

NFDC ANTI-MONEY LAUNDERING PROCEDURES

INTRODUCTION

Money Laundering is the process by which criminally obtained money or other assets are exchanged for 'clean' money or other assets leaving no obvious link to their criminal origins.

This could affect NFDC in the following areas:

- Right to buy payments
- Purchases of Council assets such as land and buildings
- Payment of Council Tax or NNDR
- Payment of Housing Benefit Overpayments

TRAINING

The Council will train you if you are an employee who may come into contact with people involved in money laundering or terrorist financing, so that you are aware of the legislation and your personal responsibilities.

The Council will also train you in how to recognise and deal with transactions that may be related to money laundering or terrorist financing.

Particular topics include;

- The law regarding money laundering offences
- The businesses policy and procedures relating to prevention of money laundering
- Identification and 'know your customer' procedures
- Recognition and handling of transactions
- Internal reporting
- Record keeping

This training should be repeated at least every two years.

IDENTIFICATION

In the following circumstances the Council must take appropriate steps to confirm the identity of a person or business who is (or who is applying to) do business with the Council;

- where the Officer dealing with the transaction knows or suspects that money laundering is going on; or
- where a one off transaction involves a cash payment by the other person or business of £4,000 or more; or
- where there are multiple cash payments totalling £4,000 or more with the same person or business and which appear to be linked.

You must check and retain evidence of everyone in the chain. This includes when your customer is, or appears to be, acting on behalf of someone else.

You must complete the Money Laundering Report Form and send it to the Money Laundering Reporting Officer for all cash transactions over £4,000.

You should:

- Check evidence of ID when you receive the first high value payment
- Retain a photocopy of the evidence (date and sign copy with 'original seen' and photo ID – 'good likeness of applicant')
- Note faxed copies are not acceptable.

Why is the evidence important:

You must be satisfied that your customer is who they say they are by checking evidence of their name and address, non compliance is a criminal offence.

FORMS OF IDENTIFICATION EVIDENCE - INDIVIDUALS

The following combinations of evidence are acceptable:

- Full passport OR full driving licence or
- TWO forms of secondary identification

Secondary forms of identification may include:

- Credit cards, bank account statements, or recent official correspondence like telephone or utility bills.

We must take reasonable steps to satisfy ourselves that the customer is who they claim to be. If the customer refuses to supply sufficient evidence of identity then we will refuse the payment.

GOOD PRACTICE

It is good practice to try and obtain a date of birth and keep a record of it. Then check to see if the DOB is consistent with the apparent age of the customer.

Check the customers' signature with the signatures on the customers' identification evidence.

FORMS OF IDENTIFICATION EVIDENCE - BUSINESSES

You should consider why the customer is purchasing goods in cash.

Where the customer is a limited company you should identify the individuals you deal with who have authority within that company to move funds and obtain details of the company's:

- Registered number
- Corporate name
- Trading names
- Registered address
- Business activity

All these details should be held in an account file and kept for five years after you finish 'dealing' with the customer.

The Account file should include:

- The name of the customer
- Evidence of identification
- A record of the transaction and
- Copies of disclosures you may have made.

APPOINTMENT OF A MONEY LAUNDERING REPORTING OFFICER (MLRO)

The Council must appoint a nominated officer who is an employee, who solely works in the UK and that is easily accessible during normal working hours to be able to carry out the MLRO's role. The Councils' MLRO is the Section 151 Officer; Alan Bethune.

The role of the MLRO is to be a point of contact for all employees who have queries relating to the regulations or who wish to report a suspicion and to ensure compliance with the relevant provisions of the Money Laundering Regulations 2007. They have responsibility to decide if suspicions should be disclosed to the National Crime Agency (NCA) on the disclosure form as soon as possible. They will also need to decide on what actions to take so to avoid tipping off customers that a suspicion has occurred. The MLRO may need to disclose details to NCA before a transaction is completed.

The MLRO may also:

- Train other staff and give guidance
- Carry out money laundering risk assessments
- Implement anti money laundering controls
- Prepare annual reports on the businesses anti money laundering activity and keep appropriate records
- Monitor business relationships

WHAT IS MEANT BY SUSPICIOUS?

Activity which does not fit with the normal course of business.

Indicators leading to Suspicions:

- Is checking their identify proving difficult?
- Is there a genuine reason to be paying in large sums of cash?
- Is the customer paying with used notes or in small denominations?
- Is the source of the cash known and reasonable?
- Are there any unusual requests?
- With existing customers is the payment reasonable, consistent and within the normal payment pattern?

Any suspicions should be reported to the Money Laundering Reporting Officer as soon as possible. If suspicion is raised before the transaction is completed report to the MLRO and await consent before completing the transaction. The report should be made in writing.

RECORD KEEPING

In accordance with the Data Protection Act 1998, information should not be held for longer than necessary. However, S.19 Money Laundering Regulations 2007 require that records of a customer's identity, evidence and supporting records in respect of a business relationship or occasional transaction that is the subject of customer due diligence should be kept for 5 years after the end of a business relationship to enable law enforcement to reconstruct business transactions and to provide a clear audit trail of the business we have conducted.