

Anti-money laundering and counter-terrorist financing policy statement

De Micco & Friends lawyers & Auditors Anti-money laundering and counter-terrorist financing policy statement

This policy sets out De Micco & Friends's law and tax consulting firm commitment to understanding and minimising our risks in relation to money laundering and terrorist financing, so our services are not abused to legitimise the proceeds of crime. Our commitment to this strengthens our goals of achieving good ethical business and trading standards. **De Micco & Friends is subject to Spanish and European money laundering laws.**

Our aim, by having robust policies and procedures and the creation of a compliance culture within the firm, is to prevent money laundering and terrorist financing. To achieve this, we have undertaken the following:

Appointment of the nominated officers

The nominated officer's role is to be aware of any suspicious activity in the business that might be linked to money laundering or terrorist financing, and if necessary, to **report it**. They are responsible for:

- receiving reports of suspicious activity from any employee in the business
- considering all reports and evaluating whether there is - or seems to be - any evidence of money laundering or terrorist financing
- reporting any suspicious activity or transaction to the National Crime Agency (NCA) by completing and submitting a Suspicious Activity Report (SAR).

The nominated officer is also available to discuss any matters relating to the firm's policies and procedures relating to the Money Laundering Regulations (MLR) in force and helping you understand your obligations. In the absence or sickness of the nominated officer, the following alternative officer has been appointed.

Establishment of internal procedures appropriate to the MLR to prevent money laundering and terrorist financing

De Micco & Friends has established appropriate and risk-sensitive policies and procedures relating to:

- customer due diligence, KYC
- reporting
- recordkeeping
- internal control
- risk assessment and management
- compliance management
- communication

Establishment of internal training requirements so all individuals within the firm understand their responsibilities within the firm's policy and procedures and their wider responsibilities under the UK's anti-money laundering strategy.

To this end we will ensure all individuals within the firm are assessed for competence, conduct and integrity and trained at regular intervals for:

- awareness of the relevant legislation and any changes
- understanding of their roles and responsibilities under the anti-money laundering regime

- updates on threats and alerts for the firm or the profession
 - how to recognise potential suspicious activity
 - how to report suspicious activity
 - the firm's exposure to risk
 - the firm's client due diligence policies and procedures.

Record retention

- We will retain the following records for five years after ceasing to act for a client:
 - client's risk assessments
 - client's identity and verification
 - client's ongoing monitoring
 - staff training
 - internal and external reporting.

Reporting suspicions

The firm through the nominated officer has established procedures for assessing internal SARs and on the decision-making process for external reporting. We have established procedures for making SARs to the NCA and for the secure retention and storage of internal and external reports.

We have established procedures for reporting any knowledge or suspicion of financial sanctions breaches to the Office of Financial Sanctions Implementation (OFSI).

Aiding law enforcement

The firm through the nominated officer has established procedures for aiding any law enforcement agencies who obtain money laundering investigation orders against our clients. These procedures relate to the collation and secure retention of the information required and systems to ensure that confidentiality of the client is maintained where necessary.

Staff and subcontractor commitment to the firm's policy and procedures

It is important that our staff, junior partners, partners, senior partners as well as subcontractors and freelancer understand the compliance culture and the roles and responsibilities placed upon them. Penalties imposed including fines and imprisonment can apply to individuals as well as the firm. So, we must:

- ensure we understand the firm's policy and procedures contained in this document, and ask the nominated officer if unsure
- ensure regular staff training in how to recognise and deal with transactions and other activities which may be related to money laundering or terrorist financing
- ensure that during our work for the firm we don't turn a blind eye to the obvious. If we have doubts over the legitimacy of a transaction or event, then we must follow procedures to discuss the situation or make an internal SAR. It is only by following these procedures we are protected from the possible penalties contained within the legislation
- remember not to speculate as to whether a crime has been committed. For a report to be made there must be reasonable suspicion that a crime has been committed, the client intended for a crime to be committed and there are proceeds of that crime. An innocent error is not a crime; there must be an element of intent
- remember that we are not required to be an investigator: that is the role of law enforcement
- remember that tipping off is an offence under the legislation. We must not discuss what we may or may not report with the client and don't make reports the topic of general conversation within the office.

Palma de Mallorca, August 2023