

GERALD EVE LLP

STATEMENT ON CLIENT DUE DILIGENCE REQUIREMENTS

When engaged in sales and lettings transactions, Gerald Eve LLP is subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692 (the "Money Laundering Regulations"). The firm is regulated by Her Majesty's Revenue and Customs for these purposes.

The Money Laundering Regulations impose a number of requirements on Gerald Eve LLP, including the need to collect and verify customer due diligence (CDD) information.

We explain here the approach we take in relation to these requirements.

When Gerald Eve LLP is acting as an estate agent in property transactions, it is required to conduct CDD on both its direct client and the counterparty. This is because an estate agent is deemed to be entering into a business relationship with both the buyer and seller (Regulation 4(3) of the Money Laundering Regulations). The business relationship is not contingent upon the estate agent receiving funds from the buyer, but is deemed to exist at the point an offer is accepted by the seller.

CDD must be completed on all customers and beneficial owners before entering into a business relationship or property transaction. The number of individuals, and in particular beneficial owners, required to provide information to comply fully with the requirements will therefore vary from transaction to transaction.

If an individual or entity seeks to verify its identity by providing original copies of documents, these documents do not need to be certified. If, however, a party provides a copy of a document (including an electronic copy), that copy needs to be certified before Gerald Eve can accept the document as part of our CDD process. This is subject to the SmartSearch process, which we use to facilitate our CDD process. Where a party uploads its identification documentation to SmartSearch, an automated process then verifies if the document is valid. In the UK SmartSearch can also confirm a party's address via the electoral role.

Where certification is required, it is not a requirement that this is done by a solicitor. HMRC guidance notes that a document can be certified by an individual "who is competent at document inspection and impostor detection, such as a person from a regulated industry or in a position of trust" (para. 4.69 of HMRC's Money Laundering Supervision Guidance for Estate Agency Businesses).

Where we have previously collected CDD information on an individual or entity, we may be able to continue to use that information, but we may be required from time to time to seek updated CDD information, since our obligations under the Money Laundering Regulations continue even after we have satisfied our initial CDD obligations. We are required to update CDD information held when:

- we consider it necessary to do so (Regulation 27(8) (a) of the Money Laundering Regulations), or
- there is a change in identity, activity, or circumstances (pursuant to Regulation 27(8)(b) of the Money Laundering Regulations).

In the event we require updated CDD information, contact will be made to request this.

In some circumstances, we may be able to rely on CDD information collected by another representative, but this will not always be the case. If our client's counterparty has already instructed a representative, we may be able to rely on the CDD information that has already been collected by that representative, provided that that representative is also subject to the Money Laundering Regulations (Regulation 39 of the Money Laundering Regulations). Otherwise we will need to collect CDD information directly.

Please note that we are usually instructed as estate agent before solicitors are engaged, and are thus often unable to rely on CDD information collected by solicitors.

We trust that the above helps explain why we are required to undertake the due diligence and as a result why we are requesting your assistance in providing certain information.

Please do not hesitate to contact us if you have any queries about these issues.



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