



**KDO
COUNTER-TERRORISM
FINANCING
AND
ANTI-MONEY LAUNDERING
POLICY**

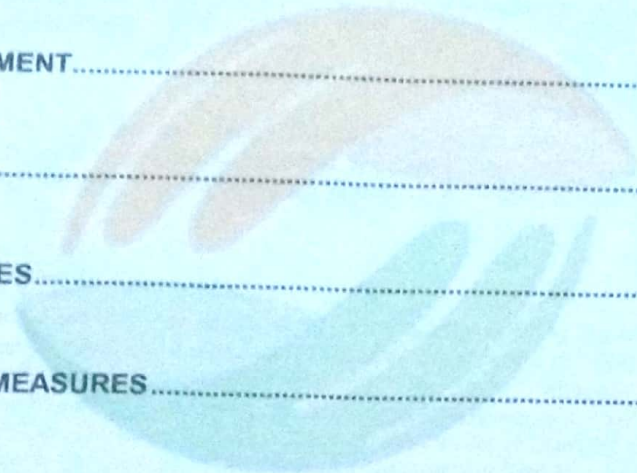
**KHAGARAH DEVELOPMENT ORGANIZATION
(KDO)**

*Nazish Mohsin
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D.G.S
BOD KDO
23. Aug. 23*

*Tariq
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Executive Director
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23. Aug. 23.*

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1. INTRODUCTION

KHAGARAH Development Organization (KDO) is committed to preventing the misuse of its resources to support terrorism, money laundering, or any illegal activity. This policy aims to ensure compliance with national and international regulations to protect the organization from financial crimes and reputational risks. By adopting this policy, KDO strengthens its operational integrity and safeguards its mission to support vulnerable communities without the risk of financial exploitation.

2. POLICY STATEMENT

KDO maintains a zero-tolerance stance on terrorism financing and money laundering. This policy ensures that all financial activities are conducted transparently and in line with relevant laws. Any form of direct or indirect support to individuals or organizations involved in terrorism or illegal financial practices is strictly prohibited. The organization commits to immediate action in the event of any breach.

3. SCOPE

This policy applies to all levels of the organization, including employees, Board members, volunteers, and external partners. By extending the scope to contractors, consultants, and third parties, KDO ensures that all affiliates uphold the highest standards of financial integrity and responsibility, protecting the organization from potential risks arising from external interactions.

4. RESPONSIBILITIES

- Board of Trustees: The Board oversees the enforcement of the policy, ensuring top-level accountability. Their role includes approving significant financial transactions and addressing any reported violations.
- Executive Director: Responsible for leading the implementation of anti-money laundering (AML) and counter-terrorism financing (CTF) measures, the Executive Director ensures alignment with the organization's strategic goals.
- Finance and Compliance Officer: This role involves day-to-day monitoring of financial activities, risk assessment, and immediate reporting of suspicious transactions to the Executive Director and Board.
- All Employees: Employees are expected to understand and adhere to the policy, remaining vigilant in identifying and reporting suspicious activity that could indicate money laundering or terrorism financing.

5. PREVENTATIVE MEASURES

- Due Diligence: KDO performs extensive background checks and vetting procedures on all partners, contractors, and donors. This process ensures that all parties associated with KDO have no connections to terrorism or illegal financial activities.
- Transaction Monitoring: All financial transactions undergo continuous monitoring to identify irregular patterns or red flags, enabling early detection of potential money laundering or terrorism financing.
- Procurement Oversight: All procurement processes are conducted transparently, with records maintained to ensure accountability. This mitigates the risk of financial misappropriation through purchasing activities.
- Regular Audits: KDO conducts internal and external audits regularly to evaluate financial transactions and detect anomalies that could indicate fraudulent activities.

6. TRAINING AND AWARENESS

KDO recognizes that informed staff are essential in preventing financial crimes. Comprehensive training is provided to all employees and Trustees during onboarding. Annual refresher courses are conducted to ensure ongoing awareness and responsiveness to emerging threats. The policy is disseminated through multiple channels, including employee handbooks, staff meetings, and the intranet, ensuring consistent understanding across the organization.

7. REPORTING AND RESPONSE

Employees are required to report any suspicious financial activity to the Finance and Compliance Officer immediately. KDO has established secure, confidential reporting channels, including dedicated emails and hotlines. All reports are investigated promptly and thoroughly, with findings presented to the Executive Director and Board. Staff are protected under whistleblower policies, ensuring they can report without fear of retaliation.

Nazir *Fauz*

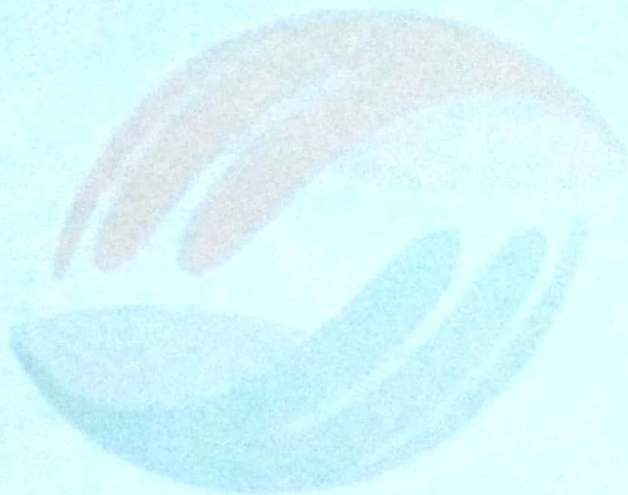
KHAGARAH Development Organization (KDO)

8. SANCTIONS AND CONSEQUENCES

Violations of this policy are treated with the utmost seriousness. Disciplinary actions include termination of employment or contracts, legal action, and reporting to relevant authorities. By enforcing strict consequences, KDO reinforces its commitment to maintaining financial integrity and deterring potential violations.

9. REVIEW AND UPDATE

KDO's Board of Trustees reviews this policy annually to ensure it remains effective, relevant, and aligned with evolving regulations. Updates are promptly communicated to all staff and stakeholders, reinforcing the organization's proactive approach to compliance and risk management.



KHAGARAH
Development Organization

Nazish

Nazish Mohsin
D. General Secretary
KDO
23. Aug. 23

Farah

FARAH SHAHID
ED. KDO
23.08.23