

MacLaren & Partners LLP

Money Laundering Policy

Version Number: 1

Dated: _____ 2021

1. This policy

1.1 This policy sets out the procedures to ensure that MacLaren & Partners LLP (“we” or “us” or “MacLaren”) complies with the anti-money laundering legislation.

1.2 It details the following:

- What is money laundering?
- Our procedures
- When and how Suspicious Reports should be made

2. Money Laundering

2.1 Money laundering is the concealing of the identity of illegally obtained money so it appears to have been obtained from a legitimate source.

2.2 The purpose of the legislation is to prevent criminals from taking advantage of professional firms and financial institutions for the purpose of concealing the true origins and ownership of the proceeds of criminal conduct including drug trafficking and terrorism. Criminal conduct includes conduct abroad which would be criminal if it had taken place in the UK. It includes tax evasion.

2.3 Linked to anti-money laundering is counter-terrorist finance (Terrorism Act 2000 and Anti-Terrorism, Crime and Security Act 2001). This legislation criminalises not only the participation in terrorism activities but also the provision of financial support for terrorism. Terrorist finance does not necessarily involve the proceeds of crime; indeed it may derive from the proceeds of legitimate business and, as is often the case, amounts can be quite small. There is growing concern about the use of charities for terrorism funding.

2.4 The regulations aim to limit the use of professional services for money laundering by requiring professionals to know their clients and monitor the use of their services by their clients.

2.5 The regulatory framework includes: the Proceeds of Crime Act 2002, Terrorism Act 2000 and Money Laundering Regulations 2007 and all amending legislation up to October 2013.

3. Our Obligations

3.1 The regulations impose obligations on MacLaren to take appropriate steps to ensure that we are not being used to legitimise the proceeds of crime.

3.2 A relevant person must establish and maintain appropriate and risk sensitive policies and procedures relating to –

- client due diligence and on-going monitoring
- reporting
- record-keeping
- internal controls
- risk assessment and management
- the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities relating to money laundering and terrorist financing.

3.3 Key objectives are:

- to identify all new clients
- to report suspicions immediately to the Money Laundering Reporting Officer (MLRO)
- not to progress suspicious transactions further
- not to tip off the client that a report has been made

3.4 Non-compliance with the anti-money laundering and counter terrorist financing obligations may put staff at serious personal risk of committing criminal offences which can lead to a conviction and imprisonment of up to 5 years.

4. Our Procedures

Money Laundering Reporting Officer

- 4.1 The MLRO is the person to whom a report should be made regarding knowledge or suspicion that Money Laundering is taking place.
- 4.2 When requesting advice from the MLRO on a specific issue any advice given by the MLRO does not absolve members of staff from continuing to complete Client Due Diligence ('CDD') procedures and maintain risk assessment on the client. If a member of staff holds or continues to hold a suspicion having made inquiries or further inquiries of the client, then a report should be made to the MLRO in the prescribed form.

Procedures

- 4.3 The point at which MacLaren agrees to market or acquire a property for a new client is the single most important time for managing the risk associated with money laundering.
- 4.4 In order to ensure that all staff comply with the regulations the following matter procedures must be followed when applications are received to market or acquire a property:

- For any property owner being listed with us, we should ensure that we have obtained all of the information for that prospective client as set out in our information checklist.
- If the prospective client is a listed company, then we should verify the listing and keep details of the listing on file.
- If the prospective client is a regulated entity, then we should verify the regulator status and keep details of the regulatory status on file.
- For individual clients and non-listed companies we should obtain identification documents for the owner (e.g. passports, utility bills/bank statements showing residential address) and these documents should be sent for verification or examined in person. Copies should be kept on file and scanned for retention and updating of client identification records and data.
- Any company details should be verified on Companies House:
- For client companies we should obtain a copy of the passport details of all the directors of the client or other valid photo ID (driving licence, national identity card, forces card), and a proof of address with their name and residential address. The proof of address may be a utility bill, bank statement or driving licence (but the driving licence cannot be used as both a photo ID and proof of address).
- Review the shareholder structure of the company. If any shareholder other than the director(s) holds more than 15% of the share capital of the company, we should obtain the details of the third party from the company and run the same checks as above.
- If any of the above details provide a lack of clarity about the company or the director's identities, we may need to request further information or refuse to take on the client.

Record Keeping

- 4.5 In order to comply with the regulations it is essential that files reflect that the appropriate client due diligence has taken place and that the appropriate risk assessment has been made.

Suspicious Transaction Reports

- 4.6 All staff must be aware of and report internally any clients, arrangements, assets and transactions that give rise to possible suspicion of money laundering or involvement in terrorist financing. The regulations state that you must make a report when you 'know or suspect, or have reasonable grounds to know or suspect'.
- 4.7 The interpretation of 'reasonable grounds' is made by considering whether a reasonable person who knew what you knew and saw what you saw, would have suspected.
- 4.8 When suspicions arise:

- a report must immediately be made to MLRO;
 - any money held on behalf of the client (if any) must not be transferred or in any way dealt with until such transfer or dealing has been specifically authorised;
 - the client must not be informed of the action taken ('tipping off' - an offence is committed where a disclosure is made to the client)
- 4.9 The MLRO will gather all available information and decide whether to make a disclosure to the National Crime Agency ('NCA'). If the MLRO decides to make formal disclosure to the NCA, he can also request consent to continue with any pending transaction.
- 4.10 The NCA usually gives consent to continue with any pending transaction. If consent is refused, the MLRO receives instructions from the investigating agency and a court order may be served to provide relevant records.

5. Politically Exposed Persons

- 5.1 A politically exposed person (PEP) means a person who is or has at any time in the preceding year, been entrusted with a prominent public function by:
- a state other than the United Kingdom;
 - an EU institution; or
 - an international body
- 5.2 If the 'know your client' procedures identify that a client or a significant shareholder or director of a client is a PEP then enhanced due diligence procedures must be undertaken as follows:
- the client must be approved by a director of MacLaren
 - the reason for the involvement of the PEP with the relevant client must be established and the source of any funds identified
 - further and enhanced on-going monitoring of the client relationship and any finance provided should be undertaken.