

For insertion in:

Part I, Chapter 5

Regulated financial services firms subject to the ML Regulations (or equivalent)

Group Companies

- 5.3.138A Where a firm establishes a business relationship or carries out an occasional transaction with another regulated firm in the same group, the level of CDD to be applied should be determined on a risk-based approach. Where the group company is subject to the ML Regulations or equivalent, the firm may apply simplified due diligence measures (see Chapter 5.4).
- 5.3.138B Where the group company is subject to group wide policies and procedures (that are equivalent to UK MLRs) and is based in a non-equivalent or high-risk third country, the extent of the CDD/EDD measures to be applied could include consideration of factors such as the nature of activities undertaken with that group company and the risks posed by those activities (see Part II for details of sector specific risks and due diligence requirements).