



IPA Internal Guidance:

SARS – what these are and what to do when a member of staff has a suspicion, or knowledge of, Money Laundering

September 2019

1. Introduction

1.1 Business and individuals who work in a regulated sector have a requirement under The Proceeds of Crime Act 2002 ('POCA') to report knowledge of, or suspicions of, Money Laundering to the National Crime Agency ('NCA').

1.2 Insolvency is a regulated sector and therefore all members of the IPA are covered by the requirement.

1.3 However, the IPA is also covered by this requirement and if you have knowledge of, or suspicion of, Money Laundering, you are required to ensure that your knowledge or suspicion is reported correctly and which will ensure that the IPA is complying with the requirement under POCA.

1.4 This policy has been set-up to provide guidance to all of us working in the IPA so that you are better able to ensure that you are dealing with any such knowledge or suspicions.

1.5 If you do have any questions on the policy, please discuss these initially with Dave Holland – the IPAs Money Laundering Reporting Officer ('MLRO'), Andrew Kerr – the IPAs Single Point of Contact ('SPOC'), or Stuart Jary & Saira Mirza – the IPAs Deputy SPOCs.

2. What is a SAR?

2.1 A 'SAR' is the report that is made by the MLRO for an organisation to the NCA when an individual in an organisation has knowledge or suspicion of Money Laundering.

2.2 For further background information on what a SAR is, please refer to part 6 of the recent IPA staff guidance on AML.

2.3 Please remember that you do not have to act as a financial investigator to uncover Money Laundering concerns. Suspicions are usually matters that you come across that appear to be unusual or outside the ordinary course of business. This could be in relation to something you spot whilst dealing with a member (whilst dealing with a complaint, during an inspection visit, request for a rebate from the IPA to an overseas account for example), but Money Laundering could occur whilst dealing with matters for the IPA (supplier changing terms of a contract and requesting large interim payments to an unknown account for example).

3. What if I have knowledge or suspicion of Money Laundering?

3.1 You must immediately raise the suspicion with our MLRO – Dave Holland. If Dave is absent from the office, you must raise the suspicion with our SPOC – Andrew Kerr. But – where possible – contact should be with our MLRO who has ultimate responsibility for SARS reporting for the IPA.

3.2 You may want to discuss the matter with your line manager to review what you have obtained which has led to your suspicions. If you do discuss the issue with your line manager, before contacting our MLRO, please ensure that this is communicated to our MLRO as your line manager will also be a party in respect of the SAR to be lodged at the NCA. Initial contact should be made ideally by phone. You can then – with your line manager - discuss your suspicions with our MLRO who can consider the position.

3.3 It is likely that our MLRO will need to review information/details you have and you must outline your suspicion using the IPA's own internal SAR form and e-mail this to our MLRO via an encrypted e-mail. A copy of the SAR form has been circulated, but a copy can be provided by the MLRO if needed.

3.4 It is worth remembering that the SAR lodged with the NCA needs to have sufficient information so that the NCA can identify the issue, identify the person(s) or business where there is a suspicion and what the suspicion actually is.

3.5 Think about the following to include the SAR form to be sent to our MLRO:

- **WHO?** – who is the person or organisation that is involved in the activity? Provide as much information as possible to our MLRO
- **WHAT?** – what is the activity or service or dealing or issue that has led you to form the suspicion?
- **WHEN?** – can you advise when the activity took place, or when a request was made which formed a suspicion and when they want the activity to occur?
- **WHERE?** – is there a specific location that this is occurring (the name of the business or a geographical area) or is the request for a repayment to an odd location – an overseas territory for a UK based business?
- **HOW?** – how is the activity to take place or what did take place that led you to consider the transaction(s) suspicious
- **WHY?** – why you consider that the action/activity/transaction etc. is suspicious

3.6 The MLRO will discuss your suspicions with you and advise what further information (if any) is needed for a SAR to be made. All communications must be via telephone and any information via documents sent in an encrypted e-mail.

4. How do I encrypt a document?

4.1 The details below advise on how you add a password to a document prior to e-mailing the document to our MLRO.

1. Open the document you want to encrypt.
2. Click file
3. Protect workbook
4. Encrypt with password
5. Enter the password that you would like to use
6. You need to enter this twice
7. Click save

4.2 You should send the encrypted document first and then a follow-up e-mail to our MLRO headed 'PRIVATE & CONFIDENTIAL' with the password as the body of the e-mail.

5. Can I continue to deal with a matter if I have a suspicion?

5.1 The simple answer is 'No'. With the work that the IPA carries out, the MLRO will make a request to the NCA for a Defence Against Money Laundering. This is known as a 'DAML SAR'.

5.2 A DAML SAR does not mean that the NCA adjudges that an action or funds are 'clean' from Money Laundering. What a DAML SAR provides is permission from the NCA to proceed with a transaction or a case.

5.3 The NCA must give approval to a DAML SAR request within seven working days of receipt. If the NCA approve the DAML SAR or do not respond within seven working days, our MLRO will advise you accordingly that you are able to proceed with the case or transaction.

5.4 If consent is withheld a moratorium is triggered which lasts up to 31 calendar days and during this time our MLRO will advise you that you are not able to proceed with a case or transaction. You may be able to issue holding letters in the moratorium period. If there are any issues you must discuss this with our MLRO only. Do not discuss this with any other person. If our MLRO requires your line manager to be involved in the matter, he will make appropriate contact.

6. Can I tell my line manager if a SAR has been submitted?

6.1 If you have not discussed the matter with your line manager prior to the SRA lodged at the NCA then, without the approval of our MLRO to discuss with your line manager, you may commit the offence of 'tipping-off'. Please see part 7 of the Staff Guide to Money Laundering for further information.

6.2 If you have not initially discussed your suspicions with your line manager before contacting our MLRO, but you consider that your line manager should be made aware, please notify our MLRO when you first contact him regarding your suspicions so that you he can either contact your line manager, or provide you with specific permission to speak to your line manager.

7. Why can we see SARS and where are they stored?

7.1 SARS are made on-line by our MLRO via the NCA web-site.

7.2 Details of SARS that have been made are held by our MLRO only on a secure site which has password access. The password will only be known by the MLRO and SPOC and access will not be allowed to any other person working in the IPA to review and view details of SARS or DAML SARS lodged with the NCA.

8. Further information

8.1 If you are interested in further information on SARS or the work of the NCA with Money Laundering, please visit the NCA Website – <https://www.nationalcrimeagency.gov.uk/>

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