

# Anti-Money Laundering Policy

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Role	Post holder
Nominated Officer for Compliance (NOC)	Executive Director Resources
Money Laundering Reporting Officer (MLRO)	Treasury Accountant
Deputy Money Laundering Reporting Officer (DMLRO)	Assistant Director, Group Finance
Officer in Charge of Keeping Records (OCKR)	Appointed in each directorate

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Senior owner	Executive Director of Resources
Document owner	Treasury Accountant

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# Part A. Preamble

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## 1. Purpose and scope

1.1 It is important the Greater London Authority (GLA) identifies, reports on and takes precautions to guard against money laundering. We are required to abide by anti-money laundering (AML) legislation<sup>1</sup>, which applies to some of our activities, and we have a duty to safeguard public money. But also, the GLA may be particularly attractive to criminals seeking to clean-up money: as financial institutions are now more heavily regulated, so criminals' attention has shifted to what they see as softer targets, including local government. And criminals are becoming increasingly sophisticated in the techniques they employ.

1.2 Furthermore, offences relating to money laundering are broadly defined. For example, we do not need to contract directly with a criminal to be guilty of an offence; and money laundering can include within its auspices regulatory failures such as a failure to pay stamp duty.

1.3 The outcomes sought from this policy, then, are that:

- we meet anti-money laundering legal requirements
- staff are aware of and understand the AML requirements, offences and background and the process and expectations set down in this policy – and appropriate support is in place to ensure it is complied with
- we have a robust, risk-based process, which is effectively and consistently followed, to understand with whom we are dealing and any money laundering risks
- we maintain comprehensive records of anti-money laundering checks and concerns
- money laundering suspicions are proactively and immediately reported, and ultimately
- we guard against the GLA becoming involved in money laundering, safeguarding public money

### *Scope*

1.4 The GLA's AML Policy applies to loans, including interest free loans, and recoverable grants the GLA makes to other entities and individuals (including through Greater Authority Land and Property (GLAP)<sup>2</sup>). This policy does not apply to loans the GLA receives from third parties. Nor does it apply to non-repayable grant funding that is only recoverable in the event of default by the grant recipient.

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<sup>1</sup> Terrorism Act 2000 (as amended), Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (as amended).

<sup>2</sup> Note references to the GLA in this policy include any activity that is conducted through or under the umbrella of GLAP.

1.5 This policy does not apply to GLA benefits to employees with interest free loans, such as season ticket loans or other similar benefits.

1.6 Note a separate AML Policy covers the GLA's FCA regulated function. This policy does, however, apply to the Treasury team where it is issuing loans and grants within its scope.

### *The GLA's wider governance arrangements*

1.7 The AML Policy is part of GLA's anti-fraud framework and should be read alongside those documents. It is also part of a wider set of mutually supporting arrangements for corporate governance that collectively are designed to ensure we:

- conduct our business in line with the law and proper standards
- safeguard and properly account for public money and spend it economically, efficiently and effectively

1.8 These arrangements set clear expectations for the Mayor, Assembly Members and staff – and in particular that all of us uphold the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

## 2. Core responsibilities and corporate requirements

### *Implementation*

2.1 Everyone at the GLA falls within the scope of this policy and has a role in implementing it. Four post holders, however, have particular, formal responsibilities in respect of the policy:

### **Financial services activities**

The GLA and GLAP are required to be registered and authorised by the Financial Conduct Authority (FCA) for anti-money laundering purposes only. We are not, however, FCA authorised for any regulated financial services activities (in this context, consumer credit loans), so you must not carry out any such financial services activities; to do so without being authorised is a criminal offence.

The recoverable grants or loans that may potentially involve such regulated activities are those where the financial assistance is going direct to individuals or certain unincorporated bodies (excluding Help to Buy, which is exempt). If you are dealing with a transaction involving financial assistance to an individual or unincorporated body (other than Help to Buy), please speak to your Head of Area if you work in H&L or to a relevant manager if you work outside H&L.

The sorts of loans or recoverable grants which may involve financial services activities are:

- recoverable grants or loans to an unincorporated association where the grant agreement or loan documentation is with an individual
- secured or unsecured loans to individuals for service charge invoices or to finance a property acquisition

Role	Post Holder	Summary of responsibilities
Nominated Officer for Compliance (NOC)	Executive Director of Resources	<ul style="list-style-type: none"> <li>Overall responsibility for ensuring the GLA complies with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and supervising its AML function</li> </ul>
Money Laundering Reporting Officer (MLRO)	Treasury Accountant	<ul style="list-style-type: none"> <li>Ensuring and reviewing the efficacy of this policy and promoting the compliance of all staff members with it</li> <li>Ensuring there are mechanisms to facilitate the reporting of any suspicions that money laundering may be taking place, receiving and investigating any such reports and in turn making reports to the National Crime Agency (NCA)</li> <li>Working with the GLA's Senior Management Team, identifying teams within the GLA that are making loans and non-recoverable grants</li> </ul>
Deputy Money Laundering Reporting Officer (DMLRO)	Assistant Director, Group Finance	<ul style="list-style-type: none"> <li>Supporting and deputising for the MLRO</li> </ul>
Officer in Charge of Keeping Records (OCKR)	Appointed in each directorate	<ul style="list-style-type: none"> <li>Ensuring arrangements are in place to store and retain due diligence and other AML documentation</li> </ul>

2.2 Further information about the responsibilities of these roles is detailed throughout this policy. Note references to the MLRO should be taken to include the DMLRO also, who should be informed as/when the MLRO is informed of any money laundering suspicions.

2.3 The bulk of the GLA's loans and recoverable grants are made by H&L. As such, the Head of Housing Delivery and Compliance has a particular responsibility for implementing this policy. They will ensure steps are taken across H&L to:

- raise awareness, including through training, induction processes, team meetings and periodic updates on the intranet and via email
- identify training needs and organise relevant training sessions, with regular refresher sessions
- ensure there is access to relevant expertise to advise on and support implementation
- access professional advice on this policy through TfL Legal and other independent experts as required
- undertake risk assessments in respect of customers during each transaction that falls within the regulated activities with such risk assessments kept under regular review

2.4 The MLRO will, in liaison with the Head of Housing Delivery and Compliance, ensure staff in the Financial Services and Governance Teams are aware of this policy and its requirements – and have the knowledge and skills to implement it. This policy is accompanied by an action plan and they will ensure it is regularly reviewed and, as necessary, refreshed. Reports on progress against the action plan will be made to the NOC.

2.5 Executive Directors, with the support of the Assistant Directors and Heads Of that report to them, have a role in ensuring this policy is adhered to within their directorates

### *Training and awareness*

2.6 All relevant staff will receive regular anti-money laundering training and/or e-learning and should ensure they are familiar with this policy. New joiners in roles that fall within this policy must complete training as part of the induction process and an e-learning module will be made available to this end.

2.7 The MLRO will take steps to promote the policy, including via the GLA Intranet and the corporate governance e-learning module. They will maintain a record of the steps that have been taken to raise awareness. They will also ensure training content is reviewed and refreshed and in line with the regulations and best practice.

2.8 The Assistant Director, People is responsible for supporting the MLRO in organising and monitoring training take-up.

2.9 TfL Legal will advise as appropriate on the legal requirements pertaining to our AML obligations and processes.

### *Supervision and assurance*

2.10 The NOC is responsible for supervising the GLA's AML function and ensuring compliance with the MLR. The NOC will achieve this through measures including:

- supported by the AD for People, ensuring relevant employees are screened to ensure they have the ability to carry out their functions and are of good conduct and integrity. All those dealing with AML procedures (including those who receive documents from customers) or who are involved in the identification of related risk, will be subject to such screening. At the time of writing, determining and implementing an approach for achieving this formed part of the action plan accompanying this policy
- maintaining a well-resourced audit capacity to examine and evaluate the effectiveness of the relevant policies, controls and procedures, make recommendations and monitor compliance. This role is undertaken by the GLA's Internal Audit function provided by the Mayor's Office for Policing and Crime under a shared service arrangement

### *Risk assessments*

2.11 The MLR 2017 contain specific requirements for the carrying out of risk assessments, both at an organisational level and at customer level. We must take appropriate steps to identify and assess the risks of money laundering, terrorist financing and proliferation financing to which the business is subject. An organisation-wide risk assessment will be undertaken and then be subject to regular review and also review when the GLA's AML risk profile changes.

2.12 Similarly to an organisation-wide AML risk assessment, a proliferation financing risk assessment is to be undertaken as per The Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022 regulation 6.

2.13 Records will be retained of all risk assessments.

## *Compliance*

2.14 The Money Laundering Regulations 2017<sup>3</sup> (MLR) require the MLRO to ensure compliance of all staff members with this policy and to carry out a regular review of compliance and of any suspicious activity. You must cooperate with the MLRO by providing any information on your work that may be relevant to these obligations and participate in training when required to do so.

2.15 Any significant issues relating to or arising from the GLA's AML arrangements will be captured and reflected on in the Annual Governance Statement. They will also inform any updates to this policy and the arrangements for implementing it.

## *Policy approval*

2.16 This Policy was approved in 2017 through Director Decision (DD) 2095. This version, incorporating amendments to reflect changes to the MLR as amended by the Money Laundering and Terrorist Financing (Amendment) Regulations 2019, was approved by the Corporate Management Team and the NOC. The NOC further reviewed the policy in Oct 2020 to reflect changes in post titles of key individuals and in June 2023 to reflect the updates in MLR regulations and will ensure the policy is reviewed thereafter on a regular basis, taking account of regular reviews of compliance.

2.17 It is important you check [london.gov.uk](https://www.london.gov.uk) for the latest version of this policy before proceeding with any new recoverable grant or loan transaction to ensure you are complying with the current version.

## *Delegated authority to make updates and amendments*

2.18 The MLRO has delegated authority to make updates to this policy, without the need for a decision form, to:

- reflect changes in legislation, regulations and external guidance , where these do not result in or require significant changes in GLA practice
- update job titles and roles
- update the forms appended to this policy
- make minor drafting and presentational changes
- make any other changes that do not substantively change the provisions of this policy or result in or require significantly different practices and procedures.

2.19 As a matter of best practice, all but minor drafting and presentational changes will be reported to Corporate Management Team (CMT) via the NOC.

2.20 The MLRO may, in addition, issue instructions and guidance as to the scope of this policy and its operation.

2.21 Outside of these areas, updates will be approved via a director decision by the NOC.

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<sup>3</sup> The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and The Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022.

## Part B. Legal background and offences

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### 3. What is money laundering?

3.1 The MLR require a fundamental understanding of the processes that can be involved in money laundering, and require that you respond appropriately to any knowledge or suspicions that these processes may be taking place. This section of the policy explains what money laundering is, the offences and the penalties.

3.2 Money laundering is any process whereby funds derived from criminal activity including terrorist financing are given the appearance of being legitimate by being exchanged for 'clean' money. Participating in the handling of such funds is illegal, and it can also be illegal to become involved in them with knowledge or suspicion.

3.3 Money laundering involves three stages:

- **Placement**  
After a crime has been committed, funds are paid into a bank account or used to buy an asset.
- **Layering**  
To try and hide the source of the proceeds of crime, criminals carry out transactions, which can be complex and numerous.
- **Integration**  
Once the origin of the funds has been hidden through sufficient 'layering', the funds are imported back into the financial system.

3.4 Being involved in any of these three stages is potentially a criminal activity.

#### *Legislative references*

3.5 The relevant legislation includes the latest versions of the:

- **Proceeds of Crime Act 2002**  
This defines the money laundering offences and gives law enforcement agencies far reaching powers to deal with them.
- **The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the Money Laundering and Terrorist Financing (Amendment) Regulation 2019**  
These regulations set out the detailed requirements for organisations and individuals engaged in regulated activities.
- **Terrorism Act 2000 and subsequent Terrorism Acts**  
This defines the primary offences related to terrorist funding and requires regulated businesses to report knowledge or suspicion of offences.

3.6 There are also various associated regulations that have been issued under these main pieces of legislation. Further details are available from TfL Legal.

## 4. Offences

4.1 There are a number of different offences that may be committed under the applicable legislation:

Offence	Notes
Concealing, disguising, converting or transferring criminal property or removing such property from the UK	It is possible the GLA and its employees could unwittingly commit these offences if the GLA or its funding programme were used by third parties to clean-up money received as proceeds of crime
Entering into or becoming concerned in arrangements which it is known or suspected will facilitate the acquisition, use or control of criminal property by or for another person	It is possible the GLA and its employees could unwittingly commit these offences if the GLA or its funding programme were used by third parties to clean-up money received as proceeds of crime
Acquiring, using and/or possessing criminal property	It is possible the GLA and its employees could unwittingly commit these offences if the GLA or its funding programme were used by third parties to clean-up money received as proceeds of crime
Failure to disclose knowledge or suspicion of money laundering to the MLRO where such knowledge or suspicion is gained (or should reasonably have been gained) through the course of business	<p>This offence can be committed by a failure to report a suspicion of money laundering where, based on the information available to the employee, they should reasonably have held such a suspicion.</p> <p>You can be guilty of an offence even if you were not suspicious or were not aware of money laundering if a reasonable person would have been suspicious or aware. This is why it is so important that you read through this policy and the examples given in it. Although the examples are not exhaustive, <b>if you come across anything that is similar to any of these examples, or that seems out of the ordinary, you must speak to the MLRO immediately</b>, even if you are not suspicious yourself. See section 10 regarding your reporting obligations</p>
'Tipping off', which means informing a suspect or third party that a report of suspicion of money laundering has been made to the NCA or to our MLRO or that the suspect is being investigated	<p>The offence of tipping off is committed under the legislation only when a disclosure (ie. a report) to the NCA or MLRO has been made or is contemplated. So, although you must exercise caution, you must still ask appropriate questions at the outset of the transaction to ensure you understand who we are transacting with and to complete the required due diligence (see section 9).</p> <p>If you become suspicious of money laundering and make a report to the MLRO, it is important from the date of that report you only speak to the MLRO and your line manager about any concerns. You can then discuss with the MLRO what you can say to the people about whom you have suspicions so they are not tipped off that you are concerned.</p>
Generating money from a transaction if you have reasonable grounds to believe the money will fund terrorism	<p>This offence is related to, but is not directly connected to, money laundering. However, a report must still be made to the NCA if we are aware of any potential terrorism funding activity.</p> <p>It is therefore our policy requirement that, if you are concerned about terrorist financing, you report your concerns to the MLRO who can coordinate a report to the NCA.</p>

You, as an individual, even acting in the course of employment, can also be guilty of an offence of tipping off in relation to this terrorism offence. This is a criminal offence and is punishable by a prison sentence or fine. So, again, you should not tell anybody of any concerns you may have, other than your line manager and the MLRO. You can then discuss with them what you can say to the relevant people about whom you have suspicions.

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Doing anything that constitutes an attempt, conspiracy or incitement to carry out money laundering or to aid, abet, counsel or procure money laundering to occur. This is the case regardless of whether the act took place within the UK or outside the UK, so we still need to be aware of potential criminal activity where we are involved in transactions involving off-shore entities. This includes any person who knowingly prejudices an investigation into potential money laundering or provides misleading information

The GLA does not need to contract direct with a criminal to be potentially guilty of an offence. Money laundering is often complex and sophisticated so that the proceeds of crime are distanced from the original criminal. For example, if a person commits an offence and then uses the proceeds to purchase an asset, that asset becomes criminal property so any dealings with that asset will involve dealings with the proceeds of crime. Proceeds of crime can therefore appear as assets within legitimate organisations.

You should be wary of assuming that our potential loan and recoverable grant recipients are not involved in criminal activity simply because you would not regard them as 'criminal'.

To protect the GLA – and you – from being found guilty of an offence, it is important you comply with this AML Policy in all your transactions involving a loan or recoverable grant, even if you consider that the potential recipient would not be directly committing a money laundering offence. This is especially the case because criminal property is defined widely enough to catch involvement with projects with 'regulatory' issues which are criminal in nature. For example, a failure to pay stamp duty land tax, a failure to provide an energy performance certificate in response to a request for production, a failure to comply with a planning enforcement notice or the failure to comply with asbestos regulations can all constitute criminal offences, meaning that a loan or recoverable grant by the GLA in respect of a development project in respect of which any of these has occurred could constitute a money laundering offence. You should discuss any such concerns with the MLRO.

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## 5. Penalties

5.1 All the offences listed above are criminal offences and committing them is punishable by prison sentences and/or a fine. For example, if found guilty of the offence of tipping off an individual may be imprisoned for up to two years and may receive a fine of an unlimited amount.

5.2 You should note that offences can be committed by staff as individuals even if you are acting in the course of your employment.

5.3 Any failure by a member of staff to follow this AML Policy, whether relating to a criminal offence or not, may lead to disciplinary action being taken under the GLA's disciplinary procedure [available on the GLA intranet].

## 6. Defences

6.1 There are certain defences available for some of the offences listed above. The main defence for our purposes is the defence of having made an 'authorised disclosure' before any offence is committed.

6.2 If you make a disclosure to our MLRO in accordance with paragraph 10.10 then that disclosure will be sufficient for you to rely on this defence, provided you disclose before any offence has been committed. This is why it is so important that you read this policy carefully, comply with its requirements and act quickly.

6.3 The MLRO will then decide whether to report the suspicion to the NCA. Where a suspicion is reported, if the MLRO does not receive a 'refusal to proceed' from the NCA within a seven-day period then you can proceed with the transaction. Where a 'refusal to proceed' is received there is a further period of 31 days for the NCA to follow up their refusal with further instructions. If no further information is received within 31 days, you can proceed with the transaction.

6.4 Note that if the MLRO does report any suspicions to the NCA you must discuss with the MLRO what information you should give to the proposed recoverable grant/loan recipient, so that you ensure you do not commit the offence of tipping off.

6.5 A person may also not be guilty of an offence if that person took all reasonable steps and exercised all due diligence to avoid committing the offence.

6.6 See section 10 for our reporting requirements.

## 7. Sanctions list

7.1 There is a separate but related sanctions regime that imposes restrictions on our ability to do business with those persons and entities on HM Treasury's [sanctions list](#).

7.2 Some entries on the list are specific to a particular person or entity and others are general financial sanctions on all persons and entities in a particular jurisdiction. Sometimes the effect of the sanction is that we should never provide a loan or recoverable grant to those on the list. In other cases, it may be possible to proceed provided we obtain a licence granted by HM Treasury. Breaching the sanctions regimes would have serious consequences for the GLA and for you as an individual. So the analysis of sanctions risk must be an integral part of the due diligence we undertake at the outset of any loan or recoverable grant transaction. A sanctions search is part of our Knowing Your Customer requirements.

# Part C. Anti-money laundering procedures – what you need to do

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## 8. AML procedures

8.1 It is essential AML procedures are carried out early on in the process with the potential recoverable grant or loan recipient, once discussions have started on the proposals of financial assistance from the GLA.

8.2 ‘Know Your Customer’ checks are required to ensure the GLA is dealing with bona fide individuals and organisations and help identify suspicious behaviour or practices. The background of the potential recoverable grant or loan recipient should be sought and it is then for you to ascertain and consider any AML considerations and potential issues.

8.3 KYC must be included within all project plans so that these checks are completed prior to any due diligence decisions and contracts being signed. The potential recoverable grant or loan recipient should be made aware that KYC information will be requested. The potential recoverable grant or loan recipient is required to adhere to all KYC requirements the GLA asks for.

8.4 Decision forms should be clear about the due diligence that has taken place on grant and loan recipients.

8.5 The three key areas of responsibility for employees engaged in activities covered by this policy (ie. in relation to recoverable grants and loans to third parties) are:

- Customer Due Diligence and Know Your Customer
- recognising and reporting knowledge or suspicion
- maintaining records

8.6 As part of the checks you undertake to comply with CDD and KYC, you will need to assess the risks of establishing a relationship with a customer and maintaining an ongoing relationship. These considerations feed into the CDD/KYC process outlined below.

## 9. Customer Due Diligence and Know Your Customer

### *What are CDD and KYC?*

9.1 Customer Due Diligence (CDD) – or Know Your Customer (KYC) – is a keystone in the fight against money laundering, serving to ensure our dealings are with bona fide individuals and organisations, and assisting in the identification of suspicious behaviour.

9.2 The ‘customer’ is the person or entity with whom we form a contractual relationship when undertaking regulated business, ie. loans or recoverable grant transactions. What is important is that we understand who we are dealing with and the structure of any corporate entity involved, so you must ensure that you have a fundamental understanding of the structure, management and

control of the recoverable grant/loan recipient. Specifically, where the customer is a legal person, trust, company, foundation or any other similar legal arrangement the relevant person must take reasonable measures to understand the ownership and control structure of that legal person, trust, company, foundation or similar legal arrangement

9.3 This policy and its annexes set out the basics of what is required to comply with the MLR. The main requirements are summarised below:

- identify the customer, ie. obtain identity documents so we know exactly who they are and that they are who they say they are
- for anyone except a natural person, identify the person representing that customer, ie. the individual director, trustee or similar
- identify each Ultimate Beneficial Owner (UBO) of the customer. The UBO is a concept defined in the MLR as any individual who owns or controls 25 per cent or more of a customer. For more information, see Appendix 1 guidance note on carrying out CDD on complex group structures
- check the source of funds where you are receiving funds pursuant to a recoverable grant from a prior recipient

9.4 Obtaining the KYC information is only the first step to understanding with whom we are dealing. You must ensure you review that information and ask appropriate questions, or request additional information where necessary. This is to enable you to know enough about the potential recoverable grant/loan recipient to be reasonably satisfied they are bona fide and do not pose a significant money laundering risk. You should therefore apply this policy with this objective in mind.

#### *When must it be done?*

9.5 The MLR requires that evidence of identity be obtained whenever:

- a new business relationship is established (ie. we propose to provide a loan or recoverable grant to an individual or entity we have not previously transacted with)
- occasional transactions are carried out (ie. you carry out a transaction with a person or entity you do not regularly transact with, even if you have transacted with them before). Where a transaction is ongoing or a new transaction is planned, the KYC must be updated at least every two years or every six months where the risk profile is assessed to be high
- you have a suspicion of money laundering or terrorist financing
- where the risk profile of the recipient changes over the course of the transaction or during the period of an ongoing relationship, eg. a company structure changes, a new beneficial owner or a Politically Exposed Person (PEP). See paragraph 9.27, which explains what constitutes a PEP

9.6 As a result, you must check the identity of:

- all new recoverable grant or loan recipients
- a recoverable grant or loan recipient for whom we have not conducted due diligence in the past two years
- all recoverable grant or loan recipients whose risk profile has changed

9.7 Identities must be established and verified using appropriate documentary evidence in accordance with this guidance. There is also a flow chart at Appendix 8 which is a helpful guide as to what you need to do.

### *How do you do it?*

9.8 The first step is to decide whether you need to check the identity of a potential recoverable grant or loan recipient. Check the KYC Matrix – a document held by Officer in Charge of Keeping Records (OCKR) that records details of past KYC checks (the form of the matrix is at Appendix 5) – to see if we already hold the necessary documentation. You should bear in mind the at the outset of a new transaction you will need to ensure the identity documents you have meet the requirements at that time, ie. any documents required to be dated within three months as per the note at Appendix 1.

9.9 Each officer undertaking KYC checks must complete the matrix, retain a copy on the file and provide a copy to the OCKR. You must carry out KYC on the potential recoverable grant or loan recipient if:

- that recipient does not appear on the matrix
- that recipient does appear on the matrix but the KYC is dated more than two years ago

9.10 Note that even if you do not need to update the KYC, because up to date information is recorded on the matrix, you must still complete the internal form at Appendix 4. This is so that we have a record KYC has been considered on each transaction.

9.11 The KYC documentation should be requested from the potential recoverable grant or loan recipient as soon as possible in the transaction. This will avoid wasted time and costs. There is a pro forma you can send to the potential recipient at Appendix 3. You should send this out as soon as possible.

9.12 When the completed form is returned, you must check it against the evidence requirements set out in Appendices 1 and 2 to make sure you have all the KYC information you need.

9.13 If you need more information to complete your KYC checks, you should ask the potential recipient for that additional information. If the potential recipient appears reluctant to provide additional information, you should speak to the MLRO without notifying the potential recipient that you are doing so. If you notify the potential recipient, it might be a prelude to tipping off (as further described in paragraph 4.1).

### *What documents should you request?*

9.14 The detail of the basic identification documents you need is set out in Appendix 1. The relevant identification documents must be obtained in every case.

9.15 Details of what additional due diligence is required in the situations set out from paragraph 9.23 are set out in Appendix 2.

9.16 Although you must always read the requirements at Appendices 1 and 2 in detail, a summary of the requirements is set out below.

Who	Requirements
Individuals	<p>We do not anticipate the GLA entering into transactions with individuals, other than as part of the Help to Buy equity loan scheme. As explained above, however, in some situations you may be required to verify the identity of individuals who are part of other entities. In these cases, please follow the guidance relating to individuals as set out at Appendix 1.</p> <p>If you are involved in a transaction involving a direct loan or recoverable grant to an individual other than as part of the Help to Buy scheme, you must speak to your line manager immediately so legal advice can be sought as to whether this activity requires separate FCA authorisation for financial services or consumer credit activities. For example, if you are involved in a loan or recoverable grant to an almshouse that is structured as a loan/recoverable grant to individuals controlling the almshouse, you should check that the structure does not trigger a requirement to be FCA authorised. Other examples include loans to individual partners, loans to individuals who are members of an unincorporated association and loans to individuals in a private capacity.</p> <p>The requirements for individuals, however, remain relevant for our AML purposes because these must be followed whenever we need to verify the identity of an individual director or shareholder – that is, in many scenarios.</p>
Local authorities and ALMOs	The simplified due diligence as set out in Appendix 1. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.
Registered providers of social housing	There are different requirements for registered and pre-registration Registered Providers (RPs), although the GLA will be dealing primarily with registered RPs. Registered RPs also have simplified due diligence requirements. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.
Registered charities	<p>It is becoming more common for organisations to be created as charities and not for profit organisations and then used to finance terrorism. The donation of legitimate funds to organisations which directly or indirectly support or finance terrorism is a serious criminal offence. Charities can therefore pose a risk and should not be treated as low risk.</p> <p>If you have any such concerns or suspicions you must notify the MLRO immediately.</p> <p>There are different KYC requirements for smaller charities (which as a rule of thumb the GLA considers to be a charity with an income of £500,000 or less) than for large charities (income of £500,000 or over). Appendix 1 sets out what these requirements are.</p>
Trusts	As well as verifying the identity of trustees in the same way you would verify the identity of individual borrowers (see paragraph 9.3 above), you must also verify the identity of the beneficiaries of the trust, its settlor and any individual having control over it (eg. a protector) again, in the same way that you would verify the identity of individual borrowers.
Unincorporated associations	If an association is unincorporated it is likely you will need to verify the identity of the individuals who own the association, and therefore need to follow the requirements for individuals as set out in Appendix 1. For example, this will apply where you are dealing with loans or recoverable grants to almshouses as these transactions usually involve loans or recoverable grants direct to individuals. Please also see the top row of this table, regarding transactions involving loans or recoverable grants direct to individual trustees.
Publicly listed companies	For a company listed on an approved stock exchange (UK/EEA and as otherwise agreed by the MLRO), the requirements are for simplified due diligence as set out

in Appendix 1. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.

Privately held companies, including unlisted public limited companies

Again, there are different requirements depending on the location of the registered office of the company. For example, if a company had a registered office in the UK but you were aware all business was done in a country outside of the European Economic Area, then this may trigger a requirement to carry out further due diligence on the company as if it were a non-UK based. Again, there are requirements for identifying ultimate beneficial owners, ie. any living individual who owns a 25 per cent share or more or otherwise has a 25 per cent or more control in the company (see paragraph 9.3). Where the transaction involves a group of entities, you must obtain a corporate structure chart.

It can be harder to ascertain the ownership, management and control of privately held companies. So it is more likely you will need to follow the additional due diligence requirements set out in Appendix 2.

### *When can certified copies be accepted?*

9.17 If it is not possible to obtain the original documents required for KYC, we can accept certified copies of identification documents. But a certified copy is only acceptable if it:

- is no more than three months old
- is certified by one of
  - a UK solicitor, who appears on the roll of the Law Society of England & Wales or of Scotland
  - a chartered accountant registered with the Institute of Chartered Accountants of England and Wales (ICAEW)
  - an accountant or a lawyer of another jurisdiction whose credentials you have verified through their relevant professional directory
  - a British Embassy or consular official
- is received in hard copy ('wet-ink'), signed and dated by the individual certifying it (a PDF is not sufficient)
- includes the following wording:
  - 'Certified to be a true copy of the original seen by me' followed by the signature, date, printed name, printed address, telephone number and profession of the person certifying the document; and
- includes, where the document being certified is photographic identification, the following wording:
  - 'I certify this is a true likeness of [name of individual]' this wording may be followed by: 'who is known to me', which is desirable but not essential it must be followed by the signature, date, printed name, printed address, telephone number and profession of the person certifying the document

9.18 Using certified copies for the purposes of our own KYC does not require the consent of the person certifying the document, nor do you need MLRO consent to rely on a certified copy, provided it complies with the requirements above. Consents are, however, required where you wish to rely on a third party's KYC.

### *Can we rely on third party KYC?*

9.19 It is our policy to conduct KYC for ourselves, using the original or certified required for KYC (as listed in Appendices 1, 2 and 3) wherever possible.

9.20 If for any reason you cannot obtain the original or certified documents required, then in exceptional circumstances you may be able to rely on copies of KYC carried out by a third party, such as a solicitor. Before relying on this, you must obtain the prior written consent of the:

- third party whose KYC you wish to rely on. The MLR require that you obtain this consent before you can rely on any third party KYC – so it is vital that you obtain it
- the MLRO. A request for approval must state the reason for reliance, the third party on whom you are proposing to rely, and including a copy of the written consent of the third party

9.21 If relying on third-party KYC, the transaction becomes high-risk by default and requires extra scrutiny which makes it unlikely to receive the consent to proceed

9.22 In this case you must also:

- immediately obtain from the third party all the information needed to satisfy the GLA's CDD requirements in relation to the customer, customer's beneficial owner, or any person acting on behalf of the customer
- must enter into arrangements with the third party which:
  - (i) enable the GLA to obtain from the third party immediately on request copies of any identification and verification data and any other relevant documentation on the identity of the customer, customer's beneficial owner, or any person acting on behalf of the customer
  - (ii) require the third party to retain copies of the data and documents referred to in point (i) for as long as the GLA would be required to hold them had the GLA carried out the CDD itself

### *When is additional KYC required?*

9.23 The extent of the due diligence you must carry out depends on the level of risk involved. The MLR require we adopt a 'risk based' approach to KYC. This means in certain situations a higher risk may be attributed to the potential loan/recoverable grant recipient. To mitigate higher risk, enhanced evidence of identity and additional details should be sought. The situations that trigger a requirement for additional KYC are:

- you doubt the documentary evidence supplied; for example, if an address on a driving licence and an address on a utility bill do not match and the potential recipient cannot explain this discrepancy
- you do not fully understand the ownership and control structure of the entity including the customer is a legal person or legal arrangement that is a vehicle for holding personal assets, the customer is a company that has a nominee shareholder or shares in bearer form or the corporate structure of the customer is unusual or excessively complex given the nature of the company's business
- there are discrepancies in beneficial ownership information provided. Such discrepancies must be reported to the MLRO

- there is no face to face contact with the loan/recoverable grant recipient
- the customer is the beneficiary of a life insurance policy
- the customer is a third country national who is applying for residence rights in or citizenship of an EEA state in exchange for transfers of capital, purchase of a property, government bonds or investment in corporate entities in that EEA state
- dealings are being undertaken on behalf of third parties (so, for example, the recoverable grant or loan recipient does not deal with you direct and acts only through an agent or intermediary)
- any aspect of the proposed transaction is suspicious or raises red flags; for example, the source of funds for a transaction. Examples of what may be suspicious are at section 10
- the transaction includes any high net worth individual. This is because high net worth individuals are a more likely target for criminals seeking to launder money
- the transaction involves jurisdictions, entities or individuals subject to sanctions
- the transaction includes a PEP (see paragraph 9.27) or the family member or known close associate of a PEP
- the transaction involves any non-UK company or you are concerned that the company structure is unduly complex
- the transaction is complex or unusually large
- unusual pattern of transactions
- the transactions or transactions have no apparent economic or legal purpose
- where the customer or any of the parties to the transaction is established in a high-risk jurisdiction
- there is a transaction related to oil, arms, precious metals, tobacco products, cultural artefacts, ivory or other items related to protected species, or other items of archaeological, historical, cultural or religious significance or of rare scientific value

9.24 There is no central government high risk jurisdictions list. You should refer to/consider:

- the Financial Action Task Force (FATF) [high-risk jurisdictions list](#)
- the list supplementing the Fourth EU Money Laundering Directive (available from the MLRO)
- the [corruption index](#) maintained by Transparency International
- countries that have organisations operating within their territory which have been designated (a) by the UK Government as prescribed organisations under Schedule 2 to the Terrorism Act 2000 , or (b) by other countries, international organisations or the EU as terrorist organisations
- countries subject to sanctions, embargos or similar measures issued by, for example, the EU or United Nations
- countries providing funding or support for terrorism

High risk jurisdictions are not limited to those on these lists. If in any doubt, you must speak to the MLRO.

9.25 These factors should be identified and recorded by completing the risk assessment at Appendix 4.

9.26 The list of additional KYC requirements is at Appendix 2.

### *What is a Politically Exposed Person?*

9.27 PEPs are/include:

- individuals entrusted in the preceding year with prominent public functions, **whether inside or outside of the UK**, including government ministers, their deputies and assistants, judges, boards of central banks or prominent state owned enterprises, ambassadors and other senior political or state officials
- those individual's immediate family members and persons known to be their close associates
- assets held jointly with those individuals or by those individuals on behalf of the PEP

9.28 If a transaction involves a PEP, you must obtain sufficient evidence to give you reasonable grounds for believing the recoverable grant/loan recipient is who they profess to be and must identify the source of their wealth and source of the funds involved in the proposed transaction. To do this, you need:

- the evidence as set out in Appendix 1
- the additional due diligence as set out in Appendix 2: see the specific requirements for PEPs contained therein. Be cautious and beware of counterfeit documents or weak procedures in gaining evidence

9.29 If a transaction involves a PEP you must seek approval from the MLRO before establishing or continuing the business relationship with that person.

9.30 If you do enter into the transaction involving a PEP, you must conduct enhanced ongoing monitoring of the business relationship with that person.

### *What do you do once you have collected the documents?*

9.31 Once you have completed your due diligence you need to record that internally. The form you need to complete is at Appendix 4.

9.32 You must then consider carefully whether the information revealed highlights any areas of concern. Examples of concerns include:

- discrepancies in the documentation, such as names and addresses or company numbers
- unusual financial activity revealed in the accounts, such as unexpected levels of income or expenditure
- unnecessarily complex transactions or corporate structures
- the involvement of an unnecessary number of individuals in a transaction

9.33 If you have no suspicions or concerns, then you can proceed with the transaction.

9.34 If the prospective loan / recoverable grant recipient fails to provide the appropriate information or anything is unclear, you should ask for more information or for more details. For

example, if a corporate structure is complex, you should ask for a detailed structure chart explaining how the group operates so that you have a clear understanding of with whom we are contracting.

9.35 If your KYC information highlights any issues of concern you must speak to your line manager or the MLRO as soon as possible. It may be that you will not be permitted to continue with the proposed transaction. Remember that if the MLRO reports a suspicion to the NCA as a result of your concerns, you must not discuss this with the proposed loan/recoverable grant recipient or you risk carrying out the offence of 'tipping off' (see section 4).

9.36 Once you have completed your KYC process by obtaining the documents at Appendix 1 (and Appendix 2 where relevant) and completing the form at Appendix 4, you should provide the OCKR with a completed copy of the KYC Matrix. You must also retain a copy on your file. The KYC matrix is a central, up to date schedule of all recent KYC which we have undertaken. This is so we do not duplicate recent KYC due diligence. These documents must be maintained in a place which is accessible to all relevant officers and must be made available as required for internal and external audit purposes.

9.37 Appendix 8 contains a flowchart that summarises this section of this policy and sets out what you need to do for initial KYC purposes.

#### *What ongoing KYC is required?*

9.38 The MLR require that once you have carried out the KYC checks, you continue to have these in mind throughout the transaction so that you are alert to anything which is suspicious in the context of what you know about the loan/recoverable grant recipient. For example, if the proposed recipient is a special purpose vehicle and suddenly appears to have an unexplained amount of money available, this should be considered as suspicious. You also need to be alert to where the risk profile of a customer has changed (see 9.5).

9.39 You must remember that the KYC requirements continue to apply throughout the transaction and must be repeated for any new loan or recoverable grant recipients. For example, if a new subsidiary company is suddenly introduced to the transaction this should be checked following the same KYC processes. See paragraph 9.5.

9.40 You must also remember that if the risk of a transaction is assessed as high or a PEP is involved then enhanced ongoing monitoring is required. Where the transaction is ongoing, the KYC and risk assessment should be reviewed every six months to consider whether additional documents are required or the risk profile has changed.

9.41 As part of ongoing KYC checks (including both standard and higher risk transactions), beneficial ownership information must be compared against a relevant ownership register with any discrepancies reported to the MLRO.

#### *What about sanctions?*

9.42 Where this policy requires you to carry out KYC on a potential loan or recoverable grant recipient, you must first check the HM Treasury [sanctions list](#) (see section 7).

9.43 If the potential loan/recoverable grant recipient appears on the HM Treasury [sanctions list](#), you must not proceed. Please notify the MLRO and the proposed recipient accordingly. If the

potential loan/recoverable grant recipient does not appear on the HM Treasury sanctions list, you can proceed with the KYC checks in accordance with this AML Policy.

## 10. Recognising and reporting knowledge or suspicion

### *Red flags*

10.1 You have to be able to recognise suspicion to be able to report it. In this respect, you are expected to use your experience and judgement. The following pointers or 'red flags' may be helpful.

10.2 Criminals may attempt to obtain a loan or repayable grant where that funding is not necessary. This is so that they can then repay the loan or recoverable grant using the funds from the proceeds of a crime, thus 'cleaning-up' their criminal proceeds. You must be comfortable that any potential loan or recoverable grant recipient can demonstrate a need for the funding.

10.3 Similarly, criminals may attempt to obtain loan or recoverable grant funding in anticipation of triggering a repayment event so that when the monies are repaid they can do so using the proceeds of crime. Applications for funding on a project which does not appear viable should be treated with suspicion.

10.4 Any overpayments of monies due to the GLA/GLAP under a recoverable grant or loan agreement must be treated with suspicion.

10.5 Payments of monies due to GLA/GLAP on behalf of a borrower by anyone except for that borrower itself is suspicious – you must understand why the third party is making payment on behalf of the borrower, and to conduct CDD and KYC searches on the third party.

10.6 Criminals may use land or property that has been obtained through criminal activity as security for a loan so you should be aware of any potential risk areas in relation to assets used as security (for example a recent cash purchase of the asset, or using assets as security which are not part of the funding transaction itself).

10.7 Other circumstances that may give rise to a suspicion of money laundering include:

- unexplained or unusual urgency to the requirement for funding
- recoverable grant recipients being more interested in the funding arrangements than the details of the scheme itself
- complex funding arrangements that change regularly or change just as the matter is about to complete
- overinflated values of assets involved in the transaction
- delays in providing KYC information when asked, or reluctance to meet face to face where a face to face meeting would be usual
- lack of involvement of third party professional advisors, where such advisors would be usual
- unusually complex corporate structures
- the involvement of individuals where you would normally expect to be dealing with a corporate entity

- off shore companies or sources of funding which originated from off shore accounts or assets
- unexpected funds arriving in our accounts.
- discrepancies in beneficial ownership information shown in ownership registers (this must be reported to MLRO)

10.8 This is not intended to be an exhaustive list. You are encouraged to use your experience and working knowledge to identify potential methods of money laundering and to keep abreast of new developments. For example, you should develop a knowledge of entities that operate in the relevant sector (eg. housing/regeneration) and are likely to be involved in our transactions – the involvement of unusual entities in the relevant sector may give rise to suspicion.

### *Reporting*

10.9 You must remain alert to the potential for the GLA to be used by a third party for money laundering purposes. You must also remain alert for the instances of proceeds of crime and a potential terrorist activity.

10.10 Where it is known or suspected that money laundering may be taking place, such knowledge or suspicion **must** be reported immediately to the MLRO and you should not proceed with the transaction unless the MLRO gives their specific consent. You must also continue to be aware of the tipping off offence (see section 4.1), which applies once any report has been made to the MLRO, police, HMRC or the NCA. Although you should not proceed with a transaction, it is important you **do not tell** the loan/recoverable grant recipient that a report has been made or that you are concerned about money laundering. If you need to explain a delay to a loan/recoverable grant recipient so they do not become suspicious that you are concerned, please speak to the MLRO about what you can say to the loan/recoverable grant recipient.

10.11 The reason why it is so important to speak to the MLRO immediately if you are concerned or are aware of any potential suspicious activity is because a defence exists against some offences if you report any knowledge or suspicion of money laundering to the MLRO (see section 4). You must make this report as soon as such knowledge or suspicion is held or as soon as you become aware of anything similar to one of the examples of warning signs set out in this policy, even if you yourself are not suspicious.

10.12 You must therefore report anything however small you think it may be. If you do not make a report, there is no defence for you or the GLA to the offence of failing to disclose a suspicion.

10.13 There is a prescribed form for making reports to the MLRO, which is included in this policy at Appendix 6. It may well be advisable, however, to discuss the matter with the MLRO before filling out the form.

10.14 If, in exceptional cases, knowledge or suspicion of money laundering comes to light after a transaction has been completed, then a report must be made at the point that such knowledge or suspicion arises. Again, you should use the pro forma attached at Appendix 6.

10.15 When completing the reporting form, you must provide as much detail as possible and in particular the reasons for suspicion. Your immediate line manager, or the MLRO, will be able to advise in the case of any difficulties in completing the form.

10.16 Completed forms should be signed, dated and sent to the MLRO straight away. The MLRO will acknowledge receipt within 48 hours. If no receipt is received, this should be followed up with the MLRO.

10.17 Reports should be made in confidence. Neither the fact a report has been submitted nor any of the contents of the form should be disclosed to anybody either inside or outside the GLA, other than your immediate line manager and the MLRO.

10.18 As noted in 9.41 and 10.7, discrepancies in ownership information you collect from official sources and what you are provided with must be reported to the MLRO and the MRLO, in turn, would report this to Companies House.

### *Steps following a report*

10.19 Upon receipt of a report, the MLRO will undertake such further investigation as required to establish whether or not a report should be made to the International Corruption Unit of the NCA.

10.20 Reports to NCA will be made by the MLRO using the reporting pro forma required by NCA, as provided on their [website](#).

10.21 Reports to NCA will be made in the MLRO's own name. The anonymity of the originator of reports will be protected, remaining confidential and known only to the MLRO.

10.22 The MLRO will maintain a log of all reports made to NCA and the action subsequently taken.

10.23 The MLRO will contact you and advise whether you can proceed with the transaction or not. If you are notified that you can proceed you will not have carried out any offence regarding any failure to disclose unless any subsequent suspicions or warning signs arise.

10.24 It is important you remember that even if you have made a report to the MLRO, and have authorisation to continue with a transaction, your money laundering obligations are not at an end. You must still monitor the transaction and report any subsequent suspicions should the transaction change or new entities become involved (see also paragraph 9.38 regarding ongoing KYC due diligence).

10.25 If staff are found to be involved with or aware of transactions that should have aroused suspicion of an offence as detailed in this policy, and have failed to make an appropriate MLRO report, disciplinary action may be taken. Such failure may also be a criminal offence, as explained above.

## **11. Maintaining records**

11.1 The MLR requires us to keep appropriate records, as follows:

- during the course of the relationship with the recoverable grant/loan recipient you must undertake reviews of existing records and keep the documents or information up-to-date
- customer identification records and the supporting evidential documents must be retained for at least five years from the date of the end of the relationship with the recoverable grant / loan recipient, or the date of a one-off transaction. If we transact with a particular individual or

entity regularly, it is therefore important you retain their KYC information as it must be kept until the expiry of five years from the date of our last transaction with that individual or entity

- transaction records on regulated transactions must also be maintained for a period of at least five years from the date of the end of the relationship. This means you must keep records of all our recoverable grants and loans for at least five years after the expiry of the grant or loan
- if any recoverable grant/loan recipient or transaction has been the subject of a money laundering report, records should not be destroyed without the prior consent of the MLRO
- records do not need to be kept in hard copy. They may be stored electronically
- you must be aware that some of the KYC information we obtain will be personal information falling within the remit of the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). You must therefore ensure this is treated and stored in accordance with the Act's principles.

11.2 You must make sure you keep adequate and accurate files of transactions (either electronically or in paper form) so as to comply with these requirements. Copies of all documents must also be provided to the OCKR. These documents must be maintained in a place accessible to all officers and must be made available as required for internal and external audit purposes.

11.3 The MLR give various authorities (such as the FCA and the NCA) rights to request copies of our KYC records and other relevant records. If you receive a request direct please refer this to the MLRO and OCKR so that a central record can be kept of all the information requests received.

# Appendix 1. KYC identification requirements – required in ALL situations

Although this Appendix sets out the fundamental identification requirements, you should note the principles explained in Part C of our AML Policy and you must ensure you understand the ownership and control structure of the potential loan/recoverable grant recipient in all cases.

Note that in this Appendix ‘current’ means no older than three months. All documents with expiry dates (such as passports, driving licences and identity cards) must be in force as of the date of receipt.

Entity type	Evidence required	Notes
Individual (UK or EU resident)	<p><i>Proof of name and identity</i></p> <p>The original (or if that is not available, a certified copy) of one of:</p> <ul style="list-style-type: none"><li>• signed passport</li><li>• national identity card with photograph</li><li>• UK or EU driving licence (with photograph)</li><li>• any verifiable current government document containing a photograph of the client.</li></ul> <p>AND</p> <p><i>Proof of address</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"><li>• current council tax or utility bill</li><li>• current bank or building society statement containing current address</li><li>• current mortgage statement or rent book</li><li>• driving licence (if not used to confirm identity and if none of the above can be obtained)</li></ul>	<p>In the event any of the original documents cannot be obtained other original documentation, not listed here or an entry on the electoral register may be acceptable but you will need the consent of the MLRO to accept any documents not listed in this table.</p> <p>Please note the table at paragraph 9.16 regarding loans or recoverable grants to individuals – you may need to check that the transaction does not involve an FCA regulated activity (see the examples provided in section 1).</p>
Individual (non-UK or EU resident)	<p><i>Proof of name and identity</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"><li>• signed passport</li><li>• national identity card</li></ul>	<p>It is understood that postal addresses are not available in all jurisdictions and that in some jurisdictions utility bills will often be in the name of an employer rather than an individual. In those circumstances a signed passport is acceptable as evidence of</p>

Entity type	Evidence required	Notes
	<p>AND</p> <p><i>Proof of address</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"> <li>• current utility or tax bill confirming home address</li> <li>• current rent or mortgage statement confirming the home address</li> <li>• address confirmation from an official overseas source</li> <li>• a reputable directory confirming home or work address</li> </ul>	<p>identity and an identity card, if it shows an address, or a residence permit or other current verifiable government document, as evidence of the location of the individual.</p> <p>Please note the table at paragraph 9.16 regarding loans or recoverable grants to individuals – you may need to check that the transaction does not involve an FCA regulated activity (see the examples provided in section 1).</p>
Individual professionals	You must verify the identity of the individual professional in the same way as other individuals.	<p>If an individual is acting in the course of his/her business and is registered in the appropriate professional directory (such as an English solicitor on the Solicitors Regulation Authority roll who can be found on the Law Society's Find a Solicitor website) with a current business address you do not need to confirm the home address of the individual.</p> <p>Note that if a professional is acting as an agent for the loan/recoverable grant recipient, you must still identify the loan / recoverable grant recipient.</p>
All UK government and public authorities (including local authorities)	All that is required is confirmation that the Agency or Public Authority exists from an official government website, from the current Municipal Yearbook or from the London Councils directory website.	If the person we are dealing with is not listed as a director or officer of the Agency or Authority then you must satisfy yourself that the person does work within the department of which the relevant executive officer is listed. Confirmation on official headed notepaper/ letterhead is sufficient.
Government agencies and public authorities outside the UK but within the EEA	<p>You must obtain:</p> <ul style="list-style-type: none"> <li>• full details of the status of the entity which will include a copy of the constitution or an entry on a local register/official government website</li> <li>• a listing of the officers (this should be available in any accounts or on any official register/government website entry)</li> <li>• confirmation of where the officer with whom we are</li> </ul>	

Entity type	Evidence required	Notes
	<p>dealing fits in the organisation (a written confirmation on headed paper is sufficient)</p> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	
Government agencies and public authorities outside the UK and the EEA	<p>You must obtain:</p> <ul style="list-style-type: none"> <li>all the information required for government agencies outside the UK but within the EEA (see above)</li> <li>additional due diligence as these agencies and authorities will be politically exposed persons (see paragraph 9.27 and obtain the additional information required as set out in Appendix 2).</li> </ul>	
Arms Length Management Organisations	<p>You must obtain:</p> <ul style="list-style-type: none"> <li>name, company number, registered office, or if different, principal place of business</li> <li>Certificate of Incorporation</li> <li>a copy of the Articles of Association showing sole ownership of the company by the Council</li> <li>you must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</li> </ul>	<p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>
UK registered providers (RPs)	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain copies of:</p> <ul style="list-style-type: none"> <li>the registration entry at Companies House or the FCA</li> <li>the audited accounts listing the directors and chief officers</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction.</p>	<p>Please note that if the entity is a RP and a registered charity, you should follow the RP requirements.</p>

Entity type	Evidence required	Notes
	You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above	
Pre-registration RPs	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain copies of:</p> <ul style="list-style-type: none"> <li>the company formation documents or a copy of the RP's HCA, Companies House or FCA registration</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>Please note that if the entity is a pre-registration RP and a registered charity, you should follow the RP requirements AND the charity requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>
Small charities (with an annual income of less than £500,000)	<p>You must obtain:</p> <ul style="list-style-type: none"> <li>name, company number, registered office, or if different, principal place of business</li> <li>certificate of Incorporation</li> <li>the constitutional documents</li> <li>the latest accounts</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>Please note that if the entity is a RP and a registered charity, you should follow the RP requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>
Large charities (with an annual income of £500,000 or more)	<p>You must obtain:</p> <ul style="list-style-type: none"> <li>name, company number, registered office, or if different, principal place of business</li> <li>extract from the Charity Commission website showing the charity registration number and place of business</li> <li>a copy of the latest accounts (summary is acceptable)</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or</p>	<p>Please note that if the entity is a RP and a registered charity, you should follow the RP requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>

Entity type	Evidence required	Notes
	recoverable grant recipients as set out above.	
Partnerships	You must verify the identity of the partner with whom you are dealing in relation to the transaction plus one other partner plus any other partner who owns or controls 25 per cent or more of the partnership in terms of capital, voting rights or profits (a UBO – see paragraph 9.3). You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above	If the partnership is made up of regulated professionals (solicitors, accountants, estate agents, tax advisors and insolvency practitioners) confirmation of its existence and current business address from the relevant professional directory or reputable professional directory is sufficient.
Trusts	<p>You must verify the identity of at least two of the trustees, including one with whom you are dealing in relation to the transaction. The identification requirements you need will depend on the nature of the trustee, so for example if the trustee is a UK private company, follow the requirements in this table for UK private companies, and if the trustee is an individual, follow the requirements in this table for individuals</p> <p>You must check and understand the documents establishing the trust. This is likely to involve a request for a trust structure chart. and a certified copy of the trust deed.</p> <p>As well as verifying the identity of two trustees in the same way you would verify the identity of individual borrowers (see paragraph 9.3 above), you must also verify the identity of the beneficiaries of the trust, its settlor and any individual having control over it (eg. a protector) again, in the same way that you would verify the identity of individual borrowers.</p>	
Unincorporated Associations (for example almshouses)	You need to verify the identity of the individuals who control the organisation. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.	These arrangements are likely to involve loans or recoverable grants to individuals. Please note section regarding such loans or recoverable grants – you must to check that the transaction does not involve an FCA regulated activity.
Companies listed on a recognised UK stock exchange (which in practice is any company listed on	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p>	

Entity type	Evidence required	Notes
the Main List of the London Stock Exchange (LSE)	<ul style="list-style-type: none"> <li>• Certificate of Incorporation</li> </ul> <p>Evidence of the UK listing which can be found in most UK newspapers or on the relevant exchange website</p>	
Majority owned subsidiaries of companies listed on a regulated market in the UK (i.e. listed on the Main List of the LSE)	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must identify the parent company listed in the UK (see above requirements): Companies registered on a recognised UK Stock Exchange.</p> <p>You must also obtain confirmation of the parent/subsidiary relationship such as the last filed annual report or a note from the parent's last audited accounts.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to in Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p>
<p>AIM companies</p> <p>AIM is the UK Alternative Investment Market and is a sub-market of the London Stock Exchange. AIM companies are generally smaller than FTSE or LSE companies</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> <li>• Certificate of Incorporation</li> <li>• A current Companies House search. To do this you need to search the company name at Companies House online to confirm the company remains active and registered</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p> <p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 9.3 of the AML Policy) being a living individual who owns 25per cent or more of the shares in the company or otherwise controls 25per cent or more of the company. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – i.e. the bottom of the ownership chain. See the Guidance Notes at the foot of this table for practical guidance on carrying this out.</p>

Entity type	Evidence required	Notes
	entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.	
Private and unlisted public UK companies – FCA authorised	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>A copy of the FCA on-line register showing the company and relevant directors are FCA authorised</p> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
Private and unlisted public UK companies – not FCA authorised	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> <li>• Certificate of Incorporation</li> <li>• a current Companies House search. the company name to confirm the company remains active and registered To do this you need to search</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p> <p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 9.3 of the AML Policy), being a living individual who owns 25 per cent or more of the shares in the company or otherwise controls 25 per cent or more of the</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to in Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – ie. the bottom of the ownership chain. See the guidance notes at the foot of this table for practical guidance on carrying this out.</p>

Entity type	Evidence required	Notes
	<p>company. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
Companies listed overseas – European Economic Area (EEA)	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>If the company is listed (or is a subsidiary of a listed company) on a regulated market in an EEA state, the evidence required is the same as should be obtained for companies listed in the UK</p> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p>
Companies listed overseas – outside EEA	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> <li>a company search of the local registry or reputable listing (to include the listing of directors)</li> <li>certificate of 'good standing' from a lawyer. This needs to state that the company exists as a legal entity and has complied with all administrative requirements relating to its registration (including the payment of any government dues)</li> <li>Confirmation from the company that the director we are dealing with is authorised on behalf of the company. This should be a written confirmation on company letter head or a suitable board minute</li> </ul>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p>

Entity type	Evidence required	Notes
	<p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
Unlisted and private overseas companies	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> <li>• official evidence of a registered address</li> <li>• copy of documents required by law to form the company (and details of any change of name)</li> <li>• certificate of 'good standing' from a lawyer. This needs to state that the company exists as a legal entity and has complied with all administrative requirements relating to its registration (including the payment of any government dues)</li> <li>• Copy of the register of shareholders/members and directors</li> <li>• Confirmation from the company that the director we are dealing with is authorised on behalf of the company. This should be a written confirmation on company letter head or a suitable board minute</li> </ul> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 2. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – ie. the bottom of the ownership chain. See the guidance notes at the foot of this table for practical guidance on carrying this out.</p>

Entity type	Evidence required	Notes
	<p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 9.3 of the AML Policy) being a living individual who owns 25per cent or more of the shares in the company or otherwise controls 25per cent or more of the company. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	

### *Guidance Notes on carrying out CDD on complex group structure charts*

- a. You need to check the group structure chart using (for UK companies) publicly available information at Companies House (you can do this by searching the company names) and/or using an Online Check as referred to in paragraph 1 of Appendix 2 (the only option for overseas companies).
- b. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.
- c. Once you have checked the structure chart, you need to verify the identity of all of the relevant UBOs. For example, if a company is owned by two 50 per cent parent companies, and one of those is jointly owned by two individuals, whereas the other is jointly owned by five individuals, then the two individuals would each be UBOs, owning 25 per cent of the recipient (i.e. 50 per cent x 50 per cent), whereas the five individuals would not be UBOs, owning only 10 per cent of the recipient each (i.e. 20 per cent x 50 per cent), and so their identities would not require verification. See Diagram A below.
- d. You need to consider all shareholdings held by each individual. For example, if a company (the “loan recipient company”) is owned by two 50 per cent parent companies, which each in turn have two 50 per cent parent companies, each of which is owned by the same two individuals, then each individual ultimately owns 50 per cent of the loan recipient company via their aggregated shareholdings, and so are each UBOs. See Diagram B below.
- e. Whilst you do need to check the group structure chart, you do not need to verify the identity of each entity within the group, just the direct recipient of the funds and any UBOs.

Diagram A

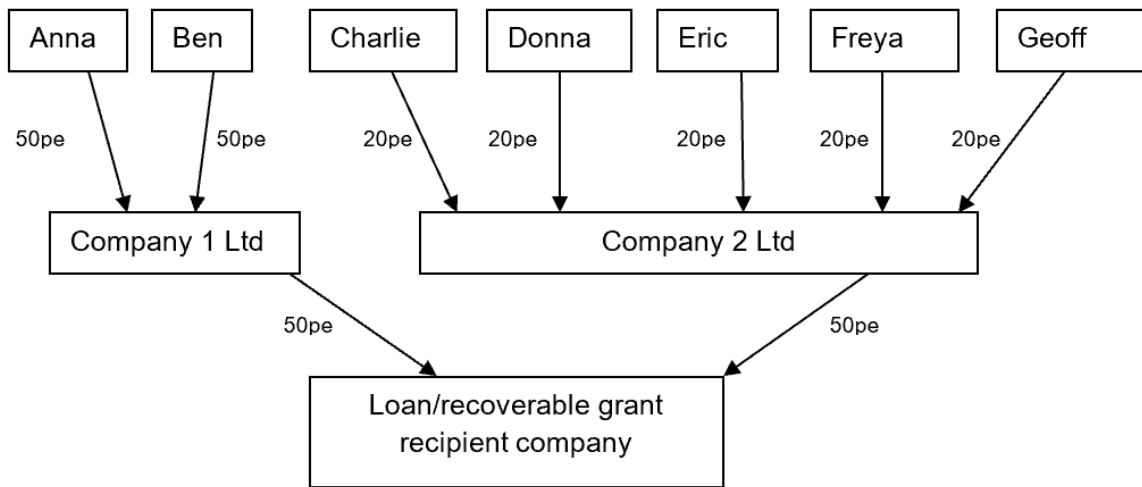
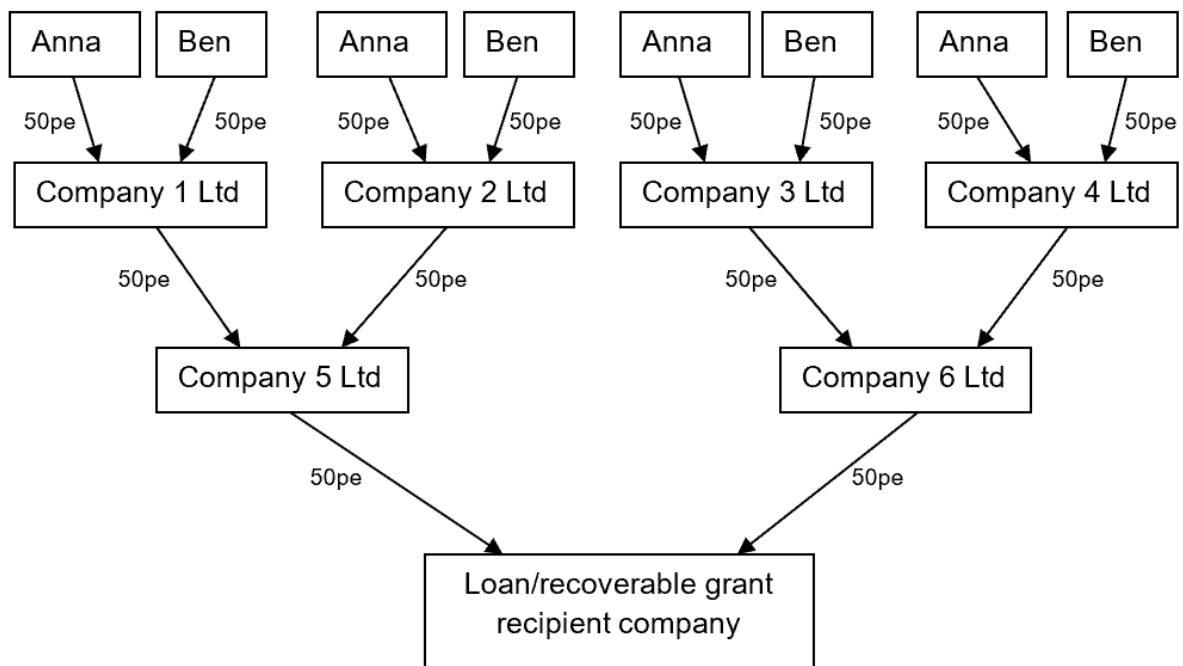


Diagram B



## Appendix 2. Additional KYC required in certain circumstances

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In any of the situations set out in paragraph 9.23 of our AML Policy, and subject to discussion with the MLRO, you must carry out additional due diligence.

1. Firstly, you must carry out an electronic check against the relevant entity or individual. These are online checks which verify information obtained as part of the KYC due diligence (Online Check). If you need to obtain an Online Check please speak to the MLRO.
2. For transactions which are:
  - complex or usually large
  - there is an unusual pattern of transactions or
  - the transactions or transactions have no apparent economic or legal purpose

You must as far as reasonably possible, examine the background and purpose of the transaction and increase the degree and nature of the monitoring of the business relationship in which the transaction is made to determine whether that transaction or that relationship appears to be suspicious.

3. Depending on the nature of the matter, additional due diligence measures may also include:
  - Seeking additional independent reliable sources to verify information provided or made available
  - taking additional measures to understand better the background, ownership and financial situation of the customer and other parties to the transaction
  - taking further steps to be satisfied that the transaction is consistent with the purpose and intended nature of the business relationship
  - increasing the monitoring of the business relationship including greater scrutiny of transactions.
4. For customers established in a high-risk country as defined in paragraph 9.24 you must obtain additional information on:
  - the customer and the customer's beneficial owners
  - the intended nature of the business relationship
  - source of funds and source of wealth of the customer and the customer's beneficial owners
  - reasons for the transaction
  - continuing the business relationships and

- conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

5. You must identify any additional individuals as follows:

#### *Partnerships*

Identify every individual partner. To do this you follow the requirements for identifying individuals as set out in Appendix 1.

#### *AIM Companies, private and unlisted public UK companies and overseas companies*

Identify every director and any individual who owns 25 per cent or more of the relevant company. To do this you follow the requirements for identifying individuals as set out in Appendix 1.

#### *Charities*

Identify every director and any individual who owns 25 per cent or more of the relevant company. To do this you follow the requirements for identifying individuals as set out in Appendix 1.

#### *Trusts*

Identify all the trustees. To do this you follow the requirements for identifying individuals as set out in Appendix 1.

#### *Groups of companies*

Where the transaction involves a group of entities, you must obtain a corporate structure chart and verify this chart using an Online Check and/or publicly available information, in the same way that you should have made sure you have identified all the relevant entities within a complex group structure as provided for in Appendix 1 (see the Guidance Notes at the foot of the table).

Once you have completed these additional checks, you must complete the internal KYC form (see Appendix 4) and obtain written confirmation from the MLRO that you can proceed with the transaction.

## Appendix 3. KYC form – for sending to prospective borrowers/recoverable grant recipients

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### *Know Your Customer Information Requirements*

We are required to collect and use information about you as a prospective recoverable grant/loan recipient.

We are required to comply with the principles of the Data Protection Act 2018 and the General Data Protection Regulation when collating and processing this information. We confirm that any information you provide as required by this form will be dealt with in accordance with these principles.

Once you have completed this form and applied for funding from us, we will use the information provided to:

- verify your identity and suitability for investment
- assess your ability to meet your financial commitments (and we may carry out checks with credit reference agencies in order to do so)

To prevent crime, verify your identity and to recover debt, we may exchange information where appropriate, with fraud prevention agencies, law enforcement agencies, debt recovery agencies and other organisations including other lenders.

If you give us false or inaccurate information and potential fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

Information may also be processed for the purpose of complying with applicable laws, including, without limitation, anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to a UK or other governmental or regulatory authority or to any other person we reasonably think necessary for these purposes.

## SECTION A – APPLICANT INFORMATION

### 1. Details

Programme name		Project name		Ref:	
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Name of applicant (this should be the registered name if the applicant is a corporate entity)	
Other names (if different to the registered name please list any trading names)	
Constitution (state if the applicant is an individual, local authority/RP/UK Company etc)	
Country of incorporation, if applicable	
Company no. or CBS no if applicable	
Date of birth (please provide this information if the applicant is an individual)	
Address (this must be the registered address if the applicant is a corporate entity)	

Town and county			
Postcode		Country	

If the applicant is a business, is it part of a larger group?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
---	------------------------------	-----------------------------

If Yes, how many companies are in the Group?				
--	--	--	--	--

**Please provide the names of the Group Entities and Countries of Registration:**

Name of Group Entities	Country of Registration

Please provide a copy of your Group Organisational Chart when submitting your application form.

Is this business/organisation the top parent company? ☐ Yes ☐ No  
If No, please provide the following details:

Parent Company name & Company no.	
-----------------------------------	--

Country of Registration/Incorporation	
---------------------------------------	--

Primary country of operation	
------------------------------	--

## 2. Point of contact

*Please advise which person the recipient would like to nominate as its main point of contact.*

Contact name	
Position	

Business address (if different from the correspondence address in section 2.1)	
---	--

Town and county	
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Postcode		Country	
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Please indicate your preferred contact method by ticking the relevant boxes. Where appropriate, please include the country codes.

<input type="checkbox"/>	Telephone no.	
<input type="checkbox"/>	Mobile no	
<input type="checkbox"/>	Email address	

### 3. Directors and Secretary where applicable

Please complete the following section for all company Directors and the Secretary. If a company Director is also a shareholder/ultimate beneficial owner of the company, please just list the Director's name here but complete the shareholder/ultimate beneficial owner details in full on the next page.

Please advise the number of directors:

If there are more than four directors, please provide the information below on a supplementary sheet.

	Director/Secretary 1	Director/Secretary 2
Name	<input type="text"/>	<input type="text"/>
Official position (please complete)	<input type="text"/>	<input type="text"/>
Date of birth	<input type="text"/>	<input type="text"/>
Home address	<input type="text"/>	<input type="text"/>
Town and county	<input type="text"/>	<input type="text"/>
Post code	<input type="text"/>	<input type="text"/>
Country	<input type="text"/>	<input type="text"/>
Telephone no.	<input type="text"/>	<input type="text"/>
Mobile no.	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>	<input type="text"/>

Have you previously been identified by us in conjunction with another scheme ☐ Yes ☐ No

If so, please provide details below:

Programme name	<input type="text"/>	Project name	<input type="text"/>
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Have you previously been identified by us in conjunction with another scheme ☐ Yes ☐ No

If so, please provide details below:

Programme name	<input type="text"/>	Project name	<input type="text"/>
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	Director/Secretary 3	Director/Secretary 4
Name	<input type="text"/>	<input type="text"/>
Official position (please complete)	<input type="text"/>	<input type="text"/>
Date of birth	<input type="text"/>	<input type="text"/>
Home address	<input type="text"/>	<input type="text"/>
Town and county	<input type="text"/>	<input type="text"/>
Post code	<input type="text"/>	<input type="text"/>
Country	<input type="text"/>	<input type="text"/>
Telephone no.	<input type="text"/>	<input type="text"/>

Mobile no.			
Email address			

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No  
**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No  
**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

#### 4. Shareholders/ultimate beneficial owner details

Please advise the number of shareholders/ultimate beneficial owners:

If there are more than four shareholders/ultimate beneficial owners, please provide the information below on a supplementary sheet.

**Shareholders/ultimate beneficial owners with 25per cent or more interest in the applicant are required to complete the following section.**

Shareholder/ultimate beneficial owner 1		Shareholder/ultimate beneficial owner 2					
<b>Is the shareholder / beneficial owner also a Director of the company.</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<table border="1"> <tr> <td>Shareholding per cent</td> <td></td> </tr> </table>	Shareholding per cent		<b>Is the shareholder / beneficial owner also a Director of the company?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<table border="1"> <tr> <td>Shareholding per cent</td> <td></td> </tr> </table>	Shareholding per cent	
Shareholding per cent							
Shareholding per cent							
Title							
Surname							
First name							
Other name(s)							
Permanent residential address							
Town and county							
Post code							
Country							
Telephone no.							
Date of birth							
Town of birth							
Country of birth							
Nationality							

Occupation or business (if not a Director of the company)		
Country of business		
Business address		
Town and county		
Post code		
Country		

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No  
**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No  
**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

Shareholder/ultimate beneficial owner 3

Shareholder/ultimate beneficial owner 4

**Is the shareholder / beneficial owner also a Director of the company.** ☐ Yes ☐ No

Shareholding per cent	
-----------------------	--

**Is the shareholder / beneficial owner also a Director of the company?** ☐ Yes ☐ No

Shareholding per cent	
-----------------------	--

Title		
Surname		
First name		
Other name(s)		

Permanent residential address		
Town and county		
Post code		
Country		

Telephone no.		
---------------	--	--

Date of birth		
---------------	--	--

Town of birth		
Country of birth		
Nationality		

Occupation or business (if not a Director of the company)		
Country of business		
Business address		

Town and county		
Post code		
Country		

Have you previously been identified by us in conjunction with another scheme    ☐ Yes    ☐ No

Have you previously been identified by us in conjunction with another scheme    ☐ Yes    ☐ No

Programme name		Project name	
----------------	--	--------------	--

Programme name		Project name	
----------------	--	--------------	--

If any beneficial owner/shareholder is a company, please complete the following section:

Company name															
Company no															
Country of incorporation						Business ownership/ interest percentage					per cent				

## 5. Additional Signatories

*Please complete the following section for any additional individuals who will be authorised to sign GLA/GLAP-related documentation or to provide instructions to GLA/GLAP in relation to the proposed transaction.*

*There is no requirement to list any signatories who are also directors / shareholders within sections 2.3 and 2.4.*

	Additional signatory 1	Additional signatory 2
Name		
Official position (please complete)		
Date of birth		
Home address		
Town and county		
Post code		
Country		
Telephone no.		
Mobile no.		
Email address		

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No

**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No

**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

	Additional signatory 3	Additional signatory 4
Name		
Official position (please complete)		
Date of birth		
Home address		
Town and county		
Post code		
Country		
Telephone no.		
Mobile no.		
Email address		

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No

**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

**Have you previously been identified by us in conjunction with another scheme** ☐ Yes ☐ No

**If so, please provide details below:**

Programme name		Project name	
----------------	--	--------------	--

## SECTION B – DECLARATION

Company name		Bid no.	
--------------	--	---------	--

By signing this Declaration, we confirm that:

- Full details of all shareholders/ultimate beneficial owners/principal controllers who have an interest in any entity in the corporate structure of 25per cent or more and all persons who are authorised to sign on behalf of the business have been disclosed above.
- The signatories to this form are duly authorised by other Directors, Officers, Partners, Shareholders, Signatories or other relevant parties to consent to the Credit Reference Agency searches and use of information as set out in Section A.
- We will notify you promptly in writing if there is any change to the shareholders/ beneficial owners/principal controllers and any change to the information supplied under the original KYC.

Signature of the Director/Secretary/Authorised Signatory				
	Name		Capacity	

Date

--	--	--	--	--

## Identification Document Checklist

**Please confirm you have provided the following documents or that they are not relevant**

Identification Document	Yes/No/Not Applicable
Certificate of Incorporation	
Copy of annual accounts	
Extract from Companies House/FCA register	
Entry from Municipal Yearbook or from the London Councils directory website (if the applicant is a local authority)	
Evidence of Identity of Shareholders owning 25per cent shares or more	
Evidence of Identity of Directors	
Evidence of Identity of any other individuals (such as trustees, beneficiaries, settlors, partners, owners of an unincorporated entity or any other person exercising control)	
Copy of constitutional documents (such as memorandum and articles of association)	
Evidence of registration with the Charity Commission	
Evidence of FCA authorisation	
Written confirmation on company letter head that the person named as a contact at Section A2 of this form is authorised to act on behalf of the applicant	
If the applicant is a UK listed company, evidence of that listing	
Register of shareholders	
Register of Directors	
Certificate of 'good standing' (required for non-UK companies only)	

Note that the identification required for any individuals referred to in this form is a form of photographic ID plus proof of address (which may not be more than 3 months old).

Note that we prefer to see original documents. Please use special delivery to send original documents to ensure they are not lost in the post.

If you cannot send original documents, you can send certified copies. People who can certify documents are:

- a director, manager or bank counter staff of a bank or an authorised credit or financial institution
- an Embassy, consulate or high commission officer in the country of issue
- a qualified lawyer or attorney, registered with the relevant national professional body in the jurisdiction of country of issue
- a qualified accountant, registered with the relevant national professional body in the jurisdiction of country of issue
- a notary public, a member of the judiciary, a senior civil servant or a serving police officer in the jurisdiction of country of issue

Please note that individuals within the above categories in most countries are acceptable but exceptions may apply.

The person giving the certification should provide the certification directly on the copy of the document, providing the following information:

- sign and date the copy document (printing his/her name clearly in capitals)
- clearly indicate his/her position or capacity
- provide his/her contact details, including the name and address of the company/institution that they represent
- the certifier must state that it is a true copy of the original document

# Appendix 4. KYC & Risk Assessment Form – Internal

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## Part A – Standard KYC Form to be completed in ALL situations

This form is intended for you to record your completed KYC checks. Once completed, please retain a copy on the file.

<b>Date of completion of this form</b>	
<b>Your name</b>	
<b>Name of scheme/project</b>	
<b>Name of the entity/individual whose identity you have checked</b>	
<b>Address of entity/individual whose identity you have checked</b>	
<b>Have you checked the identity yourself or relied on an entry in our KYC Matrix?</b>	<p><b>Checked Identity/Relied on Matrix</b></p> <p><i>If you have relied on the Matrix please state the date on which the KYC was carried out according to the Matrix. You then do not need to complete the remainder of this form</i></p>
<b>Have you checked the identity yourself or relied on a third party's KYC?</b>	<p><b>Checked Identity/Relied on third party</b></p> <p><i>If you have relied on a third party you <b>must</b> obtain that third party's prior written consent, the MLRO's written consent and the documents referred to in paragraph 9.16 of our policy. Please confirm that this has been done and attach a copy of both consents along with copies of the third party's KYC and documents evidencing the arrangements referred to in paragraph 9.16</i></p>
<b>Date of birth of any individual whose identity you have checked</b>	
<b>Company/FCA number of any registered company whose identity you have checked</b>	
<b>Details of any entity you have checked who is not an individual or company</b>	<i>Here state the type of entity and any registered number or constitutional details</i>
<b>Please confirm you have checked the potential recoverable grant/loan recipient does not appear on the HM Treasury sanctions list</b>	

Is the party a PEP or associated with a PEP?	
Is the party from a high risk jurisdiction?	
Have you identified the source of funds	<p><b>Yes/No</b></p> <p><i>If you have answered no, please speak to the MLRO before proceeding</i></p>
Any other red flags?	
Please confirm that you have investigated the identity of any ultimate beneficial owners where this is required by Appendix 1 of our AML Policy. These are any living individuals (or entities in the case of trusts) who own a 25 per cent share or more or otherwise have control over 25 per cent or more in any company, trust or partnership	<p><b>Yes/No/Not Applicable</b></p> <p><i>If you have answered yes, please complete a second KYC form for each individual/entity you have investigated</i></p>
Please confirm you have investigated the identity of any directors/persons you are dealing with in connection with the transaction where this is required by Appendix 1 of our AML Policy	<p><b>Yes/No/Not Applicable</b></p> <p><i>If you have answered yes, please complete a second KYC form for each individual/entity you have investigated</i></p>
<p>Do any of the situations set out in paragraph 9.23 of our AML Policy apply, meaning it is a high risk matter to which enhanced due diligence applies?</p> <p><i>Note that these situations are set out in Part C of this Annexure for ease of reference.</i></p>	<p><b>Yes/No</b></p> <p><i>If you have answered yes, please complete the additional return at Part B of this Annexure</i></p>
Are you satisfied that there are no issues of concern raised by the documents provided or information you have seen as part of your KYC due diligence?	<p><b>Yes/No</b></p> <p><i>If you have answered no, please speak to the MLRO before proceeding</i></p>
What identification documents have you seen? Please annex copies	
Please confirm that you have seen all the documentation required by Appendices 1 and 2 of our AML Policy	<i>If you cannot confirm this please speak to the MLRO about whether alternative documentation can be accepted. If alternative documentation is accepted explain what you have accepted and attach evidence of the MLRO's consent to that alternative evidence.</i>
Have you seen original identification documents?	<p><b>Yes/No</b></p> <p><i>If no, please ensure that the documents have been properly certified (see paragraph 9.17 of the AML Policy for certified document requirements)</i></p>

<b>If you have not seen original or properly certified copies of the documentation required by Appendices 1 and 2 of our AML Policy please explain what KYC has been done</b>	<i>You may be able to proceed with alternative documentation if the MLRO consents – you must attach evidence of the MLRO's consent and an explanation of the circumstances</i>
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**I confirm that I am satisfied that I understand the structure and ownership of the potential loan/recoverable grant recipient**

**Signed:**

**Print name:**

**Dated:**

## Part B – Additional KYC Form to be completed where additional information is required

Once completed, please retain a copy on the file.

<b>Why is additional KYC information required?</b>	
<b>Please confirm you have carried out an additional Online Check and annex a copy</b>	
<b>Name of any additional companies you have investigated along with their registered address and company number</b>	
<b>What identification requirements have you obtained in respect of any additional companies you have investigated?</b>	
<b>Name of any additional individuals you have investigated along with their address and date of birth (this should include all PEPs associated with the company)</b>	
<b>PEPs:</b> <ol style="list-style-type: none"> <li><b>1. Approval from [senior management] required</b></li> <li><b>2. Identify source of wealth</b></li> <li><b>3. Conduct enhanced ongoing monitoring of the business relationship with that person</b></li> </ol>	

<b>Please confirm you have obtained a corporate structure where the transaction involves a group of entities</b>	
<b>Please confirm you have investigated all the relevant entities within the group</b>	
<b>Please confirm you have obtained written confirmation from the MLRO that you can proceed with the transaction</b>	
<b>Please confirm that, in the case of an ongoing transaction, you will review the KYC and reconsider the risk assessment every 6 months</b>	

## Part C – Reminder of situations where additional KYC is required

The situations which trigger a requirement for additional KYC are:

- you doubt the documentary evidence supplied, for example if an address on a driving licence and an address on a utility bill do not match and the potential recipient cannot explain this discrepancy
- there is no face to face contact with the loan/recoverable grant recipient
- dealings are being undertaken on behalf of third parties (so for example the recoverable grant or loan recipient does not deal with you direct and acts only through an agent);
- any aspect of the proposed transaction is suspicious, for example the source of funds for a transaction. Examples of what may be suspicious are at section 10 of our AML Policy
- the transaction includes any high net worth individual. This is because high net worth individuals are a more likely target for criminals seeking to launder money
- the transaction includes any Politically Exposed Person (PEP)- please see paragraph 9.27 of our AML Policy which explains what constitutes a PEP
- the transaction involves any non-UK company or you are concerned that the company structure is unduly complex

## Appendix 5. KYC Matrix

This is intended to be a table identifying all the KYC information which GLA/GLAP hold on loan and recoverable grant recipients to avoid duplication of KYC due diligence. Once completed for the relevant transaction, please retain a copy on the file and give a copy to the Officer in Charge of Keeping Records.

[illegible]

## Appendix 6. Proforma MLRO Report

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	<b>TO BE COMPLETED BY EMPLOYEE</b>	
	<b>SUSPICIOUS ACTIVITY AML REPORT</b>	
<b>Employee details</b>		<b>Notes</b>
Date of completion of form		
Employee name		
Team		
Contact number		
<b>Details of suspicion</b>		
Name of loan/recoverable grant recipient giving rise to the suspicion		
Address - including post code		
Nature of business and proposed transaction		
Details of activities arousing suspicion		<p>Include dates, times, checks made, and nature and size of activity. Please attach copies of all relevant correspondence, file notes and other records.</p> <p>You may be asked by the MLRO to provide further information, so the more details provided now the better.</p>
Other relevant information		
Signature		
Date sent to MLRO		

Tipping Off – It is a criminal offence to inform the suspect or anybody other than your line manager that you are making this report. Please speak to the MLRO if you need any guidance on what to say to any third parties who are chasing you in respect of a transaction.

**TO BE COMPLETED BY MLRO**

Date received

Date acknowledged

# Appendix 7. Frequently Asked Questions

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## **Q1. What is Money Laundering?**

Money laundering is the process whereby funds derived from criminal activity are given the appearance of being legitimate by being exchanged for 'clean' money. Participating in the handling of such funds is illegal, and it can also be illegal to become involved in them with knowledge or suspicion.

In a broader sense, other illegal activities to look out for involve handling proceeds of crime and terrorism financing.

More details of what money laundering involves and what sorts of things you should look out for are set out in the AML Policy.

## **Q2. What do I have to do?**

You have to:

- Make sure you carry out proper KYC checks against potential recoverable grant and loan recipients before entering into any loans or recoverable grants. You need to follow the process in Part C of our AML Policy. A flow chart explaining the process is at Appendix 8.
- Make sure you report any suspicions of money laundering to the MLRO. Details of what sort of things may give rise to suspicion are at section 10 of our AML Policy. Section 10 also explains how you need to make any reports to the MLRO.
- Keep records of your KYC checks and recoverable grant and loan transactions. Section 11 of our AML Policy explains what you need to do. Ensure all documents relating to the KYC checks are kept on file and a copy of the completed KYC Matrix is given to the Officer in Charge of Keeping Records.
- You should read the AML Policy in full as it sets out in detail the steps you need to take to comply with the legislation. The AML Policy also has proforma documents for obtaining KYC and for making any MLRO reports.

## **Q3. What KYC documents do I need?**

There are different requirements depending on the type of entity or individual you are dealing with. The requirements are set out in Appendix 1 of our AML Policy.

In some situations you also need to provide additional KYC documentation. These situations are explained in our AML Policy (see paragraph 9.23). If one of these situations applies you also need to obtain the documentation set out in Appendix 2 of our AML Policy.

## **Q4. How do I obtain KYC Information?**

You should ensure that the KYC questionnaire at Appendix 3 of our AML Policy is sent out to prospective loan or recoverable grant recipients before the transaction commences. If this has not been done, send out the questionnaire as soon as possible. Once you receive the information back

from the relevant prospective loan/recoverable grant recipient you should check what you have received against the requirements in Appendices 1 and 2 of the AML Policy and then complete the form at Appendix 4 of our AML Policy. Please see Part C of our AML Policy and the flow chart at Appendix 8 of our AML Policy for more information.

**Q5. Can I rely on KYC which other people have completed?**

Our policy is to carry out KYC ourselves. If there is a good reason why you want to rely on KYC which somebody else has done you need to request authorisation from the MLRO to do so. You need to explain why you want to rely on somebody else's KYC and whose KYC you are seeking to rely on. Usually, the MLRO will only accept somebody else's KYC if they are satisfied that person will have carried out checks properly and in compliance with the legislation (for example relying on a UK solicitor's KYC). Please note, however, that this makes a transaction high-risk and demands extra scrutiny and enhanced KYC checks.

**Q6. What do I do if I have concerns about the KYC process or I suspect money laundering?**

You must report this to your MLRO immediately. If the concern is that there is suspected money laundering, there is a specific form you can use to make this report (see Appendix 6 of our AML Policy). You must not tell anybody you have reported this other than your immediate line manager. In particular, you must not tell the prospective recoverable grant or loan recipient that you have made this report. You can then discuss with your MLRO and line manager what your next steps should be. Section 10 gives more information about what you need to do if you have a concern.

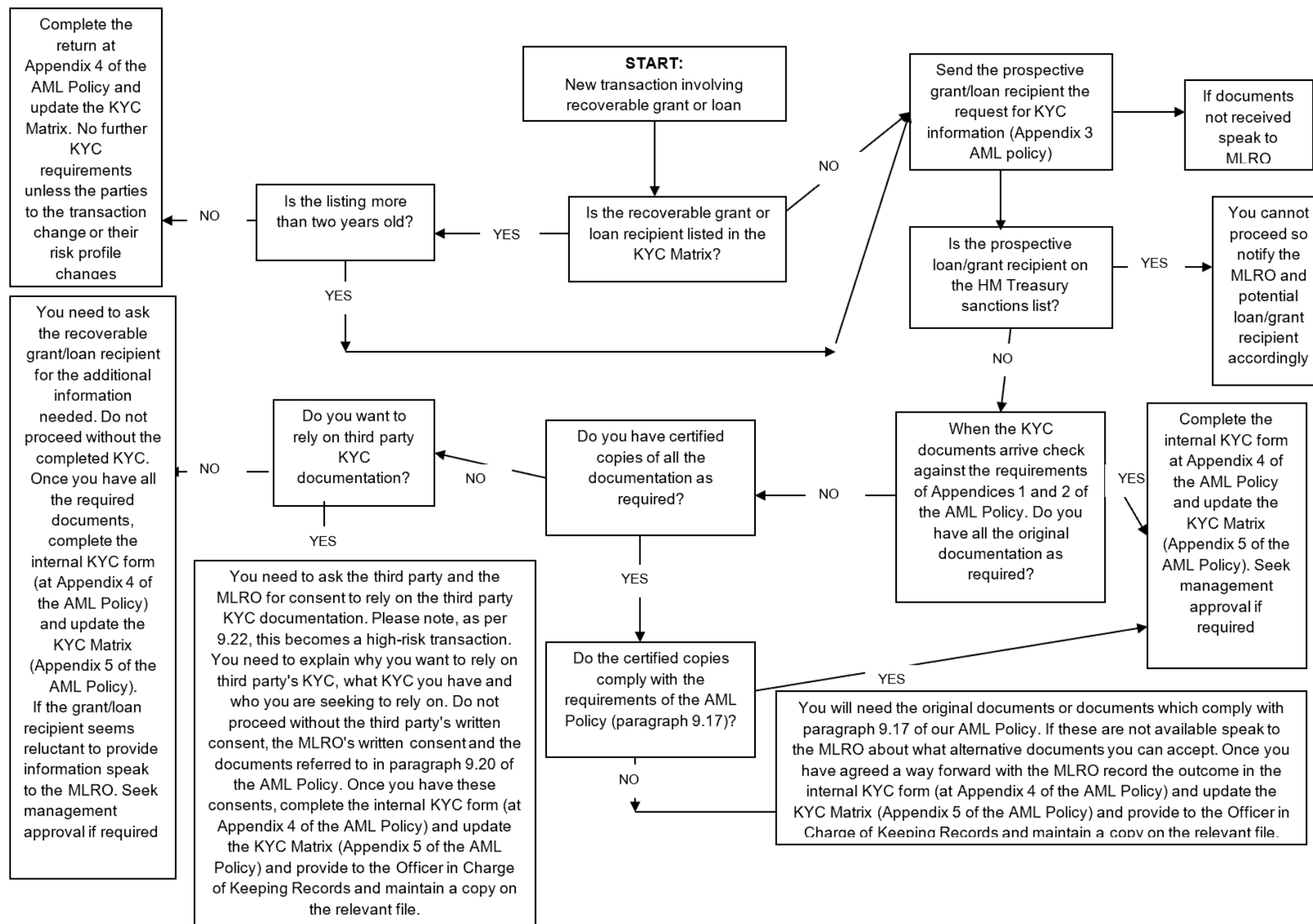
**Q7. Who is the MLRO?**

The title of the MLRO is set out at the beginning of the AML Policy.

**Q8. What do I do if the MLRO is on holiday or not available?**

Please speak to the Deputy MLRO. Contact details are at the beginning of the AML Policy.

# Appendix 8. KYC Flowchart



## Appendix 9. Glossary

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Acronym	Full term
<b>AML</b>	Anti-Money Laundering
<b>CDD</b>	Customer Due Diligence
<b>EEA</b>	European Economic Area
<b>FCA</b>	Financial Conduct Authority
<b>FTSE</b>	Financial Times Stock Exchange
<b>GLAP</b>	Greater London Authority Land & Property, a trading company wholly owned by the GLA
<b>H&amp;L</b>	Housing and Land
<b>HMRC</b>	His Majesty's Revenue and Customs
<b>ICAEW</b>	Institute of Chartered Accountants of England and Wales
<b>KYC</b>	Know Your Client
<b>LSE</b>	London Stock Exchange
<b>MLR</b>	Money Laundering Regulations
<b>MLRO</b>	Money Laundering Reporting Officer
<b>OCKR</b>	Officer in Charge of Keeping Records
<b>NCA</b>	National Crime Agency
<b>NOC</b>	Nominated Officer for Compliance
<b>PEP</b>	Politically Exposed Person
<b>RP</b> s	Registered providers of social housing
<b>UBO</b>	Ultimate Beneficial Owner