**ANTI-MONEY LAUNDERING/ANTI-TERRORISM FINANCING (AML/ATF) POLICIES AND PROCEDURES**

This template has been developed to assist real estate brokers in the development of their AML/ATF policies and procedures. It is not required for you to use this format. This document is guidance and should not be considered to be legal advice. Please refer to the Proceeds of Crime Act, the Anti-Terrorism (Financial and Other Measures) Act and associated Regulations for the full description of your obligations.

Address | City Postal Code| Telephone

**POLICIES AND PROCEDURE:**

Describe the following regarding your policies and procedures:

* Include a definition of money laundering and terrorist financing
* The role of the compliance officer
* How you will communicate the policies and procedures to employees and staff as well as branches and subsidiaries
* How you will reflect changes to AML/ATF legislative and regulatory requirements
* How often you will update your policies and procedures
* How often you will conduct an independent audit of your AML/ATF compliance program?
* When the policies and procedures were approved by senior management

**Risk assessment and risk mitigation:**(section 16 of the proceeds of crime act regulations)

Describe how you will comply with your risk assessment and risk mitigation obligations including:

* Identifying what clients and situations you have identified as higher risk (copy of the risk assessment should be attached)
* What mitigation and control measures you will be implementing to reduce the risk?
* How you will document the risk of any new product or services?
* How often you will update the risk assessment?

**Customer due diligence (CDD):**
(SECTIONS 5, 6 AND 8 OF THE PROCEEDS OF CRIME ACT REGULATIONS)

Describe how you will comply with CDD requirements including:

* When will you identify the buyer and seller of a real estate transaction?
* What information will you collect when you identify a natural person?
* What information will you collect when you identify legal persons and legal arrangements?
* What identification documents are acceptable?
* Indicate that only original documents will be acceptable
* How will you identify clients that are not physically present?
* What will you do if you cannot complete customer due diligence measures?

**Record keeping**

(SECTION 15 OF THE PROCEEDS OF CRIME ACT REGULATIONS)

Describe how you will comply with record keeping requirements including:

* How long will you retain records related to real estate transactions?
* What records will you retain?
* Where will records be retained?
* How will you ensure that information can be provided in a timely manner to the Superintendent of Real Estate, the Financial Intelligence Agency and the Bermuda Police Service (BPS)?
* If you are using a third party to conduct customer due diligence measures:
	+ How you will ensure that they are properly identifying clients
	+ How you will gain access to information in a timely fashion

**Enhanced due diligence**

(SECTION 11 OF THE PROCEEDS OF CRIME ACT REGULATIONS)

Describe how you will comply with enhanced due diligence requirements including:

* What enhanced due diligence measures will be applied to:
	+ Persons or transactions involving a country identified as higher risk by FATF?
	+ Persons or transactions involving higher risk countries for ML, TF, and corruption or subject to international sanctions?
	+ Any other situation representing a higher risk of ML/TF including those that you have identified in your risk assessment?

 **Politically exposed persons**

(SECTION 11 (4) OF THE PROCEEDS OF CRIME ACT REGULATIONS)

Describe how you will comply with enhanced due diligence requirements to politically exposed persons including:

* A definition of what is a politically exposed person?
* How you will identify politically exposed persons?
* How you will seek approval from senior management?
* How you will take adequate measures to establish source of wealth and source of funds?
* How you will conduct ongoing monitoring?

**Ongoing monitoring**(SECTION 7 OF THE PROCEEDS OF CRIME ACT REGULATIONS)

Describe how you will comply ongoing monitoring requirements including:

* How you will conduct ongoing monitoring for:
	+ Business relationships (after 2 transactions involving purchase or sale of real estate)
	+ Complex and unusual transactions
	+ Unusual patterns of transactions which have no economic or lawful purpose
* How you will record the findings?

**Suspicious transaction reporting**

(SECTIONS 46 & 47 OF THE PROCEEDS OF CRIME ACT)

Describe how you will comply with suspicious transaction reporting requirements including:

* Defining what is a suspicious transaction?
* How you and your employees/agents will identify suspicious transactions (should refer to ML/TF indicators)
* Who is your reporting officer?
* State your procedures for how employees/agents should raise suspicions to the reporting officer?
* Specify that STRs filed with the FIA are confidential

**Training (Section 18 of the Proceeds of Crime Act Regulations)**

Describe how you will comply with training requirements including:

* How will you screen employees to ensure high standards before hiring?
* How you will train employees/agents on:
	+ How to identify a suspicious transaction?
	+ What are the firm’s AML/ATF obligations?
	+ How to implement your policies and procedures?