

# The University of Huddersfield

## Anti-Money Laundering Policy

### Background

Money laundering involves concealing the true origin and identity of proceeds of criminal activity, so that it appears to have come from a legal source.

The principal money laundering offences in the UK are:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK;
- Entering into or becoming 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; or
- Acquiring, using or having possession of criminal property.

Legislation has broadened the definition of money laundering and the range of activities where this can apply, so it is not just a concern for banks and the financial sector, but now applies to all individuals and businesses, including universities. This policy sets out the procedure to be followed if money laundering is suspected and sets out the responsibility of individual employees.

### University Obligations

The University has an obligation to:

- 2.1 appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees;
- 2.2 Implement an internal procedure to enable the reporting of suspicious activity;
- 2.3 Maintain customer verification procedures to “know your customer” in relevant circumstances; and
- 2.4 maintain adequate records of transactions.

### Employee Obligations

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.** Money laundering legislation applies to all employees.

Please refer to “Disclosure Procedure” below, for guidance on how to raise any concerns.

### Relevant Circumstances

Money laundering regulations apply to **cash transactions** of, or amounting to EUR 10,000 (approximately £9,000) or more. However, the Proceeds of Crime Act applies to **all transactions** and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

For example, “relevant circumstances” at the University may include:

- A student paying fees which exceed £9,000 by cash; or
- Where a student pays a fee for another student who is not present at the time; or
- Where a sponsor/third party not known to the University pays fees for a student.

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Policy Owner(s)	Director of Finance
Policy Approved by	Audit Committee
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## **Know your Customer**

The University must have controls in place to identify the student, customer or other third party it is dealing with. Satisfactory evidence of identity must be obtained which:

- for students can include: passport, visa, birth certificate, utility bills or bank statements to their home address; and
- for third parties can include: letters or documents proving their name, address and relationship.

If the University does not know an organisation it is recommended that you review any correspondence on letterhead, check web-sites, request credit checks (from Financial Services) or aim to meet or contact key sponsors as may be appropriate to verify validity of contact. Payments from unexpected or unusual sources should always be verified with regard to the validity of the source.

## **Money Laundering Reporting Officer**

The Director of Finance is the officer nominated to receive disclosures if there is any suspicion or knowledge of money laundering activity within the University. In the absence of the MLRO, the Deputy Director of Finance is authorised to act as Deputy MLRO.

## **Disclosure Procedure - Employees**

If you know or suspect that money laundering activity has taken, or is taking 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. Following consultation with your line manager, if reasonable suspicion is confirmed a disclosure report must be made to the MLRO using the form attached at Appendix 1. The form should be completed and submitted to the MLRO on the same day of disclosure to the line manager.

## **Action & Disclosure by the MLRO**

On receipt of a disclosure report the MLRO will:

- Note the date and acknowledge receipt of the report; and
- Assess the information in the report and any other relevant information, undertaking any further enquiries which may be necessary to decide if a report should be made to the National Crime Agency ("NCA").

Once the MLRO has evaluated the matter a timely decision will be made as to whether:

- There is actual or suspected money laundering taking place; and
- Consent is required from NCA for a particular transaction to proceed.

If the MLRO determines that the case should be disclosed to NCA this needs to be done without delay, using the standard reporting procedures of NCA.

If the MLRO determines that they do not know or suspect the case involves money laundering written consent will be given for the transaction to proceed.

## **Record Keeping Procedure**

All disclosure reports and relevant documents will be retained in a confidential file by the MLRO for a minimum of six years.

Schools and Services conducting transactions must maintain records for at least six years of student/customer identification evidence; and details of financial transactions carried out. In practice, it is

anticipated that Schools and Services will routinely create and retain such records in the normal course of their business and these will be sufficient for this purpose.

### **Summary**

It is expected that instances of suspected money laundering will be rare given the nature of the services provided by the University. However, we must be aware of the legislative requirements since failure to comply would have serious implications for both the University and individuals concerned.

Please ensure you take prompt action referring to the guidance in this policy and if you have any suspicions please consult your line manager or the MLRO about your concerns.

## Appendix 1

### Disclosure Report Form

Name:	
School/Service:	
Contact details:	
Line Manager:	

#### DETAILS OF SUSPECTED MONEY LAUNDERING

Please provide the following information (using a separate sheet if necessary)

1. Name(s) and address(es) of person(s) involved, together with details of their relationship to the University:
2. Nature, value and timing of activity involved:
3. Nature of suspicions regarding such activity:
4. Provide details of any investigation taken to date:
5. Have you discussed your suspicions with anyone and if so, on what basis?
6. Any other relevant information?

Signed:

Date:

## Appendix 2

### Guidance Note – Possible indicators of money laundering

It would be impossible to give a definitive list of circumstances which would constitute money laundering and whether a report should be made to the MLRO. However, the following are types of risk factor which may, either alone or collectively, suggest the possibility of money laundering activity.

A new customer, business partner or sponsor not known to the University

A secretive person or business (e.g. that refuses to provide a reasonable explanation for not providing requested information);

Any payment in cash in excess of £9,000;

Concerns in relation to 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 which 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, payments, controls or inconsistent dealings; or

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