Anti Money Laundering, Terrorist Finance and Sanctions **Procedures Ref: SGE0004** **This procedure sits under the Anti-Money Laundering, Terrorist Financing and Sanctions Policy**			
Brief Description & Purpose:	*This procedure document provides guidance for colleagues regarding the process to follow for reporting suspicious transactions or potential money laundering activities.*		
Applicable to (list cohorts):	**Staff:** All staff, including Governors and co-opted Board Committee Members	**Students:** Yes	**Third Parties:** All who are in a formal relationship with the University
Effective From:	21 May 2012	**Last reviewed date:**	17 March 2023
Executive Owner:	Simon Newitt	**Next review date:**	March 2026
Business Owner:	Tina Hannant Jo Muldown	**Publication External Y/N**	N
Contact for queries:	Tina Hannant & Jo Muldown		

1. Introduction

This procedure aligns with and supports the Anti Money Laundering, Terrorist Financing and Sanctions Policy and provides information regarding the processes that should be followed to ensure compliance with money laundering legislation, as documented within the Policy.

Examples of potential red flags or activities which could suggest potential money laundering activity are provided at Appendix B.

2. Procedure Detail

2.1 Reporting concerns about suspected money laundering

2.1.1 Money laundering legislation requires suspicions or concerns to be reported to the MLNO. All University staff who discover actual or suspected instances of irregularity relating to the scope of the Policy should report the details without delay.

2.1.2 If you suspect money laundering activity or become concerned about yours or another person's involvement in a transaction, you must:

- Use the Money Laundering Report Form (Appendix A) to report the concern, giving as much information as possible;
- Once completed, send the Report Form as soon as possible to Tina Hannant, Assistant Director Financial Control (Deputy MLNO) via MyForms.

2.1.3 Once you have reported your suspicions to the MLNO you must follow any instructions provided. **You must not make any further enquiries unless instructed to do so by the MLNO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering – this is a criminal offence which could carry a substantial prison sentence.**

2.1.4 Upon receipt of a completed Suspected Money Laundering Report Form, the MLNO will ensure the information is recorded and due diligence checks carried out, in line with the requirements in section 4.1.3 of the Policy.

Consideration will be given to all relevant information including:

- reviewing other relevant transaction patterns and volumes

- the length of any business relationship involved
- the number of any one-off transactions and linked one-off transactions
- any information from banks / payment companies
- any identification evidence held
- geographical location / jurisdiction, including sanctions checks

2.1.5 The MLNO will make other reasonable inquiries as appropriate in order ensure that all available information is considered when deciding and inquiries will be made in such a way as to avoid any appearance of 'tipping off' those involved.

2.1.6 If the MLNO suspects money laundering or terrorist financing, they will suspend the transaction.

2.1.7 If the initial assessment by MLNO suggests that a money laundering offence has not occurred, the MLNO will inform the referee and grant consent for transactions to continue.

The MLNO will report all relevant cases to the Head of Governance, in line with the requirements of the **Reportable Incidents Policy**. The Head of Governance will carry out any required investigations in accordance with the **Counter Fraud Policy and Response Plan** and undertake any further onward reporting.

2.2 Suspicious payment activity

2.2.1 Suspicious payment activity can indicate potential money laundering. Daily suspicious transaction reports from payment platform providers are received and checked by Financial Control team members and due diligence procedures carried out in line with section 4.1.3 of the Policy. Due Diligence procedures are covered in section 2.3 of this procedure document.

2.2.2 Where relevant, colleagues in GM&B and SLAS will be contacted to provide support with further investigations and obtaining additional information in the case of suspicious payments made by or on behalf of applicants or current students.

2.2.3 Care should always be taken not to 'tip off' the individuals concerned, or otherwise prejudice any investigation as this can be a criminal offence.

2.2.4 If appropriate the MLNO will refer the case to the NCA as a Suspicious Activity Report (SAR) and the NCA will undertake any necessary investigation. This may include consent to continue with a particular transaction.

2.2.5 The NCA require seven working days to either grant consent for the transaction to continue or to advise no consent and provide further directions. If no response is received within the prescribed time, then consent can be assumed on the eighth working day.

2.2.6 Suspicious transactions may be subject to chargeback by the card acquirer or bank. In cases where a refund becomes necessary, such transactions will follow the **Revenue Recognition, Credit Control and Billing Policy** and be returned using the original payment method.

2.3 Due Diligence and Know Your Customer checks

2.3.1 In line with 4.1.3 of the Policy, the due diligence checks are undertaken aligned to the level of risk for the transaction.

These checks include:

- PEPs and sanctions checks
- Student ID checks: checked during enrolment, ensuring that valid visas are in place where required.
- Obtaining satisfactory evidence and verification of customer identity and bank details

- Performing external credit checks for sponsors or commercial customers via an external credit rating agency (currently Creditsafe) prior to being approved
- Checking previous payment history where relevant

2.4 Onward reporting considerations

2.4.1 The MLNO will report all relevant cases to the Head of Governance, in line with the requirements of the Reportable Incidents Policy. The Head of Governance will carry out any required investigations in accordance with the Counter Fraud and Bribery Policy and Response Plan and undertake any further onward reporting.

3. Related Procedures, Guidance and Other Resources

- Anti Money Laundering, Terrorist Finance and Sanctions Policy
- Public Interest Disclosure "Whistleblowing" Policy
- Staff Code of Conduct
- Disciplinary Procedure
- Counter Fraud and Bribery Policy
- Philanthropic Gifts and Donations Policy
- Conflict of Interests Policy
- Reportable Incidents Policy
- Online Mandatory Training
- Revenue Recognition, Credit Control and Billing Policy
- National Crime Agency Suspicious Activity Reports
- Due Diligence Framework and resources

4. Version

Version No.	Reviewer	Date	Changes
1.0	Jo Muldown & Tina Hannant	February 2023	First draft aligned to updated Policy.
1.1			
2.0			

Appendix A (To be completed and submitted via MyForms)

CONFIDENTIAL - Suspected Money Laundering - Report to the MLNO	
From:	Faculty/Service:
Contact Details:	
DETAILS OF SUSPECTED OFFENCE [Please continue on a separate sheet if necessary]	
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 you 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:
Please do not discuss the content of this report with 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 and/or an unlimited fine.	

Appendix B

Money Laundering Warning signs or Red Flags

The following are types of risk factors and red flags which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity.

- A secretive person or business, e.g., that refuses to provide requested information without a reasonable explanation;
- A person or company doing business with the University that lacks proper paperwork, e.g., invoices issued by a limited company that lack details of their registered office or company number;
- Request to make a payment of a substantial sum in cash and cash transactions generally;
- Requests for payments or refunds after funds have been paid into the University's bank account by a third party, especially but not exclusively where the request is to return money to a different account or individual to the payer;
- Concerns about the honesty, integrity, identity or location of a client;
- Illogical or unusual third-party transactions: 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;

- Overpayments by a customer for no apparent reason;
- Absence of any legitimate source of the funds;
- Movement of funds overseas, particularly to a higher risk country or tax haven;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions (or the size, location or type of a customer) is out of line with normal expectations;
- Where a debt to the university is settled by various third parties making a string of small payments;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- Unsolicited offers of short-term loans of large amounts, repayable by cheque or bank transfer, perhaps in a different currency and typically on the basis that the University is allowed to retain interest or otherwise retain a small sum;
- The cancellation, reversal or request for refund of an earlier transaction;
- A series of small payments made from various credit cards with no apparent connection to the student and sometimes followed by chargeback demands;
- The prospective payer asking to pay up-front a larger sum than is required or otherwise wants to make payment in advance of them being due;
- Prospective payers are obstructive, evasive or secretive when asked about their identity or the source of their funds or wealth;
- Prospective payments from a potentially risky source or a high-risk jurisdiction;
- The Payer's ability to finance the payments required is not immediately apparent or the funding arrangements are otherwise unusual;
- Requests for the release of customer account details other than in the normal course of business;
- A history of poor business records, controls or internal accounting controls;
- A previous transaction for the same client which has been, or should have been, reported to the MLNO;
- Large donations, anonymous donations, conditions attached to donations;
- Funding for students who are the children of foreign public officials or Politically Exposed Persons and/or sanctioned individuals.