

## **Anti-money laundering policy (AML)**

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## **1. Introduction**

- 1.** ClaraMining SAS (ClaraMining) is committed to observing the provisions of the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Proceeds of Crime Act 2002, Part 7 – Money Laundering Offences and the Terrorism Act 2000 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2013) in all of its affairs. This policy aims to ensure that ClaraMining and all its employees comply with the legislation and that due diligence is applied in relation to ‘know your customer’ principles.
- 2.** This policy sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.
- 3.** ClaraMining has a zero-tolerance policy towards money laundering, and is committed to the highest level of openness, integrity and accountability. The penalties for these offences are severe and can mean up to 14 years imprisonment and/or an unlimited fine for the employees and executives responsible. In addition, there would be significant reputational damage for ClaraMining.
- 4.** This policy applies to all staff of ClaraMining and its subsidiary companies and applies to all income and expenditure. Any breach of this policy will be a serious matter, may result in disciplinary action and could result in an employee becoming personally liable to criminal prosecution.
- 5.** In addition to the Anti-Money Laundering Policy, the following related policies are available to ClaraMining:

- Financial Regulations
- Anti-Corruption and Bribery
- Conflicts of Interest
- Whistleblowing
- Fraud
- Gift Acceptance Policy and Code of Ethical Fundraising Practice

## 2. What is Money Laundering

1. The introduction of the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 has broadened the definition of money laundering and has widened the range of activities controlled by the statutory framework.
2. Money laundering covers a wide variety of crimes, it can include anything from which individuals or companies derive a pecuniary benefit, directly or indirectly, and can include many crimes that are not initially thought of as connected with money laundering. There is a risk where there are large volumes of cash transactions and where customer identification is not always easy, for example, cash received from overseas.
3. Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for 'clean' money or other assets with no obvious link to their criminal origins. Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism.
4. Money laundering offences include:
  - Concealing, disguising, converting, transferring or removing criminal property from England and Wales (Section 327 of the Proceeds of Crime Act 2002 (POCA))
  - Arranging, or becoming concerned in an arrangement, which the person who knows, or suspects, or facilitates (by whatever means), the acquisition, retention, use or control of criminal property by or on behalf of another person (Section 328, POCA)
  - Acquiring, using or having possession of criminal property (Section 329, POCA)
  - Making a disclosure to a person which is likely to prejudice a money laundering investigation ("tipping off") (Section 333, POCA)
  - Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (Section 18, Terrorist Act 2000)

### **3. ClaraMining SAS's Obligations**

1. ClaraMining has a responsibility to:
  - Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate the disclosure of any suspicious activity reported by employees.
  - Implement and maintain a procedure to enable the reporting of suspicious activity.
  - Maintain customer identification procedures to 'know your customer' in relevant circumstances.
  - Maintain adequate records of transactions
2. ClaraMining adopts a risk-based approach towards anti-money laundering and conducting due diligence. Whilst much of ClaraMining's financial activities could be considered relatively low risk from the perspective of money laundering, all staff need to be vigilant against the financial crime and fraud risks that ClaraMining faces. Instances of suspected money laundering are likely to be rare at ClaraMining but we must be aware of legislative requirements.
3. ClaraMining assesses risks relevant to our operations, and puts in place the processes and procedures that we deem necessary to mitigate these risks. We determine the appropriate level of due diligence by looking at the geographic and customer risk factors based on the EU Directives and set out in MLR2017 and analysing ClaraMining's potential exposure to money laundering (the source of funds) or terrorist financing (the destination of funds).

### **4. Employee Obligations**

1. Money laundering legislation applies to all ClaraMining employees. Any member of staff could be committing an offence under the money laundering laws if they suspect money laundering, or if they become involved in some way and do nothing about it. If any employee suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the MLRO. Failure to do so could result in their becoming personally liable to prosecution. Guidance on how to raise any concerns is included in this policy document.

## **5. Know Your Customer (KYC) and Customer due diligence (CDD) including Financial Sanctions Targets**

1. ClaraMining must be reasonably satisfied as to the identity of a customer or third party and satisfactory evidence of identity must be obtained and retained.
2. Our customer due diligence follows the principles of Know Your Customer (KYC). The three components of KYC are:
  - Ascertaining and verifying the identity of the customer i.e. knowing who they are and confirming that their identity is valid by obtaining documents or other information from sources which are independent and reliable. In order to satisfy the requirements, identity checks for money laundering purposes are interpreted as obtaining a copy of photo-identification (such as a passport) and proof of address (such as a recent utility bill).
  - Ascertaining and verifying (if appropriate) the identity of the beneficial owners of a business, if there are any, so that you know the identity of the ultimate owners or controllers of the business.
  - Information on the purpose and intended nature of the business relationship i.e. knowing what you are going to do with/for them and why.

Examples include:

For individuals with whom ClaraMining intends to conduct business:

- Passport and/or Visa
- Driving Licence
- Birth Certificate
- Correspondence with such individuals at their home address:
  - Letters or documents proving name, address and relationship

For organisations not known to ClaraMining the following evidence can be helpful:

- Letter headed documents
- Invoices that show a company's registered office and VAT number
- Checking on limited company authenticity with Companies House
- A credit check

4. ClaraMining has procedures for performing customer due diligence ("CDD"), and transaction monitoring arrangements on a risk-managed basis.

5. CDD records must be retained for five years from the date on which reliance commences as failure to do so is a criminal offence.

## **6. Money Laundering Reporting Officer (MLRO)**

1. ClaraMining has appointed a Money Laundering Reporting Officer (the “MLRO”), who is the Director of Finance, and a Deputy MLRO, who is the Deputy Director of Finance to act in his absence. The MLRO is the officer nominated to receive disclosures in respect of suspected transactions or activity within ClaraMining.

## **7. Disclosure Procedure to be followed by Employees**

1. Where you know or suspect that money laundering is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to the MLRO.
2. Your report should include as much detail as possible including:
  - Full details of the people and/or companies involved including yourself and other members of ClaraMining staff if relevant.
  - Full details of the transaction and nature of each person’s involvement in the transaction.
  - Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
  - The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved.
  - Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering that may help to facilitate any report to the National Crime Agency (which replaced the Serious Organised Crime Agency).
3. Once you have reported your suspicions to the MLRO you must follow any instructions given to you. You must not make any further enquiries unless instructed to do so by the MLRO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering, nor should you discuss this matter with any colleagues.
4. If appropriate the MLRO will refer the case to the National Crime Agency (NCA) who will undertake any necessary investigation. This may include consent to continue with a particular transaction and care should be taken not to ‘tip off’ the individuals concerned, otherwise you may be committing a criminal offence. The penalty for tipping off is 5-years imprisonment and/or an unlimited fine.

## **8. Action and Disclosure by the MLRO**

1. On receipt of a disclosure report the MLRO will:
  - Note the date of receipt and acknowledge receipt of it.
  - Assess and advise the individuals concerned when a response can be expected.
  - Consider the report and any other relevant information, undertaking further enquiries if necessary to decide if a report should be made to the NCA.
2. Once the MLRO has evaluated the case, a timely determination will be made as to whether:
  - There is actual or suspected money laundering taking place.
  - There are reasonable grounds to know or suspect that is the case.
  - Consent is required from NCA for a particular transaction to proceed.
3. Where the MLRO concludes that the case should be disclosed to NCA this needs to be done:
  - In a timely manner.
  - In the prescribed manner on a standard report format provided by NCA.
4. Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed and the disclosure report will be marked accordingly.

## **9. Sanctions**

1. There are financial sanctions that relate to a specific countries or terrorist groups, known as 'regimes'. What is prohibited under each financial sanction depends on the financial sanction regulation. Regulations are imposed by the:
  - United Nations Security Council – the UK is a member so automatically imposes all financial sanctions created by the UN;
  - European Union – as a member of the EU, the UK imposes all financial sanctions created by the EU (the position in this respect will be reviewed after the UK leaves the EU);
  - UK Government – a small number of financial sanctions are created by the UK Government.

2. The UK government publishes frequently-updated guidance on financial sanctions targets, which includes a list of all targets. This guidance can be found at:  
[www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets](http://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets).
3. We will monitor the relevant websites to review Sanctioned Parties and ensure that ClaraMining does not transact with Sanctioned Parties.

## 10. Record-keeping

1. By keeping comprehensive records ClaraMining is able to show that we have complied with the Money Laundering Regulations. This is crucial if there is a subsequent investigation into one of our customers or transactions.
2. The types of record kept may include:
  - Daily records of transactions
  - Receipts
  - Cheques
  - Paying-in books
  - Customer correspondence
  - Personnel identification evidence
3. Records may be kept in any of the following formats:
  - Originals
  - Photocopies
  - Microfiche
  - Scanned
  - Computerised or Electronic
4. Records must be kept for five years beginning on either:
  - The date a business relationship ends
  - The date a transaction is completed
5. The MLRO will retain any disclosure reports and any associated relevant documents in a confidential file for a minimum of five years.
6. ClaraMining is required to retain certain records for at least seven years after ceasing to transact with an employee, supplier or customer including records of risk assessment, identity and verification and ongoing monitoring. These records are required for other purposes, such as tax compliance, as well as anti-money laundering.



**11. Communication and training**

1. This policy ensures staff understand their responsibilities under the AML regime, ClaraMining's due diligence procedures and how to report suspicious activity. The policy is published on ClaraMining's website and communicated to staff via internal communication, such as the staff newsletter.

**12. Equality and diversity**

1. There are no equality and diversity impacts of this policy.