



# Anti Money Laundering Policy

## Purposes of the Policy

1. To minimise the risks of exposure to Money Laundering for the Council and its staff, to identify money laundering if it occurs and take the appropriate action and to explain the role of the Money Laundering Reporting Officer (MLRO) (and their deputy).
2. The policy applies to all officers of the Council. Any officer could be caught by the money laundering provisions if they suspect money laundering and fail to act or become involved in some way.

## Definition of Money Laundering

3. Money laundering is a criminal activity. Typically, illegally obtained cash (whether through fraud, or other illegal activities) is fed through the financial systems of banks and other organisations (including local authorities) so that it appears to have been legitimately obtained.
4. The primary money laundering offences are:
  - concealing, disguising, converting, transferring criminal property or removing it from the UK;
  - entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
  - acquiring, using or possessing criminal property; and
  - concealment, removal from the UK, transfer, retention or control of terrorist property.
5. There are also two secondary offences:
  - failure to disclose any of the three primary offences above; and
  - 'tipping off' whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.
6. If staff notice or suspect that transactions are related to money laundering and do nothing about it (or if they become involved) then they could be caught by the money laundering legislation. The risk of this happening may be low – but the potential sanctions are high, so it is important that staff know what to do.

## What Checks do we have to take?

7. There are two parts to this. They are:
  - Is the Council carrying out "relevant business"? and,
  - The Client Identification Procedure.
8. "Relevant business" is a business relationship that the Council may have (excluding those business relationships before 1st March 2004) with those operating a "relevant business", eg financial and legal services, where the Council:
  - forms an ongoing business relationship with a client; or
  - undertakes a one-off transaction involving payment by or to the client of £10,000 (approximately €12,000) or more; or
  - undertakes a series of linked one-off transactions involving total payment by or to the client(s) of £10,000 (approximately €12,000) more; or
  - it is known or suspected that a one-off transaction (or a series of them) involves money laundering.
9. If "relevant business" (and also any business outside the Council's core activities, for which it may be prudent to take the same precautions, even if it isn't strictly "relevant business") is being undertaken, the "Client Identification Procedure" is:
  - if the "relevant business" is with another public sector body, then ensure they have signed, written instructions on the bodies headed paper before any business is undertaken.
10. If the "relevant business" is with non-public bodies, the Client Identification Procedure steps are:
  - check the organizations business address on their web site;
  - undertake a (on-line) search of Companies House; and
  - seek evidence from a key contact of their personal identity and position within the organization.
11. If the "relevant business" is with a private individual, then evidence should be sought to confirm the individual's identity and address.
12. Acceptable evidence of identity would include (original documents only):
  - Passport (current and valid)
  - Driver's licence (current and valid)
  - Birth certificate
  - Medical card
  - Bank / building society statement (not if more than 3 montsh old, and not if also used to prove address)
  - National Insurance number

13. Acceptable evidence of address would include (original documents only):

- Any utility bill (in clients name, no more than 3 months old)
- Bank / building society statement (not if more than 3 months old, and not if also used to prove identity)
- Letter from a solicitor
- Letter from Revenue and Customs or other government office.

14. Details of these checks must be retained for 5 years. If these checks are not satisfactory, no further business can take place.

### **What happens if we suspect money laundering**

15. Staff may suspect money laundering as a result of the checks set out above. However, they may also suspect it through other transactions or activities outside of these checks.

16. Once money laundering is suspected:

- Staff must report their concerns promptly to the MLRO or the Deputy MLRO either verbally or using the attached pro forma (Annex 1).
- Staff must follow the directions of the MLRO.
- Staff Must not discuss the matter with the suspected money launderer, or any other person. Nor should they make file notes or leave any evidence of their concerns available for others to see. Such actions could be considered to be "tipping off", which can result in a maximum penalty of 5 years imprisonment.
- The MLRO must decide whether the case warrants a disclosure report to the relevant authorities (the Serious and Organised Crime Authority or their successor).
- If the MLRO decides a disclosure is appropriate, or that they have reasonable grounds to believe that someone is engaged in money laundering and they do not make a disclosure, then they will be committing a criminal offence.

### **Staff Awareness**

17. All staff should be made aware of this policy. Staff most likely to encounter money laundering should receive training in the policy and should be aware of the requirements of:

- The Terrorism Act 2000, sections 18 & 21a
- The Anti-Terrorism, Crime and Security Act 2001, section 117
- The Proceeds of Crime Act 2002, part 7
- The Money Laundering Regulations 2007.

## Report of Suspected Money Laundering

**CONFIDENTIAL**

Report to the Money Laundering Reporting Officer

Report of Money Laundering Activity

To: Money Laundering Reporting Officer – Director of Finance, Housing and Community  
Deputy Money Laundering Reporting Officer – Financial Services Manager

From: \_\_\_\_\_

Directorate: \_\_\_\_\_

[insert post title]

Ext/Tel No: \_\_\_\_\_

URGENT YES/NO

Date by which response needed: \_\_\_\_\_

Details of suspected offence:

Name(s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:  
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)? [Delete as appropriate]  
Yes / No  
If yes, please include details below:

Have you discussed your suspicions with anyone else?  
[Delete as appropriate]  
Yes / No  
If yes, please specify below, explaining why such discussion was necessary:

Please set out below any other information you feel is relevant:

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.

**THE FOLLOWING PART OF THIS FORM TO BE COMPLETED BY THE MLRO**

Date report received: \_\_\_\_\_

Date receipt of from acknowledged: \_\_\_\_\_

**CONSIDERATION OF DISCLOSURE:**

Action plan:

**OUTCOME OF CONSIDERATION OF DISCLOSURE:**

Are there reasonable grounds for suspecting money-laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the NCIS? [Delete as appropriate]

Yes / No

If yes, please confirm date of report to NCIS: and complete the box below:

Details of liaison with the NCIS regarding the report:

Notice Period: from: to:

Moratorium Period: from: to:

Is consent required from the SOCA to any ongoing or imminent transactions which would otherwise be prohibited acts? [Delete as appropriate]

Yes / No

If yes, please confirm full details in the box below:

Date consent received from SOCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the SOCA, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS