

PROCEEDS OF CRIME & MONEY LAUNDERING

**Council and Officer
responsibilities**



CONTENTS

Background and key documents

1. Guidance Notes
2. Proceeds of Crime / Anti-Money Laundering Policy

Anti-Money Laundering Reporting

3. Proceeds of Crime / Anti-Money Laundering Forms
 - A. Proceeds of Crime / Anti-Money Laundering Report
 - B. Proceeds of Crime / Anti-Money Laundering Report Review

Customer Due Diligence

4. Customer Due Diligence - The identification process
5. Customer Identification Forms
 - C. Private Individual Identification Verification Form
 - D. Corporate Entities Identification Verification Form
 - E. Client Identification: Verification Checks – Acceptable Sources Lists A - C

BACKGROUND & KEY DOCUMENTS

1. Guidance Notes

WHAT IS MONEY LAUNDERING?

Money Laundering is any arrangement involving the proceeds of crime. It is the process by which "dirty" money (i.e. the proceeds of crime and the ownership of those proceeds) is changed so that the proceeds appear to originate from legitimate "clean" sources.

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.

Sometimes, and this is where the Council is most likely to encounter it, it can simply involve receiving payment for goods or services with "dirty" money – usually cash. For the purposes of the legislation it includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.

WHAT IS THE LEGISLATION?

The Money Laundering Regulations 2007 came into effect on 15 December 2007. These regulations supersede the Money Laundering Regulations 2003. The council is also affected by the Proceeds of Crime Act 2002.

The Authority is required to form a view on the level of risk in relation to money laundering presented by prospective and particular situations. The requirements are detailed in the Customer Due Diligence section of this policy. For the purpose of this document, the terms "customer" and "client" is used instead of service users, members of the public and companies who are, or are looking to enter into a relationship with the Council.

AIMS AND REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION

The Regulations have two main aims:

- to enable suspicious transactions to be recognised and reported to law enforcement agencies,
- to ensure that if a business's client comes under investigation in the future, the business can provide its part of the audit trail.

The Regulations require:

- identification procedures – that you have confirmed the identity of those you are dealing with (see Section 4. Customer Due Diligence below);
- record-keeping procedures – to maintain an audit trail, records must be kept for at least 5 years;
- internal reporting procedures – disclosures should be made via a nominated officer;
- procedure to prevent money laundering – these should be proportionate to the perceived risks, and are therefore unlikely to be complicated;

- training of employees - relating to the procedures and the recognition of money laundering transactions and to the law relating to money laundering.

CUSTOMER DUE DILIGENCE

Where the Authority 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. More information can be found in Section 4 Customer Due Diligence – The Identification Process.

DOCUMENT RETENTION

Where relevant business is carried out then the customer due diligence records and details of the relevant transaction(s) for that client must be retained for at least five years after the end of the business relationship. Examples of that documentation are:

- Documents relating to the financial transactions
- Customer Identity checks
- Management policies and procedures

WHAT ARE THE OFFENCES AND PENALTIES?

There are three principal Money Laundering offences:

- **laundering** the proceeds of crime or assisting in that process – conviction resulting in a maximum 14 years imprisonment and/or fine (this applies to everyone),
- **failing to report** a knowledge or suspicion of money laundering – conviction resulting in a maximum 5 years imprisonment and/or a fine (this only applies to persons in the Regulated Sector),
- **tipping-off** – conviction resulting in a maximum of 5 years imprisonment and/or a fine (this applies to everyone).

WHAT IS THE COUNCIL'S POLICY ON MONEY LAUNDERING

Our policy is to do all we can to prevent wherever possible the Authority 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 that it is every member of staff's responsibility to be vigilant.

The Director Resources (Section 151 officer) coordinates anti-money laundering measures within the Council.

In the field of treasury management, the Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving Money Laundering. Accordingly, we will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure the staff involved in Treasury Management are properly trained.

WHAT ARE THE IMPLICATIONS FOR THE COUNCIL AND IT'S STAFF?

The Council has accepted the responsibility to ensure that those of it's staff who are most likely to be exposed to Money Laundering can make themselves fully aware of the law and, where necessary, are suitably trained. The Council has also implemented procedures for reporting suspicious transactions and, if necessary, making an appropriate suspicious activity report or SAR to the Serious Organised Crime Agency (SOCA).

The consequences for staff of committing an offence are potentially very serious. Whilst it is considered most unlikely that a member of staff would commit one of the three principle offences, 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.

Whilst stressing the importance of reporting your suspicions, you should understand that failure to do so is only an offence if your suspicion relates, in the event, to an actual crime.

WHAT ARE THE AREAS AT RISK OF MONEY LAUNDERING?

- Conveyancing, including Housing Right-to-buy transactions;
- Housing Benefit fraud;
- Cash payments in excess of £10,000 or cash payments that have totalled £10,000 in four or less transactions e.g. business rates, business rents, hall hire etc.;
- Refunds of overpayments to accounts e.g. as above plus: Council Tax, hire fees etc.;
- Suspiciously low tenders.

HOW CAN SUSPICIOUS ACTIVITY BE IDENTIFIED?

Employees dealing with transactions that involve income for goods and services (or other income), particularly where:

- Large amounts of cash are received,
- Overpayment is received by cash and a refund is made,
- Overpayment is received by credit or debit card and a cheque refund is requested.

For new customers:

- Is checking their identity proving difficult, is the individual reluctant to provide details?
- Is there a genuine reason for using the services provided?
- Is the customer attempting to introduce intermediaries to either protect their identity or hide their involvement?
- Is the customer requesting a large cash transaction?
- Is the source of the cash known and reasonable?

For regular and established customers:

- Is the transaction reasonable in the context of the service provider's normal business?
- Is the size or frequency of the transaction consistent with the normal activities of the customer?
- Has the pattern of the transaction changed since the business relationship was established?

If an officer is concerned about tenders received i.e. very low compared to others they should contact the procurement officer for advice

Generally speaking, for the types of transactions the Council is involved with which are at risk in relation to Money Laundering, for example the sale of a capital asset, the risk is mitigated because these transactions will often involve large, well known companies who will be represented by their solicitors who have their own professional duties regarding the Money Laundering Regulations. Conversely, where we have similar transactions with un-represented individuals or bodies this is an area of greater risk and our response will need to reflect this.

You may well have reason to suspect that payments received at Court are made from the proceeds of crime! Legal Services have advised that a recent Court of Appeal case decided that there was no duty on lawyers involved in litigation to report suspicions of money laundering.

It should be remembered that the Money Laundering regime adopts an "all crimes" approach. Whilst it is largely concerned with significant transactions that organisations may effect with third parties, the offences under POCA (notably sections 327-329) may apply to a very wide range of activities within the Council. For example, being complicit in crimes involving the falsification of claims; benefiting from the non-compliance with the conditions attaching to a grant, or facilitating employment on which tax is not paid.

WHAT DO I HAVE TO DO NOW?

All staff who are likely to be exposed to situations where money laundering may occur, e.g. officers who deal with income for goods and services (or other income), particularly where subsequent refunds may be made or large amounts of cash are received, need to be made aware of the Regulations and how they are affected by them.

Large individual cash payments must be treated with caution. **Any cash payment in excess of £3,000 should be declined and the person requested to deposit the cash at their bank or with their solicitor** and to make payment by debit or credit card, cheque, banker's draft or solicitor's cheque. **Any officer of the council who accepts a cash payment in excess of £3,000 must have followed the identification procedure of Customer Due Diligence.**

If not already in place, procedures must be put in place to ensure compliance with the regulations and specifically with Customer Due Diligence, i.e. identification procedures.

WHAT SHOULD I DO IF I SUSPECT A CASE OF MONEY LAUNDERING?

Anyone who suspects that a money laundering investigation is on-going **must not disclose** any material to anyone that might prejudice the investigation.

Any cash transaction of **£3,000 or more** or **linked transactions that have totalled £10,000 or more in four or less cash payments** should be reported immediately to the Director Resources.

Anyone who suspects that a transaction could be **linked to money laundering or the proceeds of crime** should report the matter to the Audit Partnership Manager.

You should make the report to the Director Resources using the Proceeds of Crime/Anti-Money Laundering reporting (Section 3). A signed copy of the form should be e-mailed to the Director Resources. If you prefer, you can call the Director Resources to discuss your suspicions. On receiving your report the Director Resources will decide whether the transaction is suspicious and if so make a report to SOCA. All cash payments exceeding £10,000 will be reported.

FURTHER INFORMATION

Please contact Financial Services, if you have any queries relating to Money Laundering. Further information can also be found at:

http://www.hm-treasury.gov.uk/d/money_laundering_regulations2007.pdf

<http://www.soca.gov.uk>

<http://www.cipfa.org.uk/practiceassurance/laundering.cfm>

CURRENT CONTACTS

Director Resources (s151 officer)	Mark Sheldon (01242) 264123 mark.sheldon@cheltenham.gov.uk
Head of Internal Audit	Rob Milford (01242) 775174 robert.milford@cheltenham.gov.uk
Financial Services contact	Nina Philippidis (01242) 775221 nina.philippidis@cheltenham.gov.uk

2. Proceeds of Crime / Anti-Money Laundering Policy

1. INTRODUCTION

1.1 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 broadened the definition of money laundering and increased the range of activities covered by the legislation. As a result, new obligations now impact on areas of local authority business which now require internal procedures to prevent the use of services for money laundering.

1.2 Money laundering may be defined as the process whereby the origin of dishonest and or illegally obtained money is concealed so that it appears to come from a legitimate source.

2. SCOPE OF THE POLICY

2.1 This Policy applies to all officers (including external appointments) and elected Members of the Council. The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.

2.2 Failure to comply with the procedures set out in this policy may lead to disciplinary action being taken in accordance with existing Council policies in addition to any legal prosecution to which may result.

2.3 Directors along with their service managers must ensure all those delivering the Council's services are aware of this Policy.

3. PURPOSE

3.1 This Policy has been written to enable the Council to meet its legal requirements in a way which is proportionate to the low level of risk to the Council of contravening the legislation.

3.2 The purpose of this Policy is to make officers and Members aware of the legislation, their responsibilities regarding the legislation and the consequences of non-compliance with this Policy.

3.3 Potentially any officer of the Council could 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.

3.4 Whilst the risk to the Council of contravening the legislation is low, it is important all officers are familiar with their legal responsibilities. Criminal sanctions may be imposed for breaches of the legislation.

4. THE MONEY LAUNDERING REPORTING OFFICER

4.1 The officer nominated to receive disclosures about money laundering activity is the Section 151 Officer, who is also the Director Resources.

4.2 Internal Audit must be advised of any such activity and will provide any necessary advice.

5. DISCLOSURE PROCEDURE

Reporting to the Money Laundering Reporting Officer (Director Resources)

5.1 Where it becomes known or is suspected, by an officer, that money laundering is taking/has taken place or there is concern by the officer that involvement in a matter may amount to a prohibited act under the legislation, it must be disclosed immediately. Disclosure must be within hours of the information made known. Failure may lead to prosecution.

5.2 One Legal must be advised immediately (see 5.1 above) by the Money Laundering Officer (Director Resources) to seek advice regarding compliance with the legislation.

5.3 The disclosure should be made using the forms shown attached to the Policy.

5.4 Once reported to the Money Laundering Officer the reporting officer must follow any directions given and must not make any enquiries into the reported event. The Money Laundering Officer will if appropriate refer the matter to the National Criminal Intelligence Service who will undertake any necessary investigations. Officers will be required to co-operate fully with those investigating the matter.

5.5 Examples of the Disclosure form for the Reporting Officer and the Money Laundering Officer are attached to this document.

5.6 All disclosure reports including those made to the National Criminal Intelligence Service must be kept securely for a minimum of five years.

6. CLIENT IDENTIFICATION PROCEDURE

6.1 Directors and managers shall ensure that where the Council is carrying out relevant business** and:

- a) forms an ongoing business relationship with a client; or
- b) undertakes a one-off transaction involving payment by or to the client of €15,000 (approximately £10,000) or more; or
- c) undertakes a series of linked one-off transactions involving a total payment by or to the client(s) of €15,000 or more; or
- d) it is known or suspected that a one-off transaction or a number of them involves money laundering; then this Client Identification Procedure must be followed before any business is undertaken.

** Examples of relevant business may be defined for this Council as, legal services, investments, cash handling and accountancy services.

6.2 In the above circumstances staff must obtain satisfactory evidence of the prospective client as soon as practicable after instructions are received. This applies to existing clients, where such information has not been obtained, as well as new clients (see Customer Due Diligence process outlined in guidance notes).

6.3 The evidence should be retained for at least five years from the end of the business relationship or one-off transaction.

6.4 If satisfactory evidence is not obtained at the outset then the business relationship or one-off transaction cannot proceed. If there is an unjustifiable delay in obtaining evidence of identity or the where the client is deliberately not providing evidence a disclosure will have to be made.

7. RECORD KEEPING

7.1 Each department of the Council conducting relevant business must maintain records of:

- Client identification evidence obtained and;
- Details of all relevant business transactions carried out for clients

7.2 As a minimum the records must provide an audit trail to aid any subsequent investigation, for example, distinguishing the client and the relevant transaction and recording in what any funds were received or paid.

7.3 In all cases evidence should be retained for at least five years from the end of the business relationship or transaction(s). This is so that they may be used as evidence in any subsequent investigation.

8. GUIDANCE & TRAINING

8.1 In support of this policy the Council will make staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the legislation and give training to those most likely to encounter money laundering.

8.2 As a minimum they should be made aware of:

- The Money Laundering Regulations 2003
- The Proceeds of Crime Act 2002, part 7
- The Anti-Terrorism, Crime and Security Act 2001, section 117
- The Terrorism Act 2000, sections 18 & 21a

9. REVIEW OF THIS POLICY

9.1 The Director Resources has accepted 'ownership' of this policy which entails regular updating as and when changes to the legislation occur or at intervals of not less than two years.

3. Proceeds of Crime / Anti-Money Laundering Forms

A. PROCEEDS OF CRIME / ANTI-MONEY LAUNDERING REPORT

Before completing this form, please read the current version of the Proceeds of Crime / Anti-Money Laundering guidance notes and policy document, as available of the intranet.

To:	Mark Sheldon, Director Resources
From:	
Job title:	
Department:	
Telephone no:	

Report relates to:	Please mark with an "x"
A transaction involving over £10,000 in cash	
A series of transaction involving more than £10,000 in cash	
A suspicion that a transaction could be linked to money laundering or the proceeds of crime.	

Name(s) and address(es) of person(s) involved: (if a company / organisation please include details of the nature of the business)

Details of transaction(s) in question:	
Total value / £s:	
Transaction(s) relate to:	
Date(s):	
Method(s) of payment:	
Other information:	

Nature of suspicions:

Was the customer identification procedures of Customer Due Diligence followed?	Yes:		No:	
If yes, please give details and attach relevant documentation				

Has any investigation been undertaken, as far as you are aware?	Yes:		No:	
If yes, please give details:				

Have you discussed your suspicions with anyone else?	Yes:		No:	
If yes, please give details, explaining why such discussion was necessary:				

Have you consulted any supervisory body guidance re. money laundering? (e.g. the Law Society)	Yes:		No:	
If yes, please give details:				

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Please provide any other relevant information:

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Signed: _____

Dated: _____

A signed copy of this completed form should be immediately passed to Mark Sheldon, Director Resources or emailed on: mark.sheldon@cheltenham.gov.uk.

Please do not use the internal mail for this purpose.

Please do not discuss the content of this report with anyone you believe may be involved in the suspected activity described – to do so may constitute a “tipping off” offence which carries a maximum penalty of 5 years imprisonment.

B. PROCEEDS OF CRIME / ANTI-MONEY LAUNDERING REPORT REVIEW

This form is to be completed upon receipt of the Report and with reference to the Proceeds of Crime / Anti- Money Laundering guidance notes and policy documents, as available on the intranet.

Date report received:	
Date receipt of report acknowledged:	

Report related to:	Please mark with an "x"
A transaction, or series of transactions, involving over £10,000 in cash	<input type="checkbox"/>
A suspicion that a transaction could be linked to money laundering or the proceeds of crime.	<input type="checkbox"/>

Action taken to review report:

Findings of review:

Are there reasonable grounds for suspecting money laundering activity?	Yes:		No:	
If yes, please give details:				

If there are reasonable grounds for suspicion, will a report be made to SOCA?	Yes:		No:	
If no, please explain reasons for non-disclosure:				
If yes, please complete the following details:				
Date of report to SOCA:				
Details of liaison with SOCA regarding the report:				
Notice period:				
Moratorium period:				

Is consent required from SOCA to any ongoing or imminent transactions, which would otherwise be, prohibited acts?	Yes:		No:	
If yes, please give details:				
Date consent received from SOCA:				
Date consent given by you to employee:				

Please provide any other relevant information:

Signed: _____

Dated: _____

4. Customer Due Diligence - The identification process

Where the Authority 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.

These regulated activities are defined as the provision by way of business of:

- advice about tax affairs,
- accounting services,
- treasury management, investment or other financial services, (e.g. receiving income)
- audit services,
- legal services,
- estate agency,
- services involving the formation, operation or arrangement of a company or trust,
- dealing in goods wherever a transaction involves a cash payment of €15,000 (£10,000) or more.

Professionals in Public Practice are subject to these statutory requirements under the Regulations by virtue of being deemed to be part of the “regulated sector”.

The Regulations regarding customer due diligence are detailed and complex, but there are some simple questions that will help you decide if it is necessary:

- Is the service a regulated activity (see the list above)?
- Is the Authority 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 in respect to that client. This means you must seek sufficient evidence of identity that can be verified by an independent and reliable source.

A list of acceptable Identity Verification Sources and forms for completion are included as Forms C, D & E of this document. The requirement for customer due diligence applies immediately for new customers and 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.

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 has lied about their identity then you must report this to Director Resources. Alternatively, any suspicions of terrorist activity should also be reported to the Gloucestershire Constabulary on 0800 789 321 (Terrorist Hotline).

Where customer due diligence cannot be satisfied the relationship should be terminated, but without “tipping off”. It is therefore imperative that you contact Internal Audit or the Police for advice before taking any action.

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 (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.

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.

Where the client is subject to EU Money Laundering rules, e.g. a listed company, credit or financial institution, solicitor or accountant, there is an exemption from the requirement to carry out the standard due diligence checks and simplified due diligence is applicable.

FUNDING SOURCES

When dealing with large cash transactions, to comply with the Proceeds of Crime Act proof of the source of the funds is required to ensure they are not derived from a criminal source.

Evidence e.g. bank statements, inheritance documents, pay slips etc. should be obtained that demonstrates the source of the funding.

5. Customer Identification Forms

C. PRIVATE INDIVIDUAL – IDENTIFICATION VERIFICATION FORM		
1.	Name (including aliases)	
2.	Address (including post code)	
3.	Date of birth	
4.	Telephone number (including area code)	
5.	Fax number (including area code)	
6.	E-mail address	
7.	Summary of transaction and role of party	
8.	Evidence of identity Please attach – see acceptable source list A (one item)	Yes / No If No go to Q. 12
9.	Face to face contact?	Yes / No If No go to Q. 12
10.	If the client a politically exposed person (PEP)? (an individual who is or has at any time in the preceding year been entrusted with prominent functions in an overseas state and / or an immediate family member, or a known close associate of such a person)	Yes / No If Yes go to Q. 13
11.	Does the transaction by its nature present a high risk of money laundering or terrorist financing?	Yes / No If Yes go to Q. 12
Enhanced Verification		
12.	Non-standard verification means additional verification should be undertaken. Please use one or more of the following to verify client's identity.	

	<p>NON FACE TO FACE CONTACT AND HIGH RISK TRANSACTIONS</p> <ol style="list-style-type: none"> 1. Additional document, data or information to identify client (please specify from List B). 2. Using electronic verification via a third party (please specify type of third party i.e. government body, data checkers etc.) 3. First payment is carried out through an account opened in the client's name with a credit institution. 	<p>Yes / No</p> <p>Yes / No</p> <p>Yes / No</p>
<p>13.</p>	<p>POLITICALLY EXPOSED PERSON</p> <ol style="list-style-type: none"> 1. Obtain approval for establishing a business relationship. 2. Confirm measures taken to establish source of wealth and source of funds which are involved in any transaction / business relationship. <p>Please note that an ongoing monitoring of the business relationship should be undertaken.</p>	
<p>14.</p>	<p>Signature: Date:</p>	<p>.....</p>
<p>15.</p>	<p>OFFICER VERIFYING FORM</p> <p>Signature: Name in Block Capitals: Department: Date:</p>	<p>.....</p>

D. CORPORATE ENTITIES – IDENTIFICATION		
1.	Name of client (including trading name)	
2.	Registration number (corporate)	
3.	Registered and business addresses (including post code)	
4.	Telephone number (including area code)	
5.	Fax number (including area code)	
6.	E-mail address	
7.	Type of organisation	1. If a private company use verification at Q. 11 2. If other organisation use verification at Q. 12
8.	Record the names of any Directors and beneficial owners of the client with a beneficial share of 25% and above. (Please consider the nature of transactions and details of directors and shareholders to determine on a risk based approach whether Private Individual Forms need to be completed for each beneficial owner)	Yes / No
9.	Date of first contact	
10.	Summary of transaction and role of party	
11.	Acting as principal? (If no, identify principal on separate form)	Yes / No
VERIFICATION		
12.	Verification of identity – private companies (other than Regulated companies) Provide one or more of the following: 1. A search from the relevant	Please specify verification document used

	<p>Company Registry</p> <p>2. Copy of Certificate if incorporation</p>	
<p>13.</p>	<p>Verification of identity – other bodies:</p> <p>Verify the clients identify by obtaining the following relevant documents:</p> <p><u>1.NHS Trusts</u></p> <p>1.1 Evidence from Department of Health website.</p> <p>1.2 A certificate copy of the relevant resolution</p> <p><u>2. Education institutions</u></p> <p>An extract from the relevant charter or Act and Statutory Instrument, showing creation and powers and evidence the instructing representative is duly authorised.</p> <p><u>3. Partnerships and limited partnerships</u></p> <p>3.1 Evidence of identity of partner instructing and,</p> <p>3.2 The Partnership Deed</p> <p>3.3 Names of other partners who control over 25% of its capital or profit or its voting right.</p> <p>(Please consider nature of transaction and details of partners to determine on a risk based approach whether Private Individual Form needs to be completed for each beneficial owner (above 25%))</p> <p><u>4. Clients who qualify for Simplified Due Diligence</u></p> <p>If the client is:</p> <p>4.1 A corporate customer whose securities are admitted to trading on a regulated market in an EEA state or a non-EEA country from List C.</p> <p>4.2 A regulated firm in the financial sector regulated by the FSA or equivalent regulator within an EU Country (confirmation of equivalent regulators at www.jmlsg.org.uk)</p> <p>4.3 A UK Public Authority</p> <p>4.4 A European Community Institution entrusted with a public function pursuant to the Treaty of the European Union, The Treaties on the European Communities or Community legislation.</p> <p><u>5. Charities, church bodies and places of worship</u></p> <p>Identify the names or classes of beneficiaries and/or the trustees</p>	

	<p>and verify identity through:</p> <p>a) the charity commission</p> <p>b) the General Registry Offices</p> <p>c) HMRC notification</p> <p><u>6. Other Trusts, foundations and similar entities</u></p> <p>a) Nature and purpose of trust</p> <p>b) Country of establishment</p> <p>c) Names of all Trustees</p> <p>d) Name and address of any protector or controller</p> <p>e) Names or classes of any beneficial owners of at least 25% of the property, entity or arrangement</p> <p><small>(Please consider nature of transaction and details of partners to determine on a risk based approach whether Private Individual Form needs to be completed for each beneficial owner (above 25%))</small></p> <p><u>7. Clubs and Societies</u></p> <p>a) legal status of the club or society</p> <p>b) verify the identities of officers who have authority to operate an account or give instructions</p> <p><small>(Please consider nature of transaction and details of partners to determine on a risk based approach whether Private Individual Form needs to be completed for each beneficial owner (above 25%))</small></p>	
14.	<p>Signature:</p> <p>Date:</p>	<p>.....</p> <p>.....</p>
15.	<p>OFFICER VERIFYING FORM</p> <p>Signature:</p> <p>Name in Block Capitals:</p> <p>Department:</p> <p>Date:</p>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

E. CLIENT IDENTIFICATION FORM: VERIFICATION CHECKS – ACCEPTABLE SOURCES LIST

LIST A: Verification of Clients identity

	Identification Documents	Details to be recorded
1.	Valid Full UK/EU signed Passport	Passport number Country of issue Date of issue Date of birth
2.	EEA member state identity card Where this shows names, address and photograph, it may be accepted as satisfactory identification of address as well without further corroboration, unless the client has moved.	Number Country of issue Date of issue Date of birth
3.	National (Non EEA/UK) Identity card containing photograph	Number Country of issue Date of issue Date of birth
4.	Armed Forces Identity Card	Services number Rank held
5.	Residence permit issued by Home Office to EEA Nationals on sight if on country passport	Date Valid until Country of issue
6.	Photographic registration cards for self-employed individuals and partnerships in the construction industry (C1S4) (contains no issue / expiry date and are renewed only if appearance changes dramatically, therefore note appearance carefully.)	Date Other relevant details
7.	Current UK or EEA photo-card driving licence	Licence number Valid from Valid to
8.	Current full UK Driving Licence (old style provisional licences should not be accepted)	Driver number Valid from Valid to
9.	Full birth certificate	NHS number Date of birth Place of birth

LIST B – Verification of Clients Address

With the exception of Item 2 List A (EEA Member State Identity Card) DO NOT USE ANY OF THESE DOCUMENTS IF YOU HAVE USED THEM AS EVIDENCE OF NAME. THIS LIST IS FOR UK RESIDENTS ONLY.

	Identification Documents	Details to be recorded
1.	Utilities bill or statement (not more than 3 months old) includes telephone, gas, electricity, water. Do not accept mobile phone bills.	Customer account number Name of utility company Date of bill
2.	Council tax bill (not more than 12 months old)	Property reference number Name of issuing Local Authority Date of bill
3.	Bank, building society, Credit Union statement (not more than 3 months old) or original mortgage statement from a recognised lender (not more than 12 months old) or passbook containing current address	Account number Account name Name of bank or lender Date of statement Date of last transaction
4.	HMRC self assessment statement or tax demand (current tax year only)	Tax reference number Date of issue Name of issuing tax office
5.	Electoral register search	Name of Local Authority Date of search
6.	Local council or housing association rent card or tenancy agreement	Name of council / housing association Date Address of property
7.	Medical card	NHS number Date of birth Name of issuing organisation
8.	Current house or motor insurance certificate	Insurance company Policy number Date
9.	Solicitor's letter confirming recent house purchase or Land Registry confirmation	Author Date Details
10.	Visit to client's home address	Full details e.g. date record of visit etc.

LIST C – Verification of Corporate Clients Identity and Address

	Identification documents	Details to be recorded
1.	Company search providing: Copy certificate of incorporation List of directors (including addresses) List of shareholders (including addresses) Registered address	Company number Registered office address Directors' names Directors' addresses Shareholders' names Shareholders' addresses

Notes:

1. All documents must be original and as recent as possible. A copy should be retained and noted as to who saw the original and when. Only the personal details pages of a passport need to be copied and retained.

If you are satisfied that there is good reason why you cannot meet the client and see the original documentation, copies as set out below may be relied on.

Where the client is not acting as the principal but as an agent, then the identity and address of the actual principal should also be verified.

2. Individuals – UK residents

Private clients or directors / partners of corporate clients must provide both evidence of their identity and address i.e. one from each list A and B.

If you do not meet the client and are satisfied that there is good reason for this (must be noted) copies of evidence relied on should be certified as follows:

Passports

- UK notaries, solicitors whose name and address should be noted and checked against the Law Society database of practising solicitors, government departments and British consulates.
- Financial institution and other persons and firms subject to the Money Laundering Regulations.

Other documentary evidence:

- For example, by a UK solicitor, doctor or high street bank manager, whose name and address should be noted and checked by reference to a professional directory, or for solicitors as above.

Individuals – Non UK residents

The evidence of identity should be a passport or national identity card, that you are satisfied is genuine and evidence of address from a national identity card, an official source, a reputable directory or from a qualified lawyer who confirms that the client is known to him and lives/works at the address given and whose address appears in a reputable professional directory. A Box number is insufficient. Evidence should be obtained from

a credit or financial institution in the client's country of residence and for professionals, evidence of name and practising address may be obtained from reputable professional directories.

Only in the case of an EEA member state identity card, which states name, address and has a photograph, can this single document be used as evidence of both identity and address without further evidence, providing the client has not recently moved.

3. Corporate Clients – UK companies

Unlisted corporate clients should provide all the items from List C. In addition to the identity of the corporate client itself, the identity of one director or one major shareholder should be verified, usually the person giving instruction or who appears to be active in the management or control of the company.

For the reduced identification requirements for listed companies, please see the Corporate Clients Identification Form.

Corporate Clients – Overseas companies

Where the client is a non-UK company comparable documents to those for a UK company should be obtained and similarly one director or major shareholder should be identified. Care should be taken to verify the legal existence of the company and to ensure that any person purporting to act on behalf of a company is so authorised. It is important to look behind the corporate identity to establish who has ultimate control.

Where the client is not acting as the principal but as an agent, then the identity and address of the actual principal should also be verified.