



University
of Dundee

Anti Money Laundering Policy

Version 1.0

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Anti Money Laundering Policy

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1.0 Introduction

The University of Dundee is committed to being compliant with all relevant legal and regulatory obligations, including adherence to the UK legislation enacted to combat money laundering and to the prevention of criminals from being able to use the University to help them launder money, or to finance terrorism.

1.1 Scope of the policy

This policy details:

- The university's approach to managing money laundering risks and compliance with its legal obligations in accordance with anti-money laundering regulations.
- The responsibilities of the university and its employees in the event that money laundering is suspected.
- The procedures that will be followed in the event money laundering is suspected.

1.2 Relevant legislation

UK Legislation enacted to combat money laundering is as follows:

- The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (SI 2017 No. 692).
- The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015).
- The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007).
- The Criminal Finances Act 2017

1.3 Related policies

This policy should be read in conjunction with all relevant internal policies and procedures including the University's finance procedures, as well as appropriate legislation and good practice procedures and guidelines.

Other policies of relevance are:

- Financial regulations:
 - https://dmail.sharepoint.com/:b:/s/AcademicandCorporateGovernance/EZIVTEQosxxNgVgdILacm88BNgD9_7EZCKnrkoi2M5Gh4Q?e=4MyueE
- Fraud prevention:
 - <https://www.dundee.ac.uk/corporate-information/fraud-prevention-investigation>
- Treasury Management policy:
 - <https://www.dundee.ac.uk/corporate-information/treasury-management-policy>
- Whistleblowing policy:
 - <https://www.dundee.ac.uk/corporate-information/whistleblowing-policy>

2.0 Effective date

This policy was approved by the Finance & Policy Committee on XXXXXX and by the Court on XXXXXXXXX and is effective from XXXXXXXXXX.

2.1 Review dates

The policy will be reviewed every three years or more often as required.

3.0 Definition of money laundering

The definition of money laundering is broad. Money laundering is a process by which criminally obtained properties are exchanged for “clean” money or assets with no obvious link to their criminal origins.

- retain, disguise, and conceal the proceeds of their crimes.
- raise, consolidate, or retain funds for use in financing terrorism.

3.1 Proceeds of Crime Act 2002 (POCA)

In UK law money laundering is defined in the Proceeds of Crimes Act 2002 (POCA) and includes all forms of handling or possessing criminal property, including possessing the proceeds of one's own crime, and facilitating any handling or possession of criminal property.

Criminal property (defined in POCA) constitutes or represents a person's benefit from criminal conduct where the alleged offender knows or suspects that the property in question represents such a benefit. Criminal property may take any form, including money or money's worth, securities, tangible property, and intangible property.

Money laundering can be carried out in any part of the world and can range from a single act involving one person to complex set ups involving various individuals. There are no materiality or de-minis exceptions in relation to money laundering. Examples of money laundering offences include tax evasion, theft, fraud, bribery, corruption, smuggling, modern slavery, human trafficking, drug trafficking and illegal arms sales.

3.2 Money laundering offences

The Proceeds of Crime Act 2002 details several offences which might apply to the university. A person commits a money laundering offence if they:

- Conceal, disguise, convert or transfer criminal property.
- Become concerned in an arrangement which they know or suspect, facilitates the acquisition, retention, use or control of criminal property.
- Acquire, use, or have possession of criminal property.
- Fail to disclose if they know, or suspect, or have reasonable grounds for knowing or suspecting that another person is engaged in money laundering activity.
- Tip off, by informing a person(s) who are, or are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of them being investigated, or prejudicing an investigation.

Such offences can easily be applied to being in receipt of funds which have been remitted to the University (e.g. tuition fees – but note this could apply to any funds remitted) by way of criminal activity or due to them being the proceeds of criminal activity. There is no minimal value, even £0.01 would be enough to be fall under these offences.

4.0 University Management Responsibilities and Risk Management

The prime responsibility for preventing money laundering at the university rests with University Management through:

- The identification of risks to which systems and procedures are exposed.
- The implementation, documentation, and operation of effective internal controls.
- Establishing a culture and environment that promotes compliance with internal controls.
- Promoting money laundering awareness amongst staff.
- Fostering an anti-money laundering culture across the university community.

4.2 Risk Based Approach

Managing the risk of money laundering is the same in principle as managing any other business risk faced by the university. It is best approached systematically at both organizational and operational level. Managers should identify areas of risk, assess the scale and likelihood of the risk, allocate appropriate responsibility for managing specific risks, and implement and test controls to minimize the risks.

4.3 Further Management Responsibilities

University management has a responsibility to familiarize itself with common money laundering techniques in areas for which it has control. This should include, but is not limited to, being alert to signs that which may indicate money laundering is taking place. Example of this include:

- A new customer, business partner or sponsor not known to the university
- A secretive or evasive person or business that refuses to provide requested information without a reasonable explanation
- Any attempt to make a payment of a substantial sum of cash.
- Concerns about the honesty, integrity, identity, or location of people involved
- Absence of any legitimate source of the fund received
- Involvement of any unconnected third party without a reasonable explanation
- Overpayments of any kind for no apparent reason
- Significant changes in the size, nature, frequency, or transactions with a customer without a reasonable explanation
- Cancellation, reversal or request for refunds or earlier transactions
- Requests for any account details outside of the normal course of business
- A history of poor business record keeping, poor controls or inconsistent behaviour
- Any other facts which may suggest something unusual is happening and gives reasonable suspicion about the motive of the individuals

5.0 University Responsibilities

The university has a responsibility to:

- Appoint a Money Laundering Reporting Officer 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”
- Maintain adequate records of transactions

5.1 Money Laundering Reporting Officer (MLRO)

The role of the MLRO is to be aware of any suspicious activity in the university which might be linked to money laundering or terrorist financing, and if necessary, to report it. They are specifically responsible for:

- Receiving reports of suspicious activity from any employee of the university
- Considering all reports and evaluating whether there is, or seems to be, any evidence of money laundering or terrorist financing
- Reporting or all reports received, whether potential or actual cases of money laundering to the University Vice-Chancellor
- Reporting any suspicious activity or transaction(s) to the National Crime Agency by completing and submitting a suspicious activity report
- Asking the National Crime Agency for consent to continue with any transactions that they have reported and ensuring that no transactions are continued illegally.

The MLRO for the university is the Director of Finance. In their absence the Deputy Director of Finance will act as MLRO.

5.3 Procedure for Disclosing Money Laundering Activity

Where an employee knows or suspects that money laundering activity is taking or has taken place, or are concerned that a transaction may be in breach of regulations, it must be disclosed to the MLRO using the Suspected Money Laundering Reporting Form (included in Appendix A). The university, through the MLRO, will take all reasonable steps to identify, investigate and, where necessary, report suspicious transactions.

Once an employee has reported suspicions to the MLRO, they must follow all instructions provided. They must not make any further enquiries unless instructed to do so by the MLRO. At no time, and under no circumstances should they voice any suspicions to the person(s) suspected of money laundering.

5.4 Know Your Customer

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 may include:

- Passport, visa, birth certificate, photographic ID, or correspondence with students at their home address

- For third parties, letters or documents proving name, address, and relationship.
- For organisations not known to the university, check websites, request credit checks or aim to meet or contact key sponsors as appropriate to verify validity of contact.

5.5 Record Keeping Requirements

In keeping comprehensive records, the university will be able to demonstrate it has complied with money laundering legislation and managed money laundering risk. This is critical if there is any subsequent investigation into one of our staff, students, customers, or a transaction. Records must be maintained for 6 years. Example of records which must be kept include:

- Identification records
- Transactional records
- Receipts
- Cheques
- Customer and other correspondence

6.0 Employee Responsibilities

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. The failure to disclose a suspicion of a case of money laundering is a serious offence and may result in disciplinary procedures being instigated potentially leading to dismissal and/or prosecution of the individual concerned.

7.0 Compliance

Compliance with the Anti-Money Laundering Policy is a legal requirement. Non-compliance of this policy by university staff may result in disciplinary actions and could ultimately result in legal proceedings.

Version Control

Date of change(s):	Version changed:	Summary of changes	Changed by:	Approved by:

Appendix A

Suspected Money Laundering - Report to the MLRO

From:School / Directorate:

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



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