

## ANTI MONEY LAUNDERING POLICY

### 1. Introduction

This policy sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

Seven Professional Services Limited has a zero-tolerance policy towards money laundering, and is committed to the highest level of openness, integrity and accountability, both in letter and in spirit. The penalties for these offences are severe and can mean up to '*14 year's imprisonment*' and/or an '*unlimited fine*' for the employees and executives responsible. In addition, there would be significant reputational damage for Seven Professional Services Limited.

This policy applies to all income and expenditure. Any breach of this policy will be a serious matter, may result in disciplinary action and could result in an employee becoming personally liable to criminal prosecution.

### 2. What is Money Laundering?

The introduction of the Proceeds of Crime Act 2002 (*POCA*) and the Money Laundering, Terrorist Financing and Transfer of Funds (*Information on the Payer*) Regulations 2017 has broadened the definition of money laundering and has widened the range of activities controlled by the statutory framework.

Money laundering covers a wide variety of crimes, it can include anything from which individuals or companies derive a pecuniary benefit, directly or indirectly, and can include many crimes that are not initially thought of as connected with money laundering. There is a risk where there are large volumes of cash transactions and where customer identification is not always easy, *for example, cash received from overseas*.

Money laundering is the process by which criminally obtained money or other assets (*criminal property*) are exchanged for '*clean*' money or other assets with no obvious link to their criminal origins. Criminal property may take any form, including money or money's worth, securities, tangible property, and intangible property. It also covers money, however come by, which is used to fund terrorism.

## **Money laundering offences include:**

- Concealing, disguising, converting, transferring, or removing criminal property from England and Wales (*Section 327 of the POCA 2002*).
- Arranging, or becoming concerned in an arrangement, which the person who knows, or suspects, or facilitates (*by whatever means*), the acquisition, retention, use or control of criminal property by or on behalf of another person (*Section 328, POCA*).
- Acquiring, using, or having possession of criminal property (*Section 329, POCA*).
- Making a disclosure to a person which is likely to prejudice a money laundering investigation (*Section 333, POCA*).
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (*Section 18, Terrorist Act 2000*).

## **3. Organisations Obligations**

### **Seven Professional Services Limited has a responsibility to:**

- Appoint a Money Laundering Reporting Officer (*MLRO*) to receive, consider and report as appropriate the disclosure of any suspicious activity reported by employees.
- Implement and maintain a procedure to enable the reporting of suspicious activity.
- Maintain customer identification procedures to '*know your customer*' in relevant circumstances.
- Maintain adequate records of transactions.

Seven Professional Services Limited adopts a risk-based approach towards anti-money laundering and conducting due diligence. Whilst much of the financial activities could be considered relatively low risk from the perspective of money laundering, all staff need to be vigilant against the financial crime and fraud risks that the organisation faces. Instances of suspected money laundering are likely to be rare but we must be aware of legislative requirements.

## **4. Employee Obligations**

Money laundering legislation applies to all employees. Any member of staff could be committing an offence under the money laundering laws if they suspect money laundering, or if they become involved in some way and do nothing about it. If any employee suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the MLRO. Failure to do so could result in their becoming personally liable to prosecution. Guidance on how to raise any concerns is included in this policy document.

## 5. Know Your Customer (KYC) and Customer Due Diligence (CDD) including Financial Sanctions Targets

The organisation must be reasonably satisfied as to the identity of a student, other customer or third party and satisfactory evidence of identity must be obtained and retained. Our CDD follows the principles of KYC.

**Three components of KYC are (refer to Appendix 1):**

1. Ascertaining and verifying the identity of the customer *i.e. knowing who they are and confirming that their identity is valid by obtaining documents or other information from sources which are independent and reliable*. To satisfy the requirements, identity checks for money laundering purposes are interpreted as obtaining a copy of photo-identification (*such as a passport or driving licence*) and proof of address (*such as a recent utility bill*).
2. Ascertaining and verifying (*if appropriate*) the identity of the beneficial owners of a business, if there are any, so that you know the identity of the ultimate owners or controllers of the business.
3. Information on the purpose and intended nature of the business relationship *i.e. knowing what you are going to do with/for them and why*.
  - **For domestic customers:**
    - Passport
    - Driving Licence
    - Birth Certificate
    - Bank Statement or Utility Bill
  - **For third parties:**
    - Letters or documents proving name, address, and relationship.
  - **For organisations:**
    - Letter headed documents.
    - Invoices that show a company's name, number, address, contact number, registered address, and VAT registration number if applicable.
    - Checking limited company authenticity with Companies House.

Seven Professional Services Limited uses a third-party supplier named APLYiD to carry out Standard and Biometric AML's.

Seven Professional Services Limited has procedures for performing CDD, and transaction monitoring arrangements on a risk-managed basis. CDD records must be retained for five years from the date on which reliance commences as failure to do so is a criminal offence.

## **6. Money Laundering Reporting Officer (MLRO)**

Seven Professional Services Limited has appointed a MLRO, who is the Company Director. The MLRO is the officer nominated to receive disclosures in respect of suspected transactions or activity within the organisation.

## **7. Disclosure Procedure to be followed by the Organisation**

Where you know or suspect that money laundering is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to the MLRO.

**Your report should include as much detail as possible including:**

- Full details of the people and/or companies involved including yourself and other members of staff if relevant.
- Full details of the transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- Dates of any transactions, where they were undertaken, how they were undertaken, and the likely amount of money or assets involved.
- Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering that may help to facilitate any report to the relevant law enforcement authorities.

Once you have reported your suspicions to the MLRO you must follow any instructions given to you. You must not make any further enquiries unless instructed to do so by the MLRO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering, nor should you discuss this matter with anyone else.

## **8. Action and Disclosure by the MLRO**

**On receipt of a disclosure report the MLRO will:**

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report and any other relevant information, undertaking further enquiries if necessary to decide if a report should be made to the relevant law enforcement authorities.

**Once the MLRO has evaluated the case, a timely determination will be made as to whether:**

- There is actual or suspected money laundering taking place.
- There are reasonable grounds to know or suspect that is the case.
- Consent is required from the relevant law enforcement authorities for a particular transaction to proceed.

**Where the MLRO concludes that the case should be disclosed to the relevant law enforcement authorities this needs to be done:**

- In a timely manner.
- In the prescribed manner on a standard report format provided.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed, and the disclosure report will be marked accordingly.

## **9. Record Keeping**

By keeping comprehensive records, the organisation is able to show that we have complied with the Money Laundering Regulations. This is crucial if there is a subsequent investigation into one of our customers or transactions.

**The types of record kept may include:**

- Daily records of transactions
- Receipts
- Paying-in books
- Customer correspondence
- Identification evidence

**Records may be kept in any of the following formats:**

- Originals
- Photocopies
- Scanned
- Computerised or Electronic

**Records must be kept for five years beginning on either:**

- The date a business relationship ends.
- The date a transaction is completed.

The MLRO will retain any disclosure reports and any associated relevant documents in a confidential file for a minimum of five years.

## **10. Equality and Diversity**

There are no equality and diversity impact of this policy.

## Appendix 1: Identity Document Checking Form

Personal Information	
Client Full Name	
Previous Name(s) if any	
Address	

### Passport Verification

Criteria	Tick
Does the photograph match the appearance of the holder?	
Does the colour and quality of the passport look as if it is a genuine document?	
Does the passport number at the front match the number on the identification page?	
Is there a watermark on the identification page that also includes the photograph?	

### Photo Driving Licence Verification

Criteria	Tick
Does the photograph match the appearance of the holder?	
Does this appear to be a valid driving licence?	

### Bank Statement or Utility Bill Verification

Criteria	Tick
Is the bank statement or utility bill dated within the last 3 months?	
Is the applicants name and address clearly disappeared?	

### Completed By

**Full Name** \_\_\_\_\_ **Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

- Please sign and certify a photocopy of the Passport identification page or Driving Licence.
- This form is to be retained on file.
- This form must not be returned to the client if they request return of their papers on completion of any matter.

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