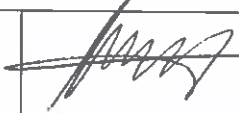





Anti-Money Laundering and Anti-Terrorism Financing Policy

Policy Number	HAPC/POL/AMLAT		
Previous review date	May 2018	Board of trustees	
Next Review date	July 2020	Board of trustees	

Policy Owner	Internal Auditing
Key responsibilities	Internal Auditing
Associated documents	NA

Approver Authorizer	July 2019	Board of Directors	
Reviewed on	July 2019	Board of trustees	



Anti- Money Laundering & Anti-Terrorism Financing Policy

1. Introduction

Human Appeal is an incorporated UK charity working across the globe to strengthen humanity's fight against poverty, social injustice and natural disaster, through the provision of immediate relief and establishment of self-sustaining development programmes. Our vision is to contribute to a just, caring and sustainable world free of poverty. Human Appeal does this by raising money to fund immediate and long-term sustainable solutions and empower local communities.

2. Policy Statement

Human Appeal is committed to ensuring that its assets are safeguarded and properly used to meet its charitable objectives. Human Appeal resources must not be used to support criminal (including terrorist purposes). As terrorism and money laundering reduces the ability to help those in need, it is Human Appeal's policy to assess the risks of becoming involved with terrorism and money laundering. Human Appeal will put in place proportionate measures to managing those risks, whilst continuing to work in difficult and challenging places to save lives and deliver assistance. The purpose of this Policy is to confirm the stance of Human Appeal on counter terrorism compliance and anti-money laundering.

Human Appeal requires its staff, volunteers, contractors and partners at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. Terrorism and money laundering risks are a threat to these resources, and hence must be a concern for all staff, volunteers, contractors and partners

1. Definition of terms

Reputation risks

- Low risk is a situation that poses or allows for an average reputation risk to the Organisation. This may include those individuals/ organisation with a PEP (Politically Exposed Person) Category less than 3. This is deemed acceptable to work with but remain under screening.
- Medium risk is a situation that poses or allows for a greater than average reputation risk to the Organisation. This may include individual/ organisation that appear on the Media Watch as a PEP (Politically Exposed Person) Category 4+5.
- High risk is a situation that poses or allows for a significant reputation risk to the Organisation. This includes working with any individual/ organisation on the Media Watch List.

2. Policy Provisions

2.1. Risk Mitigation - Human Appeal will endeavour to:

- Have systems, processes, procedures and controls in place to ensure that the risk associated with terrorism and money laundering is minimised.
- Undertake a screening process for high value transactions, partners and suppliers.
- Train its staff to ensure they have an understanding of counter terrorism compliance and anti-money laundering.



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- Meet its obligations to comply with the regulations and report serious incidents to the Charity Commission and other external authorities (as and when appropriate) – Refer to the **“Serious Incident Reporting” Policy**.
- The Board of Trustees will have a standing item on the Agenda to question whether any incidents have arisen.

5.1 Compliance

To mitigate risk, Human Appeal will undertake numerous steps from “knowing our Customers” to considering politically exposed persons (PEPs). Human Appeal screens against numerous compliance statutes, including, but not limited to:

- USA Patriot Act
- Third EU Money Laundering Directive
- UK Proceeds of Crime Act 2002 and Terrorism Act 2000
- Canada Bill C-25
- Australia Anti-Money Laundering and Counter-Terrorism Financing Act 2006

This complements the Due Diligence process in the Organisation.

5.2 Risk Management

Human Appeal manages risk by adopting an “Engaging Third Parties” Policy to reduce reputation risk associated with inappropriate individuals/ organisations to comply with statutory legislation. The aim for management is to identify risks associated with individuals and organisations that engage with Human Appeal, such as:

- All partner organisations that undertake projects on behalf of Human Appeal;
- All suppliers and contractors;
- All banks, FX Providers and financial institutions with whom Human Appeal engages in financial dealings;
- All donors (individuals and institutions) who contribute in excess of £5,000;
- All individuals/beneficiaries who receive cash as part of cash-based programme interventions (when part of donor requirements);
- Staff and Volunteers.

5.3 Know Our Partners

Human Appeal will ensure that any partner is approved. This is a safeguard to ensure funds are transferred to legitimate organisations that will undertake projects on its behalf, and provide value for money effectively and efficiently.

5.4 Know Our Suppliers and Contractors

- Each supplier Human Appeal transacts with must be screened at the tendering stage and before entering into contract;
- Human Appeal Procurement and Tendering Policies and Procedures should be followed (refer to Procurement guidelines). Suppliers with contracts over £5,000 are to be screened.



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5.5 Know our Donors

With regard to significant donations (defined as greater than £5,000 either singly or as multiple donations) that are received. Human Appeal will identify the donors from its Donor Management System and screen those donors that fall within this category. Human Appeal assigned staff shall question unusual transactions, which make no commercial sense or appear to be 'too good to be true'.

5.6 Know our Staff and Contractors

To mitigate the risk of contracting with staff, contractors and volunteers that would potentially create reputational damage to Human Appeal and/ or be listed as proscribed individuals, the nominated person shall screen all such persons prior to Human Appeal entering into a Contract. Human Appeal HR policies and procedures should be followed; thereafter staff, contractors and volunteers are to be screened.

5.7 Know our Beneficiaries

Human Appeal may undertake or fund programmes that are cash-based such as cash for work, sponsorship, microcredit for example. Programme managers and/or Human Appeal Partners shall work in line with cash based programme policies and eligibility criteria. The selected list of beneficiaries is to be screened.

6 Sanctions

- Actions that fall into the categories of Money Laundering and/ or Terrorism Financing are criminal offences and committing them is punishable by prison sentences and/ or a fine. For example, if found guilty of the offence of tipping off, an individual may be imprisoned for up to five years and may receive a fine of an unlimited amount.
- Staff should note that offences can be committed by staff as individuals even if you are acting in the course of your employment.
- In addition to the criminal offences as noted above, any failure to follow this policy by the relevant officer may lead to disciplinary action being taken under our disciplinary process (**DPMVER01-SEP17**).

7 Policy Review

This policy was prepared by the Finance Team at Human Appeal. It will be reviewed on an annual basis to ensure continuing appropriateness.