

DUNPHYS ANTI MONEY LAUNDERING (AMLR) REGULATIONS JUNE 2017
(amended 17.1.2019)

Nominated Officer – Murray Smith

Deputy Nominated Officer – Harj Banger

Compliance Officer – Murray Smith

NCA - National Crime Agency

SARs - suspicious activity reports

PEPS - politically exposed persons (senior politicians/government officials/military officers/judges)

CDD - customer due diligence

EDD – enhanced due diligence

KYC – know your client

PURPOSE – to ensure that the NCA is informed of any suspicions that parties to a financial transaction are linked to criminal or terrorist activity. Under the Proceeds of Crime Act (PoCA) money laundering is the method by which criminals attempt to disguise the real source and ownership of the proceeds of criminal acts. Potential criminality includes bribery, possession of stolen goods and tax evasion to far more complex arrangements including the purchase and sale of property.

DUNPHYS' OBLIGATIONS – to comply with the AML regulations Dunphys must:

- Identify risks by obtaining suitable documentation to prove the identity of both sellers and buyers.
- Undertake a written Risk Assessment to establish the risk of either the seller and/or buyer of being involved in criminal or terrorist activity and review it during the course of the transaction.
- Maintain records of these enquiries and assessments for a minimum period of five years.
- Identify the relevant staff members required to comply with AML procedures, ensure they are properly trained to apply the procedures and screen them to ensure they are suitable persons to undertake this function.
- Monitor compliance with AML Regulations.
- KYC – it is advisable to Know Your Client and be alert to any criminal activity. Consequently, whilst lettings are not currently included in the AMLR, members of the public have an obligation under the PoCA to report suspicious activity to the NCA. Therefore, it is advisable to obtain ID for letting instructions for new clients.

STAFF RESPONSIBILITY – staff identified as being directly involved in arranging property sales are required to:

1. Within fourteen days of a business relationship being established, to obtain copies of documents which are suitable for proving identify of the buyer/seller. Acceptable documents will be a passport or driving licence and a utility bill which indicates their current address.
2. Complete a risk assessment (copy form attached) indicating whether or not there is a low risk of the transaction involving terrorist or criminal activity. And review it as the transaction proceeds.
3. Immediately advise Murray Smith of any suspicions arising from the completion of the Risk Assessment or through any other means.
4. Not reveal their suspicions to the party concerned. It is a criminal offence to tip off anyone suspected of criminal or terrorist activity.

SPECIAL FACTORS

- **PEPs and people from High Risk Countries** – these are identified as a special risk and require EDD.
- **Companies, Trusts, Partnerships, Charities, Deceased Person's Estates and other legal entities** – to prevent sellers/buyers hiding their identity it is essential to confirm the identity of all the beneficial owners having a share of more than 25% of the control or share these legal entities/corporate vehicles.
- **IDs** – unless you have met both the seller and buyer face to face the identity documents (IDs) you obtain must be originals or certified as originals by a solicitor.

IMPORTANT CONSIDERATIONS AND REQUIREMENTS

1. Your consideration of risk should commence on meeting new clients and when terms are agreed with buyers or tenants. If there is doubt about a client's credibility or criminality they are not to be accepted as clients.
2. Any suspicions at any stage must be reported to Murray Smith or Harj Banger immediately. It is a legal duty to report acts which you believe to be related to terrorism or money laundering. If you are unsure as to the criminality of an act then err on the side of caution and report it.
3. It is the duty of Murray Smith to make any reports (SARs) he deems necessary to the NCA. If a situation is not reported to the NCA then suitable records of the suspicion and reasons for not reporting should be kept. Staff should not contact NCA themselves. This should be done by Murray Smith or Harj Banger.
4. Confidentiality is essential when a SAR is made. It is a criminal offence to tip off the parties concerned even if it is not with the intentional aim of doing so. Tipping off is a criminal offence. To avoid the risk of tipping off rigorous procedures need to be enforced in order to preserve confidentiality. Information concerning reports of suspicion must be restricted to those who need to know.
5. If a SAR is made on a person you should consider whether it is still correct for you to act on their behalf or whether not doing would be an obvious sign to them that you have suspicions. In either case your action may be seen as abetting someone in criminal acts. You should seek advice from Murray Smith or Harj Banger.
6. Copies of reports should only be maintained by Murray Smith and only if password protected and should not be sent by email.

Revised 2nd May 2019

In summary, you are required to identify and verify the identity of sellers/buyers and any suspicions of money laundering should be reported immediately to Murray Smith in strictest confidence. Failure to comply can result in a criminal conviction and the termination of your employment.

This is to confirm that I (sign and print name) have read and understand my obligations and requirements under the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017.

(two copies to be signed by every member of staff, one copy to be retained by the NO, Murray Smith, and one by signatory for future reference).

END (page 2 of 2)