

Anti-Money Laundering Policy

Introduction

It is the policy of Gympanzees to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying fully with applicable provisions of the Proceeds of Crime Act 2002, Terrorism Act 2000, Bribery Act 2010 and Money Laundering Regulations 2007 and all amending legislation.

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets.

The purpose of this policy is to ensure the charity's compliance with anti-money laundering, bribery and corruption laws and regulations, to assist law enforcement in combatting illegal money laundering, and to minimise the risk of charity resources being used for improper purposes.

Aim

This policy aims to maintain the high standards of conduct which our charity currently enjoys. This will be achieved by ensuring that Gympanzees:

1. Is not used by third parties for the purpose of money laundering
2. Does not receive bribes that are intended to influence Gympanzees decision making
3. is not subjected to corrupt, dishonest and or illegal behaviour

This policy applies to everyone involved in the charity. i.e. employees, volunteers, suppliers, students and work experience personnel, agency workers, contractors, beneficiaries, committee members and the Board of Trustees.

This policy is made available internally throughout the charity and management is required to ensure that everyone is aware of it and receives appropriate training.

Failure to comply with this policy can lead to disciplinary action.

Money Laundering

Money laundering is the practice of cleaning up money that has, for some reason, been obtained illegally. Often there is a complex trail involved so that the practice cannot be easily identified or traced.

Money laundering can occur in many ways. It may happen by dispersing money through many different bank accounts (to hide its origins) but can occur when the charity is used unwittingly as a “trading partner”. This could be directed at the charity or through an organisation where we have a close relationship, such as a funder.

Procedures

1. The Finance Director acts as the money laundering reporting officer to receive disclosures from anyone involved in the charity of any suspected money laundering activities.
2. The Finance Director will be responsible for carrying out the charity’s anti-money laundering procedures.
3. The Finance Director will ensure that proper records are maintained on all the relevant activities and steps taken to deal with them.
4. In the event that the Finance Director is suspected of money laundering activities, the Chair of the Board of Trustees should be contacted.

Due Diligence

The charity should carry out procedures that help to identify donors or other providers of income before entering into a relationship or transaction with them.

The charity should, where applicable:

1. Identify the donor and verify their identity.

2. Take adequate measures where some donors need or request privacy.
3. Accept that in some cases, the identity of the donor may not be easy to verify, in which case other measures need to be developed.
4. Continuously monitor the situation.
5. Maintain proper records of all checks made.
6. The Trustees will undertake a regular review (quarterly) of the source of donations, with the list split in two, BAU Activity vs Build Funding, with the threshold being £25K and above. The detail provided would be as follows:-
 - a. Company - Name/Address/How much/Company primary activity
 - b. Foundation or Trust - Name/Address/How much/Aim & Objectives of the trust
 - c. Individual - Name/Address/How much/Source of wealth
7. For more details please refer to our Ethical Fundraising and Donor Acceptance Policy.

Policy on Disclosure

If anyone knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, they must report such matters to the Finance Director immediately. Disclosure should be made on a standard form available from the Finance Director which requires:

1. Details of the people involved
2. Type of transaction
3. The relevant dates
4. Why there is a suspicion
5. When and how activity is undertaken
6. Likely amounts

The Finance Director will acknowledge receipt of the disclosure within an agreed response period.

The Finance Director will consider the report and any other information available.

Once the Finance Director has evaluated the disclosure or other information, they will determine if:

- There are reasonable grounds for suspecting money laundering and the steps to be taken; or
- There is actual money laundering or terrorist financing; and
- Whether they need to report the matter to the National Crime Agency (NCA).

All disclosure reports referred to by the Finance Director and reports made by them to the NCA will be retained for a minimum of 5 years.

Bribery and Corruption

The Bribery Act 2010 applies to individuals and commercial organisations, including charitable companies.

It sets out 4 criminal offences:

1. Bribing an individual or company
2. Being bribed by an individual or company
3. Bribing a foreign public official
4. Corporate failure to prevent bribery

Examples of Bribery and Corruption:

1. Bribery can arise in day-to-day situations such as tendering, appointing preferred suppliers, contractors and agents, awarding licences or offering jobs.
2. Provision of lavish hospitality by Gympanzees for public officials.
3. Use of Gympanzees funds, in the form of payments or gifts and hospitality for any unlawful, unethical or improper purpose.
4. Authorisation of, making, tolerating or encouraging, or inviting or accepting, any improper payments in order to obtain, retain or improve business.
5. Permitting anyone to offer or pay bribes or make facilitation payments on behalf of Gympanzees or do anything else Gympanzees would not be permitted to do itself.

6. Offering or giving anything of value to a public official (or their representative) to induce or reward them for acting improperly in the course of their public responsibilities.
7. Awarding employment where a person has not met the recruitment criteria requirements on the basis of acceptance of a donation.
8. Offering or accepting gifts or hospitality, where this might impair objective judgment, improperly influence a decision or create a sense of obligation, or if there is a risk it could be misconstrued or misinterpreted.

This list is not exhaustive.

The Act is not limited to activity in the UK or UK based companies.

It covers payment to a public service provider to speed up the performance of the service or delivery, such as provision of work permits or the connection of a telephone line. Whilst these activities are commonplace in some places and are even permissible in the US, the Act considers them to be bribery.

Clearly the main thrust of this legislation is aimed at businesses which operate overseas. It is acknowledged that there is a culture of "facilitation payments" in certain areas but there is no exemption just because it is a local custom. The standard expected is that of a reasonable person in the UK.

The trustees do not need to be aware of the bribery to be liable. An offence can be committed by an organisation if any bribe is paid by any person associated with it, therefore trustees need to have a robust policy stating who may act on their behalf and what actions they may take.

That policy needs to be communicated to all trustees, staff, volunteers, agents and fundraisers. The trustees should also take steps to monitor who may be acting on their behalf without proper permission.

Risk Assessing should consider the following common risk exposures:

1. Country Risk – where the business is trading.
2. Sector Risk – some sectors carry a higher risk than others.

3. Transactional Risk – this would be the type of spending – some categories are easier to corrupt than others.
4. Business Opportunity Risk – high value projects, projects not undertaken at market prices or involving contractors or intermediaries.
5. Business Partnership Risk- joint ventures, overseas agents or ventures linked to prominent public officials.

The penalties for conviction under the Act are:

1. Individuals – unlimited fine to imprisonment for 10 years.
2. Directors / Trustees – could find themselves disqualified from acting as company directors.
3. Commercial Organisations – unlimited fines and exclusion from tendering for public contracts.

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