



We're here  
for the **NEXT**  
**CHAPTER**

**Know Your Customer  
Checks**

[www.ukhomesent.com](http://www.ukhomesent.com)

Our business is based on mutual trust with our clients and the counterparties (“customers”) we undertake business activity with. Due to the transactional nature of the services we provide, just like lawyers, accountants and financial services firms, all estate agents and real estate advisers are required by law to carry out Know Your Customer (KYC) checks. These checks serve to ensure that we comply with our legal obligations and help regulators to ensure that the UK real estate industry is not misused to facilitate money laundering or the financing of terrorism or criminal activities.

In the majority of cases these checks will simply involve us formally confirming your identity. Where you are buying or selling property, we will also require documentation confirming your source of funds or proof of ownership of the property and information on your source of wealth, respectively. If you live abroad or use corporate structures to hold real estate assets,

further documentation will be required to identify the individuals who are in a position of control and will ultimately benefit from the transaction.

These requirements are applied universally across the real estate sector in the UK and our processes comply with the relevant legislation. We apply them to every customer who uses our estate agency services. We will never ask for more information than is required and all the information that you provide will be held in strict confidence.

The following FAQs explain why we need to complete KYC checks. Should you have any concerns or questions then please speak with us.

# Frequently Asked Questions

## 1

### WHAT ARE THE REGULATORY REQUIREMENTS PLACED UPON ESTATE AGENTS FOR CONDUCTING KYC?

All estate agents in the UK are required to comply with a number of laws designed to prevent illicit funds passing through the UK. These include the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2000. The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (“5th MLD”) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“MLR 2017”). The primary money laundering offences apply to everyone, and you commit an offence if you know or suspect that the property is criminal property.

Real estate transactions are seen by the UK Government and crime agencies as posing a particularly significant money laundering threat. As such the MLR 2017 require estate agents to understand and verify exactly who their customers are and have evidence that they have completed KYC checks. Should an estate agent become suspicious of a prospective customer or existing customer’s activities engaging in money laundering or terrorist financing activity, it must report this to the National Crime Agency.

We take our anti-money laundering responsibilities very seriously and believe that the laws governing the UK property industry are critical tools in the fight against organised crime and terrorist financing. If we did not complete KYC checks we would undermine our corporate responsibilities and also place ourselves and you at risk of prosecution.

## 2

### WHY DO UK HOMES ENTERPRISE REAL ESTATE ASK THEIR CUSTOMERS TO PROVIDE INFORMATION ABOUT THEMSELVES OR THE BUSINESSES THEY REPRESENT?

Estate agents in the UK are required to comply with, amongst other things, legal and regulatory obligations including those defined under the MLR 2017 and obligations imposed by the Royal Institute of Chartered Surveyors (“RICS”). These place various key requirements upon estate agents, with one being to undertake KYC checks to verify the identities of their customers. For corporate customers these checks will need to be extended to enable us to identify the Ultimate Beneficial Owner and/or those who have ultimate executive control.

## 3

### WHAT KYC INFORMATION WILL YOU REQUEST AND WHAT KYC CHECKS WILL YOU NEED TO DO?

#### *Parties representing themselves*

Where you are representing yourself and:

- Wish to sell a property that you directly or jointly own;
- Are considering buying a property from one of our selling clients
- Are seeking advice from us on a particular purchase.

We will ask you to provide us with documentation confirming your identity and your primary current residential address.

Where you wish to sell your property we will complete Land Registry checks to verify that you are the legal owner of that interest and have the right to do so.

Where you wish to buy a property from one of our clients, or where you want us to advise you on a particular purchase, we will also need

information clarifying the origin of the funds being used to complete the transaction and a summary of your source of wealth.

If you are currently not a resident in the UK we may require further information from you.

### **Customers using Corporate Vehicles and Trust structures, Non-Profit Organisations, Charities and Investment Funds**

The extent of information and checks undertaken on corporates, trusts, non-profit organisations, charities and investment funds depends on the perceived money laundering risks associated with a given structure, jurisdictions used, or nature of business activity underpinning the entity.

For all cases, irrespective of the structure used, you will be required to provide documentation to enable us to evidence the identity of the individuals who ultimately benefit, or will benefit, from owning the asset and individuals who exercise control in the entity.

## **4**

### **ARE YOU ABLE TO PLACE RELIANCE UPON KYC COMPLETED BY EXTERNAL PROFESSIONAL ADVISERS?**

No. As UK Homes Enterprise is ultimately responsible by law for ensuring that the KYC checks have been undertaken properly and comprehensively, we undertake our own KYC checks. However, if you have already provided the documentation that we require to a third party professional adviser (i.e. solicitors, accountants or banks), you can request that they forward this to us for use in our KYC file. This does not mean that we will not ask you for further KYC information, but it may save you replication of effort.

## **5**

### **HOW WILL YOU USE MY INFORMATION?**

Your information will be used for the sole purpose of completing our KYC checks in order to meet

our legal obligations.

Your information will be held confidentially and will not be shared with any third parties outside of the UK Homes Enterprise unless we are required to in order to comply with a regulator or law enforcement authorities.

In the event of an inspection/investigation by the regulator or law enforcement authorities your information will only be shared if requested and to the extent we are obliged to provide it.

Should you wish for us to provide the information that we hold about you to another third party acting on your behalf, or on the other side of a transaction, we would be pleased to do so following a written request.

## **6**

### **WHO REGULATES ESTATE AGENTS FOR THE PURPOSES OF ANTI-MONEY LAUNDERING?**

Estate agents are regulated by HM Revenue & Customs ("HMRC") to meet requirements of MLR 2017.

## **7**

### **DO I HAVE TO ANSWER THESE KYC QUESTIONS?**

Yes. In order for us to act on your behalf and provide our services, UK Homes Enterprise is obliged to ask these KYC questions and complete due diligence to meet our regulatory requirements.

The KYC questions we ask are inside the scope of the guidance provided by the UK regulator for Estate Agency Businesses.

## 8

### **WHAT HAPPENS IF I DO NOT ANSWER THE KYC QUESTIONS / WHAT IF I DON'T GIVE YOU THE KYC INFORMATION / DOCUMENTATION?**

Throughout the KYC process, we may contact you to request additional information or further clarification if the information we have is incomplete or insufficient to meet our regulatory obligations.

If a customer ultimately fails to provide the necessary information, we will be unable to act on their behalf (or will be required to terminate an existing agreement if one is already in place) in order not to violate our legal obligations.

## 9

### **DO OTHER REAL ESTATE ADVISERS AND ESTATE AGENTS REQUEST KYC INFORMATION?**

In order to comply with all the legal and regulatory obligations, all real estate advisers are required to complete KYC checks on customers. Without having adequate processes and procedures in place to check and confirm a customer's provenance, as obliged to by the law, a real estate adviser and the organisation they are employed by is putting its reputation, its customers and the wider public at risk.

## 10

### **DO YOU ASK ALL OF YOUR CUSTOMERS KYC QUESTIONS?**

Yes

