a report should contain the information required from all the relevant *firms*, meet all relevant due dates, indicate all the *firms* on whose behalf it is submitted and give their firm reference numbers (FRNs). The obligation to report under *SUP* 16.23.4R remains with the individual *firm*.

Method for submitting the Annual Financial Crime Report

- 16.23.6 R A *firm* must submit the Annual Financial Crime Report in the form specified in *SUP* 16 Annex 42AR using the appropriate online systems accessible from the *FCA's* website.

Time period for firms submitting their Annual Financial Crime Report

- 16.23.7 R A *firm* must submit the Annual Financial Crime Report within 60 *business days* of the *firm's* *accounting reference date*.

...

Amend the following as shown.

TP 1 Transitional provisions

...

1.2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
15 D	...				
<u>15</u> <u>E</u>	<u>SUP 16.15.5AD</u>	<u>D</u>	In respect of the reporting period for which the <i>electronic money institution's accounting reference date</i> falls between 31 Dec 2016 and 30 Dec 2017 (inclusive) it must provide the data on a best endeavours basis.	From <u>31 December 2016</u> until <u>30 December 2017</u>	<u>31 December 2016</u>
<u>15</u> <u>F</u>	<u>SUP 16.23.4R</u>	<u>R</u>	In respect of the reporting period for which the <i>firm's accounting reference date</i> falls between <u>31 Dec 2016</u> and <u>30 Dec 2017</u> (inclusive) it must provide the data on a best endeavours	From <u>31 December 2016</u> until <u>30 December 2017</u>	<u>31 December 2016</u>

			<u>basis.</u>		
...					

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After SUP 16 Annex 41BG (Notes for completion of payment accounts report in SUP Annex 41AD) insert the following new annexes. All the text is new and not underlined.

16 Annex 42AR Annual Financial Crime Report

REP-CRM - Financial Crime Report

	Currency	N/A	Currency Units	N/A
GROUP REPORTING			A	
1 Does the data in this report cover more than one authorised firm?			[]	
			FRN	
2 If Yes, list the firm reference numbers (FRNs) of all additional firms included in this report.			[]	+
			[]	
Section 1 : Operating Jurisdictions				
3 Please list:	A	B		
	The jurisdictions within which the firm operates as at the end of the reporting period	Those jurisdictions assessed and considered high-risk by the firm		
	[]	[]		
	[]	[]		+
	[]	[]		
Section 2 : Customer Information				
	A	B		
<i>If any part of the the firm's business is subject to the Money Laundering Regulations, please provide the total number of the firm's relationships with:</i>	As at the end of the reporting period	New in the reporting period		
4 Politically Exposed Persons	[]	[]		
5 Non-EEA Correspondent Banks	[]	[]		
6 All Other High-Risk Customers	[]	[]		
<i>For any business conducted by the firm (excluding general insurance):</i>	A			
<i>Please provide the number of the firm's customer relationships located in the following geographical areas:</i>	As at the end of the reporting period			
7 Europe	[]			
<i>Of which:</i>				
8 United Kingdom	[]			
9 European Economic Area (EEA)	[]			
10 Other Europe	[]			
11 Middle East & Africa	[]			
12 North America	[]			
13 Central America & Caribbean	[]			
14 South America	[]			
15 Asia Pacific	[]			
16 Oceania	[]			
17 Please provide the number of the firm's customers linked to those jurisdictions considered by the firm to be high-risk:	As at the end of the reporting period			
	[]			
	A	B		
	Relationships refused	Relationships exited		
18 Please provide the number of customer relationships refused or exited for financial crime reasons during the reporting period:	[]	[]		

Section 3: Compliance Information

	A	B	C
19 Please provide the number of suspicious activity reports (SARs) under Part 7 of the Proceeds of Crime Act (POCA) 2002:	Submitted internally to the nominated officer (MLRO) within the firm as at the end of the reporting period	Disclosed to the National Crime Agency as at the end of the reporting period	The number of those SARs which were consent requests under s.336 POCA 2002

A

20 Please provide the number of SARs disclosed to the National Crime Agency under the Terrorism Act 2000 during the reporting period?

21 Please provide the number of investigative court orders received as at the end of the reporting period:

	A	B
22 Please provide the number of restraint orders being serviced/ in effect as at the end of the reporting period and the number of new restraint orders received during the reporting period:	Restraint orders being serviced/ in effect as at the end of the reporting period	New restraint orders received during the reporting period

	A	B
23 Please provide the number of relationships maintained with natural or corporate persons (excluding group members) which introduce business to the firm. Please also provide the number of these relationships which have been exited for financial crime reasons during the reporting period:	Relationships maintained	Relationships exited

A

If the firm has appointed representatives:

24 Please provide the number of appointed representative (AR) relationships exited due to financial crime reasons:

For all firms:

25 As at the end of the reporting period, please provide the total FTE of UK staff with financial crime roles:

Of which:

26 Please provide the percentage of the FTE stated above dedicated to fraud responsibilities:

Section 4: Sanctions-Specific Information

27 Does the firm use an automated system(s) to conduct screening against relevant sanctions lists?

	A	B
28 How many TRUE sanction matches were detected in the reporting period?	True customer sanctions matches	True payments sanctions matches

29 Does the firm conduct repeat customer sanctions screening?

Section 5: Fraud

Please indicate the firm's view of the top three most prevalent frauds which the FCA should be aware of and whether they are increasing, decreasing or unchanged:

	A	B	C	D
30 1st most prevalent fraud	Fraud Typology	Suspected Perpetrator(s)	Primary Victim	Involvement
31 Where 'Other' is selected in Question 30, please provide details				
32 2nd most prevalent fraud				
33 Where 'Other' is selected in Question 32, please provide details				
34 3rd most prevalent fraud				
35 Where 'Other' is selected in Question 34, please provide details				

16 Annex 42BG Guidance notes for completion of the Annual Financial Crime Report

The form in SUP 16 Annex 42AR should only be completed by *firms* and *electronic money institutions* subject to the reporting requirements in SUP 16.23.4R and SUP 16.15.5AD of the *FCA Handbook*.

General Notes

This data item is reported on a single unit basis and in integers, except where a full-time equivalent (FTE) figure is requested. Where an FTE figure is requested, this should be reported to two decimal places where available. If the figure to be reported is a whole number, this should be reported as [n].00.

For the purposes of this data item and guidance notes, any references to *firm* or *firms* should be read as also applying to *electronic money institutions*.

This return allows *firms* to report for a specified *group* of *firms* in a single Annual Financial Crime Report. Where a report is filed for a *group* of *firms*, the reported information should be the aggregate data for those *firms*. *Firms* should note that this is only available where all the *firms* included are subject to the requirement (i.e. *firms* that would not be subject to the requirement on a solo entity basis, based on the application provision in SUP 16.23.1R should not be included).

Firms subject to the requirement and which have a different *accounting reference date* from the *firm* submitting the Annual Financial Crime Report on behalf of a *group* should have their firm reference numbers (FRNs) included in the *group* report list. They will then need to submit a nil return for the entity via the appropriate systems accessible from the *FCA* website.

For the purposes of completing this return, references to ‘customer’ or ‘client’ refer to *customer* or *client* relationships as defined in the *FCA Handbook*.

We will use the data we collect through this data item to assess the nature of financial crime risks within the financial services sector. Section 5 of this return is designed to allow the *FCA* to track the industry’s perception of the most prevalent fraud risks. A *firm* may not be specifically affected by the fraud typologies it considers most prevalent across the industry.

Data Elements

Group reporting		
1A	Does the data in this report cover more than one authorised <i>firm</i> ?	If the report is being submitted on behalf of a number of <i>firms</i> , <i>firms</i> should answer ‘yes’ to this question.
2A	If yes, list the FRNs of all additional <i>firms</i> included in	Where a report is submitted on behalf of a number of <i>firms</i> , the submitting <i>firm</i> should report all of the FRNs of the firms included.

	this report.	<i>Firms</i> included in this question will need to report a separate nil return for the entity via the appropriate systems accessible from the <i>FCA</i> website.
Section 1: Operating jurisdictions		
Please list:		
3A	The jurisdictions within which the <i>firm</i> operates as at the end of the reporting period.	<p>Select from the list of country codes (in ISO 3166 format), the jurisdictions within which the <i>firm</i> is operating as at the end of the reporting period.</p> <p>Only those jurisdictions active as at the end of the reporting period should be reported; if a <i>firm</i> terminated operations within a jurisdiction during the reporting period, this jurisdiction does not need to be reported.</p> <p>‘Operates’ for the purposes of this form is defined as where the <i>firm</i> carries on its business or has a physical presence through a legal entity.</p> <p>For avoidance of doubt, this definition includes those jurisdictions in which the <i>firm</i> has representative offices. It also includes any jurisdictions where the firm carries on business using a services passport or an establishment passport.</p>
3B	Those jurisdictions assessed and considered high-risk by the <i>firm</i> .	<p>Select from the list of country codes (in ISO 3166 format), the jurisdictions assessed and considered by the <i>firm</i> to be high-risk. <i>Firms</i> should report any jurisdictions considered high-risk in which they operate and any additional jurisdictions assessed as high-risk by the <i>firm</i> within the previous 2 years, e.g. as part of a Country Risk Assessment.</p> <p>A <i>firm</i> is not required to report those jurisdictions in which it does not operate or which it has not assessed for risk.</p> <p>This question should be answered with regard to the <i>firm</i>’s own assessment of risk, which may or may not include the use of available public indices.</p>
Section 2: Customer information		
<p>Figures in this section should be for the number of <i>customer</i> or <i>client</i> relationships as at the end of the reporting period. It should include all accounts that are open, including dormant and inactive accounts. This would also include all <i>current accounts</i>, <i>CTF bank accounts</i>, <i>client bank accounts</i> and <i>client transaction accounts</i>. It excludes former <i>customers</i> or <i>clients</i>.</p> <p>Where the figure requested is ‘new in the reporting period’, a <i>firm</i> should report new (not pre-existing) <i>customer</i> or <i>client</i> relationships initiated within the reporting period. This should not include existing customers taking on new products. A <i>firm</i> should only provide figures in this section for those areas of its business subject to the <i>Money Laundering Regulations</i>.</p> <p>For non-financial institutions which may carry out regulated business (e.g. consumer credit), the <i>firm</i> should not include customers which are outside its regulated activities.</p>		

If any part of the *firm's* business is subject to the *Money Laundering Regulations*, please provide the total number of the *firm's* relationships with:

4A&B	Politically Exposed Persons (PEPs)	<p>A definition of 'Politically Exposed Person' can be found in Regulation 14(5) of the <i>Money Laundering Regulations</i>. This could be either a <i>customer</i> or <i>client</i> relationship with an individual, or with a corporate entity which the <i>firm</i> has classified as being a PEP-connected <i>customer</i> due to the existence of PEP shareholders, PEP ultimate beneficial owners or PEP Board Directors, as per the <i>firm's</i> own internal policy.</p> <p><i>Firms</i> should report the number of <i>customer</i> or <i>client</i> relationships, either individual or corporate, which they have classified as being PEP, or PEP-connected relationships. They should not report the total number of PEPs associated with a particular corporate <i>customer</i> or <i>client</i>.</p> <p><i>Firms</i> should not reclassify <i>customers</i> or <i>clients</i> for the purposes of completing this return. If <i>firms</i> do not classify or identify PEP-connected corporate entities as PEP <i>customers</i> or <i>clients</i> within their current policies, there is similarly no requirement to report.</p> <p>If a <i>firm</i> uses its own alternative, wider, PEP definition (e.g. including domestic PEPs or retention periods longer than a year), it should submit figures using its own definition.</p> <p>The figure provided should include existing <i>customer</i> or <i>client</i> relationships that became PEPs in the reporting period.</p> <p>Where a PEP has multiple relationships with the <i>firm</i>, that PEP should only be reported once in each of questions 4A and 4B.</p>
5A&B	Non-EEA correspondent banks	<p>This refers to situations where a <i>credit institution</i> has a correspondent banking relationship with a respondent institution from a <i>non-EEA state</i>. These terms are intended as set out in Regulation 14(3) of the <i>Money Laundering Regulations</i>. <i>Non-credit institutions</i> who do not hold these types of relationships should simply record zero in their response.</p>
6A&B	All other high-risk customers	<p>This refers to a <i>customer</i> or <i>client</i> categorised as being of high-risk for the purposes of compliance with Regulation 14 of the <i>Money Laundering Regulations</i>, and therefore subject to Enhanced Customer Due Diligence measures, but not otherwise captured in response to question 4 or 5.</p> <p>It does not include <i>customers</i> or <i>clients</i> meeting the definition under Regulation 14(2) (customers not physically present for identification purposes) except where they are deemed high-risk for other reasons.</p>

For the <i>firm's</i> business subject to the <i>Money Laundering Regulations</i> :		
7-16	Please provide the number of the <i>firm's</i> customer relationships located in the following geographical areas:	<p>The location for <i>customer</i> or <i>client</i> relationships should be determined by the location in which the <i>customer</i> or <i>client</i> is based. Where a <i>customer</i> or <i>client</i> has multiple addresses, the location reported should be the primary correspondence address as determined by the <i>firm</i>.</p> <p>Where the relationship is with a trust, the <i>firm</i> should report the location as the location of the trust.</p> <p>Except for the <i>United Kingdom</i> and <i>EEA</i>, for the purposes of this question geographical areas should be determined with reference to <i>SUP 16 Annex 42CG</i>.</p>
17	Please provide the number of the <i>firm's</i> customers linked to those jurisdictions considered by the <i>firm</i> to be high-risk:	<p>The <i>firm</i> should provide the number of customers judged by the <i>firm</i> to have links to jurisdictions identified by it as high-risk in question 3B.</p> <p>Links to a high-risk jurisdiction, for the purposes of this question, means <i>customers</i> or <i>clients</i> that are resident/domiciled/incorporated in a jurisdiction identified as high-risk by the <i>firm</i>.</p>
18A&B	Please provide the number of customer relationships refused or exited for financial crime reasons during the reporting period:	<p>The number of 'refused' relationships refers to the number of <i>customers</i> or <i>clients</i> that the <i>firm</i> did not take on, where financial crime was the principal driver behind the decision.</p> <p>It would not include <i>customers</i> or <i>clients</i> whose application did not proceed because, for example, they lacked appropriate documentary evidence of identity or who failed Immigration Act 2014 checks. It would include <i>customers</i> or <i>clients</i> whose application was escalated to management (due to financial crime concerns) for a decision on whether to proceed, and was rejected.</p> <p>'Relationships exited' covers any <i>customers</i> or <i>clients</i> with whom the <i>firm</i> ceased to do business where financial crime was the principal driver behind the decision. This covers criminal behaviour by the <i>customer</i> or <i>client</i> where such behaviour has a financial element, e.g. benefits fraud.</p>
Section 3: Compliance information		
Please provide the number of suspicious activity reports (SARs) under Part 7 of the Proceeds of Crime Act 2002 (POCA):		
19A	Submitted internally to the nominated officer/ <i>MLRO</i> , within the <i>firm</i> , as at the end of the reporting period.	This includes reports filed internally from staff to the <i>MLRO</i> that relate to the staff member's concerns, suspicions or knowledge of <i>money laundering</i> . The reported figure should include SARs generated by the AML/compliance function and system-generated SARs. These reports will be considered by the <i>MLRO</i> in order to decide whether a formal submission to the authorities is justified.

		The figure should not include (either for staff-generated or system-generated SARs) any reports filtered out at an earlier stage.
19B	Disclosed to the National Crime Agency as at the end of the reporting period.	The number of SARs disclosed to the National Crime Agency within the reporting period, as at the end of the reporting period.
19C	The number of those SARs which were consent requests under s. 335 POCA.	The number of disclosed SARs which sought consent from the National Crime Agency within the reporting period, as at the end of the reporting period.
20	Please provide the number of SARs disclosed to the National Crime Agency under the Terrorism Act 2000 during the reporting period:	The number of SARs disclosed to the National Crime Agency under the Terrorism Act 2000 (including consent SARs) within the reporting period, as at the end of the reporting period.
21	Please provide the number of investigative court orders received as at the end of the reporting period:	<p>This refers to production orders, disclosure orders, account monitoring orders and customer information orders as defined by the POCA, and/or the Terrorism Act 2000, received by the <i>firm</i> from law enforcement agencies or accredited financial investigators from other bodies as set out in an Order under section 453 of the POCA.</p> <p>This would include, for example, investigative court orders relating to suspected benefits fraud.</p> <p>The figure reported for this field should be the number of court orders received, regardless of the number of relationships to which these relate.</p>
22A&B	Please provide the number of restraint orders being serviced/in effect as at the end of the reporting period and the number of new restraint orders received during the reporting period:	<p>A 'restraint order' here refers to either a restraint order under section 42 of the POCA or a property freezing order under section 245A of the POCA.</p> <p>The number of restraint orders being serviced should include all restraint orders which are still in effect as at the end of the reporting period.</p> <p>The number of new restraint orders received should include all new restraint orders received by the <i>firm</i> during the reporting period, as at the end of the reporting period.</p> <p>The figure reported for this field should be the number of restraint orders received, regardless of the number of relationships to which these relate.</p>

23A&B	Please provide the number of relationships maintained with natural or corporate <i>persons</i> (excluding group members) which introduce business to the <i>firm</i> . Please also provide the number of these relationships which have been exited for financial crime reasons during the reporting period.	This question refers to individuals who, or corporate entities which, directly introduce <i>customers</i> or <i>clients</i> to the <i>firm</i> under a formal agency/broker agreement in return for a direct or indirect fee, commission or other monetary benefit.
If the <i>firm</i> has appointed representatives (ARs):		
24	Please provide the number of <i>appointed representative</i> (AR) relationships exited due to financial crime reasons:	<i>Firms</i> should report the number of existing AR relationships terminated for financial crime reasons during the reporting period.
For all <i>firms</i> :		
25	As at the end of the reporting period, please provide the total full time equivalent (FTE) of UK staff with financial crime roles:	<p><i>Firms</i> should provide an FTE figure on a reasonable endeavours basis.</p> <p>For example, if the <i>firm</i> has 20 part time staff that work 50% of normal hours, the figure would be 10 FTE.</p> <p>This field facilitates the entry of numbers to two decimal places. Integers should therefore be provided in the format [n].00.</p> <p>If this report is being completed on a <i>group</i> basis this figure should be the FTE for the specified <i>group</i>.</p> <p>Where this report is being completed on a single regulated entity basis and services are shared across multiple <i>firms</i>, <i>firms</i> may provide an estimate of the FTE spent on each reported entity on a best endeavours basis.</p> <p>In <i>firms</i> where financial crime responsibilities are divided up among staff with other roles rather than managed by a dedicated function, the figure should reflect the aggregated FTE spent on financial crime activity.</p> <p>The phrase ‘financial crime roles’ for the purposes of this</p>

		<p>question is intended to cover staff employed in a dedicated financial crime function (for example AML or compliance teams) who take decisions on financial crime issues. Therefore it would not cover teams or individuals responsible for collecting customer due diligence or those who submit internal suspicious activity reports.</p> <p>Outsourced financial crime activities should not be included in this figure.</p>
Of which:		
26	Please provide the percentage of the FTE stated above dedicated to fraud responsibilities	<p><i>Firms</i> should provide a percentage figure on a reasonable endeavours basis. This field facilitates the entry of numbers to two decimal places. Integers should therefore be provided in the format [n].00.</p> <p>If this report is being completed on a <i>group</i> basis this figure should be the percentage for the specified <i>group</i>.</p> <p>Where this report is being completed on a single regulated entity basis and services are shared across multiple <i>firms</i>, <i>firms</i> may provide an estimate of the percentage spent on each reported entity on a best endeavours basis.</p>
Section 4: Sanctions-specific information		
27	Does the <i>firm</i> use an automated system (or systems) to conduct screening against relevant sanctions lists?	<p><i>Firms</i> should answer 'Yes' or 'No'. Note there is no explicit regulatory or legal requirement for the use of automated screening tools. This question relates to automated systems for screening <i>customers</i> and <i>clients</i> only.</p> <p>Relevant sanctions lists are the lists against which the <i>firm</i> screens its <i>customers</i> and <i>clients</i>.</p>
28	How many TRUE sanction matches were detected during the reporting period?	<p>The number of confirmed true sanctions alerts which matched against the <i>firm's customer, client or payment</i>.</p> <p>The number to be reported relates to any matches against any relevant sanctions lists and is defined as any matches reported to the relevant authorities, regardless of whether these are confirmed as true by the authority.</p> <p>Relevant sanctions lists are the lists against which the <i>firm</i> screens its <i>customers</i> or <i>clients</i>.</p>
29	Does the <i>firm</i> conduct repeat customer sanctions screening?	<p><i>Firms</i> should answer 'Yes' or 'No'.</p> <p>This question relates to repeat <i>customer</i> or <i>client</i> sanctions screening only.</p>
Section 5: Fraud		

<p>30-35A-D</p>	<p>Please indicate the <i>firm's</i> view of the top three most prevalent frauds which the <i>FCA</i> should be aware of and whether they are increasing, decreasing or unchanged.</p>	<p>NB. This question is not mandatory.</p> <p>This question is designed to obtain the <i>firm's</i> view on the most prevalent frauds relevant to the <i>firm's</i> business and will be used by the <i>FCA</i> to understand whether the organisation is aware of the fraud risks identified by the broader industry.</p> <p>The fraud typologies available in the dropdown list are a subset taken from the Action Fraud A-Z of fraud types and are specified below. Please refer to the Action Fraud definitions in answering this question.</p> <p>The identified fraud typologies may or may not be those by which the <i>firm</i> has been specifically impacted, but should be those that the <i>firm</i> considers most prevalent as at the end of the reporting period.</p> <p>Fraud typologies</p> <p>419 emails and letters</p> <p>Abuse of position of trust</p> <p>Account takeover</p> <p>Advance fee fraud</p> <p>Application fraud</p> <p>Asset misappropriation fraud</p> <p>Bond fraud</p> <p>Carbon credits fraud</p> <p>Cashpoint fraud</p> <p>Cheque fraud</p> <p>Companies – fraudulent</p> <p>Computer hacking</p> <p>Credit card fraud</p> <p>Debit card fraud</p> <p>Expenses fraud</p> <p>Exploiting assets and information</p> <p>Fraud recovery fraud</p> <p>Hedge fund fraud</p> <p>Identity fraud and identity theft</p> <p>Insurance fraud</p> <p>Landbanking fraud</p> <p>Loan repayment fraud</p> <p>Short and long firm fraud</p>
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		<p>Malware-enabled fraud</p> <p>Mandate fraud</p> <p>Mortgage fraud</p> <p>Other (to be used where the specified typologies are not applicable). Please provide the fraud type in the free text box.</p> <p>Other investment fraud</p> <p>Pension liberation fraud</p> <p>Phishing</p> <p>Ponzi schemes</p> <p>Procurement fraud</p> <p>Pyramid schemes</p> <p>Share sale fraud</p> <p>Smishing</p> <p>Vishing</p> <p>Suspected perpetrators</p> <p>Customer</p> <p>Internal employee</p> <p>Organised crime group</p> <p>Other (to be used where the suspected perpetrator typologies are not applicable). Please provide the perpetrator type in the free text box.</p> <p>Third party contractor</p> <p>Third party professional</p> <p>Third party supplier</p> <p>Unknown third party</p> <p>Primary Victim</p> <p>Customer</p> <p>Other (to be used where the suspected perpetrator is neither a customer nor a regulated <i>firm/electronic money institution</i>). Please provide the primary victim type in the free text box.</p> <p>Regulated <i>firm/electronic money institution</i> (all jurisdictions).</p> <p>Incidence</p> <p>Decreasing</p>
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		Emerging risk Increasing Stable
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16 Annex 42CG Guidance Notes: Geographical breakdown for section 2 of SUP 16 Annex 42AR

General Notes

Questions 7 – 16 of the form in SUP 16 Annex 42AR require a breakdown of a *firm's* customers by geographical area. This annex specifies, for the avoidance of doubt, how countries are categorised in this breakdown.

References to the *European Economic Area (EEA)* and the *United Kingdom (UK)* are defined in the *FCA Handbook*, and *firms* should use these definitions when completing relevant questions in the form in SUP 16 Annex 42AR.

Note: Question 3 requires jurisdictions to be reported under ISO 3166-1 3-digit codes. These may be more granular than the classification below but this does not affect the categories in questions 7 – 16. For example, Jersey and Guernsey should be reported under their respective 3-digit codes in question 7, but for brevity have been included under 'Channel Islands' below.

This classification will be reviewed every two years. If a *firm* does business in a jurisdiction not listed, the *firm* should include that business under the region it considers most appropriate.

Classification of jurisdictions by geographical area for the purposes of SUP 16 Annex 42AR

Europe	
Åland Islands	Lithuania
Albania	Luxembourg
Andorra	Malta
Austria	Moldova
Belarus	Monaco
Belgium	Montenegro
Bosnia and Herzegovina	Netherlands

Bulgaria	Norway
Channel Islands	Poland
Croatia	Portugal
Cyprus	Romania
Czech Republic	Russia
Denmark	San Marino
Estonia	Serbia
Faroe Islands	Slovakia
Finland	Slovenia
France	Spain
FYR Macedonia	Svalbard and Jan Mayen islands
Germany	Sweden
Gibraltar	Switzerland
Greece	Turkey
Greenland	Ukraine
Hungary	United Kingdom
Iceland	Holy See (Vatican)
Ireland	
Isle of Man	
Italy	
Latvia	
Liechtenstein	

Middle East & Africa	
Algeria	Morocco
Angola	Mozambique
Bahrain	Namibia

Benin	Niger
Botswana	Nigeria
Burkina Faso	Oman
Burundi	Palestine
Cameroon	Qatar
Cape Verde	Reunion
Central African Republic	Rwanda
Chad	Saint Helena, Ascension and Tristan da Cunha
Comoros	Sao Tome and Principe
Congo	Kingdom of Saudi Arabia
Democratic Republic of Congo	Senegal
Cote d'Ivoire	Seychelles
Djibouti	Sierra Leone
Egypt	Somalia
Equatorial Guinea	South Africa
Eritrea	South Sudan
Ethiopia	Sudan
Gabon	Swaziland
The Gambia	Syria
Ghana	Tanzania
Guinea	Togo
Guinea-Bissau	Tunisia
Iran	Uganda
Iraq	United Arab Emirates
Israel	Western Sahara
Jordan	Yemen
Kenya	Zambia

Kuwait	Zimbabwe
Lebanon	
Lesotho	
Liberia	
Libya	
Madagascar	
Malawi	
Mali	
Mauritania	
Mauritius	
Mayotte	

North America	
Bermuda	Saint Pierre and Miquelon
Canada	United States
Mexico	

Central America & Caribbean	
Anguilla	Honduras
Antigua and Barbuda	Jamaica
Aruba	Martinique
Bahamas	Montserrat
Barbados	Nicaragua
Bonaire, Sint Eustatius and Saba	Panama
Belize	Puerto Rico
British Virgin Islands	Saint Barthelemy
Cayman Islands	Saint Kitts and Nevis

Costa Rica	Saint Lucia
Cuba	Saint Martin (French)
Curacao	Saint Vincent and the Grenadines
Dominica	Sint Maarten (Dutch)
Dominican Republic	Trinidad and Tobago
El Salvador	Turks and Caicos Islands
Grenada	US Virgin Islands
Guadeloupe	
Guatemala	
Haiti	

South America	
Argentina	Guyana
Bolivia	Paraguay
Brazil	Peru
Chile	Suriname
Colombia	Uruguay
Ecuador	Venezuela
Falkland Islands	
French Guiana	

Asia	
Afghanistan	Philippines
Armenia	Singapore
Azerbaijan	Sri Lanka
Bangladesh	Taiwan
Bhutan	Tajikistan

Brunei Darussalam	Thailand
Cambodia	Timor-Leste
PR China	Turkmenistan
Democratic People's Republic of Korea	Uzbekistan
Georgia	Vietnam
Hong Kong	
India	
Indonesia	
Japan	
Kazakhstan	
Republic of Korea	
Kyrgyzstan	
Laos	
Macao	
Malaysia	
Maldives	
Mongolia	
Myanmar	
Nepal	
Pakistan	

Oceania	
American Samoa	Northern Mariana Islands
Australia	Palau
Cook Islands	Papua New Guinea
Fiji	Pitcairn
French Polynesia	Samoa

Guam	Solomon Islands
Kiribati	Tokelau
Marshall Islands	Tonga
Federated States of Micronesia	Tuvalu
Nauru	Vanuatu
New Caledonia	Wallis and Futuna Islands
New Zealand	
Niue	
Norfolk Island	