

Money Laundering Policy

Cornerstone & Yorkshire's Finest Estate Agents Money Laundering Policy Statement

All of our branches are committed to ensuring that they have adequate controls in preventing anti- money laundering activities and terrorist financing, in line with the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017.

Risk sensitive policies and procedures have been established in order to anticipate and prevent money laundering and terrorist financing with in our businesses.

A risk sensitive and risk-based approach is how our businesses assess the risk of a customer(s) laundering money through our businesses. Our businesses take the starting point that most customers will not launder money, however through our risk assessments and internal proceeds we may identify criteria that would indicate a higher risk of money laundering. This for example could be where there is no face-to-face meeting to establish identity of a customer and we have to use reliance on a third party to identify that customer or the customer is politically exposed person. There are many scenarios were a customer could raise suspicion and lead us to have to carry out further due-diligence. Ultimately if the risk of money laundering or terrorist financing is apparent we have to report this to the national crime agency (NCA) by submitting a Suspicious Activity Report (SAR) via one of our nominated officers.

How we manage the risk-

We are committed to ongoing staff training in anti-money laundering legislation. Each Cornerstone & Yorkshire's Finest Estate Agents office has a Money Laundering Reporting Officer whose responsibility is to give guidance, receive internal reports and make a judgement to forward a suspicious activity report (SAR) to National Crime Agency.

Money Laundering Nominated Officers-

Huddersfield Office –Justin Dugdale (Nominated Office)

Holmfirth Office – Justin Dugdale (Nominated Office)

Leeds Office – James Platt (Nominated Office)

Identification procedures-

Our businesses are supervised by HMRC and we have to carry out due diligence and risk assessments on every transaction. We do this to mitigate the risks of our business being used to launder money or to fund terrorism.

All vendors, purchasers, landlords and tenants must be identified fully with two forms of I.D, evidence of identity being photographic, and also evidence of residence e.g. a mortgage statement dated in the last three months (acceptable forms of identification found on our 'Proving your identity and ownership of a property document).

Should a face to face meeting not take place then enhanced due diligence procedures will need to be adopted by asking for additional information or evidence to establish the customer's identity, and ensuring that the documents supplied are certified by a solicitor or bank.

The verification of the customer's identity is done by documents and in most cases an online verification process.

Customer identity documents should be based on a government issued documents with the customer's full name, a photo and the customer's date of birth or residential address.

For customers other than private individuals-

For customers who are not private individuals, such as corporate customers and private companies, the business must obtain information that is relevant, for example –

- Company registration number.
- A search at Companies House will reveal details of director(s), company secretary(s) and person(s) with significant control.
- Evidence that the individuals have the authority to act for the company.
- Shareholders or a person with voting rights more than 25% we have to carry out customer due-diligence on those individuals and any beneficial owner.

Politically Exposed Person (PEP), Sanction Searches & Ongoing Monitoring-

We use online verification processes to check for politically exposed person(s) and if a customer has a sanction. We continue to monitor our clients throughout all transaction.

Grounds for Suspicion-

Report without Fear.

Do not fear that making a report will expose you to any sanctions. It is our duty under the money laundering, terrorist financing and transfer of funds (information on payer) regulations 2017.

This section contains guidance on when you should suspect money laundering, and make a report to your nominated officer.

A general guide of following factors may raise suspicions

- Cash. Any party (whether our client or otherwise) proposes to pay significant sums in cash.
- Unexplained transfers of funds. Paying money into our bank account and then asking for it to be paid out to another account. This may be designed to make it harder for others to trace the funds. We do not take holding deposits for property for sale.
- Money being paid direct between the parties, and not via solicitors or agents.
- Transaction being completed by the parties without the involvement of solicitors.

- A transaction which has no apparent purpose and which makes no obvious economic sense.

- Unusual transaction. Where the transaction is, without reasonable explanation, out of the range of services one would expect to provide to that client or outside the experience of the firm.

- Secretive clients. The client refuses to provide requested information without reasonable explanation, including client identification information.

- Difficulties with identification of client or beneficial owners, including reluctance to attend for identification processes, which may suggest impersonation.

- Unusual sources of funds. Funds will normally be paid from an account in the payer's own name maintained with a recognized and reputable financial institution. If payments are made by a third party, or from abroad, this may be a concern.

- Transactions where the source of the wealth is unclear. Large amounts of money provided by a buyer who appears to have a low income.

- Insistence that a matter be completed very urgently, for no good reason.

- Properties owned by nominee companies, off shore companies or multiple owners, where there is no logical explanation.

- The seller is known to have committed acquisitive crimes (such as drugs dealing, theft or tax evasion).
- The property being bought in somebody else's name other than that of the person providing the money or making the decisions. Of course people often assist relatives with purchases. There is no family connection or other obvious reason why the third party is providing funding, report the matter.
- A misleading apportionment of the purchase price, with the intention of avoiding Stamp Duty Land Tax. If you discover such tax evasion after it has taken place you should make a report. Information about past tax evasion or welfare benefit fraud may also come to light, and may need to be reported.
- Breach of health and safety regulations or other laws by a seller, developer or landlord may amount to a criminal offence, which may need to be reported.

Mortgage Fraud -

Any of the following factors may be suspicious –

- Any attempt to mislead lenders e.g. about the income of the borrower, or the value of the property.
- The use of shell companies or nominees to own property may indicate mortgage fraud.
- The rapid re-sale of property at a higher price.
- Urgency. A client wants a transaction completed as a matter of urgency, for no apparent reason, or does not seem concerned to control costs.
- The buyer and seller appear to be associated (may be part of an organised gang).
- Offer of a bribe or other inducement to complete paperwork incorrectly or to over-value property.
- Buyer has not viewed the property.

International Transactions-

Any of the following factors may be suspicious –

- Take particular care where the funds come from a jurisdiction with less rigorous anti-money laundering controls, or payment is being made in foreign currency for no good reason.
- If the client or a beneficial owner is resident in or has a substantial connection to a high-risk country, you should report that fact to the firm's nominated officer who will decide what additional precautions may be appropriate.
- You should assume any country to be high-risk EXCEPT Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Israel, Japan, Republic of Ireland, Italy, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, UK and the USA.

Politically Exposed Persons-

As mentioned above, you need approval to take on a client who is PEP from your nominated officer. We take adequate measures to establish their source of wealth and the source of funds involved in the transaction, and must conduct enhanced ongoing monitoring.

Terrorism –

Particular care should be taken where any party to a transaction is believed to have links to terrorist groups or show extreme ideology. If terrorism is suspected it will be reported to a nominated officer.

Suspicious Activity Reporting-

A report will be made if a member of staff or the nominated officer thinks that there is a possibility that a person is or has been engaged in money laundering or terrorist financing.

The report will be made to the nominated officer who, should they be satisfied that there are grounds to suspect money laundering or terrorism financing will submit a suspicious activity report to the nation crime agency.

Record Keeping-

The following records are required to be kept for 5 years:

Copies of, or references to, the evidence obtained of a customer's identity for five years after the end of the customer relationship, or five years from the date when the transaction was completed.

Supporting records relating to a customer relationship or occasional transaction for five years from the date when the transaction was completed.

The purpose for keeping these records is to demonstrate the business's compliance with the money laundering, terrorist financing and transfer or funds (information on payer) regulations 2017 and to aid any resulting investigations.

Money Laundering Policy last updated 28th March 2019.