

Anti-Money Laundering Policy & Procedures

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Review due	
Version	

Version No.	Date	Notes
1	December 2018	Complete policy revision based on significant legislative updates in 2017 & 2018, and the new obligations imposed on organisations
2	December 2024	Revised to included references to new legislation, digital transactions, cryptoassets and a move towards a cashless culture. Some areas simplified and amalgamated.
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Section A – Anti-Money Laundering Policy

1. Introduction

- 1.1 In carrying out their functions and responsibilities, Oxford City Council wishes to promote a culture of openness and fairness and expect all those who work for and with the Council to adopt the highest standards of propriety and accountability.
- 1.2 The purpose of this policy is to clearly state the duty and responsibilities of all Council employees, members and volunteers working for or on behalf of Oxford City Council in relation to anti-money laundering.
- 1.3 This policy supports the Oxford City Council Strategy 2024-2028 objective of a Well-run council It has been updated to reflect changes under the Sanctions and Anti-Money Laundering Act 2018, Criminal Finances Act 2017, and Money Laundering, Terrorist Financing and Transfer of Funds (Amendment) Regulations 2020

2. Aims

Through this policy and associated procedures, Oxford City Council aims to;

- Meet anti-money laundering legal requirements and associated regulations.
- Ensure staff are aware and understand the Anti-Money Laundering legal requirements, offences, background, process and expectations set down in this policy – with appropriate support to ensure that the policy is complied with.
- Ensure the Council has robust, risk-based processes that are effectively and consistently followed, to understand with whom we are dealing and any money laundering risks they may represent.
- Ensure money laundering suspicions are proactively and immediately reported.
- Maintain comprehensive records of anti-money laundering checks and concerns.
- Guard against Oxford City Council becoming involved in money laundering, thereby ensuring the safeguarding of public money.
- Ensure procedures are in place to assess potential money laundering risks in any transactions involving cryptoassets, in compliance with the 2020 regulations.

3. Objectives & Duties

Not all of the Oxford City Council's business is "relevant" as set out in legislation, which is aimed primarily at the regulated sector. It applies mainly to the accountancy and audit services carried out by Financial Services and the risk may be at its greatest in regard to certain property transactions. However, all Council employees should have due regard to this policy, particularly those involve in any type of financial transaction. The purpose of the policy to protect both employees and the organisation and minimise legislation.

In order to achieve the aims of this policy, and to ensure compliance with legislation, Oxford City Council the city council has established internal processes, procedures and duties to prevent the use of its services for money laundering. These include:

- Clear lines of accountability within the Council for anti-money laundering
- The appointment of a Money Laundering Reporting Officer ("MLRO") to receive disclosures from employees, contractors and Members of suspected money laundering activity.
- A documented process to require the reporting of suspicions of money laundering.
- The establishment and maintenance of client identification requirements in certain circumstances
- The establishment and maintenance of record keeping requirements.
- Communication with all employees, members and volunteers to ensure they are aware of their responsibilities and how to act in ways that protects them from money laundering.
- The training of relevant staff in how to recognise and deal with transactions which may be related to money laundering.
- Adopting a risk-based approach to due diligence, placing greater focus on high-risk sectors and transactions, including those involving overseas entities and high-risk third world countries

4. Policy Scope

- 4.1 This policy and procedures applies to all city council employees, which include contractors and agency staff, all elected Councillors, also known as Members, any person volunteering for Oxford City Council, and any other person working on behalf of the Council who is involved in any form of financial transaction, including cryptoassets and emerging financial technologies
- 4.2 For contractors and agency staff, compliance with this policy is ensured through explicit inclusion in tender documents and contractual agreements, outlining their obligations to adhere to the council's AML requirements.
- 4.3 This policy does not cover companies which are wholly owned by Oxford City Council. In these scenarios, separate policies exist which are specifically tailored to those entities.

5 Legal Framework

- 5.1 This policy has been developed in accordance with the principles established by relevant legislation and guidance.
- 5.2 New obligations were imposed by
- The Sanctions and Anti-Money Laundering Act 2018
 - Criminal Finances Act 2017
 - The Proceeds of Crime Act 2002
 - The Terrorism Act
 - The Money Laundering, Terrorist Financing and Transfer of Funds (Information on Payer) Regulations 2017 (The 2020 amendments to extend the scope to include cryptoassets, reduced thresholds for electronic money, and enhanced customer due diligence. The 2024 update introduces provisions relating to domestic Politically Exposed Persons (PEPs) and updated sanctions guidance.)
- 5.3 This legislation sets out the definition of money laundering and the range of activities caught by the statutory control framework. In particular, the legislation imposes a duty to report suspicions of money laundering and sets out the criminal sanctions imposed for failure to do so.

6 Interaction with other council policies and external documents

The Policy should be read alongside

- Anti-Bribery, Fraud and Corruption Policy
- [Employee Code of conduct](#)
- Member's Code of Conduct
- Whistle Blowing Policy

7 Roles & Responsibilities

7.1 All Employees, members and volunteers are responsible for carrying out their duties in a way that prevents money laundering as follows:

- To be alert to where the OCC may be targeted by individuals or businesses trying to launder the proceeds of crime;
- To avoid alerting anyone dealing with OCC that you have a suspicion they may be attempting to launder, or have laundered, the proceeds of crime; and
- To report any suspicions of money laundering to OCC's MLRO using the specified documentation

7.2 It is not your responsibility to decide whether a suspicious transaction actually constitutes money laundering.

7.3 Failure to comply with the procedures set out in this Policy may lead to disciplinary action being taken in accordance with the Council's Disciplinary Policy.

7.4 The Designated Money Laundering Officer (MLRO)

Oxford City Council has nominated the Section 151 Officer to be the MLRO, and to be responsible for anti-money laundering measures within OCC. This includes responsibility for:

- a) Compliance with legislation and regulatory guidance;
- b) Ensuring compliance with OCC Anti-Money Laundering Policy;
- c) Ensuring relevant staff receive training;
- d) Deciding whether a suspicious activity report requires disclosure to the National Crime Agency ("NCA") and ensuring that all necessary disclosures to the NCA are made as quickly as possible.

7.5 The current MLRO is Nigel Kennedy who can be contacted on 01865 252708 or at nkennedy@oxford.gov.uk.

7.6 In the absence of the MLRO, or in instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should

be raised with the Deputy MLRO, Scott Warner, Investigation Manager who can be contacted on 01865 252158 or at swarner@oxford.gov.uk

- 7.7 It is the MLRO's sole responsibility to ensure that OCC is compliant with the relevant legislation and regulatory guidance. No responsibility for this will at any time will be delegated to any other Officer.

Other Responsible Officers

- 7.8 **The Counter Fraud Team Manager**
Responsible for ensuring this policy is up to date and that a system is in place to ensure that managers are informed about their duties in relation to this policy.
- 7.9 **All Heads of Service**
Must ensure that their employees, members and volunteers comply with the Anti-Money Laundering Policy and Procedures and attend relevant training sessions
- 7.10 **All Line Managers**
Are responsible for ensuring that their contractors, employees, members and volunteers dealing with the receipt of funds or having contact with the public are aware of this policy and given appropriate support and training to fulfil the requirements of this policy.
- 7.11 **Audit & Governance Committee**
To acknowledge and approve the policy as fit for purpose.

8 Monitoring & Review

- 8.1 The risk to the council of contravening the anti-money laundering legislation will be assessed on a periodic basis, as required by legislative updates or triggered by significant emerging financial risks, including developments in digital currencies and new technologies.
- 8.2 The adequacy and effectiveness of the Anti-Money Laundering Policy will be reviewed in light of such assessments.
- 8.3 This policy will be reviewed every 2 years, with significant revisions subject to the Council's Audit & Governance Committee clearance process.
- 8.4 A periodic review of compliance will be undertaken as part of the provision of the Internal Audit function, as determined by a strategic risk assessment, and appropriate work plan response.

Section B –Definitions

9 Anti-Money Laundering definition

- 9.1 Money laundering describes the process of concealing, disguising, converting, transferring, or integrating the proceeds of crime, terrorist funds, or illicit assets into the legitimate economy. Under the Proceeds of Crime Act 2002 and associated legislation, the following activities are considered prohibited acts:
- 9.2
- Concealing, disguising, converting, transferring or removing criminal property from the UK
 - Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
 - Acquiring, using or possessing criminal property knowingly or while suspecting its illicit origins
 - Doing something that might prejudice an investigation e.g. falsifying a document
 - Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion
 - Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.
- 9.3 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.
- 9.4 Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities. Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.
- 9.5 Money laundering is the process of channelling 'bad' money into 'good' money in order to hide the fact the money originated from criminal activity. Money laundering often occurs in three steps: first, cash is introduced into the financial system by some means ("placement"), the second involves a financial transaction in order to camouflage the illegal source ("layering"), and the final step entails acquiring wealth generated from the transactions of the illicit funds ("integration").
- 9.6 Most money laundering offences concern far greater sums of money since the greater the sum of money obtained from a criminal activity, the more difficult it is to make it appear to have originated from a legitimate source or transaction.

- 9.7 Whilst the risk to OCC of contravening the legislation is low, it is extremely important that all employees, contractors and Members are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. A key requirement is for employees and contractors to promptly report any suspected money laundering activity to the MLRO.

Section C – Anti-money laundering procedures - what you need to do

This section sets out the range of work that supports the implementation of the policy

10 Reporting Suspicions of Money Laundering

- The concept of a ‘suspicion’ of money laundering features a number of times in the legislation and regulatory guidance but is not defined. The courts have defined it as being beyond mere speculation, being based on some foundation. For a transaction to be suspicious, the exact nature of the criminal offence need not be certain.
- Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002 (as amended), you must disclose this as soon as practicable to the MLRO. The disclosure should be within 24 hours of the information coming to your attention, not weeks or months later. Transactions involving digital financial services, such as payments in cryptoassets, should be treated with the same level of suspicion and reported promptly. **SHOULD YOU NOT DO SO, THEN YOU MAY BE LIABLE TO PROSECUTION.**
- Advice for both employee and the MLRO are attached at **Appendix 1**. A flow chart illustrating the procedure for reporting money laundering is at **Appendix 2**. The Report to Money Laundering Reporting Officer form is at **Appendix 3**

11 Record Keeping Procedures

Each service area conducting relevant business must maintain records of:

- Client identification evidence obtained.
- Details of all relevant business transactions, including those involving electronic funds transfers or cryptoassets, carried out for clients for at least five years.
- This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.
- The precise nature of the records is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, all areas of OCC will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

12 **Guidance for cash payments.**

- No payment to OCC should automatically be accepted in cash (including notes, coins or travellers cheques in any currency) if it exceeds £5,000. The council has agreed to transition to a cashless approach for all its transactions, thereby limiting the applicability of this policy. However, in exceptional cases where cash payments are unavoidable, this does not mean that cash transactions below this value are automatically valid and legal or should not raise suspicion. Professional scepticism must be maintained for all cash transactions, particularly if other red flags, such as reluctance to provide identification, are present.
- Employees who collect cash payments are asked to provide the details of any cash transaction over £5,000 to the MLRO so that precautionary checks can be performed.
- OCC, in the normal operation of its services, accepts payments from individuals and organisations. If an employee has no reason to suspect or know that money laundering activity is taking/has taken place and if the money offered is less than £5,000 in cash as payment or part payment for goods/services offered by the Council then there is no need to seek guidance from the MLRO.
- If a member of staff has reasonable grounds to suspect money laundering activities or proceeds of crime, or is simply suspicious, the matter should still be reported to the MLRO. If the money offered is £5,000 or more in cash then payment must not be accepted until guidance has been received from the MLRO even if this means the person has to be asked to wait.
- Any officer involved in a transaction of this kind should ensure that the person provides satisfactory evidence of their identity personally, through a valid passport/photo driving licence plus one other document providing evidence of current address in the form of a bank statement, credit card statement, mortgage or insurance details or a utility bill which is no more than three months old. Where the other party is a company, this can be done through company formation documents or a business rates bill plus online checks.

13 **Further Information**

- Further information can be obtained from the MLRO, the Counter-Fraud Team, and the following sources:
- National Crime Agency (NCA) – <http://www.nationalcrimeagency.gov.uk/>
- CCAB - Anti-Money Laundering (Proceeds of Crime and Terrorism) – Guidance for Accountants – www.ccab.org.uk (main site) or [Anti-money laundering guidance for the accountancy sector document](#)
- The Law Society - Anti-Money Laundering Guidance and Advice - <http://www.lawsociety.org.uk/support-services/risk-compliance/anti-money-laundering/>

- HMRC - <https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>

Appendix 1 –

Reporting Advice

If you know or suspect money laundering activity, report it immediately to the MLRO using the form provided in Appendix 3. The report must include as much detail as possible, ensuring that all relevant information is disclosed, particularly if you need consent from the NCA to proceed with the transaction, for example:

- Full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc.
- Full details of the nature of their/your involvement - - If your involvement in the transaction could be illegal under the Proceeds of Crime Act (such as concealing or transferring criminal property), include details of the transaction and request permission from the MLRO before proceeding; this is the case even if the client gives instructions for the matter to proceed before such consent is given. You 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
- The types of money laundering activity involved - if possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under section 327 – 329 of the Act, or general reporting requirement under section 330 of the Act, or both
- The dates of such activities, including whether the transactions have happened, are on-going or are imminent
- Where they took place
- How they were undertaken
- The (likely) amount of money/assets involved
- Why, exactly, you are suspicious.

The MLRO will require full reasons along with any other available information to enable him to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to the NCA, where appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions he may give you. You must NOT make any further enquiries into the matter yourself; any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All employees and contractors will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Do **not** under any circumstances inform the suspected individual(s) or make any reference on a customer record that a report has been made. Doing so may lead to criminal charges for 'tipping off'. The MLRO will keep the appropriate records in a confidential manner.

Consideration of the Disclosure by the MLRO

1. The MLRO will review and acknowledge the report upon receipt.
2. Internal transaction history, relationships, and related information will be examined.
3. The MLRO may contact you for further clarification.
4. If appropriate, the MLRO will file a report with the NCA and seek consent for the transaction.
5. You will be informed of any required actions or restrictions once the NCA has been contacted.
6. The MLRO will retain all reports and documents confidentially for a minimum of five years.

Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:

- There is actual or suspected money laundering taking place; or
- There are reasonable grounds to know or suspect that is the case; and
- Whether he needs to seek consent from the NCA for a particular transaction to proceed.

Where the MLRO does so conclude, then he must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless he has a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then he must note the report accordingly; he can then immediately give his consent for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to the NCA.

Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then he shall mark the report accordingly and give his consent for any ongoing or imminent transaction(s) to proceed.

All disclosure reports referred to the MLRO and reports made by him to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the NCA.

Further information on how to make a report to the NCA is available from <https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/money-laundering-and-illicit-finance/suspicious-activity-reports>

Client Identification Procedures

It would be impossible for OCC to identify all of the people with whom it has business dealings. However, it is important for OCC to identify individuals and organisations where there may be a higher risk of receiving the proceeds of crime. For example, where OCC:

- Forms an ongoing business relationship with an individual/business; or
- Undertakes a one-off transaction involving payment by or to the individual/business of approximately £10,000 or more; or
- Undertakes a series of linked one-off transactions involving total payment by or to the individual/business of £10,000 or more; or
- It is known or suspected that a one-off transaction (or a series of them) involves money laundering.

In the above circumstances, staff must obtain satisfactory evidence of the identity of the prospective customer/business prior to any relationship being entered into.

- In all matters, a risk based approach should be taken. If you are unsure of the evidence required advice can be sought from the Council's Corporate Fraud Investigation Team.

For individuals, appropriate identification documents would be an original current passport or driving licence with a photograph together with correspondence from a recognised government department or utility provider showing the individual's name and postal address and which is no more than three months old. ID Scanners can be used to validate any identification documents that are presented. Scanners are located in St Aldate's Chambers Customer Service Centre Reception and with the Corporate Investigation Team at Oxford City Council.

For businesses, personal identification should be obtained for the representatives of the business together with proof of their authority to act on behalf of the business. In addition:

For companies, checks should be made with a reputable online source to confirm:

- That the company is trading and has a legitimate trading purpose;
- Who the company directors are;
- Who the company shareholders are;
- Who ultimately owns or controls more than 25% of the shares or voting rights; and
- Who otherwise exercises control over the management of the company.

For charities, a check should be made with the Charities Commission to:

- Check the charity is registered with the Charities Commission;
- Check the correspondence address;
- Check the identity of any signatories; and
- Verify the purpose of the charity and its address (if different from the correspondence address).

For partnerships or unincorporated businesses confirm:

- The name of the partnership or trading name;
- The registered address, if any;
- The trading address;
- The nature of business

For Local Authorities or Government agencies:

- Full name of the entity;
- Nature and status of the entity;
- Address of the entity;
- Name of the home state authority; and
- Name of the directors or equivalent.

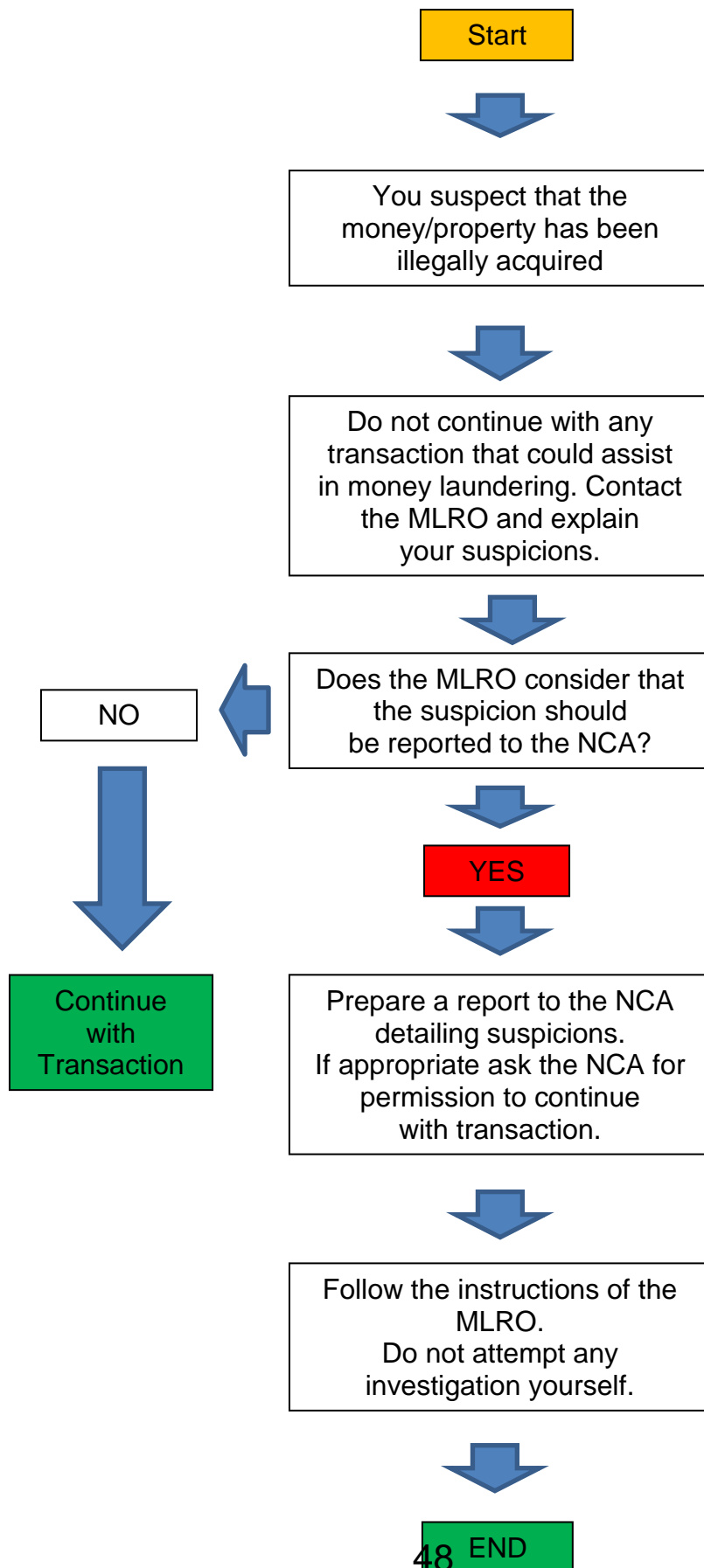
For any other organisation, contact the MLRO to establish which checks should be carried out.

- The above circumstances, employees or contractors in the relevant service area of OCC must obtain satisfactory evidence of the identity of the prospective client, as soon as practicable after instructions are received (unless evidence of the client has already been obtained). This applies to existing clients, as well as new ones.

If satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one off transaction cannot proceed any further.

In all cases, the evidence should be retained for at least five years from the end of the business relationship or one-off transaction(s).

Appendix 2 –



Appendix 3

STRICTLY CONFIDENTIAL – To be shared with the MLRO only

Do not save a copy of this form on any database or client file

Report to Money Laundering Reporting Officer	
Staff Members name	
Title/Department	
Phone	
E Mail	
Details of Suspected Offence	
Names and addresses of the persons involved (if a company the nature of their business).	
Nature, value, timing of activity involved.	
Nature of suspicions regarding such activity.	
Has any investigation been undertaken? (as far as you are aware)	Yes/No Delete as necessary. (If yes further details)
Have you discussed your suspicions with anyone else?	Yes/No Delete as necessary. (If yes further details)
Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)	Yes/No Delete as necessary. (If yes further details)

Do you feel you have a reasonable excuse for not disclosing the matter to the NCA?	Yes/No Delete as necessary. (If yes further details)
Signed	
Dated	
For Completion by the MLRO	
Date received	
Date acknowledged	
Outcome of Consideration of Disclosure	
Are there reasonable grounds for suspecting money laundering?	Yes/No Delete as necessary. (If yes further details)
If there are reasonable grounds for suspicion, will a report be made to NCA?	Yes/No Delete as necessary.
Confirm date of report to NCA	
Details of liaison with the NCA regarding the report	
Is consent required from the NCA for any ongoing or imminent transactions, which would otherwise be prohibited acts?	Yes/No Delete as necessary. (If yes further details)
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 reasonable excuse for non-disclosure	
Date given by you to employee for any prohibited act transactions to proceed	
Other relevant information	

Signed	
Dated	

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