



**COUNTER-TERRORISM
FINANCING AND ANTI-MONEY
LAUNDERING POLICY**

Updated 2023



COUNTER-TERRORISM FUNANCING AND ANTI-MONEY LAUNDERING POLICY

Issuer / Owner Department	Chief Operations Officer (COO)	
Process(es) Involved	Governance	Conduct
Risk(s) Involved	All risks	
Keywords	Governance, Policies, Terrorism Financing, Money Laundering	

Level	Level 2
Scope	Organisation-wide and Stakeholders
Classification	Internal and External
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Reference	ASLM-OPS-007
Date of Previous Version	N/A
Effective Date	01/12/2023
Renewal Date	30/12/2026

Related Documents	Code of Conduct Anti-corruption, Anti-fraud and Bribery Policy Whistleblower Policy Record Retention Policy Data Protection Policy
Regulatory Text(s)	N/A

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1. PURPOSE

This policy outlines the principles and minimum internal controls which should be adhered to by ASLM to mitigate risks associated with Counter-Terrorism Financing (“CTF”) and Anti-Money Laundering (“AML”).

2. SCOPE

This policy applies to all ASLM employees, Board of Directors (“the Board”), Sub-grantees, Implementing Partners, Vendors, Suppliers and other Third Parties.

3. APPLICABLE REGULATIONS

ASLM will not use the funds provided by donors, or generated through ASLM’s own revenue streams, to benefit terrorist or criminal groups as defined in any of the following statutes:

- i. The US Uniting & Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “US Patriot Act”)
- ii. The UK Terrorism Act 2000
- iii. The Criminal Code (Canada)
- iv. The Financial Action Task Force (FATF) Mandate (2019)
- v. Host Country CTF and AML laws
- vi. As incorporated by reference in any of ASLM’s agreements with funders

4. DEFINITIONS¹

The following definitions are applicable to this policy:

4.1.1 Terrorist Financing

Involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organisations. A person commits the crime of financing of terrorism “if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, to carry out acts of terrorism”.

4.1.2 Money Laundering

Is the process by which proceeds from criminal activity, such as corruption, dealing in illegal drugs or illegal arms, are disguised to conceal their illicit origin; (i) the conversion or transfer, knowing that such property is the proceeds of crime (ii) the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to the property, knowing that such property is the proceeds of crime; and (iii) the acquisition, possession or use of property, knowing, at the time of the receipt, that such property is the proceeds of crime.

4.1.3 Proscribed group or Persons

Are groups or persons that have been banned by a government or an inter-governmental organisation such as the UN. The purpose of such a ban could be due to the commission of terrorism offences. Designated terrorist groups are those that are set aside as terrorist groups.

¹ <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#moneylaundering>

4.1.4 Beneficial Owner

Means the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

5. PRINCIPLES

ASLM's approach to mitigating the risk of money laundering, terrorism financing and sanctions breaches is embedded in the following principles:

- ASLM will implement robust procedures, including maintaining adequate financial records to support all incurred expenditure.
- ASLM will conduct risk assessments which will form part of program planning and adopt appropriate mitigation measures escalating risks where necessary.
- ASLM will conduct due diligence and screening of persons/entities with whom it engages.
- ASLM will remain vigilant and report concerns or violations in line with regulatory and donor requirements.

6. PROHIBITIONS

ASLM shall not maintain a business relationship with third parties:

- a. where such a relationship is prohibited under the CTF or AML law or regulation applicable as a condition of funding, or in any of the jurisdictions where ASLM implements its activities or procures its goods and services.
- b. where the third party's business activities are known or suspected to be illegal based on the applicable laws and regulations.
- c. where the third party is designated or proscribed or believed to be engaged or associated

ASLM reserves the right to terminate a relationship where a third-party refuses to provide necessary information to enable ASLM to conduct appropriate due diligence or screening in line with ASLM's protocols on CTF/AML.

7. RISK-BASED APPROACH

ASLM will adopt a risk-based approach in instituting controls that mitigate the risk of CTF and AML in its programmes. Risk assessment will be done at the design stage of all projects by the Internal Audit & Compliance Department to assess and manage the risk of funds or materials being diverted.

Risks will be monitored, reviewed and reported annually and at trigger points to account for changes in operating circumstances (e.g. economic, political, security), and programmes adjusted accordingly.

Risk assessment results will inform the design and development of the controls and procedures that mitigate the risk of CTF and AML. The controls will be reviewed regularly to ensure that they are operating as intended.

8. DUE DILIGENCE

Reasonable risk-based due diligence will be conducted before entering contractual relationships with third parties. ASLM will complete due diligence checks on each downstream partner to establish their capacity and capability to effectively manage funds.

As part of the due diligence, ASLM will also obtain necessary details from the vendors/suppliers to ensure that they have adequate information on the identity of whom they are dealing with and where necessary, the beneficial owner.

Such information will include registration certificates registered addresses, directors or owners. ASLM will not enter into contracts nor make any payments to parties who have not been subjected to the screening process or the due diligence process.

9. POLITICALLY EXPOSED PERSONS

Politically exposed persons (PEPS) are natural persons who are or have been entrusted with prominent political functions and immediate family members or persons known to be close associates of such persons in the countries where ASLM operates or procures its goods or services.

Politically exposed persons are likely to expose ASLM to higher risks of money laundering. ASLM will conduct enhanced due diligence procedures and adapt processes and systems to mitigate the risks posed by politically exposed persons.

10. SCREENING

ASLM will screen its sub-grantees, suppliers and contractors against sanctioned lists. The objective of this screening is to reduce the risk of dealing with a sanctioned or proscribed person or entity. A risk-based approach will be applied in determining the extent of the screening. ASLM will not engage with contractors, or third parties found in sanctioned lists. ASLM will perform screening on the following watch lists (list not exhaustive):

- i. list of entities that are listed by the Government of Canada pursuant to the Criminal Code (Canada) as being associated with terrorism (list currently available at: <https://www.publicsafety.gc.ca/cnt/ntnlscrt/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-en.aspx>)
- ii. Terrorist Exclusion List published by the U.S. State Department (list currently available at: <https://www.state.gov/terrorist-exclusion-list/>)
- iii. list of entities and individuals whose assets have been frozen by the United Nations and which is maintained in Canada by the Governor in Council under the United Nations Suppression of Terrorism Regulations (list currently available at: https://www.international.gc.ca/worldmonde/international_relationsrelations_internationales/sanctions/terroristterroristes.aspx?lang=eng)
- iv. [list of individuals and entities whose assets have been frozen by the UK Government](#) available at: [Financial sanctions targets: list of all asset freeze targets - GOV.UK \(www.gov.uk\)](#)
- v. [list of individuals and entities whose assets have been frozen by the European Union \(EU\)](#) available at: <https://www.europeansanctions.com/eu-sanctions-list/>

11. REPORTING CONCERNS & VIOLATIONS

ASLM staff must report suspicions and concerns of money laundering, terrorism financing or breach of sanctions immediately. Suspicions must be reasonably held but do not require any proof before making a report.

Suspicions must be reported to: ethics@aslm.org

Or confidentially through the 24/7, anonymous whistleblowing channels provided below:

Country	Number	Limitations	Language Provision
Ethiopia & All Other Countries	+27 31 571 5307	International South African number. Accessible from all networks at international call rates from any country to South Africa	English 24/7. French and Portuguese during South African business hours - Mondays to Fridays between 08h00 and 17h00 CAT
South Africa	0800 331 666	Customized toll-free number. Toll-free access from all networks in South Africa	English 24/7. All ten other official languages during South African business days - Mondays to Fridays between 08h00 and 17:00 CAT

In addition to the unique telephone numbers referred to above, Deloitte will provide ASLM with access to the Deloitte Tip-offs website at the following web address: www.tip-offs.com from which a tip-off may be sent by the Whistleblower. Deloitte also provides a unique email address as follows ASLM@tip-offs.com

The ethics hotline is an externally managed, anonymous reporting tool and employees should report any eligible acts of corruption, bribery, and fraud within 24 hours of the suspicion.

12. ONWARD REPORTING

ASLM will notify its funders on any confirmed violations of the CTF/AML provisions and shall at all times indemnify the affected funder from loss, should such a confirmed case materialize. ASLM will also notify the affected funders immediately if any aspect of the funded program cannot be carried out as a result of the imposition of economic sanctions from any of its regulators.

13. TRAINING & AWARENESS

ASLM will ensure that training and/or awareness is availed to its staff, board members and third parties on the contents and implementation of this policy. Staff who join ASLM will be required to go through an induction process that entails familiarisation with this policy. ASLM will ensure that the requirements of this policy forms part of the contractual agreement with its grantees, contractors and third parties.

14. FLOW DOWN TO THIRD PARTIES

ASLM will hold regular discussions with vendors, grantees and partners about risks and incidents of aid diversion likely to affect its programmes. Sub-grantees and implementing partners must ensure

their staff are trained and are aware of their responsibility to protect funds from the risk of diversion.

Sub-grantees and implementing partners of ASLM must report suspicions of money laundering, terrorism financing and sanctions breaches within 48 hours using the emails provided in section 11 above. Sub-grantees and implementing partners must also conduct due diligence and screening processes like those instituted by ASLM to mitigate the risk of dealing with proscribed persons, financing terrorism or money laundering. Terrorism-financing and money laundering mitigation obligations will form part of the contract with all ASLM's sub-grantees and implementing partners. ASLM reserves the right to terminate agreements with sub-grantees or implementing partners who breach this policy.

15. INDEPENDENT ASSURANCE

All ASLM controls and procedures are subject to internal audit reviews and, where necessary, ASLM may call an external review to assure the integrity, adequacy and effectiveness of counter-terrorism financing and anti-money laundering procedures.

16. RECORD KEEPING

ASLM will maintain a register of all reported suspicions including those reported externally. The internal Audit & Compliance Manager shall be responsible for ensuring that such records are adequately maintained in line with ASLM's data protection policy. Such records will be maintained for a minimum of seven (7) years. For the avoidance of doubt, ASLM's policy is to maintain all its records in electronic format i.e. scanned documents will carry the weight as hard copy documents unless specifically stipulated otherwise as a condition of funding or by host government statute.

17. EXCEPTIONS

There are no exceptions to this policy.

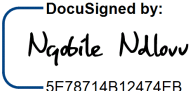
18. CONTACT

For questions or feedback about this policy, please contact the Chief Operating Officer.

Approved by:

Name: Nqobile Ndlovu

Designation: Chief Executive Officer

Signature: 5E78714B12474EB...

Date: 08-Nov-23 | 7:59 PM EAT