



Law

Anti-Money Laundering Requirements

UK money laundering legislation comprises the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) (the “**Regulations**”).

The Regulations place obligations on us to safeguard against the risk of our business being involved with money laundering activities. These obligations mean that we need to ask you for details about your identity, your finances, company structures (where relevant) and trusts (where relevant). The Regulations confirm that we cannot rely on details at Companies House for your company/limited liability partnership (where relevant) so we will need you to provide details to us.

If we don’t obtain such information, we may not be able to act for you and we may have to make a disclosure to the National Crime Agency.

We may also need to obtain satisfactory identification evidence of others connected to your matter, for instance if someone else is paying our invoices or paying towards a deposit of the purchase of your property.

We are also committed to protecting you from the risk of being involved with money laundering activities as well as from the risk of identity fraud. As such we have adopted processes to ensure that we obtain satisfactory evidence of your identity, your source of wealth (how you make/made your money) and the source of funds for a specific transaction. This reflects our commitment to “best practice” in all areas of our work.

Please note that we will need to obtain satisfactory evidence of your identity **before** we can proceed with your matter. However, where we already have this on a recent matter where we have acted for you further documents may not be required.

Evidence of Identity

This is a process that establishes that “you are who you say you are”. It therefore guards against the prospect of identity theft, where a third party assumes your identity to commit crime. Here is a link to a website that provides further information regarding identity theft and how you can guard against it: www.cifas.org.uk.

Generally, we will require from you one item of photographic identity and one item that evidences your current address (and that you have had recent access to that address). Unfortunately, the fact that you are personally known to one or other of our solicitors/directors is not enough on its own to satisfy our legal obligations.

If our checks raise any discrepancies or concerns, or you are identified as being a Politically Exposed Person, as defined by the Regulations (see further down this document), we may need to obtain more identification document or additional information from you.

Acceptable photographic identity documents	Acceptable evidence of address documents
<ul style="list-style-type: none"> • Current passport • Current UK/EEA picture driving licence • Current EEA member state identity card • Current HM Forces photo ID card • Current Firearms licence 	<ul style="list-style-type: none"> • Current year Council tax demand dated within 3 months. • Utility bill (but not a mobile phone bill) dated within 3 months. • Current Driving licence (if not used for photographic evidence) • Bank/building society/credit card statement dated within three months. • House or motor insurance certificate dated within three months. • Recent mortgage statement, dated within three months.

Please note that the photographic identity document needs to be certified. This means that an “authorised person” is required:

- a) To write on the photo ID copy “Certified to be a true likeness of [name] and to be a true copy of the original seen by me”;
- b) To then sign beneath that certification; and
- c) To print their name, occupation, address and professional membership details (including any relevant membership numbers).

This process, as you will appreciate, is a crucial aspect of identity fraud avoidance.

“Authorised persons” are:

- Solicitors, legal executives, licensed conveyancers and barristers;
- Accountants (with professional memberships), certified bookkeepers and independent financial advisers (registered with the Financial Conduct Authority);
- RICS registered surveyors; and
- Individuals who are registered with the Financial Conduct Authority and Notaries Public.

The person you ask to certify your documents must not be related to you, living at the same address as you, linked to you by way of being a director of the same company who is our client, or in a relationship with you.

Alternatively, if you can bring your identity documents to us, we will certify them ourselves. Please note, we will need each individual to come to us with their respective documents.

Source of Wealth

To comply with the Regulations, we need to understand your financial position including how you have reached your financial position generally. For example, what do you do for a living, what is your income, what are your general outgoings and how much do you regularly save, what is your family background or how do your companies make their money. We are not asking this to be intrusive, we are obliged to ask these questions if we do not already know the answers. We may also need to obtain evidence from you, so that we can show compliance with the Regulations if we are asked to by our regulator.

Source of Funds

We need to understand how you obtained the specific funds used for any specific transaction, settlement or payment to another party. Again, this is a requirement of us under the Regulations referenced at the beginning of this note. In particular, we need to understand and evidence:

1. Where the funds originated from. So, in other words, how did you come by them; and
2. How funds then arrived with you. This will necessitate us seeing evidence of them arriving within your account.

This could be as straightforward as you confirming that funds on a real estate transaction (for example) arose from the sale of a property and were paid to you by your then solicitor. In such circumstances, we would address (1) by seeing evidence of the sale (i.e. the land transfer) and (2) by receipt of the sale completion statement and a bank statement showing funds arriving in the relevant account.

Proving funds is often more complicated than this but our team is trained to make the process as smooth as practicable.

Once we have established your identity and proved funds for you we will hold such on your client file and will be able to provide this to third parties, when asked by you.

National Crime Agency

Whilst we are professionally and legally obliged to keep your affairs confidential we are also required by law to make a disclosure to the National Crime Agency where we know or suspect that a matter may involve money laundering or terrorist financing. If we make a disclosure in relation to your matter, we may not be able to tell you that a disclosure has been made. We may have to stop working on your matter for a period of time and may not be able to tell you why.

It is for this reason that we ask for as much information to be provided to us at the outset of a matter, so as to avoid any unnecessary delays which may occur if we need to make such a disclosure.

Politically Exposed Person

In order to comply with the Regulations, we need to understand if you or any member of your immediate family falls within the definition of a Politically Exposed Person (“PEP”) set out below.

Please let us know if you are a PEP as soon as possible or if your status changes and you subsequently fall into the definition of a PEP set out below.

What is a PEP?

A PEP is a person who has been entrusted within the last year with one of the following prominent public functions by a community institution, an international body or state, including the UK:

- 1) Heads of state, heads of government, ministers and deputy or assistant ministers;
- 2) Members of parliament or similar legislative bodies;
- 3) Members of governing bodies of political parties;
- 4) Members of supreme courts, of constitutional courts, or any judicial body whose decisions are not subject to further appeal, except in exceptional circumstances;
- 5) Members of courts of auditors, or on the boards of central banks
- 6) Ambassadors, charges d’affaires and high-ranking officers in the armed forces
- 7) Members of the administrative, management or supervisory bodies of state-owned enterprises; or
- 8) Directors, deputy directors and members of the board of equivalent function of international organisation.

A PEP also includes:

- Family members of a PEP – spouse, civil partner, children, their spouses or partners and parents; and/or
- Known close associates of a PEP – persons with whom joint beneficial ownership of a legal entity or legal arrangement is held, with whom there are close business relationships or whole is a sole beneficial owner of a legal entity or arrangement set up by the primary PEP.