FAIRACTION
MISSION 2030
Clean Water For All
https://fairaction.ngo

**Australia**
Level 13, 333 George St. Sydney NSW 2000 Australia
Phone: +61 2 8091 2493

**Nigeria**
2A Epapa Adegbayi Ogungbade, Ibadan Oyo State, Nigeria
+234 703 632 2916

# Counter-Terrorism and Anti-Money Laundering Policy

## Document History

| Version | Date | Description | Next Review |
|---|---|---|---|
| 1 | 13/5/2024 | Created and updated as per ACFID requirements | Before annual board meeting |
| | | | |

If you require further information regarding this document, please contact: info@fairaction.ngo

## Purpose

The purpose of this policy is to articulate Fairaction International's firm commitment to preventing involvement in terrorist activities, money laundering, and any other forms of criminal misuse of funds and resources. This commitment is in line with Fairaction International's dedication to ethical practices and compliance with all applicable laws and regulations in Australia and in countries where we operate.

Fairaction International recognizes the critical importance of ensuring that all funds and resources are utilized strictly for their intended purposes to support our mission of providing sustainable access to clean drinking water and related development activities. Given our extensive operations in Nigeria, which is a region with heightened risks, we maintain robust policies to prevent the misallocation and misuse of resources.

## Scope

This policy applies to all aspects of our operations and covers all employees, board members, consultants, vendors, contractors, and outside agencies engaged in any business activities with Fairaction International. It also extends to our local and international partners, including subsidiaries involved in implementing our projects.

The scope of this policy encompasses any irregularity or suspected irregularity that may involve:

- Misuse of company funds.
- Transactions intended to facilitate money laundering or finance terrorism.
- Engagements with entities or individuals not compliant with international legal standards against terrorism and financial crimes.

This policy applies irrespective of the suspected individual's length of service, position, title, or relationship with Fairaction International. All investigations will be conducted with the utmost integrity, without discrimination, and in accordance with legal and ethical standards.

# Definitions

To ensure clarity and precision in the implementation of Fairaction International's Counter-Terrorism and Anti-Money Laundering Policy, the following key terms are defined:

**Listed Individuals or Organisations:**

These are individuals or organisations that are identified on government terrorism lists. Inclusion on these lists typically results from suspicions or evidence of involvement in terrorist activities or associations. Such lists are maintained and updated by government agencies and international bodies and are utilized by Fairaction International to screen and monitor partners and transactions.

**Money Laundering:**

Money laundering refers to the process of disguising the origins, ownership, or destination of money obtained illegally or dishonestly. This practice involves integrating illicit funds into the flow of legitimate economic activities, making these funds appear legal. Money laundering is a serious global issue that undermines economic integrity and stability, facilitating other criminal activities including terrorism and drug trafficking.

**Terrorist Organisation:**

A terrorist organisation is defined by two primary criteria:

- **Court Designation:** An organisation that a court has determined is directly or indirectly involved in the preparation, planning, assisting, or fostering of a terrorist act.

- **Government Listing:** An organisation that has been officially listed by the government as being associated with terrorism. These listings are based on assessed threats and are intended to curb the support and resources available to such groups.

**Terrorism Financing:**

Terrorism financing involves the deliberate provision or collection of funds with reckless disregard as to whether these funds will be used to carry out or support terrorist activities. It includes the accumulation of financial resources by terrorist organizations to fund their operations, including the planning and execution of terrorist acts.

These definitions form the foundational elements of Fairaction International's policy framework, ensuring all stakeholders have a clear understanding of the terms related to counter-terrorism and anti-money laundering efforts.

## Compliance with Legislation

Fairaction International is committed to full compliance with all relevant Australian legislation, including but not limited to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, as well as with the laws and regulations of partner countries where we operate. This commitment ensures:

- Rigorous checking of all transactions and financial flows through established financial control systems.
- Regular audits and reviews of financial practices to detect and rectify any potential issues of non-compliance.

**Partner and Third-Party Due Diligence**

- **Due Diligence Processes:** Fairaction International conducts comprehensive due diligence on all partners, contractors, and third parties. This includes screening against global sanctions lists and monitoring for any connections to prohibited entities.

- **Continuous Monitoring:** Relationships and transactions with all partners and third parties are subject to ongoing scrutiny to ensure continued adherence to this policy.

**Reporting and Investigative Procedures**

- **Reporting Mechanisms:** Clear procedures are in place for the confidential reporting of any suspicious activities or breaches of this policy. This includes secure and anonymous channels for whistleblowers.

- **Investigative Authority:** Fairaction International retains the authority to investigate any allegations of terrorism financing or money laundering activities associated with its operations or partnerships.

- **Corrective Actions:** In cases of verified breaches, Fairaction International will take appropriate corrective actions, which may include legal actions, termination of partnerships, and internal disciplinary measures.

**Policy Guidance and Legal Compliance**

This policy is guided by the requirements of Australian law and the United Nations charter. To ensure compliance with these frameworks, Fairaction International actively monitors the following resources:

1. **Australian National Security:** Australian National Security — This site provides information under the 'terrorist organisation' menu option, which is crucial for identifying designated terrorist organizations.

2. **DFAT Financial Sanctions:** DFAT Financial Sanctions — This site contains the consolidated list of individuals and entities subject to financial sanctions under the United Nations Security Council.

This policy was developed with insights from the "Guidelines for Strengthening Counter-Terrorism Measures in the Australian Aid Program," produced by AusAID in September 2004. These guidelines offer a comprehensive approach to embedding counter-terrorism measures into aid and development efforts.

**Operational Compliance**

Fairaction International cooperates closely with both Australian and overseas governments to ensure that our programs do not inadvertently support terrorist activities. Key operational commitments include:

- **Contractual Agreements:** In all new project contracts and Memorandums of Understanding (MOUs) with partners, Fairaction International includes a mutual agreement to share all responsibilities to mitigate the risk of association with terrorism and terrorist organizations.

- **Compliance with Laws and Policies:** Fairaction International complies with all counter-terrorism laws and policies, applying to both Australian contexts and all overseas partners where our projects are implemented.

- **Staff and Volunteer Guidance:** All employees and volunteers are explicitly instructed to use their best efforts to ensure that no funds are diverted to support terrorist activities. They are made aware of their obligations under this policy and the broader legal implications.

### Policy Accessibility

- **Availability of Policy:** This policy is readily accessible to all staff, volunteers, Board members, and associates involved in Fairaction International's activities. It is available on the Fairaction International website, ensuring that everyone connected with our operations is informed about our counter-terrorism and anti-money laundering stance.

## Responsibilities

### Monitoring Compliance

- **List Verification:** Fairaction International is responsible for routinely checking the designated terrorist lists on the DFAT (Department of Foreign Affairs and Trade) and Australian National Security websites. These lists must be reviewed for updates at least annually, with each review documented to ensure compliance continuity.

- **Partner Verification Before Engagement:** Prior to providing direct funding, support, resources, or entering into agreements with any organization, Fairaction International will ensure that the organization is not listed on any terrorist or sanctions lists maintained by Australian or international bodies.

- **Awareness and Compliance Among Partners:** It is crucial that organizations receiving funding or resources from Fairaction International, and who may redistribute these assets, are fully aware of and comply with all legal and contractual counter-terrorism measures as required in Australia.

### Actions upon Identification of a Listed Entity

- **Cease Funding:** If an organization or individual receiving funds from Fairaction International is found on a terrorist list, all funding or resource provision will be immediately halted.

- **Law Enforcement Engagement:** Fairaction International will contact the Australian Federal Police to verify whether the identified organization or individual is indeed a proscribed person or entity.

- **Communication with Partners:** If necessary, Fairaction International will inform other partners and funding bodies involved with the organization of the situation, ensuring transparency and collective action where required.

### Organizational Responsibility

- **CEO's Role:** The Chief Executive Officer (CEO) of Fairaction International has the ultimate responsibility to ensure that all steps outlined above are followed diligently. The CEO must oversee the implementation of this policy and ensure that all organizational practices align with the required counter-terrorism and anti-money laundering measures.

- **Staff, Board Members, and Partners' Obligations:** All staff, Board members, and partners of Fairaction International are obligated to uphold this policy and contribute to the organization's efforts to prevent any association with terrorism or money laundering. This includes being vigilant and proactive in identifying and reporting potential compliance issues.

### Addressing Compliance Issues

- **Responsiveness to Compliance Issues:** Should compliance issues be identified, the CEO will collaborate with staff and relevant stakeholders to address these issues promptly and effectively. This approach ensures that all concerns are managed appropriately and that Fairaction International's operations remain secure and compliant with all regulatory requirements.

## Reporting and Compliance

### Reporting Obligations

- **Immediate Notification Required:** If any staff member, board member, or partner of Fairaction International becomes aware of any potential or actual connection to terrorism, whether directly or indirectly involving any person or program associated with the organization, they are required to promptly report this information. Reporting should follow the protocols outlined in Fairaction International's Whistleblower Policy or Complaints Policy, ensuring that concerns are addressed quickly and confidentially.

- **Mandatory Disclosure:** This obligation includes any allegations or suspicions of connections that may compromise the integrity or safety of Fairaction International's operations. The immediate nature of these reports is crucial for prompt action and risk mitigation.

**Transparency and Monitoring**

- **Financial Transaction Transparency:** All financial transactions conducted by Fairaction International will be managed with high levels of transparency to facilitate easy monitoring and auditing. This transparency is critical to prevent and detect any improper financial activities, including money laundering and the financing of terrorism.

- **Annual Audits:** Each entity within Fairaction International must undergo an annual audit to ensure compliance with financial and operational regulations. These audits help to maintain financial integrity and confirm adherence to international and national laws governing financial transactions and organizational operations.

**Board Oversight**

- **Annual Briefings:** The Board of Directors of Fairaction International will receive annual briefings on counter-terrorism and anti-money laundering efforts. These briefings ensure that the board remains well-informed about the current landscape and any significant events or developments that could impact the organization.

- **Event-Driven Updates:** In addition to annual updates, the board will be briefed as relevant situations occur. This ensures that the governance body can make informed decisions and provide strategic guidance on how best to handle potential threats or issues as they arise.

## Related Documents

To support and complement the Counter-Terrorism and Anti-Money Laundering Policy, the following documents are integral to Fairaction International's governance and operational framework:

- **Anti-Corruption/Bribery Policy:** Outlines measures to prevent and address corruption and bribery within all levels of the organization.

- **Whistleblower Policy:** Provides a secure and confidential channel for employees and partners to report unethical behavior or policy violations without fear of retaliation.

- **Complaints Policy:** Establishes procedures for handling complaints related to any aspect of Fairaction International's operations, ensuring that all grievances are addressed fairly and promptly.