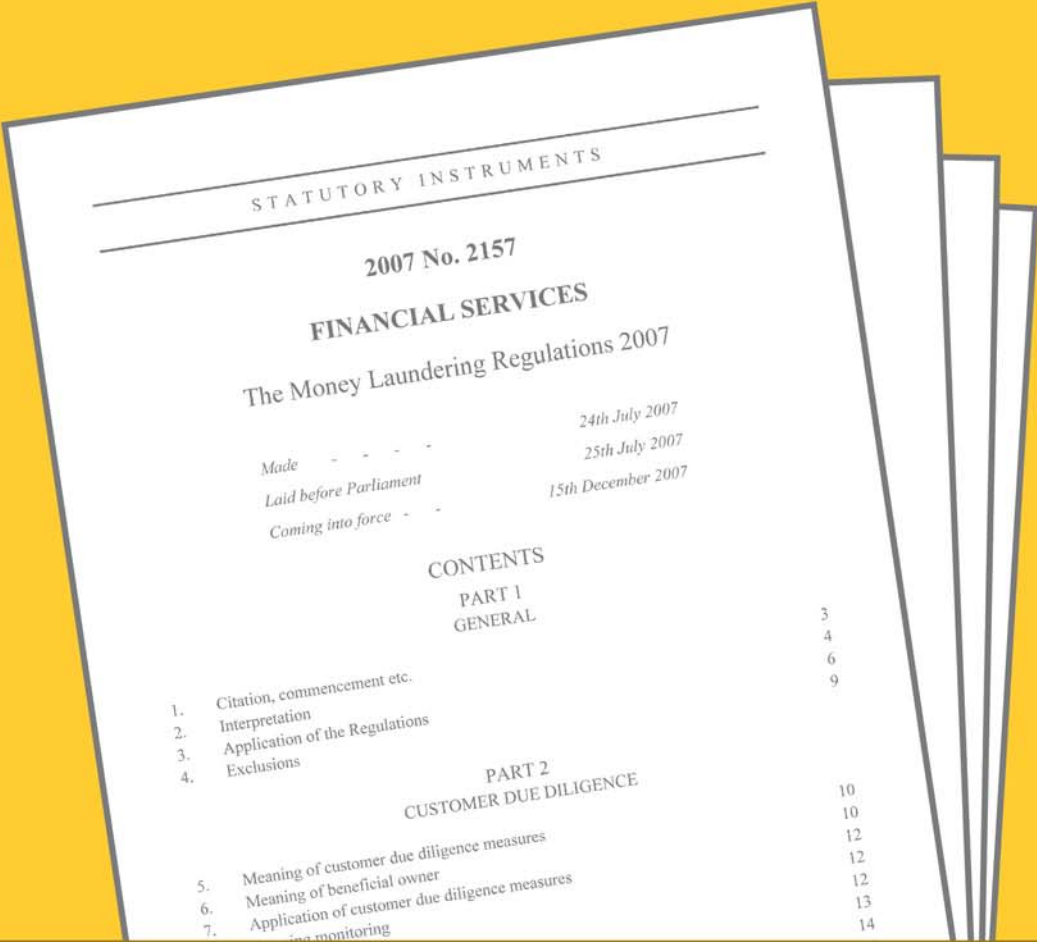


A 192 Compliance Guide: The Money Laundering Regulations 2007



A fully compliant AML KYC check solution

We have designed our AML solution so that compliance professionals can be sure that they are compliant with key legislation and compliance guidelines such as the 3rd EU Money Laundering Directive, the UK Money Laundering Regulations and the JMLSG Guidance Notes.



We have produced this guide to highlight the key principles of the Money Laundering Regulations & the JMLSG guidance notes so that you don't have to wade through hundreds of pages of documentation.



The UK Money Laundering Regulations

The full legislation can be found on our website at the link below but here's the key parts from the AML & KYC perspective

<http://www.192business.com/compliance/money-laundering>



What KYC checks do firms have to do?

Section 5: Meaning of customer due diligence measures

(a) Identifying the customer and verifying the customers identity.
 (b) Using "documents, data or information."
 (c) From "a reliable and independent source."

...and 192 have data checks against all these sources built into our AML solution. We even have a special licence to use the Full Electoral Roll (instead of the edited version that people opt-out of to avoid receiving junk mail) to help firms conduct robust AML checks and ensure high match rates in the KYC AML process.

192's multiple data sources for electronic evidence of identity



The current and historical Electoral Rolls



The Directory Enquiries database



Companies House data



Credit Reference Agency data



Passport



Driving licence



Mortality



Known Fraudsters & Money Launderers



Terrorist & Sanctions Files

Who do firms have to do KYC on?

Section 5: The customer & Section 6: A beneficial owner

- (a) A body corporate.
- (b) Any individual who owns or controls more than 25% of the share or voting rights in the body.
- (c) Exercises control over the management of the body.

To meet this aspect of the AML Regulations we have built both the Dun & Bradstreet and Market Location databases into our AML solution to ensure that we have an exhaustive business universe as part of "documents, data or information" used to conduct AML KYC checks.

Section 6 and Section 5 also requires firms to identify "a beneficial owner who is not the customer" if one exists. As above, Section 7 details the definition of a "beneficial owner" but in summary the beneficial owner can be a person, a trust, or a body corporate.

As such, a fully compliant AML solution needs to enable users to verify business and organisation details such as company name, address and company registration number and to then verify the details of the directors of that business or organisation.

When do KYC checks have to take place?

Section 7: Application of customer due diligence measures

- (1) A relevant person must apply customer due diligence measures when he –
 - (a) Establishes a business relationship;

The UKMLR indicates that the AML KYC check must be carried out during the point of initial transaction or account creation.

- (a) Suspect money laundering or terrorist financing.
- (b) Doubt the veracity or adequacy" of previous "identification or verification.
- (c) And "at other times on a risk sensitive basis depending on the type of customer, business relationship, product or transaction."

Firms are also expected to undertake due diligence checks on a risk-sensitive basis

Section 8: Ongoing monitoring

- (1) keeping the documents, data or information obtained for the purposes of applying customer due diligence measures up-to-date.

Section 8 also mandates that KYC checks are necessary on an ongoing basis

Section 9: Timing of verification

- (a) Before the establishment of a business relationship.

Section 9 stipulates that KYC checks must be carried out before the establishment of a business relationship

Our AML solution includes an in built time and date stamp and search archive facility which ensures that our clients can prove compliance with Sections 7 & 8. Our clients can simply recall the searches that they have done and prove that searches were done at the relevant point in the customer relationship.

192 meets the Expectations, Definitions and Standards of the Money Laundering Regulations 2007

This document only covers some of the key parts of the Money Laundering Regulations 2007 but should serve to illustrate how 192's ID check solutions are designed to help firms be compliant with the latest money laundering compliance. If you have any questions or want to see how we can help your AML KYC compliance please email us at compliance@192.com

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