

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

Know Your Customer Checklist LEGAL ENTITIES

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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.

To comply with UK Money Laundering Regulations 2017 and UK Homes Enterprise KYC Policy, the following checklist details the information and documents we will require to complete our KYC checks for all customers (clients and counterparties). Should you have any concerns or questions then please speak with us.



Legal Entities

It is a legal requirement to provide the below information and list of documents, which must be certified within 3 months of receipt, using the certification criteria specified in this document.

IDENTIFICATION

We may need you to verify the following from a reliable source that is independent of the legal entity:

1. Registered name
2. Registration number
3. Date of incorporation
4. Country of incorporation
5. Registered office address
6. The local laws and constitution to which the entity is subject to

Examples of documentation we will need you to provide from a reliable source to verify the above include:

- ✓ Certificate of incorporation
- ✓ Certificate of good standing / certificate of incumbency
- ✓ Extract from corporate / trade register
- ✓ Certified memorandum / articles of association / governing documents
- ✓ Latest audited annual report
- ✓ Latest audited financial accounts / statement

BUSINESS ACTIVITY INFORMATION

We may need you to verify the entities business activity, which is recorded as the percentage of revenue generated from:

1. Country of main business
2. Sector of main business

Examples of documentation we will need you to provide from a reliable source to verify the above include:

- ✓ Latest audited annual report
- ✓ Latest audited financial accounts / statement
- ✓ Reputable online sources e.g. Bloomberg, Reuters

SOURCE OF FUNDS (BUYERS ONLY)

We may need your help understanding the origin of the funds being used in the transaction. We require the following information from you:

1. An understanding of the activity that generated the funds being used in this transaction
2. Certified bank statement including:
 - ✓ Name of account holder
 - ✓ Location of branch where funds are held
3. Letter(s) from the lender (if borrowing):
 - ✓ Addressed to borrower
 - ✓ Identifying the full registered name of the financial institution
 - ✓ Identifying the branch location of the financial institution

ULTIMATE BENEFICIAL OWNERS (UBO)

We are required to identify all individuals meeting any one of the following criteria:

1. Own, directly or indirectly, 25% or more of the share capital or voting rights (10% or more for Entities considered High Risk) after dilution and in aggregate
2. Exercise by any other means a control over the management bodies of the legal entity or the general shareholders' meeting
 - > If the entity is owned by another legal entity, we will need to understand further shareholder levels until individuals are detected according to the definition above. This could be illustrated in a company ownership structure chart.
 - > If the UBO is identified as a Trust we will reference the Wealth Structure KYC Checklist for additional requirements.

Ownership structure charts must be certified as "true and accurate till date" and supplied by a reliable and independent source, which must include:

1. Ownership percentages at each intermediary layer within the ownership structure
2. Full registered names of all entities within the ownership structure

3. Country of incorporation of all entities within the ownership structure

- If no UBO meets the criteria outlined above, at least one Senior Managing Official (SMO) of the ultimate parent entity will be considered a UBO and identified.

Examples of documentation we will need you to provide from a reliable source to verify the above include:

- ✓ Certified register of shareholders / members
- ✓ Information or documentation obtained directly from the Government or Corporate Registry
- ✓ Official documents issued by Government departments and agencies, Local Authorities or by a Court
- ✓ Information or documentation obtained directly from the respective regulator or legal entity subject to such regulation
- ✓ Official listing information or documentation obtained directly from a stock exchange or legal entity subject to such regulation
- ✓ Latest audited annual report / audited financial accounts / statement
- ✓ Information or documentation obtained directly from a reputable independent external third party registered to a professional body

UBO SOURCE OF WEALTH (BUYERS AND SELLERS)

1. We may need you to provide a timeline, describing how the individual(s) accumulated their personal wealth over the course of their life up to the present day

2. The timeline for the individual(s) should include any key events that contributed to significant wealth growth

3. In some instances we will need you to provide evidence to support the source of wealth timeline for each individual, such as:

- ✓ Dividends or profits reported in audited financials/ accounts
- ✓ Salary payslips
- ✓ Tax returns
- ✓ Bank statements
- ✓ Publicly available property/land registers
- ✓ Company registers

SENIOR MANAGING OFFICIALS (SMO)

Individuals that have an influence on the legal

entity's daily decision making would typically include the following:

- Chairman of the board of directors or supervisory board
 - Chief executive officer (CEO)
 - Chief finance officer (CFO)
 - Chief operating officer (COO)
 - Other executives with equivalent decision making authority
- Examples of documentation we may need you to provide from a reliable source to verify the SMO include:
- ✓ Latest audited annual report
 - ✓ Latest audited financial accounts / statement

DIRECTORS

Members of the Board of Directors or Members of the Supervisory Board of a legal entity.

Examples of documentation we will need you to provide from a reliable source to verify the Directors include:

- ✓ Register of directors
- ✓ Information or documentation obtained directly from the Government or Corporate Registry
- ✓ Latest audited annual report
- ✓ Latest audited financial accounts / statement

PERSONAL INFORMATION REQUIRED FOR UBO, SMO AND DIRECTORS:

- ✓ Full name (including any middle names)
- ✓ Date of birth
- ✓ Country of birth
- ✓ Country of residence
- ✓ Nationality

PROOF OF PERSONAL IDENTITY

We will need you to provide one form of official identification for each individual this must be valid (unexpired) and certified within the last 3 months in accordance with the certification criteria specified in this document:

- ✓ Passport
- ✓ Photo driving licence (only valid if not provided for Proof of Address)
- ✓ National photo identity card
- ✓ UK firearms certificate

PROOF OF CURRENT RESIDENTIAL ADDRESS

We will need you to provide one form of proof of address for each individual this must have been issued within the last 3 months and certified in accordance with the certification criteria specified in this document:

- ✓ Personal bank statement
- ✓ Utility bill
- ✓ Current year council tax bill
- ✓ Annual statement from mortgage provider
- ✓ Driving licence (only valid if not already provided as proof of personal identity)

Note: Further documentation maybe requested to confirm identification.

ACCEPTABLE CERTIFIERS

Where it is not possible to obtain KYC documents or verify information publicly, then this information must be confirmed and certified by a reliable independent source.

All documents requiring certification must be certified by one of the following professionals registered to a regulating body such as:

- ✓ Chartered or certified accountant (e.g. ACCA / ICAEW / CIMA member); OR
- ✓ Regulated financial adviser (e.g. FCA authorised person); OR
- ✓ Registered solicitor or notary (e.g. UK Law Society member); OR
- ✓ Registered lawyer / attorney (e.g. Registered to a Bar Association)

Note: In-house professionals from the above list do not qualify as independent when employed directly by the customer.

The certifier must include the following information within the certification sign off:

- ✓ Full name (including any middle names)
 - ✓ Registration number held with professional body
 - ✓ Name of the registered professional body
 - ✓ Full name of their current employer ✓
- Signature
- ✓ Date of certification

> In addition, any documents received in a foreign language will need to be accompanied

by a certified English translation and the certifier is required to meet the above certification criteria.

> Original documents will need to be presented to us and copied if certification is completed by an employee of UK Homes Enterprise.

CERTIFYING DOCUMENTS

HMRC guidelines require the following wording to be used for all certifications:

“I [name of the certifier] hereby certify that this document is a true copy of the original seen by me”, and where appropriate, “the photograph is a true likeness of the person”

