



Anti Money Laundering Policy

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1. Purpose of the Policy

- 1.1 Dover District Council is committed to maintaining the highest standards of integrity, honesty and accountability in all its activities. This policy explains how the Council and its officers will minimise exposure to money laundering risk, identify and report suspected money laundering, take appropriate action, and support the Money Laundering Reporting Officer (MLRO) and Deputy Money Laundering Reporting Officer in carrying out their responsibilities.
- 1.2 All officers must remain alert to unusual transactions, complete proportionate checks where required, retain relevant records, report knowledge or suspicion promptly to the MLRO or Deputy MLRO, and follow any directions given. Officers must not investigate the matter themselves or take any action that could alert the person concerned.
- 1.3 The policy applies to all officers of the Council. Employees who become aware of, or suspect, money laundering activity must report their concerns promptly in accordance with this Policy and the Council's internal reporting procedures.
- 1.4 Failure to comply with this policy may result in disciplinary action, up to and including dismissal, depending on the circumstances. This includes failure to report knowledge or suspicion promptly, unauthorised disclosure, tipping off, prejudicing an investigation, failure to follow lawful directions from the MLRO or Deputy MLRO, or deliberate failure to complete required checks. The Council will consider each case on its facts and will follow its disciplinary procedure.
- 1.5 In certain circumstances, individuals may also be subject to obligations under the Proceeds of Crime Act 2002 or other relevant legislation. The application of any criminal reporting obligations will depend upon the specific circumstances and the nature of the activity concerned.
- 1.6 Nothing in this policy prevents an officer from making a protected disclosure¹ under the Public Interest Disclosure Act 1998, where the statutory requirements are met. Officers should normally use the Council's internal reporting routes unless there is a lawful and proper reason not to do so.
- 1.7 The obligations on officers to report knowledge or suspicion of money laundering promptly, to maintain confidentiality, to avoid tipping off or prejudicing an investigation, and to follow lawful directions from the MLRO or Deputy MLRO are contractual obligations, reflecting the Council's statutory responsibilities and the employee's duties of fidelity, confidentiality and obedience to lawful and reasonable instructions. The remaining procedural guidance in this policy is non-contractual and may be amended, withdrawn or replaced by the Council at any time, following appropriate consultation where required.

¹ References to whistleblowing and protected disclosures within this policy shall be interpreted in accordance with the Council's Whistleblowing Policy and applicable whistleblowing legislation.

2. Definition of Money Laundering

- 2.1 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. Such offences are defined under the Proceeds of Crime Act 2002 (POCA).
- 2.2 The primary money laundering offences are:
- Concealing, disguising, converting, transferring or removing criminal property 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.
- 2.3 There are also two secondary offences:
- Failure to disclose any of the three primary offences above where there are reasonable grounds for knowledge or suspicion.
 - '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.
- 2.4 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.

3. What checks do we need to carry out?

- 3.1 The Council must first determine whether the activity falls within the scope of regulated business and then apply the appropriate customer identification and verification procedures on a proportionate, risk-based basis.
- 3.2 The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, as amended, apply to “relevant persons” carrying on regulated business in the UK. The Council will not normally be acting as a regulated-sector business when carrying out its ordinary local authority functions, but POCA applies broadly and staff must still report knowledge or suspicion of money laundering promptly.
- 3.3 Where the Council undertakes activity that is, or may be, within scope of the 2017 Regulations, or where it is prudent to apply equivalent precautions because of the nature or value of the transaction, checks must be carried out on a risk-based basis. This includes identifying the customer, verifying identity using reliable independent sources, understanding the purpose and intended nature of the relationship or transaction, and identifying any beneficial owner where relevant.
- 3.4 Examples of potentially higher-risk activities include property transactions, asset sales, commercial property lettings, regeneration projects and Right to Buy transactions.

- 3.5 If the relevant activity is with another public sector body, obtain written instructions or confirmation on that body's headed paper or from an official email account before any business is undertaken.
- 3.6 If the "relevant business" is with non-public bodies, the Client Identification Procedure steps are:
- Check the organisation's registered name, business address and trading status using reliable sources, such as Companies House and the organisation's official website.
 - Identify and, where appropriate, verify the beneficial owner or controlling parties of a company or other legal entity.
 - Seek evidence of the authority, identity and role of the individual acting for the organisation, proportionate to the risk presented.
- 3.7 If the "relevant business" is with a private individual, then evidence should be sought to confirm the individual's identity and address.
- 3.8 Evidence of identity should be obtained from reliable, independent sources. Depending on the level of risk, acceptable evidence may include:
- Passport (current and valid)
 - Driver's licence (current and valid)
 - Birth certificate
 - Bank/building society statement (not if more than 3 months old, and not if also used to prove address)
- 3.9 Acceptable evidence of address would include (original documents only):
- Any utility bill in the client's 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.
- 3.10 Details of checks, decisions and supporting evidence must be retained for at least 5 years. If checks are not satisfactory, no further business should take place unless the MLRO has reviewed the matter and confirmed the lawful next steps.

4. What happens if we suspect money laundering

- 4.1 The MLRO is responsible for receiving and assessing internal reports, determining whether a Suspicious Activity Report should be submitted, considering whether a Defence Against Money Laundering request is required, maintaining confidential records and providing appropriate guidance to officers. Reports should be made using the current internal contact details published by the Council.
- 4.2 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.

4.3 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 (or Deputy MLRO).
- Staff must not discuss the matter with the suspected money launderer, or with any other person except the MLRO or Deputy MLRO. Employees should not create informal or unnecessary records concerning suspicions of money laundering outside the reporting process established by this Policy. Such actions could amount to tipping off or prejudicing an investigation. Tipping off may carry up to 2 years' imprisonment on indictment, while prejudicing an investigation may carry up to 5 years' imprisonment.
- The MLRO must decide whether the case warrants submission of a Suspicious Activity Report (SAR) to the National Crime Agency / UK Financial Intelligence Unit. Where the Council needs to proceed with an act that may otherwise constitute a money laundering offence, the MLRO must consider whether a Defence Against Money Laundering (DAML) request is required before the act is carried out.
- 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.

5. Staff Awareness

5.1 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, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended, and current NCA/UKFIU guidance on Suspicious Activity Reports and Defence Against Money Laundering requests.

6. Policy Review

6.1 This policy will be reviewed periodically, or sooner where there are significant legislative, organisational or procedural changes. Responsibility for maintaining the policy rests with the Section 151 Officer, in consultation with the Monitoring Officer and relevant senior officers.

Report of Suspected Money Laundering CONFIDENTIAL

Submit this completed form directly to the MLRO or Deputy MLRO using the Council's approved secure reporting route. Do not save the form in an open shared location, email it to unauthorised recipients or discuss it with the person concerned. If immediate action is required, contact the MLRO or Deputy MLRO without delay and submit the written report as soon as practicable.

Report to the Money Laundering Reporting Officer Report on Money Laundering Activity

To:	Money Laundering Reporting Officer – Director of Corporate Resources (Deputy Chief Executive) Deputy Money Laundering Reporting Officer – Head of Finance & Investment
From:	
Directorate:	
Contact Number:	
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 tipping off or prejudicing an investigation. Tipping off may carry up to 2 years' imprisonment on indictment, while prejudicing an investigation may carry up to 5 years' imprisonment.

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

Date report received:	
Date receipt of form acknowledged:	

CONSIDERATION OF DISCLOSURE: Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

If there are reasonable grounds for suspicion, will a report be made to the National Crime Agency (NCA)? [Delete as appropriate] Yes / No If yes, please confirm date of report to the National Crime Agency (NCA): and complete the box below:

Details of liaison with the National Crime Agency (NCA) regarding the report:

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Notice Period:

From:

To:

Moratorium Period:

From:

To:

Is a Defence Against Money Laundering required from the National Crime Agency before any ongoing or imminent transaction that may otherwise constitute a prohibited act can proceed?

[Delete as appropriate] Yes / No

If yes, record the relevant details below:

--

Date consent received from the National Crime Agency (NCA):

--

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 National Crime Agency (NCA), please set out below the reason(s) for non-disclosure:

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

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Are there reasonable grounds for suspecting money-laundering activity?

--

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

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Other relevant information:

Signed:

Dated:

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS