



Striving for a healthy society

**FINANCIAL SANCTIONS, ANTI-MONEY LAUNDERING
AND TERRORISM FINANCING POLICY**

MARCH 2020

1. INTRODUCTION

POLICY STATEMENT

Health Development Initiative (HDI) is committed to ensuring its resources are used solely to further its not for profit aims and objectives.

Therefore, HDI will take all reasonable steps to ensure that:

- None of its funds or property is made available to parties that are subject to financial sanctions or are otherwise proscribed by the United Nations, the World Bank, the European Union or by the governments of Rwanda, the United Kingdom, the United States of America or any other Country.
- None of its funds or property are used for purposes of terrorism
- It is not connected with money laundering.

2. DEFINITIONS OF KEY TERMS

- **Financial Sanctions**: restrictions put in place by Governments or institutions to prevent a firm or organization from carrying out transactions and/or financial services with a person or organisation.
- **Money Laundering**: is the process of making money earned from criminal activity appearing to have a legitimate source.¹
- **Terrorism**: an action that endangers or causes serious violence to a person/people; causes serious damage to property; or seriously interferes or disrupts an electronic system. The use or threat must be designed to influence the government or an international governmental organisation or to intimidate the public and is made for the purpose of advancing a political, religious, racial or ideological cause.

3. SCOPE

This policy applies to HDI Board members, staff, interns, volunteers and fellows and partners.

¹ <https://www.moneytaskforce.com/money/what-is-money-laundering/>

4. FOCAL POINT

The Director of Finance and Administration will be the focal point. The main responsibilities of the Focal Point is to ensure that beliefs and suspicions are responded to and appropriate action taken when necessary. The Focal Point shall report his findings to the Executive Director.

5. PREVENTIVE MEASURES

HDI will ensure that staff have the necessary knowledge of the law relating to money laundering and terrorist financing, and receive regular training in how to recognise and deal with suspicious transactions that may be related to money laundering and terrorism financing.

Procedures should be in place to enable HDI staff to detect suspicious transactions and effectively report them to prevent misreporting.

5.1. Training

HDI shall conduct trainings on the Law on prevention and punishment of money laundering and terrorism financing and other ways to detect suspicious financial activities. The training will be conducted each year.

5.2. Due diligence checks

HDI will facilitate adequate internal control to allow for compliance with the regulations and other appropriate legislation. The due diligence checklist shall enable HDI to assess the nature and conditions of grant/donation.

5.3. Risk assessment and mitigation

A risk assessment shall be conducted prior to enter any grant agreement with potential donors. Risk mitigation strategies will be developed, which minimize the risk of money laundering and terrorism financing.

HDI shall develop a risk assessment check list.

6. REPORTING

All staff, interns, fellows and volunteers shall immediately report any belief or suspicion that HDI funds or property have been used by any sanctioned or proscribed party or by any party for the purposes of terrorism.

Reports should normally be made to the individual's line manager. Nothing precludes the Staff, interns, fellows and volunteers from reporting directly to the Focal Point. The report will then be assessed and responded to, including notifications to all relevant authorities and donors.

7. SANCTIONS

HDI shall suspend its normal working relationship with individuals or organizations allegedly involved in money laundering or terrorism financing pending the outcome of the investigation. HDI will sever all relations with a Partner (individual or Organization) who is proven to have committed money laundering or terrorism financing.

HDI shall reserve the right to file a case before the courts of Law to be reimbursed any grants it had provided to an organization that used such grant to finance terrorism.

8. IMPLEMENTATION AND DISSEMINATION

All HDI employees, interns /fellows and partners shall receive a soft copy of this policy via email and will be required to acknowledge its receipt. This policy is part and parcel of any contractual agreement between HDI and employees, interns /fellows and partners.

9. REVIEW AND UPDATE

At the end of each year, the Board of Directors shall review the implementation of this policy and if necessary will update it accordingly.