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| **Introduction** This document and the policy contained herein, details the process and procedures we have adopted and complies with the new HM Revenue and Customs (HMRC) Supervision of Estate Agency Businesses under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which came in to force on 26 June 2017.It is essential that our business and it’s employees comply with the letter and spirit of this policy as failure to do so would be a criminal offence, which could carry a prison sentence. **Background to Money Laundering** Money Laundering and Estate Agency BusinessesThe Money Laundering Regulations ensure businesses at risk of being used for money laundering by criminals and terrorists have controls in place to minimise the risk of this happening. 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, including: • using proceeds of crime • mortgage fraud • tax evasion • terrorist financing • criminal activity • impersonation It is an offence to trade as an ‘Estate Agent’ unless registered with HM Revenue and Customs (HMRC) for anti-money laundering supervision. | **Parties** Description and definition of the 3 main parties; • HMRC • The Estate Agent • The Customer, Vendors and Purchasers and all parties involved in rental transactions of a one off value greater than €15,000. **Risk Assessment** Due to the nature of the Estate Agency market in which we operate we have chosen to assess our risk or susceptibility to money laundering as HIGH on all matters. For this reason we operate an Enhanced Due Diligence process for all Vendors, Purchasers, High Value Landlords and Tenants. We will communicate to our employees details of any type of business which we will not accept. **Registration** We have completed and submitted form MLR100 to: HMRC Anti Money Laundering Supervision Alexander House 21 Victoria Avenue Southend on Sea SS99 1AG Our registration was submitted in line with the notes provided by HMRC at https://www.gov. uk/government/publications/money-laundering-regulations-2007-supervision-of-estate-agency-businesses A copy of our registration certificate is displayed in each of our Estate Agency branches’ front office. Our original certificate is stored with this Procedures Document and forms part of our Anti Money Laundering Policy and Procedures Document. |
| **Policy Statement** Our policy statement makes clear the actions we take to prevent money laundering and terrorist financing, by setting down our policies and procedures in writing. The aim of the Enhanced Due Diligence procedures that we have adopted is to establish, beyond reasonable doubt, key identifiers that help combat fraudulent and money laundering activity in the property market. This document details how to highlight and escalate concerns via a defined chain of command, creating documented audit trails. A summary statement is distributed to all staff in all branches, a copy of which can be found in Appendix 1 “Summary of Money Laundering and Transfer of Funds Regulations 2017” All of our Staff are aware that they must report any suspicious activity to our Nominated Officer who has full autonomy to carry out their duties. We aim to make our procedures non-intrusive and easy for our staff to comply with the Estate Agents Anti Money Laundering obligations. All of our Staff understand that they carry Personal Liability and that they may be committing a crime, if they do not comply with our Policy and Procedures Document which supports the HMRC regulations. All of our staff are aware that they could incur an unlimited fine and/or a prison term of up to two years if: • they agree to, or are involved in committing a crime • a crime is committed because of their neglect It is important that all of our staff read, understand and implement the Policy Procedure and they will be provided with regular training on Anti Money Laundering. | **Policies and Procedures for Customer Due Diligence** Vendor Documentation, Records and Policy Prior to marketing a property we ensure that every Vendor is known to us and satisfies our AML checks by completing, recording and storing all necessary details. In order to demonstrate Enhanced Due Diligence we have partnered with Team Property Services to provide the following checks for all Vendors: • complete and check Vendor Information Form • Verifying and retaining copies of all Vendor(s) passports and/or driving licences • 3rd party electronic AML and PEP check • Confirmation of the Property’s Occupancy Status • Land Registry title documentation retrieval • Confirmation (or not) that the Vendor is the legal owner of the Property \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Appendix 2 shows a copy of the Vendor Information Form to be completed for each Vendor instruction. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Purchaser Documentation, Records and Policy Prior to issuing a Memorandum of Sale, it is the company policy to ensure that every potential purchaser is known to us and satisfies our Enhanced Due Diligence checks via our partner firm. • Complete and check Purchaser Information Form • Verifying and retaining copies of all Purchaser(s) passports and/or driving licences • 3rd party electronic AML and PEP check \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Appendix 3 shows a copy of the Purchaser Information Forms to be completed for each Purchaser.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| High Value Rental Documentation, Records and Policy Where a Landlord or a Tenant enters into a rental contract, whether AST, Short Term Tenancy or a Holiday Let which has a one off payment value greater than €15,000 it is the company’s policy to ensure that all parties to the transaction are known to us and all satisfy our AML checks by completing, recording and storing all necessary details. In order to demonstrate Enhanced Due Diligence we will complete the following checks for all Landlords and Tenants. • Landlord and Tenant Information Form • Verifying and retaining copies of all Landlord’s and Tenant(s) passports and/or driving licences • 3rd party electronic AML and PEP check \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Appendix 4 shows a copy of the Landlord Information Form to be completed for Rental Transactions of a value greater than €15,000 for Landlords. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Appendix 5 shows a copy of the Tenant Information Form to be completed for Rental Transactions of a value greater than €15,000 for Tenants. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Identifying organisations as customers** For corporate customers, partnerships, trusts, charities and sole traders, we will obtain identity information that is relevant to that entity. This includes: • the full name of the company • registration number • registered address • country of incorporation • its memorandum or other constitutional documents | To establish the beneficial owners of such entities we will refer these organisations to our approved Conveyancing Lawyer. **Exceptions and Variations to our Policies and Procedures** Where we have previously carried out Enhanced Due Diligence for a customer within a period of 2 years (24 months) we will rely on confirmation that retained records exist. **Areas of Particular Concern** Appendix 1 HMRC examples of areas of concern. Our staff have been trained to recognise these areas of concern and act in accordance with the necessary procedures. **Customers of Particular Concern** Appendix 1 HMRC examples of customers of concern. Our staff have been trained to recognise these customers of concern and act in accordance with the necessary procedures. **Suspicious Activity** Appendix 1 HMRC examples of activities of concern. Our staff have been trained to recognise these suspicious activities and act in accordance with the necessary procedures. **Suspicious Circumstances** Appendix 1 HMRC examples of suspicious circumstances. Our staff have been trained to recognise these suspicious circumstances and act in accordance with the necessary procedures. |

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| **Identifying and Reporting Suspicious Activity** The first action by any staff member who suspects suspicious activity is to escalate the matter to the Nominated Officer. Under no circumstance should any of the parties be informed before, during or after any investigation whether formally reported or not. The Nominated Officer should assess any report and decide whether to escalate the matter. The matter could be escalated to an approved Lawyer or where the seriousness or level of potential risk is high, should be escalated to the NCA via a Suspicious Activity Report under the Proceeds of Crime Act or the Terrorism Act. Escalation procedures can be found in Appendix 6 - 10 and shows the steps to be taken by staff and Nominated Officer. **Storage** Our records are held securely and electronically for 5 years from the date of the transaction. Our staff will ensure that all photographed or photocopied or scanned passport and/ or driving licence records are disposed of in a secure manner and/ or stored in secure lockable filing cabinets in line with the Data Commissioner’s guideline found at https://ico.org.uk/for-organisations/guide-to-data-protection/ **Staff Awareness** Senior Managers Our Senior Managers understand that they are personally liable for their conduct AND that of the staff employed by the company, or anyone representing the company. | Our staff and senior managers are aware that they must report any suspicious activities during the entire transaction process. Staff Personal Liability Our staff are familiar with our Policy and Procedures Document and of their personal responsibility and liability within these regulations. All of our offices have a copy of “Summary of Money Laundering and Transfer of Funds Regulations 2017” based on HMRC procedures, prominently displayed as detailed in Appendix 1. **Training** We fully train all staff when they join the company. This training is maintained throughout their employment and is reviewed when they move to other jobs within the company, or change roles. The staff training records form part of the Policy and Procedures Document where updates provide an audit trail for our Nominated Officer’s approval as shown in Appendix 11. The ongoing monitoring of training records enables us to assess whether there are training shortfalls and to evaluate the effectiveness of training given to staff. Our staff will receive ongoing training at least every two years. **Reviews and Controls** It is our policy to monitor and review the success of our Anti Money Laundering controls at least every six months. |

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| **Appendix 1** |
| **Summary of Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017** The main money laundering offences have not changed and apply to everyone. An offence is committed if one knows or reasonably suspects, or ought to have realised that they are dealing with proceeds of crime or money laundering without reporting it. It is an offence to fail to report suspicious activity. Estate Agents’ businesses are vulnerable to Money Laundering, Criminal Activity and Terrorist Financing. Our Policy and Procedures Document details the steps we take to prevent our services being used for money laundering. |
| **Areas of Particular Concern** • clients who instruct the firm to sell property they do not own • estate agency staff being offered bribes, for example in relation to valuations or planning applications • where the source of funds may be a result of mortgage fraud by a customer or mortgage broker • landlords not complying with their legal obligations • attempts to pay fully or partially for the purchase of a property from the proceeds of criminal activity like internet fraud, drug dealing, prostitution or human trafficking • acceptance of disproportionate corporate hospitality • use of a client fund account for non-property transactions or other funds handling services • tenants attempting to sell properties they have rented • passing off stolen property at auctions | **Customers of Particular Concern** • customers resident abroad • how the customer comes to the business, for example non face to face customers, occasional transactions, the pattern of behaviour and any changes to it and corporate customers, partnerships, or trusts • if you undertake business in areas with a highly transient population • the customer base may be unstable or have a high turnover • where you act for international customers or customers you do not meet • if you accept business from abroad, particularly tax havens, or countries with high levels of corruption, or where terrorist organisations operate • where you act for entities that have a complex ownership structure or a cross border element • payments that are made to or received from third parties |

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| **Appendix 1 (cont.)** |  |
| **Suspicious Activity** • checking the customer’s identity is difficult • the customer is reluctant to provide details of their identity or provides fake documents • the customer is trying to use intermediaries to protect their identity or hide their involvement • no apparent reason for using your business’s services - for example, another business is better placed to handle the size of the transaction or the location of the property • part or full settlement in cash or foreign currency, with weak reasons • use of cash in a quick sale, or cash exchanges directly between seller and buyer – perhaps including cash deposit • poor explanation for the early redemption of a previous mortgage, especially where redemption incurs a penalty cost • the customer or other party does not take up services that are attractive • the property value doesn’t fit the customer’s profile • the customer has not viewed the property or has only seen it on the internet • customers are similar - a group of purchasers with similar profiles purchasing new builds or off plan can be an indicator of organised mortgage fraud | **Suspicious Circumstances** • a property has multiple owners or is owned by nominee companies • the property has a high market-value • sale price significantly above or below market price • the property is vacant or recently tenanted • there is no onward transaction • an unknown third party appears at a late stage • unusual speed or requests to expedite transactions unnecessarily • a sudden or unexplained change in ownership • the immediate resale (flipping) of property at a higher value • a third party, apparently unconnected with the customer, bears the costs, settles invoices or otherwise pays the transaction costs • the customer requests payment to a third party who has no apparent connection with the customer • an unusually big cash or foreign currency transaction, and the customer will not disclose the source of the funds • unusual involvement of third parties, cash gifts, or large payments from private funds, particularly where the buyer appears to have a low income • you’re asked to hold a big sum in your client account, then refund it to the same or a different account • proceeds of a sale or rental sent to a high risk jurisdiction or unknown third party • successive transactions, especially of the same property, with unexplained changes in value • unusual source of funds, for example complex loans or unexplained charges • the owner, landlord or builder isn’t complying fully with their legal obligations, perhaps to save money • a previously sold property is re-marketed following enovation without an obvious source of funding. |
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