



Anti Money Laundering Policy

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1. Introduction

Queen Mary University of London (the College) is committed to observing the provisions of the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, Part 7 – Money Laundering Offences and the Terrorism Act 2000 (as amended by the Anti-terrorism, Crime and Security Act 2001 and the Terrorism Act 2006) in all of its affairs, whether academic or business related. This policy aims to ensure that the College and all its employees comply with the legislation and that the highest standards of due diligence are applied in relation to ‘know your customer’ principles.

Legislation has broadened the definition of money laundering and the range of activities where this can apply. The Money Laundering Regulations 2007 now applies to all companies and institutions including Universities. This policy sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

The College has a zero tolerance policy towards Money Laundering and is committed to the highest level of openness, integrity and accountability, both in letter and spirit. The penalties for these offences are severe and can mean up to 14 years imprisonment and/or an unlimited fine for the employees and executives responsible. In addition, there would be significant reputational damage for the College.

Any breach of this policy will be considered a serious matter and is likely to result in disciplinary action up to, and including, dismissal.

In addition to the Anti Money Laundering Policy, the following policies are available on the QMUL intranet:

- Financial Regulations
- Scheme of Delegation of Financial Authority
- Anti Bribery and Corruption
- Standards of Business Conduct
- Public Interest Disclosure (Whistle-blowing)
- Fraud and Corruption Policy and Response Plan

2. What is Money Laundering?

Money laundering covers a wide variety of crimes, it can include anything from which individuals or companies derive a pecuniary benefit, directly or indirectly, and can include many crimes that are not initially thought of as connected with money laundering. There is a risk where there are large volumes of cash transactions and where customer identification is not always easy, for example, cash received for overseas students.

Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for ‘clean’ money or other assets with no obvious link to their criminal origins. Criminal property may take any form, including money or money’s worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism.

Money laundering offences include:

- Concealing, disguising, converting or transferring criminal property or removing it from England and Wales (Section 327 of the Proceeds of Crime Act 2002 (POCA))
- Arranging, or becoming concerned in an arrangement, which the person who knows, or suspects, or facilitates (by whatever means), the acquisition, retention, use or control of criminal property by or on behalf of another person (Section 328, POCA)
- Acquiring, using or having possession of criminal property (Section 329, POCA)

- Making a disclosure to a person which is likely to prejudice a money laundering investigation (“tipping off”) (Section 333, POCA)
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (Section 18, Terrorist Act 2000)

3. College Obligations

The College has a responsibility to:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, the disclosure of any suspicious activity reported by employees.
- Implement a procedure to enable the reporting of suspicious activity.
- Maintain customer identification procedures to ‘know your customer’, in relevant circumstances.
- Maintain adequate records of transactions.

4. Employee Obligations

Money laundering legislation applies to ALL College employees. Any member of staff could be committing an offence under the money laundering laws if they suspect money laundering, or if they become involved in some way and do nothing about it. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the MLRO.

Failure to do so may result in you being personally liable to prosecution. Guidance on how to raise any concerns is included in this policy document.

5. Fees Paid and Refunds Requested in Cash

Money laundering regulations apply to cash transactions in excess of 15,000 Euros (or the equivalent in Sterling or other currencies). The Proceeds of Crime Act 2002, Part 7 – Money Laundering Offences applies to all transactions, including any dealings the College has with agents or third parties, and can involve cheques, cash, bank transfers and property or equipment.

Examples include:

- Where a student pays fees exceeding 15,000 Euros (or equivalent) by cash
- Where a student pays a fee for another student who is not present at the time
- A sponsor/third party not known to the College pays fees for students

Separate rules apply to foreign students and passports and visas of overseas applicants must be rigorously checked, and the UK Border Agency needs to be notified if a student with a Student Visa discontinues their studies. Fees paid in advance by foreign students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Where appropriate, refunds should only be made to the person making the original payment or in the case of a transfer by payment to the new University.

Care should also be taken where refunds are requested and the payment has been made by credit card or bank transfer. In these cases, refunds should only be made by the same method back to the same account from which funds were received. In the event of an attempted payment by credit or debit card being rejected the reason should be checked prior to accepting an alternative card. If

in any doubt about the identity of the person attempting to make a payment the transaction should not be accepted.

6. 'Know your Customer'

It is important that controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the College. Satisfactory evidence of identity must be obtained. Examples include:

- Passport and/or Visa
- Birth Certificate
- Correspondence with students at their home address

And for third parties:

- Letters or documents proving name, address and relationship

If an organisation is not known to the University:

- Look for letterheaded documents
- Check that invoices show a company's registered office and VAT number
- Check websites, for example, www.companies-house.gov.uk.
- Request a credit check
- Aim to meet or contact key sponsors if you feel appropriate to verify validity of contact

Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source.

A guidance note on possible signs of money laundering is included at Appendix 2.

7. The Money Laundering and Proceeds of Crime Reporting Officer (MLRO)

The Director of Finance is the officer nominated to receive disclosures in respect of suspected transactions or activity within the College. Contact details can be found on the Intranet.

8. Disclosure Procedure to be followed by Individuals

Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to your line manager. If in consultation with your line manager reasonable suspicion is confirmed a disclosure report must be made to the MLRO. This disclosure should be made on the form shown at Appendix 3, which should be printed off and completed the same day the information came to your attention. If you do not do this, you may be personally liable to prosecution under the regulations.

Your report should include as much detail as possible including:

- Full details of the people and/or companies involved including yourself and other members of staff if relevant.
- Full details of the transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.

- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved.
- Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering that may help to facilitate any report to the National Crime Agency (which replaced the Serious Organised Crime Agency).

Once you have reported your suspicions to the MLRO you must follow any instructions given to you. You must not make any further enquiries unless instructed to do so by the MLRO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering, nor should you discuss this matter with any colleagues.

If appropriate the MLRO will refer the case to the National Crime Agency (NCA) who will undertake any necessary investigation. This may include consent to continue with a particular transaction and care should be taken not to 'tip off' the individuals concerned, otherwise you may be committing a criminal offence. The penalty for tipping off is 5 years imprisonment and/or an unlimited fine.

9. Action and Disclosure by the MLRO

On receipt of a disclosure report the MLRO will:

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report and any other relevant information, undertaking further enquiries if necessary to decide if a report should be made to the NCA.

Once the MLRO has evaluated the case, a timely determination will be made as to whether:

- There is actual or suspected money laundering taking place.
- There are reasonable grounds to know or suspect that is the case.
- Consent is required from NCA for a particular transaction to proceed.

Where the MLRO concludes that the case should be disclosed to NCA this needs to be done:

- In a timely manner.
- In the prescribed manner on a standard report format provided by NCA.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed and the disclosure report will be marked accordingly.

10. Record Keeping Requirements

By keeping comprehensive records the College will be able to show that we have complied with the Money Laundering Regulations. This is crucial if there is a subsequent investigation into one of our customers/students or transactions.

The types of record kept may include:

- Daily records of transactions
- Receipts
- Cheques
- Paying-in books
- Customer correspondence

- Student identification evidence

Records may be kept in any of the following formats:

- Originals
- Photocopies
- Microfiche
- Scanned
- Computerised or Electronic

Records must be kept for five years beginning on either:

- The date a business relationship ends
- The date a transaction is completed

In practice finance departments will routinely create and retain records in the course of normal business for six years. The Director of Finance will retain any disclosure reports and any associated relevant documents in a confidential file for a minimum of five years.

11. Conclusion

Instances of suspected money laundering are likely to be rare given the nature of services provided by the College. However, the increased tuition fees from 2012 may have an impact on cash transactions, therefore, we must be aware of the legislative requirements, as failure to comply would have serious implications for both the College and individuals concerned.

If you have any suspicions or concerns regarding possible money laundering please consult your line manager or the MLRO about your concerns.

Appendix 1 - Risks to which Universities may be exposed

Courtesy of British Universities Finance Directors Group

The 2007 regulations place continuing emphasis on a risk-based approach to countering money laundering and terrorist financing. In practical terms this means identifying the risks facing the university, assessing the likely impact of these risks and putting in place procedures which will mitigate the risks.

Particular care needs to be focused on:

- Payments in cash
- Applicants from high risk countries
- Request for refunds
- Overpayments
- Failure to take up places
- Agents who do not fit in with normal procedures relating to deposits and tuition fees
- Identity fraud

Appendix 2 – Possible signs of money laundering

The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity:

- A new customer, business partner or sponsor not known to the College
- A secretive person or business e.g. that refuses to provide requested information without a reasonable explanation or adequate documentation
- Payment of any substantial sum in cash (over £10,000)
- Concerns about the honesty, integrity, identity or location of the people involved
- Involvement of an unconnected third party without a logical reason or explanation
- Overpayments for no apparent reason
- Absence of any legitimate source for the funds received
- Significant changes in the size, nature, frequency of transactions with a customer that is without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions
- Requests for account details outside the normal course of business
- A history of poor business records, controls or inconsistent dealing

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

If in doubt a Suspected Money Laundering form should be completed and returned to the Money Laundering Reporting Officer (MLRO).

Useful Links:

www.cps.gov.uk/legal/p_to_r/proceeds_of_crime_money_laundering

Appendix 3 - Suspected Money Laundering – Report to the MLRO

From: _____ School/Department: _____

Contact Details: E-mail: _____ Phone: _____

DETAILS OF SUSPECTED OFFENCE

Name(s) and Address(es) of person(s) involved, including relationship with the College:

Nature, value and timing of activity involved:

Nature of suspicions regarding such activity:

Provide details of any investigation undertaken to date:

Have you discussed your suspicions with anyone and if so, on what basis:

Is any aspect of the transaction(s) outstanding and requiring consent to progress?:

Any other relevant information that may be useful:

Signed: _____ Date: _____

Appendix 4 - MLRO REPORT (to be completed by the MLRO)

Date Report Received: _____

Date Receipt of Report acknowledged: _____

CONSIDERATION OF DISCLOSURE

Further action required:

Are there reasonable grounds for suspicion requiring a report to be made to National Crime Agency (NCA):

If YES: Confirm date of report to NCA: _____

- Details on how to report can be found here:

<http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/specialist-capabilities/ukfiu/how-to-report-sars>

- Via the online system:

[https://www.ukciu.gov.uk/\(xhpb1x55v13qm3b2umntgy45\)/saronline.aspx](https://www.ukciu.gov.uk/(xhpb1x55v13qm3b2umntgy45)/saronline.aspx)

- Address (if reporting by post):

National Crime Agency, PO Box 8000, London, SE11 5EN

Tel: 020 7238 8282 Fax: 020 7238 8286

- Any further details:

- Is consent required from NCA to any on-going transactions?

- If YES: confirm details and instructions:

- Date consent received: _____

- Date consent given to staff: _____

If NO: Confirm reason for non-disclosure:

- Date consent given to staff: _____

Signed: _____ Date: _____