



Anti-Money Laundering and Anti-Terrorist Act (AMLA/ATF) Policy

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| Version | 2024 |
| File Number | AMLA/ATF-0A |
| Applicable to | All staff, OJT & Tertiaries, volunteers, and board members of 3 Angels Nepal |
| Authority | Chief Executive Director |
| Responsible Officer | <i>Chief Financial Officer</i> |
| Responsible Office | Finance Department |
| Date Introduced | March 3, 2024 |
| Date(s) modified | N/A |
| Next Scheduled Review Date | March 3, 2027 |
| Scope / Short description | This policy outlines the organization's commitment to preventing money laundering and terrorist financing in accordance with the Money Laundering Prevention Act, 2063 (2008) of Nepal. |
| Related Documents | <ul style="list-style-type: none"> • Money Laundering Prevention Act, 2063 (2008) of Nepal • 3 Angels Nepal Code of Conduct • 3 Angels Nepal Child Protection Policy |
| Related Legislation and External Documents | Money Laundering Prevention Act, 2063 (2008) of Nepal |
| Key Words | Money Laundering, Terrorist Financing, Financial Transactions, Suspicious Activity Reporting, Asset Monitoring, Nepal |

Purpose:

This policy establishes procedures to prevent 3 Angels Nepal from being used for money laundering or terrorist financing activities. It ensures compliance with the Money Laundering Prevention Act, 2063 (2008) of Nepal and demonstrates the organization's commitment to ethical practices.

Scope:

This policy applies to all financial transactions conducted by 3 Angels Nepal, including:

- Donations and grants
- Fundraising activities
- Service fees
- Salaries and wages
- Procurement of goods and services

Policy Statement:

3 Angels Nepal is committed to:

- Maintaining a strong internal control environment to prevent money laundering and terrorist financing.
- Implementing procedures to identify and report suspicious financial activity.
- Cooperating fully with law enforcement agencies in their investigations of money laundering and terrorist financing.
- Conducting Stakeholder due diligence (SDD) on all donors, beneficiaries, and other parties involved in financial transactions.
- Monitoring ongoing transactions and reporting any suspicious activity to the Financial Information Unit (FIU) of Nepal, as required by law.

Guiding Principles:

- **Transparency:** All financial transactions should be documented and readily available for review.
- **Risk Management:** The organization will identify and assess the risks of money laundering and terrorist financing associated with its activities.
- **Accountability:** All staff and volunteers are accountable for adhering to this policy.

Roles, Responsibilities & Delegation:

| Role | Role, Responsibility |
|-------------------------------|---|
| Executive Board | Provides strategic direction and oversight for the AML/ATF program |
| | Approves the AML/ATF Policy and any subsequent revisions |
| | Ensures adequate resources are allocated for effective AML/ATF compliance |
| CEO (Chief Executive Officer) | Ensures the organization's commitment to AML/ATF compliance |
| | Provides leadership and direction for the implementation of the AML/ATF program |
| | Promotes a culture of awareness and compliance within the organization |

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| CFO (Chief Financial Officer) | Implements the AML/ATF program within the Finance Department |
| | Oversees the development and implementation of SDD (Stakeholders Due Diligence) procedures |
| | Monitors financial transactions for suspicious activity |
| | Reports suspicious activity to the FIU (Financial Information Unit) as required by law |
| [CFO... continues] | Oversees the day-to-day operations of the AML/ATF program |
| | Provides training to staff and volunteers on AML/ATF procedures |
| | Maintains AML/ATF records and reports |
| All Staff & Volunteers | Understand and comply with the AML/ATF Policy |
| | Be aware of the signs of suspicious activity |
| | Report any suspicious activity to the designated reporting officer |

Definitions:

- **Suspicious Activity:** Any transaction that appears to be unusual, complex, or has no apparent economic or lawful purpose.
- **Stakeholders Due Diligence (SDD):** The process of verifying the identity and beneficial ownership of donors, beneficiaries, and other parties involved in financial transactions.

Policy Amendment Table:

| Version # | Date | Short Description of Amendment | Approved by: |
|-----------|---------------|--------------------------------|---------------------------|
| 1.0 | March 3, 2024 | Initial Separate policy | Dr. Rajendra Kumar Gautam |

annexe A:

Procedures for Identifying and Reporting Suspicious Activity

1. Introduction

This Annex outlines the procedures for identifying and reporting suspicious activity (SAR) as part of Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) efforts. These procedures aim to detect and prevent the financial activities of criminals involved in money laundering, terrorist financing, and other illicit acts.

2. Identifying Suspicious Activity

Suspicious activity can manifest in various forms. Here are some red flags to consider:

- **Stakeholder Activity:**
 - Inconsistent or unusual account activity compared to established Stakeholder patterns.
 - Large and frequent cash transactions without apparent economic justification.
 - Transactions structured to avoid reporting thresholds.
 - Stakeholders with high-risk profiles or residing in high-risk jurisdictions.
 - Unexplained wealth or sudden changes in financial activity.
- **Transactions:**
 - Complex or layered transactions with no clear economic purpose.
 - Transactions involving known or suspected shell companies or individuals.
 - Urgent requests to move funds quickly or through unusual channels.
 - Transactions involving countries or businesses on sanctions lists.
- **Documentation:**
 - Inaccurate or incomplete Stakeholder identification documents.
 - Hesitation or difficulty providing information about the source of funds.
 - Inconsistencies between documentation and Stakeholder activity.

3. Reporting Suspicious Activity

When suspicious activity is identified, the following steps should be taken:

- **Document:** Record all details of the suspicious activity, including dates, times, amounts, parties involved, and observations.
- **Evaluate:** Analyze the information to assess the risk level and determine if a SAR is necessary. Consider internal thresholds and regulatory guidelines.
- **Report:** If a SAR is required, file it with the designated Financial Intelligence Unit (FIU) within the stipulated timeframe.
- **Internal Reporting:** Report the suspicious activity internally to the AML/CFT compliance officer for further investigation and potential escalation.

4. Training and Awareness

- Employees will be provided with regular training to identify red flags and understand their reporting obligations.
- Training will cover the latest AML/CFT regulations and typologies of suspicious activity.

5. Confidentiality

- All SAR-related information will be treated confidentially to avoid tipping off potential criminals.

6. Record Keeping

- Maintain detailed records of all suspicious activity identified and reported, including the rationale for decisions made. Records must be kept for a minimum period as mandated by regulations.

7. Review and Improvement

- These procedures will be reviewed and updated periodically to reflect changes in regulations and typologies of suspicious activity.

8. Contact Information

- Include contact information for the AML/CFT compliance officer and designated channels for reporting suspicious activity.

Annexe B:

Stakeholder Due Diligence (SDD) Form

I. Stakeholder Information

- **Stakeholder Name:** (Individual/Business Name)
- **Type of Stakeholder:** (Individual/Company/Trust/Other)
 - If company, provide: Registration Number, Country of Registration
- **Date of Birth** (if Individual)
- **Business Established Date** (if Company)
- **Stakeholder Address:** (Full Address including Postal Code)
- **Nationality** (if Individual)
- **Country of Residence** (if Individual or Company)
- **Tax Identification Number (TIN)** (if applicable)

II. Identification Verification

- **Document Type:** (e.g., Passport, National ID, Driver's License)
- **Document Number:**
- **Issuing Country:**
- **Date of Issue:**
- **Expiry Date:** (if applicable)
 - Attach a copy of the identification document.

III. Beneficial Ownership

Ultimate Beneficial Owner(s): (Full Name, Address, Nationality, Percentage Ownership)

- **Provide similar details for any individual with significant control over the company (more than 25% ownership or voting rights).**

IV. Source of Funds and Wealth

- **Describe the primary source(s) of the Stakeholder's funds and wealth.**

V. Anticipated Account Activity

- **Describe the type and expected volume of transactions for the account.**

VI. Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) Declaration

- **Do you or any of the beneficial owners listed in Section III have any involvement with organizations or activities designated by international or national authorities as being involved in terrorism or money laundering? (Yes/No)**
- **Are you or any of the beneficial owners listed in Section III currently under investigation for any financial crimes or other serious offenses? (Yes/No)**

- **I/We understand that knowingly engaging in money laundering or terrorist financing is a serious criminal offense. (Yes/No)**

VII. Declaration

- I/We certify that the information provided in this form is true and accurate to the best of my/our knowledge.
- I/We understand that a failure to provide accurate information may result in delays or refusal of service.

Signature:

Date:

Name (Printed):