



## Anti-Financial Crime Policy

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## Appendix I – Definitions

<b>Asset</b>	An item of property owned by or given to the organisation that is regarded to have monetary value.
<b>Bona Fides</b>	Acting in good faith and being genuine. The sincere intention to be fair, open, honest, regardless of the outcome.
<b>British Registered Organisation</b>	An organisation that is registered with the Charity Commission for England and Wales, the Scottish Charity Regulator, or the corresponding authorities in Jersey and the Isle of Man.
<b>Criminal Purposes</b>	The financing of terrorism, money laundering, fraud, bribery and corruption.  The financing of terrorism is not included within this definition where a registered organisation does not carry out international activity or only provides funds of assets to an organisation that is a British registered organisation.
<b>Funds</b>	A sum of money made available for a specific purpose.
<b>Good Standing</b>	The belief that and individual or entity owner would not intentionally or inadvertently apply any funds or assets received from criminal purposes.
<b>International Partner</b>	An affiliated organisation or any other entity or individual with which a registered organisation has arrangements in place for the purposes of providing funds or other assets or other forms of assistance outside the Bailiwick.
<b>Significant Funds, Donations, or Other Assets</b>	Monetary payments that exceed £15,000 in any given year (in one or multiple payments) and items donated in a single or series of transactions that are tradable on an open market and it is apparent that their value exceeds £15,000 at the time of donation.
<b>Suspicious</b>	Being beyond mere speculation, based upon some substance that is less than personal or subjective knowledge but does not require proof that an activity may be related to financial crime.
<b>Statutory</b>	A requirement that is derived from a law which has been passed by a legislative body.



## 1. Why this Policy is Needed

- 1.1. The organisation has adopted this policy to avoid aiding Financial Crime. The organisation will actively ensure its compliance with The Charities etc (Amendments, Exemptions, Governance and Specified Amount) (Guernsey and Alderney) Regulations, 2022 and The Charities etc (Guernsey and Alderney) Ordinance, 2021 by following the measures set out within this policy.
- 1.2. It will reduce the likelihood of its reputational and regulatory risk, and will take active measures to manage any exposure to their impact by the following means.
- 1.3. The policy is relevant to, and must be followed by the Non-Profit Organisation or Charity (“the organisation”) because it: -
  - 1.3.1. Carries out international activity; and/or
  - 1.3.2. Accepts donations, funds or contributions from the public,and is therefore required to register with the Guernsey Registry.
- 1.4. It can also be relevant to any voluntary organisation in Guernsey or Alderney, who having considered the risks to which their activities and operations are or could be exposed to, voluntarily implement, and abide to such a policy, to manage for example, reputational impact.
- 1.5. Obligations for registered organisations relating to financial crime risk mitigation are set out within The Charities etc (Amendments, Exemptions, Governance and Specified Amount) (Guernsey and Alderney) Regulations, 2022 (“the Regulations”) under the powers of the Charities etc (Guernsey and Alderney) Ordinance, 2021 (“the Ordinance”).
- 1.6. The Regulations oblige the organisation to have an anti-financial crime policy and provide a copy to the Registrar when applying for registration.
- 1.7. The regulations also set out a general obligation for the mitigation of risk which requires the organisation to put in place all necessary internal or other controls to ensure that neither it, nor its activities, can be used for criminal purposes. Measures are necessary to ensure: -
  - 1.7.1. Funds / assets are accounted for;
  - 1.7.2. Funds / assets are used in a manner consistent with its purpose, mission, and objectives; and



1.7.3. The organisation fulfils all applicable obligations under its constitution / governing document and discharges any legal obligations.

## 2. What this Policy Aims to Achieve

2.1. This Policy aims to reduce and counter financial crime arising from: -

- 2.1.1. the laundering of criminal proceeds;
- 2.1.2. the financing of terrorism;
- 2.1.3. bribery and corruption;
- 2.1.4. the financing of the proliferation of weapons of mass destruction; and
- 2.1.5. any other form of financial or non-financial crime.

2.2. The adoption of this Policy should encourage the awareness of the financial crime risks and the mitigations which should be taken to enhance the culture within the organisation and help prevent exploitation from criminals and terrorists occurring.

## 3. Introduction to Money Laundering

3.1. Money Laundering (“ML”) is the process by which criminals seek to disguise the illicit origins of their funds / assets. ML involves cash, electronic payments and assets of any value. ML requires an underlying, primary, profit-making crime, along with the intent to conceal the proceeds of the crime or to further the criminal enterprise.

3.2. ML activities generate financial flows that involve the diversion of resources away from economically and socially productive uses, and these diversions can have a negative impact on the financial sector and stability of countries and regions. They also have a corrosive, corrupting effect on society and the economy.

3.3. Criminals attempt to disguise the original ownership and control of their proceeds of criminal conduct, seeking to break the link between the crime and the proceeds, thus making them appear to have derived from a legitimate source.

## 4. Introduction to Terrorism and Terrorist Financing



- 4.1. Terrorism involves the calculated use of violence, whether it be an action or threat to create a climate of fear in the population, thereby bring about / advancing a political, religious, racial or ideological objective. Terrorism has been practiced by political organisations with both rightist and leftist objectives, by nationalistic and religious groups, by revolutionaries, and even by state institutions such as armies, intelligence services and police.
- 4.2. Terrorism includes acts or threats that involve serious violence against a person, serious damage to property, endanger another person's life, create a serious risk to the health and safety to the public, or are designed to interfere with or disrupt an electronic system.

## 5. Introduction to Bribery, Corruption and Fraud

- 5.1. Bribery and corruption are captured as a predicate offence under Guernsey and Alderney law and is considered by the Bailiwick of Guernsey and Alderney as one of the underlying offences to which the Bailiwick is most susceptible, thus a zero-tolerance approach should be taken.
- 5.2. Bribery can be defined as an interaction with a person in a position of trust that provides a benefit in order to influence and provide incentive for performing an action which is illegal, unethical or a breach of trust. Bribes may take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, etc).
- 5.3. Corruption can be defined as the abuse of entrusted power or authority for personal / private gain through financial crime.
- 5.4. Fraud is where an individual performs an intentionally deceptive action to provide them with unfair and unlawful gain or to deprive a victim of their rights.
- 5.5.** Individuals within the organisation should use their initiative to identify anything that seems unusual, gives a feeling of uncertainty, or appears potentially suspicious when considering bribery, corruption and fraud.

## 6. Introduction to Proliferation of Weapons of Mass Destruction

- 6.1. Proliferation financing is defined as funds or financial services used for the manufacture, possession, development, export, transfer, stockpiling or use (etc.) of nuclear, chemical or biological weapons. It also refers to means of delivery and related materials in

contravention of national laws or international obligations.

## 7. Dealings with International Partners

- 7.1. It is required by the Charities and Non Profit Organisations (Registration) (Guernsey) Law (“the Law”) that the organisation has in place a contract with its international partner(s) and must carry out identification measures.
- 7.2. The organisation must put in place procedures and controls in respect of its dealings (and decisions relating to) with any international partner (not including a British registered organisation) in order to prevent criminal activities arising.
- 7.3. The organisation must ensure any payment made to an international partner and any contract entered into with an international partner which is £100,000 or more is reported in accordance with the Law (as with all payments of £100,000 or more).

## 8. Identification Measures

- 8.1. Identification measures are necessary for funds, assets or services received from or paid outside the Bailiwick that are considered significant (£15,000) or unusual. Individuals and companies in Guernsey and Alderney do not need to be identified other than to ascertain that they are “not” from outside the Bailiwick.
- 8.2. The organisation must take reasonable steps to establish and document-
  - 8.2.1. Unless otherwise directed from the registrar, the identity, credentials and bona fides and good standing of-
    - 8.2.1.1. any British registered organisation where funds / assets / services or assistance are provided to or received from; and
    - 8.2.1.2. any international partner;
  - 8.2.2. The identity of any person who **donates** a significant amount from outside the Bailiwick or where a donation is considered unusual;
  - 8.2.3. The identity, credentials, bona fides and good standing of any person (aside from 8.2.1.1 and 8.2.1.2) to which the organisation provides **funds / assets / services or forms of assistance-**
    - 8.2.3.1. to a person outside the Bailiwick;
    - 8.2.3.2. that are considered are significant; or
    - 8.2.3.3. that are considered unusual.



- 8.3. Activity considered to be “unusual” is dependent on the type of activity undertaken by the organisation. A transaction may be “unusual” because of the manor in which it is received as well as the value, terms or origin. Consideration should be given to the origin, nature and possible intention when determining if it falls within this definition.
- 8.4. Where identification measures are not possible, or if risks or concerns have been identified through the completion of these measures, the organisation should consider the refusal to accept a donation or decide to not provide the funds / assets / services.
- 8.5. A register must be maintained of the above in line with the record keeping requirements listed within section 9.1.2 of this Policy.

## 9. Reviews, Oversight and Monitoring

- 9.1. The organisation’s compliance with the Ordinance, the Regulations and this Policy should be reviewed annually.
- 9.2. Where there are failures to comply with legal obligations and this Policy, mitigating measures should be put in place and updates to the Policy should be made where necessary.
- 9.3. Depending on the size and nature of the organisation, it should consider the need for some officials to receive training as relevant.

## 10. Record Keeping

- 10.1. The Law requires that the organisation must make, keep and retain records of all financial transactions in order to evidence the application or use of the organisation’s assets, funds and income. Such records and any subsequent reviews should be dated.
- 10.2. Records must be kept, for a minimum period of 6 years, of the following: -
  - 10.2.1. Findings of the reviews referred to in Section 8 of this Policy and any actions taken as a result;
  - 10.2.2. A register including the records of findings from the ‘Identification Measures’ taken in Section 7 of this Policy which includes the:
    - 10.2.2.1. Names and location of whom identification measures were taken for;



- 10.2.2.2. Amount of any donation received from, or funds / assets or form of assistance provided to, that person;
  - 10.2.2.3. Summary (where applicable) of the information verifying the credentials, bona fides and good standing of that person;
  - 10.2.2.4. Measures taken to mitigate the risks associated with receiving a donation from, or providing assets or form of assistance to, that person; and
  - 10.2.3. Annual financial statements;
  - 10.2.4. Donors register;
  - 10.2.5. Minutes; and
  - 10.2.6. Any other statutory documents.
- 10.3. All records must be kept securely and in readily retrievable form.

## 11. What to Do If You Are Suspicious

- 11.1. Where, as a result of any of the measures taken above, you feel suspicious of the intentions of an individual or the origins of any funds or assets, consideration should be made for reporting these concerns to the Financial Intelligence Unit in Guernsey.
- 11.2. The Financial Intelligence Unit can be contacted through the following link:  
<https://guernseyfiu.gov.gg/article/175901/Contact>
- 11.3. You must not mention or lead the third party to believe you have a suspicion or that you may or have reported this to the authorities.