



H & M Accountancy Solutions

AML Policies and Procedures Document

Approved by the Partners on 29th September 2020

Last Updated 29/09/2020



1. Introduction and Policy Statement

Regulation 19 of The Money Laundering Regulations 2017 require supervised firms to "establish and maintain policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified in any risk assessment undertaken by the relevant person under regulation 18(1)".

H & M Accountancy Solutions is committed to adherence to the UK legislation enacted to combat money laundering and to the prevention of criminals from being able to use this firm to help them launder money, or to finance terrorism. References to money laundering (ML) in this document should be taken to mean Money laundering or Terrorist Financing (ML/TF).

UK Legislation enacted to combat money laundering is as follows: -

- The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (SI 2017 No. 692).
- The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015).
- The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007).
- The Criminal Finances Act 2017

We understand that these policies and procedures are to be read with and should operate alongside the guidance provided in the AML Guidance for the Accountancy Sector.

The UK courts must have regard to this approved guidance in deciding whether businesses or individuals affected by it have committed an offence under MLR 2017 or Sections 330-331 Proceeds of Crime Act (as amended). It is therefore important that everyone working in this practice is familiar with this.

This document and the guidance set out are applicable to all clients taken on by this practice and applied as required throughout the business relationship and afterwards.

2. Risk Based Approach

Adopting a risk-based approach implies the adoption of a risk-management process for dealing with ML and TF.

This encompasses:

- recognising the existence of the risks
- undertaking an assessment of the risks
- developing control strategies to mitigate and monitor the identified risks

Note: procedures must be based on assessed risk, with higher risk areas subject to enhanced control procedures.

The ML/TF risk assessment for this firm is available separately and this document takes into account the risks identified in relation to this firm.

The policies and procedures set out below and included in this document aim to manage and mitigate ML risk. Resources are dedicated to areas of greatest risk.

3. Client Acceptance Criteria

Prior to accepting any client, a meeting will take place between the client and a partner of H & M Accountancy Solutions. During this meeting, a new client application form will be completed by the client. This will include the presentation of two forms of ID consisting of either a UK Passport or Driving License, together with a recent utility bill as proof of address. If the client is a limited company, a certificate of incorporation will also be required by us and a list of all shareholders and directors. This form will provide us with all of the necessary information to be able to identify the client and it's (his/hers) business activities. We shall use this information to establish whether all information has been disclosed including but not limited to limited company directorship appointments, shareholdings and other business interests. Once we are satisfied that the client has disclosed all business interests to us, we will then send a letter of clearance to their existing accountants where applicable to ensure there are no professional reasons why we should not accept the appointment. Once this is in place, we shall then contact HMRC to request for authority to be granted by the client to act on their behalf.



4. Client Due Diligence ("CDD") and Enhanced Due Diligence ("EDD")

CDD and, in some cases, EDD shall be performed.

As part of the due diligence procedure, the client(s) together with and ultimate beneficial owner(s) of business clients/trusts **must** be checked against the following lists:

- Financial sanctions lists
- lists of organisations and individuals subject to financial sanctions can be accessed on the Treasury website <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>.
- the Home Office's proscribed terrorist groups or organisations <https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>

Where clients are based overseas and outside the EU, the procedure is that the lists of high risk third countries must be consulted to determine if the client is resident in any of the relevant countries. These lists are as follows:

- Countries identified by [Financial Action Task Force](#) as being high-risk jurisdictions
- [European Union's High Risk Third Country List](#), amended in [March 2017](#) and [October 2017](#) In addition a new list was adopted on 13th February 2019 and the relevant details can be accessed [here](#).

As part of the CDD process we are aware of the need to identify and scrutinise:

- (i) any case where—
 - (aa) a transaction is complex and unusually large, or there is an unusual pattern of transactions, and
 - (bb) the transaction or transactions have no apparent economic or legal purpose, and
- (ii) any other activity or situation which I regard as particularly likely by its nature to be related to money laundering or terrorist financing;

We are also aware of the need to take additional CDD/EDD monitoring measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions which might favour anonymity. All staff employed must bring to the attention of the MLRO, Andrew Hart details which they come across of transactions or arrangements of the pattern outlined or any new ML/TF risks they identify in the business. Any unusual transactions will be reviewed by the Partner and further information will be requested from the client.

Throughout, the preparation of financial statements and meetings with the client, the partner will investigate any unusual transaction and furthermore, conduct a financial affordability review of the client. This will determine whether the client's assets as sustainable based upon their income.

5. Ongoing Monitoring

Client due diligence, periodic reviews and risk assessments should be conducted on an ongoing basis as mentioned in 4. above and any additional information identified should be dealt with and further information obtained from clients where necessary.

A note of the review and the results, such as an updated risk rating, should be indicated on the client files for review with the client and where applicable, statutory body.

6. Internal Controls and Communication

We as owners of the business control both ML and TF risk in accordance with this policies and associated procedures document which are communicated to all staff through staff meetings and email exchanges on a regular basis. All staff are required to acknowledge receipt of the policies and procedures document and to confirm that they have read it and will adhere to it.



7. Record Keeping

Record keeping shall be undertaken in accordance with the requirements of MLR 2017.

Records of CDD/EDD are kept on individual client files, electronically. Record retention is agreed with clients through the engagement letter in place between the firm and that client and/or our privacy notice.

Records can be identified for destruction after the statutory or longer agreed period by reference to spreadsheet, identifying those records that have been destroyed.

8. Reporting – Declaration

It is a requirement that where H & M Accountancy Solutions knows or suspect (or has reasonable grounds for knowing or suspecting) that a person is engaged in money laundering or terrorist financing as a result of information received in the course of the business or otherwise through carrying on that business then they must comply with:

- i. Part 3 of the Terrorism Act 2000(a); or
- ii. Part 7 of the Proceeds of Crime Act 2002(b); and make a Suspicious Activity Report.

This will be considered by H & M Accountancy.

Reports should be made to the NCA online and the relevant link providing advice on the SAR online system is:

[https://www.ukciu.gov.uk/\(pti1v145322oty55ufu1b43u\)/SARonline.aspx](https://www.ukciu.gov.uk/(pti1v145322oty55ufu1b43u)/SARonline.aspx)

All staff must report, every instance where they have knowledge or suspicion of ML/TF to report this matter, to Andrew Hart without delay.

This should be done by using the Internal Money Laundering Report Form available to all to staff.

Note: for security reasons reports must be made in writing by using the internal form and must not be emailed but hand delivered directly to the MLRO.

An email acknowledgement of receipt of the form will be provided by the MLRO to the member of staff. This should provide minimal information about the incident reported for security reasons]

Under no circumstances should the client or any of their representatives be advised that a report has been considered internally or that a suspicious activity report (SAR) has been made by the MLRO.

9. Training

It is a requirement of MLR 2017 that regular AML/CTF Training is undertaken and that a written record of the training delivered is maintained.

Arrangements for training are conducted on an annual basis by Andrew Hart. These shall be recorded under our policies record files.

Andrew Hart
H & M Accountancy Solutions
Date 29/09/2020