



Financial Crime Policy

July 2024

**Overview:**

This policy sets our clear guidelines for behaviour and procedures to prevent Financial Crime. Financial Crime covered by this policy includes Bribery and Corruption, Money Laundering and Terrorist Financing.

Scope:

The policy applies to all members of Linacre College including Fellows, employees, contractors and zero-hours workers.

Bribery and Corruption:

Bribery can be defined as offering, promising or giving a financial (or other) advantage to another person with the intention of inducing or rewarding that person for acting in a way which a reasonable person would consider improper in the circumstances.

Corruption occurs where there is Bribery involved.

- No member of Linacre may offer, solicit or receive any bribe or unauthorised payment;
- Linacre College and its subsidiary companies will not conduct business with any customer or supplier which does not support its anti-bribery objectives;
- Facilitation payments made to expedite or secure the performance of an action are illegal;
- The use of facilitation payments or actively seeking to bribe a public official are strictly prohibited under this policy;
- A gift or hospitality event may constitute bribery where it is extravagant or disproportionate to the business relationship and therefore clearly intended to achieve a competitive advantage or influence a College member;
- All gifts or hospitality offered to or by a member, valued at more than £25 per person should be notified to the Bursar for approval and inclusion on the register.

Anti-Money Laundering:

Money Laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities. If successful, the funds can lose their criminal identity and appear legitimate. Anti-Money Laundering (AML) is the sum of measures to prevent and deter Money Laundering.

Money Laundering usually involves a complex series of transactions identifiable in three stages:

Placement: The introduction of illegally obtained funds into the College e.g. a student pays their fees.

Layering: Separating the proceeds of criminal activity from their source using layers of complex financial transactions. These layers are designed to hamper the audit trail, disguise the origin of funds and provide anonymity e.g. we do not know where the funds have come from to pay these fees, it could be “dirty” money, obtained through the proceeds of crime.

Integration: Placing the laundered proceeds back into the economy in such a way that they re-enter the financial system as apparently legitimate fund e.g. the student withdraws from their course fairly soon after starting and asks for a refund of the fees paid. The money goes back into the economy as a refund from an Oxford College – now it is “Clean”.

**Terrorist Financing:**

The financial support or sponsoring, in any form, of terrorism or of those who encourage, plan, or engage in terrorism.

Whereas funds destined for money laundering are derived from criminal activities, the funds used for terrorist financing can originate from both legitimate and illegitimate sources. However, the funds will be used for illegal purposes.

Politically Exposed Persons:

Some individuals, through the nature of their roles or interactions, may be Politically Exposed Persons (PEPs).

These individuals should be identified, and a note of their PEP status made and the Bursar informed.

Being a PEP does not indicate that Financial Crime has or will take place, it is just a flag that the individual may be exposed to a bribe or other Financial Crime activity and mitigating activities will be put in to place by the Bursar.

Under Money Laundering legislation it is an offence to tip off any individual or organisation suspected of money laundering as this may interrupt an ongoing investigation.

Any suspicions of money laundering must be reported to the Bursar as soon as possible who will in turn deal with the appropriate authorities.

Prevention of Financial Crime:

1. Know the identity of the individuals and entities that we are dealing with;
2. All payments received or made by the College will undergo payment controls by the Bursary;
3. Where these controls indicate concern of financial crime they must be further investigated and reported to the Bursar;
4. Annual risk assessment should be completed focusing on mitigating activities and controls;
5. If suspicious activities are identified they will be reported by the Bursar to the National Crime Agency.
6. If at any stage the Bursar is thought to be implicated by any individual then the Principal should substitute for the Bursar in this process.

Penalties for Non-Compliance:

1. Potential fines of millions of pounds, reputation damage and an impact on strategic objectives;
2. An individual committing an offence could face imprisonment for up to 10 years or a fine or both;
3. In addition, senior members of the College may be personally liable for 'consenting or conspiring' in an offence;
4. Any breach of this policy by a College member, including the failure to follow proper reporting procedures, will be treated as grounds for disciplinary action, and may amount to gross misconduct and warrant summary dismissal.