



# Anti-Money Laundering Policy

Version number: 1.1  
Date: August 2023

## Tracking

**Policy title:** Anti-Money Laundering Policy

**Head of Service sign off:** 10<sup>th</sup> August 2023

**SMT sign off:** 10<sup>th</sup> August 2023

**Review due date:** August 2026

**Service:** Policy and Corporate Resources

## Revision History

Version no.	Revision Date	Revisor	Previous Version	Description of Revision
1.1	06/07/2023	Business Assurance Manager	1.0	Minor amendments: formatting, team and job names, change of MLRO, and references.

## Document Approvals

Each revision requires the following approvals:

- Non-administrative updates: Strategic Management Team (SMT).
- Administrative updates: Head of Policy and Corporate Resources.

## Impact Assessment and Considerations

Assessment Type	Required / Not Required	Date Completed	Impact Assessments and Considerations Comment	Completed By
Equality Impact Assessment	Not required		No direct implications: everyone will be treated equally in accordance with the law and the contents of the council's agreed fraud related policies.	Business Assurance Manager
Health and safety	Not required		No direct implications.	Business Assurance Manager
Data Protection Impact Assessment	Not required		No direct implications: information obtained will be treated in accordance with legal requirements and the council's information governance related policies.	Business Assurance Manager
Climate Change	Not required		No direct implications.	Business Assurance Manager

# Anti-Money Laundering Policy

## 1. Introduction

- 1.1 The Council has a zero tolerance policy concerning money laundering and is committed to the highest standards of conduct.
- 1.2 The Proceeds of Crime Act 2002,<sup>1</sup> the Terrorism Act 2000<sup>2</sup> and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017,<sup>3</sup> place obligations on the Council and its employees to ensure that procedures are in place to prevent the Council's services being used for money laundering and terrorist financing. The Bribery Act 2010 also means that there is a likelihood that acts of bribery or corruption will be examined in the context of money laundering.<sup>4</sup>
- 1.3 This policy sets out the process to minimise the risk, as well as provide guidance, on the Council's money laundering procedures. This policy forms part of the Council's overarching framework for counter fraud. Adhering to this policy and guidance will protect employees from the risk of prosecution if an employee becomes aware of money laundering activity while employed by the Council. The policy is not intended to prevent customers and service providers from making payments for Council services, but to minimise the risk of money laundering in high value cash transactions.

## 2. Definition of Money Laundering

- 2.1 The Council defines money laundering as the process where the proceeds of crime and the true ownership of those proceeds are changed so that they appear to come from a legitimate source.
- 2.2 The main Money Laundering offences are:
  - Concealing, disguising, converting, transferring or removing criminal property from the UK (section 327 of the Proceeds of Crime Act 2002).
  - Arranging – entering into or being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property by or behalf of another person (section 328).
  - Acquisition – acquiring, using or possessing criminal property (section 329).<sup>5</sup>
- 2.3 This policy also covers 'third party' offences that relate to the suspicion or knowledge that money laundering is taking place, including:
  - Doing something that might prejudice an investigation e.g. falsifying a document.

- Failure to disclose one of the principle offences listed above.
- Tipping off – where someone informs a person who is, or suspected of being involved in money laundering, in such a way as to reduce the likelihood of or prejudice an investigation.

2.4 “Criminal property” means anything of value (including cash, any type of financial security, investments, land, benefit under a contract, etc) that results from criminal activity.

### 3. The Council’s Obligations

3.1 The Council will ensure that at a minimum its policies and procedures meet the key legislative requirement below:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive any disclosures from employees relating to money laundering.
- To make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports where necessary to the [National Crime Agency](#).
- To establish internal procedures to help forestall and prevent money laundering.
- Apply customer due diligence and obtain information on the purpose of certain business relationships.
- Maintain a record of incidents that have been reported to the MLRO.
- Provide training for relevant staff on how to identify the signs of potential money laundering transactions.
- To report any single cash transactions of £5,000 or a series of linked transactions totalling over £10,000, these should be treated as suspicious.

### 4. Money Laundering Reporting Officer

4.1 The officer nominated (MLRO) to receive disclosures about money laundering activity within the Council is the [Head of Policy and Corporate Resources](#).

4.2 In the absence of the MLRO, the [Head of Finance](#), is authorised to deputise for the Head of Policy and Corporate Resources.

### 5. Disclosure Procedure

#### Procedure for reporting potential cases of Money Laundering

- 5.1 Where you know or suspect that money laundering is taking place or has taken place, you must report this as soon as possible to the MLRO with the completion of the Council's Money Laundering disclosure form.
- 5.2 If there are doubts over the validity of the customer or representative of an organisation, requests should be made to, at the very least, confirm their identification and address. Valid forms of identity and proof of address are as follows in sections 5.3 and 5.4.
- 5.3 Identity:
- Current passport.
  - Current full UK photocard driving licence (old style provisional licences will not be accepted).
  - Current EEA member state identity card (please note that UK National Identity cards are no longer valid as proof of identity for anti-money laundering purposes).
  - Current identity card issued by the Electoral Office for Northern Ireland.
  - Current shotgun or firearms certificate.
  - Evidence of entitlement to state of locally funded benefit.
  - Registered accounts or credit reference agency search with company ID.
  - Foreign overseas ID.
- 5.4 Address:
- Council tax demand notice (current year).
  - Credit card statement dated within the last 3 months.
  - Utility bill dated within the last 3 months.
  - Current UK driving licence.
  - Evidence of entitlement to state of locally funded benefit.
  - Documents issued by HMRC e.g., tax code notices (current year) or equivalent for non UK residents.
- 5.5 If the customer or organisation is unable to provide any of the above to confirm their status, details of the transaction should be recorded using the Disclosure Report ([Appendix 1](#)). Any queries regarding the validity of ID should be referred to the MLRO who may require certified copies or documents in English.

- 5.6 Should an officer suspect a case of money laundering, they should, in the first instance, stop any further processing of the suspicious transaction and record the details of the transaction. The customer should be handed back any cash.
- 5.7 The Disclosure Report should be sent to the MLRO promptly, so that the transaction can be properly investigated. Under the money laundering regulations there is no de-minimis amount for making a disclosure, and as such any cash transaction (irrespective of value) should be reported. In addition, disclosures should be made in the following circumstances:
- Any cash transactions of £5,000 and over.
  - There is doubt in the validity of information provided to support a transaction.
  - Unusual patterns of transactions that have no apparent purpose or visible lawful purpose.
- 5.8 The MLRO must follow up suspected money laundering transactions. If it is concluded that the transaction is likely to result in money laundering the matter must be reported to the National Crime Agency (NCA) for further action. Contact details as follows:
- Email: [communication@nca.gov.uk](mailto:communication@nca.gov.uk)
  - Telephone: 0370 496 7622 (available 24/7). This number is not used for outgoing calls.
  - The postal address for NCA headquarters is:  

Units 1 - 6 Citadel Place,  
Tinworth Street,  
London SE11 5EF
  - To report non-urgent crime please call your local police on 101. You can also report crime anonymously to Crimestoppers online or by calling 0800 555 111.<sup>6</sup>
- 5.9 Please note, **in no circumstances should the council attempt to investigate the matter** as it may prejudice any investigation that the Police carry out.
- 5.10 Disclosure reports must be retained for at least one year.
- 5.11 The MLRO should consider the following as part of their investigation:
- Other transactions from the same individual or organisation.
  - The type and length of any business relationship.

- The number of one off transactions.
- Any due diligence information held.
- Undertake any other reasonable enquiries that they feel may be appropriate.

5.12 Please note, **at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering.**

5.13 Under the MLR the Council is obliged to adopt a risk based approach to anti-money laundering regulations and how they approach due diligence.

## 6. Training

6.1 The Council will take appropriate measures to ensure that employees who may be affected by money laundering legislation are made aware of the risk of money laundering, and aware of these procedures as to how to deal with the risk.

## 7. Conclusion

7.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the very low risk to the Council of contravening the legislation.

7.2 Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO.

## 8. Related Policies

8.1 The Anti-Money Laundering Policy is not a standalone policy. The following documents are also available on the staff intranet (E-Hub):

- Anti-Fraud and Anti-Corruption Strategy
- Whistleblowing policy
- Anti-Bribery Policy
- Conflict of Interest Policy
- [Constitution](#) and [Council Operating Framework](#), including:
  - Financial Regulations
  - Standing Orders
  - Contract Standing Orders
  - Codes of Conduct
  - Scheme of Delegation

- Terms and Conditions of Service
- HR Policies including Disciplinary Policy
- Service Manuals and Procedures
- The Code of Conduct to any professional body to which they may belong.

8.2 The Anti-Money Laundering Policy will be reviewed every three years.

## References

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<sup>1</sup> HM Government (2002) *Proceeds of Crime Act 2002*. Online available: <https://www.legislation.gov.uk/ukpga/2002/29/contents> [last accessed 20/07/2022].

<sup>2</sup> HM Government (2000) *Terrorism Act 2000*. Online available: <https://www.legislation.gov.uk/ukpga/2000/11/contents> [last accessed 20/07/2022].

<sup>3</sup> HM Government (2017) *The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017*. Online available: <https://www.legislation.gov.uk/uksi/2017/692/contents/made> [last accessed 20/07/2022].

<sup>4</sup> HM Government (2010) *Bribery Act 2010*. Online available: [Bribery Act 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2010/23/contents) [last accessed 06/07/2023].

<sup>5</sup> Ibid., HM Government (2002).

<sup>6</sup> National Crime Agency (no date) *Contact us*. Online available: <https://www.nationalcrimeagency.gov.uk/contact-us> [last accessed 20/07/2022].



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## Money Laundering Disclosure Report

To: Money Laundering Reporting Officer

**Reporting officer name** Click or tap here to enter text.

**Position** Click or tap here to enter text.

**Business unit** Click or tap here to enter text.

**Directorate** Click or tap here to enter text.

**Email address** Click or tap here to enter text.

**Extension / telephone number** Click or tap here to enter text.

**Date of transaction** Click or tap here to enter text.

**Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity you have described. To do so may constitute a tipping off offence.**

### 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]*

**Details of Transaction - 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)?

*[Please tick the relevant box]*

Yes

No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

*[Please tick the relevant box]*

Yes

No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance regarding money laundering? (e.g. the Law Society) *[Please tick the relevant box]*

Yes

No

If yes, please specify below:

**Is there any other information that you feel is relevant:**

Do you feel you have reasonable grounds for not disclosing the matter to the NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?) If yes, please set out full details below: *[Please tick the relevant box]*

Yes

No

Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act and which requires appropriate consent from NCA, If yes, please enclose details below: Yes / No *[Please tick the relevant box]*

Yes

No

**Please detail below any other information you feel is relevant:**

Signed:.....

Dated:.....

**Reminder:** 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.

**FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER**

<b>Date report received:</b>	
<b>Date receipt of report acknowledged:</b>	

**Consideration of Disclosure - Action plan**

<b>Are there reasonable grounds for suspecting money-laundering activity?</b>
<b>If there are reasonable grounds for suspicion, will a report be made to NCA? Yes / No</b>
<b>If yes, please confirm date of report to NCA:</b>
<b>Details of liaison with NCA regarding the report:</b>
<b>Is consent required from the NCA for any ongoing or imminent transactions that would otherwise be prohibited acts. If yes, please confirm full details; Yes / No</b>

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<b>Date consent received from NCA:</b>	
<b>Date receipt of report acknowledged:</b>	
<b>Date consent given by you to employee:</b>	
<b>Date consent given by you to employee for any prohibited act transactions to proceed:</b>	

<b>If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:</b>
<b>Other relevant information:</b>
<b>Signed..... Dated.....</b>

**RETENTION PERIOD FIVE YEARS**