

Sanctions and Anti-Money Laundering Policy

1. Policy Statement

The University has a legal obligation to follow Financial Sanctions imposed by the United Kingdom (“UK”) Government. Financial Sanctions (as defined below in **section 3** below) can be placed upon individuals, entities or entire countries, which limit what sorts of business relationship the University can have with them. For example, we might be unable to receive funds from certain people or countries or be unable to send them money.

Further, the University’s policy is to fully comply with all UK legislation in relation to Anti Money Laundering (“AML”), and to ensure it minimises the risk of money laundering taking place in its operations.

In this policy **we, us** and **the University** means The University of Law Limited, ULAW (UK) Ltd, L-J Finco Ltd, College of Law Services Ltd, Central Law Training (Scotland) Ltd, ULaw Hong Kong Ltd.

This policy does not form part of any employee’s contract of employment and we may amend it at any time.

2. Purpose

2.1 The purpose of this Sanctions and AML Policy (“**Policy**”) is to:

- (a) set out our responsibilities, and those working for us or representing us, in observing and upholding our responsibilities on Sanctions and AML; and
- (b) provide information and guidance to those working for us or representing us on how to recognise and deal with concerns relating to Financial Sanctions and AML.

3. Definitions

Word/Expression	Definition
AML Laws	<p>All Applicable Laws concerning or related to Money Laundering or financing terrorism and which are applicable to the University including, but not limited to:</p> <ul style="list-style-type: none"> - Anti-Money Laundering Act 2018 - Proceeds of Crime Act 2002 (as amended) and The Criminal Finances Act 2017 - Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001) - Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 - Counter-Terrorism Act 2008
Applicable Laws	In relation to any Person, property, transaction or event, all applicable provisions of: (a) statutes, laws (including the

	common law), rules, regulations, decrees, ordinances, codes, proclamations, treaties, declarations or orders of any governmental authority; (b) any consents or approvals of any governmental authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any governmental authority, in each case applicable to or binding upon such Person, property, transaction or event.
Person	An individual, corporation, company, body corporate, partnership, joint venture, governmental authority, unincorporated organisation, trust, association, estate or other entity.
Financial Sanction	The UK Government define financial sanctions as <i>“restrictions put in place that limit the provision of certain financial services or restrict access to financial markets, funds and economic resources in order to achieve a foreign policy or national security objective”</i> .
Sanctions Laws	Any Applicable Law governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including, without limitation, <i>Sanctions and Anti-Money Laundering Act 2018, Export Control Order 2008, Anti-Terrorism, Crime and Security Act 2001, Sanctiewet 1977, Special Economic Measures Act (Canada), the United Nations Act (Canada), the Justice for Victims of Corrupt Foreign Officials Act (Canada), the Freezing Assets of Corrupt Foreign Officials Act (Canada), Part II.1 of the Criminal Code (Canada), and the Export and Import Permits Act (Canada), Außenwirtschaftsverordnung</i> , and any regulations thereunder. Sanctions Laws also include any economic sanctions implemented or administered by any Sanctions Authority. These laws, regulations and measures may directly or indirectly restrict transactions involving goods, services, payments and capital transfers, or the movement of persons.

AML

(4) What is money laundering and what are the University’s responsibilities in respect of AML?

Money laundering is the process of taking profits from crime and corruption and transforming them into legitimate assets. There are three stages in money laundering; placement, layering and integration. Placement is where the proceeds of criminal activity enter the financial system; layering distances the money from its illegal source through layers of financial transactions; finally, integration involves the re-introduction of the illegal proceeds into the legitimate commerce by providing an apparently genuine explanation for the funds.

In the UK, severe penalties are imposed on individuals connected with any stage of laundering money. Offences include:

- Failing to report knowledge and/or suspicion of money laundering
- Failing to have adequate procedures to guard against money laundering
- Knowingly assisting money launderers
- Tipping-off suspected money launderers
- Recklessly making a false or misleading statement in the context of money laundering.

As the University receives significant amounts of funds from all over the world for tuition fees and other services, as well as making thousands of payments globally, we have to consider the risks that our business activities will expose to potential money laundering and implement suitable controls to protect the University and its employees against being the victim of money laundering. These risks must be documented and monitored on a regular basis, and relevant University staff should be trained on how to report suspicious activity in accordance with AML Laws.

(5) What are the University's risk areas?

There are many types of risk. The University has identified the following key areas which could be exploited by those attempting to money launder:

- Receiving tuition fees from overseas
- Receiving tuition fees from sponsors from overseas
- Receiving funds from potentially criminal business entities
- Making refunds to students and third parties (parents and sponsors) - see also our [Refunds and Compensation policy](#)
- Receiving cash transactions
- Operation of overseas campuses in different jurisdictions
- Operation of overseas recruitment by a third-party agent

(6) How does the University manage those risks and what controls are in place?

The University has a robust "know your customer" (KYC) process (see also [Recruitment, Selection and Admissions policy](#)) for students and other customers, especially overseas students and those from high-risk areas (see **Sanctions section** below). Student ID is checked during enrolment, including in liaison with the UK Visas and Immigration department.

(7) What should I look out for? Examples of suspicious behaviour.

It is not possible to give a definitive list of ways to spot money laundering. The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity:

- A new customer, business partner or sponsor not known to the University
- A customer from a country known to carry a high level of risk (such as a sanctioned country (see **Sanctions section** further below), or a country with known high levels of financial fraud or corruption)

- A secretive person or business e.g. that refuses to provide the requested information without a reasonable explanation
- A request to pay a substantial sum in cash to the University
- Concerns about the honesty, integrity or location of the people involved
- Involvement of an unconnected third person without a logical explanation
- Overpayments for no apparent reason and requests to pay the difference back to a third party
- Absence of any clear legitimate source for the funds received
- Significant changes in the size, nature, frequency of transactions with a customer that are without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions
- **Anything unusual or out of the ordinary.**

(8) What do I do if I suspect Money Laundering at the University?

Universities are required to appoint a nominated officer or Money Laundering Reporting Officer (“**MLRO**”) to be aware of any suspicious activity in the business that might be linked to money laundering or terrorist financing. If you suspect money laundering at the University, you should promptly contact the Director of Finance who is the University’s MLRO.

Sanctions

(9) Why do we need Financial Sanctions?

- (i) Financial Sanctions are put in place to with the aim to maintain or restore international peace and security and fight aggression, terrorism, criminal behaviour or violation of human rights.
- (ii) Financial Sanctions take the form of imposed trade restrictions on “designated” individuals, entities and bodies, countries/regions, Governments/Regimes, sectors or activities – such as terrorism or drug trafficking (included on a list as identified by the UK’s Office of Financial Sanctions Implementation Sanctions List (“**Sanctions List**”)).
- (iii) They are intended to limit targets’ access and ability to use funds and economic resources. They are imposed in order to:
 - a. Coerce a regime, or individuals within a regime, to change their behaviour;
 - b. Constrain a target by denying them access to key resources needed to continue their offending behaviour, such as terrorism financing or nuclear proliferation; and
 - c. Protect the value of assets that have been stolen from a country until they can be repatriated.
- (iv) The most common types of Financial Sanctions are:
 - a. Targeted asset freezes: these prevent targets from moving money or assets from beyond their own jurisdictions; and
 - b. Restrictions on financial markets and services, investment banks and prohibition of banking relationships.

The following acts are prohibited:

- a. Making funds available, directly or indirectly, to or for the benefit of, an individual or entity on the Sanctions List;
- b. Dealing with funds owned or controlled by an individual or entity on the Sanctions List, or a person acting on behalf of an individual or entity on the Sanctions List;
- c. Knowingly participating in activities that directly or indirectly circumvent the prohibitions on making funds available and dealing with funds.

(10) How does the University assess and mitigate the risk of breaching Financial Sanctions?

The University has identified the following key risk areas:

- (i) Receiving student fees from “designated” individuals, entities or countries/regions;
- (ii) Engaging with contractors/suppliers who are “designated” or from sanctioned countries/regions; and
- (iii) Collaborations with partners in sanctioned countries/regions or with “designated” individuals.

To mitigate these risks, the University:

- c. carries out due diligence on potential business partners;
- d. KYC on students/sponsors;
- e. complies with STRIPE (the online payment processing platform for internet businesses) requirements with regard to all online payments;
- f. maintains an up-to-date list of sanctioned countries.

Further, the University must comply with the requirements imposed on it by the banks that it has an established relationship with. It must also comply with bank policies with respect to any financial transactions with sanctioned/high risk countries, business entities or individuals.

For the most up-to-date information on the individual sanction regimes for the United States (US), UK, European Union (EU) and Canada please visit:

- **US:** [Specially Designated Nationals And Blocked Persons List \(SDN\) Human Readable Lists | U.S. Department of the Treasury](#)
- **UK:** [OFSI Consolidated List Search \(hmtreasury.gov.uk\)](#)
- **EU:** [Consolidated list of persons, groups and entities subject to EU financial sanctions - Data Europa EU](#)
- **Canada:** https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/consolidated-consolide.aspx?lang=eng

Version	Date	Author	Revision Summary
V0.1	13.05.2022	Legal Team	Policy drafted
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