

UNIVERSITY OF NOTTINGHAM

**ANTI-MONEY LAUNDERING POLICY
AND PROCEDURES**

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Further information can be obtained from:

<http://www.hmrc.gov.uk/mlr/your-role/index.htm>

Introduction

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 this policy aims to ensure that the University and its employees comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles.

Legislation has broadened the definition of money laundering and the range of activities where this can apply. So it is not just a concern for banks and the financial sector but now applies to all companies and institutions including Universities. This policy therefore sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

What is money laundering?

Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for 'clean' money or other assets with no obvious link to their criminal origins.

Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism.

Money laundering activity includes:

- Acquiring, using or possessing criminal property
- Handling the proceeds of crimes such as theft, fraud and tax evasion
- Being knowingly involved in any way with criminal or terrorist property
- Entering into arrangements to facilitate laundering criminal or terrorist property
- Investing the proceeds of crimes in other financial products
- Investing the proceeds of crimes through the acquisition of property/assets
- Transferring criminal property.

University obligations

The University has a responsibility to;

- Appoint a Money Laundering Nominated Officer (MLNO) to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees.
- Implement a procedure to enable the reporting of suspicious activity.
- Maintain customer identification procedures to 'know your customer', in relevant circumstances.
- Maintain adequate records of transactions.

Employee obligations

Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the MLNO.

Failure to do so may result in you being personally liable to prosecution.

Guidance on how to raise any concerns is included in this policy document.

Relevant circumstances

Money laundering regulations apply to **cash transactions** in excess of 15,000 euros (or equivalent) with agents, third parties, property or equipment, cheques, cash or bank transfers.

By way of example at the University this may include circumstances where a student pays fees exceeding 15,000 euros (or equivalent) by cash. Or where a student pays a fee for another student who is not present at the time or a sponsor/third party not known to the University pays fees for students.

Particular rules apply to foreign students and the immigration service needs to be notified if a student with a visa discontinues and Revenue & Customs need to be notified with details of all foreign students studying at the University. Fees paid in advance by foreign students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Where appropriate, refunds should only be made to the person making the original payment or in the case of a transfer by payment to the new University.

Precautions should also be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases refunds should only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected the reason should be checked prior to accepting an alternative card. If in any doubt about the identity of the person attempting to make a payment the transaction should not be accepted.

'Know your Customer'

It is important that controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the University. Satisfactory evidence of identity must be obtained. Examples include:

- Passport or visa
- Birth certificate
- Correspondence with students at their home address

and for third parties,

- Letters or documents proving name, address and relationship.

If an organisation is not known to the University:

- Look for letter-headed documents
- Check web-sites
- Request credit checks
- Or aim to meet or contact key sponsors as you feel appropriate to verify validity of contact.

Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source.

A guidance note on possible signs of money laundering is included at Appendix 1.

The Money Laundering & Proceeds of Crime Nominated Officer (MLNO)

The Chief Financial Officer is the officer nominated to receive disclosures in respect of suspected transactions or activity within the University. Contact details being;

Mr Chris Thompson, Chief Financial Officer, e-mail chris.thompson@nottingham.ac.uk. Telephone 0115 9515656.

In the absence of the MLNO Mr Martin Wynne-Jones. Director of Finance, email martin.wynne-jones@nottingham.ac.uk. Telephone 0115 9515660 is authorised to act as a Deputy.

Disclosure Procedure to be followed by Individuals

Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to your line manager. If in consultation with your line manager reasonable suspicion is confirmed a disclosure report must be made to the MLNO. This disclosure should be made on the proforma report attached at Appendix 1 and should be completed the same day the information came to your attention. **Should you not do so you may be personally liable to prosecution under the regulations.**

Your report should include as much detail as possible including:

- Full available details of the people, companies involved including yourself and other members of staff if relevant.
- Full details of transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved.
- Any other information that may help the MLNO judge the case for knowledge or suspicion of money laundering and to facilitate any report to the Serious Organised Crime Agency (SOCA).

Once you have reported your suspicions to the MLNO you must follow any instructions provided. You must not make any further enquires unless instructed to do so by the MLNO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering.

If appropriate the MLNO will refer the case to the SOCA who will undertake any necessary investigation. This may include consent to continue with a particular transaction and care should be taken not to 'tip off' the individuals concerned, otherwise you may be committing a criminal offence.

Action & Disclosure by the MLNO (Money Laundering Nominated Officer)

On receipt of a disclosure report the MLNO will:

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report and any other relevant information, undertaking further enquires necessary to decide if a report should be made to the SOCA.

Once the MLNO has evaluated the case a timely determination will be made as to if:

- There is actual or suspected money laundering taking place.
- There are reasonable grounds to know or suspect that is the case.
- Consent is required from SOCA for a particular transaction to proceed.

Where the MLNO concludes that the case should be disclosed to SOCA this needs to be done:

- In a timely manner
- In the prescribed manner on a standard report format provided by SOCA

Where the MLNO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed and the disclosure report will be marked accordingly.

Record Keeping Requirements

By keeping comprehensive records the University will be able to show that we have complied with the Money Laundering Regulations. This is crucial if there is a subsequent investigation into one of our customers/students or transaction.

The types of record kept may include:

- Daily records of transactions
- Receipts
- Cheques
- Paying-in books
- Customer correspondence
- Student identification evidence

Records may be kept in any of the following formats:

- Originals
- Photocopies
- Microfiche
- Scanned
- Computerised or Electronic

Records must be kept for five years beginning on either:

- The date a business relationship ends
- The date a transaction is completed

In practice Departments will routinely create and retain records in the course of normal business and these will be sufficient for this purpose.

Conclusion

Instances of suspected money laundering are likely to be rare given the nature of services provided by the University. However we must be aware of the legislative requirements, as failure to comply would have serious implications for both the University and individuals concerned.

Please take prompt action referring to the guidance in this policy and if you have any suspicions please consult your line manager or the MLRO about your concerns.

Appendix 1

Risk factors re. possible money laundering

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the MLNO. The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity.

- A new customer, business partner or sponsor not known to the University
- A secretive person or business e.g. that refuses to provide requested information without a reasonable explanation.
- Payment of any substantial sum in cash (over £10,000).
- Concerns about the honesty, integrity, identity or location of the people involved.
- Involvement of an unconnected third party without a logical reason or explanation.
- Overpayments for no apparent reason.
- Absence of any legitimate source for the funds received.
- Significant changes in the size, nature, frequency of transactions with a customer that is without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions.
- Requests for account details outside the normal course of business.
- A history of poor business records, controls or inconsistent dealing.

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

Appendix 2

Suspected Money Laundering - Report to the MLNO

From:

School/Department:

Contact Details: email:

Phone:.....

DETAILS OF SUSPECTED OFFENCE

- Name(s) and address(es) of person(s) involved including relationship with the University.
- Nature, value and timing of activity involved.
- Nature of suspicions regarding such activity.
- Provide details of any investigation undertaken to date.
- Have you discussed your suspicions with anyone and if so on what basis.
- Is any aspect of the transaction(s) outstanding and requiring consent to progress.
- Any other relevant information that may be useful.

Signed:

Date:

Appendix 3

MLNO REPORT (to be completed by the MLNO)

Date Report Received:

Date Receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE

- Further Action Required.
- Are there reasonable grounds for suspicion requiring a report be made to SOCA
- If YES: Confirm date of report to SOCA:

Address: UKFIU,
PO Box 8000,
London
SE11 5EN

Or by fax to 0207 238 8286.

Or online via the website:

[https://www.ukciu.gov.uk/\(sct3dnqovty1ocisb5hzfy45\)/saronline.aspx](https://www.ukciu.gov.uk/(sct3dnqovty1ocisb5hzfy45)/saronline.aspx)

- Any Further details
- Is consent required from SOCA to any on-going transactions?
- If YES: confirm details and instructions
- Date consent received:
- Date consent given to staff:
- IF NO: Confirm reason for non-disclosure
- Date consent given to staff:

Signed:

Date: