

Our business is based on mutual trust with our clients. Due to the transactional nature of the services we provide, just like lawyers, accountants and financial services firms, all estate agents and estate agent advisers are required by law to carry out Know Your Customer (KYC) checks. These checks serve to ensure that we comply with our legal obligations and help regulators to ensure that the industry is not misused to facilitate money laundering or the financing of criminal activities.

In the majority of cases these checks will simply involve us formally confirming your identity. Where you are buying or selling property, we will also require documentation confirming your source of funds or proof of ownership of the property, respectively. If you live abroad or use corporate structures to hold property assets, further documentation will be required to identify the individuals who will ultimately benefit from the transaction.

These requirements are applied universally across the sector in the UK and our processes comply with the relevant legislation. We apply them to every client who uses our services. We will never ask for more information than is required and all the information that you provide will be held in the strictest confidence.

The following FAQs explain why we need to complete KYC checks. Should you have any concerns or questions then please speak with us.

## FREQUENTLY ASKED QUESTIONS

### 1 WHAT ARE THE REGULATORY REQUIREMENTS PLACED UPON ESTATE AGENTS?

All estate agents in the UK are required to comply with a number of laws designed to prevent illicit funds passing through the UK. These include the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006 and the Money Laundering Regulations 2017.

Property transactions are seen by the UK Government and crime agencies as posing a particularly significant money laundering threat. As such, the Money Laundering Regulations 2017 require estate agents to understand and verify exactly who their customers are and have evidence that they have completed KYC checks. Should an estate agent become suspicious of a prospective client or existing client's activities, it must report this to National Crime Agency.

We take our anti-money laundering responsibilities very seriously and believe that the laws governing the UK property industry are critical tools in the fight against organised crime and terrorist financing. If we did not complete KYC checks we would undermine our corporate responsibilities and also place ourselves and you at risk of prosecution.

# KNOW YOUR CUSTOMER CHECKS

## 2 WHY DO HOLDENCOPLEY ASK THEIR CLIENTS TO PROVIDE INFORMATION ABOUT THEMSELVES OR THE BUSINESSES THEY REPRESENT?

Estate agents in the UK are required to comply with, amongst other things, the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006 and the Money Laundering Regulations 2017. These place various obligations upon estate agents, with one of the key requirements being to undertake KYC checks to verify the identities of their clients. For corporate clients these checks will need to be extended to enable us to identify the Ultimate Beneficial Owner and/or those who have ultimate executive control..

## 3 WHAT INFORMATION WILL YOU REQUEST AND WHAT CHECKS WILL YOU NEED TO DO?

### Parties representing themselves

Where you are representing yourself and:

- Wish to sell a property that you directly or jointly own;
- Are considering buying a property from one of our selling clients;
- Are seeking advice from us on a particular purchase;

We will ask you to provide us with documentation confirming your identity and your primary residential address.

Where you wish to sell your property we will complete Land Registry checks to verify that you are the legal owner of that interest and have the right to do so.

Where you wish to buy a property from one of our clients, or where you want us to advise you on a particular purchase, we will also need information clarifying the origin of the funds being used to complete the transaction.

If you are currently not a resident in the UK we may require further information from you.

### Clients using Corporate Vehicles and Trust structures, Not for Profit Organisations and Investment Funds

The extent of information and checks undertaken on corporates, trusts, not for profit organisations and investment funds depends on the perceived money laundering risks associated with a given structure, jurisdictions used, or nature of business activity underpinning the entity.

For all cases, irrespective of the structure used, you will be required to provide documentation to enable us to evidence the identity of the individuals who ultimately benefit, or will benefit, from owning the asset.

## **4** CAN YOU RELY ON KYC INFORMATION PROVIDED TO MY OTHER PROFESSIONAL ADVISERS?

No. As HoldenCopley is ultimately responsible in law for ensuring that the KYC checks have been undertaken properly and comprehensively we undertake our own checks. However, if you have already provided the documentation that we require to a third party professional adviser (i.e. solicitors or banks), you can request that they forward this to us for use in our files. This does not mean that we will not ask you for further information, but it may save you replication of effort.

## **5** HOW WILL YOU USE MY INFORMATION?

Your information will be used for the sole purpose of completing our KYC checks in order to meet our legal obligations.

Your information will be held confidentially and will not be shared with any third parties outside of HoldenCopley/ HC Lettings unless we are required to in order to comply with a regulator or law enforcement authorities.

In the event of an inspection/investigation by the regulator or law enforcement authorities your information will only be shared if requested and to the extent we are obliged to provide it.

Should you wish for us to provide the information that we hold about you to another third party acting on your behalf, or on the other side of a transaction, we would be pleased to do so following a written request.

## **6** WHO REGULATES ESTATE AGENTS FOR THE PURPOSES OF THE MONEY LAUNDERING REGULATIONS 2017?

For the purposes of the Money Laundering Regulations 2017, estate agents are regulated by HM Revenue & Customs.

## **7** DO I HAVE TO ANSWER THESE QUESTIONS?

Yes. In order for us to act on your behalf and provide our services, HoldenCopley are obliged to ask these questions and obtain a completed KYC check to meet our regulatory requirements.

The questions we ask are inside the scope of the guidance provided by the regulator.

## **8** WHAT HAPPENS IF I DO NOT ANSWER THE QUESTIONS / WHAT IF I DO NOT GIVE YOU THE INFORMATION / DOCUMENTATION?

Throughout the KYC process, we may contact you to request additional information or further clarification if the information we have is incomplete or insufficient to meet our regulatory obligations.

If a client ultimately fails to provide the necessary information, we will be unable to act on their behalf (or will be required to terminate an existing agreement if one is already in place) in order not to violate our legal obligations.

## **9** DO OTHER ADVISERS AND ESTATE AGENTS REQUEST THIS INFORMATION?

In order to comply with the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006 and the Money Laundering Regulations 2017, all estate agent advisers should complete comprehensive KYC checks.

Without having adequate processes and procedures in place to check and confirm a client's provenance, as obliged to by the law, an estate agent adviser is putting its reputation, its clients and the wider public at risk.

## **10** DO YOU ASK ALL OF YOUR CLIENTS KYC- RELATED QUESTIONS?

Yes.

## **11** I FEEL THAT SOME OF THE QUESTIONS ARE INTRUDING INTO MY PRIVACY, ARE YOU REALLY ALLOWED TO ASK ME THESE QUESTIONS?

Yes. The processes we have established are within the scope of the law and are proportionate to the guidelines set by the regulator. We complete them for every client who wishes to instruct us. We will never ask for more information than is required and all the information that you provide will be held in strict confidence and on secure systems.

## **12** YOU ALREADY ASKED THESE SAME QUESTIONS LAST YEAR. WHY ARE YOU ASKING THEM AGAIN?

We are legally required periodically to re-confirm the information we hold about our clients if we remain in an on-going business relationship with them. The period of time that elapses between subsequent KYC approvals is dependent on a number of perceived risk criteria.

## **13** WHERE CAN I LEARN MORE ABOUT THE REQUIREMENTS?

- [www.gov.uk/topic/business-tax/money-laundering-regulations](http://www.gov.uk/topic/business-tax/money-laundering-regulations)
- [www.gov.uk/government/consultations/money-laundering-regulations-2017](http://www.gov.uk/government/consultations/money-laundering-regulations-2017)
- [www.nationalcrimeagency.gov.uk/crime-threats/money-laundering](http://www.nationalcrimeagency.gov.uk/crime-threats/money-laundering)

## **14** WHAT CAN I DO TO HELP WITH THIS PROCESS?

If you are an individual the process should be straightforward. We will be able to confirm the documentation that we require to enable us to complete our KYC checks quickly; the basics are covered earlier in this document.

If you are using a corporate or trust structure or are a not for profit organisation, or an investment fund, we have a dedicated Client Onboarding Team that can work with you to identify the information that we require from you to ensure that we meet our regulatory obligations.