



## Money Laundering Policy

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

We are committed to ensuring that we have adequate controls in preventing money laundering activities and terrorist financing, in line with the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017.

Risk based policies and procedures have been established in order to anticipate and prevent money laundering and terrorist financing within our business.

A risk sensitive and risk-based approach is how our businesses assess the risk of a customer(s) laundering money through our businesses. Our business takes 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 a politically exposed person. There are many scenarios where 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 (SRA) via our nominated officer.**

#### How we manage the risks-

In short, we are committed to ongoing staff training in anti-money laundering legislation.

We identify all our client (s) and customer (s) by collecting a series of documents to prove the customers identify and address. When a vendor (s) or buyer (s) is entering into a business transaction with us we will request per defined documents that we use to identify that individual.

We use risk assessments to identify the level of due diligence that we carry out on an individual if the transaction proves to be high risk, then enhanced due diligence will take place. This means we will need further documentation from the individual and the transaction will be looked at and monitored in further detail with greater scrutiny.



We also use automated checks via Experian to identify individuals further and to help use verify particular documents that have been provided are original. This check also looks to identify if the individual is a politically exposed person or has links to a politically exposed person and checks the sanctions list to make sure we can proceed with the business relationship.

Cornerstone Estate Agents & Yorkshire's Finest 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 Officer- Laura Wilkinson**

## Identification procedures-

Our business is 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 and purchasers 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. We will advise vendor (s) and buyer (s) when required what documents we will require given their circumstances and the nature of the transaction

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 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 an individual is on the sanctions list. We continue to monitor our clients throughout all transaction.

Our ongoing monitoring is achieved by continued communication with the individual (s) and communication with their acting solicitor until the transaction is concluded.



## Grounds That May Raise Suspicion About an Individual

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 to report any suspicious behaviour/activity or evidence or potential evidence that money laundering or terrorist financing is taking place to the national crime agency.

This section contains guidance on when you should suspect money laundering and make a report to your nominated officer. The nominated officer would then decide if submitting a SAR to the National Crime Agency was the next step given the circumstances and relevant information.

A general guide of following factors that 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 unless a new build property, but this will be a nominal amount and not classed as a high value transaction.
- Money being paid direct between the parties, and not via solicitors.
- 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.
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- 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, offshore 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 other laws 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 or crime).
- 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.
- Our internal risk assessments highlight a number of countries where enhanced due diligence must always take place and extra care must be taken with the transaction due to the country being classed as a jurisdiction of concern by HM treasury.

## 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 due diligence and 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 National 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 and source of funds will be kept 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 will be kept 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 of funds (information on payer) regulations 2017 and to aid any resulting investigations.

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