

ANTI-MONEY LAUNDERING POLICY

INTRODUCTION

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on Tayside Contracts and its employees with respect to suspected money laundering.

SCOPE OF THE POLICY

This Policy applies to all employees of Tayside Contracts and aims to maintain the high standards of conduct which currently exist within Tayside Contracts 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) to enable Tayside Contracts to comply with its legal obligations.

PRINCIPLES

Tayside Contracts is committed to the prevention, detection and reporting of money laundering, therefore:

- All employees must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO) or nominated officer.
- No payment to Tayside Contracts will be accepted in cash (*cash is defined as notes, coins or travellers' cheques in any currency*) if it exceeds £10,000.
- Where Tayside Contracts is carrying out certain regulated activities (*Regulated activity includes dealing in goods wherever a transaction involves a cash payment of €15,000 or more*) by way of business then the Customer Due Diligence procedure must be followed.
- The Money Laundering Regulations are detailed and complex – if you are in any doubt about the application of this Policy please contact the MLRO or nominated officer.

WHAT IS MONEY LAUNDERING?

Money laundering is the term used for a number of offences involving proceeds of crime or terrorism funds. The following acts constitute the act of money laundering:

- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002);

- 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); or
- acquiring, using or possessing criminal property (section 329).

These are the primary money laundering offences, and are thus prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the three primary offences and tipping off. Tipping off is where someone informs a person or people who are, or who 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.

Any employee could potentially breach the money laundering legislation, if they suspect money laundering and either become involved with it in some way and/or do nothing about it. This Policy sets out how any concerns should be raised.

While the risk to Tayside Contracts of contravening the legislation is low, it is important that all relevant employees are familiar with their responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

POLICY STATEMENT

Our Policy is to do all we can to prevent, wherever possible, Tayside Contracts and its employees being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. We cannot stress too strongly, however, that it is all employees' responsibility to be vigilant of money laundering.

WHAT ARE THE OBLIGATIONS ON TAYSIDE CONTRACTS?

As an organisation conducting 'relevant business' Tayside Contracts must:

- appoint a Money Laundering Reporting Officer ("MLRO") to receive disclosures from employees detecting actual or suspected money laundering activity (their own or anyone else's);
- establish internal procedures to help prevent money laundering;
- make arrangements to receive and manage the concerns of employees about money laundering and their suspicions of it, to make internal enquiries, and to make reports where necessary to the Serious and Organised Crime Agency (SOCA);
- ensure that all relevant employees have an awareness of money laundering matters;
- target training to employees most likely to encounter money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

Most of Tayside Contracts' business is not "relevant" for the purposes of the legislation: it is mainly the income collection and treasury management. However, the safest way to ensure compliance with the law is to apply them to all areas of work undertaken by Tayside Contracts; therefore, all employees are required to comply with the reporting procedure set out in Section 8.

THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

The officer nominated to receive disclosures about money laundering activity within Tayside Contracts is the Financial Services Officer responsible for the banking staff, and can be contacted as follows:

- Lorna Milne, Financial Services Officer
Telephone: 01382 834014
Email: lorna.milne@tayside-contracts.co.uk

In the absence of the MLRO, the nominated officer is:

- Wendy Grant, Head of Financial Services
Telephone: 01382 834013
Email: wendy.grant@tayside-contracts.co.uk

REPORTING

All employees who may be affected by this legislation, especially those working in the 'relevant' business areas, must familiarise themselves with this policy and the Anti-Money Laundering (AML) Guidance & Reporting Procedures.

Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, or to the nominated officer if appropriate, using the AML Reporting form. If you would prefer, you can discuss your suspicions with the MLRO or the nominated officer first.

The employee must follow any subsequent directions of the MLRO or nominated officer, and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.

The employee must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must not discuss the matter with others or note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.

The MLRO or nominated officer must promptly evaluate any AML Reporting form, to determine whether it should be reported to the Serious and Organised Crime Agency (SOCA) or to relevant agency.

The MLRO must promptly report the matter to SOCA on their standard report form and in the prescribed manner.

It is a criminal offence if the MLRO or nominated officer know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to SOCA, and they would thus be subject to both disciplinary action as well as criminal action.

RECORD KEEPING

Where 'relevant business' is carried out then the Customer Due Diligence (CDD) records and details of the relevant transaction(s) for that client must be retained for five years after the end of the business relationship. An electronic copy of any relevant CDD records in relation to any AML disclosures must be sent to the MLRO to ensure that requirements of the Regulations are met and for audit purposes.

An electronic copy of reports and any associated documents as detailed in the Reporting Procedures must be forwarded to the MLRO as appropriate.

GUIDANCE AND TRAINING

In support of the policy and guidance, Tayside Contracts will:

- make all relevant employees aware of the requirements and obligations placed on Tayside Contracts and on themselves as individuals by the anti-money laundering legislation;
- give targeted training to those most likely to encounter money laundering; and
- ensure that all relevant managers ensure awareness and training needs of new employees are addressed and include details in induction.

FURTHER INFORMATION

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

- Website of the Serious and Organised Crime Agency at www.soca.gov.uk
- "Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations" – CIPFA
- "Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants" – CCAB at www.ccab.org.uk
- Money Laundering Guidance from the Law Society at www.lawsociety.org.uk or the Law Society of Scotland at www.lawscot.org.uk
- SI 2007 No. 2157 The Money Laundering Regulations 2007 at www.hm-treasury.gov.uk

POLICY VIOLATIONS

Failure by a member of staff 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 Tayside Contracts' Disciplinary Procedure. Furthermore, a member of staff could also be subject to criminal conviction (see the AML Guidance & Reporting Procedures document).

RELATED POLICIES

The Anti-Money Laundering Policy links to the following policies, which can be found on the intranet, from your line manager or from the HR Admin Team:

- Disciplinary Policy
- Employee Code of Conduct

POLICY REVIEW

The Anti-Money Laundering Policy will be reviewed every 5 years, or earlier, if new legislation requires an amendment.

Should you have any queries or require further clarification regarding any aspects of Money Laundering, please contact the Head of Financial Services on 01382 834013.

Should you have any queries or require further clarification regarding any employment aspects of this policy or related policies please contact, HR Services on 01382 812721 or employment.policies@tayside-contracts.co.uk

If you would like this document translated into another language or in another format such as Audio or large print then please contact Angie Thompson, Equalities and Communications Manager on 01382 834165 or angie.thompson@tayside-contracts.co.uk