



## **MONEY LAUNDERING POLICY**

### **1.0 INTRODUCTION**

- 1.1 There have recently been significant changes to the legislation concerning money laundering;
- The Proceeds of Crime Act 2002 (POCA) as amended by The Serious Organised Crime and Police Act 2005 (SOCPA) and relevant statutory instruments;
  - The Terrorism Act 2000 (TA2000) (as amended by the Anti Terrorism Crime and Security Act 2001 (ATCSA) and the Terrorism Act 2006 (TA 2006) and relevant statutory instruments; and
  - The Money Laundering Regulations 2007 (2007 Regulations) and relevant statutory instruments
- 1.2 The new obligations require St Davids Diocesan Board of Finance (DBF) to establish internal procedures to prevent the use of their services for money laundering.
- 1.3 Money laundering is defined very widely, 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 may take any form, including in money or money's worth, securities, tangible property and intangible property.
- 1.4 Money Laundering is also taken to encompass activities relating to terrorist financing, including handling or possessing funds to be used for terrorist purposes as well proceeds from terrorism. Terrorism is taken to be used or threat of action designed to influence government, or to intimidate any section of the public, or to advance a political, religious or ideological cause where the action would involve violence, threats to health and safety, damage to property or disruption of electronic systems.

### **2.0 SCOPE OF THE POLICY**

- 2.1 The policy sets out procedures which must be followed to prevent criminal activity through money laundering and to enable St Davids Diocesan Board of Finance to comply with its legal obligations. It primarily affects the area of control and accounting for St Davids DBF's income.
- 2.2 The Policy applies to all employees of the Board. Whilst the risk to the St Davids DBF of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities. Serious criminal sanctions may be imposed for breaches of the legislations (up to 14 years imprisonment and/or an unlimited fine).
- 2.3 St Davids Diocesan Board of Finance due diligence measures must be applied to mitigate the risk of Money laundering. All trustees of the Board will be identified and a range of information would be required, their name, address and date of birth. The easiest way of being reasonably satisfied of someone's identity is through identity documents such as passports and photo card driving licences. The second part is verifying this information through the use of reliable, independently sourced

documents, for example from utility providers, phone companies, credit agencies, banks. Copies of the relevant documentation on Trustees will be kept in a secure location at the Diocesan Office.

### **3.0 THE MONEY LAUNDERING REPORTING OFFICER**

- 3.1 The Accounts Officer is responsible to the Diocesan Secretary for the implementation of policies and procedures to eliminate fraud, corruption and other irregularities. Money laundering falls within this definition. The Accounts Officer is the designated Money laundering Reporting Officer (MLRO).
- 3.2 Members of staff handling cash receipts shall be trained to recognise situations where money laundering may arise and the procedures to be followed if such a situation arises.
- 3.3 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. Therefore, any member of staff who has knowledge or suspicion, or reasonable grounds for suspicions that money laundering may be taking place must report the matter immediately to the MLRO.
- 3.4 The MLRO commits a criminal offence if she knows or suspects, or has reasonable grounds to do so, through a disclosure being made to her, that another person is engaged in money laundering and she does not disclose this as soon as practicable to The Serious Organised Crime Agency (SOCA). This offence is punishable by imprisonment of up to 5 years and /or an unlimited fine.

### **4.0 PROCEDURE**

- 4.1 St Davids DBF will not accept individual cash receipts exceeding £1,500, without prior approval by the Chairman of the DBF and/or Parsonage Board. The two most common sources of cash income could be ministry share or rental income.
- 4.2 When a member of staff has a suspicion, or is aware, that money laundering may have taken place, he or she must contact the MLRO immediately for guidance regardless of the amount being offered. In such circumstances no money should be taken until this has been done.
- 4.3 If the money offered is less than £1500 in cash and payment is for fees or services provided by St Davids DBF, then if the member of staff has no reason to suspect or know that the money being offered is the outcome of money laundering, there is no need to contact the MLRO.
- 4.4 If the money offered in cash is £1500 or more, then payment should not be accepted until the member of staff has received guidance from the MLRO, even if this means that the person concerned has to wait. They should be given the reason for delay as St Davids DBF and its employees are entitled to ensure that they do not breach the law.
- 4.5 Members of staff must take the name and address of the person offering payment, as would be done when preparing a receipt, and ensure that the MLRO is telephoned in private before taking the money. If money is subsequently taken, a receipt should be issued in the normal way.

- 4.6 When contacting the MLRO the members of staff should have the relevant details which should include the name and address of the person offering the payment, the amount of cash being offered, any reasons given for holding or possession of such amount of cash and the reasons for the member of staff's suspicion or knowledge of money laundering activity.
- 4.7 Members of staff should also ask the person offering payment for an appropriate form of identification that will satisfactorily prove identity and address. In some cases the reasons for having large sums of cash taken together with the process of identification will be acceptable, but this is a decision that needs to be taken by the MLRO or The Diocesan Secretary.
- 4.8 Identification needed for person offering cash must provide two types of identification from the following documents: Passport, photographic driving licence, credit cards, bank statements or utility bills.
- 4.9 Appropriate records of the whole process must be kept. This will include the name of the person offering cash, the amount of cash, the conversation with the MLRO (or Diocesan Secretary) and copies of the identification documentation provided.
- 4.10 A copy of the record will be sent to the MLRO marked confidential. The MLRO will be responsible for keeping such records and keeping them under review for any discernible trends or problems. The records will be maintained and retained for five years.
- 4.11 The MLRO will report all suspicious activity (SAR) to the Serious Organised Crime Agency by registering with them and completing the on-line reporting forms on: [https://www.ukciu.gov.uk/\(pcmy4y55tcf0i5jcn2w2nfjj\)/saronline.aspx](https://www.ukciu.gov.uk/(pcmy4y55tcf0i5jcn2w2nfjj)/saronline.aspx).
- 4.12 At no time and under no circumstances should an employee voice any suspicions to the persons whom they suspect of money laundering. As the employee could commit a criminal offence of "Tipping Off". The MLRO will keep the appropriate records in a confidential manner.

## **5.0 RELATED DOCUMENTS & WEBSITES**

- 5.1 The Consultative Committee of Accountancy Bodies – Anti-Money Laundering Guidance for the Accountancy Sector
- 5.2 [www.soca.gov.uk](http://www.soca.gov.uk)
- 5.3 [www.accaglobal.com](http://www.accaglobal.com)

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