



Uttaran

Uttaran

Anti-Terrorism and Combating the Financing of Terrorism Policy

Community Mobilization

Poverty Eradication

Environmental Justice

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01	Date: November,2023 Approved by on behalf of executive board	Shahidul Islam Sarder Md. Rezaul Karim Director Chairman
	Recommended by	Haridas Malakar, Coordinator (Accounts and Finance)
02	Date: January,2026 Approved by on behalf of executive board	Shahidul Islam Sarder Md. Rezaul Karim Director Chairman
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1. Purpose

This policy establishes a comprehensive, risk-based framework of governance, controls, and procedures to safeguard Uttaran from being misused directly or indirectly, knowingly or unknowingly for terrorism or the financing of terrorism. It is designed to protect the integrity of Uttaran's operations, ensure that all resources are used solely for legitimate and lawful purposes, and prevent the diversion or abuse of funds, assets, or services.

The policy ensures compliance with the laws of Bangladesh, donor and United Nations requirements, and applicable international standards, including the Financial Action Task Force (FATF) Recommendations, while applying proportionate controls that do not impede legitimate humanitarian and development activities.

In line with FATF guidance for non-profit organisations, the policy adopts a proportionate, risk-based approach that mitigates terrorist financing risks while preserving humanitarian access, neutrality, and the effective delivery of assistance to vulnerable communities.

2. Scope

This policy applies to the entire organizational ecosystem of Uttaran and covers all activities, relationships, and resources through which terrorist financing risks may arise. Specifically, it applies to:

- Uttaran's Board of Directors, senior management, employees, volunteers, interns, consultants, and any individuals acting on behalf of Uttaran;
- All programmes, projects, operations, and delivery modalities, including those implemented directly or through partners, contractors, vendors, sub-grantees, and other third parties;
- All beneficiaries, counterparties, and other external parties engaged in or connected to Uttaran's activities, consistent with a proportionate, risk-based approach;
- All financial and non-financial resources, including donor funds, public funds, private contributions, in-kind assistance, assets, and services, regardless of source, channel, or geography.

This scope is intended to ensure comprehensive coverage of terrorist financing risks across Uttaran's governance, operations, partnerships, and funding flows

3. Definitions

- **Terrorism**

This definition establishes the legal and ethical boundary Uttaran must never cross. It anchors the policy to national and international law and ensures the Board has a clear reference point for what constitutes prohibited conduct, regardless of political or contextual sensitivities.

- **Terrorist Financing (TF)**

Terrorist financing often occurs without visible violence and may involve small, indirect, or legitimate-looking transactions. This definition matters because it makes clear that


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intent or knowledge, not just outcomes, trigger liability and reputational risk for the organization.

- **Designated Person or Entity**

This term is central to sanctions compliance. It clarifies that Uttaran must not engage—directly or indirectly—with individuals or entities formally designated by competent authorities, and that asset freezing and engagement prohibitions apply immediately and without discretion.

- **Sanctions Lists**

Sanctions lists operationalize global and national counter-terrorism obligations. For the Board, this definition underscores that sanctions compliance is mandatory, time-sensitive, and non-negotiable, and that failure exposes Uttaran to legal, financial, and donor sanctions.

- **Politically Exposed Persons (PEPs)**

PEPs present heightened corruption and diversion risks. This definition matters because it justifies enhanced scrutiny at the governance level, ensuring the Board understands why additional controls are required even when individuals appear legitimate or influential.

- **Beneficial Owner**

Terrorist financing and sanctions evasion often rely on hidden ownership structures. This definition ensures the Board recognizes the importance of transparency beyond formal names, preventing misuse of shell entities, intermediaries, or front organizations.

- **Risk-Based Approach (RBA)**

The RBA allows Uttaran to focus controls where risks are highest without undermining humanitarian delivery. For the Board, this definition explains how compliance is balanced with effectiveness, and why proportionality is a core governance principle rather than a compliance loophole.

- **Non-Profit Organisation (NPO)**

FATF recognizes that NPOs can be misused despite legitimate purposes. This definition matters because it acknowledges sector-specific vulnerabilities while affirming Uttaran’s commitment to safeguards that do not obstruct lawful humanitarian work.

- **Suspicious Activity or Transaction**

This definition reinforces the Board’s duty of vigilance. It clarifies that risk management depends on early identification and escalation of concerns—even where proof is incomplete—thereby protecting the organization from inadvertent exposure.

4. Policy Statement

Uttaran adopts a strict zero-tolerance approach toward terrorism and the financing of terrorism. Under no circumstances shall Uttaran's funds, assets, services, or other resources be made available, directly or indirectly, to any individual or entity involved in terrorism, terrorist financing, or subject to applicable sanctions.

Uttaran is committed to implementing proportionate, risk-based controls to prevent the misuse or diversion of its resources. Any actual or suspected breach of this policy shall be promptly escalated, investigated, and addressed in accordance with legal, regulatory, and donor obligations.

5. Legal and Regulatory Framework

Uttaran complies with:

- Anti-Terrorism Act of Bangladesh (as amended)
- Money Laundering Prevention Act of Bangladesh (as amended)
- Bangladesh Financial Intelligence Unit (BFIU) directives (as applicable)
- United Nations Security Council sanctions
- Donor-specific anti-terrorism and sanctions compliance requirements (e.g., UN, EU, USAID, DFID/FCDO)
- Financial Action Task Force (FATF) Recommendations

6. Governance and Responsibilities

6.1 Board of Directors

The Board of Directors holds ultimate accountability for Uttaran's compliance with anti-terrorism and counter-terrorist financing obligations and shall:

- Approve this policy and provide strategic oversight of its implementation, effectiveness, and ongoing relevance, including periodic review and update;
- Ensure that terrorist financing risks are identified, assessed, and managed through a proportionate, risk-based approach, and that adequate resources are allocated to support effective compliance;
- Receive and review periodic reports on compliance status, material risks, incidents, and corrective actions, and provide direction as necessary.

6.2 Management

Senior Management is responsible for operationalising Board directives and shall:

- Implement this policy by establishing and maintaining effective procedures, controls, reporting mechanisms, and integrating terrorist financing risk management across operations, partnerships, and financial management;


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- Appoint and empower a suitably qualified Compliance Focal Point (CFP), ensure appropriate training and awareness for staff and partners, and allocate necessary resources to support compliance;
- Take prompt and appropriate corrective action in response to identified risks, weaknesses, or breaches, and report material matters to the Board.

6.3 Compliance Focal Point (CFP) The Compliance Focal Point shall serve as the central coordination point for counter-terrorist financing compliance and shall:

- Conduct and oversee sanctions screening, due diligence, risk assessments, and ongoing monitoring of transactions, partnerships, and activities, and maintain complete and auditable records;
- Promptly escalate suspected or actual violations or high-risk issues to Senior Management and, where legally or contractually required, to competent authorities and donors;
- Advise Senior Management on applicable obligations, emerging risk trends, and required mitigation or corrective measures.

6.4 Staff, Volunteers and Representatives

All personnel acting on behalf of Uttaran shall:

- Comply with this policy and related procedures, remain vigilant to terrorist financing risks relevant to their roles, and participate in required training;
- Promptly report any suspected or actual concerns through established reporting channels and cooperate fully with compliance reviews or investigations.

6.5 Partners, Contractors and Third Parties

All partners, vendors, contractors, sub-grantees, and other third parties engaged by Uttaran shall:

- Be subject to proportionate, risk-based due diligence and sanctions screening, and contractually commit to compliance with applicable anti-terrorism and counter-terrorist financing requirements;
- Cooperate with monitoring, audits, and information requests, and be subject to suspension or termination in the event of non-compliance or unacceptable risk.

7. Risk Assessment

Uttaran shall apply a structured, risk-based approach to identifying, assessing, and managing terrorist financing risks across all operations and relationships. In particular, Uttaran shall:

- Conduct periodic and event-driven terrorist financing risk assessments that consider geographic exposure, programmatic activities, delivery modalities, funding sources, partners, contractors, and beneficiary groups;


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- Classify risks by level and apply proportionate mitigation measures, including enhanced due diligence, controls, and monitoring in higher-risk contexts;
- Ensure that risk assessments inform programme design, funding modalities, and the scope and intensity of due diligence measures applied under **Section 8**;
- Document risk assessments and mitigation measures, and report material risks and changes in the risk environment to Senior Management and the Board;
- Review and update risk assessments regularly, and promptly following significant changes in operating context, legal requirements, or donor conditions.

8. Due Diligence and Screening

Uttaran shall apply proportionate, risk-based due diligence and screening measures to prevent the misuse or diversion of its resources for terrorism or terrorist financing. Such measures shall be documented, consistently applied, and subject to oversight.

8.1 Donors and Funding Sources

Uttaran shall:

- Verify the identity, legitimacy, and source of all funding and ensure compliance with applicable sanctions and legal requirements;
- Decline, suspend, or return funds from prohibited, sanctioned, or otherwise high-risk sources where risks cannot be adequately mitigated.

8.2 Partners, Vendors, and Contractors

Uttaran shall:

- Conduct risk-based due diligence prior to engagement, including assessment of ownership, governance, reputation, and capacity to comply with anti-terrorism requirements;
- Screen all relevant parties against applicable sanctions lists prior to contracting and periodically thereafter;
- Require contractual commitments to compliance and reserve the right to suspend or terminate engagements in the event of non-compliance or unacceptable risk.

8.3 Beneficiaries

Uttaran shall:

- Apply proportionate, context-appropriate beneficiary screening and verification measures based on assessed risk;
- Ensure that due diligence practices are non-discriminatory, do not impede humanitarian access, and are consistent with humanitarian principles, while meeting legal and donor obligations.


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8.4 Politically Exposed Persons (PEPs)

Uttaran shall:

- Identify actual or potential PEP relationships and apply enhanced due diligence, senior management approval, and heightened monitoring where relevant risks are identified.

9. Financial Controls

Financial controls under this section apply after due diligence and screening requirements set out in **Section 8** have been satisfied. Uttaran shall maintain effective and efficient financial controls to prevent the misuse, diversion, or abuse of funds and assets for terrorism or terrorist financing. These controls shall be proportionate to risk, consistently applied, and subject to oversight.

Uttaran shall, at a minimum:

- Maintain clear segregation of duties, defined approval authorities, and documented authorization thresholds for all financial transactions;
- Use regulated and traceable banking and payment channels wherever feasible, limit the use of cash to exceptional circumstances only, and apply enhanced controls and justification where cash is unavoidable;
- Ensure complete, accurate, and timely financial records, supported by verifiable documentation, to maintain clear audit trails for all transactions;
- Monitor financial transactions and patterns on an ongoing basis to identify unusual, high-risk, or suspicious activity, and promptly escalate concerns in accordance with reporting procedures;
- Apply additional controls for higher-risk contexts, including increased supervision, transaction limits, phased disbursements, and post-disbursement verification;
- Subject financial systems and controls to periodic internal review and independent audit, and address identified weaknesses promptly.

10. Prohibited Activities

Uttaran strictly prohibits any activity that directly or indirectly supports terrorism or the financing of terrorism. Any prohibited activity shall result in immediate escalation, suspension of the relevant activity, and may lead to disciplinary action, termination of engagement, recovery of funds, and reporting to competent authorities and donors, as required. The following activities are expressly prohibited under this policy:

- Providing, making available, or facilitating directly or indirectly any funds, assets, goods, services, or other resources to or for the benefit of any individual or entity designated under applicable United Nations Security Council sanctions, Government of Bangladesh sanctions, or donor sanctions regimes;
- Engaging in, authorising, or knowingly permitting any transaction, arrangement, or activity intended to conceal, structure, disguise, or otherwise evade due diligence, sanctions screening, financial controls, or reporting requirements;


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- Using Uttaran’s funds, assets, facilities, name, or any other resources that support or promote political violence, terrorist acts, extremist activity, or armed groups;
- Entering into or continuing relationships where there is reasonable suspicion of terrorist financing or sanctions violations and the associated risks cannot be adequately mitigated;
- Knowingly misrepresenting information, falsifying records, or withholding material information relevant to compliance with this policy.

11. Reporting and Escalation

Uttaran shall maintain clear, timely, and secure mechanisms for the reporting and escalation of suspected or actual terrorism or terrorist financing risks. In particular, Uttaran shall:

- Require the immediate internal reporting of any suspected or actual terrorist financing, sanctions breach, or related concern to the Compliance Focal Point and Senior Management;
- Suspend or withhold transactions, payments, or engagements pending review where there are reasonable grounds for suspicion or elevated risk;
- Ensure prompt internal assessment, documentation, and decision-making, with appropriate escalation of material issues to the Board;
- Report suspected or confirmed violations to competent national authorities and relevant donors in accordance with applicable laws, regulations, and contractual obligations;
- Protect the confidentiality of reports and individuals raising concerns, and prohibit retaliation against good-faith reporting;

12. Monitoring and Record Keeping

Uttaran shall maintain effective monitoring and record-keeping systems to support the prevention, detection, and investigation of terrorism and terrorist financing risks. In particular, Uttaran shall:

- Apply ongoing, risk-based monitoring of activities, financial transactions, partnerships, and other relevant relationships to identify unusual patterns, emerging risks, or changes in risk profile;
- Maintain complete, accurate, and auditable records of due diligence, sanctions screening, risk assessments, transactions, decisions, and approvals, sufficient to enable reconstruction and independent review;
- Retain records relating to compliance activities, including reports, investigations, actions taken, and external notifications, for a minimum period of **5-7 years**, or longer where required by law, regulation, or donor agreements;
- Ensure records are securely stored, protected against unauthorised access or alteration, and made available promptly to competent authorities, auditors, or donors when lawfully required;


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- Subject monitoring and record-keeping arrangements to periodic internal review and audit, and address identified weaknesses in a timely manner.

13. Training and Awareness

Uttaran shall ensure that all relevant personnel and representatives have the knowledge and awareness necessary to prevent, identify, and respond to terrorism and terrorist financing risks. In particular, Uttaran shall:

- Require mandatory induction training and periodic refresher training on anti-terrorism and counter-terrorist financing obligations for all personnel acting on behalf of Uttaran;
- Provide targeted, role-specific training for functions and positions exposed to higher terrorist financing risk, including finance, procurement, programme management, and partner oversight roles;
- Ensure training content reflects applicable laws of Bangladesh, donor requirements, FATF standards, and Uttaran's internal policies and procedures;
- Promote a culture of compliance and vigilance by reinforcing individual responsibility to identify and report concerns in good faith;
- Monitor training completion and effectiveness, and address identified gaps through additional or enhanced training.

14. Financial Monitoring, Audit, and Review

Uttaran shall ensure **independent oversight and assurance**, and continuous improvement of its financial controls and counter-terrorist financing framework through structured monitoring, audit, and review mechanisms. In particular, Uttaran shall:

- Conduct ongoing financial monitoring and periodic internal audits to assess the effectiveness of financial controls, compliance with this policy, and alignment with assessed risk;
- Subject relevant financial and compliance systems to independent audit or review, as required by law, regulation, or donor agreements;
- Ensure audit findings, material weaknesses, and high-risk issues are formally documented, escalated to Senior Management and the Board, and addressed through time-bound corrective action plans;
- Review this policy and related procedures at least annually, and promptly following significant regulatory, donor, or risk-environment changes;
- Use audit and review outcomes to strengthen controls, update risk assessments, and inform governance oversight.


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15. Disciplinary Actions

Disciplinary actions under this section apply to violations of the prohibited activities set out in **Section 10**, as well as other breaches of this policy. Uttaran shall apply effective, proportionate, and dissuasive disciplinary measures in response to violations of this policy or related procedures. In particular:

- Any employee, volunteer, consultant, partner, or representative found to have breached this policy, whether intentionally or through negligence, shall be subject to appropriate disciplinary action, up to and including termination of employment or engagement;
- Disciplinary measures may include suspension, removal from duties, recovery of funds, termination of contracts, and referral for civil or criminal proceedings, as applicable;
- Disciplinary action shall be applied consistently and without prejudice, in accordance with applicable laws, contractual obligations, and internal procedures;
- Serious or material breaches shall be escalated to Senior Management and the Board, and reported to competent authorities and donors where legally or contractually required.

16. Whistleblowing and Protection

Uttaran shall maintain effective and trusted mechanisms to enable the confidential reporting of concerns related to terrorism, terrorist financing, or violations of this policy including concerns raised outside formal reporting lines, without fear of retaliation. In particular, Uttaran shall:

- Establish and maintain accessible, confidential, and secure reporting channels for employees, partners, and other stakeholders to raise concerns in good faith;
- Ensure that all whistleblowing reports are handled promptly, objectively, and discreetly, with appropriate escalation and follow-up in accordance with this policy;
- Prohibit any form of retaliation, harassment, or adverse action against individuals who report concerns in good faith or cooperate with investigations;
- Take appropriate disciplinary action against any person found to have engaged in retaliation or interference with the reporting process;
- Provide Board-level visibility of material whistleblowing matters, while preserving confidentiality and the safety of reporting individuals.

17. Policy Approval and Effective Date

This policy has been reviewed and formally approved by the Board of Directors of Uttaran and adopted as part of the Board's governance framework. The policy shall take effect from **1st January 2026** and shall be binding on all persons and entities within its scope.

The Board shall ensure that this policy is reviewed at least every **three years**, or earlier where required due to changes in applicable laws, regulatory requirements, donor conditions, or the organization's risk environment.


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