



SAXON WEALD

ANTI-CORRUPTION POLICY

First approved: November 2022

Author: John Adams

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Next review: October 2026

1.0 Introduction and aim

- 1.1 Saxon Weald is committed to the prevention and deterrence of all forms of corruption. We have established robust standards, procedures and controls to minimise the risk of corruption in its various forms.
- 1.2 Our aim is to be diligent and proactive in recognising corrupt activities and reducing opportunities for them to occur; along with being prompt to fully investigate and take appropriate and effective action in the event that suspected cases are brought to our attention.
- 1.3 This policy sets out Saxon Weald's principles for and approach towards corruption. It is underpinned by our corporate values and intends to ensure probity, transparency and accountability in all our business interests and activities.
- 1.4 This policy applies to all persons working for us or on our behalf in any capacity, including Board members, employees, officers, involved residents, temporary workers, consultants, contractors, suppliers, agents, volunteers and any other subsidiary, individual or organisation acting for, or on behalf of, Saxon Weald (collectively, "**associated persons**" or "**you**").

2.0 Policy Details

- 2.1 For the purposes of this policy, the term "**corruption**" includes abuse of power, attempted and suspected or alleged bribery, deception, embezzlement, extortion, fraud/false representation, serious misuse of funds, money laundering, serious undisclosed conflict of interest, tax evasion (and the facilitation of tax evasion) and theft.
- 2.2 In most cases, a majority of these activities will normally constitute criminal offences, although the precise definition of the offence may differ.
- 2.3 All associated persons are prohibited from being involved in any form of corruption, although some are more relevant to the business of Saxon Weald, therefore we have included further detail on such activities in the Appendices. Saxon Weald's rules relating to the following forms of corruption are included in the Appendices and are incorporated into this policy:
 - Appendix 1: Bribery
 - Appendix 2: Anti-Money Laundering Policy
 - Appendix 3: Tax Evasion (and the facilitation of tax evasion)

3.0 Background

3.1 This policy was established to amalgamate Saxon Weald's policies for bribery prevention, fraud and hospitality and gifts into a single, clear and consistent document.

3.2 The statutory, regulatory and corporate requirements relating to corruption and therefore applicable to this policy include:

3.2.1 Legislation

- Anti-Money Laundering Act 2018
- Bribery Act 2010
- Computer Misuse Act 1990
- Criminal Finance Act 2017
- Fraud Act 2006
- Global Anti-Corruption Sanctions Regulations 2021
- Housing and Regeneration Act 2008 (S122)
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (MLR 2019)
- Modern Slavery Act 2015
- Prevention of Social Housing Fraud Act 2013
- Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014
- Proceeds of Crime Act (POCA) 2002
- Serious Crime Act 2015

3.2.2 Regulatory requirements

- The Regulator of Social Housing's (RSH) Governance and Financial Viability Standard

3.2.3 Internal controls and related documents

- Modern Slavery Statement
- NHF Code of Conduct (2022)
- Corporate Risk Register
- Disciplinary Procedure
- Equality, diversity and Inclusion Policy
- Financial Regulations
- Fraud Response Plan
- Internal financial processes and controls in relation to income, purchases, payments, property and investments
- Our Rules and NHF Code of Governance
- Procurement procedures and requirements for consultants, suppliers, contractors and agents to have appropriate measures in place
- Schemes of delegation
- Standing Orders and Terms of Reference
- Whistleblowing Policy

The above internal controls and documents are reviewed regularly.

3.2.4 Risk register reference

- Corrupt activity is recognised as an operational risk in the Corporate Risk Register:
 - Strategic Risk – FIN0021 Financial Control Environment (Ineffective financial control environment resulting in poor expenditure control and/or potential fraud); and
 - Operational Risk – FIN0007 Money Laundering (Money laundering offence is committed).

3.2.5 Supporting guidance and best practice

- The Financial Conduct Authority (FCA's) document 'Financial Crime – A Guide for Firms'
- The Ministry of Justice 'Bribery Act 2010 Guidance'
- The National Housing Federation (NHF) Guidance on Anti-Money Laundering – How it affects members
- The National Housing Federation (NHF) Code of Conduct 2022

3.3 Part 1 of Schedule 1 of the 1996 Housing Act is more restrictive than Section 122 of the Housing and Regeneration Act 2008, with regard to limits on benefits and payments to Board members, staff and their families. Whilst Schedule 1 has been repealed, Saxon Weald continues to apply some of its requirements, as the limitations it prescribed remain sensible and effective as a control measure.

4.0 Policy Statement

4.1 Saxon Weald has a zero-tolerance approach to all forms of corruption. All associated persons have a duty to report suspicions of malpractice and corrupt activity, both in line with this policy and the NHF Code of Conduct (2022), which Saxon Weald has adopted. Saxon Weald aims to prevent corruption by meeting the relevant industry and statutory standards as well as having adequate compliance in place to mitigate any risks. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and implementing and enforcing effective systems to counter corruption.

5.0 Implementation

- 5.1 In administering this policy, Saxon Weald will meet the relevant legislation and regulatory requirements, along with applying the principles contained in the Ministry of Justice's Bribery Act 2010 Guidance. This includes taking the following steps to prevent, recognise and respond to acts (or suspected acts) of corruption by any person or organisation working for or acting on our behalf, or with whom we intend to enter into a business arrangement:
- a) Ensure that the appropriate legislation is adhered to with regard to different types of corrupt activities identified in this policy.
 - b) Have a senior level commitment to recognising and preventing corruption that filters throughout the organisation by way of effective communication and appropriate training for associated persons.
 - c) Identify key risks for our business and produce a list of "red flags" for everyone to look out for. This will include considering risks associated with all new projects, activities and technology, as well as any significant change in process.
 - d) Conduct regular (at least quarterly) risk assessments of all risks relating to all forms of corruption, together with management processes to mitigate those risks. Risk reports are to be provided to the Board and Audit and Risk Committee three times a year.
 - e) Ensure that robust procedures are available and promoted to enable the swift and comprehensive investigation into suspected or obvious acts of corruption, along with providing clear and appropriate options for managing different scenarios.
 - f) Implement and promote a Whistleblowing Policy and Procedure so that suspected corruption can be reported without fear of victimisation.

- g) Encourage and provide opportunities for all parties covered by the scope of this policy to declare when a private interest interferes, competes or conflicts in any way with the interests of Saxon Weald, which makes it difficult for them to perform their duties objectively, fairly and in line with our corporate values.

6.0 Equality, diversity and inclusion

- 6.1 Equality, diversity and inclusion (EDI) affects all aspects of our business and, as such, its principles are integral to everything we do. As a landlord and employer, Saxon Weald aims to recognise and respond positively to people's differences, while providing equality of opportunity in relation to the services and careers we provide and support.
- 6.2 This means that no person or group of people, either working for Saxon Weald or seeking housing, services, employment or contracts from us, will be treated less favourably because of their or their partner's, family's, friend's or associated person's protected characteristics, which are; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief, gender and sexual orientation. This includes individuals either already serving on or applying to join our Board.
- 6.3 Avoiding, preventing and reporting actual, suspected or attempted forms of corruption is the responsibility of all parties referred to in this policy, as well Saxon Weald in general. This policy, therefore, applies to all individuals, irrespective of their protected characteristics and their position in Saxon Weald, or the company they work for if providing a service to Saxon Weald.

7.0 Monitoring and review

- 7.1 Weaknesses in the design and operation of systems and procedures can increase the risk of corrupt activity. This is especially true where individuals recognise the weaknesses and seek to exploit them. All systems must, therefore, incorporate efficient, effective and well-documented controls. An effective control environment is reliant on the overall attitude, awareness and actions of managers towards internal controls.
- 7.2 The effective operation of internal controls is essential as defence against fraudulent or corrupt practices. It is the responsibility of managers at all levels to make sure these controls are operating effectively by test checking and verifying work processed by the systems, and the individuals, under their control.
- 7.3 The effectiveness of Saxon Weald's anti-corruption arrangements and systems will be reviewed as part of the internal audit process, with assurance reports provided to the Audit and Risk Committee.
- 7.4 The Risk Register, including assessment of the risk of corruption, will be reported to the Audit and Risk Committee and Board annually. Any new activity/change in the external environment will be assessed for the risk of corruption and appropriate controls put in place.
- 7.5 This policy will be reviewed annually or in the interim period if any major legislative or regulatory changes require it.

8.0 Responsibilities

- 8.1 **Managers** – Managers must follow this policy and have day-to-day responsibility for ensuring staff understand and comply with this policy and are properly trained. They must report non-compliance and identify and provide any additional training required.

- 8.2 **The Board** – The Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations and those under our control comply with it. The Board also has overall responsibility for the effective operation of this policy but has delegated responsibility for overseeing its implementation to Audit and Risk Committee. The Audit and Risk Committee must review this policy every year and review reports submitted to it in accordance with this policy. The Board must appoint a Money Laundering Reporting Officer (MLRO) and a deputy and ensure adequate controls are in place to manage and report financial crime.
- 8.3 **All associated persons** – A breach of this policy constitutes a serious contractual breach, which will be fully investigated and could result in disciplinary action and/or criminal proceedings.

Version	Amendment	By	Date
1.0	Amalgamation of the Bribery Prevention, Money Laundering, Fraud Policy, and Hospitality and Gifts Policy, into a single Anti-Corruption Policy.	John Adams	Nov 2022
1.1	Addition of prescribed Anti-Money Laundering Policy as Appendix 2.	John Adams	Nov 2023
2.0	Annual review.	John Adams	Oct 2024
3.0	Annual Review	John Adams	Oct 2025

Appendix 1: Bribery

1.0 Definitions

1.1 For the purposes of this policy, the following definitions shall apply:

"Bribe" means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.

"Bribery" is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

2.0 Prohibited acts

2.1 All associated persons covered under the scope of this policy are prohibited from accepting bribes. This includes, but is not limited to, the following activities:

- a) Giving, promising to give, or offering a payment, gift or hospitality with the expectation or hope that a business or personal advantage will be received; or to reward a business advantage that has already been gained. This includes the making and acceptance of facilitation payments in order to secure or expedite a business arrangement or process.
- b) Requesting, agreeing to receive and/or accepting a payment, gift or hospitality in order to gain a personal or business advantage, or where you know or suspect that it is offered with the expectation that it will achieve a business or service advantage for a third party.
- c) Accepting a payment of any kind from any person or organisation, other than legitimate payments made through Saxon Weald's recognised systems for supplies, services or works associated with Saxon Weald's business activities.
- d) Using, or attempting to use, your position to achieve personal gain from customers, suppliers, contractors, consultants and any other persons or bodies associated with Saxon Weald; unless agreed arrangements for member and staff benefits (e.g. discount schemes) from that body are already in place.
- e) Being knowingly involved in any activity that conflicts in any way with the interests of Saxon Weald, and which makes it difficult for you to deal with the matter objectively, fairly and in line with our corporate values; unless the conflict has been formally declared and approved by an Executive and/or the Board.
- f) Falsifying documentation to gain a business advantage, speed up a process or achieve personal gain.
- g) Coercing or allowing an individual/s or organisation to commit a corrupt activity.
- h) Threatening, intimidating or retaliating against an individual/s that has refused to participate in a corrupt activity or has raised concerns under this policy.
- i) Misusing Saxon Weald's funds or assets, including the unauthorised taking, selling and use of tools, goods and materials owned by Saxon Weald.
- j) Employing or procuring services, supplies or works from close family, friends or acquaintances, unless the conflict of interest has been formally declared and

approved by the relevant person at Saxon Weald and the Procurement Procedure has been followed.

- k) Offering or accepting a gift or payment to, or from, government officials or representatives, or politicians or political parties to facilitate or speed up a routine or necessary procedure. Facilitation payments and kickbacks are strictly prohibited.
- l) Engaging in any other activity that might result in a breach of this policy.

2.2 Saxon Weald also prohibits political contributions of any kind in a Saxon Weald capacity. This includes: the contribution of Saxon Weald funds or assets for political purposes; encouraging employees to make any such contributions; or reimbursing employees for making such contributions.

3.0 Reporting

3.1 If any associated person is asked to make a payment on behalf of Saxon Weald, such associated person should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. If any payment is made on behalf of Saxon Weald, a receipt detailing the reason for the payment should always be sought.

3.2 All suspected and obvious acts of corruption must be reported to a senior manager as soon as they become apparent. Any queries as to whether a particular act constitutes corruption, you should raise it with a senior manager who will provide guidance. Senior managers have a continuing duty to deter, detect and respond to corrupt activities in their business area. Senior managers must, in turn, report any such issues in accordance this policy.

3.3 Alternatively, where a person feels uncomfortable reporting suspected or obvious acts of corruption or unusual activity; or if the person they are reporting is a senior manager or Board member, they are encouraged to follow the Whistleblowing Policy and Procedure, which protects their anonymity and will ensure that the matter is considered and investigated appropriately.

3.4 All reports of suspected bribery or corruption will be taken seriously and dealt with urgently, appropriately and in confidence.

4.0 Hospitality and gifts

4.1 Saxon Weald allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of: establishing or maintaining good business relationships; improving or maintaining our image/reputation; or marketing or presenting our products and services effectively. Note that prior to providing any hospitality or entertainment, you must be authorised to do so by the relevant person at Saxon Weald.

4.2 The following will apply with regard to the receipt of hospitality and gifts:

- a) All offers or receipts of hospitality to the sum of £50 or more, per person, must be reported and recorded in the electronic register which is accessible on Launchpad.
- b) Prior authority must be obtained before accepting hospitality with a value in excess of £100, this includes where an individual has any uncertainty about the appropriateness of any hospitality offered.

- c) We accept no gifts or hospitality at all from any organisation which may be able to tender for contracts within three months prior to tender and at any time up to and including the award of a tender.
- d) Any hospitality accepted must be reasonable and not give others the opportunity to impute improper influence. It would be acceptable, for example, to accept:
 - i) Meals provided to allow associated persons to discuss business.
 - ii) An invitation to attend a professional body's dinner or function.
 - iii) An invitation to join other guests at a company's sponsored event (e.g. an awards dinner or sporting engagement).
 - iv) It is unacceptable to receive things such as paid holidays, hotel or theatre tickets, or the use of property or hotel suites provided by a third party. Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift.
 - v) The acceptance of cash gifts is not permitted under any circumstances. However, gifts of nominal value, such as promotional goods (for example calendars, diaries etc.) may be accepted by individuals.
 - vi) Gifts with a value in excess of £20 must not be accepted personally by Associated Persons. This applies whether such gifts are from individual customers or external organisations.
 - vii) Gifts from groups of tenants (e.g. in a retirement scheme) which together add to over £150 cannot be accepted. However, staff leaving the employment of the company are allowed to accept individual gifts from tenants providing they are each worth under £20 or a collective gift that is under £200; although, the staff member concerned is still required to record the gift in the hospitality and gifts register.
 - viii) Associated persons and/or their close relatives are not permitted to be executors of unrelated tenants' wills or receive in a will gifts of more than £100 whether in cash or goods.
 - ix) Associated Persons are not permitted to act as witness signatories to tenants' wills.
 - x) Gifts given secretly must not be accepted.
- e) More expensive gifts (e.g. those provided by suppliers at Christmas time) should be dealt with in the most appropriate of the following ways:
 - i) Donated to charitable causes with the agreement of the donor;
 - ii) Ruffled or auctioned with the proceeds going to charity (e.g. Christmas gifts should be entered into the staff Christmas raffle);
 - iii) Retained in Saxon Weald's premises; or
 - iv) Declined politely.
- f) You must declare and keep a written record of all hospitality or gifts given or received. You must also submit all expense claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for the expenditure.

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Appendix 2: Anti-Money Laundering Policy

SAXON WEALD

ANTI-MONEY LAUNDERING POLICY

First approved: November 2023

Author: John Adams

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Next review: October 2026

1.0 Introduction and aim

- 1.1 Saxon Weald is committed to the prevention and deterrence of all forms of corruption. We have established robust standards, procedures and controls to minimise the risk of corruption in its various forms.
- 1.2 This policy sets out Saxon Weald's principles for and approach towards anti-money laundering and forms part of the umbrella anti-corruption policy. It is underpinned by our corporate values and intends to ensure probity, transparency and accountability in all our business interests and activities.
- 1.3 This policy applies to all persons working for us or on our behalf in any capacity, including Board members, employees, officers, involved residents, temporary workers, consultants, contractors, suppliers, agents, volunteers and any other subsidiary, individual or organisation acting for, or on behalf of, Saxon Weald (collectively, "**associated persons**" or "**you**").
- 1.4 This policy supports our compliance with:

Legislation

- Anti-Money Laundering Act 2018
- Bribery Act 2010
- Computer Misuse Act 1990
- Criminal Finance Act 2017
- Fraud Act 2006
- Global Anti-Corruption Sanctions Regulations 2021
- Housing and Regeneration Act 2008 (S122)
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (MLR 2019)
- Modern Slavery Act 2015
- Prevention of Social Housing Fraud Act 2013
- Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014
- Proceeds of Crime Act (POCA) 2002
- Serious Crime Act 2015

Regulatory requirements

- The Regulator of Social Housing's (RSH) Governance and Financial Viability Standard

Internal controls and related documents

- Modern Slavery Statement
- NHF Code of Conduct (2022)
- Corporate Risk Register

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- Disciplinary Procedure
- Equality, Diversity and Inclusion Policy
- Financial Regulations
- Fraud Response Plan
- Internal financial processes and controls in relation to income, purchases, payments, property and investments
- Our Rules and NHF Code of Governance
- Procurement procedures and requirements for consultants, suppliers, contractors and agents to have appropriate measures in place
- Risk Appraisal Procedure
- Schemes of delegation
- Standing Orders Relating to Contracts
- Standing Orders and Terms of Reference
- Whistleblowing Policy

Supporting guidance and best practice

- The Financial Conduct Authority (FCA's) document "Financial Crime – A Guide for Firms"
- The Ministry of Justice "Bribery Act 2010 Guidance"
- The National Housing Federation (NHF) Guidance on Anti-Money Laundering – How it affects members
- The National Housing Federation (NHF) Code of Conduct 2022

1.5 As a matter of good practice, we ensure that we "know our customer" and make relevant customer due diligence checks.

1.6 Appendices:

- Appendix A – Signs of possible money laundering
- Appendix B – Customer due diligence and record keeping
- Appendix C – Internal suspicion activity record
- Appendix D – Money laundering risk assessment

2.0 Scope

2.1 Money laundering is a general term for any method of disguising the origin of 'dirty' or criminal money. This money may be the proceeds of any criminal activity including terrorism, drug trafficking, corruption, tax evasion and theft. It is the process by which the true source and ownership of the proceeds of crime is changed, so that the funds appear to come from a legitimate source.

2.2 Saxon Weald has a risk-based approach to the prevention of money laundering and Appendix D provides information on the types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity.

2.3 This policy sets out that Saxon Weald will meet the following obligations:

- Appoint a Money Laundering Reporting Officer "MLRO" (Assistant Director – Finance) and Deputy Money Laundering Reporting Officer "Deputy MLRO" (Senior Financial Business Manager);
- Appoint a Money Laundering Compliance Officer "MLCO" (Assistant Director – Finance) and a Deputy Money Laundering Compliance Officer "Deputy MLCO" (Senior Financial Business Manager) who is responsible for reporting suspicious activity to the National Crime Agency (NCA) (reporting form template in Appendix C);
- Ensure staff are aware and provided with regular training;

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- Carry out a formal, regular assessment of money laundering risks, including market changes and changes in products, customers and the wider environment (organisation wide risk assessment in Appendix D);
- Ensure internal procedures, systems and controls, including staff awareness, adequately reflect the risk assessment (Appendix D);
- Undertake customer due diligence (CDD) checks and ongoing monitoring to ensure compliance with procedures (Appendix B);
- Ensure customer identification and acceptance procedures reflect the risk characteristics of customers and take further measures for higher risk situations that may be identified (procedures shown in Appendix B);
- Maintain accurate, up to date records of identification checks and appropriate retention of records (Appendix B); and
- Manage control systems.

3.0 Legislation

3.1 Money Laundering Regulations (MLR) 2017

3.1.1 The principal offences of money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from the UK;
- Entering into or becoming concerned in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; or
- Acquiring, using or possessing criminal property.

3.1.2 There are two 'third party' money laundering offences that relate to the suspicion or knowledge that money laundering is taking place, and these are the offences that members of staff are more likely to commit:

- Failing to disclose knowledge or suspicion of money laundering to the MLCO / Deputy MLCO, or in the case of the MLCO / Deputy MLCO, failing to report to the NCA as appropriate; and
- Tipping off any person that such a disclosure has been made in such a way as to reduce the likelihood of their being investigated or prejudicing investigation.

3.1.3 MLR 2017 does not apply to all business activity but does apply to Saxon Weald's 'estate agency business' activity (see below) and any limited consumer lending activity authorised by the Financial Conduct Authority (FCA) (this latter activity is not permissible by Saxon Weald at present). As a matter of good practice, we ensure that in other appropriate parts of our business we "know our customer" and make relevant checks (as required by POCA below).

3.2 Estate Agents Acts 1979

3.2.1 Saxon Weald is registered with and supervised by HMRC as an 'Estate Agency Business' by virtue of being classified as an Estate Agent under the terms of the Estate Agents Act 1979; this is in relation to shared ownership resales and work that it carries out on behalf of Saxon Weald. By law you are an Estate Agent if:

- You deal with people who want to buy or sell freehold or leasehold property;
- You do this as part of a business; or
- You act on instruction from a client.

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3.2.2 The services offered by estate agency businesses are attractive to money launderers or those seeking to finance terrorism because:

- They are widely available and can give the transaction an air of legitimacy; and
- Large sums of illicit funds can be concealed in a single transaction.

3.3 Proceeds of Crime Act (POCA) 2002

3.3.1 Offences under this legislation apply to all employees and Saxon Weald activities and the obligation is to report any suspicious activity surrounding a transaction. It sets out the primary offences related to money laundering as:

- Concealing, disguising, converting, transferring criminal property;
- Entering into or becoming involved in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; or
- Acquisition, use and/or possession of criminal property.

3.4 Terrorism Act 2000

3.4.1 Regulated businesses must report their suspicions of offences related to terrorist financing. The risk of Saxon Weald's business being targeted by terrorists is assessed as low and so this policy refers to money laundering. However, money laundering risks also consider potential links to terrorist financing.

4.0 Customer diligence

4.1 CDD must be carried out before any transactions take place and applies to all applicable customers, even if an employee knew them before they became customers (see Appendix B for more details on procedures).

4.2 Customer due diligence (CDD) means:

- Taking steps to identify customers and checking they are who they say they are (also referred to as 'know your customer');
- Identifying any beneficial owner (the person who is behind the customer and who owns or controls the customer, or the person on whose behalf a transaction or activity is carried out);
- Checking the source of the funds; and
- Conducting ongoing monitoring of the business relationship, to ensure transactions are consistent with what the business knows about the customer and maintaining records of these checks.

4.3 The extent of CDD depends upon the level of risk. There is information on 'enhanced due diligence' (EDD) and when it may be necessary in Appendix B.

4.4 If an employee cannot comply with the CDD measures they must consider whether to make a suspicious activity report and/or take advice from the MLRO / Deputy MLRO. They must not:

- Carry out a transaction with or for the customer; or
- Establish a business relationship or carry out an occasional transaction with the customer.

4.5 Saxon Weald must also carry out their own CDD and not rely on third parties.

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5.0 Cash payments and refunds

- 5.1 Saxon Weald does not normally accept cash payments. If a request to make such a payment is received, the Assistant Director – Finance or Senior Financial Business Manager must be consulted beforehand. If they agree, staff must carry out CDDs check before accepting the payment.
- 5.2 Where refunds are requested, particularly from rent accounts, this should be in line with current policy and staff should consider the value very carefully as well as any unusual patterns of overpayment preceding the refund request. Financial Regulations set the delegation levels for staff signing off refunds. Any significant overpayment resulting in the need for a refund will need to be properly investigated and authorised by the Assistant Director – Finance or Senior Financial Business Manager before payment is made.

6.0 Reporting suspicious activity

- 6.1 All employees are required to make a report if they have reasonable grounds for suspecting money laundering; this means the facts they have about the customer and transaction would cause a reasonable property professional to have a suspicion.
- 6.2 Staff must report to the MLRO / Deputy MLRO (using the internal reporting form shown in Appendix C) as soon as possible if they know or suspect money laundering. The MLRO / Deputy MLRO will decide whether to make a report to the National Crime Agency (NCA).
- 6.3 The MLRO / Deputy MLRO can make a suspicious activity report even if no transaction takes place. The report should include details of how they know about or suspect money laundering. It should also include as much relevant information about the customer, transaction or activity as Saxon Weald has on its records.
- 6.4 It is a criminal offence for anyone to do or say anything that 'tips off' another person that a disclosure has been made where the tip-off is likely to prejudice any investigation that might take place. It is essential that no-one informs the customer that:
 - The transaction is being or was delayed because a suspicion has been raised;
 - Details of a transaction have or will be reported to the NCA; and
 - Law enforcement agencies are investigating the customer or transaction.

7.0 Awareness and training of staff

- 7.1 As part of their induction, all new desk-based employees undertake corporate online fraud training which includes information on anti-money laundering. This training is repeated annually.
- 7.2 All employees undertaking activities considered to be 'high risk' (i.e., in a role responsible for carrying out relevant transactions, for initiating and/or establishing business relationships or in a position to identify suspicious activities) must undergo additional, specialist anti-money laundering training, usually provided by an external company such as a legal firm / specialist consultant. These are the job roles that require this enhanced training:

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Department	Team	Job role	Course
Executive Team		Chief Executive	Advanced
		Executive Director – Finance & Governance	Advanced
		Executive Director – Customer Operations	Advanced
		Executive Director – Asset & Development	Advanced
		Chief Information Officer	Advanced
Development	Development & Sales	Assistant Director – Development & Sales	Advanced
	Sales	Senior Sales Manager	Advanced
	Sales	Sales Progressor	Advanced
	Sales	Sales & Development Administrator	Advanced
Weald Living / Home Ownership		Leasehold Operations Manager	Advanced
Finance		Assistant Director – Finance	Advanced
		Senior Financial Business Manager	Advanced
		Financial Business Partner	Advanced
		Finance Team Leader	Basic
		Senior Finance Income Assistant	Basic
		Finance Income Assistant	Basic
		Finance Payment Assistant	Basic

8.0 Responsibilities

8.1 The Assistant Director – Finance (MLRO) / Senior Financial Business Manager (Deputy MLRO) are responsible for reporting purposes and are also responsible for:

- Maintenance of this policy, which is reviewed every year with relevant managers, or when good practice/legislation changes or lessons are learnt about money laundering;
- Deciding what activity needs to be reported to the NCA (the NCA is then responsible for any subsequent action);
- Updating the organisation wide risk assessment; and
- Reporting annually to the Audit and Risk Committee.

8.2 Executive Management Team and Board are responsible for:

- Establishing and maintaining an environment that is resistant to money laundering;
- Checking the adequacy of systems and internal controls to gain assurance over their effectiveness (Internal Audit resources to be deployed as appropriate); and
- Implementing remedial and improvement actions to strengthen and improve controls.

8.3 Relevant managers are responsible for:

- Implementing this policy and monitoring its effectiveness within their team;

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- Ensuring their team maintain accurate up to date records and apply the appropriate retention of those records from completion of the transaction;
- Assisting with the review of the policy; and
- Facilitating the required training and assisting in keeping records of such training.

9.0 Equality, diversity and inclusion

- 9.1 Equality, diversity and inclusion (EDI) affects all aspects of our business and, as such, its principles are integral to everything we do. As a landlord and employer, Saxon Weald aims to recognise and respond positively to people's differences, while providing equality of opportunity in relation to the services and careers we provide and support.
- 9.2 This means that no person or group of people, either working for Saxon Weald or seeking housing, services, employment or contracts from us, will be treated less favourably because of their or their partner's, family's, friend's or associated person's protected characteristics, which are; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, gender and sexual orientation. This includes individuals either already serving on or applying to join our Board.
- 9.3 Avoiding, preventing, and reporting actual, suspected or attempted forms of corruption is the responsibility of all parties referred to in this policy, as well Saxon Weald in general. This policy, therefore, applies to all individuals, irrespective of their protected characteristics and their position in Saxon Weald, or the company they work for if providing a service to Saxon Weald.

10.0 Monitoring and review

- 10.1 This policy will be reviewed annually as part of the review of the Anti-Corruption Policy or when good practice/legislation changes or lessons are learnt about money laundering.

Version	Amendment	By	Date
1.0	New policy. This policy forms part of Anti-Corruption Policy.	John Adams	Nov 2023
2.0	Annual review.	John Adams	Oct 2024
3.0	Annual Review	John Adams	Oct 2025

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Appendix A: Signs of possible money laundering

1.0 Signs of possible money laundering

1.1 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report to the MLRO / MLCO.

1.2 The following are types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity:

1.2.1 General

- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash;
- Significant overpayments by a client and the subsequent requests for refunds;
- Absence of a legitimate source of the funds;
- Where, without reasonable explanation, the size, nature and frequency of transactions (or the size, location or type of a client) is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- Refunds following the cancellation or reversal of an earlier transaction;
- Requests for release of client accounts details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A secretive client e.g., refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, identity or location of a client; or
- Illogical third-party transactions: unnecessary routing or receipt of funds from third parties' previous transaction for the same client that has been, or should have been, reported to the MLRO / Deputy MLRO.

1.2.2 Property purchase, right to buy/acquire and shared ownership, open market schemes

1.2.2.1 Involvement in property sales carries an increased risk of money laundering. When conducting a property transaction, you may be comfortable in the knowledge that there is a solicitor or conveyancer involved and there is a mortgage in place; however, this does not necessarily mean the transaction is legitimate, as criminals often exploit professionals to give transactions an air of credibility.

1.2.2.2 The following situations may indicate that a customer or transaction is suspect. The list in Appendix D gives some examples of categorising and dealing with such risks:

- Checking a customer's identity is difficult;
- There is reluctance from a new customer to provide details of their identity;
- The size of the transaction is not consistent with previous activity, i.e. a customer on housing benefit suddenly has the funds for a deposit to fund a house purchase;
- The financial circumstances of an existing customer have changed dramatically;
- Money is paid by a third party who has no obvious link with the transaction. Money launderers often use front buyers to enter into transactions on their behalf. The money for a deposit or even to pay a mortgage may have come from someone other than the customer and could very well be the proceeds of crime;
- The customer wants to pay a large sum in cash;
- A customer who puts pressure on you to accept his or her business before you can carry out the necessary checks;
- A customer makes an approach to purchase a property then backs off on realising his or her identity will be checked for anti-money laundering purposes;

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- Unusual property investment transactions if there is no apparent investment purpose or rationale; or
- Funds received for deposits or prior to completion of a property transaction are from an unexpected source or instructions are given for settlement funds to be paid to an unexpected destination.

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Appendix B: Customer due diligence record keeping

1.0 Customer Due Diligence

1.1 Customer due diligence (CDD) means taking steps to identify your customers and checking they are who they say they are. In practice, this means obtaining a customer's:

- Name;
- Photograph on an official document which confirms their identity; and
- Residential address and date of birth.

1.2 The best way to do this is to ask for a government issued document like a passport, along with utility bills, bank statements and other official documents. Other sources of customer information include the electoral register and information held by credit reference agencies such as Experian and Equifax.

1.3 You also need to identify the 'beneficial owner' in certain situations. This may be because someone else is acting on behalf of another person in a particular transaction, or it may be because you need to establish the ownership structure of a company, partnership or trust. As a rule, the beneficial owner is the person who's behind the customer and who owns or controls the customer, or it's the person on whose behalf a transaction or activity is carried out.

1.4 REMEMBER this applies to our customers – not when Saxon Weald is a customer (i.e. when we buy services, goods, land, properties, etc).

1.5 If you have doubts about a customer's identity, you must not proceed or continue with the business relationship or transaction until identification can be verified.

2.0 When you need to apply CDD

2.1 You must apply CDD measures:

- When you establish a business relationship with a customer (or another party in a property sale);
- When you suspect money laundering or terrorist financing;
- When you have doubts about a customer's identification information that you obtained previously;
- When it's necessary for existing customers - for example if their circumstances change;
- When you carry out an 'occasional transaction' worth €15,000 or more (approx. £12,500) – see section 4 below;
- Shared ownership resale (as this is an 'estate agency' activity covered specifically under MLR); or
- Arranging consumer credit authorised limited lending (as this is an activity covered specifically under MLR); this is usually in relation to spreading the cost of leaseholder maintenance bills (this activity is not currently permitted by Saxon Weald, but it is intended to be introduced during 2025).

3.0 CDD when you're establishing a business relationship

3.1 A business relationship is one that you enter into with a customer where both of you expect that the relationship will be ongoing. It can be a formal or an informal arrangement.

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3.2 When you establish a new business relationship you need to obtain information on:

- The purpose of the relationship; and
- The intended nature of the relationship – i.e. where funds will come from, the purpose of transactions, and so on.

3.3 The type of information that you need to obtain may include:

- Details of your customer's business or employment;
- The source and origin of funds that your customer will be using in the relationship;
- Copies of recent and current financial statements;
- Details of the relationships between signatories and any underlying beneficial owners; and
- The expected level and type of activity that will take place in your relationship.

4.0 When to apply CDD for occasional transactions

4.1 You must carry out CDD measures when your business carries out occasional transactions. These are transactions that are not carried out within an ongoing business relationship where the value is €15,000 (approx. £12,500) or more (or the equivalent in other currencies).

4.2 This applies whether it's a single transaction or linked transactions.

4.3 Linked transactions are individual transactions of less than €15,000 (or €10,000 for high value dealers) that have been deliberately broken down into separate, smaller transactions to avoid customer due diligence checks. Your business must have systems in place to detect potentially linked transactions.

4.4 Once a potentially linked transaction has been identified, you need to decide if it has been deliberately split. Some issues to consider are when:

- A number of payments have been made by the same customer in a short period of time;
- It is possible that several customers have carried out transactions on behalf of the same person; or
- Several customers have sent money transfers to the same person.

5.0 Acceptable identification

5.1 Ideally, we will see original copies of ID evidence or verify it via an official website. However, we may obtain electronic evidence or copies of evidence. We apply a risk-based approach. For example, we may conduct a video call during which we see the customer and their ID, and they may then upload a selfie or scan or email us a copy of a document we have seen. Alternatively, we may accept copies of documents which have been certified by a lawyer, accountant, banker or other professional.

5.2 **Individual identification** [NOTE: further updates will be added here, as good practice changes]

Proof of identity (for every applicant)

5.2.1 Acceptable single valid documents are:

- Full UK driving licence including photograph;

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- National passport/ID card;
- EU settlement – settled or pre-settle status card;
- UK identity Cards for Foreign nationals/residents permit issue by Home Office; or
- UK certificate of naturalisation.

5.2.2 Or any two of the following:

- UK birth or adoption certificate;
- Provisional UK driving license;
- Benefit award letters (dated within the last three months);
- Current Universal Credit statement; or
- Document showing National Insurance number.

Proof of address

5.2.3 One form of documentation to confirm current address; this must be different to proof of identity.

5.2.4 Dated within the last three months showing individual's name and address:

- UK Bank or Building Society, or credit card statement;
- Utility bills (Water, Gas or Electric); or
- Pay slips.

5.2.5 Documents required within the current year:

- Full or provisional UK driving licence (non-photo);
- P45, P60;
- Council Tax bill;
- Benefit award letters; or
- Current Universal Credit statement.

5.2.6 You may be required to provide additional documentation depending on circumstances.

5.2.7 Mobile Phone bills are not a valid proof of address.

5.2.8 A credit report is sufficient evidence to prove proof of residency only when cross referenced with one of the documents above.

5.3 Company identification

5.3.1 General guidance on money laundering legislation suggests that fairly rigorous identification checks should be made, for example:

- Evidence obtained as to the identity of key individuals within the organisation;
- Evidence of identity of the business entity and its activity;
- Check the organisation's website to confirm the business address;
- Signed, written instructions on official letterhead should be obtained at the outset; or
- Obtain a Companies House Search to identify the Directors, registered office address (and principal place of business, if different) and company number.

5.3.2 Personal identification should then be obtained for the representatives of the company together with proof of their authority to act on behalf of the company. Care should be taken if it becomes clear that the individual has only recently become a director of the company or if there has been a recent change in the registered office.

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5.3.3 Consider asking the key contact employee to provide evidence of their personal identity and position within the organisation, i.e. signed, written confirmation from their director of the relevant organisation.

5.4 Unincorporated organisation identification

5.4.1 For example, a sole trader or partnership - personal identification should be obtained for the individuals together with documents indicating their relationship to the organisation.

5.4.2 In the case of other incorporated organisations, staff should obtain a search from the relevant Competent Authority or registrar (i.e. records for registered societies, like Saxon Weald, may be obtained from the Mutuals Register held by the Financial Conduct Authority and records for charities can be obtained from the Charity Commission).

5.5 Letting commercial properties

5.5.1 Personal identification should be obtained together with completing statement of particulars. Two references should be obtained, review four months bank statements and complete Experian checks. Identification is also required for any guarantor.

5.6 Third party checks

5.6.1 Saxon Weald must also carry out CDD and not rely on third parties.

6.0 List of evidence required for property purchase

6.1 In addition to personal identification, there is a requirement to obtain evidence regarding the source of funds over £5,000, for property purchase. Listed below are the most common sources of funds and the evidence required:

- a) Savings – Regular small payment from income such as salary, pension or annuity. Best evidence is six months bank statements showing payment in and money slowly growing in account and six months wages slips or similar evidence. If there are multiple bank accounts, then provide 6 months statements from each account. If this is not sufficient, more evidence may be needed.
- b) Release of pension – A copy of the pension settlement letter & statement and a copy of bank statement showing money being received from pension company if available at the time.
- c) Sale of Shares – A copy of Share Release Schedule and a copy of bank statement showing money being received from company.
- d) Sale of another property – A copy of the completion statement from solicitor and a copy of bank statement showing money received from solicitor following completion.
- e) Inheritance – A copy of letter from executor stating how much is being paid and a copy of bank statement showing money received from solicitor/executor's bank account.
- f) Compensation award – A copy of letter confirming compensation amount and a copy of bank statement showing funds received from solicitor/insure etc.
- g) Gift letter from parents/siblings – A copy of letter from parents/siblings/friends etc. and evidence of 6 months savings statement of their bank account and a copy of birth certificate.
- h) Mortgage offer – decision in principle letter.

6.2 All statements provided must clearly show:

- Name of account holder;
- Account number;

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- Sort code; and
- Name of Bank

7.0 Changing circumstances of business customers

7.1 Changes of circumstances may include:

- A big change in the level or type of business activity; or
- A change in the ownership structure of a business.

7.2 Up to date information needs to be kept so we can:

- Amend the risk assessment of a particular customer if their circumstances change; and
- Carry out further due diligence measures if necessary.

8.0 When to carry out enhanced due diligence

8.1 You must also carry out enhanced due diligence (EDD) in these situations:

- When you enter into a business relationship with a 'politically exposed person' (PEP) – typically, a non-UK or domestic member of parliament, head of state or government, or government minister and their family members and known close associates;
- When you enter into a transaction with a person from a high risk third country identified by the EU; and
- Any other situation where there's a higher risk of money laundering.

8.2 EDD measures for customers who are not physically present and other higher risk situations include:

- Obtaining further information to establish the customer's identity;
- Applying extra measures to check documents supplied by a credit or financial institution;
- Making sure that the first payment is made from an account that was opened with a credit institution in the customer's name; and
- Finding out where funds have come from and what the purpose of the transaction is.

8.3 Senior managers must approve the establishment of a business relationship with a PEP. Where a business relationship is entered into, Saxon Weald will undertake enhanced ongoing monitoring of the relationship. There is no all-encompassing list of PEP's, but most electronic customer identification systems will check against their database to provide details of known PEPs.

9.0 Recording Keeping

9.1 A record of all CDD and EDD measures carried out must be kept including:

- Customer identification documents;
- Risk assessments;
- Policies, controls and procedures;
- Training records;
- Actions taken in respect of money laundering suspicions reports; and

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- Information considered by the MLRO / Deputy MLRO in respect of an internal report, where the MLRO / Deputy MLRO does not make an external report.

9.2 All records must be capable of providing an audit trail. This will show that Saxon Weald has complied with the Money Laundering Regulations and is crucial to protect our business if there's an investigation.

9.3 In practice, Saxon Weald will be routinely keeping records in the course of normal business (including checklists, where used) and these should be sufficient for this requirement.

9.4 Retention periods are shown in the Saxon Weald Retention Schedule.

10.0 Record of suspicious activity reports

10.1 All employees are required to make a report (Appendix C) if they have reasonable grounds for suspecting money laundering. The MLRO / Deputy MLRO will decide whether to make a report to the National Crime Agency (NCA). A log of suspicious activity reports is kept whether or not the MLRO / Deputy MLRO decides to report to the NCA.

11.0 Further guidance

11.1 Refer to the relevant sections of the MLR 2007 Supervision of Estate Agents HMRC Guidance for more detailed information upon how to report to the NCA and the procedure thereafter: <https://www.gov.uk/government/publications/money-laundering-regulations-2007-supervision-of-estate-agency-businesses>.

11.2 The following free Government webinar is also available to support staff training: <https://www.gov.uk/guidance/help-and-support-for-anti-money-laundering>.

11.3 <https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>.

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Appendix C: Internal Suspicion Activity Report

Form to be used to report suspicious activity to Saxon Weald's Money Laundering Reporting Officer "MLRO" (Assistant Director – Finance) or Deputy Money Laundering Reporting Officer "Deputy MLRO" (Senior Financial Business Manager).

Our reference	
Date	
Name and job title of reporting staff	
Suspected person including name and address/business address/telephone numbers, nature of business etc. DOB, gender, occupation	
Nature of suspicious activity: <ul style="list-style-type: none">• Give full details of suspicion and date suspicion first aroused• Include details of transactions and identity checks taken• Attach any relevant documents	
Have you discussed your suspicions with anyone else?	YES/NO If yes, please give details:
Following sections to be completed by MLRO or Deputy MLRO only	
Refer to NCA?	YES/NO
Date referred to NCA and their reference	
Reason for decision	
Signature	
Date	

Appendix D: Money Laundering Risk Assessment

SAXON WEALD COMMUNITY BENEFIT SOCIETY

BUSINESS WIDE RISK ASSESSMENT

INTRODUCTION

In May 2023, Saxon Weald Community Benefit Society ('Saxon Weald', 'we', 'us', 'our') was registered with HMRC for anti-money laundering ('AML') supervisory purposes and in order to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended, 'the MLR'). This is because we provide estate agency services.

We are required to comply with regulation 18(1) and 18A of the MLR and take appropriate steps to identify and assess the risks of money laundering to which our business is subject.

This document is our business wide risk assessment ('RA'), and it is dated October 2025 (previously reviewed in October 2024). It is our third business wide risk assessment. This RA is identified as version 3. This supplements an existing risk analysis incorporated within the Corporate Risk Register which is an assessment of money laundering risk plus risk associated with fraud, bribery, hospitality risks and similar grouped risk activities. This Corporate Risk Register is contained in a separate document, which is always available. This RA focuses specifically on AML risks only and is set out in the prescribed format. Primarily, these risks arise in connection with the specific parts of our business delivering estate agency services, but the wider business is also required to comply with other AML legislation such as the Proceeds of Crime Act 2002 ('POCA'). Where appropriate, this risk assessment explains how we will also manage the risks associated with breaches of POCA.

This assessment has been undertaken by John Adams (Assistant Director – Finance), our Money Laundering Reporting Officer ('MLRO') and Katie Jesse (Senior Financial Business Manager), our Deputy MLRO. John Adams is also our Money Laundering Compliance Officer (MLCO). This RA has been approved by the Executive Team in October 2025 and is to be approved by the Audit and Risk Committee in November 2025, under the terms of our approved Anti-Corruption Policy.

Key terms are explained in Appendix 2.

OUR BACKGROUND AND PROFILE

Saxon Weald is a community benefit society registered under the Co-Operative and Community Benefits Societies Act 2014 with the Financial Conduct Authority. We are also a housing association registered with the Regulator of Social Housing and a public body entity for the purposes of Financial Reporting Standard 102.

We were formed to take the transfer of the housing stock from Horsham District Council on 11 December 2000. We provide social housing in West and East Sussex and on 31 March 2025 owned and managed 6,939 homes. This housing stock, and our interests in the same, is as follows:

- 5,818 social rented homes;
- 313 shared ownership homes;
- 157 leasehold homes for older people;
- 108 market rent homes; and
- 551 freehold interests in properties sold mainly under right to buy and right to acquire legislation.

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We are the parent company of Saxon Weald Capital Plc and Weald Property Development Limited. Saxon Weald Capital Plc is a wholly owned subsidiary with the purpose of providing funding from the capital markets to on-lend to Saxon Weald. Weald Property Development Limited was established as a wholly owned non-charitable subsidiary established to develop and sell housing but has not traded and remains dormant.

As stated above, Saxon Weald is required to comply with MLR because of its estate agency activities. The MLR defines estate agent and estate agency by reference to section 1 of the Estate Agents Act 1979:

'1 Estate agency work.

(1) This Act applies,to things done by any person in the course of a business (including a business in which he is employed) pursuant to instructions received from another person (in this section referred to as "the client") who wishes to dispose of or acquire an interest in land—

(a) for the purpose of, or with a view to, effecting the introduction to the client of a third person who wishes to acquire or, as the case may be, dispose of such an interest; and

(b) after such an introduction has been effected in the course of that business, for the purpose of securing the disposal or, as the case may be, the acquisition of that interest;

and in this Act the expression "estate agency work" refers to things done as mentioned above to which this Act applies.'

Our estate agency activities arise in connection with the following activities:

- Shared ownership resales. We currently have an interest in 345 shared ownership properties. The property is part-owned by both the leaseholder and Saxon Weald, and we act an estate agency and are involved in finding buyers when the owner wishes to sell their share in the home.
- Shared equity resales. We currently have an equity interest in 157 homes, and estate agency activities will arise in connection with the sale of these properties.
- Leasehold for older people resales. We currently have 30 leasehold properties for older people and estate agency activities will arise with the sale of these properties.

Other activities which may require HMRC registration include taking mortgages and charges over property and consumer credit activities. We do not currently participate in these activities but may plan to introduce this service at a later point in time. The business' other activities are not subject to MLR requirements and can be broadly categorised as social housing and ancillary services to a local community. This includes providing rental properties for older people and people who require additional support to maintain an independent home etc. These services trigger the need to consider other risk issues connected with POCA, and where appropriate this RA explains the business' risk management response.

CHANGES CONSIDERED FOR THE PURPOSES OF THIS RA

In preparation for drafting this version of the RA, we have read and considered the following externally published materials:

- National Risk Assessment 2020, chapter 12 'Property, estate agency businesses and letting agency businesses' [NRA 2020 v1.2 FOR PUBLICATION.pdf \(publishing.service.gov.uk\)](#)
- HMRC Guidance: 'AML Supervision: Estate Agency and Letting Agency Business' (Jan 2020) [Estate agency and letting agency business guidance.odt \(live.com\)](#)
- HMRC Guidance: 'Understanding risks and taking action: estate agency businesses' (Oct 2022) [Understanding risks and taking action estate agency businesses.odt \(live.com\)](#)

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We have also considered latest internal data about our housing stock, customers and counterparties and our estate agency activities, and this information is analysed below.

We have received support from external advisers including Capsticks Solicitors LLP, Oakalls Consultancy Limited and Tenet Law.

THE MONEY LAUNDERING RISKS TO WHICH WE ARE SUBJECT

In accordance with regulations 18(2) and 18A of the MLR, we have considered risk factors under the headings of customers, the countries/geographic areas in which we operate (jurisdictional risks), products or services, transactions and delivery channels, and risks in relation to proliferation financing.

We have applied the National Risk Assessment and HMRC Guidance to our analysis of risks present in the estate agency section of our business. For example, the HMRC 2022 Guidance has identified the following cross-sector risks which all estate agency businesses must consider: super-prime property, the fact that residential property poses a greater risk than commercial property, dealing with high-risk jurisdictions and remote sales.

This means that our starting point is our acceptance that external bodies consider that the property sector faces a high risk from money laundering and estate agency businesses (which definition includes Saxon Weald and other social housing associations) face a medium risk.

We have identified the following risk factors under these headings:

1. Customer risk

We understand the need to assess and keep under review the risks posed by our customers and counterparties (and where relevant anyone who is a beneficial owner). The HMRC 2022 Guidance asks us to consider the possibility of higher risks being present where activities arise in connection with residential property as this type of property is more attractive to potential launderers than commercial property (on the basis that these properties are easier to sell on, can be used as living accommodation, or as accommodation used for illegal purposes such as human trafficking, drug production etc).

In respect of our estate agency activities, in the previous 12 months (financial year 2024/25) we have acted for 41 homeowners seeking to sell their interest (previous year 2023/24 – 35 homeowners).

All our selling customers were individuals and not companies. They are all UK-based and local to the area we serve. They must meet very strict charitable status eligibility criteria to meet our charitable benefits objective.

Taking this customer analysis into account, we have considered appropriate risk-levels and risk mitigation and have concluded as follows:

- Given that much of our output relates to services for UK individuals we can identify most of these customers as being typically low to medium risk.
- We already have a business relationship with the selling party, and this helps us with our risk assessment work.
- However, to manage and mitigate risks, we ask relevant staff to perform due diligence checks on customers and counterparties and to assess customer and matter risk in each circumstance where they are acting in the capacity of an estate agent.
- For example, relevant staff are required to identify and consider any feature which creates a red flag (such as individual customers or counterparties seeking anonymity or being unable to provide independent identification evidence).

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- We have measures designed to identify Politically Exposed Persons ('PEP') matches, sanctions issues etc. in respect of both our sellers and for all counterparties. Our AML policies, controls and procedures (PCPs) require our relevant staff to take further steps if such circumstances exist.
- We have not acted for any PEP or sanctioned persons in the last 12 months. We believe that we are at low risk of providing estate agency services to a PEP; external guidance indicates that a PEP is more likely to be interested in a super-prime property (i.e., a property within the top 5% of the local market values) and properties of this value are not part of our housing stock. However, we are vigilant about the higher risks that such individuals and entities would pose and have added processes to manage the higher risks that are present and to ensure our compliance with relevant legislation. Our MLRO would authorise these matters and the activity would be subject to enhanced due diligence ongoing monitoring as required by the MLR and in accordance with our PCPs.

2. Jurisdictional (geographic) risks

For the purposes of this analysis, we have considered the latest reiteration of the high-risk jurisdictions schedule in the MLR dated 23 January 2024 (there have been no further updates since this point in time). [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017 \(legislation.gov.uk\)](#)

We understand that where there is a connection with a country which is deemed to be higher risk in connection with money laundering matters, either by reference to the list of high-risk countries included in the MLR, or because of our own due diligence enquiries, then we must undertake enhanced due diligence. This is a measure that is incorporated into our PCPs, and we monitor for compliance with our internal expectations.

In the previous 12 months, none of our customers have had connections with any overseas country, and therefore by inference, with any high-risk jurisdictions. Our due diligence on counterparties leads us to the same conclusion. By the nature of our role and remit within our local community, we do not attract attention from outside a very specific national location, and we have little visibility outside our local area and no overseas presence.

Our source of funds checks has not shown that we have received any payments from overseas accounts or similar in respect of estate agency activities. More generally, the wider business has very strict cash receipt policies designed to ensure that we are vigilant that risks arising in connection with the receipt of funds for rent payments etc is strictly controlled.

Taking this jurisdictional analysis into account, we have considered appropriate risk-levels and risk mitigation and have concluded as follows:

- We consider that this aspect of our AML risks is low.
- With high-risk jurisdictions, we still do not consider that the various changes introduced in 2024 have an impact on our assessment of our own risks. For example, Gibraltar was added to the latest version of the list in 2023. This has been noted but we did not consider that this inclusion is relevant to us. There have been no further additions to the list in the December 2023 and January 2024 updates.
- Notwithstanding this, we are aware of the higher risks that are associated with sources of funds and wealth derived from non-UK and particularly non-EU jurisdictions, and also from third parties generally, and we have noted the various red flag indicators identified in the external guidance produced by HMRC and other bodies. In terms of source of funds and source of wealth risks, our relevant staff are required to obtain this information and both they, and our finance staff, are aware of the issues and the audit trail that must be completed. Our data shows us that we have minimal/no dealings where there is a connection with any overseas jurisdiction or, more specifically, a high-risk jurisdiction.

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3. Products or services

Our estate agency activities are the only part of our business which is subject to the MLR. Other activities are not subject to MLR.

We recognise that estate agency activities pose a risk, and that residential property estate agency transactions pose a higher risk than some other types of estate agency services.

We have noted the guidance relating to red flags that arise in this sector. Relevant staff providing services in these areas are required to be alert to red flags as part of the initial and ongoing due diligence which they perform. Also, we are alert to the need to consider whether instructions are unusually large and/or complex, involve unusual requests etc.

Taking this service analysis into account, we have considered appropriate risk-levels and risk mitigation and have concluded as follows:

- We consider that this aspect of AML risk is a medium risk to us.
- We mitigate this risk by ensuring that all relevant staff undertake regular training on our PCPs and are both vigilant about possible red flags and know how to deal with such concerns.

4. Transaction risks

We have considered the types of estate agency transactions we facilitate. We have considered the risks associated with complexity and the risk that there may be parties to the transaction that we are unable to identify. Where such factors are present, the risks of not having an appropriate AML response increase.

Our estate agency services are focused on two specific services (i.e., shared ownership and share equity resales) only and we have very clearly described service provision arrangements.

We do not accept cash payments, and we have strict controls on all accounting and banking processes that are triggered by our estate agency (and indeed other services) services.

Taking this transaction analysis, we have considered appropriate risk-levels and risk mitigation and have concludes as follows:

- We consider that this aspect of AML risk is a low risk to us because of the limited services we provide.
- We mitigate this risk by ensuring that relevant staff can identify transactions, or any aspect of a specific transaction, which do not meet usual criteria and that our PCPs explain procedural next steps which must be taken in such circumstances.
- Our customer due diligence procedures are designed to ensure that warning signs of transactional risk are assessed.
- We deliver regular AML training to relevant staff.

5. Delivery channel risks

We understand that the way in which we deliver services will have an impact on our AML risk position. Risk increases when we do not conduct our estate agency activities on a face-to-face basis, or when these activities are undertaken through intermediaries or other third parties.

The HMRC 2022 Guidance has been heeded: 'Face-to-face contact with a customer offers some form of tangible relationship and an opportunity to interact with the customer. Transactions made online, over the phone or via an intermediary reduce this exposure to the customer, decrease effective identification, and increase vulnerability to money laundering. They therefore pose a higher money laundering risk.'

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Whilst we do work flexibly and can use e-mail and technology to communicate with customers and counterparties, our relevant staff mostly meet, or have met, our existing customers and are likely to meet with purchasers and other counterparties during the sale transactions.

Taking this delivery analysis, we have considered appropriate risk-levels and risk mitigation and have concluded as follows:

- We consider that this aspect of our AML risk is medium to low risk because of the nature of the social housing sector.
- However, to mitigate risks, relevant staff are trained to do thorough customer due diligence on both our sellers and counterparties.
- Relevant staff are aware of the heightened risks associated with remote instructions and use of technology and the need for enhanced due diligence to comply with the MLR. We remain vigilant in respect of cyber risk.
- In most matters, we take instructions from the customers directly. Where instructions are obtained from a third party, our PCPs include the requirement that relevant staff check that these are properly authorised, and that due diligence and risk assessment has been performed on the third party.
- Our relevant staff are aware of the risks associated with diligence duties that apply to purchasers and other counterparties. Where we do not meet these individuals in person, additional checks are added to counter the additional risks associated with money laundering and other fraud.

6. Proliferation financing

We have considered the need for regulated businesses to analyse the risks associated with proliferation financing which was introduced in September 2022 by Reg 18A of the MLR. We have relied on the Financial Action Task Force definition of proliferation financing which is the provision of funds or financial services used for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials, including both technologies and dual-use goods used for non-legitimate purposes.

We are of the view that the risk of the business being involved in this activity is low, or even no risk because we do not act for customers, or deal with transactions, which are associated with this type of activity.

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OUR BUSINESS WIDE RISK ASSESSMENT AT OCTOBER 2025

We are a registered entity for MLR purposes since 2023. This is version 3.0 of our risk assessment and reflects our current thinking about risks and our mitigation measures. We will keep these under review, collect further data, consider any changes in legislative requirements and any new external guidance, and update this assessment at least on an annual basis.

We have also considered the position on internal controls as described in Reg 21 of the MLR. Our current assessment is as follows:

- We have considered the position on independent audit and note the requirement in the MLR that this must be completed if appropriate to the size and nature of the business. We continue to work with a compliance consultant on a project to complete a full set of revised PCPs and an ongoing programme of appropriate training. This area of compliance is subject to internal audit review by our external auditing firm in 2025/26. In the meantime, we continue to undertake risk analysis work as 'business as normal' exercises.

Approved by Audit and Risk Committee

Date – 4 November 2025

Appendix 3: Tax Evasion (and the facilitation of tax evasion)

1.0 Definitions

1.1 For the purposes of this policy, the following definitions shall apply:

"Tax evasion" means the offence of cheating the public revenue or fraudulently evading UK tax and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent.

"Foreign tax evasion" means evading tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent.

"Tax evasion facilitation" means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

2.0 Offence details

2.1 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an "associated person" to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The company does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for the company.

2.2 Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

2.3 In this policy, all references to 'tax' include national insurance contributions.

3.0 Prohibited acts

3.1 It is not acceptable for you (or someone on your behalf) to:

- a) Engage in any form of facilitating tax evasion or foreign tax evasion;
- b) Aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- c) Fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;
- d) Engage in any other activity that might lead to a breach of this policy; or

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- e) Threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

4.0 Reporting

4.1 The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all associated persons. You are required to avoid any activity that might lead to, or suggest, a breach of this policy with respect to money laundering.

4.2 You must notify the MLRO or Deputy MLRO (or if the allegation concerns either of these two positions, then the Executive Director – Finance & Governance or Chief Executive) as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if an employee or supplier asks to be paid into an offshore bank account without good reason, or a supplier asks to be paid in cash, indicating that the payment will not be subject to VAT. Further "red flags" that may indicate potential tax evasion or foreign tax evasion are set out in section 6.

4.3 How to raise a concern

- a) You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.
- b) If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must report it to the MLRO or Deputy MLRO (or if the allegation concerns either of these two positions then the Executive Director – Finance & Governance or Chief Executive) as soon as possible.
- c) If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it the MLRO or Deputy MLRO (or if the allegation concerns either of these two positions, then to the Executive Director – Finance & Governance or Chief Executive) as soon as possible. The corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take that action, then the offence is not made out. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or ignoring suspicious activity, could amount to criminal facilitation of tax evasion.

5.0 Protection

5.1 Individuals who raise concerns or report another's wrongdoing are sometimes worried about facing possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

5.2 We are committed to ensuring no one suffers any detrimental treatment as a result of:

- a) Refusing to take part in, be concerned in or facilitate tax evasion or foreign tax evasion by another person;
- b) Refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or

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- c) Reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place or may take place in the future.

5.3 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any of this treatment, you should inform the Assistant Director – People (or if the allegation concerns the Assistant Director – People then the Executive Director – Finance & Governance or Chief Executive) immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which is available on Launchpad.

5.4 The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only.

6.0 Red flags

6.1 If you encounter any of these red flags while working for us, you must report them promptly the MLRO or Deputy MLRO (or if the allegation concerns either of these two positions the Executive Director – Finance & Governance or Chief Executive):

- a) You become aware, in the course of your work, that a third party has:
 - i) made or intends to make a false statement relating to tax;
 - ii) failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction);
 - iii) delivered or intends to deliver a false document relating to tax; or
 - iv) set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
- b) You become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;
- c) A third-party requests payment in cash or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- d) You become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- e) A supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme;
- f) Third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- g) A third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to that entity directly;
- h) A third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- i) You receive an invoice from a third party that appears to be non-standard or customised;

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- j) A third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;
- k) You notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- l) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- m) A tenant seeks to pay rent, service charges, and/or arrears in cash;
- n) A shared owner or other leaseholder is seeking to sub-let their property in breach of restrictions in their lease;
- o) The purchase price of a property is adjusted so that some components are paid for separately – e.g. fixtures and fittings (particularly if the amount adjusted does not appear to relate to the value of those items);
- p) Source of funds and/or “know your client” checks reveal inconsistencies or matters of concern;
- q) A partner organisation/joint venture entity proposes a development structure that appears to facilitate the evasion of VAT or SLDT; and
- r) Any other risk that might occur given the nature of Saxon Weald’s business.