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1 Policy statement

- 1.1 The trustees of Zimbabwe Partnership Trust (ZPT) take their responsibility for ensuring the establishment and maintenance of systems of internal control for the prevention and detection of fraud, irregularities and corruption as non-negotiable and will not tolerate fraud, corruption or abuse of position for personal or institutional gain. It is therefore the policy of ZPT to comply fully with applicable provisions of the Proceeds of Crime Act 2002, Terrorism Act 2000, Bribery Act 2010 and Money Laundering Regulations 2007 and all amending legislation.

2 Purpose

- 2.1 The purpose of this policy is to ensure the charity's compliance with anti-money laundering, bribery and corruption laws and regulations, to assist law enforcement in combatting illegal money laundering, and to minimise the risk of charity resources being used for improper purposes.

3 Scope of the policy

- 3.1 This policy aims to maintain the high standards of conduct which our charity currently enjoys. This will be achieved by ensuring that ZPT does not get:
- 3.1.1 used by third parties for the purpose of money laundering
 - 3.1.2 receive bribes that are intended to influence ZPT decision making
 - 3.1.3 is subjected to corrupt, dishonest and or illegal behaviour
- 3.2 This policy applies to everyone involved in the charity. i.e. employees, volunteers, suppliers, students and work experience personnel, agency workers, contractors, beneficiaries and the board of trustees.
- 3.3 This policy is made available internally throughout the charity and management is required to ensure that everyone is aware of it and receives appropriate training.
- 3.4 Failure to comply with this policy can lead to disciplinary action.

4 Money Laundering

- 4.1 By definition, money laundering is the practice of cleaning up money that has, for some reason, been obtained illegally. Often there is a complex trail involved so that the practice cannot be easily identified or traced.
- 4.2 Money laundering can occur in many ways. It may happen by dispersing money through many different bank accounts (to hide its origins), but can occur when the charity is used unwittingly as a "trading partner". This could be directed at the charity or through an organisation where we have a close relationship, such as a funder.

5 Procedures

- 5.1 The Treasury Team (Secretary and Treasurer) act as the money laundering reporting officer (MLRO) to receive disclosures from anyone involved in the charity of any suspected money laundering activities. The Treasurer will act alone or appoint a substitute as temporary MLRO if the MLRO is not available.
- 5.2 The MLRO will be responsible for carrying out the charity's anti-money laundering procedures.
- 5.3 The MLRO will ensure that proper records are maintained on all the relevant activities and steps taken to deal with them.

6 Due diligence

- 6.1 The charity should carry out procedures that help to identify donors or other providers of income before entering into a relationship or transaction with them.
- 6.2 The charity should, where applicable:

- 6.2.1 Identify the donor and verify their identity.
- 6.2.2 Take adequate measures where some donors need or want their privacy.
- 6.2.3 Accept that in some cases, the identity of the donor may not be easy to verify, in which case other measures need to be developed.
- 6.2.4 Continuously monitor the situation and;
- 6.2.5 Maintain proper records of all checks made.

7 Policy on disclosure

- 7.1 If anyone knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, they must report such matters to the MLRO immediately. Disclosure should be made on a standard form available from the MLRO which requires:
 - 7.1.1 Details of the people involved
 - 7.1.2 Type of transaction
 - 7.1.3 The relevant dates
 - 7.1.4 Why there is a suspicion
 - 7.1.5 When and how activity is undertaken
 - 7.1.6 Likely amounts
- 7.2 The MLRO will acknowledge receipt of the disclosure within an agreed response period.
- 7.3 The MLRO will consider the report and any other information available.
- 7.4 Once the MLRO has evaluated the disclosure or other information, they will determine if:
 - 7.4.1 There are reasonable grounds for suspecting money laundering and the steps to be taken; or
 - 7.4.2 There is actual money laundering or terrorist financing; and
 - 7.4.3 Whether they need to report the matter to the National Crime Agency (NCA).
- 7.5 All disclosure reports referred to by the MLRO and reports made by them to the NCA will be retained for a minimum of 5 years.

8 Bribery and Corruption

- 8.1 The Bribery Act 2010 applies to individuals and commercial organisations, including charitable companies.
- 8.2 It sets out 4 criminal offences:
 - 8.2.1 Bribing an individual or company.
 - 8.2.2 Being bribed by an individual or company.
 - 8.2.3 Bribing a foreign public official.
 - 8.2.4 Corporate failure to prevent bribery.
- 8.3 Examples of bribery and corruption:
 - 8.3.1 Bribery can arise in day-to-day situations such as; tendering, appointing preferred suppliers, contractors and agents, awarding licences or offering jobs.
 - 8.3.2 Provision of lavish hospitality by ZPT for public officials
 - 8.3.3 Use of ZPT funds, in the form of payments or gifts and hospitality for any unlawful, unethical or improper purpose.
 - 8.3.4 Authorisation of, making, tolerating or encouraging, or inviting or accepting, any improper payments in order to obtain retain or improve business.
 - 8.3.5 Permitting anyone to offer or pay bribes or make facilitation payments on behalf, of ZPT or do anything else ZPT would not be permitted to do itself.
 - 8.3.6 Offering or giving anything of value to a public official (or their representative) to induce or reward them for acting improperly in the course of their public responsibilities.
 - 8.3.7 Awarding employment where a person has not met has not met the recruitment criteria requirements on the basis of acceptance of a donation.
 - 8.3.8 Offering or accepting gifts or hospitality, where this might impair objective judgment,

improperly influence a decision or create a sense of obligation, or if there is a risk it could be misconstrued or misinterpreted.

8.4 This list is not exhaustive.

8.5 The Act is not limited to activity in the UK or UK based companies. It covers payment to a public service provider to speed up the performance of the service or delivery, such as provision of work permits or the connection of a telephone line. Whilst these activities are commonplace in some places and are even permissible in the US, the Act considers them to be bribery. Clearly the main thrust of this legislation is aimed at businesses which operate overseas. It is acknowledged that there is a culture of "facilitation payments" in certain areas but there is no exemption just because it is a local custom. The standard expected is that of a reasonable person in the UK.

8.6 The trustees do not need to be aware of the bribery to be liable. An offence can be committed by an organisation if any bribe is paid by any person associated with it, therefore trustees need to have a robust policy stating who may act on their behalf and what actions they may take. That policy needs to be communicated to all trustees, staff, volunteers, agents and fundraisers. The trustees should also take steps to monitor who may be acting on their behalf without proper permission.

9 Risk Assessments

9.1 Risk Assessing should consider the following common risk exposures:

9.1.1 Country Risk – where the business is trading.

9.1.2 Sector Risk – some sectors carry a higher risk than others.

9.1.3 Transactional Risk – this would be the type of spending – some categories are easier to corrupt than others.

9.1.4 Business Opportunity Risk – high value projects, projects not undertaken at market prices or involving contractors or intermediaries.

9.1.5 Business Partnership Risk- joint ventures, overseas agents or ventures linked to prominent public officials.

10 Penalties

10.1 The penalties for conviction under the Act are:

10.1.1 Individuals – unlimited fine to imprisonment for 10 years.

10.1.2 Directors/Trustees – could find themselves disqualified from acting as company directors.

10.1.3 Commercial Organisations – unlimited fines and exclusion from tendering for public contracts.

11 Tainted Donations

11.1 Parallel legislation is now in force in respect of what are called tainted donations. This is a replacement for the substantial donor provisions and is legislation largely driven by corporation tax requirements. In simple terms, a tainted donation is not necessarily a criminal offence, but it will be construed as not for charitable purposes and thus liable to tax as trading income. It follows also that any gift aid claim would be disallowed.

11.2 The legislation is intended to catch donations which are given "with strings attached". In short, the donor expects a measurable benefit in return. (The small benefit rules which apply to gift aid donations are not affected by the changes.)

11.3 Trustees should ensure that they have policies in place to identify the source of donations and to identify any conditions in writing or merely implied which could cause a problem. Obviously this is not to prevent genuine restricted donations which are given for a particular purpose within the general charitable activities. As with bribery policies, donation policies should be communicated to all trustees, staff etc., so that nobody can unwittingly commit the charity to accepting a commitment which they should not be accepting.



12 Charity Commission guidance

- 12.1 The Charity Commission has issued Compliance Toolkit – Protecting Charities from Harm which is available on their website, and adds a section on bribery to the extensive guidance on fraud and financial crime. The Charity Commission does expect any serious criminal activity, known or suspected, to be reported to it and the Annual Return requires a declaration to this effect to be made by the trustees.

13 Appendix

Report form for suspicions of money laundering

In accordance with the guidance set out in this policy If anyone knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, a report of such matters must be made to the MLRO immediately. Disclosure should be made on the standard form on the following page:



Money Laundering report form				
Who are the people involved?				
Individual	One	Two	Three	Four
Name:				
Contact information:				
Physical address Telephone and verified email address				
Type(s) of transaction(s) (use additional pages if necessary):				Relevant dates
Why do you have a suspicion?				
When and how activity is undertaken				Likely amounts
Submitted by signature, name, date:				
For MLRO use only:		<i>Acknowledgement:</i>	<i>Date:</i>	<i>Name:</i>
<i>Are there reasonable grounds for suspicion?</i>		<i>Yes/No</i>	<i>Date:</i>	<i>Name:</i>
<i>Are the transactions described money-laundering or terrorist financing?</i>		<i>Yes/No</i>	<i>Date:</i>	<i>Name:</i>
<i>Do we need to report this to the NCA?</i>		<i>Yes/No</i>	<i>Date:</i>	<i>Name:</i>
<i>This document must be retained until (no less than five years after the report was received)</i>			<i>Date:</i>	