



Inter-American Institute for
Cooperation on Agriculture

Policy for the Prevention of Money Laundering and Financing of Terrorism

November, 2020

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.

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. IICA has established the present Policy for the Prevention of Money Laundering and Financing of Terrorism, which applies to all natural or legal persons who are contracted or tasked by IICA to carry out an activity, either jointly or independently. 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 status 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 in international law, which governs 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.

To contribute to the fulfillment of this Policy, providers of goods and services to IICA must complete the attached "Know Your Client" Form, as indicated in the guidelines therein.

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.
4. The Institute reserves the right to consult official international databases as necessary, to guarantee the suitability of partners, suppliers or counterparts with whom it intends to work.

C. Supervision

1. The Administration at IICA Headquarters and in the Delegations in the Member States shall be responsible for overseeing the implementation of this Policy; the Internal Audit Unit, in turn, shall be responsible for ensuring compliance with its provisions. Both entities 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. If the record-keeping period established in the legal instrument is greater than five years, the documents will be stored for the period that has been agreed upon in the legal instrument. The repository will be under the responsibility of IICA's Internal Audit Unit.

ARTICLE VI REPORTS

- A. IICA has established two mechanisms to receive and respond to reports, which will allow persons to submit and channel their reports or complaints regarding the issues dealt with in this Policy in a confidential manner, namely:
1. the official internet site: iica.int, in the REPORTING/ COMPLAINTS section and
 2. the email address ec.ce@iica.int.

All reports, complaints, investigations, reports and information in reference to the reported matter shall be examined and analyzed objectively by the Institute's Ethics Committee, which will determine an approach, disciplinary measures and corresponding actions.

ARTICLE VII 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.



Know your Client Form – Legal Person

In compliance with the provisions of the Policy for the Prevention of Money Laundering and the Financing of Terrorism, Article V-Compliance, Section A, issued by the Inter-American Institute for Cooperation on Agriculture (IICA), the following information is required (please complete all compulsory fields):

1. INFORMATION ON THE COMPANY / ENTITY									
Company Name					Legal Identification			Taxpayer Registration Number (TRN) / Taxpayer Identification Number	
Permanent address									
Country	Province/State/Department	City	Street	Other indications					
Telephone ()	Number of direct employees	Economic Activity of Legal Person							
Website	Email	Primary activity		Commercial activity conducted or offered to IICA			Consultancy <input type="checkbox"/>		
		Secondary activity		Sale of services <input type="checkbox"/>		Sale of goods <input type="checkbox"/>		Other <i>specify</i>	
Other activities									
Shareholders of the Company / Entity (if necessary, list separately)									
Full name		Identification number		% of Shares	%	Telephone	()	Email	
Full name		Identification number		% of Shares	%	Telephone	()	Email	
Full name		Identification number		% of Shares	%	Telephone	()	Email	
Full name		Identification number		% of Shares	%	Telephone	()	Email	
Contact person(s) within the company									
Full name		Position		Telephone		Email			
Full name		Position		Telephone		Email			
2. INFORMATION ON THE LEGAL REPRESENTATIVE									
Full name			Surnames(s)			Identification number		Taxpayer Registration Number (TRN) / Taxpayer Identification Number	
Country and city of birth		Date of birth <i>month / day / year</i>	Nationality	Home telephone number ()	Mobile phone ()	Email			
Permanent address									
Country	Province/State/Department	City	Street	Other indications					
Profession or title				Position in the Company / Entity represented					
3. ECONOMIC DATA ON THE COMPANY / ENTITY									
STATUS AS AT THE DATE OF THE PRESENT FORM									
Total Assets <i>USD</i>		Total Liabilities <i>USD</i>		Net Worth <i>USD</i>		Total Income <i>USD</i>		Total Expenditures <i>USD</i>	
DETAILS OF ACCOUNTS AND INVESTMENTS HELD BY THE COMPANY / ENTITY IN THE FINANCIAL SYSTEM									
Name of banking or financial institution			Country (permanent domicile of the banking or financial institution)			Type of Account or Investment			
						Bank account ()		Investment account ()	
						Bank account ()		Investment account ()	
						Bank account ()		Investment account ()	
4. BUSINESS REFERENCES OF THE COMPANY / ENTITY									
Name of Company / Entity		Country (permanent domicile of the Company / Entity)		Telephone		Type of business relationship			
				()					
				()					
				()					
				()					
<p>I, the undersigned, declare under oath that this information is accurate, correct and true. I accept that this information may be read and reviewed by the competent authorities at the Inter-American Institute for Cooperation on Agriculture(IICA), and may be used for all legal purposes, as required. I also certify and declare that the business operations conducted by the entity that I represent are derived from licit activities and are therefore not the proceeds of any illegal activity deriving from the services provided by said entity for the sale of services, goods, consultancy services or any other indicated in the present form, and are in keeping with the Policy for the Prevention of Money Laundering and Financing of Terrorism and the Anti-fraud and Anti-corruption Policy. I declare and accept that the Company/Entity that I represent rejects all forms of child labor and human trafficking, and hereby authorizes the Inter-American Institute for Cooperation on Agriculture to carry out the relevant checks and verifications as appropriate, by any legal means necessary and in compliance with IICA's Personal Data Protection Policy.</p>									
Name: _____									
Position: _____									
Date: _____ <i>dd/mm/yyyy</i>									
Signature _____									



Know your Client Form – Natural Person

In compliance with the provisions of the Policy for the Prevention of Money Laundering and the Financing of Terrorism, Article V-Compliance, Section A, issued by the Inter-American Institute for Cooperation on Agriculture (IICA), the following information is required (please complete all compulsory fields):

1. INFORMATION ON NATURAL PERSON							
Full name		Surnames		Identification number		Taxpayer Registration Number (TRN) / Taxpayer Identification Number	
Country and city of birth		Date of birth <i>month/day/year</i>	Nationality	Home telephone ()	Mobile telephone ()	Email	
Permanent address							
Country	Province/State/Department	City		Street	Other indications		
Profession or title			Duration of time in profession or post				
2. ECONOMIC ACTIVITY OF LEGAL PERSON							
Primary activity							
Secondary activity		Commercial activity conducted or offered to IICA				Consultancy <input type="checkbox"/>	
Other activities		Sale of Services <input type="checkbox"/>		Sale of Goods <input type="checkbox"/>		Other <i>specify</i>	
Address of economic activity							
Country	Province/State/Department	City		Street	Other indications		
3. ECONOMIC DATA ON THE NATURAL PERSON							
STATUS AS AT THE DATE OF THE PRESENT FORM							
Total Assets <i>USD</i>		Total Liabilities <i>USD</i>		Net Worth <i>USD</i>		Total Income <i>USD</i>	
						Total Expenditures <i>USD</i>	
DETAILS OF ACCOUNTS HELD AND INVESTMENTS MADE BY THE NATURAL PERSON IN THE FINANCIAL SYSTEM							
Name of banking or financial institution			Country (permanent domicile of the banking or financial institution)		Type of account or investment		
					Bank account ()		Investment account ()
					Bank account ()		Investment account ()
					Bank account ()		Investment account ()
4. BUSINESS REFERENCES OF THE COMPANY / ENTITY OR NATURAL PERSON							
Name of Company / Entity or Natural Person		Country (permanent domicile of the Company / Entity or Natural Person)		Telephone	Type of Business Relationship		
				()			
				()			
				()			
				()			
<p>I, the undersigned, declare under oath that this information is accurate, correct and true. I accept that this information may be read and reviewed by the competent authorities at the Inter-American Institute for Cooperation on Agriculture (IICA), and may be used for all legal purposes, as required. I also certify and declare that the business operations I conducted are derived from licit activities and are therefore not the proceeds of any illegal activity deriving from the services I provide under the sale of services, goods, consultancy services or any other indicated in the present form, and are in keeping with the Policy for the Prevention of Money Laundering and Financing of Terrorism and the Anti-fraud and Anti-corruption Policy. I declare and accept that I reject all forms of child labor and human trafficking, and that I hereby authorize the Inter-American Institute for Cooperation on Agriculture to carry out the relevant checks and verifications as appropriate, by any legal means necessary and in compliance with IICA's Personal Data Protection Policy.</p> <p>Name: _____</p> <p>Date: _____ <i>day/month/year</i></p> <p>Signature _____</p>							

Guidelines for the application of the Know Your Client Form

1. Purpose of the Know Your Client Form

The Inter-American Institute for Cooperation on Agriculture (IICA) has established a Policy for the Prevention of Money Laundering and Financing of Terrorism, which is designed to strengthen mechanisms to facilitate transparency, as well as the detection and prevention of illicit activities (money laundering, trafficking of drugs or narcotics, smuggling of weapons, corruption, fraud, prostitution, extortion, piracy, financing of terrorism, concealment of sources of funding, among others) by suppliers of goods and services with which IICA has established a business relationship. To this end, IICA has incorporated a Know Your Client (KYC) Form into its Policies.

2. Scope and Application

Individuals or legal entities that are conducting business with IICA as suppliers of goods or services to the Institute, whether by way of a contract, delivery of various services or purchase orders, *inter alia*, shall be required to complete the KYC.

Specifically, completion of the KYC shall be required, in accordance with the following provisions:

- a. It shall apply to all legal entities that are supplying goods or services to IICA, whose invoices or contracts exceed USD 50,000 or its equivalent in the local currency. Similarly, it shall be required for individuals who are supplying goods or services to IICA, with invoices or contracts in excess of USD 50,000. In both instances, the KYC shall be completed prior to formalizing the business arrangement.
- b. The amounts indicated in section 2a above shall apply for individual business transactions. If the supplier has completed the KYC previously, there will be no need to complete it again prior to a new business transaction.
- c. When the total value of several business transactions for one supplier, over a one-year period, exceeds the amounts in section 2a, the supplier shall be required to complete the KYC Form prior to exceeding the indicated limits.
- d. The Form shall be completed only once by suppliers who are exceeding the purchase or contract values indicated in section 2a, provided that the KYC form was completed within the previous 3 (three) years. If not, the supplier shall be required to update the KYC.

3. Responsibilities

The responsibilities with respect to the application of the KYC, its analysis, custody, control and follow-up are outlined below:

- a. The Unit tasked with overseeing purchases and procurement at Headquarters and the Administration Office of the IICA Delegations in Member States shall be responsible for ensuring application of the KYC.
- b. Both entities shall be responsible for analyzing the information provided in the KYC and alerting the authorities of the Institute about any risk or doubt with respect to the legality of the resources of potential suppliers. This process shall also be documented.
- c. The Institute shall not engage in any business relationship with suppliers that provide information that may be questionable and that makes their activities subject to suspicion.
- d. The Institute commits to ensuring that all information collected is held in strict confidence. It shall also take and adopt the necessary measures to ensure the safety of this information, by preventing unauthorised access or use.
- e. The Unit tasked with overseeing purchases and procurement at Headquarters and the Administration Office of the IICA Delegations in Member States shall be responsible for the custody of the KYC after it has been duly completed by the suppliers.
- f. The Treasury at Headquarters and the Administration Office of the IICA Delegations in Member States shall keep a record of bank transfers undertaken for suppliers on an annual basis.
- g. The Internal Audit Unit at IICA shall be responsible for ensuring compliance with the application of the KYC and, as such, shall conduct an annual control and compliance review, after which it shall prepare a Report for submission to the Director General

4. Exceptions

The requirement to complete and update the KYC shall not apply to Consultants in the Advisory Group for the Hemispheric Programs, who are a select group of professionals, who are renowned at IICA for their extensive experience and technical excellence.

5. Updating

The KYC Form and its guidelines may be updated, at the discretion of the Director General, with a view to upholding the Institute's principles of transparency and accountability.