

ANTI MONEY LAUNDERING POLICY

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Author:	Clare Potter
Title of Author:	Compliance Officer
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Anti Money Laundering

1.0 Introduction

- 1.1 Certain disciplines within Alder King are regulated, that is they fall within the scope of Money Laundering Regulations 2017. To ensure that we fulfil our obligations under the MLR 2017, these disciplines must complete the firm's AML due diligence (DD) checks. For those disciplines which do not fall within the scope of MLR, the obligation is to complete Know Your Client (KYC) DD checks.
- 1.2 Both AML and KYC DD checks form part of our client onboarding process. For regulated disciplines the Firm has partnered with an external service provider who conducts the DD checks on our behalf
- 1.3 This policy and associated procedures are designed to ensure that joined-up processes are in place meet the firm's legal obligations. It follows that each of us are obliged to understand our individual obligations under AML and KYC and ensure we adhered to them at all times.

2.0 Obligation

- 2.1 Our DD obligations include:
 - a) Checking and verifying clients' identities in accordance with the firm's risk-based approach before Alder King does any business with them.
 - b) Alder King knows its clients and understands their reasons for doing business with us both at the client acceptance stage and throughout the business relationship.
 - c) Team members are trained and made aware of both their personal legal obligations and the legal obligations of Alder King
 - d) Team members are trained to be vigilant for activities where there are reasonable grounds for suspicion that money laundering could be taking place and to make the reports to the MLRO.
 - e) Sufficient records are kept for the required period.
 - f) We establish, implement, and maintain appropriate procedures to achieve these objectives.
- 2.2 Money laundering, fraud and market abuse threats are dynamic, and criminals constantly devise new techniques and exploit the easiest targets in the property services sector. To mitigate the risk of being used as a vehicle for financial crime Alder King will systematically assess, monitor, and mitigate these risks. The firm will seek to identify fraud, money laundering and market abuse at an early stage of the client acceptance process, escalate this to senior management and take appropriate action.
- 2.3 A risk-based approach adopted by the firm is the driver of our overall strategy of fighting financial crime. Through this approach we identify the areas of greatest vulnerability and focus our resources on those areas. Ultimate responsibility for this approach lies with the senior management but all employees carry a responsibility to maintain the effectiveness of systems and controls.
- 2.4 Given the nature of risks involved it is not possible to cover every possible eventuality. Should an issue arise that is not specifically covered you should refer to our Compliance Officer and the MLRO for further guidance.

3.0 Financial Crime Risk

- 3.1 The financial crime objective encompasses the prevention of, market abuse, anti-bribery and corruption, money laundering fraud and data theft. Money laundering is the process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction, and confiscation of criminal funds.
- 3.2 Money laundering and terrorist financing risks are closely related to the risks of fraud and insider dealing. While these are separate offences, money laundering involves handling the proceeds of any crime, including the proceeds of these activities.
- 3.3 The ability to launder the proceeds of crime through the financial system is vital to the success of criminal operations. Firms that become involved in money laundering risk prosecution and damage to their reputation.
- 3.4 Money laundering can take many forms and in the property sector it often involves:
 - a) buying a property asset using the proceeds of crime letting it or selling it on, giving the criminal an apparently legitimate source of funds
 - b) Criminals may also hide behind complex company structures and multiple bank accounts to disguise the real purpose of a transaction and hide its beneficial ownership
 - c) a more direct method may involve paying an estate agency business a large amount and reclaiming it later
 - d) the money for a purchase may be the result of mortgage fraud.
- 3.5 Tax evasion is a criminal offence that can lead to money laundering, for example the sale price of a property may be set below the Stamp Duty threshold by manipulating the price of furniture and fittings. In a commercial setting there may be under-reporting of business turnover. The proceeds of crime include the proceeds of corruption and super-prime property is an attractive way for individuals to hide this money.
- 3.6 Terrorist financing involves dealing with money or property that you have reasonable cause to suspect may be used for terrorism. The funds and property may be from legitimate sources or criminal sources. They may be in small amounts.
- 3.7 In recognition of this the procedures that Alder King has adopted, to reduce the incidence of financial crime, focus on knowing our clients, understanding their businesses, carrying out proportionate verification checks, and identifying and reporting suspicious activity.

4.0 Law, Regulation and Industry Practice

- 4.1 Alder King is subject to the provisions of the UK Money Laundering Regulations 2017. The Joint Money Laundering Steering Group guidance 2007 (“JMLSG”) provides practical interpretation of legal and regulatory requirements and indicates good industry practice. (The FCA’s Financial Crime: a guide for firms provides examples of good and bad industry practice and is available on their website) Alder King has taken account of the JMLSG and the Financial Crime Guide when devising a risk-based approach to the prevention of money laundering risk.

5.0 General Principles

- 5.1 To ensure compliance with the UK laws, regulations and guidance, firm adopts the below principles.

6.0 Anti-Money Laundering Policies

6.1 Alder King has implemented policies, procedures and controls aimed at deterring criminals from using Alder King for the laundering of proceeds of crime. These policies and procedures are tailored to the risk posed by individual clients, in accordance with the JMLSG.

7.0 Roles & Responsibilities

Money Laundering Reporting Officer (MLRO)

7.1 The MLRO acts as the central point of contact with the law enforcement agencies, in relation to all matters relating to money laundering.

Compliance Officer

7.2 Our Compliance Officer acts as the central point of contact within the Firm reporting directly to the MLRO. The Compliance Officer monitors the firm's compliance with anti-money laundering procedures and submits reports to senior management on a monthly basis.

AML Administrator

7.3 The AML administrator is the first point of contact for case requests and reports directly to the Compliance Officer. The AML administrator works with external service providers and internal systems to complete the due diligence searches and produces final compliance reports.

8.0 Client Due Diligence (CDD)

8.1 Alder King has established Client Due Diligence procedures to identify the users of its services and, in relation to higher-risk clients, the principal beneficial owners and origins of funds. These procedures include knowing the nature of our clients' businesses and being alert to abnormal transactions.

9.0 Suspicious Activity Reports (SAR)

9.1 Unexplained or abnormal transactions or activities that are suspected of being linked to criminal or terrorist activity should be reported to the MLRO in writing without delay using the Suspicious Activity Reporting Form (Money Laundering) a copy of which can be found within the Alder King Anti Money laundering manual.

9.2 The MLRO will determine whether to report the suspicions to the National Crime Agency (NCA). An acknowledgment of receipt should be obtained from the MLRO for every such report. If the MLRO decides the activity or transaction should not be reported to the NCA they should explain in writing their rationale, why and a note should be recorded on the file that no action has been taken.

10.0 Training

10.1 Training is provided to ensure our team members are informed of their individual and collective responsibilities and Alder King's anti-money laundering policies. Training is provided with to enable you to understand the vulnerabilities of firm's business and to recognise and report suspicious activities.

11.0 Record-Keeping

- 11.1 Alder King keeps records of who has been trained and the timing and form of training sessions. We retain all records verifying the identity of our clients for at least 5 years following the end of the business relationship. We also retain the records of any internal reports of suspicion submitted to the MLRO and any disclosures made to NCA.