

Anti-Money Laundering Policy Background

On 26 June 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force in the UK.

These rules are more commonly referred to as the Money Laundering Regulations 2017. They replace the Money Laundering Regulations 2007.

In these Regulations, “estate agent” means a firm or a sole practitioner, who, or whose employees, carry out estate agency work, when the work is being carried out.

(2) For the purposes of paragraph (1) “estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979(54) (estate agency work), but for those purposes references in that section to disposing of or acquiring an interest in land are (despite anything in section 2 of that Act) to be taken to include references to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest.

Bribery, corruption, money laundering and terrorist financing are illegal and unethical. Compass Commercial is committed to ensuring that it has adequate controls to counter money laundering activities and terrorist financing activities.

Compass Commercial (“The Firm”) is registered with HMRC for anti-money laundering supervision under the Money Laundering Regulations.

This policy addresses the following issues: –

- in high risk situations where enhanced due diligence is required, understanding the source of funds in a transaction
- identifying PEPs, PSCs and any potential breaches of sanctions
- the process to be followed for customer due diligence
- the situations in which simplified due diligence, standard/ordinary due diligence, or enhanced due diligence will be appropriate
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The Firm provides appropriate and recurring training for staff to ensure familiarity with the risks associated with money laundering and terrorist financing. The Firm’s systems help to counter those risks.

MLRO

The officer responsible for the relevant person’s compliance with these Regulations is Rod Hindley and this has been confirmed to our supervisory authority; HMRC.

Statement

Compass Commercial (“The Firm”) is registered with HMRC for anti-money laundering supervision under the Money Laundering Regulations.

This policy and our procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified in our risk assessments.

Compass Commercial (“The Firm”) has appropriate controls in place proportionate to the type of work the firm does.

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The Firm provides appropriate and recurring training for staff to ensure familiarity with the risks associated with money laundering and terrorist financing. The Firm’s systems help to counter those risks.

We will communicate this policy, our controls and procedures, or any changes to them, to any staff working at The Firm.

We will keep an up-to-date record in writing of all the steps it has taken, unless our supervisory authority notifies us in writing that such a record is not required. We will provide the risk assessments to the supervisory authority on request.

It is Compass Commercial's policy that all vendors and purchasers, landlords and tenants must be identified fully with a minimum of two forms of ID, evidence of identity being photographic and, also, evidence of residence e.g. a utility bill dated in the last three months.

Adherence to the "Customer Due Diligence" (CDD) identification procedures on every occasion will mitigate the risks of the business being used to launder money or fund terrorism.

Alternatively, or additionally in the case of extended due diligence, an approved online money laundering check must be made with an approved supplier.

A documented risk assessment will be completed as part of CDD in every case.

This policy, the controls and procedures established will be maintained and reviewed annually to keep up to date with changing legislation.

Risk Assessment

The regulations state in clause 18 that we must

(1) take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which our business is subject.

(2) In carrying out the risk assessment required under paragraph (1), we must consider—

- (a) information made available to them by the supervisory authority
- (b) risk factors including factors relating to—
 - (i) its customers;
 - (ii) the countries or geographic areas in which it operates;
 - (iii) its products or services;
 - (iv) its transactions; and
 - (v) its delivery channels.

(3) In deciding what steps are appropriate under paragraph (1), we must consider the size and nature of its business.

Controls

Customer due diligence measures

In accordance with regulation 28

We will

1. identify the customer unless the identity of that customer is known to, and has been verified by, the relevant person;
2. verify the customer's identity unless the customer's identity has already been verified by the relevant person; and
3. assess, and where appropriate obtain information on, the purpose and intended nature of the business relationship or occasional transaction.

Where the customer is a body corporate we will obtain and verify

- the name of the body corporate;
- its company number or other registration number; (
- the address of its registered office, and if different, its principal place of business;
- the law to which the body corporate is subject, and its constitution
- the full names of the board of directors and the senior persons responsible for the operations of the body corporate.

Where the customer is beneficially owned by another person, we will

1. identify the beneficial owner
2. take reasonable measures to verify the identity of the beneficial owner so that the relevant person is satisfied that it knows who the beneficial owner is; and
3. if the beneficial owner is a legal person, trust, company, foundation or similar legal arrangement take reasonable measures to understand the ownership and control structure of that legal person, trust, company, foundation or similar legal arrangements.

For further information see regulations [27](#) to [38](#) of the Act.

Timing

We will verify the identity of the customer as soon as practicable after contact is first established.

Simplified Customer Due Diligence

We will apply simplified customer due diligence measures in relation to a business relationship or transaction if we have determined that the business relationship or transaction presents a low degree of risk of money laundering and terrorist financing, having considered

- (a) our risk assessment
- (b) relevant information made available to it
- (c) the risk factors referred to below

Customer risk factors

whether the customer is a/an

- public administration, or a publicly owned enterprise.
- individual resident in a geographical area of lower.
- credit institution or a financial institution.
- company whose securities are listed on a regulated market.
- product where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership.

For further information see regulation 37 of the act.

Enhanced Due Diligence

We will apply enhanced customer due diligence measures and enhanced ongoing monitoring, in addition to the customer due diligence measures to manage and mitigate the risks arising

- (a) in any case identified as one where there is a high risk of money laundering or terrorist financing in information made available to the relevant person
- (b) in any business relationship or transaction with a person established in a high-risk third country
- (c) in relation to correspondent relationships with a credit institution or a financial institution
- (d) if a relevant person has determined that a customer or potential customer is a PEP, or a family member or known close associate of a PEP
- (e) in any case where the relevant person discovers that a customer has provided false or stolen identification documentation or information and the relevant person proposes to continue to deal with that customer;
- (f) in any case where (i) a transaction is complex and unusually large, or there is an unusual pattern of transactions, and (ii) the transaction or transactions have no apparent economic or legal purpose, and
- (g) in any other case which by its nature can present a higher risk of money laundering or terrorist financing.

Reliance

In accordance with regulation 39 we may rely on a person who falls within paragraph (3) ("the third party") to apply any of the customer due diligence measures required by regulation 28(2) to (6) and (10).

In this situation we will immediately obtain from the third party all the information needed to satisfy the requirements.

Record-keeping

We will keep the records for at least five years beginning on the date on which we know, or have reasonable grounds to believe

- (a) that the transaction is complete, for records relating to an occasional transaction; or
- (b) that the business relationship has come to an end for records relating to
 - (i) any transaction which occurs as part of a business relationship, or
 - (ii) customer due diligence measures taken in connection with that relationship

The records are

- (a) a copy of any documents and information obtained to satisfy the customer due diligence requirements.

(b) sufficient supporting records (consisting of the original documents or copies) in respect of a transaction which is the subject of customer due diligence measures or ongoing monitoring to enable the transaction to be reconstructed.

We are not required to keep the records referred to above for more than 10 years.

Once the periods referred to above have expired, we will delete any personal data obtained for the purposes of these Regulations unless we have reason in accordance with the regulations to keep such records. See regulation 40 for more information.

Documents

If the verification of the customer's identity is done by documents this should be based on:

A government issued document with the customer's full name and photo with either the customer's date of birth or residential address such as:

- Valid passport
- Valid photo-card driving licence
- National identity card
- Firearms certificate

A government issued document (without a photo) which includes the customer's full name and supported by secondary evidence:

- Old style driving licence
- Recent evidence of entitlement to state or local authority funded benefit such as housing benefit, council tax benefit, pension, tax credit

Supported by secondary evidence such as

- A Land Registry title search
- A recent utility bill
- Bank or building society statement
- Most recent mortgage statement from a recognised lender

As part of Customer Due Diligence (CDD) process a check will be made of the Politically Exposed Person (PEP) and Sanctions Register. If an individual is a PEP or has sanctions, then the enhanced due diligence procedure will apply.

Data Protection

In accordance with regulation 41 any personal data obtained by us for the purposes of these Regulations will only be processed for the purposes of preventing money laundering or terrorist financing.

Suspicious Activity Reporting

A report should be made if a member of staff/ the nominated officer thinks that there is a possibility, which is more than fanciful, that a person is or has been engaged in money laundering or terrorist financing.

The report should be made to Rod Hindley as soon as possible.

Once the MLRO has considered the matter, a suspicious activity report may be raised with the National Crime Agency (NCA).

What is Suspicious Activity?

This list is by no means exhaustive but includes:

New Customers:

- Reluctance to provide details of their identity
- Customer is trying to use intermediaries to hide their identity or involvement
- There appears to be no genuine reason for the customer using the business's services
- Lack of evidence (or an avoidance in disclosure) of the source of funds

Regular/Existing Customers:

- Money is paid by a third party who does not appear to be connected with the customer
- The customer requests payment to a third party who has no apparent connection with the customer
- A cash transaction is unusually large, and the customer will not disclose the source of funds. Please note, however, that Compass Commercial will not handle cash transactions.
- A transaction is carried out for less than market value with an unconnected person

Should a report be made then it is important that this fact, and any information about the transaction in question, is kept confidential.

Date of this policy: December 2021

Approved by: Rod Hindley

Review Date: December 2022