



# Sustainable Energy for All

## Anti-Money Laundering Policy



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## 1. Introduction

The international community has made the fight against money laundering and the financing of terrorism a priority. Among the goals of this effort are: protecting the integrity and stability of the international financial system, cutting off the resources available to terrorists, and making it more difficult for those engaged in crime to profit from their criminal activities. The international standard for the fight against money laundering and the financing of terrorism has been established by the Financial Action Task Force (FATF), which is a 33-member organization with primary responsibility for developing a world-wide standard for anti-money laundering and combating the financing of terrorism. The FATF was established by the G-7 Summit in Paris in 1989 and works in close cooperation with the major financial centres of Europe, North America, South America and Asia, and other key international organizations, including the IMF, the World Bank, the United Nations, and FATF-style regional bodies.

International organisations can be especially susceptible to the attentions of potential money launderers. An international presence often in regions where there are serious issues in control and regulation, make them particularly attractive for use as a stage in the layering process, which is described below. Sustainable Energy for ALL (SEforALL) has developed an anti-money laundering policy to facilitate compliance with Anti-Money Laundering/Combating the Financing of Terrorism legislation and good practices which includes internal procedures and integrity guidelines that staff must follow on how to identify, assess and respond to money laundering and terrorist financing risks in its activities.

Whilst the risk to SEforALL of contravening anti-money laundering legislation is low, it is extremely important that all staff are familiar with their responsibilities: serious criminal sanctions may be imposed for breaches of the anti-money laundering legislation. Both money laundering and terrorist financing are subject to penalty in Austria (§§ 165 and 278d of the Austrian Criminal Code (StGB)).

## 2. Scope

This policy is mandatory for anyone who works for or on behalf of SEforALL, either in a paid or unpaid capacity and this includes all directly employed staff, consultants, interns, secondees, junior professional officers (JPOs), and volunteers (referred to as “staff”), as well as SEforALL Ambassadors, and Administrative Board members. This policy also applies to partners that SEforALL funds should they not have their own Anti-Money Laundering Policy.

## 3. What is Money Laundering?

Criminal activities, such as drug trafficking, smuggling, human trafficking, corruption and others, tend to generate large amounts of profits for the individuals or groups carrying out the criminal act. However, by using funds from such illicit sources, criminals risk drawing the authorities' attention to the underlying criminal activity and exposing themselves to criminal prosecution. In order to benefit freely from the proceeds of their crime, they must therefore conceal the illicit origin of these funds.

Briefly described, "money laundering" is the process by which proceeds from a criminal activity are disguised to conceal their illicit origin. The 1988 United Nations Convention against the *Illicit Traffic in Narcotic Drugs and Psychotropic Substances* is the first international legal instrument to embody money-laundering and was also the first international convention which criminalised money-laundering. Money laundering may encompass three distinct, areas: (i) the conversion or transfer of property, 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 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.

Terrorist financing involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organizations. Funds may stem from both legal and illicit sources. The primary goal of individuals or entities involved in the financing of terrorism is therefore not necessarily to conceal the sources of the money but to conceal both the financing and the nature of the financed activity.<sup>1</sup>

The process of money laundering has three stages:

- **placement**, through which the funds (often in cash) enter the financial systems;
- **layering**, by which the funds pass through a complex sequence of transactions designed to make it impossible for investigators to follow a trail of evidence back to the origin of the funds; and
- **integration**, the point at which the funds emerge from the process back into the legitimate economy in a way that they are unrecognisable as the proceeds of crime.

#### 4. The effort to fight both money laundering and financing terrorism

Efforts must prevent, detect and punish illegal funds entering the financial system and the funding of terrorist individuals, organizations and/or activities. For SEforALL, this implies putting in place mechanisms to review all financial transactions routinely, and to detect, identify and flag suspicious financial transfers.

#### 5. Red Flags leading to suspicion of money laundering

Some circumstances which may give rise to a suspicion of money laundering include:

- unexplained or unusual urgency to the requirement for funding;
- funding recipients being more interested in the funding arrangements than the details of the scheme itself;
- complex funding arrangements which change regularly or which change just as the matter is about to complete;
- overinflated values of assets involved in the transaction;
- delays in providing Know Your Customer (KYC ) information when asked, or reluctance to meet face to face where a face to face meeting would be usual;
- lack of involvement of third party professional advisors, where such advisors would be usual;
- unusually complex corporate structures;
- the involvement of individuals where SEforALL would normally expect to be dealing with a corporate entity;
- off shore companies or sources of funding which originated from off shore accounts or assets; and
- unexpected funds arriving in SEforALL accounts.

#### 6. Policy Statement

SEforALL staff, partners and others who represent SEforALL are committed to zero tolerance of any form of laundering money. SEforALL does not engage with terrorist organisations or give money to partners

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<sup>1</sup> IMF - <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm>

who carry out, or fund, or advocate terrorist activity. SEforALL is fully committed to ensuring all our business processes minimise the risk of funds being diverted for terrorist or any other criminal purposes. SEforALL works within the law to ensure that its work and that of its partners is free from interference and that resources are used for the purposes intended. SEforALL is committed to preventing its staff and resources from being exposed to money laundering; identifying the risks where they may occur; and complying with legal and regulatory requirements in the countries that SEforALL works, especially with regard to reporting suspected cases.

## 7. The Policy

### 7.1. The act of money laundering

The following are the principal offences relating to money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the country; or
- Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; or
- Acquiring, using or possessing criminal property; or
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property.
- Failure to disclose any of the offences; and tipping-off. Tipping-off is where someone informs a person or people who are, or are suspected of, being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.
- Generating money from a transaction if there are reasonable grounds to believe the money will fund terrorism.
- Doing anything that constitutes an attempt, conspiracy or incitement to carry out money laundering or to aid, abet, counsel or procure money laundering to occur.

Note that offences can be committed by staff as individuals even if they are acting in the course of their employment.

### 7.2. SEforALL responsibilities

SEforALL will:

- ensure that financial controls and procedures are in place, including control mechanisms in its bank access and treasury functions, to meet Anti-Money Laundering/Combating the Financing of Terrorism legislation.
- ensure all staff have access to, are familiar with, and know their responsibilities within this policy.
- ensure that during recruitment, vetting processes to support recruitment of the right people is carried out.
- ensure that staff are trained and inducted in the Anti-Money Laundering Policy during the onboarding process.
- ensure that all partners are informed of and are in compliance with this policy.
- design and undertake all its programmes and activities in a way that aims to prevent money laundering/financing terrorism.

- action promptly reported concerns of suspicions of money laundering/financing terrorist activities.
- maintain comprehensive records of anti-money laundering checks and concerns.

### 7.3. SEforALL Leadership Team responsibilities

The SEforALL leadership team is responsible for ensuring that partner organisations, staff, and Ambassadors are aware of the policy and are supported to implement and work in accordance with it, as well as creating a leadership culture that pays attention to Anti-Money Laundering/Combating the Financing of Terrorism. They must ensure that they are responsive, acting immediately if they become aware of any related concerns.

Human Resources is responsible for:

- ensuring the policy is implemented throughout SEforALL and that relevant training is provided.
- monitoring and recording concerns.
- ensuring referrals to the relevant authorities happen without delay.
- ensuring this policy is reviewed every three years or earlier if necessary.

### 7.4. Staff responsibilities

Potentially any member of staff could be in breach of the Anti-Money Laundering/Combating the Financing of Terrorism legislation if they suspect money laundering/financing terrorism activities, and do nothing about it or become involved with it in some way.

Staff should be particularly alert to situations where funds flow through SEforALL from unfamiliar sources. Where SEforALL is forming a new business relationship or partnership, including while undertaking a procurement process, or is considering a significant one-off transaction with a new partner, evidence of the identity of the prospective partner should be obtained before proceeding.

Although this policy is mainly relevant to the resource mobilisation and accountancy and financial functions in SEforALL, the safest way to ensure compliance is to apply it to all of SEforALL's areas of work; therefore, all staff are required to comply with this policy.

Failure by an SEforALL staff member to comply with the procedures set out in this policy may lead to disciplinary action being taken against them.

All staff and Ambassadors should:

- read, understand and adhere to the SEforALL Anti-Money Laundering Policy
- strive to promote a zero-tolerance approach to Money Laundering and activities that may lead to financing terrorism in all working environments.

### 7.5. Working with partner organisations

SEforALL delivers its programmes and activities in partnership, and in some instances may fund partners. If the funded partner organisation does not have an appropriate similar policy in place, then SEforALL's Anti-Money Laundering Policy takes the precedent.

Funded partners commit to ensuring that all cases of suspected and/or alleged money laundering incidents which relate to SEforALL are reported at the earliest opportunity to the leadership team member they are working with, or the Compliance Officer. Partners will provide SEforALL with all relevant or requested information to enable an appropriate investigative response.

## 7.6. Customer Due Diligence – ‘Know Your Customer’

It is essential that Anti-Money Laundering procedures are carried out early on in the process with any potential partners, especially those to receive any grants or similar from SEforALL, once discussions have started on the proposals of financial support from SEforALL. Normally, partners who fund SEforALL will have carried out their due diligence before disbursing any funding to SEforALL.

The risk areas to assess where SEforALL is potentially vulnerable to falling prey to money laundering may include requests for unusual transactions, such as a request to pass funds through an office account, or to hold cash on behalf of a third party, or a request to pass this in some way to another account.

‘Customer Due Diligence’ (CDD) or ‘Know Your Customer’ (KYC) checks are required to ensure SEforALL is dealing with bona fide individuals and organisations, and help identify suspicious behaviour or practices.

The potential recipient should be made aware that KYC information will be requested.

What is important is that SEforALL understands who it is dealing with and the structure of any corporate entity involved. It is important to have a fundamental understanding of the structure, management and control of the partner, review that information and ask appropriate questions, or request additional information where necessary. This is to enable SEforALL to know enough about the partner to be reasonably satisfied that they are bona fide and do not pose a significant money laundering risk.

Part of the KYC process involves checks on whether a separate but related sanctions regime imposes restrictions on SEforALL’s ability to do business with those persons, groups and entities on the EU and USA financial sanctions list. Sometimes the effect of the sanction is that SEforALL should never provide funding to those on the list. In other cases, it may be possible to proceed provided a license is approved by the relevant sanctions placing authority. The KYC data that SEforALL holds on its partners must be updated at least every three years.

## 7.7. Transactions with excluded parties

SEforALL is responsible for ensuring that the staff, vendors and subcontractors used or contracted, are not listed as ineligible suppliers, organizations and individuals that have been formally excluded, blocked or disbarred from receiving funds from sovereign governments or UN designated sources. This ensures that SEforALL does not provide material support or resources to any person or organization that is involved in terrorism. Before completing the selection, the staff responsible will check relevant searchable databases, including the UN and the US Government databases.

In addition to these checks for staff, HR will utilize the services of a subscription and license-based agency to carry out in-depth background checks on staff joining SEforALL to ensure that they do not have financial related criminal records.

## 7.8. Maintaining records

It is critical for SEforALL to maintain records for at least five years as follows:

- KYC records from the date of the end of the relationship with the partner, or the date of a one-off transaction;
- adequate and accurate files of transactions (either electronically or in paper form);
- If any partner or transaction has been the subject of a money laundering report, records should not be destroyed without the prior consent of the money laundering unit of the Austrian Federal Ministry of the Interior or the equivalent body in the country where SEforALL has an office and the incident took place;
- records do not need to be kept in hard copy. They may be stored electronically.

## 7.9. Money Laundering Reporting

Any person who is aware of suspicions, allegations or actual wrongdoing against this policy by a staff member, Ambassador, or a funded partner organisation, in any of the countries where SEforALL operates, has an obligation to notify SEforALL. The disclosure should be at the earliest opportunity of the information coming to their attention, not weeks or months later. Should the person not do so, then they may be liable to prosecution. It is important to bear in mind that the law requires all cases of suspicion to be reported, regardless of perceived size of the issue. **If any member of staff or Ambassador knows or suspects that money laundering is taking place, they must report it to the SEforALL Compliance Officer, who is the SEforALL Lead Human Resources.**

Any suspicion should be reported in writing and the reporter must give as much information as possible – including any relevant names, dates, places, etc. The earlier a concern is raised, the easier it is to take effective action.

It is best not to discuss any suspicion with colleagues, especially if they also have dealings with the person suspected, as they may (even inadvertently) say or do something which might lead that person to realise that they might be the object of suspicion. The matter should never be discussed with anyone outside SEforALL other than the appropriate statutory authorities, except with the permission of the Compliance Officer.

The reporting individual must follow any subsequent directions given and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation.

There is no need for the reporting individual to ascertain the nature of the crime which leads them to suspect that the unusual transaction may be an instance of money laundering. However, the individual must be able to explain what made them suspicious. The report should always be made immediately to the Compliance Officer, even if later knowledge proves the suspicion to be unfounded.

To raise a concern, SEforALL staff should notify the Compliance Officer.

External individuals raising concerns must also do so through the Compliance Officer. The Compliance Officer can be contacted directly via email at [compliance@seforall.org](mailto:compliance@seforall.org) or by writing to: Compliance Officer, Sustainable Energy for All, Andromeda Tower 15th Floor. Donau-City-Strasse 6. 1220, Vienna. Austria. Write ' Compliance Officer - Private and Confidential' on the envelope.

The Compliance Officer keeps a confidential record of all concerns raised and the outcomes of processes followed to resolve. The Compliance Officer will advise the Chief of Staff and the Chief Executive Officer of all complaints received and the actions taken to address them. The Chief Executive Officer will keep the Administrative Board fully informed of all concerns and cases, providing a quarterly summary of all cases raised, without revealing any specific details – except where allegations of money laundering, fraud or corruption are found to be substantiated.

If a concern involves the Compliance Officer, or where the whistleblowing individual believes that the Compliance Officer may be biased, the matter should be referred directly to the Chief of Staff, providing justification for why the individual believes this is the case. If a concern involves the Chief of Staff or where the reporting individual believes that the Chief of Staff may be biased, the matter should be referred directly to the Chief Executive Officer providing justification for why the individual believes this is the case.

If a concern involves the Chief Executive Officer, or if it is that the reporting individual would like to refer the issue to a non-SEforALL staff member, the matter can be referred to a member of the Administrative Board, providing justification for why the individual believes the Chief Executive Officer or any other SEforALL staff member may be biased. The Administrative Board representative can be contacted directly via email at [adminboard@seforall.org](mailto:adminboard@seforall.org). The representative can also be contacted by writing to: Administrative Board Representative, Sustainable Energy for All, Andromeda Tower 15th Floor, Donau-City-Strasse 6, 1220, Vienna, Austria. Write 'Administrative Board Representative - Private and Confidential' on the envelope, which will be provided for the attention only of the Administrative Board representative.

### 7.10. Contacting SEforALL anonymously/Hotline

SEforALL has a specific email address that an individual can use to contact us confidentially (and anonymously should they wish) about any unethical / illegal conduct / safeguarding / whistleblowing issues: [hotline@seforall.org](mailto:hotline@seforall.org). Only the Compliance Officer has access to this email.

### 7.11. Response to a report

Upon a disclosure of actual or suspicious money laundering/financing of terrorist activities, then as a responsible organisation, SEforALL will ensure that:

- a) the report is acknowledged; SEforALL's Compliance Officer will acknowledge receipt of the reported concern.
- b) the concern is promptly evaluated to determine whether it should be reported to the appropriate money laundering authority. This stage may involve seeking the guidance of the SEforALL Auditor or other independent investigator. Should the suspicion hold,
- c) report to the appropriate money laundering authority in the country where the incident has occurred. For example, the Austrian government requires that suspicion of money laundering or terrorist financing must be reported to the money laundering unit of the Austrian Federal Ministry of the Interior.

Upon the conclusion of the investigation, the reporting individual may be asked for their opinion on how well they feel their concern was handled.

Where allegations, SEforALL will take careful consideration about the appropriateness of the person continuing to work with or for SEforALL.

The Compliance Officer keeps a confidential record of all concerns raised and the outcomes of investigations. The Compliance Officer will advise the Chief of Staff and the Chief Executive Officer of all disclosures received and the actions taken to address them.

The Chief Executive Officer will keep the Administrative Board fully informed of all concerns and cases, providing a quarterly summary of all cases raised, without revealing any specific details – except where allegations of money laundering/financing terrorist activities are found to be substantiated.

## 8. Enabling reports

SEforALL will ensure that safe, appropriate, accessible means of reporting concerns are made available.

Any staff, or other individuals, who report concerns or complaints through formal whistle-blowing channels will be protected by SEforALL's Whistleblowing Policy.

## 9. Reprisal

SEforALL will not tolerate any form of harassment, bullying, victimisation, coercion, intimidation, reprisal or retaliation or prejudice against anyone who whistleblows, or provides any information or other assistance in a raised concern or an investigation. Any such behaviour may be treated as a disciplinary offence.

## 10. Malicious Allegations

If an individual makes an allegation that they believe is true, but it is not confirmed by our investigation, SEforALL will not take any action against the individual. However, if the individual makes a malicious allegation that they know is untrue, SEforALL will take appropriate disciplinary or legal action against them.

## 11. Data Protection and Confidentiality

It is essential that confidentiality is maintained at all stages of the process when dealing with reported concerns. All sensitive and personal data must be kept confidential (including the names of anyone who makes a report of abuse), and be shared on a strictly 'need to know basis', that is, access must be necessary for the conduct of one's official duties.

It is unacceptable and potentially defamatory for concerns to be spread throughout the organisation rather than being directed through a formal complaints process. All participants must understand the importance of following the set reporting lines when concerns arise. Breaches of confidentiality may be treated as a disciplinary offence.

## 12. Monitoring of this Policy

SEforALL commits to monitoring the implementation of the Anti-Money Laundering Policy to ensure its effective application. The SEforALL annual audit process will be used as a tool to identify any compliance and reporting issues in all offices. The Compliance Officer will keep the Chief of Staff and the Chief Executive Officer fully informed of all concerns and cases relating to Anti-Money Laundering/Combating the Financing of Terrorism, as well as the effectiveness of procedures.

This policy will be reviewed every three years and earlier if necessary, especially after any related incident. The Board will maintain oversight of the policy.

## 13. Resources

CCAB -Anti-Money Laundering (Proceeds of Crime and Terrorism) –Guidance for Accountants –  
<http://www.ccab.org.uk/>

Money laundering unit of the Austrian Federal Ministry of the Interior -

<https://www.bmf.gv.at/en/topics/financial-sector/money-laundering-and-terrorist-financing.html>