

The OFT has created this sample as guidance to assist REAs with their AML/CFT obligations under the Proceeds of Crime Act 2015. The use of this form may not guarantee compliance by your business with these obligations. Your business should therefore assess its specific money laundering & terrorist financing risks and create bespoke forms to carry out appropriate Customer Due Diligence measures.

## **FORM REA 1**

### **TRANSACTION DETAILS & CUSTOMER DUE DILIGENCE**

See Chapter 6 of the OFT's AML/CFT Guidance Notes for Real Estate Agents ("REA Guidance Notes").

#### **1. Transaction Details**

<b>Address of property:</b>	
<b>Nature of transaction:</b>	<input type="checkbox"/> Sale (owner occupier) <input type="checkbox"/> Sale (speculation) <input type="checkbox"/> Rental <input type="checkbox"/> Other – please specify <hr/>
<b>Who is the business's Customer?</b>	<input type="checkbox"/> Seller <input type="checkbox"/> Buyer <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant <input type="checkbox"/> Other – please specify <hr/>

#### **2. Customer Details and Identity**

A Customer is the person (natural or corporate) to which the business contractually provides its services to.

<b>Customer's full name:</b> (Additionally include any aliases)	
<b>Customer's current address:</b>	
<b>Nature of customer:</b>	<input type="checkbox"/> Natural person <input type="checkbox"/> Company <input type="checkbox"/> Other - please specify <hr/>
<b>Appropriate Customer identification collected?</b> (ID/Passport)	<input type="checkbox"/> ID collected <input type="checkbox"/> Copy attached

Complete the relevant REA 2 form to help you identify and record details of the Customer:

- Form REA 2A is designed to carry out CDD for natural persons;
- Form REA 2B is designed to carry out CDD on corporate persons (companies);
- Form REA 2C is designed to carry out CDD on trusts; and
- Form REA 2D is designed to carry out CDD on other entities.

If an employee, acquaintance, agent or other similar person is engaging with you on behalf of the customer, please provide details of that individual:

<b>Name:</b>	
<b>Address:</b>	
<b>Date of Birth:</b>	

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<b>Capacity (e.g. employee):</b>	
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Checklist:

- The relevant REA 2 forms has been completed and attached.
- Copy of passport/ID of person acting on behalf of the Customer attached.

### 3. Other Party's details and identity

Appropriate customer due diligence must always be completed on both parties in a property transaction. The Other Party is the person (natural or corporate) entering into the transaction with the business's Customer (**Other Party**).

<b>Other Party's full name:</b> (Additionally include any aliases)	
<b>Other Party's current address:</b>	
<b>Nature of Other Party:</b>	<input type="checkbox"/> Natural person <input type="checkbox"/> Company <input type="checkbox"/> Other - please specify
<b>Appropriate identification for Other Party collected?</b> (ID/Passport)	<input type="checkbox"/> ID collected <input type="checkbox"/> Copy attached
<b>REA representing the Other Party:</b> (where relevant)	

Complete the relevant REA 2 form to help you identify and record details of the Other Party:

- Form REA 2A is designed to carry out CDD natural persons;
- Form REA 2B is designed to carry out CDD on corporate persons (companies);
- Form REA 2C is designed to carry out CDD on trusts; and
- Form REA 2D is designed to carry out CDD on other entities.

Checklist:

- The relevant REA 2 forms has been completed and attached.

### 4. Is the Customer or Other Party the Ultimate Beneficial Owner (UBO)?

You must identify who the UBO of the Customer and/or the Other Party is. REA 2 forms help you identify and record details of persons, companies, trusts and other entities which ultimately own and/or control the Customer or Other Party. Complete and attach the relevant REA 2 form identifying the UBO:

- Form REA 2A is designed to carry out CDD on UBOs who are natural persons;
- Form REA 2B is designed to carry out CDD on corporate persons (companies);
- Form REA 2C is designed to carry out CDD on trusts; and
- Form REA 2D is designed to carry out CDD on other entities.

You must understand the Customer's/Other Party's full ownership and control structure. More than one REA 2 form may therefore be required to understand the structure and identify the UBO who will ultimately benefit from the transaction.

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For further information on UBO's please see Section 6.2 and 6.3 of the REA Guidance Notes and the OFT's UBO Information Sheet.

Checklist:

- The Customer's/Other Party's full ownership and control structure is understood.
- UBO(s) has(ve) been identified.
- The relevant REA 2 forms has been completed and attached.
- Appropriate CDD documentation has been collected in respect of the UBO(s).

### 5. Is the Customer, the Other Party or the UBO a Politically Exposed Persons (PEP)?

For further details on the definition of PEPs and AML/CFT requirements for PEPs please see Schedule 1, paragraph 3 of the REA Guidance Notes.

PEPs, their family members and persons known to be close associates of PEPs are automatically categorised as high risk customers and require enhanced CDD.

<b>Is the Customer, Other Party or UBO a PEP?</b>	<input type="checkbox"/> Yes – please specify <input type="checkbox"/> No _____
<b>Is the customer , Other Party or UBO a relative or close associate of a PEP?</b>	<input type="checkbox"/> Yes – please specify <input type="checkbox"/> No _____
<b>If the answer to <u>both</u> the above question is 'no', please proceed to Section 6.</b>	
<b>Name of PEP:</b>	
<b>Reason for being PEP:</b>	
<b>Name of relative or associate (if applicable):</b>	
<b>Relation of relative or associate to PEP (if applicable):</b>	
<b>Source of funds for transaction verified:</b> Attach copy of document submitted as proof of source of funds.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Approval from Senior Management to proceed with the transaction?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No Specify Senior Manager: _____

### 6. Payment(s)

<b>Transaction amount and currency:</b>	_____ <input type="checkbox"/> Purchase price <input type="checkbox"/> Monthly rental
<b>Key money/deposit details:</b>	_____ <input type="checkbox"/> Key money <input type="checkbox"/> Rental deposit
<b>Source of funds:</b>	
<b>Proof of source of funds:</b> (For enhanced due diligence)	<input type="checkbox"/> Yes <input type="checkbox"/> Copy attached

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<b>Transferring bank</b>	Name: _____ Jurisdiction _____
<b>Is this part of a series of linked payments?</b>	<input type="checkbox"/> Yes – please specify _____ <input type="checkbox"/> No
<b>Type of payment:</b>	<input type="checkbox"/> Bank Transfer, Debit/Credit Card or Cheque <input type="checkbox"/> Cryptocurrency <input type="checkbox"/> Cash – please specify Denominations (e.g. 10 x £50): _____
<b>Type of Transaction:</b>	<input type="checkbox"/> Purchase Deposit <input type="checkbox"/> Rental Deposit <input type="checkbox"/> Arrangement fee <input type="checkbox"/> Rental income <input type="checkbox"/> Management fee <input type="checkbox"/> Other - please specify _____

## 7. Risk Assessment

Risk assessment checklist:

- REA 3 Risk Assessment form completed.
- Please state risk assessment score: \_\_\_\_\_
- The CDD collected is appropriate based on the money laundering/terrorist financing risk represented by the client and/or the transaction.

If further CDD is required and has been requested, please state details below:

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## 8. Checklist for person carrying out Customer Due Diligence

Please check the boxes below accordingly:

- Do you understand the circumstances and reasoning behind the transaction? (I.e. does the transaction make commercial sense?)
- Are copies of the relevant documents (e.g. copies of ID/Passports) attached to this form?
- Do you know the identity of the Customer and the person who will benefit from this transaction?
- Have any UBOs identified provided suitable and adequate identification.
- Do you know the source of funds for this transaction and has adequate documentary proof been produced where necessary?
- Has the customer or the transaction raised any suspicion of money laundering/terrorist financing and has this been dealt with appropriately?
- Has a risk assessment been carried out?
- Has appropriate CDD been requested commensurate to the customer's or the transactions' risk rating?

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**If any of the boxes above have not been checked please specify the reason(s) why and, if necessary, refer the transaction to the MLRO**

**IF IN DOUBT REFER THE TRANSACTION TO THE MLRO**

**Signature:** \_\_\_\_\_

**Employee name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**9. MLRO Transaction Approval**

To be completed by the MLRO where the transaction has been referred to them for approval.

MLRO Checklist:

- Are the employee's risk assessment & CDD measures adequate?
- Is further CDD required to deal with any doubts about the Customer or the transaction?
- Do you have knowledge, suspect or have reasonable grounds to suspect that a person is engaged in, or is attempting to, launder money or finance terrorism? (see 5.5 to 5.7 of REA Guidance Notes)
- Should a Suspicious Activity Report be submitted to the GFIU? (see 5.8 of the REA Guidance Notes)

**State the reason(s) why the transaction has or has not been allowed to proceed:**

**MLRO Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**IF IN DOUBT SUBMIT A SUSPICIOUS ACTIVITY REPORT (SAR) TO THE GIBRALTAR FINANCIAL INTELLIGENCE UNIT (GFIU)**