



37. SARs Identification and Reporting Policy

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Woodhurst is committed to maintaining the highest standards of compliance with the legal and regulatory framework surrounding **Suspicious Activity Reports (SARs)**. This policy outlines the procedures for identifying and reporting suspicious activities, ensuring that Woodhurst complies with the relevant provisions of the **Proceeds of Crime Act 2002 (POCA)**, **Money Laundering Regulations 2017**, and other applicable legislation.

37.1 Purpose

The purpose of this policy is to:

- Provide clear guidelines on how to identify and report suspicious activities.
- Ensure that all employees understand their legal responsibilities related to SARs.
- Protect Woodhurst from being involved, knowingly or unknowingly, in money laundering or other financial crimes.

37.2 Scope

This policy applies to:

- All employees, contractors, consultants, and third parties associated with Woodhurst.

- All activities and operations carried out by Woodhurst, whether conducted in the UK or abroad.

37.3 Legal Framework

The reporting of suspicious activity is a legal requirement under:

- **Proceeds of Crime Act 2002 (POCA):** Defines the offences of money laundering and provides the legal framework for reporting suspicious activities.
- **Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017:** Stipulates the need for businesses to implement systems for detecting and reporting suspicious activities.
- **Criminal Finances Act 2017:** Strengthens the requirements around reporting and preventing financial crime.

Failure to report a suspicious activity can result in significant legal consequences for both individuals and the company.

37.4 Identifying Suspicious Activity

Employees should be vigilant in identifying activities that may be suspicious and could indicate money laundering, fraud, or other financial crimes. Examples of suspicious activity include, but are not limited to:

- Unusual transactions that are inconsistent with a client's typical behaviour.
- Transactions involving large sums of money that do not have a clear purpose or rationale.
- Requests to transfer funds to or from high-risk jurisdictions with weak anti-money laundering (AML) regulations.
- A client providing incomplete or inaccurate information or refusing to provide necessary documentation.
- Sudden or unexplained changes in a client's financial situation or operations.

37.5 Reporting Suspicious Activity

If any employee suspects or identifies suspicious activity, they must follow the reporting procedures outlined below:

- **Step 1: Internal Escalation to the MLRO**
 - Employees must report any suspicious activities immediately to Woodhurst's **Money Laundering Reporting Officer (MLRO) which is Luke Casey**. The MLRO is responsible for reviewing the activity and deciding whether a formal SAR should be submitted to the **National Crime Agency (NCA)**.
 - The report should be made in writing and include all relevant details, such as the parties involved, the nature of the transaction, and the reasons for suspicion.
- **Step 2: MLRO Review**
 - The MLRO will review the report and may request additional information or clarification from the reporting employee.
 - The MLRO will assess whether there are reasonable grounds to suspect money laundering or other criminal activity. If the MLRO determines that a SAR is necessary, they will submit the report to the NCA without delay.
- **Step 3: SAR Submission**
 - If the MLRO concludes that a SAR should be submitted, they will ensure that the report is filed through the appropriate channels with the NCA, adhering to the required timelines and procedures.
 - The MLRO will document the reasons for submitting the SAR and any further actions taken.

37.6 Confidentiality and Tipping Off

Employees must not, under any circumstances, inform a client or any other third party that a SAR has been made or is being considered. **Tipping off** (informing someone that they are under suspicion) is a criminal offence under the Proceeds of Crime Act 2002 and can compromise ongoing investigations.

The details of any suspicious activity report must remain confidential, shared only with the MLRO or individuals explicitly involved in the investigation.

37.7 Record-Keeping

Woodhurst is required to keep records of any SARs submitted to the NCA. These records must include:

- A copy of the SAR submitted.
- All relevant communications, including any internal reports made to the MLRO.
- Any correspondence with law enforcement agencies.

These records must be kept for at least **five years** from the date of submission.

37.8 Training and Awareness

All employees must undergo training on identifying and reporting suspicious activities as part of Woodhurst's compliance programme. This training is mandatory upon hiring and is refreshed annually to ensure ongoing awareness and understanding of legal responsibilities related to SARs.

37.9 Responsibilities

- **Employees:** All employees are responsible for being vigilant and reporting any suspicious activity to the MLRO.
- **MLRO:** The MLRO is responsible for reviewing suspicious activity reports, submitting SARs to the NCA, and maintaining all related records.
- **Leadership Team:** The leadership team is responsible for ensuring that this policy is fully implemented and that all employees are appropriately trained.

37.10 Consequences of Non-Compliance

Failure to comply with this policy, including the failure to report suspicious activities or tipping off, can lead to:

- Disciplinary action, including termination of employment.

- Criminal prosecution under the Proceeds of Crime Act 2002.
- Significant financial and reputational damage to Woodhurst.

37.11 Monitoring and Review

This policy will be reviewed **annually** by the MLRO and leadership team to ensure that it remains effective and aligned with any changes in legislation or regulatory requirements.

Woodhurst is committed to preventing financial crime and complying fully with all relevant legal and regulatory obligations. By following the procedures outlined in this policy, we ensure that any suspicious activities are identified and reported in a timely and effective manner, protecting both the business and its clients.