



# **DURHAM COUNTY COUNCIL**

## **ANTI-MONEY LAUNDERING POLICY**

**Effective date:**

**March 2016**

## **1. SUMMARY**

- 1.1. This policy explains what money laundering is and the legal and regulative framework that is in place to govern it. It also specifies the processes the Council needs to put in place to ensure that it does all it can to prevent the Council and its employees being exposed to money laundering and to ensure that the Council complies with all legal and regulatory requirements.

## **2. CONTEXT**

- 2.1. This policy, which is supplemented by accompanying guidance notes for employees, forms part of the Council's approach to dealing with the risk of fraud and corruption as set out in its Counter Fraud & Corruption Strategy and Confidential Reporting Code (Whistle Blowing Policy).
- 2.2. The Counter Fraud & Corruption Strategy is part of the Council's Corporate Governance framework which ensures that the Council is well managed and does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable way.

## **3. PURPOSE AND RATIONALE**

- 3.1. The risks to the Council of contravening the legislation are relatively low and some requirements of the legal and regulatory requirements do not apply to public authorities. However, the Council cannot be immune from the risks surrounding money laundering and therefore it is appropriate that the Council embraces the underlying principles of the money laundering legislation by taking all reasonable steps to minimise the likelihood of money laundering including putting in place proper policies and procedures.
- 3.2. This policy sets out the procedures which must be followed to enable the Council to comply with its legal and implied obligations relating to money laundering.

### **What is Money Laundering?**

- 3.3. Money laundering is the process by which the proceeds of crime or terrorism funds are changed so that they appear to come from a legitimate source.
- 3.4. The legal and regulatory framework that relates to money laundering is summarised below:
  - The Proceeds of Crime Act 2002 (POCA) (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)
  - The Terrorism Act 2000 (TA) (as amended by the Anti-Terrorism, Crime and Security Act 2001 and the Terrorism Act 2006)
  - The Money Laundering Regulations 2007 (the 2007 Regulations)

3.5. The POCA 2002 defines the primary money laundering offences and thus prohibited acts under the legislation as:

- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327)
- 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)
- acquiring, using or possessing criminal property (section 329 )
- doing something that might prejudice an investigation - for example falsifying a document (section 343)
- failure to disclose ( under sections 300 and 331)
- “tipping off” (under new section 333a)

3.6. Tipping off is where someone informs a person or people who are, or suspected of being involved in money laundering, in such a way as to reduce the likelihood of being investigated or prejudicing an investigation.

### **3.7. What are the obligations for the Council?**

3.8. The Chartered Institute of Public Finance & Accountancy (CIPFA) has provided guidance on how the legal and regulatory provisions apply to public authorities.

3.9. The Council and its employees, as are any individuals, subject to the full provisions of the TA and the first four offences of POCA outlined above.

3.10. So long as the Council does not undertake activities which might be interpreted, under POCA, as falling within the regulated sector, the offences of failure to disclose and tipping off do not apply. The regulated sector refers to activities which should be regulated under the Financial Services and Markets Act 2000.

3.11. The 2007 regulations refer to ‘relevant business’ and ‘relevant persons.’ Local authorities are not listed and therefore are not subject to the requirements of the 2007 regulations.

3.12. CIPFA’s view is that, ‘it is prudent and responsible practice for public service organisations, including those outside the scope of the regulations, to put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable them to detect and avoid involvement in the crimes described in the legislation and regulations.’

#### **4. SCOPE**

- 4.1. The first 4 offences under POCA listed above could apply to any individual and therefore this policy applies to all employees and elected members as they could be caught by the money laundering legal and regulatory framework, 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 concerns should be raised.
- 4.2. Whilst the risk to the Council of contravening the legislation is low, it is important that all employees and elected members are familiar with their responsibilities: serious criminal sanctions may be imposed for breach of the legislation.
- 4.3. The key requirement on employees is to promptly report any suspected money laundering activity to the Council's Money Laundering Reporting Officer.
- 4.4. Failure by any employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.
- 4.5. Failure by any elected member to comply with the procedures may lead to action being taken by the Standards Committee.

#### **5. DETAIL OF THE POLICY**

- 5.1. The Council's policy is to do all we can to prevent, wherever possible, the Council and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. We cannot stress too strongly, however, that it is every member of staff's responsibility to be vigilant.
- 5.2. The arrangements that the County Council have put in place are as follows:

##### **THE MONEY LAUNDERING REPORTING OFFICER (MLRO)**

- 5.3. The Council has nominated an officer to receive disclosures about money laundering activity within the Council. This is the Chief Internal Auditor & Corporate Fraud Manager, Paul Bradley. He can be contacted as follows:

Paul Bradley, Chief Internal Auditor & Corporate Fraud Manager  
Durham County Council  
County Hall  
Durham  
DH1 5UE

Telephone: 03000 269645  
E-mail: [paul.bradley@durham.gov.uk](mailto:paul.bradley@durham.gov.uk)

- 5.4. In the absence of the MLRO, Paul Monaghan, Audit & Fraud Manager, ([paul.monaghan@durham.gov.uk](mailto:paul.monaghan@durham.gov.uk), or 03000 269662 at the same address), is authorised to deputise for him.

## **6. PROCEDURES**

### Cash Payments

- 6.1 No payment to the Council will be accepted in cash if it exceeds £5,000. Cash is defined as including notes, coins or travellers cheques in any currency.

### Reporting to the Money Laundering Reporting Officer

- 6.2 Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, or to the MLRO's deputy if appropriate using the attached Suspicious Activity Report (SARS) Form (Appendix A). If preferred, suspicions can be discussed with the MLRO or deputy first.
- 6.3 The employee must follow any subsequent directions of the MLRO or deputy and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.
- 6.4 The MLRO or deputy must promptly evaluate any Disclosure Report, to determine whether it should be reported to the National Crime Agency (NCA).
- 6.5 The MLRO or deputy must, if they so determine, promptly report the matter to NCA on their standard report form and in the prescribed manner or can report online. Up to date forms and the online reporting can be downloaded and found from the NCA website at [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk).
- 6.6 In cases where legal professional privilege may apply, the MRLO must liaise with the Head of Legal & Democratic Services in deciding whether or not the matter should be reported to NCA.
- 6.7 All employees are required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation and at no time and under no circumstances should employees voice any suspicions to the person(s) suspected of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise they may commit a criminal offence of "tipping off".
- 6.8 Examples of the potential areas where money laundering may occur and further details of how suspicions should be recorded and reported are provided in a guidance note for employees (Appendix B).

## Customer Due Diligence

- 6.9 The regulations regarding 'regulated activities' are subject to strict requirements to establish procedures for the reporting, training, client identification and record keeping.
- 6.10 POCA requires that where an organisation is carrying out certain, 'regulated activities', then extra care needs to be taken to check the identity of the customer or client. This is known as carrying out Customer Due Diligence.
- 6.11 Regulated activity is defined as the provision 'by way of business' of advice about tax affairs; accounting services; treasury management, investment or other financial services; audit services; estate functions; services involving the formation, operation or arrangement of a company or trust or, dealing in goods wherever a transaction involves a cash payment of 15,000 Euros or more.
- 6.12 It is unlikely that the Council will be undertaking 'regulated activities', but should this apply, guidance is given in Appendix B.

## Guidance and Training

- 6.13 In support of this policy and procedures the Council will:
- Make all employees and members aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation.
  - Provide advice and guidance through targeted training to those employees most likely to be exposed to or suspicious of money laundering situations.
  - Ensure the MLRO and deputy receives adequate training as necessary.

## **7 MONITORING AND REVIEW PROCESS**

- 7.1 This policy will be monitored and reviewed on an annual basis by the MRLO to ensure that it remains fit for purpose.

## **8 EVALUATION**

- 8.1 The effectiveness of this policy will be considered as part of the annual review of the effectiveness of the Corporate Governance arrangements.

## **9 REFERENCES**

9.1 Further information can be obtained from the MLRO and the following sources:

- The Council's Counter Fraud and Corruption Strategy
- CIPFA's Proceeds of Crime ( Anti-Money Laundering) – Practical Guidance for Public Service Organisations, 2005
- CIPFA's Combating Financial Crime – Further Guidance on Anti-Money Laundering for Public Services Organisations 2009
- [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk)
- Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants – CCAB([www.ccab.org.uk](http://www.ccab.org.uk))
- Money Laundering Guidance at [www.lawsociety.org.uk](http://www.lawsociety.org.uk)
- SI 2007 No 2157 – [Money Laundering Regulations 2007](#) and [Gov.Uk](#)

## **10 APPENDICES**

Appendix A - Disclosure Reporting Form

Appendix B - Proceeds of Crime (Anti-Money Laundering) Guidance

**CONFIDENTIAL**

**Report to Money Laundering Reporting Officer**

**RE: Suspected Money Laundering Activity**

To: PAUL BRADLEY, DCC Money Laundering Reporting Officer  
Chief Internal Auditor & Corporate Fraud Manager  
Durham County Council  
County Hall  
Durham  
DH1 5UE

From: .....  
(Please insert the name of employee)

Service Grouping: .....  
Service: .....  
Position: ..... Ext / Tel No: .....

**DETAILS OF SUSPECTED OFFENCE:**

**Name(s) and address(es) of person(s) involved:**  
*[if a company/public body please include details of nature of business]*

**Nature, value and timing of activity involved:**  
*[Please include full details eg 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]*

Has any investigation been undertaken (to the best of your knowledge)?

Yes

No

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

Have you discussed your suspicions with anyone else?

Yes

No

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

Have you consulted any supervisory body guidance with regard to money laundering (e.g. the Law Society)?

Yes

No

If yes, please specify below:

Do you feel you have good reason for not disclosing the matter to the National Crime Agency (e.g. are you a solicitor and wish to claim legal professional privilege?)

Yes

No

If yes, please set out full details below:

Are you involved in a transaction that may be a prohibited act under sections 327 to 329 of Proceeds of Crime Act (POCA) and which requires appropriate consent from the National Crime Agency?

Yes

No

If yes, please enclose details in the box below:

Please set out below any other information you feel may be 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 IS FOR COMPLETION BY THE MLRO**

Date Report Received .....

Date Receipt of Acknowledgement: .....

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 National Crime Agency?

Yes

No

If yes, please confirm date of report to National Crim Agency and complete the box below:

<p><b><u>Details of liaison with the NCA regarding the report:</u></b></p> <p>Notice Period: ..... to .....</p> <p>Moratorium Period: ..... to .....</p>
--

Is consent required from the National Crime Agency to any ongoing or imminent transactions which would otherwise be prohibited acts?

If yes, please confirm full details in the box below:

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Date consent received from National Crime Agency: .....

Date consent given by MLRO 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 reasoning for non-disclosure]*

Date consent given by MLRO to employee for any prohibited act transactions to proceed: .....

**Other relevant information:**

Signed: .....

Dated: .....

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS

**DURHAM COUNTY COUNCIL**

**Proceeds of Crime (Anti-Money Laundering)**

**Guidance for Employees**

**1. Purpose**

- 1.1. This guidance should be read in conjunction with the Council's Anti-Money Laundering Policy and aims to help employees understand the legal and regulatory requirements relating to money laundering, as they affect both the County Council and you personally.
- 1.2. It aims to raise the awareness of the potential for money laundering activity involving the Council and what you should do if you become suspicious.

**2. What is Money Laundering and what laws exist to control it?**

- 2.1. Money laundering is the process by which the proceeds of crime or terrorism funds are changed so that they appear to come from a legitimate source.
- 2.2. In recent years new laws and regulations have been passed which shift significantly the burden for identifying acts of money laundering away from government agencies and more towards organisations and their employees. They prescribe potentially very heavy penalties, including imprisonment for those convicted of breaking the law.
- 2.3. The legal and regulatory framework that relates to money laundering is summarised below:
  - The Proceeds of Crime Act 2002 (POCA) (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)
  - The Terrorism Act 2000 (TA) (as amended by the Anti-Terrorism, Crime and Security Act 2001 and the Terrorism Act 2006)
  - The Money Laundering Regulations 2007 (the 2007 Regulations)
- 2.4. The POCA 2002 defines the primary money laundering offences and thus prohibited acts under the legislation as:
  - concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327)
  - 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)

- acquiring, using or possessing criminal property (section 329 )
  - doing something that might prejudice an investigation - for example falsifying a document (section 343)
  - failure to disclose ( under sections 300 and 331)
  - “tipping off” (under new section 333a)
- 2.5. Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence. Arranging is where someone involves himself in an arrangement to assist in money laundering. Acquisition (etc) is where someone seeks to benefit from money laundering by acquiring, using or possessing the property concerned.
- 2.6. Tipping off is where someone informs a person or people who are, or are suspected of being, involved in money laundering in such a way as to reduce the likelihood of being investigated or prejudicing an investigation.
- 2.7. Although the term ‘money laundering’ is generally used when describing the activities of organised crime for which the legislation and regulations were first and foremost introduced, to most people who are likely to come across it or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.
- 2.8. Criminal property is defined very widely in the law relating to money laundering. It includes not only the proceeds of crime committed by someone else but also possession of the proceeds of an individual’s own crime, for example, the retentions of money from the non-payment of income tax. It does not matter how small the amount of money involved is. It also includes the proceeds of crimes that take place abroad.
- 2.9. All the money laundering offences may be committed by an organisation or by individuals working for it.

### **3. What are the obligations for the Council?**

- 3.1. The Council and its employees are subject to the first four offences of POCA outlined above in paragraph 2.4 above.
- 3.2. So long as the Council does not undertake activities which might be interpreted, under POCA, as falling within the regulated sector, the offences of failure to disclose and tipping off do not apply. The regulated sector refers to activities which should be regulated under the Financial Services and Markets Act 2000.
- 3.3. If the Council does carry out any ‘regulated activities’ then extra care needs to be taken to check the identity of the customer or client. This is known as carrying out Customer Due Diligence. Customer due diligence records must be kept for 5 years after the end of the business relationship.



- 3.4. The 2007 regulations refer to 'relevant business' and 'relevant persons.' Public authorities are not listed and therefore are not subject to the requirements of the 2007 regulations.
- 3.5. The consequences for staff committing an offence are potentially very serious. Whilst it is considered most unlikely that a member of staff would commit one of the main offences, in certain circumstances the failure to disclose a suspicion of a case of money laundering is a serious offence in itself and there are only very limited grounds in law for not reporting a suspicion.

#### **4. What is the Council's Policy on Money Laundering?**

- 4.1. The Council's policy is to do all we can to prevent, wherever possible, the Council and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. We cannot stress too strongly, however, that it is every member of staff's responsibility to be vigilant.
- 4.2. The Council has accepted the responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are fully trained.
- 4.3. The Council has implemented procedures for the reporting of suspicious transactions and if necessary making an appropriate report to the National Crime Agency (NCA).
- 4.4. The Council has nominated an officer to receive and manage the concerns of staff, to make internal enquiries, to advise staff who they feel should make a report and to co-ordinate suspicious activity reports (SARS) to NCA. This is the Chief Internal Auditor & Corporate Fraud Manager, Paul Bradley. His contact details are given below.

Paul Bradley,  
Chief Internal Auditor & Corporate Fraud Manager  
Durham County Council  
County Hall  
Durham  
DH1 5UE

Telephone: 03000 269645  
E-mail: [paul.bradley@durham.gov.uk](mailto:paul.bradley@durham.gov.uk)

## **5. How do I recognise suspicious activity that may be linked to Money Laundering?**

5.1. It is impossible to give a definite list of ways to spot money laundering but the following suggested risk areas which taken alone or with other factors, may suggest the possibility of money laundering:

- A new client
- A secretive client e.g. refuses to provide requested information without a reasonable explanation
- Concerns about the honesty, integrity, alleged association with criminality, or location of a client
- Illogical third party transactions: unnecessary routing or receipting of funds from third parties or through third party accounts:
- Involvement of an unconnected third party without logical reason or explanation
- Payment of substantial sums in cash or a large cash deposit (The Council policy is not to except a payment of over £5,000)
- Absence of obvious legitimate source of funds
- Payment of monies then cancellation of transactions and request for return of funds
- Over payment with requests for refunds
- Movement of funds overseas, particularly to a higher risk country or tax haven
- Where, without reasonable explanation, the size, nature, and frequency of transaction or instructions (or the size, location of type of client) is out of line with normal expectations
- Cancellation or reversal of an earlier transaction
- Requests for release of client account details other than on the normal course of business.
- Companies and trusts: extensive use of corporate structures and trusts in circumstances where the client's needs are inconsistent with the use of such structures
- Over complicated financial systems
- Poor business records or internal accounting controls
- A previous transaction for the same client which has been or should have been reported to the MLRO
- Unusual property investment transactions if there is no linked substantive property transaction involved (surrogate banking)
- Property related transactions where funds are received for deposits or prior completion from an unexpected source or where instructions are given for the settlement of funds to be paid to an unexpected destination
- More than one solicitor used in a sale or purchase or there is an unexplained or unusual geographical use of the solicitor in relation to property transactions

5.2. Facts which tend to suggest that something odd is happening may be sufficient for a reasonable suspicion of money laundering to arise.

## **6. What should I do if I suspect a money laundering activity?**

- 6.1. Money laundering offences apply to your own actions and to matters in which you become involved. If you become aware that your involvement in a matter may amount to money laundering then you must discuss it with the MLRO and not take any further action yourself.
- 6.2. There is no clear definition of what constitutes suspicions. Common sense will be needed. If you are considered likely to be exposed to suspicious situations, you will be made aware of these by your line manager and where appropriate training will be provided. If in any doubt seek advice from the MLRO.
- 6.3. You should report your suspicions immediately to the Council's MLRO who will issue you with a Suspicious Activity Report (SAR) form.
- 6.4. The report must include as much detail as possible, for example:
  - Full details of the people involved (including yourself, if relevant), eg name, date of birth, address, company names, directorships, phone numbers, etc;
  - Full details of the nature of their/your involvement;

If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327 – 329 of the 2002 Act, then your report must include all relevant details, as you will need consent from the National Crime Agency (NCA), via the MLRO, to take any further part in the transaction.

You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline;

- The types of money laundering activity involved:  
  
(If possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (or 2000 Act), or general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both)
- The dates of such activities, including: whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;

- Why, exactly, you are suspicious – the NCA will require full reasons;

(Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to the NCA, where appropriate. You should also enclose copies of any relevant supporting documentation)

- 6.5. Once you have reported the matter to the MLRO you must follow any directions he may give you. **You must NOT make any further enquiries into the matter yourself:** any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff are required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 6.6. Similarly, **at no time and under no circumstances should you voice any suspicions** to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of “tipping off”.
- 6.7. Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

## 7. How do I know if I should carry out Customer Due Diligence?

- 7.1. The regulations regarding customer due diligence are detailed and complex, but there are some simple rules that will help you decide if it is necessary.

- Is the service a regulated activity?

*(Regulated activity is defined as the provision ‘by way of business’ of advice about tax affairs; accounting services; treasury management, investment or other financial services; audit services; estate functions; services involving the formation, operation or arrangement of a company or trust or, dealing in goods wherever a transaction involves a cash payment of, 15,000 Euros or more.)*

- Is the Council charging for the service i.e. is it ‘by way of business’?
- Is the Service being provided to a customer other than a UK public authority?

If the answer to **any** of these questions is **no** then you do not need to carry out customer due diligence.

If the answer to **all** these questions is **yes** then you must carry out customer due diligence **before** any business is undertaken for that client. If you are unsure whether you need to carry out customer due diligence then you should contact the MLRO.

- 7.2. Where you need to carry out customer due diligence then you must seek evidence of identity, for example:
- Checking with the customer's website to confirm their business address.
  - Conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identification of any directors.
  - Seeking evidence from the key contact of their personal identity, for example, their passport, and position within the organisation.
- 7.3. The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officer's knowledge of the customer and a regular scrutiny of the transactions involved.
- 7.4. If at any time, you suspect that a client or customer for whom you are currently, or are planning to carry out a regulated activity, is carrying out money laundering or terrorist financing, or had lied about their identity then you must report this to the MLRO.
- 7.5. In certain circumstances enhanced customer due diligence must be carried out. For example, where:
- The customer has not been physically present for identification
  - The customer is a politically exposed person
- (A politically exposed person is an individual who at any time in the preceding year has held a prominent public function outside of the UK, and EU or international institution/body, their immediate family members or close associates)*
- There is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- 7.6. Enhanced customer due diligence could include any additional documentation data or information that will confirm the customer's identity and/or the source of the funds to be used in the business relationship / transaction. If you believe that enhanced customer due diligence is required then you must consult the MLRO prior to carrying it out.

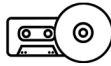
- 7.7. Customer due diligence records and details of the relevant transactions(s) for that client must be retained for at least 5 years after the end of the business relationship.
- 7.8. An electronic copy of every customer due diligence record must be sent to the MLRO to meet the requirements of the regulations and in case of inspection by the relevant supervising body.

**Please ask us if you would like this document summarised in another language or format.**

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