

## Anti-Money Laundering Policy

### Application:

This policy applies to all directors.

### Introduction

Money Laundering is the process by which criminals attempt to disguise the true origin and ownership of the proceeds of their criminal activities as 'clean' money or other assets with no obvious link to their criminal origins. (The legal definition of money laundering for the purposes of UK legislation is contained in the Proceeds of Crime Act 2002).

The objectives of Money Laundering are to:

- Disguise the source of the property/cash.
- Disguise the criminal's identity.
- Conceal the ownership of the property.
- Retain an element of control of the property.
- Avoid detection and forfeiture.
- Benefit securely.
- Possibly fund other criminal activity.

There are three stages in the money laundering process:

- i. Placement: the physical distribution of the proceeds (e.g. depositing 'dirty' cash with someone to launder).
- ii. Layering: involves carrying out multiple and often complex financial transactions, with the specific intention of hiding the original source of illegal deposits.
- iii. Integration: returning the 'cleansed' funds to the criminal, often in the form of physical assets, via what appears to be a legitimate transaction.

The main offences are:

- Money laundering offences of concealing, arranging or acquiring the proceeds of crime: maximum penalty 14 years imprisonment and/or fine.
- The offence of failure to report knowledge or suspicion of money laundering: maximum penalty 5 years imprisonment and/or fine.
- The offence of destroying or disposing of documents which are relevant to an investigation: maximum penalty 5 years imprisonment and/or fine.
- Tipping off/prejudicing an investigation by informing the subject, or any third party, of a suspicion, that a disclosure has been made or that the authorities have received a suspicious transaction report and are acting or proposing to act or investigate: maximum penalty 5 years imprisonment and/or unlimited fine.

### Risk Assessment

Active Life takes a risk-based approach to the risk of money laundering. The directors have assessed the risk as low taking into account of the following:

- Funding provided to Active Life is obtained from recognisable UK governing bodies, UK local authorities or other UK bodies of a similar standing (e.g. Sport England, Southend Borough Council).
- Funding is only awarded following a competitive tender process in which Active Life are required to detail for what the funding will be used, how the funding will be of benefit to the target audience / customers and how the funding will be spent (including submission of a budget).
- As a condition of being awarded funding, Active Life are required to provide periodic reports updating on progress of the funded project including performance against budget.
- The funding body has the right to require Active Life to evidence how funds have been spent.
- Active Life has phased out payment for classes by way of cash and now only accepts payments via debit or credit card or bank transfer.

The directors undertake to review and/or update the risk assessment annually.

### **What to do if you have a suspicion of money laundering**

If you have reason to believe that a transaction might be suspicious you should immediately inform the director responsible for Financial Crime. Active Life has nominated Jennie Toll as the director responsible for Financial Crime. You must not inform anyone else of your suspicions as this could expose you to the risk of 'tipping off'. Upon being notified of a suspicious transaction, the director with responsibility for Financial Crime will determine if the matter requires notification to the National Crime Agency.

### **Board reporting**

The director with responsibility for Financial Crime will provide the board with a report of any suspicious transactions identified on an exception basis.

**Policy owner: Jennie Toll**

**Date agreed by the board:**

**Date of next review:**