

TONBRIDGE & MALLING BOROUGH COUNCIL

POLICY OVERVIEW COMMITTEE

19 January 2010

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Cabinet

1 ANTI MONEY LAUNDERING POLICY UPDATE

Summary

Members are invited to consider an update of the Anti Money Laundering Policy and supporting Guidance Notes and to recommend their adoption by Cabinet and Council.

1.1 Background

1.1.1 The Council's existing Anti Money Laundering Policy and Guidance Notes were approved by Council in February 2006 and now need to be updated to reflect the provisions of the Money Laundering Regulations 2007 (MLR 2007) and guidance issued by CIPFA in July 2009.

1.2 Principle change

1.2.1 The principle change introduced by the MLR 2007, which is also identified in the guidance from CIPFA, relates to the standing of public authorities. Essentially public authorities are excluded from the new definitions of "relevant persons" and "regulated sector" and, as a consequence, are no longer legally obliged to apply the main provisions of the Regulations.

1.2.2 However, it is acknowledged that public authorities should employ policies and procedures which reflect the essence of the UK's anti terrorist financing and anti money laundering legislation. Consequently the updated documentation, which is attached at **[Annex 1-3]** to this report, reflects the legislative changes together with a change in the designated Money Laundering Reporting Officer. The latter in anticipation of the planned retirement of the Exchequer Services Manager later this year.

1.3 Financial and Value for Money Considerations

1.3.1 There are no additional resource implications.

1.4 Risk Assessment

- 1.4.1 It is considered that the updated policy and associated procedure notes now commended to members will continue to minimise financial and reputational risk.

1.5 Policy Considerations

- 1.5.1 Crime & Disorder Reduction

1.6 Recommendations

- 1.6.1 Members are invited to endorse the updated Anti Money Laundering Policy and Guidance Notes and to **RECOMMEND** their adoption by Cabinet and Council.

Background papers:

Nil

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