



PROPERTY
SOURCING
COMPLIANCE

ANTI-MONEY LAUNDERING TOP TIPS: INDIVIDUAL INVESTOR

CLIENT DUE DILLIGENCE (CDD)

- **MUST** verify ID as soon as practicable after first contact between your company and the client
- **ALWAYS** keep clear records to document and justify your decision as to when you verify ID
- If you cannot verify a clients ID then you **MUST** decline to work with them
- Your CDD must be completed **BEFORE** you provide services to them

THERE ARE FOUR (4) ELEMENTS TO CDD

1. Assessing the risk – UK resident, EU resident or Non EU resident – Single investor or JV partnership with multiple investors?
2. Verifying identity – Name, Address & D.O.B. – Funds are personal and not from a company or JV partner.
3. Knowing your clients business – What are their short, mid and long term investment goals – are they experienced investors (existing portfolio) Does their fund size and time line (no's of properties wanted over what period of time) fit with their plan? Where have their funds come from, evidence a money trail. E.g. sold or re-mortgaged a property to provide funds – Evidence of sale or re-mortgage & copy of bank statement showing funds going into the account and where from.
4. On-going monitoring – Does their strategy suddenly change? Does the size of the investment fund suddenly change? Bank details change? Does it look like they are not the decision makers when accessing a property deal? Liaise and update records at least every year.

As a general rule, evidence all of the information that you gather, where possible. I don't mean if they refuse to provide you with the information that is ok; it is not & would definitely raise concerns for me.



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THERE ARE THREE (3) EVIDENCE TYPES YOU CAN USE

- Documentary – for example bank statements, solicitors' letters, Driving Licence, passport, Utility Bill or estate agency letters.
- Data or information from a reliable source (Government Department) – for example a letter from embassy for country of origin.
- Electronic – 192.com or Land Registry for address confirmation.

WE USE TWO (2) LEVELS OF INTENSITY FOR OUR DD CHECKS

(THERE ARE NO HARD AND FAST RULES AS TO HOW MANY LEVELS
YOU CHOOSE TO USE IN YOUR COMPANY)

SIMPLE AND ENHANCED

SIMPLE CHECKS - LOW RISK CLIENTS:

- Show client is who they say they are
- Show client lives where they say they do
- Checks to prove funds in place and source of funds

ENHANCED - HIGH RISK CLIENTS:

- Full Name
- Home Address
- DOB
- Gender
- Nationality



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SAME DOCUMENTS ACCEPTABLE FOR PROOF OF ID:

- Current Council Tax bill or statement
- Utility bill (>3 Months old)
- Current bank or credit card statement - UK account
Must be original documents, not printed from the internet
- Home and Contents insurance document
(must show client address and name)
- Letters from accountants, solicitors, doctors, dentists or prescription label

RECORD FORMATS:

- Originals or certified* copies of the identity document(s) used to verify identity, or
- A record of where these originals or certified copies are kept, or
- Information about how the originals or copies can be obtained
- References to the documents e.g. Passport Number, date and place of issue – Can only be completed if the original documents have been seen

* As a property sourcer covered by the Money Laundering Regulations you are permitted to certify copies of ID from UK residents ONLY. You MUST have seen original document(s) and taken/received copies before you can certify them. (You cannot accept an uncertified copy and then certify it – Unless the original document is provided as well).

The person who takes the copy of the document certifies the copy by writing (or stamping) on it words to the effect of: 'I have seen the original document and this copy is a full and accurate copy of that original'.

If the ID document bears a photograph, they should add: 'which in itself bears a good likeness of the holder'.

They should then sign the copy and include: date their signature, clearly print their name and contact details