

## **ANTI-MONEY LAUNDERING POLICY AND PROCEDURES OF CAIRN DALE ACCOUNTING SOLUTIONS**

**Last Review Date: 24<sup>th</sup> December 2020**

**Next Review Date: 24<sup>th</sup> December 2021**

**Prepared by: Mrs. Julie Rundle**

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### **POLICY STATEMENT**

These are the Anti-Money Laundering (AML) Policy and Procedures adopted by Cairn Dale Accounting Solutions in compliance with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR). The business will actively prevent and take measures to guard against being used as a medium for money laundering activities and terrorism financing activities and any other activity that facilitated money laundering or the funding of terrorist or criminal activities.

Cairn Dale Accounting Solutions offer services of Bookkeeping, PAYE, Credit Control, Preparation of VAT Returns and Accounts Preparation.

To these ends:

- The identities of all new and existing clients will be verified to a reasonable level of certainty and if this is not possible, for a non-valid reason, the client will not be taken on. If the client moves address, or their form of ID expires, new documents will be asked for.
- A risk-based approach will be taken to the monitoring of client tax and accounting affairs
- Client Risk Assessments are regularly reviewed
- Any suspicious activity will be reported to the relevant authority
- Records required under MLR will be created and retained for at least 5 years
- Mrs. Julie Rundle will act as the Money Laundering Reporting Officer (MLRO) to coordinate the AML policies and procedures of the business and have received up to date training in AML
- Policies, procedures and business practice are reviewed at regular intervals

### **ANTI-MONEY LAUNDERING PROCEDURES FOR CAIRN DALE ACCOUNTING SOLUTIONS**

#### **1. CUSTOMER DUE DILIGENCE**

The purpose of Customer Due Diligence is to know and understand a client's identity and business activities so that any Money Laundering/Terrorist Finance risks can be properly managed. The purpose of this document is to establish clear procedures that will be carried out by this business to conduct and update checks of both potential and existing clients, so that their identity is verified and their business structures, services and arrangements are understood.

Customer due diligence and the requirement to provide verified personal information is a requirement under the MLR 2017 and is not prevented by information privacy legislation

The following documentation may be presented by the individual:

In Person

- Either a passport, driver's license, or government issued document featuring a matching photograph of the individual and a full name and date of birth, matching those provided.
- An original recent utility bill, or government issued document with the same and address matching those provided by the individual.

#### Not in Person

As in Person but additionally:

Any government issued document that provides the date of birth, NI or Tax number or other such government identifier.

- Other forms of identity confirmation, such as evidence of a long standing relationship with the client, or a letter of assurance from independent and reliable persons or organisations, who have dealt with the client for some time, may also provide a reasonable level of certainty.
- Video conferencing will be used if it is not possible to meet the client.

A Checklist has been prepared for this purpose and this will be used in every case to ensure all the relevant questions are covered.

The Checklist will also be used to make a record of the information provided by the client.

The range of documents required will depend on the type of client business, the services provided by the client and including the client's association or status as a Politically Exposed Person.

All completed Customer Due Diligence information checklists will be retained for 5 years even where no engagement ensues.

Only when approved by Mrs. Julie Rundle will a letter of engagement be sent to all clients. Where a client provides false information, any engagement will be declined. In the case of an existing client the engagement will be terminated and a disengagement letter will be sent. If the Customer Due Diligence process cannot be completed, then Cairn Dale will cease transactions and a SAR will be considered in these circumstances.

The Customer Due Diligence information checklist will be completed following an enquiry and once it is established the enquirer is a potential client.

Customer Due Diligence will be updated where there is a change in the client's circumstances or their Identity Documents provided have expired.

Engagement/Disengagement letters will be sent without delay.

All hard copy Client Due Diligence information will be stored in a named client file and kept locked in a filing cabinet in my premises.

All digital copies are kept on a password protected laptop with AntiVirus and VPS Protection.

It is the responsibility of Mrs. Julie Rundle to fully complete the information checklist and is responsible for assessing the requirement for additional identity material or further information. Mrs. Julie Rundle is responsible for ensuring validation of identities and necessary checks on client business structure, services or arrangements and is responsible for making sure that all engagement/disengagement letters are sent and copies kept.

Mrs. Julie Rundle will review Customer Due Diligence on file for each client at least once annually, or sooner if the Firm becomes aware of any significant changes affecting the Client or their business, using a risk based approach. These Procedures will be reviewed every two years to identify improvement.

## **2. RISK ASSESSMENT AND ONGOING MONITORING**

A Risk Assessment will be completed on all clients and all work will be monitored whilst preparing the books, or conducting any other business with the client.

The business will actively not accept high-risk clients that are identified as follows:

- Clients with businesses that handle complex unusually large transactions for their size of business.
- Clients with larger one-off transactions, or a number of transactions carried out by the same customer in a short space of time.
- Clients with complex business ownership structures with the potential to conceal underlying beneficiaries.
- Clients based in or conducting business in or through, a high-risk jurisdiction, or a jurisdiction with known higher levels of corruption, organised crime or drug production/distribution.
- Situations where the source of funds cannot be easily verified.
- Unusual patterns of transactions that have not apparent economic or visible lawful purpose.
- Money sent to or received from areas know to have high levels of criminality or terrorist activity.

The following are examples of changes in a client's situation that may be considered suspicious:

- A sudden increase in business from an existing customer;
- Uncharacteristic transaction which are not in keeping with the customer's known activities;
- Peaks of activity at particular locations or at particular time;
- Unfamiliar or untypical types of customer transaction.

Whenever there is cause for suspicion, the client will be asked to identify and verify the source or destination of the transactions, whether they be individuals or company beneficial owners.

No action need to be taken if there is no cause for suspicion.

## **3. EDD, SDD and PEP's**

Enhanced customer due diligence and monitoring (EDD) is required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) in any situation where there is a higher risk of money laundering or terrorist financing. It must also be carried out in certain prescribed situations. For example, where clients have unnecessarily complex or opaque business structures, the transactions are unusual or lack an obvious purpose, the client is not present, or the client is a politically exposed person (PEP). One other situation is where the business relationship or transaction is with a person established in a 'high-risk third country'. A Search will be done on the internet for Politically Exposed Persons. Simplified Due Diligence will be used where the risk of money laundering is low.

Cairn Dale Accounting Solutions is aware of the consolidated list of financial sanctions target issued by OFSI and is conscious that this is regularly updated. The list will be searched with clients for inclusion of any sanction, embargos or restrictions.

The firm is aware that at 11pm on 31 December 2020 the Sanctions and Anti-Money Laundering Act 2018 (Sanctions Act) came into force. The Sanctions Act replaces former EU sanctions related law with autonomous UK sanctions law.

As a UK Accountancy Service Provider (ASP) the firm is obliged to comply with the Sanctions Act. The Office of Financial Sanctions Implementation (OFSI), "The Office of Financial Sanctions Implementation (OFSI) helps to ensure that financial sanctions are properly understood, implemented and enforced in the United Kingdom." Is a key resource in the area of UK financial sanctions.

#### **4. INTERNAL CONTROLS AND COMMUNICATION**

Internal controls and Communication are not applicable as the business only has one employee involved in client compliance and they are also the MLRO.

The MLRO will also monitor any developments in the MLR and the requirements of the MLR supervisory body. Changes will be made to the AML policies and procedures of the business when appropriate to ensure compliance.

#### **5. SUSPICIOUS ACTIVITY REPORTING**

A Suspicious Activity Report (SAR) will be made to the National Crime Agency (NCA) as soon as the knowledge or suspicion that criminal proceeds exist arises.

The MLRO will be responsible for deciding whether or not the suspicion of illegal activity is great enough to justify the submission of a SAR.

Copies of any SAR, together with any supporting documentation filed will be maintained for 5 years from the date of filing the SAR.

#### **6. TRAINING**

The training of staff is not applicable as the business only has one employee involved in ML compliance who is also the MLRO. The MLRO will undergo regular training to be kept up to date.

#### **7. CONTINUITY OF PRACTICE**

In the case of disability to Julie Rundle, that business cannot carry on, or death, Mr. Terence Mark Rundle, brother, of 90 Par Lane, Par, Cornwall, PL24 2DP, has signed a written agreement that he will hand back all the client files, to clients within a month of the incident.

All clients files are kept on high security back up memory sticks and external hard drives, which are kept in a locked filing cabinet. All hard copies of documents are scanned to keep a digital copy on external hard drives of which one copy is kept at another address, in case of damage to Cairn Dale. My laptop has Bitdefender Security and VPN and has a password login.

In the case of alternative temporary or permanent premises being used and a replacement laptop being used, security and privacy will be maintained at an alternative address and other computer.

