

AMLHub is pleased to announce that we are enabling PEP Screening Checks for real estate as a free service embedded within the AMLHub.

1 What is a PEP?

A PEP is a politically exposed person. Foreign PEPs are considered high risk from an AML/CFT perspective requiring Enhanced Due Diligence (EDD). There is a comprehensive description of PEPs contained in your compliance programme and sections 5 & 26 of the legislation. One approach to determining who should be PEP screened is to decide if the person has any foreign exposure, this is a risk-based approach.

You will be familiar with the question embedded in the App and on the Desktop, which asks you to decide if there is foreign exposure (refer to the screenshot to the right). Given PEP Checks are free and can be done quickly, you should perform a check if in any doubt.

< Update an Owner

Is there any risk the individual is a Politically Exposed Person (PEP)?

Reasons to answer "Yes" include:

- You are **unsure**
- A **foreign account, address, or passport**
- They have **migrated recently** (Within 18 months)
- They have **foreign relations** or **close associates**

Only answer "No" if you're **confident** there is **no risk**.

YES NO

2 Who can screen and how?

Who: The Compliance Officer and any person approved to run checks can perform a PEP Check.

How: Under the 'Checks Tab' for individuals is a PEP Check button, which will perform the screening.

Result: The screening result will return as a 'PASS' or 'FAIL'. A 'PASS' means they have not appeared on a watchlist and therefore there is no EDD requirement. A 'FAIL' means a person with that name has been found on a watchlist.

The GreenID PEP Check scans 15 globally prominent watchlists for PEPs, please refer to "AMLHub PEP Check tutorial and explanation" under FAQs in the AMLHub for detailed information. Once a PEP Check has been run and a determination has been made by an authorised person (AMLCO or senior management) please use the 'PEP tab' to record whether the person is deemed a PEP, recording notes to explain your findings.

3 Dealing with a 'FAIL' screening result:

If a person receives a 'hit' on a watchlist, they will result in a 'FAIL' check. You will need to take further steps to check accuracy of the 'hit' and clear them if they have been identified incorrectly. (i.e. they may share the name of a real PEP) You can check accuracy by clicking on the small triangle next to the FAIL message where a drop-down box will appear with a red cross next to any watchlists the person has appeared on. Click on the website icon relating to the watchlist and you can establish if the individual is likely to be the same person found on the watchlist or whether it is a false positive. For example, it could be a different person that shares the same name as your client. By checking the date of birth and/or country of residence you should be able to work out quickly whether your client is actually the match or not.

4 What to do if your client is a PEP

You must conduct Enhanced Due Diligence (EDD). This means you will need to establish source of wealth and source of funds and then consider the appropriateness of onboarding the client. You must also get approval by a senior manager to onboard the PEP (refer to your Compliance Programme).