REGULATIONS ON ANTI-MONEY LAUNDERING, ANTI-ORGANIZED CRIME AND COUNTERING THE FINANCING OF TERRORISM

1.   Introduction

HELVETAS Swiss Intercooperation (hereinafter: HELVETAS) is committed to the highest ethical standards regarding Anti-Money Laundering (AML), Anti-Organized Crime (AOC) and Countering the Financing of Terrorism (CFT). These regulations outline the principles and minimum standards of internal controls to mitigate reputational, regulatory, legal and financial loss risks.

2.   Purpose and objectives

The purpose of the regulations is to provide principles and guidance regarding AML/AOC/CFT requirements and risks and to meet the following objectives:

- Prevent the abuse of the funds of HELVETAS or the funds of the funding organisations for Money Laundering (ML), Organized Crime (OC) and/or Financing of Terrorism (FT);
- Meet applicable legal requirements, national and international standards in jurisdictions where HELVETAS operates;
- Mitigate any reputational risk;
- Support the establishing and/or strengthening of capacities in countries to meet the HELVETAS's fiduciary standards regarding AML/AOC/CFT
- Guard against establishing any relations or undertaking any transaction that may relate to or may facilitate ML, OC and/or FT or any other illicit activity;
- Exercise due diligence (DD) when dealing with collaborative organisations; and
- Periodically review and update the AML/AOC/CFT regulations and its corresponding guidelines to evolve to prevent and detect ML, OC and/or FT.

3.   Scope and applicability

The employees of HELVETAS, its governing bodies and every other person working for HELVETAS (i.e. consultants, employees of collaborative organisations) are required to adhere to these regulations to protect HELVETAS from being misused for ML, OC and/or FT.

HELVETAS shall apply these regulations to the relationship with its collaborative organisations, private and public donors or other financing institutions.

4.   Principles

In the context to provide support to developing countries, HELVETAS shall ensure that its funds are not used to finance any illegal acts related to ML, OC or FT.

HELVETAS shall take steps to encourage its collaborative organisations to adopt policies and procedures that are consistent with the principles set out in these regulations.

HELVETAS' collaborative organisations shall be responsible for identifying and mitigating the risks of ML, OC and TF in deploying and managing HELVETAS funds.

5.   Definitions

For the purposes of these regulations the following terms shall have the meaning set out below:

Economic beneficiary 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.

Board of Directors means the Board of Directors of HELVETAS.

Collaborative organisation is any party that contributes to, executes, implements or in any way participates in HELVETAS-related activities. Collaborative organisations include projects partner, service providers and assisted organisations that directly disburse HELVETAS resources.

Due Diligence (DD) is a process to identify and verify the identity of the collaborative organisation. This enables HELVETAS to assess and evaluate the extent of risks associated with the proposed collaborative organisation.

Collaborators means individuals working at any level or grade within HELVETAS, including (but not limited to) the Executive Director, management and staff of HELVETAS, and other individuals contracted by HELVETAS.

Money Laundering (ML) refers to:

- The conversion or transfer of property, knowing that such property is derived from crime, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of the crime to evade the legal consequences of his or her actions;
- The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing such property is derived from crime, or;
- The acquisition, possession or use of property, knowing at the time of receipt that such property was derived from a criminal offence.

Organized Crime (OC) refers to a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing at least one or more serious crimes or offences in order to obtain, directly or indirectly, a financial or other material benefit, according to the United Nations Convention against Transnational Organized Crime.

Financing of Terrorism (FT) refers to activities that provide financing or financial support to individual terrorists or non-state actors. It may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organizations, as well as from criminal sources.

Risk Based Approach (RBA) is the process of identifying, assessing and understanding ML/OC/FT risks to which HELVETAS is exposed and to take measures commensurate to those risks to mitigate them effectively.

Tipping-off means disclosing the fact to the collaborative organisation that a suspicious transaction or related information is filed with management or the authorities.

6.   Key provisions

HELVETAS shall adopt and implement a risk-based approach (RBA) to identify, assess and understand its ML, OC and TF risks. It shall also ensure measures that are commensurate with the risks identified and enabling decisions on how to allocate its resources in the most effective way.

Under this approach, HELVETAS will adhere to the following to manage AML/AOC/CFT risk:

6.1. Due diligence (DD)

HELVETAS shall apply the DD measures, as determined on a risk-based basis, considering the type of collaborative organisation, the relationship, financial instrument and country of operation.

HELVETAS shall identify and verify the identity of its collaborative organisations (including their beneficial owners) with which HELVETAS enters an economic relationship.

6.2. Relationships

HELVETAS shall take reasonable measures to duly assess the purpose, economic rationale and overall AML/AOC/CFT and related integrity aspects of the collaborative organisation and its Beneficial Owners to avoid being involved in relationships structured for the purposes of ML, OC and FT.

HELVETAS will not engage with, and will terminate the existing partner relations with:

1. Collaborative organisations who do not reasonably cooperate with its DD efforts;
2. Collaborative organisations engaged in activities prohibited under HELVETAS's regulations on anti-corruption, fraud and conflict of interests; or
3. Collaborative organisations who are currently under any financial sanctions imposed by United Nations.

6.3. Monitoring

It shall be the responsibility of the Finance & Controlling Team to monitor the implementation of the policy.

6.4. Reporting

Any suspicious information or red flag that comes to the knowledge of a collaborator indicating ML/OC/TF must be immediately reported by such collaborators to the superior or the notification officer without informing the collaborative organisation or other third parties ('Tipping Off') that a suspicious activity is being reported or investigated. The superior informs without undue delay the notification officer of the reported suspicion.

6.5. Record keeping

HELVETAS shall keep for at least five years all records obtained through DD measures and documentation regarding partner relations and executed transactions, as well as correspondence with the collaborative organisations.

6.6. Confidentiality

HELVETAS will ensure the information on collaborative organisations and transactions obtained is kept confidential.

6.7. Implementation

HELVETAS will undertake the necessary steps to implement and better enable collaborators to follow these regulations.

7. Key responsibilities

7.1. Administration and Ethics Committee

The Administration and Ethics Committee is responsible for ensuring governance and oversight HELVETAS's risk management framework and controls regarding ML, OC and FT.

7.2. Internal Audit

The Internal Auditor shall, in accordance with its own mandate, provide support to monitor adherence to the regulations on AML/AOC/CFT.

7.3. Staff of HELVETAS and associated persons

Collaborators, consultants and other associated persons shall be responsible for:

- Complying with HELVETAS's regulations on AML/AOC/CFT, standard and controls;
- Familiarizing themselves with and acting in accordance with relevant HELVETAS processes and procedures to manage AML/AOC/CFT compliance; and
- Reporting to the superior or to notification officer without undue delay any suspicions (or actual occurrences) or red flags of ML/OC/FT activities.

8. Amendment to the Regulation

The Board of Directors shall ensure the implementation of the regulations on AML/AOC/CFT and any amendments thereto.

9. Final Provisions

These regulations on Anti-Money Laundering, Anti-Organized Crime and Countering the Financing of Terrorism were approved by the Board of Directors in its meeting on December 1st, 2018.
It enters into force on January 1st, 2019.

Owner (Function & Name):	Bruno Studer, Head Finance & Controlling
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