

## Blaby District Council **Policy**

### **Anti-Money Laundering Policy**

A guide to the Council's anti-money laundering safeguards and reporting arrangements.

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\*Approved by and 'approval date' are in relation to the most recent version.

<b>Review History</b>			
Version*	Reviewed By (Job Title)	Review Completion Date	Brief Description of Changes (add 'no changes required' if applicable)
001	Financial Services Group Manager	July 2020	
001	Council Tax Income & Debt Manager	June 2021	No changes required
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\*Version number remains the same if no significant changes are made upon review.



## Policy Sections

### Section 1 Introduction – The purpose and reason for the policy.

Although local authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, guidance from the Chartered Institute for Public Finance and Accountancy (CIPFA) indicates that they should comply with the underlying spirit of the legislation and regulations. The Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

### Section 2 – Scope of the Policy

This policy applies to all employees, whether permanent or temporary, and Members of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council.

Individuals who may have a concern relating to a matter outside work should contact the Police.

### Section 3 – Definition of Money Laundering

- 3.1 Money laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Such offences are defined under the Proceeds of Crime Act 2002 as the following 'prohibited acts':
- a) Concealing, disguising, converting, transferring, or removing criminal property from the UK.
  - b) Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property.
  - c) Acquiring, using or possessing criminal property.
  - d) Doing something that might prejudice an investigation e.g. falsifying a document.
  - e) Failure to disclose one of the offences listed in a) – c) above, where there are reasonable grounds for knowledge or suspicion.
  - f) Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.
- 3.2 Provided the Council does not undertake activities regulated under the Financial Services and Markets Act 2000, the offences of failure to disclose and tipping off do not apply. However, the Council and its employees and Members remain subject to the remainder of the offences and the full provisions of the Terrorism Act 2000.
- 3.3 The Terrorism Act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism.
- 3.4 Although the term 'money laundering' is generally used to describe the activities of organised crime for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.
- 3.5 Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.

### Section 4 – Requirements of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures in certain circumstances.
- Implement a procedure to enable the reporting of suspicions of money laundering.

- and
- Maintain record keeping procedures.

## Section 5 – The Money Laundering Reporting Officer (MLRO)

The Council has designated the Section 151 Officer as the Money Laundering Reporting Officer (MLRO). She can be contacted on 0116 272 7650 or at [sarah.pennelli@blaby.gov.uk](mailto:sarah.pennelli@blaby.gov.uk)

In the absence of the MLRO or instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should be raised with the Deputy Section 151 Officer. He can be contacted on 0116 272 7625 or at [nick.brown@blaby.gov.uk](mailto:nick.brown@blaby.gov.uk)

## Section 6 – Client Identification Procedures

Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and if appropriate, companies to provide proof of identity and current address.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report, must be submitted to the Money Laundering Reporting Officer.

All personal data collected must be kept in compliance with the Data Protection Act.

## Section 7 – Reporting procedure for Suspicions of Money Laundering

- 7.1 Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within 'hours' of the information coming to your attention, not weeks or months.
- 7.2 Your disclosure should be made to the MLRO. The report must include as much detail as possible including:
  - Full details of the person involved.
  - Full details of the nature of their/your involvement.
  - The types of money laundering activity involved.
  - The dates of such activities.
  - Whether the transactions have happened, are ongoing or are imminent.
  - Where they took place.
  - How they are undertaken.
  - The (likely) amount of money/assets involved; and
  - Why, exactly, you are suspicious.

Along with any other available information, to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable her to prepare her report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

- 7.3 If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327-329 of the Proceeds of Crime Act 2002, then your report must include all relevant details, as you will need consent from the NCA, 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. You should therefore make it clear in the report if such consent is required and clarify whether they are any deadlines for giving such consent e.g. a completion date of court deadline.

- 7.4 Once you have reported the matter to the MLRO you must follow any directions she may give you. You must NOT make any further enquiries into the matter yourself; any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.5 Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of 'tipping off'.
- 7.6 Do not, therefore, make any reference 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 you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

## Section 8 – Consideration of the disclosure by the Money Laundering Reporting Officer

- 8.1 Upon receipt of a disclosure report, the MLRO must note the date of receipt on her section of the report and acknowledge receipt of it. She should also advise you of the timescale within which she expects to respond to you.
- 8.2 The MLRO will consider the report and any other available internal information she 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 she thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping of those involved). The MLRO may also need to discuss the report with you.
- 8.3 Once the MLRO has evaluated the disclosure report and any other relevant information, she must make a timely determination as to whether.
- there is an actual or suspected money laundering taking place; or
  - whether there are reasonable grounds to know or suspect that this is the case; and
  - whether she needs to seek consent from the NCA for a particular transaction to proceed.
- 8.4 Where the MLRO does so conclude, then she must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless she has a reasonable excuse of non-disclosure to the NCA (for example, if you a lawyer and you wish to claim legal professional privilege for not disclosing the information).
- 8.5 Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then she must note the report accordingly, she can then immediately give her consent for any ongoing or imminent transactions to proceed. In cases where legal professional privilege may apply, the MLRO must liaise with the Council's Monitoring Officer to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- 8.6 Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question, must not be undertaken or completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits in which the NCA must respond, and no response has been received.
- 8.7 Where the MLRO concludes that there are no reasonable grounds to suspect money.

laundering then she shall mark the report accordingly and give her consent for any ongoing or imminent transaction(s) to proceed.

- 8.8 All disclosure reports referred to the MLRO and reports made by her to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 8.9 The MLRO commits a criminal offence if she knows or suspects, or has reasonable grounds to do so, through a disclosure being made to her, that another person is engaged in money laundering, and she does not disclose this as soon as practicable to the NCA.

## **Section 9 – Training**

- 9.1 Officers considered likely to be exposed to suspicious situations, will be made aware of these by their Senior Officer and provided with appropriate training.
- 9.2 Additionally, all employees and Members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and them.
- 9.3 Notwithstanding the paragraphs above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

## **Section 10 – Equalities Impact Assessment (mandatory section)**

### **Public Sector Equality Duty (PSED)**

The Public Sector Equality Duty requires public bodies and others carrying out public functions to have due regard to the need to eliminate discrimination, to advance equality of opportunities and foster good relations.

Blaby District Council promotes equal opportunities in the services it provides.

Our aim is to implement and maintain services which ensure that no potential or current customer is treated less favorably on the grounds of gender, marital status, race, nationality, ethnic or national origin, colour, disability, age or sexual orientation nor is disadvantaged by the application of a rule, condition, or requirement, which has a discriminatory effect which cannot be justified by law.

## **Section 11 – Carbon Neutral / Net Zero Benefits (mandatory section)**

Not Applicable

## **Section 12 – Exceptions (if applicable)**

Not Applicable

## **Appendices**

Not Applicable