



Bamboo Terrorism Policy (Incorporating responses to Terrorism Financing and Money Laundering: ML/TF)

1. Policy Statement

It is the policy of Bamboo Micro Credit (BMC) to take every precaution to ensure that all monies, funds and assistance is used specifically for the purpose of community-based micro funding. BMC only provides such financial assistance for use in the establishment of, or improvement of, business enterprise for the purpose of alleviating poverty. Funds may not be used for the support, payment or assistance of individuals or groups associated with acts of terrorism or violent extremism.

Criminals use financial institutions to conceal their illegitimate funds with the aim of making 'dirty money' clean, this is known as money laundering. Terrorism financing is the financial support of terrorism or of those who encourage, plan, or engage in terrorist activities. Money laundering and terrorism financing (ML/TF) risk refers to the likelihood and impact of Bamboo Micro Credit being involved with or facilitating this unlawful activity.

Bamboo Micro Credit is committed to:

- Meeting its international regulatory obligations in the identification, treatment and management of ML/TF risk;
- Protecting BMC from reputational risk and breaches of regulatory requirements that may lead to severe fines and penalties; and
- Safeguarding BMC, its clients, associates, agents and volunteers from becoming a victim of, or unintentional accomplice to, ML/TF activities.

Bamboo Micro Credit is intent on satisfying its local regulatory and international obligations in a sustainable manner. BMC will abide by and respect all laws relevant to countering terrorism. BMC remains bound by the laws of Australia in respect of its conduct both in Australia and overseas.

The purpose of this policy is to:

- Set out the responsibilities of BMC, and of those working for BMC, in observing and upholding BMC's position on terrorism and the funding of terrorism; and
- Provide information and guidance to those working for BMC on how to recognize and deal with terrorism-related issues.

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BMC has identified that certain activities create particular risks for the organization, in particular:

- Partnerships in Indonesia;
- Our involvement in cash transactions;
- Establishing the authenticity of borrowers;
- Identifying the proper use of funds for the establishment or improvement of business ventures that assist those in poverty to escape debt spirals
- Misuse of funds intended for poverty alleviation.
- Changes in the management and organisation of partner agents and Yayasanans
- Associations and businesses with vague or unclear objectives

To address these risks the following steps have been taken:

- Implemented an anti-terrorism policy;
- Multi-step individual case by case approval system *
- Undertaken a risk assessment exercise, which will be subject to an on-going review;
- Taken steps to implement a training policy for directors, supporters and partner personnel;
- Amended audit procedures to include steps related to assessing BMC partners' understanding of the requirements of BMC related to terrorism funding;
- Prepared standard clauses relating to terrorism-funding issues to be included in Partnership agreements.

*Note that all money transactions from partner agents and subject to a multi-step approval system that requires an in-country approval from partner agents and Yayasanans as well as the discussion and endorsement of each loan and borrower by the BMC Board of Directors in Australia.

In this policy, third party means any individual or organisation involved with BMC, and includes actual and potential clients, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2. Who is covered by the policy?

This policy applies to all individuals working at all levels, including directors, employees (whether permanent, fixed-term or temporary), consultants, partner organisations, donors, sponsors, volunteers or any other associated person associated, wherever located (collectively referred to as workers in this policy).

3. What is meant by Terrorism Funding?

The funding of terrorism is described as an act where money, finance, or other assistance is provided to individuals or groups who either individually support or are directly involved in pursuing, planning, or perpetrating acts of terrorism.

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4. Adherence

The AML/CTF BMC Policy determines the principles that all Bamboo Micro Credit entities must adhere to in their identification, treatment and management of money laundering and terrorism financing risk. The Bamboo Micro Credit must comply with the AML/CTF laws in a number of different countries in which it operates due to the geographic reach of its activities and operations. All Bamboo entities are required to comply with the policy principles irrespective of their geographic location. Where the laws of a particular jurisdiction are of a higher standard, then the higher standard must be applied.

5. What is not acceptable?

It is not acceptable for BMC (or someone on their behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the knowledge or expectation that such payments would be used in association with criminal activity, support for terrorism, or for any associated hidden or undisclosed usage of funds or systems under the control of Bamboo Micro Credit;
- (b) give, promise to give, or offer, a payment, to a non-disclosed or non-approved person or party, unless it is for the express implementation of bone fide micro business within Indonesia;
- (c) accept payment from a third party when it is known or suspected that the payment is offered in connection with terrorism, money laundering, or tacit support for terrorist activity;
- (d) engage in any activity that might lead to a breach of this policy.

6. Facilitation Payments and Kickbacks

BMC does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in Australia, but are common in Indonesia.

If asked to make a payment on behalf of BMC, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. BMC and its agents must always ask for a receipt which details the reason for the payment. If there are any suspicions, concerns or queries regarding a payment, they should be raised with the BMC Compliance Manager.

7. Donations

Bamboo Micro Credit does not make charitable donations or contributions to political parties.

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8. Record-Keeping

Financial records must be kept and appropriate internal controls must be in place which will evidence the business reason for making payments to third parties.

All hospitality or gifts accepted or offered must be declared and a written record must be kept, which will be the subject of review. All expense claims relating to expenses incurred to third parties must be submitted in accordance with our expenses policies and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

9. How to raise a concern

Any concerns about any issue or suspicion of malpractice should be raised at the earliest possible stage. If there is uncertainty about whether a particular act constitutes money laundering or terrorism financing, or if there are any other queries, these should be raised with the BMC Compliance Manager.

10. What to do if support for terrorism is known or suspected

It is important that the BMC Compliance Manager is notified as soon as possible if there is evidence or reasonable suspicion that ML/TF is connected in any way with BMC, or if it is suspected that this may happen in the future.

11. Protection

Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. BMC aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

BMC is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that an actual or potential association with ML/TF has taken place, or may take place in the future, in. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

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12. Training and Communication

All existing workers operating in areas that are perceived as high risk will receive regular, relevant training on how to implement and adhere to this policy.

BMC's zero-tolerance approach to Money Laundering and Terrorism Financing must be communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

13. Who is responsible for the policy?

The Directors have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The BMC Compliance Manager has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

14. Monitoring and Review

The BMC Compliance Manager will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering money laundering or the financing of terrorism.

All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Policy last updated October 2016.

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