



**Melton  
Borough  
Council**

# **Anti-Money Laundering Policy and Guidance**

## **Key policy details**

| <b>Item</b> | <b>Details</b>                  |
|-------------|---------------------------------|
| Author:     | Chief Internal Auditor          |
| Owner:      | Director for Corporate Services |

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## 2 Introduction

### 2.1 Background

Melton Borough Council (“the Council”) will do all it can to prevent the organisation and its staff being exposed to money laundering through criminal activity. The Council seeks to identify the potential areas where this may occur, and to comply with all legal and regulatory requirements, especially with regards to the reporting of actual or suspected cases.

### 2.2 Legislation

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26 June 2017. There have subsequently been two amendments, The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020. The Chartered Institute of Public Finance and Accounting (CIPFA) advises that local government organisations should consider a policy framework which supports the implementation of a counter fraud strategy and includes an anti-money laundering policy to prevent the use of their services for money laundering.

The Council’s legal obligations impact on certain areas of the business and require the Council to establish internal procedures to prevent the misuse of services to launder money. This policy details the controls to prevent and protect against money laundering and terrorist financing. The legislation in this area is complex and, as such, a guidance note is provided to support officers in applying the policy – see Appendix 1.

#### **If you suspect money laundering**

This policy provides detailed guidance to explain what money laundering is, how to spot it and the detailed submissions required to consider suspected instances of money laundering through Council Services.

If you need any advice, or wish to make a referral or discuss your concerns please contact the Money Laundering Reporting Officer (MLRO)) at [dgarton@melton.gov.uk](mailto:dgarton@melton.gov.uk) or the deputy MLRO [dscott@melton.gov.uk](mailto:dscott@melton.gov.uk)

## 2.3 Scope

This policy applies to all employees, contractors and agents of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.

The policy sets out the procedures which must be followed (for example, the reporting of suspicions of money laundering activity).

Failure by an officer to comply with the procedures set out in this policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Procedure.

## 2.4 Definition of Money Laundering

Under the Proceeds of Crime Act 2002, money laundering means:

- concealing, disguising, converting, transferring criminal property, or removing it from the UK (section 327 of the Act).
- 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 (section 328).
- acquiring, using, or possessing criminal property (section 329).
- an attempt, conspiracy, or incitement to commit such an offence; or
- aiding, abetting, counselling, or procuring such an offence.

Essentially, money laundering is how criminally obtained money or other assets are exchanged for money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.

Potentially any employee could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.

### 3 Objectives and Outcomes

The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy has been produced to enable the Council to meet its obligations in a way which is proportionate to the low risk to the Council of contravening the legislation.

The objective of the policy is to minimise the risk of Council services being exposed to, or involved in, money laundering activity and to ensure that Council officers are suitably informed of the risks and their responsibilities. Failure to adhere to the policy requirements could result in a criminal offence.

### 4 The Council's Obligations

The Money Laundering regulations apply to specific persons involved in "relevant business", including certain institutions, auditors, accountants, tax advisers and legal professionals.

Strictly speaking, the majority of the Council's services may not be covered by the legislation. However, public services are susceptible to money laundering activities and the Council must be able to demonstrate its compliance with the law in this area.

The Proceeds of Crime Act also creates offences relating to money laundering activities, as well as terrorist financing. Again, public services may be targeted for this purpose and the Council must be able to demonstrate its compliance with this law.

The Council has therefore:

- appointed a Money Laundering Reporting Officer to receive disclosures from employees of money laundering activities (their own concerns or that of someone else).
- implemented a reporting procedure where a person:
  - knows or suspects; or
  - has a reasonable ground for knowing or suspecting money laundering.
- set out client identification procedures to be followed in certain circumstances; and
- Set down record-keeping procedures for the purposes of money laundering.

## 5 The Money Laundering Reporting Officer

The Officer nominated to receive disclosures about money laundering activity within the Council is:

Dawn Garton

Director for Corporate Services

Melton Borough Council,

Parkside, Station Approach,

Burton Street,

Melton Mowbray,

Leicestershire

LE13 1GH

[dgarton@melton.gov.uk](mailto:dgarton@melton.gov.uk)

In the absence of the Director for Corporate Services, the Assistant Director for Resources is authorised to deputise – [dscott@melton.gov.uk](mailto:dscott@melton.gov.uk)

## 6 Detecting money laundering

There is no one, single method of laundering money. For this reason, it is important that the Council (via its employees and contractors / agents) should be vigilant and alert to possible signs of money laundering through the Council's services. The supporting guidance note at Appendix 1 provides further advice on warning signs and circumstances that may be susceptible to money laundering in relation to Council business.

At all times, Council officers should:

- Be wary of cash transactions, particularly of substantial sums. 'Cash' for this purpose means notes, coins, or travellers' cheques in any currency. If an officer is in a situation where such a payment is proposed, advice should be sought in line with this policy and the guidance notes. No payments exceeding £1,000 should be accepted in cash, in line with section 9 of this policy;
- Take care when commencing business with a new client / customer and establish identity in accordance with the requirements of section 9 of this policy;

- Be alert to the possibility of money laundering by a client or a prospective client, including in relation to property transactions; and
- Keep records as required by section 10 of this policy.

All officers involved in property transactions, including leases, must be familiar with this policy and guidance and line managers should ensure such staff are suitably informed.

Below are some types of transactions which may be considered suspicious and should be examined to see if they have the potential to be money laundering:

- When an individual attempts to make a payment in cash of £1,000 or more
- When an individual makes a series of lump sum linked transactions in cash over a short period of time that total £2,500 or more or
- Where the payment will lead to a significant overpayment; or
- When an individual requests a refund of £1,000 or more, particularly if this cannot be made to the account where the funds originated.

It is very important that officers use their experience to judge situations appropriately. If an action arouses suspicion because it is so unusual, then it may need to be investigated further even if it does not meet a specific indicator within this policy. It would also be appropriate in these situations to require additional verification of identity without warning the individual of concerns. If, for example, a significant council tax or rent overpayment was made for no specific reason, further investigations would be required.

## 7 Reporting procedure

### 7.1 Reporting concerns to the Money Laundering Reporting Officer (MLRO)

This section explains what officers must do if they become suspicious or know that there is a money laundering or terrorist financing activity going on and how this report will be dealt with by the MLRO.

Where an officer knows, or suspects, or has reasonable grounds to know or suspect that a money laundering activity is taking place or has taken place, they must notify the MLRO immediately using the template form attached at Appendix 2.



Similarly, where an officer has reason to believe that their involvement in a matter may amount to a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002, they must disclose this to the MLRO using the form attached at Appendix 2.

You must still report your concerns even if you believe that someone else has already reported their suspicions of the same money laundering activity. Please note - **if you fail to report or disclose as above, you may be liable for prosecution for one or more offences.**

The report must include as much detail as possible, for example:

- Full details of the people involved e.g., name, date of birth, address, company names, directorships, phone numbers, etc.
- Full details of the nature of each party's involvement – Any officer concerned that their involvement in the transaction would amount to a prohibited act under sections 327 – 329 of the Act, then they report must include all relevant details, as they will need consent from the National Crime Agency (“NCA”), via the MLRO, to take any further part in the transaction. This is the case even if the client gives instructions for the matter to proceed before such consent is given. Officers 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 (see [Proceeds of Crime Act 2002 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2002/29));
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent.
- Where they took place
- How they were undertaken
- The (likely) amount of money/assets involved
- The reason for suspicions – the MLRO will require full reasons along with any other available information to enable them to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate. Copies of any relevant supporting documentation should also be provided.

After reporting to the MLRO the referrer must:

- not voice their suspicion to the suspected person or any third party
- not disclose to anyone the fact they have made the report
- not make any further enquiries into the matter themselves
- not make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render the officer liable to prosecution. The MLRO will keep the appropriate records in a confidential manner; and
- do nothing further on the matter without specific, written consent from the MLRO to proceed.

**Please note: If you fail to observe any of the above, you may be liable for prosecution for ‘tipping off’ or other offences.**

## 7.2 Consideration by the MLRO

Once the MLRO receives the report, they will:

- I. note the date of receipt and confirm that they have received the report
- II. advise of the timescale within which they expect to respond
- III. conduct a provisional investigation into the matter
- IV. undertake such other reasonable enquiries as appropriate, seeking specialist legal and financial advice (if appropriate)
- V. make a timely determination as below:
  - a. Where it is determined there are no reasonable grounds to suspect money laundering, they will record the reasons for the finding and give consent for the transaction to proceed.
  - b. Where it is determined money laundering is suspected they:
    - Will make a report to National Crime Agency (NCA), as soon as is practicable, and seek the NCA’s consent whether to proceed with the transaction
    - Will advise the officer who made the report of any consent or refusal of consent from NCA

- May give consent for the transaction to proceed where seven working days have passed since the disclosure to NCA and no refusal notice has been given; or where although the refusal notice has been given, the moratorium period of 31 days has expired since the date of when the refusal notice was given
- Take formal advice from the Monitoring Officer if there appears to be reasonable excuse for non-disclosure (e.g., legal professional privilege) to decide whether the matter should be disclosed to the NCA

All disclosure reports referred to the MLRO and reports made by them 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 they know or suspect, or have reasonable grounds to do so, through a disclosure being made, that another person is engaged in money laundering, and they do not disclose this as soon as practicable to the NCA. The MLRO also commits a criminal offence if, after reporting to NCA:

- they give consent to an officer to proceed with the transaction without receiving such consent from NCA;
- where they give such consent before hearing from NCA and the period of seven working days has not expired since they made the disclosure to NCA, or
- they give such consent before the required moratorium period (of 31 days since the date of the refusal notice) has expired.

Further information on how to make a report to the NCA is available from <http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/specialistcapabilities/ukfiu/how-to-report-sar>.

## 8 Internal controls

This section explains the internal controls that the Council has applied to manage the risk of money laundering.

### 8.1 Accepting cash payments

In accordance with the Council's Financial Procedure Rules, cash handling should be kept to a minimum.

No cash payment to the Council will be accepted if it exceeds £1,000 (including notes, coins, or traveller cheques in any currency). Any incidents of someone

trying to make a cash payment in excess of £1,000 must be reported to the MLRO regardless of whether money laundering activity is suspected or not.

## **8.2 Refunds**

Where a customer makes an overpayment and requests a refund, it is a key control to prevent money laundering and fraud that, the refund must only be made to the same card / bank account from which it was originally paid.

## **8.3 Training**

The Council's Corporate Leadership Team will support officers in being alert to the risks and the requirements of this policy by:

- identifying officers across the Council who may be engaged in activity at greater risk of money laundering, including those handling cash payments, investments, or property transactions; and
- ensuring that targeted training is provided to those relevant officers on their anti-money laundering responsibilities.

## **8.4 Risk management**

The risk to the Council of contravening the anti-money laundering legislation will be assessed on a periodic basis and the adequacy and effectiveness this policy will be reviewed in light of such assessments.

Risk exposure will be assessed by taking into account risk factors, including those relating to:

- The Council's customers
- The area in which the Council operates
- The Council's services
- The Council's transactions, and
- The Council's delivery channels.

Whilst the risk to the Council of contravening the legislation is considered to be low, it is important that all officers are familiar with their legal responsibilities.

## **8.5 Client due diligence**

Client due diligence means that the Council must know its customers and understand their businesses. This is so that the Council is in a position to know if there is suspicious activity that should be reported; clearly it is only by the Council

knowing its clients and their businesses that it can recognise abnormal and possibly suspicious activity.

The 2017 Regulations and 2019 (as amended) require that the Council identifies its customers and verifies that identity based on documents, data or information obtained from a reliable source. Where there is a beneficial owner who is not the customer then the Council must identify that person and verify the identity and where the beneficial owner is a trust or similar then the Council must understand the nature of the control structure of that trust

Client due diligence consists of:

- identifying the customer and verifying their identity on the basis of documents, data or information obtained from a reliable source;
- identifying any beneficial owner who is not a customer, where there is one, and taking adequate measures on a risk sensitive basis, to verify their identity; and
- obtaining information on the purpose and intended nature of the business relationship.

The checks described above must generally be undertaken by the Council before it establishes a business relationship or carries out an occasional transaction (a transaction which amounts to €15,000 or more (approximately £10,000) which is carried out in a single operation or several linked operations, and which is carried out other than as part of a business relationship); or if it suspects money laundering or terrorist funding or doubts the veracity of any information obtained for the purposes of identification or verification. However, the Council is not required to undertake these checks if its customer is another public authority, unless it suspects money laundering or terrorist funding.

Where the Council is not able to apply the customer due diligence measures set out above it must not carry out a transaction with or for a customer through a bank account, it must not establish a business relationship or carry out an occasional transaction with the customer, it must terminate any business relationship with the customer and consider whether to make a disclosure.

Officers should obtain evidence of identity as follows:

- Written instructions on the organisation's official headed paper, duly signed and dated by the appropriate person(s). It must be clear what position the signing person(s) holds within the organisation; or an email from the organisation's e-communication system that clearly identifies the sending company and person.
- The evidence should be kept on file identifying that it is evidence of the client's identity.

- Whenever dealing with a company, officers must also verify the existence of the company. Officers must always request to be provided with the company's registration number which can be used to search for the company's existence at Companies House, and the registered address of the company.
- Officers must further ensure that the person instructing has the authority from the company to do so. When dealing with an individual, identity evidence will be key, verifiable documents such as driving licence, passport or other reliable document.

It is very important that officers do not take a 'tick box approach' towards the client identification procedure. The Council must be satisfied with the authenticity of identification documents and where in doubt, officers should speak to their manager to see what other forms of identification they may request.

In practice the Council can fulfil its obligations if officers complete the Customer Due Diligence Proforma, at Appendix 3.

Where valid, up to date evidence is obtained and the identity and an ongoing business relationship is established with a client, officers should still scrutinise transactions undertaken to ensure that they are consistent with their knowledge of the client or business and risk profile.

Where property transactions are carried out using externally appointed agents on behalf of the Council, the agent will be required to perform and evidence the "know your client checks (KYC)" and these should be shared and retained by the Council.

It will in certain circumstances be necessary to undertake what is known in the regulations as enhanced customer due diligence. In summary, this will be necessary where the customer has not been physically present for identification purposes; or in any situation which by its nature can present a higher risk of money laundering or terrorist financing. The regulations also require that enhanced customer due diligence measures are taken to manage and mitigate the risks exposed by politically exposed persons (PEPs).

Where the need for enhanced customer due diligence applies, the Council will need to take adequate measures to compensate for the higher risk. This will mean, for example, ensuring that the customer's identity is established by additional documents, data or information.

Further guidance on client due diligence, including enhanced due diligence, is provided in the guidance note at Appendix 1.

## 9 Record keeping

It is essential that records are properly kept to aid in any subsequent investigation which may be carried out and to demonstrate the Council has met its responsibilities. Each service must keep the following records for a period of five years beginning from the date when a transaction is completed, or business relationship ends:

- evidence of the client's identity; and
- all supporting records, originals, or copies, relating to the transaction.

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, Council services will be routinely making records of work carried out for clients in the course of normal business and it is considered that these should suffice in this regard.

The MLRO must keep all records of any reports or disclosures received, the action taken and the outcome.

## Appendix 1: Guidance note

### Introduction

Historically, legislation seeking to prevent the laundering of the proceeds of criminal activity was aimed at professionals in the financial and investment sector, however it was subsequently recognised that those involved in criminal conduct were able to “clean” the proceeds of crime through a wider range of businesses and professional activities.

New obligations in respect of money laundering were therefore imposed by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 (subsequently replaced by the Money Laundering Regulations 2007) which broaden the definition of money laundering and increased the range of activities caught by the statutory control framework; in particular, the duty to report suspicions of money laundering is strengthened and criminal sanctions imposed for failure to do so.

As a result, certain areas of the Council's business are now subject to the legislative controls and the Council is required, by law, to establish procedures designed to prevent the use of its services for money laundering. These procedures are set out in the accompanying Anti-Money Laundering Policy and all employees should be aware of the content.

This Guidance Note aims to provide further practical help in implementing the procedures.

### Circumstances that may be susceptible to money laundering

Areas where the Council may be exposed to a greater risk of exposure to money laundering activity include:

- The areas where large sums of money may be received by the Council, including:
  - Council Tax
  - Business Rates
  - Rent or Rent Arrears payments
  - Hire of venues
  - Licensing
- Sale of Council land/buildings (as sale proceeds could be in cash)
- Sale of Council properties under the right to buy scheme



- Investments – this would cover activities such as the issue of local bonds or transfers to or from non-UK banks

### Indicators that might be warning signs

- An overpayment or duplicate payment in cash where the refund is requested by cheque or BACS
- An overpayment or duplicate payment made by card and a refund requested to a different card / bank account
- Transactions that are complex and unusually large or there is an unusual pattern of transactions
- Where the person you are dealing with is excessively secretive or obstructive
- Transactions or trade that appear to make no commercial, economic or legal purpose
- Any other activity or situation which may be regarded as particularly likely by its nature to be related to money laundering or terrorist financing
- Transactions which might favour anonymity
- Large volume/large cash transactions
- Payments received from third parties
- Where a customer pays funds to the Council but then ends the transaction for no apparent reason, or unexpectedly asks for the money to be refunded or forwarded to a third party
- Where a customer tells you that funds are coming from one source and at the last minute the source changes
- Absence of an obvious legitimate source of funds e.g. where an individual is on low income and is purchasing a property from the Council
- Movement of funds overseas, particularly to a high risk country
- Individuals or companies that are insolvent but have funds
- Purchase of property (e.g. Council house) where no mortgage is involved
- Use of cash where other means of payment are normal

- Unusual transactions or ways of conducting business
- Use of overseas companies
- New companies
- Unusual property investment transactions if there is no apparent investment purpose or rationale
- Instructions to receive and pay out money where there is no linked substantive property transaction involved (surrogate banking)
- Property transactions where funds are received for deposits or prior to completion from an unexpected source or where instructions are given for settlement funds to be paid to an unexpected destination.

## Client identification

This means obtaining a customer's:

- Name;
- photograph on an official document which confirms their identity; and
- residential address and date of birth.

Satisfactory evidence of personal identity includes:

- Passport or photo driving licence;
- Utility bills, bank statements and other official documents. Other sources of customer information include the electoral register and information held by credit reference agencies such as Experian and Equifax (Mobile phone bills are not acceptable); and
- Satisfactory evidence of corporate identity can be through company formation documents or business rates documents.

You also need to identify the “beneficial owner” in certain situations. This may be because someone else is acting on behalf of another person in a particular transaction, or it may be because you need to establish the ownership structure of a company, partnership or trust. As a general rule, the beneficial owner is the person who is behind the customer and who owns or controls the customer, or it is the person on behalf of whom a transaction or activity is carried out.

If you have doubts about a customer's identity, you must stop dealing with them until you are sure.

In circumstances where the client cannot be physically identified the officer should be aware that :

- a) there is greater potential for money laundering if the client is not physically present when being identified;
- b) if satisfactory evidence is not obtained the relationship or the transaction should not proceed; and
- c) if the client acts, or appears to act for another person, reasonable measures must be taken for the purposes of identifying that other person.

## Enhanced Due Diligence

In certain circumstances enhanced customer due diligence must be carried out for example where:

- There is a high risk of money laundering or terrorist financing
- The person has provided false or stolen identification
- the customer has not been physically present for identification
- the customer is a politically exposed person (see definition [Politically exposed persons | The Law Society](#))
- there is a beneficial owner who is not the customer – a beneficial owner is any individual who: holds more than 25% of the shares, voting rights or interest in a company, partnership or trust

Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer's identity and/or the source of the funds to be used in the business relationship / transaction. If it is believed that enhanced customer due diligence is required then the MLRO should be consulted prior to carrying it out.

The enhanced due diligence measures when you deal with a politically exposed person are:

- making sure that only senior management (a Chief Officer) gives approval for the new business relationship;
- taking adequate measures to establish where the person's wealth and the funds involved in the business relationship come from; and
- carrying out stricter ongoing monitoring of the business relationship.

## Other sources of information

Further information can be obtained from the MLRO and the following sources:

- [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk) – website of the National Crime Agency
- “Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations” CIPFA.org
- “Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants”
- CCAB ([www.ccab.org.uk](http://www.ccab.org.uk)) Money Laundering Guidance at [www.lawsociety.org.uk](http://www.lawsociety.org.uk)
- SI 2007 No. 2157 The Money Laundering Regulations 2007 at: The Money Laundering Regulations 2007 ([legislation.gov.uk](http://legislation.gov.uk))

## Appendix 2: Money Laundering Reporting Officer disclosure form

**To be completed by referrer:**

|  |   |
|--|---|
| <b>Date of disclosure</b>                              |   |
| <b>Name and job title of officer making disclosure</b> |   |
| <b>Officer contact details</b>                         |   |
| <b>Subject details</b>                                 | <b>(if your concerns are regarding an individual)</b> |
| <b>Title</b>   |   |
| <b>Surname</b>   |   |
| <b>Forename</b>  |   |
| <b>Date of Birth</b>                                   |   |
| <b>In case of a legal entity</b>                       | <b>(if your concerns are regarding a company)</b>     |
| <b>Name</b>  |   |
| <b>Address</b>   |   |
| <b>Nature of business</b>                              |   |
| <b>Company number (if known)</b>                       |   |

|  |
|--|
| <b>Nature, value and timing of activity involved - Please include full details e.g. what, when, where, how</b>   |
|  |
| <b>Reason for disclosure</b><br><i>Please explain why you are suspicious. Please provide as much information as you can. Continue on a separate sheet, if necessary.</i> |
|  |
| <b>Has any investigation been undertaken (to your knowledge)?<br/>If yes, please provide details below.</b>  |

|   |
|---|
| [Please delete as appropriate] Yes / No   |
| <b>Have you discussed your suspicions with anyone else?<br/>If yes, please provide details below.</b>   |
| [Please delete as appropriate] Yes / No   |
| <b>Do you have any grounds for believing that the matter should not be disclosed to NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)<br/>If yes, please set out full details below.</b>   |
| [Please delete as appropriate] Yes / No   |
| <b>Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society) If yes, please specify below:</b>   |
| [Please delete as appropriate] Yes / No   |
| <b>Are you involved in a transaction which might be a prohibited act under sections 327- 329 of the Act and which requires appropriate consent from the NCA?<br/>If yes, please enclose details in the box below.</b> |
| [Please delete as appropriate] Yes / No   |
| <b>Please set out below any other relevant information</b>  |
|   |

Signed:.....

Dated:.....

**Do not discuss the content of this report with the person/s you suspect to be involved in the money laundering activities described or with third parties. To do so may constitute the offence of tipping off which carries a maximum penalty of 5 years imprisonment**

**The following part of this form is for completion by the MLRO:**

|   |  |
|---|--|
| <b>Date report received:</b>                |  |
| <b>Date receipt of report acknowledged:</b> |  |

**Consideration of disclosure**

**Action plan:**

[Please delete as appropriate] Yes / No

If yes, please detail reasons:

If there are reasonable grounds for suspicion, will a report be made to the NCA?

[Please delete as appropriate] Yes / No

If yes, please confirm date of report to NCA:

and complete the box below:

---

Details of liaison with the NCA regarding the report:

Notice Period: ..... to .....

Moratorium Period: ..... to .....

Is consent required from the NCA to any on-going or imminent transactions which would otherwise be prohibited acts?

[Please delete as appropriate] Yes / No

If yes, please confirm full details in the box below:

Date consent received from 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 below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act transactions to proceed:.....

Other relevant information:



Signed:.....

Dated:.....

THIS REPORT MUST BE RETAINED SECURELY FOR AT LEAST FIVE YEARS

## Appendix 3: Client due diligence pro-forma

| Section A   |   |
|---|---|
| <b>Name of client / customer</b>  |   |
| Is this customer another public authority (e.g. a local authority)?               | [Please delete as appropriate] Yes / No<br><br>If “Yes”, the due diligence measures below in Sections B and C do not need to be applied, unless money laundering or terrorist financing is suspected. |
| Does the Council suspect the customer of money laundering or terrorist financing? | [Please delete as appropriate] Yes / No<br><br>If “Yes”, the suspicion MUST always be reported to the MLRO immediately, see Anti-Money Laundering Policy.   |
| What is the nature of the Council’s relationship with the client / customer?      |   |

| Section B   |
|---|
| <p>The following measures (Q1 – 10) are to be completed where the Council:</p> <ol style="list-style-type: none"> <li>1) establishes a business relationship with a customer<sup>1</sup></li> <li>2) carries out an occasional transaction<sup>2</sup></li> <li>3) doubts the veracity or adequacy of documents, data or information previously obtained from the customer for the purposes of identification or verification.</li> </ol> <p>To apply the due diligence measures, please answer as fully as possible the questions below.</p> |
| Q1. How has the identity of this customer been established? [Please attach documents, data or information establishing identity]  |
| Q2. Are these documents, data or information from an independent and reliable source? Please describe.  |
| Q3. Can the Council verify the identity of the customer? [Through the documents referred to in Q1 and Q2]<br>[Please delete as appropriate] Yes / No  |
| Q4. Is there a beneficial owner involved with the customer who is a different person or entity to the customer identified above?<br>[Please delete as appropriate] Yes / No   |

<sup>1</sup> “business relationship” means a business, professional or commercial relationship which the Council expects, at the time the contact is established, to have an element of duration.

<sup>2</sup> “occasional transaction” means a transaction, carried out other than as part of a business relationship, amounting to 15,000 Euro / approx. £10,000 or more, whether a single operation or several operations which appear to be linked.

|  |
|--|
| <b>Section B</b>   |
| If "No", Q5 and Q6 do not apply.   |
| Q5. What is the identity of the beneficial owner?  |
| Q6. Can the Council verify the identity of the beneficial owner?   |
| Q7. Does the Council doubt the veracity or adequacy of documents, data or information obtained for the purposes of identification or verification?   |
| Q8. When were the documents, data or information obtained for the purposes of identification or verification of this customer last updated?  |
| Q9. When will the documents, data or information obtained for the purposes of identification or verification of this customer next be up-dated?  |
| Q10. Does the Council wish to establish a business relationship with this customer?<br><br>If so, what is the purpose and intended nature of the business relationship?<br>[Please delete as appropriate] Yes / No |

|   |
|---|
| <b>Section C</b>  |
| Is the Council unable to answer any of the above questions because the customer has been unable or unwilling to provide information?<br><br>[Please delete as appropriate] Yes / No<br><br>If the answer is "Yes", the Council must not establish a business relationship or carry out an occasional transaction with this customer; it must not carry out any transaction with or for the customer through a bank account; it must terminate any business relationship with the customer AND the suspicion must be reported immediately to the MLRO. |
| <b>NOTE</b> This pro-forma must be retained by the service area for five years from the end of the business relationship or occasional transaction with this customer.  |