



## Anti-Money Laundering & Combating Terrorist Financing Code

This Code must be read with the Code of Conduct. The Code of Conduct is the parent document of the CLC Handbook and Frameworks; it sits above all other Codes in our regulatory arrangements. The Code of Conduct prescribes six Ethical Principles of behaviour which are essential to delivering the specific Outcomes which sit beneath each of the Ethical Principles. All CLC regulated individuals and bodies are expected to comply with the Code of Conduct in the delivery of authorised reserved legal activities and permitted non-reserved legal activities.

The CLC also publishes several other topic specific Codes addressing certain important areas of practice, including this Anti-Money Laundering & Combating Terrorist Financing Code. Topic specific Codes underpin the Code of Conduct and support regulated individuals and bodies in delivering the Ethical Principles and Outcomes of behaviour defined in the Code of Conduct. Topic specific Codes apply to all regulated activities carried out by the individuals or bodies specified in that Code.

In this Code 'you' refers to individuals and bodies regulated by the CLC. You must ensure that you always comply with the Code of Conduct and topic specific Codes and must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code, the Code of Conduct, or the Ethical Principles.

Should circumstances arise in which there is an apparent conflict between a topic specific Code, the Code of Conduct, or any other regulatory requirement, you must ensure that you comply with the Code of Conduct. If in doubt, contact the CLC for advice.

### You must ensure that:

1. You comply with anti-money laundering and prevention of financing terrorism legislation.
2. You **systematically** identify and mitigate risks to the business and to **Clients**.
3. You maintain proper governance, management, supervision, financial and risk management **arrangements** and **controls**.

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

4. You have appropriate management **arrangements** and systems and **controls** in place to comply with anti-money laundering regulations.
5. 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.

6. Any system or produce 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.
7. You carry out regular reviews of the adequacy of management **arrangements**, systems and **controls**.
8. 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 cannot reasonably be expected to produce detailed evidence of identity.
9. 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.
10. You:
  - a) establish the **client's** identity, obtaining proof of that identity to establish

- that a **client** is who they say they are and that they live at the address given;
- b) obtain confirmation of instructions direct from the **client** (and from all other interested parties) wherever possible, particularly where 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;
  - c) be satisfied that the **client's** economic position, wealth and lifestyle correspond with the proposed transaction;
  - d) check all signatures to reduce any risk of forgery of the signature of other interested parties (e.g. a husband who forges his wife's signature).

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

Should you require guidance on how to meet the requirements under this Code, please see the CLC's [Anti-Money Laundering and Combating Terrorist Financing Guidance](#).