

The OFT has created this sample as guidance to assist HVGDs with their AML/CFT obligations under the Proceeds of Crime Act 2015 and the Sanctions Act 2019. 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 and proliferation financing risks and create bespoke forms to carry out appropriate Customer Due Diligence measures – Updated 1st March 2022.

FORM HVGD 2
TRANSACTIONS ABOVE THE MONETARY THRESHOLD
RISK ASSESSMENT
 (For cash payments equal to, or greater than £8,000)

Refer to Section 3 of the OFT’s AML/CFT Guidance Notes for High Value Good Dealers for guidance.

Complete this risk assessment form together with form HVGD 1 with details of the transaction and a record of the Customer Due Diligence (CDD) measures carried out.

This form will allow you to easily identify high and low risk indicators to assist you in determining the money laundering and terrorist financing risk of:

1. the customer; and
2. the transaction.

You will however need to consider all of the indicators below along with any other information at your disposal as a whole to determine the level of risk. It will also assist you in determining whether sufficient CDD measures have been carried out and whether the transaction should be allowed to proceed. If in doubt refer the transaction to your MLRO.

Employee completing transaction: _____

Employee signature: _____ **Date:** _____

Customer Name: _____

1. Sanctions:

Having screened the persons and entities identified as part of the transaction, you should not proceed with the transaction if you have a positive hit or have knowledge or suspicion that the person or entity is a designated person. In such cases you must also:

- immediately freeze any identified assets or funds held or controlled by that person or entity without delay
- not deal with the assets or make them available to the designated person or entity;
- report to the GFIU as soon as practicable.

2. Customer details

| | Low risk indicators | High risk indicators |
|---|---|--|
| Customer known to business? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Type of Customer: | <input type="checkbox"/> Long standing customer <input type="checkbox"/> Local | <input type="checkbox"/> Single transaction customer <input type="checkbox"/> Foreign |
| Has the customer/beneficial owner been reluctant to provide CDD? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

| | | |
|--|------------------------------|------------------------------|
| Has the CDD been verified with appropriate documents? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are the customer/beneficial owner from a high risk jurisdiction? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| Is the Customer the beneficial owner? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Was the customer present when identified ? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Where the customer was not present, were additional measures taken to identify the individual? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Customer part of a complex structure? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| Is the customer/beneficial owner a PEP? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| Is the Customer/ beneficial owner a relative or close associate of a PEP?* | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| | | |

*If the customer is a PEP, a relative of a PEP, or close associate of a PEP then the transaction should automatically be regarded as high risk and enhanced CDD should be requested.

3. Transaction details

| | Low risk indicators | High risk indicators |
|---|--|--|
| Use of item purchased: | <input type="checkbox"/> Personal use <input type="checkbox"/> Commercial use | <input type="checkbox"/> Investment <input type="checkbox"/> Numerous items purchased |
| Is the sale unusual? | <input type="checkbox"/> No | <input type="checkbox"/> Yes Details: _____ _____ |
| Is the manner in which the purchase was made unusual? | <input type="checkbox"/> No | <input type="checkbox"/> No Details: _____ _____ |
| Currency used: | <input type="checkbox"/> Low risk jurisdiction | <input type="checkbox"/> High risk jurisdiction |
| Does the customer want to make cash payments in instalments? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| Does the customer have a legitimate reason for wanting to pay in cash? | <input type="checkbox"/> Yes Details: _____ _____ | <input type="checkbox"/> No |
| Does the customer want the goods to be delivered in an unusual manner or to an address that is not their own? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |

| | | |
|---|-----------------------------|------------------------------|
| Has the customer travelled to purchase goods readily available closer to home? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
|---|-----------------------------|------------------------------|

4. Further information:

| | Low risk indicators | High risk indicators |
|--|----------------------------|-----------------------------|
| Include further information affecting the Customer and transaction risk assessment: | | |
| Further comments: | | |

5. Risk rating:

Based on the risk indicators identified and all the CDD information collected in the HVD 1 & HVD 2 forms give the transaction a risk rating:

| | |
|---|--|
| Customer risk rating: | <p>Low Risk Medium Risk High Risk</p> <p>1 2 3 4 5</p> |
| Risk rating rationale: Explain why the customer has received that score. | |
| Transaction risk rating: | <p>Low Risk Medium Risk High Risk</p> <p>1 2 3 4 5</p> |
| Risk rating rationale: Explain why the transaction has received that score. | |

Inform the MLRO before proceeding with this transaction if there is:

- 1. any suspicion of money laundering and/or terrorist financing; and/or**
- 2. the transaction requires enhanced due diligence;**

3. the transaction involves a PEP.

Name of employee conducting risk assessment: _____

Date: _____

Signature: _____

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

OFT SAMPLE