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ANTI-MONEY LAUNDERING POLICY

19 July 2022

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1. Policy statement

- 1.1 We are committed to the highest standards of accountability and to conducting our affairs in accordance with the Money Laundering Regulations 2017 and to maintaining appropriate systems and controls to prevent money laundering. We have a zero-tolerance approach to money laundering and this policy applies to activity both internally and in our dealings with our business partners.

2. About this policy

- 2.1 The purpose of this policy is to:
- (a) set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position on preventing money laundering; and
 - (b) provide information and guidance to those working for us on how to recognise and avoid money laundering offences.
- 2.2 This policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.

3. Who does this policy apply to?

- 3.1 This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.
- 3.2 In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians, and political parties.

4. Who is responsible for the policy?

- 4.1 The board of directors (Board) has overall responsibility for the effective operation and regular review of this policy but has delegated responsibility for overseeing its implementation to Tony Farrant. Suggestions for change should be reported to the Tony Farrant.
- 4.2 Managers have day-to-day responsibility for this policy. You should refer any questions about this policy to them in the first instance. They will involve Tony Farrant where appropriate.

5. What is money laundering and the UK anti-money laundering (AML) framework

5.1 For the purposes of this policy:

- (a) **MLR 2017** means The Money Laundering, Terrorist Financing & Transfer of Funds Regulations 2017
- (b) **POCA means the Proceeds of Crime Act 2002**

in each case as the same may be amended or replaced from time to time.

5.2 The MLR came into force on 26 June 2017. The UK anti-money laundering (AML) framework also incorporates POCA. The framework adopts a risk-based approach to money laundering placing the onus on regulated professionals and other businesses to be aware of and have systems in place to combat the risks of being involved in money laundering offences.

5.3 Money laundering is the process of taking the proceeds of crime and corruption and transforming them into seemingly legitimate assets. It takes criminally-derived funds or assets and converts them into other assets so they can be circulated and traded openly. This process is intended to conceal the true origin or ownership of the funds or assets, 'cleaning' or 'laundering' them.

5.4 Typically, money laundering involves three stages:

Placement the process of placing criminal property into the financial system. This might be done by breaking up large sums of cash into smaller amounts or by using a series of financial arrangements or instruments (such as cheques, money orders or funds placed into professional services providers' client accounts) and may be deposited in several locations.

Layering the process of moving money that has been placed into the financial system in order to obscure its criminal origin. This might be achieved through multiple complex transactions, often involving layers of financial transactions and/or complicated company structures or trusts including overseas structures.

Integration the process of re-introducing the illegal proceeds into legitimate commerce to provide an apparently genuine explanation for the funds. This might involve investing the money into legitimate businesses and other investments such as property purchases or setting up investment companies or trusts.

Specific criminal offences under POCA include:

- concealing, disguising, converting or transferring the proceeds of crime, or removing the proceeds of crime from the jurisdiction of England and Wales.

- entering into, or becoming concerned in, an arrangement in which the person knows or suspects the retention, use or control of the proceeds of crime; and
- acquiring, using or possessing the proceeds of crime

An offence can only be committed if the person has either knowledge or suspicion of money laundering. Suspicion does not have to be clear, or firmly grounded and targeted on specific facts, but must be more than merely fanciful.

6. What are the signs of money laundering?

6.1 Please remain alert to the warning signs of money laundering. If a customer is showing signs of 'odd' or 'suspicious' behaviour or activity, you must pause the transaction and contact our nominated officer immediately.

6.2 Typical signs of money laundering could be:

- Obstructive or secretive customers
- Customer being based a long way from us with no apparent reason for using us instead of more local businesses
- Cases or instructions which change unexpectedly, in particular from a smaller to a larger transaction once a relationship has been struck up, with no apparent good reason
- Transactions that are loss-making for the customer where the loss is avoidable or a potential supplier submitting a very low quotation or tender. In such cases, the arrangement may be being subsidised by the proceeds of crime with the aim of seeking legitimate goods or payment from us
- Large amounts of cash being used
- Complex structures or transactions that are unusually large for our business
- Money transfers where there is a discrepancy between the details for the account holder and the signatory or the person authorising the payment
- Payments to or from third parties where there is no logical connection to the customer
- "Circular transactions" such as a large payment on account by a customer of fees in advance, with instructions terminated shortly afterwards giving rise to a requirement to return funds to the customer.

Please be aware that criminals are always developing new techniques and the above list is merely an indication of some risk factors and is not intended to be exhaustive. Often if an arrangement 'does not feel right' it may not be legitimate. If in doubt, you must contact our nominated officer immediately. Please see part 7 of this policy.

7. **Steps we have taken to address the risks of money laundering**

Nominated officer Our nominated officer with responsibility for anti-money laundering within the organisation is **Tony Farrant** who can be contacted on **07977 074440** or **tony@whbond.co.uk**.

The nominated officer is responsible for receiving reports of suspicious activity from any person in the business, considering all reports and evaluating whether there is, or seems to be, any evidence of money laundering, reporting any suspicious activity or transaction as appropriate, providing any consent to continue with any transactions that have been reported.

If you have a suspicion of money laundering or a risk of money laundering you must report this to our nominated officer immediately. You may not carry out or take further steps to progress the transaction unless our nominated officer has given you their consent to do so. Once the matter has been reported to them, our nominated officer will review the suspicion and, if required, report it externally. If you are given consent to proceed with the transaction, the consent only relates to that transaction.

If you have any suspicions in any other transaction or a new suspicion on the original transaction you must follow the above steps and report this to our nominated officer and further consent will be required for you to proceed with the transaction(s) under suspicion.

Minimising cash dealings It is our policy not to take cash payment for any sum over £10000. We will not accept cash payments in excess of this sum under any circumstance. This also applies to split payments from the same or connected customers. For example, a customer cannot pay £10000 in cash as a single payment on a transaction and then provide a second 'top up' payment on the matter shortly afterwards. Acceptance of cash payments in breach of this policy may result in the invoking of our grievance and disciplinary procedures.

Customer due diligence on overseas customers Customer due diligence means taking steps to identify and verify the identity of our customers, to check that they are who they say they are. It is our policy to seek verification of the identity of overseas customers and customers using overseas funds due to the higher risks associated in dealing with non-UK residents and overseas funds. Customer due diligence on overseas customers and other customers using overseas funds must be carried out before you may commence or continue the transaction for that customer. On becoming

aware of the overseas connection, you must report the matter to our nominated officer who will then arrange for additional checks to be carried out. You may not commence or continue the transaction until the nominated officer has given their consent for this.

Monitoring systems Ongoing monitoring is an intrinsic part of the anti-money laundering process and our policy. Our nominated officer will have oversight of all transactions and carry out regular reviews (including where necessary on the source of funds) to ensure compliance with this policy. Relevant documents and data and other information for this purpose, including customer due diligence records, will be retained for five years.

Training All relevant staff will receive appropriate training on the anti-money laundering regime and this policy. Staff may be required to repeat this training at regular intervals to ensure that they remain aware and competent on the requirements of this policy.

8. Your responsibilities

- 8.1 You must ensure that you read, understand and comply with this policy.
- 8.2 The prevention, detection and reporting of money laundering are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3 You must report any suspicion of money laundering or of any intended money laundering to our nominated officer immediately.
- 8.4 You must not commence or continue with the transaction to which the suspicion relates without the express consent of our nominated officer.
- 8.5 Failure to comply with this requirement may result in the invoking of our grievance and disciplinary procedures.

9. Protection

- 9.1 Individuals who raise concerns or report another's wrongdoing are sometimes worried about facing possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 9.2 We are committed to ensuring no one suffers any detrimental treatment as a result of:
 - (a) refusing to take part in, be concerned in or facilitate money laundering by another person;

- (b) refusing to aid, abet, counsel or procure the commission of a money laundering offence by another person; or
- (c) reporting in good faith their suspicion that an actual or potential money laundering offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any of this treatment, you should inform our nominated officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which is in the Staff Handbook.

10. Training and communication

- 10.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. That training may form part of wider financial crime detection and prevention training.
- 10.2 Our zero-tolerance approach to money laundering must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

11. Breaches of this policy

- 11.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 11.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

This policy has been authorised by:

Name:

Signed:

Date:

Director