



Anti-Money Laundering & Combating Terrorist Financing Code & Guidance

Anti-Money Laundering & Combating Terrorist Financing Code

In this Code ‘you’ refers to individuals and bodies regulated by the **CLC**; all individuals and bodies regulated by the CLC must comply with this Code. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.

Outcomes-Focused

The **Code of Conduct** requires you to deliver the following **Outcome**:

- **Client matters are dealt with using care, skill and diligence. (*Outcome 2.2*)**

Combating Money Laundering (AML) and Terrorist Financing (CTF) helps you deliver this **Outcome** and act in a principled way:

1. **Act with independence and integrity. (*Overriding Principle 1*)**
2. You comply with anti-money laundering and prevention of financing terrorism legislation. (**CoC P1m**)
3. You **systematically** identify and mitigate risks to the business and to **Clients**. (**CoC P2f**)
4. You promote ethical practice and compliance with regulatory requirements. (**CoC P2g**)
5. You maintain proper governance, management, supervision, financial and risk management **arrangements** and **controls**. (**CoC P2i**)

You must also comply with the following **specific requirements**:

6. You have appropriate management **arrangements** and systems and **controls** in place to comply with anti-money laundering regulations.
7. You ensure that management **arrangements**, systems and **controls** enable the identification, assessment, monitoring and management of AML/CTF risk and are appropriate to the nature, scale and complexity of your activities. Any system or product you use must be sufficiently robust to provide the necessary degree of certainty and incorporate qualitative checks that assess the strength of information

supplied. It will include data from a range of sources and across time. Your evidence base must be composite and comprehensive.

8. You carry out regular reviews of the adequacy of management **arrangements**, systems and **controls**.
9. You ensure that, in order to meet your responsibilities under the AML/CTF Legislation your management **arrangements**, systems and **controls** include:-
 - (a) an appropriate AML/CTF policy ;
 - (b) appropriate and regular training for **employees** (of which a record must be kept) in relation to AML/CTF to enable **employees** to recognise and deal with transactions and other activities which may be related to AML/CTF;
 - (c) appropriate internal reporting procedures;
 - (d) management and retention of records of **CDD** and information about, suspicion reports received by the business;
 - (e) appropriate measures to ensure that AML/CTF is taken into account in the day to day operation, including the application of appropriate **CDD** for:-
 - (i) dealing with existing **clients**;
 - (ii) the taking on of new **clients**;
 - (iii) dealing with **Beneficial Owners**;
 - (iv) incorporating changes in the services provided;
 - (f) appropriate **CDD** measures to ensure that procedures for identifying and verifying new **clients** and **Beneficial Owners** do not unreasonably deny access to the services to potential **clients** who can not reasonably be expected to produce detailed evidence of identity.
10. You :-
 - (a) appoint a Nominated Officer with responsibility to receive suspicion reports and make reports to NCA;
 - (b) appoint a **manager** (who may or may not be the Nominated Officer) with responsibility for ensuring the business complies with this Code;
 - (c) ensure that the Nominated Officer or **manager** has an appropriate level of authority and independence , and access to resources and information sufficient to enable them to carry out that responsibility.

11. You:

- 11.1 establish the Client's identity, obtaining proof of that identity to establish that a Client is who he says he is and that he lives at the address given;
- 11.2 obtain confirmation of instructions direct from the Client (and from all other interested parties) wherever possible, particularly where he or they communicate through an intermediary and

 - (i) obtain detailed instructions;
 - (ii) satisfy itself that the Client is not subject to duress or undue influence and
 - (iii) satisfy itself that the Client is entering into the transaction knowingly;
- 11.3 be satisfied that the Client's economic position, wealth and lifestyle correspond with the proposed transaction;
- 11.4 check all signatures to reduce any risk of forgery of the signatures of other interested parties (e.g. a husband who forges his wife's signature).

12. Records are stored on **Durable Medium**.