

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**.