

# Anti Money Laundering Policy and Procedure Document V1.0

## 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 Regulation 2007, which came in to force on 1st April 2014.

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 Businesses

The 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 Regulations 2007”.

**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 Turner and Turner 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.***

---

## 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

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.

## 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 Regulations 2007**” 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.

# Appendix 1

## Summary of Money Laundering Regulations 2007

The main money laundering offences apply to everyone. An offence is committed if one knows or suspects 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

- 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

- 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

## 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
- sale price significantly above or below market price
- 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 renovation without an obvious source of funding

---

THIS LIST IS NOT EXHAUSTIVE AND SERVES ONLY TO HIGHLIGHT EXAMPLES  
OF WHICH STAFF MUST BE AWARE.

---

## Appendix 2

### Enhanced AML Check VENDOR INFORMATION FORM

Sale Address

Estate Agent Branch Ref:

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address (As above ☐)

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address (As above ☐)

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

I/We hereby give permission to obtain OCE Documents and for Identity Checks as prescribed by the HMRC "Money Laundering Regulations 2007: supervision of Estate Agency Businesses", and described at: <https://www.gov.uk/government/publications/april-2014-supervision-of-estate-agency-businesses-by-hmrc/april-2014-supervision-of-estate-agency-businesses-by-hmrc> to be completed and for the results to be shared with my Estate Agent and my appointed Conveyancing Lawyer. I/We confirm that the information above to be true and agree to pay £35 + VAT for the provision of the AML check if I/We do not use Team Conveyancing ☐

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

#### OFFICE USE ONLY

As the Vendor(s) appointed Estate Agent, I can confirm that I:

- ☐ met the Vendor(s) in person no more than 2 months from the date shown below
- ☐ saw and copied the Vendor(s) original genuine and untampered Passport(s) and/ or Driving Licence(s)
- ☐ consider the photo ID(s) attached to be a good likeness of the Vendor(s)
- ☐ will only use the copy of the photo ID(s) to enable me to confirm the Vendor(s) identity
- ☐ witnessed the Vendor(s) signatures above

believe the Property's occupancy status is ☐ Owner Occupied ☐ Tenanted ☐ Vacant ☐ Other (Please specify)

☐ believe that there is nothing suspicious about this transaction

If there are any boxes that you can not tick, please describe the reason below and escalate to Branch Manager.

☐ Escalation Required

(See Escalation Chart and give reason below)

Estate Agent Name (Reference)

Estate Agent Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

☐ Escalation Required ☐ Authorised

(See Branch Manager Decision Matrix and give reason below)

Branch Manager Name

Branch Manager Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---



## Appendix 3

### Enhanced AML Check PURCHASER INFORMATION FORM

Estate Agent Branch Ref:

Purchase Address

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

I/We hereby give permission for Identity Checks as prescribed by the HMRC "Money Laundering Regulations 2007: supervision of Estate Agency Businesses", and described at: <https://www.gov.uk/government/publications/april-2014-supervision-of-estate-agency-businesses-by-hmrc/april-2014-supervision-of-estate-agency-businesses-by-hmrc> to be completed and for the results to be shared with my Estate Agent and my appointed Conveyancing Lawyer. I/We confirm that the information above to be true and agree to pay £35 + VAT for the provision of the AML check if I/We do not use Team Conveyancing ☐

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

#### OFFICE USE ONLY

As the Estate Agent acting on behalf of the above named Purchaser(s), I can confirm that I:

- ☐ met the Purchaser(s) in person no more than 2 months from the date shown below
- ☐ saw and copied the Purchaser(s) original genuine and untampered Passport(s) and/ or Driving Licence(s)
- ☐ consider the photo ID(s) attached to be a good likeness of the Purchaser(s)
- ☐ will only use the copy of the photo ID(s) to enable me to confirm the Purchaser(s) identity
- ☐ witnessed the Purchaser(s) signatures above
- ☐ believe the offer to be in line with market expectations and have identified nothing suspicious about the transaction

If there are any boxes that you can not tick, please describe the reason below and escalate to Branch Manager.

☐ Escalation Required

(See Escalation Chart and give reason below)

Estate Agent Name (Reference)

Estate Agent Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

☐ Escalation Required ☐ Authorised

(See Branch Manager Decision Matrix and give reason below)

Branch Manager Name

Branch Manager Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

# Appendix 4

## Enhanced AML Check LANDLORD INFORMATION FORM

Lettings Agent Branch Ref:

Property Address

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

I/We hereby give permission for Identity Checks as prescribed by the HMRC "Money Laundering Regulations 2007: supervision of Estate Agency Businesses", and described at: <https://www.gov.uk/government/publications/april-2014-supervision-of-estate-agency-businesses-by-hmrc/april-2014-supervision-of-estate-agency-businesses-by-hmrc> to be completed and for the results to be shared with my Lettings Agent. I/We confirm that the information above to be true and I/We agree to pay £35 + VAT for the provision of the AML check ☐

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

### OFFICE USE ONLY

As the Landlord(s) appointed Lettings Agent, I can confirm that I:

- ☐ met the Landlord(s) in person no more than 2 months from the date shown below
- ☐ saw and copied the Landlord(s) original genuine and untampered Passport(s) and/ or Driving Licence(s)
- ☐ consider the photo ID(s) attached to be a good likeness of the Landlord(s)
- ☐ will only use the copy of the photo ID(s) to enable me to confirm the Landlord(s) identity
- ☐ witnessed the Landlord(s) signatures above
- ☐ believe the property rental to be in line with market expectations and have identified nothing suspicious about the transaction

If there are any boxes that you can not tick, please describe the reason below and escalate to Branch Manager.

☐ Escalation Required

(See Escalation Chart and give reason below)

Lettings Agent Name (Reference)

Lettings Agent Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

☐ Escalation Required ☐ Authorised

(See Branch Manager Decision Matrix and give reason below)

Branch Manager Name

Branch Manager Signature

Today's Date

D	D	M	M	Y	Y
---	---	---	---	---	---

# Appendix 5

## Enhanced AML Check TENANT INFORMATION FORM

Lettings Agent Branch Ref:

Property Address

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

Full Name

Date of Birth

D	D	M	M	Y	Y
---	---	---	---	---	---

Home Address

Time at address

Y	Y	M	M
---	---	---	---

Tel. Number

I/We hereby give permission for Identity Checks as prescribed by the HMRC "Money Laundering Regulations 2007: supervision of Estate Agency Businesses", and described at: <https://www.gov.uk/government/publications/april-2014-supervision-of-estate-agency-businesses-by-hmrc/april-2014-supervision-of-estate-agency-businesses-by-hmrc> to be completed and for the results to be shared with my Lettings Agent. I/We confirm that the information above to be true and I/We agree to pay £35 + VAT for the provision of the AML check ☐

Signature

Todays Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signature

Todays Date

D	D	M	M	Y	Y
---	---	---	---	---	---

### OFFICE USE ONLY

As the Lettings Agent acting on behalf of the above named Tenant(s), I can confirm that I:

- ☐ met the Tenant(s) in person no more than 2 months from the date shown below
- ☐ saw and copied the Tenant(s) original genuine and untampered Passport(s) and/ or Driving Licence(s)
- ☐ consider the photo ID(s) attached to be a good likeness of the Tenant(s)
- ☐ will only use the copy of the photo ID(s) to enable me to confirm the Tenant(s) identity
- ☐ witnessed the Tenant(s) signatures above
- ☐ believe the property rental to be in line with market expectations and have identified nothing suspicious about the transaction

If there are any boxes that you can not tick, please describe the reason below and escalate to Branch Manager.

☐ Escalation Required

(See Escalation Chart and give reason below)

Lettings Agent Name (Reference)

Lettings Agent Signature

Todays Date

D	D	M	M	Y	Y
---	---	---	---	---	---

☐ Escalation Required ☐ Authorised

(See Branch Manager Decision Matrix and give reason below)

Branch Manager Name

Branch Manager Signature

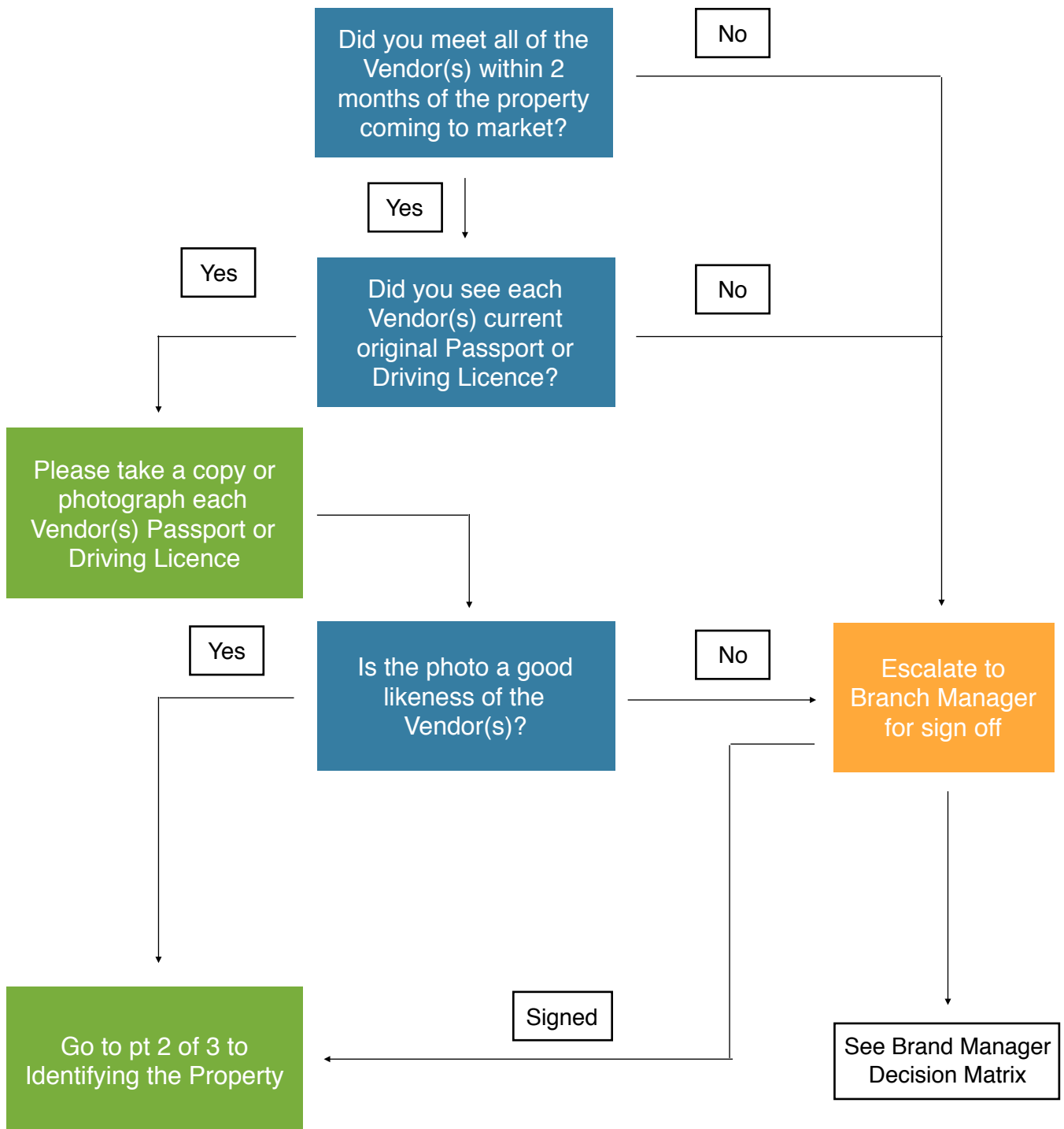
Todays Date

D	D	M	M	Y	Y
---	---	---	---	---	---

## Appendix 6 - pt 1 of 3

### Identifying the Vendor

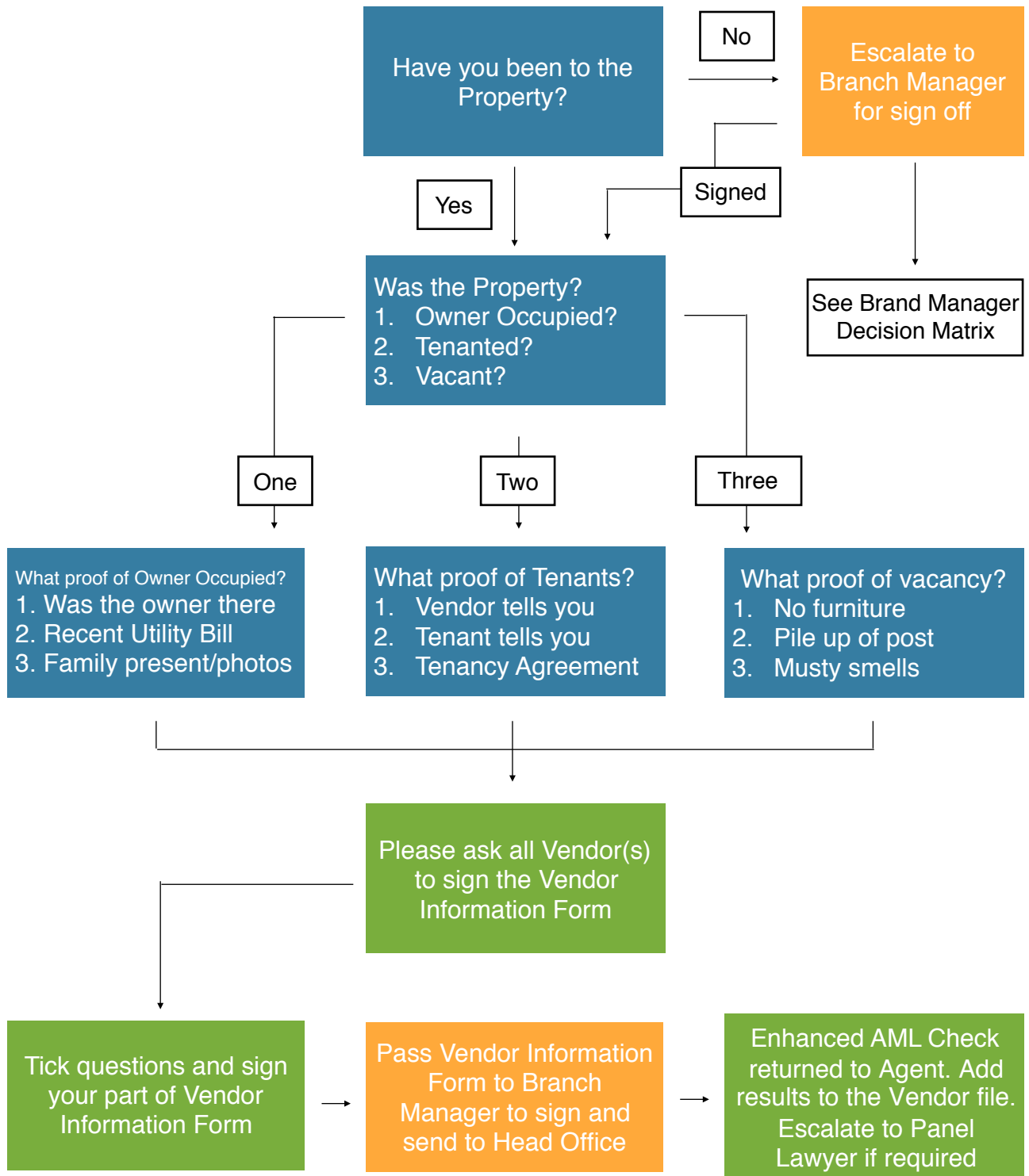
Can you positively identify the person purporting to be the Vendor?



## Appendix 6 - pt 2 of 3

### Identifying the Property

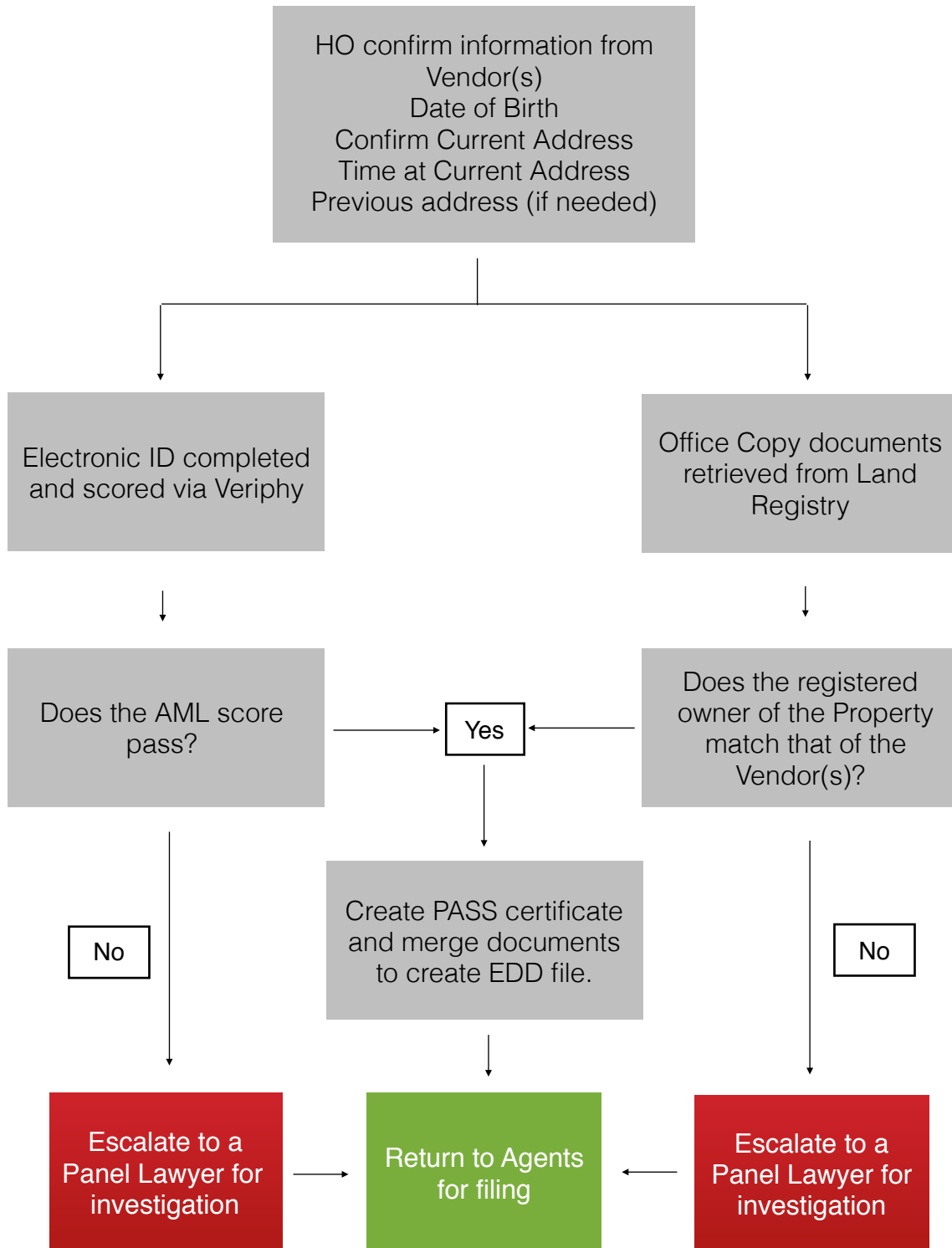
What is the current occupancy status of the Property?



## Appendix 6 - pt 3 of 3

### Establishing the Relationship between Vendor and Property

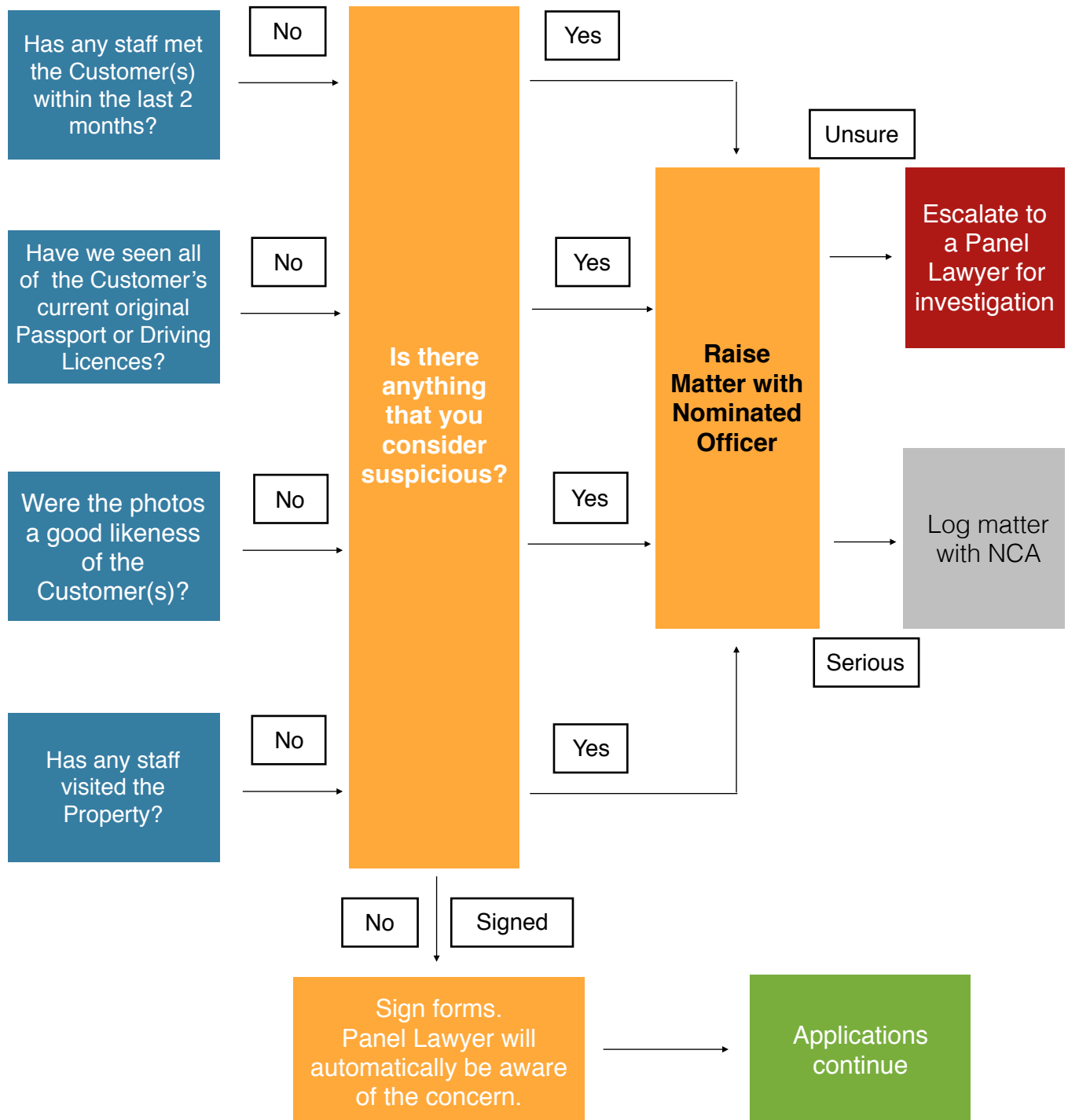
Send the Vendor Identification Form to Head Office for Enhanced Anti Money Laundering Check, Head Office (HO) will follow the process below.



## Appendix 7

### “Branch Manager”

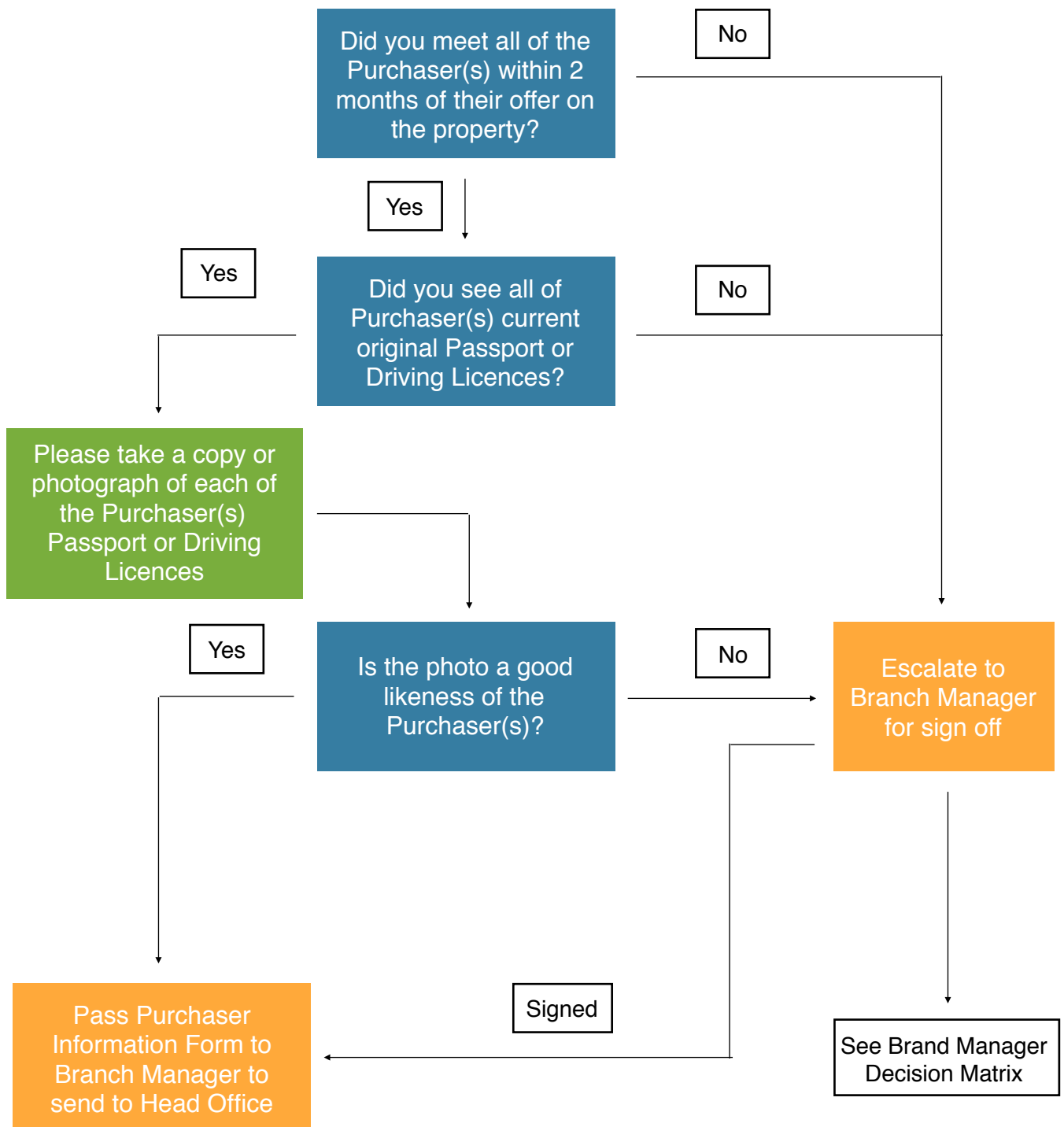
#### Decision Matrix



## Appendix 8

### Identifying the Purchaser

Can we positively identify the person purchasing the Property?

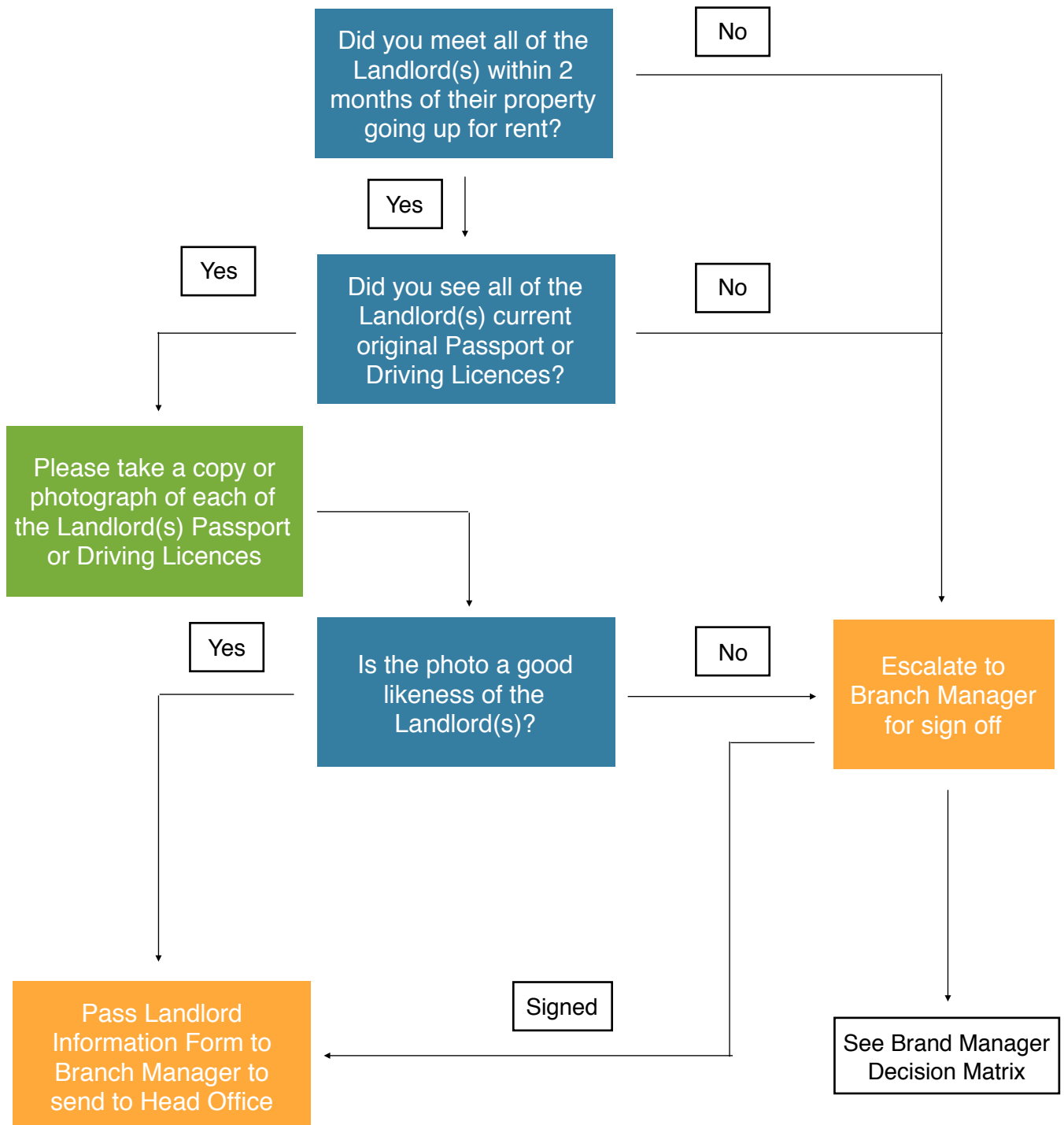




## Appendix 9

### Identifying the Landlord

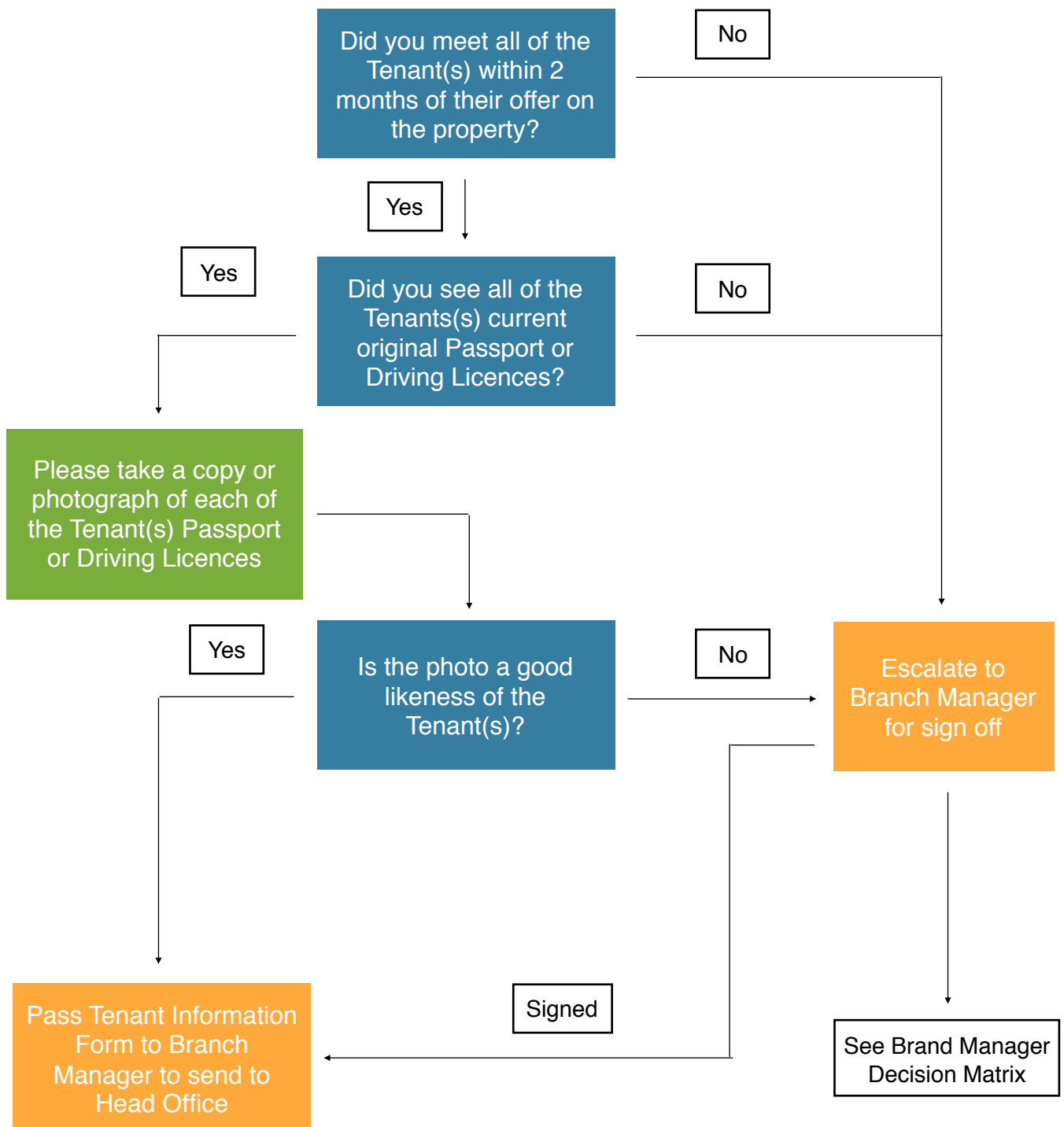
Can we positively identify the person/s renting out the Property?



# Appendix 10

## Identifying the Tenant

Can we positively identify the person renting the Property?



## Training Record

[illegible]

## **Money Laundering Regulations 2007: supervision of Estate Agency Businesses**

### **Contents**

1. Money laundering and Estate Agency Businesses
2. Responsibilities of senior managers
3. Policies and procedures
4. Customer due diligence
5. Reporting suspicious activity
6. Record keeping
7. Staff awareness
8. Estate agents and property professionals
9. More information