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<b>POLICY NAME</b>	<b>Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy</b>			<b>POLICY NO.</b>	2
<b>EFFECTIVE DATE</b>	Nov. 11, 2025	<b>DATE OF LAST REVISION</b>	New	<b>VERSION NO.</b>	1
<b>ADMINISTRATOR RESPONSIBLE</b>	Ethics and Compliance Officer	<b>CONTACT INFORMATION</b>	T. +251 116 186 520		

<b>VERSION HISTORY</b>				
<b>VERSION</b>	<b>APPROVED BY</b>	<b>REVISION DATE</b>	<b>DESCRIPTION OF CHANGE</b>	<b>AUTHOR</b>
1	Approved by CEO	11/11/2025	New	Business Development Officer

## 1 Preamble

ABH Partners recognizes that prohibited practices and conducts reduces the integrity of international funders such as UN and prevents illicit financial flows and comply with international integrity standards guided by UNDP.

ABH Partners is committed to the highest standards of integrity, transparency, and accountability in the management of climate finance. We recognize that money laundering (ML) and terrorist financing (TF) pose significant threats to the global financial system, undermine sustainable development, and divert resources from the communities we aim to serve.

The purpose of the Policy is promote a culture of integrity and honesty within the organization by providing guidance and information to staff members and other personnel on how ABH Partners intend to act to prevent, detect, deter, respond to and report money laundering and terrorist financing.

This policy establishes a framework to prevent ABH Partners from being used, directly or indirectly, to disguise illegally obtained funds, finance terrorism, or engage in any related financial crimes. It is guided by the standards of the *Financial Action Task Force (FATF)* and aligned with the requirements of *United Nation* and the *Green Climate Fund (GCF) AML/CFT Policy*.

## 2 Policy Objective

The primary objectives of this AML/CFT Policy are to:

- **Protect Integrity:** Safeguard the integrity of ABH Partners and the funds we manage.
- **Prevent Misuse:** Ensure that all funds are used exclusively for their intended, legitimate, and approved climate-related purposes.
- **Mitigate Risks:** Identify, assess, and mitigate legal, regulatory, reputational, and financial risks associated with ML/TF.
- **Ensure Compliance:** Comply with all applicable national and international laws and regulations regarding anti-money laundering and counter-terrorist financing.

## 3 Scope and Applicability

This policy applies to:

- **All Staff and Management:** Including permanent employees, part-time staff, project staff as well as secondees.
- **All Counterparties:** Partners, contractors, subcontractors, consultants, suppliers, and implementing entities.
- **All Financial Transactions:** Including fund inflows (from donors like GCF) and outflows (to project implementers and vendors).
- **All Activities:** All projects, programs, and operations, regardless of geographic location.

## 4 Key Definitions

- 4.1 **Money Laundering (ML).** The process of concealing or disguising the origins of illegally obtained proceeds, often by passing them through legitimate businesses or complex financial transactions, to make them appear legal.
- 4.2 **Terrorist Financing (TF).** The provision or collection of funds, by any means, directly or indirectly, with the intention that they be used, or in the knowledge that they are to be used, to carry out terrorist acts or by terrorist organizations
- 4.3 **Politically Exposed Person (PEP).** An individual entrusted with prominent public functions (e.g., heads of state, senior politicians, senior government officials). PEPs present a higher risk due to their potential access to public funds and influence
- 4.4 **Sanctions Lists.** Official lists published by the United Nations, national governments, or international bodies identifying individuals, entities, or countries subject to financial restrictions.

## 5 Guiding Principles

- 5.1 **Zero-Tolerance.** ABH Partners maintains a *zero-tolerance stance* towards money laundering and terrorist financing. We will not engage with any individual or entity suspected of involvement in such activities.
- 5.2 **Risk-Based Approach.** ABH Partners adopts a *risk-based approach* to AML/CFT. This means that the level of due diligence applied to a transaction or counterparty will be commensurate with the assessed level of risk. Higher-risk relationships will be subject to enhanced scrutiny.
- 5.3 **Compliance with Laws.** ABH Partners will comply with all applicable AML/CFT laws in the jurisdictions where we operate. Where donor standards are stricter than local laws, the stricter standard shall apply.

## 6 Core AML/CFT Procedures

### 6.1 Sanctions Screening.

Prior to entering into any donor, partnership, programming, or contractual arrangement, each potential Counterparty will be screened against the Ineligible Vendor Lists, which include the United Nations Global Marketplace, the Consolidated United Nations Security Council Sanctions List, and the World Bank's Listing of Ineligible Firms & Individuals, and lists of sanctioned/suspended vendors maintained by UN organizations. ABH shall consider refraining from engaging with any individual or entity listed thereon.

In addition, all counterparties, and where applicable their beneficial owners and key principals, must be screened against relevant sanctions as per the Donor preference prior to engagement and periodically thereafter. Multilateral sanction list include but not limited to: [EU](#), [US OFAC](#), [Multilateral Banks](#) (World Bank, ADB, AfDB, EBRD, and IDB) and UN Global [Marketplace Sanction List](#) to name a few. ABH must also check relevant debarment list specific to the funder as well as National list, if any.

No funds shall be disbursed to any individual or entity appearing on a sanctions list.

## 6.2 *Customer Due Diligence (CDD)*

Prior to entering into any agreement or disbursing funds, ABH Partners shall conduct Customer Due Diligence on all counterparties. This includes:

- 6.2.1 **Identification:** Verifying the identity of the counterparty using official documents (e.g., certificate of incorporation, passport, and business license).
- 6.2.2 **Beneficial Ownership:** Identifying the natural persons who ultimately own or control the counterparty (typically those holding 25% or more of shares or voting rights).
- 6.2.3 **Purpose of Transaction:** Understanding the nature and purpose of the business relationship and the **intended use of funds**.

## 6.3 *Enhanced Due Diligence (EDD).*

For higher-risk relationships, Enhanced Due Diligence shall be conducted. This includes:

- 6.3.1 **System Deployment:** ABH Partners shall put an internal system such as ERP by which ML and/or FT can be identified and considered in the formulation, design and implementation of programming activities and engagements. Where there are concerns about the level of risk within a donor-funded activity, an in-depth analysis may be necessary to identify effective mitigation methods.
- 6.3.2 **High-Risk Jurisdictions:** Applying additional scrutiny to counterparties located in countries identified by FATF as having strategic AML/CFT deficiencies.
- 6.3.3 **Complex Structures:** Conducting deeper analysis of counterparties with opaque or complex ownership structures.

## 6.4 **Transaction Monitoring**

ABH Partners shall monitor financial transactions to detect activity that is unusual, suspicious, or inconsistent with the known purpose of the project. Red flags may include:

- Payments to unrelated third parties.
- Requests to route funds through high-risk jurisdictions.

- Early termination of contracts with requests for refunds to different accounts.

## 6.5 Record Keeping

ABH Partners shall maintain all records related to AML/CFT due diligence and transactions for a minimum of five (5) years after the completion of the project or the end of the business relationship, or as required by applicable law.

## 7 Suspicious Transaction Reporting

If any staff member or the Compliance Officer identifies a transaction or activity that is suspected of being related to money laundering or terrorist financing, the following procedure applies:

- 7.1 **Internal Reporting:** The staff member must immediately report their suspicion to the Compliance Officer. "Tipping off" (warning the subject of the suspicion) is strictly prohibited.
- 7.2 **Review:** The Compliance Officer shall review the available information and determine if the suspicion is reasonable.
- 7.3 **External Reporting:** If a suspicion is confirmed or reasonably held, the Compliance Officer shall file a *Suspicious Transaction Report (STR)* or *Suspicious Activity Report (SAR)* with the relevant national Financial Intelligence Unit (FIU).
- 7.4 **GCF Reporting:** For projects funded by the Green Climate Fund, the Compliance Officer shall also notify the GCF Independent Integrity Unit (IIU) in accordance with the Fund's AML/CFT requirements.

## 8 Roles and Responsibilities

- 8.1 **General Assembly.** Oversee the AML/CFT framework, approve this policy, and ensure adequate resources for compliance.
- 8.2 **Director of Finance & Administration (F&A).** Foster a culture of compliance and ensure that AML/CFT controls are integrated into operations.
- 8.3 **Ethics and Compliance/Protection Officer.** Along with Human Resources, responsible for the day-to-day implementation of this policy, conducting due diligence, sanctions screening, and training staff.
- 8.4 **Supervisors/Managers.** Ensure that AML/CFT controls are integrated into donor-funded project management.
- 8.5 **All Staff.** Remain vigilant, complete mandatory AML/CFT training, and report any suspicions immediately to the Compliance Officer.

## 9 Training and Awareness

ABH Partners will provide mandatory AML/CFT training to all staff and relevant counterparties.

Training will cover:

- The legal and regulatory framework.
- How to identify red flags.
- Internal reporting procedures.
- The risk-based approach.

Refresher training shall be conducted annually.

## 10 Consequences of Non-Compliance

Failure to comply with this policy may result in:

- **For Staff:** Disciplinary action, up to and including termination of employment and referral to law enforcement.
- **For Counterparties:** Termination of contracts, disqualification from future opportunities, and reporting to relevant authorities.
- **For the Firm:** Significant reputational damage, legal penalties, and potential loss of accreditation with funding partners.

## 11 Policy Review

This policy shall be reviewed annually by the **Compliance Officer** and the General Assembly, or more frequently if significant changes occur in the FATF recommendations, GCF requirements, or relevant national laws.

## **Acknowledgement of Receipt and Understanding of Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Policy**

This is to confirm that I have received a copy of the **Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy** of ABH Partners.

I acknowledge that I have read, understood, and agree to comply with the principles, policies, standards, and guidelines outlined above. I understand that the AML/CFT policy represents the organization's expectations regarding professional conduct, integrity, accountability, confidentiality, compliance with applicable laws and regulations, and ethical behavior in all business dealings.

I further acknowledge that:

- I am responsible for adhering to the AML/CFT Policy at all times while representing or performing duties on behalf of the Company.
- I will seek clarification from Management, Compliance Officer or the Human Resources if I have any questions regarding the interpretation or application of the Policy.
- I am obligated to report any known or suspected violations of the Policy in accordance with the Company's reporting procedures.
- Failure to comply with AML/CFT Policy may result in disciplinary action, up to and including termination of employment or contract.
- I understand that ABH may amend, modify, or rescind any policy or practice, described in this Policy, with or without notice, and it is my responsibility to stay informed of such changes.

This acknowledgement does not constitute a contract of employment nor does it alter the terms of my employment agreement.

By signing below, I confirm my commitment to uphold the ethical standards and values of the Company.

**Employee Name:** \_\_\_\_\_

**Employee Signature:** \_\_\_\_\_

**Position/Title:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Date:** \_\_\_\_\_