



BANQUE D'INVESTISSEMENT ET DE DEVELOPPEMENT DE LA CEDEAO
ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT
BANCO DE INVESTIMENTO E DE DESENVOLVIMENTO DA CEDEAO

THE COMPLIANCE FUNCTION CHARTER

April 2023

PART I – BACKGROUND

1. This Charter describes the responsibilities of the Compliance Function and the duties of the Chief Compliance Officer (CCO) in relation to
 - a. Code of Ethics ;
 - b. Integrity, Anti-Corruption and Fraud Prevention Policy and Procedures; and
 - c. Anti-Money Laundering and Anti-Terrorist Financing Policy and Procedures.
2. The Compliance Function is responsible for ensuring compliance with the Code of Ethics of the ECOWAS Bank for Investment and Development (EBID). This Code sets out the principles and rules governing professional ethics and conduct and is aimed at serving as a guide to EBID staff members. Staff members are required to be committed to the objectives of EBID both within the institution and in the framework of projects financed by it, and to perform their duties with loyalty, honesty, impartiality in addition to subscribing to high standards of professional ethics.
3. The Compliance Function is responsible for the implementation of the Integrity, Corruption and Fraud Prevention Policy and Procedures (ICFPPP). The ICFPPP sets out the Bank's policy aimed at detecting and preventing acts of corruption, fraud, collusion, coercion and obstruction in the conduct of its business. The Bank being aware of the threats posed by corruption and fraud to the proper functioning of its activities and to its reputation, it is therefore committed to upholding the highest ethical, moral and legal standards in meeting up to this challenge. EBID is committed to preventing any form of mismanagement of resources and to upholding the highest principles and standards of integrity and probity, both within the institution itself and in the projects funded by it. In order to achieve this, the Bank is committed to upholding the values of ethics and integrity, which are essential for social progress and economic development of the African continent.
4. In addition, the Compliance Function is also responsible for the application of the AML/CTF Policies and Procedures. Thus, it is imperative to put in place an AML/CTF compliance management framework within the Bank. EBID has approved Anti-Money Laundering and Anti-Terrorist Financing and Weapons of Mass Destruction Policies and Procedures. It is committed to combating money laundering and terrorism financing by ensuring that its operations and the tasks performed by its staff are conducted in accordance with the regulations, policies, procedures, organisational standards and codes of conduct adopted by the Bank.
5. Finally, the Compliance Function plays a crucial role in ensuring EBID's strict compliance with the above frameworks. For this reason, a compliance function must, within the framework of EBID Resolution N. RES.12/04/20/BIDC/EBID/CA/BD/67, focusing on the EBID revised organisational chart, operate within the Bank through a dedicated unit, headed by a Chief Compliance Officer, which ensures the separation of the compliance function from the other functions of the Bank and which is granted the independence and the required resources (i.e. staff, budget, IT resources, training, etc.) in order to discharge its responsibilities.

PART II– NEXUS OF THE COMPLIANCE FUNCTION WITH THE CODE OF ETHICS

Objectives of the Compliance Function in relation to the Code of Ethics

6. The Compliance function shall ensure, in connection with the Code of Ethics, that all employees :
 - a. Comply with the laws and regulations in force; they must recognise and comply with the laws, regulations, policies and guidelines relative to EBID;
 - b. Adhere to the rules, procedures and guidelines adopted by EBID, including the Staff Rules and Regulations, EBID's Anti-Corruption and Fraud Prevention Policy and any other internal document of EBID;
 - c. Act, in all circumstances, in the interest of EBID, without being influenced by personal considerations or relationships;
 - d. Avoid any situation that may give rise to conflict of interest and, in case of doubt or difficulty, immediately bring the matter to the attention of his/her supervisor and/or the Chief Compliance Officer;
 - e. Respect confidentiality;
 - f. Refrain from exceeding the powers conferred on them or from violating the rules on authorised signatures;
 - g. Remain fully responsible for the tasks they have assigned to others and exercise adequate supervision and control;
 - h. Respect the dignity and privacy of their colleagues;
 - i. Respect and protect EBID's assets and generally make appropriate use of the resources at their disposal for the performance of their duties.

Duties and Responsibilities of the Board of Directors and the Internal Ethics Committee

7. In accordance with the Code of Ethics, the Board shall be responsible for reviewing and approving the Code at least every three years, if necessary, on the recommendation of the Chairman; approving any other ethical rules set out by the Internal Ethics Committee; and receiving and reviewing the annual report of the Internal Ethics Committee.
8. The Internal Ethics Committee, where appropriate, under the coordination of the Chief Compliance Officer, shall prepare an evaluation report of its activities, which shall be submitted annually to the Board.
9. The Internal Ethics Committee shall also review the Code of Ethics at least every three years and recommend its approval to the Board.
10. With regard to gifts and other benefits, the Internal Ethics Committee shall, after examining the circumstances surrounding the giving of the gift or benefit, decide how the gift or benefit shall be handled within EBID.

General Duties of the Chief Compliance Officer

11. The Chief Compliance Officer shall, ensure that all staff members, prior to taking up a position at EBID, state in writing that they have received, read and understood the meaning and scope of the Code of Ethics and sign a declaration committing to abide by the Code of Ethics as a precondition of their employment.

12. The Chief Compliance Officer shall interpret the provisions and application of the Code of Ethics at the request of any interested person.
13. The Chief Compliance Officer shall receive declarations or requests for authorisation from all the Bank's employees, for processing in accordance with the provisions of the Code of Ethics.
14. The Chief Compliance Officer shall receive from any person concerned (and resolve) any question, whether oral or written, arising from a difficulty in the application or interpretation of the Code of Ethics.
15. If the Chief Compliance Officer finds that neither the Code of Ethics nor any other relevant text offers a solution to the problem, he or she shall refer the matter to the Internal Ethics Committee, which shall evaluate the matter collegially and issue an opinion on the principles applicable to it and/or refer it to the President, in accordance with Article 3.5 of the Code of Ethics.
16. With respect to compliance with the Code of Ethics, the Chief Compliance Officer shall receive and process all reports from staff members relative to violations of the Code of Ethics, ensuring confidential treatment of reported acts and that no retaliatory action is taken against staff members who make a report of suspected illegal activities, misconduct or violations of the Code of Ethics in good faith. This could be done through the use of software.
17. As part of the monitoring of compliance with the Code of Ethics, the Chief Compliance Officer shall also receive for processing any reports made by the employee's immediate supervisor.

Duties of the Chief Compliance Officer relative to specific commitments of staff members

18. The Chief Compliance Officer shall analyse any situation that is referred to him/her in relation to the obligation of staff members to respect the rules of confidentiality, communication and representation in accordance with section 4.1 of the Code of Ethics.
19. With regards to conflict of interest situations, the Chief Compliance Officer shall analyse all declarations submitted by staff members concerning situations that may lead or be perceived to lead to a conflict between the interests of the staff members concerned and those of EBID.
20. With regards to conflict of interest situations, the Chief Compliance Officer shall immediately analyse and deal with any report by any staff member who has or comes into possession of the securities referred to in section 4.2. of the Code of Ethics and ensure that the staff member has made arrangements for their prompt release.
21. Under Section 4.5. of the Code of Ethics, the Chief Compliance Officer shall review reports of any financial activity by staff members that do not comply with the Code or that may be or appear to be in conflict with their official duties.

Duties of the Chief Compliance Officer relative to external relations with the staff

22. With respect to gifts and other benefits, the Chief Compliance Officer shall provide immediate review and opinion on all Gift and Benefit Statements submitted to him/her, in accordance with Section 5.2 of the Code of Ethics.

23. The Chief Compliance Officer shall maintain a record of the number of gifts from any one source in any given year.
24. As part of Section 5.3 of the Code of Ethics, the Chief Compliance Officer shall maintain a list of staff members who have declared themselves to be in financial distress or in excessive debt and share this list with the relevant member of management on a regular basis.
25. Within the framework of section 5.4. of the Code of Ethics, the Chief Compliance Officer shall issue an opinion on the prior consultation sent to him/her with a copy of the declaration of a gift, or any other benefit, on which the justification of EBID's participation in events or gatherings of a commercial nature, deemed useful for the Bank and for which the travel and accommodation expenses of the staff member were borne by the organiser, is clearly stated.

Duties of the Chief Compliance Officer in relation to internal relations with the staff

26. The Chief Compliance Officer shall ensure that the Director of Administration and General Services complies with the provisions on discrimination and harassment in accordance with Part VI of the Code of Ethics.

Duties of the Chief Compliance Officer in relation to measures and sanctions

27. The Chief Compliance Officer and the Internal Ethics Committee are responsible for identifying breaches of the Code of Ethics by employees.
28. In the event of serious misconduct, the Chief Compliance Officer and the Internal Ethics Committee shall advise the President of the need to refer the matter to the Disciplinary Committee for sanctions to be meted out.

PART III – COMPLIANCE FUNCTION RELATIVE TO THE INTEGRITY, ANTI-CORRUPTION FRAUD PREVENTION POLICY AND PROCEDURES

Objectives of the compliance function in relation to the Integrity, Corruption and Fraud Prevention Policy and Procedures (ICFPPP)

29. The Compliance Function shall ensure, in conjunction with the relevant department, that the following measures are implemented
 - a. Communicate the ICFPPP and the programme to all stakeholders, ranging from staff to business partners, such as suppliers, shareholders, investors and consultants;
 - b. Oversee the programme;
 - c. Provide ICFPPP training for staff;
 - d. Assess corruption risks, including appropriate due diligence;
 - e. Take reasonable and proportionate steps to ensure that audited organisations and business partners have appropriate anti-bribery control systems in place;
 - f. Verify staff compliance with the ICFPPP;

- g. Verify that gifts, entertainment, donations and similar benefits are in accordance with the policy;
- h. Implement financial controls capable of preventing the risk of corruption;
- i. Implement reporting and whistleblowing procedures;
- j. Investigate and deal appropriately with any actual or suspected cases of corruption.

General Duties of the Chief Compliance Officer in relation to the ICFPPP

- 30. The Chief Compliance Officer shall be responsible for the implementation of EBID's ICFPPP.
- 31. The Chief Compliance Officer shall respond to any questions from staff or third parties regarding the operation and implementation of the ICFPPP.
- 32. If the Chief Compliance Officer finds that neither the ICFPPP nor any relevant policy provides a clear solution to a question referred to him/her by a third party, the matter will be referred to the Ethics Committee, which is responsible for interpreting the ICFPPP.
- 33. The Chief Compliance Officer shall receive and deal with any verbal or written reports of incidents or suspected acts of fraudulent or corrupt behaviour submitted by staff members.
- 34. All reports of suspected fraud and corruption shall be recorded and filed for future reference.

Duties in terms of disciplinary measures

- 35. The Chief Compliance Officer shall inform the President of the need to refer to the Disciplinary Committee any breach of the ICFPPP by a member of staff for sanctions, in accordance with Article 75 of the EBID Staff Regulations and Rules.
- 36. In the framework of Part XII of the ICFPPP - Disciplinary Measures, in the event of the violation of the ICFPPP by a third party and in the absence of contractual arrangements sanctioning violations of the ICFPPP by this third party, the Chief Compliance Officer, in agreement with the Ethics Committee and the decision of the President may
 - a. Suspend the disbursement relative to the project concerned;
 - b. Cancel project funding if evidence of corruption and fraud is established;
 - c. Declare any wrongful procurement and demand the reimbursement of all monies disbursed;
 - d. Declare ineligible for funding any natural or legal person who has previously been guilty of corruption and fraud;
 - e. Request disciplinary action and/or criminal prosecution of the person(s);
 - f. Refer the matter to the competent authorities for investigation and prosecution.

Duties of the Chief Compliance Officer relative to the Bank's whistleblowing policy

37. Requests for protection against retaliation shall be submitted to the Chief Compliance Officer no later than six months after the date on which the person concerned knew or ought to have known that the retaliatory action had been taken.
38. Upon receipt of a complaint of retaliation or threat of retaliation, the Chief Compliance Officer shall forward the complaint to the Ethics Committee for a preliminary review of the complaint.
39. The Compliance Function (including the Ethics Committee and the Operations Audit and Evaluation Department) shall guarantee the confidentiality of all information provided by the applicant and third parties.

Duties of the Chief Compliance Officer relative to the Compliance Review Procedure

40. The Chief Compliance Officer shall be responsible for overseeing and implementing EBID's Compliance Review Procedure (CRP), which is, in accordance with the ICFPPP, a process and control mechanism aimed at verifying the Bank's compliance with its own policies, procedures, guidelines, rules and commitments.
41. The process for monitoring the application of the CRP shall be established within the Compliance structure. The operational verification of compliance shall be carried out by the Internal Audit and Operations Evaluation Department and the Risk Analysis Department, which shall assist the Chief Compliance Officer, assess the admissibility of a complaint and carry out the necessary checks and investigations.
42. For the purposes of the CRP, the prerogatives of the Compliance structure are as follows :
 - a. Receive and consider the admissibility of complaints;
 - b. In partnership with EBID's Communication and Marketing Division, develop a communication plan for the launch of the compliance procedure, including the development of a public web page, press releases and other public announcements or presentations;
 - c. Develop a system for recording and monitoring incoming complaints, building on existing practices and databases;
 - d. Develop a format for the public register of complaints and a web-based "case summary" template for linking to reports;
 - e. Provide guidance to potential claimants on procedures.
 - f. The Chief Compliance Officer shall be responsible for the independence of the compliance audit. He/she also serves as the main point of contact for the Bank's compliance process and oversees the investigations conducted by the Internal Audit and Operations Evaluation Department and the Risk Analysis Department into any complaints deemed admissible. He/she shall include the findings of non-compliance and reports in his/her recommendations to the President of EBID.

43. The Chief Compliance Officer shall be responsible for ensuring the effective implementation of the CRP and for receiving and handling complaints in accordance with Section VII of Part III of the EBID-IACF Compliance Procedure.
44. As part of its preventive and advisory function, the Compliance Unit reserves the right to initiate a compliance investigation of the project and shall have the right to provide systemic or general advice from its work on the monitoring of the implementation of the Guidelines.
45. The Chief Compliance Officer shall learn lessons from the past regarding the implications and problems affecting local communities.

Duties of the Chief Compliance Officer relative to grievances

46. The Chief Compliance Officer shall be responsible for the implementation of EBID's grievance handling policy and the investigation of grievances.
47. The Chief Compliance Officer shall strictly follow the rules of Annex 1 of Part IV - IACF Grievance Policy regarding filing of grievances.
48. The Chief Compliance Officer shall review grievances submitted to him/her by third parties, stakeholders or communities affected by Bank-financed projects.
49. The Chief Compliance Officer shall be assisted by the Internal Audit and Operations Evaluation Department in the processing of the case.
50. The Chief Compliance Officer shall submit his or her recommendations to the Board of Directors for decision, based on the assessment made by the Internal Audit and Operations Evaluation Department.
51. The Chief Compliance Officer shall maintain a centralized record of all grievances and the results and findings of investigations which shall be clearly documented.
52. The Chief Compliance Officer shall receive grievances from each local mission office and upon receipt shall submit the request to the Internal Audit and Operations Evaluation Department, which shall decide on its admissibility and assess the claim against the available dispute resolution options.
53. The Chief Compliance Officer shall record and acknowledge receipt of the claim to the claimant, with a copy forwarded to the project owner, within five days of receipt of the claim.
54. Within twenty-five working days of the determination of the eligibility of the request by the Internal Audit and Operations Evaluation Department, the Chief Compliance Officer shall provide an assessment of the feasibility of resolving the grievance to the complainant, the local mission and other stakeholders involved. The assessment shall also include recommended actions that EBID is willing to undertake or facilitate to encourage further efforts to resolve the dispute.
55. Any dispute resolution efforts shall be based on the consent of the key stakeholders. No dispute resolution procedure can proceed without the agreement of the main parties concerned. The Board of Directors of EBID is competent to validate EBID's decisions on dispute settlement.
56. In case the stakeholders agree on a plan of action aimed at resolving a dispute or respond to the concerns expressed by aggrieved parties, the Chief Compliance Officer shall implement an agreed plan of action. A certain level of flexibility shall be required because the chosen approach shall be inevitably adapted to the individual request and based on agreement among the parties. In the absence of an agreement, the

possibilities of dialogue and consultation shall be reduced. If the consultation procedure works, all the parties could follow the said procedure until an agreement is reached.

57. After the conclusion of a procedure for the settlement of disputes, the Compliance Division shall submit a report (if necessary) and any recommendation of further action by EBID, to the EBID President and all the relevant stakeholders.
58. Any party involved in the consultation could, at any time, put an end to the dispute settlement procedure if this party is no longer in agreement with the line of action undertaken. In some circumstances, the consultation procedure could be ended even if no solution was proposed thereof. In such circumstances, a detailed report summarising the request and the proposed action to sort out the grievances raised shall be submitted to the EBID President. This final report shall also be sent to the complainant, the project promoter and the Government of the Resident Mission. If for any reason whatsoever, the indicative time could not be complied with the complainant and the public shall be informed of the delay and the reasons of the delay in addition to a new timing.

Duties of the Chief Compliance Officer relative to the Disclosure and Access to Information Procedures (DAIP)

59. The Chief Compliance Officer shall approve the dissemination of any document on the waivers list;
60. The Chief Compliance Officer shall provide consulting services and assistance in terms of the interpretation of the Disclosure and Access to Information Procedures.

SCHEDULE IV – COMPLIANCE FUNCTION IN RELATION TO THE ANTI-MONEY LAUNDERING AND TERRORISM FINANCING

General Duties of the Board of Directors, President, Chairman of the Board of Directors and the Chief Compliance Officer

61. The Board shall promote a compliance and integrity culture in terms of AML/CTF. The Board in discharging its duties relative to surveillance, has the responsibility to define, approve and supervise the implementation of an adequate and effective internal governance and internal control framework to ensure compliance with the applicable requirements in the area of anti-money laundering and terrorism financing.
62. The Board in discharging its surveillance duties, shall :
 - a. Be informed of the outcomes of risk assessment relative to money laundering (ML) and terrorism financing (TF) across the institution;
 - b. Supervise the implementation of AML/CTF policies and procedures and ensure that they are adequate and effective in the light of AML/CTF risks to which the Bank is exposed and shall take appropriate steps to ensure that corrective measures are taken, if necessary;
 - c. Review, at least, once a year the progress report of the AML/CTF Compliance Officer and obtain intermediate updates more frequently for the activities, which expose the Bank to higher ML/TF risks;

- d. Assess the proper functioning of the AML/CTF function, at least once a year, by assessing notably the suitability of human and technical resources allocated to the AML/CTF compliance activities;
 - e. Gain access and take into consideration sufficiently detailed and qualitative data and information that will enable it to efficiently carry out its AML/CTF functions and shall have quick and direct access to the progress report of the AML/CTF Compliance Officer, to the audit function report as well as the relevant communication with the Financial Intelligence Units (FIUs).
63. In discharging its management function with respect to AML/CTF, the Board shall have the following duties:
- a. Duties relative to the establishment of an organisational and operational structure required for the execution of AML/CTF policy and procedures as defined by the Board, by putting a particular emphasis on the suitability of human and technical resources allocated to the Chief Compliance Officer, and the need to a dedicated AML/CTF Compliance Officer to assist the AML/CTF Compliance Officer in his/her duties;
 - b. Responsible for the implementation of the AML/CTF internal policies and procedures;
 - c. Approve the AML/CTF Compliance Officer's activity report and ensure its completeness, truthfulness and accuracy;
 - d. Ensuring adequate, timely and sufficiently detailed AML/CTF reporting.
64. The Chief Compliance Officer shall be accountable to the President and Chairman of the Board.
65. The Chief Compliance Officer shall be responsible for the day-to-day operations of EBID relative to AML/CTF policies and procedures.
66. The Chief Compliance Officer shall also liaise with external AML/CTF entities, including but not limited to GIABA and the Financial Intelligence Units of the Bank's Member States.
67. The Chief Compliance Officer shall report to the Board at least annually on the Bank's implementation of internal AML/CTF policies, controls and procedures and shall keep the Board informed of the outcomes of any review.
68. The Board shall take the necessary steps to correct any identified deficiencies in a timely manner.
69. The Chief Compliance Officer shall have the authority to propose, on his or her own initiative, any measures necessary or deemed appropriate to ensure compliance and the effectiveness of internal AML/CTF measures to the President and the Chairman of the Board in his or her oversight and management function.
70. When performing the AML/CTF compliance function, the President and Chairman of the Board shall take into account possible conflicts of interest and take the necessary measures to avoid them or, at best, to manage them. The Chairman and President shall ensure that this officer can allocate sufficient time to the AML/CTF compliance function.
71. EBID shall put in place the necessary systems and controls to ensure that the AML/CTF Compliance Officer has the necessary breadth of knowledge and understanding of AML/CTF standards and legislations and can also perform his/her duties effectively and independently.

72. The AML/CTF Compliance Officer shall have access to all internal documents and systems necessary for the performance of his/her duties.
73. The AML/CFT Compliance Officer shall be allowed to assign his/her duties as defined in the AML/CTF Policies and Procedures to other officers and staff of EBID acting under his/her authority and supervision, provided that the ultimate responsibility for the effective performance of such duties rests with the AML/CTF Compliance Officer.
74. In order to ensure the independence of the AML/CTF Compliance Officer, the following conditions must be met:
 - a. Notwithstanding the overall responsibility of the members of the Board of Directors, the AML/CTF Compliance Officer shall not be subordinate to any person responsible for managing any of the activities supervised by the AML/CTF Compliance Officer;
 - b. The Bank has processes in place to ensure that the AML/CTF Compliance Officer has free and direct access at all times to all information necessary for the performance of his/her duties. The decision on what information he/she needs to access in this regard shall rest solely with the AML/CTF Compliance Officer;
 - c. The AML/CTF Compliance Officer shall have an independent reporting line to the President and Chairman of the Board.

Duties of the Chief Compliance Officer with respect to the development of a risk assessment framework

75. With regards to the identification and assessment of money laundering and terrorist financing risks, taking into account risk factors including those related to customers, countries or geographical areas, products, services, transactions or distribution channels, the AML/CTF Compliance Officer shall develop and maintain an AML/CTF risk assessment framework for institution-wide and individual AML/CFT risk assessments in accordance with EBID's AML/CFT policies and procedures.
76. The AML/CTF Compliance Officer shall report the outcomes of the institution-wide and individual AML/CTF risk assessment to the Board of Directors, through the President and Chairman of the Board of Directors. The AML/CTF Compliance Officer shall propose to the Board the measures to be taken to mitigate these risks. New business shall not be undertaken until adequate resources to understand and manage the associated risks are available and effectively implemented.

Duties of the Chief Compliance Officer with respect to drafting policies and procedures

77. The AML/CTF Compliance Officer shall ensure that adequate policies and procedures are put in place, maintained and effectively implemented. Policies and procedures shall be hinged on AML/CTF risks and proportionate thereof as identified by EBID. The AML/CTF Compliance Officer shall at least:
 - a. make proposals as to the AML/CTF policies and procedures to be adopted by the Bank, as well as the controls and systems to be put in place by the Bank in accordance with the AML/CFT policy and procedures ;
 - b. ensuring that the AML/CTF policies and procedures are effectively implemented by the Bank

- c. Ensuring that AML/CTF policies and procedures are reviewed regularly and amended as necessary;
 - d. propose how to deal with any changes in legal or regulatory requirements or AML/CTF risks and how best to address any gaps or deficiencies identified through monitoring or oversight activities.
78. The Chief Compliance Officer shall ensure that when implementing the Bank's approved policies, controls and procedures, the following elements exist:
- a. institution-wide and individual ML/TF risk assessment methodology ;
 - b. due diligence and client acceptance process, particularly for high risk clients
 - c. internal reporting (analysis of unusual transactions) and reporting to the FIU
 - d. record keeping; and
 - e. AML/CTF compliance monitoring arrangements.

Duties of the Chief Compliance Officer with respect to the clients, including the high-risk clients

79. The AML/CTF Compliance Officer shall prepare policies and procedures to comply with customer due diligence requirements, including those provided under the EBID AML/CTF Policies and Procedures.
80. The AML/CTF Chief Compliance Officer shall exercise an advisory role before a final decision is made by senior management regarding the inclusion of new high-risk customers or the reclassification of existing customers to the high-risk category.

Duties of the Chief Compliance Officer with respect to Compliance Control

81. The AML/CTF Compliance Officer shall be responsible for the ongoing monitoring of the implementation of the measures, policies, controls and procedures adopted, which are aimed at ensuring the Bank's compliance with its AML/CTF obligations.
82. The AML/CTF Compliance Officer shall ensure the effectiveness of the AML/CTF controls applied by the business lines and internal units.
83. The AML/CTF Compliance Officer shall conduct sample tests to establish compliance levels.
84. The AML/CTF Compliance officer shall ensure that the AML/CTF framework is evaluated periodically and updated as necessary and in any case when deficiencies are detected, new risks emerge or the legal or regulatory framework has changed.
85. The AML/CTF Compliance Officer shall make recommendations to the Council on the actions of any supervisory review by the competent authority and the resulting conclusions.
86. The AML/CTF Compliance Officer shall also make recommendations on audits, whether carried out by the Bank's internal audit function or by a third party appointed by the Bank, and the resulting conclusions.

Duties of the Chief Compliance Officer with respect to reporting to the Board

87. The AML/CTF Compliance Officer shall advise the Board on the steps to be taken to ensure compliance with applicable standards and international legislation and shall

provide an assessment of the possible impact of any changes in international standards and legislation on the banks' activities and compliance framework.

88. The AML/CTF Compliance officer shall draw attention to:

- a. areas where the operation of AML/CTF controls shall be implemented or enhanced; appropriate improvements;
- b. a status of significant remediation programmes, at least annually and on an ad hoc or periodic basis depending on the intensity of the improvements, to inform the Board of the level of exposure to AML/CTF risks, and the actions taken or recommended to effectively mitigate and manage these risks.

89. The AML/CTF Compliance Officer's activity report shall contain at least the following information:

a. Regarding the AML/CTF risk assessment:

- i. An explicit statement as to whether or not an institution-wide AML/CFT risk assessment or review has been conducted for the reporting year;
- ii. A summary of the main findings of the risk assessment;
- iii. A description of any changes in the Bank's methodology for assessing the individual customer risk profile of the business relationship, highlighting the extent to which it is aligned with the Bank's institution-wide ML/FT risk assessment;

i. The distribution of clients by risk category and integration flow, taken from the units' summary reports, including the number of lapsed client notifications by risk category;

ii. A structured overview of the work carried out by the AML/FT compliance function over the past year, including information and statistical data focusing on :

- the nature, number and amount of unusual transactions detected ;
- the nature, number and amount of unusual transactions actually analysed;
- the nature, number and amount of suspicious transaction or activity reports to the FIU (disaggregated by country of operation);
- aggregated information on the customer relationship terminated by the Bank due to AML/CTF concerns;
- number of information requests received from the FIU;
- number of court applications/assignments received;
- number of orders requiring the postponement of the execution of a transaction;
- number of responses provided to the FIU and decisions taken in respect of clients, i.e., whether the business relationship with these clients was blocked, suspended, terminated;
- summary of statistical data or key risk indicators relating to ML/TF risks in order to provide an accurate picture of the ML/TF risks to which the Bank is exposed through its customers, countries or geographical areas, products, services,

transactions or delivery channels, taking into account the Bank's AML/CTF policy and procedures.

- iii. A forward-looking view of ML/TF risks and the AML/CTF framework that the Bank intends to deploy to address these risks.
- b. Relative to the resources:
- i. A brief description of the AML/CTF organisational structure and, if applicable, any significant changes over the past year and the rationale behind them, including a distinction between the organisation of supervision by those who have direct contact with customers or are responsible for carrying out their transactions, and the organisation of the AML/CTF compliance function;
 - ii. A brief description of the human and technical resources allocated to the AML/CTF compliance function by the Bank, and confirmation that these resources are sufficient or, if not, an assessment of what additional resources are deemed necessary to enable the Bank to meet its AML/CTF obligations;
 - iii. Where applicable, a list of outsourced AML/CTF processes with a description of the Bank's oversight of these activities; and confirmation that the outsourcing arrangements are adequate to ensure continued compliance with AML/CTF regulatory requirements and the Bank's internal rules.
- c. Relative to policy and procedures:
- i. Summary information on significant actions taken and procedures adopted during the year, including follow-up to recommendations, problems, deficiencies and irregularities identified in the past, as well as new problems, deficiencies and irregularities identified and proposed corrective actions;
 - ii. The nature and number of compliance monitoring activities undertaken to assess the application of the Bank's AML/CTF policies, controls and procedures by the Bank's employees, agents, distributors and service providers, as well as the adequacy of the monitoring tools employed by the Bank for AML/CTF purposes;
 - iii. The nature and number of AML/CTF training events conducted, planned, not conducted, and the staff involved in these training events; Training plan for the next year to assess the adequacy of the training and education provided, including:
 - number of hours of training by type of official and by type of service/function and percentage of officials who have attended training;
 - date of participation in a seminar, title and duration of the seminar and modality of delivery (i.e., e-learning, online and face-to-face) as well as names of trainers;
 - whether the conference/seminar was prepared within the Bank or delivered by an external organisation or consultants; and
 - summary information on the programme/content of the conferences/seminars.

- iv. A description of any other measures adopted by the AML/CTF Compliance Officer;
 - v. Any other relevant information on the operation of the AML/CTF compliance function and AML/CTF prevention measures that the AML/CTF Compliance Officer considers relevant to bring to the attention of the management;
 - vi. The AML/CTF compliance function's activity plan for the following year;
 - vii. Monitoring activities, including how the Bank is taking action to address identified deficiencies and the status of the corrective action, without prejudice to any other periodic reports that may be required.
90. The Chief Compliance Officer shall use a verification table for monitoring the AML/CTF system and associated internal reporting.

Duties of the Chief Compliance Officer with respect to Suspicious Transactions Reports

91. With regards to the AML/CTF Compliance Officer's obligation to provide information to FIUs, he/she shall ensure that other staff whose assistance is sought in performing aspects of this function have the skills, knowledge and ability to do so. Due consideration shall be given to the sensitivity and confidentiality of the information that may be disclosed and the non-disclosure obligations, which the Bank shall comply with.
92. When the Chief Compliance Officer receives the alert form, he/she analyses it, seeks further information and, if necessary, reports suspicious transactions to the FIU of the country concerned.
93. When the AML/CTF Compliance Officer transmits information to the FIU, he or she must ensure that the information is transmitted in a format and by means that comply with the guidelines issued by the relevant national FIU in an efficient manner. As part of his or her role under this provision, the AML/CTF Compliance Officer shall:
- a. understand the operation and design of the transaction monitoring system, including the scenarios covered in relation to the ML/TF risks posed to the Bank, and define procedures to manage alerts
 - b. receive reports from the Bank's employees, agents or distributors, or reports otherwise generated by the Bank's systems, of knowledge or suspicion of ML/TF, or that a person may have been, is or may be linked to ML/TF
 - c. ensure that such reports are promptly reviewed to determine whether knowledge or suspicion of ML/TF is confirmed or whether a person may have been, is or may be linked to ML/TF; the AML/CTF Compliance Officer shall also determine, document and implement a process for prioritising internal reports received so that internal reports concerning particularly high-risk situations are treated with the necessary urgency
 - d. when assessing reports received, record all assessments made to determine whether suspicion is confirmed; and any subsequent feedback received from the FIU to improve detection of future suspicious transactions;
 - e. ensure that knowledge or suspicion of ML/TF or a person's link to ML/TF is reported to the FIU as quickly as possible, submitting with the report the facts,

- events or information and documentation necessary to substantiate the suspicion or grounds for suspicion of ML/TF;
 - f. ensure a prompt and comprehensive response to any request for information made by the FIU; and
 - g. regularly review the reasons why alerts of unusual activities or transactions have not been forwarded as internal reports to determine whether there are any issues that need to be resolved to ensure effective detection of suspicious activities or transactions.
94. The AML/CTF Compliance Officer shall be aware of and effectively apply any guidance provided by the FIU regarding ML/TF typologies and ML/TF risk indicators.
95. The Bank's Chief Compliance Officer shall draw the attention of management and employees to the requirement to strictly adhere to the prohibition on informing the customer or third parties that an AML/CTF analysis is being or may be initiated and to limit access to such information to those who need it for the performance of their duties. Although there is a non-disclosure obligation applicable within the Bank, in accordance with the AML/CTF Policy, the AML/CTF Compliance Officer shall always carefully consider to whom information on reports submitted to an FIU or on any request for information received from an FIU is made within the Bank. The reporting procedure shall be confidential and the identity of those involved in the preparation and transmission of the report shall be protected by a confidentiality policy.

PART V – IMPLEMENTATION

Training and sensitisation

96. The Chief Compliance Officer shall be responsible for training and awareness raising activities in collaboration with the Human Resources Department. The Chief Compliance Officer shall organise one training activity, at least once a year, on :
- a. Code of Ethics;
 - b. Integrity, Corruption and Fraud Prevention Policy and Procedures (ICFPPP);
 - c. Anti-Money Laundering and Anti-Terrorist Financing and Weapons of Mass Destruction Policy and Procedure.
97. Within the framework of the Code of Ethics, the ICFPPP and any other EBID document defining the conduct to be adopted by staff members, the Chief Compliance Officer shall be responsible for organising "train the trainer" sessions for all persons in managerial positions, who would be training EBID staff members.
98. In the framework of the ICFPPP, the Compliance Division shall organise awareness-raising and training sessions on the following:
- a. Whistleblower Protection Policy;
 - b. EBID compliance verification procedure;
 - c. Claims handling policy;
 - d. Procedure for disclosure and access to EBID information.
99. Specifically, the following training and capacity building requirements shall be in place:
- a. Staff members shall be informed of the content of the EBID compliance policy and the overall ICFPPP processes and procedures;

- b. The EBID compliance policy is based on a body of policies that shall be made available to the Bank's management, as well as to all third parties doing business with the Bank, so that they can act accordingly;
 - c. Staff members must be trained in the specific areas and issues that will be crucial for full compliance with the ICFPPP guidelines.
100. For the purposes of AML/CTF training and awareness, the following applies:
- 101.
- a. The AML/CTF Chief Compliance Officer shall adequately inform staff of the AML/CTF risks faced by the Bank, taking into account the wider environment in which it operates, and the reasons why it is necessary to reduce these AML/CTF risks. This information can take various forms, such as company letters, intranet, meetings. Training shall be designed to keep staff informed of the risks, including AML/CTF methods, trends and typologies, and of the Bank's risk-based approach for mitigating and managing these risks. The AML/CTF Compliance Officer shall also help promote the adoption of the right ethical approach within the Bank.
 - b. The AML/CTF Compliance Officer shall ensure that the internal reporting procedures adopted by the Bank are made known to all staff, including members of the Board of Directors and any temporary or seconded employees.
 - c. The AML/CTF Compliance Officer shall assess the training needs within the Bank and ensure that adequate training, both theoretical and practical, is provided to ensure that individuals in the various functions of the institution concerned with AML/CTF risks are effectively able to implement AML/CTF measures in force at the Bank.
 - d. The AML/CTF Compliance Officer shall oversee the preparation and implementation of a continuous AML/CTF training programme that covers all relevant staff (regardless of their status) of the Bank who are affected by AML/CTF risks.
 - e. AML/CTF training shall be provided to the Board and senior management at least once a year.
 - f. AML/CTF training shall be provided to newly hired staff, including the Board of Directors and senior management, upon hiring and on an ongoing risk-sensitive basis for existing staff.
 - g. The AML/CTF Compliance Officer shall ensure that training programmes are also tailored to the legal and regulatory rules applicable at the national level by ECOWAS Member States.
 - h. Where certain training activities are subcontracted to a third party, the AML/CTF Compliance Officer shall ensure (and document in the activity report):
 - i. that the subcontractor has the AML/CTF knowledge required to ensure the quality of the training to be provided ;
 - ii. that the conditions for managing subcontracting are established and adhered to; and
 - iii. that the content of the training is tailored to the Bank's specificities and that the field experience of the Bank's AML/CTF Compliance Officer is well reflected in the training.

Independence and accountability

101. The Compliance Function is independent of the Bank's business activities and shall be managed by the Chief Compliance Officer.
102. The Chief Compliance Officer shall submit an Annual Compliance Report to the President and Chairman of the Board of Directors.
103. Compliance personnel shall not be placed in a position where there is a potential conflict between their compliance responsibilities and any other responsibilities they may have.

Authority

104. In view of discharging his or her compliance duties effectively, the Chief Compliance Officer :
 - a. may enter all areas of the Bank and have access to all documents and records deemed necessary to carry out the responsibilities set out in this Compliance Charter and to ensure the proper application of the policies and procedures which he or she is responsible for implementing; and
 - b. has the right to require all members of management and staff to promptly provide the necessary information and explanations.
105. The Chief Compliance Officer may be invited to attend as an observer any internal Bank meeting for the purpose of carrying out his/her duties.

Standards

106. As part of its responsibilities, the Compliance Function shall keep abreast of good compliance practices and shall in particular take into account :
 - a. Within the framework of the Code of Ethics, best practices and international standards as well as the rules, procedures and guidelines adopted by EBID, including the Staff Regulations and Rules, the EBID Integrity, Corruption and Fraud Prevention Policy and Procedure and any other policy of EBID.
 - b. Within the framework of the ICFPPP, the United Nations Convention against Corruption, the African Union Convention on Preventing and Combating Corruption, Article 5 of the African Union Convention, the United Nations Convention against Transnational Organized Crime, the ECOWAS Protocol on the Fight against Corruption, the ISO 37001 standard on anti-corruption management systems and the recommendations of the relevant entities and other international anti-corruption standards and legislations
 - c. In the context of AML/CTF, the FATF recommendations, those of GIABA and other relevant entities, the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention), the United Nations Convention against Transnational Organized Crime (Palermo Convention), the United Nations Convention against Corruption and the

International Convention for the Suppression of the Financing of Terrorism, all of which contain provisions on the tracing, seizure and confiscation of instrumentalities and proceeds of crime, the Declaration of the Basel Committee on the Prevention of the Criminal Use of the Banking System for the Purpose of Money Laundering, and other international standards and legislation on matters related to AML/CTF compliance.

Relations with the various units within the Bank

107. Within the framework of the Code of Ethics, the Compliance Function, the Ethics Committee, the Administration and General Services Department, the Legal and Institutional Services Department and the Internal Audit and Operations Evaluation Department shall strive to ensure good coordination and close and continuous cooperation.
108. Within the framework of the ICFPPP:
 - a. The Legal and Institutional Services Department and the Compliance Officer are responsible for the implementation of the ICFPPP;
 - b. The Compliance Officer, the Internal Ethics Committee, the Administration and General Services Department and the Legal and Corporate Services Department shall coordinate efforts to interpret the ICFPPP;
 - c. The Compliance Officer shall assist the Internal Ethics Committee in managing investigations; the Internal Audit and Operations Evaluation Department in conducting investigations; and the President in the decision-making process;
 - d. The Chief Compliance Officer shall work with the Internal Ethics Committee and the Vice President (Operations) on the implementation of disciplinary measures, sanctions and enforcement procedures;
109. In the framework of the whistleblower protection policy :
 - a. The Chief Compliance Officer and the Internal Ethics Committee shall work together to ensure confidentiality relative to the identity of whistleblowers;
 - b. The Compliance Officer shall collaborate with the Internal Ethics Committee, which is responsible for managing investigations, and with the Internal Audit and Operations Evaluation Department in conducting investigations.
110. In the context of the EBID compliance procedure :
 - a. All EBID departments shall endeavour to ensure good coordination and close and continuous cooperation to support the Chief Compliance Officer in his functions of supervising and implementing EBID's compliance procedure;
 - b. The Internal Audit and Operations Evaluation Department, the Risk Analysis Department and the Compliance Officer shall cooperate in the implementation of the control mechanism of the Procedure;
 - c. The Chief Compliance Officer shall collaborate with the Internal Ethics Committee on the management of investigations; with the Internal Audit and Operations Evaluation Department on the conduct of investigations; and assist the President in the required decision making process and assist the Legal and Institutional Services Department on matters of disclosure of EBID documents and compliance reports on the dedicated website.

111. Within the grievances processing policy:
 - a. All EBID departments shall endeavour to ensure good coordination and close and continuous cooperation to support the Chief Compliance Officer in his functions of implementing EBID's complaints handling policy in addition to investigating complaints;
 - b. The Internal Audit and Operations Evaluation Department, the Risk Analysis Department and the Compliance Officer shall cooperate in the assessment of the eligibility of applications and the processing of complaints;
 - c. The Chief Compliance Officer shall collaborate with the Internal Ethics Committee in the management of investigations; with the Internal Audit and Operations Evaluation Department in supporting investigations; shall provide support to the Board of Directors in the required decision making process; and assist the Legal and Institutional Services Department in the dissemination of EBID documents and compliance reports on the dedicated website.

112. Within the framework of the disclosure and access to information procedure:
 - a. The Chief Compliance Officer shall support the Legal and Institutional Services Department in the implementation of the Procedure;
 - b. The Chief Compliance Officer shall, in accordance with the Procedure, support the President on the decision to disclose information from the Exceptions List and the Legal and Institutional Services Department on the process of disclosure and access to EBID information, including the approval of disclosure of other documents from the Exceptions List;
 - c. The Chief Compliance Officer and the Internal Audit and Operations Evaluation Department shall cooperate to review the Procedure three years after its entry into force;
 - d. The Chief Compliance Officer shall cooperate with the regional offices representing the local missions in the dissemination of the Procedure at the local level.

113. Within the framework of AML/CTF Policies and Procedures:
 - a. The AML/CTF Compliance function and the Bank's departments, including the Legal and Institutional Services Department, the Risk Management Department and the Internal Audit and Operations Evaluation Department, shall make constant efforts to ensure good coordination and close and continuous cooperation.
 - b. The AML/CTF Compliance activities shall be periodically reviewed by the internal audit function in the same way as other units of the Bank.
 - c. The Bank's internal audit function shall not be combined with the AML/CTF Compliance function.
 - d. The department responsible for risk management shall have access to relevant information and data necessary to perform their role, including information and data from relevant internal control and corporate functions, such as AML/CTF compliance.
 - e. There shall be good cooperation in terms of exchange of necessary information between the Risk Management Department and the AML/CTF Compliance

Officer. The Risk Management Department shall provide relevant information to the AML/CTF Compliance Officer.

- f. The AML/CTF Compliance Officer shall inform the Department of Risk Management of its reports to the management.
- g. The AML/CTF Compliance Officer shall cooperate with the Department of Risk Management and the Loans Administration Division with a view to defining the appropriate AML/CTF methodologies.

Implementation

- 114. This Charter was approved by the Board of Directors by resolution N°18/04/23/BIDC/EBID/CA/BD/83 of April 3, 2023.