Borough Council of King's Lynn & West Norfolk

ANTI-MONEY LAUNDERING POLICY

September 2026

CONTENTS

1. Policy Statement

1.1 The Borough Council of King’s Lynn & West Norfolk (the Council) is committed to upholding the highest standards of integrity and ethics in all its activities. As part of our ongoing commitment to combat financial crime, including money laundering and terrorist financing, we have developed this Anti-Money Laundering (AML) Policy. This policy outlines our approach to preventing and detecting money laundering activities within our jurisdiction.

2. Purpose

2.1 Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, the purpose of this policy is to employ policy and procedures which reflect the essence of the UK’s anti-terrorist financing, anti-money laundering and other anti-financial crime regimes. Guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates Local Authorities should comply with the legislation and regulations by:

a) Adhering to the spirit of the legal obligations and regulatory requirements set forth by the United Kingdom's Money Laundering Regulations and other relevant legislation.

b) Establishing clear guidelines and procedures to prevent money laundering activities across the Council (including its Local Authority Trading Companies (LATCs).

c) Promoting awareness and provide training to our employees and relevant stakeholders to identify and report suspicious activities.

d) Maintaining the integrity and reputation of the Council by demonstrating our commitment to combat financial crime.

3. Scope

3.1 This policy (and its accompanying set of procedures) applies to the Borough Council of King’s Lynn & West Norfolk, and therefore applies to Members and all employees of the Council, including temporary and agency staff as well as those employed in wholly owned entities of the Council. It contains specific sections to advise employees and Members of the process to be followed to enable the Council to comply in essence with the UK's anti-terrorist financing, and anti-money laundering regimes.

3.2 This policy ensures all appropriate action is taken to prevent, wherever possible, employees, Members, and the Council from being exposed to money laundering and to comply with all legal and regulatory obligations, including the reporting of suspected or actual cases in line with disclosure requirements.

4 What is Money Laundering?

4.1 The Consultative Committee of Accountancy Bodies (CCAB) states that money laundering "includes all forms of using or possessing criminal property (as well as facilitating the use or possession) regardless of how it was obtained", where criminal property includes:

- Money or money's worth.
- Securities.
- A reduction in a liability.
- Tangible or intangible property.

4.2 Money laundering involves "the proceeds of offending in the UK but also conduct overseas that would have been an offence had it taken place in the UK. There is no need for the proceeds to pass through the UK". This can include the following activities:

- A single act (for example, possessing the proceeds of one's own crime).
- Complex and sophisticated schemes involving multiple parties.
- Multiple methods of handling and transferring criminal property.
- Concealing criminal property or entering into arrangements to assist others to conceal criminal property.

4.3 Money Laundering is the process of moving illegally acquired cash through financial systems so that it appears to come from a legitimate source. Criminals will try to conceal the origin and true ownership of the proceeds of their activities to turn the money from "dirty" to "clean". It is therefore important that businesses, even low risk ones, have procedures and policies in place to identify and prevent money laundering within their company. Money laundering is the term used to describe several offences involving the proceeds of crime or terrorist funds. It is a criminal offence to:

- Conceal, disguise, convert, transfer, or remove criminal property from the United Kingdom.
- Enter into or become concerned in an arrangement which an individual knows, or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquire, use, or possess criminal property.
- Fail to disclose one of the principal offences listed above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime.
- Tell someone that you are going to make a report or tell someone that they are being investigated (tipping-off).
- Falsify, destroy, dispose of, conceal any document which is relevant to an investigation, or allow this to happen.

4.4 There are three stages of money laundering:

1. **Placement**: Following the commission of a crime, the funds derived from the crime are paid into a bank account or used to purchase an asset, for example property.
2. **Layering**: In order to disguise the source of the proceeds of crime, criminals conduct complex and frequent transactions. Using ‘money mules’ is a form of layering and is an increasing trend in the UK. Money muling occurs when an individual receives money into their bank account (wittingly or unwittingly from a criminal) and transfers it elsewhere. The individual is often promised that they can keep a portion of the cash for facilitating this transaction.
3. **Integration**: Following the layering stage, i.e., once the source of the criminal funds are well disguised, the funds are transferred into the financial system. Therefore, the money appears normal. For example, criminals commonly sell property to integrate laundered money back into the economy.

4.5 Often linked to money laundering is terrorist financing, which is where money is used to finance acts of terrorism.

5. Relevant Legislation and Regulations

5.1 The main pieces of legislation that the Council need to be aware of are:

- Proceeds of Crime Act 2002 (POCA)
- Terrorism Act 2000
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended by the Money Laundering and Terrorist Financing (Amendment) Regulations 2019, and the Money Laundering and Terrorist Financing (Amendment) (No.2) 2022 Regulations.

5.2 Other relevant legislation includes the Criminal Finances Act 2017, Terrorist Asset-Freezing Act 2010, Anti-terrorism, Crime and Security Act 2001, Counter Terrorism Act 2008 - Schedule 7, and the Economic Crime (Transparency and Enforcement) Act 2022.

5.3 POCA applies to everyone, but certain issues related to money laundering only apply to those engaged in activities in the "regulated sector". Organisations who fall within the "regulated sector" are required to put in place certain anti-money laundering policies, controls, and procedures to anticipate and prevent their businesses being used by criminals to launder money and fund terrorism as well as ensure that the ownership and control of any company, legal arrangement or trust structure of a customer is identified and verified.

5.4 As the 2019 Regulations prescribe mandatory enhanced due diligence measures when a transaction appears to be "high risk", this policy includes wording to cover these situations, even though the Council is a non-regulated organisation and therefore considered "low risk", this has been done as a matter of good practice. If enhanced due diligence is required, customers may wish to seek independent specialist legal advice due to the serious civil and criminal penalties that can result from failure to comply.

5.5 The Money Laundering and Terrorist Financing (Amendment) (No.2) 2022 Regulations require businesses subject to the MLRs (*as a local authority we are not regulated by the MLR*) to conduct checks of the Register of Overseas Entities (ROE) at Companies House for dealings with corporate entities and limits the matters that must be reported to "material" discrepancies that may reasonably be considered;

i) to be linked to money laundering or terrorist financing or

ii) to conceal details of the business of the customer.

5.6 The above legislation and regulations cover a range of activities and offences relating to money laundering. Further details are provided in the **Anti-Money Laundering Procedures Appendix 1: Offences Table**.

5.7 These offences cover a range of activities, which do not necessarily need to involve money or laundering, regarding the proceeds of crime. This means that potentially any employee or Member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of criminal property, irrespective of the size of the benefit gained, and/or fail to report their concerns.

5.8 Where an employee/Member suspects money laundering and reports or are aware that someone else has reported the matter, they must exercise caution in what is discussed with others as a further offence of “tipping off” may be committed if, knowing or suspecting a disclosure has been made, the employee/Member take any action which is likely to prejudice any investigation that may be conducted.

5.9 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Facts which tend to suggest that something ‘odd’ is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity are provided at **Appendix 2: Possible Signs of Money Laundering of the Anti-Money Laundering Procedures**.

5.10 Potentially any employee or Member 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, then they may be liable to prosecution. Heavy penalties, including unlimited fines and up to 14 years imprisonment, can be handed down to those who are convicted of one of the offences listed above.

6. Requirements of the Money Laundering Legislation

6.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose specific obligations on “relevant persons”.

6.2 The term relevant person relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents; services involving the formation, operation or arrangement of a company or trust; dealing in goods wherever a transaction involves a cash payment equivalent to €15,000 (£12,000) or more.

6.3 Some activities undertaken by local authorities could be included within the scope of the money laundering regulations. Therefore, to ensure compliance with the regulations and legislation and for the purposes of this Policy and procedures, the Council are considered a relevant person when acting in the course of business and activities carried on by them.

6.4 The obligations include the following requirements:

- Appoint a Money Laundering Reporting Officer (MLRO) responsible for receiving internal disclosures and making external disclosures of suspicious money laundering activities to the National Crime Agency (NCA). These disclosures are submitted in the form of a suspicious activity report (SAR).
- Conduct a risk assessment on money laundering and terrorist financing.
- Implement policies, procedures, systems, and controls to counter money laundering and terrorist financing risks. This includes putting in place customer due diligence (CDD), and if necessary, enhanced due diligence procedures.
- Provide training on money laundering and terrorist financing to staff.
- Establish beneficial ownership of clients i.e., to understand their ownership and structure. Obtaining sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying due diligence measures.

- Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
- Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
- A requirement to report to Companies House any discrepancies about a client's company information.
- A requirement to respond to information requests about accounts and safe-deposit boxes.
- Maintain record keeping procedures of all the due diligence undertaken (e.g., for evidence of identity obtained, details of transactions undertaken, for at least 5 years).

6.5 UK anti-money laundering legislation requires organisations to adopt a risk-based approach to managing money laundering risks. This includes assessing, documenting and regularly reviewing the Council's exposure to money laundering risks, and ensuring that appropriate controls are in place to mitigate those risks. As such Assistant Directors/Service Managers should maintain engagement with Internal Audit as business operations change regarding undertaking appropriate and proportionate assessments.

7. Roles and Responsibilities

7.1 Everyone at the Council falls within scope of this policy and has a role in implementing it. Four post holders, however, have, formal responsibilities in respect of the policy:

Role	Post Holder	Summary of Responsibilities
Nominated Officer for Compliance (NOC)	Deputy Chief Executive, (Section 151 Officer)	Overall responsibility for ensuring the Council complies with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and supervising its AML function.
Money Laundering Reporting Officer (MLRO)	Assistant Director Finance (Deputy Section 151 Officer)	Ensuring and reviewing the efficacy of this policy and promoting the compliance of all staff and members with it. Ensuring there are mechanisms to facilitate the

		reporting of any suspicions that money laundering may be taking place, receiving, and investigating any such reports and in turn making reports to the National Crime Agency (NCA). Working with the Council's Senior Leadership Team, identifying teams within the Council that are making loans, and recoverable grants.
Deputy Money Laundering Reporting Officer (DMLRO)	Legal Services Manager & Deputy Monitoring Officer	Supporting and deputising for the MLRO.
Officer in Charge of Keeping Records (OCKR)	Assistant Director Finance (Deputy Section 151 Officer)	Ensuring arrangements are in place to store and retain due diligence and other AML documentation.

7.2 The council has a commitment to combating serious organised crime groups and safeguarding the well-being of our staff and members. We acknowledge the critical role of identifying and reporting suspicious activities that may be linked to money laundering and other illicit financial practices.

7.3 We will collaborate with law enforcement agencies, particularly the local police and the National Crime Agency, in addressing the threats posed by serious organised crime groups. We recognise the vital importance of fostering robust partnerships to effectively combat these criminal networks.

7.4 Furthermore, we assure all staff and members that their safety and security are of paramount importance to us. We are fully dedicated to providing the necessary support and protection to those who report suspicious activities.

8 Penalties and Defences

8.1 Operational steps, timings and communication protocols (including NCA consent / moratorium and tipping-off safeguards) are set out in the Anti-Money Procedures Section 3

10 Sanctions List

10.1 There is a separate but related sanctions regime that imposes restrictions on our ability to do business with those persons and entities on HM Treasury's sanctions list.

10.2 Some entries on the list are specific to a particular person or entity and others are general financial sanctions on all persons and entities in a particular jurisdiction. Sometimes the effect of the sanction is that we should never provide a loan, recoverable grant or conduct other financial transactions to those on the list. In other cases, it may be possible to proceed provided we obtain a licence granted by HM Treasury. Breaching the sanctions regimes would have serious consequences for the Council and for you as an individual. So, the analysis of sanctions risk must be an integral part of the due diligence we undertake at the outset of any loan or recoverable grant transaction. A sanctions search is part of our “Knowing Your Customer” (KYC) requirements.

11 Review

11.1 The Council will continue to review its rules and procedures and will make sure that the Anti-Money Laundering Policy is regularly reviewed to ensure it stays current, appropriate, and effective.

12 Version Control

Policy name		Anti-Money Laundering Policy
Policy description		Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, the Borough Council of King's Lynn & West Norfolk who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK’s anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice Guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering. Where operational detail in this Policy conflicts with the AML Procedures, the AML Procedures prevail.

Responsible Officer		Assistant Director Finance (Deputy Section 151 Officer)		
Version number	Date formally approved	Reason for update	Author	Review date
1.1	30/06/20	To introduce a corporate anti-money laundering policy	Senior Internal Auditor	April 2022
1.2	05/03/25	To amend titles and officers with roles within the policy due to changes in personnel.	Senior Internal Auditor	August 2022
2.1		To amend titles and officers with roles within the policy. To further develop the policy to include more robust details and information regarding CDD and KYC within an accompanying set of procedures to assist officers should the need arise to follow this process through providing a step-by-step guide.	Assistant Director – Finance (Deputy Section 151 Officer)	September 2026