

Anti-Money Laundering

G&A LETTINGS "G&A"
Financial Crime Policy
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STATUS: Approved
DATE CREATED: May 2023
VERSION: 1
LAST UPDATED: May 2023
SECURITY CLASSIFICATION: Low

1. Introduction

This policy outlines the firm's approach to preventing and detecting Money Laundering.

G&A fully acknowledges that its service is at risk from individuals seeking to launder criminal proceeds or facilitate funds designated for the financing of terrorism. As such, G&A is committed to fostering and promoting a compliance culture throughout the firm which underpins the importance of preventing Money Laundering.

G&A recognises it has a statutory duty under UK law to prevent the facilitation of its services for Money Laundering purposes. Subsequently, the firm pledges to allocate sufficient resources into the firm's internal controls, monitoring system, human resources and staff training to prevent financial crime.

1.1. Scope

The proprietor and any employees are required to comply with these policies. Failure to do so may result in disciplinary action.

1.2. Objective

The objectives of the policy are to:

Emphasise our stringent commitment to preventing G&A being used as a conduit to deposit, conceal and transfer criminal proceeds

Summarise the main procedures, systems, and controls G&A has implemented to prevent and detect Money Laundering

Clearly outline the responsibilities of the Money Laundering Reporting Officer (MLRO) and other key individuals in relation to the firm's AML strategy

Explain the Money Laundering risks that G&A is vulnerable to and how G&A intends to counteract these risks

Confirm that G&A will take steps to monitor compliance.



2. What is Money Laundering?

G&A views Money Laundering to be: 'the process by which illegally gained proceeds or funds are cleaned and sanitised to disguise their illicit origins'.

Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property.

Money Laundering activity can include:

Acquiring, using or possessing criminal property

Handling the proceeds of crimes such as theft, fraud and tax evasion

Being knowingly involved in any way with criminal

Entering into arrangements to facilitate laundering criminal property

The Money Laundering process traditionally follows three stages:

2.1. Three Stages of Money Laundering

Placement

The placement stage represents the initial entry of proceeds derived from an illegal activity into the financial system. It is during the placement stage when criminal transactions are most vulnerable to detection.

Layering

Layering is the most complex stage of the process, where criminals aim to separate the illegal proceeds from their illicit origin. This is traditionally done via several complex transactions within the international financial systems. It is common for criminals at this stage to transfer funds electronically between jurisdictions and invest them into advanced financial products or overseas markets. This is done repeatedly to obscure the audit trail and decreases the probability of law enforcement authorities tracing the proceeds to their original crime.

Integration

It is at this final stage where the money is returned to the criminal as "clean" funds as they appear to come from a legitimate source. Having been "placed" as cash and "layered" through several complex financial transactions, the criminal proceeds are now "integrated" into the financial system and can now be used for any purpose.

3. Responsibilities of MLRO

G&A clearly defines the roles and responsibilities of all individuals with oversight of the firm's AML strategy and responsibility for the firm's compliance with all AML requirements.

3.1. MLRO

G&A has appointed Graham Hambly (proprietor) as the firm's Money Laundering Reporting Officer (MLRO).

It is the MLRO's responsibility to oversee the firm's compliance with the Money Laundering regulations. The MLRO is responsible for:

Receiving and investigating reports relating to (suspicions of) Money Laundering and Terrorist Financing

Making reports of relevant suspicious activity to the National Crime Agency (NCA)

Ensuring the suitability of the content of the AML training and the subsequent roll-out of the training to all staff and advisers across G&A

Approving business relationships which G&A wishes to enter or continue where the consumer is a Politically Exposed Person (PEP)

Approving business relationships which G&A wishes to enter or continue where the consumer resides in or trades with a jurisdiction which is considered by Financial Action Task Force (FATF) as non-cooperative or has a high risk of terrorism

Establishing and maintaining policies, controls, and procedures to mitigate and manage effectively the risks of money laundering and identified in any risk assessment

Communicating the policies, controls, and procedures which G&A establishes

3.2. Employees

All employees are trained to identify and report suspicious activity. They are also given regular training on the law relating to Money Laundering and Terrorist Financing.

4. Regulatory Responsibility

G&A operate under the rules and regulations of Client Money Protect (FCA), My deposits (FCA), The Property Ombudsman and the Independent commissioners office.

5. UK Legislation & Regulation

G&A is aware of the UK's regulatory framework relating to AML

G&A is required to adhere to the following legislation and regulations:

The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)

The Money Laundering Regulations 2007 (SI 2007 No. 2157) and the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, as amended 2019



5.1. Offences

The above legislation and regulations outline multiple Money Laundering offences, which G&A is committed to avoiding. The key offences under the applicable legislation and regulation are as follows:

Concealing (Subject to a maximum 14-year jail term and/or a fine)

It is an offence to help conceal, disguise, convert, transfer or remove funds from the UK if you know, should have known, suspect or should have suspected that the funds were the proceeds of criminal conduct.

Arrangements (Subject to a maximum 14-year jail term and/or a fine)

It is an offence to enter into or become concerned with an arrangement if you know, should have known, suspect or should have suspected that the arrangement facilitates the acquisition, retention, use or control of criminal property.

Acquisition, use, and possession of funds (Subject to a maximum 14-year jail term and/or a fine)

Regardless of any attempt to conceal or disguise the criminal origin of property, it is an offence to acquire, use or possess criminal property. This offence does not require the laundering process to be actively undertaken.

Tipping Off (Subject to a maximum 5-year jail term and/or a fine)

It is an offence for anyone to take any action likely to prejudice an investigation by informing the person who is the subject of a suspicious activity report, or anybody else, that a disclosure has been made, or that the police or customs authorities are carrying out or intending to carry out a Money Laundering investigation.

Failure to Report (Subject to a maximum 5-year jail term and/or a fine)

It is an offence to turn a 'blind eye' to money laundering. It is a criminal offence for persons working in the regulated sector to fail to report where they have knowledge, suspicion or reasonable grounds for knowledge or suspicion that another person is engaged in Money Laundering.

Laundering Terrorist Property (Subject to a maximum 14-year jail term and/or a fine)

It is an offence to enter into or become concerned in an arrangement which facilitates the retention or control of terrorist property by concealing, removing it from the jurisdiction, transferring it to nominees or in any other way.

6. Directions from HM Treasury

Concerning the Money Laundering that certain designated countries pose to the UK, G&A will comply with all applicable directions issued by HM Treasury

7. Risk Based Approach

G&A applies a risk-based approach with regards to its AML strategy and routinely identifies and assesses the Money Laundering, risk the business is exposed to.

As required under the Money Laundering Regulations, G&A will conduct a regular risk assessment to examine all risks of Money Laundering to which to business is subject. In assessing and identifying such risks, the firm will take into consideration the following factors:

Risks posed by the firm's Clients;

Services offered by G&A

The geographical areas where G&A operates

The volume and complexity of the firm's transactions

Once the risks have been identified and assessed, G&A pledges to amend its policies, procedures, and controls in accordance with the underlying risks.

7.1. Risks Identified

G&A has conducted a risk assessment to identify the most potent Money Laundering for which G&A is vulnerable.

7.2. How will G&A Mitigate the Risk?

G&A has implemented a variety of measures to counteract the risk of Money Laundering

8. Due Diligence

G&A is required to undertake appropriate due diligence measures across its client base to ensure the firm has undertaken a satisfactory appraisal of all current and potential clients. To do this, G&A will establish and verify their identity, UK bank accounts, nature and intended purpose of the relationship. G&A adopt a risk-based approach to determine the level of due diligence required for each client and the potential Money Laundering and Terrorist Financing risk they pose to the business.

8.1. Client Due Diligence

To verify a clients identity. This could include G&A requesting a copy of the Client's government issued ID and proof of address

Enhanced Due Diligence (EDD) will be required when the risk assessment has ascertained that the Client poses a high risk of Money Laundering to mitigate the increased risk to the business. This includes, but is not limited to, Clients that are or may be Politically Exposed Persons and/or Sanctioned individuals.

9. Suspicious Activity Reports

The firm's MLRO must report to the NCA any transaction or activity that, after their evaluation, they know or suspect, or have reasonable grounds to know or suspect, may be linked to Money Laundering. This is done by means of a Suspicious Activity Report (SAR). Such reports should be made as soon as is reasonably practicable upon receiving the notification of suspicion. The firm's MLRO must consider each report of suspicious activity from within G&A and determine whether it gives rise to knowledge or suspicion, or reasonable grounds for the knowledge or suspicion of Money Laundering. Any approach to the client should be made sensitively by someone other than the MLRO, to minimise the risk of alerting the client that a disclosure to the NCA is being considered. Under no circumstance, is the individual under suspicion to be informed of a pending investigation.

G&A fully understands that it is an offence to "tip-off" (i.e. inform) a person suspected of Money Laundering that an AML investigation in their business relationship or transactions is taking place. All relevant staff have been made aware of the penalties for tipping-off and potentially jeopardising an AML investigation. For further clarity regarding tipping-off, please contact the firm's MLRO.

When considering an internal suspicion report, the MLRO should make every endeavour to collect as much information as possible regarding the Client/transaction but in the interest of timely reporting, may need to consider making an initial report prior to the full review of linked/connected relationships and transactions.

Internal reports to the MLRO must be made regardless of whether the transaction has taken place. In some instances, it may be necessary for the MLRO to obtain consent from the NCA prior to G&A continuing with the transaction.

Duty to respond to requests for information about accounts and safe-deposit boxes

Part 5A of the 2019 MLRs imposes duties on credit institutions and the providers of safe custody services to respond to requests for information, via a central automated mechanism. A law enforcement authority or the Gambling Commission may request details related to accounts and safe-deposit boxes including, but not limited to, name, date of birth and address of the holder(s) or beneficial owner(s).

10. Monitoring, Management Information and Reporting

The firm's MLRO must ensure that all systems, controls, policies, and procedures are up-to-date.

The firm's senior management will give these reports due consideration and take necessary actions to remedy any deficiencies identified by the report.

The policies, procedures, and controls that G&A have in place are regularly amended and enhanced in accordance with updates to legislation, regulation, and industry best practice. Our systems and controls also change to counteract the risks identified by G&A in its regular risk assessments.



11. Monitoring Client Activity

G&A is required to conduct ongoing monitoring of the business relationship with all of its Clients. This ongoing monitoring entails:

12. Training

All employees of G&A should be made aware of the laws and regulations surrounding Money Laundering and Terrorist Financing, how to identify suspicious activity, and the obligations placed on G&A. They should also be aware of who has been appointed as the firm's MLRO.

All staff requires training covering the firm's procedures and how to recognise and deal with suspected Money Laundering or Terrorist Financing concerns.

13. Record Keeping

In line with UK AML regulations, G&A will retain the required Client records for five years following the termination of a business relationship, except for situations where legal obligations placed upon the firm require otherwise. The required Client records, as specified in regulation 40(2) of the 2017 Money Laundering Regulations, includes:

A copy of any documents or information obtained by G&A to satisfy due diligence requirements (including recorded information provided over the phone)

Sufficient supporting record in respect to transactions which are subject to due diligence measures

ANTI-MONEY LAUNDERING PROCEDURE, CLIENT IDENTIFICATION AND RETENTION OF RECORDS

G&A Lettings act on behalf of residential Landlords only to provide a full management service or tenant find only service of their properties

G & A Lettings receive no monies direct from a Landlord unless requested by G & A Lettings for property upgrades which are above and beyond the monthly rental level

Landlords are required to complete a "Landlord Property Information Pack" including our Terms of Business. The Landlord Property Information Pack asks the landlord to provide the following relevant AML information

Full postcode of their home address

Personal landline, mobile and email address

2 forms ID – 1 photo ID and the other confirming their address

Bank details

Full postcode for the property to rent



Proof of ownership of rented property

All of this information is then stored in physical form and electronic form on to each of the properties we manage for that Landlord. When the relationship ends, both the physical and electronic files are placed into archive storage for 5 years

G&A Lettings are not involved in the sale / purchase of properties. They operate specifically within Lettings and property management

On behalf of the Landlord, G&A Lettings advertise properties for rent only, show prospective tenants the property and advise them of the procedure to apply for a property highlighted in the Tenant Holding Deposit Form

Prospective tenants apply through completing an external referencing agency (Rentguard) application form providing information to verify their personal status and current situation. The external agency perform a number of electronic "Know Your Customer" (KYC) checks

Postcode of their current home address

Previous addresses

Personal landline, mobile and email address

2 forms ID – 1 photo ID and a utility bill or bank statement to confirm their address

Bank details

Credit status declaration and check

Right to rent status

Employer / Self-employed contact details

ANY PROSPECTIVE TENANT WHO DOES NOT PROVIDE ALL REQUIRED INFORMATION

OR FAIL THE REFERENCING WILL NOT PROCEED TO TENANCY AGREEMENT STAGE

UNDER ANY CIRCUMSTANCES WHATSOEVER

As with the Landlords, all the tenant's information is stored in physical and electronic form in the relevant property folder. When the tenancy relationship ends, both the physical and electronic files are placed into archive storage for 5 years.

G&A Lettings only receive monies through BACS transfers and never accept cash or check deposits under any circumstances whatsoever.

G&A Lettings receive monthly rental payments from the tenant into a business current account which is then released to the Landlord's bank account as soon as possible, followed by a rental statement showing payments deductions and accumulative incomer amounts throughout a tenancy agreement term.



G&A Lettings

Residential Property Management

ClientMoney
Protect



Information Sheet

G&A Lettings receive a dilapidations deposit from the tenant into a business current account before being transferred into an undesignated ring-fenced client account for the duration of the tenancy agreement. The deposit is registered with an insurance-based Tenancy Deposit Scheme trading as my deposits (Parent company HFIS Ltd FCA number 306513).

G&A Lettings return the outstanding Dilapidation deposits to the tenants allocated bank account in full or part depending on deductions within 10 days of the tenancy end date.

Graham Hambly, holder of the NFOPP level 3 award in Residential Letting & Property Management (QCF) National accreditation number 501/2373/7 and proprietor of G&A Lettings is the Money Laundering Reporting Officer (MLRO). He is responsible for ensuring that all staff are correctly trained regarding what to identify in association of Anti-Money Laundering.

All potential money laundering issues are brought to his attention and in turn he ensures that any potential money laundering issues are reported to the National Crime Agency (NCA). This is done by means of a Suspicious Activity Report (SAR).

G&A Lettings monitor their business accounts on a daily basis. Any unusual activity would be passed onto our MLRO for immediate assessment before deciding to pass the information onto the National Crime Agency (NCA).

G&A Lettings have a diarised reminder procedure at the beginning of each month to check for any changes / updates in government regulations and procedures. Money Laundering Supervision for Letting Agency businesses.



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