
Managing the risk of entering into a toxic business relationship from the perspective of anti-money laundering legislation

MICHAŁ KACZMARSKI

(<https://orcid.org/0000-0001-5100-0308>)

Purpose: The aim of this article is to provide an introduction to the issue of risk management and the standard of due diligence within the establishment of a business relationship with a client by members of the public trust profession, in particular auditors, in the context of anti-money laundering legislation.

Methodology/research approach: Literature research and review of national and European legislation relating to issues of counteracting money laundering and the statutory auditor profession.

Results: Based on the review of literature and the content of legal regulations relating to counteracting money laundering and the exercise of the statutory auditor profession, key risk areas and legal requirements for managing the risk of exposure to money laundering involvement were identified.

The analysis performed made it possible to propose a number of recommendations in the scope of limiting the exposure to the conscious or unconscious involvement of a statutory auditor in unlawful activities in the context of legal obligations regarding anti-money laundering.

Research limitations/implications: The literature research and the review of legal regulations only covered documents selected by the author which he considered crucial from the perspective of the purpose of the analysis. The text is therefore not an exhaustive overview of all content relevant to anti-money laundering issues available in the public domain.



Originality/value: Gathering in one place the knowledge of the risks that surround the practice of the statutory auditor profession in the context of regulatory requirements in the area of counteracting money laundering and exposure to the risk of the statutory auditor's involvement in money laundering.

Key words: money laundering, counteracting money laundering, AML, economic crime, financial crime, fraud risk management, due diligence, *compliance*.