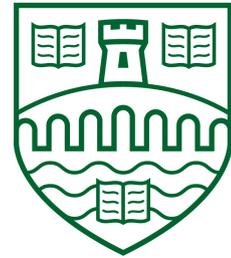


UNIVERSITY *of*
STIRLING



ANTI MONEY LAUNDERING POLICY

May 2016

Introduction

1. In response to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003, the Anti-Money Laundering Policy (the policy) aims to ensure that the University and its employees comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles.

2. 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 companies and institutions including Universities. This policy therefore sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

What is money laundering?

3. The legislation defines money laundering as;

- 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.
- Acquiring, using or possessing criminal property.

University obligations

4. The University has a responsibility to;

- Appoint a Money Laundering Reporting Officer (MLRO), as defined in paragraph 13, to receive, consider and report as appropriate, disclosure of 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.

Employee Obligations

5. Money laundering legislation applies to **all employees**. Potentially 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. **The failure to disclose a suspicion of a case of money laundering is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion.**

6. Guidance on how to raise any concerns is included in this policy document (paragraphs 14-17).

Relevant circumstances

7. Money laundering regulations apply to cash transactions in excess of €15,000 or equivalent (approximately £10,000). 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.

8. By way of example at the University this may include circumstances where a student pays in full in one instalment fees exceeding £12,000 by cash. Or where a student pays a fee for another student who is not present at the time or a sponsor/third party not known to the University pays fees for students. In practice at the University third party details are checked for all cash and card transactions over £5,000.

9. Particular rules apply to foreign students and the immigration service needs to be notified if a student with a visa discontinues and HM Revenue & Customs need to be notified with details of all foreign students studying at the University. These cases should be dealt with by Registry and Governance Services in the normal course of business. 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.

10. Precautions should also be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases refunds should only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected the reason should be checked with Lloyds Cardnet 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.

'Know your Customer'

11. It is important that controls are in place to identify the student, customer or other party dealing with the University. Satisfactory evidence of identity must be obtained. Examples include passport, 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 letter-headed documents, check web-sites, request credit checks or aim to meet or contact key sponsors as 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.

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

The Money Laundering & Proceeds of Crime Reporting Officer (MLRO)

13. The Finance Director is the officer nominated to receive disclosures in respect of suspected transactions or activity within the University (in accordance with paragraph 4).

Disclosure Procedure to be followed by Individuals

14. 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 pro-forma report attached at Annex 1 and should be completed the same day the information came to your attention. **The failure to disclose a suspicion of a case of money laundering is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion. There is no clear definition of what constitutes a suspicion – common sense will be needed.**

15. Your report should include as much detail as possible including -

- Full available details of the people, companies involved including yourself and other members of staff if relevant.

- Full details of 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 and to facilitate the report to the National Crime Agency (NCR).

16. Once you have reported your suspicions to the MLRO you must follow any instructions provided. You must not make any further enquires 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.

17. If appropriate the MLRO will refer the case to the NCR 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.

Action & Disclosure by the MLRO (Money Laundering Reporting Officer)

18. 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 enquires necessary to decide if a report should be made to the NCR.

19. Once the MLRO has evaluated the case a timely determination will be made as to whether

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- 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 NCR for a particular transaction to proceed.

20. Where the MLRO concludes that the case should be disclosed to NCR this needs to be done -

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

21. 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.

Record Keeping Procedure

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

23. Faculties and Professional Service Departments conducting relevant transactions must maintain records for at least six years of -

- Student / Customer identification evidence
- Details of financial transactions carried out.

24. In practice departments will routinely create and retain records in the course of normal business and these will be sufficient for this purpose.

Conclusion

25. Instances of suspected money laundering are likely to be rare. However everyone must be aware of the legislative requirements, as failure to comply would have serious implications for both the University and individuals concerned.

26. If you have any suspicions please consult your line manager or the MLRO about your concerns and follow the guidance in this policy.

Suspected Money Laundering - Report to the MLRO

From:School / Department :

Contact Details :

DETAILS OF SUSPECTED OFFENCE

Name(s) and address(es) of person(s) involved including relationship with the University.

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

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 be made to SOCA

If YES:

Confirm date of report to SOCA

Notice period to

Moratorium period to

Any Further details

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

If yes confirm details & instructions

Date consent received

Date consent given to staff

IF NO:

Confirm reason for non-disclosure

Date consent given to staff

Signed Date

Annex 2

Guidance Note

Possible signs of money laundering

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the MLRO. 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 University
- A secretive person or business e.g. that refuses to provide requested information without a reasonable explanation.
- 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.