

Anti-Money Laundering Policy

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1. INTRODUCTION

Aid Without Borders (AWB) is registered with the Australian Charities & Not-for-profits Commission (ACNC). This registration and associated ACNC Tick of Charity Registration (the Registered Charity Tick) aims to give reassurance to the public that the charity is transparent and accountable by highlighting its presence on the ACNC Charity Register.

AWB embraces a risk-based approach to managing compliance, ensuring adequate controls are implemented to combat, detect, and report potential money laundering and financing terrorist activities.

As at August 2017 AUSTRAC and the Australian Charities and Not-for-profits Commission (ACNC) assess Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) risks affecting Australian NPOs as Medium (this assessment remains valid for this 2024 policy review.) This is primarily based on suspicious matter reporting, the number of investigations into predicate crimes involving NPOs, and anecdotal insights from sector representatives regarding levels of criminal exploitation.

The key threats facing the NPO sector are fraud and theft of resources. General factors that increase any NPO's vulnerability to money laundering or terrorism financing include:

- poor understanding of the risks of money laundering and terrorism financing
- poor due diligence on key personnel, volunteers, partners and beneficiaries
- inexperienced staff
- lack of formalised training and ongoing professional development
- poor record keeping
- weak internal controls
- poor transparency and accountability of the end-to-end funding cycle
- beneficiaries or operations in countries with poor AML/CTF regimes
- beneficiaries or operations in conflict or post-conflict regions
- beneficiaries or operations in dispersed ethnic communities in Australia, with strong links to high-risk countries (specific to terrorism financing only).

AWB is committed to undertaking the best possible procedures to ensure compliance with the ACNC, ATO, ACFID, DFAT and other relevant regulatory bodies. AWB endeavours to ensure accurate representation of its activities to all its stakeholders.

1.1. Purpose

The purpose of this policy is to stipulate the importance of Anti-Money Laundering, define and clarify AWB's policy against it, and facilitate the development and implementation of measures by AWB Board and Staff to provide appropriate actions and activities to implement this policy.

1.2. Roles and Responsibilities

AWB has a zero-tolerance approach to any involvement in money laundering activities.

AWB will take measures to prevent its officers being exposed to money laundering, to identify areas in which money laundering may occur and to comply with legal and regulatory requirements, especially the process for reporting actual or suspected money laundering cases to AWB's Treasurer (if against Treasurer, report directly to Chairperson). It is the responsibility of every officer to be vigilant and act promptly in all suspected cases.

The policy applies to all officers and members and sets out procedures for the reporting of suspected money laundering activities with the aim to reduce potential criminal activity. The policy defines procedures that will assist AWB to comply with its legal obligations.

The Policy should be read alongside the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Failure of an officer to comply with the procedures defined within this policy may lead to disciplinary action in line with AWB Code of Conduct.

Failure of a member to comply with the procedures defined within this policy would be reported to then Treasurer (if against Treasurer, report directly to Chairperson) for further action.

1.3. Definitions

Money laundering is a term used to describe offences involving the proceeds of crime or terrorism funds.

'Money laundering' is defined in section 5 of the AML/CTF Act. It is described by The Australian Transaction Reports and Analysis Centre (AUSTRAC) as follows:

"... Money laundering is the process whereby criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction and confiscation of the criminal funds."

It consists of various stages:

- Placement - first stage of money laundering in which illegal funds or assets are first brought into the financial system
- Layering - the placed funds are distanced from their illegal origin by moving, disbursing or disguising them
- Integration - the funds are reintroduced into the economy for criminals to use and control apparently as legitimate funds.

Terrorism financing refers to activities that provides financing or financial support to individual terrorists or terrorist groups.

Vulnerability refers to the characteristics of a sector that make it susceptible to money laundering (including criminal misuse) or terrorism financing.

Consequence refers to the potential impact or harms of money laundering and terrorism financing in the NPO sector. It involves consequences for NPOs, individuals, national and international security, and the Australian economy and community

While the risk to AWB of breaching legislation is low, officers in all areas should be aware that they could be potentially exposed to money laundering activities. It is important that all employees are aware of their responsibility to report any suspicions of money laundering activity as detailed within this policy. All officers are responsible to act promptly and report any suspicions to the Treasurer (if against Treasurer, report directly to Chairperson) to prevent any breach of legislation that can lead to serious criminal penalties.

2. POLICY & PROCEDURES

2.1. Policy Statement

Fraud can be very difficult to identify. AWB has a zero-tolerance approach to fraud and all other criminal activities. AWB is committed to monitor activities, from the point at which funds are received, throughout internal management and decision-making processes, to the point where funds are used. AWB understands the importance of particular warning signs, or 'red flags' which may indicate fraud.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 places obligations on AWB and its employees with respect to suspected money laundering. The key points of consideration are:

Establishing and maintaining a Risk Based Approach (RBA) towards assessing and managing the money laundering and terrorist financing risks to the company including field partner's due diligence.

- Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate.
- The maintenance of appropriate records for the minimum prescribed periods.
- Training and awareness for all relevant employees.
- The reporting and detection of suspected money laundering.
- Officers must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Treasurer
- Whereas in-case of complaint against Treasurer (if against Treasurer, report directly to Chairperson) for the investigation.

AWB is prohibited from transacting with individuals, companies and countries that are on prescribed Sanctions lists.

Checks will be performed against the Criminal Code list of terrorist organisations and the DFAT consolidated list of individuals and entities subject to targeted financial sanctions, as per the following:

- [Asian Development Bank Sanction list](#)
- [Attorney General's Department List of Terrorist Organisations](#)
- [DFAT's Consolidated List](#)
- [World Bank Listing of Ineligible Firms](#)
- [UN Security Council Consolidated Sanctions](#)
- [US OFAC Consolidated List](#)

The lists are consolidated in DFAT's program LinkMatchLite and Opensanctions.org.

The following are subject to mandatory terrorism checks against the lists above:

- Contractors, funders and suppliers engaging in money exchange with AWB for more than \$20,000 annually.
- Partner organisations, their board members, Directors and staff members involved in the AWB project, and their suppliers and contractors for more than \$20,000 annually
- Aid Without Borders staff
- Aid Without Borders Board of Directors

AWB generally receives funding from government bodies, well known international agencies or companies with which it has previously done business. Any money received from sources that do not fit this profile will be investigated in accordance with acknowledged Australian Government 'Know Your Customer' procedures.

The Money Laundering Regulations are complex and detailed, and should any personnel have any doubt about the policy requirements, they are requested to seek further information from their line management.

2.2. Reporting

Any employee who suspects money laundering activity should report their suspicions promptly to the Treasurer (if against Treasurer, report directly to Chairperson) using the form attached (AML Activity Form). Upon receipt of the report, the Treasurer (if against Treasurer, report directly to Chairperson) may contact you directly to discuss the content of the report as required.

No further enquiries should be made about the suspected money laundering after reporting the matter to the Treasurer (if against Treasurer, report directly to Chairperson). No further steps in any transaction relating to the suspected money laundering should be made without authorisation from the Treasurer (if against Treasurer, report directly to Chairperson).

No disclosure should be made to others that would indicate suspicions of money laundering. Any officer reporting should not discuss the matter with others or note on file that a report has been made to the Treasurer (if against Treasurer, report directly to Chairperson) as this may result in the suspect becoming aware of the situation.

The Treasurer (if against Treasurer, report directly to Chairperson) will promptly evaluate any Disclosure Report to determine whether it should be reported to AUSTRAC.

Failure to report a disclosure to AUSTRAC without reasonable grounds is considered a criminal offence.

Any Instance of allegations could be reported to AWB via following communication mediums:

- info@awb.org.au

- +61 0403 862 961
- 15-17 Antonella Ct, Dandenong South Vic 3175

2.3. Training

AWB will make all officers aware of the requirements and obligations placed on the organisation and on themselves as individuals in accordance with the Anti-Money Laundering and Counter-Terrorism legislation and provide targeted training to those most likely to encounter money laundering.

ANNEX 1: AML Activity Form

FOR COMPLETION BY THE OFFICER SUSPICIOUS OF ACTIVITY:

CONFIDENTIAL

Report to Treasurer (if against Treasurer, report directly to Chairperson) money laundering activity

To: Treasurer (if against Treasurer, report directly to Chairperson)

From: _____

[insert name of employee]

Directorate: _____

[Insert post title and business unit]

Ext/Tel No: _____

URGENT YES/NO

Date by which response needed: _____

Details of suspected offence: _____

Names(s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:

[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)? (Please tick the relevant box)

☐ Yes ☐ No

If yes, please include details below:

Have you discussed your suspicions with anyone

else? (Please tick the relevant box) ☐ Yes ☐ No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)
[Please tick the relevant box]

☐ Yes ☐ No

If yes, please specify below:

Do you feel you have a reasonable excuse for not disclosing the matter to AUSTRAC? (e.g. are you a lawyer and wish to claim legal professional privilege? [Please tick the relevant box] ☐ Yes ☐ No

If yes, please set out full details below:

Signed: _____ Dated: _____

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described.

ANNEX 2: AML Response Form

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE Treasurer (if against Treasurer, report directly to Chairperson)

Date report received: _____

Date receipt of report acknowledged: _____

CONSIDERATION OF DISCLOSURE:

Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to AUSTRAC? [Please tick the relevant box] ☐ Yes ☐ No

If yes, please confirm date of report to AUSTRAC: _____ and complete the box below:

Details of liaison with AUSTRAC regarding the**Notice period:** _____ to _____**Moratorium Period:** _____ to _____

Is consent required from AUSTRAC to any ongoing or imminent transactions which would otherwise be prohibited acts? [Please tick the relevant box] ☐ Yes ☐ No

If yes, please confirm full details in the box below:

Date consent received from AUSTRAC: _____

Date consent given by you to employee: _____

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to AUSTRAC, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

Signed: _____ **Dated:** _____