



# Anti-Money Laundering Policy

## 1. Introduction

1.1 Neighbourly Support Foundation (hereinafter referred to as "the Foundation") is a non-profit organization incorporated as an Incorporated Trustee with the Corporate Affairs Commission (CAC) in Nigeria. The Foundation is guided by the core values of inclusivity, compassion, and communal solidarity, inspired by the teachings of Islam. Its primary mission is to address hunger among the underprivileged through transformative programs, including identification, needs assessment, and thoughtful distribution of resources.

1.2 The Foundation recognizes the significant risks associated with money laundering and terrorist financing activities, which can undermine the integrity of its operations and compromise its ability to achieve its charitable objectives. As such, the Foundation is committed to maintaining the highest standards of transparency, accountability, and ethical conduct in all its activities, including the solicitation and acceptance of donations, the disbursement of funds, and the execution of charitable programs and initiatives.

1.3 This Anti-Money Laundering (AML) Policy outlines the measures and procedures implemented by the Foundation to ensure compliance with applicable anti-money laundering laws and regulations in Nigeria, including but not limited to the Money Laundering (Prohibition) Act 2011 (as amended), the Terrorism (Prevention) Act 2011 (as amended), the Central Bank of Nigeria (CBN) Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regulation 2013, and any other relevant laws, regulations, or guidelines issued by competent authorities.

1.4 The Foundation's AML Policy is designed to protect the organization from being exploited for money laundering or terrorist financing purposes, safeguard its reputation and integrity, and ensure that its resources are utilized solely for their intended charitable purposes.

## 2. Scope and Applicability

2.1 This policy applies to all members of the Foundation, including trustees, employees, volunteers, and any other individuals or entities acting on behalf of the Foundation, regardless of their position or level of authority.

2.2 The policy shall be implemented in all activities and operations of the Foundation, including but not limited to the solicitation and acceptance of donations, the disbursement of funds, the execution of charitable programs and initiatives, and any other financial or non-financial transactions conducted by the Foundation.

2.3 All members of the Foundation are required to familiarize themselves with the provisions of this policy and ensure strict adherence to its requirements. Failure to comply with this policy may result in disciplinary action, up to and including termination of employment or association with the Foundation, as well as potential legal consequences.

### **3. Definitions**

For the purposes of this policy, the following definitions shall apply:

3.1 Money Laundering: The process of concealing or disguising the origin, nature, source, location, disposition, movement, or ownership of funds or assets derived from illegal activities, with the intent to make them appear legitimate.

3.2 Terrorist Financing: The act of providing funds or assets to individuals or organizations involved in terrorist activities, either directly or indirectly, with the intention of supporting or facilitating such activities.

3.3 Suspicious Transaction: Any transaction or activity that raises reasonable grounds to suspect that it may be related to money laundering, terrorist financing, or other criminal activities.

3.4 Due Diligence: The process of gathering and verifying information about individuals, entities, or transactions to identify and assess potential risks, including money laundering and terrorist financing risks.

3.5 Beneficial Owner: The natural person(s) who ultimately owns or controls an entity or who benefits from its activities, regardless of the legal structure or ownership arrangements.

### **4. Donor Due Diligence**

4.1 The Foundation shall conduct due diligence on all donors, particularly those making substantial donations, to ensure that the funds being received are not derived from illegal activities or intended for terrorist financing purposes.

4.2 The due diligence process shall include, but is not limited to, the following measures:

a) Verifying the identity of the donor through appropriate documentation (e.g., national ID, passport, or other government-issued identification).

b) Conducting background checks on donors, where necessary, to identify any potential risk factors or red flags, such as known or suspected links to criminal or terrorist activities, adverse media reports, or inclusion on sanctions lists.

c) Obtaining information about the source of funds and the purpose of the donation, including the donor's occupation, income sources, and wealth-generating activities.

d) Identifying the beneficial owner(s) of any donated funds, particularly in cases where the donation is made through an entity or intermediary.

e) Maintaining accurate and up-to-date records of all donor information and transactions, including copies of identification documents, source of funds declarations, and any other relevant documentation.

4.3 The Foundation shall establish appropriate risk-based procedures for conducting due diligence, taking into account factors such as the amount of the donation, the donor's risk profile, and any other relevant circumstances.

4.4 In cases where the due diligence process raises concerns or red flags, the Foundation may refuse to accept the donation or may subject it to enhanced scrutiny and additional monitoring measures.

## **5. Suspicious Activity Reporting**

5.1 All members of the Foundation are required to report any suspicious activities or transactions that may be indicative of money laundering, terrorist financing, or other criminal activities to the designated Compliance Officer or other appropriate authorities, as stipulated by the relevant laws and regulations.

5.2 The Foundation shall establish internal procedures for identifying and reporting suspicious activities, including but not limited to:

a) Unusual or large donations that are inconsistent with the donor's known sources of income or wealth.

b) Donations accompanied by vague or incomplete information about the source of funds or the purpose of the donation.

c) Donations from individuals or entities with known or suspected links to criminal or terrorist activities.

d) Donations that involve complex or unusual payment methods or structures.

e) Attempts to circumvent the Foundation's due diligence procedures or provide false or misleading information.

5.3 The Foundation shall designate a Compliance Officer responsible for overseeing the implementation of this policy and ensuring that all suspicious activities are reported to the appropriate authorities in a timely and efficient manner, in accordance with the relevant laws and regulations.

5.4 The Compliance Officer shall maintain a log of all suspicious activity reports and ensure that appropriate follow-up actions are taken, including conducting further investigations, implementing enhanced monitoring measures, or terminating relationships with high-risk donors or beneficiaries, as necessary.

5.5 The Foundation shall cooperate fully with any regulatory authorities or law enforcement agencies conducting investigations or inquiries related to potential money laundering, terrorist financing, or other criminal activities.

## **6. Record-Keeping and Documentation**

6.1 The Foundation shall maintain accurate and detailed records of all financial transactions, including donations received and funds disbursed, for a period of at least five years, as required by the relevant laws and regulations.

6.2 These records shall include, but are not limited to:

a) Donor information and identification documents.

b) Details of donations received, including the amount, date, and method of payment.

c) Records of due diligence procedures conducted on donors, including source of funds declarations and beneficial ownership information.

d) Details of fund disbursements, including the recipient, purpose, and amount.

e) Any reports of suspicious activities or transactions, and the actions taken in response.

f) Internal and external audit reports, risk assessments, and compliance reviews related to AML/CFT measures.

6.3 The Foundation shall implement appropriate measures to ensure the confidentiality and security of all records and documentation related to its financial transactions and AML compliance efforts, including the use of secure storage systems and access controls.

6.4 The records and documentation maintained by the Foundation shall be made available for inspection and review by relevant regulatory authorities or law enforcement agencies upon request, in accordance with applicable laws and regulations.

## **7. Training and Awareness**

7.1 The Foundation shall conduct regular training and awareness programs for all members, including trustees, employees, and volunteers, to ensure a thorough understanding of anti-money laundering laws, regulations, and best practices.

7.2 The training shall cover topics such as:

- a) Identifying and reporting suspicious activities or transactions.
- b) Conducting due diligence on donors and beneficiaries.
- c) Maintaining accurate and detailed records.
- d) Understanding the importance of AML compliance and the potential consequences of non-compliance, including legal and reputational risks.
- e) Recognizing red flags and indicators of money laundering and terrorist financing activities.
- f) Familiarization with the Foundation's AML policies, procedures, and reporting mechanisms.

7.3 The training programs shall be designed and delivered by qualified professionals with expertise in anti-money laundering and counter-terrorist financing measures, and shall be tailored to the specific roles and responsibilities of the Foundation's members.

7.4 Attendance and completion of the training programs shall be mandatory for all members of the Foundation, and records of training attendance shall be maintained for compliance purposes.

## **8. Risk Assessment and Monitoring**

8.1 The Foundation shall conduct periodic risk assessments to identify, assess, and mitigate potential money laundering and terrorist financing risks associated with its operations and activities.

8.2 The risk assessment process shall involve the following steps:

- a) Identifying and documenting the Foundation's exposure to money laundering and terrorist financing risks, taking into account factors such as geographic location, donor profiles, types of programs and activities, and any other relevant risk factors.

b) Analyzing and evaluating the identified risks based on their likelihood and potential impact.

c) Developing and implementing appropriate risk mitigation strategies and controls, such as enhanced due diligence measures, transaction monitoring, or restrictions on certain types of donations or activities.

d) Regularly reviewing and updating the risk assessment to ensure its continued relevance and effectiveness.

8.3 The Compliance Officer shall be responsible for coordinating and overseeing the risk assessment process, with input and participation from relevant stakeholders within the Foundation.

8.4 Based on the risk assessment findings, the Foundation shall implement ongoing monitoring measures to detect and prevent potential money laundering and terrorist financing activities. These measures may include:

a) Conducting enhanced due diligence on high-risk donors or transactions.

b) Monitoring financial transactions for unusual or suspicious patterns or behaviors.

c) Reviewing and updating the Foundation's policies, procedures, and controls as necessary to address identified risks.

d) Providing additional training and awareness programs to members of the Foundation on emerging risks and best practices.

## **9. Reporting and Cooperation with Authorities**

9.1 The Foundation shall cooperate fully with any regulatory authorities or law enforcement agencies conducting audits, investigations, or inquiries related to its AML compliance efforts, and shall provide all requested information and documentation in a timely and transparent manner.

9.2 The Compliance Officer shall serve as the primary point of contact for all external inquiries and requests related to the Foundation's AML compliance program.

9.3 In addition to reporting suspicious activities as required under Section 5 of this policy, the Foundation shall comply with any other reporting obligations imposed by relevant laws and regulations, such as the submission of periodic reports or notifications to designated authorities.

9.4 The Foundation shall maintain open and constructive communication channels with relevant regulatory bodies and law enforcement agencies, and shall seek guidance or clarification on AML compliance matters as necessary.

## **10. Consequences of Non-Compliance**

10.1 Failure to comply with this policy and the applicable anti-money laundering laws and regulations may result in severe consequences for the Foundation, including but not limited to:

- a) Legal and financial penalties imposed by regulatory authorities.
- b) Reputational damage and loss of public trust.
- c) Potential suspension or termination of the Foundation's operations or charitable activities.
- d) Personal liability for trustees, employees, or volunteers involved in non-compliance.

10.2 The Foundation shall take appropriate disciplinary actions, up to and including termination of employment or association, against any individual found to be in violation of this policy or engaged in money laundering, terrorist financing, or other criminal activities.

10.3 In addition to internal disciplinary measures, the Foundation may also report instances of non-compliance or suspected criminal activities to the relevant law enforcement authorities for further investigation and potential prosecution.

## **11. Policy Review and Updates**

11.1 This Anti-Money Laundering Policy shall be reviewed and updated regularly, at least annually, to ensure its continued relevance and effectiveness in addressing the evolving risks and regulatory requirements associated with money laundering and terrorist financing.

11.2 The review process shall take into account any changes or updates to relevant laws and regulations, as well as emerging trends, typologies, and best practices in the field of AML/CFT compliance.

11.3 The Compliance Officer shall be responsible for coordinating the policy review process, with input and participation from relevant stakeholders within the Foundation.

11.4 Any revisions or updates to this policy shall be communicated to all members of the Foundation and incorporated into the relevant training and awareness programs.

11.5 The Foundation shall maintain a record of all policy revisions, including the date of the revision, the nature of the changes made, and the individuals involved in the review process.

## **12. Governance and Oversight**

12.1 The Board of Trustees of the Foundation shall have overall responsibility for ensuring the effective implementation and oversight of this Anti-Money Laundering Policy and the Foundation's AML compliance program.

12.2 The Board shall appoint a Compliance Officer, who shall be responsible for the day-to-day administration and enforcement of the AML policy and related procedures.

12.3 The Compliance Officer shall report directly to the Board of Trustees on a regular basis, providing updates on the Foundation's AML compliance efforts, any identified risks or issues, and recommendations for policy or procedural enhancements.

12.4 The Board shall ensure that adequate resources, including financial and human resources, are allocated to the effective implementation and maintenance of the Foundation's AML compliance program.

12.5 The Board shall review and approve any significant changes or updates to the AML policy, as well as any major decisions or actions related to AML compliance, such as terminating relationships with high-risk donors or beneficiaries, or reporting suspected criminal activities to law enforcement authorities.

## **13. Conclusion**

By implementing this comprehensive Anti-Money Laundering Policy, Neighborly Support Foundation demonstrates its commitment to upholding the highest ethical standards and ensuring compliance with all relevant laws and regulations. This policy serves as a guiding framework for the Foundation's operations, safeguarding its resources and reputation while promoting transparency and accountability in its mission to address hunger among the underprivileged.

All members of the Foundation are expected to familiarize themselves with the provisions of this policy and adhere to its requirements at all times. Any questions or concerns regarding the implementation or interpretation of this policy should be directed to the designated Compliance Officer.



The Foundation recognizes that the prevention of money laundering and terrorist financing is an ongoing process that requires continuous vigilance, adaptability, and collaboration with relevant stakeholders. By fostering a culture of compliance and ethical conduct, the Foundation aims to maintain the trust and confidence of its donors, beneficiaries, and the broader community it serves.