



Business owner: Robin Day

Tim Day & Co. Ltd (t/as Suffolk Coastal / Cutler & Bond)

Registered in England. No. 6680413

Anti-Money Laundering Policies and Procedures

Title: Tim Day & Co. Ltd AML policy and procedures 2022

Date of Implementation: updated 20/11/22

Approved & Signed:

Robin Day

HMRC Anti-Money Laundering Registration Number:

XML00000164026

Please note that Robin Day is the sole Director of Tim Day & Co. Ltd and the appointed MLRO.

Tim Day & Co. Ltd is a member of ResCheck, the Agent-To-Agent Anti-Money Laundering Compliance Programme, completing principal agent due diligence requirements for the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "2017" MLR). Certificate of Compliance.

HMRC AML registration number: XML00000164026

Robin Day AML courses attended:

24th & 25th November 2020: Foundation AML training course 'Anti-Money Laundering for Real Estate' (conducted by FCS Compliance) – CPD certified certificate.

15th December 2020. How to submit an effective Suspicious Activity Report (conducted by Rightmove)

10th February 2022: Refresher AML Training Course (conducted by FCS Compliance)

15th November 2022: Landmark "Compliance Corner: Facial Recognition - Protecting your business for the future". Webinar.

AML compliance account (KYC verification software) supplied by Landmark (formerly ETHOS) Estate Agency services.

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1. Nominated and Deputy Officer

The Nominated Officer for this business is -

Name: Robin Day

Title: Managing Director

Contact Address/Branch: 18 High Street, Aldeburgh, Suffolk, IP15 5AD

Telephone Number: 01728 677 980

Email Address: tim@suffolkcoastal.com

NB As Robin Day is the sole member of staff there is no deputy nominated officer.

Nominated Officer's responsibilities include:

- Ensure a system is in place to receive reports of suspicious activity from all staff and that staff are trained on this system
- Consider any potentially suspicious activity reports made to you by anyone on the business
- Have a system in place to decide if a SAR needs to be raised with the National Crime Agency (NCA)
- Ensure that records are kept where necessary once a decision has been made to whether to report an individual or not

2. Compliance Officer

We have decided not to appoint a Compliance Officer due to the small size of our sales business - Robin Day is the sole member of staff.

3. Money Laundering and Estate Agency Business

Money laundering is how criminals change money and other assets into clean money or assets that have no obvious link to their criminal origins. Money laundering can take many forms, but in the property sector it can involve:

- Buying a property asset using the proceeds of crime, letting it or selling it on, giving the criminal an apparently legitimate source of funds
- Criminals hiding behind complex company structures involving multiple countries and multiple bank accounts to disguise the real purpose of a transaction and hide its beneficial ownership
- A more direct method of paying an estate agency business or lettings agents a large amount and reclaiming it later
- The money for a purchase resulting from a mortgage fraud operation

Many estate agency businesses may not handle client money but will have knowledge of both parties to a transaction, or intermediaries and how a purchase is funded. Other estate agency businesses, such as auctioneers may handle deposits.

Tax evasion is a criminal offence that can lead to money laundering, for example, the sale price of a property may be set below the Stamp Duty threshold by manipulating the price of furniture and fittings. Tax may also be evaded by hiding behind complex legal structures. The proceeds of crime include the proceeds of corruption and super-prime property is an attractive way for individuals to hide this money.

3.1 Terrorist Financing

Terrorist financing involves dealing with money or property that you have reasonable cause to suspect may be used for terrorism. The funds and property may be gained from either legitimate or criminal sources. This may be small amounts.

3.2 Legislation

The primary UK legislation covering anti money laundering and counter-financing of terrorism is:

- Proceeds of Crime Act 2002
- Terrorism Act 2000
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (referred to in this guidance as ‘the Regulations’)
- Criminal Finances Act 2017
- Terrorist Asset-Freezing Act 2010
- Counter terrorism Act 2008, Schedule 7

Information on Sanctions can be found through:

- HM Treasury Sanctions Notices
- Guidance
- News releases

3.3 The Proceeds of Crime Act 2002

- Concealing, disguising, converting, transferring or removing criminal property from the UK
- Entering into or becoming involved in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- The acquisition, either use or possession, or both, of criminal property

Under the Proceeds of Crime Act it is also an offence to fail to report suspicious activity and tipping off any person that you've made such a report. This applies to nominated officers and employees of businesses in the regulated sector, such as estate agency businesses.

This duty extends across the whole business, so an estate agency business which also does lettings must also submit suspicious activity reports where suspicion arises within lettings.

The Terrorism Act sets out the primary offences relating to terrorist funding. Regulated businesses, like estate agency businesses, must report belief or suspicion of offences related to terrorist financing, such as:

- Fundraising for the purposes of terrorism
- Using or possessing money for the purposes of terrorism
- Involvement in funding arrangements
- Money laundering – facilitating the retention or control of money that is destined for, or is the proceeds of terrorism

The Criminal Finances Act 2017 make important amendments to the Proceeds of Crime Act, the Terrorism Act and the Anti-terrorism Crime and Security Act. It extends the power of law enforcement to seek further information, recover the proceeds of crime and combat the financing of terrorism. Involvement in money laundering offences may result in either unlimited fines, a prison term of up to 14 years, or both.

If a person or business fails to meet with the Regulations, they may face civil penalties or criminal prosecution. This could result in unlimited fines with a prison term of up to 2 years. You can find information on the penalties HMRC can issue.

Not meeting the regulations may lead to money laundering charges under the Proceeds of Crime Act 2002.

4. Risk Profile of Business

Suffolk Coastal and Cutler & Bond (Tim Day & Co. Ltd) is an estate agency. Suffolk Coastal Estate Agency is a sales only business on the Suffolk coast. Cutler & Bond is a London Estate agency that specialises in lower ground floor flats in central London, and does sales and lettings.

We don't deal with foreign properties or commercial units.

The typical properties for our business fall within the value range of £300k to £2.5m and typically we would not be instructed to sell properties valued at over (£2.5m)

The majority of our clients are either/both owners and occupiers who we meet in person or landlords and owners who do not live in the property. We do deal with clients who live abroad, but this is occasional and rare and mostly related to managing overseas rental properties on behalf of landlords.

As a Lettings business focused on lower ground floor flats, the average rent per calendar month is circa £2500 per calendar month. The highest historical rent PCM in our trading area, we have let is £5,416,66). We would therefore not be exposed to rental properties above the €10,000 (circa £8,500) threshold.

We are occasionally instructed by UK businesses, such as property developers, solicitors, banks or other estate agents or repossession companies who we know well and have good working relationships with.

We don't accept instructions from any person who we know is on the UK financial sanctions list.

We don't accept any cash payments of any kind and do not accept any payments from sellers or buyers' other payments for services we provide, which will be paid by cheque or bank transfer.

Summary of our risk profile:

- We generally act for residential clients who reside at the properties we market or have them as holiday homes (Suffolk) or rental investment properties
- In Suffolk we rarely act for client's who live outside of the UK
- In London we occasionally act for client's who live outside of the UK
- We meet almost all our clients face-to-face. Clients not met will be treated as higher risk
- We never handle any cash that will be used to purchase the property
- In the past 12 months, we have not acted for any client who is politically exposed
- The transactions we are involved in (almost) always involve other third parties, such as solicitors, banks, building societies, etc., who are also subject to the same legislation
- We have not acted for any client involved in complex or unusually large transactions, in the past 12 months

To deal with the Money Laundering risks, we have outlined our risk assessment in Section 6 that we ask our staff to refer to when assessing the risk a Vendor or Buyer pose. Then apply the appropriate risk on the Landmark system when running an electronic check to complete the customer due diligence.

NB the reference to the word 'staff' relates to Robin Day.

5. Company Audit Procedure

As part of our on-going commitment to ensuring compliance with the 5th Money Laundering Directive, we will audit our CDD obligations (at least once a year) or when there are material changes to the guidance.

Robin Day **will undertake the following duties:**

- Attend AML training events to ensure that we remain compliant and that our policies and procedures are fit for purpose
- Ensure all appropriate supporting documentation are held (please note that the business obtains buyer/seller ID by email or whatsapp. As a one-person business the ID obtained remains on our emails, however our emails/whatsapp messages are backed up on icloud on a regular basis and as such function as folders)
- Set in motion any corrective action required as a result of non-compliance
- Take responsibility for any disciplinary action deemed necessary against staff who are found to be in repeated violation of this document

6. Record Keeping

We run all checks via the Landmark system on either normal or high risk, in accordance with our risk assessment. We do obtain photo identity documents (either passport or driving licence) and they are retained on our email system) for the requisite 5 years.

All electronic checks are retained for 5 years.

NB we reaffirm the following in relation to record keeping:

Please note that the business obtains buyer/seller ID by email or whatsapp. As a one-person business the ID obtained remains on our emails, however our emails/whatsapp messages are backed up on icloud on a regular basis and as such function as folders)

7. Client Risk Assessments

We will conduct a risk assessment on our clients prior to listing the property for Vendors and between offer accepted and contracts exchanged for Purchasers. The risk assessment is outlined in Section 8.

We have 3 levels of customer due diligence:

- Simplified Due Diligence
- Normal Due Diligence
- Enhanced Due Diligence

6.1 SIMPLIFIED DUE DILIGENCE

Is appropriate for a business that is regulated or a known business/institution to be similarly regulated by HMRC. Eg. ,UK Local authority, or UK publicly listed company/body

6.2 NORMAL RISK – Normal Due Diligence

Individuals:

- We will require the person to provide us with their full name, current home address, date of birth and length of time at their current address so we can run them through the Landmark System on a Normal risk check
- If the client's circumstances change throughout the transaction, we will review any such change and may change the risk we apply to the client/individual
- We still request that the individual provides us with a copy of a passport or driving licence

Businesses:

- See our process in Section 10 – Customer Due Diligence Matrix

6.3 HIGH RISK - Enhanced Due Diligence

Individuals:

- We will require the person to provide us with their full name, current home address, date of birth and length of time at their current address so we can run them through the Landmark System on a high-risk check
- We may require certified copies of photo ID if we do not meet the individual face to face
- If we have a high risk individual we would take professional consultation from a specialist AML consultant (e.g. FCS compliance: <https://fcscompliance.co.uk>)

Businesses:

- See our process in Section 10 – Customer Due Diligence Matrix

6.4 POLITICAL EXPOSED PERSONS

- We will ID all PEP's using the Landmark system
- Once flagged as a PEP we will revisit the case and take the appropriate steps, we may apply enhanced due diligence on a politically exposed person, their relatives and close associates, based on their circumstances
- All PEP's or relative and close associates must be discussed with the nominated officer prior to proceeding with the transaction

6.5 UK TREASURY FINANCIAL SANCTIONS LIST

- We will identify if an individual is on the sanctions list by using the Landmark system
- Anyone who is identified to be on the sanctions list will be reported immediately to the Nominated officer and we will not further the transaction in anyway

6.6 ONGOING MONITORING OF THE CLIENTS RISK PROFILE

It is the responsibility of all employees to be diligent when dealing with clients and buyers; and to monitor the transaction from start to end. If there are any material changes in circumstances to our clients, that would change the risk we applied, the Nominated Officer will be informed, and the case file reviewed.

8. Acceptable Proof of ID and Residency for Individuals in High Risk / EDD Situations

8.1 ACCEPTABLE PHOTOGRAPHIC IDENTIFICATION

The following documents may be used as evidence of personal identity:

- Current signed passport
- EU member state identity card
- Current photo card driving license (Full or Provisional)
- Armed Forces ID card
- Firearms or shotgun certificate
- Identity card issued by the Electoral Office for Northern Ireland
- Acceptable Confirmation of Address

The following documents may be used as evidence of address:

- The most recent utility bill/statement (must be issued with the last 3 months) or a certificate from a utility supplier confirming a pre-payment arrangement for services. Mobile phone bills are not acceptable
- Most recent original bank, building society or credit union statement (must be issued with the last 3 months), or passbook containing current address (must have been updated within the last three months)
- Local council or housing association rent card or tenancy
- Most recent original mortgage statement from a recognised lender
- HMRC issued document concerning tax matters such as - Tax Demand, Self-Assessment, PAYE Coding, Tax Credit. A P60 or P45 is not acceptable as this is produced by the employer.
- Current UK/EU Photo Driver's License. This is not acceptable for both personal and address ID
- Paper version of current UK/EU Driver's License
- State Pension or Benefits Book/Notification Letter

9. Customer Due Diligence – Vendors

Customer Due Diligence has to be carried out each time instructions are given to us prior to marketing the property. This is irrespective of whether the client is an individual or a business.

A customer's identity and, where applicable, the identity of any beneficial owners, must be verified before, or at the point of accepting any instruction from a client.

9.1 STEPS TO TAKE

1. Upon instruction of the property, a risk assessment is to be conducted on the Beneficial Owner/s. This is detailed below. However, we obtain photo ID regardless.
2. An online check is to be carried out on the Beneficial Owners based on the result of the risk assessment (normal or high risk) via the Landmark system, using the personal information/process outlined in Section 7.
3. Based on the result, further documentation may need to be collated and the Nominated Office contacted for further advice (in high-risk cases).
4. In high-risk cases where a Seller refuses to supply further ID information when required, they will be immediately reported to the Nominated Officer and we may have to stop marketing the property.
5. Where issues in obtaining ID gives reason to suspect a problem with the client's identification and/or suspicions of money laundering, the Nominated Officer MUST be advised.
6. Red flags for Property Fraud – the list below should be considered in conjunction with all risk assessments

NB when we agree a sale the following is sent out to a vendor:

Finally, in line with AML (Anti-money laundering regulation) and KYC (Know your customer) estate agency compliancy, we require the following information from you:

- *Utility bill for xxx (property in question)*
- *Confirmation of how long it has been your principal residence*
- *A copy of your passport or driving licence*

Red flags for Property Fraud

Business Source

- Unusual introducer
- Direct approach where reason for contact questionable
- Proximity of the party to estate agent and/or their legal representation – if there is a distance, why?

Seller Characteristics

- Absent owner or landlord
- Owner/seller living abroad
- Recently issued (new) ID documents/driving licence etc
- Seller's lack of knowledge about the property

- Where the seller lives at a different address from the property and has no documentary evidence such as bills or building insurance schedule linking seller to the property
- Proximity of a signatory to the witness – if there is a distance, why? What is the relationship between the signatory and the witness?
- Email contact (remote client)
- Sole proprietor
- Long-time owners (high equity)
- Use of intermediaries to conduct the transaction
- Difficulty in identifying beneficial owners through complicated legal entities

Buyer Characteristics

- Buyers you do not meet or are reluctant to meet
- Difficulty in conducting Customer or Enhanced Due Diligence
- Foreign investors/buyers living abroad
- Property has not been inspected prior to purchase
- Value of the purchase is apparently beyond their means, with no satisfactory explanation of source of funds
- Proximity from estate agent and /or legal representation – if there is a distance, why?
- Use of intermediaries to conduct the transaction
- Where you have an exiting relationship, the transaction is different from the normal business of the customer

Property Characteristics

- Empty
- Tenanted
- Unencumbered (no mortgage)
- High value
- Unregistered
- Where there is no restriction on the register to comply with

Other Characteristics

- Quick sale required
- Quick, back to back sale (increased price)
- Funds going abroad or to an unusual destination
- End of chain transaction

9.2 RISK ASSESSMENT

Score each criteria (1, 2, or 3) depending on client risk:

Risk Score	Low 1	Medium 2	High 3	Score

Have you met the individual?	In the home	In the office	No: Enhanced Due Diligence MUST be completed if you do not meet the individual	
Where is the individual resident?	UK National in UK	Foreign National in UK/ UK National outside UK	Foreign National outside UK	
Is the transaction unusually large (e.g. £3m+)?*	No	N/A	Yes	
Is the transaction being conducted through a third party?	No	N/A	Yes	
Have you verified property ownership?	Owner(s) verified via Land Registry check	Satisfied with visual inspection/Owned by third party (Trust/Company/Probate)	No	
Are there any other concerns/complications in the transaction?	No	Some Concern	Further investigation required	
			TOTAL SCORE:	

Add up TOTAL SCORE and apply the following:

Normal Risk (Recommended Score: 1-8)	Next Steps: Using data collected, run AML check via Landmark's system, selecting 'normal' as client risk
High Risk (Recommended Score: 9+)	Next Steps: In addition to collected data, request passport/driving licence/National Insurance Number. Run AML check with all data, including document details, via Landmarks system, and select 'high' client risk, also refer to Section 15 and/or your Nominated Officer if needed

Notes: please note that the sales part of the business (Suffolk Coastal) operates mostly in Suffolk and means that we are dealing with either owner occupiers or holiday home owners with whom we meet with face-to-face. We always obtain photo ID (driving licence or passport). The value of properties that we deal with in Suffolk tends to be fairly low – average selling property price might be circa £600k. When it comes to risk assessment, we would only conduct a score check if we detect any red flags (as outlined above).

10. Customer Due Diligence - Buyers

Customer Due Diligence must be carried out on all buyers, prior to contracts exchanged. This is irrespective of whether the buyer is an individual or a business.

A buyer's identity needs ideally to be verified once an offer has been accepted, and we are preparing the Memorandum of Sale to be sent out to all parties.

10.1 STEPS TO TAKE

1. Confirmation in writing of the acceptance of the offer is then sent along with the memorandum of sale and NB we request the following:

Finally, in line with AML (Anti-money laundering regulation) and KYC (Know your customer) estate agency compliancy, we require the following information from both yourself and your husband:

- *Confirmation of your principal residence*
 - *How long it has been your principal residence*
 - *A copy of a utility bill*
 - *A copy of either your passport or driving licence*
 - *A copy of the agreement in principle document from your lender*
 - *An explanation of source of cash funds enabling you to transact*
2. Upon Memorandum of Sale, a risk assessment is to be conducted on the Buyer. Detailed below.
 3. An online check is to be carried out on the Buyer(s) via the Landmark system based on the result of the risk assessment (normal or high risk), using the information/process outlined in Section 10.
 4. In high risk cases where a Seller refuses to supply further ID information when required, they will be immediately reported to the Nominated Officer and we may have to stop marketing the property.
 5. Where issues in obtaining ID gives reason to suspect a problem with the client's identification and/or suspicions of money laundering, the Nominated Officer MUST be advised.

10.2 RISK ASESMENT

Score each criteria (1, 2, or 3) depending on client risk:

Risk Score	Low 1	Medium 2	High 3	Score
Have you met the individual?	In the property they wish to purchase	In the office	No: Enhanced Due Diligence MUST be completed if you do not meet the individual	
Where is the individual resident?	UK National in UK	Foreign National in UK/ UK National outside UK	Foreign National outside UK	
Is the transaction unusually large (e.g. £3m+)	No	N/A	Yes	

Is the transaction being conducted through a third party?	No	N/A	Yes	
How is the purchase being funded?	Sale of existing property/FTB	Another source of funds (inheritance etc.)	Unknown	
Are there any other concerns/complications in the transaction?	No	Some Concern	Further investigation required	
			TOTAL SCORE:	

Add up TOTAL SCORE and apply the following:

Normal Risk (Recommended Score: 1-8)	Next Steps: Using data collected, run AML check via Landmark's system, selecting 'normal' as client risk
High Risk (Recommended Score: 9+)	Next Steps: In addition to collected data, request passport/driving licence/National Insurance Number. Run AML check with all data, including document details, via Landmarks system, and select 'high' client risk, also refer to Section 15 and/or your Nominated Officer if needed

Notes:

Notes: please note that the sales part of the business (Suffolk Coastal) operates mostly in Suffolk and means that we are dealing with buyers whom we meet with face-to-face. We always obtain photo ID (driving licence or passport). The value of properties that we deal with in Suffolk tends to be fairly low – average selling property price might be circa £600k. When it comes to risk assessment, we would only conduct a score check if we detect any red flags (as outlined above).

11. Customer Due Diligence Matrix

By conducting the client risk assessment this will inform which customer due diligence route needs to be followed. If you have any doubts speak to the Nominated Officer.

11.1 LOW/MEDIUM RISK – Normal Due Diligence

a) Where a score of 1-8 is registered for standard Buyer/s and Vendor/s. Follow this process:

- Check Beneficial Ownership via Land Registry on the Landmark system
- Run normal risk check on the Landmark system. Information needed to run check: full name, current address, DOB and length of time at address
- Results to be sorted on Landmark system in case file and held for 5 years

b) Where the client/s is/are acting as an executor/s of the will of the property owner. Follow this process:

- Obtain a copy of the will appointing the executor
- Check the title of the property with the Land Registry to confirm ownership as in A above
- Follow normal customer due diligence procedure steps on the client/executor as in A above

c) Where the client/s is/are acting with power of attorney for the property/Beneficial Owner. Follow this process:

- Obtain a copy of the power of attorney document to confirm client authority
- Check the title of the property with the Land Registry to confirm ownership in the donor name as in a) above
- Follow Normal Customer Due Diligence procedure steps on the client as in a) above

d) Where the client/s is/are a UK Limited company (LTD) or Limited Liability Partnership (LLP). Follow this process:

- Obtain full details of the following: companies registered name, number, registered office address and principal place of business
- Conduct a Companies House check via the Landmark system to obtain the names of the Directors, and the share register report to ascertain and identify the shareholders of the company with 25% or more of shares.
- Ensure the person instructing you has the authority to instruct you on behalf of the company
- Conduct Customer Due Diligence on the person instructing you and everyone with a 25% or more share in the business, as in a) above

NOTE: Corporate bodies are obligated to provide the information below to estate agents where they instruct them to market properties for sale. They are obliged to provide the information within 2 working days of you requesting this information by providing the company with the Company Details Request Form.

Provision of Information obligation:

- Company name
- Registered number

- Registered office
- Principal place of business
- The law to which it is subject
- Its legal owners and beneficial owners
- Names of the directors, or members of its management body
- Names its senior management
- Its memorandum of association or other governing documents

e) Where the client/s is/are a Sole Trader/Partnership. Follow this process:

- Follow Normal Customer Due Diligence procedure on the Sole Trader/Partners of the business as in a) above

f) Where the client/s is/are an agent acting on/Behalf of the property owners. Follow this process:

- Conduct Customer Due Diligence on the agent who is your client, using the risk assessment matrix and then the Landmark system
- Following a) above; alternatively collect the instructing agent's due diligence if we have an arrangement

11.2 HIGH RISK - Enhanced Due Diligence

Where the client/s has scored 9+ or above. Or we are dealing with a rental property with a value of €10,000 or more per calendar month (PCM).

a) Follow this process:

- Check Beneficial Ownership via Land Registry on the Landmark system
- Run high risk check on the Landmark system. Information needed to run check: full name, current address, DOB and length of time at address
- Run/validate documents (Passport, driving license or NI number) through the Landmark system
- Results to be sorted on Landmark system in case file and held for 5 years

b) Where the client/s is/are acting as an executor/s of the will of the property owner. Follow this process:

- Obtain a copy of the will appointing the executor
- Check the title of the property with the Land Registry to confirm ownership as in a) above
- Follow Enhanced Customer Due Diligence procedure steps on the client/executor as in a) above

c) Where the client/s is/are acting with power of attorney for the property/Beneficial Owner. Follow this process:

- Obtain a copy of the power of attorney document to confirm client authority
- Check the title of the property with the Land Registry to confirm ownership in the donor's name as in a) above
- Follow Enhanced Customer Due Diligence procedure steps on the client as in a) above

d) Where the client/s is/are a UK Limited company (LTD) or Limited Liability Partnership (LLP). Follow this process:

- Obtain full details of the following: companies registered name, number, registered office address and principal place of business
- Conduct a Companies House check via the Landmark system to obtain the names of the Directors
- Ensure the person instructing you has the authority to instruct you on behalf of the company
- Conduct Enhanced Customer Due Diligence on the person instructing you and everyone with a 25% or more share in the business, as in a) above

NOTE: Corporate bodies are obligated to provide the information below to estate agents where they instruct them to market properties for sale. They are obliged to provide the information within 2 working days of you requesting this information by providing the company with the Company Details Request Form.

Provision of Information obligation:

- Company name
- Registered number
- Registered office
- Principal place of business
- The law to which it is subject
- Its legal owners and beneficial owners
- Names of the directors, or members of its management body
- Names its senior management
- Its memorandum of association or other governing documents

e) Where the client/s is/are a Sole Trader/Partnership. Follow this process:

- Follow Enhanced Customer Due Diligence procedure on the Sole Trader/Partners of the business as in a) above

f) Where the client/s is/are an agent acting on/Behalf of the property owner/s. Follow this process:

- Conduct Enhanced Customer Due Diligence on the agent who is your client, using the risk assessment matrix and then the Landmark system
- Following a) above; alternatively collect the instructing agent's due diligence if we have an arrangement

g) Where we are instructed on a letting's property of €10,000 (circa £8,500) PCM or we are renting this property out. Follow this process:

- Landlord or Tenant is instantly to be treated as a high risk
- Following a) above conduct Enhanced Customer Due Diligence procedure on the Landlord/s & Tenant/s
- Consider asking for the proof and source of funds

h) Where we are instructed by a Trust to buy or sell a property they own. Follow this process:

- Obtain, the trust full name, registered address and trust deed
- Obtain information on the transaction and reasons for, note in risk assessment

- Identify and verify the Trustee, acting on behalf of the trust – by following the EDD process laid out in a) above
- Obtain information (where appropriate) on the business relationship/ transaction.
- Identify and verify the settlor – by following the EDD process laid out in a) above

12. Politically Exposed Person

A Politically Exposed Person (PEP) is someone that is entrusted with prominent public functions. This definition also includes their relatives and any known close associates also known as a Politically Exposed Person by association. This can be in any country including the UK.

We identify PEP's, RCA (relatives and close associates) using the Landmark system which is linked to Dow Jones and updated on a daily basis, the system is controlled by SmartSearch and is regulated and approved by the JMSLG (Joint Money Laundering Steering Group).

Prominent public functions are defined as, but are not limited to:

- Heads of state, Heads of Government, Ministers and Deputy or Assistant Ministers
- Members of parliament or of similar legislative bodies
- Members of the governing bodies of political parties
- Members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances
- Members of courts of Auditors or of the boards of central banks
- Ambassadors, chargés d'affaires and high-ranking officers in the armed forces
- Members of the administrative, management or supervisory bodies of state-owned enterprises
- Directors, Deputy Directors and members of the board or equivalent function of an international organisation

Family members are defined as, but not limited to:

- Spouse or Partner of that person
- Children of that person and their Spouses or Partners
- Parents of that person

Known close associates are defined as, but not limited to:

- An individual known to have joint Beneficial Ownership of a legal entity or a legal arrangement or any other close business relationship with a Politically Exposed Person
- An individual who has sole Beneficial Ownership of a legal entity or a legal arrangement which is known to have been set up for the benefit of a PEP

Regulation segments the following characteristics into low and high risk indicators that should be considered when assessing client risk. These are not exhaustive.

12.1 LOW-RISK INDICATORS

a) Geographical:

- Associated with low levels of corruption
- Political stability and free and fair elections
- Strong state institutions
- Credible anti-money laundering defences
- A free press with a track record for probing official misconduct

- An independent judiciary and a criminal justice system free from political interference
- A track record for investigating political corruption and taking action against wrongdoers
- Strong traditions of audit within the public sector
- Legal protections for whistle-blowers
- Well-developed registries for ownership of land, companies and equities

b) Personal and Professional:

- Is subject to rigorous disclosure requirements (such as registers of interests, independent oversight of expenses)
- Does not have executive decision-making responsibilities (such as a government MP with no ministerial brief or an opposition MP)
- Has ceased to be a PEP for at least 12 months

12.2 HIGH-RISK INDICATORS

a) Geographical:

- Associated with high levels of corruption
- Political instability
- Weak state institutions
- Weak anti-money laundering defences
- Armed conflict
- Non-democratic forms of government
- Widespread organised criminality
- A political economy dominated by oligopolistic actors with close links to the state
- Lacking a free press and where legal or other measures constrain journalistic investigation
- A criminal justice system vulnerable to political interference
- Lacking expertise and skills related to book-keeping, accountancy and audit, particularly in the public sector
- Law and culture antagonistic to the interests of whistle-blowers
- Weaknesses in the transparency of registries of ownership for companies, land and equities

b) Personal and Professional:

- Personal wealth or lifestyle inconsistent with known legitimate sources of income or wealth
- Subject to credible allegations of financial misconduct (e.g. facilitated, made, or accepted bribes)
- There is evidence they have sought to disguise the nature of their financial circumstances
- Is responsible for, or able to influence, large public procurement exercises, particularly where procurement is not subject to competitive tender, or otherwise lacks transparency
- Is responsible for, or able to influence, allocation of scarce government licenses such as mineral extraction concessions or permission for significant construction projects

13. Staff Reporting of Money Laundering Concerns

Any member of staff with any concerns that have reasonable grounds for suspecting Money laundering should take into account factors such as:

- The nature/origin of the transaction
- Proof and source of funds
- Cash or assets not being disclosed when asked or being disclosed at a later date
- Unusually large cash or foreign currency being used to fund the transaction
- The amount of money or if the property is valued at over £3m
- Whether the customer/s and/or the supplier of funds have any links to criminal/s, terrorists, terrorist groups or sympathisers in or outside the UK
- Unexplained source of wealth that is not in proportion to the client circumstances

14. Suspicious Activity Reports (SAR)

If there are any concerns, as laid out in Section 12, it must be reported to the Nominated Offer.

Suspicious Activity Report:

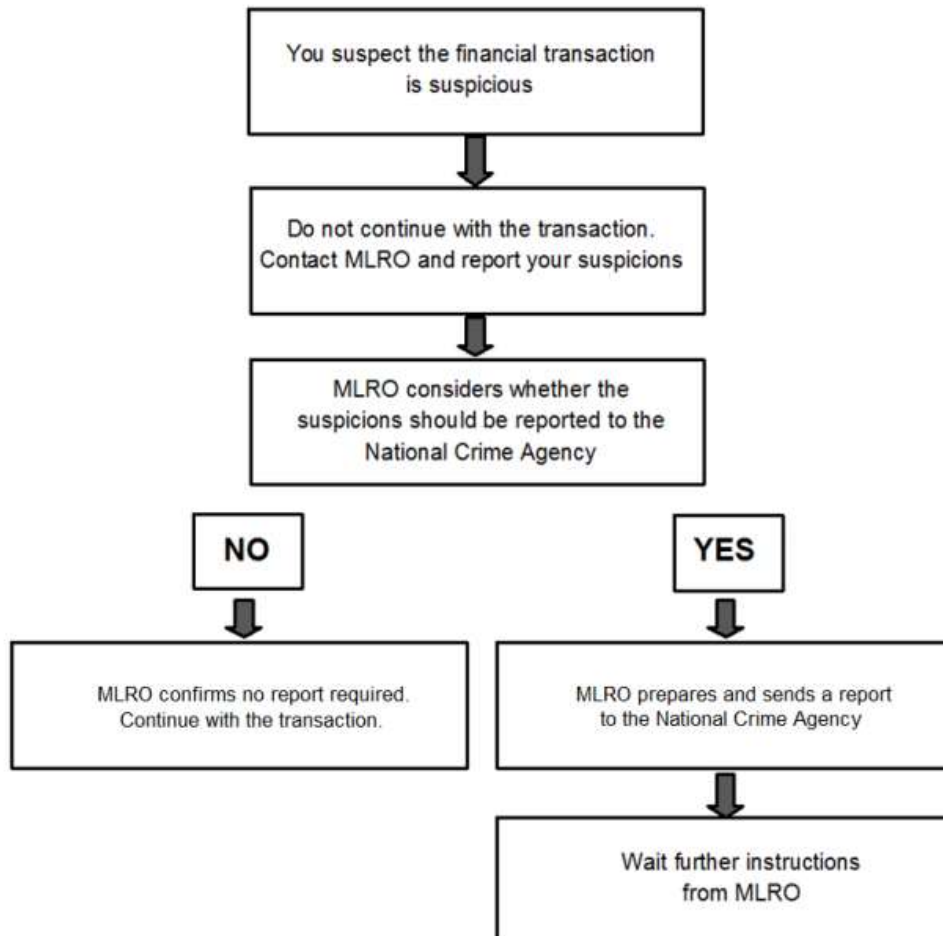
The NCA can be contacted on 020 7238 8282 to request consent. However, the NCA prefer reports to be made using their online reporting system:

[https://www.ukciu.gov.uk/\(2iqkjo45mvuznd45olinhkff\)/saronline.aspx](https://www.ukciu.gov.uk/(2iqkjo45mvuznd45olinhkff)/saronline.aspx)

Timescales:

The flowchart below outlines the timescales and processes that need to be followed by our business when a report is made to the NCA. The NCA tries to respond to such a request within 48 hours.

14.1 SUSPICIOUS ACTIVITY REPORTING FLOWCHART



15. Staff Training (N/A)

Staff training takes place on a regular basis in line with the requirements within the Money Laundering Regulations 2017. (NB as Robin Day is the sole staff member, he attends regular online courses)

The training we undertake is a mixture of internal training from the Nominated Officer (i.e Robin Day himself), as well as external sources who provide video content on the regulations and online questionnaires.

Courses attended are referenced on the first page.