

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 3 **RISK ASSESSMENT**

Complete this risk assessment form once you have completed form REA 1 and the relevant REA 2 forms identifying the Customer, Other Party and their relevant UBOs (if any).

See Chapter 3 and Schedule 1 of the OFT's AML/CFT Guidance Notes for Real Estate Agents.

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 this 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 has been obtained and whether the transaction should be allowed to proceed. If in doubt refer the transaction to your MLRO.

Customer Name: _____

Property Address: _____

1. 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
Is the Customer the UBO?	<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/UBO a PEP?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
Is the Customer/UBO 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.

2. Other Party's details:

	Low risk indicators	High risk indicators
Type of Other Party:	<input type="checkbox"/> Known <input type="checkbox"/> Local	<input type="checkbox"/> Unknown <input type="checkbox"/> Foreign
Is the Other Party the UBO?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the Other Party part of a complex structure?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
Is the Other Party /UBO a PEP?	<input type="checkbox"/> No	<input type="checkbox"/> Yes

Is the Other Party/UBO a relative or close associate of a PEP?*	<input type="checkbox"/> No	<input type="checkbox"/> Yes

*If the Other Party 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

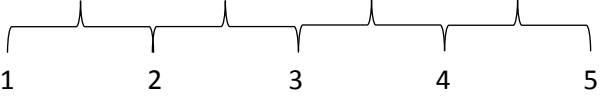
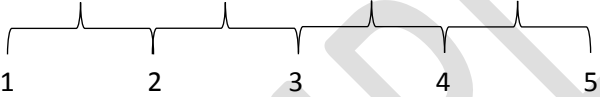
	Low risk indicators	High risk indicators
Use of Property:	<input type="checkbox"/> Personal use <input type="checkbox"/> Commercial use	<input type="checkbox"/> Investment/speculation
Type of payment:	<input type="checkbox"/> Bank Transfer <input type="checkbox"/> Card/cheque	<input type="checkbox"/> Cash <input type="checkbox"/> Cryptocurrency
Financing required?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Satisfactory source of funds:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Transferring bank:	<input type="checkbox"/> Low risk jurisdiction	<input type="checkbox"/> High risk jurisdiction
Currency:	<input type="checkbox"/> Low risk jurisdiction	<input type="checkbox"/> High risk jurisdiction

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 REA 1 & REA 2 forms give the transaction a risk rating:

Customer risk rating:	<div style="display: flex; justify-content: space-around; font-weight: bold; color: green;">Low Risk</div> <div style="display: flex; justify-content: space-around; font-weight: bold; color: orange;">Medium Risk</div> <div style="display: flex; justify-content: space-around; font-weight: bold; color: red;">High Risk</div> 
Risk rating rationale: Justify why the customer has received that score.	
Transaction risk rating:	<div style="display: flex; justify-content: space-around; font-weight: bold; color: green;">Low Risk</div> <div style="display: flex; justify-content: space-around; font-weight: bold; color: orange;">Medium Risk</div> <div style="display: flex; justify-content: space-around; font-weight: bold; color: red;">High Risk</div> 
Risk rating rationale: Justify why the transaction has received that score.	

6. Checklist for person carrying out risk assessment:

Please check the boxes below accordingly:

- REA3 form has been completed
- Form REA1 & the appropriate REA2 forms has been completed and the information submitted is adequate and satisfactory.
- All UBOs have been identified.
- The appropriate level of CDD has been collected based on the Customer's and the transaction's ML/TF risk.
- Information about the source and proof of funds is satisfactory.
- Based on the information collected within REA 1,2 & 3 there is no suspicion of money laundering and/or terrorist financing.

If there is any suspicion of money laundering and/or terrorist financing inform the MLRO before proceeding with the transaction.

Name of employee conducting risk assessment: _____

Date: _____

Signature: _____

Notes:

- Form REA1, 2 and 3 should be completed and filed in the Customer's file.
- If the customer risk score has been determined to be medium to high (E.g. 3,4 or 5) the transaction should be referred to the MLRO for approval before proceeding.

7. MLRO Transaction Approval

This section should only be completed by the MLRO where the transaction has been referred to them for approval.

MLRO Checklist:

- Are the employee's risk assessment appropriate and do they reflect the potential ML/TF risk?
- Is further CDD required to deal with any doubts about the Customer or the transaction?
- Have all factors been taken into account to arrive to an appropriate risk assessment?
- 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 reason(s) why the transaction has or has not been allowed to proceed:

MLRO Name: _____

Signature: _____

Date: _____

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