**CDG Leisure LIMITED**

**CLIENT/COUNTERPARTY DUE DILIGENCE FoRM**

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| COMPLETE ONE FORM FOR THE CLIENT AND ONE FOR THE COUNTERPARTY |

# Introduction

**What types of transactions does this form apply to?**

* **Estate Agency Business:** 
  + Where we act on instruction from a client who wishes to either buy or sell property (freehold), and we do either (or both) of the following:
  + things for the purpose of, or with a view to, effecting the introduction to our client, of someone who either wishes to buy or sell property, or
  + things after such an introduction has been made by us to secure the sale or purchase of the property
* **Letting Agency Business:**
  + Where we act on instructions received from either the prospective landlord or prospective tenant where the rent, at which during at least part of the term is, or is equivalent to, a monthly rent of **10,000 euros or more (approx. £8,000 pm or £96,000 per annum)**

**When should this form be completed?**

* We are required to undertake AML checks prior to forming a business relationship. In practice, this means:
  + - For our client - **prior to sending out terms of business**
    - For the counterparty - **when heads of terms are agreed; and must completed be prior to exchange of agreements**

**STRUCTURE OF THIS FORM**

|  |  |
| --- | --- |
| **SECTION A** | Identifying the customer/counterparty |
| **SECTION B** | Document collection |
| **SECTION C** | Identify the directors/senior managers |
| **SECTION D** | Identify the ultimate beneficial owners |
| **SECTION E** | Conduct a Credit Safe screening on the directors/beneficial owners |
| **SECTION F** | Additional risk factors to consider |
| **SECTION G** | Any other comments? |
| **SECTION H** | Nominated Officer sign-off |

# A **IDENTIFY CLIENT/COUNTERPARTY**

**If the party is a company**

|  |  |
| --- | --- |
| Full legal name of company |  |
| Company Registration Number |  |
| Registered office |  |
| Principal business address (if different from registered office) |  |

**If the party is a private individual**

|  |  |
| --- | --- |
| Full name |  |
| Address |  |

# B DOCUMENT COLLECTION

**Select and complete the correct checklist.**

**If the party is a limited company or limited liability partnership**

|  |  |
| --- | --- |
| Search of the Companies House register. Confirm the company exists. |  |
| Directors - copy of ID (passport or national ID card) and proof of address for all directors |  |
| Beneficial owners - copy of ID (passport or national ID card) and proof of address for all individuals who own or control over 25% of its shares or voting rights.  Note: if the ownership structure is complex, ask for a certified structure chart. See certification requirements in Part D below. |  |

**If the party is a private individual without a registered company**

|  |  |
| --- | --- |
| Copy of ID (passport or national ID card) and proof of address |  |
| Note: If the individual then sets up a company/LLP and this becomes the client, then you must do due diligence on the newly created company. | |

**In the event that party does not fall within one of the above categories, please contact Compliance On Demand:** [**philip.olmer@complianceondemand.co.uk**](mailto:philip.olmer@complianceondemand.co.uk)

# C IDENTIFY THE DIRECTORS/SENIOR MANAGERS

This section will be limited to the directors of the company unless there is a non-director who is clearly in charge of orchestrating the transaction.

**Director/Senior Manager #1**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address: |  |
| Nationality: |  |

**Director/Senior Manager #2**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address |  |
| Nationality: |  |

**Director/Senior Manager #3**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address |  |
| Nationality: |  |

***Add more sections if necessary…***

# D IDENTIFY THE ULTIMATE BENEFICIAL OWNERS

**DEFINITION:** An ultimate beneficial owner (“UBO”) is a **natural person** or persons who holds in aggregate, the economic rights of a company or organisation. You must identify natural persons, direct or indirect, that hold **more than 25%** of the capital or voting rights of the customer.

**The UBO investigation aims to understand the complete ownership structure of the company.** If the search for the Customer’s UBOs reveals any corporate shareholders above 25% above, then you must look at the owners of that parent company and so on. Your aim is to identify the individuals that have ultimate ownership of the company.

If the ownership structure is complex, ask for a certified structure chart. Requirements:

* Name, full contact details, and any regulatory number for the individual certifying the documents;
* The date on which the document was certified
* Appropriate Wording:
  + “Certified to be an accurate depiction of the structure of [the customer] and ultimate beneficial owner(s)”

|  |
| --- |
| **Use this space to describe the ownership structure of the customer**  *e.g. The Customer, Company X, is owned 100% by Company Y. Company Y is owned by John Smith 50% and Jill Robinson 50%.* |

**Ultimate Beneficial Owner #1**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address: |  |
| Nationality: |  |

**Ultimate Beneficial Owner #2**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address: |  |
| Nationality: |  |

**Ultimate Beneficial Owner #3**

|  |  |
| --- | --- |
| Name: |  |
| Date of birth: |  |
| Address: |  |
| Nationality: |  |

***Add more sections if necessary…***

# E CONDUCT CREDIT SAFE CHECKS ON THE DIRECTORS & UBOs

|  |  |
| --- | --- |
| *Describe any notable results here…* |  |
| Have you saved the Credit Safe reports in the folder? |  |

**In the event that the Credit Safe report reveals the Party to have as its director or UBO to be a Politically Exposed Person then you must perform enhanced due diligence.**

**See Appendix A**

# F ADDITIONAL RISK FACTORS TO CONSIDER

Be mindful of the following risk factors. If one or more of them are present, please consult with Morris Greenberg to determine whether Enhanced Due Diligence should be applied (Appendix A). If one factor exists it does not mean that Enhanced Due Diligence must be applied. Instead, it is a factor to be considered.

|  |  |
| --- | --- |
| **Risk Factor** | **Present?** |
| **Location of customer**. If the company is established outside of the UK. Use the CDG Leisure Country list to see if that country is at elevated risk of corruption. |  |
| **Cash.** Any party proposes to pay significant sums in cash, or client who asks that the firm hold in client account a large sum of cash, pending further instructions for no purpose. |  |
| **Rapid transfers of funds**. Paying money into and out of our client account may be designed to conceal the true origin of the funds. |  |
| **Unusual transactions or activity** compared to a party’s normal dealings. |  |
| **Lack of concern about costs** A party who wishes matters to be done in an unduly complex manner, or who otherwise does not seem concerned to control costs. |  |
| **Secretive clients**. The party refuses to provide requested information without explanation. |  |
| **Criminal associations** of the client. |  |
| **Complex financial transactions** that are designed to conceal the source and  ownership of the funds. |  |
| **Unusual level of knowledge** about money laundering processes. |  |
| **The client’s bank is not local** to the trading market (without justification). |  |

# G ANY OTHER COMMENTS?

|  |
| --- |
| *Insert any additional information that would assist the nominated officer…* |

# H NOMINATED OFFICER SIGN OFF

To be completed by Nominated Officer (Morris Greenberg)

|  |  |
| --- | --- |
| **Any additional observations of the Nominated Officer:** | **Approved**  **Not Approved**  **Low risk**  **Medium risk**  **High risk** |
| **Signature of Nominated Officer / Email confirmation:** | |
| **Date:** | |

When to refresh the due diligence:

|  |  |
| --- | --- |
| **Low risk** | three years from today’s date |
| **Medium risk** | two years from today’s date |
| **High risk** | one year from today’s date |

**Remember to delete the customer’s personal information 5 years after the end of the business relationship (unless required for court proceedings or consent has been received by the customer).**

# APPENDIX A – ENHANCED DUE DILIGENCE

The Enhanced Due Diligence (“EDD”) process is designed to provide more certainty that the:

* customer and/or beneficial owner is who they say they are; and
* purposes of the business relationship are legitimate

|  |  |
| --- | --- |
| **Mandatory steps to be taken** | |
| Obtain additional information on the customer and the beneficial owner(s) |  |
| Obtain additional information on the intended nature of the business relationship |  |
| Obtain information on the source of funds and source of wealth of the customer and of the beneficial owner(s). |  |
| Obtain information on the reasons for the intended or performed transactions. |  |
| Obtain the approval of senior management for establishing or continuing the business relationship. |  |
| Conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied. |  |
| Electing patterns of transactions that need further examination. |  |
| **Additional Considerations** | |
| Could we meet the customer in person? |  |
| Have we had any previous dealings with he customer? |  |
| What is the purpose of the business relationship? |  |