

Insights



Podcast: Robin Rathmell on the Compliance Risks for Companies that Deal with High-Net-Worth Clients

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Kobre & Kim's Robin Rathmell was interviewed by *Corporate Counsel Business Journal* for their "In House Warrior" podcast, released on May 14, 2020, where he discussed the biggest legal risks for companies that work with high-net-worth individuals (HNWIs).

Rathmell identified the commendable rise of anti-money-laundering (AML) legislation across the world as a top risk for the above parties. Since wealthy criminals structure their assets the same way as law-abiding wealthy individuals, the latter's assets are by nature subject to far-reaching AML laws. Therefore, compliance with said AML legislation is important to avoid "real legal trouble," Rathmell emphasized, and companies should always carry out compliance measures that reassure and respect their clients.

Companies' compliance departments should also be wary of two common mistakes when dealing with high-net-worth clients, Rathmell warned: One is when they are too desperate and become too lax, and the other is when they become too strict and turn away lawful clients "because they can't perform a checkbox exercise." The requirements of the law do not prescribe a specific compliance program, so they can and should be tailored to "the specific context of the client's needs and available information."

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