

UKMBA Anti-Money Laundering (AML) & Terrorist Financing (TF) Policy

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Date of last review: December 2022

Date for next review: December 2023

The UKMBA Board is legally responsible for the management and stewardship of the company in the discharge of its functions and objectives and its powers as set out in its Articles. UKMBA has set out this Anti-Money Laundering (AML) and Terrorist Financing (TF) policy to help prevent and detect potential money laundering or terrorist financing activity. UKMBA takes a zero-tolerance approach to money laundering, terrorist activity and other such financial crimes.

All who work for the UKMBA must comply with this policy, and any AML/TF processes and will actively participate in preventing the services of UKMBA from being exploited by criminals and terrorists for money laundering or terrorist financing purposes. The objectives of this and related policies are:

- ensuring compliance with any applicable laws, statutory instruments and requirements;
- protecting board members and staff as individuals from the risks associated with breaches of the law, regulations and supervisory requirements;
- preserving the good name of UKMBA against the risk of reputational damage presented by implication in money laundering and terrorist financing activities;
- making a positive contribution to the fight against crime and terrorism.

To achieve these objectives, it is the policy of UKMBA that:

- every Board and staff member shall meet their personal obligations as appropriate to their role and position in UKMBA
- neither commercial considerations nor a sense of loyalty to clients shall be permitted to take precedence over the Company's anti-money laundering commitment
- UKMBA shall appoint a Money Laundering Reporting Officer (MLRO) and they shall be afforded every assistance and cooperation in carrying out the duties of their appointment;

Failure to comply with the AML and associated policies could result in disciplinary proceedings which could ultimately lead to dismissal, termination or removal from office. Policies and procedures to complement this AML/TF policy include AML Risk Register, Anti-Bribery and Corruption and Disciplinary and Capability Procedure.

Money Laundering & Terrorist Financing

This policy supports the company's objective of mitigating the risk of money laundering and terrorist finance.

UKMBA will ensure its staff are well versed in AML awareness and the underlying policies and procedures allowing UKMBA to demonstrate compliance with applicable rules and regulations in this aspect.

AML Risk Assessment

UKMBA will adopt a risk-based approach to managing the risks presented by the business, in line with legislation and industry guidance as applicable using a cost effective and proportionate way to manage and mitigate money laundering and terrorist financing risks. The MLRO will assess the money laundering and terrorist risks presented by:

- **Customer risk** – specific categories of customers and the resulting business relationships
- **Payment risk** – payment methods offered and the degree to which their specific characteristics are vulnerable to ML/TF threats
- **Geographical risk** – the risks posed by geographical factors
- **Product risk** – products offered and the degree to which their specific characteristics may be attractive for money laundering or financing terrorism
- **Supplier / 3rd party Risk** -risks of onboarding new clients / suppliers and not understanding who owns the business or considering other AML risks
- **Technological Risk** – risks with technology used by UKMBA/ how susceptible is it to money laundering or terrorist financing?
- **Employee risk** – the risks posed by employees of UKMBA
- **Regulatory Risk (where applicable)**– the risks of non-compliance with license and regulatory frameworks, the risk of penalties to UKMBA and individuals.

UKMBA recognises that risks change over time and will continually and regularly update its risk management procedures as part of its overall risk management framework.

MLRO Role and Responsibilities

UKMBA will designate the Company Secretary to be the Money Laundering Reporting Officer (**MLRO**) as required by the Money Laundering Regulations (UK). The MLRO will have overall responsibility for the establishment and maintenance of the Company's AML/CTF framework and underlying systems and controls and will report to the UKMBA Board.

The MLRO, with the support of the Board, is responsible for ensuring that UKMBA meets its AML compliance requirements in accordance with applicable legislation. The MLRO will oversee the AML systems and controls and ensure they are fit for purpose. The main activities of the MLRO comprise, but are not limited to, the following:

- oversight of all aspects of the company's AML and TF activities;
- focal point for all activities within UKMBA relating to AML and TF;

- provision of AML training to all staff;
- receiving all internal suspicious activity reports and, where deemed applicable, reporting to relevant authorities on the same;
- be the focal point for law enforcement and other regulatory bodies;
- establishing the basis on which a risk-based approach to the prevention of money laundering and terrorist financing is put into practice;
- advising the business on new products / processes from an AML perspective.

The MLRO will produce reports for the Board relating to the company's approach to preventing money laundering, procedures for identifying and verifying customers, and customer due diligence measures and monitoring checks, training for staff and reporting procedures.

UKMBA will keep its AML/TF policy under review as it recognises that risks change over time.