



Anti-Money Laundering and Anti-Terrorist Financing Policy
Version 1

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Document Control

The Legal Manager will be responsible for the periodic review of this document.

Document Responsibility

Title	Anti-Money Laundering and Anti-Terrorist Financing Policy
Directorate	Corporate Services
Unit	Legal Office
Manager	Legal Manager
Applicable to	All Staff

Document Revision History

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1. Purpose

- 1.1. The International Centre for Research in Agroforestry (hereinafter 'ICRAF'/'Centre') is an international research centre working in six regions and more than 22 countries, mostly in the developing world.
- 1.2. Due to the nature of our work and the places where we work, a reputation for integrity, both in our business behaviour and management systems, is crucial to the Centre's achievement of its goals and fulfilment of its mission.
- 1.3. In response to the global concern regarding money laundering and possible financing of terrorism, many countries worldwide have enacted or strengthened their laws regarding this subject. Kenya, where the Headquarters of the Centre are located, has passed the following laws regarding Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) based upon the recommendation of the inter-governmental body of the Financial Action Task Force (FATF):
 - 1.3.1. Proceeds of Crime and Anti-Money Laundering Act and Regulations; and
 - 1.3.2. Prevention of Terrorism Act and Regulations.
- 1.4. The purpose of this Policy is to establish the general framework against money laundering and financing of terrorists, and to ensure compliance to local and international anti-money laundering and counter terrorist financing practices.
- 1.5. Additionally, the Policy will mitigate against any reputational damage to the Centre by ensuring that it keeps and maintains consistent controls in place to deter any connection with any prohibited activity.

2. Scope

- 2.1. This is a Centre-wide Policy and is applicable to all staff located in all countries where the Centre operates.
- 2.2. The Centre requires management and staff to adhere to these standards in preventing the use of its funds for money laundering or terrorist financing purposes.
- 2.3. It is extremely important that staff are familiar with their legal responsibilities and are vigilant at all times. Serious criminal sanctions may be imposed for breach of the legislation.
- 2.4. Staff are required to promptly report any suspected money laundering activity.
- 2.5. The Centre will also require that all partners, staff and suppliers and any other legal person or individual that the Centre transacts or engages with is vetted in line with this Policy and its Procedures to ensure compliance.

2.6. Failure to comply with the procedures set out in this Policy may lead to disciplinary action in line with the Human Resources Policy and Procedures Manual.

3. Definitions

- 3.1. **Financial Action Task Force (FATF)** is an inter-governmental body established in 1989 by the Ministers of its Member jurisdictions. It is currently made up of 37 countries and two regional organisations (EU and Gulf Cooperation Council). The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- 3.2. **Money Laundering** means the process of concealing or disguising the existence, source, movement, destination or illegal application of illicitly-derived property or funds to make them appear legitimate. It usually involves a three-part system: placement of funds into a financial system, layering of transactions to disguise the source, ownership and location of the funds, and integration of the funds into society in the form of holdings that appear legitimate.
- 3.3. **Terrorist Financing** means the process by which terrorists fund their operations in order to perform terrorist acts. There are two primary sources of financing for terrorist activities. The first involves financial support from countries, organizations or individuals. The other involves a wide variety of revenue-generating activities, some illicit, including smuggling and credit card fraud.

4. Policy Statement

- 4.1. It is the Policy of the Centre to adhere to the laws of the countries where it is located, as well as international best practice to prohibit and actively prevent the facilitation of money laundering, funding of terrorists or any other criminal activity through our services and activities.
- 4.2. The Centre affirms that it shall not be associated with money laundering and terrorist financing and shall ensure that all statutory and regulatory obligations applicable to its actions are met in full.
- 4.3. Compliance to the Policy is mandatory.

5. Roles and Responsibilities

5.1. Board of Trustees

- 5.1.1. Monitoring of compliance and receiving and reviewing of exception reporting.
- 5.1.2. Ensure that sufficient resources are assigned to the Internal Audit Unit and other units to carry out their responsibilities as per this policy.

5.2. Senior Leadership Team (SLT)

- 5.2.1. Continuously assess the extent to which the Centre is managing its Anti-Money Laundering and Anti-Terrorist Financing compliance.
- 5.2.2. Ensure that staff are aware of the risks associated with prohibited transactions, money laundering and terrorist financing.
- 5.2.3. Report any breach of the Policy or suspicion of prohibited transactions to the Internal Audit Unit for investigation.
- 5.2.4. Review, approve and implement Anti-Money Laundering and Anti-Terrorist Financing procedures.
- 5.2.5. Ensure that an effective Anti-Money Laundering and Anti-Terrorist Financing capacity building programme is set up and implemented to ensure that staff receive appropriate training.

5.3. Regional Coordinators, Country Coordinators, Heads of Units, Theme Leaders

- 5.3.1. Remain vigilant in ensuring compliance to this Policy by their staff.
- 5.3.2. Immediately report any breach of the Policy or suspicion of prohibited transactions to the Internal Audit Unit.
- 5.3.3. Ensure details of new partners, staff and suppliers are sent to the Legal Office for vetting.
- 5.3.4. Ensure their staff are sufficiently trained on how to comply with relevant Anti-Money Laundering and Anti-Terrorist Financing laws, regulations, policies and procedures in their relevant jurisdictions.
- 5.3.5. Ensure that they and their staff receive and review all communication relating to this Policy and any procedures communicated by the Legal Office or Senior Leadership Team.

5.4. Internal Audit Unit

- 5.4.1. Receive and investigate suspicious activity reports from staff.
- 5.4.2. Audit the Anti-Money Laundering and Anti-Terrorism Financing policies, procedures and systems for weaknesses.

5.5. Legal Office

- 5.5.1. Report to the law enforcement agencies, where necessary.
- 5.5.2. Vet all new partners, staff and suppliers and confirm if they are cleared for compliance purposes.
- 5.5.3. Ensure that proper Anti-Money Laundering and Anti-Terrorist Financing records are maintained.
- 5.5.4. Participate in the development and implementation of training programs for staff, either with staff from the Unit or with external consultants.
- 5.5.5. Keep abreast with national and international developments in the Anti-Money Laundering and Anti-Terrorist Financing arenas.
- 5.5.6. Ensure compliance to the Policy.

6. Review

- 6.1. This Policy will be reviewed every three years or earlier, as necessary.
- 6.2. Any changes made to the Policy will be presented to the Senior Leadership Team for endorsement and thereafter submitted to the Board of Trustees for approval.

7. Related Documentation

- 7.1. [Fraud Prevention Policy](#)
- 7.2. [Human Resources Policy and Procedures Manual](#)
- 7.3. [Partners Financial Management Capability Assessment Policy](#)
- 7.4. [Private Sector Engagement Policy](#)
- 7.5. [Integrity Policy](#)
- 7.6. Anti-Money Laundering and Anti-Terrorist Financing Procedures