

IDENTIFICATION PROCEDURE AND RECORD KEEPING PROCEDURES FOR FINANCIAL SERVICES, AUDIT AND LEGAL STAFF

General

The procedures set out in this Appendix apply if you are a Council employee conducting 'relevant business' (set out below). These are mainly accountancy and audit services carried out by Financial Services and certain financial, company and property transactions undertaken by Legal Services. "Relevant" for the purposes of the legislation is the provision **by way of business** of:

- Advice about the tax affairs of another person by a body corporate;
- Accountancy services by a body corporate;
- audit services;
- Legal services by a body corporate which involves participation in a financial or real property transaction (whether by assisting in the planning or execution of any such transaction or otherwise by acting for, or on behalf of, a client in any such transaction);
- Services in relation to the formation, operation or management of a company or a trust.

Identification Procedure

Where you are carrying out relevant business (the provision of accountancy, audit and certain legal services 'by way of business' to third parties) and you, acting on behalf of the Council:

- a) Form an ongoing business relationship with a client; or
- b) Undertake a one-off transaction involving payment by or to the client of 10,000 Euro (approximately £9,000) or more; or
- c) Undertake a series of linked one-off transactions involving total payment by or to the client(s) of 10,000 Euro (approximately £9,000) or more; or
- d) Know or suspect that a one-off transaction (or a series of them) involves money laundering;

Then you must follow this procedure before any business is undertaken with that organisation or person. For the procedure, you must obtain satisfactory evidence of identity, as soon as practicable after instructions are received (unless evidence has already been obtained). This applies to existing and new persons or organisations.

Satisfactory evidence is evidence which is capable of establishing, to your satisfaction, that the client is who they claim to be.

Evidence of identity should be obtained as follows:

1. Signed, written instructions on official letterhead at the outset of a particular matter. Such correspondence should then be placed on the Council's file along with a prominent note explaining which correspondence constitutes the evidence and where it is located.
2. If you are undertaking work for a new person or organisation or further instructions from a person or an organisation not well known to you, then you may also wish to seek additional evidence of the identity of key individuals in the organisation and of the organisation itself, for example:

- Checking the organisation's website to confirm the business address;

- Checking companies house information
- Where practicable, visiting them at their business address;
- Asking the key contact employee to provide evidence of their personal identity and position within the organisation; for example signed, written confirmation from their Head of Service or Chair of the relevant organisation.

If satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one off transaction(s) cannot proceed any further until this becomes available.

The law states that particular care must be taken when the person or organisation that is paying you to do work or who the Council is an agent for, is not physically present when being identified. This is always likely to be the case for the Council, given that its relevant business can only be undertaken for other local authorities and designated public bodies (not individuals) and therefore instructions will usually be given in writing.

There are a limited number of exceptions where you are not required to obtain identification evidence, e.g. evidence is not required when a purchaser of property is represented by a legal professional (e.g. solicitor, legal executive, licensed conveyancer etc) this is because we are entitled to presume that the professional has complied with the legislation and checked the purchaser's identity (as their own client).