

# Anti-money laundering policies, controls and procedures

## Checklist for firms

Regulation 19 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR) provides a mandatory list of areas which must be covered within firms' anti-money laundering (AML) policies, controls and procedures (PCPs).

This checklist outlines the areas that must be covered within AML PCPs as required under regulation 19. It should be noted that this checklist is non-exhaustive. If you chose to use our AML PCP checklist you should adapt this to ensure your AML PCPs are relevant to your firm. This may include covering potential risk areas you have identified in your firm-wide AML risk assessment.

- ☐ Client Due Diligence (CDD) procedures (including procedures to identify the ownership and control structures of non-natural persons).
- ☐ Identification and verification (ID&V) procedures relating to natural persons (this includes ID&V procedures in relation to the ultimate beneficial owners of non-natural clients, and those purporting to act on behalf of a client).
- ☐ Procedures to facilitate a clear understanding of the client's source of wealth and funds in relation to a transaction, and the level of evidence required, in line with the risk profile of the client/matter.
- ☐ Procedures to facilitate reporting of discrepancies between Beneficial Ownership information obtained through due diligence checks and what is held on the Companies House register.
- ☐ Enhanced Due Diligence (EDD) procedures – including the provision of adequate controls to manage higher risk clients/transactions, and measures to establish Source of Funds/Source of Wealth where appropriate.
- ☐ The practice's position on the use and application of Simplified Due Diligence (SDD).
- ☐ The timing of any due diligence procedures.
- ☐ The practice's position on the use of regulation 39 Reliance and any related procedures.
- ☐ The ongoing monitoring of clients and their matters.
- ☐ The identification of instances where it is required or appropriate to re-apply or renew CDD or EDD on a client.
- ☐ Dealing with the return of un-solicited or apparently accidentally deposited funds.
- ☐ Identification and scrutiny of any complex or unusually large transactions, or an unusual pattern of transactions, or those which serve no apparent economic or legal purpose.
- ☐ Any additional measures to prevent products/transactions that support anonymity being used for money laundering (ML) /terrorist financing (TF).

☐ Identification of Politically Exposed Persons (PEPs), their relatives or close associates and the control of any associated risks.

☐ The practice must have procedures setting out how, and in what circumstances an internal disclosure should be submitted to the Nominated Officer (MLRO).

☐ Measures taken when new technology is adopted to protect against ML or TF risks.

☐ Where practices use electronic identification and verification (EID&V) tools they should document the role of the tool, the data sources it uses, and in what circumstances (clients/matters) it is appropriate to use the solution.

☐ The practice must have procedures relating to records keeping and related data protection matters.

### **Review**

☐ The policy has been reviewed and/or updated with any recent changes to the regulations

☐ The policy has been reviewed and/or updated to reflect any changes to our controls or procedures

☐ The policy has been reviewed and/or updated to reflect any changes or new risks identified in our firm wide risk assessment

☐ Any changes to the policy have been approved by senior management

☐ The policy has been updated with version controls

Date of review:

Signed:

Name:

Role: