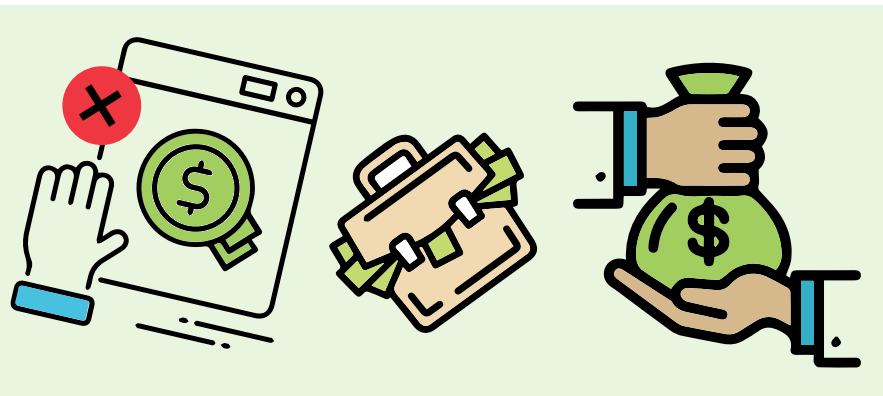


Anti-Money Laundering and Anti-Terrorist Financing Policy



**Policy number:
FIN-POL-03-2020**

September 2020

General Objective:

The nature of the work and the geographical locations where CIMMYT operates, pose potential risks. The purpose of this Policy is to prevent CIMMYT from being unintentionally used for the purpose of Money-Laundering (ML) or Terrorism Financing (TF) and ensure compliance with local and international anti-Money Laundering and counter Terrorist Financing practices. Additionally, this Policy assists CIMMYT in complying with the applicable Sanction Regimes.

Scope:

This Policy applies to both CIMMYT Int., and CIMMYT A.C., and their respective branches and affiliate organizations (collectively "CIMMYT"); Members of the CIMMYT Board of Trustees and advisory bodies, officers, management, staff, seconded employees, interns, and volunteers (collectively "Team Members"); and Sub-Grantees, partner organizations, contractors, outside experts (including attorneys), consultants, agents, representatives, and any other organization or individual that acts on CIMMYT's behalf or at CIMMYT's direction (collectively "Partners"). Team Members and Partners are collectively referenced as "Community Members".

The Center also requires that partners, staff, suppliers and any other entity or individual that the Center transacts or engages with, must be in line with this Policy and its procedures to ensure compliance.

Policies:

All Team Members are responsible, individually and collectively, to adhere to this Policy, to reflect consistently the CIMMYT value of Integrity, and to observe and maintain awareness of the rules applicable to their CIMMYT duties, as described by the CIMMYT Code of Conduct, CIMMYT policies and Staff contracts where applicable.

CIMMYT is committed to promote integrity and transparency within its operations and to prevent misuse of the sector by those wishing to support terrorist financing and terrorist organizations.

Definitions

1. **Money Laundering ('ML'):** the process of concealing or disguising the existence, source, movement, destination or illegal application of illicitly-derived property or funds to make them appear legitimate. It usually involves a three-phase system: placement of funds into a financial system, layering of transactions to disguise the source, ownership and location of the funds, and integration of the funds into society in the form of holdings that appear legitimate.¹
2. **Terrorist Financing ('TF'):** the process by which terrorists fund their operations in order to perform terrorist acts. There are two primary sources of financing for terrorist activities. The first involves financial support from countries, organizations or individuals. The other involves a wide variety of revenue-generating activities, some illicit, including smuggling and credit card fraud.²

Policy Statement

1. **Risk Based Approach:** CIMMYT has zero tolerance for the facilitation of money laundering, funding of terrorists or any other criminal activity. Zero tolerance means that CIMMYT will make reasonable efforts to prevent ML/TF from happening using a risk-based approach, meaning that preventative measures, including due diligence procedures, will be tailored to the transaction type, contractual amount and partner or vendor involved. Any violation or non-compliance by a Team Member will be referred to relevant authorities based on applicable local and international laws. Team Members who intentionally violate this Policy to facilitate will be subject to disciplinary measures. When any violations are detected, CIMMYT will apply the reporting mechanisms at its disposal.

Compliance with this Policy is mandatory.

2. **Compliance Guiding Principles:** CIMMYT has set its Compliance Guiding Principles in its Ethics and Compliance Policy and all related policies and procedures mentioned therein.
3. **Financial information:** Annual Financial Statements are reviewed by an independent auditor and approved by the BoT to ensure financial accountability and transparency.
 - 3.1. Final reports of projects are available and submitted to donors as required.
 - 3.2. Annual budgets and corresponding reports and analytical reviews are reviewed and approved by the BoT.
4. **Monitoring:** Periodically, financial audits are commissioned by the Board to the Internal Audit Unit and independent auditor to ensure Compliance. In addition, management performs self-assessments of its internal control's framework. Management, on a continuous basis, is monitoring the effectiveness of the execution of the control activities.

¹ Definition from the Association of Certified Anti-Money Laundering Specialist

² idem

5. **CIMMYT has written agreements with its partner organizations:** The agreements include a clause on ML/TF.
6. **Suspicious transactions:** Any suspicious activity or transaction related to funds that may be the proceeds of a criminal activity, or related to terrorist financing, must be referred to the Compliance Officer for investigation. Prior clearance from the Compliance Officer is required to proceed with the transaction.
7. **Information Requests:** The Compliance Officer, together with the Legal Counsel and the Director of Finance, handles any official information request with regard to payments from financial institutions, partner organizations and/or governments.
8. **Training & Awareness:** CIMMYT provides Compliance training, which includes the subjects of Money-Laundering, Sanctions and Countering Terrorist Financing. The exact training requirements depend on each role and responsibility. Training minimally includes:
 - 8.1. Familiarization with this Policy and the phenomena discussed herein.
 - 8.2. Identifying Red flags and communication thereof.
 - 8.3. The Misconduct Reporting Policy and Procedure for raising concerns.
 - 8.4. Requirement to promptly report any suspicious transaction or suspected money laundering activity.
9. **Penalties:** Serious criminal penalties may be imposed for violating applicable legislation. Failure to comply with this Policy may lead to disciplinary action in line with the Human Resources Policy and Procedures.