



Law

Anti-Money Laundering Requirements

UK money laundering legislation comprises the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) (the “**Regulations**”).

The Regulations place legal obligations on us to safeguard against the risk of our business being involved with money laundering activities. These legal obligations mean that we need to ask you for details about your identity, your finances, company structures (where relevant) and trusts (where relevant). The Regulations confirm that we cannot rely on details at Companies House for your company/limited liability partnership (where relevant) so we will need you to provide details to us.

We have a legal obligation to obtain this information. If we don't obtain such information, we may not be able to act for you and we may have to make a disclosure to the National Crime Agency.

We may also need to obtain satisfactory identification evidence of others connected to your matter, for instance if someone else is paying our invoices or paying towards a deposit of the purchase of your property.

We are also committed to protecting you from the risk of being involved with money laundering activities as well as from the risk of identity fraud. As such we have adopted processes to ensure that we obtain satisfactory evidence of your identity, your source of wealth (how you make/made your money) and the source of funds for a specific transaction. This reflects our commitment to “best practice” in all areas of our work. It is also a legal requirement for us to undertake these checks.

Please note that we will need to obtain satisfactory evidence of your identity **before** we can proceed with your matter. However, where we already have this on a recent matter where we have acted for you further documents may not be required.

Evidence of Identity

This is a process that establishes that “you are who you say you are”. It therefore guards against the prospect of identity theft, where a third party assumes your identity to commit crime. Here is a link to a website that provides further information regarding identity theft and how you can guard against it: www.cifas.org.uk.

Initially, we will require from you confirmation of your full name, your date of birth, your current address (as well as your previous address if you have been living in your current address less than 12 months), your email address and your mobile number.

We will then need to verify your identity, i.e. the information that you have provided to us and obtain confirmation that you are who you say you are. There are three ways to do this, electronically, in person or via an authorised person, as set out below.

Unfortunately, the fact that you are personally known to one or other of our solicitors/directors is not enough on its own to satisfy our legal obligations.

Electronic verification

We will use either a third party application called “Thirdfort” or an online portal called “SmartSearch” to verify your identity.

You will receive a SMS/text message from either Thirdfort or SmartSearch containing instructions on how to complete the electronic verification process.

For guidance on how to complete these electronic checks, please see the guidance located on the client area of our [website](#).

In person verification

If you would prefer to provide your identification documents for verification purposes in person at our offices, please bring your valid passport or your in-date photographic driving licence to our office.

Each individual who needs to have their identity verified would need to attend the office with their own identification documents. This is to ensure that our staff can confirm that the person in the photograph is the same person who is stood in front of them (and to make sure that no-one has your identification documents and are pretending to bring it in for you, without your knowledge).

If it is not possible to complete electronic verification or in person verification

If you are unable to complete the electronic verification checks, or attend our office in person, we can also accept a certified copy of your current passport or in date photographic driving licence.

Specifically, this means that an “authorised person” would need to:

- a) write on the photographic ID copy “Certified to be a true likeness of [name] and to be a true copy of the original seen by me”;
- b) sign beneath that certification; and
- c) print their name, occupation, address and professional membership details (including any relevant membership numbers).

This process, as you will appreciate, is a crucial aspect of identity fraud avoidance.

“Authorised persons” are:

- Solicitors, legal executives, licensed conveyancers and barristers;
- Accountants (with professional memberships), certified bookkeepers and independent financial advisers (registered with the Financial Conduct Authority);
- RICS registered surveyors; and
- Individuals who are registered with the Financial Conduct Authority and Notaries Public.

The person you ask to certify your documents must not be related to you, living at the same address as you, linked to you by way of being a director of the same company who is our client, or in a relationship with you.

Further checks

If any of our checks raise any discrepancies or concerns, or you are identified as being a Politically Exposed Person, as defined by the Regulations (see further down this document), we may need to obtain more identification documents or additional information from you.

Source of Wealth

To comply with the Regulations, we need to understand your financial position including how you have reached your financial position generally. For example, what do you do for a living, what is your income, what are your general outgoings and how much do you regularly save, what is your family background or how do your companies make their money. We are not asking this to be intrusive, we are obliged to ask these questions if we do not already know the answers. We may also need to obtain evidence from you, so that we can show compliance with the Regulations if we are asked to by our regulator.

We are legally required to satisfy ourselves in relation to this information. If we are unable to do so, we may need to stop acting for you and we may have to make a disclosure to the National Crime Agency

Source of Funds

We need to understand how you obtained the specific funds used for any specific transaction, settlement or payment to another party. Again, this is a requirement of us under the Regulations referenced at the beginning of this note. In particular, we need to understand and evidence:

1. Where the funds originated from. So, in other words, how did you come by them; and
2. How funds then arrived with you. This will necessitate us seeing evidence of them arriving within your account.

This could be as straightforward as you confirming that funds on a real estate transaction (for example) arose from the sale of a property and were paid to you by your then solicitor. In such circumstances, we would address (1) by seeing evidence of the sale (i.e. the land transfer) and (2) by receipt of the sale completion statement and a bank statement showing funds arriving in the relevant account.

Proving funds is often more complicated than this but our team is trained to make the process as smooth as practicable.

Once we have established your identity and proved funds for you, we will hold this information on your client file and will be able to provide this to third parties, when asked to do so by you.

Again, obtaining this information is a legal obligation that we must comply with. If we are unable to do so, we may need to stop acting for you and we may have to make a disclosure to the National Crime Agency.

National Crime Agency

Whilst we are professionally and legally obliged to keep your affairs confidential, we are also required by law to make a disclosure to the National Crime Agency where we know or suspect that a matter may involve money laundering or terrorist financing. If we make a disclosure in relation to your matter, we may not be able to tell you that a disclosure has been made. We may have to stop working on your matter for a period of time and may not be able to tell you why.

It is for this reason that we ask for as much information to be provided to us at the outset of a matter, so as to avoid any unnecessary delays which may occur if we need to make such a disclosure.

Politically Exposed Person

In order to comply with the Regulations, we need to understand if you or any member of your immediate family falls within the definition of a Politically Exposed Person (“PEP”) set out below.

Please let us know if you are a PEP as soon as possible or if your status changes and you subsequently fall into the definition of a PEP set out below.

What is a PEP?

A PEP is a person who has been entrusted within the last year with one of the following prominent public functions by a community institution, an international body or state, including the UK:

- 1) Heads of state, heads of government, ministers and deputy or assistant ministers;
- 2) Members of parliament or similar legislative bodies;
- 3) Members of governing bodies of political parties;
- 4) Members of supreme courts, of constitutional courts, or any judicial body whose decisions are not subject to further appeal, except in exceptional circumstances;
- 5) Members of courts of auditors, or on the boards of central banks;
- 6) Ambassadors, charges d’affaires and high-ranking officers in the armed forces;
- 7) Members of the administrative, management or supervisory bodies of state-owned enterprises; or
- 8) Directors, deputy directors and members of the board of equivalent function of international organisation.

A PEP also includes:

- Family members of a PEP – spouse, civil partner, children, their spouses or partners and parents; and/or
- Known close associates of a PEP – persons with whom joint beneficial ownership of a legal entity or legal arrangement is held, with whom there are close business relationships or who is a sole beneficial owner of a legal entity or arrangement set up by the primary PEP.