



Anti-Money Laundering Policy

Basingstoke and Deane Borough Council will do all it can in order to prevent the council and its employees from becoming exposed to money laundering. The council seeks to identify the potential areas, minimise the risk of it occurring and to comply with all legal and regulatory requirements in order to prevent it.

The Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) place obligations on the council in respect to money laundering.

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Scope

1. This policy applies to:

- all employees
- agency staff and consultants undertaking council work
- contractors working for the council on council premises
- suppliers and those providing services under contract with the council in their own premises
- councillors; and
- anyone carrying out work for or on behalf of the council

2. With this policy the council aims to maintain a high standard of conduct by preventing criminal activity through money laundering.

3. All those to which the policy applies must be aware of the content of this policy to enable the council to comply with its legal obligations.

4. Failure by anyone, to which this policy applies, to comply with this policy may lead to disciplinary and criminal proceedings being taken against them.

What is money laundering

1. Money Laundering means exchanging money or assets that were obtained criminally for money or other assets that are 'clean'.

The clean money or assets don't have an obvious link with any criminal activity, so that they can be retained permanently or recycled into further criminal enterprises. Money laundering also includes money that's used to fund terrorism, however it's obtained.

Prohibited acts

2. The Proceeds of Crime Act 2002 (POCA) provides a series of 'prohibited acts' and include:

- You must not conceal, disguise, convert, transfer criminal property or remove property from the United Kingdom (Section 327, POCA).
 - You must not enter into or become concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person. (Section 328, POCA)
 - You must not acquire, use or possess criminal property. (Section 329, POCA)
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3. The Terrorism Act 2000 also makes it an offence of money laundering to become concerned in an arrangement that facilitates conceals, removes, transfers or retains property likely to be used for the purposes of terrorism or resulting from acts of terrorism (Section 18 of the Act).

Failure to Report or Disclose Money Laundering Offences

4. It is also a criminal offence to fail to report suspicions of money laundering activities. These offences are committed where:

- You know or suspect that another person is engaged in money laundering activity
 - You can identify the money launderer or the whereabouts of laundered property and that information will assist in identifying the person responsible
 - You do not disclose this as soon as it is practicably possible.
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Tipping Off Offence

5. Informing someone who is suspected of being involved with money laundering will amount to "tipping off" and may result in criminal proceedings against you.

Possible signs of Money Laundering

6. All those to which the policy applies should at all times be wary of:

- unusually large transactions
 - numerous small transactions
 - the absence of an obvious legitimate source of funds
 - the possibility of money laundering by a client or a prospective client
 - repeated cancelling of transactions
 - secretive clients
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Obligations of the council

1. Whilst local authorities and their employees are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the Proceeds of Crime Act 2002, they are not directly covered by the requirements of the Money Laundering Regulations. Guidance from finance and legal professions, including CIPFA, indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

2. The main requirements under the regulations include:

- appointing a Money Laundering Reporting Officer
- applying customer due diligence / client identification procedures in certain circumstances
- implement a procedure to enable the reporting of suspicions of money laundering
- maintain record keeping procedures

What should I do if I suspect money laundering

1. If you suspect a case of money laundering:

- do not tell the customer about your suspicion

- report your suspicion immediately to the council's Money Laundering Reporting Officer using the form found in the guidance notes (Appendix A)

1. Money Laundering Reporting Officer (MLRO)

The Money Laundering Reporting Officer is responsible for ensuring that any information regarding the knowledge or suspicion of money laundering is properly disclosed to the relevant authority when necessary.

The Money Laundering Reporting Officer is responsible for:

- Maintaining awareness of Money Laundering and training individuals so that the council's policies and procedures are carried out effectively
- Receiving Money Laundering Reports from anyone who is suspicious of what is potentially money laundering conduct
- Investigating suspicious reports of money laundering
- Making external reports to the National Crime Agency (NCA)

The Money Laundering Reporting Officer is the Head of Audit, Fraud and Insurance and the deputy is the Senior Investigator in the Fraud Team.

Reports should be made direct to the Money Laundering Reporting Officer, Deputy Money Laundering Reporting Officer or via fraud@basingstoke.gov.uk.

2. Reporting Signs of Money Laundering

Anyone who knows or suspects that money laundering is taking place, must immediately report their suspicions to the Money Laundering Reporting Officer using the Money Laundering Report Form (at the end of this guidance).

The disclosure of suspicious activity to the Money Laundering Reporting Officer should contain as much information as possible including:

- Full details of the people involved
- The nature, value and timing of the activity involved:

If you are concerned that your involvement in a transaction would amount to a prohibited act under section 327-329 of the Proceeds of Crime Act, then your report must include all relevant details, as you will need consent from the National Crime Agency, via the Money Laundering Reporting Officer, to take any further part in the transaction.

- The reasons for suspicions regarding money laundering
- Whether previous investigations have been undertaken (if known)
- Whether or not suspicions have been discussed with anyone else

Anyone who reports a matter to the Money Laundering Reporting Officer must follow any instructions that they may provide.

They must not make any further enquiries into the matter.

The individual suspected of being involved in money laundering activities must not be informed of the suspicion, even if the National Crime Agency has given consent to a particular transaction proceeding.

This would amount to "tipping off" and may result in criminal proceedings being brought against the individual who made the disclosure to the suspected individual.

No reference should be made on a client file or in records that the Money Laundering Reporting Officer has been notified. 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.

3. Considerations of Disclosure by the Money Laundering Reporting Officer

The Money Laundering Reporting Officer will send a report to the National Crime Agency if there are sufficient grounds of suspicion or knowledge of money laundering.

They must evaluate any report and consider the following when determining reasonable grounds:

- Does the reported conduct fall within that which is potentially criminal?
 - Is the reported individual suspected of having gained proceeds of money laundering?
 - What factors and information led to the suspicion or knowledge of money laundering?
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1. Money Laundering Reporting Officer (MLRO)

A reasonable cause of suspicion or knowledge of money laundering is required. Mere speculation is unlikely to be sufficient to allow for an investigation.

The Money Laundering Reporting Officer will consider the disclosure report and any other information available to them and undertake any other reasonable enquiries they think are appropriate before submitting a report to the National Crime Agency.

If the Money Laundering Reporting Officer concludes actual or suspected money laundering is taking place then, unless there are reasonable grounds for non-disclosure, the matter must be disclosed to the National Crime Agency in the prescribed manner using the Suspicious Activity Report (SAR) system.

If the Money Laundering Reporting Officer suspects money laundering but has reasonable grounds for non-disclosure to the National Crime Agency, or concludes there are no reasonable grounds to suspect or confirm money laundering, the disclosure report must be annotated accordingly with the reasons for their decision. Consent can be given for any ongoing or imminent transactions to proceed.

In cases where legal privilege may apply the Money Laundering Reporting Officer must liaise with Legal Services to decide whether there are reasonable grounds for non-disclosure to the National Crime Agency.

Where consent is required from the National Crime Agency for a transaction(s) to proceed, then the transaction(s) in question must not be undertaken or completed until either:

- National Crime Agency has specifically given consent; or
 - There is deemed consent through the expiration of the relevant time limits without objection being received from the National Crime Agency.
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4. Customer Due Diligence

Customer due diligence is the identification and verification of the identity of a customer. It allows companies to be satisfied in regard to the identity of customers and clients and must take place at the time a business relationship is established.

This is required to allow for better identification of suspicious transactions.

Due diligence needs to be conducted when:

- Establishing a business relationship
 - Carrying out an occasional transaction (and linked transactions) which involves a payment equivalent to €15,000 (£12,000) or more.
 - Money laundering or terrorist financing is suspected
 - The adequacy of data, documents or information from previous relationships with customers is doubted.
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5. Risk Management

Customer due diligence must also be taken at times of a risk sensitive basis. The risk to the council of contravening the money laundering legislation will be assessed periodically in accordance with the Money Laundering Regulations and associated legislation.

The regulations provide that the council:

- Determine the extent of customer due diligence measures on a risk sensitive basis depending on the type of client, business relationship or transaction.
 - Be able to demonstrate to any supervisors that appropriate measures were taken in view of the risks of money laundering.
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6. Record Keeping Procedures

The Money Laundering Reporting Officer will keep a record of all reports received and any action taken / not taken to ensure an audit trail is maintained.

All information obtained for the purposes of money laundering checks and reports must be kept (for at least five years) and will be held and processed in compliance with relevant Data Protection legislation.

1. Money Laundering Reporting Officer (MLRO)

The precise nature of the records is not prescribed by law. However, they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the councils business units will routinely make records of work carried out in the course of normal business and these should suffice in this regard.

Report money laundering form

[Report of suspected money laundering activity form_V1.3 editable \(PDF\) \[194 kb\]](#)
[\(/content/page/95403/Report%20of%20suspected%20money%20laundering%20activity%20form_V1.3%20editable.pdf\)](#)

Version	1.3
Owner	Head of Audit, Fraud and Insurance
Issue date	January 2024
Next revision due	January 2026