AML (Anti-Money Laundering) Policies and Procedures Document

6 November 2024

Last Updated : - N/A

1. Introduction and Policy Statement

Chambers is committed to assisting tenants with complying with the UK legislation enacted to combat money laundering and to the prevention of criminals from being able to use Chambers to help them launder money or to finance terrorism. References to Money Laundering (ML) in this document should be taken to mean Money Laundering or Terrorist Financing (ML/TF).

UK Legislation enacted to combat money laundering or terrorist financing includes the following:

- ✓ The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (SI 2017 No. 692).
- ✓ The Money Laundering and Terrorist Financing (Amendment) Regulations 2019
- ✓ The Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020
- ✓ The Proceeds of Crime Act 2002 (as amended)
- ✓ The Terrorism Act 2000 (as amended)
- ✓ Anti-terrorism, Crime and Security Act 2001
- ✓ Counter-terrorism Act 2008, Schedule 7
- ✓ The Criminal Finances Act 2017

Chambers recognises that as at the date of this AML policy document only one member of Chambers, Stephen Woodward (SJW), has a practice that means he falls within the UK ML legislation and so is a "relevant person" for the purposes of Regulation 19 of The Money Laundering Regulations 2017 which requires "relevant persons" to "establish and maintain policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified in any risk assessment undertaken by the relevant person under regulation 18(1)".

Chambers monitors whether any of its tenants make declarations under the annual Authorisation to Practise that their practices fall within the UK ML legislation and tenants must, when requested by email, inform Chambers as to their reporting position to the BSB under rule S59.7 of the BSB Handbook. **It is the responsibility of tenants, not Chambers, as to whether they are compliant with UK ML legislation** (https://www.barcouncilethics.co.uk/documents/money-laundering-terrorist-financing/)

However, it is acknowledged that, whilst unlikely at present, members of Chambers other than SJW may undertake either contentious or non-contentious tax matters in the future. This Chambers' AML Policies and Procedures Documents is intended to assist such tenants undertaking such one-off matters. It is strongly advised that if tenants in the above position take on more than one contentious or non-contentious tax matter per year, they should adopt their own AML Policy and Procedures which can be better modelled to that tenant's practice.

These policies and procedures are to be read with and should operate alongside the guidance provided in in both AML Guidance for the Accountancy Sector (AMLGAS) and the Bar Standards Board AML Guidance https://www.barstandardsboard.org.uk/for-barristers/compliance-with-your-obligations/anti-money-laundering-counter-terrorist-financing/aml-guidance.html. The UK courts must have regard to the above approved guidance in deciding whether businesses or individuals affected by it have committed an offence under MLR or Sections 330-331 Proceeds of Crime Act (as amended).

This document and the above guidance is applicable to all professional and lay clients taken on by tenants and applied as required throughout the business relationship and afterwards.

2. Risk Based Approach

Adopting a risk-based approach implies the adoption of a risk management process for dealing with ML and TF.

This encompasses:

- ✓ recognising the existence of the risks
- ✓ undertaking an assessment of the risks
- ✓ developing control strategies to mitigate and monitor the identified risks.

Note: procedures must be based on assessed risk, with higher risk areas subject to enhanced control procedures.

The policies and procedures set out below and included in this document aim to manage and mitigate ML risk. Resources are dedicated to areas of greatest risk.

3. Client Acceptance Criteria

Tenants are subject to the cab-rank rule in C29 of the Bar Standards Board ("BSB") Handbook regarding instructions from "professional clients" as defined in the BSB Handbook. Tenants' ability to refuse to accept instructions is limited by the cab-rank rule. However, under rC30.1 the cab-rank rule does not apply if a tenant is required to refuse the instructions under rC21.6 where *"your instructions require you to **act other than in accordance with law** or with the provisions of this Handbook"*. *The words in bold clearly include* UK Legislation enacted to combat money laundering or terrorist financing and so the view is taken that instructions must be refused if it is not possible to obtain adequate CDD suitable to the perceived risk of the lay client, and on rare occasions the perceived risk of the professional client.

At present no member of Chambers, other than SJW, has a tax-based specialist practice. While a decision for individual tenants who are qualified to take Direct Access Instructions, it is suggested that those tenants who do not have a tax-based specialist practice should not take on Direct Access tax instructions.

An important part of tax work involves advising lay clients on the best way to regularise their tax position with HMRC. Historic tax irregularities, regardless of whether they arose due to a lack of reasonable care or deliberately, are not a bar to being accepted as a client. What is a bar to being a client is a refusal by the lay client to report to HMRC when so advised by a member of Chambers. If this occurs during an engagement the engagement should be terminated applying the principles contained in the Proceeds of Crime Act 2002 (as amended).

4. Client Due Diligence ("CDD"), including Simplified Due Diligence ("SDD") and Enhanced Due Diligence ("EDD")

a. Checks required

CDD and, in some cases EDD shall be performed.

As it is possible to incorrectly be of the view that an instruction falls under SDD, for administrative convenience, and to ensure a uniform approach, SDD should never be relied upon.

Instructions from professional clients are instructions from persons who themselves are subject to the UK Legislation enacted to combat money laundering or terrorist financing and therefore will have already carried out CDD on the lay client by the time instructions arrive, the default position suggested is to seek to rely upon the professional client's CDD on the lay client under

Regulation 39(2) of within the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended ('the Regulations').

The first step in seeking to rely on the CDD of the professional client is to verify the identity of the professional client. This is done by searching the Solicitors Regulatory Authority's ("SRA") online Solicitors Registry https://www.sra.org.uk/consumers/register/ to ensure that both the firm and the person instructing are registered solicitors and that there is no adverse or problematic Regulatory Record.

Subject to the successful completion of the first step, the second step is to send the following pro forma email to the relevant professional client:

> *"Dear [Insert name of professional client instructing*]
>
> *Thank you for these interesting Instructions. As the Instructions relate to tax advice I fall within the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended ('the Regulations') and therefore have some KYC requirements.*
>
> *I have verified your firm's identity from its SRA number.*
>
> *I will need, under Regulation 39(2), to rely on your due diligence regarding the [description of lay client(s)*]. *Please take this email as my reliance on your firm that you have identified your clients and applied the Customer Due Diligence ('CDD') measures necessary to identify them under Regulation 28. In addition, please can you send me scanned copies by email of the following:*
>
> - *Your certified copy CDD for [description of lay client(s)*]. *For the avoidance of doubt at this stage copies of certified copies is fine and I do not ask you to obtain fresh CDD; and*
> - *Confirmation by email that your firm will retain CDD for [description of lay client(s)*] *for the 5 years period required by Regulation 40.*
>
> *For the avoidance of doubt, notwithstanding the above reliance, under the Regulations I remain liable for any failure by your firm in the application of the Regulations in relation to [description of lay client(s)*]*; in other words, the risk is all mine when I seek to rely on you under the Regulations.*
>
> *My thanks in advance for helping me to meet my KYC obligations.*
>
> *With kind regards*

[Name of tenant]

The CDD received will depend on the nature of the lay client(s) but as a minimum tenants should expect to receive in the first instance copies of certified copies of the following:

Individuals

- In date Passport; and
- Recent utility bill/bank statement showing residential address.

Personal Representatives

- If Individuals the same as required above; and/or
- If corporate PR as required below; and/or
- Will; and
- Grant of Probate/Letters of Administration if issued.

Trustees

- If Individuals the same as required above; and/or
- If corporate trustees[1] as required below; and/or
- Trust Deed; and
- Chain of Deeds of Appointment and/or Retirement of Trustees, and death certificates as appropriate, to confirm the chain of trusteeship; and
- Where the trust is a life interest trust CDD on the life tenant(s), and if from the instructions it is reasonable to conclude that there is one, or a small number, of discretionary objects who are in reality the primary beneficiaries of the trust then CDD for them as well.

Corporates

- CDD for all directors; and
- Memorandum & Articles of Association (or equivalent in relevant jurisdiction);
- Clarity as to the Ultimate Beneficial Owner ('UBO') of the corporate entity, for UK companies obtained from the people with significant control PSC register at Companies House, and CDD for the shareholders/UBO(s).

The above minimum requirements are, on a risk-based approach, increased as appropriate to the lay client.

If, taking a risk-based approach, the CDD provided is not recent then tenants should request that the instructing solicitor obtain fresh.

The obtaining of the above copy CDD does not (as stated in paragraph 33 of the BSB AML Guidance) in itself meet the "reliance" requirements of Regulation 39. The obligation remains upon tenants to ensure that the information provided permits me to meet the requirements of Regulation compliant CDD. This is done on a risk-based approach but where there is any potential reasonable doubt as to whether this threshold is met further CDD should be sought.

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[1] This is often easier where the corporate trustee is resident in a jurisdiction which, unlike the UK, has a public register of authorised fiduciary service providers, such as Jersey https://www.jerseyfsc.org/industry/sectors/trust-company-business/Regulated-trust-company-businesses?lawSection=TCB

If after the above process is followed there is reasonable doubt that the appropriate risk based CDD threshold is met, and the professional client is unable to rectify the position, then under paragraph 3 above instructions must be refused if it is not possible to obtain adequate CDD suitable to the perceived risk of the lay client, and on rare occasions the perceived risk of the professional client.

In most cases professional clients will accept Reliance under Regulation 39, and only a minority of firms refuse Reliance. In those situations, tenants should not commence work until the requisite CDD is obtained directly from the prospective lay client. The delay involved is often enough for such firms to change their view on Reliance.

In addition to identification and verification requirements the following checks need to be undertaken.

i. Financial Sanctions and other prohibited relationships checks

As part of the due diligence procedure, the lay client(s) together with the UBOs or controllers of trusts/corporates **must** be checked against the following:

- Financial sanctions lists of organisations and individuals subject to financial sanctions can be accessed on the HM Treasury website: https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets.

- the Home Office's proscribed terrorist groups or organisations https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2

ii. Offshore lay client checks

Where a lay client is either resident or incorporated offshore, the procedure is that the lists of high risk third countries must be consulted. The list of countries to be checked as required by the legislation is set out in schedule 3ZA to MLR. This list replicates those countries listed by the Financial Action Taskforce as high risk, or under increased monitoring.

In addition, check whether the client is established in or has links to countries with a high score on the Transparency International corruption perceptions index.

iii. Politically Exposed Person (PEP) checks

Clients who are PEPs (as well as certain family members and known associates) need to be identified to ensure EDD and other appropriate procedures are adopted.

It is suggested that these checks will be initially identified through open-source checks by way of internet searches, and then by rigorous follow up questioning of the professional client (see below for list of questions), the responses from the professional client being supported by credible third-party documentation. Please refer to the FCA guidance FG 17/6 (https://www.fca.org.uk/publication/finalised-guidance/fg17-06.pdf) which contains a helpful definition of a PEP, paragraph 2.16 of that FCA guidance given below in full:

> *"2.16 PEPs are defined as individuals entrusted with prominent public functions, including:*
>
> *• heads of state, heads of government, ministers and deputy or assistant ministers*

• members of parliament or of similar legislative bodies – similar legislative bodies include regional governments in federalised systems and devolved administrations, including the Scottish Executive and Welsh Assembly, where such bodies have some form of executive decision-making powers. It does not include local government in the UK but it may, where higher risks are assessed, be appropriate to do so in other countries.

• members of the governing bodies of political parties – the FCA considers that this only applies to political parties who have some representation in a national or supranational Parliament or similar legislative body as defined above. The extent of who should be considered a member of a governing body of a political party will vary according to the constitution of the parties, but will generally only apply to the national governing bodies where a member has significant executive power (eg over the selection of candidates or distribution of significant party funds).

• members of supreme courts, of constitutional courts or of any judicial body the decisions of which are not subject to further appeal except in exceptional circumstances – in the UK this means only judges of the Supreme Court; firms should not treat any other member of the judiciary as a PEP and only apply EDD measures where they have assessed additional risks.

• members of courts of auditors or of the boards of central banks

• ambassadors, charges d'affaires and high-ranking officers in the armed forces – the FCA considers this is only necessary where those holding these offices on behalf of the UK government are at Permanent Secretary/Deputy Permanent Secretary level, or hold the equivalent military rank (eg Vice Admiral, Lieutenant General, Air Marshal or senior)

• members of the administrative, management or supervisory bodies of State-owned enterprises – the FCA considers that this only applies to for profit enterprises where the state has ownership of greater than 50% or where information reasonably available points to the state having control over the activities of such enterprises

• directors, deputy directors and members of the board or equivalent function of an international organisation – the FCA considers that international organisations only includes international public organisations such as the UN and NATO. The Government made clear in their consultation of 15 March 2017 that they do not intend this definition to extend to international sporting federations."

It is suggested that both source of funds and source of wealth written enquiries of the professional instructing regarding taking on any PEP as a potential client. In addition, the following questions should be asked addressed to those instructing as appropriate:

- What role(s) does the individual hold?
- What is the nature and context of business relationship?
- What services or products does the PEP wish to use?
- What is the potential for the product to be misused for the purposes of corruption?
- Do you know if they have close family members or known associates and if so, what roles do they hold?
- What level of public scrutiny, exposure, governance, disclosures or accountability in their role is the PEP subject to?
- Are their accompanying geographic risks associated with the PEP relationship?

• If you have identified a PEP, were they helpful in providing this information and if not, should and how would this impact my assessment of the risk present?
• Does the nature of their PEP status impact in the level of EDD that needs to be applied, and if so, how?

The final decision regarding the take on of a PEP as a lay client is for individual tenant to decide alone, but this process is considerably helped by discussing the risks and issues with the Senior Clerk Justin Brown as such input improves the risk analysis. If a PEP is taken on as a client, then there must be close ongoing monitoring of the business relationship, and another full EDD check made every 6 months.

iv. Other checks and actions needed

As part of the CDD process tenants should be aware of the need to identify and scrutinise:

(i) any case where—
(a) a transaction is complex or unusually large, or there is an unusual pattern of transactions, or
(b) the transaction or transactions have no apparent economic or legal purpose, and
(ii) any other activity or situation which the tenant regards as particularly likely by its nature to be related to money laundering or terrorist financing;

Tenants should also be aware of the need to take additional CDD/EDD monitoring measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions which might favour anonymity. The above scenarios put tenants on notice that there may be a need to make a Suspicious Activity Report (see section 8 below).

b. Documentation procedures

Copies of CDD and other checks must be retained on the physical client file and in suitable secure electronic folders.

A new lay client take on form (Appendices One and Two) must be completed for all lay clients taken on.

5. Risk Management

The ML/TF risk in relation to each client should be assessed at the time the client is taken on and noted on the relevant lay client take on form.

In relation to risks specifically identified and set out in the practice risk assessment the following additional measures have been adopted within SJW's practice to mitigate and manage risk:

RISK FACTORS	ADDITIONAL PROCEDURES TO MITIGATE AND MANAGE ML/TF RISK
Clients	
• Individual lay clients from high-risk jurisdictions; and	• Rigorous application of sections 4(i), (ii) and (iii) being aware that such individual lay clients are likely to require EDD; and

• Offshore Trustee lay clients. • Sham litigation	• Awareness of FATF compliance position of the relevant offshore trustee as a guide as to whether EDD is required • Sham litigation arises where an acquisitive criminal offence is committed, and settlement negotiations or litigation are intentionally fabricated to launder the proceeds of that separate crime. It can also arise if the whole claim or category of loss is fabricated to launder the criminal property. In this case, money laundering cannot occur until after execution of the judgment or completion of the settlement. Tenants to ask critical questions of Instructing Solicitors as to the reasons for the underlying dispute if the dispute appears unusual or without merit.
Countries or geographic areas	
• Cross-border elements	• Where advice includes a cross-border element make it is suggested that tenants make it clear in their advice that advice in the relevant jurisdictions needs to be taken. Tenants to be mindful that the test for "criminal property" for the purposes of the Proceeds of Crime Act 2002 (as amended) is governed by the law of England & Wales not any foreign jurisdiction therefore an act or omission which is not criminal under the law of a foreign jurisdiction may produce "criminal property" for UK purposes.
Delivery channels	
• Microsoft Word, Outlook, Teams; Zoom; telephone and face to face meetings	• Ensuring Comtek (Chambers' IT support) recommended updates regarding security of IT systems are kept up to date; and • Not advising by Whattsapp

Tenants should ensure that when new products, new business practices (including new delivery mechanisms) or new technology are adopted by fellow tax professionals, appropriate measures are taken in preparation for, and during, the adoption of such products, practices or technology to assess and if necessary, mitigate any money laundering or terrorist financing risks this new product, practice or technology may cause.

6. Ongoing Monitoring

Where lay client relationship persists for over 12 months client due diligence, periodic reviews and risk assessments will be conducted on an ongoing basis and any additional information identified should be dealt with and further information obtained from the lay clients where necessary.

In particular, CDD will be reviewed where the tenant has any legal duty in the course of the calendar year to contact an existing client for the purpose of reviewing any information which:

- is relevant to the risk assessment for that client (or where appropriate practice wide risk assessment); or
- relates to the beneficial ownership of the client, including information which enables the tenant to understand the ownership or control structure of a legal person, trust, foundation or similar arrangement who is the beneficial owner of the client.

A note of the review and the results, such as an updated risk rating, should be indicated on the relevant lay client take on form.

Tenants are under a reporting obligation to the Office of Financial Sanctions Implementation ('OFSI') to promptly inform them if he/she knows or reasonably suspects that a person is a "designated person" under the Sanctions and Anti-Money Laundering Act 2018 or has committed offences under sanctions regulations, where that information is received in the course of his practice. Guidance is available here.

7. Record Keeping

Record keeping shall be undertaken in accordance with the requirements of MLR and based on the guidance included in chapter 7 of AMLGAS.

Records of CDD/EDD are kept on the physical client file and in suitably secure electronic folders.

Subject to the tenant's Privacy Policy, obligations under BMIF and Top up Insurance cover (if any), and limitation periods for potential future professional negligence claims, the following records policy is suggested:

- ML records are to be kept for a minimum of 5 years beginning on the date on which the tenant knows or has reasonable grounds to believe that the transaction involved is complete if the subject matter was an occasional transaction; or
- ML records are to be kept for the longer period of 10 years after the date on which the tenant knows or has reasonable grounds to believe that the business relationship with that particular lay client has come to an end.

8. Reporting - Declaration

It is a requirement that where a tenant knows or suspects (or has reasonable grounds for knowing or suspecting) that a person is engaged in money laundering or terrorist financing as a result of information received in the course of the business or otherwise through carrying on that business then they must comply with:

i. Part 3 of the Terrorism Act 2000(a); or
ii. Part 7 of the Proceeds of Crime Act 2002(b); and make a Suspicious Activity Report.

This will be considered by reference to the guidance in Chapter 6 and appendix C of AMLGAS and the BSB AML Guidance.

Reports should be made to the National Crime Agency online and the relevant link providing advice on the SAR online system is:

https://www.ukciu.gov.uk/(pti1v145322oty55ufu1b43u)/SARonline.aspx

Under no circumstances should the professional or lay client or any of their representatives be advised that a report has been considered or that a suspicious activity report (SAR) has been made.

Tenants should be aware of Legal Professional Privilege (LPP) issues, and whether they are undertaking work which may qualify for either Legal Advice Privilege and/or Litigation Privilege. Reference to be made to the Legal Sector Affinity Group Anti-Money Laundering Guidance for the Legal Sector on when LPP will and will not apply. In many cases it will be readily apparent to tenants as to whether LPP applies in which has no such report such be made. However, if there is any doubt the following Decision Template taken from the Legal Sector Affinity Group Anti-Money Laundering Guidance for the Legal Sector should be applied:

Question	**Answer**	**Evidence**
What are the specific terms of your retainer/terms of engagement with the client? What have you been asked to do for your client?		
Has the retainer been varied at any stage? Was the variation express or implied?		
How has the retainer developed? What is the nature of the "relevant legal context" and the "continuum of communication" in relation to the document or conversation?		
What are the specific requirements set out in your Rules of Professional Conduct relating to your professional obligations relating to confidential information and LPP. Is the right of the client to LPP based on the common law or statute?		
Is the exchange or the material confidential? If so, why?		
On your analysis, does a particular type of LPP (legal		

advice or litigation) apply? If so, why?		
Why do you believe that a disclosure obligation may have arisen under the AML legislation?		
Do you have knowledge of/formed a suspicion relating to ML? What is the precise nature of the suspicion? Is there a reasonable basis for the suspicion? Review the relevant test, such as , R v Da Silva [2006] and R v Anwoir [2008]		
Has your client agreed to waive LPP in this exchange or document to make a joint disclosure?		
If your client has not agreed to waive privilege, which exemption applies to displace the primary duty to uphold client confidentiality and LPP (statutory abrogation or the crime/fraud exception).		
Is this a case in which the "privileged circumstance" exception applies under s330(6) POCA? Does common law LPP also apply?		
Based on the answers to the questions set out above, is this a "marginal case" or is the position unclear for any other reason.		
DECISION 1 COMMUNICATION IS COVERED BY LPP	Crime/fraud exception does not apply/no statutory abrogation and cannot make a disclosure without a breach of (i) retainer and (ii) Code of Conduct set out above	Note of retainer and Code.
DECISION 2 COMMUNICATION RECEIVED IN "PRIVILEGED CIRCUMSTANCES" within POCA	Crime/fraud exception does not apply/no statutory abrogation and cannot make a disclosure without a breach of (i) retainer and (ii) Code of Conduct set out above. You are exempt from making a disclosure to the NCA.	Note of retainer and Code.

DECISION 3: COMMUNICATION NOT PRIVILEGED BUT CONFIDENTIAL	If disclosable under POCA and not covered by LPP, disclosure can be made to avoid a breach of s330.	
DECISION 4: MARGINAL CASE	A marginal case could turn in a definitional issue regarding the nature of the document or other communication. Review with firm of solicitors specialising in LPP and/or external counsel.	

9. Training

It is a requirement of MLR that regular AML/CTF training is undertaken by the principals in the business, staff members and agents. A written record of the training delivered is also required to be maintained.

If a tenant's practice relates to either contentious or non-contentious tax work it is suggested that they attend AML/CTF training provided by the Bar Council once per year.

THREE STONE

Date 4 November 2024

Appendix One – Individual lay client/Public Access client take on form

Individual new lay client on-boarding form and ongoing monitoring checklist (the latter only if relevant)

Key (further information about due diligence is available in chapter 5 of AMLGAS):

CDD – client due diligence

EDD – enhanced due diligence

Client Profile		
Information required	**Notes**	**Comments**
Full client name		
Any previous names (if required)		
Acting as Personal Representative/Trustee/Director/Partner?		
Profession		
Employer/business name		
Residential address		
Place and date of birth		
Explanations/evidence obtained of source of funds and/or source of wealth.		
Is the client a Politically Exposed Person ("PEP") (Consider EDD requirements).	**1**	
Is the client subject to financial sanctions/or connected with any proscribed terrorist organisations.	**2**	
Is the client established in or associated to any high-risk jurisdictions or is either party to a transaction established in a high risk third country.	**3**	
Client nationality – does the client have dual nationality. If so, please document and ensure copies of dual ID also obtained.		
Do any of the risk factors identified in the practice risk assessment apply to this client.		
Professional Client/Public Access client has provided satisfactory CDD/EDD and cleared our background checks and screening.	**Date:**	**Signature:**

Additional comments/details:		
Summary of Instructions:		
Initial risk assessment of client at on boarding stage to determine initial level of CDD/EDD		
High/medium/low rating and date	Note 4	
Reason for rating		

Background Checks – based on requirements set out in AMLGAS (chapter 5 and appendix B)

Risk	**Documents obtained**	**Confirmation of document and whether copy attached**
Low risk		
Medium risk		
High risk		

Ongoing Monitoring

Is there anything in initial checks which leads to a change to the risk rating or requires additional CDD/EDD or any changes required as a result of ongoing monitoring. See note 5 for further information on ongoing monitoring.

Update to risk assessment	**Risk Assessment**	**CDD/EDD obtained**
Date of review		
Updated risk assessment or CDD/EDD requirements		
Reason for amendment to risk rating		
Date of review		
Updated risk assessment or CDD/EDD requirements		
Reason for amendment to risk		
Date of review		
Updated risk assessment or CDD requirement		
Reason for amendment to risk		

Appendix Two – Corporate lay client take on form

Company client on-boarding and ongoing monitoring checklist

Key (further information about due diligence is available in chapter 5 of AMLGAS):

CDD – client due diligence

EDD – enhanced due diligence

Client Profile		
Information required	**Notes**	**Comments**
Client /entity name		
Acting as Personal Representative/Trustee/Director/Partner?		
Registered office address		
In what jurisdiction is the business registered.		
Names of shareholders/directors/partners/members (be mindful of the need to look through the corporate veil to the ultimate beneficial owners).		
Are there any discrepancies between the information held on the client and the information on the Companies House PSC register. If there are discrepancies have these been reported to Companies House: https://www.gov.uk/guidance/report-a-discrepancy-about-a-beneficial-owner-on-the-psc-register-by-an-obliged-entity		
What are the activities of the entity. Is it investment holding or trading and if so, in what. Where does it carry out its business activities.		
Is it a regulated entity. If so, who is the regulator and where is the regulator based?		
Does this entity form part of a wider complex structure (either onshore or offshore or a group).		
Are any of the shareholders/directors/partners or members Politically Exposed Persons ("PEPs").	**1**	
Are the shareholders/directors/members or business subject to financial sanctions/or connected with proscribed terrorist organisations.	**2**	

Is the entity, (or its shareholders/directors/members) established in a high-risk third country or entering into a transaction(s) with another party established in one of those countries.	**3**	
Do any of the risk factors identified in the practice risk assessment apply to this entity.		
If a person is purporting to act on behalf of the client has their ID been verified and has confirmation been received that they have authority to act on behalf of the client.		
Client has provided satisfactory CDD/EDD and cleared our background checks and screening.	Date:	Signature:
Additional comments/details:		
Summary of instructions:		
Initial risk assessment of client at on boarding stage to determine initial level of CDD/EDD		
High/medium/low rating and date	Note 4.	
Reason for rating		

Background Checks based on requirements set out in AMLGAS (Chapter 5 and appendix B)

Risk	**Documents obtained**	**Confirmation of document and whether copy attached**
Low risk		
Medium risk		
High risk		

<u>Ongoing Monitoring</u>

This page should be used to record where anything in the initial checks or ongoing monitoring leads to a change to the risk rating or requires additional CDD/EDD. See note 5 for further information on ongoing monitoring.

Update to risk assessment	**Risk Assessment**	**CDD/EDD**
Date of review		
Updated risk assessment or CDD /EDD requirement		
Reason for amendment to risk rating		
Date of review		
Updated risk assessment or CDD/EDD requirement		
Reason for amendment to risk		
Date of review		
Updated risk assessment or CDD requirement		
Reason for amendment to risk		

Notes to accompany take on forms

Note Number	Section	Further Information
1	Appendices One and Two	Politically Exposed Persons (PEPs) are individuals who are entrusted with prominent public functions, other than as middle-ranking or more junior officials. Further guidance on AML risks in relation to PEPs can be found in the FCA guidance: https://www.fca.org.uk/publication/finalised-guidance/fg17-06.pdf
2	Appendices One and Two	The financial sanctions lists can be accessed here[2] The proscribed terrorist lists can be accessed here[3]
3	Appendices One and Two	A "high risk third country" means a country identified in schedule 3ZA[4] to MLR. This list replicates those countries listed by the Financial Action Taskforce[5] as high risk[6], or under increased monitoring[7]. Other lists of high risk countries are also available and you should also refer to the following when considering the geographical risks in relation to clients and transactions: - financial sanctions listings[8] - countries identified by The Financial Action Task Force as being high-risk jurisdictions[9] - the Transparency International corruption perceptions index[10].

[2] https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets
[3] https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2
[4] https://www.legislation.gov.uk/uksi/2021/392/regulation/2/made
[5] https://www.fatf-gafi.org/
[6] https://www.fatf-gafi.org/countries/#high-risk
[7] http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate)
[8] https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases
[9] https://www.fatf-gafi.org/countries/#high-risk
[10] https://www.transparency.org/en/cpi/2020/index/nzl

4	Appendices One and Two	Each client SJW acts for should be risk assessed at the start of the business relationship. There should also be ongoing monitoring of risk. You should have a note of the risk assessment of all your individual clients. If this is not available it should be put in place so there is evidence of the risk assessment of individual clients.
5	Appendices One and Two	Guidance on ongoing monitoring is included in chapter 5 of AMLGAS. Established business relationships should be subject to CDD procedures throughout their duration. It is important that SJW is able to evidence this ongoing monitoring and indicate where the assessment of AML risk has changed or additional CDD or EDD has been required.