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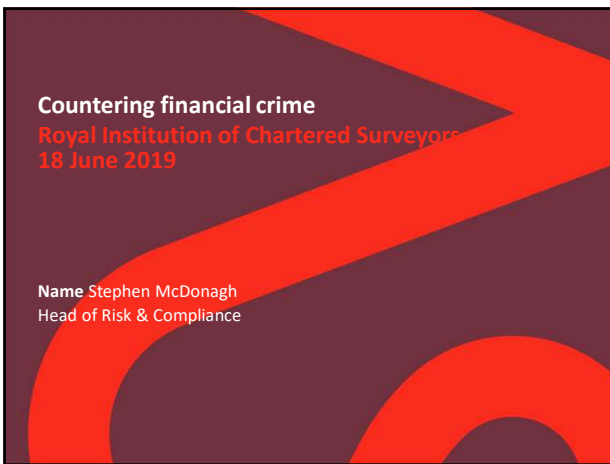
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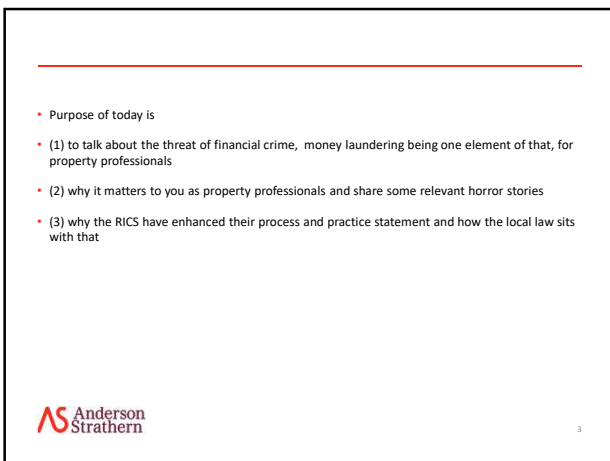
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**MPs to probe Russian money laundering through UK property**



PAUL BRUYKOV/GETTY IMAGES  
BBC 29.3.18

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**UK to close Scottish money-laundering loophole**

International Advisor 30.4.18

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**Crackdown after Scottish firms used to launder Russian crime cash**



Andrew Gifford, the UK business minister, said Scottish limited partnerships are being abused to carry out all manner of crimes abroad  
The Times 29.4.18

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Al Capone – At the forefront of modern money laundering schemes



AS Anderson Strathern

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AS Anderson Strathern

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What's the local law?

- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Proceeds of Crime Act 2002
- The Criminal Finances Act 2017
- The Bribery Act 2010
- The Modern Slavery Act 2015
- Terrorism Act 2000
- Terrorist Asset-Freezing Act 2010
- Anti-terrorism, Crime and Security Act 2001

AS Anderson Strathern

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**Proceeds of Crime Act 2002**

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The **Proceeds of Crime Act 2002** ('POCA') provides powers for enforcement authorities in the UK to recover in criminal and civil proceedings money and other assets which are deemed to be the proceeds of crime.

It also creates a set of criminal offences intended to combat money laundering (AML offences).

Money Laundering is defined as an act which constitutes an offence under S327, 328 and 329 or a conspiracy to commit such an offence – this includes counselling, aiding or abetting or procuring.



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**POCA Section 327 Offence – Concealing Criminal Property**

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A person commits an offence under S.327 if they:

- Conceal criminal property
- Disguise criminal property
- Convert criminal property
- Transfer criminal property
- Remove criminal property from England and Wales or from Scotland or Northern Ireland

A person convicted of an offence under this section is liable to imprisonment of 14 years or a fine or both



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**Section 328 Offence – Professional facilitators**

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This is the offence which will often be apt for professionals who launder on behalf of others.

A person commits an offence if they:

- Enter into or becomes concerned in an arrangement which he knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person

A person convicted of an offence under this section is liable to imprisonment of 14 years or a fine or both

The frightening ones in the regulated sector (estate agency) are the failures to disclose if you know or suspect; or have reasonable grounds for knowing or suspecting that another person is engaged in money laundering.

A person convicted under ss330-333 can get up to 5 years imprisonment. You would have to be bonkers to be an MLRO or nominated officer.



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**Section 329 Offence – Acquisition, Use and Possession**

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A person commits an offence if they:

- Acquire criminal property
- Use criminal Property
- Have possession of criminal property

A person convicted of an offence under this section is liable to imprisonment of 14 years or a fine or both

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**RICS Professional Statement 2019**

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- Applies to all RICS members and Firms not just those carrying out regulated activities under the money laundering regulations such as estate agency (for Firms doing regulated activity this is a higher level and less prescriptive document)
- Holistic approach to financial crime
- The local law – Acts of Parliament, EU regulations, Acts of the Scottish Parliament, HMRC rules and guidance – i.e. **this does not trump or supersede requirements imposed on residential or commercial estate agents**
- Mandatory musts – failure to meet those standards would be a RICS disciplinary matter
- Advisory shoulds- strongly influential with failure to adhere to these requiring explanation
- Red Flags
- Report suspicions internally and to the NCA/HMRC

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**Bribery and corruption**

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Risk assess

- Have a clear policy and process
- Record gifts and hospitality above a certain threshold – we fix at £50
- Take care with the planning/licensing and statutory consents process – highest risk
- Contracts with suppliers to you should contain minimum requirements and audit opportunities – cleaning, maintenance, management and security contracts to buildings could be vulnerable

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**Money laundering (including tax evasion)**

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- Risk assess types of work, types of client, residency of clients
- Really Know Your client – not just a tick box exercise- what is acceptable for ID purposes?
- Key is understanding source of wealth and source of funds – check adverse media
- Think about the purpose of a transaction
- Make everyone aware of the risks and train annually
- Be careful when relying on other firm's providing AML documents – Reliance is a very technical term
  - Does not relieve you of responsibility
  - Get reliance certificate from provider
  - What is the standing of the provider?
  - Must have requirement to provide wet ink copies on request
  - Be careful with overseas clients and who is certifying



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**My scary moments**

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- The all powerful mother-in-law
- The Jack of Clubs and the Panama Papers
- £1m in polly bags
- Rich veins from the middle East
- The panicky telephone call
- The impenetrable dividend from a flat in Dubai



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