



# Merciful Group INC

## Money Laundering and Counter-Terrorism Policy

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Document Status:	Approved	Document Type:	Policy
Date Last Modified:	11/10/2020	Date of Approval:	
Policy Owner:	MG Committee	Date of Next Review:	
Policy Lead:	President	Approving Body:	MG Committee
Policy Scope:		Access Type:	Internal Only
Revisions or changes in this Document			
Description of revision/changes			
Version Number		Date	

# Anti-Money Laundering and Counter Terrorism Funding (AML/CT) Policy (Governance)

## Section 1: INTRODUCTION

- 1.1. This Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) policy has been developed in response to Australia's current AML/CTF and sanctions legislative environment, and the increased risks faced by Non-Profit Organisations' (NPOs) who send charitable donations overseas in furtherance of its objectives. Its aim is to ensure that Merciful Group INC ("MG") takes all reasonable efforts to ensure that funds are not being directed to terrorist activities.
- 1.2. NPOs have been identified by Australia's Attorney General's Department as being at risk of being misused by other individuals or organisations to finance or support terrorist activity. Charities and NPOs have also been classified by AUSTRAC as one of the more significant Australian terrorism financing channels, the consequences of becoming involved in terrorist financing or sanctions violation are significant, and can include loss of reputation, status and donor confidence.
- 1.3. These risks are significantly increased within the NPO sector, which is traditionally cash-intensive in nature, and regularly transmit funds to supporters between jurisdictions. NPOs often operate in high-risk environments, under less formal regulation, exposing them to an elevated risk of criminal and terrorist abuse. As a result of these risks, the OECD's Financial Action Task Force (FATF) has included NPOs in its recommendations to help combat money laundering and terrorism financing.
- 1.4. Terrorist activity requires financial support (or terrorism funding). One way of acquiring this support is to redirect funding intended for charitable purposes. There are several ways that this can be done, including fraudulent collection of monies and infiltration of an NPO by terrorist groups (without the knowledge of its staff or donors). The NPO is then used to launder the funds, by disguising the funds raised for terrorism financing among legitimate donations, thereby reducing the risk of detection and confiscation by authorities. Money laundering is just as serious as the activity behind it – and preventing it can help reduce the financing of terrorist activity. Terrorism financing includes the financing of terrorist acts, terrorists and terrorist organisations. Both money laundering, sanctions violation and terrorism financing are serious crimes.
- 1.5. As a non-profit humanitarian aid organisation with potential operations in overseas countries around the world, MG may fall into this sector. As with any other NPO, there is a risk that our services may be used to launder money, violate sanctions and finance terrorism. Australian law and applicable local laws in the jurisdictions in which we operate, requires us to put training, processes and systems in place to identify, manage and mitigate this risk. We do this to protect the organisation's reputation, to comply with relevant laws and to be a good corporate citizen. Failure to do so may result in social harm, significant penalties, including legal and regulatory action.
- 1.6. **MG is committed to:**
  - 1.6.1. Complying with all mandatory domestic and international regulatory obligations and guidance's related to the identification, treatment and management of ML/TF and sanctions violation risk.
  - 1.6.2. Protecting the organisation from reputational risk and breaches of regulatory requirements that may lead to severe fines and penalties; and
  - 1.6.3. Safeguarding the organisation, its donors, partners, beneficiaries and employees from becoming a victim of, or unintended accomplice to, ML/TF or sanctions violation activities

### 1.7. AML/CTF Regulatory Regime

MG is committed to complying with all AML/CTF and sanctions regulatory and legislative requirements, as set out below:

- 1.7.1. While a global issue, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and Financial Transaction Reports Act 1988 (FTR Act) provide the foundation for Australia's regulatory regime to detect and deter money laundering and terrorism financing. While this regime imposes several specific obligations on institutions involved in financial and remittance related services, it does not abdicate MG's obligations of ensuring that NPOs from ensuring that all reasonable steps are taken to ensure that the funds raised are not being directed to terrorist related activities.

- 1.7.2.** As a party to the International Convention for the Suppression of the Financing of Terrorism and pursuant to UN Security Council resolutions on terrorism, which are given effect in Australia through the Charter of the United Nations Act 1945, Australia has an international obligation to combat terrorism funding.

## **1.8. Australian Offences**

- 1.8.1.** Significant penalties apply under the Charter of the United Nations Act 1945, and the Autonomous Sanctions Act 2011 for contravening a range of sanction measures. These sanctions measures include targeted financial sanctions, which prohibit making assets of any kind available to a listed person or entity or using or dealing with a listed person or entity's assets.
- 1.8.2.** These offences have extra-territorial effect. This means that if a charity makes funding or other assets available to a listed person or entity, whether overseas or in Australia, this could result in prosecution under Australian laws.
- 1.8.3.** Australia's terrorist act offences and terrorist organisation's offences are set out in the Criminal Code Act 1995 ('the Criminal Code'). The Criminal Code also sets out the penalties (including up to 25 year's imprisonment) for providing support intentionally or recklessly to a terrorist organisation.
- 1.8.4.** The Autonomous Sanctions Act 2011 also makes it a criminal offence to use or deal designated persons or entities contained on the Consolidated List.

## **Section 2: POLICY STATEMENT**

As a matter of policy, MG is committed to the following key AML/CTF and non-violation of sanctions principles:

### **2.1. Overarching Principle**

Terrorism, sanctions violation and money laundering, in any form, is fundamentally incompatible with the beliefs and objectives of MG and the values it holds. As an organisation, it does not permit, support, or condone any activity linked – either directly or indirectly – to terrorism, and will not associate, or deal with, any individual or entity suspected of having such links.

- 2.1.1.** As an organisation, MG will take all reasonable steps to ensure that any funds raised by it, or entrusted into its care, are not being directed to terrorist, or terrorist related, activities or sanctioned entities.

### **2.2. Legal obligations**

- 2.2.1.** MG must, at all times, comply with all Commonwealth, State and Territory laws, and the laws of any foreign jurisdictions within which we operate in. Where the laws of a particular jurisdiction are of a higher standard than those of Australia, the then higher standard (where possible) should be applied.

### **2.3. Risk awareness**

- 2.3.1.** MG recognises the importance of understanding the inherent risks within its operations. In line with this, all reasonable steps must be taken to ensure that:
- i. There is a clear understanding of the level of risk the organisation may be exposed to in relation to terrorism financing and sanctions violation, and where risk is evident, necessary precautions are taken.
  - ii. Management, staff and volunteers are aware of the level of risk the organisation may be exposed to in relation to terrorism financing and sanctions violation, and where risk is evident ensure that precautions are in place.

### **2.4. Due diligence**

- 2.4.1.** Appropriate due diligence plays a key role in reducing the risk of terrorist funding. In line with this, all reasonable steps must be taken to ensure that MG:
- i. Knows its beneficiaries.
  - ii. Knows its employees and volunteers.
  - iii. Knows the third parties it works with; and
  - iv. Regularly checks that beneficiaries, employees, volunteers, and third parties are not listed

individuals or organisations.

## **2.5. Transparency and accountability**

**2.5.1.** MG is committed to enforcing an appropriate level of transparency and accountability. In line with this:

- i. All financial transactions should be conducted (where possible) through regulated financial institutions, such as banks or building societies.
- ii. Background checks are required to be conducted on all management, staff and volunteers.
- iii. Adequate records are required to be kept that clearly shows what assistance has been provided and who has received it. It should also include the details of any third parties involved.
- iv. Follow-up checks should be conducted (where possible) to ensure that the assistance was delivered as intended.

## **2.6. Using Third parties (Associates)**

**2.6.1.** Where funds are provided to a third party, all reasonable efforts need to be taken to ensure that the third party is aware of, and assurance is obtained that they will comply with all applicable laws in force, including the AML/CTF and non-violations of sanctions principles included in this policy.

## **2.7. Scope**

**2.7.1.** The policy applies to all employees and volunteers (permanent, temporary and thirdparty providers), irrespective of their geographical location

## **2.8. Exclusions**

**2.8.1.** None

## **2.9. Objectives**

**2.9.1.** The objectives of this AML/CTF policy is to set out the principles by which MG must adhere to in relation to:

- i. Ensuring that reasonable efforts are taken to ensure that funds are not directed to terrorist or terrorist related activities; and
- ii. Complying with any AML/CTF and sanctions related legislative obligations.

# **Section 3: DEFINITIONS**

## **3.1. Associates**

Any external third party that works in conjunction with MG in order to carry out its charitable purpose, including (but not limited to), an agent, a delivery partner, a party to a joint-venture, or a person that provides services to MG under a contract.

## **3.2. Consolidated List**

**3.2.1.** The Department of Foreign Affairs and Trade (DFAT) maintains a consolidated list of persons and entities that are subject to a targeted financial sanctions or travel bans under Australian sanctions laws. The Consolidated List includes all persons and entities to which the Charter of the United Nations Act 1945 and the Autonomous Sanctions Act 2011 currently applies. An updated copy of the consolidated list is maintained on the DFAT website.

**3.2.2.** A number of sanctions regimes make it a criminal offence to use or deal with the assets of a designated person or entity, or make an asset available to, or for the benefit of, a designated person or entity. Penalties for these offences are:

- i. For individuals, a maximum 10 years' imprisonment and a fine the greater of \$425,000 or three times the transaction value; and
- ii. For bodies corporate, a fine the greater of \$1.7 million or three times the transaction value (the offence is a strict liability offence for bodies corporate)

## **3.3. Delivery Partner**

- 3.3.1. An organisation or person with which IRAUS shares joint responsibility in a recognised and documented partnership relationship for a delivery of a Program, irrespective of whether such responsibility is divided on an equal or some other basis.

#### **3.4. Donor**

- 3.4.1. Any person or entity that has donated, or is considering donating, or may donate funds, property or other assets to MG for the pursuit of its charitable objects.

#### **3.5. Employee**

- 3.5.1. As defined under section 12 of the Superannuation Guarantee (Administration) Act 1992.

#### **3.6. Merciful Group Incorporated Inc**

- 3.6.1. An Australian Public Association. It is incorporated with Fair Trading as Not-for-profits organisation INC.

### **Financial Risk Management**

#### **3.7. Listed Terrorist Organisation**

- 3.7.1. An organisation that is included in the list of terrorist organisations under Division 102 of the Criminal Code Act 1995. Terrorist organisations listed under the Criminal Code is available on the Australian National Security website.

#### **3.8. Money laundering**

- 3.8.1. The process of hiding or disguising the source of illegally obtained ("dirty") funds to make them appear legitimate ("clean"), e.g. by filtering them through the financial system. Money laundering reduces the risk of detection and confiscation by authorities. It is just as serious as the criminal activity behind it – and preventing it can help reduce crime.

#### **3.9. Any activity engaged in or proposed to be engaged in by MG in pursuant of its charitable objects and includes the investment of any funds in accordance with the powers as set out in MG's constitution.**

#### **3.10. Sanctions Regime**

- 3.10.1. Australian sanction laws implement United Nations Security Council (UNSC) sanctions regimes and Australian autonomous sanctions regimes. An updated list of the various sanctions regimes currently implemented under Australian sanction law, as well as the sanction measures imposed by a particular sanctions' regime, is maintained on the DFAT website. See also Consolidated List above.

#### **3.11. Suspicion**

- 3.11.1. Money laundering and terrorism financing (ML/TF) are sometimes detected because a donor, employee or third-party acts or behaves in a suspicious way. For a 'suspicion' to be valid, there must be reasonable grounds to believe ML/TF activity may be occurring.

#### **3.12. Terrorism financing**

- 3.12.1. Differs from money laundering in three main ways:

- a. Its primary purpose is to disguise the ultimate use of the funds, as opposed to their origin
- b. It can involve relatively small sums of money, which can have a huge impact in terms of death, destruction and disruption
- c. Although terrorists may finance their activities through crime, legitimate funds can also be misappropriated to finance terrorism.

- 3.12.2. The term 'terrorism financing' includes the financing of terrorist acts, and of terrorists and terrorist organisations.

- 3.12.3. The financing of terrorism may include the provision of any kind of asset in any form.

#### **3.13. Volunteer**

- 3.13.1. Any person who performs services or Programs on behalf of MG without receiving remuneration, other than reimbursement of out of pocket expenses. It includes any volunteer and non-remunerated directors, trustees and company officers.

## Section 4: POLICY IN ACTION

### 4.1. AMLCT Roles and Responsibilities

#### 4.1.1. Board & Senior Management

- i. While the Board of Trustees retains oversight and monitoring responsibility for MG's overall AML/CTF and non-violation of sanctions efforts, the President and senior managers are responsible for implementing the organisation's AML/CTF and non-violation of sanctions policy framework, and all related processes and procedures.
- ii. MG's Counter Terrorism Committee (CTC) is responsible for ensuring that potential Programs funded by MG, do not contravene any AML/CTF or sanctions legislation. Part of this role includes ensuring that none of its intended Programs involve, facilitate, or have any link to, or association with any terrorist activities, or groups involved with such activities.
- iii. Members of the CTC are appointed by the President. The Board of Trustees is responsible for approving the committee's Terms of Reference.
- iv. The Designated AML/CTF Compliance Officer (DACCO) leads the organisation's AML/CTF and non-violation of sanctions efforts and is responsible for maintaining the organisation's AML/CTF and non-violation of sanctions policy framework and providing subject matter expertise and advice to the organisation.
- v. The DACCO also retains responsibility for monitoring and testing the effectiveness of MG's AML/CTF and non-violation of sanctions policies, guidelines and procedures, and to ensure that they are being adhered to.
- vi. The DACCO is also responsible for maintaining an up-to-date register of the following: Listed Terrorist Organisations, Sanctions Regimes, Consolidated List, and a list of any 'black-listed' individuals or entities (being ones which MG have determined to be suspicious and/or have failed any of the review processes as outlined in Section 7 of this policy).
- vii. Whilst reporting to the CTC, The DACCO is appointed by the President and all permanent and temporary employees must comply with MG's AML/CTF and nonviolation of sanctions Framework, and its associated processes, procedures and/or guidelines. They are also required to attend training specific to their role and report any suspicious matters or behaviours they become aware of.

### 4.2. AML/CT Processes

The following section outlines the minimum steps needed to ensure that funds raised by it, or entrusted into its care, are not being directed to terrorist related activities.

#### 4.2.1. AML/CTF and Sanctions Violation Risk Assessment

- i. An ML/TF and sanctions violation risk assessment must be carried out in relation to the identification, treatment and management of potential money laundering and terrorism financing risks facing the organisation.
- ii. As appropriate due-diligence processes play a key role in reducing these risks, as a minimum, the assessment must ensure that appropriate due diligence processes has been put in place in relation to the following key ML/CT and sanctions risk areas: programming risk, donor risk, third party and supplier risk, and employee risk.
- iii. The ML/TF and sanctions risk-assessment should be monitored and reviewed on a regular basis in order to ensure that it reflects any changes in the environment or associated ML/TF and sanctions risk factors.
- iv. All Programs funded by MG (whether in full or in part) shall be subject to an AML/CTF and sanctions violation assessment and review by the CTC to determine, to the extent possible, whether there is any connection with terrorist activities, terrorist groups, or the facilitation of terrorist activities or terrorist groups.
- v. All new or proposed Programs must undergo an initial assessment and review, and all ongoing Programs undergo a re-review as required, but no less than annually.
- vi. All Program assessments and reviews, whether of new or existing Programs, must be completed

in accordance with the AML/CTF and sanctions violation Program. Assessment/Review Checklist attached to this policy as Schedule A. A written record of each assessment and review must be kept permanently in a special file to be opened for such reviews.

- vii. Any Program that is determined to be unsatisfactory as a result of a program assessment or review must not be undertaken by MG. If the Program is an existing Program, it should be suspended immediately. The matter must then be referred to MG's President, who, in consultation with the CTC and Board of Trustees will make a final decision. Any final decision must be guided by the organisation's ML/TF and sanctions violation risk appetite, any legal ramifications, and the organisations' overall social responsibilities. If there is any uncertainty about whether a Program is satisfactory or not, the CTC should seek external legal advice concerning the course of action to be recommended to the Board of Trustees.
- viii. All Donors and donations shall be subject to an initial assessment to determine, to the extent possible, whether they have any connection with terrorist activities, terrorist groups, or facilitating the work of terrorist activities or terrorist groups. Where practical, a list of Donors names and details should be maintained for review.
- ix. A formal donor review must be carried out in cases where:
  - 1. A single donation exceeds \$10,000 (ten thousand dollars), and/or
  - 2. A Donor (whether new or existing) makes a donation/s in excess of \$10,000 (ten thousand dollars) in a single financial year, and/or
  - 3. A donation is made subject to donor restrictions beyond those generally offered by MG.
- x. All donor reviews, whether of new or existing donors, must be conducted in accordance with the AML/CTF Non-Violation of Sanctions Donor Review Checklist attached to this policy as Schedule B.
- xi. As a minimum, the review must include the Donors full details, background, consideration of the Donor's possible motives, and the nature of the transaction(s). The outcome of the donor review should be endorsed by MG's CTC, and a written record of each review kept permanently in a special file to be opened for such reviews.
- xii. Should a Donor or donation appear suspicious, or the donor involved found to have real or possible links to terrorist activities or terrorist groups or sanctioned entities, MG must not accept the donation. If already received, the funds must be returned to the Donor immediately, along with a brief explanation that IRAUS is unable to accept the gift. Any such letter should be reviewed and approved by the organisation's legal representative, and a copy all documentation relating to the donation kept on file.
- xiii. An updated list of potential or actual Donors whose due-diligence review or screening was unsatisfactory, should be maintained by the DACCO.
- xiv. All Associates shall be subject to a review to determine, to the extent possible, whether they have any connection with terrorist activities, terrorist groups, or facilitating the work of terrorist activities or terrorist groups or are sanctioned entities. The outcome of the review should be endorsed by MG's CTC.
- xv. All new Associates must undergo an initial review, and all existing Associates must undergo a re-review no less than annually.
- xvi. All reviews of Associates, whether of a new or existing Associate, must be conducted in accordance with the AML/CTF Non-Violation of Sanctions Associate Review attached to this policy as Schedule C. A written record of each review shall be kept permanently in a special file to be opened for such reviews.
- xvii. In addition to any requirements specified in MG's procurement and programming policies and guidelines, as a minimum, the review should include the verification of the Associates identity, and confirmation, to the extent possible, that they are not a Listed Terrorist Organisation, nor have they been included on DFAT's consolidated list of persons and entities subject to a targeted financial sanction.
- xviii. If an Associate is shown to have connections with terrorist activities, terrorist groups, or facilitating the work of terrorist activities or terrorist groups, MG should immediately terminate its relationship



with that Associate. Any decision to terminate a relationship with an associate must be made by the President in consultation with the CTC and Board of Trustees and should only be made after first obtaining external legal advice on the matter.

- xix. All Associates must sign a waiver, attached as Schedule D to this policy, in which they acknowledge the right of MG to terminate its relationship with the Associate at any time and waive any right, direct or indirect, to legal action with regard to such termination. The Associate shall also be required to indemnify MG against any third-party claim or claims that might be made against MG arising out of such termination in a form to be determined from time to time.
- xx. An updated list of potential or actual Associates whose due-diligence review or screening was unsatisfactory, should be maintained by the DACCO.

#### **4.3. Employee & Volunteer Review**

- 4.3.1.** All Employees and Volunteers shall be subject to a review to determine, to the extent possible, whether they have any connection with terrorist activities, terrorist groups, or facilitating the work of terrorist activities or terrorist groups or sanctioned entities. The outcome of the review should be endorsed by MG's CTC.
- 4.3.2.** All new Employees and Volunteers must undergo an initial review, and all existing Associates must undergo a re-review no less than annually.
- 4.3.3.** All reviews of Employees and Volunteers, whether of a new or existing Employee or Volunteer, must be conducted in accordance with the AML/CTF Non-Violation of Sanctions Employee and Volunteer Review attached to this policy as Schedule E. A written record of each review shall be kept permanently in a special file to be opened for such reviews.
- 4.3.4.** In addition to the requirements included in MG's human resources policies and guidelines, as a minimum, the review should include the completion of a National Police Check issued by the Australian Federal Police. In parallel to this, the Employee's or Volunteer's details should be subjected for independent verification using their own AML/CTF systems.
- 4.3.5.** If an Employee or Volunteer is shown to have connections with terrorist activities, terrorist groups, or facilitating the work of terrorist activities or terrorist groups; MG should immediately terminate its relationship with the Employee or Volunteer. Any decision to terminate a relationship with an associate can only be taken by the President in consultation with the Board of Trustees and should only be made after first obtaining external legal advice on the matter.
- 4.3.6.** All Employees and Volunteers must sign a waiver, attached as Schedule D to this Policy, in which they acknowledge the right of MG to terminate its relationship with the Employee or Volunteer at any time and waive any right, direct or indirect, to legal action with regard to such termination. The Employee or Volunteer shall also be required to indemnify MG against any third-party claim or claims that might be made against MG arising out of such termination in a form to be determined from time to time.
- 4.3.7.** The above Employee and Volunteer review process should be carried out for all prospective and existing employees, contractors, volunteers and temporary employees.
- 4.3.8.** An updated list of potential or actual Employee or Volunteers due-diligence review or screening, should be maintained by the DACCO.

#### **4.4. AML/CTF Employee Training and Sensitisation**

- i. An ongoing training and sensitisation Program to ensure employees receive relevant and ongoing AML/CTF Non-Violation of Sanctions training must be implemented. The program should provide an awareness of money laundering and terrorist financing, indicate how to identify and report a suspicious matter and ensure that employees are aware of the organisation's
- ii. All cases of suspicious or illegal activity must be reported to the Australian Federal Police, or other relevant law enforcement body.
- iii. If any Employee, Volunteer or Associate of the charity becomes aware, whether personally or through a third party complaint, of any connection or allegation of a connection to a terrorist activity or a terrorist group or sanctioned entity of any program of the charity, or of anyone associated with the charity (including, its employees, volunteers, contractors, associates or donors), they must immediately report the matter to the President and the CTC (via the DACCO).



- iv. The CTC must review all complaints received and seek external legal advice regarding any further action that may be required. This includes whether the matter should be reported to the Australian Federal Police, or other relevant law enforcement body. The President and CTC must then promptly and thoroughly review both the complaint and legal advice received with the Board of Trustees. Should further action be required, the Board of Trustees shall take the necessary actions in consultation with MG's legal advisors.
- v. In the event that the results of any reviews carried out in accordance with this policy raise substantive concerns or suspicions about any aspect of the MG's operations in relation to potential terrorism funding, the CTC shall inform the board immediately. Upon receipt of such a report from the CTC, the board must promptly seek external legal advice regarding its position and any legal obligation it may have to report the results of the review, including the advisability of making voluntary disclosure, to the Australian Federal Police or other relevant law enforcement body.
- vi. Nothing in this policy shall derogate from or supersede the rights or obligations of the person initiating – or becoming aware of – the complaint to make any other report to the relevant authorities pursuant to any applicable CTF/AML, sanctions or criminal laws in place.

## Section 5: POLICY MANAGEMENT

### 5.1. Record Keeping

- 5.1.1. All relevant records related to this policy or the processes, procedures and guidelines contained in it, must be retained for a period of seven years (or any other time period as required by Australian legislation).

### 5.2. Policy Review and Amendments

- 5.2.1. This policy should be reviewed annually and amended and updated as required.

### 5.3. Schedules and Guidelines

- 5.3.1. This policy incorporates the obligations outlined in the following documents:
  - i. **Schedule A** – AML/CTF Non-Violation of Sanctions Program Assessment / Review Checklist
  - ii. **Schedule B** – AML/CTF Non-Violation of Sanctions Donor Review Checklist
  - iii. **Schedule C** – AML/CTF Non-Violation of Sanctions Associate Review Checklist
  - iv. **Schedule D** – Waiver and Release
  - v. **Schedule E** – AML/CTF Non-Violation of Sanctions Employee and Volunteer Review Checklist

## Annex 1: Abbreviations

ABN: Australian Business Number

ACNC: Australian Charities and Not-for-profits Commission

AML: Anti-money Laundering

AUSTRAC: The Australian Transactions and Reports Analysis Centre

CTC: Counter Terrorism Committee

CTF: Counter Terrorism Funding

DACCO: Designated AML/CTF Compliance Officer

DFAT: Department of Foreign Affairs and Trade

FATF: Financial Action Task Force (OECD)

ML: Money Laundering

NPO: Non-profit Organisation

OFAC: Office of Foreign Asset Control (US Department of Treasury)

SDN: Specially Designated Nationals List

TF: Terrorism Funding

MG: Merciful Group

UNSC: United Nations Security Council

## Annex 2: References and Guiding Sources

A list of relevant pieces of AML/CTF legislation and guidelines, checklists, websites are listed below:

- a. **Austrac's Ready Reckoner:**  
[http://www.austrac.gov.au/sites/default/files/documents/ready\\_reckoner.pdf](http://www.austrac.gov.au/sites/default/files/documents/ready_reckoner.pdf)
- b. **Consolidated List (maintained and updated by the Department of Foreign Affairs and Trade):**  
<http://dfat.gov.au/international-relations/security/sanctions/pages/consolidatedlist.aspx>
- c. **LinkMatchLite Software:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#lml>
- d. **Listed Terrorist Organisations (maintained and updated on the National Security Website):**  
<https://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>
- e. **Sanctions Regimes (maintained and updated by the Department of Foreign Affairs and Trade):**  
<http://dfat.gov.au/internationalrelations/security/sanctions/sanctions-regimes/Pages/sanctions-regimes.aspx>
- f. **Specially Designated National's List (maintained and updated by the Office of Foreign Asset Control (US Department of Treasury):** <http://www.instantofac.com/> and <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- g. **UK List of Proscribed Terrorist Organisations:**  
<https://www.gov.uk/government/publications/proscribed-terror-groups-ororganisations--2>

### Australian Legislation:

- a. Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) Autonomous Sanctions Act 2011
- b. Financial Transaction Reports Act 1988 (Cth)
- c. Charter of the United Nations Act 1945 (Cth)
- d. Criminal Code Act 1995 (Cth)
- e. Superannuation Guarantee (Administration) Act 1992 (Cth)

### Reports, Guidance and Checklists:

- a. Australian Transaction Reports and Analysis Centre (AUSTRAC) report: 'Money Laundering in Australia 2011'
- b. Australian Transaction Reports and Analysis Centre (AUSTRAC) report: 'Terrorism Financing in Australia 2014'
- c. Australian Government publication: 'Safeguarding your organisation against terrorism funding: A guidance for non-profit organisations'
- d. Australian Charities and Not-for-profits Commission (ACNC) checklist: 'Protecting Your Charity Against the Risk of Terrorism Funding'

### Websites:

- a. **Attorney General's Department (Counter Terrorism Laws):**

<https://www.ag.gov.au/NationalSecurity/Counterterrorismlaw/Pages/Australiascounterterrorismlaws.aspx>

- b. **AUSTRAC (AML/CTF Rules):** <http://www.austrac.gov.au/>
- c. **Department of Foreign Affairs and Trade (Sanction Regimes):**  
<http://dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.aspx>
- d. **Government National Security Website (Terrorism / Terrorism Threats):**  
<http://www.nationalsecurity.gov.au/>
- e. **OFAC:** <http://www.instantofac.com/>

## Schedule A

### AML/CT Non-Violation of Sanctions Program Assessment/ Review Checklist

This AML/CTF Non-Violation of Sanctions Program Assessment / Review Checklist is required to be completed as per IRAUS's AML/CT Non-Violation of Sanctions Policy.

#### Purpose

Terrorism, violation of sanctions and money laundering, in any form, is fundamentally incompatible with the beliefs and objectives of The Merciful Group Inc and the values it holds. As an organisation, it does not permit, support, or condone any activity linked – either directly or indirectly – to terrorism or sanctioned entities, and will not associate, or deal with, any individual or entity suspected of having such links. As an organisation, MG takes all reasonable steps to ensure that any funds raised by it, or entrusted into its care, are not being directed to terrorist, or terrorist related activities or sanctioned entities.

The purpose of this AML/CT Non-Violation of Sanctions Program Assessment/Review Checklist (the Program Review) is to ensure compliance with MG's AML/CT Non-Violation of Sanctions Policy, by determining – to the extent possible – that Programs undertaken or supported by it have no connection with any terrorist activity or groups, nor does it facilitate any funding to terrorist activities or terrorist groups or sanctioned entities.

The Program Review is required to confirm that:

The goals of the Program under review complies within MG's overall charitable objectives:

Neither the objectives of the Program nor the methods used to achieve those objectives contribute, either directly or indirectly, to terrorist or terrorist related activities or groups or sanctioned entities.

So far as MG can reasonably determine, any Delivery Partners involved in the Program are not involved in with terrorist activities or terrorist Groups or sanctioned entities, or with others who in turn may be involved with such activities or groups.

The Program Review is made up of the following two parts:

**Part 1 – A review of risk factors / considerations; and,**

**Part 2 – An assessment of the overall Program.**

A copy of the Program Review must be completed in writing. One copy shall be kept in the Program file and another shall be kept in a special file created for such review.

#### Part 1 – Risk Factors/ Considerations

The following section should be completed by International Programs (and are in addition to any programming related processes and procedures already in place)

##### 1. The Program

- a. Does the Program fall within the overall charitable objectives of MG?
- b. Does the Program relate to a high-risk geographic area, or a country that is subject to any sanctions regimes currently implemented under Australian sanction laws?

- c. Does the Program have a political, religious or ideological purpose, objective or cause?
- d. What was the motivation for commencing the Program?
- e. Does the Program involve any possibility of intimidating the public or a segment of the public regarding its security, including economic security?
- f. Does the Program involve any possibility of compelling a person, a government or a domestic or international organisation to do or refrain from doing any act towards the facilitation of terrorism?
- g. Could the goals of the Program or the means to achieve them reasonably be considered to have the effect of funding or facilitating terrorism or terrorist related groups or activities, whether or not such effect is intentional?
- h. What processes are in place to ensure appropriate verification of beneficiaries is in place?

## 2. Program Associates

- a. Does the delivery of the Program require cooperating with, or working with/or through, a Delivery Partner or Agent, or involve any other form of cooperation with a third party? If the Delivery Partner or Agent has a Partnership Application Form been completed and checked?
- b. Have the names and details of all Associates involved been collected and verified by MG?
- c. Have all Associates involved in the Program been checked (by MG) against the following:
  - 1. Australian 'Listed Terrorist Organisations' as per Australia's Criminal Code
  - 2. Australian 'Consolidated List', as maintained by DFAT (including running the name through the LinkMatchLite (LML) software, designed to assist asset holders in finding possible matches between Associates names and names on the Consolidated List)
  - 3. The US 'Specially Designated Nationals List' (SDN), as maintained by OFAC (Office of Foreign Asset Control), part of the U.S. Department of Treasury
  - 4. UK List of 'Proscribed Terrorist Organisations' per the UK Terrorist Act 2000
  - 5. A general Google search (in the name of the Associate) to identify any links to terrorism or terrorist groups
- d. Have the goals and purposes of all Associates been independently verified by MG?
- e. Are any of the Associates involved, either directly or indirectly, in any of the activities mentioned in section 1 of this checklist?
- f. Have references been provided by all Associates, and been verified by MG?
- g. Are independent references available and, if so, have they been consulted? By MG?
- h. Are all Associates aware of, and has assurance been obtained that they will comply with all applicable laws in force, including the AML/CTF Non-Violation Sanctions principles included in MG's AML/CTF Non-Violation of Sanctions Policy?

## 3. Program Donors

- Has the relevant Donor Review Checklist's been completed?
- Was the result of the review satisfactory?

All Responses to the above questions should be as detailed as possible and include all factors – both positive and negative – that could potentially impact the CTC's decision to approve or reject the Program.

## Part 2 – Assessment

Based on a careful review of the Program, in particular Part 1 of the Program Review, the CTC must make an assessment of the following:

- a. The overall level of any ML/TF sanctions violation risk the nature of the ML/TF sanctions violation risk
- b. Whether the ML/TF sanctions violation risk can be minimised or eliminated?
- c. If the ML/TF sanctions violation risk cannot be eliminated, has legal advice been sought and obtained?
- d. The impact of the ML/TF sanctions violation risk on MG, its members and directors, and its charitable

purposes Whether MG is willing to accept this level of ML/TF sanctions violation risk?

- e. If MG is willing to accept the level of ML/TF sanctions violation risk inherent in a Program, MG may decide to proceed with the Program if it meets all other selection criteria. MG's assessment of the Program, including all positive and negative considerations, must be carefully documented and included in a special file to be created for such assessments.
- f. All Programs are subject to a thorough annual review of the ongoing Program in accordance with this Program Review Checklist or any revision thereof as may be adopted from time to time by the Board in consultation with legal counsel.
- g. If the Executive is not willing to accept the ML/TF sanctions violation risk involved in a Program, the Executive shall immediately reject the proposed Program or cancel the ongoing Program, as the case may be.

### Screening Resources:

Resources that can be used to help with the screening process outlined in Section B above include:

- a. **List of Australian Terrorist Organisations:**  
<https://www.nationalsecurity.gov.au/Listedterroristorganisations/>
- b. **DFAT Consolidated List:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#list>
- c. **LinkMatchLite Software:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#lml>
- d. **OFAC SDN List:**  
<http://www.instantofac.com/> and <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- e. **UK List of Proscribed Terrorist Organisations:**  
<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>
- f. **Google:** [www.google.com](http://www.google.com)

## Schedule B

### AML/CT Non-Violation of Sanctions Donor Review Checklist

This AML/CTF Non-Violation of Sanctions Donor Review Checklist is required to be completed as per IRAUS's AML/CTF Non-Violation of Sanctions Policy.

#### Purpose

Terrorism, violation of sanctions and money laundering, in any form, is fundamentally incompatible with the beliefs and objectives of The Merciful Group Incorporated and the values it holds. As an organisation, it does not permit, support, or condone any activity linked – either directly or indirectly – to terrorism or sanctioned entities, and will not associate, or deal with, any individual or entity suspected of having such links. As an organisation, MG takes all reasonable steps to ensure that any funds raised by it, or entrusted into its care, are not being directed to terrorist, or terrorist related activities or sanctioned entities.

The purpose of this AML/CTF Non-Violation of Sanctions Donor Review Checklist (the Donor Review) is to ensure compliance with MG's AML/CTF Non-Violation of Sanctions Policy, by determining – to the extent possible – that donations are not accepted from Donors who have connections with any terrorist activity or groups, or facilitates any funding to terrorist activities or terrorist groups or sanctioned entities.

It must be carried out in cases where a Donor:

- a. A single donation exceeds \$10,000 (ten thousand dollars), and/or
- b. A Donor (whether new or existing) makes a donation/s in excess of \$10,000 (ten thousand dollars) in a single financial year, and/or
- c. A donation is made subject to donor restrictions.

The Donor Review is made up of the following three parts:

**Part 1 – A review of the Donor,**

**Part 2 – A review of the donations; and**

**Part 3 – An overall assessment.**

A copy of the Donor Review must be completed in writing. One copy shall be kept in the Donor file and another shall be kept in a special file created for such review.

**Part 1 – Donor**

The following section should be completed by the Finance Department (and are in addition to any fundraising or donor related processes and procedures already in place)

**1. Background**

- a. How was the Donor brought into contact with MG?
- b. Does the Donor have a pre-existing relationship with MG?
- c. Are there any concerns about the relationship between the Donor and MG?

**2. Donor Evaluation**

- a. Has documentation confirming the identity of the Donor been collected and verified by MG in accordance with Austrac's 'Ready Reckoner' (A summary of identification and verification requirements for low risk customers, under Part B of an anti-money laundering and counter-terrorism financing program)
- b. Has the name of the donor (or in the case of an entity, its beneficial owners) been checked (by MG) against the following:
  - 1. Australian 'Listed Terrorist Organisations' as per Australia's Criminal Code;
  - 2. Australian 'Consolidated List', as maintained by DFAT (including running the name through the LinkMatchLite (LML) software, designed to assist asset holders in finding possible matches between Associates names and names on the Consolidated List);
  - 3. The US 'Specially Designated Nationals List' (SDN), as maintained by OFAC (Office of Foreign Asset Control), part of the U.S. Department of Treasury;
  - 4. UK List of 'Proscribed Terrorist Organisations' per the UK Terrorist Act 2000;
  - 5. A general Google search (in the name of the Associate) to identify any links to terrorism or terrorist groups;
- c. Does the Donors stated goals support any activity that could have a connection (either directly or indirectly) with any terrorist activity or terrorist groups?

**Part 2 – Donation**

The following section should be completed by the Finance Department

**1. Origin of the Donation**

- a. Is there any reason to believe that the Donor may have obtained the funds through an illegal or criminal activity?
- b. Is there any reason to believe that the Donor may be directly or indirectly intending to support or fund terrorist activity or any groups associated with such activity or sanctioned entities?

**2. Donor Restrictions**

- a. Has the Donor set restrictions on the donation donor restrictions beyond those generally offered by MG?
- b. Is the donation restricted for use in a country where activities or support for terrorist activities is a concern?
- c. Is the donation restricted for use in a country that is subject to an Australian sanctions regime, or does it border a county that is subject to an Australian sanctions regime?

- d. Could the restrictions be in any way a conduit for funds being directed to terrorist or terrorist related activities?

All Responses to the questions in Part 1 and Part 2 should be as detailed as possible and include all factors – both positive and negative – that could potentially impact the CTC's decision to endorse the Donor or donation.

### Part 3 – Assessment

On the basis of a careful review of the Donor and the donation, the organisation must make an assessment of:

- a. The overall level of any ML/TF sanctions violation risk
- b. The nature of the ML/TF sanctions violation risk
- c. Whether the ML/TF sanctions violation risk can be minimised or eliminated?
- d. If the ML/TF sanctions violation risk cannot be eliminated, has legal advice been sought and obtained?
- e. The impact of the ML/TF sanctions violation risk on IRAUS, its members and directors, and its charitable purposes Whether MG is willing to accept this level of ML/TF sanctions violation risk?

If MG is willing to accept the level of ML/TF sanctions violation risk inherent in accepting the donation, MG may decide to accept the donation if it meets all other selection criteria. MG's assessment of the donation, including all positive and negative considerations, must be carefully documented and included in a special file to be created for such assessments.

If the organisation is not willing to accept the risk of involving the donation, it must be returned in accordance with the provisions outlined in MG's AML/CTF Non-Violation of Sanctions Policy. If there are specific suspicions that the intention of the donation was to direct funds to terrorist or terrorist related activities, external legal advice must be sought as to what legal obligations it has (including the reporting of the matter to the relevant authorities). The outcome of all Donor Reviews must be endorsed by MG's CTC.

### Screening Resources:

Resources that can be used to help with the screening process outlined in Section B above include:

- a. **Austrac's Ready Reckoner:**  
[http://www.austrac.gov.au/sites/default/files/documents/ready\\_reckoner.pdf](http://www.austrac.gov.au/sites/default/files/documents/ready_reckoner.pdf)
- b. **List of Australian Terrorist Organisations:**  
<https://www.nationalsecurity.gov.au/Listedterroristorganisations/>
- c. **DFAT Consolidated List:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#list>
- d. **LinkMatchLite Software:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#lml>
- e. **OFAC SDN List:**  
<http://www.instantofac.com/> and <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- f. **UK List of Proscribed Terrorist Organisations:**  
[https://www.gov.uk/government/publications/proscribed-terror-groups-ororganisations-- 2\)](https://www.gov.uk/government/publications/proscribed-terror-groups-ororganisations--2)
- g. **Google:** [www.google.com](http://www.google.com)

## Schedule C

### AML/CT Non-Violation of Sanctions Associate Review Checklist

#### Purpose

Terrorism, violation of sanctions and money laundering, in any form, is fundamentally incompatible with the beliefs and objectives of Merciful Group Incorporated (MG) and the values it holds. As an organisation, MG does not permit, support, or condone any activity linked – either directly or indirectly – to terrorism or sanctioned entities, and will



not associate, or deal with, any individual or entity suspected of having such links. As an organisation, MG takes all reasonable steps to ensure that any funds raised by it, or entrusted into its care, are not being directed to terrorist, or terrorist related activities or sanctioned entities.

The purpose of this AML/CTF Non-Violation of Sanctions Associate Review Checklist (the Associate Review) is to ensure compliance with MG's AML/CTF Non-Violation of Sanctions Policy, by determining – to the extent possible – that none of its Associates have a connection with any terrorist activity or groups, or facilitates any funding to terrorist activities or terrorist groups or sanctioned entities.

It must be carried out in cases where an Associate:

- a) Is directly involved with the delivery of MG's Programs; or
- b) Has been contracted by MG to provide goods or services directly to MG's Programs.

The Associates Review is made up of the following parts:

**Part 1 – A review of the Associate; and**

**Part 2 – An overall assessment.**

A copy of the Associate Review must be completed in writing. One copy shall be kept in the Associate's file and another shall be kept in a special file created for such review.

**Part 1 – Associate**

The following section should be completed by International Programs (and are in addition to any Program and procurement related processes and procedures already in place)

**1. Associate's Background**

- a. How was the Associate brought into contact with MG?
- b. Does the Associate have a re-existing relationship with MG?
- c. Has the Associate provided references, and if so, what is their relationship to the Associate?
- d. Have the Associates references been consulted?

**2. Associate's Evaluation**

- a. Has documentation confirming the identity of the Associate (or in the case of an entity, its beneficial owners) been collected and verified by MG?
- b. Is the name of the Associate (or in the case of an entity, its beneficial owners) been checked (by MG) against the following:
  - i. Australian 'Listed Terrorist Organisations' as per Australia's CriminalCode;
  - ii. Australian 'Consolidated List', as maintained by DFAT (including running the name through the LinkMatchLite (LML) software, designed to assist asset holders in finding possible matches between Associates names and names on the Consolidated List);
  - iii. The US 'Specially Designated Nationals List' (SDN), as maintained by OFAC (Office of Foreign Asset Control), part of the U.S. Department of Treasury;
  - iv. UK List of 'Proscribed Terrorist Organisations' per the UK Terrorist Act 2000;
  - v. A general Google search (in the name of the Associate) to identify any links to terrorism or terrorist groups.
- c. Why is the Associate interested in cooperating or working with MG?
- d. Does the Associates political, ideological, and/or religious affiliations give rise to concern that they might engage in any activity that could have a connection (either directly or indirectly) with any terrorist activity or terrorist groups?
- e. Does the Associate's motivation give rise to any concerns, either through what is expressed or let unexpressed, that the Associate may either support, or appear to support any terrorist activity or terrorist groups?
- f. If the Associate is an individual, are there any unexplained gaps in the Associates employment or education history?

All Responses to the questions above should be as detailed as possible and include all factors – both positive and negative – that could potentially impact the CTC's decision to endorse the Associate's involvement with MG.

## Part 2 – Assessment

On the basis of a careful review of the Associate, the organisation must make an assessment of:

- a. The overall level of any ML/TF sanctions violation risk The nature of the ML/TF sanctions violation risk
- b. Whether the ML/TF sanctions violation risk can be minimised or eliminated?
- c. If the ML/TF sanctions violation risk cannot be eliminated, has legal advice been sought and obtained?
- d. The impact of the ML/TF sanctions violation risk on MG, its members and directors, and its charitable purposes. Whether IRAUS is willing to accept this level of ML/TF sanctions violation risk?

If MG is willing to accept the level of ML/TF sanctions violation risk inherent in accepting the Associate, MG may decide to accept the Associate if they meet all other selection criteria.

MG's assessment, including all positive and negative considerations, must be carefully documented and included in a special file to be created for such assessments.

If the organisation is not willing to accept the risk involved in accepting the Associate, then it should immediately reject the Associate, and/or terminate any pre-existing relationship it may already have with them. If there are specific suspicions that the intention of the Associate was to direct funds to terrorist or terrorist related activities, external legal advice must be sought as to what legal obligations MG has (including the reporting of the matter to the relevant authorities).

The outcome of all Associate Reviews must be endorsed by MG's CTC.

## Screening Resources:

Resources that can be used to help with the screening process outlined in Section B above include:

- a. **List of Australian Terrorist Organisations:**  
<https://www.nationalsecurity.gov.au/Listedterroristorganisations/>
- b. **DFAT Consolidated List:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#list>
- c. **LinkMatchLite Software:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#lml>
- d. **OFAC SDN List:**  
<http://www.instantofac.com/> and <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- e. **UK List of Proscribed Terrorist Organisations:**  
[https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations-- 2\)](https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2)
- f. **Google:** [www.google.com](http://www.google.com)

## Schedule D

### Waiver & Release

I hereby acknowledge that the charity reserves the right to terminate its relationship with me at any time in the event that I am suspected had any connection whatsoever with terrorism or terrorist related groups or activities or sanctioned entities.

I hereby release, and fully discharge the charity of all and from all actions, causes of actions, suits, liability, claims costs, losses, charges, demands and expenses whatsoever, in law or equity, which I might otherwise have against the charity or any person who may have a right of subrogation as against the charity with regard to such actions, suits, liability, claims costs, losses, charges, demand and expenses for or by reason of or in any way arising out of any

cause, matter or thing whatsoever existing up to and including the date hereof and in particular and without in any way limiting the generality of the foregoing, for or by reason of or in any way arising out of such termination

**Name:**

**Signature:**

**Date:**

## **Schedule E**

### **AML/CT Non-Violation of Sanctions Employee and Volunteer Review Checklist**

This AML/CTF Non-Violation of Sanctions Employee & Volunteer Review Checklist is required to be completed as per IRAUS's AML/CTF Non-Violation of Sanctions Policy.

#### **Purpose**

Terrorism, violation of sanctions and money laundering, in any form, is fundamentally incompatible with the beliefs and objectives of The Merciful Group Incorporated (MG) and the values it holds. As an organisation, it does not permit, support, or condone any activity linked – either directly or indirectly – to terrorism or sanctioned entities, and will not associate, or deal with, any individual or entity suspected of having such links. As an organisation, MG takes all reasonable steps to ensure that any funds raised by it, or entrusted into its care, are not being directed to terrorist, or terrorist related activities or sanctioned entities.

The purpose of this AML/CTF Non-Violation of Sanctions Employee & Volunteer Review Checklist (the Employee & Volunteer Review) is to ensure compliance with MG's AML/CTF Non-Violation of Sanctions Policy, by determining – to the extent possible – that none of its Employees or Volunteers have any connection with terrorist activity or groups, or facilitates any funding to terrorist activities or terrorist groups or sanctioned entities.

The Employee & Volunteer Review, which is in addition to the current requirements outlined in MG's Human Resource processes and procedures, made up of the following parts:

**Part 1 – A review of the Employee or Volunteer; and**

**Part 2 – An overall assessment.**

A copy of the Employee & Volunteer Review must be completed in writing. One copy shall be kept in the employees or volunteer's file and another shall be kept in a special file created for such review.

#### **Part 1 – Employee / Volunteer**

The following section should be completed by Human Resources (and are in addition to any human resource related processes and procedures already in place)

##### **1. Employee / Volunteer Background**

- a. How was the Employee or Volunteer brought into contact with MG?
- b. Does the Employee or Volunteer have a re-existing relationship with MG?
- c. Have any concerns arisen about the relationship between the Employee, and Volunteer, and MG?
- d. Has the Employee or Volunteer passed all of MG's Human Resource vetting procedures?

##### **2. Employee/Volunteer's Evaluation**

- a. Has documentation confirming the identity of the Employee or Volunteer been collected and verified by MG? Identification totalling 100 points should be presented in accordance with the Financial Transactions Reports Regulations 1990
- b. Has an Australian Federal National Police Check issued by the Australian Federal Police been obtained by IRAUS? (NB this should only be done after completing step a) above)

- c. Is the name of the Employee or Volunteer been checked (by MG) against the following:
  - Australian 'Consolidated List', as maintained by DFAT (including running the name through the LinkMatchLite (LML) software, designed to assist asset holders in finding possible matches between Associates names and names on the Consolidated List)?
  - The US 'Specially Designated Nationals List' (SDN), as maintained by OFAC (Office of Foreign Asset Control), part of the U.S. Department of Treasury?
  - A general Google search (in the name of the Associate) to identify any links to terrorism or terrorist groups?
  - Has the Employees' or Volunteers' details been checked for independent verification using other AML/CTF systems?
- d. Why is the Employee or Volunteer interested in cooperating or working with MG?
- e. Does the Employees' or Volunteers' political, ideological, and/or religious affiliations give rise to concern that they might engage in any activity that could have a connection (either directly or indirectly) with any terrorist activity or terrorist groups?
- f. Does the Employees' or Volunteers' motivation give rise to any concerns, either through what is expressed or let unexpressed, the Associate may either support, or appear to support any terrorist activity or terrorist groups?
- g. Are there any unexplained gaps in the Employees' or Volunteers' employment or education history?
- h. Does the Employees' or Volunteers' employment or educational history give rise to any concern about their possible motivation?

All Responses to the questions above should be as detailed as possible and include all factors – both positive and negative – that could potentially impact the CTC's decision to endorse the Employee's or Volunteer's application.

## Part 2 – Assessment

On the basis of a careful review of the Employee or Volunteer, the organisation must make an assessment of:

- a. The overall level of any ML/TF sanctions violation risk.
- b. The nature of the ML/TF sanctions violation risk.
- c. Whether the ML/TF sanctions violation risk can be minimised or eliminated?
- d. If the ML/TF sanctions violation risk cannot be eliminated, has legal advice been sought and obtained?
- e. The impact of the ML/TF sanctions violation risk on MG, its members and directors, and its charitable purposes. Whether MG is willing to accept this level of ML/TF sanctions violation risk?

If MG is willing to accept the level of ML/TF sanctions violation risk inherent in accepting the Employee or Volunteer, MG may decide to accept the Employee or Volunteer if they meet all other selection criteria. MG assessment, including all positive and negative considerations, must be carefully documented and included in a special file to be created for such assessments.

If the organisation is not willing to accept the risk involved in accepting the Employee or Volunteer, then it should immediately reject the Employee or Volunteer, and/or terminate any pre-existing relationship it may already have with them. If there are specific suspicions that the intention of the Employee or Volunteer was to direct funds to terrorist or terrorist related activities, then external legal advice must be sought as to what legal obligations MG has (including the reporting of the matter to the relevant authorities).

The outcome of all Employee & Volunteer Reviews must be endorsed by MG's CTC.

## Screening Resources:

Resources that can be used to help with the screening process outlined in Section B above include:

- a. **DFAT Consolidated List:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#list>
- b. **LinkMatchLite Software:**  
<http://dfat.gov.au/internationalrelations/security/sanctions/pages/consolidated-list.aspx#lml>

- c. **OFAC SDN List:**  
<http://www.instantofac.com/> and <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- d. **Google:** [www.google.com](http://www.google.com)