

ANTI-MONEY LAUNDERING POLICY AND GUIDANCE

1.0 INTRODUCTION

- 1.1. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering.

2.0 SCOPE OF THE POLICY

- 2.1 This Policy applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations.
- 2.2 Further information is set out in the accompanying Guidance Note in Annexe A. Both this Policy and the Guidance Notes sit alongside the Council's Whistleblowing Policy and Anti-Fraud Anti-Corruption and Anti-Bribery Strategy.
- 2.3 Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary and Capability Procedure.

3.0 WHAT IS MONEY LAUNDERING?

- 3.1 Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following constitute the act of money laundering:
- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the 2002 Act); or
 - 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 (section 328); or
 - acquiring, using or possessing criminal property (section 329).

These are the primary money laundering offences, and are therefore prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the three primary offences and tipping off. Tipping off is where someone informs a person or people 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.

- 3.2 Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The Guidance Note gives practical examples. This Policy sets out how any concerns should be raised.
- 3.3 Whilst the risk to the Council of contravening the legislation is low, ***it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.***

4.0 WHAT ARE THE OBLIGATIONS ON THE COUNCIL?

- 4.1 Organisations conducting “relevant business” must:
- appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s);
 - implement a procedure to enable the reporting of suspicions of money laundering;
 - maintain client identification procedures in certain circumstances; and
 - maintain record keeping procedures.
- 4.2 Not all of the Council’s business is “relevant” for the purposes of the legislation: it is mainly accountancy and audit services and the financial, company and property transactions undertaken by Legal Services. However, the safest way to ensure compliance with the law is to apply them to all areas of work undertaken by the Council; therefore, **all** staff are required to comply with the reporting procedure set out in section 6 below.
- 4.3 The following sections of this Policy provide further detail about the requirements listed in paragraph 4.1.

5.0 THE MONEY LAUNDERING REPORTING OFFICER

- 5.1 The officer nominated to receive disclosures about money laundering activity within the Council is the **Head of Finance, Peter Vickers**. He can be contacted as follows:

Peter Vickers
Head of Finance
Waverley Borough Council
Council Offices
The Burys
Godalming
Surrey
GU7 1HR

e-mail: peter.vickers@waverley.gov.uk

Telephone: 01483 523539

- 5.2 In the absence of the MLRO, the Internal Audit Client Manager, Gail Beaton, is authorised to deputise for him. Gail can be contacted at the above address or on telephone number 01483 523260 (direct line).

6.0 DISCLOSURE PROCEDURE

Cash Payments

- 6.1 No payment to the Council will be accepted in cash (including notes, coins or travellers' cheques in any currency) if it exceeds £5,000.

Reporting to the Money Laundering Reporting Officer

- 6.2 Where it is suspected that money laundering activity is taking/has taken place, or an employee becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to the employee's attention, not weeks or months later. **SHOULD THIS NOT BE DONE, THEN THE EMPLOYEE MAY BE LIABLE TO PROSECUTION.**

6.3 Disclosure should be made to the MLRO using the pro forma report attached at Appendix 1. The report must include as much detail as possible, for example:

- Full details of the people involved (including the employee, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc;
- Full details of the nature of involvement;

If the employee is concerned that their involvement in the transaction would amount to a prohibited act under sections 327 – 329 of the 2002 Act, then the report must include all relevant details, as the employee will need consent from the Serious Organised Crime Agency (SOCA), via the MLRO, to take any further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given.

The employee should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline;

- The types of money laundering activity involved:

if possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (or 2000 Act), or general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both;

- The dates of such activities, including:

whether the transactions have happened, are ongoing or are imminent;

- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious – SOCA will require full reasons;

along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to SOCA, where appropriate. Copies of any relevant supporting documentation should be enclosed.

6.4 Once the matter is reported to the MLRO, employees must follow any directions he may give. The employee **must NOT make any further enquiries into the matter themselves**: any necessary investigation will be undertaken by SOCA. All members of staff will be required to co-operate

with the MLRO and the authorities during any subsequent money laundering investigation.

- 6.5 Similarly, **at no time and under no circumstances should the employee voice any suspicions** to the person(s) suspected of money laundering, even if SOCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise a criminal offence of “tipping off” (see the Guidance Note for further details) may be committed.
- 6.6 No reference should be made on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render an employee liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Consideration of the disclosure by the Money Laundering Reporting Officer

- 6.7 Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. He should also advise the employee of the timescale within which he expects to respond.
- 6.8 The MLRO will consider the report and any other available internal information he thinks relevant e.g.
- reviewing other transaction patterns and volumes;
 - the length of any business relationship involved;
 - the number of any one-off transactions and linked one-off transactions;
 - any identification evidence held;

and undertake such other reasonable inquiries he thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to SOCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with the employee.

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- 6.9 Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
 - there are reasonable grounds to know or suspect that is the case; and
 - whether he needs to seek consent from SOCA for a particular transaction to proceed.
- 6.10 Where the MLRO does so conclude, then he must disclose the matter as soon as practicable to SOCA on their standard report form and in the prescribed manner, unless he has a reasonable excuse for non-disclosure to SOCA (for example, a lawyer can claim legal professional privilege for not disclosing the information).
- 6.10.1 Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then he must note the report accordingly; he can then immediately give his consent for any ongoing or imminent transactions to proceed.
- 6.10.2 In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to SOCA.
- 6.10.3 Where consent is required from SOCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until SOCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from SOCA.
- 6.11 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then he shall mark the report accordingly and give his consent for any ongoing or imminent transaction(s) to proceed.
- 6.12 All disclosure reports referred to the MLRO and reports made by him to SOCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 6.13 ***The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to SOCA.***

7.0 CUSTOMER DUE DILIGENCE

7.1 Where the Council is carrying out certain 'regulated activities' then extra care needs to be taken to check the identity of the customer or client – this is known as carrying out Customer Due Diligence.

7.2 Customer due diligence means:

- (a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source;
- (b) identifying, where there is a beneficial owner who is not the customer, the beneficial owner and taking adequate measures, on a risk-sensitive basis, to verify his identity so that the relevant person is satisfied that he knows who the beneficial owner is, including, in the case of a legal person, trust or similar legal arrangement, measures to understand the ownership and control structure of the person, trust or arrangement; and
- (c) obtaining information on the purpose and intended nature of the business relationship.

7.2 The Regulations regarding customer due diligence are detailed and complex, but there are some simple questions that will help decide if it is necessary:

- § Is the service a regulated activity (see 7.3)?
- Is the Council charging for the service i.e. is it 'by way of business'?
 - Is the service being provided to a customer other than a UK public authority?

If the answer to any of these questions is **no** then there is no need to carry out customer due diligence.

If the answer to all these questions is **yes** then customer due diligence must be carried out before any business is undertaken for that client. If there is uncertainty whether customer due diligence is required then the MLRO should be contacted for advice.

7.3 Regulated activity is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; treasury management, investment or other financial services; audit services; legal services; estate agency; services involving the formation, operation or arrangement of a company or trust or; dealing in goods wherever a transaction involves a cash payment of €15,000 or more."

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- 7.4 Where customer due diligence is required then evidence of identity must be sought, for example:
- checking with the customer's website to confirm their business address;
 - conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
 - seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.
- 7.5 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officer's knowledge of the customer and a regular scrutiny of the transactions involved.
- 7.6 If, at any time, it is suspected that a client or customer for whom the Council is currently, or is planning to carry out, a regulated activity is carrying out money laundering or terrorist financing, or has lied about their identity then this must be reported to the MLRO.
- 7.7 In certain circumstances enhanced customer due diligence must be carried out for example where:
- The customer has not been physically present for identification
 - The customer is a politically exposed person
 - There is a beneficial owner who is not the customer – a beneficial owner is any individual who: holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- 7.8 Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer's identity and / or the source of the funds to be used in the business relationship / transaction. If it is believed that enhanced customer due diligence is required then the MLRO should be consulted prior to carrying it out.

8.0 RECORD KEEPING PROCEDURES

- 8.1 Each unit of the Council conducting relevant business must maintain records of:
- client identification evidence obtained; and
 - details of all relevant business transactions carried out for clients for at least five years. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.
- 8.2 The precise nature of the records is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.
- 8.3 An electronic copy of every customer due diligence record must be sent to the MLRO to meet the requirements of the Regulations and in case of inspection by the relevant supervising body.

9.0 CONCLUSION

- 9.1 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.
- 9.2 Any concerns whatsoever regarding any transactions should be reported to the MLRO.

10.0 FURTHER INFORMATION

- 10.1 Further information can be obtained from the MLRO and the following sources:

www.soca.gov.uk – website of the Serious and Organised Crime Agency

“Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations” – CIPFA

“Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants” – CCAB (**www.ccab.org.uk**)

Money Laundering Guidance at **www.lawsociety.org.uk**

SI 2007 No. 2157 The Money Laundering Regulations 2007 at:

http://www.hm-treasury.gov.uk/consultations_and_legislation/money_laundering_directive/consult_moneylaundering_2007.cfm

CONFIDENTIAL

Report to Money Laundering Reporting Officer

Re: Money Laundering Activity

To: Peter Vickers , Money Laundering Reporting Officer

From:

[insert name of employee]

Directorate:

[insert post title and Business Unit]

Ext/Tel No:

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)?

[Please tick the relevant box]

Yes No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

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[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 re money laundering?
(e.g. the Law Society)**

[Please tick the relevant box]

Yes No

If yes, please specify below:

**Do you feel you have a reasonable excuse for not disclosing the matter to SOCA?
(e.g. are you a lawyer and wish to claim legal professional privilege?)**

[Please tick the relevant box]

Yes No

If yes, please set out full details below:

**Are you involved in a transaction which might be a prohibited Act under
Sections 327- 329 of the Act and which requires appropriate consent from SOCA?**

[Please tick the relevant box]

Yes No

If yes, please enclose details in the box below:

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 IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report 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 SOCA?

[Please tick the relevant box]

Yes No

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

Details of liaison with SOCA regarding the report:

Notice Period: **to**

Moratorium Period: **to**

Is consent required from SOCA to any ongoing or imminent transactions which would otherwise be prohibited acts? Yes No

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

<p>Date consent received from SOCA:</p> <p>Date consent given by you to employee:</p>

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to 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:

<p>Other relevant information:</p> <p>Signed: Dated:</p> <p>THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS</p>
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ANNEXE 1

**MONEY LAUNDERING AVOIDANCE –
GUIDANCE NOTES**

1.0 INTRODUCTION

1.1 Legislation concerning money laundering (the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2003) has increased the range of activities caught by the statutory framework. As a result, the obligations impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering. Money laundering can be defined as “a process that makes money with an illegal origin appear legal so that it may be used”. Typically, money laundering transactions that might affect Waverley may occur when individuals or organisations make large payments to Waverley in cash, or make significant overpayments which subsequently require large refunds from Waverley. Other examples can be found in the glossary attached to this document.

2.0 SCOPE OF THIS GUIDANCE

2.1 This guidance applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. Within this guidance the term employees refers to all employees and elected Members.

2.2 Anti-money laundering legislation places responsibility upon Council employees to combat money laundering and covers a very wide area of financial transactions, including possessing, or in any way dealing with, or concealing, the proceeds of any crime. It applies to all employees involved with monetary transactions

2.3 Under the legislation it is a criminal offence to:

- assist a money launderer
- "tip off" a person suspected to be involved in money laundering that they are suspected or that they are the subject of police investigations
- fail to report a suspicion of money laundering and
- acquire, use or possess criminal property

3.0 PURPOSE OF THIS GUIDANCE

3.1 The legislative requirements concerning anti-money laundering procedures are extensive and complex. This Guidance 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 this legislation.

3.2 The object of this guidance is to make all employees aware of their responsibilities.

3.3 Any employee could potentially be affected by the money laundering provisions if they suspect money laundering and either become involved with it in some way and /or do nothing about it.

3.4 Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all relevant employees are familiar with their legal responsibilities

4.0 ANTI-MONEY LAUNDERING REQUIREMENTS - WAVERLEY'S OBLIGATIONS

4.1 Waverley must:

(a) ensure that relevant officers and staff (or contractors' staff) are aware of and have information on the requirements of the legislation, including the identification of suspicious transactions, identity verification and reporting procedures. *(Common examples of transactions that could appear suspicious are set out in section 5.7.2 but whenever staff have grounds to be suspicious of any transaction the matter should be reported in accordance with the guidance in this document.)*

(b) designate an officer as the Money Laundering Reporting Officer (MLRO) –who will receive any report, keep records and if considered appropriate, make reports to the National Criminal Intelligence Service (NCIS). Waverley's MLRO is set out at section 6.1.

(c) establish procedures for employees to report any suspicions to the Money Laundering Reporting Officer (MLRO). Waverley's procedures are set out from section 5.0.

4.2 Under the legislation employees dealing with money transactions will be required to comply with the procedures as set out below.

5.0 PROCEDURES

5.1 Not all of the Council's business is "relevant" for the purposes of the legislation. Relevant services as defined by the legislation include investments, accountancy and audit services and the financial, company and property transactions undertaken by Property Services and Legal Services.

5.2 However, when the Council is carrying out "relevant" business and is forming a business relationship or considering undertaking a one off transaction, and any member of staff suspects a transaction involves money laundering, the procedures set out below apply.

5.3 Additionally, if in the course of "relevant" business a payment is to be made to Waverley for a series of linked one off transactions involving total payment of £10,000 or more, the procedures set out below apply.

5.4 CLIENT IDENTIFICATION PROCEDURE

5.4.1 Any employee involved in a relevant business transaction should ensure the client provides satisfactory evidence of their personal identity, through passport or a photo-driving licence plus one other document with their name and address e.g. utility bill (not mobile) mortgage/building society/bank documents, card documents, pension/benefit book. Satisfactory evidence of corporate identity can be through company formation documents or business rates documents.

5.4.2 In circumstances where the client cannot be physically identified the employee should be aware that :-

- a) there is greater potential for money laundering if the client is not physically present when being identified;
- b) if satisfactory evidence is not obtained the relationship or the transaction should not proceed;
- c) if the client acts, or appears to act for another person, reasonable measures must be taken for the purposes of identifying that other person.

5.5 RECORD KEEPING PROCEDURES

5.5.1 Each Service of the Council and contractors working for the Council conducting relevant business must maintain records of:-

- a) Client identification evidence obtained - which must be kept for five years after the end of the transaction or relationship
- b) Details of all relevant business transactions carried out for clients for at least five years from the completion of the transaction. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.

5.5.2 The MLRO (see 6.2) must be informed of the existence and location of such records.

5.5.3 The precise nature of the records is not prescribed by law. However, the records must provide an audit trail during any subsequent investigation, e.g. distinguishing the client and the relevant transaction and recording in what form any funds were received or paid.

5.6 INTERNAL REPORTING PROCEDURE

5.6.1 Where an employee is aware that money laundering may have taken place (or may be taking place) he or she must contact the MLRO (see paragraph 6.2) for guidance as soon as possible, regardless of the amount. In such circumstance, no money may be taken from anyone until this has been done.

5.6.2 Any person knowing or suspecting money laundering, fraud or use of the proceeds of crime must report this to the MLRO on the form(s) as attached.

5.6.3 Upon receiving the report the MLRO will consider all of the admissible information in order to determine whether there are grounds to suspect money laundering.

5.6.4 If the MLRO determines that the information or matter should be disclosed it will be reported to the National Criminal Intelligence Service (NCIS)

5.6.5 During this process the client must not be tipped off.

5.6.6 At no time and under no circumstances should an employee voice any suspicions to the person(s) suspected of money laundering, even if the NCIS has given consent to a particular transaction proceeding, otherwise the employee may be committing a criminal offence of “tipping off”. Therefore, no reference should be made on a client file to a report having been made to the MLRO. Should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render the employee liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

5.7 OTHER PROCEDURES

5.7.1 The Council will establish other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering:-

5.7.2 **Regular receipts-** The Council in the normal operation of its services accepts payments from individuals and organisations e.g. in relation to council tax, sundry debtors etc. For all transactions under £2,000 the Money Laundering regulations do not apply but if an employee has reasonable grounds to suspect money laundering activities, or proceeds of crime or is simply suspicious, the matter should still be reported to the MLRO.

5.7.3 **Cash receipts** – If the money offered in cash is £10,000 or more, then payment must not be accepted until the employee has received guidance from the MLRO.

5.7.4 **Refunds-** Care will need to be taken especially with the procedures for refunds. For instance, a significant overpayment which results in a repayment will need to be properly investigated and authorised before payment.

5.7.5 In the event of any suspicious transactions, the MLRO will be contacted to investigate the case. The possible perpetrator should not be informed (i.e. not “tipped off”)

5.7.6 **Training** – The Council will take, or require its contractor to take, appropriate measures to ensure that relevant employees are :

- a) Made aware of the provisions of these regulations, (under the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2003)
- b) Given training in how to recognise and deal with transactions which may be related to money laundering.

6.0 THE MONEY LAUNDERING REPORTING OFFICER - MLRO

6.1 The Officer nominated as The Money Laundering Reporting Officer who will receive disclosures about money laundering activity within the Council is **Peter Vickers**, Head of Finance. When he is not available the Deputy MLRO will take his place.

6.2 The Deputy Money Laundering Reporting Officer is Gail Beaton, Internal Audit Client Manager.

Disclosure Form to MLRO

Date of disclosure

Officer making disclosure:

Job title of officer:

Telephone details:

SUBJECT DETAILS

Title:

Surname:

Forename:

DoB:

Gender:

IN THE CASE OF A LEGAL ENTITY (COMPANY)

Name:

Address:

Company Number (If known)

Type of Business:

VAT no (if known)

REASON FOR DISCLOSURE

(if you know or suspect what the offence behind the reported activity may be please provide details)

RECEIPT FROM MLRO

Reference:

Date:

Signature:

Glossary of terms

AML	Anti money laundering
MLRO	Money laundering reporting officer as defined in the Money Laundering Regulations 2003 and the FSA (Financial Services Act)
NCIS	National Criminal Intelligence Service. Provides strategic and tactical intelligence on serious and organised crime, nationally and internationally and is responsible, through its Economic Crime Unit, for receiving reports of money laundering suspicions.

Money Laundering - Warning Signs

The following examples could indicate that money laundering is taking place:

Transactions or trade that appear to make no commercial or economic sense from the perspective of the other party: A money launderer's objective is to disguise the origin of criminal funds and not necessarily to make a profit, A launderer may therefore enter into transactions at a financial loss if it will assist in disguising the source of the funds and allow the funds to enter the financial system;

Large volume/large cash transactions; all large cash payments should be the subject of extra care and before accepting cash the reasons for such payments should be fully understood. Payments should be encouraged through the banking system to avoid problems.

Payments received from third parties: Money launderers will often look to legitimate business activity in order to assist in 'cleaning' criminal funds and making payments on behalf of a legitimate company can be attractive to both parties. For the legitimate company it can be a useful source of funding and for the launderer the funds can be **processed** through **the** banking system:

Examples of tell tale signs of organised money laundering:-

1. Use of cash where other means of payment are normal
2. Unusual transactions or ways of conducting business
3. Unwillingness to answer questions/ secretiveness generally
4. Use of overseas companies
5. New companies
6. Overpayments of Council tax where refunds are needed.