



## **SIDNEY SUSSEX COLLEGE**

### **ANTI-MONEY LAUNDERING POLICY**

Version:	1.0
Author:	Head of Accounting and Finance / College Registrar
Sub-committee responsible:	Finance and Needs Committee
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## Revision History

Version	Author	Summary of changes	Sub-committee Review Date / Council Approved	Date by which next full review is due
1.0	Head of Accounting and Finance / College Registrar	New policy	15 May 2023 / 24 May 2023	ET 2026

## 1. Legal Position

- 1.1 Money laundering is a crime usually described as the process by which the proceeds of criminal or illegally obtained money are processed or spent to create the appearance that they have come from a legal source. The term “money laundering” covers several offences relating to the improper handling of funds that are the proceeds of criminal acts, or of terrorist acts. It relates both to the activities of organised crime and also to those who benefit financially from dishonest activities such as tax evasion or receiving stolen goods.
- 1.2 The four main offences that may be committed under money laundering legislation are:
- (a) concealing, disguising, converting, transferring, or removing criminal property from anywhere within the UK;
  - (b) entering into or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
  - (c) acquiring, using or possessing criminal property; and
  - (d) doing something that might, prejudice an investigation (e.g., falsifying or destroying a document).
- 1.3 There are also two 'third party' offences:
- (a) failing to disclose information relating to any of the above money laundering offences; and
  - (b) tipping off (informing) someone who is, or who is suspected of being, involved in money laundering activities in such a way as to reduce the likelihood of them being investigated or prejudicing an investigation.

These offences may be committed by an organisation or by individuals working for an organisation.

## 2. Charity Commission Guidance

- 2.1 The Charity Commission advises that, in order to ensure that they are fulfilling their duty to manage their charity's funds properly, a Trustees should adopt a risk-based approach to limit potential for money laundering:
- **identify** – weigh up money laundering risks, their scale and possible impact;
  - **verify** – know who they are dealing with – where reasonable and the risks are high, verify identities;
  - **know what the organisation's or individual's business is** and can be assured this is appropriate for the charity to be involved with;
  - **know what their specific business is with the charity** and have confidence they will deliver what the charity wants them to; and
  - **watch out** for unusual or suspicious activities, conduct or requests.

## 3. Colleges

- 3.1 In the context of Colleges, the two key areas where money laundering activities may occur are:
- (a) Payment of fees (including using the proceeds of crime to pay fees, and requests for the return of fees paid in advance); and
  - (b) Donations (including large unexpected donations from unknown individuals, organisations or other sources; and unexpected or unexplained requests for the repayment of all or part of a donation).

#### 4. College Policy Statement

- 4.1 The College is fully committed to compliance with the applicable provisions of the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 and all amending legislation.
- 4.2 If the College suspects that money laundering may be taking place, it will submit a Suspicious Activity Report (SAR) to the National Crime Agency. The College recognises that:
- a SAR can provide crucial intelligence for law enforcement and can help to prevent a wide range of serious and organised crime and terrorist activities;
  - investigations are often based on multiple SARs, and a report from a College could be the missing piece of the puzzle.

#### 5. Money Laundering Reporting Officer Responsibilities

- 5.1 The Bursar has been appointed as the College's money-laundering reporting officer ("MLRO"). The MLRO receives disclosures from anyone involved in the management of the College of any suspected money-laundering activities and is responsible for:
- receiving reports of suspicious activity from staff;
  - considering all reports and evaluating whether there is - or seems to be - any evidence of money laundering or terrorist financing;
  - reporting any suspicious activity or transaction to the National Crime Agency (NCA) by completing and submitting a SAR; and
  - ensuring that proper records are maintained on all the relevant activities.
- 5.2 The Head of Accounting and Finance will act as temporary MLRO if the Bursar is not available.

#### 6. Fees

- 6.1 The College is vigilant as to the source of funds that are paid to the college and alert to unusual patterns of behaviour or activities. The list below sets out circumstances considered as potential "red flags". Whilst not conclusive evidence of money laundering, they will prompt the College to question whether additional due diligence is required to satisfy itself as to the legitimacy of the funds.
- **Transactions:** Transactions unusual because of their size, frequency or the manner of their execution, in relation to the parent's known business type or source of income
  - **Structures:** Payments involving complex or illogical arrangements that make it unclear who is making the payment.
  - **Third parties:** Payment of fees by companies, trusts, off-shore entities etc
  - **Assets:** The payer's assets seeming inconsistent with their known legitimate income.
  - **Resources:** The payer's funds being made up of a disproportionate amount of private funding, bearer's cheques or cash, in relation to their socio-economic profile.
  - **Identity:** The payer has taken steps to hide their identity or is difficult to identify.
  - **Behaviour:** The payer seems unusually anxious to complete a transaction or is unable to justify why they need to make a payment quickly.
  - **Political:** The payer is engaged in unusual private business given that they hold a prominent public title or function.
  - **Documents:** Information or documentation is withheld by the payer or their representative or appears falsified.

- **Geographical Area:** The payer is native to, or resident in, a [high-risk country](#)<sup>1</sup> as defined by HM Treasury.

6.2 For anti-money laundering reasons, the College's standard terms and conditions state that payment of fees in cash is not acceptable.

## 7. Development / Fundraising

7.1 In accordance with its Donation Acceptance Policy, the College carries out procedures that help it identify donors before accepting or entering into a relationship or transaction with them. The College will, where applicable:

- identify the donor and verify their identity;
- take adequate measures where some donors need or want their privacy intact;
- accept that in some cases, the identity of the donor may not be easy to verify, in which case other measures need to be developed;
- continuously monitor the situation; and
- maintain proper records of all checks made.

7.2 The list below sets out circumstances considered to be "red flags" in the context of development / fundraising. Whilst not conclusive evidence of money laundering, they will prompt the College to question whether additional due diligence is required to satisfy itself as to the legitimacy of the funds.

- **Transactions:** Transactions unusual because of their size, frequency or the manner of their execution, in relation to the donor's known business type or source of income
- **Structures:** Payments involving complex or illogical arrangements that make it unclear who is making the payment.
- **Third parties:** Payment by companies, trusts, off-shore entities etc associated with a donor
- **Identity:** The donor has taken steps to hide their identity or is difficult to identify.
- **Behaviour:** The donor seems unusually anxious to complete a transaction or is unable to justify why they need to make a payment quickly.
- **Political:** The donor is engaged in unusual private business given that they hold a prominent public title or function.
- **Documents:** Information or documentation is withheld by the donor or their representative or appears falsified.
- **Geographical Area:** The payer is native to, or resident in, a [high-risk country](#) as defined by HM Treasury.
- **Repayment:** unexpected or unexplained requests for the repayment of all or part of a donation.

## 8. Training

8.1 Anti-Money Laundering training will be provided to staff working in relevant parts of the College (particularly the College Office and the Development and Alumni Relations Office).

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<sup>1</sup> <https://www.gov.uk/government/publications/money-laundering-advisory-notice-high-risk-third-countries--2/hm-treasury-advisory-notice-high-risk-third-countries#:~:text=The%20following%20countries%20had%20their,T%C3%BCrkiye%2C%20UAE%2C%20and%20Uganda.>

## **9. Reporting**

- 9.1 If anyone at the College knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, they must report such matters to the MLRO immediately, including the following information:
- details of the people involved;
  - type of transaction;
  - the relevant dates;
  - why there is suspicion;
  - when and how activity is undertaken; and
  - likely amounts, etc.
- 9.2 Once the MLRO has evaluated the disclosure or other information, they will determine if there are reasonable grounds for suspecting money laundering and whether any further investigations need to take place.
- 9.3 If the MLRO concludes that there are reasonable grounds to suspect money laundering is taking place, the College will make a SAR to the NCA.

## **10. Record keeping**

- 10.1 All internal reports to the MLRO and all SARs made by the MLRO to the NCA will be retained for a minimum of five years.