



InterplastTM

Repairing bodies & rebuilding lives
in the Asia Pacific region

COUNTER-TERRORISM AND ANTI-MONEY LAUNDERING POLICY

Approved by Board: 30 April 2019

Next Review Date: May 2020

Managed on behalf of the CEO and Board by: Program
Manager & Finance Manager

*Revisions to this version are identified on the last page

1. Purpose of this Policy

This policy sets out Interplast Australia & New Zealand's (Interplast's) commitment to comply with Australian laws relating to Anti-Money Laundering and counter-terrorism through processes and policies that minimise the risk of money laundering and terrorism financing, or support for terrorists and terrorist organisations, especially those on the Australian Government's Consolidated List and List of Terrorist Organisations.

2. Scope of the Policy

This policy applies to the following people:

- Interplast staff members, contractors and office volunteers;
- Interplast Board of Directors;
- Partner organisations¹; and
- Vendors & suppliers
- All program activity participants²

3. Definitions

Anti-Money Laundering (AML) refers to a set of laws, regulations, and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.

Counter-terrorism refers to activities designed to prevent terrorism

Prescribed Lists relates to lists of suspected terrorists or supporters of terrorists. Lists which Interplast is required to check against are outlined in Appendix A.

LinkMatch Lite is Software provided by the Department of Foreign Trade to assist finding possible matches between Interplast personnel, supplier and partner names and names on some of the prescribed lists.

4. Legislative Framework and Standards

To meet Australia's international obligations under United Nations Security Council Resolutions 1267 (and successor resolutions) and 1373 to freeze the assets of terrorists, the Government has passed laws that make it a criminal offence to hold assets that are owned or controlled by terrorist organisations or individuals, or to make assets available to them.

¹ Partners are individuals, groups of people or organisations that collaborate with Interplast to achieve mutually agreed objectives in development activities.

² This includes medical volunteers, non-medical volunteers (such as photographers), and observers to a program activity.

Interplast also adheres to part 5.3 of the Australian Criminal Code Act of 1995 that refers to controlling funds and assets from non- or suspected terrorist organisations.

The Department of Foreign Affairs and Trade (DFAT) maintains a Consolidated List of individuals and groups to which this terrorist asset freezing regime applies. This list can be accessed on the DFAT website: www.dfat.gov.au. Australian organisations are responsible for ensuring they do not work with any individual or groups listed on the Consolidated List.

In addition to the Consolidated List, the Australian Government maintains a list of groups that are proscribed as terrorist organisations under the Criminal Code. This List of Terrorist Organisations can be accessed on the National Security Australia website: www.nationalsecurity.gov.au. If a group is listed as a terrorist organisation on this website, it is an offence to:

- direct the activities of the organisation;
- recruit persons to the organisation;
- receive training from or provide training to the organisation;
- receive funds from or make available funds to the organisation; and
- provide support or resources to the organisation.

Interplast is guided by the Attorney General's Department's *Safeguarding your organisation against terrorism financing: A guidance for non-profit organisations* document to ensure compliance with the DFAT Head Agreement, which states that any contracts entered into with "delivery partners" include anti-terrorism requirements.

5. Policy Statement

Interplast will endeavour to safeguard against misuse of funds for terrorist purposes, including the careful assessment of potential in-country partners to ensure they have no links to proscribed entities or individuals. Interplast references risk ratings of DFAT and Transparency International to determine where financial implementing partners have a higher level of risk related to terrorism financing, and if so, will screen the staff and vendors of downstream partners against the proscribed lists (or require partners to do so themselves and provide evidence of this).

Interplast will advise its partners of counter-terrorism risks and appropriate action to be taken if identified.

Interplast will use best endeavours to ensure that its programs or operations are not used to launder money – through applying anti-money laundering principles including 'Know Your Customer' (the process through which Interplast verifies the identity of its donors and beneficiaries to assess their suitability, along with the potential risks of illegal intentions towards the partnership). Know Your Customer processes support Interplast to be satisfied that money given to, or by Interplast is not done so for the purpose of laundering illegal funds.

6. Policy in Practice

This policy will be embedded within Interplast's organisational culture and practices:

- a) Through its pre-appraisal process (utilising LinkMatchLite and manually checking against the World Bank List – see Appendix A for details), Interplast undertakes checks to help ascertain that all prospective parties within the scope of this policy do not engage in terrorist activities or have links with identified terrorists or terrorist organisations (such as those on the Consolidated List or the List of Terrorist Organisations). If such links were identified, Interplast would not work with this potential partner, or stop working with this partner immediately.
- b) Interplast will address the issue of anti-terrorism with partners during the development of relevant Memorandums of Understanding (MoUs) and partner agreements. Where relevant, requirements relating to this issue will be noted in written agreements.
- c) Interplast will regularly check all relevant personnel, suppliers and partners against the proscribed terrorist lists (see Appendix 1).
- d) Through the monitoring and evaluation of activities, including the budget and acquittal processes, both Interplast and its partners will ensure funds are being used for approved program activities.
- e) Follow Know Your Customer principles to avoid any possible money Laundering incidents.
- f) any Interplast personnel, partner organisations or other people external to Interplast, who have a reasonable basis for suspecting money laundering or terrorism financing to have occurred, must report the suspected act immediately to the CEO. Disclosures can be made in line with the processes and procedures outlined in the Interplast Whistleblower Policy or Interplast's Complaints Handling Policy;

7. Monitoring and Review of Policy

This policy will be monitored and reviewed in line with the process outlined in the Policy Framework. The Program Manager, in partnership with the Finance Manager, is accountable to the CEO and Board for managing and maintaining this policy.

Where compliance issues are identified, the Program Manager & Finance Manager will work with staff and other relevant stakeholders to address these issues promptly.

Any updates and revisions to this policy must be endorsed by the Program Manager, Finance Manager and CEO before being submitted to the Interplast Board for its approval. Policy changes will be reflected, as necessary in updated operational manuals.

Appendix A: Interplast Counter Terrorism Screening Process & Guidelines

Everyone associated in the delivery of Interplast programs must be screened for associations with/links to terrorism. In accordance with Interplast's Head Agreement with DFAT, this screening must, at a minimum, include screening against the following lists:

- Criminal Code Act List (also known as The Australian Government's List (Australian National Security List of Terrorist Organisations)
(<https://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>)
- Sanctions List (Also known as the DFAT Consolidated List)
- World Bank List (also known as the World Bank Listing of Ineligible Firms and Individuals).
(<https://projects-beta.worldbank.org/en/projects-operations/procurement/debarred-firms>)

The Link-Match Lite software program will run batches of individuals & entities against the Sanctions List mentioned above, as well as some additional lists (OSAC / UN/UK/EU lists).

However, scanning against the Criminal Code Act List and the World Bank List must be done manually.

For Who

- Staff (all staff sign consent forms, or have consent built into new contracts)
- Board Members (all Board members provided written consent, and consent will be built into Board induction process)
- Consultants, contractors and office volunteers/interns (built into contracts/agreements)
- Medical volunteers & other program volunteers (i.e photographers etc) + Program observers (all volunteers give consent for their details to be provided to Australian and overseas authorities to ensure safe and effective program delivery, through the online program participation agreement)
- Local implementing partners (with additional screening done for downstream partners if required due to additional risk of terrorism financing)
- Overseas suppliers/vendors (advised of CT screening on engagement/payment)
- Australian suppliers/vendors (advised of CT screening on engagement/payment)

By Who

Initially (during 2019), all scanning will be managed via the Program Manager, with some support from the Finance Manager / Finance Assistant. This will enable Interplast to fully embed its processes, after which other staff will be trained and the Management Team will review roles and responsibilities.

How often

- Prior to initial engagement, and then 3-monthly (consider moving to 6-monthly after 1-2 years), for ongoing personnel and partners in the above list.

When do individuals or entities get removed from Interplast's periodic checking group lists?

- Staff – as part of exit process following termination of employment (responsibility of reporting manager or Executive Assistant)
- Volunteers – when they formally notify Interplast that they are ceasing their volunteer role, or once they come off the 'active volunteer list' (i.e haven't been on a program for 5 years) – responsibility of Programs Manager
- Suppliers & vendors – when they have not had a payment made for 1 year (responsibility of Finance Manager to change them to 'inactive' in MYOB)

How

- Prior to initial engagement, individual or entity name is provided to Programs Manager, who runs name through LinkMatchLite, and manually (control-find) against the World Bank and Attorney General's Lists. For staff, Board, consultants, contractors, office volunteers and medical/program volunteers & observers, confirmation of this initial check is saved on their personnel file using the 'confirmation of counter-terrorism screening' form.
- For local partner organisations, this confirmation is documented in the "New Partner Appraisal" form.
- For suppliers and vendors, confirmation is documented on the 'New Supplier Form' with attached supporting evidence (i.e screenshot of LinkMatch results, and written confirmation that World Bank List has been checked). Finance Assistant and Finance Manager confirm that this has been completed when entering new supplier details into Interplast's systems, prior to any initial payments being made.
- At the same time this individual screening is undertaken, the individual or entity are also added to the relevant 'ongoing screening' lists (1 spreadsheet holds all the names, a separate tab for each of the categories of individuals/entities), so that their name will then be periodically screened along with all others in their category.