

Politically Exposed Persons (PEP) Policy

1. Purpose

This policy sets out the approach of IOM3 to identifying and managing Politically Exposed Persons (PEPs) in accordance with UK law and best practice. While PEPs are not inherently high-risk, their positions may expose them to greater opportunities for corruption or undue influence. This policy aims to manage such risks transparently and proportionately.

2. Scope

This policy applies to:

- Individuals applying for or renewing membership;
- Current members;
- Candidates for elected or appointed positions within the organisation (e.g., board, committees); and
- Senior staff and Active Supporters and Volunteers where relevant.

3. Definition of a Politically Exposed Person (PEP)

Under the UK Money Laundering Regulations 2017, a **PEP** is an individual who is:

- **A domestic PEP:** Someone entrusted with a prominent public function within the UK, such as a government minister, senior civil servant, judge, senior military officer, or executive of a state-owned enterprise.
- **A foreign PEP:** An individual entrusted with a similar function by a country outside the UK.
- **A family member of a PEP**, such as a spouse or partner, children and their spouses/partners, or parents.
- **A known close associate**, including individuals with close business or social relationships or those involved in the same legal entities as the PEP.

4. Policy Statement

IOM3 welcomes members from diverse professional and public backgrounds, including those who may be PEPs. However, consistent with UK legal obligations, we will apply **proportionate enhanced due diligence (EDD)** to applicants or members identified as PEPs, with particular attention to:

- Foreign PEPs (who may present higher risk); and
- Individuals with significant influence over the organisation.

UK PEPs will not automatically be treated as high-risk, in line with **FCA Guidance (FG17/6)**, but EDD will still be applied proportionately to ensure transparency and protect the organisation's integrity.

5. Procedures

5.1 Identification

Applicants will be asked to self-declare PEP status during the membership process. Existing members must inform the organisation of any change in PEP status within 30 days. Screening of names may be conducted using UK and international PEP databases or open-source checks.

5.2 Risk Assessment & Enhanced Due Diligence

Where an individual is identified as a PEP:

- A risk assessment will be carried out based on role, country of origin, influence over the organisation, and other relevant factors.
- EDD may include additional information requests, open-source checks, or declarations of interest.
- The case may be escalated to the Chair of the Professional Standards and Development Board (PSDB) for review.

5.3 Governance Roles

Candidates for board or committee positions who are PEPs will be subject to additional vetting. Appointment decisions will consider the potential for real or perceived conflicts of interest.

5.4 Confidentiality and Data Protection

PEP-related information will be stored securely and handled in accordance with the **UK GDPR** and **Data Protection Act 2018**.

5.5 Monitoring

Membership databases will be reviewed periodically to identify PEPs and reassess any associated risks. Risk levels may be updated based on changes in role, public exposure, or jurisdiction.

6. Decision-Making and Oversight

Final decisions on membership or appointments involving PEPs will rest with the normal structures as outlined in the Bye-laws and Regulations of IOM3.

A record of all PEP-related decisions will be maintained for audit and review purposes.

7. Non-Compliance

Failure to declare PEP status or attempts to mislead the organisation may lead to:

- Suspension or termination of membership;
- Removal from leadership positions; or
- Referral to relevant authorities where appropriate.

8. Review

This policy will be reviewed **annually**, or in response to significant changes in law or regulatory guidance.

Approval

Date Adopted	15 July 2025
Adopted by	Executive Board
Last Review Date	
Reviewed By	
Next Review Date	30 June 2026