

**CIUK POLICY**  
**Anti-Money Laundering, Terrorist Financing and Transfer of Funds Policy**  
March 2013 - revised January 2018

Scope of policy:	Applies to all organisational activities, including donations and acceptance of funds, procurement processes and supplier payments, partnerships with other organisations for the implementation of programmes or other activities. Applies to all programmes implemented through CARE Country Offices and Partners.
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**Key controls:**

- Donation acceptance policies and procedures
- Due Diligence policy and procedures: Programme partners, donors and corporate partners
- Procurement policy
- Programme Funds transfer process and controls

Policy revised January 2018 to update Anti-Money Laundering to include Financial Crime and Anti-Terrorism regulatory requirements

**Related policies:**

CIUK Anti-bribery Policy  
CIUK Donation Acceptance Policy  
CIUK Due Diligence Policy  
CIUK Procurement Policy  
CIUK Programme Fund Transfer Policy  
CIUK Whistleblowing Policy  
CI Policy on Fraud and Corruption – Awareness, Prevention, Reporting and Response  
CI Procurement Policy

**1. Money Laundering**

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. It includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.

In legal terms, the definition of money laundering is very broad. It includes:

- handling the proceeds of crime;
- being knowingly involved in any way with criminal or terrorist property;
- entering into arrangements to facilitate the laundering of criminal or terrorist property;
- investing the proceeds of crime into other financial products or buying property and assets;
- transferring criminal property.

Revised Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on 26th June 2017: <http://www.legislation.gov.uk/ukxi/2017/692/contents/made> with the objective of ensuring that the UK's anti-money laundering and counter-terrorist financing (AML/CTF) regime is

kept up to date is effective and is proportionate and ensure that the UK's financial system is an increasingly hostile environment for money laundering/terrorist financing (ML/TF).

## 2. Anti-Terrorism

CARE International UK is a humanitarian aid and development agency and allocates funds to partners for their exclusive use on humanitarian aid and development activities to relieve poverty and to address the underlying causes of poverty. We do not engage with terrorist organisations or give money to partners who carry out, or fund, or advocate terrorist activity.

We are fully committed to ensuring all our business processes minimise the risk of funds being diverted for terrorist or any other criminal purposes, through the following controls:

- carrying out Due Diligence on partners (including Bridger check against proscribed lists) and specific checks before transferring funds to new Programme Partners
- automated Bridger check within PeopleSoft New Vendor set up process – applied to all UK vendors including staff and partners
- compliance with enhanced due diligence process set by our banking provider, and pre-screening for all funds transfers to countries where financial sanctions are in place

OFSI's GOV.UK web pages provide details of sanctions currently in place: <https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

## 3. Risk assessment

As regulations in other sectors including the banking sector have tightened, charities have become an increasing target for the attentions of potential money launderers. Increasingly CARE is working in higher risk environments, including countries where financial sanctions are in place.

There are a number of specific risk areas and mitigation

Risk area	Mitigating action
<p>CIUK programmes operate in areas or countries where financial sanctions are in force and where there is a higher risk of money laundering and terrorist financing.</p>	<p>CARE protocols for operating in higher risk environments                      Due Diligence of partners                      Enhanced Due Diligence for specific activities (such as money transfer using non-formal financial institutions; emergency cash distributions)                      Banking provider enhanced Due Diligence and pre-screening of funds transfers</p>
<p>Country offices receive requests for unusual transactions, such as a request to pass funds through an office account, or to hold cash on behalf of a third party, or to pass funds back to CIUK.                      Donors request unusual or over-specific restrictions on a gift, or requesting its return in whole or part.</p>	<p>All Programmes have a grant agreement with a donor, and have an IPIA with a CARE Member and/or sub-grant agreement with Partners.                      Gift Acceptance policy and Due Diligence procedures for new donors.</p>

Risk area	Mitigating action
Programmes and partners subject to suspicious or unusual transactions resulting from money laundering	Country Office verification of partner financial reports. Review of partner financial transactions as part of project audits (internal or donor audits).
Suppliers set up to provide money laundering facilities.	Procurement Policy including tendering; Bridger check of all partners and suppliers.
Programme partners or individuals connections with proscribed groups or terrorism	Partner Due Diligence Bridger check of all CARE partners and suppliers.

The controls outlined above seek to ensure that our work and that of our partners is free from interference and that resources are used for the purposes intended.

## **5. Reporting procedures**

### ***Money Laundering Reporting Officer (MLRO): Finance Director.***

The MLRO will handle all responsibilities regarding this policy and receive suspicious activity report form, and is responsible for ensuring investigations and for communication with the relevant government body (National Crime Agency).

If any member of staff knows or suspects that money laundering is taking place, they must report it to the MLRO as soon as the knowledge or suspicion first strikes them.

Reporting must be in the form of a **Suspicious Activity Report form – hard copy** only - see Appendix to this document.

Any delay leaves the member of staff and the organisation open to the two charges of failure to report, and of assisting an offence. There is no need for the member of staff to ascertain the nature of the crime which leads them to suspect that the unusual transaction may be an instance of money laundering, only to explain what made them suspicious. The report should always be made immediately to the MLRO, even if later knowledge proves the suspicion to be unfounded.

Once an initial investigation is completed, the Suspicious Activity will be reported to Head of Internal Audit and Risk Management under the CIUK Fraud and Corruption reporting process.

Additionally, any reports made via the CARE Whistleblowing hotline or other CIUK fraud and corruption reporting that appear to involve the proceeds of crime will be referred to the MLRO.

Policy owner: Finance Director

Last updated: January 2018

## Suspicious Activity Report Form

				Name	Date aware	Signed
Reported by:						
MLRO Informed:						
Details of activity						
Country/location:						
Individual/ organisation involved:						

Reason for report

Actions taken prior to this form being completed

Names of all persons with whom this suspicion has been discussed

Submitted by:  
Name:

Date: