

Sanctions, Financial Abuse and Terrorism Policy

February 2025

Background

This policy sets out how The BEARR Trust ensures legal compliance and manages risks associated with terrorist financing; breaches of financial sanctions, trade sanctions or export controls; and money laundering.

The BEARR Trust is a UK-registered Charity. This Policy is therefore primarily based on UK law, specifically the UK Terrorism Acts¹ and the UK Sanctions and Anti-Money Laundering Act 2018. However, it is also informed by and intended to support compliance with obligations we have beyond UK law arising from donor contracts and our banking relationships.

The BEARR Trust operates in areas that are subject to international sanctions. Specifically, following the Russian invasion of Ukraine in 2014, the UK and other countries introduced a package of sanctions measures, which was substantially extended following the further invasion in February 2022. We therefore take steps to ensure that our activity in support of humanitarian assistance and the development of civil society organisations is fully compliant.

Scope

This Policy is applicable to and must be followed by all BEARR Trust staff, Trustees and volunteers as well as any contractors engaged to carry out work on behalf of The BEARR Trust.

While this is an internal policy, The BEARR Trust requires grant funding that it provides to partners and other organisations to be used in a manner that is consistent with our values, and with our legal and contractual obligations. Grant beneficiaries are therefore required to comply with our Sanctions, Financial Abuse and Terrorism policies via their grant agreements with us.

Policy statement

The BEARR Trust is determined that its funds shall only be used to further its mission to support civil society organisations working with vulnerable people in Eastern Europe, Central Asia and the Caucasus. Funds must not be used for any illicit purpose by any third party.

We will take all reasonable steps to safeguard the use of our funds from any illicit activity. Specifically:

- The BEARR Trust will not knowingly or recklessly provide funds or resources either directly or indirectly through our grant funding to partners, to any individual or entity which is subject to a terrorism or sanctions listing imposed by the United Nations Security Council

¹ Terrorism Act 2000, Terrorism Act 2006, Counter-Terrorism Act 2008 and Counter-Terrorism and Border Security Act 2019

or the UK Government, or which appears on any other published terrorism or sanctions list that we judge relevant to meeting our obligations.

- We will identify and comply with any sectoral sanctions, trade sanctions and export control regulations that may be applicable to our activities. We will not accept donations if we know or suspect they are the proceeds of crime, and will also take all other reasonable steps to prevent The BEARR Trust from being exploited for the purposes of money laundering, or from suffering other forms of financial crime and abuse, including the use of funds by terrorist organisations

Actions

The BEARR Trust provides direct financial support via our annual Small Grants Scheme and via our Ukraine Appeal. In both cases, we provide small amounts of funding in each transaction (to a maximum of £4,000 and £2,500 respectively) and our funds are made available to community-led CSOs.

We take a proportionate and risk-based approach to sanctions, financial abuse and terrorism compliance, in line with the Charity Commission's Compliance Toolkit² and OFSI charity guidance. Specifically:

- In all cases, we carry out due diligence on the beneficiary organisation, consistent with the relatively small scale of the grant funding requirement and, in the case of the Ukraine Appeal, the need for rapid action in the context of the humanitarian emergency. We require all applicants to complete a proforma specifying their request³. This is reviewed by a Working Group of trustees and where possible, we review the applicant's online presence. In the case of the Ukraine Appeal, we limit funds to £1,000 where we have not worked with the organisation before.
- In transferring funds to beneficiaries, we use business-to-business transfer agencies (chiefly Convera), which are subject to the same compliance regulations as our main UK bank. We occasionally use person-to-person money transfer services, but (in line with OFSI guidance) only in exceptional circumstances.
- We require acknowledgement of receipt. We also require a report from the beneficiary on the use of funds, following every individual grant agreement.
- We operate a monitoring regime proportionate to the scale of funds provided. This means that the amount of monitoring information increases with BEARR's funding commitments, with higher requirements imposed on beneficiaries receiving over £10k in grant. We also require regular beneficiaries to complete a Partner Information Form.
- We carry out due diligence on large donors to The BEARR Trust using the Charity Commission Know Your Donor template.
- Compliance checks are carried out regularly (at least annually) against OFSI's consolidated list of sanctions.

² Charity Commission (2013), [Protecting Charities from Harm: Compliance Toolkit](#)

³ This is consistent with the Charity Commission Verification of Proposed Partner Form

In addition to these measures, we respond in full to all sanctions information requested by our banking and money transfer service providers.

The BEARR Trust does not currently make any grant payments to Russia or Belarus.

Reporting

While we will make all reasonable efforts to prevent incidents within the scope of this policy from occurring, it is possible that incidents will occur in relation to our work, particularly when working through third parties in conflict affected environments.

It is essential therefore that measures are in place to detect actual or suspected incidents, and ensure they are reported.

BEARR Trust staff and Trustees are required to report actual or suspected incidents involving a breach of this policy. Any such incidents, or potential incidents, will be considered by the Trustee Board.

BEARR Trust partners and beneficiaries are required to report actual or suspected sanctions, terrorism and financial abuse incidents. This is set out in our standard grant agreements.

It is a legal requirement to report actual or suspected terrorist financing to the UK authorities, and failure to do so is a breach of UK law. The BEARR Trust will therefore report actual or suspected terrorist financing incidents to the police.

There is no equivalent mandatory reporting requirement in relation to actual or suspected sanctions or export control breaches or money laundering incidents. However it is The BEARR Trust's policy to make voluntary disclosures of incidents in the interests of transparency.

The BEARR Trust will also make Serious Incident Reports to the Charity Commission and disclose incidents to relevant donors. We will also notify our banks where it is required or otherwise appropriate to do so.

Review and revision

This policy shall be reviewed annually, or whenever new guidance is published by the Charity Commission and OFSI.

Policy originally adopted: October 2022

Reviewed and revised: April 2023

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