

# Regulator renews its message warning charities against the use of cash couriers

Following both changes to the law on carrying cash and continued cases involving the seizure of charitable funds held as cash by the police and officers of UK ports, the Charity Commission ('the Commission') has published this updated alert on cash couriering in partnership with S015 Counter Terrorism Command, Metropolitan Police Service ('S015').

## **Risks of cash couriering**

The Commission continues to see a number of cases involving cash seizures from individuals who have indicated that they are carrying cash on behalf of a charity or for charitable purposes. In line with [international standards](#), the Commission defines cash couriers as the people who physically transport currency on their person or accompanying luggage from one jurisdiction to another. This could be a charity representative or a third party acting on behalf of the charity.

The Commission strongly advises charities against the use of cash couriering as a method to transfer charitable cash due to the significant risks involved. These risks include:

- cash couriering is known to be used by terrorist and criminal organisations to move money
- if the police or ports officers are not satisfied that the source or end use of the cash can be accounted for, it is likely to be seized under the Terrorism Act 2000 (TACT) or the Proceeds of Crime Act 2002 (POCA). Cash seized can then be forfeited on an officer's successful application to the courts
- even if a charity manages to secure the return of any seized cash, it will likely take a significant amount of time, inconvenience and cost and could result in both operational delays and reputational damage
- carrying a significant amount of cash on their person is likely to make a cash courier a target for criminals, risking both the safety of the courier and the loss of a charity's cash
- cash couriering is challenging both to audit and to maintain adequate records and evidence of expenditure. This may impact on the trustees' ability to account for the funds and show that they have been used in furtherance of their charity's purposes
- cash couriers are not regulated so there is less assurance about their quality and reliability

## **Cash continues to be a high risk for terrorist financing and money laundering**

The UK government's [latest National Risk Assessment \(NRA\)](#) highlights that

cash continues to be at high risk for both terrorist financing and money laundering. In particular, cash couriership is considered to be a popular method of moving terrorist funds overseas from the UK. Since 2017, according to the NRA, cash seizure powers have continued to be used regularly by law enforcement and there has been an increase specifically in cash seizures suspected to be linked to terrorist financing.

## **Moving charitable funds overseas**

The Commission recognises that charities which work internationally need to move money across borders. All charities need to have access to, and use, a bank account in the charity's name in the regulated banking system. Using the regulated banking system is a prudent and responsible way to protect charity funds and maintain appropriate audit trails of the sort which trustees must keep for the receipt and use of money. This is the case even if transferring funds through such channels incurs an administrative cost.

Formal banking systems should always be used where they exist as they provide the safest and most auditable means of transferring charitable funds.

If formal banking facilities are available but not used, trustees need to evidence the exceptional circumstances for operating in cash and that they have managed the associated risks effectively. Failure to do so may be considered as misconduct and/or mismanagement of the charity.

The Commission reminds trustees considering the use of a cash courier of their duty to account for their charity's income and expenditure by maintaining and preserving accounting records and to act prudently and responsibly to protect their charity's assets.

## **In what circumstances can a cash courier be used?**

The Commission accepts that, in exceptional circumstances – where other means of transferring funds are not available – cash couriership may be the only option available. In such circumstances, the Commission expects, as a minimum, that the trustees will have put in place and fully documented the following safeguards to discharge their trustee duties. Trustees will need to assess the risk to their charity, taking appropriate advice when necessary, and as such, this list will not be exhaustive:

- assess the risks involved for any instance of cash couriership. The safety of the individual carrying the cash, along with the risks to the charity's property, should be considered, assessed and managed. Trustees' [decision-making](#) and risk assessment should be properly recorded
- when using an agent or partner, ensure that appropriate due diligence is carried out on the cash courier and that reasonable steps are taken to protect the money. As a minimum, we would expect trustees to have agreed in writing what is expected from the agent, how much money is being carried and in what currency, specific details as to how funds are to be delivered and who it is to be paid to. This should be in place and agreed before the money is handed over. The Commission provides a

template [Cash Courier agreement form](#)

- obtain specialist insurance to cover the associated risks of the cash being couriered – individual travel insurance is unlikely to provide the necessary cover. Insurance to cover these risks would be a legitimate charitable expenditure
- the cash courier carries documents evidencing the source and destination of the funds and their association with the charity. It is advisable to have a designated representative of the charity that is contactable at the time of the couriating so that they are able to provide any additional documentation required by customs authorities
- declare cash of £10,000 or more when you carry it between Great Britain and a country outside the UK. This includes notes or coins, bearer bonds, travellers' cheques and cheques (including travellers' cheques) that are signed but not made out to a person or organisation. You can make a declaration to HM Revenue and Customs (HMRC) in advance [using an online form](#). If you are leaving the UK, you must declare cash before you leave the country. If you are coming to the UK, you can declare cash before you travel or as soon as you arrive in the UK. The earliest you can make a declaration is 72 hours before you plan to travel
- consider and comply with any particular local legal requirements that may be in place when taking cash into the destination country

If you are travelling as a group with more than £10,000 in total (even if individuals are carrying less than that), you still need to make a declaration.

Trustees have a duty to comply with the law. If you do not declare cash that you should have, all the cash you are carrying can be seized by a Border Force officer. You may have to pay a penalty of up to £5,000 to get it back.

Declared cash or amounts under £10,000 can still be seized by customs authorities if they have reasonable grounds to suspect a crime.

Please refer to HMRC's guidance [Taking cash in and out of Great Britain](#) for further information. There are specific provisions and exemptions regarding carrying cash to Northern Ireland (including from Great Britain) and from Northern Ireland, also noted within HMRC's guidance.

## **Reporting concerns to the Commission**

The Commission expects trustees to ensure that any seizure or forfeiture of their charity's funds is reported to it as a [Serious Incident Report](#). It is expected that any cash seizure or forfeiture would be reflected in the charity's financial statements, with cash forfeitures also reported in the charity's annual return.

## **Summary**

In summary, the Commission's regulatory advice for charity trustees is:

- do not use cash couriers unless there are exceptional reasons for doing so

- if other means of transferring funds are not available and cash couriers are used, the Commission expects trustees to put in place a range of additional safeguards given the significant risks involved
- cash of £10,000 or more must be declared to UK customs when carrying it between Great Britain and a country outside of the UK
- promptly report any seizures or forfeiture of charitable cash to the Commission as a [Serious Incident](#)

Please see Chapter 4 of the [Charity Commission's Compliance Toolkit](#) for further information on holding, moving and receiving funds safely including cash couriers.

## Notes

1. The Charity Commission, the independent regulator of charities in England and Wales, is issuing this alert to charities as regulatory advice under section 15(2) of the Charities Act 2011.
2. The National Risk Assessment (NRA) is a comprehensive assessment of money laundering and terrorist financing risk in the UK. The third NRA was published in December 2020. It sets out the key money laundering and terrorist financing risks for the UK, how these have changed since the UK's second NRA was published in 2017, and the action taken since 2017 to address these risks.