



Environmental **Investment** Fund
of **Namibia** | ensuring sustainability

**ENVIRONMENTAL INVESTMENT FUND OF NAMIBIA ANTI-MONEY LAUNDERING &
COUNTER-TERRORIST FINANCING and COUNTER PROLIFERATION FINANCING
POLICY AND REPORTING PROCEDURES**

2024-2027

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A. DOCUMENT INFORMATION

DOCUMENT DETAILS			
Document Owner:	EIF		
Document Custodian:	CFO		
Document Approver:	Board of Directors		
Date of Approval:	March 2025		
Review Frequency	Every 3 Years		
Next Submission:	2028		
Policy Replacement:	NO	YES	Replace Policy Title

B. DOCUMENT CIRCULATION

Company Secretary and Legal Services	
Executive Management Team	
Finance, Audit and Risk Committee	
Board	

C. VERSION CONTROL AND CHANGE HISTORY

Version Number:	Approval Date:	Changes Approved By:	Change History	Author:
V.1	19 March 2025			PM Kapia

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ACRONYMS

AML	Anti-Money Laundering
Act	Financial Intelligence Act No. 13 of 2012
CFT	Counter-Terrorist Financing
DD	Due Diligence
EIF	Environmental Investment Fund of Namibia
ERM	Enterprise Risk Management
EXCO	Executive Committee
FIC	Financial Intelligence Centre
FRAC	Finance, Risk and Audit Committee
KYC	Know Your Client
PEP	Politically Exposed Person
POLICY	Anti-Money Laundering and Counter-Terrorist Financing Policy
SAR	Suspicious Activity Reports
STR	Suspicious Transaction Reports
TF	Terrorist Financing

1. DEFINITIONS AND INTERPRETATION OF TERMS

Politically Exposes Person (PEP): individual who is or has been entrusted with a prominent public function. Due to their position and influence, it is recognized that PEPs are in positions that potentially can be abused for the purpose of committing money laundering offences and related predicate offences, including corruption and bribery, as well as conducting activity related to terrorist financing.

Senior political figure is a senior figure in the executive, legislative, administrative, military or judicial branches of government (elected or non-elected), a senior figure of a major political party, or a senior executive of a government owned corporation. It includes any corporate entity, partnership or trust relationship that has been established by, or for the benefit of, a senior political figure.

Immediate family: Typically includes the person's parents, siblings, spouse, children, in-laws, grandparents, and grandchildren.

Close associate: Typically includes a person who is widely and publicly known to maintain a close relationship with the PEP and includes a person who is able to conduct substantial domestic and international financial transactions on the PEP's behalf.

Shell Company: refers to an institution incorporated in a jurisdiction in which it has no physical presence, and which is unaffiliated with a regulated financial group).

1.1. Definition of Money Launderings and Terrorism Financing as per this policy

1.1.1. Money Laundering

Money laundering is the process by which proceeds from a criminal activity are disguised to conceal their illicit origins to "legitimize" the ill-gotten gains of crime. In accordance with Section 1 of the Financial Intelligence Act No. 13 of 2012 read with relevant provisions of the Prevention and Combating of Organized Crime Act No. 29 of 2004 as amended, money laundering further means or refers to activities in which individuals or organizations.

- i. engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity.

- ii. acquires, possesses or uses or removes from or brings into Namibia proceeds of any unlawful activity; or
- iii. conceals, disguises or impedes the establishment of the true nature of origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity.

where -

- (a) as may be inferred from objective factual circumstances, the person knows or has reason to believe, that the property is proceeds from any unlawful activity; or
- (b) in respect of the conduct of a person, the person without reasonable excuse fails to take reasonable steps to ascertain whether the property is proceeds from any unlawful activity; and
- (c) Includes any activity which constitutes an offence as defined in section 4, 5 or 6 of the Prevention of Organised Crime Act.

1.1.2. Terrorism Financing

Terrorism Financing is an act the act of providing or collecting funds with the intention or knowledge that such funds will or maybe used in carrying out terrorist acts. As defined by the *Article 2 of the International Convention for the Suppression of the Financing of Terrorism*.

2. POLICY STATEMENT

Money Laundering (ML) Terrorism Financing (TF) and Proliferation Financing (PF) crimes have become a global challenge which affects Namibia and its financial or banking system. The EIF operations are also susceptible to these crimes though to allow extent compared to commercial banks that deal with the public and cash, therefore there is a need for the EIF to develop and adopt sound ANTI-MONEY LAUNDERING & COUNTER-TERRORIST FINANCING and COUNTER PROLIFERATION FINANCING POLICY AND REPORTING PROCEDURES.

The Environmental Investment Fund of Namibia is committed to achieving the highest standards of ethical conduct and complying with applicable laws and regulations. The EIF takes a zero-tolerance approach to financial crime including corruption, bribery and fraud and is committed to upholding applicable laws and regulations in relation to countering financial crime.

3. PURPOSE

The Environmental Investment Fund of Namibia Anti-Money Laundering and Counter-Terrorist Financing policy is intended to establish effective measures comparable to local and international best practices. Its main objective are:

- 3.1. To provide guidelines to all EIF staff members on the minimum standards for KYC, due diligence, transaction monitoring, among others as according to the EIF Know Your Clients Guidelines.
- 3.2. To prevent the abuse of EIF resources for money laundering and/or financing of terrorism.
- 3.3. To meet applicable legal requirements, Financial Intelligence Act 2012.
- 3.4. To minimize and mitigate any reputational risk.
- 3.5. To supporting the establishment and/or strengthening of capacities in the EIF to meet FIC fiduciary standards regarding anti-money laundering and counter-terrorist financing.
- 3.6. To prevent from establishing any relations or undertake any transactions that may relate to or may facilitate money laundering and/or Terrorist Financing or any other illicit activity.
- 3.7. To exercise due diligence when dealing with partners, persons appointed to act on behalf of partners, and connected parties of the partners; and
- 3.8. To continuously review and update this anti-money laundering and counter-terrorist financing policy and its corresponding anti-money laundering and counter-terrorist financing standards as threats and international standards evolve to prevent and detect money laundering and/or Terrorism Finance.

4. SCOPE

This Policy covers statutory compliance issues pertaining to AML/CFT as embedded in the Financial Intelligence Act of No. 13 of 2012 further this policy shall involve the execution of all procedures and operations that are related to the receipt and transfer of funds by EIF, its employees and partners. This document is applicable to.

- i. All employees, external consultants and stakeholders and EIF partners
- ii. Funding partners both upstream (donors and partners and) and downstream (agents acting on behalf of the Fund)

(a) Exceptions to policy

- i. Policy deviation shall not be acceptable unless a department cannot implement the provisions of a policy as approved by the Board of Directors due to changes in local laws and regulatory environment or where the risk the policy was put in place to manage no longer exists. In such a case, the department should raise an addendum to change the policy.
- ii. Exception(s) to this policy must be approved by the Chief Executive Officer or his designate and if of material nature, the Board of Directors must ratify such changes.

(b) Maintenance and Ownership

- i. The responsibility for the continuous maintenance and ownership of this policy document lies with the Chief Financial Officer as a Principal AML/CFT officer assisted by Manager: Risk, Investments & AML/CTF officer. This document will be subject to review at least once every 3 years or material change to the law or regulations.

The Anti-Money Laundering & Counter-Terrorist Financing Policy and Reporting Procedures should be read in conjunction with:

- The EIF Code of Business Conduct and Ethics
- EIF procurement policy
- Internal Audit Manual

- Human Resource Handbook Policy
- Enterprise Risk Management policy
- Financial Intelligence Act 13 of 2012
- EIF Act 13 of 2013
- Public Enterprise Governance Act 1 of 2019
- Public Procurement Act of 15 of 2015

5. STRUCTURES: INTERNAL ORGANIZATION, ROLES AND RESPONSIBILITIES

The EIF AML/CTF shall be managed through three-tier structures which include the Board of Directors, the Management, AML Principal officer assisted by the AML Compliance Officer.

5.1. The EIF Board

The Board of Directors plays a critical role in the implementation and governance of Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) policy within the EIF. The Board's involvement ensures that these policies are effectively integrated into the EIF's strategic objectives, compliance framework, and operational practices. key responsibilities and roles the Board of Directors typically has in AML/CTF policy implementation:

- a) To adopt, approve, and review the AML/CTF policy
- b) Oversee that all sections of the AML/CTF are complied with.
- c) Resource Allocation
- d) Monitoring and Reporting
- e) Regulatory Accountability
- f) Risk Management
- g) Governance and Oversight

5.2. The EIF Management (EXCO)

- a) Policy Development

- b) Budgeting and Resources
- c) Regulatory Updates
- d) Audit and Compliance Reviews
- e) Risk Assessment
- f) Monitoring and Reporting

5.3. The AML Principal Officer

The AML Principal Officer oversees the strategic aspects of AML/CTF policy implementation, acting as the senior liaison with regulators and ensuring that the EIF's resources, policies, and risk management processes are aligned with regulatory requirements. The Principal Officer is often a senior executive responsible for ensuring that the organization adheres to AML/CTF laws and regulations. Key Responsibilities:

(a) Oversight and Coordination

- **Policy Implementation:** Ensures that the EIF's AML/CTF policies are properly implemented and adhered to throughout the organization.
- **Oversight of Compliance Function:** Monitors the overall AML/CTF framework and ensures that adequate resources are allocated to the compliance function.
- **Coordination with Compliance Officer:** Works closely with the Compliance Officer to ensure that the EIF systems and controls are functioning effectively.

(b) Reporting and Liaison

- **Reporting Suspicious Activities:** Ensures that Suspicious Transaction Reports (STRs) or Suspicious Activity Reports (SARs) are filed with the relevant Financial Intelligence Unit (FIU) or regulator in a timely manner.
- **Regulatory Liaison:** Acts as the primary point of contact for regulators and law enforcement agencies on issues related to AML/CTF. Ensures that the organization responds appropriately to queries, investigations, and audits.
- **Internal Reporting:** Regularly reports to the board or senior management on the status of the EIF AML/CTF program, including any risks, challenges, or significant incidents.

(c) Risk Management

- ***Risk Identification and Assessment:*** Responsible for identifying AML/CTF risks and ensuring that the organization has adequate controls to mitigate these risks.
- ***Compliance Monitoring:*** Ensures that regular monitoring is conducted to verify that the EIF operations comply with the AML/CTF policy.
- ***Internal Audits:*** Coordinates with internal audit teams to ensure that the EIF AML/CTF policy is reviewed and updated periodically.

(d) Training and Awareness

- ***Staff Training:*** Ensures that employees across all levels of the EIF receive appropriate AML/CTF training to identify and report suspicious activities.
- ***Awareness Campaigns:*** Leads or supports awareness initiatives to reinforce the importance of AML/CTF compliance across the EIF.

5.4. The AML/CTF Compliance Officer

The Compliance Officer or Money Laundering Reporting Officer (MLRO) is directly responsible for the day-to-day implementation of AML/CTF policies and procedures. This role is more operational compared to the Principal Officer and focuses on ensuring compliance with specific regulations and monitoring suspicious activities. Key Responsibilities:

(a) Policy and Procedure Implementation

- ***Policy Development:*** Helps develop, update, and implement the EIF's AML/CTF policies in line with regulatory requirements.
- ***Day-to-Day Compliance:*** Ensures that all departments within the EIF adhere to AML/CTF procedures. This includes overseeing client due diligence (CDD), Know Your Client (KYC), and ongoing monitoring processes.

(b) Suspicious Activity Monitoring and Reporting

- **Transaction Monitoring:** The Compliance Officer is responsible for overseeing systems that monitor transactions for suspicious activities, ensuring that unusual transactions are identified, flagged, and reviewed.
- **Filing STRs/SARs:** The Compliance Officer must ensure that all identified suspicious activities are reported to the relevant authorities (e.g., the Financial Intelligence Centre) in a timely and accurate manner.
- **Record Keeping:** Maintains records of all suspicious activities, reports, and AML/CTF-related documentation to ensure the organization meets its regulatory obligations for data retention.

(c) Risk Assessment and Management

- **Risk-Based Approach:** The Compliance Officer ensures that the organization follows a risk-based approach to AML/CTF, meaning that higher-risk clients and transactions receive enhanced scrutiny.
- **Client Risk Profiles:** Creates and manages client risk profiles, ensuring that enhanced due diligence (EDD) is conducted on high-risk clients or politically exposed persons (PEPs).

(d) Training and Awareness

- **Staff Training:** Develops and delivers AML/CTF training programs for employees to ensure they are equipped to identify and report potential money laundering or terrorist financing activities.
- **Regulatory Updates:** Ensures that employees and management are informed about changes in AML/CTF regulations and understand their implications for the EIF's operations.

(e) Internal Audits and Reviews

- **Internal Controls:** Regularly reviews the effectiveness of the AML/CTF controls in place, identifying weaknesses or gaps and recommending improvements.
- **Regulatory Compliance Audits:** Prepares the organization for regulatory audits and ensures that all records and documentation are up-to-date and compliant.

(f) Liaison with Regulators

- **Primary Point of Contact:** Acts as the primary point of contact for AML/CTF inquiries from regulators and law enforcement agencies. The Compliance Officer also manages communication with external auditors or consultants involved in AML/CTF reviews.
- **Responding to Regulatory Requests:** Ensures the timely submission of required regulatory reports and responds to requests for information from regulators.

6. REPORTING PROCEDURE FOR AML/CTF BREACH

(a) Reporting To the Compliance Officer

Where an employee knows or suspects that money laundering&/ terrorist financing activity is taking place or has taken place, the employee must disclose this as soon as is practicable directly to the AML compliance officer via the internal suspicious transaction form. Escalation may also be done through the whistle blower portal on the EIF website or by sending an email to: AML-CTF@EIF.org.na

Failure to do so may amount to a criminal offence. In any event, any employee who fails or neglects to report suspected money laundering activities shall be subject to disciplinary action in line with EIF's Human Resources policies and Financial Intelligence Act 13 of 2012.

(b) Review of Disclosure Reports by the Compliance Officer

Upon receipt of a report, the AML Compliance Officer must note the date thereon and acknowledge receipt of the report. The AML Compliance Officer will consider the report and any other available internal information and undertake reasonable inquiries into the issue and report to the AML Principal officer not later than 3 business days. EIF EXCO will be expected to meet in 2 days to discuss the matter for escalation to the Financial Intelligence Centre. Where EXCO is not scheduled to sit, escalation must be done by e-mail.

Where an investigation is deemed necessary, the Head of Internal Audit shall be the lead and together with the Head of Legal, shall liaise with any investigative bodies as necessary. A detailed investigations guideline has been embedded in the Internal Audit Manual.

If the AML Compliance Officer and AML Principal Officer knows, suspects or has reasonable grounds to suspect that money laundering activity is taking place, through a disclosure made to them, and does not disclose this as soon as is practicable to the EXCO and the Financial Intelligence Centre, then he/she/they may be liable to an inquiry and disciplinary action.

(c) Regulatory Reporting

Where the EXCO concludes that the matter is to be forwarded to a regulatory reporting or investigative agency, it must be done within a reasonable time frame not exceeding 5 working days. Where FRAC concludes that there are no reasonable grounds to suspect money laundering, it shall mark the report accordingly. All disclosure reports referred to the FRAC and EIF BOARD of directors and to the Financial Intelligence Centre must be retained by the FRAC in a confidential file for that purpose for a minimum of 5 years.

7. EXITING A PARTNER'S RELATIONSHIP

The EIF shall not enter into agreements or maintain relationships that it believes may be used or are being used for money laundering purposes. Where suspicion of money laundering is established and, on the advice, and recommendation of the FRAC and EIF Board of Directors, management will take immediate steps to terminate EIF's relationship with such parties or partners. Where an external disclosure has been, or is being made, care should be taken in exercising the option to terminate as such an action may alert the donor or grantee and prejudice official investigations.

8. PROCESS MANAGEMENT

AML, CTF, CPF & Sanctions Risk and Compliance Management processes are essential for the EIF to comply with regulations and prevent AML/CTF/CPF crimes. The purpose of the processes is to assist the EIF to identify, assess, monitor, and mitigate risks related to money laundering, terrorism financing, proliferation financing, & Sanctions violations, which are associated with clients, transactions, products, services, and geographic locations.

The goal is to protect the EIF, its business partners, and the broader financial system from being used for illicit activities.

KEY OPERATIONAL PROCESSES

Key operational processes are listed below. Detailed requirements, including the principles and standards are contained in the policies that form part of the policy framework and should be read in conjunction with this programme.

(a) Client Due Diligence

The EIF conducts CDD to verify the identity of clients and business partners, assess their risk profile, and to understand the nature of their business. This includes obtaining and verifying client identification documents, understanding the source of funds, and identifying beneficial owners.

(b) Transaction Monitoring

The EIF monitors client transactions to detect suspicious activity, including unusual patterns, high-value transactions, and transactions involving high-risk countries, products, or services.

(c) Suspicious Activity Reporting

If the EIF detects suspicious activity, it must file a report with the relevant authorities to and provide information on the client and the transaction.

(d) Sanctions Screening

The EIF screens clients and business partner, transactions, and parties involved in transactions against global sanctions lists (UN sanctions list) to ensure compliance with sanctions laws and regulations.

(e) Training And Awareness

The EIF provides regular training and awareness to employees on AML, CTF, CPF, & Sanctions risk and compliance management. This includes educating employees on red flags for suspicious activity, reporting requirements, and the consequences of non-compliance.

(f) Ongoing Monitoring and Review

The EIF continuously monitors and reviews its risk and compliance management standards to ensure they remain effective and up to date with changes in regulations and risks.

By implementing these key standards, the EIF can effectively manage its AML, CTF, CPF, & Sanctions risk and compliance obligations and mitigate the risk of AML/CTF/CPF crimes.

9. APPROVAL

The Anti-Money Laundering & Counter-Terrorist Financing and Counter Proliferation Financing Policy and Reporting Procedures of the EIF is hereby approved by:

Name: Kennedy Urikhob (Acting CEO) Urikhob 4/4/2025
Designation: Chief Executive Officer Signature: Date

Name: Magreth Tengerero Magreth Tengerero 4/4/2025
Designation: Chairperson of the Board Signature: Date