



AA Anti-Money Laundering Policy

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1 Introduction and Context

The Architectural Association (“the AA”) is committed to the highest standards of ethical conduct and integrity in their business activities in the UK and overseas. It will therefore ensure that it has in place proper, robust financial controls so that it can protect its funds and ensure continuing public trust and confidence in it, including controls intended to ensure that the AA complies in full with its obligations not to engage or otherwise be implicated in money laundering or terrorist financing.

This policy sets out how the AA will comply with applicable legislation and regulations, and aspire to sector best practice in relation to anti-money laundering (AML). The AA will update this policy to ensure controls remain compliant upon commencement of the government’s announced expansion of AML checks to universities and charities.

This policy should be read in conjunction with other related policies protecting the AA from financial crime: **AA Sanctions Policy**, **AA Fundraising and Due Diligence Policy** and **AA Anti-Bribery Policy**, as well as the wider **AA Financial Framework**.

2 Scope

The purpose of this Policy is to help prevent breaches of money laundering laws and to provide guidance on anti-money laundering (AML). This Policy:

- sets out the principles that all staff, business partners and contractors must follow.
- identifies key risk areas and specific mitigations.
- sets out the requirements of AA employees.
- provides further guidance on AML.

All staff, consultants, contractors, and suppliers of the AA must comply with the Policy. The Policy does not form part of any employee’s contract of employment and may be amended at any time.

3 What is money laundering?

Money laundering is the process of taking profits from crime and corruption and transforming them into legitimate assets. It takes criminally-derived money or other assets and converts them into cash or other assets so they can be reintroduced into legitimate commerce. This process conceals the true origin or ownership of the funds, and so ‘cleans’ them. As the school receives significant amounts of funds from all over the world, for tuition, visiting school, membership subscriptions, bookshop sales, publications, grants and donations/sponsorship as well as making hundreds of payments globally, it is exposed to the risk of being unwittingly used to launder funds. There are three stages in money laundering:

- i. Placement – the process of getting criminal money into the financial system.
- ii. Layering – the process of moving the money within the financial system through layers of transactions and
- iii. Integration – the process whereby the money is finally integrated into the economy, perhaps in the form of a payment for a legitimate service.

It is a crime, punishable by up to fourteen years imprisonment, to:

- conceal, disguise, convert or transfer criminal property, or to remove it from the United Kingdom.
- enter into an arrangement that you know or suspect makes it easier for another person to acquire, retain, use or control criminal property.
- acquire, use or possess criminal property provided that adequate consideration (i.e. proper market price) is not given for its acquisition, use or possession.

4 AA Requirements

The AA has obligations related to money laundering under various legislation and regulation:

1. Economic Crime and Corporate Transparency Act 2023 (ECCTA 2023)
2. Proceeds of Crime Act 2002 (POCA 2002) -The primary UK statute criminalising money laundering.
3. Terrorism Act 2000 - Criminalises terrorist financing.
4. Charities Act 2011 - Trustee duties to safeguard assets.
5. Bribery Act 2010 - Offences relating to bribery.
6. Sanctions and Anti-Money Laundering Act 2018 (SAML 2018) - UK sanctions regime framework.

In December 2025, the UK Government announced plans to expand some AML responsibilities to higher education providers and charities. This policy will be reviewed when the legislative detail is announced.

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.

The AA therefore has to consider the potential money laundering risks that its activities will expose it to and devise suitable controls that protect it and its employees against being the victim of money laundering.

The AA adopts a risk-based approach towards AML and conducting due diligence. Whilst much of the AA's financial activities could be considered relatively low risk from the perspective of money laundering, all staff need to be vigilant against the financial crime and fraud risks that the school faces. Instances of suspected money laundering are likely to be rare at the AA, but it must remain vigilant and have appropriate policies and procedures in place to assess the risk and investigate suspicious activity. It does this in a number of ways:

- requiring student tuition fee payments to be made via a third party payment partner, Convera, who undertake compliance checks on the AA's behalf.
- confirming the identity of all students through physical verification during the registration process.
- operating a "cashless campus" model where cash is not accepted for any goods/services/tuition fees etc, except for purchases made at the Bookshop.
- providing guidance for staff most likely to encounter potential money laundering, including a list of examples of suspicious behaviour that might suggest a risk of money laundering or other impropriety.
- all finance team staff members and those in other teams with higher risk receive specific AML training.
- working with third party suppliers to identify external controls, including the banks and payment providers who monitor transactions and use sophisticated tools to identify potential criminality.
- processing refunds only to the original payer.
- processing refunds via the original mode of payment, where possible.

- refusing any funds from sources that cannot be verified (or returning such funds if received), if doing so is permissible in line with relevant legislation.
- operating a clear reporting structure for anyone who suspects money-laundering is taking place.
- maintaining a regular review process to update this policy and maintain compliance in a changing regulatory landscape.

There are many types of risk. The AA has identified the following key areas, which could be exploited by those trying to carry out any or all of the three stages of money laundering above:

- Receiving tuition fees from overseas.
- Receiving tuition fees from sponsors from overseas.
- Receiving funds from potentially criminal business entities.
- Undertaking activities overseas, particularly in partnership with overseas organisation or individuals.
- Making refunds to students, and third parties (parents and sponsors).
- Receiving cash transactions (if applicable).
- Receiving donations.

5 Responsibilities

The School Director is ultimately responsible to Council for ensuring the AA operates in a way which is compliant with the law, including in relation to money laundering.

The Head of Finance is responsible for ensuring robust and effective processes exist to manage the risks associated with money laundering in line with this policy. They are also responsible for maintaining relationships with banks and other financial services providers to ensure that the AA operates within a compliant environment whilst delivering efficient and effective systems to users.

The Head of Finance is responsible for ensuring that any suspicions of money laundering are investigated and, if applicable, reported to relevant authorities.

The Senior Management Team and all Budget Holders must be familiar with this policy and ensure that is they become aware of any activity within their areas of responsibility that has the potential to breach AML requirements as outlined in this policy is raised with the Head of Finance without delay, and that such activity is not undertaken unless and until approval is given.

All AA staff have the responsibility to make their line manager aware of any activity that is covered by this policy (where new or ongoing) and support the assessment process by providing accurate and timely information regarding the activity.

Appendix 1: 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 AA.
- A customer from a country known to carry a high level of risk (such as a sanctioned country, or country with known high levels of financial fraud or corruption).
- A secretive person or business e.g. that refuses to provide requested information without a reasonable explanation.
- A request to pay a substantial sum in cash to the AA.
- Concerns about the honesty, integrity, identity or location of the people involved.
- Involvement of an unconnected third party without a logical reason or 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 and frequency of transactions with a customer that are without reasonable explanation.
- Cancellation, reversal or requests for refunds of earlier transactions.
- Requests for account details outside the normal course of business.
- A history of poor business records, controls or inconsistent dealing.
- Receipt of a payment for which the AA has not issued an invoice.
- A receipt of fees from an unconnected third party (i.e. not a student, family member or sponsor).
- Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.