



# **ANTI-MONEY LAUNDERING POLICY**

# Contents

<b>1.</b>	Policy Statement	3
<b>2.</b>	Scope	3
<b>3.</b>	Principles	3
<b>4.</b>	Definitions	4
<b>5.</b>	Aim & Outcomes	5
<b>6.</b>	Legal & Regulatory Context & Framework	5
<b>7.</b>	Risk Assessment & Management Principle	6
<b>8.</b>	Application of the Policy	7
<b>9.</b>	Monitoring & Review	8
<b>10.</b>	Equality Impact Assessment	8

# 1. Policy Statement

- 1.1 Eastlight Community Homes (hereafter ‘Eastlight’) has a zero-tolerance approach towards money laundering and is committed to proactively preventing it.
- 1.2 We will demonstrate the highest standards of integrity, probity, openness and accountability in all aspects of business conduct.

# 2. Scope

- 2.1 This Anti-Money Laundering (AML) Policy applies to all individuals employed by Eastlight and those who are engaged by Eastlight, including apprentices, casual and temporary colleagues, agency workers, self-employed workers, contractors, suppliers and volunteers. The Policy also applies to Board Members and those on Committees.
- 2.2 Under the Proceeds of Crime Act 2002, it is an offence to fail to report suspicious activity or to tip off any person about whom a report has been made.
- 2.3 Related policies include the Anti- Fraud Policy and the Anti-Bribery & Corruption Policy.

# 3. Principles

## 3.1 Zero Tolerance

- 3.1.1 Eastlight adopts a resolute stance on anti-money laundering compliance, ensuring strict adherence to all applicable laws and regulations, with zero tolerance for activities that might involve or facilitate money laundering.

## 3.2 Accountability and Integrity

- 3.2.1 Individuals associated with Eastlight are expected to uphold the highest standards of integrity and accountability, conducting operations in a way that actively combats money laundering.

## 3.3 Vigilance and Reporting

- 3.3.1 Eastlight commits to continuous monitoring and mandatory reporting of any suspicious financial activities, in line with legal requirements and internal guidelines.

### **3.4 Education and Awareness**

3.4.1 Ongoing training and awareness initiatives are key to ensuring all Board and Committee Members, employees and relevant stakeholders thoroughly understand AML Regulations and the associated risks.

### **3.5 Collaboration and Transparency**

3.5.1 Eastlight is committed to working in tandem with regulatory and law enforcement agencies as well as supervisory authorities (e.g. HMRC) and strives for operational transparency and adherence to best practices in AML procedures.

### **3.6 Protection for Whistleblowers**

3.6.1 Safeguards are in place to protect individuals who report suspected money laundering activities in good faith, ensuring they trust our processes and will not suffer detriment or retribution. Please refer to the organisation's Whistleblowing Policy on our website and intranet for further information.

## **4. Definitions**

**4.1** Money Laundering refers to the act of disguising the origins and ownership of property or funds obtained from criminal or terrorist activities. This process involves transforming illicit gains into seemingly legitimate assets, thereby masking their origin while allowing the retention and use of these proceeds. The aim is to integrate the tainted property or funds into the legitimate financial system, giving them an appearance of normality and legality.

**4.2** Money laundering can take many forms, but in the property sector it can involve:

- Buying a property asset using the proceeds of crime and selling it on;
- Using money for a purchase which was obtained through mortgage fraud;
- Using illicit funds to pay rent, often as overpayments which are subsequently requested as refunds;
- Complex ownership structures involving properties where the true ownership of the funds is disguised; and
- Using proceeds of crime in a staircasing transaction, e.g. large deposits or rapid staircasing of significant proportions.

**4.3** Money launderers may target Registered Providers specifically through property purchase and affordable housing schemes, such as Shared Ownership or Right to Buy.

## 5. Aim & Outcomes

### 5.1 The Policy aims to:

- Guide preventative measures at Eastlight to detect and prevent money laundering activities;
- Provide assurance that Eastlight adheres to all relevant anti-money laundering laws and regulations; and
- Protect Eastlight’s reputation for ethical conduct and integrity in all its financial operations.

## 6. Legal & Regulatory Context & Framework

- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019;
- Fraud Act 2006;
- Proceeds of Crime Act 2002;
- Co-operative & Community Benefit Societies Act 2014;
- Companies Act 2006 (applicable to Eastlight’s subsidiaries);
- Public Contracts Regulations 2015;
- Sanctions and Anti-Money Laundering Act 2018;
- Estate Agents Act 1979;
- Regulatory Framework for Social Housing in England from the Regulator of Social Housing;
- National Housing Federation’s Code of Governance 2020;
- Tenancy Standard – Consumer Standards, April 2024.

# 7. Risk Assessment & Management

## Principle

**7.1** Eastlight’s management principles for dealing with money laundering include:

### **7.2 Comprehensive Risk Identification**

7.2.1 We will regularly identify and assess risks associated with money laundering and terrorist financing. This includes risks related to Right to Buy or Shared Ownership schemes, staircasing, tenant transactions and contractor engagements.

### **7.3 Enhanced Due Diligence**

7.3.1 We will implement enhanced due diligence procedures for high-risk scenarios, particularly in property transactions. This involves verifying the source of funds, scrutinising the background of potential buyers and understanding the nature of large or unusual transactions. Particular care is needed if a customer is a Politically Exposed Person (PEP) or a family member or known close friend of a PEP. A PEP is an individual whose prominent position in public life may make them vulnerable and high risk in this area.

### **7.4 Ongoing Monitoring and Reporting**

7.4.1 We will continuously monitor financial transactions for unusual or suspicious activities. We will report any suspicious transactions to the appropriate authorities as required by law.

### **7.5 Training and Awareness**

7.5.1 We will provide comprehensive training to Board and Committee Members and staff at all levels to spot and effectively manage money laundering risks. We will regularly update training materials to reflect current legal requirements and emerging risks.

### **7.6 Collaboration and Information Sharing**

7.6.1 We are committed to working collaboratively with regulatory bodies, supervisory bodies (HMRC), financial institutions and law enforcement agencies. We will share information where appropriate to combat money laundering activities.

### **7.7 Record-Keeping and Documentation**

7.7.1 We will maintain accurate and detailed records of all financial transactions, due diligence checks and risk assessments for a minimum period, as mandated by law.

## **7.8 Regular Policy Review and Update**

7.8.1 We will continually review and update the AML Policy to reflect changes in legal regulations, market conditions and operational practices.

## **7.9 Audit and Compliance Checks**

7.9.1 We will carry out regular internal and external audits to ensure compliance with AML regulations and the effectiveness of risk management strategies.

## **7.10 Risk Mitigation Strategies**

7.10.1 We will develop and implement specific strategies to mitigate identified risks, including restricting certain transactions, enhancing verification processes and increasing scrutiny in high-risk areas.

## **7.11 Senior Management Oversight**

7.11.1 We will ensure active involvement and oversight by senior management in AML efforts, embedding a culture of compliance and risk awareness throughout Eastlight.

# **8. Application of the Policy**

**8.1** To meet its anti-money laundering obligations, Eastlight commits:

- Identify, monitor and mitigate the risks of the business being used for money laundering (or terrorist financing);
- Undertake Customer Due Diligence checks and ongoing monitoring to ensure compliance with procedures;
- Appoint a Money Laundering Reporting Officer (MLRO) to report suspicious activity to the National Crime Agency (NCA) and provide the names of such officer from time to time;
- Ensure staff are trained to recognise risks and understand what they need to do, including the importance of reporting suspicious activity to the MLRO;
- Maintain accurate, up to date record keeping and retention of records;
- Identify a senior staff member to be responsible for monitoring the effectiveness of the Policy, including regular reviews to learn from experience;
- Ensure individual staff members are clear about their responsibilities under the Regulations; and
- Regularly review and update Policy and procedures.

## 9. Monitoring & Review

- 9.1** Eastlight is committed to reviewing this Policy regularly to ensure it meets the legal requirements and reflects best practice.
- 9.2** This Policy will be reviewed periodically, at least every three years, to ensure its effectiveness and relevance.
- 9.3** Eastlight's arrangements are subject to ongoing audit.
- 9.4** Any incidents of actual or suspected money laundering will be reported to the Audit & Risk Committee and investigated.

## 10. Equality Impact Assessment

- 10.1** This Policy has undergone an Equality Impact Assessment (EIA) and has been judged to be fair and in line with Eastlight's commitment to Equality and Diversity, which states that Eastlight is committed to equality and strives to be fair in its dealings with all people, communities and organisations with which it has relationships and takes into account the diverse nature of their culture and backgrounds.
- 10.2** This Policy complies with Eastlight's commitment to ensuring that no person or group of people will be treated less favourably than another person or group of people, and that we will develop and deliver services that actively take into account protected characteristics, such as:
  - Age;
  - Sex;
  - Gender reassignment;
  - Disability;
  - Racial ethnic origin;
  - Religion or belief;
  - Sexual orientation;
  - Marriage or civil partnership;
  - Pregnancy and maternity; as well as
  - Social and economic factors leading to disadvantage or exclusion.



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