



Al-Emaan Centre Anti Money Laundering and Terrorist Financing Policy

January 2025

Anti Money Laundering & Terrorist Financing Policy

1.1 Purpose

1.1 AEC is committed to ensuring that its assets are safeguarded and properly used to meet its charitable objectives. Our resources must not be used to support criminal including terrorist purposes.

1.2 Terrorism and money laundering reduces the ability to help those in need. AEC will put in place proportionate measures to manage those risks, whilst continuing to work in difficult and challenging places to deliver assistance to our beneficiaries.

1.2 Terrorism in any form is fundamentally incompatible with the beliefs and objects of AEC. The organisation ensures that all of its policies, procedures and actions are in accordance with the humanitarian values including but not limited to its belief in respect for human life and dignity and in the importance of peaceful resolution of conflicts and disputes.

1.3 The purpose of this policy is to set out the procedures of AEC on counter terrorism compliance and anti-money laundering.

2. Money Laundering

2.1 Trustees have a legal duty to protect the assets of the charity. Therefore, it is vital that they take steps to protect AEC from financial abuse particularly through money laundering.

2.2 Money laundering means, in broad terms, the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled to fund further crime.

2.3 There are three stages to the money laundering process, any or all of which usually occur during a money laundering scheme:

2.3.1 Placement

Physical disposal of cash proceeds from illegal activity. For example, the cash may be paid into a bank or be used to buy high value goods, property or business assets.

2.3.2 Layering

Structuring of complex layers of financial transactions to conceal the source of funds. For example, goods or other assets may be resold or funds transferred abroad.

2.3.3 Integration

Returning them into the economy as bona fide business funds making them appear to be legitimate.

2.4 Charities have to be alert to the danger presented by money laundering as they can be victims of financial abuse by fraudsters posing as genuine donors.

3. Role of Board of Trustees

3.1 The Trustees should exercise caution in the following cases:

3.1.1 Where the donation is a one-off substantial amount, or a series of small donations from a source that cannot be identified or checked.

3.1.2 Where, having been offered large donations from persons unknown to the trustees, they do not receive satisfactory replies to the further enquiries they make.

3.1.3 Where donations are conditional on particular individuals or organisations being used to do work for the charity.

3.1.4 Where offers of donations in cash are made for a certain period of time, during which the charity receives the interest, before the capital sum is returned to the donor at the end of the specified period.

3.1.5 Where offers of donations in foreign currencies are made for a certain period of time, during which the charity receives the interest, before the capital sum is returned to the donor in the form of a sterling cheque at the end of the specified period.

4. Risk Mitigation

4.1 AEC will endeavour to do the following to mitigate risk;

- in respect of all donors of donations over a certain size, a requirement to identify the donor and obtain information on the source of the funds or wealth. AEC has a donor review checklist in place which should be used to assess risk.
- an initial risk assessment on the donor or screening exercise, taking into account factors such as the size of donation, source of funds, and the location of the donor. A copy of the assessment should be recorded.
- where the donor/donation is considered higher risk, further checks should be undertaken. These should include identification and verification of the identity of the donor.
- recommendations on training for staff; procedures for monitoring the effectiveness of the money laundering procedure.
- to meet its obligations to comply with the regulations and report serious incidents to the Charity Commission and other external authorities (such as are appropriate).

5. Terrorist Financing

5.1 The Trustees and all members of AEC intend to comply with both domestic and international standards in respect of terrorism and terrorist financing. AEC recognises that as a charity it has an important role to play in ensuring that any funds received are not diverted to funding terrorism.

5.2 In furtherance of these intentions and in order to guard AEC in reasonably limiting any possibility that it might become associated with terrorism and to respond appropriately if it becomes aware of any possible connection with terrorism, we have put relevant policies in place to protect the charity.

In pursuing activities on behalf of AEC, its members are to be informed that a complaint by a member of the public or by a foreign individual, organisation, or government could form the basis of an investigation into AEC's activities and the initiation of de-registration of AEC's charitable status. Consequently, the Trustees shall be encouraged to take care to conduct their activities in such a way as to ensure that AEC's reputation is, as much as possible, beyond reproach.

Version:	3.0
Document owner:	Al-Emaan Centre
Date of approval:	Jan 2025
Effective from:	Jan 2025