

# INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE

## POLICY FOR THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM

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## INTRODUCTION

The Inter-American Institute for Cooperation on Agriculture (IICA) attaches great importance to adequately understanding issues related to the financing of terrorism as well as the laundering of money derived from criminal activities. Consequently, the Institute is highly committed to undertaking all institutional efforts required to effectively and efficiently prevent such criminal activities. To this end, it will work together with high-level authorities, partners and allies in the field of international cooperation to coordinate the efforts of its Member States to comply with laws and policies aimed at preventing and managing any risk associated with these activities.

As part of this struggle, and in light of the transformative nature of crime, governments around the world have implemented and continue to implement and update standards and regulations on this topic. As an international organization, the Institute is committed to generating recommendations and regulations regarding good practices in this regard.

Furthermore, IICA is committed to upholding the highest ethical standards in undertaking measures to prevent money laundering and the financing of terrorism, in keeping with the efforts of its Member States as well as the provisions of the Charter of the Organization of American States (OAS), the Charter of the United Nations (UN), and international law, including the recommendations of the OAS and the Financial Action Task Force (FATF).

Within this context, IICA's cooperation actions may be at risk of being involuntarily utilized to carry out illicit or suspicious activities. For this reason, the enactment and implementation of this Policy is of paramount importance.

## ARTICLE I DEFINITIONS

- A. For the purposes of this Policy, the following definitions have been established:
1. *Laundering of money of illicit origin*: Process by which assets that are obtained or generated through criminal activities are transferred or disguised in such a way as to make such assets appear to be derived from a legitimate source, whether by exchanging, transferring, managing, selling or encumbering the money, without necessarily having participated in the criminal activity that generated the illegal assets.
  2. *Financing of terrorism*: Any act that constitutes an offense as defined in Article 2 of the International Convention for the Suppression of the Financing of Terrorism, approved by the UN General Assembly.

## **ARTICLE II**

### **PURPOSE AND OBJECTIVES**

- A. The purpose of this Policy is to establish the principles and standards that will be applied and observed at all levels of IICA to prevent the management and use of money and other assets in activities related to money laundering and the financing of terrorism.
- B. The objectives of this Policy are to:
  - 1. Prevent the improper use of institutional resources, whether owned or managed by the Institute, in activities related to money laundering or the financing of terrorism.
  - 2. Mitigate reputational risks for the Institute that may result from activities related to money laundering or the financing of terrorism.
  - 3. Serve as a safeguard in the case of any relationships or transactions with IICA counterparts and partners that may be involved in money laundering or the financing of terrorism, or which may be facilitating such activities.
  - 4. Prevent the Institute's cooperation actions from being utilized to disguise funds derived from illegal activities to give them the appearance of having a lawful origin, or to channel licit or illicit resources towards terrorist activities.

## **ARTICLE III**

### **APPLICABILITY AND SCOPE**

- A. This Policy applies to all IICA personnel and all other natural or legal persons who are contracted or tasked by the Institute to carry out an activity. It also applies to technical cooperation activities as well as processes for the procurement of goods and/or services carried out by the Institute, or in which the Institute participates with contractual counterparts.
- B. IICA shall comply with and promote this Policy in its relationships with counterparts and partners with which it develops joint activities.

## **ARTICLE IV**

### **BASIC PRINCIPLES**

- A. The basic principles governing the application of this Policy are as follows:
1. Consistency: This Policy is in keeping with UN conventions on this topic; relevant recommendations and international instruments of the UN and the OAS; FATF recommendations on this topic; and the international legal nature of the Institute.
  2. Proactivity: IICA shall undertake efforts to encourage its partners and counterparts to adopt policies, guidelines and procedures that are consistent with the principles established in this Policy.
  3. Responsibility of IICA counterparts: The Institute's counterparts in joint actions shall be responsible for identifying and mitigating the risk of money laundering and terrorism financing in the execution of those actions.
  4. Good faith: IICA establishes work relationships with formal public and private, national and international organizations with which it promotes actions related to agricultural and rural development. The Institute consistently ensures that these relationships are established within a legal framework and fulfill the principle of good faith governing international relations.

## **ARTICLE V**

### **COMPLIANCE**

- A. Responsibilities of personnel
1. All Institute personnel shall rigorously comply with the provisions of this Policy in order to guarantee full transparency in the development of IICA's activities as well as protect the Institute's reputation.
  2. All persons involved in IICA's cooperation actions must continuously monitor, with due discretion, the counterparts and partners with which they are involved in various activities, to acquire reasonable knowledge of their activities, funding sources, governance and/or any other matters that would provide evidence that the resources executed in these activities are of lawful origin and are not involved in money laundering or the financing of terrorism (ML-FT), given their nature and the associated risk of ML-FT.
  3. Should the Institute be jeopardized as a result of a staff member's action or omission involving noncompliance with this Policy and related rules, all pertinent sanctions will be applied to the corresponding individual, in accordance with IICA's Staff Rules and

Code of Ethics. The Institute will reserve the right to resort to any legal recourse necessary in its own defense.

B. Relationships with counterparts and institutional partners

1. If there is any doubt regarding a counterpart's suitability, IICA shall abstain from recommending or approving the corresponding joint cooperation action.
2. The Institute shall establish and continue to enforce mechanisms to prevent the establishment of linkages with counterparts involved in money laundering and the financing of terrorism.
3. IICA shall implement control mechanisms to prevent its cooperation actions from being associated with the financing of terrorism or money laundering. To this end, it may request from its partners and counterparts any documents irrefutably evidencing their identity, legal status, economic activity, address and any other information deemed pertinent, with the aim of demonstrating the Institute's good faith.

C. Supervision

1. The Financial Management Division of IICA shall be responsible for overseeing the implementation of this Policy on a daily basis; the Internal Audit Unit, in turn, shall be responsible for ensuring compliance with its provisions. Both units shall report on the implementation of the Policy directly to the Director General or whomever he delegates for this purpose; they shall also recommend any measures required to guarantee compliance, establish control mechanisms to prevent money laundering, and provide Institute staff with training on these issues. They may also request support from the Legal, International Affairs and Protocol Unit of IICA, as needed.

D. Collaboration with national and international authorities

1. Without prejudice to its privileges and immunities, the Institute shall collaborate, as appropriate, with the corresponding authorities related to the prevention and control of money laundering in each of its member countries.

E. Record keeping

1. IICA will securely store all documents related to the counterparts and partners in a digital repository for a period of up to five years after the agreement between the parties has ended. The repository will be under the responsibility of IICA's Internal Audit Unit.

## **ARTICLE VI UPDATING**

- A. The Director General shall periodically revise and update this Policy based on the following: a) relevant international regulations and standards; b) progress achieved in the implementation of good practices to prevent money laundering and the financing of terrorism; and c) constructive recommendations made by IICA Member States, counterparts, partners and personnel, among others.