

**Anti-Money Laundering Policy**

**Summary / Background**

Money Laundering is a crime. It has no place within Tilia Homes. Tilia Homes is committed to ensuring that it has controls in place to counter the risk of money laundering and terrorist financing activities.

**What is the requirement?**

Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for clean money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.

Money laundering can take many forms including:

- handling the proceeds of crime
- being directly involved with any criminal or terrorist property
- entering into arrangements to facilitate the laundering of criminal or terrorist property
- investing the proceeds of crime into other financial products or into the acquisition of property/assets.

**Why is it important?**

The law creates some specific offences in relation to money laundering including:

The Proceeds of Crime Act 2002 (known as POCA) sets out the primary offences related to money laundering:

- concealing, disguising, converting, transferring or removing criminal property from the UK
- entering into or becoming involved in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- the acquisition, use and/or possession of criminal property
- failing to disclose knowledge or suspicion of money laundering to either the relevant Money Laundering Reporting Officer (MLRO) or the National Crime Agency (NCA) (formerly known as the Serious Organised Crime Agency (SOCA)) as appropriate
- tipping off any person that such a disclosure has been made.

The Terrorism Act 2000 sets out the primary offences related to terrorist funding and requires regulated businesses to report knowledge or suspicion of offences related to terrorist financing:

- fund raising for the purposes of terrorism
- using or possessing money for the purposes of terrorism
- involvement in funding arrangements
- money laundering – facilitating the retention or control of money which is destined for, or is the proceeds of, terrorism.

**What must I do / not do?**

You must:

- follow Tilia Homes’ procedures and conduct due diligence checks when dealing with others, including the following:
  - making it a condition of doing business with us that any other party will provide necessary evidence as to the source of their funds;
  - undertaking additional checks on their ownership structure or on where their business is managed;
  - seek proof as to the source of funds where appropriate; and
  - any other procedures we consider to be reasonable in the circumstances.

Owner: Head of Legal	Version 1.0	POL-GR-007
UNCONTROLLED IF PRINTED OR COPIED. Always check the Hub for the latest version		Page 1 of 4

- Colleagues must look out for ‘red flags’ and report them immediately to the Companies Head of Legal. Red flags can include:
- the customer or supplier refuses or fails to confirm that it will cooperate with our additional due diligence checks;
- the customer or supplier operates or is resident in a country where there is a higher risk of the money being derived from crime;
- the customer or supplier has unusual invoicing or documentation practices, for example invoicing a different company to the one receiving the service; and
- the customer or supplier requests for payments to be:
  - made in cash;
  - paid to or through another entity;
  - paid to bank accounts in another country;
  - paid in another currency; or
  - paid in advance where that is not accepted practice for that to occur.
- Books, records and accounts must be kept which accurately and fairly reflect all transactions.
- No payments should be made, approved, or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No "off the books" or unrecorded funds or accounts are permitted. Examples of unacceptable processes includes:
  - making records showing a payment to one person when, in fact it was made to someone else;
  - submitting inaccurate expenses;
  - records that inaccurately characterise/describe the true nature of transactions or payments;
  - claims for services, products or equipment not received; and
  - creating or maintaining unrecorded funds or assets of the company (including unrecorded "petty cash").

You must report to the relevant Money Laundering Reporting Officer (the Group Finance Director or Group Financial Controller as deputy) if you have grounds for suspecting that there is a risk of money-laundering occurring.

This Policy should be read in conjunction with the Chief Executive Foreword which includes the whistleblowing contact information

**AML Guidance Note**

The MLRO is responsible for:

- receiving internal suspicious transaction reports from within their respective businesses
- deciding whether these should be reported to NCA; and
- if appropriate, making such reports to NCA.

**Suspicious Activity Reporting**

A report should be made if any employee/ the MLRO knows or suspects that a person is or has been engaged in money laundering or terrorist financing.

The report should be made to the MLRO who will, should they be satisfied that there are grounds to suspect money laundering or terrorism, make a report to NCA.

**What is Suspicious Activity?**

The following list is by no means exhaustive. If the potential customer(s):

Owner: Head of Legal	Version 1.0	POL-GR-007
UNCONTROLLED IF PRINTED OR COPIED. Always check the Hub for the latest version		Page 2 of 4

- is reluctant to provide details of their identity
- is seeking to use intermediaries to hide their identity or involvement
- is proposing to make the purchase using cash and they have the cash with them
- will not disclose the source of funds for the purchase.

It may also be suspicious activity if the purchase money is to be paid by a third party who does not appear to be connected with the customer.

If a report is made then it is important that this fact, and any information about the transaction in question, is kept confidential – due to the risk of committing the ‘tipping off’ offence.

**Risk Assessment**

Each of the relevant businesses has assessed the risk that they may be used for money laundering or terrorist financing.

**Due Diligence**

Appropriate “know your customer” checks must be carried out which should include checks to verify the identity of the individual(s) making a purchase. The following identification procedures must be performed whenever a request is made to purchase/lease property, to mitigate the risks of the relevant businesses being used to launder money or fund terrorism.

Whenever a site reservation is made, every potential purchaser must provide two forms of identification, one from category A and one from category B.

**Category A:** a government issued document with the customer’s full name and photo with either the customer’s date of birth or residential address such as:

1. Valid passport
2. Valid photo card driving licence
3. National identity card

**Category B:** any category B document must be less than 3 months old.

1. A utility bill (excluding mobile phones)
2. Current local authority council tax statement
3. Bank or building society statement
4. Credit card statement
5. Mortgage statement from a recognised lender

The payment of the reservation fee must be made by credit/debit card. No payments in cash are to be accepted.

**For customers other than private individuals**

Where the customer is not a private individual, e.g. a limited company or a partnership, the business must obtain information that will identify not only the organisation itself, but also those running it e.g. company registration number, registered address and evidence that the individuals have the authority to act for the company – a search at Companies House will reveal details of directors and company secretary.

For further information see your business’ Reservation Procedures document.

**Record Keeping**

Owner: Head of Legal	Version 1.0	POL-GR-007
UNCONTROLLED IF PRINTED OR COPIED. Always check the Hub for the latest version		Page 3 of 4



Copies of the evidence obtained to verify a customer’s identity, whether they are private individuals or a corporate, should be retained for five years from the date when the transaction was completed.

Owner: Head of Legal	Version 1.0	POL-GR-007
UNCONTROLLED IF PRINTED OR COPIED. Always check the Hub for the latest version		Page 4 of 4