



PASSION. DETERMINATION. LEADERSHIP


Integrated Management System		Date	22/11/2023
Title	Anti-Money Laundering (AML) Policy	Issue	1
Ref	IMSM.051	Approved	N. Catton

## CIS Security Anti-Money Laundering (AML) Policy

### Anti-Money Laundering (AML) Policy

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This policy will be reviewed triennially by Audit and Risk Committee, unless there is a change in the UK legislative framework that requires it to be updated and reviewed sooner. Minor updates, for example name changes, will be made periodically on the authority of the Director of Finance as required.

## Anti-Money Laundering (AML) Policy CIS Security Ltd

### 1 Introduction

1.1 CIS Security Ltd is committed to observing the provisions of the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Proceeds of Crime Act 2002, Part 7 – Money Laundering Offences and the Terrorism Act 2000 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2013) in all of its affairs, whether academic or business related. This policy aims to ensure that CIS Security Ltd and all its employees comply with the legislation and that due diligence is applied in relation to ‘know your customer’ principles.

1.2 This policy sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

1.3 CIS Security Ltd has a zero-tolerance policy towards money laundering, and is committed to the highest level of openness, integrity, and accountability, both in letter and in spirit. The penalties for these offences are severe and can mean up to 14 years imprisonment and/or an unlimited fine for the employees and executives responsible. In addition, there would be significant reputational damage for CIS Security Ltd.

1.4 This policy applies to all staff of CIS Security and its subsidiary companies and applies to all income and expenditure. Any breach of this policy will be a serious matter, may result in disciplinary action and could result in an employee becoming personally liable to criminal prosecution.

1.5 In addition to the Anti-Money Laundering Policy, the following related policies are available on share point and in the company handbook:

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- Anti-Corruption and Bribery
- Conflicts of Interest
- Whistleblowing
- Fraud
- Gift Acceptance Policy and Code of Ethical Fundraising Practice
- Anti-Money Laundering (AML) Policy

## 2. What is Money Laundering?

2.1 The introduction of the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 has broadened the definition of money laundering and has widened the range of activities controlled by the statutory framework.

2.2 Money laundering covers a wide variety of crimes, it can include anything from which individuals or companies derive a pecuniary benefit, directly or indirectly, and can include many crimes that are not initially thought of as connected with money laundering. There is a risk where there are large volumes of cash transactions and where customer identification is not

always easy, for example, cash received from customers.

2.3 Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for 'clean' money or other assets with no obvious link to their criminal origins. Criminal property may take any form, including money or money's worth, **securities**, **tangible** property and intangible property. It also covers money, however come by, which is used to fund terrorism.

2.4 Money laundering offences include:

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- Concealing, disguising, converting, transferring or removing criminal property from England and Wales (Section 327 of the Proceeds of Crime Act 2002 (POCA))
- Arranging, or becoming concerned in an arrangement, which the person who knows, or suspects, or facilitates (by whatever means), the acquisition, retention, use or control of criminal property by or on behalf of another person (Section 328, POCA)
- Acquiring, using or having possession of criminal property (Section 329, POCA)
- Making a disclosure to a person which is likely to prejudice a money laundering investigation (“tipping off”) (Section 333, POCA)
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (Section 18, Terrorist Act 2000)

### 3. CIS Security Ltd Obligations

3.1 CIS Security has a responsibility to:

- Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate the disclosure of any suspicious activity reported by employees.
- Implement and maintain a procedure to enable the reporting of suspicious activity.
- Maintain customer identification procedures to ‘know your customer’ in relevant circumstances.
- Maintain adequate records of transactions

3.2 CIS Security Ltd adopts a risk-based approach towards anti-money laundering and conducting due diligence. Whilst much of the company’s financial activities could be considered relatively low risk from

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the prospective of money laundering, all staff need to be vigilant against the financial crime and fraud risks that the company faces. Instances of suspected money laundering are likely to be rare at the CIS, but we must be aware of legislative requirements.

3.3 The company assesses risks relevant to our operations and puts in place the processes and procedures that we deem necessary to mitigate these risks. We determine the appropriate level of due diligence by looking at the geographic and customer risk factors based on the EU Directive and set out in MLR2017 and analysing the company's potential exposure to money laundering (the source of funds) or terrorist financing (the destination of funds). Our AML risk report is attached in Appendix 1.

#### 4. Employee Obligations

4.1 Money laundering legislation applies to all CIS Security employees. Any member of staff could be committing an offence under the money laundering laws if they suspect money laundering, or if they become involved in some way and do nothing about it. If any employee suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the MLRO. Failure to do so could result in their becoming personally liable to prosecution. Guidance on how to raise any concerns is included in this policy document.

#### 5. Know Your Customer (KYC) and Customer due diligence (CDD) including Financial Sanctions

5.1 CIS must be reasonably satisfied as to the identity of any customer, supplier or third party and satisfactory evidence of identity must be obtained and retained.

5.2 Our customer due diligence follows the principles of Know Your Customer

(KYC). The three components of KYC are:

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- Ascertaining and verifying the identity of the customer via New Customer form process, and a full background check by CIS Finance Team.
- Ascertaining and verifying the identity of any new supplier via the new supplier process, where CIS Finance, Compliance and ESG departs carry out a full background check on any supply partner before they are approved.
- Information on the purpose and intended nature of the business relationship i.e., knowing what you are going to do with/for them and why.

5.4 All records must be retained for five years from the date on which reliance commences as failure to do so is a criminal offence.

## 6. Money Laundering Reporting Officer (MLRO)

6.1 CIS Security Ltd has appointed a Money Laundering Reporting Officer (the “MLRO”), who is the Director of Finance, and a Deputy MLRO, who is the Deputy Director of Finance to act in her absence. The MLRO is the officer nominated to receive disclosures in respect of suspected transactions or activity within CIS. Their contact details, along with those of other Finance Department staff from whom operational advice on this policy can be obtained from the depart.

## 7. Disclosure Procedure to be followed by Employees

7.1 Where you know or suspect that money laundering is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to the MLRO.

7.2 Your report should include as much detail as possible including:

- Full details of the people and/or companies involved including yourself and other members of staff if relevant.

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- Full details of the transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- The dates of any transactions, where they were undertaken, how they were undertaken, and the likely amount of money or assets involved.
- Any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering that may help to facilitate any report to the National Crime Agency (which replaced the Serious Organised Crime Agency).

7.3 Once you have reported your suspicions to the MLRO you must follow any instructions given to you. You must not make any further enquiries unless instructed to do so by the MLRO. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering, nor should you discuss this matter with any colleagues.


## 8. Action and Disclosure by the MLRO

8.1 On receipt of a disclosure report the MLRO will:

- Note the date of receipt and acknowledge receipt of it.
- Assess and advise the individuals concerned when a response can be expected.
- Consider the report and any other relevant information, undertaking further enquiries if necessary to decide if a report should be made to the NCA.

8.2 Once the MLRO has evaluated the case, a timely determination will be made as to whether:

- There is actual or suspected money laundering taking place.

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- There are reasonable grounds to know or suspect that is the case.
- Consent is required from NCA for a particular transaction to proceed.

8.3 Where the MLRO concludes that the case should be disclosed to NCA this needs to be done:

- In a timely manner.
- In the prescribed manner on a standard report format provided by NCA.

8.4 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed, and the disclosure report will be marked accordingly.

## 9. Sanctions


9.1 There are financial sanctions that relate to a specific countries or terrorist groups, known as 'regimes. What is prohibited under each financial sanction depends on the financial sanction regulation. Regulations are imposed by the:

- United Nation's Security Council – the UK is a member so automatically imposes all financial sanctions created by the UN.
- European Union – as a member of the EU, the UK imposes all financial sanctions created by the EU.
- UK Government – a small number of financial sanctions are created by the UK Government.

9.2 The UK government publishes frequently updated guidance on financial sanctions targets, which includes a list of all targets. This guidance can be found at:

[www.gov.uk/government/publications/financial-sanctionsconsolidated-list-of-targets/consolidated-list-of-targets](http://www.gov.uk/government/publications/financial-sanctionsconsolidated-list-of-targets/consolidated-list-of-targets).



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9.3 We will monitor the relevant websites to review Sanctioned Parties and ensure that the College does not transact with Sanctioned Parties.

## 10. Record-keeping


10.1 By keeping comprehensive records CIS Security Ltd is able to show that we have complied with the Money Laundering Regulations. This is crucial if there is a subsequent investigation into one of our customers/students or transactions.

10.2 The types of record kept may include:

- Daily records of transactions
- Receipts
- Cheques
- Paying-in books
- Customer correspondence
- Student identification evidence

10.3 Records may be kept in any of the following formats:

- Originals
- Photocopies
- Microfiche
- Scanned

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- Computerised or Electronic

10.4 Records must be kept for five years beginning on either:

- The date a business relationship ends
- The date a transaction is completed

10.5 The MLRO will retain any disclosure reports and any associated relevant documents in a confidential file for a minimum of five years.


10.6 CIS Security Ltd is required to retain records for at least seven years after ceasing to transact with an employee, supplier or customer including records of risk assessment, identity and verification and ongoing monitoring. These records are required for other purposes, such as tax compliance, as well as anti-money laundering.

## 11. Communication and training

11.1 This policy ensures staff understand their responsibilities under the AML regime, CIS Security due diligence procedures and how to report suspicious activity. The policy will be integrated into the company staff handbook.


## 12. Equality and diversity

12.1 There are no equality and diversity impact of this policy.

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Signature:



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Date reviewed.