



June 2025

Anti-money laundering policy

Norwich City Council



1 Introduction

- 1.1 The need for this policy derives from the Proceeds of Crime Act 2002, (as amended by the Serious Crime Act 2015) and the Money Laundering Regulations (EU Exit) 2020). 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.
- 1.2 This policy details the controls to prevent and protect against money laundering and terrorist financing.

2 Scope of the policy

- 2.1 This policy applies to all employees and contractors / agents of the council. The policy sets out the procedures which all officers must follow where they suspect or know that a transaction involves money laundering.

3 What is Money Laundering?

- 3.1 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.
- 3.2 Money laundering can take many forms such as:
 - concealing, disguising, converting, transferring or removing criminal property from the UK
 - entering into or becoming involved in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property
 - acquiring, using or possessing criminal property
 - attempting or helping any of the above offences
 - involvement in an arrangement which facilitates the control of money or property destined for, or the proceeds of, terrorism.

4 How do you detect money laundering

- 4.1 There is no one method of laundering money. For this reason, it is important that the council, via its employees and contractors and agents, should be vigilant and alert to possible signs of money laundering through the council's services.
- 4.2 At all times, you should: be wary of cash transactions ('cash' for this purpose means notes, coins or any other cash equivalent in any currency)
 - take care when commencing business with a new client - establish identity as per below where applicable
 - be alert to the possibility of money laundering by a client or a prospective client keep records, as per below where applicable.

5 The council's obligations

- 5.1 Money laundering regulations apply to specific persons including certain institutions, auditors, accountants, tax advisers and legal professionals.
- 5.2 Strictly speaking, internal public sector services may not be covered by the legislation. However, it was subsequently recognised that those involved in criminal conduct were able to 'clean' the proceeds of crime through a wider range of business and professional activities – including council activities.
- 5.3 The Proceeds of Crime Act also creates offences relating to money laundering activities as well as terrorist financing. Again, council services may be targeted for this purpose and the council must be able to demonstrate its compliance with this law.
- 5.4 Money laundering is the term used for various offences involving the process by which criminally obtained money or other assets are exchanged for clean money or assets with no obvious link to their criminal origins. It also covers money, however come by, which is used to fund terrorism.
- 5.5 The four main offences are concealing, arranging, acquisition/use/possession, and tipping off.
- 5.6 Organisations in the 'regulated sector' and which undertake particular types of regulated activity must:
 - appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity (their own or anyone else's);
 - implement a procedure to enable the reporting of suspicions of money laundering;
 - apply customer due diligence measures in certain circumstances;
 - obtain information on the purpose and nature of certain proposed transactions / business relationships;
 - conduct ongoing monitoring of certain business relationships;
 - maintain record keeping and other specified procedures on a risk sensitive basis;
 - train relevant staff.
- 5.7 It is impossible to give a definitive list of ways in which to spot money laundering however additional guidance is shown at Appendix 2.
- 5.8 All employees, contractors and agents of the council are therefore required to be familiar with the council's policy and to comply with the procedures set out in the following sections and particularly with the reporting procedure.

6 The money laundering reporting officer (MLRO)

- 6.1 The officer nominated to receive disclosures about money laundering activities is the Chief Finance Officer (interim). This post is currently held by Alistair Rush, who holds the statutory section 151 role and can be contacted at:

Norwich City Council
City Hall
Norwich
NR2 1NH

Telephone number: 01603 987855

Email: alistairrush@norwich.gov.uk

- 6.2 In the instance of a lack of availability of the Chief Finance Officer, his or her nominated deputy may receive that report. This post is currently held by Robert Mayes, Head of Finance. He can be contacted at robertmayes@norwich.gov.uk.

7 Reporting procedure

This section explains what you MUST do where you become suspicious or know that there is a money laundering or terrorist financing activity going on and how your report will be dealt with by the MLRO.

7.1 Reporting to the MLRO

Warning: If you fail to report or disclose as below you may be liable for prosecution for one or more offences.

- Where you know or suspect or have reasonable grounds to know or suspect that a money laundering activity is taking place or has taken place, you must notify the MLRO IMMEDIATELY using the money laundering reporting form attached at appendix 1.
- Similarly, where you believe your involvement in a matter may amount to a prohibited act under of the Proceeds of Crime Act 2002 (as amended by the Serious Crime Act 2015) (see further guidance at appendix 2), you must disclose this to the MLRO using the form attached at appendix 1.
- You must still report your concerns even if you believe that someone else has already reported their suspicions of the same money laundering activity.

7.2 After reporting to the MLRO you MUST:

- not voice your suspicion to the suspected person or any third party
- not disclose to anyone the fact the you have made the report
- not make any further enquiries into the matter yourself
- not make any reference on the file of the report
- do nothing further on the matter unless you receive specific, written consent from the MLRO to proceed.

Warning: If you fail to observe any of the above, you may be liable for prosecution for 'tipping off' or other offences.

7.3 Once the MLRO receives the report, they will;

- note the date of receipt and confirm that the person has received the report
- advise you of the timescale within which the person expects to respond to you
- conduct a provisional investigation into the matter
- undertake such other reasonable enquiries as appropriate, seeking specialist legal and financial advice (if appropriate) make a timely determination as below:

- where it is determined there is no reasonable grounds to suspect money laundering, the person will record the reasons for the finding and give consent for the transaction to proceed.
- where it is determined money laundering is suspected the person will:
 - - make a report to National Crime Agency (NCA), as soon as is practicable, and seek NCA's consent whether to proceed with the transaction.
 - advise the reporting officer 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 nplaw if there appears to be reasonable excuse for non-disclosure (e.g. legal professional privilege) to decide whether or not the matter should be disclosed to NCA.
 - where the decision is made not to disclose to the NCA, the person must record the same and give consent for the transaction to proceed.

7.4 The MLRO commits an offence:

- if without reasonable excuse (e.g. where formal legal advice is nondisclosure as set out above), the person fails to disclose to NCA as soon as is practicable suspected money laundering reporting to him/her.
- where after reporting to NCA:
 - the person gives consent to an officer to proceed with the transaction without receiving such consent from NCA
 - where the person gives such consent before hearing from NCA and the period of seven working days has not expired since the person made the disclosure to NCA
 - the moratorium period of 31 days has not expired since the refusal notice.

8 Client identification procedure (customer due diligence)

8.1 All cash transactions over £10,000 must be reported to the Councils' Money Laundering Reporting Officer (Chief Finance Officer, Alistair Rush). Cash includes notes, coins and travellers cheques.

8.2 Where the Council is carrying out regulated business such as the provision to other persons of accountancy, audit and tax services and the participation in financial or real property transactions and a cash transaction is complex or unusually large (more than £10,000), or the transaction is considered suspicious, staff must carry out a 'Customer due diligence test'. Satisfactory evidence must be obtained of the identity of the prospective client and full details of the purpose and intended nature of the relationship or transaction as soon as practicable after instruction has been received.

8.3 For private individuals, evidence should include one of the following:

- valid Passport,
- valid Photo Card Driving Licence,

- National Identity Card,
- Firearms certificate.

8.4 This must be supported by secondary evidence such as:

- Utility Bill
- Bank, building society or credit union statement
- Most recent mortgage statement from a recognised lender

8.5 For business clients evidence should be obtained that is relevant to the business and confirms the identity of the business such as their company registration number and registered address. Investigations should take place that are appropriate to ensure that the business's identification is legitimate.

8.6 Staff conducting regulated business need to be able to demonstrate that they know their clients and the rationale behind particular instructions and transactions.

It is very important that you do not take a tick box approach towards the client identification procedure. You must be satisfied with the authenticity of identification documents and where in doubt, please speak to your manager to see what other forms of identification you may request. The MLRO is able to provide tools that verify the validity of identification documents.

8.7 Where satisfactory evidence of identity is not obtained from the outset or as soon as practicable (in the case of 8.5 above), then:

- you cannot establish a business relationship or carry out an occasional transaction with the client
- you cannot proceed any further with the transaction (if applicable) you must consider whether you need to report the matter to the MLRO.

Where you are satisfied with the evidence of the identity and an ongoing business relationship is established with a client, you should still scrutinise transactions undertaken to ensure that they are consistent with your knowledge of the client or business and risk profile. You should also ensure that the identification documents are up to date.

9 Record keeping procedure

9.7 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 the occasional transaction is completed or business relationship ends:

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

9.8 The MLRO must keep all records of any reports or disclosures received by him/her, action taken and the outcome.

APPENDIX 1

Report to money laundering reporting officer (an electronic copy of this form is also available electronically on the Council's intranet site)

Re: money laundering activity

To: [insert name], Money Laundering Reporting Officer

From:

Date:

[insert name of employee making
disclosure]

Service:

Ext/Tel No:

[insert post title and section]

Email:

(NB – all boxes can be completed electronically, or if completing manually please continue on a separate sheet if necessary)

Details of suspected offence

Name (s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how]

Nature of suspicions regarding such activity:

Has any investigation been undertaken (to your knowledge)?

Yes No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes No

If yes, please specify below and where applicable, explain why such discussion was necessary:

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Have you consulted any supervisory body's guidance (e.g. the Law Society) on money laundering?

Yes No

If yes, please specify below:

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?)

Yes No

If yes, please set out full details below:

Are you involved in a transaction which may involve a prohibited act under Proceeds of Crime Act 2002 (as amended by the Serious Crime Act 2015) and which may require NCA's consent?

Yes No

If yes, please set out the details below:

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Please set out below any other relevant information:

Signed:.....

Print Name:

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

Date report received:

Date receipt report acknowledged:

*(NB –if insufficient space within boxes please continue on a separate sheet)***CONSIDERATION OF DISCLOSURE:****Action Plan****Outcome of consideration of disclosure**

Are there reasonable grounds for suspecting money laundering activity?

Yes No

If yes, please give reasons/details below:

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

Yes No

If yes, please confirm date of report to NCA:..... and
complete the box below:

Details of liaison with NCA regarding the report:**Notice period:** to**Moratorium period:** to

Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? Yes No

If yes, please confirm full details below:

Date consent received from NCA:

Date consent given by you to the employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to NCA, please set out below the reason(s) for non- disclosure:

Date consent given by you to employee for any prohibited act/transaction to proceed:

.....

Other relevant information:

Signed:

Dated:

This report should be retained for at least five years from the date when the occasional transaction or the business relationship to which it relates comes to an end.

APPENDIX 2

Potential Money Laundering Activity

It is impossible to give a definitive list of ways in which to spot money laundering; however, one or more of the following may suggest money laundering activity (not an exhaustive list):

General

- A secretive client e.g., refuses to provide requested information without a reasonable explanation;
- Concerns about honesty, integrity, identity or location of a client;
- Illogical third party transactions e.g. unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash;
- Overpayments by a client;
- Absence of an obvious legitimate source of the funds;
- Where, without reasonable explanation, the size, nature and frequency of transactions of instructions (or the size, location or type of a client) is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- The cancellation or reversal of an earlier transaction;
- Requests for release of client account details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A previous transaction for the same client, which has been, or should have been and was not, reported to the Money Laundering Reporting Officer;
- Complaints about a customer that raise suspicions of criminal activity / money laundering; and
- Items in a customer's home that raise suspicions / seem out of the norm (e.g. several new boxed televisions).

Property Matters

- A cash buyer;
- A sudden change of buyer;
- 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);
- Funds received for deposits, or prior to completion from an unexpected source or where instructions were given for settlement funds to be paid to an unexpected destination;
- No clear explanation as to the source of funds along with lack of clarity as to how the client would be in a position to finance the purchase; and
- Money comes from an unexpected source.

In the case of Norwich City Council, some areas likely to be at risk of encountering money laundering may be (not an exhaustive list):

- Right to Buy (e.g., tenant able to pay for the purchase of their house in cash);
- Housing Rents, Council Tax, Non-Domestic Rates (e.g., customer able to pay large sums that are either in arrears, or in advance, in cash); and

-
- Land Purchase (e.g., an individual is able to purchase land from the Council in cash).
 - Sundry Debtors (e.g., an individual is able to clear their account with large amounts of cash)

Money Laundering Offences

The consequences of committing an offence are potentially very serious. Whilst it is considered most unlikely that staff or Members would commit any of the four main offences, failing to reveal a suspicion of a case of money laundering is a serious offence in itself.

Money laundering offences can be tried at a Magistrates court or in the Crown Court, depending on the severity of the suspected offence. If someone is found guilty in a Magistrates court, s/he can be fined, face a prison sentence, or both. In a Crown Court, fines are unlimited and prison sentences range from two to fourteen years.

The main money laundering offences are:

Concealing – where someone knows or suspects a case of money laundering but conceals or disguises its existence.

Arranging – where someone involves himself or herself in an arrangement to assist in money laundering.

Acquisition /use/possession – where someone tries to benefit from money laundering by acquiring, using or possessing the item concerned.

Tipping Off – where someone warns a person who is, or is suspected of being, involved in money laundering in such a way as to reduce the chance that s/he will be investigated or to prejudice an investigation.

So, if you have any suspicions complete the attached form and report it to the MLRO without discussing it with anyone else.



If you would like this information in another language or format such as large print, CD or Braille, please call 0344 980 3333 or email info@norwich.gov.uk

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