

# Financial Crime and Anti-Money Laundering Policy

Where **JMP GROUP LIMITED** is governed by Legislation, Regulations and associated guidance, we will comply with these obligations and requirements. We will ensure all our staff adhere to these requirements relating to Anti Money Laundering (AML).

**All staff will read and ensure they understand and implement the following procedures. The failure of any staff member to adhere to this policy, may lead to disciplinary action. If you are unsure about any aspect of this Policy speak to your manager.**

## Financial Crime

The Financial Conduct Authority (FCA) states this as any kind of criminal conduct relating to money or to financial services or markets as:

- (a) Fraud or dishonesty; or
- (b) Misconduct in, or misuse of information relating to, a financial market; or
- (c) Handling the proceeds of crime; or
- (d) The financing of terrorism

## Money laundering

Is the act of hiding the original ownership of money that has been obtained through criminal activity, such as terrorism, corruption or fraud and then moved through legitimate businesses and sources to make it appear “clean”!

The three fundamental stages of Money Laundering

1. **Placement:** getting ‘illicit funds’ into the financial system.
2. **Layering:** using transactions of different types to help disguise the origins of the funds.
3. **Integration:** the completion of transactions that fully integrate the ‘illicit funds’ into the financial system which results in ‘clean’ (laundered) money. Select the image to see how some laundering schemes might work.

## Legislation, Regulation and Guidance

As required we operate under and comply with the applicable UK law, acts and regulation with regards to our Anti-Money Laundering policy and procedures:

### Legislation and Regulation (directly related to money laundering)

1. Proceeds of Crime Act 2002 (POCA)
2. Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Money Laundering Regulations 2017). [MLR]
3. Money laundering, terrorist financing (amendment) Regulations 2019 (MLR 2019)

### Guidance

1. The FCA Handbook (SYSC 3.2.6 and SYSC 6.6.1)
2. The Joint Money Laundering Steering Group (JMLSG)

## Policy Objectives

To prevent financial crime and money laundering within our business by:

- Ensuring all relevant staff have read and understood this policy
- Ensuring all staff remain vigilant for the signs of money laundering
- Ensuring the company will NOT accept Cash Deposits greater than €10,000\*
- Ensuring due diligence regarding customer identification by following the relevant operating instructions, whether that is of our business or any of our partner businesses
- Carrying out risk assessments and audits of all AML requirements and procedures as appropriate to our business
- Ensuring the reporting of any suspicions of money laundering to a company Director or Money Laundering Reporting Officer (MLO) where we have one
- The reporting to the National Crime Agency of any suspected/detected Money Laundering, when appropriate to do so
- Maintaining records of staff training and any suspicions/detection of Money Laundering
- Appointing an MLO if the business were required to be registered under the Money Laundering regulations

\*if cash deposits greater than €10,000 are to be taken the business will register under the Money Laundering Regulations and publish a revised Full Financial Crime Policy in accordance with MLR

## Customer Due Diligence (CDD)

There is a fundamental requirement to identify customers and verify their identity through CDD for individuals or businesses:

Identification which we can accept:

- Individuals; Drivers Licence, Passport, Bank Statement, Utility Bill
- Business; Director/Proprietor ID, Certificate of Incorporation, Company Registration Number & Registered Office, Utility Bill, Supplier Invoice, Bank Statement

Depending on the documents seen, one or more may be required and 3<sup>rd</sup> party verification may also be required.

Where a customer is using Consumer Credit with our partner Lender(s) we will follow their operating procedures regarding CDD in Identifying customers.

Due diligence checks are obligatory in the UK when a single transaction exceeds EUR15,000 or where doubt exists about the identity or reliability of the customer.

### Business transactions

- we must be satisfied we know who the beneficial owner of a business (a person who owns or controls more than 25% of the business, even indirectly).
- Where we have an ongoing business relationship there is a requirement to obtain information regarding the purpose of any transactions, and the source of any funds.

## Required Practice

## **Client Identification Procedures**

Customer Identity due diligence is carried out on all new customers.

## **Traceable Transactions**

All transactions carried out by the business are recorded in such a manner that their origin can be traced should the need arise.

## **Records Management**

All documents, accounts and transactions associated with all our sales will be retained as per the legal or statutory retention periods, which currently stands at 'Close of Account +5 Years'.

## **Reporting**

Where required, we will be monitoring all anti-money laundering

**This is important, as an article in The Independent reported that an estimated £100 billion of illicit funds passes through firms who are regulated under money laundering regulations each year.**