

<b>Title</b>	<b>OFAC COMPLIANCE POLICY</b>			<b>Policy #</b>	<b>IP012</b>
<b>Applies to</b>	<b>Global (applies to all of MTI)</b>			<b>Origination date</b>	<b>8/31/19</b>
<b>Policy Owner</b>	<b>Director, Compliance</b>	<b>Department</b>	<b>Finance and Administration</b>	<b>Effective date</b>	<b>8/31/19</b>
<b>This policy supersedes</b>	<b>New Policy</b>			<b>Next review date</b>	<b>8/31/22</b>

**Purpose**

The purpose of this policy is to ensure Medical Teams International (Medical Teams) complies with OFAC regulations and our legal obligation to avoid doing business with "Sanctions Targets" through heightening awareness and understanding of these regulations and how they apply in our NGO setting. This policy governs Medical Teams' OFAC Sanctions Compliance Program, which comprehensively outlines the procedures and required actions Medical Teams will take to ensure compliance. Compliance with this policy and the OFAC enforced sanctions is essential to protect Medical Teams against criminal and civil penalties, as well as to maintain our reputation and the trust of our stakeholders.

**Background:** The Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

In connection with its administration of these sanctions programs, OFAC maintains and publishes a list of countries, individuals, and organizations that are subject to sanction as a result of actions including those hostile to national security, engagement in terrorist activities and arms or narcotics trafficking. This includes a list of individuals and entities that are called "Specially Designated Nationals" or "SDNs" (SDNs, sanctioned countries and other non-SDN or similar lists, are together referred to herein as "Sanctions Targets").

OFAC regulations must be complied with by all US persons and entities, including US Citizens regardless of where they are located in the world, all persons or entities within the United States, and all US incorporated entities and their foreign branches. In the case of certain OFAC enforced sanctions, such as those applying to Iran, foreign subsidiaries owned or controlled by US companies may also be required to comply. In some situations, authority to engage in certain activities or transactions is provided by means of a general license or specific license obtained from OFAC.

**Policy Statement**

Medical Teams International will comply with OFAC regulations prohibiting transactions with foreign countries or foreign nationals listed on the OFAC list of Specially Designated Nationals and Blocked Entities. U.S. organizations may not engage with sanctions targets unless authorized by OFAC or expressly exempted by statute. To ensure compliance, Medical Teams has established an OFAC Sanctions Compliance Program consistent with the guidance provided by the US Treasury in its *Framework for OFAC Compliance Commitments*, published May 2, 2019. This framework outlines five essential components an organizations sanctions compliance program should address at a minimum. These areas are: (1) management commitment; (2) risk assessment; (3) internal controls; (4) testing and auditing; and (5) training. Below are listed Medical Teams' commitments and approaches to adhere to the five components of the framework:

1. Management Commitment:

Medical Teams commits to support of the OFAC Sanctions Compliance Program (SCP) through promoting a "culture of compliance and ensuring the Program is adequately resourced and fully integrated into the company's daily operations. Additionally, senior management will review and approve the organization's SCP.

Senior management has designated Medical Teams' Director of Compliance as the OFAC sanctions compliance officer with overall responsibility for development and implementation of the SCP. The Director of Compliance will maintain and update the policy and SCP as necessary. At least annually the policy will be reviewed and approved by the Medical Teams Board of Directors.

2. Risk Assessment:

Medical Teams assesses the risk of potential OFAC violations throughout the organization's headquarter and field office activities throughout the world. These periodic risk assessments are conducted in a manner and with a frequency that accounts for potential OFAC risks posed by our partners, vendors, beneficiaries, supply chain, intermediaries, counter-parties, transactions, and geographic locations. Medical Teams will update this assessment annually and more frequently as necessary to account for changes in operations and locations, and to account for any systemic deficiencies identified during the normal course of business, or through the company's testing or audit function.

3. Internal Controls:

Medical Teams maintains internal controls to ensure this policy is adhered to. The organization has established the OFAC Program, which outlines the procedures and actions required to comply with OFAC and to address areas of risk identified through the risk assessment. These procedures primarily consist of vetting and screening of partners and counterparties to prevent prohibited transactions with sanctioned or blocked parties as identified by OFAC.

4. Testing and Auditing:

Critical for Medical Teams to evaluate compliance with the organization's sanctions program is an objective testing or auditing function. The Director of Compliance is responsible for the periodic independent testing of compliance with OFAC and will employ testing or audit procedures that reflect a comprehensive and objective evaluation of the company's OFAC risk assessment and internal controls. Testing should include at a minimum, a test of the organization's internal procedures for monitoring compliance and for the record-keeping system for compliance with OFAC. Management will ensure that the organization takes immediate and effective action to identify and implement compensating controls in response to SCP-related issues identified through the testing or audit function.

5. Training:

Medical Teams shall maintain a training program tailored to our activities, risk profile, employees, beneficiaries, and stakeholders. The organization shall ensure that all appropriate personnel with roles relevant to the administration of the OFAC program are adequately trained commensurate with the scope of their responsibilities. Additionally, all Medical Teams employees shall have mandatory awareness training on OFAC annually, and all new employees required to certify receipt of this training upon hire. The Director of Compliance will also ensure to maintain knowledge regarding OFAC and related regulations through obtaining additional training and communication by outside sources as appropriate.

### **Exceptions**

In some situations, it may be possible to engage in humanitarian action within a sanctioned country through a license from OFAC. A license is an authorization from OFAC to engage in an action or transaction that otherwise would be prohibited. A general license authorizes a particular type of transaction for a class of persons without the need to apply for a license. A specific license is a written document issued by OFAC to a particular person or entity, authorizing a particular transaction in response to a written license application. When appropriate, MTI may pursue such licenses to carry out program activity in line with our mission.

**Definitions** None

**Related Legislation** *Title 31 of Code of Federal Regulations, parts related to economic sanctions.*

**Related Policies**

**References** None

**Related Forms, Attachments, Waivers, Guidelines**

*OFAC Sanctions Compliance Program – September 30, 2019*

**Revision History**

Section(s) Changed/Description of Change(s) (Add to table for additional revisions)	Revised by (Name)	Date of Revision
V1 – Initial release of policy	D. Pearce	8/31/19

**End of Policy**