Policy Summary

Anti-Money Laundering Policy

Friends Affected & Infected Together in Hand (FAITH) — Lalitpur, Nepal
Adopted 2025

POLICY COMMITMENT

FAITH is committed to ensuring it is never used as a vehicle for money laundering or terrorist financing. Nothing in this policy permits anonymous, unverified, or unscreened financial dealings on FAITH's behalf. All monetary thresholds below are in Nepalese Rupees (NPR); indicative equivalents are approximate only.

Zero	Risk-Based	6 Years	Protected
Tolerance for money laundering or terrorist financing	KYC & due diligence on donors, partners, staff	Minimum record retention period	Whistleblowers shielded from retaliation

About this Policy

This Anti-Money Laundering (AML) Policy outlines FAITH's internal framework to prevent, detect, and report suspected money laundering and terrorist financing. It ensures compliance with Nepal Rastra Bank (NRB) directives, the Asset (Money) Laundering Prevention Act 2064 (2008) and its amendments, Financial Action Task Force (FATF) recommendations, and relevant international AML/CFT agreements. It applies to all board members, employees (full-time, part-time, volunteers, and consultants), partner organizations, and contractors or service providers operating under FAITH.

Key Definitions

- Money Laundering (ML): converting proceeds of crime into legitimate assets.
- Terrorist Financing (TF): collecting or providing funds intended to carry out terrorist acts.
- Beneficial Owner: a person who ultimately owns or controls a customer, or on whose behalf a transaction is conducted.
- Suspicious Transaction: a transaction that raises doubts about its legality or legitimacy, or is inconsistent with the organization's profile or purpose.

Governance & Responsibilities

Role	Responsibility
Board of Directors	Ensures the AML/CFT policy is in place and updated regularly; provides compliance oversight.
Admin and Finance Officer	Appointed by the Executive Director; handles daily compliance monitoring, liaison with NRB and the Financial Information Unit (FIU), and filing of suspicious transaction reports (STRs).
All Staff and Volunteers	Required to comply with this policy, participate in training, and report suspicious activity to the Admin and Finance Officer.

Know Your Customer (KYC) & Due Diligence

FAITH applies risk-based KYC procedures to all donors, beneficiaries, and partner organizations, as well as board members and staff. Standard requirements include full identification details, source-of-funds verification for donors, registration documents for partner NGOs/companies, and screening against UN sanctions lists and other watchlists.

Risk Level	Trigger	Action Required
Standard	Domestic donor with complete KYC on file	Standard due diligence
Enhanced	New foreign donor, or donation > NPR 1,000,000	Enhanced due diligence (EDD)
High	Politically Exposed Person (PEP) or high-risk jurisdiction	Executive approval + EDD

Suspicious Transaction Monitoring & Reporting

- Monitor all financial transactions through bank and digital financial platforms.
- Investigate and internally document unusual patterns or anomalies.
- Report suspicious transactions to the FIU through Nepal Rastra Bank using the STR format.
- Escalate immediately, internally, to the AML Compliance Officer.

Record Keeping

FAITH maintains KYC documents, transaction logs, audit reports, and suspicious transaction investigation records for at least 6 years, available on request to NRB or any competent authority.

Training, Controls & Prohibited Activities

- Training: new hires within 30 days; annual refreshers for all staff and board members; special sessions for finance, program, and procurement teams.
- Internal Controls: quarterly compliance checks by the Admin and Finance Officer, plus annual independent audits with remedial action plans reported to the Board.
- Prohibited: anonymous or fictitious donations; transactions with sanctioned individuals or organizations; unverified cash donations above NPR 500,000.

Whistleblower Protection & Sanctions

Staff reporting suspected money laundering in good faith are protected from retaliation under FAITH's Whistle Blower Policy, and may report confidentially to the AML Compliance Officer or Executive Director. Violations of this policy may lead to disciplinary action, termination of employment or partnership, or referral to relevant authorities.

Policy Review

This policy is reviewed annually, or earlier if NRB/AMLP laws change, FAITH's organizational structure or funding patterns change, or new risks are identified.

This summary is published by FAITH for transparency and accountability. It is a condensed presentation of the internal Anti-Money Laundering Policy 2025; in case of any discrepancy, the full internal policy document — including KYC checklists, the STR format, the complete risk assessment matrix, and the high-risk jurisdictions list — prevails and is available on request.