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Anti-Money Laundering Policy

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MEWA Health and Harm Reduction Unit

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1.Responsibility for approval of policy	MEWA CEO
2.Responsibility for implementation	Abdalla Badhrus
3.Responsibility for ensuring review	Abdalla Badhrus

# MEWA Anti-Money Laundering Policy

## 1. Introduction

Muslim Education and Welfare Association (MEWA), founded in 1986 as a community-based organisation and granted NGO status in 1994, is committed to improving the educational status of its community while ensuring its operations are transparent and lawful. This Anti-Money Laundering (AML) policy sets the framework for protecting the organisation from being inadvertently involved in money laundering, financing terrorism, or any other illegal activities. We recognize that financial crimes can harm the integrity of the NGO sector and negatively affect the trust and credibility of the organisation. This policy is in alignment with national laws and international best practices.

## 2. Purpose of the Policy

The primary purpose of this Anti-Money Laundering (AML) Policy is to establish a robust framework for preventing the use of MEWA's resources in money laundering activities and to protect the organisation from financial crimes. By ensuring that all financial transactions and donations are legitimate, MEWA aims to safeguard its reputation, maintain compliance with legal and regulatory requirements, and ensure the effective use of funds for its intended community development goals.

This will be achieved through the following actions:

- **Establishing a clear framework for due diligence:** MEWA will conduct thorough background checks and verification of all donors and partners. By implementing strong 'Know Your Donor' (KYD) procedures, the organisation will ensure that all funds received are from legitimate and lawful sources. This includes cross-checking donor identities, understanding the source of funds, and reviewing the legitimacy of large donations.
- **Continuous monitoring of transactions:** MEWA will closely monitor all financial transactions, including donations, grants, and payments, to detect any unusual or suspicious activity. This will involve regular audits, tracking of financial flows, and automated systems that flag transactions that do not align with typical patterns.
- **Staff training and awareness:** MEWA will ensure all employees, volunteers, and affiliates receive regular training on anti-money laundering measures, including recognizing red flags, how to report suspicious activities, and the importance of compliance with AML regulations. By educating all staff, the organisation will build a culture of vigilance and accountability.
- **Reporting mechanisms for suspicious activity:** A formal process will be established for reporting suspicious activities. Staff will be encouraged to report any activities they deem suspicious, which will be investigated promptly by the designated compliance officer. The organisation will then report any necessary incidents to the relevant authorities, such as the Financial Reporting Centre (FRC), ensuring compliance with legal reporting obligations.

- Regular audits and assessments: MEWA will conduct regular internal and external audits to assess the effectiveness of its anti-money laundering efforts. These audits will ensure the integrity of the policies and procedures in place and identify areas for improvement.
- Partnerships with regulatory bodies: MEWA will maintain communication with national and international regulatory authorities, staying updated on the latest AML laws and regulations. This will enable the organisation to adapt its policies and practices as needed to remain fully compliant.

### 3. Scope

This policy applies to all activities, transactions, operations, and relationships involving MEWA, including but not limited to:

- All employees, volunteers, contractors, and affiliates of MEWA.
- All financial transactions, donations, grants, and funding received by or dispersed from MEWA.
- All collaborations or partnerships that involve financial contributions.

### 4. Policy Objectives

MEWA is committed to the following objectives:

- Prevent the use of funds for criminal activities: Ensure no funds or resources are used to finance or facilitate illicit activities such as money laundering or terrorism.
- Know your donor and beneficiary: Conduct due diligence on all potential donors and beneficiaries to ensure their legitimacy.
- Implement Effective Monitoring Systems: Monitor financial transactions for any suspicious activities.
- Report suspicious activities: Promptly report any suspicious activity to the relevant authorities and within the organisation.

### 5. Responsibilities

- Board of directors:
  - Approve and oversee the implementation of the AML policy.
  - Ensure the organisation complies with national and international anti-money laundering regulations.
  - Review and approve necessary audits and investigations into suspicious activities.
- Executive management:
  - Ensure that the AML policy is enforced at all levels of the organisation.
  - Provide leadership in developing and implementing procedures to detect and report suspicious activity.
  - Organise training and awareness programs for staff on AML practices.

- Designated compliance officer:
  - Responsible for the daily operation of the AML program.
  - Review and assess suspicious activities.
  - Liaise with regulatory authorities, ensuring that all necessary reporting procedures are followed.
- Employees and volunteers:
  - Report any suspicious activities or transactions to the compliance officer.
  - Follow all guidelines in this policy, especially those related to due diligence, monitoring, and reporting.

## 6. Due diligence and monitoring

To ensure the legitimacy of all donations and funding:

- Know Your Donor (KYD): Before accepting donations, MEWA will verify the identity and source of the donor's funds. This includes assessing:
  - The donor's background, nationality, and business activities.
  - Whether the donation aligns with the organisation's mission and objectives.
  - Whether the donor has been involved in any illegal activities.
- Ongoing monitoring: All donations and financial transactions will be continuously monitored. Any transactions that seem unusual, inconsistent with the donor's profile, or out of the ordinary for the organisation's typical activities will trigger further investigation.
- Record keeping: All records of donors, funding sources, and financial transactions will be kept for a minimum of seven years to facilitate audits and provide necessary documentation in case of investigations.

## 7. Reporting suspicious activities

MEWA has established a clear process for reporting suspicious activities:

- Red flags for suspicious activity:
  - Large donations or payments that appear disproportionate to the donor's known means or typical contributions.
  - Donations from individuals or entities in high-risk countries or jurisdictions known for money laundering.
  - Payments made using complex financial instruments that cannot be traced back to a clear source.
  - Donations with unusual or inconsistent conditions attached (e.g., requiring the funds to be used in a specific way without clear justification).
- Reporting procedures:
  - Employees must immediately report any suspicious activity to the designated Compliance Officer. If the Compliance Officer is involved in suspicious activity, the report should be made directly to the Board of Directors.

- The Compliance Officer will assess the activity and, if necessary, file a report with the Financial Reporting Centre (FRC) or the relevant regulatory authority.
- All reports must be kept confidential to protect the identity of the reporter and those under investigation.

## **8. Record Keeping**

MEWA will maintain detailed records of all donations, grants, and financial transactions for a minimum of seven years. This includes:

- Donor information, including their identification and background.
- A record of all transactions, including the amount, date, and purpose of the funds.
- Documents related to any due diligence and investigations conducted on donors or partners.

These records will be accessible for auditing purposes or regulatory reviews and will be protected from tampering.

## **9. Training and awareness**

MEWA will provide regular training sessions for all employees, volunteers, and board members to ensure they are aware of anti-money laundering laws, how to identify suspicious activities, and the reporting procedures.

Training will include:

- AML regulations, policies, and procedures.
- How to spot red flags for potential money laundering or financial crimes.
- The legal and reputational risks of non-compliance.

## **10. Compliance with legal and regulatory requirements**

MEWA will comply with the Anti-Money Laundering Act, regulations set by the financial reporting centre (FRC), and any other relevant national and international laws related to anti-money laundering and counter-terrorism financing.

We will regularly review and update this policy to ensure compliance with evolving legal requirements.

## **11. Sanctions for non-compliance**

Failure to comply with this policy will lead to disciplinary action, which may include:

- Internal reviews and potential dismissal of employees or volunteers.

- Reporting non-compliance to regulatory authorities.
- Potential legal action depending on the nature of the breach.

## **12. Conclusion**

MEWA remains committed to maintaining the highest standards of financial integrity and transparency. This Anti-Money Laundering Policy helps ensure that all financial activities are legitimate and that the organisation's operations cannot be exploited for illicit purposes. By adhering to these measures, MEWA aims to uphold its mission and preserve the trust of its donors, beneficiaries, and the community.

### **Approved by**

[Signature]

[Name]

[Title]

[Date]