



## **Anti-Money Laundering Policy**

### **1. Introduction**

JC Accounting Ltd is a UK registered company providing Accountancy and Bookkeeping services. The business of the Company is low risk in relation to money laundering, however in order to prevent any of our services being used (or potentially used) for any money laundering activity, as well as any of our staff being exposed to money laundering, we wish to put in place the following anti-money laundering policy which supplements the anti-money laundering training given to all members of staff.

### **2. Scope of the Policy**

The broad definition of money laundering means that potentially anyone could commit a money laundering offence, this includes all employees of the Company, all temporary staff and contractors.

Our policy is to enable the Company to meet its legal and regulatory requirements in a way which is proportionate to the risk nature of the business, by taking reasonable steps to minimise the likelihood of money laundering occurring.

All employees must be familiar with their legal responsibilities.

### **3. What is Money Laundering?**

The principal primary legislation is The Proceeds of Crime Act 2002 (POCA), which consolidated, updated and reformed criminal law with regard to money laundering, supplemented by the Terrorism Act 2000 and the Fraud Act 2006. The principal secondary legislation is the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the Money Laundering and Terrorist Financing (Amendment) Regulations 2019.

Money laundering can be defined as the process to move illegally acquired cash through financial systems so that it appears to be from a legitimate source. Money laundering offences include: concealing, disguising, converting, transferring criminal property or removing it from the UK (Section 327 POCA); entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person

(Section 328 POCA); and acquiring, using or possessing criminal property (Section 329 POCA).

There are also several secondary offences, failure to disclose knowledge or suspicion of money laundering to the Money Laundering Reporting Officer (MLRO); failure by the MLRO to disclose knowledge or suspicion of money laundering to the National Crime Agency; and 'tipping off' whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

Any member of staff could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way, and/or do nothing about it. This Policy sets out how any concerns should be raised.

#### **4. Money Laundering Reporting Officer (MLRO)**

The Company will appoint a MLRO to receive disclosures about money laundering activity and be responsible for anti-money laundering activity within the Company. The officer nominated to do this is Jayne Perry.

The MLRO will ensure that appropriate training and awareness is provided to new and existing employees and that this is reviewed and updated as required.

The MLRO will ensure that appropriate anti-money laundering systems and processes are incorporated by the Company.

#### **5. Suspicions of Money Laundering**

All employees must as soon as I practicle report any knowledge of or suspicion of (or where there are reasonable grounds to suspect) suspicious activity to the MLRO in the prescribed form as set out in this policy document.

Once the matter has been reported to the MLRO, must follow the directions given to and must NOT make any further enquiry into the matter.

The employee must NOT voice any suspicions to the person(s) whom they suspect of money laundering, as this may result in the commission of the offence of "tipping off". They must NOT discuss the matter with others or note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.

#### **6. Consideration of the Disclosure by the MLRO**

Once the MLRO has received the report, it must be evaluated in a timely manner in order to determine whether:

- There is actual or suspected money laundering taking place; or

- There are reasonable grounds to know or suspect that this is the case; and
- Whether the MLRO needs to lodge a Suspicious Activity Report (SAR) with the National Crime Agency (the NCA).

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for any on-going or imminent transaction(s) to proceed.

Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.

All disclosure reports referred to the MLRO and reports made to the NCA will be retained by the MLRO in a confidential file kept for that purpose, for a minimum of 5 years.

The MLRO must also consider whether additional notifications and reports to other relevant enforcement agencies should be made.

## **7. Customer Identification and Due Diligence**

Due diligence is performed on all clients who must provide basic information including Full Name, Address, Proof of Id and address.

### Enhanced Due Diligence

It may be necessary for the Company to carry out enhanced due diligence on certain customers where the customer or a transaction involving the customer appears to be “high risk”. This means that there is a higher level of identification and verification of the customer’s identity required. The following non-exhaustive list of situations may indicate a “high risk”:

- a new customer;
- a customer not well known to the Company;
- customers in known high risk industries and/or jurisdictions;
- transactions that are unusual or appear to be unusual for that customer;
- highly complex transaction or payment arrangements;
- the transaction involves a politically exposed person (“PEP”) or an immediate family member or a close associate of a PEP;
- no face to face meetings take place with the customer where this is usually expected.

Employees must assess the money laundering risk for each customer and if you suspect enhanced due diligence is required, you should speak to the MLRO before continuing any engagement with the customer. The MLRO will be required to approve the continuance of the business relationship.

If enhanced due diligence is carried out, the MLRO must:

- obtain additional information on the customer and on the customer's beneficial owner(s);
- obtain additional information on the intended nature of the business relationship;
- obtain information on the source of funds and source of wealth of the customer and customer's beneficial owner(s); and
- conduct enhanced monitoring of the business relationship.

This may include but is not limited to the following:

- checking the organisation website to confirm the identity of personnel, its business address and any other details;
- attending the customer at their business address;
- obtaining additional information or evidence to establish the identity of the customer and its beneficial owner(s), including checking publicly available beneficial ownership registers of legal entities such as the registers available at Companies House;
- in the case of a PEP, seek the approval of senior management and establish the source of wealth and source of funds;
- ensure that the first payment is made into a bank account in the customer's name;

If satisfactory evidence of identity is not obtained at the outset then the business relationship or one-off transaction(s) cannot proceed any further. A report should be filed with the MLRO who will then consider if a report needs to be submitted to the NCA.

## **8. Ongoing Monitoring**

Employees should review customers at regular intervals to ensure that the risk level of each customer information and information held on each customer is not only accurate and up to date but is consistent with the knowledge of the customer and its business. Further due diligence may be required if new people become involved at a customer. Any suspicious activity must be reported to the MLRO.

**9. Data Protection**

Customer details must be collected in accordance with the Data Protection Act 2018. This data can be “processed” as defined under the Data Protection Act 2018 to prevent money laundering and terrorist financing.

**10. Record Keeping**

Customer identification evidence and details of any relevant transaction(s) for that customer must be retained for at least 5 years from the end of any business relationship with that customer.

**CONFIDENTIAL**

**Report to the Money Laundering Reporting Officer**

**Report of Money Laundering Activity**

To: **Money Laundering Reporting Officer**

From: \_\_\_\_\_

[Insert name of employee]

Title: \_\_\_\_\_

[Insert Title]

Tel No: \_\_\_\_\_

URGENT YES/NO

Date by which response needed: \_\_\_\_\_

**Details of suspected offence:**

**Name(s) and address(s) of person(s) involved:**

[If a company, please include details of nature of business]

**Nature, value and timing of activity involved:**

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

**Nature of suspicions regarding such activity**

[Please continue on a separate sheet if necessary]

[Please attach any supporting documentation that may be relevant]

**Has any investigation been undertaken (as far as you are aware)?**

Yes / No

**If yes, please include details below:**

[Delete as appropriate]

**Have you discussed your suspicions with anyone else?**

**If yes, please specify below, explaining why such discussion was necessary:**

YES/NO [Delete as appropriate]



**Please set out below any other information you feel is relevant:**

**Signed:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

**Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a 'tipping off' offence, which carries a maximum penalty of 5 years' imprisonment.**

**THE FOLLOWING PART OF THIS FORM TO BE COMPLETED BY THE MLRO**

**Date report received:** \_\_\_\_\_

**Date receipt of from acknowledged:** \_\_\_\_\_

**CONSIDERATION OF DISCLOSURE:**

**Action plan:**

**OUTCOME OF CONSIDERATION OF DISCLOSURE:**

**Are there reasonable grounds for suspecting money laundering activity?**

**If there are reasonable grounds for suspicion, will a report be made to the NCA?**

Yes/No [Delete as appropriate]

**If yes, please confirm date of report to the NCA: and complete the box below.**

**Details of liaison with the NCA regarding the report:**

**Notice Period: from: to:**

**Moratorium Period: from: to:**

**Is consent required from the NCA to any ongoing or imminent transactions, which would otherwise be prohibited acts?**

Yes/No

[Delete as appropriate]

**If yes, please confirm full details below:**

**Date consent received from the NCA:**

**Date consent given by you to employee:**

**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:**

[Please set out any reasonable excuse for non-disclosure]

**Date consent given by you to employee for any prohibited act transactions to proceed:**

**Other relevant information:**

**Signed:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**

The above document was given to ..... to familiarise him/herself with its contents and the actions required by him/her and the company should the need arise.

He/She has understood and been tested on the contents of the company's anti money laundering policy document and shows a thorough understanding of his/her responsibilities with regard to that document.

**Signed..... - Director**

**Signed ..... - Employee**

**Date .....**