

Anti-Terrorism, Money Laundering and Partisan Political Activity

I. RATIONALE FOR POLICY

Canada has stringent anti-terrorism and anti-money laundering legislation intended to protect the charitable sector from abuse, including the exploitation of charitable resources to support terrorism and other non-charitable activities. Charities with international operations are particularly vulnerable to exploitation by terrorist supporters. Children Believe (CB) works in several high-risk countries for terrorism and therefore requires a policy to ensure compliance with Canadian and international law.

Under the Charities Registration (Security Information) Act and the Income Tax Act, CB risks losing its charitable registration status if the charity's operations make its resources available, either directly or indirectly, knowingly or unknowingly to a listed entity (as per 83.01(1) of the Criminal Code), or to any entity that engages in terrorist actions or activities in support of them. Suggestions that CB may be linked to terrorism or money laundering could damage the organization's reputation and undermine the trust and support of donors, sponsors, partners, beneficiaries and the general public.

II. POLICY OBJECTIVE

This policy aims to ensure that all CB funds, resources and other assets are used exclusively for charitable purposes in pursuit of our mission and strategic objectives and are not being used directly or indirectly to support terrorists, terrorist actions, activities that support terrorism or partisan political activities.

This policy outlines the principles and processes at CB that are intended to prevent, detect and deter the deliberate or unknowing facilitation or support of terrorist groups or organizations, or individuals associated with terrorism and/or organized crime.

III. POLICY SCOPE

This policy applies to all those whom participate in the work of Children Believe in Canada and its countries of operation. This includes all staff, Board members, volunteers, partner organizations, affiliates, corporate partners, sponsors, major donors, suppliers and any third parties carrying out work on behalf of or being endorsed by CB.

IV. POLICY DETAILS

Children Believe acknowledges its obligations under Canadian laws and laws in other countries where we operate. The organization is committed to ensuring that staff, volunteers, partners and sub-contractors adhere to this policy and related procedures to minimize the risk of support for individuals and organizations associated with terrorism, money laundering or partisan political activity.

1. Overarching principles

Children Believe will NOT:

- 1.1. Partner with, sub-contract to, employ, or endorse entities designated as "terrorist" by the international community or domestic governments in our countries of operation, and will take

all reasonable steps to safeguard and protect its assets from such illicit use and comply with applicable government laws. This includes entities appearing on the following lists:

- Listed Terrorist Entities under the United Nations Act and the Criminal Code (Canada): <https://www.publicsafety.gc.ca/cnt/ntnl-scr/cntr-trrrsm/lstd-ntts/index-en.aspx>
- Consolidated Canadian Autonomous Sanctions List (includes entities subject to specific sanctions regulations made under the United Nations Act (UNA) the Special Economic Measures Act (SEMA) and the Justice for Victims of Corrupt Foreign Officials Act: https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/consolidated-consolide.aspx?lang=eng
- Any such listing made available by the national governments of the countries where CB operates.
 - o India: <https://www.mha.gov.in/banned-organisations>

1.2. Knowingly engage in money laundering, CB will take reasonable steps to being involved in any money laundering activities.

1.3. Support or allow resources supplied by the organization to be used to support any type of partisan political activity.

2. Legal obligations

Children Believe's policies must be developed in compliance with applicable Canadian and/or Ontario laws and regulations. As a charity that carries on activities outside Canada, by law CB needs to be aware of the laws in its countries of operation and how they differ from laws in Canada. While the Income Tax Act does not require CB to comply with laws in foreign jurisdictions, CB is not exempt from the laws in the jurisdiction where we operate, therefore CB activities should also meet the requirements of local legislation in countries of operation.

Children Believe will:

- 2.1. Ensure all its activities and individuals and organizations involved in delivering these activities comply with the relevant laws, regulations and policies of Canada and of the countries where Children Believe operates.
- 2.2. Country offices will contextualize the provisions of this policy to meet the regulatory requirements of their local laws and regulations while respecting the spirit of this policy and ensuring that the public benefit provided by organization's activities is not offset by harm to those carrying on the activities, the charity's beneficiaries, or anyone else, in accordance with the provisions of CB's policy on *Development, Administration and Implementation of Organizational Policies and Procedures on approval authorities and cascading policies to countries where we work (Section 4.3)*.
- 2.3. In case of a conflict between this policy and the laws and regulations of a country of operation, please contact the Executive Champion of this policy, who, based on consultations with ELT or the Governance & HR Committee, will provide appropriate guidance.

3. Risk awareness and training

Children Believe will:

- 3.1. Adopt a pro-active risk management approach to the assessment, prevention, and detection of suspected terrorism financing activity and in determining the type and frequency of anti-terrorism financing measures to be applied with regular review and re-assessment.

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- 3.2. Take a proportional approach to managing terrorism related risks in countries where we work by differentiating between high and low risk countries in risk management protocols.
- 3.3. Include terrorism financing, money laundering and partisan political activity risk in its due diligence assessment of potential new partner organizations, suppliers and its projects.
- 3.4. Ensure staff, Board volunteers, and partner organizations are adequately trained on anti-terrorism legislation and CB's policies and procedures, and that such training is provided annually.
- 3.5. Annually assess terrorism financing risk through close collaboration and dialogue with partner organizations, communities and beneficiaries to ensure that assistance provided will not be misdirected for the purpose of terrorism financing.

4. Due diligence

Children Believe will:

- 4.1. Ensure appropriate anti-terrorism due diligence is undertaken in the following processes and for the following organizational stakeholders:
 - a. **Recruitment and selection of all staff, Board members, volunteers, interns, contractors and consultants** through regular and, where necessary, enhanced screening measures.
 - b. **Selection of partner organizations** by considering the credentials, financial controls and procedures and ability of the organization to mitigate the risk of terrorism financing and money laundering as well as their affiliations to other organizations.
 - c. Prior to **entering into any new corporate partnerships** or accepting new funding opportunities from major donors.
 - d. **Selection of grantees**, who will be required to certify that they are in compliance with anti-terrorism and money laundering laws in Canada and for foreign grantees that do not deal with any individuals, entities or groups listed in principle 1.1.
 - e. **Monitor identity of donors** for possible terrorist affiliations, the manner in which the donor obtained the funds and any donor restrictions on donated funds that could put the charity in contravention to anti-terrorism legislation.
 - f. **Screening for possible terrorist affiliations** any entity that uses Children Believe's name or that Children Believe is endorsing in public statements.
 - g. Children Believe will generally only check the names of **beneficiaries** against the lists in 1.1 in the following circumstances and where permissible by local law:
 - It is an explicit term in a donor or supplier contract and the terms of the contract have been approved by the relevant authorities;
 - The beneficiaries are informed as to the use made of their personal data prior to their information being collected;
 - Where substantial grants to beneficiaries are involved (e.g. funding above levels required for humanitarian assistance for example grants for business startup schemes in "high risk" countries).
- 4.2. Ensure its facilities and equipment are only used to support its charitable purposes.
 - Children Believe will implement protocols to ensure it is aware at all times about who uses its facilities and for what purposes (this includes office or meeting space, name, bank account, credit cards, website, computer system, telephone, etc.) to prevent use by those involved with or supporting terrorism.

5. Delivery of charitable programs

Children Believe will:

- 5.1. Develop due diligence check list(s) to identify and eliminate potential risks areas for the organization, and to assess compliance of its charitable programs with its anti-terrorism policy.
- 5.2. Require that all partner organizations delivering charitable programs on its behalf comply with relevant anti-terrorism and anti-money laundering laws and policies.
 - All third-party contractual agreements including those with partner organizations will include provisions requiring compliance with anti-terrorism legislation and will provide releases and indemnities to Children Believe in the event of non-compliance with anti-terrorism legislation.
- 5.3. Evaluate all existing and proposed programs delivered by Children Believe or its partner organizations in accordance with the due diligence checklist and guide decisions on whether to continue or engage in a program;
- 5.4. Complete a regular comprehensive audit of its existing programs and all new program proposals in accordance with its due diligence checklist.

6. Transparency and accountability

Children Believe will:

- 6.1. Maintain strong oversight of the charitable programs implemented in countries where it works;
- 6.2. Ensure appropriate, sound internal financial and other oversight and verification controls, including budget management, cash and bank management, delegation of financial and banking authorities.
 - Implement segregation of duties to ensure key financial processes are separated among several employees rather than entrusted to only one. Signatures and approvals are required at different stages in any financial transaction process in order to avoid unauthorized transactions.
- 6.3. Carry out financial operations and transactions, including currency exchanges, through formal, regulated financial channels. Minimize cash payments in favour of payments through bank instruments and in compliance with local laws and regulations.
- 6.4. Keep accurate and adequate documentation, books and records of engagement with all third parties as required by applicable laws and the Records Retention Policy.
- 6.5. Document all aspects of its due diligence related to anti-terrorism.
- 6.6. Require that all staff, volunteers and partner organizations who participate in the work of CB to be alert and use all reasonable efforts to actively prevent, detect and immediately report any actual or suspected terrorism financing activity.
- 6.7. Every country office will appoint a staff member with responsibility for compliance with this policy.

7. Reporting

- 7.1. All those whom participate in CB's work have a duty to report concerns they have, or information provided to them about any possible or suspected instances of terrorism financing and money laundering activity.
- 7.2. Any individual or organization who has a reasonable basis for suspecting terrorism financing, money laundering or partisan political activity must report it immediately to their Country Director who in turn will notify the Executive Champion of this policy. Individuals can also use the complaints line available on the Children Believe website.

- 7.3. Children Believe will review and investigate all credible allegation of breaches of anti-terrorism and money laundering legislation or the abuse of Children Believe’s assets and funds by “designated terrorist groups” or by any individual or entity for terrorist, criminal or partisan political activities.
- 7.4. The ELT may direct to suspend all dealings with the individual (including staff and Board volunteers) or entity concerned whilst the investigation is underway.
- 7.5. If at any time, an individual or organization believes that the action taken by the Children Believe Country Director / ELT is inappropriate or insufficient, or the matter involves these individuals, the individual can report the matter (anonymously or otherwise) through the whistleblower mechanisms.
- 7.6. Children Believe will maintain a global registry of all suspected/detected instances of terrorism financing, etc.
- 7.7. The CEO will report any suspected or detected instances of terrorism financing, money laundering or partisan political activity financing to the Board of directors at their earliest opportunity and outside normal reporting timelines if required.

V. POLICY AUTHORITY AND OFFICERS

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| a. Authority to approve this policy: | Board of Directors |
| b. Executive Champion of this policy: | Chief International Programs Officer |
| c. Authority to develop procedures: | Chief International Programs Officer |
| d. Authority to approve procedures: | Executive Leadership Team |

VI. IMPLEMENTATION, MONITORING, COMPLIANCE AND REPORTING

The Executive Champion is responsible the implementation of this policy including its publication, communication, training and change management, development and implementation of the related policy procedures, forms and guidelines as well as cascading the policy to all offices (where applicable).

The Approval Authority identified in Section Va is ultimately responsible for compliance with this policy.

The Executive Champion will report on compliance with this policy to the policy Approval Authority on a quarterly basis.

VII. POLICY REVIEW

This policy and related procedures must undergo an in-depth review every 3 years from the approval date, but may be reviewed at any time as needed.

The Executive Champion will initiate and lead the policy or procedure review process and will provide updates to the Approval Authority on the progress and key dates.

VIII. RELATED DOCUMENTS

The following documents support or complement this policy:

- a. Organizational procedures, forms, guidelines, and other resources:
 - Paraguay
 - Manual for the Prevention of Money Laundering and Financing Terrorism (Spanish)
- b. Related organizational policies
 - Records Retention Policy
 - Financial Management Policies

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- Delegation of Financial and Banking Authority Policy
- Partnership Policy
- Development, Administration and Implementation of Organizational Policies and Procedures
- Fraud Reporting and Response Policy & Procedures (India)
- c. Applicable legislation and regulations in Canada and countries of operation:
 - Canada
 - [Charities Registration \(Security Information\) Act](#)
 - CRA's [Guidance CG-002 – Canadian registered charities carrying activities outside Canada](#), section [4.3 How do Canada's anti-terrorism laws apply to charities?](#)
 - Government of Canada's [Charities in the International Context](#)
 - Government of Canada's [Checklist for charities on avoiding terrorist abuse](#)
 - Burkina Faso
 - [Lutte contre le blanchiment de capitaux et le financement du terrorisme | BCEAO](#)
 - Directive n° 02/2015/CM/UEMOA relative a la lutte contre le blanchiment de capitaux et le financement du terrorisme dans les etats membres de L'union Economique et Monetaire Ouest Africaine (UEMOA) (copy available)
 - Instruction n° 009-09-2017 fixant le seuil pour le paiement d'une creance en especes ou par instruments negociables au porteur (Copy available)
 - Ghana
 - The Anti-Money Laundering Act, 2008 (Act 749) as amended [Anti-Money-Laundering-Ammendment-Act-2014-Act-874.pdf \(mint.gov.gh\)](#)
 - Anti-Terrorism Regulation L.I.2181 [Anti-Terrorism-Reg-L.-I.-2181.pdf \(fic.gov.gh\)](#)
 - Anti-Terrorism (Amendment) Act, 2012 (Act 842). [Anti-Terrorism-Amendment-2012-Act-842.pdf \(fic.gov.gh\)](#)
 - Risk Assessment of Not-For-Profit Organizations in Ghana [ML.TF-RISK-ASSESSMENT-FOR-NPOs.pdf \(fic.gov.gh\)](#)
 - Ethiopia
 - Proclamation no. 1176/2020- A proclamation to provide for the prevention and suppression of terrorism crimes (copy available)
 - Proclamation No. 780/2013 Prevention and Suppression of Money Laundering and Financing of Terrorism proclamation (copy available)
 - India
 - Prevention of Money Laundering Act 2002 (<https://dea.gov.in/sites/default/files/moneylaunderingact.pdf>)
 - Nicaragua
 - [Law No. 977](#): It is a law against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction. It was approved in July 2018 and updated in August 2019 (Available only in Spanish)
 - [Law No. 1040](#) regulates the operations of Foreign Agents, in its article 17 numeral 2 states that the law No. 977 mentioned above, is complementary of the law No.1040. It was approved in October 2020
 - Paraguay
 - [Law 1015/97](#) and its amendments ([Law 3783/09](#) and [Law 6497/19](#)).
 - [Law 4024/10](#), modified by [Law 6408/09](#); and [Law 6419/19](#) related to the prevention of terrorist financing are currently in force
 - [Resolution SEPRELAD 453](#)

DEFINITIONS

Anti-terrorism: Measures put in place to ensure assets used or provided do not provide direct or indirect support or resources of organizations and or individuals associated with terrorism.

Government Security Screening (CSIS) Screening conducted by the Canadian Security Intelligence Service (CSIS) Government Security Screening, a program that investigates and provides security assessments on persons whose employment with the Government of Canada requires them to have lawful access to classified information or sensitive sites, such as major ports, airports, nuclear facilities or the Parliamentary Precinct.

Entity: A person, group, trust, partnership or fund, or an unincorporated association or organization.

Executive Champion: A member of the ELT with overall responsibility for an assigned policy including: drafting, carrying out appropriate consultations / assessment, evaluating implications of the policy including risks and costs and seeking legal advice where necessary, developing and carrying out the communication, change management and implementation plan, writing any related procedures, standards or guidelines, monitoring compliance through regular reviews of the policy as well providing oversight to cascading the policy all offices. The Executive Champion may designate a delegate, who must be named.

Executive Leadership Team (ELT): The most senior level of staff leadership within Children Believe comprised of the Chief Executive Officer, Chief Financial Officer (CFO), Chief Marketing and Development Officer (CMDO), Chief International Programs Officer (CIPO) and Vice-President, People & Culture (VP-P&C). The CEO may alter the composition of the ELT as required from time to time. One person may hold more than one position.

Illicit use: Refers to terrorist financing, sanctions, money laundering and export control regulations as they apply to Children Believe and its partner organizations.

Money laundering: The processing of criminal proceeds to disguise their illegal origin. This process enables criminals to enjoy their profits without jeopardizing their source.

Partisan political activity: An activity that has the purpose of providing support to a candidate for political office, a political office holder or a political party. Includes any type of organization, movement, coalition or political alliance or association.

Terrorist activity: An act or omission undertaken, inside or outside Canada, for a political, religious or ideological purpose that is intended to intimidate the public with respect to its security, including its economic security, or to compel a person, government or organization (whether inside or outside Canada) from doing or refraining from doing any act, and that intentionally causes one of a number of specified forms of serious harm. Please refer to the complete definition in the Criminal Code of Canada (R.S.C., 1985, c. C-46, 83.01 (1): <https://laws-lois.justice.gc.ca/eng/acts/c-46/page-13.html>).

Terrorist group: An entity that has as one of its purposes or activities facilitating or carrying out any terrorist activity, or a listed entity, and includes an association of such entities.

Terrorism financing: Using public or private funding to support a terrorist act, it includes legitimate means, such as charities and donations, or illegitimate means, such as fraud, money-laundering, kidnapping for ransom and extortion. It also means using any assets or in-kind support that can ultimately facilitate a terrorist act according to Canadian laws (for example using an organization's internet services to facilitate propaganda activities).