

Anti Money Laundering Policy

Introduction

1. Money laundering is any attempt to use the proceeds of crime for legitimate purposes. Anyone who becomes involved with an activity which they know, or have reasonable grounds to suspect, is related to the proceeds of crime may be guilty of money laundering.
2. The term money laundering is often used to refer to the complex and large-scale procedures used by organised crime and terrorist groups to conceal the illegal nature of their assets by the careful and staged introduction of the proceeds of crime into legitimate financial and commercial streams. The legislation, however, is very broad, and applies to the proceeds of any crime no matter how large or small.
3. Any Member or employee who, in the course of Council business, becomes aware that criminal property or funds could be involved should report their suspicion promptly, in accordance with the Policy set out in this document. Failure to do this may inadvertently result in an offence, for example relating to concealing, or assisting an arrangement connected with, criminal property.
4. The risk of the Council contravening the legislation is, however, relatively low and some legal and regulatory requirements do not apply to public authorities.
5. The Terrorism Act 2000 (TA) and the Proceeds of Crime Act 2002 (POCA) place obligations on all of us. The statutory provisions relating to money laundering, in so far as they affect the Council, are summarised in the Appendix to this policy, together with references to further information.
6. The government's anti money laundering arrangements also include the Money Laundering Regulations 2007 (MLR), which the Council is not legally obliged to apply. However, as a prudent and responsible public body, the Council's policy and procedures are designed to reflect the essence of the UK's anti-terrorist financing and anti money laundering regimes as set out in the TA, POCA and MLR.

Policy

7. This policy is complemented by the Council's Anti Money Laundering Procedures which set out the details of how the policy is to be applied. The aims of the Policy and Procedures, taken together, are to:
 - assist the staff and Members of Wiltshire Council to understand money laundering and their personal legal obligations and responsibilities arising from the requirements of the legal and regulatory provisions
 - prevent Council services being used for money laundering purposes, and
 - set out the procedures which must be followed to enable the Council and its staff to comply with their legal obligations.

8. Wiltshire Council will do all it can to:
- prevent the Council and its staff being exposed to money laundering;
 - identify the potential areas where it may occur; and
 - comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.
9. All employees are required to:
- report promptly all reasonable suspicions¹ of money laundering activity to the Money Laundering Reporting Officer (MLRO) or Deputy MLRO. This may initially be by a direct discussion or by using the form provided in the Anti Money Laundering Procedures.
 - follow any subsequent directions of the MLRO or Deputy.
10. The nominated officers for reporting issues are:
- MLRO: Chief Finance Officer (Section 151 Officer)
 - Deputy MLRO: Monitoring Officer
- Full contact details are provided in the Anti Money Laundering Procedures.
11. The MLRO or Deputy must promptly:
- evaluate all concerns raised by staff to determine whether it is appropriate to make a report to the Serious and Organised Crime Agency (SOCA)
 - if appropriate, ensure that an internal report is completed, using the form provided in the Anti Money Laundering Procedures.
 - if appropriate, submit a Suspicious Activity Report to SOCA using SOCA's standard form (available at www.soca.gov.uk).
12. Those receiving, or arranging to receive, cash on behalf of the Council must ensure they are familiar with the Council's Anti Money Laundering Procedures.
13. No payment to the Council will be accepted in cash if it exceeds £3,000.
14. Although there is no legal requirement for the Council to have formal procedures for evidencing the identity of those they do business with, staff should be alert to potentially suspicious circumstances. Where there may be doubt and in particular, when forming a new business relationship or considering a significant one-off transaction, the identification procedures in the Council's Anti Money Laundering Procedures should be followed.
15. The Council will:
- make all staff aware of the obligations placed on the Council, and on themselves as individuals, by the anti-money laundering legislation
 - give targeted training to those most likely to encounter money laundering activity.

¹ There is no definition of what constitutes reasonable suspicion. There must be genuine reasons or grounds for the suspicion: it is more than speculation or hunch and common sense will be needed.

Money Laundering: Legal and Regulatory Framework

16. **The Terrorism Act 2000** applies in full, as it does to all individuals and businesses in the UK. If, in the course of business or employment, you become aware of information which provides knowledge or gives reasonable grounds for belief or suspicion that proceeds have come from or are likely to be used for terrorism, it must be reported. This will prevent commission of the money laundering offence relating to being implicated in illegal activity.
17. **The Proceeds of Crime Act 2002** defines six principal money laundering offences, only the first four of which are likely to apply to the Council:
 - a. concealing, disguising, converting, transferring, or removing from the UK, any criminal property (S327)
 - b. becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use, or control of criminal property (S328)
 - c. acquiring, using, or possessing criminal property (S329)
 - d. doing something that might prejudice an investigation (for example, falsifying a document) (S342)
 - e. failing to disclose known or suspected money laundering offences (S330-332)
 - f. “tipping off”, by giving information to someone suspected of money laundering in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation (S333A).
18. The offences of failing to disclose and tipping off will not apply so long as the Council does not undertake activities which might be interpreted, under POCA, as falling within the regulated sector. The regulated sector refers to activities which should be regulated under the Financial Services and Markets Act 2000.
19. **The Money Laundering Regulations 2007** are not legally binding on public authorities because they are neither ‘relevant persons’ (as defined in the MLR) nor part of the ‘regulated sector’ (as defined in POCA 2002). There is, however, a distinct reputational risk for any authority that does not have adequate policies and procedures in place. Following CIPFA’s guidance, a “prudent and responsible” council will adopt “appropriate and proportionate” policies and procedures designed to “detect and avoid involvement in the crimes described in the legislation and regulations”.
20. **In summary**, for the Members and staff of Wiltshire Council this means, in essence, being vigilant for signs of money laundering, having a mechanism for reporting suspicious activity, providing appropriate training and having procedures for identification checks.

Further References

- Chartered Institute of Public Finance and Accountancy (2009) Combating Financial Crime, Further Guidance on Anti Money Laundering for Public Service Organisations.
- Serious and Organised Crime Agency www.soca.gov.uk
- Money Laundering Guidance at www.lawsociety.org.uk and www.ccab.org.uk
- CIPFA - www.cipfa.org.uk/practiceassurance/laundrying.cfm,
- UK Statutes and Statutory Instruments at <http://www.opsi.gov.uk>
 - a. Terrorism Act (Sections within Part III)
http://www.opsi.gov.uk/RevisedStatutes/Acts/ukpga/2000/cukpga_20000011_en_4#pt3-pb2-l1g18
 - b. Proceeds of Crime Act (Part 7 – money laundering)
http://www.opsi.gov.uk/RevisedStatutes/Acts/ukpga/2002/cukpga_20020029_en_22#pt7
 - c. The Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007, SI 2007 No. 3398
http://www.opsi.gov.uk/si/si2007/uksi_20073398_en_1
 - d. Money Laundering Regulations 2007, SI 2007 No. 21
http://www.opsi.gov.uk/si/si2007/uksi_20072157_en_1