



Anti-Money Laundering (AML) and Counterterrorist Financing (CTF) Policy

Introduction and Purpose

This Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy ("Policy") sets out how **MAGIC CONNECT** ("the Company", "we", "us", "our") seeks to prevent its services from being used for money laundering, terrorist financing, or other forms of financial crime. We are committed to conducting our business in an honest and ethical manner and to supporting the efforts of UK authorities to combat financial crime. This Policy describes the principles, systems, and controls we apply in line with good practice and the legal framework in the United Kingdom. This Policy applies to all users of our website, and to all staff, contractors, and other persons who act on our behalf.

Legal and Regulatory Context

Our approach takes into account the key elements of the UK framework on money laundering and terrorist financing, including:

- **Proceeds of Crime Act 2002 (POCA)**
- **Terrorism Act 2000**
- **Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**, as amended
- Guidance and expectations from relevant UK authorities and supervisory bodies

We aim to act consistently with the spirit and intent of these laws and regulations and to cooperate with law enforcement and other authorities where required.

Scope and Nature of our Services

Magic Connect Ltd are workforce reward, pay and engagement solution experts. We specialise in mapping each client's business to the most suitable specialist providers in the market, with

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the aim of supporting growth and elevating the workforce experience. Our core activities include:

- Supporting **recruitment agencies** and **contracting intermediary companies** in temporary labour supply chains to deliver efficient and compliant workforce remuneration solutions with a strong focus on enhancing the worker experience.
- Supporting **traditional employment structures** with payroll, pensions, wellbeing and engagement products.
- Acting as a **consultative partner**, working with clients to determine solutions aligned with their unique operational and workforce needs.

Compliance in labour supply chains is central to our operation. We work with a network of trusted experts with professional accreditations, including ex-GLAA inspectors and Passport-accredited PAYE umbrella providers, to help ensure that the solutions implemented are robust and compliant. Because of our role in labour supply chains and workforce remuneration, we recognise that our activities may be exposed to specific risks such as non-compliance tax evasion, exploitation and potential money laundering. This Policy sets out the measures we take to identify, assess and mitigate these risks in a proportionate and effective way.

Risk-Based Approach

We apply a **risk-based approach** to managing AML/CTF exposure. This means we periodically assess:

- **Services and products** – how and to what extent they could be misused for money laundering or terrorist financing;
- **Customer types** – whether some categories of users present higher risk (e.g. anonymous users, users in higher-risk sectors or jurisdictions);
- **Geographical exposure** – countries and regions we interact with that may present higher levels of corruption, sanctions, or terrorism risk;
- **Delivery channels** – whether remote or fully online interactions increase the likelihood of misuse.

The findings of this assessment inform the level and type of controls we apply. Our objective is to mitigate risk effectively while preserving a positive user experience and respecting privacy and data protection requirements.

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Customer Due Diligence (CDD) and Verification

To reduce the risk of misuse of our platform, we may conduct **basic and enhanced checks** on users as appropriate. These may include:

1. **Basic information collection** when a user creates an account or makes a purchase, such as:
 - Full name or business name;
 - Email address and contact information;
 - Country of residence or operation.
2. **Additional information** where a higher risk is identified, for example:
 - Confirmation of identity or business registration details;
 - Clarification of the intended use of our services;
 - Evidence that the payment method used is legitimately linked to the user or their organisation.
3. **Reliance on payment providers**
 - We use third-party payment processors (e.g. card acquirers, e-money institutions or other regulated entities) for payments and refunds. These providers apply their own AML/CTF and know-your-customer (KYC) controls. Where appropriate and legally permissible, we may cooperate with such providers to investigate and address suspicious or unusual activity.

If a user refuses to provide information that we reasonably deem necessary for risk-management or security purposes, we may **limit, suspend, or terminate** their access to our services.

Monitoring and Detection of Suspicious Activity

We monitor activity on our platform to identify behaviour that may indicate misuse, including:

- Multiple accounts that appear to be controlled by the same person or connected parties;
- Transaction patterns that are inconsistent with normal or expected use of our services;
- Attempts to circumvent our checks, provide false information, or use stolen or unauthorised payment instruments;

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- Links between users and known fraudulent or criminal activity, based on publicly available or lawfully obtained information.

Monitoring can be both **manual and automated**, designed to be proportionate and respectful of legitimate users, while allowing us to detect and react to potential financial crime.

Handling Suspicious Activity and Reporting

If we identify or suspect that our platform is being used for unlawful purposes, including money laundering, terrorist financing, fraud, or other financial crime, we may take one or more of the following actions:

- Request additional information or clarification from the user;
- **Restrict, suspend, or close** the user's account;
- **Block or cancel** specific transactions;
- **Retain relevant records** relating to the suspicious activity.

Where we become aware of information that indicates actual or attempted criminal conduct, we may report such activity to relevant authorities, such as the **National Crime Agency (NCA)** or other law enforcement bodies, and cooperate fully with any investigation.

We will not notify the user of any report or investigation where doing so may be unlawful or could prejudice any inquiry.

Sanctions and High-Risk Jurisdictions

We are committed to ensuring that our services are not used in breach of **UK or international sanctions**, including sanctions adopted by the UK government and the United Nations.

We may therefore:

- Restrict or block access from certain **sanctioned or high-risk jurisdictions**;
- Decline or terminate business relationships where providing services may contravene sanctions or unduly expose us to regulatory or reputational risk;
- Conduct additional checks on users we reasonably suspect may be subject to sanctions or are connected to sanctioned parties.

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Staff Responsibilities and Awareness

All staff and contractors whose roles involve interaction with customers, payments, data, or systems that may be exposed to AML/CTF risk must:

- Be familiar with this Policy and follow it in their day-to-day work;
- Understand the basic concepts of money laundering, terrorist financing, and financial crime;
- Escalate any concerns or suspicious behaviour through the Company's internal reporting channels.

We may provide [periodic training, guidance, or updates](#) to ensure that staff remain aware of relevant risks and understand how to identify and escalate concerns.

Data Protection and Privacy

Any personal data collected and processed in connection with this Policy is handled in accordance with:

- The [UK General Data Protection Regulation \(UK GDPR\)](#);
- The [Data Protection Act 2018](#); and
- Our separate [Privacy Policy](#).

We only collect and retain data that is relevant and proportionate to our obligations and risk-management needs. Access to such data is restricted to authorised personnel, is used only for lawful purposes, and is retained for no longer than necessary.

Record Keeping

We maintain appropriate records relating to:

- Customer information collected for CDD or risk-assessment purposes;
- Internal notes on unusual or suspicious activity;

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- Measures taken in response to identified risks, such as account restrictions or transaction blocks;
- Any reports made to authorities and any associated correspondence, where applicable.

Records are kept securely and retained for reasonable periods in line with legal requirements and our internal policies, taking into account limitation periods and possible law enforcement needs.

Review and Governance

This Policy is approved by the management of **MAGIC CONNECT** and will be **reviewed at least annually**, or earlier where:

- Significant changes occur in our business model, services, or customer base;
- Relevant laws, regulations, or official guidance are updated;
- We identify deficiencies or areas where our AML/CTF controls can be strengthened.

We will update this Policy as needed and publish the latest version on our website. Where changes are material, we may also notify users directly.

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