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CODESA ANTI-FRAUD, CORRUPTION AND AML/CFT POLICY

A LONGTERM INVESTMENT IN TRUST AND RELIABILITY

CREATED BY

EUSL AB

Care to Change the World

CODESA Anti-Fraud, Corruption, and AML/CFT Policy

Preamble

This Policy establishes the principles, standards, and procedures for preventing, detecting, and responding to fraud, corruption, money laundering, and terrorist financing in all activities financed or administered by CODESA. It is aligned with the COMESA Treaty, international anti-corruption conventions, and donor fiduciary requirements, including the Financial Action Task Force (FATF) Recommendations, World Bank Anti-Corruption Guidelines, and applicable national laws.

Chapter 1 – Prohibited Practices

1.1 Definitions

The following practices are strictly prohibited:

- (a) **Fraudulent Practice** – Any act or omission intended to mislead or deceive for financial or other gain;
- (b) **Corrupt Practice** – Offering, giving, receiving, or soliciting anything of value to improperly influence actions;
- (c) **Collusive Practice** – Arrangement between two or more parties to manipulate procurement or other processes;
- (d) **Coercive Practice** – Harming or threatening to harm persons or property to influence actions;
- (e) **Obstructive Practice** – Deliberate interference with investigations or audits.

1.2 Zero-Tolerance Policy

CODESA adopts a zero-tolerance approach to all prohibited practices. Violations shall result in sanctions, including debarment, contract termination, and referral to competent authorities.

Chapter 2 – Due Diligence and KYC

2.1 Counterparty Screening

- (a) All suppliers, contractors, consultants, and implementing partners shall undergo due diligence, including verification of legal status, beneficial ownership, and sanctions screening.
- (b) Screening shall include checks against:

- National sanctions lists;
- Multilateral development bank debarment lists;
- FATF high-risk jurisdictions.

2.2 Know Your Customer (KYC) Requirements

- (a) KYC procedures shall apply to all financial transactions, including verification of identity, source of funds, and purpose of the transaction;
- (b) Enhanced due diligence shall apply to politically exposed persons (PEPs) and high-risk transactions.

Chapter 3 – Investigations and Sanctions

3.1 Reporting and Investigation

- (a) Any suspicion or allegation of prohibited practices shall be reported immediately to the CODESA Ethics & Compliance Unit;



(b) Investigations shall be conducted in accordance with internationally recognized forensic audit standards, ensuring confidentiality and due process.

3.2 Sanctions

(a) Entities or individuals found guilty of prohibited practices shall be subject to sanctions, including:

- Debarment from CODESA-financed contracts;
- Termination of existing contracts;
- Recovery of misappropriated funds;
- Referral to national law enforcement and donor integrity offices.

(b) Sanctions decisions shall be disclosed in summary form, subject to lawful confidentiality constraints.

Chapter 4 – Reporting to Donors and Authorities

4.1 Donor Notification

(a) All confirmed cases of fraud, corruption, or AML/CFT violations shall be reported to relevant donors within ten (10) business days of confirmation;

(b) Reports shall include the nature of the violation, actions taken, and proposed remedies.

4.2 Regulatory Reporting

(a) Where required by law, CODESA shall report suspicious transactions to the relevant Financial Intelligence Unit (FIU) or competent authority;

(b) Cooperation with law enforcement and regulatory bodies shall be mandatory, subject to applicable privileges and immunities.

References

1. FATF Recommendations

- [FATF Recommendations – Official Site](#) [FATF Recommendations]

2. World Bank Anti-Corruption Guidelines

- [World Bank Anti-Corruption Guidelines \(User-Friendly Version\)](#) [User Frien...Bank Group]
- [World Bank Sanctions and Integrity Framework](#) [Key Docume...Bank Group]

3. United Nations Convention Against Corruption (UNCAC)

- [UNCAC – Official UNODC Page](#) [UNCAC - Un...Corruption]
- [Full UNCAC Text \(PDF\)](#) [UNITED NAT...CORRUPTION]