

Anti-Money Laundering Policy Statement

Introduction

Peacock and Binnington has a zero tolerance policy towards Money Laundering and dealing with the proceeds of crime, and we are committed to implementing and enforcing effective systems to counter them.

In addition, the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on Peacock & Binnington to establish internal procedures to prevent the use of our services for money laundering.

Peacock and Binnington do not allow any cash transactions of more than 10,000 Euros from any single entity in any given 12 month period and so do not require licensing under the Money Laundering Regulations. We will, however, continue to actively review the situation to ensure that we do not exceed the thresholds over which we must be licensed.

Who is covered by this policy?

This policy applies to the entire workforce, both permanent and temporary. In addition we expect all our suppliers and contractors to comply with equivalent principles to those set out in this policy and in our Code of Conduct.

Potentially any one of us could be caught by the money laundering provisions if we suspect money laundering and either become involved with it or do nothing about it.

What is Money Laundering?

Money laundering is the process of changing 'dirty' money into 'clean' money in order to hide the fact it may have originated from criminal activity. Money Laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds.

Money laundering often happens in 3 steps:

- 1) Cash is introduced into the financial system by some means (placement)
- 2) This involves a seemingly innocent financial transaction to disguise the illegal source (layering)
- 3) The final step is the receipt of the wealth from these illicit arrangements (integration)

Sometimes, and this is where Peacock and Binnington is most likely to encounter it, it can simply involve receiving payment for goods or services with "dirty" money – usually cash. It also includes possessing or concealing the proceeds of any crime. One example of this could be paying in advance for something, eg. a machinery purchase (placement) and then cancelling the order within a few days, (layering) in order to obtain a refund (integration). In the case of a bank payment by electronic means the refund may also be requested into a different account from the originator.

How do we identify suspicious activity?

Any member of the workforce dealing with transactions involving income for goods and services (or other income) must be alert to the possibility of money-laundering, particularly where:

- Cash is offered by the customer
- Overpayment is received by us and a refund is made, particularly where a cheque refund is requested
- We receive a suspiciously low tender for goods or services.
- Checking the identity of a new customer / supplier is proving difficult
- An individual from a new customer / supplier is reluctant to provide their details
- There isn't a genuine reason for using the services provided
- A customer / supplier attempts to introduce intermediaries to either protect their identity or hide their involvement?
- A customer requests a cash transaction
- The source of the cash is not known or is unusual
- The transaction doesn't seem normal in the context of the customer's business
- The size or frequency of the transaction is not consistent with the normal activities of the customer
- The pattern of the customer's transactions changes unexpectedly

When do we need to be registered for receiving cash?

As previously stated, if Peacock and Binnington were to accept or make cash payments of €10,000 or more (or equivalent in any currency) we would have to register with HMRC.

This includes when a customer deposits cash directly into the business's bank accounts, or when they pay cash to a third party for the business's benefit. Any of the following will be caught:

- a single cash payment of €10,000 or more for goods
- several cash payments for a single transaction totaling €10,000 or more, including a series of payments and payments on account
- cash payments totaling €10,000 or more which appear to have been broken down into smaller amounts so that they come below the high value payment limit.

Procedures

Peacock and Binnington have implemented procedures for reporting suspicious transactions and, if necessary, making an appropriate Money Laundering Disclosure Form to the National Crime Agency (NCA).

1. We are alert to the possibility that we may become the subject of an attempt to involve us in a Money Laundering transaction. Accordingly, we maintain procedures for verifying and recording the identity of counterparties (KYC Know Your Customer). We will report any suspicious behaviour and will ensure our workforce are properly trained in what to do if they suspect any illegal activity.
2. Details of transaction(s) must be retained for at least 7 years after the end of the business relationship. Examples of that documentation are:
 - Documents relating to the financial transactions
 - Customer Identity checks

3. When handling invoices, money transactions, payments or receipts, you must consider each transaction carefully, report any suspicious activity and remain vigilant.
4. Large individual cash payments must be treated with caution. Any cash payment over €10,000 must be declined and the person requested to deposit the cash at their bank or with their solicitor and to make payment by debit or credit card, cheque, banker's draft or solicitor's cheque.
5. Any suspicious activity **MUST** be reported as soon as you possibly can to the MLRO or your line manager. Anyone who suspects that money laundering is on-going **must not disclose** any material to anyone that might prejudice any investigation.

Consequences

The consequences for any of us of committing an offence are potentially very serious. The failure to disclose a suspicion of a case of Money Laundering is a serious offence, and there are only very limited grounds in law for not reporting a suspicion.

Failure to comply with the procedures set out in this policy, including reporting suspicious activity, may lead to disciplinary action being taken in addition to any legal prosecution.

Whilst the risk to Peacock and Binnington of being involved in any Money Laundering activity is low, it is considered important that we all understand our legal responsibilities and how to report any suspected suspicious activity.

This policy should be read alongside all Peacock and Binnington policies and procedures.

Follow-up Action

If you'd like further advice, you can contact our Compliance Officer, who will be happy to offer guidance.

Compliance Officer
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