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WHEN IT MATTERS MOST

AML Toolkit for Art Market Participants

Contents

FAQs for Art Market Participants

Registration

1. Why do I have to register with HMRC?

Since January 2020, businesses and sole practitioners in the UK art market who meet the definition of an 'art market participant'(AMP) must comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Money Laundering Regulations). You are an AMP if by way of business you trade in, or act as an intermediary in the sale or purchase of, works of art and the total value of the transaction or linked transactions (including taxes and costs) is 10,000 euros or more (approximately £8,500). Operators of freeports who store works of art of this value are also AMPs.

The Money Laundering Regulations have simply adopted the definition of work of art from tax legislation (please see 'Useful Resources for Art Market Participants')

HMRC is the anti-money laundering and counter-terrorist financing (AML/ CTF) supervisor for AMPs, and you must register with them by 10 June 2021 in order to be able to continue trading. From 10 June 2021 a business or sole practitioner who intends to conduct a transaction that will fall within the scope of the Money Laundering Regulations must immediately apply to HMRC for registration.

2. How do I register with HMRC?

You can register via the HMRC website (www.gov.uk/guidance/register-or-renew-your-money-laundering-supervision-with-hmrc). In your application you must provide the details of the individuals who own or hold positions of authority in your business, and HMRC must approve these individuals before they can complete your registration.

Senior management and nominated officers

3. What are the duties of senior management under the AML/ CTF regime?

Under the Money Laundering Regulations, senior management means the business' officers or those of its employees who both know about and have the authority to take decisions affecting the business' money laundering or terrorist financing risk. These people must ensure that the business fully complies with all of its obligations under the Money Laundering Regulations, and they can personally face civil and even criminal sanctions if they fail to discharge this duty.

Members of senior management must approve and then ensure the effective implementation of the business' AML/CTF policies, controls and procedures. They must ensure that the business conducts regular risk assessments which are translated into policies, controls and procedures to mitigate money laundering and terrorist financing risk. They must appoint a nominated officer, and make sure that customer due diligence is conducted. They must ensure staff are appropriately trained, and that records of all of the business' AML/CTF activity are kept, so that they can be made available to HMRC and the police.

4. What is the role of the nominated officer?

The nominated officer must consider all reports of suspicious activity from people within the business, and then decide whether he or she should submit a Suspicious Activity Report to the National Crime Agency. In order to be able to undertake this role properly, he or she must have unfettered access to all the information the business has which is relevant to the assessment of risk. In deciding whether or not to submit a Suspicious Activity Report, the nominated officer must be free to act independently of other members of the senior management team.

Although not formally part of the nominated officer's role, it is sensible to involve the nominated officer in reviewing and approving the business' training on AML/CTF issues. In smaller businesses where no-one else is occupying the role, nominated officers frequently act as AML/CTF champions within the business, ensuring the effective implementation of AML/CTF policies, controls and procedures, providing leadership on AML issues throughout the business and making themselves available to deal with any AML-related queries that staff may have.

5. Who should I appoint as my nominated officer?

Your nominated officer must be someone within your business or organisation who is based in the UK (the role cannot be held by an external consultant). Given the importance of the role, you should appoint someone who can be trusted with responsibility and who can act and take decisions independently of senior management. A sole practitioner with no employees is, by default, the nominated officer.

Remember that you must notify HMRC of the identity of your nominated officer within fourteen days of their appointment.

6. What is a Suspicious Activity Report?

This is a report to the National Crime Agency of knowledge or suspicion, or of reasonable grounds for knowledge or suspicion, that a person is engaged in money laundering or terrorist financing.

Within the regulated sector, everyone working within a business must submit a report to that business' nominated officer if they obtain information in the course of their work which causes them to know or suspect, or have reasonable grounds for knowing or suspecting, that another person is engaged in money laundering or terrorist financing. Such a report is known as an internal suspicion report.

In making such a report to the nominated officer the person making the report discharges their duty, and the responsibility for dealing with the issue then sits with the nominated officer. The nominated officer must review the matter independently and promptly. They may conduct some additional enquiries and they must have access to all the relevant information that exists within the business. If at the end of their review they conclude that they know or suspect, or have reasonable grounds for knowing or suspecting, that a person is engaged in money laundering or terrorist financing, they must make a report of this in the form of a Suspicious Activity Report to the National Crime Agency.

7. What is a DAML?

DAML stands for Defence against Money Laundering, and it is a type of Suspicious Activity Report. The principal money laundering offences contained in the Proceeds of Crime Act 2002, each of which is concerned with transactions involving criminal property, apply to everyone, whether or not they are part of the regulated sector. It is a defence to those offences if, before the transaction takes place, the National Crime Agency has consented to, or at least not refused consent within a fixed timescale to, the transaction concerned. A DAML is the name often given to the reports made to the National Crime Agency in which their consent is sought. A DAML can be made equally by people who are within the regulated sector and those who are outside it.

8. How do you submit a Suspicious Activity Report to the National Crime Agency?

They can be submitted on-line, and the National Crime Agency has published guidance to assist you. (www.nationalcrimeagency.gov.uk/who-we-are/publications/498-sar-online-user-guidance-february-2021/file)

Risk assessments

9. Why do I have to undertake a risk assessment?

The Money Laundering Regulations provide that every regulated business has to prepare an assessment of its risk of money laundering or terrorist finance.

Such risk assessments are the cornerstone of the risk-based approach that businesses in the regulated sector are required to adopt, because they inform the policies, controls and procedures that such businesses must then put in place to reduce the risk of money laundering or terrorist financing.

10. What should my business risk assessment include?

There is no set format beyond that it must be in writing. The Money Laundering Regulations require you in preparing your risk assessment to consider the guidance given by the authorities and risk factors that apply to your business, including factors relating to your customers, the countries or geographic areas in which you operate, your products, services and transactions and the way in which you provide them. HMRC recommends that you ascribe a risk rating to each of the risks you identify and make a record of how you intend to mitigate those risks.

The government's National Risk Assessment, which it updated in December 2020, contains a useful explanation of why it regards the art market as posing a high risk of money laundering. The British Art Market Federation's Guidance on Anti Money Laundering for UK Art Market Participants, published in February 2020, has been adopted by HMRC as its guidance to the art market. Both are important documents in preparing your risk assessment.

You should regard your risk assessment as a living document, which you should review at least once a year and more frequently if there has been any significant change in the business (including where you have developed new lines of business or adopted new technology) or there has been any new guidance from the authorities.

You should make sure your risk assessment is kept readily to hand. Remember, HMRC can request sight of it at any time.

Conducting customer due diligence

11. What is customer due diligence?

Customer due diligence (or CDD) is the way in which a business assesses the risks attached to a business relationship, both before it is entered into and whilst it is in existence, and to a proposed transaction. It consists of the series of checks you must undertake as a regulated business to ensure that you know your customer's true identity, and that you understand the details of the transaction you propose to complete as well as, where necessary, the source of the funds being offered to complete that transaction. Only then are you able to make an informed assessment of the risk of money laundering or terrorist financing you are running.

12. Do I need to conduct customer due diligence every time I sell a work of art?

You must conduct customer due diligence in relation to any trade in a work of art in which you act where the value of the transaction, or series of linked transactions, comes to 10,000 euros or more (including taxes and costs).

You must also conduct customer due diligence as an AMP if you suspect money laundering or if you doubt the veracity or adequacy of any due diligence documents previously obtained or if you become aware that the circumstances of your customer relevant to your risk assessment have changed. You should also conduct customer due diligence in any case where you suspect money laundering irrespective of the size of the transaction.

13. When do I have to have completed the customer due diligence by?

You should conduct your customer due diligence as soon as possible and in any event before the proposed transaction is completed or the business relationship is established. This means that you should not allow the work of art to be released to the customer until you are confident you have completed the customer due diligence.

14. A transaction may involve several parties, for example where I broker the sale of a painting. How do I know which of these parties are my customers and who I need to conduct customer due diligence on?

This depends on your business model. It will be the purchaser of a work of art, and any agent acting for them. It will be the seller of a work of art if you are providing a service to, and receive financial value from, them. The obligation to know your customer may apply even if you sell through an online platform or marketplace depending on the type of transaction.

To help you understand what this means in practice, a good place to start is The British Art Market Federation's Guidance on Anti Money Laundering which contains a table setting out examples of who you must conduct CDD on according to the type of transaction and your role (section 5.19 page 56). Where the transaction involves an agent acting on behalf of another you must confirm that the agent has authority to act and then conduct customer due diligence on both the agent and the customer. Where the customer is a company or other legal entity then you must take reasonable steps to ascertain and verify the identity of its beneficial owner or owners. Remember, you should always know the identity of the person who is ultimately paying for the work of art.

15. There are three different levels of CDD. Which one do I apply?

The three levels of customer due diligence referred to in the Money Laundering Regulations are simplified due diligence, standard due diligence and enhanced due diligence, sometimes referred to as EDD. They refer to the level of due diligence you should apply, depending on risk that the situation presents.

The starting point is standard due diligence. It defines the level of checks you need to conduct in most cases in order to identify and verify a person's identity and to understand the nature and purpose of the transaction. The British Art Market Federation's Guidance on Anti Money Laundering for UK Art Market Participants, which HMRC has endorsed, provides helpful guidance on how this can be done.

You may conduct simplified due diligence in the most straightforward cases. An example of when this might be appropriate would be if you are making a sale to a public company whose shares are traded on a regulated stock exchange in the EEA or a similar low risk jurisdiction. The Money Laundering Regulations provide that, in such cases, you do not need to identify the customer's beneficial owner. It follows that you can apply simplified due diligence measures here which omit the gathering of evidence of the purchaser's beneficial owner.

In other cases your standard due diligence processes will uncover red flags meaning that you will need to move to conducting enhanced due diligence before you can make a decision about whether to proceed with the transaction or the business relationship. Whilst it is for you to set out in your due diligence policy and procedures the circumstances in which enhanced due diligence is required, the Money Laundering Regulations provide that, at a bare minimum, enhanced due diligence must be carried out where:

- You have identified the proposed transaction or business relationship as high risk in your own risk assessment, or it has been identified to you as high risk in information provided by HMRC or another authority.
- You propose to enter into a business relationship with a person established in a high-risk third country.
- Your proposed customer is a Politically Exposed Persons (PEP) or the family member or known close associate of a PEP.
- A customer has provided false or stolen identification, and you still wish to proceed with the transaction.
- Any case where a transaction is complex or unusually large, or there is an unusual pattern of transactions, or the transaction or transactions have no apparent legal or economic purpose.
- Any other case which, by its nature, can present a higher risk of money laundering or terrorist financing.

16. What identity documents do I need to ask the customer to provide?

You must obtain reliable and independent evidence to confirm that your customer is who they say they are. This will always include evidence of their name and residential or business address but what else you need to know and see will depend on whether your customer is an individual, company or other entity. It will also depend on the level of customer due diligence being applied.

Included in our resource pack is a table setting out guidance on the materials you may wish to obtain depending on the nature of your customer (entitled Customer Due Diligence – Verification of Identity).

17. What extra checks do I need to conduct for enhanced due diligence?

The checks you need to conduct in any case where enhanced due diligence is necessary depend on the nature of the risks you have identified as needing to be addressed.

The Money Laundering Regulations identify specific areas that must be covered where enhanced due diligence is required because the case concerns a business relationship with a person in a high risk third country as identified by the European Commission or because the transaction is complex or unusually large or there is an unusual pattern of transactions, or the transaction or transactions have no apparent legal or economic purpose. Otherwise, enhanced due diligence may include, amongst other things, the following:

- Seeking additional independent, reliable sources to verify information provided or made available to you.
- Taking additional measures to understand better the background, ownership and financial situation of the customer, or other parties involved in 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.

The Money Laundering Regulations provide that, when conducting enhanced due diligence on a PEP, you must obtain the approval of a member of senior management before entering into or continuing a business relationship with them. More generally, and depending on the size of your business, you should consider requiring senior management approval of all transactions that require enhanced due diligence.

18. My customer wants to pay for a work of art using cryptoassets. Do I need to conduct enhanced due diligence?

Cryptoassets is clearly a growth area and the National Risk Assessment in December 2020 found they are being increasingly used by criminals to launder the proceeds of crime. If you decide as a matter of policy to accept payment by cryptoassets then you must address the risks associated with them in your risk assessment. In particular, you should consider what enhanced due diligence measures to conduct in order to verify the origin of the funds in any case in which you decide to accept payment by cryptoassets.

19. My customer is struggling to provide me with the evidence of the identity I have asked for. What do I do?

You must not continue to deal with a customer and you must not conclude the transaction if you cannot complete customer due diligence on them.

An apparent unwillingness to provide proof of identity or the information you have asked for is itself a red flag. In such circumstances you should consider whether the grounds exist for the submission to the National Crime Agency of a Suspicious Activity Report.

20. Can I rely on customer due diligence conducted by another gallery or dealer?

The Money Laundering Regulations allow you to rely on another regulated gallery or art market participant's due diligence. However any potential advantage offered by outsourcing these checks must be balanced against the fact that you will be held responsible for the third party's due diligence and you must be able to provide evidence of their due diligence exercise to HMRC at their request. At the very least, therefore, you will need to enter into an enforceable, written contract with that third party.

21. Are there external databases I can access to help me conduct customer due diligence?

There are commercial organisations and external databases you can use to conduct checks on your customer, for example you can check the details of a work of art against a register of stolen art or you can cross reference the details of a prospective customer against databases of PEPs and sanctioned entities. You remain liable however for any failure to discharge your due diligence obligations. The British Art Market Federation's Guidance on Anti Money Laundering for UK Art Market Participants provides guidance on the use of external providers (see the section 5.49 'Criteria for use of a provider of electronic verification of identity').

Policies, controls and procedures

22. Do I need to have an AML/CTF policy if I am a sole practitioner or small business?

All art market participants must design and implement sufficient AML/CTF policies to manage the risks their business may face. The policies, controls and procedures you must have in place should be proportionate to the size and nature of your business. Therefore, a sole practitioner's AML/CTF policies will almost inevitably be more straightforward than those of a large auction house.

23. What should an AML/CTF policy cover?

A business' AML/CTF policies, controls and procedures must be recorded in writing, kept under regular review and communicated across the business. At a minimum, they should cover the following.

- The roles and responsibilities of senior management and staff in relation to AML/ CTF compliance, including whether to appoint a named director or senior manager to ensure effective implementation of AML/CTF measures, whether to screen staff engaged in AML/CTF work and whether to establish an independent internal audit function.
- The identity of the business' nominated officer.
- The way in which the business' risk assessment will be carried out, the frequency with which it will be reviewed and how it will be communicated across the business.
- The way in which customer due diligence, including on-going monitoring, will be conducted.
- Procedures for reporting suspicious activity.
- The way in which all in the business will be trained on AML/CTF issues.
- The business' policy concerning reliance on due diligence conducted by another regulated business.
- Procedures for keeping records.

Training

24. Do I need to provide AML/ CTF training to all employees?

Not necessarily: AML/CTF training must be provided to all of the people working in the business whose work is relevant to the business' compliance with its duties under the Money Laundering Regulations or whose work is capable of contributing to the identification or mitigation of risk or the prevention or detection of money laundering or terrorist financing.

The training a person receives should reflect the role they play as well as the size and nature of your business and the money laundering and terrorist financing risks faced. People who deal with customers, payments and due diligence must be carefully trained because they are at the forefront of ensuring your business is compliant.

25. What training should I provide?

You must ensure that your staff or the people you rely on to undertake your compliance activity have been made aware of the law relating to money laundering and terrorist financing as well as the data protection requirements of complying with the Money Laundering Regulations. You must also ensure that they are trained regularly on how to spot and then deal with situations which may give rise to a risk of money laundering or terrorist financing. This entails training staff on red flags and the policies and procedures to deal with them, including not least who the nominated officer is and how to report to them.

Record keeping

26. What records must I keep?

You must keep the following records (in a form that can be retrieved without undue delay):

- Your written policies, controls and procedures.
- Your written risk assessments.
- Copies of the evidence obtained to satisfy your CDD. These records must be kept for at least five years after the end of the business relationship or the occasional transaction.
- Details of customer transactions. These records must be kept for at least five years after the end of the business relationship or the occasional transaction, provided that the transaction records arising from a business relationship do not need to be kept for more than ten years.
- Written records of your assessment of training needs and the training provided.
- Copies of all internal reports of suspicious activity and any SARS submitted and details of actions taken. These records must be kept for at least five years from the date the report was made.
- Reports by the nominated officer to senior management and records of consideration of those reports and any action taken.
- Copies of the evidence obtained if another AMP relies on you to carry out CDD. These records must be kept for five years from the date that the third party's relationship with the customer ended, provided that the transaction records arising from a business relationship do not need to be kept for more than ten years.

27. What should I do with the records I have had to keep for five years when this time has expired?

Once the five year time limit has expired you must delete any personal data unless you have another lawful reason to preserve it, including the consent of the person concerned or you know, or have reasonable grounds to believe, that the records containing personal data need to be preserved for legal proceedings. Be careful to check before you destroy anything.

Guidance for Art Market Participants

Customer Due Diligence - Verification of Identity

The table below sets out the information you must obtain about your customer's identity and the methods you may use to verify this information as part of your standard customer due diligence obligations under the Money Laundering Regulations 2017. This is distinct from your obligation to assess the purpose and intended nature of the transaction and, where necessary, identify the source of funds. Additional checks may be necessary to ensure you do not commit an offence under the Proceeds of Crime Act 2002 and that you do not enter into a transaction with a customer who is subject to UK sanctions. The British Art Market Federation's Guidance on Anti Money Laundering for UK Art Market Participants contains helpful guidance on your customer due diligence obligations.

Entity	Standard Customer Due Diligence (CDD)	Notes
Private individual	Identify the individual by obtaining the following: • Full name • Residential address • Date of birth. Verify their identity with the following identity documents (original or certified copies if possible): Either A) A government-issued document which incorporates the customer's full name and photograph and either their residential address or date of birth, for example: • Valid passport • Valid photo-card driving licence (full or provisional) • National Identity card	Identity information must be verified using reliable and independent sources. Verification can be via documents or electronic evidence. Electronic evidence may be obtained from commercial organisations to verify a customer's identity. There are organisations which can confirm if your customer is a Politically Exposed Person (PEP) or is subject to financial sanctions. Before using a commercial organisation for electronic verification of identity, the AMP should be satisfied that information supplied is sufficiently extensive, reliable, accurate and independent of the customer (see the BAMF Guidance paras 5.39-5.51 for further details). The AMP should obtain written confirmation from the customer that any agent or intermediary is authorised to act on their behalf.

Entity	Standard Customer Due Diligence (CDD)	Notes
	Or B) A government, court or local authority-issued document (without a photograph) which has the customer's full name, for example: • Valid old style full UK driving licence • Instrument of a court appointment (e.g. grant of probate) • Current council tax statement or demand letter Supported by a second document issued by government, judicial authority, public sector body, regulated utility company or another regulated AMP, which incorporates the customer's full name and either their residential address or date of birth, for example: • Current bank/credit card statement • Current utility bill • Current mortgage statement Where the AMP has visited the customer at their home address a record of that visit may constitute evidence corroborating the individual lives at the address (i.e. equivalent to a second document).	You must apply Enhanced Due Diligence (EDD) in the following circumstances: • Where there is any business relationship with a person established in a high risk country or in relation to a relevant transaction where either parties are established in a high risk third country; • Where the customer or potential customer or their family member/known close associate is a PEP; • Where the customer has provided false or stolen identification documentation; • Where the transaction is complex or unusually large, the pattern of transactions is unusual and/or there is no apparent legal or economic purpose for the transaction; • Any other situation with a high risk of money laundering/terrorist financing (as identified by the AMP in their risk assessment or information from the authorities).
Executors/ Personal Representatives	The same level of CDD should be applied as for the 'Private individual' section above. Where a transaction is proposed by an executor/administrator	Note the circumstances under which EDD should be applied as above.

Entity	Standard Customer Due Diligence (CDD)	Notes
	whilst winding up an estate, the AMP may accept the following as evidence of their authority as personal representatives: • Court documents granting probate • Letter of administration Lawyers/accountants acting in the course of their business at regulated firms can be verified with reference to: • Practising certificate, or • Appropriate professional register Can English Solicitor will be on the Solicitors' Regulatory Authority roll and can be found on the Law Society's Find a Solicitor website and for accountants you may check the rolls of various regulators depending on the regulator to which they are registered)	
Attorneys	Identity of the holder of a power of attorney should be verified in addition to any donor involved in a transaction. The same level of CDD should be applied for the holder of the power of attorney and the donor as under 'Private individual' section above.	Note the circumstances under which EDD should be applied as above.
Corporate customers	Identity consists of its constitution, business, legal form, ownership and control structure. Obtain and verify the following information	The AMP must take reasonable measures to understand the company's legal form and ownership and control structure, and must obtain sufficient additional information on the nature of the company's business, and the reasons for seeking to enter into the transaction.

Entity	Standard Customer Due Diligence (CDD)	Notes
	• Full name • Company registration number • Registered office address in country of incorporation • Principal business address (if difference from registered office) Additionally, for private or unlisted companies: • Names of individuals who own or control over 25% of its shares or voting rights (beneficial owners) • Names of any individual(s) who otherwise exercise control over the management of the company. For UK companies much of this information should be available from the company listing on Companies House. The AMP must also take reasonable steps to determine and verify: • The law to which the corporate is subject; • Its constitution (in articles of association or other governing documents) • Names of its directors and seniors persons responsible for its operations. Sources for obtaining and verifying this information • Confirmation of a company's listing on a regulated market • Search of the relevant company registry (e.g. Companies House for UK companies)	Most corporates are obliged to maintain up to date information on people with significant influence and control over them on Companies House, known as the register of people with significant control (PSC register). If the AMP encounters any discrepancies in information on the PSC they should consider the Companies House Guidance on reporting the discrepancy. When a UK body corporate enters a business relationship with an AMP where CDD measures are required, the corporate must provide the following on request: 1) Information identifying: • its name, registered number and principal place of business; • its board of directors; • its senior management; • the law to which it is subject; • its legal and beneficial owners; 2) Its articles of association or other governing documents. The use of complex corporate structures without an obvious legitimate commercial purpose may increase the risk of money laundering or terrorist financing. Note the circumstances under which EDD should be applied as above.

Entity	Standard Customer Due Diligence (CDD)	Notes
	• A copy of the company's certificate of incorporation and memorandum and articles of association (can be found on Companies House for UK companies) • A copy of their audited accounts. The AMP must identify and verify the beneficial owners of a corporate customer. See relevant section below.	
Companies listed on regulated markets CEEA or equivalent)	Simplified customer due diligence may be applied where the AMP is satisfied that the customer is: • A company which is listed on a regulated market in the EEA or a non-EEA regulated market that is subject to specific disclosure obligations consistent with EU law[1], or • A majority owned and consolidated subsidiary of such a listed company. Where simplified customer due diligence applies the AMP must obtain and verify the following information only: • Full name • Registered number • Registered office address in country of incorporation • Principal business address (if difference from registered office)	Note the circumstances under which EDD should be applied as above.

[1] Specified articles under The Prospectus directive [2003/71/ECl, The Transparency Obligations directive [2004/109/ECl, The Market Abuse Regulation [2014/596] and EU legislation made under these articles.

Entity	Standard Customer Due Diligence (CDD)	Notes
	For companies listed outside the EEA on markets which do not meet the above requirements, standard verification procedure should be applied, as for private and unlisted companies under 'Corporate customers' section above.	
Other publically listed or quoted companies	CDD should be applied as for a private or unlisted company unless the risk assessment determines otherwise (see Notes section).	In their risk assessment the AMP should consider the extent that the customer should be treated as a private and unlisted company and apply the appropriate CDD, being mindful of the following: • Listing conditions in the relevant jurisdiction and the level of transparency and accountability to which the company is subject. • Lower risk presented by companies whose shares are traded. Note the circumstances under which EDD should be applied as above.
Private and unlisted companies	CDD to be applied as under the 'Corporate customers' section above.	Note the circumstances under which EDD should be applied as above.
Directors	CDD to be applied as for 'Private individuals' above.	All directors must be identified but the AMP's risk assessment will determine which directors' identities must then be verified. It is likely to be appropriate to verify individuals who have authority to give the AMP instructions concerning the use or transfer of funds, but

Entity	Standard Customer Due Diligence (CDD)	Notes
		might be waived for other directors. Note the circumstances under which EDD should be applied as above.
Beneficial owners	The AMP must take reasonable measures to verify the identity of individuals who: • own or control over 25% of the shares or voting rights • otherwise exercise control over the management of the company. This verification obligation is not satisfied by relying only on information in the PSC register. The identity of beneficial owners will be the same as for 'Private individuals' above. If the AMP has exhausted all possible means of identifying the beneficial owners without success, the AMP must take reasonable measures to verify the identity of the senior person in the body corporate responsible for managing it, and keep a written record of: • All actions taken to identify the beneficial owner(s); • All actions taken to identify and verify the senior person and • Any difficulties encountered in doing so.	Note the circumstances under which EDD should be applied as above.
Partnerships and unincorporated bodies	Obtain standard evidence in relation to the partnership or unincorporated organisation as follows:	The AMP should have regard to the number of partners/principals. Where there are relatively few. the customer should be treated as a collection of private

Entity	Standard Customer Due Diligence (CDD)	Notes
	• Full name • Address of principal place of business • Names of all partners/principals who exercise control over the management of the partnership • Names of individuals who own or control over 25% of its capital or profit or voting rights. Sources of information can include: • Partnership deed • Entry on appropriate national register • Membership directory • Membership of relevant professional association (e.g. Law Society for law firms) The AMP should know the names of all beneficial owners and must take all reasonable steps to verify their identities. It will be necessary to verify the identity of one or more partners/owners who have authority to give the AMP instructions concerning the use or transfer of funds. Verification of beneficial owners/partners/owners should be to the standard of CDD for 'Private Individuals' above.	individuals to be verified according to the standard for 'Private Individuals' above. Where the numbers of partners are larger, the AMP should consider whether it can be satisfied with evidence of membership of a relevant professional or trade association. Where the partnership is well known reputable, with substantial public information, the customer's membership of the relevant trade association is likely to provide the requisite reliable and independent evidence. The AMP should consider the possible money laundering or terrorist financing risk posed by a partnership/unincorporated body with less transparency, profile or means of verification. Note the circumstances under which EDD should be applied as above.
Trusts and foundations	Obtain the following information • Name of the settlor • Full name of the trust • Nature, purpose and object of the trust (e.g. discretionary,	Where there are a large number of trustees the AMP may take a risk based approach to determining those trustees in respect of whom full CDD measures should be applied.

Entity	Standard Customer Due Diligence (CDD)	Notes
	testamentary, bare) • Country of establishment • Names of all trustees • Names of any beneficiaries (or a description of the class of beneficiaries) • Name of any protector or controller Sources of information about the identity of the trust include: • Extracts from the trust deed • Reference to an appropriate register in the country of establishment. Trustees who enter into the business relationship with the AMP are customers in respect of whom CDD must be carried out. Verification should be to the standard of CDD for 'Private individuals' above. The identities of beneficial owners (i.e. certain beneficiaries) must also be verified, either as individuals or as a class as appropriate. Where the jurisdiction/geographic location of a trust increases the risk, it may be appropriate to obtain the following additional information • Donor/settlor/grantor of funds • Domicile of business/activity • Nature of business/activity • Location of business/activity	Where a trustee is a non-natural person it should be identified and verified in respect of the standard CDD approaches for its type of entity (e.g. a company listed on a regulated market, or a private and unlisted company). When identifying the beneficial owners (trustees, beneficiaries, settlor and/or trust protector) the obligation to verify their identities is not satisfied by relying only on information contained in a register. If the trust is established in a high-risk third country then EDD is required (or if any of the other circumstances requiring EDD as set out above apply).

Entity	Standard Customer Due Diligence (CDD)	Notes
Charities	Obtain the following information • Full name • Registration number • Place of business Details of UK registered charities can be obtained from the following: • Charity Commission of England and Wales • The Office of the Scottish Charity Regulator • The Charity Commission for Northern Ireland. For overseas registered charities refer to the appropriate national charity regulator. For all other charity types the AMP should consider the business structure of the charity and apply CDD appropriately. This may involve obtaining the constitutional documents and any documents clarifying individuals in control of the charity and its status. Confirmation of charitable status may be obtained From HMRC.	Risk assessment should consider how well known a charitable entity is. The more obscure a charity is, the greater the risk profile may be, thereby requiring viewing of the constitutional documents and/or any documents clarifying individuals in control of the charity and its status. Note the circumstances under which EDD should be applied as above. EDD may require an AMP to obtain information about the individuals and entities who fund the charity.

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[NAME]

ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING POLICY

[DATE and version number]

Overview

Explain the problem, emphasise the company's opposition to money laundering/ terrorist financing and its commitment to conducting business in a risk-sensitive manner.

Therefore, we will:

i) appoint a Nominated Officer;
ii) (designate a board member or senior manager to be responsible for the implementation of the policy);
iii) (conduct screening of staff who are involved in AML/CTF functions); and
iv) (engage an internal audit function to review and comment on the effectiveness of policies and conduct on-going monitoring of compliance with them).

The Nominated Officer (or board member or senior manager) will:

i) prepare, keep under review, update regularly and communicate across the business an AML/CTF risk assessment for the business;
ii) establish, keep under review, update regularly and communicate across the business policies, controls and procedures to mitigate against money laundering and terrorist finance risk;
iii) ensure the business completes a customer due diligence exercise, where necessary involving enhanced due diligence, before it enters into a business relationship or transaction in its regulated business;
iv) ensure the business has procedures for the submission of suspicious activity reports ("SARs"), reports under the Terrorism Act and reports of sanctions breaches;
v) ensure the business has a policy on reliance on customer due diligence conducted by regulated third parties;
vi) ensure appropriate training is delivered to staff engaged in any function that touches on the business' AML/CTF compliance activity;
vii) ensure the business maintains and retains records of all its AML/CTF activity;
viii) ensure that compliance with all the business' AML/CTF policies, controls and procedures is monitored and implemented effectively; and
ix) generally, provide leadership across the business on AML/CTF issues and make themselves available to deal with queries from staff.

The Law

Money laundering is the process by which the proceeds of crime are sanitised in order to disguise their illicit origins. Money laundering schemes operate at varying levels of sophistication, from the very simple to the highly complex. Straightforward schemes can involve cash transfers or large cash payments whilst the more complex schemes are likely to involve the movements of money across

borders and through multiple bank accounts. Money laundering schemes typically involve three distinct stages:

i) placement – the process of getting criminal money into the financial system;
ii) layering – the process of moving the money within the financial system through layers of transactions; and
iii) integration – the process whereby the money is finally integrated into the economy, perhaps in the form of a payment for a legitimate service.

Whereas money laundering is concerned with the process of concealing the illegal origin of the proceeds of crime, terrorist financing is concerned with the collection or provision of funds for terrorist purposes. The primary goal of terrorist financers is to hide their funding activity and the financial channels they use. Here, therefore, the source of the funds concerned is immaterial, and it is the purpose for which the funds are intended that is crucial.

Payments or prospective payments made to or asked of us can generate a suspicion of terrorist financing for a number of different reasons, but typically might involve a request for a payment, possibly disguised as a repayment or re-imbursement, to be made to an account in a jurisdiction with links to terrorism.

Money Laundering

The law concerning money laundering is actively enforced. It can be broken down into four main types of offence:

i) the principal money laundering offences under the Proceeds of Crime Act 2002;
ii) the failure to disclose offences under the Proceeds of Crime Act 2002;
iii) the tipping off and prejudicing an investigation offences under the Proceeds of Crime Act 2002; and
iv) the offences of failing to meet the standards required of Art Market Participants as set out in the Money Laundering Regulations.

The principal money laundering offences, contained in sections 327 to 329 Proceeds of Crime Act 2002, apply to criminal property. It is a crime, punishable by up to 14 years imprisonment, to:

i) conceal, disguise, convert, transfer or remove criminal property from the United Kingdom;
ii) enter into an arrangement that you know or suspect makes it easier for another person to acquire, retain, use or control criminal property; and
iii) acquire, use or possess criminal property provided that adequate consideration is not given for its acquisition, use or possession.

Property is criminal property if it constitutes benefit from criminal conduct or any property that, directly or indirectly, represents such a benefit where the person concerned knows or suspects that it constitutes or represents such a benefit. It does not matter for these purposes that the criminal conduct was committed here or overseas.

We have a duty to report knowledge or suspicion, or knowledge of matters which might reasonably give rise to suspicion, relating to the proposed transaction. Staff fulfil that duty when they report the proposed transaction to the Nominated Officer in an internal suspicion report. The Nominated Officer must then consider the information received and decide whether to make a report to the National Crime Agency. This report is sometimes known as a suspicious activity report ("SAR").

It is a crime, punishable by up to five years imprisonment, for a person who receives information in the course of business which causes them to know or suspect, or have reasonable grounds for knowing or suspecting, that money laundering is taking place not to report the matter to their Nominated Officer.

Where a Nominated Officer receives an internal suspicion report, they must review it and any other relevant information the business holds about the matter. It is a crime, punishable by up to five years imprisonment, for a Nominated Officer who knows or suspects, or has reasonable grounds for knowing or suspecting, that money laundering is taking place not to make a SAR to the National Crime Agency as soon as practicable after they received the information.

In some circumstances a SAR can amount to a request to the National Crime Agency to complete a transaction. Such a SAR is sometimes known as a Defence Against Money Laundering (DAML) because, if the National Crime Agency consents to the request within the specified timeframe, its consent will provide a defence to all three of the principal money laundering offences. There will be no such defence if the transaction is completed before the National Crime Agency has responded to the request.

Having knowledge means actually knowing something to be true. Suspicion is more subjective and is something less than proof based on firm evidence. Suspicion has been defined by the courts as being something beyond mere speculation and based on some foundation.

Section 342 Proceeds of Crime Act 2002 makes it a crime, punishable by up to five years imprisonment, to make a disclosure which is likely to prejudice the money laundering investigation. Section 333A Proceeds of Crime Act 2002 makes it a crime, punishable by up to two years imprisonment, to disclose that a report to the NCA has been contemplated or made, where that disclosure is likely to prejudice the investigation. We can commit either of these offences if we tell a person an internal suspicion report or a SAR has been made in their case. The policy must therefore require internal suspicion reports and SARs to be kept strictly confidential.

Terrorist Financing

Sections 15 to 18 Terrorism Act 2000 ("Terrorism Act") create offences, punishable by up to 14 years imprisonment, of:

i) raising, using or holding funds for terrorist purposes;
ii) becoming involved in an arrangement to make funds available for the purposes of terrorism; and
iii) facilitating the laundering of terrorist money.

These offences are committed where the person concerned knows, intends or has reasonable cause to suspect that the funds concerned will be used for a terrorist purpose. In the case of facilitating the laundering of terrorist money, it is a defence for the person accused of the crime to prove that they did not know and had no reasonable grounds to suspect that the arrangement related to terrorist property.

Section 19 Terrorism Act creates an offence, punishable by up to five years imprisonment, where a person receives information in the course of their employment that causes them to believe or suspect that another person has committed an offence under sections 15 to 18 Terrorism Act 2000 and does not then report the matter as soon as reasonably practicable either directly to the National Crime Agency or otherwise in accordance with their employer's procedures.

The Terrorism Act also provides that, in certain circumstances, prior consent from a constable can be obtained to a transaction. That consent will provide a defence to any subsequent charge against the principal terrorist financing offences, provided the transaction took place after the consent was given.

Section 39 Terrorism Act creates an offence, punishable by up to five years imprisonment, for a person who has made a disclosure under section 19 Terrorism Act to disclose to another person anything that is likely to prejudice the investigation resulting from that disclosure. The policy must therefore require internal suspicion reports and reports under the Terrorism Act to be kept strictly confidential.

The Money Laundering Regulations

The procedures in the Money Laundering Regulations apply equally to the risk of money laundering and terrorist financing, and they are aimed at protecting the gateway into the financial system. They apply to a range of businesses all of which stand at that gateway, including us when we operate as Art Market Participants.

We operate as an Art Market Participant when by way of business we trade in, or act as an intermediary in the sale or purchase of, works of art and the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more.

For these purposes, a work of art has the legal definition contained in section 21 Value Added Tax Act 1994. If in doubt about its scope, you should consult with the Nominated Officer. Generally, however, it includes:

(i) any mounted or un-mounted painting, drawing, collage, decorative plaque or similar picture that was executed by hand;

(ii) any original engraving, lithograph or other print which—

(a) was produced from one or more plates executed by hand by an individual who executed them without using any mechanical or photomechanical process; and

(b) either is the only one produced from the plate or plates or is comprised in a limited edition;

(iii) any original sculpture or statuary, in any material;

(iv) any sculpture cast which—

(a) was produced by or under the supervision of the individual who made the mould or became entitled to it by succession on the death of that individual; and

(b) either is the only cast produced from the mould or is comprised in a limited edition;

(v) any tapestry or other hanging which—

(a) was made by hand from an original design; and

(b) either is the only one made from the design or is comprised in a limited edition;

(vi) any ceramic executed by an individual and signed by him;

(vii) any enamel on copper which—

(a) was executed by hand;

(b) is signed either by the person who executed it or by someone on behalf of the studio where it was executed;

(c) either is the only one made from the design in question or is comprised in a limited edition; and

(d) is not comprised in an article of jewellery or an article of a kind produced by goldsmiths or silversmiths;

(viii) any mounted or un-mounted photograph which—

(a) was printed by or under the supervision of the photographer;

(b) is signed by him; and

(ix) either is the only print made from the exposure in question or is comprised in a limited edition.

The value of a work of art sold at auction is the hammer price including taxes, commission and ancillary costs. The value of a work of art sold commercially through any other means is the final invoiced price including taxes, commissions and ancillary costs.

This threshold applies to linked transactions totalling 10,000 euros or more or where the transaction appears to be deliberately broken down into several payments below 10,000 euros. HMRC will consider multiple payments against a single invoice to be linked regardless of how long it takes to make payment.

The Money Laundering Regulations require businesses to which they apply to:

i) conduct an annual risk assessment to identify and assess areas of risk of money laundering and terrorist financing particular to them;
ii) implement controls proportionate to the risks identified;
iii) establish and maintain policies and procedures to conduct customer due diligence;

iv) review policies and procedures at least annually, immediately communicate to staff any changes to those policies and procedures and carry out on-going monitoring of compliance with them;
v) appoint a Nominated Officer to be responsible for reporting any suspicious transactions to the National Crime Agency;
vi) provide training to all relevant members of staff, including temporary staff, on joining the Company, and provide annual refresher training; and
vii) maintain and retain full records of work done pursuant to this policy.

Non-compliance is a crime, punishable by up to two years imprisonment or an unlimited fine. The company, its senior managers and the staff involved in any breach are all potentially liable.

Data Protection

In undertaking the customer due diligence required of us under the Money Laundering Regulations, we will obtain and retain personal data concerning our customers, their agents and beneficial owners. We must process that personal data in a lawful manner, as required by GDPR and the Data Protection Act 2018. The Money Laundering Regulation provides that any personal data we obtain from a person to satisfy its requirements may only be processed for the purposes of preventing money laundering or terrorist financing, and that no other use may be made of that data without either that person's consent or some other lawful reason. We must also notify our customers in writing when obtaining their personal data for customer due diligence purposes that it will only be used as described above.

Sanctions

We must also comply with United Kingdom sanctions legislation. Some sanctions are financial, and consist of an assets freeze and a prohibition on making funds and economic resources available to sanctioned individuals, known as designated persons. A consolidated list of designated persons is maintained by the Office of Financial Sanctions Implementation and is available at www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets.

Where we believe or we have reasonable grounds to suspect that a person is a designated person, or that the person concerned has breached financial sanctions, we must report the matter as soon as possible to the Office of Financial Sanctions Implementation.

There are also trade sanctions, which prohibit the transfer of goods, including works of art, to sanctioned countries. Further information is provided by the Department for International Trade and is available at https://www.gov.uk/guidance/current-arms-embargoes-and-other-restrictions.

Risk Assessment

Describe the process by which the person responsible will carry out the risk assessment. This will involve:

i) recording the risks inherent in the art market as a whole (guidance is to be found in the UK government's National Risk Assessment most recently published in December 2020 (but always check for updates) and the British Art Market Federation guidance published

in February 2020 and approved by HMRC as well as any other information HMRC may from time to time provide);

ii) recording an overview of the company's various business models, such as face-to-face sales, online sales, and acting for sellers; and

iii) analysing those business lines by reference to risk factors, including:

i. our customers; (Who?)
ii. the countries or geographic areas in which weoperate; (Where?)
iii. our products or services; (How?)
iv. our delivery channels; (How?)
v. our transactions. (How ?)

The risk assessment must contain a risk rating for each identified risk and a note of mitigation measures.

The risk assessment should be reviewed at least annually and more frequently following any significant change in the business or if fresh government guidance on AML/CTF is issued.

A record should be made and preserved of all the work undertaken in preparing, reviewing and updating the risk assessment, including the information on which it was based.

Describe the process by which the risk assessment should be communicated to staff, so they are better able to fulfil their AML/CTF roles and responsibilities. This can be done by having it as an annex to the policy.

Policies, Controls and Procedures

Describe who will be responsible for regularly reviewing and updating this policy, and communicating any changes across the business.

Describe who will be responsible for monitoring compliance with policy, for example by conducting regular dip samples of relationship or transaction records.

Describe how any proposals for new products, new ways of doing business or new technology will be risk assessed for impact on the business' AML/CTF work.

Describe any controls the business will put in place on how it will do business, such as limits or prohibitions on cash purchases and its attitude to customers who do not engage constructively in the due diligence process.

If it has been decided to appoint a specified board member or senior manager to be responsible for AML/CTF activity across the business, record the decision here. If it has been decided that it is not appropriate to make such an appointment, record that decision and the reasons for it here.

If it has been decided to screen staff engaged in AML/CTF work for skills and integrity, record the decision here. If it has been decided that it is not appropriate to undertake such activity, record that decision and the reasons for it here.

If it has been decided to engage an internal audit function to review and monitor AML/CTF activity across the business, record the decision here. If it has been decided that it is not appropriate to make such an engagement, record that decision and the reasons for it here.

Customer Due Diligence

Describe the stages in the process.

i) Initial review;
ii) Standard due diligence, including the information the business will need in identifying and verifying the customer's identity;
iii) Review after standard due diligence, resulting either in the transaction or business relationship being approved or enhanced due diligence being required;
iv) Enhanced due diligence, including guidance on who will conduct it and decide the extent of additional information that is needed;
v) Final review, resulting either in the transaction or business relationship being approved or consideration being given to any duty to notify the authorities of actual or suspected money laundering, terrorist finance or sanctions breach.

The policy should contain a reminder that enhanced due diligence is required where:

i) we have identified the proposed transaction or business relationship as high risk in our company risk assessment or it has been identified as high risk in information provided by HMRC or another authority;
ii) the proposed customer or a party to the transaction is established in a high-risk third country;
iii) the proposed customer is a Politically Exposed Person (PEP) or the family member or known close associate of a PEP;
iv) a customer has provided false or stolen identification, and we still wish to proceed with the transaction;
v) the transaction is complex and unusually large, or there is an unusual pattern of transactions, or the transaction or transactions have no apparent economic or legal purpose, or the transaction involves anonymity;
vi) any other case, which by its nature, can present a higher risk of money laundering or terrorist financing.

The policy should contain a reminder of risk factors that must be taken in to account when assessing whether there is a risk of money laundering or terrorist finance, including:

i) customer risk factors;
ii) geographical risk factors; and
iii) risk factors associated with the proposed service or transaction, and how it will be delivered.

The Nominated Officer

Describe how information from customer due diligence exercises should be passed to the Nominated Officer for a decision on whether or not to make a suspicious activity report and/or a report under the Terrorism Act and/or a sanctions breach report.

Describe how the decision whether or not to make such a report is that of the Nominated Officer alone, and that in reaching their decision they should have access to all relevant information held within the business.

Describe how the Nominated Officer should record and retain all information taken into account when considering whether to make a report, as well as the reasons for their decision including in particular any decision not to make a report.

Describe how any internal suspicious activity reports, SARs and reports under the Terrorism Act are to be kept strictly confidential and, in particular, that the customer or potential customer must never be told about them. Remind staff of the legal consequences of tipping off and set out the disciplinary consequences of a breach of this requirement.

Training

Describe how frequently training will be delivered and to whom.

Record that the training will cover:

i) the law relating to money laundering, terrorist financing, sanctions and the requirements of data protection; and
ii) how to recognise and deal with transactions and other activities or situations which may be related to money laundering, terrorist financing or sanctions breaches.

Describe how staff will be required to sign into the training and note that a record will be kept of the training, who received it and when.

Reliance

Note that the Money Laundering Regulations permit regulated businesses to rely on customer due diligence conducted by other regulated businesses on the basis that the relying business bears full responsibility for the quality of the due diligence on which it relied and it is able to produce records of that due diligence.

Record whether the business is prepared to rely on due diligence conducted by another regulated business. If so, describe who is authorised to take the decision to do so, and the terms of the written agreement that will be required to ensure access to the third party's customer due diligence records.

Record Keeping

Describe the arrangements for maintaining written records of all aspects of the business' AML/CTF activity, including:

i) risk assessment;

ii) customer due diligence;
iii) internal suspicious activity reports;
iv) SARs and reports under the Terrorism Act (including any decision not to make such a report);
v) policies, controls and procedures; and
vi) training.

Describe the arrangements for retaining:

i) in the case of occasional transactions, copies of evidence obtained to satisfy customer due diligence obligations and details of the transaction for at least five years from the completion of the transaction;
ii) in the case of a business relationship, copies of evidence obtained to satisfy customer due diligence requirements and the details of customer transactions for at least five years after the end of the business relationship;
iii) details of action taken in respect of reports of suspicious activity, including information provided to the Nominated officer and any report to the authorities;
iv) details of information considered by the Nominated Officer and the reasons for their decision not to make a report to the authorities; and
v) where the business has allowed another regulated business to rely on its customer due diligence, copies of the due diligence that it obtained for at least five years from when the other business completed its transaction together with the written agreement it entered in to for the supply of due diligence records.

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Annex 1

THE COMPANY'S RISK ASSESSMENT FORM

Review of external sources

Description of company's business

Business Area	**Customer Type**	**Delivery Channel**	**Geography**	**Risk Factors**	**Risk Rating**	**Mitigating Factors**

Signed	
Date:	

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CUSTOMER DUE DILIGENCE FORM

CUSTOMER NAME	
STANDARD DUE DILIGENCE	
Part 1 – CUSTOMER IDENTIFICATION	
Individual:	
GDPR warning given? Y/N	
Full name	
Date of birth	
Residential address	
Occupation or business	
Means of payment	
Company:	
Full name	
Company registration number	
Registered office address (in country of incorporation)	
Principal place of business (if different to registered office)	
Law to which it is subject and its constitution	
Names of directors and any other senior person responsible for its operations	
Beneficial owners	
Beneficial Owners:	
Beneficial owner 1	
GDPR warning given? Y/N	
Full name	
Date of birth	
Residential address	
Occupation or business	
Beneficial owner 2	
GDPR warning given? Y/N	
Full name	
Date of birth	

Residential address	
Occupation or business	
Agent or Intermediary:	
GDPR warning given? Y/N	
Full name	
Date of birth	
Residential address	
Occupation or business	
Written confirmation of authority to act? (where applicable)	
Third Party Payer:	
GDPR warning given? Y/N	
Full name	
Date of birth	
Residential address	
Occupation or business	
Part 2 – VERIFICATION OF IDENTITY	
Documents received	
Results of electronic checks	
Attach copy documents	
RISK ASSESSMENT	
Does the business risk assessment identify this customer as high risk?	
Has there been any difficulty in obtaining proof of identity?	
How was the customer introduced?	
Has the customer or its representative been met in person?	
Is anyone connected to this transaction a PEP or a family member/close associate of a PEP?	
Is anyone connected to this transaction subject to sanctions?	
Is anyone connected to this transaction from a high risk country?	
Is the transaction unusually complex or large or does it	

have an unexpected pattern?	
Has the source of funds been ascertained?	
Are you aware of any adverse reports in the media or another source?	
Initial risk assessment	
Is Enhanced Due Diligence required? Y/N	
If no, complete the transaction	
If yes refer to the Nominated Officer	
Referred to the Nominated Officer	
Signed:	
Dated:	
ENHANCED DUE DILIGENCE: TO BE COMPLETED BY THE NOMINATED OFFICER	
What is the background and purpose of the transaction?	
What further information has been obtained on the source of funds and source of wealth?	
Final Risk Assessment	
Do you know or suspect, or do you have reasonable grounds for knowing or suspecting that someone connected to this transaction is engaged in money laundering? Y/N	
If N, state reasons and describe any additional monitoring being put in place for a business relationship.	
If Y, submit a SAR	
Do you know, or have reasonable cause to suspect, that a person is a designated person or that someone has committed an offence under sanctions legislation? Y/N	
If N, state reasons (if additional to above)	
If Y, report to Office of Financial Sanctions Implementation and consider whether also to submit a SAR.	
Is there a discrepancy between information we have obtained about a beneficial owner of a company and the information about that company's beneficial ownership held at Companies House? Y/N	
If Y, does this give rise to suspicion of money laundering or terrorist finance?	

If Y, does the company want to enter into a business relationship with us? If so, submit a report to Companies House.	

Signed – Nominated Officer	
Print Name:	
Date:	

National Crime Agency
PO Box 8000
London
SE11 5EN
Tel: 020 7238 8282

SOURCE REGISTRATION DOCUMENT

IMPORTANT - THE DETAILS IN THIS FORM MUST BE PROVIDED WITH YOUR FIRST DISCLOSURE TO THE NCA OR FOLLOWING ANY SUBSEQUENT CHANGE TO THOSE DETAILS.

Institution Name:

Institution Type:

Regulator:

Regulator ID:

Contact Details (1): Forename:

Surname:

Position:

Address:

Telephone Details:

Facsimile Details:

E-mail Address:

Contact Details (2): Forename: (where applicable)

Surname:

Position:

Address:

Telephone Details:

Facsimile Details:

E-mail Address:

National Crime Agency
PO Box 8000
London
SE11 5EN
Tel: 020 7238 8282

DISCLOSURE REPORT DETAILS: STANDARD REPORT:

Reporting Institution:

Your Ref:

Disclosure Reason:

PoCA 2002: ☐ **Terrorism Act 2000:** ☐

Branch/ Office:

Consent Required: ☐

Disclosure Date: D D - M M M - Y Y Y Y

Type: **New** ☐ **OR** **Update** ☐

Existing Disclosure ID/s: (where applicable)

Please use whichever sheets you feel are necessary and indicate below how many of each you are submitting.

REPORT SUMMARY:

Number of 'Subject Details' sheet appended relating to a Main Subject:

Number of 'Additional Details' sheets appended relating to Main Subject:

Number of 'Subjects Details' sheets appended relating to Associated Subject/s:

Number of 'Additional Details' sheets' appended relating to Associated Subject/s:

Number of 'Transaction Detail' sheet/s appended:

Number of 'Reason For Disclosure Sheets' appended:

Once completed please collate your sheets in the above mentioned order and then sequentially number your sheets at the bottom of each page. This will ensure that the information is processed in the correct sequence.

Total number of pages submitted including this Header:

SUBJECT DETAILS:

Subject Type: **Main Subject:** ☐ **OR** **Associated Subject:** ☐ **(number** ☐☐ **of** ☐☐ **)**

Individual's Details:

Subject Status: **Suspect :** ☐ **OR** **Victim:** ☐

Surname:

Forename 1:

Forename 2:

Occupation:

DoB: ☐☐ - ☐☐☐ - ☐☐☐☐ (D D - M M M - Y Y Y Y) **Gender:** **Male** ☐ **Female** ☐

Title: **Mr** ☐ **Mrs** ☐ **Miss** ☐ **Ms** ☐ **Other**

Reason for Association of this subject to the Main Subject (for use only with Associated Subject details)

OR

Legal Entity's Details

Subject Status: **Suspect :** ☐ **OR** **Victim:** ☐

Legal Entity Name:

Legal Entity No: **VAT No:**

Country of Reg:

Type of Business:

Reason for Association of this subject to the Main Subject (for use only with Associated Subject details)

ADDITIONAL DETAILS: Version 2.2 - Appendix 4

Do these details refer to the Main Subject: ☐ **OR to an Associated Subject** ☐

(Please indicate the Associate's number where applicable)

Subject Name:

Premise No/Name: **Current:** ☐ **Type:**

Street:

City/Town:

County: **Post Code:**

Country:

Premise No/Name: **Current:** ☐ **Type:**

Street:

City/Town:

County: **Post Code:**

Country:

Premise No/Name: **Current:** ☐ **Type:**

Street:

City/Town:

County: **Post Code:**

Country:

Information Type:

Unique Information Identifier:

Extra Information / Description

Information Type:

Unique Information Identifier:

Extra Information / Description

TRANSACTION DETAILS: (Complete if applicable)

MAIN SUBJECT ACCOUNT SUMMARY

Institution Name:

Account Name:

Sort Code:

Account No /Identifier:

Business Relationship Commenced: (DD-MMM-YYYY) - -

Business Relationship Finished: (DD-MMM-YYYY) - -

Acct Bal:

Bal Date: (DD-MMM-YYYY) - -

Turnover Period:

Credit Turnover:

Debit Turnover:

TRANSACTION/S

Activity Type:

Activity Date: (DD-MMM-YYYY) - -

Amount:

Currency:

Credit: ☐ or Debit: ☐

Other party name:

Account No/ Identifier:

Institution Name or Sort Code:

Activity Type:

Activity Date: (DD-MMM-YYYY) - -

Amount:

Currency:

Credit: ☐ or Debit: ☐

Other party name:

Account No/ Identifier:

Institution Name or Sort Code:

Activity Type:

Activity Date: (DD-MMM-YYYY) - -

Amount:

Currency:

Credit: ☐ or Debit: ☐

Other party name:

Account No/ Identifier:

Institution Name or Sort Code:

Activity Type:

Activity Date: (DD-MMM-YYYY) - -

Amount:

Currency:

Credit: ☐ or Debit: ☐

Other party name:

Account No/ Identifier:

Institution Name or Sort Code:

Main Subject Name:
(cross reference purposes)

Report Activity Assessment
(Please use only where you know or suspect what the offence behind the reported activity may be)

Drugs: ☐ Missing Trader, Inter Community (VAT) Fraud: ☐ Immigration: ☐ Tobacco/Alcohol Excise Fraud: ☐

Personal Tax Fraud: ☐ Corporate Tax Fraud: ☐ Other Offences:

Reason for Disclosure:

The UK's anti-money laundering regime

Kingsley Napley LLP is an internationally recognised full-service law firm with a market-leading financial crime practice. We offer a wide range of legal services and expertise meaning we can provide support for our clients in all areas of their business and private life. Acting for private clients, entrepreneurs, business owners and investors, nationally and internationally, we are known for combining creative solutions with legal excellence and commercial pragmatism as well as its integrity and experience in dealing with complex, often high-profile matters. Our practice areas are highly ranked by the legal directories along with many of our lawyers who are leaders of their field.

We have one of the largest criminal litigation practices in the UK and the UK's anti-money laundering regime is one of the toughest in the world. Clients benefit from our multidisciplinary and cross practice approach with us always looking to protect our client's best interests. We are known for our work on high profile and complex cases and for our ability to provide specialised and discrete advice. We pride ourselves on providing practical commercial advice and are experts in advising both organisations and individuals who find themselves caught in the fight against financial crime. From those accused of perpetrating "high-end" money laundering, to those suspected of facilitating it further along the laundering process, whether payments are electronic or cash-based or whether parties are knowingly or unwittingly involved, we can assist.

Creative United | KINGSLEY NAPLEY
WHEN IT MATTERS MOST

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