



Partner AML Procedure Document

As your commercial building is acting as a third party in delivering virtual office services to the clients of Virtual HQ, it is important that you understand our procedures in dealing with these clients for Anti Money Laundering purposes.

Our aim is to take an appropriate risk based approach to dealing with new and ongoing customers. As our partner you play a vital role in communicating to us any concerns you may have with any active clients using your address for commercial purposes.

We hope this guide provides you with enough information to allow you to recognise potential fraudulent activity and demonstrate how we will work with you to resolve any issues that may arise.

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It is important to point out that the vast majority of clients hoping to use or already using the virtual office service are legitimate businesses. With a robust system in place for dealing with those entities that have criminal intent, we can minimise disruption and aid law enforcement.

Last Updated: 18th August 2020

Pre Activation checks

You will only be informed of a new customer in the occupier statement following our due diligence checks, roughly 20% of new customers don't make it this far.

Our online submission forms collect the following information from new customers:

- ☐ Personal Name / Email Address / Contact Number
- ☐ Company Type: Ltd, Sole Trader, Not Yet Registered
- ☐ Business Name / Business Description
- ☐ Registered Office Address / Principal Place of Business
- ☐ Website Address / Reason for not having website
- ☐ Why client requires a Virtual Office
- ☐ Certificate of Incorporation Upload
- ☐ Number of Beneficial Owners
- ☐ Proof of Identity & Proof Of Address upload
- ☐ Terms and Conditions

Alongside this collection of information, our team focuses on asking the correct questions to assess any submissions that may appear suspicious prior to electronic verification.

Our team is trained to spot the obvious warning signs at this stage, which include clients who are being unreasonably impatient, pushing for quick decisions or being vague about their reasons for wanting to use the service.

Electronic Verification

Once this information is collected, we then use electronic verification to confirm the information provided in the customer supplied identification documents. Our electronic verification checks for the following attributes:

- ☐ First Name, Last Name – Electoral Roll
- ☐ Telephone Directory
- ☐ Credit Activity
- ☐ DOB Verification
- ☐ PEP & Sanction
- ☐ Mortality Register
- ☐ Gone Away
- ☐ CCJ / Insolvency
- ☐ Company Director
- ☐ Address Links
- ☐ Occupants listed

Each separate element is given a score. If any one of the above attributes is reported negatively (for example D.O.B doesn't match) the check will be given an instant fail.

A positive score will be given, and therefore a 'Pass' if there is enough supporting evidence to confirm this individual's identity. (For example, First and Last Name, D.O.B, Credit Activity, Electoral Roll all confirmed.)

When a potential customers resides outside of the UK we require:

- ☐ Within the EU - Certified copy of ID and Proof of residential address
- ☐ Outside of the UK & EU - Notarised copy of ID and Proof of residential address

Clients will only be activated and therefore introduced to you, once our team are happy that our initial requirements have been met.

Ongoing Monitoring and annual checks

Alongside the presale checks that are carried out, we continue to monitor all of the active clients at your address to ensure the information we hold is as up to date as possible, and any necessary action is taken (if required).

These are some practical steps that have been put in place to allow us to monitor our business relationship with the client.

- ☐ If a client wishes to update the address that is used to forward mail, we obtain a new proof of address to keep our information up to date. The new address is used for a further electronic verification check.
- ☐ On the anniversary of the contract start date (collection clients only), we run a further electronic verification check against the current address details held. The reason we only conduct these checks on collection clients is due to the physical address tie we hold with mail forwarding clients.
- ☐ All Limited companies are followed on Companies House. This way if there are any changes to the business details - such as new shareholders, registered address changes, confirmation statements etc we will be alerted immediately, and can act accordingly.

Signs of Money Laundering	
New Customers	
<p>As explained above, Virtual HQ will deal with potential money laundering issues prior to activation with you to the best of our ability. Very occasionally, clients do pass all our checks and go on to be involved in fraudulent activity - the steps we take work to minimise this risk of this happening.</p>	
Current/Ongoing Customers	
<p>It is of vital importance that the staff at your location remain vigilant to any signs of potential money laundering or illegal activity.</p> <p>The list provided here does not cover every potential situation, we have just highlighted the most common warning signs. Regular feedback from location staff will help to ensure both parties can deal with any issues that arrive quickly and efficiently.</p> <p>Our tolerance for illegal, fraudulent or rogue behaviour is very low - our key concern in any of the below situations is keeping you our partner and the public safe. We will cancel the service for anyone who is suspected of any criminal activity. However, there are situations where law enforcement require the service to be left active while a criminal case is built against the client. In these situations it is ESSENTIAL the client is not made aware of this investigation - this would be considered 'tipping off' and may result in fines or criminal prosecution.</p>	
Potential Money Laundering/Illegal Activity Sign	VHQ/Partner Steps
Switching from mail collection to mail forwarding of mail or vice-versa. Has the customer provided details as to why this is the case? Do the reasons given make sense?	<p>Partner - Must push all account changes through Virtual HQ, do not allow the client to update their forwarding address with you directly under any circumstances.</p> <p>We have processes in place to ensure address changes are completed correctly. If a client asks you to make any changes to their service, ask them to get in touch with us.</p> <p>Additionally, under no circumstances are you to accept Self Addressed Envelopes from the client. Please explain to the client that although it makes sense for them, you are not allowed to do it.</p>

<p>Being slow or resistant in providing an updated Proof of Address when they wish to update their mail forwarding address, or for collection clients when their annual check is due.</p>	<p>Virtual HQ - We will deal with situations like this when they arrive. We may update you on specific clients and ask you to hold mail, or in extreme cases ask you to refuse the collection of mail. In any situation where clients become persistent, always refer them back to us as you 'are unable to make any changes'.</p> <p>We will keep in touch with you, and client accounts may be cancelled if updated documents cannot be provided.</p>
<p>Unusual or higher than average volume of complaints.</p>	<p>All businesses receive complaints, but businesses that get a high volume of complaints are certainly at higher risk of falling into a fraud category/rogue trader.</p> <p>Partner/Virtual HQ</p> <p>Both parties play a key role in aiding law enforcement - if any particular client is making you or your staff uncomfortable(for example you are having angry visitors arrive at your location) please get in touch with us and we will help resolve the situation.</p> <p>We will always communicate closely with you and local law enforcement if there is a suspicion that a client may be a rogue trader.</p> <p>Most suspected rogue traders are immediately cancelled upon suspicion. However, there are situations where law enforcement require the service to be left active while a criminal case is built against the client.</p>
<p>Delivery of Cash</p>	<p>Partner - You should not be expected to handle cash, or parcels that you suspect contain cash under any circumstances. If this happens, please report the matter to us as soon as possible, without informing the client.</p>

	<p>Virtual HQ - Situations like this will be handled as above 'Rogue Traders' and law enforcement will be notified if required.</p>
<p>High Volumes of mail being delivered early in the agreement, or the delivery of parcels unannounced and unexpected.</p>	<p>Virtual HQ - We inform all clients that mail forwarding services are subject to fair usage, so any client who receives a high volume of mail will be monitored closely from a billing perspective. We also strongly discourage the delivery of parcels, especially anything large.</p> <p>Partner - Be vigilant with any client that receives high volumes of mail (more than 10 items per week), as this could be a sign of illegal activity or a direct marketing scam. Consider the type of business and whether high volumes of mail would be typical for this type of client. Please report any concerns to us and we will investigate.</p>
<p>Unauthorised collection of mail. I.E different people wanting to collect mail on behalf of the account holder - some of which you may not have met before.</p>	<p>Virtual HQ - We only allow the account holder and authorised contacts (which we would hold identification documents for) to collect mail. The names of all individuals allowed to collect mail will be included in the occupier statement.</p> <p>Partner - You are within your rights to ask for photo identification for anyone collecting mail until you have built up a relationship with them, this is specified to the client upon signup.</p> <p>If someone arrives to collect mail and they are not included in the list of acceptable names in the occupier statement, please refuse to release the mail. Please tell the client that the account holder will have to get in touch with us to add them to the account.</p> <p>If you are suspicious in a situation like this, or the collecting client becomes agitated - please report to us and we will schedule the account for cancellation along with further investigation.</p>

How to report concerns to us

It's fine to call us first if you wish to discuss a particular issue at a high level. If it's agreed that any particular client requires further investigation or potential action, we will always ask for you to document your concerns and email them to us.

We have provided you with a 'Partner Reporting Form' - This is a simple form that allows you to include all the relevant details relating to the client and your specific concerns. It is far better to have written confirmation to build an audit trail as this will help all parties with ongoing investigations.

We will of course keep you informed of any progress, our top priority is to stop any potential fraudulent activity taking place, but also help you manage the situation with minimal disruption.



Partner Reporting Form

Centre:	
Staff Member:	
Date of report:	
Client/Company Name:	
Reason for Suspicion: <i>This may include but is not limited to;</i> <ul style="list-style-type: none">• Frequent parcels• Larger volumes of post inconsistent with the expectation• Post arriving for listed clients but with different company names• Refusal to present ID when collecting post• Providing SAE for post-forwarding	
To be completed by VHQ VHQ Assessment:	

Closing

It's essential that the steps included in this document are followed by all members of staff responsible for delivering the virtual office services at your building.

We will always work with you to minimize any issues that may arise, and our top priority is ensuring staff 'on the ground' are not placed into threatening or compromising situations.

As we take our responsibilities seriously in this regard, alongside filing SARs (Suspicious Activity Reports) for all clients that are highlighted to be operating in a suspicious manner - we also like to take the extra step further to involve local law enforcement where necessary. We pride ourselves on giving law enforcement actionable intelligence to help protect the public from the ever present threat of fraud and criminal activity so prevalent in our society.

If you would like to ask any questions about this document, or would like further guidance from us, please feel free to get in touch.

Additionally please find below the full guidance from HMRC relating to Trust and Company Service Providers : [Anti-Money Laundering Supervision: Trust or Company Service Providers](#)