

## **ANTI MONEY-LAUNDERING POLICY**

### **What is money laundering?**

Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of their criminal activity, allowing them to maintain control over the proceeds and ultimately, providing a legitimate cover for their sources of income. Money laundering has been an offence in the UK for more than a decade and addressed within UK legal framework via the following articles of legislation.

Terrorism Act 2000 (as amended by Anti-Terrorism, Crime and Security Act 2001 and Terrorism Act 2006)

Proceeds of Crime Act 2002

Money Laundering Regulations 2007

Any establishment which receives large volumes of cash transactions and where identification is not always straight forward is at risk.

### **University Obligations**

Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees  
Implement a procedure to enable the reporting of suspicious activity  
Maintain customer identification procedures  
Maintain adequate records of transactions  
Educate and train staff in the main requirements of the legislation  
Ensure that the identity of the MLRO is known to staff and publicised to that effect

### **Employee Obligations**

The legislation applies to ALL employees. Any member of staff could in theory be committing an offence under money laundering legislation if they suspect money laundering but decide to do nothing about it. If a member of staff has any grounds for suspicion, they should report the matter directly to the MLRO.

### **MLRO at Swansea University**

The MLRO is Mrs Ceri Bird, Associate Director Vice-Chancellor's Office/ Head of Legal and Compliance Services.

### **Money Laundering in Practice**

Whilst there is a value of cash transactions in excess of 15,000 euros under the Money Laundering Regulations, the Proceeds of Crime Act applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

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The major (but by no means only) area of risk is in dealings with international students. Regulations are in place concerning a student's immigration and visa status and as such the University's obligations in that area are monitored and reported by the Students Records Unit who report directly to the UK Border Agency. The University has a legal duty to inform UKBA of any instance where a student withdraws from University or does not enrol. Where money laundering may rear its head is in respect of financial transactions taken place by or on behalf of students.

Possible signs of money laundering are:

- Substantial sums of cash being paid
- Unexplained major overpayments
- Concerns about honesty or integrity of the person making a payment
- Involvement of a third party that appears to be unconnected without receipt of a satisfactory explanation
- Significant changes in size, nature or frequency of transactions made by or on behalf of a student without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions

### **Policy at Swansea University**

Whilst staff have to stay vigilant and be conversant with requirements under the various pieces of legislation outlined above it must be born in mind that there will obviously be cases where a student may overpay, have no immediate access to a UK bank or require a refund. The University has very clear instructions on how to deal with such cases.

### **Refund of deposit paid in advance**

The University expects all new international students to have paid a deposit of £2,000 which is refundable only in the event of the student being refused a UK visa under the Points Based System of Immigration, or the student failing to meet the University's entry requirements. If applicable, a refund will be returned to the original source of funds by the same payment method.

### **Refunds of fees in cases where a student has withdrawn**

Liability to pay fees in the event of withdrawal or suspension is determined by the Student Record Officer in conjunction with Financial Regulations governing such an event. Extract as below:

#### ***'E.4 INCOME***

##### ***Refunds Policy***

##### ***Withdrawal/Suspension***

*No application for a refund of fees will be considered unless a withdrawal/suspension form has been completed in full and signed by the student's "home/school/department".*

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### *Payment of Refunds*

*Once it has been established that a refund is payable, the ensuing payment must be refunded to the original payer using the same method of payment as the original remittance.*

### ***Basis for Calculating Refunds (Where students have suspended study or withdrawn)***

<http://www.swan.ac.uk/undergraduate/fees-and-funding/tuition-fees/refunds-policy/>

### **Overpayments**

The University should not be used as a “bank” for students wishing to channel living expenses through the University’s bank account. Substantial overpayments (after payment of tuition and/or accommodation fees) will be returned to the source of the funds and not refunded to a student (unless there is very clear evidence that a mistake has been made).

### **Payments made by Cash**

The University will discourage payments made by cash and advertises this in communications with students. However, there will inevitably be circumstances where a student has to pay in cash. A cash acceptance level of £5,000 for a single transaction has therefore been set. Cash payments being offered in excess of that should not be accepted without the express permission of the MLRO.