



## **EDINBURGH NAPIER UNIVERSITY**

### **ANTI MONEY LAUNDERING POLICY**

#### **Introduction**

1. In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 this 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) 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. **Failure to do so may result in you being personally liable to prosecution.**
6. Guidance on how to raise any concerns is included in this policy document.

## Relevant circumstances

7. Money laundering regulations apply to cash transactions in excess of £10,000 or equivalent. 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 fees exceeding £10,000 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 Student Recruitment and Admissions – Visa and International Support 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 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.

## **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 proforma report attached at Annex 1 and should be completed the same day the information came to your attention. **Should you not do so you may be personally liable to prosecution under the regulations.**
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 Serious Organised Crime Agency (SOCA).

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 SOCA 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 SOCA.
19. Once the MLRO has evaluated the case a timely determination will be made as to whether -
  - 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 SOCA for a particular transaction to proceed.
20. Where the MLRO concludes that the case should be disclosed to SOCA this needs to be done -  In a timely manner
  - In the prescribed manner on a standard report format provided by SOCA
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. Schools 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 given the nature of services provided by the University. 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 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 ..... **Annex  
1 (b)**

**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 .....**



