

## **Anti-money laundering (AML) policy**

### **Introduction**

The Sovereign Military Hospitaller Order of St John of Jerusalem of Rhodes and of Malta (the “Order”) has a global presence and international structure, with operations in a broad variety of contexts, including areas where traditional banking services are not available, or within or near areas exposed to terrorist activity. The Order therefore faces the risk that it may be subject to attempts to use it to launder funds that may have been obtained illegally.

This policy sets out the main principles governing the Order’s approach to the prevention of money laundering and other financial crime. It establishes expectations as to the steps to be taken to ensure that the Order is not exposed to undue reputational or compliance risk.

### **Scope of policy**

This policy applies to all Melitense entities and volunteers acting on behalf of the Order as well as to all other entities directly or indirectly controlled by the Order. It should be applied in compliance with legal requirements and regulations locally in force. Should some of the requirements contained in this policy be less restrictive than local law, entities should adopt the more restrictive local requirements.

### **Overarching principles**

- The Order should take all reasonable steps to prevent money laundering, the financing of terrorist organisations, and bribery.
- In all financial operations, entities of the Order should comply with all local legislation and established best practice in the jurisdictions in which they are incorporated or operate.

### **Expectations of entities**

Taking account of the principles above, it is expected that all entities of the Order should maintain appropriate local policies and procedures in respect of money-laundering, bribery, and terrorist financing. The nature and structure of these is likely to vary depending on the entity’s operations, but all applicable requirements below should be addressed. Policies should establish the individual or committee responsible for oversight of financial control (normally the entity’s board or equivalent), as well as any delegation of responsibility to executive management (if applicable).

Entities should ensure that their local policies and procedures:

- Allow for full compliance with local legislation. *Anti-money laundering / anti-bribery legislation varies significantly by jurisdiction, and is often highly prescriptive. It is paramount that staff are aware of their obligations locally and can meet these.*
- Establish robust financial control procedures. *For example, thresholds should be established as to payment approvals, with the number and seniority of approvals required proportionate to value and risk, as assessed by the entity’s governing body.*
- Apply clear procedures and limits on cash payments. *While the use of cash is unavoidable in certain circumstances, it inherently presents a higher risk due to the lack of traceability and danger of theft / loss. Robust procedures are therefore required to limit and manage the use of cash, ensuring a clear audit trail and authorisation protocols.*
- Display an awareness of sanctions regimes and ensure that payments are not made to proscribed individuals or organisations. *This also includes ensuring payments are not made to organisations that may be classified as terrorist.*
- Provide for the screening of prospective donations in line with a local gift acceptance policy. *Reference should be made to the Order’s Gift acceptance policy.*
- Set down the unacceptability of bribery in all its forms. *Staff should be aware of their obligations in this area: when a gift may constitute a bribe, and how suspected bribes should be reported, both internally and to external authorities. Accepting a bribe – or failing to comply with reporting requirements – is a serious matter and may require specific HR provisions.*