



MONEY LAUNDERING OFFENCES

Employee Responsibilities



UK Criminal law imposes a mandatory obligation on all staff within the regulated financial sector to report, as soon as is practicable, where they have knowledge or suspicion of money laundering or where there are reasonable grounds to know or suspect that this is the case.


Core Money Laundering Offences



There are five core offences under the Money Laundering regulations, these are:


- Assistance
- Tipping Off
- Failure to Report
- Acquisition
- Concealing

Assistance



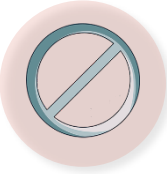
It is an offence for any person to provide assistance to a money launderer to obtain, conceal, retain, or invest funds if that person knows or suspects that the funds are the proceeds of serious criminal conduct.

Tipping Off



It is an offence for anyone to prejudice an investigation by informing the subject of a 'suspicion', or any third party, that a disclosure has been made or that the authorities propose to act or investigate.


Failure to Report



It is an offence for any person who acquired knowledge or suspicion of money laundering in the course of their employment not to report it as soon as practicable.

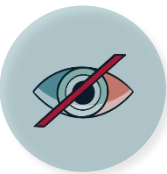
The requirement to report also covers situations when the business turned away or did not proceed with a particular transaction or endeavour because the circumstances were suspicious.

Acquisition



This offence is committed when a person has the necessary knowledge or suspicion that the property represents a benefit from criminal conduct.

Concealing



This offence is committed where a person disguises, conceals, converts, transfers, or removes any criminal property from the jurisdiction to avoid prosecution or the enforcement of a Confiscation Order.

Proceeds of Crime Act 2002

The Proceeds of Crime Act (POCA) 2002 imposes criminal sanctions on anyone who commits an offence of money laundering, tipping off or prejudicing an investigation.

The following are money laundering offences under the sections of the Act:

- Concealing criminal property
- Arranging
- Acquiring, using or possessing criminal property



Criminal property

Criminal property includes (and is not limited to):

- The proceeds of tax evasion;
- A benefit obtained through bribery and corruption
- Benefits obtained, or income received, through the operation of a criminal cartel;
- Benefits (in the form of saved costs) arising from a failure to comply with a regulatory requirement, where that failure is a criminal offence



Terrorism Act

The money laundering offences under the Terrorism Act are defined differently, notably to include funds intended for use in terrorism, as well as the proceeds of terrorism.

The Terrorism Act also requires everyone forming a belief or suspicion of terrorist money laundering in the course of their trade or profession to make a report.



Financial Sanctions

The United Nations require the United Kingdom to freeze the assets of any person who commit terrorist acts. Firms will therefore need to ensure they do not provide any financial services to such persons.

Your firm will have created a procedure for you to check the financial sanctions list and report any findings.

