

Santander UK Financial Crime Statement

Santander UK plc is committed to deterring, detecting and disrupting financial crime. Our policies and controls are designed to ensure that financial crime risks are identified, appropriately mitigated and managed. These policies and controls, together with our anti-financial crime strategy, seek to promote responsible and sustainable commercial growth, protect our communities and foster prosperity.

Company Details

Santander UK plc is a public limited company registered in England. Santander UK plc is authorised and regulated by the UK Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA). The FCA is the designated anti-money laundering and counter terrorist financing (AML/CTF) supervisor for the financial services industry and undertakes periodic supervisory visits of the major firms which it regulates, including Santander UK.

Santander UK plc is wholly owned by Santander UK Group Holdings Limited, which is in turn wholly owned by Banco Santander, S.A. Banco Santander, S.A is authorised by the PRA, the FCA and Banco De España. It is listed on the main regulated market of the London Stock Exchange and the Bolsa de Madrid.

Banco Santander S.A is a founding member of the [Wolfsberg Group](#), an association of thirteen global banks that aims to develop financial services industry standards for financial crime. A copy of the **Banco Santander Wolfsberg Questionnaire** can be found under the **Global Patriot Act Certification** section of the Santander UK plc website [here](#).

A copy of the Santander UK plc Wolfsberg Questionnaire can be found under the same section [here](#).

For further information about our Company, our Corporate Social Responsibility policy or to obtain copies of our latest audited report and accounts, please refer [here](#).

Summary of the Santander UK approach to Financial Crime

Santander UK recognises the damaging impact financial crime has on our society, shareholders, communities and customers and understands its central role in deterring, detecting and disrupting it. To this end, Santander UK is committed to complying with all applicable financial crime regulations and legislation, including sanctions laws and regulations, that prevent it from being used to facilitate terrorist financing, money laundering, bribery, corruption, sanctions breaches and tax evasion.

Santander UK is committed to conducting business in accordance with the highest ethical standards. We believe that having a comprehensive and effective financial crime framework through policies and appropriate systems and controls to prevent and detect illicit or sanctioned activity is a business imperative and a positive investment that protects Santander UK plc from legal, regulatory and reputational risks.

Our financial crime framework determines our approach to collecting and safely storing customer information and explains why we request certain documentation from our customers at the point of opening a bank account, or thereafter if additional information is needed.

The framework includes Policies and Standards that apply to all business areas and Santander UK employees, agents, consultants and contractors, as well as entities owned or part-owned by Santander UK plc. These have been developed to comply with UK/EU legislation, FATF recommendations and the legal regime applicable to other jurisdictions in which Santander UK plc operates or conducts business. Our framework covers (but is not limited to):

- Risk-based requirements for identifying and verifying the customer, understanding the nature and purpose of the business relationship, and performing due diligence so as to understand and mitigate associated financial crime risks.
- Risk-based periodic or event driven reviews of business relationships.
- Risk assessments for sanctions, AML/CTF and other financial crime risks.
- Country risk ratings. Santander UK classifies certain jurisdictions as High Risk in compliance with EU/UK law and having regard to national and international findings in relation to jurisdictions' corruption levels, crime, drug trafficking, modern slavery, illegal wildlife trafficking levels or indications of support for terrorism and nuclear arms proliferation.
- Processes (including transaction monitoring) for detecting, investigating and reporting suspicious activity.
- Customer and payment screening requirements to identify prospective sanctions matches in compliance with UK, European or US (OFAC) sanctions legislation and processes for escalating and reporting any true matches identified.
- Governance arrangements (including the appointment of a Money Laundering Reporting Officer) that clearly describe accountabilities, responsibilities and escalation routes.
- Training requirements for the business, including specialised training for certain business areas.
- Oversight monitoring, record-keeping, information sharing and management information requirements.
- Provisions for the regular (at least annual) review of our Policies and Standards.

Our controls are designed to effectively manage and monitor financial crime risk and ensure that financial crime risk is managed within Santander's financial crime risk appetite, hence effectively reducing the risk of Santander UK plc being used in connection with financial crime.

Santander UK is committed to the most effective response to money laundering and terrorist financing. Our financial crime risk appetite requires application of robust system and controls to manage the risks, taking all reasonable steps to manage any residual money laundering & terrorist financing risks. Santander UK will not conduct business with individuals or entities that are subject to sanctions regulations, that would violate Santander UK or Banco Santander Sanctions Policy or that it believes are engaged in illicit activity. Santander UK has no appetite for establishing or maintaining relationships with customers associated with money laundering or terrorist financing offences.

Santander UK's Chief Executive Officer and Board of Directors are committed to their responsibilities under UK Law and Regulations to reduce the extent to which it is possible for Santander UK plc to be used for a purpose connected with financial crime, and to protect the interests of its customers and staff.

Santander UK Anti-Financial Crime Strategy

Our AFC Strategy is based around our aspiration to create conditions that effectively resist and deter criminal activity, to be seen as a safe bank by our customers and community, and to meet and exceed regulatory expectations by having a collective, forward looking and informed view to managing financial crime risks.

The Strategy instils this aspiration across our organisation, and our mission statement outlines our commitment to deter, detect and disrupt financial crime and our aim to protect our customers and communities from financial crime, fostering prosperity.

We implement the Strategy through innovation, collaboration and education in order to give colleagues the right tools to combat financial crime, and to share and learn from success stories.

We also leverage partnerships with industry, industry bodies, non-governmental organisations, charities, government and other stakeholders where appropriate to help protect the UK financial services sector.

We are long-standing members of the Joint Money Laundering Intelligence Task Force – an industry body that shares information about the latest financial crime threats – and are members of UK Finance through which we share best practice and hone our approach to policy and regulatory requirements in a manner compliant with applicable laws.

Notably, we have established long standing, collaborative relationships with United for Wildlife and Stop the Traffik, as well as the Police Regional Organised Crime Units, which has promoted efficiencies in disrupting organised crime. You can view our Modern Slavery Statement [here](#).

AML/CTF Statement

Santander UK has established Anti Money Laundering (AML) & Counter Terrorist Finance (CTF) policies and standards. These follow a risk sensitive approach and are subject to annual and ongoing review to combat money laundering and terrorist financing risks. These cover the following specifically:

- Comprehensive, risk-based Customer Due Diligence and Know Your Customer.
- Identification of financial crime risks pertaining to each business area and to our customers, and the adoption of higher risk ratings and consequently Enhanced Due Diligence processes where appropriate.
- Criteria and measures for Enhanced Due Diligence concerning customers who are judged to present higher financial crime risks.
- Establishing and maintaining standards and records for managing information related to financial crime.
- Providing a financial crime training and education programme, covering trainings designed to ensure relevant employees are aware of their legal obligations relating to deterring, detecting, and disrupting financial crime.
- Complying with FATF Recommendation 16 and the Information on the Payer (Wire Transfer) Regulations in relation to wire transfers.

Santander's policies and standards are subject to independent and continuous review by the Financial Crime Compliance Team and its Internal Audit Department to test business controls in situ and confirm their effectiveness. We are also subject to relevant testing by external auditors and oversight by the Unidad

Corporativa Inteligencia Financiera (Central Anti-Money Laundering Department) of our Global Parent, Banco Santander, S.A to confirm consistency and adherence to global operating standards.

We do not offer anonymous accounts and guard against establishing correspondent account relationships with shell banks or with correspondent banks that permit the use of their accounts by shell banks, among other types of restricted or prohibited activity.

Santander UK has appointed a Money Laundering Reporting Officer (MLRO) in accordance with its UK regulatory and criminal law obligations. The MLRO is also Santander UK's appointed Anti-Bribery and Corruption Officer and is responsible for oversight of the Santander UK control framework on preventing the facilitation of tax evasion. The UK MLRO reports to the Chief Legal and Regulatory Officer and is required to deliver an annual compliance report to the Executive Committee and Board.

Sanctions Statement

Santander UK is fully aligned with the UK regulatory framework and complies with applicable sanctions regimes, which are at a minimum the United Kingdom, the European Union, the United Nations and the United States' regimes. In addition, Santander UK complies with other applicable sanctions laws and regulations in the jurisdictions in which we operate.

We prohibit relationships with customers who are subject to sanctions or who act on behalf of or for the benefit of a government of a comprehensively sanctioned country or would violate Santander UK or Banco Santander Sanctions Policy. Transactions or undertaking business which is not in compliance with sanctions regulations or would violate Santander UK or Banco Santander Sanctions Policy are also prohibited. This includes any transaction initiated from a jurisdiction which Santander UK or Banco Santander classes as 'Prohibited' under our Sanctions Policy. Furthermore, relationships that have, or are proposing to develop business links or derive revenue (or assets) from countries that would breach Santander UK and Banco Santander Sanctions Policy are not accepted or maintained.

Our policies, standards and processes cover the following sanctions controls:

- Performing business level and customer sanctions risk assessments and implementing controls proportionate to the risks identified.
- Screening customers and payments during onboarding and in an ongoing manner to identify whether potential or current customers are sanctioned targets or whether transactions are prohibited under sanctions regimes or Santander UK and Banco Santander Sanctions Policy. This involves comparing sanctions and terrorist listings from open sources against customer databases and customer (incoming/outgoing) payment instructions.
- Investigating any potential matches identified within clear timeframes and delaying payments as required pending investigation.
- Escalating and reporting true matches to OFSI, OFAC or other sanctions authority as appropriate.
- Preventing access to accounts (including online and mobile banking) or assets identified as connected to a sanctioned party or jurisdiction, as required.
- Providing training to all relevant staff on different types of sanctions regimes and potential breach channels and providing enhanced training to employees with connections to the US.
- Keeping full records of identified, eliminated or confirmed matches and providing regular information to bank management in relation to sanctions.

- Performing assurance testing to ensure that controls are proportionate and appropriate and function well.

We adopt a risk-based approach to charities operating in sanctioned jurisdictions and seek to fully understand sanctions risks associated with any operations or projects.

Further information on the UK sanctions regime

The UK Government produces up-to-date information and comprehensive guidance on the UK's sanctions regime.

- For an overview of UK sanctions, please see guidance produced by the Foreign, Commonwealth and Development Office [here](#).
- To view the latest on the UK's financial sanctions regime, including the Consolidated List of persons and entities subject to financial sanctions, regime-specific guidance and other notices, please see OFSI's website [here](#).
- For further information on the UK's trade sanctions, arms embargoes and other related trade restrictions, including the consolidated list of strategic military and dual-use items that require export authorisation, please see the Export Control Joint Unit's website [here](#).
- The UK Government has also implemented a ban on the export of luxury goods to Russia, North Korea and Syria. Further information on the specific requirements of each country regime can be found [here](#).

Anti-Bribery and Corruption (AB&C) Statement

We recognise the societal and reputational damage caused by bribery and corruption, and the individual and organisational consequences of failure to prevent bribery. We therefore have no appetite for maintaining relationships with employees and other persons who have engaged in bribery or corruption, or who have attempted to engage in such criminality, whilst acting on our behalf.

We expressly prohibit all forms of bribery and corruption involving our employees and other third parties acting for and on behalf of the bank and require our employees and third-party suppliers and providers to behave ethically and without bribery or corruption at all times when performing any form of service on our behalf.

Our policies are designed to comply with the expectations of applicable anti-bribery legislation in the markets and jurisdictions in which we operate, including (but not limited to) the UK's Bribery Act 2010. They apply to all our employees, agency employees, consultants and contractors irrespective of their location, function, grade or standing.

Our policies:

- Explain the relevant legislation and the UK obligation to prevent bribery by anyone acting for or on behalf of Santander UK.
- Contain the requirements for identifying, assessing, monitoring and managing bribery and corruption risk. This includes conducting business unit and organisation-wide risk assessments that identify business areas that present higher risks.

- Provide helpful red flag indicators that alert colleagues to bribery or corruption risk.
- Clarify the roles and responsibilities of colleagues across the organisation in relation to anti-bribery and corruption, including senior-level authorisation for transactions, third-party relationships or outsourcing arrangements where appropriate.
- Describe clear channels for escalating and reporting concerns, including through our whistleblowing process.
- Lay down the requirements for mandatory and role-specific training across the organisation, the timely collection and analysis of Management Information, and for assurance testing.
- Set minimum standards of conduct in relation to anti-bribery and corruption, including clear communication of what is prohibited.
- Require robust controls for risk assessment, due diligence, and approval in relation to activities more susceptible to bribery and other corruption risks, including charitable activity, corporate sponsorships, employment offers, gifts and hospitality, procurement, customer sourcing, political advocacy, and other interactions with public officials.
- Contain comprehensive requirements for managing the bribery and corruption risks in relationships with Third Party providers of goods and services, including risk assessment, due diligence, contractual provisions, payment controls, and clear communication of Santander's expectations regarding bribery and corruption, ethical conduct, and channels for reporting concerns.

Finally, as part of our AFC Strategy, we engage with industry and other stakeholders to benchmark the strength of our AB&C framework against the views of expert external working groups, including Transparency International. We seek to strengthen our framework on an ongoing basis and review our AB&C Policy and Standards at least annually.

Statement on preventing the Facilitation of Tax Evasion

Tax evasion is damaging to the government, businesses and societies in which it occurs. It diverts money and resources from those who need them most, hindering economic and social development.

Consequently, we have a zero-tolerance approach to our employees and associated persons facilitating tax evasion whilst acting for or on behalf of Santander UK. We promote and maintain an ethical business culture, and do not tolerate tax evasion in any aspect of our business.

Our policies are designed to comply with the expectations of applicable anti-tax evasion legislation in the markets and jurisdictions in which we operate, including (but not limited to) the UK's Criminal Finances Act 2017. We have a dedicated Policy and Requirements in place to ensure that Santander UK and third parties who are acting for or on behalf of it can prevent the facilitation of tax evasion.

Our requirements mandate:

- Periodic (at least annual) business unit risk assessments.
- Risk assessment of customers and third-party relationships.
- Ad hoc risk assessments at trigger events (such as changes to legislation) and periodic reviews.
- due diligence procedures.
- Contractual clauses for third parties acting as associated persons in relation to preventing the facilitation of tax evasion.
- Management information in relation to the risks faced by the business.
- Regular monitoring and review of the effectiveness of the systems and controls in place.

We provide a list of tax evasion red flags. We also have in place requirements for mandatory training on the facilitation of tax evasion and clearly assigned roles and responsibilities for ensuring compliance and accountability with the law and regulations.

Further information on our policy and approach to dealing with tax related risks is detailed within the [Taxation Strategy](#).

Patriot Act certification

In compliance with the United States' Patriot Act, Santander UK plc has prepared and regularly recertifies a Global Certificate for use by any institution that requires a Patriot Act Certification from Santander UK plc. This Certification should be used as a primary reference for any third party who has a correspondent account relationship with Santander UK plc or any of its subsidiaries or affiliates listed in the Global Certificate.

The certificates confirm the name and address of our USA process agent for the service of any notice or proceedings.

The **Santander UK plc certificate** can be found under the Global Patriot Act Certification section of the Santander UK plc website [here](#).

The **Global Banco Santander Certificate** can be found [here](#).