



BISHOP GROSSETESTE UNIVERSITY

Document Administration

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Proceeds of Crime (Anti-Money Laundering) Policy

Introduction

These notes are important. They are designed to help you familiarise yourself with the legal and regulatory requirements relating to money laundering, as they affect both the University and you personally. They explain what money laundering is and what you should do if you suspect this is taking place.

What is money laundering?

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. The following acts constitute the act of money laundering:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, or from Scotland, or from Northern Ireland
- Becoming concerned in an arrangement in which someone knowingly (or suspects) facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquiring, using or possessing criminal property

Although the term “money laundering” is generally used when describing the activities of organised crime – for which the legislations and regulations were first and foremost introduced – to most people who are likely to come across it or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

“Criminal property” is defined very widely in the law relating to money laundering. It includes not only the proceeds of crime committed by somebody else, but also possession of the proceeds of an individual’s own crime – for example, drugs trafficking, people trafficking, prostitution, burglary, fraud, tax evasion. Fraud includes, for example, Excise fraud which would include proceeds from the sale of smuggled cigarettes, tobacco and alcohol. Benefit fraud is another area. It does not matter how small the amount of money involved is. It also includes the proceeds of crimes that take place abroad.

What laws exist to control money laundering?

Laws have been passed which shift significantly the burden for identifying acts of money laundering away from government agencies and more towards organisations and their employees. They prescribe potentially very heavy penalties, including imprisonment, for those who are convicted of breaking the law. These laws are important and, for those who wish to refer to them, and we hope you will, a list of them appears at the end of these notes, together with a list of useful websites.

The University’s policy on money laundering?

Our policy is to do all we can to prevent, wherever possible, the University and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of

actual or suspected cases. We cannot stress too strongly, however, that it is every member of staff's responsibility to be vigilant.

To prevent suggestions of money laundering, University managers and their staff should:

- Avoid receiving (including payments from students and their parents) or handing to customers, large amounts of cash, but if this is unavoidable, know who the customer is and ask where the cash came from. If a large amount of cash is offered, a bank transfer or payment by cheque should be suggested.
- Report suspected money laundering to the Director of Resources who University Council have confirmed will be responsible for anti-money laundering measures within the University.
- Disclosures are confidential between the University and the National Criminal Intelligence Service (NCIS) and the details of the person making the disclosure should never become known to the suspect.

What are the main money laundering offences?

There are three principal offences – concealing, arranging, and acquisition/use/possession.

Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence. **Arranging** is where someone involves himself or herself in an arrangement to assist in money laundering. **Acquisition** (etc) is where someone seeks to benefit from money laundering by acquiring, using or possessing the property concerned.

There are also two “third party” offences – failure to disclose one of the three principal offences, and “tipping off”. **Tipping off** is where someone informs a person or people who are, or are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of their being investigated, or so as to prejudice an investigation.

All the money laundering offences may be committed by an organisation or by the individuals working for it.

What are the implications for the University and its staff?

The University has accepted the responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, be suitably trained. The University has also implemented procedures for reporting suspicious transactions and, if necessary, making an appropriate report to the National Crime Agency (NCA).

The consequences for staff of committing an offence are potentially very serious. Whilst it is considered most unlikely that a member of staff would commit one of the three principal offences, the failure to disclose a suspicion of a case of money laundering is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion.

Whilst stressing the importance of reporting your suspicions, however, you should understand that failure to do so is only an offence if your suspicion relates, in the event, to an actual crime.

What are the penalties?

Money laundering offences may be tried at a magistrate's court or in the Crown Court, depending on the severity of the suspected offence. Trials at the former can attract fines and possible short term imprisonment. In a Crown Court, fines are unlimited, and sentences from two years and upward may be handed out.

WHAT SHOULD I DO IF I SUSPECT A CASE OF MONEY LAUNDERING?

You should report your suspicions immediately to the Director of Resources either in writing or, if you prefer, in a discussion. He will decide whether the transaction is suspicious and whether to make a report to the Vice Chancellor and NCA. There is no clear definition of what constitutes suspicion – common sense will be needed. If you are considered likely to be exposed to suspicious situations, you will be made aware of these by your line manager and, where appropriate, training will be provided.

Summary

Robust money laundering procedures are essential if this University and its staff are to comply with our responsibilities and legal obligations. It falls to you as a member of the University staff, as well as to the University itself, to follow these procedures rigorously.

Breaches of this Policy will be dealt with under the Staff Disciplinary Procedure and may also be a criminal offence subject to a fine and/or imprisonment. It is therefore better to disclose a suspicion rather than withhold it and then be faced with a prosecution.

Legislation and regulations relating to money laundering

The Money Laundering Regulations 2007 <http://www.hmrc.gov.uk/mlr/getstarted/intro.htm>

The Proceeds of Crime Act 2002
<http://www.legislation.gov.uk/ukpga/2002/29/contents>

The Terrorism Act 2006
<http://www.legislation.gov.uk/ukpga/2006/11/contents>

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