

Anti-Money Laundering Policy

Governance and Audit Committee
Date of committee meeting: 26 November 2025
Lead director: Amy Oliver, Director of Finance

Useful information

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- Report version 1

1. Purpose of report

- 1.1 The purpose of this report is to request the Governance and Audit Committee to approve the 3 yearly review and associated updates to the Council's Anti-Money Laundering Policy.

2. Recommendations

- 2.1 It is recommended that the Governance and Audit Committee:
- a) approve the Anti-Money Laundering Policy included at Appendix 1.

3. Background

- 3.1 Criminals “launder” money to disguise its unlawful origin. Money is converted into legitimate assets which may then be used to fund further criminality (including terrorism) or used to enrich individuals involved in criminality.
- 3.2 Money-laundering activities constitute criminal offences. Examples include:
- Concealing, disguising, converting or 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.
 - Acquiring, using or possessing criminal property (including an attempt, conspiracy or incitement to commit such an offence; or aiding, abetting, counselling or procuring such an offence).
 - Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property
 - Failure to disclose knowledge or suspicion of another person(s) involvement in money laundering.
 - Tipping off or making a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.

- 3.3 Although local authorities are not specifically targeted by anti-money laundering legislation and regulations, some types of council activity can fall under the requirements of the law. It is therefore best practice for local authorities to have a policy that addresses these risks.
- 3.4 The Anti-Money Laundering Policy at appendix 1 explains the responsibilities of officers and the process for raising suspicions of potential money laundering. It highlights signs of potential money, the associated criminal offences, and details processes for verifying customers as part of a due diligence process.
- 3.5 The Council's counter fraud function transferred to Veritau on 1 October 2025. It has conducted the policy review.

4. Review of the Anti-Money Laundering Policy

- 4.1 The Anti-Money Laundering Policy is presented to the Governance and Audit Committee at least every three years, or sooner where updates are required. The Policy was introduced in November 2022 and has been reviewed by Veritau for any necessary updates.
- 4.2 The Policy has been updated to:
- clarify the money laundering offences that can be committed
 - remove the cash transaction limit
 - reflect the penalties for criminal offences, in line with changes to statutory fine amounts
 - reflect the move of "tipping off" offences to section 333A of the Proceeds of Crime Act 2002
 - provide a link the Financial Action Task Force website for access to the latest information on high risk and other monitored jurisdictions.
- 4.3 Minor language and formatting amendments have been made to improve the readability of the policy.
- 4.4 No other updates are proposed at this time.

5 Financial, legal and other implications

5.1 Financial implications

The Anti-Money Laundering Policy will further bolster the Council's efforts to ensure it is not used for money laundering purposes.

Stuart McAvoy, Head of Finance
18 November 2025

5.2 Legal implications

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering. This policy details the controls to prevent and protect against money laundering and terrorist financing.

Kamal Adatia, City Barrister, ext 37 1401
18 November 2025

5.3 Climate Change and Carbon Reduction implications

5.4 Equalities Implications

LEICESTER CITY COUNCIL
ANTI-MONEY LAUNDERING POLICY

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1. Introduction

- 1.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of “dirty money” (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation, and this effectively leads to “clean” funds being received in exchange.
- 1.2 Although local authorities are not directly covered by the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates that they should comply with the underlying spirit of the legislation and regulations.
- 1.3 Leicester City Council is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all Members and employees to demonstrate the highest standards of honesty and integrity, and this includes compliance with appropriate legislation. The Council is committed to working constructively with the National Crime Agency (NCA), Police, and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.
- 1.4 This policy should be read in conjunction with the Council’s Anti-Fraud and Corruption Policy. The Council will seek to ensure the corporate stance on money laundering is widely publicised and that employees and Members have access to the appropriate guidance. A breach of these procedures may lead to disciplinary and/or criminal action being taken.

Scope

- 1.5 This policy applies to Leicester City Council, and as a consequence it applies to Members and all employees of the Council, including temporary and agency staff as well as those employed in wholly owned entities of the Council. It contains specific sections to advise employees and Members of the process to be followed to enable the Council to comply with its legal obligations.
- 1.6 This policy sets out the actions required by the Council, employees, and its Members, to prevent, exposure to money laundering and to comply with all legal and regulatory obligations. This includes the reporting of suspected or actual cases in line with disclosure requirements.

2. What is Money Laundering?

- 2.1 The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013, Serious Crime Act 2015 and the Criminal Finances Act 2017), Terrorism Act 2000 (as amended by the Criminal Finances Act 2017) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019) cover a range of activities and offences in relation to money laundering. The primary offences are listed below. Further details are provided in Appendix A: Offences Table.

- Concealing, disguising, converting or 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.
- Acquiring, using or possessing criminal property (including an attempt, conspiracy or

incitement to commit such an offence; or aiding, abetting, counselling or procuring such an offence).

- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property
- Failure to disclose knowledge or suspicion of another person(s) involvement in money laundering.
- Tipping off or making a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.

2.2 These offences cover a range of activities, which do not necessarily need to involve money or laundering, regarding the proceeds of crime. This means that potentially any employee or Member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of criminal property, irrespective of the size of the benefit gained, and/or fail to report their concerns.

2.3 Where an employee/Member suspects money laundering and reports, or are aware that someone else has, they must exercise caution in what is discussed with others. An offence of “tipping off” may be committed if, knowing or suspecting a disclosure has been made, the employee/Member takes any action which is likely to prejudice any potential investigation (i.e. by the suspect becoming aware of concerns).

2.4 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Facts which tend to suggest that something ‘odd’ is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity are provided at Appendix B: Possible Signs of Money Laundering.

2.5 Potentially any employee or Member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. Heavy penalties, including unlimited fines and up to 14 years imprisonment for individuals, and unlimited fines for organisations, can be handed down on conviction.

Requirements of the Money Laundering Legislation

3.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose specific obligations on “relevant persons”.

3.2 The term ‘Relevant Person’ relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents; services involving the formation, operation or arrangement of a company or trust.

3.3 Some activities undertaken by local authorities could be included within the scope of the money laundering regulations. Therefore, to ensure compliance with the regulations and legislation and for the purposes of this Policy and Guidance, the Council is considered a relevant person when acting in the course of business and activities carried on by them.

3.4 The obligations include the following requirements.

- Appointment of a Money Laundering Reporting Officer (MLRO).
- Obtain sufficient knowledge to ascertain the true identity of customers in certain circumstances,

by applying customer due diligence measures.

- Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
- Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
- Maintain record keeping procedures (e.g. for evidence of identity obtained, details of transactions undertaken, for at least 5 years).

3.5 The European Union 4th Money Laundering Directive requires a focus on risk assessments in relation to anti-money laundering; in particular the need to evidence that an organisation's exposure to risk is considered as part of ongoing business. As such Assistant Directors/Service Managers should maintain engagement with Internal Audit as business operations change with regard to undertaking appropriate and proportionate assessments.

4 The Money Laundering Reporting Officer (MLRO)

- 4.1 If an individual becomes aware that their involvement in a matter may amount to money laundering then they must report it to the Money Laundering Reporting Officer (MLRO) and not take any further action until they have received consent from the MLRO, who may have to be granted such consent by the National Crime Agency (NCA).
- 4.2 The Council has designated the Director of Finance as the Money Laundering Reporting Officer (MLRO). In the absence of the MLRO or in instances where it is suspected that the MLRO is involved in suspicious transactions, concerns should be raised with the Chief Operating Officer.
- 4.3 The MLRO will nominate an officer to act as their deputy except in the instance where it is suspected that the officer is involved in suspicious transactions.

5 Due-Diligence Procedure

- 5.1 Where the Council is carrying out activities in the course of business (paragraph 3.2), extra care needs to be taken to check the identity of the customer – this is known as carrying out customer due diligence. This is covered in Regulations 27-38 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Details of the process to be undertaken is provided in Appendix C: Customer Due Diligence Procedure Flowchart.
- 5.2 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk 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 officers' knowledge of the customer and a regular scrutiny of the transactions involved.

Cash Payment Procedure

- 5.3 Where cash in excess of £1000 is received from customers, employees should ask for, and inspect, identification (Appendix D: Verification of Customer Identity). This will help to identify and report any suspicious transactions.
- 5.4 Electronic or cheque payments to the Council are easily traceable through the banking system. As traceability is key and an individual walking in to pay a debt with cash is not necessarily traceable, it

is best practice to insist on payment electronically from a UK Clearing Bank.

Satisfactory Evidence of Identity

5.5 The Council require only the most basic of identity checks (e.g. signed, written instructions on the organisation in question's headed paper at the outset of a particular matter) documented on a Verification of Customer Identity Checklist. The following factors suggest these minimum level checks are appropriate for the Local Authority.

- For Members, employees and contractors of the Council, the Council already has detailed information through recording systems and internal processes.

In General:

- Any services that may be defined as regulated business activities are provided to customers who are UK local authority/public bodies and
- are subject to defined, robust public sector governance and financial management controls.

Record Keeping Procedures

5.6 Each area of the Council must maintain relevant records of every customer due diligence record, preferably electronically, and details of all relevant transactions carried out for customers for a minimum of five years from the date of (as appropriate) the transaction/end of any client relationship. This is to meet the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Regulation 40) and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.

5.7 Records must be capable of providing an audit trail during any investigation, for example distinguishing the customer and the relevant transaction and recording in what form any funds were received or paid. In practice, the business areas of the Council will be routinely making records of work carried out for customers in the course of normal business and these should suffice in this regard.

5.8 Any record keeping should be in line with GDPR and the originating department's Privacy Statement.

6. Reporting Procedure for Suspicions of Money Laundering

6.1 Where an employee or Member suspects money laundering activity they 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 later.

6.2 Disclosures should be made to the MLRO in line with the procedure outlined at Appendix E: Suspicious Transactions Reporting Procedure. The standard pro-forma report attached at Appendix F should be used for this purpose. The report must include as much detail as possible, i.e.

- Full details of the people involved (including employee or Member, if relevant).
- Full details of the nature of their involvement.
- The types of money laundering activity involved (see Appendix B, Possible Signs of Money Laundering).
- The dates of such activities, including whether the transactions have happened, are ongoing or

are imminent.

- Where they took place.
- How they were undertaken.
- The (likely) amount of money/assets involved.
- Exactly why there are suspicions (the NCA will require full reasons).
- Any other relevant available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate.

- 6.3 If an employee or Member becomes concerned that their own involvement in a transaction would amount to an offence under sections 327 – 329 of the Proceeds of Crime Act 2002 or Regulations 86 - 88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (see appendix A, Offences Table), then the report must include all relevant details. Consent will be required from the NCA, via the MLRO, for the individual to take any further part in the transaction. This is the case even if the customer gives instructions for the matter to proceed before such consent is given. Employees and Members should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent (e.g. a completion date or court deadline).
- 6.4 Once the matter has been reported to the MLRO then any subsequent directions provided must be followed. Further enquiries into the matter should not be made by the employee or Member; any necessary investigation will be undertaken by the NCA.
- 6.5 Should allegations be raised regarding employees of the Council then the Council's Disciplinary and Dismissal Procedure will also apply.
- 6.6 Should allegations be raised regarding Members of the Council then the Money Laundering Reporting Officer should be contacted.
- 6.7 Reference of any reports being made to the MLRO should not be recorded on client files – should the client exercise their right to see their records, then such a note/reference will tip them off to the report having been made and may render the employee or Member liable to prosecution. The MLRO must keep the appropriate records in a confidential manner.
- 6.8 Any information containing personal and/or sensitive data which is supplied or processed during the course of a money laundering investigation shall not be processed wider than is absolutely necessary for the purposes of determining whether a money laundering offence has been committed.

7. Review

- 7.1 This Policy will be reviewed every three years or as soon as any significant changes to anti-money laundering legislation, regulations, or guidance occurs.

8. Version Control

Policy name		Anti-Money Laundering Policy		
Policy description		Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority Leicester City Council are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, Leicester City Council who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK's anti-- terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering.		
Responsible Officer		Stuart Limb, Corporate Investigations Manager Veritau		
Version number	Date approved	Reason for update	Author	Review date
1.1		To introduce a corporate anti- money laundering policy	Stuart Limb / Stephen Langford	October 2022
1.2		3 yearly review.	Daniel Clubb	November 2025

9. Appendix A

OFFENCES TABLE

Section Ref.	Type of Offence	Definition
S327 Proceeds of Crime Act 2002	Money Laundering Offence: Concealing Criminal Property	A person commits an offence if they conceal, disguise, convert or transfer criminal property or if they remove criminal property from England, Wales, Scotland or Northern Ireland. This is punishable by a maximum term of imprisonment of 14 years at the Crown Court, an unlimited fine, or both. At Magistrates Court it is 6 months, an unlimited fine, or both.
S328 Proceeds of Crime Act 2002	Money Laundering Offence: Arrangements	This offence requires a person to become actively involved in some arrangement which helps someone else to get, keep, use or control the proceeds of a crime. The punishment is as for S327.
S329 Proceeds of Crime Act 2002	Money Laundering Offence: Acquisition, Use and Possession	This offence is committed by anyone that has criminal proceeds in their possession provided they know or suspect that it represents the proceeds of a crime unless they paid 'adequate consideration' for it. Someone who pays less than the open market value is therefore guilty of the offence but someone who pays the full retail price, despite knowing or suspecting they are stolen goods is not guilty. The punishment is as for S327.
S330 Proceeds of Crime Act 2002	Failure to Disclose Offence: Regulated Sector	This offence is committed by an employee of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels. Negligence is not a defence as the employee will be tried upon what they should have known given their experience, knowledge and training. This is punishable by a maximum term of imprisonment of 5 years at the Crown Court, an unlimited fine, or both. At Magistrates Court it is 6 months, an unlimited fine, or both.

S331 Proceeds of Crime Act 2002	Failure to Disclose Offence: Nominated Officers in the Regulated Sector	This offence is committed by a nominated officer (MLRO) of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. Negligence is not a defence as the nominated officer will be tried upon what they should have known given their experience, knowledge and training. The punishment is as for S330.
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S332 Proceeds of Crime Act 2002	Failure to Disclose Offence: Other Nominated Officers	This offence is committed by a nominated officer (MLRO) of a business outside of the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. The officer will be tried on what they knew or suspected not on what they might have been expected to know or suspect. The punishment is as for S330.
S333A Proceeds of Crime Act 2002	Tipping Off Offence	This offence is committed if an officer or Member makes a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion. This is punishable by a maximum term of imprisonment of 2 years at the Crown Court and an unlimited fine. At Magistrates Court it is 3 months and an unlimited fine, or both.
Reg 86 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer)	Contravening a relevant requirement	A person commits an offence if they have not followed any relevant guidance issued by the European Supervisory Authorities, Financial Conduct Authority or any other relevant supervisory authority approved by the Treasury. This is punishable by a maximum term of imprisonment of 2 years at the Crown Court, a fine, or both. At the Magistrates Court a term of 3 months, a fine, or both.

Regulations 2017		
Reg 87 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	<u>Prejudicing an investigation</u>	<p>This offence is committed when a person who knows or suspects that an appropriate officer is acting (or proposing to act) in connection with an investigation into potential contravention of a relevant requirement which is being or is about to be conducted. The offence is committed if either they make a disclosure which is likely to prejudice the investigation or they falsely, conceal, destroy or otherwise dispose of, or cause to permit the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation.</p> <p>The punishment is as for Reg. 86 above.</p>
Reg 88 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	Providing false or misleading information	<p>There are two separate offences under regulation 88. Under regulation 88(1) a person commits an offence if:</p> <ol style="list-style-type: none"> 1. In purported compliance with a requirement imposed on him by or under the MLR 2017, provides information which is false or misleading in a material particular and knows that the information is false or misleading; or 2. Is reckless as to whether the information is false or misleading. <p>In respect of both offences, the punishment is the same as Reg. 86.</p>

10. Appendix B

POSSIBLE SIGNS OF MONEY LAUNDERING

Types of risk factors which *may*, either alone or along with other factors suggest the possibility of money laundering activity:

General

- A new customer with no previous 'history' with the Council.
- A secretive customer: for example, one who refuses to provide requested information without a reasonable explanation.
- Concerns about the honesty, integrity, identity of a customer.
- Illogical third-party transactions: for example, unnecessary routing or receipt of funds from third parties or through third party accounts.
- Involvement of an unconnected third party without logical reason or explanation.
- Payment of a substantial sum in cash (but it's reasonable to be suspicious of any cash payments particularly those over £1,000.00).
- Overpayments by a customer.
- Absence of an obvious legitimate source of the funds.
- Movement of funds to/from overseas, particularly to and from a higher risk country as defined by the Financial Action Task Force (FATF)¹.
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations.
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational.
- Cancellation or reversal of an earlier transaction.
- Requests for release of customer account details other than in the normal course of business.
- Poor business records or internal accounting controls.
- A previous transaction for the same customer which has been, or should have

¹ FATF update this list three times a year. It can be accessed at <https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html>

been, reported to the MLRO.

Property Matters

- Unusual property investment transactions with no apparent investment purpose.
- Instructions to receive and pay out money where there is no linked substantive property transaction involved (surrogate banking).
- Regarding property transactions, funds received for deposits or prior to completion from an unexpected source or where instructions are given for settlement funds to be paid to an unexpected destination.

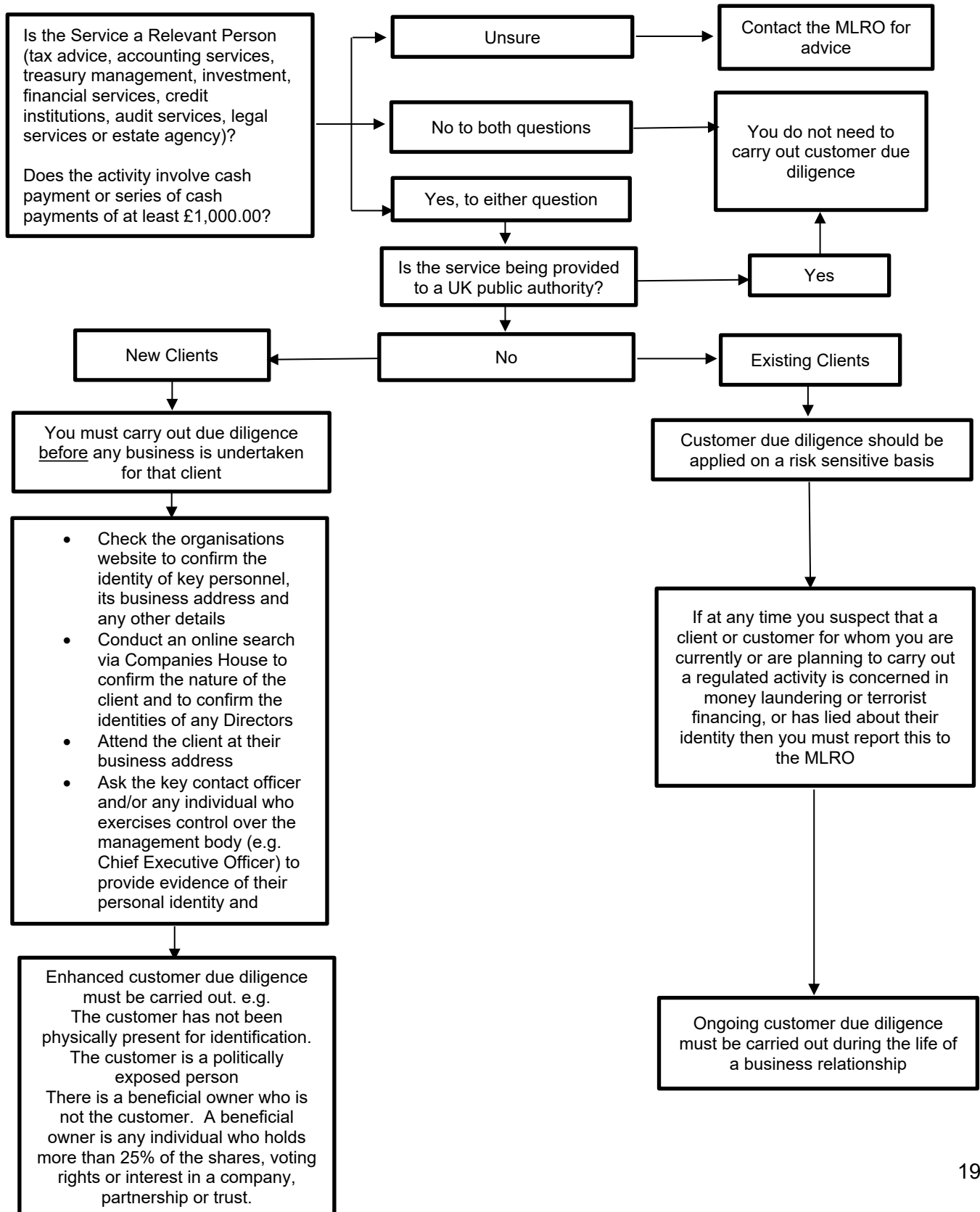
The following table sets out the types of activities that might be suspicious and where the Council may be susceptible to money laundering activities. It is not intended to be exhaustive, and just because something is not on the list, it does not mean that it should not be reported.

ACTIVITY	The types of activity that may be affected
New customers with high value transactions	<ul style="list-style-type: none"> • Selling property to individuals or businesses • Renting out property to individuals or businesses • Entering into other lease agreements • Undertaking services for other organisations
Secretive clients	<ul style="list-style-type: none"> • Housing benefit claimants who have sums of money entering into/ out of their bank account (even if we do not award them benefit, we should still consider money laundering implications) • People buying or renting property from the Council who may not want to say what it is for • People receiving grant funding who refuse to demonstrate what funding was used for
Customers who we think are acting dishonestly or illegally	<ul style="list-style-type: none"> • People paying for Council services who do not provide details about themselves • People making odd or unusual requests for payment arrangements
Illogical transactions	<ul style="list-style-type: none"> • People paying in cash then requesting refunds • Requests for the Council to pay seemingly unconnected third parties in respect of goods/ services provided to the Council • Requests for the Council to pay foreign currencies for no apparent reason
Payments of substantial sums by cash	<ul style="list-style-type: none"> • Large debt arrears paid in cash • Refunding overpayments • Deposits / payments for property
Movement of funds overseas	<ul style="list-style-type: none"> • Requests to pay monies overseas, potentially for "tax purposes"
Cancellation of earlier transactions	<ul style="list-style-type: none"> • Third party "refunds" grant payment as no longer needed / used • No payment demanded even though goods/ services

	<ul style="list-style-type: none"> have been provided Sudden and unexpected termination of lease agreements
Requests for client account details outside normal course of business	<ul style="list-style-type: none"> Queries from other companies regarding legitimacy of customers Council receiving correspondence / information on behalf of other companies
Extensive and over- complicated client business structures / arrangements	<ul style="list-style-type: none"> Requests to pay third parties in respect of goods/ services Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties
Poor accounting records and internal financial control	<ul style="list-style-type: none"> Requests for grant funding / business support indicates third party not supported by financial information Companies tendering for contracts unable to provide proper financial information / information provided raises concerns Tender for a contract which is suspiciously low
Unusual property investment or transactions	<ul style="list-style-type: none"> Requests to purchase Council assets / land with no apparent purpose Requests to rent Council property with no apparent business motive
Overcomplicated legal arrangements / multiple solicitors	<ul style="list-style-type: none"> Property transactions where the Council is dealing with several different parties

11. Appendix C

CUSTOMER DUE DILIGENCE PROCEDURE FLOWCHART



12. Appendix D

Example of VERIFICATION OF CUSTOMER IDENTITY

Verification of Customer Identity Checklist for customer:

Name: _____

NB: If you are receiving funds from a Council customer in any transaction **above £1,000.00 cash**, the identity of the customer must be checked.

All suspicions, regardless of amount, should be reported to the MLRO via the Money Laundering Reporting Form.

A. Evidence not obtained - reasons:

1. Customer previously identified in: Month _____ Year _____
2. Other - state reason fully _____

B. Evidence obtained to verify name and address:

(GROUP A) - Acceptable on their own:

- Full national passport.
- Full national driving licence with photo.
- Pension book.
- Armed Forces ID Card.
- Signed ID card of employer known to you.

(GROUP B) - Acceptable with two of next group below:

- Young person **NI** card (under 18 only).
- Pensioner's travel pass.
- Building Society passbook.
- Credit Reference agency search.

- National ID Card.
- Copy Company Certificate of Incorporation if a limited company.
- Company and 2 Directors personal identify as above.

(GROUP C) - *NOT acceptable on their own:

- Gas, electricity, telephone bill.
- Mortgage statement.
- Council tax demand.
- Bank/Building Society/credit card statement.
- Young persons medical card (under 18 only).
- Home visit to applicants address.
- Check of telephone directory.
- Check electoral roll.

**Suitable for proof of address only*

NB BEST PRACTICE is to have one of Group (a) plus two of Group (c)

C. Evidence obtained for unquoted company or partnership:

- Certificate of Incorporation or equivalent.
- Certificate of Trade or equivalent.
- Latest report and audited accounts.
- Principal shareholder/partner (*personal ID*).
- Principal Director (*personal ID*)
- Screenshot of the customers' website to confirm their business address.
- Screenshot of Companies House website detailing the nature and business of the customer and confirming the identities of directors.
- A written instruction on the organisation in question's headed paper.

D. Disadvantaged Customers:

e.g. Confirmation of identity from Social Worker or Bail Officer, Police, School, Courts etc.

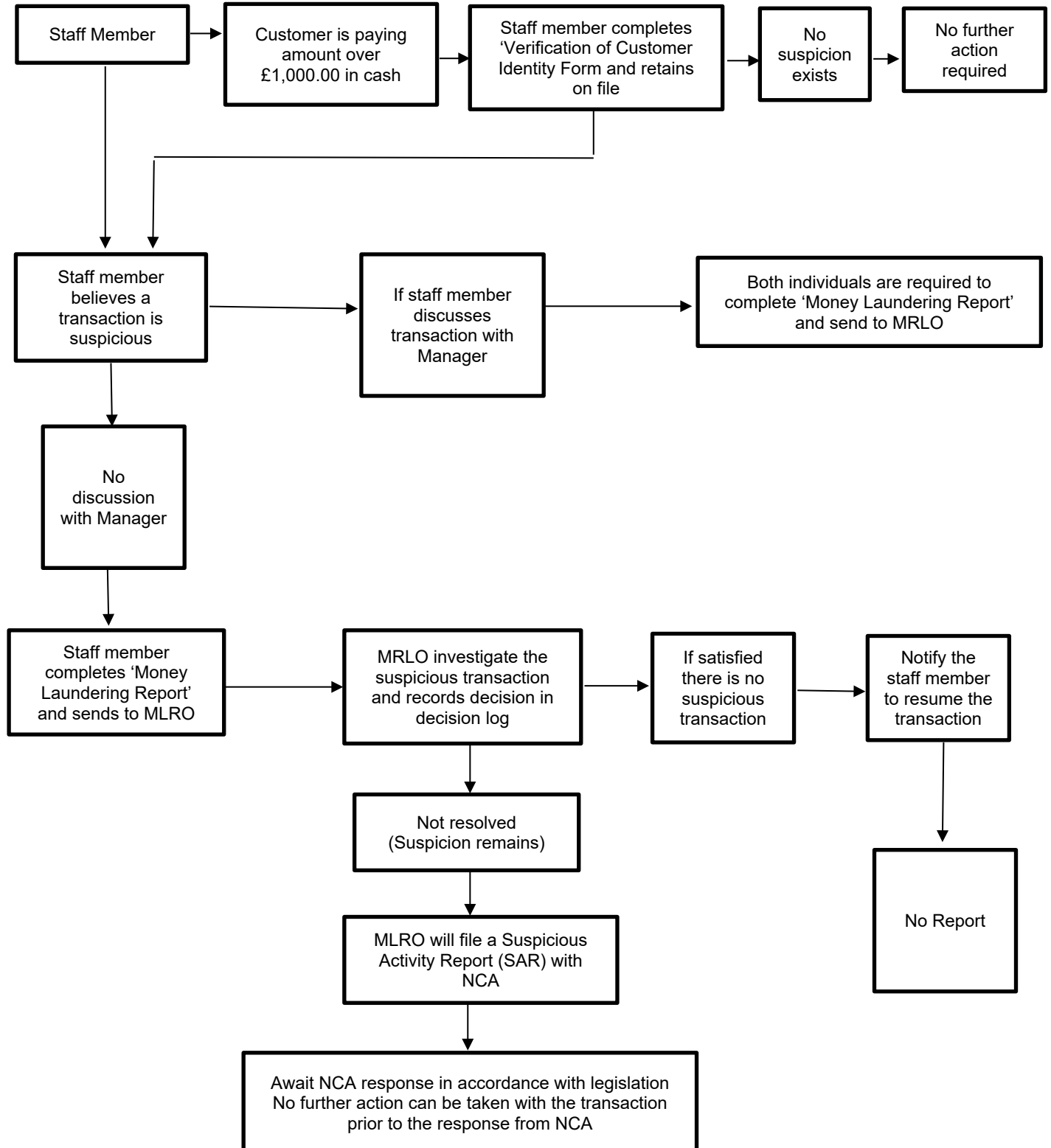
E. If evidence not obtained for the reasons in A, do you have any suspicions regarding identity? _____

I confirm that I have seen the originals of the documents indicated above and have identified the above Customer(s)

Signed _____ **Date** _____

NB Wherever possible TAKE PHOTOCOPIES of the identification evidence TO PLACE ON **FILE**. Copies should be notarised to indicate a copy and signed to evidence sight of the original.

SUSPICIOUS TRANSACTION REPORTING PROCEDURE FLOWCHART



14 Appendix F

OFFICIAL - SENSITIVE

MONEY LAUNDERING REPORT

To: Money Laundering Reporting Officer

From:

{insert name of officer}

Directorate: Ext/Tel No:

{insert post title and Service Area}

DETAILS OF SUSPECTED OFFENCE

Name(s) and address(es) of person(s) involved:

{if a company/public body please include details of nature of business}

Nature, value and timing of activity involved:

{Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary}

Nature of suspicions regarding such activity:

{Please continue on a separate sheet if necessary}

Has any investigation been undertaken (as far as you are aware)?

YES / NO

If yes, please include details below:

--

Have you discussed your suspicions with anyone else? YES / NO

If yes, please specify below, explaining why such discussion was necessary:

--

Do you feel you have a reasonable excuse for not disclosing the matter to the **NCA**? (e.g. are you a lawyer and wish to claim legal professional privilege?) **YES / NO**

If yes, please set out full details below:

Are you involved in a transaction which might be a prohibited act under sections 327- 329 of the Proceeds of Crime Act 2002 or Regulations 86 - 88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and which requires appropriate consent from the NCA? (See Appendix A, Offences Table): **YES / NO**

If yes, please enclose details in the box below:

Please set out below any other information you feel is relevant:

Signed: Dated:

Please do not discuss the content of this report with anyone else and in particular anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the NCA? **YES / NO**

If yes, please confirm date of report to the NCA and complete the box below:

Details of liaison with the NCA regarding the report:

Notice Period: to

Moratorium Period: to

Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? **YES / NO**

If yes, please enclose details in the box below:

Date consent received from the **NCA**:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the **NCA**, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by MLRO to employee for any prohibited act transactions to proceed:

Date:

Other relevant information:

Signed: Dated:

THIS REPORT TO BE RETAINED SECURELY FOR AT LEAST FIVE YEARS

Earliest disposal date: