ANTI-MONEY LAUNDERING POLICY & PROCEDURE

The Money Laundering Reporting Officer (MLRO) for the firm is SOHAL, Sandeep Singh

SCOPE

This policy applies to all employees involved in regulated activities within BSP Motor Vehicles Ltd and all its subsidiary companies:

THE POLICY.

Know Your Customer "KYC" is at the heart of Anti Money Laundering and we must be able to demonstrate this by production of acceptable ID, typically the Industry Standard ID – a copy of a signed full UK driving licence in the customer's current address or copy passport supported by a council tax bill, utility bill, governmental documentation to prove current address. "KYC" evidence must be tangible and capable of being reproduced.

We adopt a "risk based approach" and not a "tick box" mentality based upon what we know about a typical customer and business source regarding:

- Cash Price
- Any Finance Advance
- Deposit
- Vehicle

We understand we have an absolute legal responsibility to **PROMPTLY** report all **Suspicious Activity** to the NCA (National Crime Agency).

These are deemed to be: -

- Cash deposits of £10,000.00 or greater
- Instances where the proposed customer is found not to be the end-user of the vehicle i.e. accommodation deals.
- Where third party payments are being received without prior agreement/ arrangement/ knowledge.
- Where the customer is buying at a distance and wishes to have the vehicle extremely quickly (non-face to face)
- **Any** circumstance which is considered suspicious.

Prompt reporting is a requirement of Financial Crime Regulation and is a defence against any allegation of assisting a Money Launderer. It must always be remembered that to "turn a blind eye" is **never** an option as to do so may invite personal penalties to the individual as well as reputational risk and penalties to the firm.

BSP Motor Vehicles Ltd
UNIT 2,
2A ARUNDEL STREET
DERBY
DE22 3PG

LAST UPDATE: 21-10-24

THE PROCEDURE.

INVESTIGATION.

Upon receipt of the reported suspicious activity, SOHAL, Sandeep Singh must investigate the case by applying a risk-based approach to see if the suspicion is warranted and therefore reportable to NCA.

"Key points" to consider on a risk-based approach to investigation are: -

- Does the car suit the customer's profile?
- Is there job and/or residential stability?

If the answers to these key points are predominantly "NO", the transaction is deemed "suspicious" and is reportable to NCA.
If the answers are predominantly "YES", the probability is that the activity isn't suspicious. We will record rationale, sign, date and then file the proposal and supporting documentation in the "Not Reported" File.

***A note of caution** – it is no defence to say that you thought an activity wasn't suspicious if ever queried or challenged. The Proceeds of Crime Act 2002 clearly states this is no defence in law and also states "you" SHOULD HAVE KNOWN IT WAS SUSPICIOUS. With this in mind, ALWAYS promptly report suspicious activity.*

THE REPORTING.

The essence of Anti Money Laundering Investigation is that the whole process is COVERT and you know enough about your customer "KYC" to be able to determine activity is suspicious (or not as the case may be).

NO mention must be made on any customer notes or customer files, access to which is available to customers under General Data Protection Regulation.

The process for SOHAL, Sandeep Singh to report Suspicious Activity by is: -

Report the suspicious activity "online" to NCA and take a hard copy of the NCA generated "confirmation of filing advice".
File paperwork in a secure filing area.

DOCUMENTATION AND COMPUTER STORAGE OF DATA.

SOHAL, Sandeep Singh must be able to demonstrate to authorised parties that filing/ archiving facilities are used to store paper data and computer-based information.

Training is carried out by Catalyst DBC Ltd via eLearning and testing. All employees receive the training and evidenced testing as part of the process for all customer-facing employees.

We would aim to give the AML training to staff as part of the induction programme. For repeat training, this would be on a risk based basis, but at least within 14 months of the previous training as Finance and General Insurance is considered a low risk business area for Anti-money laundering purposes.

SOHAL, Sandeep Singh and Catalyst DBC Ltd will keep records relating to the evidenced training and testing of employees which is available for inspection from authorised parties.

FOLLOW UP ACTION.

THE POLICE, HM REVENUE & CUSTOMS & Dept of Work & Pensions (DWP) – communication can be made in one of two ways: -

BSP Motor Vehicles Ltd
UNIT 2,
2A ARUNDEL STREET
DERBY
DE22 3PG

Telephone – they will ask to speak to you either by name or title. The firm adopts a spirit of co - operation. However, always be mindful of the Data Protection Act and ensure any request for information be faxed on their headed paper including the DPA section 29 disclaimer. This request is standard procedure.

Letter – when received and deemed correct, supply all data/information as requested to the requestee. Retain a copy of the posted correspondence for retention in the Anti-Money Laundering file which is kept separately by SOHAL, Sandeep Singh

BSP Motor Vehicles Ltd
UNIT 2,
2A ARUNDEL STREET
DERBY
DE22 3PG

REPORTING A SUSPICIOUS ACTIVITY (Anti-Money Laundering Regulations)

INTRODUCTION

The purpose of this document is to provide guidance to members of staff when making a report to the Money Laundering Reporting Officer (MLRO), as a result of suspicious activity they may have encountered.

SUSPICIOUS ACTIVITY

All employees have an obligation under Financial Crime Regulation to report suspicious activity to the firm's Money Laundering Reporting Officer (MLRO) SOHAL, Sandeep Singh

If you fail to do so you are committing the criminal offence of 'Failure to Disclose', which currently carries a maximum prison sentence of five years. Only by making a report will you have the protection of the law.

If you know, suspect or have reasonable grounds for knowing or suspecting that a person is involved in money laundering you must make a report to the MLRO.

This can apply to a wide range of situations such as, but not exhaustively:

- A 'Cash' deposit that is £10,000 or greater.
- Where the car does not suit the profile of the customer.
- 'Accommodation Deals' where the applicant is not the end user of the vehicle.
- Where payments are made by a third party and not our customer.
- Where you suspect identity fraud.
- Any other activity that you believe to be suspicious.

To make a suspicious activity report you will need to use the 'Money Laundering Suspicion Report'. It will need to be completed fully, including as much detail as is possible. For security, hand the report directly to SOHAL, Sandeep Singh to ensure that they have received the form, you will then be informed what further action (if any) is required with regard to the agreement.

If you encounter any activity which you believe is suspicious, you are required to submit a report to SOHAL, Sandeep Singhwithin 24 hours, and you will receive a receipt for the report within the following 48 hours. During this period it is essential that the customer is not informed that you are suspicious. If you tell them, it could be considered as 'Tipping Off', which is a criminal offence, carrying a maximum prison sentence of 5 years.

The Money Laundering Reporting Officer for the firm is: SOHAL, Sandeep Singh

BSP Motor Vehicles Ltd
UNIT 2,
2A ARUNDEL STREET
DERBY
DE22 3PG

LAST UPDATE: 21-10-24