



Community Benefit Society Registration No. 8781

## **Angmering Community Land Trust**

# **MONEY LAUNDERING AND TERRORISM**

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## **1. Introduction**

Legislation has been introduced to prevent money laundering and this policy has been created to enable all ACLT employees and volunteers to understand the legislation and their duties within it. The policy requires that we maintain the highest standards of conduct in order to prevent criminal activity through Money Laundering and consequently the financing of Terrorism.

This Policy sits alongside ACLT's Anti Bribery Policy and Anti-Fraud policies and procedures as regulated by the FCA.

## **2. Definition**

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
- Entering into or becoming concerned in an arrangement which that individual knows 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
- Failing to disclose any of the above three primary offences
- Tipping off, which is where an individual 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. Legislation**

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

ACLT acknowledges and works within the legislative requirements relating to money laundering and its employees and volunteers have a statutory duty to comply with the requirements of the relevant legislation. Failure to comply with these requirements may lead to criminal or disciplinary action being taken.

The requirements of the legislation are that ACLT must appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures of money laundering activity and implement a procedure to enable the reporting of suspicions of money laundering. In appropriate circumstances the MLRO will apply customer due diligence measures, obtaining information on the purpose and nature of certain proposed transactions / business relationships.

The MLRO will conduct ongoing monitoring of certain business relationships and maintain record keeping which will be made available to the Board of Trustees and ACLT's Accountants.

Not all of ACLT's business is "relevant" for the purposes of the legislation. It mainly applies to accountancy and audit services and the financial, company and property transactions undertaken by Legal Services.

However, for consistency and to ensure compliance with the law, the legislation is taken to apply to all areas of work undertaken by ACLT.

#### **4 Training in Anti-Money Laundering**

ACLT staff and volunteers must understand and where necessary will receive specific training so that they are aware of their responsibilities regarding the relevant legislation. The Company Secretary will ensure the contents of this policy and the personal responsibilities it contains are brought to the attention of all staff and volunteers on an annual basis to ensure they maintain awareness of the legislative requirements and responsibilities.

#### **5. Responsibilities**

This Policy applies to all employees and volunteers of ACLT. The Trustees will, periodically, assess the risk to ACLT of contravening the anti-money laundering legislation together with the adequacy and effectiveness of the Anti-Money Laundering Policy, amending procedures in light of such assessments.

The key requirement on employees and volunteers is to report promptly any suspected money laundering activity to the MLRO. The MLRO for ACLT is the Chairman. In the absence of the MLRO, the Company Secretary is authorised to deputise.

#### **6. Prevention of Money Laundering**

i) Limits on cash payments: - Payments to ACLT will be accepted in cash but will be referred to the MLRO if it exceeds £750.

ii) The exercise of customer due diligence - This is required where ACLT is carrying out certain regulated business (accountancy, audit and tax services and legal services in respect of financial, company or property transactions) and:

- Forms an ongoing business relationship with a client
- Undertakes an occasional transaction amounting to £11,000 or more whether carried out in a single operation or several linked ones
- Suspects money laundering or terrorist financing
- Doubts the veracity or adequacy of information previously obtained for the purposes of client identification or verification. In such instances customer due diligence measures must be followed before the establishment of the relationship or carrying out of the transaction.

Customer due diligence requires:

a) Identifying the customer and verifying the customer's identity, address and position in the company on the basis of documents, passport, website, data or information obtained from a reliable and independent source

b) Conducting an on-line search via Companies House to confirm the nature and business of the customer/donor and confirm the identities of any directors

c) Identifying, where there is a beneficial owner who is not the customer. In these circumstances, taking steps to verify his/her identity so that the relevant person is satisfied that she/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

d) Obtaining information on the purpose and intended nature of the business relationship. 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.

If, at any time, it is suspected that a client or customer for whom ACLT is currently carrying out, or is planning to carry out, a regulated business activity and is carrying out money laundering or terrorist financing, or has lied about their identity then this must be reported to the MLRO.

## **7. Disclosure to the MLRO**

Suspicions regarding money laundering activity must be disclosed by any worker with such suspicions as soon as practicable to the MLRO. The disclosure must be on the same day as the information coming to the worker's attention and must contain as much detail as possible on all aspects of the suspicion, money, assets and transaction. Failure to make a disclosure may render the person liable to prosecution.

## **8. Action to be taken by employee or volunteer**

Following their disclosure to the MLRO, the member must follow all directions the MLRO gives and not make any further enquiries into the matter themselves. They must not discuss the matter with anyone else including their own line manager nor voice any suspicions to the person(s) suspected of money laundering, even if Serious Organised Crime Agency (SOCA) has given consent to a particular transaction proceeding.

## **9. Action to be taken by the MLRO following a disclosure**

Where there is a possibility that money laundering is taking place and a contract is involved, no action will be taken and the contract will continue. The MLRO will open a confidential report on which to note:

- The date on which the disclosure is made to her/him
- A copy of the acknowledgement of receipt of that disclosure
- A copy of the advice note to the worker of the timescale within which she/he expects to respond
- Establish the section number(s) of the statute under which the report is being made (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))

The MLRO will gather together all information in order to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering. This will include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transaction

- The identification evidence held.

Any other evidence determined by the MLRO from appropriate reasonable inquiries in order to ensure that all available information is taken into account in deciding whether a report to SOCA is required. The MLRO will avoid any appearance of tipping off those involved.

Once the MLRO has evaluated the disclosure report and any other relevant information, she/he will make a timely determination as to whether:

- There is actual or suspected money laundering taking place
- There are reasonable grounds to know or suspect that this is the case
- She/he knows the identity of the money launderer or the whereabouts of the property involved or these things could be identified or whether the information may assist in such identification
- Whether she/he needs to seek consent from SOCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then she/he shall mark the confidential file accordingly and give his/her consent for any ongoing or imminent transaction(s) to proceed.

The MLRO commits a criminal offence if she/he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to her/him, that another person is engaged in money laundering of whom she/he knows the identity or the whereabouts of laundered property in consequence of the disclosure, that the person or property's whereabouts can be identified from that information, or s/he believes, or it is reasonable to expect her/him to believe, that the information will or may assist in such identification and she/he does not disclose this as soon as practicable to SOCA.

Where the MLRO concludes that disclosure should be made to the SOCA, she /he must:

- Consider if there is a reasonable excuse for non-disclosure such as a lawyer claiming legal professional privilege for non-disclosure
- Liaise with ACLT legal adviser to consider if there is a reasonable excuse for non-disclosure to SOCA
- If advised that there is no reasonable excuse, disclose the matter as soon as practicable to SOCA on the standard report form and in the prescribed manner, with accompanying relevant supporting documents.

If advised that there is a reasonable excuse, the MLRO will make a note on the confidential report and immediately give consent for any ongoing or imminent transactions to proceed.

If the worker making the disclosure is involved in the activity rather than only becoming aware of it, the MLRO, having decided if there is no reasonable excuse for non-disclosure, will consider whether that worker's involvement in the activity would amount to a prohibited act under the legislation, and in that case:

- Will seek the consent of the SOCA for the worker to continue in that activity
- Provide SOCA with any deadlines for giving such consent, such as a contract completion date
- Remind the worker of the importance of not 'tipping-off' anyone else involved in that activity
- Remind the worker not to discuss the situation with anyone else.

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.

The MLRO must keep appropriate records on the confidential file and make no record of any disclosure on a worker's personal file. All disclosure reports referred to the MLRO and reports made by her/him to SOCA must be retained by the MLRO in the confidential file for a minimum of five years.