

**Financial Leasing**

The overall risk assessment rating for Financial Leasing is **LOW**.

The features identified in the table below will help you assess how your business is at risk from money laundering.

The guide will help you create policies and procedures to identify and lessen the risk of money launderers using your business.

The table does not cover every way a money launderer may use your business. It reflects ways that money launderers have acted in the past. We encourage you to think about other situations that may apply to your specific business.

Transactions or activities listed in the table may not necessarily signal money laundering if they are consistent with a customer’s legitimate business.

Based on knowledge of your own business offering financial leasing you should decide what risk particular customers or transactions pose and how you can lessen that risk.

|  | | **HIGHER RISK CHARACTERISTICS** | **LOWER RISK CHARACTERISTICS** |
| --- | --- | --- | --- |
| **The nature, size and complexity of the business** | Geographical scope | Lease transactions taking place across national borders; | Lease transactions taking place domestically; |
| Applications | Applying for a financial leasing arrangement by cash deposits guarantee; |  |
| Applying for finance against assets owned by a third-party; |  |
| Paying early funds into another bank account, in exchange for the use of an asset; |  |
| Repayment | Irregular or unusual repayments - specifically speeding up an agreed repayment schedule, either by lump sum repayments, or an early end; |  |
| Unexpected repayment without a good reason and inconsistent with the usual income of the customer and their usual activity; |  |
| Repaying the value of the financing with cash; | Repayments made by direct debit; |
| Payments (including cash deposits) accepted from third parties; |  |
| **Types of customers dealt with** | | Financial lease arrangements for offshore companies or companies which work offshore; | Domestic individuals and corporations; |
| **Customer behaviour** | | The customer transfers the value of the gained financing abroad; |  |
| The customer reduces the amount wanted or stops retreats from obtaining the wanting finance when an appraisal of the customer is carried out; |  |
| **Methods by which financial leasing services are delivered to customers** | | Several independent service providers carrying out individual steps of the transaction; | Whole transaction carried out by one service provider; |