

Suspicious Activity Reporting under the
Proceeds of Crime Act 2002

Guidance Notes for the completion of the
Limited Intelligence Value Report

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Scope and Purpose

This document provides guidance for the completion of authorised and protected disclosures, under sections 337 and 338 of the Proceeds of Crime Act (2002), in the format categorised as 'Limited Intelligence Value Reports'. This guidance should be read alongside the Limited Intelligence Value Report form (Appendix 7) which has been issued by SOCA. Both the form and guidance have been completed following consultation with organisations representing the Regulated Sector. **Please note that Limited Intelligence Value Reports should only be made under the Proceeds of Crime Act (PoCA). Any reports being made under the Terrorism Act (2000) should be Standard Reports.**

Although none of the fields in the form are mandatory, since the format is not prescribed by law, those submitting disclosures should take account of regulatory and sectoral approved guidance. SOCA's feedback to reporting institutions will assess the quality of reporting against relevant guidance.

How to obtain the new Forms and Guidance

'SARs Online' can be used to complete Limited Intelligence Value Reports. The link to this facility is available via the homepage of the SOCA Website at 'www.soca.gov.uk' and is freely available to anybody with internet access.

Those organisations which currently use Money.Web or Bulk File submission should continue to submit reports electronically, using the existing input screens or reporting format.

Organisations **not** able to use Money.web, Bulk File Submission or SAR Online, are advised to obtain a copy of the preferred forms. Those reporters who wish to complete reports on their own computer should download the form(s) from the SOCA website (www.soca.gov.uk).

If you wish **to complete a report by hand** you should request a special version of the form by telephoning 020 7238 8282. **Please do not complete the version of the form downloaded from the main SOCA website by hand.**

Sending your report to SOCA

Those organisations which currently use the money.web system or Bulk File submission method should continue to submit electronic reports in the same way.

SARs Online also allows reports to be submitted electronically and automatically sends a reference number to your email account as proof of submission.

'Limited Intelligence Value Reports' completed on paper forms should be faxed to 020 7238 8286 or posted to PO Box 8000, London SE11 5EN. Disclosures should not be emailed to SOCA.

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Limited Intelligence Value Reports

SOCA recognises that the reporting requirements under Part 7 POCA sometimes result in reports being required in circumstances where there is likely to be limited intelligence value to law enforcement, although wider analysis of such reports may provide useful data. The table below provides guidance on the circumstances that SOCA considers are appropriate for abbreviated information to be provided in the form of a Limited Intelligence Value report. SOCA reserves the right, in all cases, to ask for the Standard Report format to be used and will monitor disclosures submitted to ensure that Limited Intelligence Value reporting is not exploited as a 'short cut' where its use is not justified.

If you are not sure which form to use when making a report you should use the Standard Form.

Type	Detail	Comments
1 Certain classes of crimes committed overseas.	This is intended to apply where the suspicious activity takes place outside the UK and:- <ul style="list-style-type: none"> • Is not a criminal offence in the jurisdiction where committed, and • Relates either to local differences in regulation or social and cultural practices 	A Limited Intelligence Value Report is <u>not</u> appropriate to report money laundering relating to serious tax evasion or occasions where the underlying offence is a serious crime such as terrorism, offences relating to drugs, paedophilia etc. In these circumstances, a full report is appropriate. Please note that s102 of SOCPA 2005 removes certain crimes from reporting obligations.
2 Minor irregularities where there is nothing to suggest that these are the result of dishonest behaviour.	Balance discrepancies and minor credit balances not returned because of the administrative costs involved, or other small discrepancies which are judged to have resulted from a mistake rather than dishonest behaviour.	If reporting institutions are satisfied that no criminal property is involved (as defined by s340 (3) of the Proceeds of Crime Act, 2002), they may conclude that a report is not required. However where reporting institutions feel obliged to make a disclosure, a Limited Intelligence Value report is appropriate.
3 The subject of the report cannot be deduced from the information to hand and the proceeds have disappeared without trace.	This would include bank raids, driving away from a petrol station without paying, shoplifting, retail shrinkage and various cheque and credit card frauds.	Section 330 of POCA (as amended) means that such reports should not be made unless the Suspect, or the means to identify the Subject, is known.

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<p>4 Accountants, auditors and tax advisers. Multiple instances of suspicion arising during one audit: "Aggregation of incidents to form one report".</p>	<p>Multiple incidents may be aggregated within a single Limited Intelligence Value Report provided that:-</p> <ul style="list-style-type: none"> • Aggregate reports relate to a single audit only. • One or more of the other categories in this table for limited intelligence value reporting is met, for example (3) (above): bank raids, driving away from a petrol station without paying, shoplifting, retail shrinkage and various cheque and credit card frauds; • The reason for the aggregate report is summarised; 	<p>The Act refers to reports being made "as soon as practicable". SOCA accepts that this will not always mean "immediately" in the context of an ongoing audit and is content to receive aggregate Limited Intelligence Value Reports within one month of the completion of an audit, provided that during the assignment no time sensitive information is discovered (that may, for example, allow the recovery of proceeds of crime if communicated immediately).</p> <p>Reporters should note that a Standard Report is appropriate should the issue of a Hansard (CoP9) letter by the Inland Revenue, taken with such other information as may be available, cause (or provide reasonable grounds for) knowledge or suspicion of money laundering.</p>
<p>5 Law enforcement prosecutor, regulator or other Government agency already aware of an offence that also happens to be an instance of suspected money laundering.</p>	<p>This category is intended to capture a range of regulatory/procedural offences which are, or may be, already the subject of investigation by another agency. Examples include health and safety offences, environmental offences, and failure to file annual returns with the Companies Registrar.</p>	<p>A Limited Intelligence Value report is appropriate in these cases provided that the reporter has no additional or 'new' information that would be provided as a result of the reporting obligation under POCA that has not already been made available to another investigating agency.</p> <p>However, any knowledge or suspicion of money laundering relating to serious crime or tax evasion, including cases covered by the Hansard procedure, should be reported in a Standard Report.</p>
<p>6 Section 167 (3) Customs and Excise Management Act 1979.</p>	<p>This makes the submission of an incorrect VAT or Customs return, however innocent, a criminal offence.</p>	<p>It is the position of SOCA that a disclosure is not required for innocent error in these circumstances.</p> <p>Where the person knows of the omission and does not rectify the situation there will be a duty to report. Where reporting institutions feel obliged to make a disclosure in these circumstances, a Limited Intelligence Value report may be appropriate.</p>

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<p>7 Reporting institution served with a Court Order, which prompts suspicion.</p>		<p>A Limited Intelligence Value report may be appropriate except where the suspicion and report relate to matters <u>not</u> covered by the Court Order letter, in which case a report on the Standard Form should be submitted.</p>
<p>8 Where the benefit from criminal conduct is in the form of cost savings, such as breaches of employment law and the illegal copying or distribution of software licences within a company.</p>		<p>However, if there are 'arrangements' in respect of criminal property which require appropriate consent, then a Standard form must always be completed.</p>

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Completion Instructions

Source Registration Document (Module 1)

In order to record disclosures and correspond accurately and in a timely manner with the regulated sector, SOCA needs accurate contact details of each reporting organisation. A **Source Registration Document** has been constructed to capture this information as concisely as possible. SOCA already holds such details for organisations which have previously disclosed, therefore **this sheet should only be used by organisations that have never previously reported and then only when making their first report.** It will not be required for each subsequent disclosure. **However, all organisations should use the source registration document to update SOCA about any changes to their contact details in order that SOCA's records can be accurately maintained.**

Institution Name Please provide details of the Registered and/or Trading name of the company or individual making the report.

Institution Type Please provide details of the type of company or individual making the report, e.g. Money Transmission Agent, Bank, Estate Agent etc.

Regulator Please provide details of your regulator, where applicable, (e.g. FSA, Gaming Board of Great Britain etc)

Regulator ID Please provide details of your regulator's Identity Number, where known to you.

Contact Details (1) This will be SOCA's primary point of contact with you.

Forename Please provide full details of your Forename/s.

Surname Please provide full details of your Surname.

Position Please provide details as to the position you hold within your employer, where applicable.

Address Please provide your full postal address details (inc Post Code).

Telephone Details Please provide details of your principal contact number.

E-mail Address Please provide details where applicable. The ability to use this medium will enhance the speed of delivery of our correspondence with you.

Contact Details (2) This will be SOCA's point of contact with you in the absence of
(where applicable) the above detailed individual, if applicable.

Name As above.

Position As above.

Address As above.

Telephone Details As above.

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E-mail Address As above.

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Limited intelligence Value Report (Module 7)

Reporting Institution

Please provide details of the company or individual **making** the report. If a Money Laundering Reporting Officer (MLRO) is completing the form it is not essential at any point to mention by name the person making the initial disclosure.

Your Reference

Please provide details of your own reference number relevant to the disclosure in question. **This is an important field as the information supplied will be quoted by SOCA in any correspondence with you relating to this disclosure.**

Branch/Office

This information will enable SOCA to ascertain which of your outlets is reporting the activity, assisting SOCA to decide which law enforcement agency to allocate the disclosure to.

Disclosure Date

The date upon which you submit your report to SOCA. The format DD/MMM/YYYY has been used to prevent any transposition of Day and Month. Please insert two digits in the DD field to state the day, three letters in the MMM field (for example, JAN for January) and four digits to show the year in the YYYY field.

Subject Details

This is the Person/Legal Entity about whom/which the report is being made. Normally, reporters will be in a position to complete one of these fields, although in some circumstances this is not the case. For example you may be reporting a fraud where the perpetrator is unknown

This section of the sheet can be used to refer to an Individual or a Legal Entity. **However only one of these sections should be completed.** This sheet should not be used for both an individual and a Legal Entity at the same time.

Subject Status

Please indicate **only one** box from 'Suspect' or 'Victim'.

Suspect should be ticked if you know or suspect or have reasonable grounds for knowing or suspecting that this person is engaged in money laundering.

Victim is the person or entity who/which is harmed by or loses as a result of the criminal activity which you are reporting. To ensure that any intrusion against a victim's privacy is minimised, the victim's details should not, ideally, be included in subject fields. **The personal details of victims should only be included if, in the judgement of the nominated officer, the details are essential to understanding the activity being reported.**

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PLEASE COMPLETE EITHER THE INDIVIDUAL'S DETAILS SECTION OF THE SHEET OR THE LEGAL ENTITY SECTION. PLEASE DO NOT COMPLETE BOTH.

- Surname** Please provide details, as appropriate.
- Forename 1** Please provide details, as appropriate.
- Date of Birth** This is an important field. Date of birth information helps law enforcement to positively identify individuals when cross-matching personal data. The format DD/MMM/YYYY has been used to prevent any transposition of Day and Month. Please insert two digits in the DD field to state the day, three letters in the MMM field (for example, JAN for January) and four digits to show the year in the YYYY field.
- Gender** Please select from options provided.
- Title** Please select from options provided. If the correct title is not shown, please specify the relevant title within the 'Other' field. *Appropriate options are provided with the Field Values List.*

OR

- Legal Entity Name** Please provide details as appropriate, e.g. a Company or Charity Name.
- Legal Entity Number** Please provide details as appropriate, e.g. a Company or charity Number.
- VAT Number** Please provide details as appropriate.

Reason for Disclosure

This area is free text and should include any information not already provided which you feel is relevant to your Report. It should provide details of the reason(s) why you have knowledge or suspicion or reasonable grounds for knowledge or suspicion that another person is engaged in money laundering and why you feel that a Limited Value Report is suitable.

Reason for Disclosure Continuation Sheet (Module/Appendix 8)

Where required, please use this section to continue your reasons for knowledge or suspicion, where the space provided within Appendix 7 is insufficient. Multiples of this module can be utilised as required.

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Please ensure that you complete the Main Subject Name at the top of any of these modules completed in order that we may cross reference this module to the rest of your report.