



ANTI-MONEY LAUNDERING AND ANTI-TERRORISM POLICY

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1. Introduction

Human Appeal (HA) is an incorporated INGO 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. HA does this by raising money to fund immediate and long-term sustainable solutions and by empowering local communities.

2. Policy Statement

HA is committed to ensuring that its assets are safeguarded and properly used to meet its charitable objectives. HA's 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 HA's policy to assess the risks of becoming involved with terrorism and money laundering. HA will put in place proportionate measures for 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 HA on counter-terrorism compliance and anti-money laundering.

HA 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.

3. 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/organisations 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 an 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.

4. Policy Provisions

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.
- 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. Compliance

To mitigate risk, Human Appeal will undertake numerous steps from "Knowing our Customers" to considering politically exposed persons (PEPS). HA screens against numerous compliance statutes, including, but not limited to:

- USA Patriot Act
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- The Fifth 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.

6. 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);
- Trustees, Staff and Volunteers

6.1 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.

6.2 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 The Global Supply Chain manual guidelines). Suppliers with contracts over £5,000 are to be screened.

6.3 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 internal systems 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'.

6.4 Know our Staff and Contractors

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

6.5 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 HA partners shall work in line with cash-based programme policies and eligibility criteria. The selected list of beneficiaries are to be screened.

7. Sanctions

Actions that fall into the categories of Money Laundering and/or Terrorism Financing are criminal offences and committing them is punishable by potential 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 staff as individuals could commit offences even if they are acting in the course of their 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.

8. Policy Review

The Compliance department at Human Appeal prepared this policy. It will be reviewed on a bi-annual basis to ensure continuing relevancy and appropriateness.