

ANTI MONEY LAUNDERING POLICY



Aiming Change for Tomorrow (ACT) International

[ACT INTERNATIONAL]

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Recommended by : Management Committee headed by CEO
Approved by : Board of Directors, ACT
Date of Approval : 29TH December 2025

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1. About the Organization:

ACT-International is a not-for-profit right based national organization focusing on women, youth, children and marginalized segments of society. The organization particularly works with disadvantaged segments of society to empower communities by building people's engagement, capacity and partnership focusing on women and children for a better tomorrow. The organization aims to develop partnerships and innovative programmes with the support of development actors to contribute in the efforts of "Aiming Change for Tomorrow".

ACT-International is registered as a non-profit organization under the Societies Registration Act, XXI of 1860.

1.1 Vision, Mission, Values

1.1.1 Vision

Aiming for the world of opportunities for a better tomorrow.

1.1.2 Mission

Empowering communities to recover, progress and advance by building peoples' engagement, capacity and partnership focusing women and children for a better tomorrow.

ACT-International pursues this mission through:

- Grassroots institutional development and networking with local civil society groups and organizations;
- Sustainable economic development that integrates livelihoods, education, health, infrastructure, environment, youth development, social cohesion and local leadership management;
- Child development that integrates child rights, protection and improvement of service provision to reduce neglect, abuse and exploitation;
- Partnerships with civil society and public sector organizations that promote harmony and cohesion amongst development partners, integration of development initiatives and accountability;
- Policy advocacy that integrates evidence-based research on socio-economic and political issues which are directly related to sustainable development of marginalized communities especially women and children;
- Emergency relief services and recovery and rehabilitation initiatives that assist people affected by conflict or disaster.

1.1.3 Our Core Values

- ACT-International’s mission and humanitarian values impel it to act for a better tomorrow
- Participation for attaining ownership that leads to community empowerment
- Transparency for making humanitarian action accountable to stakeholders.

2. Justification for Anti Money Laundering Policy:

ACT-International has been serving the vulnerable communities across length and breadth of Pakistan. Over the last thirteen years the organization has served ~5 million people by investing around 13 million US dollars received in funding from diverse sources of donors, such as UN agencies and others.

With a sizeable portfolio of current programmes and more in the pipeline, ACT-International is vulnerable to misuse for money laundering (ML) and terrorist financing (TF), facing legal compliance (FATF/SECP mandates), reputational risks, and potential funding disruption. The Anti Money Laundering (AML) policy aims to protect ACT-International from being exploited by illicit actors, safeguard the integrity of the organization, and ensure it meets national and international standards, preventing severe penalties like asset freezes or operational bans.

In addition, Pakistan's regulators (like SECP and NACTA) mandate AML/CFT guidelines for Non-Profit Organizations (NPOs), based on FATF recommendations¹, to prevent abuse. The Banks and financial institutions, such as State Bank of Pakistan, screen NGOs for AML compliance, and non-compliance can lead to frozen accounts or refused services.

3. Purpose and Scope of the AML Policy:

ACT-International takes a zero-tolerance approach to money laundering and terrorist financing activities and is committed to implementing and enforcing effective internal controls to counter such activities. This policy is to apply at a minimum the standards set out in this Policy.

The purpose of this Policy is to set out the responsibilities of ACT-International and its Board members and all staff working for the organization, be it on a paid or voluntary basis with respect to observing, complying with, and upholding policy’s constituents on AML and TF. It’s also the purpose to provide information and guidance to all individuals associated with ACT-International on the money laundering and terrorist financing risks arising in relation to organization’s

¹ <https://nacta.gov.pk/wp-content/uploads/2018/09/NPO-AML-CFT-Guidelines-web-version.pdf>

activities, its due diligence procedures, and how to recognize and deal with any potential money laundering and terrorist financing issues, if they arise.

The laws and regulations applicable on the ACT-International include, but are not limited to, the following:

- a. AML/ CFT Guidelines for Non-Profit Organization (NPOs)
- b. Anti-Money Laundering Act, 2010;
- c. Anti-Terrorism Act, 1997;
- d. Companies Act, 2017;
- e. Associations with Charitable and Not for Profit Objects Regulations, 2018;
- f. Income Tax Ordinance, 2001;
- g. Prevention of Electronic Crimes Act, 2016.

This Policy applies to all individuals associated with ACT-International, including those working with it on a purely voluntary basis, and to the vendors/contractors of the organization. ACT-International will terminate its relationship with any individuals or entity who fail to comply with this Policy.

This Policy is subject to amendment from time to time to reflect updates to the national and international laws and regulations on which it is based.

4. Definition of Money Laundering:

“Money Laundering”, also referred to as “ML”, is the movement of cash or other assets generated from illegal activities through legitimate financial institutions or businesses to conceal the source of the funds or make it appear that the source of funds is, in fact, legitimate. A closely related issue is the channeling of funds to support illegal activities (e.g. terrorism).

4.1 Types of Money Laundering Transaction

Money Laundering Transactions may include, but are not limited to, the following:

- Giving advice to a potential or existing client, employee or officer on how to structure a transaction to avoid reporting and/or record keeping requirements;
- Engaging in any activity designed with an intention to hide the nature, location, source, ownership or control of proceeds of criminal activity;
- Engaging in any activity while willfully or recklessly disregarding the source of the funds or the nature of the clients’ transaction;
- Dealing in funds to facilitate criminal activity; or

- Dealing in the proceeds of criminal activity.

Money laundering may also involve the proceeds of drug dealings, terrorist activities, arms dealings, mail fraud, bank fraud, wire fraud or securities fraud, among other activities.

- **“Terrorist financing”** or “TF”, generally refers to carrying out transactions involving funds that may or may not be owned by terrorist, or that have been, or are intended to be, and used to assist the commission of terrorism;
- **“Beneficiary”**, for the purpose of this policy, means any entity or individual with whom a transaction or benefit is effected through any means of ACT-International;
- **“CDD”** means “Client Due Diligence”. This includes “SDD”, which means “Standard/Simplified Due Diligence” and “EDD”, which means “Enhanced Due Diligence”;
- **“RM Framework”** means ACT-International’s Risk Management Policy Framework, developed for effective management of the risks involved in all of ACT-International’s activities;
- **“Financial Action Task Force (FATF)”** is an intergovernmental organization founded in 1989 on the initiative of the G7 Countries with an objective to develop and promote policies and protocols at both national and international level to protect the global financial system against money laundering, terrorist financing and other related matters.

5. General Controls to Prevent ML and TF

This AML/CFT framework is approved by the Board and forms part of overall organizational governance. ACT- International is required to establish and maintain a sound system to prevent, detect & report money laundering. It is the responsibility of the ACT- International management to ensure that adequate systems are in place to prevent and report ML and TF incidents. General controls that may be used to prevent money laundering may be as follows:

- To put in place the policy and to ensure continuing compliance with the policy and the rules & regulations. Guidance should be given to employees in respect of the understanding and interpretation of the policy by ACT-International.
- To appoint a Compliance Officer (CO), who is directly reporting to the CEO. Provide training to the CO to enable him to understand his/her roles and responsibilities and to perform their duties properly.
- To establish / enhance record keeping systems for all transactions & the verification of client’s’ identity;
- To establish internal suspicion reporting procedures (Annexure 1);
- To educate and train all staff, including the CO, with the main requirements of the applicable AML/CFT rules & regulations.

6. Specific Controls to Prevent ML and TF:

6.1 The Three Lines of Defense:

ACT-International should establish the following mechanisms for countering Money Laundering & Terror Financing:

- The First line of defense is the employees and officers. Every officer and employee of ACT-International should know and carry out the AML/CFT due diligence procedures stated in the policy. Clear guidance in writing should be communicated to all employees in order to further elaborate the process. Every employee should be familiar with the internal suspicion reporting procedures (Annexure 1) for detecting, monitoring & reporting suspicious transactions;
- The CEO should be responsible for ensuring that there is robust governance, risk management and internal control arrangements across the whole organization. The CEO should be supported by the Board, in ensuring that policies and procedures are put in place and are communicated to the employees.
- Second line activities are associated with oversight of the management activity through Compliance Officer (CO). The Board should appoint a suitably qualified and experienced person as CO, independent from the management, who is fit and proper to meet the criteria of position and authority and ability to oversee the effectiveness of ACT-International's AML/CFT policy, compliance with applicable laws & regulations and directives, implementation of compliance programme and provide guidance in day to day operations relating to AML/ CFT policies and procedures.

- The CO must have the authority & ability to oversee the effectiveness of AML/CFT systems, compliance with applicable laws and legislation and provide guidance with day-to-day operations of the policy and the related procedures. The primary responsibilities of the CO are listed in Annexure 2.
- Audit Review and Compliance Dept. shall be the third line of defense, which shall conduct periodically independent AML/CFT regulatory compliance audits and reviews as per its management plan under the Risk Management policy/framework. Such audits should be based on the nature, size, complexity and risks identified during the risk assessments. The report of the ARC Dept. should be sent to Board Audit and Finance Committee for review and presented to the Board on periodic basis.
- The objective of these audits and reviews shall be to evaluate the effectiveness and adequacy of internal policies and procedures including compliance with AML/CFT and overall adequacy, integrity and effectiveness of systems.

7. Client Identification:

ACT-International's anti-money laundering policies and procedures are intended to ensure that, prior to establishing any business relationship all reasonable and practical measures are taken to confirm the client identities; the client may be an NGO, a donor, a contractor, or an individual consultant. In case ACT-International appoints a third party for client identification, ACT-International should verify that the third party, such as an accounting firm, a bank and other financial intermediary, or any other third party adheres to the same standards.

ACT-International's client identification procedures are based on the premise that ACT-International will sign a new contract or renew the old one only after:

- ACT-International has confirmed the contractor's identity and that the contractor is acting as a principal and not for the benefit of any third party, unless specific disclosure to that effect is made; or
- If the contractor is acting on behalf of others, ACT-International has to confirm the identities of the underlying third parties.
- A contractor 'Know Your Client' (KYC) checklist is to be used (Annexure 3). The Checklist should be filled by the relevant person at the initial stage, prior to establishing the business relationship. Employees are encouraged to provide the CO with any revision they consider appropriate. The filled KYC checklist should be forwarded to CO by the relevant person for risk assessment.

The CO shall retain copies of all documents reviewed or checklists completed in connection with its KYC procedures in accordance with ACT-International's record retention practice, however not less than 5 years.

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7.1 Risk Assessment:

- The CO should be responsible for the risk assessment process. The CO shall, before determining the level of overall risk and the appropriate level and type of mitigation to be applied, consider all the relevant risk factors, such as geography, products and services, delivery channels, types of customers, or jurisdictions within which or its customers do business.
- The risk in the client relationship should be assessed through identification of the risk factors. Client relationships should be classified with respect to their ML/TF risk categories i.e. High and Low to be determined through customer risk profiling performed through KYC to take informed decision regarding whether to initiate Simplified or Enhanced Due Diligence.
- In the case of some very high-risk situations, which are outside the ACT-International's risk tolerance, ACT-International may decide not to accept the contract or may exit from an existing relationship. In addition, the effectiveness of the risk mitigation procedures and controls, and identify areas for improvement, where needed.

7.2 Risk Factors:

Risk should be assessed according to the factors identified by the ACT-International. Examples and factors of low risk level of ML/FT in the specific case are listed in Annexure 4.

In making the assessment, relevant persons must bear in mind that the presence of one or more risk factors may not always indicate that there is a low risk of money laundering and terrorist financing in a particular situation.

Factors that may indicate high risk of ML/FT that require for an increased scrutiny for AML/CFT purposes are listed in Annexure 5.

7.3 Simplified Due Diligence Procedures:

ACT-International may conduct Standard/Simplified Due Diligence (SDD) in case the level of risk assigned to the contractor in the KYC checklist is low. Where ACT-International decides to take SDD measures on a contractor, it should document the full rationale behind such decision and make available that documentation to the relevant government authorities on request.

Where the CO is satisfied that the contractor falls under SDD criteria, then the only requirement is to verify contractor's identification using the KYC Checklist (Annexure 6). However, the CO must not continue to apply SDD measures:

- if it doubts the veracity or accuracy of any documents or information previously obtained for the purposes of identification or verification;
- if its risk assessment changes and it no longer considers that there is a low degree of risk of money laundering and terrorist financing;
- if it suspects money laundering or terrorist financing.

7.4 Enhanced Due Diligence Procedures:

Where the CO has assessed High risk from the KYC checklist, CO should undertake Enhanced Due Diligence Procedures in order to mitigate the risk (Annexure 7).

The CO may differentiate the extent of EDD procedures, depending on the type and level of risk for the various risk factors. The enhanced due diligence procedures undertaken with respect to 'high risk' contractors must be thoroughly documented in writing, along with the results of the procedures and the basis of the conclusion reached.

7.5 Approval of Contracts with High Risk Contractors:

When EDD measures has been applied due to higher risk assessed in a certain business relationship, such business relationship should not be established unless prior approval has been obtained from the CEO. The Board of the organization must be notified before any high-risk relationship is made.

7.6 Know Your Clients:

- Before receiving funds from a sponsor, CO must establish that the donor/sponsor/partner NGO/contractor/individual is not placed on the United Nations' Security Council's list of persons who are linked to terrorist financing or against whom a ban, sanction or embargo subsists, which can be accessed through footnoted link². This should be further reinforced by referring the list of proscribed persons and entities maintained by NACTA³, SRO of ministry of foreign affairs,⁴ and financial monitoring unit of the government of Pakistan⁵. As these lists are live list, it's recommended to use the footnoted links.

² <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

³ <https://nfs.nacta.gov.pk/>

⁴ <https://sro.mofa.gov.pk/sro-details/102>

⁵ <https://www.fmu.gov.pk/>

- CO shall undertake best efforts to document the identity of their significant sponsor. CO must collect and maintain record or correct and complete identification particulars of major sponsors.
- CO shall conduct, on a risk-based approach, a reasonable search of public information, including information available on the Internet, to determine whether the donor or their key employees, board members or other senior managerial staff are suspected of being involved in activities relating to terrorism, including terrorist financing.

7.7 Politically Exposed Persons (PEPs):

Business relationships with persons holding important public positions and with individuals or companies associated to them, whether domestic or international, may expose ACT-International to high reputational and/or legal risk. The risk occurs when public power is abused by such persons for either their own personal benefit and/or benefit of others through illegal activities such as the receipt of bribes or fraud.

ACT-International is encouraged to be vigilant in relation to PEPs from all jurisdictions, who are seeking to establish business relationships. ACT-International should, in relation to PEPs, in addition to performing normal EDD measures, must conduct ongoing monitoring of the business relationship with PEPs.

7.8 Client's Record Retention:

Copies of all documents should be retained for at least five (5) years according to the ACT-International retention practice, which may be kept well secured in paper, digital or both forms. This should include copies of documents reviewed in connection with KYC checklist and enhanced due diligence procedures.

ACT-International should maintain, for at least 5 years after termination, all necessary records on transactions to be able to comply swiftly with information requests from the competent authorities. Such record should be sufficient to permit the reconstruction of individual transactions, to provide, if necessary, evidence for prosecution of criminal activity.

7.9 Review of Existing Client Base:

The CO shall coordinate a periodic review of the ACT-International's existing client list and ensure the adequacy of due diligence performed on existing clients i.e. NGO partners, donors, service contractors/vendors.

In addition, ACT-International's policies, procedures and controls should provide for the detection of suspicious activity, and if detected may require further review to determine whether the activity is suspicious.

ACT-International shall be vigilant for any significant changes or inconsistencies in the pattern of transactions. Inconsistency is measured against the stated original purpose of the accounts. Possible areas to monitor could be transaction type, frequency, amount, geographical origin/destination, account signatories, parties behind the contract, change in requirements of the Contractor.

8. Confidentiality:

Management, employees and others working on behalf of ACT-International must ensure that neither the contractors nor another unauthorized party receives knowledge that a report as referred to a competent authority or that an investigation due to suspected money laundering has been initiated.

Furthermore, the same parties should not inform the contractor/donor/NGO/vendor, or indicate to them, by any means that the transaction is the object of an investigation following a report from another party, so that they become aware of such an investigation. Any violation with regard to confidentiality, may result in disciplinary action against the violator.

8.1 Organizational Responsibility:

ACT-International shall ensure that information as to what employee reported a client's suspicious transaction is kept secret and the employee's name shall not be disclosed, for instance, in reports to the relevant authority unless there is a critical reason for so doing.

In such case, the ACT-International must also take necessary measures to protect those employees involved in the report on the customer's transaction against threats or hostile actions by clients following such reports.

9. Internal Controls:

ACT-International is expected to have systems and controls that are comprehensive and proportionate to the nature, scale and complexity of its activities and the ML/TF risks that are identified.

ACT-International should, on a regular basis, conduct an AML/CFT audit to independently evaluate the effectiveness of compliance with AML/CFT policies and procedures. The frequency of the audit should be commensurate with ACT-International's nature, size, complexity, and risks identified during the risk assessments.

9.1 Outsourcing:

ACT-International shall conduct the due diligence on the proposed Contractor to whom it intends to outsource as appropriate and ensure that the contractor is fit and proper to perform the activity that is being outsourced, and that the Contractor is fully aware of ACT-International's AML Policy.

ACT-International shall ensure that the outsourcing agreement requires Contractors to file a suspicious transaction report (STR) with the FMU in case of suspicions arising in the course of performing the outsourced activity.

9.2 Employee Screening:

ACT-International should maintain adequate policies and procedures to screen prospective and existing employees. The extent of employee screening should be proportionate to the potential risk associated with ML/TF in relation to the business in general, and to the particular risks associated with the individual positions.

9.3 AML Employee Training Program

To ensure the continued adherence to ACT-International's anti-money laundering policies and procedures, all employees are expected to be fully aware of ACT-International's AML policy and procedures and to reconfirm their awareness of the contents of this document by signing the acknowledgement form annually, or more frequently, as required by the CO.

10. Review:

The Internal Auditor and the CO shall be responsible for keeping this document updated from time to time, for instance, as a result of the changes in regulatory framework and etc. This policy in its entirety shall be reviewed at least annually and updated, if necessary, and approved by the Board of Directors.

11. Effective Date

The AML/CFT Policy will be effective from the date of its approval by the Board of Directors i.e. January 1, 2026.

Annexures

Annexure 1- Internal suspicion reporting procedures:

Internal suspicion reporting procedures are described below:

a. Reporting to the Compliance Officer

All suspicious transactions attempt to conclude such transactions or suspicious behavior by any one internal to ACT-International or clients should be reported to the CO immediately. This may include:

- Information provided by the staff or contractor which is considered not to be credible;
- Transactions are unusual, very extensive or complicated, having regard to the person/entity's normal activities.

b. Reporting to the Board

The CO shall be responsible for having all the circumstances of such internal person or clients carefully examined and the results of this examination reported to the Board depending on the severity of the circumstances. On the other hand, if there are no grounds for such a report, the outcome of the report by the CO shall be preserved.

c. Reporting to the Relevant Authorities

In case transactions with the parties including donors appear unusual or suspicious, regardless of the amount involved and whether or not made in cash, the Board consider issuing suspicious transaction report (STR). In addition, transactions which give rise to a reasonable ground of suspicion that they may involve financing of activities relating to terrorism, shall also be reported to the Financial Monitoring Unit (FMU) at <http://www.fmu.gov.pk/contactus.html> in addition to other relevant government authorities.

Annexure 2- Primary Responsibilities of the CO:

The Primary responsibilities of CO includes, but are not limited to, the following:

- Effective compliance with the relevant provisions of AML/CFT Regulations, the AML Act & Rules, and other directions and guidelines issued and as amended from time to time, ensuring that the internal policies, procedures and controls for prevention of ML/TF are approved by the Board of Directors and are effectively implemented;
- Reporting directly and periodically to the Board of Directors;
- Monitoring, reviewing and updating AML/CFT policies and procedures;
- Providing assistance in compliance to other departments of PSDF;
- Responding promptly to requests for information by the relevant government authorities;
- Maintaining sufficient resources (including time and staff) and access to all information necessary to perform the AML/CFT compliance function;
- Ensuring regular audits of the AML/CFT activities;
- CO should provide necessary training and orientation, in collaboration with the HR Department, to the employees in respect of the policy and the procedures and their responsibilities in respect of the policy. CO should inform the potential risks and its implication on ACT-International and on them as well. CO should also inform the employees about all the laws and regulations applicable on them and on ACT-International. CO should maintain records evidencing such training;
- Receiving and reviewing any reports of suspicious activity from Employees and determining whether any suspicious activity as reported by an employee warrants reporting to CEO;
- Coordinating enhanced due diligence procedures regarding clients, and responding to both internal and external inquiries regarding ACT-International's anti- money laundering policies and procedures;
- Maintaining various logs, as necessary, which should include logs with respect to declined business, politically exposed person ('PEPs'), and requests from government authorities particularly in relation to investigations; and
- Such other responsibilities as may be deemed necessary in order to ensure compliance with AML/CFT regulations.

Annexure 3- Know Your Customer (KYC) Checklist

For Individual Contractor

D	D	M	M	Y	Y	Y	Y	Y

Office: HQ _____ Field Office _____

Business Relationship: _____

Name: (in block letter as per CNIC)

Address:

D	D	M	M	Y	Y

Date of Birth:

Gender: Male ___ Female ___ Others ___

VERIFICATIONS

ID Document Type: CNIC NICOP Passport

Document #: _____

Document Issue date: _____ Expiry date:

Source of Income: Salaried Individual _____ Non-Salaried _____

Non-Salaried, please specify the source of income: _____

Other Details (Please write in block letters)

Father's/ Spouse Name		Country Of residence	
--------------------------------------	--	---------------------------------	--

Mother's Name		Telephone Number	
NTN of the Contractor		Email Address	

Nationality	Pakistani _____ Others _____	Fax Number (if any)	
Marital Status	Single _____ Married _____ Divorced _____	Any present or past affiliation with the Government	
Occupation			

Declaration from the Contractor:

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Contractor's Signature/Thumb: _____

Date: _____

FOR OFFICE USE ONLY – Relevant Programme/Business Officer

Copies of required documents obtained from contractor? Yes ____ No ____

Signature of the relevant Officer: _____

Name and designation of the relevant Officer: _____

FOR OFFICE USE ONLY – Compliance Officer

PROFILE OF CONTRACTOR

Politically Exposed Person _____ Banks/financial institutions _____ Forex /real estate or travel agent _____

Other _____

Copies of identity documents obtained? Yes _____ No _____

(For salaried person, in addition to identity documents, a copy of his/her service card or letter head of employer obtained?)

Verification:

UN Sanction List: Yes _____ No _____

Comments in case of No _____

NACTA List: Yes _____ No _____

Comments in case of No _____

CDD/KYC Category: Low Risk _____ High Risk _____

Brief Comment on the basis of risk assessment:

I certify that all information and documentation required as per AML/CFT regulations have been obtained and identity verifications and sanction screening from relevant websites has been performed and found satisfactory.

Signature of Compliance Officer _____

Name of the Compliance Officer _____

For Corporate Contractors

D	D	M	M	Y	Y	Y	Y	Y	Y

Office: HQ _____ Field Office _____

Business Relationship: _____

Company/Organization Name: (in block letter per Certificate of Registration with by SECP etc.)	
Company/Organization address:	
Company/Organization's National Tax Number (NTN):	
Contact Number:	

CUSTOMER CATEGORY

<input type="checkbox"/> Sole proprietor	<input type="checkbox"/> AOP/Partnership	<input type="checkbox"/> Private Ltd Company
<input type="checkbox"/> Public Listed Co.	<input type="checkbox"/> Public Sector Co.	<input type="checkbox"/> Government Org.
<input type="checkbox"/> Multinational Co	<input type="checkbox"/> Autonomous body	<input type="checkbox"/> NGO, Trust, Welfare/Coop Society
<input type="checkbox"/> Others (specify) ____		

INDUSTRY TYPE/LINE OF BUSINESS

<input type="checkbox"/> Bank	<input type="checkbox"/> Power & Energy/Oil &	<input type="checkbox"/> Trading/Manufacturing
<input type="checkbox"/> Services	<input type="checkbox"/> Gas Real Estate	<input type="checkbox"/> Others (Please specifv)

IDENTITY INFORMATION OF ALL DIRECTORS/PARTNERS/TRUSTEES, ETC.

Name	Identity Document (CNIC/SNIC/NICOP/PASSPORT)	c No.	Issue Date (DD/MM/YYYY)	Expiry Date (DD/MM/YYYY)

BENEFICIAL OWNERSHIP (Natural or legal person(s) who ultimately own or control the company/org)

Name	Identity Document (CNIC/SNIC/NICOP/PASSPORT)	Doc No.	Issue Date (DD/MM/YYYY)	Expiry Date (DD/MM/YYYY)

Declaration from the Head of Company:

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Date (DD/MM/YYYY)

Signature/ Thumb Impression

FOR OFFICE USE ONLY – Relevant Programme/Business Officer

Copies of required documents obtained from the org? Yes ____ No ____

Signature of the relevant Officer: _____

Name and designation of the relevant Officer: _____

FOR OFFICE USE ONLY – Compliance Officer

Identity verification of the company, its owners, Trustee, BoD etc

UN Sanction Lists screening	<input type="checkbox"/> Yes	<input type="checkbox"/> No	____ (Comments in case of No)
NACTA screening	<input type="checkbox"/> Yes	<input type="checkbox"/> No	____ (Comments in case of No)
NTN verification	<input type="checkbox"/> Yes	<input type="checkbox"/>	____ (Comments in case of No)

CUSTOMER RISK CATEGORY

CDD/KYC Risk Category Low Risk	<input type="checkbox"/>	High Risk	<input type="checkbox"/>
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Brief comment on the basis of the risk assessment:

I certify that all information and documentation required as per AML/CFT Regulations have been obtained and identity verifications and sanction screening from relevant websites has been performed and found satisfactory.

Signature of Compliance Officer _____

Name of the Compliance Officer _____

Annexure 4- Factors indicating Low Risk Level of ML/FT

The factors indicating low risk of ML/CT includes, among other things:

- a. contractor risk factors, including but not limited to, where the contractor is:
 - an individual resident in a geographical area of lower risk;
 - a credit institution or a financial institution;
 - a company whose securities are listed on a stock exchange.

- b. product, service, transaction or delivery channel risk factors, including whether the product or service is:
 - a life insurance policy for which the premium is low or a pension scheme which does not provide for an early surrender option, and cannot be used as collateral;
 - a pension or similar scheme which satisfies the following conditions:
 - the scheme provides retirement benefits to employees;
 - contributions to the scheme are made by way of deductions from wages; and
 - the scheme rules do not permit the assignment of a member's interest under the scheme;
 - a product where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership;

- c. geographical risk factors, including whether the country where the customer is resident, established or registered or in which it operates is:
 - a European Economy Area (EEA) state;
 - a third country which has effective systems to counter money laundering and terrorist financing;
 - a third country identified by credible sources as having a low level of corruption or other criminal activity, such as terrorism, money laundering, and the production;
 - a third country which, on the basis of credible sources, such as evaluations, detailed assessment reports or published follow-up reports published by the Financial Action Task Force, the International Monetary Fund, the World Bank, the Organization for Economic Co-operation and Development or other international bodies or nongovernmental organizations;
 - has requirements to counter money laundering and terrorist financing that are consistent with the revised recommendations published by the Financial Action Task Force from time to time and as update; and
 - effectively implements those recommendations.

Annexure 5- Factors indicating High Risk Level of ML/FT

Factors indicating high risk of ML/FT in a Contractor includes, but are not limited to, the following:

- a political figure, any member of a political figure's immediate family, and any close associate of a political figure;
- any contractor who gives the CO any reason to believe that its funds originate from, or are routed through, an account maintained at an "offshore bank" or a bank organized or chartered under the laws of a Non-Cooperative jurisdiction;
- Any contractor who gives the CO any reason to believe that the source of its funds may not be legitimate or may aid terrorist activities;
- Donation received from unidentifiable or suspicious source or through unusual payment mechanism or any other factor that would increase the risk in sponsors organizations;
- Fake or suspicious identity documents of the beneficiaries or employees identified or beneficiaries or employees with identical characteristics and addresses or multiple identical or similar names and signatures;

Annexure 6: Documents required for KYC Checklist

Customer Type	Documents	Documents obtained	
		YES	NO
Sole proprietorship	Copies of ID documents (CNIC, SNIC, NICOP, Passport, etc.)		
	Copy of registration certificate		
	Copy of certificate or proof of membership of trade bodies (if applicable)		
	Declaration of sole proprietorship on business letter head		
Partnership	Copies of ID documents of all partners		
	Copy of Partnership deed		
	Copy of Registration Certificate with Registrar of firms. In case the unregistered partnership, this shall be mentioned above in customer category		
	Authority letter from all partners, in original, authorizing the person(s) to execute the contracts		
Companies/ Corporations	Copies of ID documents of all Directors		
	Copy of Board of Directors (BoD) resolution specifying the person(s) authorized to sign insurance contracts		
	Memorandum and Articles of Association		
	Certificate of Incorporation		
	Certificate of Commencement of Business (for public companies)		
	Copy of 'Form-A/Form-B, & Form 29		
Multinational/ Foreign Companies or Branch/Liaison office of Foreign Company	Copies of ID documents of all Directors/country managers, etc. along with particulars of all such persons on Company's letterhead		
	Authority letter from principal office authorizing the person(s) to execute insurance contracts		
	A copy of permission letter from relevant authority		
NGOs/NPOs/ Charities, Trust, Societies, etc.	Copy of certificate of registration/incorporation, instrument of Trust, etc.		
	Copy of by-laws/rules & regulations		
	Resolution of the Governing Body/Board of Trustees/Executive Committee, etc. authorizing person(s) to execute contracts		
	Copies of ID documents of the authorized person(s) above and of the members of Governing Body/Board of Trustees /Executive Committee, etc.		
	Other documents as deemed necessary including annual accounts/ financial statements which may help to ascertain the detail of activities, sources and usage of funds in order to assess the risk profile of the organization		

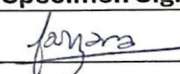



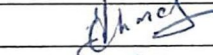

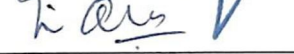

Annexure 7- Enhanced Due Diligence Procedures

Enhanced Client Identification Procedures for 'high risk' Contractor includes, but are not limited to, the following:

- Assessing the Contractor's business reputation through review of financial or professional references, generally available media reports or by other means;
- Considering the source of the Contractor and Principal's wealth, including the economic activities that generated the wealth and the source of the particular funds;
- Reviewing generally available public information, such as media reports, to determine whether the contractor has been the subject of any criminal or civil enforcement action based on violations of anti-money laundering laws or regulations or any investigation, indictment, conviction or civil enforcement action relating to financing of terrorists;
- Conducting visits and a face-to-face meeting with the Contractors' management to discuss/confirm the proposed trainings;
- Identifying & verifying the Contractor's beneficial owner (s) to ensure that ACT-International understands who the ultimate beneficial owner is;
- Assessing and ensuring that the nature and purpose are in line with its expectations and use the information as a basis for ongoing monitoring.

This policy is prepared by Mr. Zulfiqar Rao (Consultant), recommended by Management Committee headed by CEO and approved by board of directors of ACT on dated 29th December 2025.

Duly signed by Board of Directors

Sr. No	Name	Status	CNIC	Specimen Signature
1.	Farzana Yaqoob	Chairperson	37405-5480398-2	
2.	Prof. Farkhanda Aurangzaib	Member	54400-4895286-0	
3.	Dr. Bushra Aizaz	Member	82203-1135528-6	
4.	Mr. Muhammad Javid Malik	Member	61101-0488964-3	
5.	Dr. Haris Ahmed	Member	37405-4202234-3	
6.	Dr. Zaineb Hafeez	Member	37301-3531962-6	
7.	Brigadier (Rtd.) Hamid Abdullah	Member	35201-2031694-9	
8.	Mr. Mubashar Nabi	Founder President/Member	61101-9146195-7	

For record and necessary action to Manager HR.