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Cambodian Center for Human Rights

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ANTI-MONEY LAUNDERING AND COUNTER- TERRORIST FINANCING POLICY



Version History:

Version	Date	Update Description	Approved by
000	13 May 2026	Finalize the draft	Executive Director
001	30 May 2026	Review and sign off for implementation.	Chair of Board of Director

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CCHR ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING POLICY

1. Introduction

This policy outlines the Cambodian Center for Human Rights (“CCHR”) commitment to ensuring that its funds and resources are used solely for its implementation and align with CCHR’s mission and operations. CCHR is committed to adhering to the highest ethical standards regarding Anti-Money Laundering and Counter-Terrorist Financing Policy (“AML/CFT”), in line with the Financial Action Task Force (“FATF”) Recommendations¹, United Nations (“UN”) Conventions, European Union Commission reports, and national law. The policy is implemented to meet contractual obligations and to comply with the sanctions lists of institutional donors.

The relevant institutions that engage with CCHR, such as the local authorities, donors, and private agencies mentioned above, maintain lists of entities and individuals involved in money laundering and terrorist financing. To fulfill contractual obligations, requirements, and expectations from external parties and donors, CCHR is implementing this policy and its supporting procedures. These measures are put in place to protect CCHR against/prevent money laundering and terrorist financing.

In implementing the AML/CFT policy, CCHR will strive to the best of its ability to uphold neutrality, impartiality, and independence, as well as respect for human rights standards and principles in all its work. Care must be taken to ensure the dignity and respect of all individuals undergoing the screening process. This includes the secure management, handling, and storage of their data. According to CCHR's governance bodies, which include the Management Committee/the Board of Directors, will oversee the policy's implementation, provide advice and guidance, and arbitrate any difficult cases that may arise.

In situations of conflict or contradiction between AML/CFT policy and humanitarian or human rights principles, CCHR will cooperate with relevant duty bearers, state institutions, or aid agencies. It will report the challenges and seek advice while respecting confidentiality. Furthermore, CCHR will engage with like-minded institutions to advance dialogue on policy and practice combating money laundering and financial terrorism. This will be done through advocacy to engage with relevant duty bearers and the donor community, increase understanding, and, where necessary, apply it.

¹ It is an intergovernmental body established in 1989 by the G7 at their Paris Summit. The FATF is the global standard-setter for combating: Money Laundering (ML), Terrorist Financing (TF) and the financing of proliferation of weapons of mass destruction (PF).

The issuance, implementation, and revision of this policy will be made with the approval of the Board of Directors of CCHR. This Policy is effectively implemented from the signing date.

2. Definitions

2.1 Money Laundering (“ML”): Defined as: 1) the conversion or transfer of property, knowing that those assets are the result of the offence (crime), 2) concealing or disguising the true nature, source, location, disposition, movement, ownership, or rights to property, knowing it is the proceeds of a crime, 3) the acquisition, possession, or use of property, knowing it is the proceeds of a crime.

2.2 Terrorist Financing (“TF”): Refers to the solicitation, collection, or provision of funds and resources with the intent or knowledge that such funds or resources may be used to support terrorist acts or organizations. Funds can originate from both legal and illegal sources.

3. Purpose

The primary purpose of this policy is to safeguard CCHR's integrity and resources. This is achieved, first and foremost, by preventing the misuse of CCHR's funds for money laundering or terrorist financing. Secondly, the policy is designed to protect CCHR from becoming an unwitting conduit for crime by ensuring that the proceeds of illegal activities are never laundered through CCHR's financial system or programs.

To maintain a strong defense framework, this document establishes clear principles and guidance on AML/CFT requirements, thereby ensuring compliance with applicable laws and international standards. Ultimately, the policy serves to mitigate the inherent risks of ML and TF and to protect CCHR's legal standing and reputation by preventing the establishment of relationships or entry into financial transactions that may facilitate money laundering, terrorist financing, or other illicit activities.

4. Scope

The policy applies to “staff” and similar terms, encompassing all full-time staff, consultants, probationary employees, interns/volunteers, members of the Board of Directors, partner organizations, suppliers, and service providers. All staff and parties are subject to measures to prevent ML and TF based on a risk-management approach.

Where national regulations or donor requirements impose stricter AML/CFT measures than this policy, the more stringent requirements shall take precedence. The Management Committee/Board of Directors must be informed of such discrepancies.

Therefore, the implementation relies on strict compliance with the CCHR's Employment Policy, Communication Digital Data Policy, and Security Protocol, particularly regarding the secure handling, storage, and transfer of data collected during the screening process.

5. Procedures and Requirements

CCHR's commitment to implementing a Risk-based Approach to identify, assess, and understand the risks associated with money laundering and terrorist financing. CCHR ensures that risk mitigation measures are proportionate to the identified risks, allowing for the most efficient allocation of resources in line with the organization's risk appetite.

This approach will be proportionate, targeted, transparent, accountable, and coherent. By identifying and assessing potential threats, CCHR can focus resources on effectively addressing and mitigating risks.

The partner organizations, beneficiaries, and individuals associated with CCHR's activities must undergo Customer Due Diligence ("CDD"). CCHR has established governance and oversight to ensure that roles and responsibilities for managing this risk are clearly defined.

CCHR manages ML/TF risks through a structured risk-based approach focusing on the following core actions:

5.1. Risk Assessment

The organization is committed to maintaining a robust, dynamic, and integrated AML/CFT framework, which begins with a comprehensive Risk Assessment.

- A formal AML/CFT risk assessment is a mandatory component of the annual governance cycle. It is conducted, reviewed, and approved by the Management Committee as an integral part of the organization's overall Risk Management and Mitigation process.
- This assessment systematically evaluates potential Money Laundering (ML) and Terrorist Financing (TF) risks by considering both threats and vulnerabilities. Key factors considered include the type of activities, previous involvement, and relationships with beneficiaries, financial institutions, and customer service providers.
- The results of the risk assessment are crucial for establishing a Risk-Based Approach, which prioritizes resources for prevention and control efforts, ensuring that risk mitigation measures (such as Enhanced Due Diligence), increased monitoring, or specialized training) are applied proportionately and effectively, where the residual risk. The formal risk assessment must be reviewed and updated ad hoc if the organization's operational model or the known threat landscape changes significantly.

5.2. Due Diligence and Screening

- Counterparty Due Diligence ("CDD") is the process used to identify and verify the identity of all stakeholders (including staff) to assess their associated ML/TF risk.

- Staff may be subject to screening as part of recruitment, with enhanced screening potentially being a precondition for employment in particular roles. All staff have a duty to disclose existing matters.
- CCHR will identify and verify the identity of its stakeholders and beneficiaries, including institutional representatives. They must agree to make proportionate efforts to ensure that resources are not transferred, directly or indirectly, to individuals or entities on ML/TF sanction lists.

5.3. Policy on Engagement and Termination

This policy defines mandatory, non-negotiable grounds for immediate non-engagement (refusing to enter into a relationship) or termination (ending an existing relationship) with any stakeholder, including partners, beneficiaries, vendors, or other third parties. These measures are critical for protecting CCHR and its operations from association with money laundering (ML) and terrorist financing (TF).

CCHR will **not** engage with, and will terminate relationships with, stakeholders if:

- The stakeholder/beneficiary refuses to cooperate with the CDD process.
- The stakeholder/beneficiary is currently subject to financial sanctions imposed by the United Nations, the United States, or the European Union.

5.4. Financial Transaction Monitoring

CCHR has established requirements for the monitoring of financial transactions to prevent money laundering and terrorist financing.

- The organization monitors financial transactions to identify "Red Flags" or any suspicious activities.
- This is achieved by maintaining adequate and complete financial records of all income, expenditure, and financial transactions throughout the course of their work, including the final utilization and closing out of funds.
- CCHR has prior knowledge of the source of income and funds and has established clear criteria for determining whether a donation should be accepted or rejected.

5.5. Investigation and Reporting

The organization commits to a rigorous and confidential process for handling all indications of potential financial crime.

- All staff are mandatorily required to report any information that gives rise to a suspicion of money laundering, terrorist financing, or any other illicit financial activity. This includes, but is not limited to, identified "Red Flags". Reports must be submitted immediately to the designated project coordinator or directly to the Management Committee/Board of Directors to ensure prompt review and action.
- It is based on CCHR's confidentiality protocol; it is absolutely forbidden to inform the stakeholder, the subject of the suspicion, or any party that a suspicious activity is

being reported or that an internal inquiry is taking place. Violation of this confidentiality requirement is a serious disciplinary matter and may constitute a criminal offense.

- The Management Committee/Board of Directors holds the ultimate responsibility for overseeing and conducting a confidential and objective internal investigation into all reported suspicious indications. If, following the internal review, the indications of money laundering, terrorist financing, or other financial crime cannot be reasonably dismissed, the CCHR is required to fulfill its legal obligation to file an external report. This mandatory referral will be submitted to the appropriate external authorities, specifically the police and/or the national Financial Intelligence Unit (FIU), in compliance with all relevant laws and regulations.

5.6. Record Keeping

CCHR's policy on record keeping and retention ensures the availability of necessary documentation for monitoring and compliance:

- CCHR will retain all records obtained through Counterparty Due Diligence (CDD), as well as documentation of all stakeholders, transactions, and correspondence with counterparts, for a minimum period of 10 years since the CDD started.
- All collected information and prepared materials must be stored and handled in strict compliance with the CCHR's confidential protocol, and the data protection laws of Cambodia and donors.

6. Roles and Responsibilities

Accountability for policy implementation is defined as follows:

- **All Staff** - are responsible for following CCHR's AML/CFT Guideline in their daily work. They must complete required training and remain alert to suspicious activities or irregular behavior. Staff must report concerns to the Management Committee without delay. Everyone is expected to act ethically and protect the organization from financial or reputational risk.
- **Finance and Procurement team** - ensures all financial transactions, payments, and procurement processes follow AML/CFT requirements. They conduct due diligence on suppliers and partners and maintain accurate financial documentation. The team must identify and report any suspicious transactions or irregularities. They also support audits and ensure full compliance with donors and legal standards.
- **Project Coordinators** - integrate AML/CFT measures into daily project operations and partner engagement. They verify key partners and monitor project activities for unusual or high-risk behaviors. Coordinators must ensure accurate documentation and compliance with internal procedures. They are required to report any concerns to management immediately.

- **Management Committee** - oversees the implementation of AML/CFT measures across the organization. They review high-risk decisions and ensure strong internal controls are in place. The Committee supports risk assessments, audits, and corrective actions. They also promote a culture of transparency and accountability.
- **Board of Directors** - provides strategic oversight to ensure CCHR meets AML/CFT obligations. They review compliance reports and approve major policies. The Board ensures senior leadership maintains strong governance structures. They safeguard the organization's integrity and long-term reputation.
- **Suppliers and Contractors** - must comply with CCHR's AML/CFT requirements when conducting business with the organization. They are responsible for providing accurate information during due diligence checks. They must avoid any unethical or suspicious behavior that could indicate financial misconduct. Suppliers must also cooperate fully with verification and monitoring processes.

7. Training and Policy Review

7.1. Training and Awareness

An awareness session will be provided for all staff to ensure they understand policy implementation and reporting procedures and are informed of any changes to the policy. Staff and stakeholders/beneficiaries must regularly discuss and share information on AML/CFT issues to prevent and mitigate risks.

7.2. Policy Review and Audit

- The Monitoring Committee/Board of Directors is responsible for monitoring the policy's implementation. This committee's mandate includes reviewing CCHR's activities to ensure they comply with international best-practice standards, particularly the recommendations of auditors and donors.
- The policy is subject to a schedule for periodic review. The document specifies that the policy would be reviewed by the Management Committee, which is also responsible for decisions that may result in procedural updates, such as determining which areas require enhanced due diligence measures.

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