UKCCC Know Your Client (KYC), Anti-Money Laundering (AML) and Anti-Corruption Policies

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1. Policy Overview

These policies are designed to maintain the highest standards of integrity and transparency within all operations associated with the UK Carbon Code of Conduct (UKCCC). The objective is to prevent any illicit activities such as money laundering, fraud, and corruption that could undermine the reputation and efficacy of the UKCCC. These policies are for UKCCC personnel, and all project developers shall have their own policies in place.

2. Know Your Client (KYC) Policy

Purpose:
To verify the identity of our clients and understand the nature of their business to ensure legality and compliance with environmental and financial regulations.

Procedures:

- **Client Identification:** Require valid, government-issued identification from all clients (individuals and entities).
- **Verification Documents:** Collect and verify documents that confirm identity, location, and business operations, especially for entities.
- **Risk Assessment:** Evaluate clients based on geographical location, associated risks of the sector, and the scale of the intended projects.
- **Client Information Maintenance:** Update client information annually or following any significant change in their business structure or operations.

3. Anti-Money Laundering (AML) Policy

Purpose:
To prevent the laundering of illicit funds through the transactions within UKCCC operations, ensuring all financial activities are conducted legitimately.

Procedures:

- **Transaction Monitoring:** Continuously monitor and analyse transactions to identify patterns indicative of money laundering.
- **Thresholds and Reporting:** Establish thresholds for transaction review and report suspicious activities to the UK's National Crime Agency (NCA) as per the Proceeds of Crime Act 2002.
- **Record Keeping:** Maintain comprehensive records of all financial transactions for at least five years to support audits and investigations.
- **Employee Training:** Provide annual AML training to all employees to recognize and properly handle suspicious activities.

4. Anti-Corruption Policy

Purpose:
To uphold the highest standards of ethical conduct and compliance with all applicable anti-corruption laws including the UK Bribery Act 2010.

Procedures:

- **Zero Tolerance Approach:** Implement a strict policy prohibiting corruption and bribery in any form.
- **Gifts and Hospitality:** Establish clear guidelines regarding the giving and receiving of gifts and hospitality that comply with legal standards.
- **Conflict of Interest:** Require all personnel to disclose any conflicts of interest that may compromise their decision-making regarding project approval and management.
- **Whistleblower Protection:** Provide secure and confidential channels for employees and contractors to report suspected corruption, ensuring protection from retaliation.

5. Due Diligence for Partners and Contractors

Purpose:
To ensure that all partners, contractors, and third parties associated with the UKCCC adhere to the same ethical standards and legal compliance.

Procedures:

- **Risk-Based Due Diligence:** Conduct risk assessments for new and existing partners and contractors, focusing on their compliance history and reputation.
- **Agreements and Contracts:** Include anti-corruption clauses and termination provisions in all contracts to allow for immediate discontinuation in the event of policy violation.
- **Regular Reviews:** Periodically review partnerships and contractor practices to ensure ongoing compliance.

6. Monitoring, Auditing, and Reporting

Purpose:
To regularly verify compliance with these policies and provide transparency to regulators and interested parties.

Procedures:

- **Internal Audits:** Conduct internal audits semi-annually to assess adherence to these policies.
- **External Audits:** Engage external auditors annually to validate compliance and identify areas for improvement.
- **Reporting Mechanism:** Establish a clear and accessible reporting mechanism for policy breaches, with all reports reviewed by a compliance officer or committee.

7. Enforcement and Sanctions

Purpose:
To enforce these policies rigorously and consistently across all levels of the organisation.

Procedures:

- **Investigations:** Promptly investigate any alleged policy breaches with a fair and thorough process.
- **Disciplinary Actions:** Apply sanctions, including dismissal, legal action, or reporting to authorities, depending on the severity of the breach.
- **Public Disclosure:** Disclose outcomes of significant investigations to interested parties where appropriate and without breaching confidentiality agreements.