

The Order of Malta Volunteers – Anti Money Laundering Policy

(registered company 09801949, registered charity no. 1164242)

POLICY REFERENCE	
Function	For information and guidance
Status	Approved & issued
Scope	Trustees, OMV Committee, Volunteers
Owner	Alex Perry
Version	4.0
Date approved by board	4th February 2025
Annual review date	April 2026
5 Year review date	April 2030

Introduction

- The Trustees of the Order of Malta Volunteers (the "OMV" or the "Charity") are legally responsible for making sure the Charity's assets are only used to support or carry out its purposes, and for avoiding undue risk to the Charity's assets, beneficiaries and reputation.
- These responsibilities are delivered largely via the implementation of a robust and effective financial controls framework – as part of which the Charity must be adequately protected against risks related to Money Laundering.
- This policy applies to the trustees of the Charity ("the Trustees") and to the OMV Committee but in particular to the Treasurer, and anyone authorised to make electronic payments

Definitions

Volunteer Any person who attends a designated OMV activity in a voluntary capacity, or assists in the arrangement or organisation of an OMV activity or activities.

What is Money Laundering?

- **Money Laundering is the process by which criminal proceeds are sanitised to disguise their illicit origins. Criminals will attempt to distance themselves from their crimes by finding safe havens for their profits where they can avoid confiscation orders, and where those proceeds can be made to appear legitimate.**
- **Money laundering schemes can be very simple or highly sophisticated. Most sophisticated money laundering schemes involve three stages:**
 - o **Placement - the process of getting criminal money into the financial system;**
 - o **Layering - the process of moving money in the financial system through complex webs of transactions, often via offshore companies; and**
 - o **Integration - the process by which criminal money ultimately becomes absorbed into the economy, such as through investment in real estate.**
- **Under UK legislation, it is a criminal offence for a person to enter into an arrangement which he or she knows or suspects facilitates the acquisition, retention, use or control of criminal property.**

Implications for Charities

- **Despite a small number of cases where it has been proven that charities have been used to launder proceeds of crime, the UK government's 2017 National risk assessment of money laundering and terrorist financing deemed the risk associated with Money Laundering in the Non-Profit sector as low.**
- **Never-the-less all Trustees, OMV Committee members and any Volunteer engaged in fundraising, or handling or processing of payments or receipts, must remain vigilant as to the risks around Money Laundering. Criminals are continuously innovating with new forms of scam, meaning there is no room for complacency in ensuring these risks are adequately mitigated.**

Potential "red flags" for Money Laundering activity

- **Warning signs in respect of Money Laundering may exist where the Charity is approached with a proposed donation with some of following characteristics (though the list below is not intended to be exhaustive):**
 - **The charity must pass on a material part of the donation to a third party immediately or soon after receipt of the donation;**
 - **The conditions of the donation make it in substance more like a loan or financing arrangement;**
 - **The conditions of the donation mean the Charity is merely acting as a vehicle for transferring all or part of the funds from one individual or organisation to another;**
 - **The donation is contingent on some other financial benefit being derived by the donor (outside of normal Gift Aid type arrangements); or**
 - **Large one-off donations or a series of smaller donations where the Charity is not able to verify the identity of the donor.**

Procedure

General:

- Any proposed or realised donation over £5,000, or £500 in case of anonymous donations, cumulatively in a 12 month period from a single source, should be discussed with the OMV Treasurer and Chairman of Trustees to review if any additional due diligence is required under Charity Commission 'know your donor' principles.

Suspicious activity:

- Any Volunteer, OMV Committee Member, or Trustee who suspects that a proposed or realised donation to the OMV may involve Money Laundering, by virtue of the presence of the "red flags" mentioned above, or for any other reason, must immediately inform the OMV Treasurer and the Chairman of the Trustees.
- In these circumstances the proposed donation must not be accepted until the OMV Treasurer and Chairman of the Trustees have satisfied themselves that no Money Laundering activity is involved.
- The Chairman of the Trustees, in conjunction with the Board of Trustees, shall consider at all times the Charity's obligations to report such incidents to the Charity Commission, or other authorities as appropriate.

Review

- The policy owner must keep up to date with relevant legislation and government guidance and update this policy whenever necessary. The Board of Trustees of the Charity must approve the revised version.
- The policy owner must review the policy at the end of April each year and either submit a revised policy for board approval or confirm in writing to the Chairman of the Board of Trustees that the current version of this policy is still fit for purpose.
- The Board of Trustees must formally review and re-approve this policy every five years, starting from April 2029

References

Proceeds of Crime Act, 2002

[Charity Commission, "Compliance Toolkit: Protecting Charities from Harm", Chapter 2: Due Diligence, monitoring and verifying the end use of charitable funds](#)

[HM Treasury & Home Office, "National risk assessment of money laundering and terrorist financing 2020"](#)