

# REGULATION AND COMPLAINTS

**SMITH  
PARTNERSHIP**  
SOLICITORS

1. My notarial practice is regulated through the Faculty Office of the Archbishop of Canterbury:

The Faculty Office  
1, The Sanctuary  
Westminster  
London  
SW1 3JT

**Email:** [Faculty.office@thesanctuary.com](mailto:Faculty.office@thesanctuary.com)

**Website:** [www.facultyoffice.org.uk](http://www.facultyoffice.org.uk)

2. If you are dissatisfied about the service you have received please do not hesitate to contact me.
3. If we are unable to resolve the matter you may then complain to the Notaries Society of which I am a member, who have a Complaints Procedure which is approved by the Faculty Office. This procedure is free to use and is designed to provide a quick resolution to any dispute.
4. In that case please write (but do not enclose any original documents) with full details of your complaint to:

The Secretary of The Notaries Society  
Old Church Chambers  
23 Sandhill Road  
St James  
Northampton NN5 5LH

**Tel:** 01604 758908

**Email:** [secretary@thenotariessociety.org.uk](mailto:secretary@thenotariessociety.org.uk)

If you have any difficulty in making a complaint in writing please do not hesitate to call the Notaries Society/the Faculty Office for assistance.

5. Finally, even if you have your complaint considered under the Notaries Society Approved Complaints Procedure, you may at the end of that procedure, or after a period of eight weeks from the date you first notified me that you were dissatisfied, make your complaint to the Legal Ombudsman, if you are not happy with the result:

Legal Ombudsman  
PO Box 6806  
Wolverhampton  
WV1 9WJ

**Tel:** 0300 555 0333

**email:** [enquiries@legalombudsman.org.uk](mailto:enquiries@legalombudsman.org.uk)

**website:** [www.legalombudsman.org.uk](http://www.legalombudsman.org.uk)

6. If you decide to make a complaint to the Legal Ombudsman you must refer your matter to the Legal Ombudsman within six months from the conclusion of the complaint process.

## Terms of Business

Darren Paul Perry  
Norman House  
Derby  
DE1 1NU

darren.perry@smithpartnership.co.uk

### TERMS OF BUSINESS

By asking me to continue assisting you it is agreed that you are happy with my terms of business.

### Person Responsible For Your Work

I will be solely responsible for dealing with your matter. I will explain any issues raised and keep you informed of progress.

I will give you an indication of the anticipated completion date in our meeting(s) but, generally, it will be within week from taking initial instructions from you. This may vary but I will advise you of any likely delay.

### Charges and Expenses

My charges are based on the time spent which may include meetings, travelling, considering, preparing and working on papers, correspondence, making and receiving telephone calls.

The charges in this matter are based upon my standard fee of £100.00 per document. But, in any event, I will discuss my fees with you before I undertake work on your behalf.

It may be necessary for your documentation to have an apostille affixed by the Foreign & Commonwealth Office or for the document to be legalised by a foreign consulate. If this is required I will explain the additional fees to you prior to incurring any additional fees on your behalf.

If I do not complete the work, we will charge you for the work we have done, but my total charge will not exceed the amount of time spent.

In that event my charges are calculated using an hourly rate which is generally reviewed on 1st April every year. My hourly rate is currently £210.00.

I will submit our bill as soon as the Notarial work has been completed, payment of my account will be required before the completed documents are released to you.

### Bills

I will send you a final bill for my charges and expenses at the conclusion of the matter. Payment is due before the documentation is released to you.

### Identification and disclosure Requirements

You are required to supply appropriate ID for yourself or anyone you represent. Failure to supply this will result in me being unable to act for you. However, I will not be liable for loss or delay arising from this.

### Termination

You may terminate your instructions to me in writing at anytime subject to the above. I may decide to stop acting for you with good reason, on reasonable notice, for example if you do not pay an interim bill or you consistently fail to give me proper instructions.

If either party decides that we I will no longer be acting for you, you will still be responsible for my charges on an hourly basis and expenses as set out earlier.

### Communication Between You and Us

I will communicate with you by such method as is agreed between us. Should this be by email, I may need to virus check discs or emails received from you, however, I cannot be responsible for the security of correspondence and documents sent by email or fax. Your particulars will be held on a confidential database operated by us.

Please note I value you and would not wish to think that you had reason to be unhappy with me. Consequently, it is important that you immediately raise any concerns you may have.

### Payments

Payments can be made to me by cash, cheque (supported by cheque card), Bankers Draft, Telegraphic Transfer, Credit/Debit Card or BACS Transfer.

For security and money laundering regulation reasons I will not accept cash payments in excess of £500 or payments from anyone other than you.

Please note cash should not be sent through the post.

### Limit of Indemnity

On all transactions I limit our liability to the minimum indemnity level of £3 million.

## Service Information

1. Unless I am away on holiday, I can usually arrange an appointment for you to see me within three working days.
2. If I am required to certify or attest your signature or certify a copy document, it can usually be done at the first appointment when payment of my fee will be expected.
3. If I am required to draft a document, such as an affidavit or change of name deed, I should usually be able to prepare a draft of the document within five working days of receipt of all the information.
4. If legalisation is required, an apostille can usually be obtained from the Foreign and Commonwealth office within five working days.
5. If consular legalisation is required (usually after an apostille) a time period should be added to that specified for obtaining an apostille. The additional time depends on the time which the particular consulate takes to deal with the document of which time you should be advised.
6. If legalisation of a degree certificate is required, my practice is usually to obtain verification of the degree, either from the University in question or from HEDD.ac.uk. The time which this takes depends on the response time of the University or HEDD.ac.uk.

## Data Protection

### DATA PROTECTION PRIVACY NOTICE

1. The business of **Darren Paul Perry – Notary Public of Norman House Friar Gate Derby DE1 1NU** ("Business", "we", "us", "our"). The Business is registered with the Information Commissioner's Office ("ICO") under number Z2864403.
2. If you have any questions about this privacy notice ("**Notice**"), please contact us by email to darren.perry@smithpartnership.co.uk.
3. The Business will process your and third parties' personal data, as further explained below, in the course of providing you with notarial and associated services ("**Services**").
4. We will let you know, by posting on our website, if we make any changes to this Notice from time to time. Your continued use of the Services after notifying such changes will amount to your acknowledgement of the amended Notice.
5. **PLEASE NOTE:** You shall and you hereby agree to indemnify the Business and its affiliates and their officers, employees, agents and subcontractors

(each an "**Indemnified Party**") from and against any claims, losses, demands, actions, liabilities, fines, penalties, reasonable expenses, damages and settlement amounts (including reasonable legal fees and costs) incurred by any Indemnified Party arising out of or in connection with any breach by you of the warranties included in paragraph 9.

### What is Personal Data?

6. "**Personal data**" means any information relating to an identified or identifiable natural person, known as 'data subject', who can be identified directly or indirectly; it may include name, address, email address, phone number, IP address, location data, cookies and similar information. It may also include "**special categories of personal data**" such as racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a data subject, data concerning health or data concerning a natural person's sex life or sexual orientation.
7. The Business may process personal data and special categories of personal data which you provide in connection with the Services about yourself and other data subjects, e.g. individuals whose details are included in any materials provided by you to the Business. The Business may obtain information about you and other data subjects from third party service providers, such as due diligence platforms. If you use our online Services, the Business may collect information about your devices including clickstream data.
8. The provision of certain personal data is mandatory in order for the Business to comply with mandatory client due diligence requirements and consequently to provide the Services. You warrant on a continuous basis that such personal data is accurate, complete and up to date. Failure to comply may result in documents being rejected by the relevant certification authorities, held invalid in the destination country or other difficulty to successfully completing the Services.
9. In relation to personal data of data subjects you warrant to the Business on a continuous basis that:
  - (a) where applicable, you are authorised to share such personal data with the Business in connection with the Services and that wherever another data subject is referred to, you have obtained the explicit and demonstrable consent from all relevant data subjects to the inclusion and use of any personal data concerning them;

- (b) to the extent this is required in connection with the Services, such personal data is accurate, complete and up to date; and
- (c) either you provide your explicit consent and warrant that each data subject has provided explicit consent for the transfer of personal data to foreign organisations in connection with the Services as set out at paragraph 18, or that an alternative legal gateway for such transfer (such as transfer necessary for the conclusion or performance of a contract concluded in the interest of the data subject) has been satisfied.

### How do we use your personal data?

10. The Business will only process personal data, in accordance with applicable law, for the following purposes:
- (a) **responding to your queries, requests and other communications;**
  - (b) **providing the Services**, including, where applicable, procuring acts from foreign organisations;
  - (c) **enabling suppliers and service providers to carry out certain functions on behalf of the Business in order to provide the Services**, including webhosting, data storage, identity verification, technical, logistical, courier or other functions, as applicable;
  - (d) **ensuring the security of the Business and preventing or detecting fraud;**
  - (e) **administering our Business**, including complaints resolution, troubleshooting of our website, data analysis, testing of new features, research, statistical and survey purposes;
  - (f) **developing and improving our Services;**
  - (g) **complying with applicable law**, including Notary Practice Rules, guidelines and regulations or in response to a lawful request from a court or regulatory body.

The legal basis for our processing of personal data for the purposes described above will typically include:

- processing necessary to fulfil a contract that we have in place with you or other data subjects, such as processing for the purposes set out in paragraphs (a), (b), (c) and (d);
- your consent, such as processing for the purposes set out in paragraph (e);
- processing necessary for our or a third party's legitimate interests, such as processing for the purposes set out in paragraphs (a), (b), (c), (f),

(g) and (h), which is carried out on the basis of the legitimate interests of the Business to ensure that Services are properly provided, the security of the Business and its clients and the proper administration of the Business; and

- processing necessary for compliance with a legal obligation to which we are subject, such as processing for the purposes set out in paragraph (i), and
- any other applicable legal grounds for processing from time to time.

### Disclosure of personal data

11. There are circumstances where the Business may wish to disclose or is compelled to disclose your personal data to third parties. These scenarios include disclosure to:
- **our subsidiaries** or associated offices;
  - **our suppliers and service providers** to facilitate the provision of the Services, including couriers, translators, IT consultants and legalisation and other handling agents, webhosting providers, identity verification partners (in order to verify your identity against public databases), consultants, for example, in order to protect the security or integrity of our business, including our databases and systems and for business continuity reasons;
  - **public authorities** to carry out acts which are necessary in connection with the Services, such as the Foreign Office;
  - **foreign organisations** to carry out acts which are necessary in connection with the Services, such as Embassies, Consulates and High Commissions;
  - **professional organisations** exercising certain public, governance and archiving functions in relation to the notaries profession, such as Chambers of Commerce, The Notaries Society and the Faculty Office;
  - subject to your consent, our **advertising and marketing partners** who enable us, for example, to deliver personalised ads to your devices or who may contact you by post, email, telephone, SMS or by other means;
  - **successor or partner legal entities**, on a temporary or permanent basis, for the purposes of a joint venture, collaboration, financing, sale, merger, reorganisation, change of legal form, dissolution or similar event relating to a Business. In the case of a merger or sale, your personal data will be permanently transferred to a successor company;

- **public authorities** where we are required by law to do so; and
- **any other third party** where you have provided your consent.

### International transfer of your personal data

12. We may transfer your personal data to a third party in countries outside the country in which it was originally collected for further processing in accordance with the purposes set out above. In particular, your personal data may be transferred to foreign organisations such as foreign Embassies located in the UK or abroad. Such organisations will process personal data in accordance with the laws to which they are subject and international treaties over which the Business has no control.
13. If the Business transfers personal data to private organisations abroad, such as subcontractors, it will, as required by applicable law, ensure that your privacy rights are adequately protected by appropriate technical, organisation, contractual or other lawful means. You may contact us for a copy of such safeguards in these circumstances.

### Retention of personal data

14. Your personal data will be retained for as long as is reasonably necessary for the purposes listed above or as required by the law. For example, the Notaries Practice Rules require that that notarial acts in the public form shall be preserved permanently. Records of acts not in public form shall be preserved for a minimum period of 12 years. Please contact us for further details of applicable retention periods. Personal data may for reasons of security and convenience be stored on remote data facilities but in an encrypted form.

### Security of personal data

15. The Business will implement technical and organisational security measures in order to prevent unauthorised access to your personal data.
16. However, please be aware that the transmission of information via the internet is never completely secure. Whilst we can do our best to keep our own systems secure, we do not have full control over all processes involved in, for example, your use of our website or sending confidential materials to us via email, and we cannot therefore guarantee the security of your information transmitted to us on the web.

### Data subject rights

17. Data subjects have numerous rights in relation to their personal data. For further information about your data protection rights please visit the ICO website.
- **Right to make a subject access request (SAR).** Data subjects may request in writing copies of their personal data. However, compliance with such requests is subject to certain limitations and exemptions and the rights of other data subjects. Each request should make clear that a SAR is being made. You may also be required to submit a proof of your identity and payment, where applicable.
  - **Right to rectification.** Data subjects may request that we rectify any inaccurate or incomplete personal data.
  - **Right to withdraw consent.** Data subjects may at any time withdraw their consent to the processing of their personal data carried out by the Business on the basis of previous consent. Such withdrawal will not affect the lawfulness of processing based on previous consent.
  - **Right to object to processing, including automated processing and profiling.** The Business does not make automated decisions. Profiling may be carried out for Business administration purposes, such as monitoring trends in user visits of our website, and in order to deliver targeted ads. The Business may use third party due diligence platforms which provide recommendations about data subjects by automated means. We will comply with any data subject's objection to processing unless we have a compelling overriding legitimate ground for the processing, the processing is for the establishment, exercise or defence of legal claims or we have another lawful reason to refuse such request. We will comply with each valid opt-out request in relation to marketing communications.
  - **Right to erasure.** Data subjects may request that we erase their personal data. We will comply, unless there is a lawful reason for not doing so. For example, there may be an overriding legitimate ground for keeping the personal data, such as, our archiving obligations that we have to comply with.
  - **Restriction.** Data subjects may request that we restrict our processing of their personal data in various circumstances. We will comply, unless there is a lawful reason for not doing so, such as, a legal obligation to continue processing your personal data in a certain way.
  - **Right to data portability.** In certain circumstances, data subjects may request the controller to provide

a copy of their personal data in a structured, commonly used and machine readable format and have it transferred to another provider of the same or similar services. To the extent such right applies to the Services, we will comply with such transfer request. Please note that a transfer to another provider does not imply erasure of the data subject's personal data which may still be required for legitimate and lawful purposes.

- **Right to lodge a complaint with the supervisory authority.** We suggest that data subjects contact us about any questions or complaints in relation to how we process personal data. However, each data subject has the right to contact the relevant supervisory authority directly.

## LEGAL NOTICE

The following information is provided in accordance with The Electronic Commerce (EC Directive) Regulations 2002 para 6.–(f) (f)

1. I am a member of the Notaries Society, the representative body for notaries in England and Wales.
2. I am regulated by the Faculty Office.
3. The applicable professional rules are the Notaries Practice Rules 2014 (as amended July 2017)

## Anti Money Laundering Policy

### Glossary:

AML Anti–Money Laundering

CDD Client Due Diligence

### Criminal Conduct for the purposes of POCA

Conduct that constitutes an offence in any part of the UK or conduct outside of the UK that would constitute a criminal offence in the UK attracting a maximum sentence of more than 12 months' imprisonment.

### Criminal Property for the purposes of POCA

property that constitutes or represents a person's benefit in whole or in part from criminal conduct whether directly or indirectly. All crimes are covered and there is no de minimis

CTF Counter–Terrorist Financing

EC European Commission

EDD Enhanced Due Diligence

## Legal Sector Guidance

Legal Sector Affinity Group Anti–Money Laundering Guidance for the Legal Sector, dated March 2018

MLR The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

NCA National Crime Agency

### Nominated Officer

Individual responsible for compliance with the MLR, also known as MLRO

### PEP

A politically exposed person, an individual who is entrusted with a prominent public function. Includes family members, known close associates of a PEP and PEPs in the UK

POCA The Proceeds of Crime Act 2002 (as amended)

RDD Regular Due Diligence

SAR Suspicious Activity Report to the NCA

SDD Simplified Due Diligence

TA The Terrorism Act 2000

## 1 Introduction

- 1.1 This policy contains the procedures I have adopted to comply with my obligations under the MLR.

## 2 Definition of money laundering and terrorist financing

- 2.1 Money laundering is the process through which the origin of the proceeds of crime is changed so that the proceeds appear to be legitimate.
- 2.2 Terrorist financing is providing or collecting funds to be used to carry out an act of terrorism.

## 3 The role of a Notary in the AML and CTF regime

- 3.1 A Notary Public is an independent legal professional for the purposes of the AML and CTF regimes.
- 3.2 As a Notary Public, I have obligations under the AML and CTF regimes to spot and report money laundering and terrorist financing. Failure to meet these obligations can lead to criminal penalties, substantial fines and damage to my reputation.

## 4 The stages of Money Laundering.

**Placement**–placing criminal property into the financial system

**Layering**—moving money that has been placed in the financial system to obscure its origin

**Integration**—the money ultimately reappears in the financial system as legitimate funds

My notarial practice is at greatest risk of becoming involved in the layering stage but could be involved in any stage.

## 5 Red Flags

- 5.1 I am alert to the warning signs of money laundering and terrorist financing and I am obliged to make the sort of enquiries that a reasonable person with the same qualifications, knowledge and experience as I would make.
- 5.2 Typical signs (Red Flags) of money laundering and terrorist financing can be:
  - 5.2.1 obstructive or secretive clients
  - 5.2.2 clients who do not appear to be running the transaction
  - 5.2.3 corporate clients that I can't find online or that use free email addresses
  - 5.2.4 clients who have unusual knowledge of the AML and CTF regime
  - 5.2.5 clients based a long way from me with no apparent reason for instructing me
  - 5.2.6 clients who provided false or stolen identification documentation
  - 5.2.7 clients or instructions involving high-risk third countries—which means a country that has been identified by the EC as high-risk. The EC formally adopted a list of high-risk third countries in 2016, contained in Commission Delegated Regulation (EU) 2016/1675
  - 5.2.8 corporate clients with unusual or excessively complex structures
  - 5.2.9 long-term clients that start making requests that are out of character
  - 5.2.10 clients who request arrangements that do not make commercial sense
  - 5.2.11 client who have criminal associations
  - 5.2.12 instructions that change for no logical reason
  - 5.2.13 clients who want to pay me higher fees than usual

## 6 Money laundering offences under POCA

- 6.1 The principal offences – Carry a maximum penalty of 14 years' imprisonment, a fine or both.

### 6.1.1 POCA section 327

An offence is committed if someone conceals, disguises, converts, transfers, or removes from the UK criminal property. This includes concealing or disguising its nature, source, location, disposition, movement, or ownership or any rights with respect to it.

### 6.1.2 POCA section 328

An offence is committed if someone enters into or becomes concerned in an arrangement which they know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another

### 6.1.3 POCA section 329

An offence will be committed if someone acquires, uses, or has possession of criminal property.

### 6.2 Tipping-off and prejudicing an investigation

- 6.2.1 An offence will be committed if someone discloses that they, or anyone else has made a SAR to the NCA of information which came to them in the course of business, and that disclosure is likely to prejudice any investigation that might be conducted.
- 6.2.2 The offence of prejudicing an investigation will be committed if someone discloses that an investigation is being contemplated or carried out and that disclosure is likely to prejudice that investigation.

## 7 Terrorist financing offences

- 7.1 The TA introduces offences similar to those contained in POCA, for example, the offences of fundraising, use or possession, and tipping-off.

## 8 MLR

- 8.1 The MLR require me to introduce systems and controls to combat money laundering and terrorist financing. They apply to notaries in relation to certain types of work only. Failure to comply with the MLR can carry a maximum penalty of two years' imprisonment, a fine or both.

## 9 Reporting suspicions – a SAR

- 9.1 POCA and TA impose obligations to report knowledge or suspicion of money laundering or terrorist financing by way of a SAR.

## 9.2 Knowledge and Suspicion

'Knowledge' under POCA means actual knowledge.

'Suspicion' is a possibility which is more than fanciful. A vague feeling of unease will not suffice. There is no requirement for the suspicion to be clear or firmly grounded on specific facts, but there must be a belief which is beyond mere speculation. The test for whether you hold a suspicion is generally subjective, but there is an objective element to the test, ie would a reasonable person, with the same knowledge, experience and information, have formed a suspicion.

- 9.3 After a SAR has been lodged with the NCA they have seven working days following receipt to decide whether to give consent. If they give consent, or do not refuse consent, I have a defence to a principal money laundering or terrorist financing offence so I can continue to act within the limits of the consent requested. If the NCA refuse consent they have a further 31 days to take action. If I hear nothing within this period, I am deemed to have consent. In exceptional circumstances the NCA may apply to court to extend the period for further 31-day periods, up to a maximum of 186 days over the original 31 days.

## 10 CDD

- 10.1 CDD is required when I am instructed to act on the types of transaction listed in Regulation 12 of the MLR (which I have set out below in subclauses numbered 10.1.1 – 10.1.5) and the exemptions set out in the Legal Sector Guidance do not apply:
- 10.1.1 The buying and selling of real property or business entities;
  - 10.1.2 The managing of client money, securities or other assets;
  - 10.1.3 The opening of management of bank, savings or securities accounts;
  - 10.1.4 The organisation of contributions necessary for the creation, operation or management of companies;
  - 10.1.5 The creation, operation or management of trusts, companies or similar structures.
- 10.2 The Legal Sector Guidance, which is approved by HM Treasury, states that the MLR do not apply to work undertaken by a notary as a public certifying officer where he or she has no substantive role in the underlying transaction. As such, the MLR do not apply to many aspects of my practice, including the taking of affidavits and declarations, protests, translating, certifying the

execution of documents and authentication work in general. Although the MLR will not apply to work of that nature, as I offer notarial services, I am still subject to obligations under the Notaries Practice Rules and Code of Practice positively to identify appearing parties and to keep records of the method of identification employed. I will determine with each new instruction whether the MLR will apply and will undertake CDD as required.

- 10.3 There are four components of CDD:

- 10.3.1 identifying and verifying the client's identity
- 10.3.2 identifying the beneficial owner where this is not the client
- 10.3.3 obtaining details of the purpose and intended nature of the business relationship
- 10.3.4 to conduct ongoing monitoring of business relationships with my clients.

- 10.4 There are three levels of CDD:

- 10.4.1 simplified due diligence (SDD)
- 10.4.2 enhanced due diligence (EDD)
- 10.4.3 regular due diligence (RDD)

- 10.5 Beneficial owners

Where the client is beneficially owned by another person, I take reasonable measures to verify the identity of the beneficial owner so that I am satisfied that I know who they are, and if the beneficial owner is a trust, company, foundation or similar entity, I take reasonable measures to understand the ownership and control structure of that entity

- 10.6 Person acting on the client's behalf

Where a person is purporting to act on behalf of the client, I verify that they are authorised to act on the client's behalf, identify them, and verify their identity on the basis of documents or information obtained from a reliable independent source.

- 10.7 I conduct CDD, if required:

- 10.7.1 when I establish a business relationship with a client
- 10.7.2 when I carry out an occasional transaction for a client
- 10.7.3 when I suspect money laundering or terrorist financing
- 10.7.4 when I doubt the authenticity or adequacy of documents or information previously obtained for the purposes of identification or verification
- 10.7.5 where the client has not been in regular contact for three years or more



10.7.6 in relation to existing clients, when their circumstances change.

10.8 I determine the extent of my CDD measures on a risk-sensitive basis, depending on the type of client, business relationship and the matter. I must also be able to demonstrate to the Faculty Office, my supervisory body, that the extent of my CDD measures are appropriate in view of the risks of money laundering and terrorist financing identified in my firm-wide risk assessment and as identified by the Faculty Office.

10.9 If I am not acting as a public certifying officer and the instructions fall within the list of transaction types set out in Regulation 12 of the MLR, I start by assessing the risk of money laundering or terrorist financing posed by the specific client and I decide the necessary level of CDD for the client itself.

10.10 I then go on to consider the risks associated with the business relationship, including the service, transaction, delivery channel risks, geographical risks and I take into account risks attached to certain sectors identified as being subject to an increased risk of corruption, for example, construction, mining and arms' manufacturing

10.11 I do not usually conduct the full CDD process for each new matter I open for an existing client. On those occasions, I consider the instructions I typically receive from the existing client and the type of work I'm being asked to do for the client in this instance. If the instructions have changed from the usual instructions I receive from that client, I start again from the beginning and re-assess the risk presented by the business relationship with that client.

10.12 Once I have completed my risk assessment, I decide what level of CDD to apply and what information and documentation I need from the client or from independent sources.

10.13 Sometimes clients are unable to provide standard verification documents, but if that is consistent with the client's profile and circumstances and I am not suspicious I consider accepting other forms of documentation from that client.

## 11 CDD records

I keep a copy of my risk analysis form and the supporting records. The documents are retained in line with my document retention policy.

## 12 CDD—different levels of CDD

### 12.1 Simplified due diligence (SDD)

SDD is a downwards adjustment of the level of measures I can take to comply with CDD requirements where the business relationship or transaction presents a low risk of money laundering or terrorist financing. I have to take into account my firm-wide risk assessment, information provided by the Faculty Office and the risk factors set out in the MLR.

### 12.2 Enhanced due diligence

EDD is high-level measures required to mitigate the increased risk presented by certain clients and certain transactions. I apply EDD measures and enhanced ongoing monitoring in any case identified as presenting a high risk of money laundering or terrorist financing in my firm-wide risk assessment or by the Faculty Office, in any transaction with a person based in a high-risk third country, where the client is a PEP, where a client has provided false or stolen identification documentation and where I do not meet my client.

I use internet search engines to determine whether a client or its beneficial owner is a PEP.

For transactions involving PEPs I:

12.2.1 consider whether there are any warning signs of corruption,

12.2.2 consider whether there is any evidence that government or state funds are being used inappropriately

12.2.3 take adequate measures to establish the source of wealth and the source of funds which are involved in the proposed business relationship or transaction

12.2.4 conduct enhanced ongoing monitoring of that client For all other (non-PEP) high-risk clients I:

12.2.5 as far as I can, examine the background and purpose of the transaction

12.2.6 increase ongoing monitoring

12.2.7 seek additional independent, reliable sources to verify information provided by the client

12.2.8 take additional measures to understand the background, ownership and financial situation of the client and other parties to the transaction

12.2.9 increase the monitoring of the business relationship.

### 12.3 Regular due diligence (RDD)

I apply RDD when SDD and EDD are not appropriate.

### 13 CDD—beneficial owners

- 13.1 Where the client is beneficially owned by another person, I:
  - 13.1.1 I identify the beneficial owner and take reasonable measures to verify their identity and
  - 13.1.2 if the beneficial owner is a trust, company, foundation or similar entity arrangement, take reasonable measures to understand the ownership and control structure of that entity
  - 13.1.3 I obtain at least their name and record any other identifying details which are readily available or ask my client for the information. I assess the verification I need, taking into account the client's risk profile, any business structures involved and the proposed transaction.

### 14 CDD—source of funds

- 14.1.1 Scrutinising the source of funds is more than asking for the money to come from a bank account in the clients' name. I focus on understanding how the client can legitimately fund the transaction.
- 14.1.2 If I have any concerns about the source of funds, I consider whether I need to submit a SAR.

### 15 Where I cannot conclude the CDD exercise

- 15.1 do not carry out a transaction through a bank account with the client or on their behalf
- 15.2 do not establish a business relationship or carry out an occasional transaction with the client
- 15.3 terminate any existing business relationship with the client
- 15.4 do not accept or return funds from the client or on the client's behalf
- 15.5 consider whether a SAR is required

### 16 CDD—Reliance

- 16.1 The MLR allow me to rely on a third party for the required CDD measures, however:
  - 16.1.1 they are very specific about exactly who I can and cannot rely on
  - 16.1.2 I remain liable for any failure in the third parties' application of those measures
  - 16.1.3 I am required to obtain from the third party all the information needed to satisfy CDD requirements and enter into written arrangements with that third party which enable me to obtain copies of any relevant documents and require the third party to retain those documents

- 16.2 The provisions work both ways and I can be relied on by other companies to perform CDD measures on a mutual client. However, agreeing to reliance is a serious matter. Any such requests from other companies are considered carefully. In many instances, my client is not the same client as theirs in the transaction, and my position as a public certifying officer may mean that the MLR do not apply to my role in the transaction and I have not been obliged to collect the information required to satisfy CDD.

### 17 CDD—ongoing monitoring

- 17.1 Ongoing monitoring must be performed on all matters in order to detect unusual or suspicious transactions. I conduct ongoing monitoring by keeping in regular contact with my clients and I revisit the CDD I hold on them every three years.

### 18 Payment of fees and receipt of transaction funds from a third party

- 18.1 Where I cannot verify the source of the funds for a transaction or where there does not appear to be a legitimate reason for a third party to be paying, this may be a warning sign of money laundering or terrorist financing.
- 18.2 If the funds for a transaction or for my fees are coming from a third party, I check that the funds are coming from a legitimate source for legitimate reasons.

### 19 Cash payments

I note that payments of my legal fees are exempt from the provisions of the MLR in the Legal Sector Guidance. I have a policy of never accepting cash in relation to a transaction, save in relation to my fees.

### 20 Monitoring and reviewing this policy

I will review this policy annually and more frequently if there are any major changes in the law or if there are changes in the nature of my practice which impact on this policy.

**Darren Paul Perry**

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Next review date: 07/10/19 (or after Brexit)