



- CONMEBOL -

# ANTI-MONEY LAUNDERING **HANDBOOK**

# 1. PREAMBLE

The South American Football Confederation, also known as CONMEBOL, is the governing body of Football Associations (Federations) in South America. It has ten Member Associations: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru Uruguay and Venezuela.

CONMEBOL shoulders the important responsibility of defending the essential values of behaviour and conduct, giving back to South American football what belongs to it and contributing to the efforts of protecting the image of football worldwide.

The Congress is the highest authority of CONMEBOL and it ordinarily meets each year to consider the report and the balance sheet of the past year, the budget for expenses and resources for the following year, matters included by the Council in the agenda, the report of the Finance Committee and of the Confederation's FIFA representatives.

The Council is CONMEBOL's permanent authority when the Congress is adjourned, it has a president, three vice-presidents and seven directors. Aside from the president, the others are the presidents of each Member Association. In its Council, CONMEBOL has representatives from its ten Member Associations who have the right to speak and vote.

CONMEBOL is designated as a liable party as per the applicable legal provisions established in the Republic of Paraguay according to Law No. 1015/97, its Amendment Law No. 3783/09, and Resolution No. 490/2022 issued by the independent supervisory body, the Secretariat for the Prevention of Money and Asset Laundering (SEPRELAD).

CONMEBOL, in pursuit of ongoing improvement and transparent management, obtained ISO 37001 Anti-bribery management system certification in 2021, and was re-certified in 2022.

This Handbook is the means for consultation and is mandatory, for all collaborators and stakeholders of CONMEBOL, who must know, understand and undertake to comply with it before beginning any kind of relationship with CONMEBOL.

## 2. INTERPRETATION

All references to a party in the masculine shall include the feminine and the singular shall include the plural unless explicitly stated otherwise in this Handbook.

The chapters of this Handbook are an organised layout of the subject matter and should not impact how the content is interpreted.

In the event of queries regarding the interpretation of this Handbook in other languages, the wording of the original text in Spanish will take precedence, in accordance with Article No.2 of the CONMEBOL Statutes.

# 3. LEGAL FRAMEWORK

## 3.1. INTERNATIONAL BODIES

### UNITED NATIONS:

- Vienna Convention.
- Palermo Convention.
- International Convention for the Suppression of the Financing of Terrorism.
- Resolution 1373 of the UN Security Council.

### INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

### INTERNATIONAL ORGANISATION OF SECURITIES COMMISSIONERS

### THE EGMONT GROUP

### INTERNATIONAL FINANCIAL ACTION TASK FORCE (FATF)

The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by the ministries and member jurisdictions. The objectives of FATF are to set standards and ensure the effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing, proliferation financing and other threats related to the integrity of the international financial system.

• **FATF RECOMMENDATIONS:** The FATF Recommendations set out a comprehensive and consistent framework of measures that countries should implement to combat money laundering and terrorist financing, as well as the financing of the proliferation of weapons of mass destruction. The legal, administrative and operational frameworks and financial systems vary by country, so different measures are needed to counter these threats. The FATF Recommendations establish an international standard that countries must implement.

### • FATF REGIONAL ORGANISATIONS

- **GAFILAT:** The Financial Action Task Force of Latin America (GAFILAT) develops and implements global strategies to combat money laundering and terrorism financing in Latin America by applying the principles included in the 40 Recommendations.

### LOS PAÍSES MIEMBROS DE LA GAFILAT SON:



(\*) Member Associations of CONMEBOL.  
The updated list can be obtained at: <http://www.gafilat.org/content/inicio/>

- **CFATF:** CFATF is the acronym of the Caribbean Financial Action Task Force. This organisation is made up of 27 member states from the Caribbean Basin, Central America and South America that have agreed to implement joint countermeasures that address the problem of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction.

### THE MEMBER COUNTIES OF THE CFATF ARE:



(\*) Member Association of CONMEBOL

## 3.2. NATIONAL BODY

### SECRETARIAT FOR THE PREVENTION OF MONEY AND ASSET LAUNDERING (SEPRELAD)

The Secretariat for the Prevention of Money and Asset Laundering was created through Law 1015/97 and amended by Law 3783/2009.

The Secretariat for the Prevention of Money and Asset Laundering (SEPRELAD) is established as a financial intelligence unit in the Republic of Paraguay, which enjoys operational and administrative autonomy within the limits of the law and regulations.

## 3.3. REGULATORY BODIES AND APPLICABLE LEGISLATION

The applicable legislation in the Republic of Paraguay for the prevention of money laundering is:

- Law No. 1160/96 Paraguayan Penal Code Article 196; and its amendments 3440/2008 and Law 6452/2019.
- Law No. 1015/97 on the prevention and suppression of illicit acts relating to asset or money laundering and its amendments, Law No. 3783/09 and Law 6497/2019.

- Law 4503/2011 on freezing of funds.
- Law 4005 on countering kidnapping.
- Law 4024/2010 on penalising terrorism, terrorist association and terrorism financing and its Amendment Law No. 6408/2019.
- Law 6379/2019 which establishes the jurisdiction for economic crimes and organised crime in the criminal courts.
- Law 6396/2019 amending Article 46 of law 5876/2017 on the administration of seized and confiscated assets.
- Law 6399/2019 amending Articles 3 and 4 of Law No. 5895/2017 establishing transparency rules on the regime of joint stock companies and establishing transitional measures.
- Law 6419/2019 regulating the freezing of financial assets of people linked to terrorism and the proliferation of weapons of mass destruction and the procedures for the dissemination, inclusion and exclusion on sanctions lists.
- Law 6430/2019 on the prevention, classification and sanctioning of punishable acts of transnational bribery and transnational corruption.
- Law 6431/2019 creating the special procedure for the application of confiscation, special confiscation, the loss of profits and earnings and autonomous confiscation.
- Law 6446/2019 creating the administrative registry of people and legal structures and the administrative registry of final beneficiaries in Paraguay.
- Resolution 50/2019 approving the regulations on the identification of politically exposed persons, and the due diligence measures to be applied by liable parties specified in the rules for the prevention of AL/TF of the Republic of Paraguay, in accordance with a risk-based approach.
- Resolution 202/2022 establishing that the liable parties of Law 1015/97 and its amending laws should incorporate the requirement for proof of registration in the registry of final beneficiaries into their processes for due diligence of the knowledge of their individual clients and legal structures, in accordance with Law No. 1015/97; Law No. 5895/17; Law No. 6446/19 and Recommendation No. 24 of the FATF.
- Resolution 490/2022 approving the regulation on the prevention of asset laundering (AL) and terrorist financing (TF) based on a system of risk management for nonprofit organisations (NPOs).
- Resolution 491/2022 approving procedures and requirements for registration through the “IRSO” (Integrated System for Reporting Operations), for nonprofit organisations (NPOs) regulated by resolution SEPRELAD No. 490/2022.

## 4. GLOSSARY OF TERMS



**THREAT:**<sup>1</sup> A phenomenon, human activity or dangerous condition that can cause harm.



**COMPETENT AUTHORITIES:**<sup>2</sup> Refers to all authorities that have been assigned responsibilities relating to the fight against asset laundering and/or terrorism financing.



**CRIMINAL GROUP:**<sup>3</sup> A structured or organised association made up of three or more people who seek to commit crimes or achieve their goals using arms. It includes those who support them economically and provide logistical support.



**BENEFACTOR:**<sup>4</sup> An individual who does something good or helps others altruistically.



**FINAL BENEFICIARY:**<sup>5</sup> This refers to the individual or individuals who finally possess or control a client and/or the individual in whose name a transaction is performed. It also includes people who exercise effective final control over a person or another legal structure.



**ASSETS:**<sup>7</sup> Assets of any type, material or immaterial, furniture or real estate, tangible or intangible, and the legal instruments or documents that certify ownership and other rights to those assets.



**OCCASIONAL CLIENT:** Legal entity/individual that invests an amount of resources of up to USD 10,000.- (ten thousand dollars) for commercial purposes.



**CLIENTS THROUGH BUSINESS AGREEMENTS:** Individual or legal entity with which an agreement is signed establishing the goods, services and the cost for them.



**COLLABORATOR:** An individual who has employee status with CONMEBOL, who provides their service, or is a supplier to CONMEBOL.



**CRIME:**<sup>8</sup> Illicit or reprehensible action.



**DUE DILIGENCE:**<sup>9</sup> The set of rules, measures and procedures for obtaining information that reveals the stakeholders, suppliers, clients and final beneficiaries, with the aim of defining the source and destination of transactions.



**DONATION:**<sup>10</sup> Act through which money or assets are transferred free of charge to another person who accepts this transfer.

1 <https://ciifen.org/definicion-de-riesgo/>

2 <https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/glosario/3871-template-gafilat-glosario/file>

3 Law No.1015 / ON THE PREVENTION AND SUPPRESSION OF ILLICIT ACTS RELATING TO ASSET OR MONEY LAUNDERING

4 <https://www.diccionarios.com/diccionario/secundaria/benefactor>

5 <https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/glosario/3871-template-gafilat-glosario/file>

6 The reference to "who finally possesses or controls" and to "effective final control" refers to situations in which the ownership/control is exercised through a chain of ownership or through other means of control that are not direct control.

7 Law No.1015 / ON THE PREVENTION AND SUPPRESSION OF ILLICIT ACTS RELATING TO ASSET OR MONEY LAUNDERING

8 <https://www.rae.es/drae2001/crimen>

9 RECOMMENDATION 10. Due diligence of client – FATF.

10 <https://economipedia.com/definiciones/donacion.html>



**DONOR:**<sup>11</sup> An individual who transfers an object or asset to another person free of charge.



**TERRORIST FINANCING (TF):**<sup>12</sup> The means through which people or businesses provide or raise funds, directly or indirectly, illegally and deliberately, knowing that all or some of those funds will be used to finance acts of terrorism.



**STAKEHOLDERS:** Individuals or legal entities with whom, directly or indirectly, CONMEBOL establishes contractual or cooperation relationships.



**TERRORIST GROUP:**<sup>13</sup> A structured or organised association made up of three or more people who use violence, including criminal acts, to achieve their political or ideological goals. It includes their moral mentors.



**MONEY LAUNDERING (ML):**<sup>14</sup> The term “money laundering” refers to the activities and financial transactions that are carried out with the purpose of concealing the true source of funds received. These funds come from illegal activities and the purpose of this is to make it seem that the illegal money comes from the logical flow of a legally established activity. Upon completing this process, the money can be used by criminal or terrorist groups.<sup>15</sup>



**LAW:**<sup>16</sup> Regulation or standard established by a competent authority outlined in the National Constitution.



**UN LIST:** A consolidated list that includes all the individuals and entities subject to measures imposed by the United Nations Security Council.



**OFFICE OF FOREIGN ASSETS CONTROL (OFAC):**<sup>17</sup> A financial control body of the United States Treasury Department. It deals with the implementation of United States international sanctions within the field of finance, especially within the framework of the protection of national security and supporting the foreign policy of the United States.



**UNUSUAL TRANSACTION:**<sup>18</sup> A transaction whose amount, characteristics and regularity bear no relation to the economic activity of the profile of the collaborator, supplier, client or stakeholder.



**SUSPICIOUS TRANSACTION:**<sup>19</sup> Any irregular or strange transaction; it is a complex or unusual transaction or one that does not have an apparent economic or lawful purpose.



**SOURCE OF FUNDS:** Refers to the source of the capital of the company, which may be through savings, investors, loans, etc.

11 <https://economipedia.com/definiciones/donacion.html>

12 <https://www.cird.org.py/wp-content/uploads/2021/05/Manual-de-Procedimientos-lavado-de-dinero-SEPRELAD.pdf>

13 Law No.1015 / ON THE PREVENTION AND SUPPRESSION OF ILLICIT ACTS RELATING TO ASSET OR MONEY LAUNDERING

14 Law No.1015 / ON THE PREVENTION AND SUPPRESSION OF ILLICIT ACTS RELATING TO ASSET OR MONEY LAUNDERING

15 Source: SEPRELAD. <http://www.seprelad.gov.py/biblioteca/5-sobre-el-lavado-de-dinero/13-concepto-y-origen-del-lavado-de-dinero>.

16 Oxford Languages Dictionary

17 [https://es.wikipedia.org/wiki/Oficina\\_de\\_Control\\_de\\_Activos\\_Extranjeros](https://es.wikipedia.org/wiki/Oficina_de_Control_de_Activos_Extranjeros)

18 <http://www.cicad.oas.org/cicaddocs/Document.aspx?Id=5613>

19 <https://www.gafilat.org/index.php/es/glosario-de-definiciones>





**NPO (NONPROFIT ORGANISATION):**<sup>20</sup> Nonprofit Organisations, also called Non-governmental organisations (NGOs) or Civil Society Organisations (CSOs) are those whose purpose is the common good or the good of their associates, not profit.



**POLITICALLY EXPOSED PERSON (PEP):**<sup>21</sup> Any person, individual or foreigner, who performs or who has performed duties in any of the roles detailed in Articles 2, 3 and 4 of Resolution 50/2019.



**PROLIFERATION OF WEAPONS OF MASS DESTRUCTION:**<sup>22</sup> Refers to any act that provides funds or uses financial services, entirely or partially, for the production, acquisition, possession, development, exportation, transfer of material, splitting, transport, transfer, deposit or dual use for illegitimate purposes in contravention of national laws or international obligations.



**SUPPLIER:** Individual or legal entity that provides goods, services or supplies to CONMEBOL in exchange for remuneration.



**SUSPICIOUS TRANSACTION REPORT (STR):**<sup>23</sup> The reporting of events, transactions or operations carried out by liable parties to the competent authority (SEPRELAD). They are confidential, reserved and for the exclusive use of SEPRELAD. Only the Highest Management Authority, the Compliance Officer and the individuals that assist them in the performance of their duties can know about the sending of the STR.



**LEGAL REPRESENTATIVE:**<sup>24</sup> Person who, by law, acts on behalf of another individual or legal entity.



**RISK:**<sup>25</sup> The combination of the likelihood that an event will occur and its negative consequences. The factors comprising it are threat and vulnerability.



**VULNERABILITY:**<sup>26</sup> The characteristics and circumstances of a community, system or good that make them susceptible to the harmful effects of a threat.

20 <https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/glosario/3871-template-gafilat-glosario/file>

21 Resolution No. 50/2019 SEPRELAD

22 <https://www.seprelad.gov.py/userfiles/files/biblioteca/glosario-de-definiciones-2.pdf>

23 Resolution No. 490/2022 SEPRELAD

24 <https://dpej.rae.es/lema/representante-legal>

25 <https://ciifen.org/definicion-de-riesgo/>

26 <https://ciifen.org/definicion-de-riesgo/>

# 5. OBJECTIVES AND PURPOSE

## OBJECTIVE

The purpose of this Handbook is to enforce the money laundering and terrorist financing (ML/TF) regulations that SEPRELAD has established to identify the clients, suppliers, Member Associations, executives, collaborators and other stakeholders in general of CONMEBOL, as well as to regulate the inflow and outflow of money and assets, along with the requirement to verify their origin and destination by implementing policies and procedures aimed at preventing, detecting and reporting events that could be linked to money laundering and terrorist financing. CONMEBOL believes that it is highly important for staff to have the necessary mechanisms and procedures to detect, with reasonable certainty, suspicious transactions that could be a sign of money laundering or terrorist financing activities by people or entities.

## PURPOSE

- To share the institutional policy for the Prevention and Control of Money Laundering with all CONMEBOL staff.
- To train all CONMEBOL collaborators on how to identify transactions that could be linked to money laundering and illegal activities.
- To raise awareness of the importance and need of implementing a suitable plan for the prevention of money laundering.
- To highlight the importance of knowledge of stakeholders -source of funds- as the fundamental basis for Anti Money Laundering and Countering Terrorist Financing (AML/CTF).
- To update and share the rules and procedures established by CONMEBOL, along with the requirements of legal regulations on the prevention of money laundering.
- To comply with existing regulations.
- To mitigate the risks of CONMEBOL being used to commit illegal activities.
- To regulate transactions within CONMEBOL, specifying the actions and measures to be taken by the Confederation in the event of cases or situations classified as unusual and/or suspicious activity.
- To protect the good name and reputation of CONMEBOL and its stakeholders.
- To identify and report transactions that show signs of being suspicious.
- Provide all CONMEBOL staff with a working tool that helps them to properly conduct their activities.

## **6. SCOPE AND AREAS INVOLVED IN THE ANTI-MONEY LAUNDERING AND COUNTERING TERRORIST FINANCING (AML/CTF) HANDBOOK**

The Handbook applies to all CONMEBOL activities and is part of the governance framework, therefore it is mandatory for Council members, the Secretary-General, Deputy Secretaries-General, members of permanent commissions, match officials, directors, managers, supervisors, heads, collaborators and other CONMEBOL stakeholders.

## **7. DISSEMINATION**

CONMEBOL will contribute to and work towards establishing as a top priority the full enforcement of all the applicable laws and regulations and for which purpose it will make every effort to inform all Council members, the Secretary-General, Deputy Secretaries-General, members of permanent commissions, match officials, directors, managers, supervisors, heads, collaborators and other CONMEBOL stakeholders of this policy to ensure its application, instrumentation and improvement.

## **8. APPLICATION OF RISK-BASED APPROACH (RBA)**

CONMEBOL shall apply a Risk-Based Approach, which must include the identification, evaluation and mitigation of ML/TF risks that it is exposed to, in accordance with the risk factors identified in the self-assessment, as well as others provided by competent authorities on the matter, such as the National Risk Assessment.

The AML/CTF policy is based on two core components, namely:

- **COMPLIANCE**

Comprising the policies, procedures and controls determined by CONMEBOL, in accordance with what is established in the laws, regulations and regulatory provisions issued by the competent authorities on the matter.

- **RISK MANAGEMENT**

Comprising the policies, procedures, identification checks, evaluation, mitigation, monitoring, in accordance with the understanding of the ML/TF risks that the institution is exposed to, identified in the framework of the self-assessment, and the provisions issued by SEPRELAD.

# 9. FUNCTIONAL STRUCTURE FOR AML/CTF

## 9.1. ETHICS AND COMPLIANCE COMMITTEE

CONMEBOL has established a Compliance Board for the Prevention of Money or Asset Laundering and Terrorist Financing, formed by the Secretary-General, the Legal Director, the Director of Ethics and Compliance, and a Compliance Analyst.

This Board will be convened by the Compliance Official, on a six-monthly basis and whenever necessary.

The Board must appoint a Secretary, who shall keep a record of all the minutes of the Compliance Board, recording the results of each meeting and with the signature of the people present.

### 9.1.1. MAIN FUNCTIONS OF THE ETHICS AND COMPLIANCE COMMITTEE

- Request the collaboration of any body, supplier, collaborator, as well as the Member Associations to fulfil its mission.
- Identify sensitive transactions that should be analysed and reviewed.
- Analyse suspicious or reported transactions, along with those that have been studied by the Compliance Committee and may be voluntarily submitted to SEPRELAD.
- Formalise registrations of PEP and high risk business partners.
- Analyse and deal with any exception not included in this Handbook.

## 9.2. COMPLIANCE OFFICER

The CONMEBOL Council is responsible for approving the appointment of the Compliance Officer that has the right profile and a senior rank to enforce compliance with AML/CTF policies and procedures within CONMEBOL, as per Article 26 of SEPRELAD Resolution No. 490/22.

The Compliance Officer is responsible, alongside the Highest Management Authority of CONMEBOL, for properly and effectively implementing the policies and procedures for AML/CTF, and it is necessary to have sufficient support and resources for this task.

The Compliance Officer, exclusively, will organically and functionally is answerable to the Highest Management Authority, which is formed by the President and the CONMEBOL Council, to whom they must report.

### 9.2.1. Duties of the Compliance Officer

- Provide advice to the Highest Management Authority and Senior Management regarding AML/CTF policies and procedures with a risk-based approach.
- Suggest strategies for the prevention and maintenance of risks of ML/TF identified through the implementation of policies and procedures.
- Present the President of CONMEBOL with the AML/CTF Handbook for approval, and ensure the updating of the AML/CTF policies and procedures in accordance with amendments to legislation on the matter.

- Observe the proper implementation of policies and procedures established in the AML/CTF system, according to what is established in law, in rules and regulations, including the record of suspicious transactions, as well as the timely detection and suspicious transaction report.
- Verify that the AML/CTF system includes a review of the lists of financial sanctions targeted at terrorism and the proliferation of weapons of mass destruction outlined in Appendix VI and detailed on the web portal of SEPRELAD.
- Create and implement the Training Plan on AML/CTF.
- Incorporate alerts issued by SEPRELAD in the AML/CTF Handbook.
- Keep a detailed record of the cases that, in accordance with the risk-based approach, require further investigation and regardless of the classification are unusual or suspicious.
- Carry out six-monthly evaluations for the purpose of detecting new signs of risks in operations carried out by CONMEBOL or failing this, excluding those that no longer correspond in accordance with the self-assessment conducted.
- Issue annual reports on its management to the Council and to the members of the Compliance Board.
- Check the proper storage and safekeeping of documents relating to the AML/CTF system.
- To act as a liaison for CONMEBOL to institutions responsible for regulation and supervision, on matters relating to their role.
- Handle, inform and channel information requirements requested by the competent authorities on AML/CTF through Senior Management.

### **9.2.2. Annual Report of the Compliance Officer**

The Compliance Officer present a six-monthly report and another annual report within 90 working days at the close of the year, to the Highest Management Authority of CONMEBOL, relating to their management, which will be submitted to the Council for its respective approval. The Highest Management Authority of CONMEBOL, must provide the aforementioned report if requested by SEPRELAD.

### **9.2.3. Annual Work Programme of the Compliance Officer**

The Compliance Offer will create an annual work programme, which will be submitted to the Highest Management Authority and must be approved within the first 90 working days of the year.

### **9.3. INTERNAL AUDIT**

The Internal Audit will implement procedures whose objectives are the regular verification of reasonableness, effectiveness and efficiency of the policies and procedures relating to AML/CTF. These procedures cover all areas and/or departments, considering their inherent risks and current legislation.

These procedures are implemented within the framework of the risk self-assessment performed by CONMEBOL, with the objective of raising the implementation of AML/CTF policies to the highest standards.

The annual internal audit must be approved by the Compliance and Auditing Committee.

### **9.4. EXTERNAL AUDIT**

For the purposes of determining the effectiveness and efficiency of the AML/CTF system implemented by CONMEBOL, both in the Handbooks, and the different processes, it will be necessary to plan the implementation of Independent External Audits whose provider should be registered with SEPRELAD and each year they will have the task of analysing the AML/CTF systems, issuing a report on their scope and compliance.

When the analysis of the external audit has ended, CONMEBOL, through the highest authority will send the report to SEPRELAD by 30 June of the following year at the latest, at the close of each audited year and in accordance with the current regulations.

#### **9.4.1. The External Audit must:**

- Evaluate the effectiveness and enforcement of the policies, procedures and regulations for AML/CTF.
- Evaluate the efficiency and effectiveness of methods for the administration and mitigation of ML/TF risks applied by CONMEBOL.
- Verify the observance and implementation of procedures and policies targeted at the risk factors outlined in Article 6 of Resolution SEPRELAD 490/2022, mainly those that have been classified as high risk.
- Confirm compliance with the legal provisions and applicable regulations for AML/CTF, using representative samples of individuals and legal entities linked to income in order to assess the effectiveness in implementing the internal prevention policies and procedures.
- Verify compliance with and the proper implementation of the training plan and its scope.
- Make recommendations that improve the internal policies and procedures for AML/CTF.
- Verify that the observations identified by the above mentioned audits, have been considered or rectified.

# 10. LEGAL NATURE, TYPE OF ACTIVITY AND REVENUE OF CONMEBOL

CONMEBOL is a nonprofit Civil Association under Private Law, therefore it becomes a liable party to SEPRELAD, established by the National Football Associations of South America (Member Associations) and a member of the Fédération Internationale de Football Association (FIFA).

CONMEBOL is involved in the activity of managing, organising, developing and arranging all matters relating to football in South America.

## 10.1. INCOME RECEIVED

### 10.1.1. Clients through Business Agreements

Individual or legal entity with which an agreement is signed for the sale of commercial rights, in accordance with what is established in Article 66 “Commercial Rights” of the CONMEBOL statutes.

CONMEBOL identifies and registers clients who are individuals and legal entities according to business agreements and other stakeholders.

### 10.1.2. Occasional Clients

Individual or legal entity that invests an amount of resources of up to USD 10,000 for the acquisition of commercial rights.

### 10.1.3. Funds for implementation of projects

CONMEBOL has specific funds allocated by FIFA, World Football Remission Funds and other sources, for the development of football, these funds are individually regulated in accordance with the area or destination that they will be applied to.

### 10.1.4. Other income

Other income is outlined in Article 69 “Income” of the CONMEBOL statutes.

# 11. DONATIONS MADE AND RECEIVED

The Ethics and Compliance Department oversees donations made and received.

The individuals and/or legal entities that receive CONMEBOL donations in the form of money or assets must be identified and registered in accordance with what is established in Chapter IV Articles 11, 12 and 13 of Resolution 490/2022.

## 11.1. DOCUMENTATION REQUIRED TO IDENTIFY DONATIONS MADE

**a)** In the case of donations between US\$1,000 and US\$9,999 (or their equivalent in other currencies), in addition to the aforementioned items, the beneficiary's ID document or equivalent must be submitted and a copy of it will be filed.

**b)** In the case of local or international donations for the amount of US\$10,000 or more (or their equivalent in other currencies), in addition to the aforementioned items, the form "Sworn Statement on the source of funds from donations and/or donations" must be completed.

## 11.2. AUTHORISING AND TRACKING DONATIONS MADE

Donations will be studied on a case-by-case basis and may be proposed in the agenda of CONMEBOL Council meetings, in urgent cases by the Emergency Council or through the approval of the President and Secretary-General.

All disbursements in the form of a monetary donation shall only be via bank transfer, into the account of the Member Association or another beneficiary.

Additionally, donation disbursements must be allocated to the corresponding general ledger account so the final destination of those funds is clearly identified. The account department will assign accounts, using an alphanumeric code that makes it possible to identify disbursements as donations, and the internal auditing department will be responsible for the control of accountability.

The Finance Department will prepare monthly bank reconciliation statements for each general ledger account and immediately notify the Compliance Officer of unidentified deposits or transfers or other anomalies that may require further analysis.

In the case of the donation of assets, the disbursement will be identified in accordance with the general requirements established in Resolution SEPRELAD No. 490/2022.



# 12. IDENTIFICATION MEASURES

CONMEBIL will identify and register clients through business agreements, suppliers and other stakeholders at the time it begins the relationship and it will classify them in accordance with what is established in the procedure for due diligence.

In order for CONMEBOL to accept or give a contribution of money or assets, it will follow the provisions of chapter IV Article 11 of Resolution SEPRELAD 490/2022. Also, a check will be carried out of people on lists issued by OFAC and the UN, recording the results of the consultation.

If the natural person or legal entity appears in the OFAC or UN lists, a Suspicious Transaction Report must be issued to SEPRELAD within the established deadline.

## 12.1. GENERAL IDENTIFICATION REQUIREMENTS

Information to keep in mind when identifying and registering clients, suppliers and other stakeholders:

### FOR NATURAL PERSONS

- Full name and surname(s)
- Place and date of birth
- Type and number of identity document
- Nationality
- Primary business activity
- Address
- City
- Telephone number
- E-mail address
- Bank account

### FOR NATIONAL LEGAL ENTITIES

- Name or company name
- RUC (tax id no.)
- Primary business activity
- Fiscal address
- City
- E-mail
- Telephone number
- Full name and surname(s) of final beneficiaries
- Full name and surname(s) of legal representatives
- Proof of registration in the registry of final beneficiaries and legal structures
- Bank account

### FOR INTERNATIONAL ORGANISATIONS

- Name or company name
- Contract number
- Tax id no.
- Primary business activity
- Fiscal address
- City
- E-mail
- Telephone number
- Full name and surname(s) of final beneficiaries
- Full name and surname(s) of legal Representatives
- Bank account

Countries that have GDPR or Individuals and/ or Legal Entities bound by Data Protection are exempt from these requirements.

The Ethics and Compliance Department can grant approval for the clearance, updating or modification on a conditional or exceptional basis of clients through business agreements, suppliers, collaborators and other stakeholders, using the risk-based approach adopted by CONMEBOL as the basis.

## **12.2. SPECIAL IDENTIFICATION MATTERS**

### **12.2.1. Politically Exposed Persons**

Any person, individual or foreigner, who performs or who has performed duties in any of the roles detailed in Articles 2, 3 and 4 of Resolution 50/2019. A person will stop being considered a PEP after a period 2 years following the end date of their duty in any of the roles outlined in the before mentioned articles.

Due to their position and influence they are exposed to greater risks, therefore additional preventive measures are implemented. Within the framework of these measures, in addition to the identification, registration and monitoring, the ethics and compliance department classes them as high risk.

To determine if a person is a PEP, information is used that is obtained from computer tools and declarations made in the “Business Partner Sworn Statement”.

Furthermore, when initiating a relationship, DEC will inform the Secretary-General and/or Deputy Secretary-General.

### **12.2.2. Transactions Registry**

The Handbook establishes that methods will be developed and put into practice for the proper registration, analysis and control that could detect unusual and/or suspicious transactions with the aim of applying computer tools such as the “SAP” System or others that CONMEBOL deems appropriate.

## **13. FUNDS FROM OTHER ENTITIES AFFECTED BY AML/CTF REGULATIONS**

In the case of funds from other entities affected by SEPRELAD regulations, due diligence is presumed to have been exercised to identify the donors and to verify the source of the money or assets.

In the case of funds from international financial institutions, except for countries or regions that have been classified by the Financial Action Task Force (FATF) as non-cooperative or have not implemented global anti-money laundering programs or have not fully committed to implementing anti-money laundering programs (tax havens), due diligence is presumed to have been exercised.

# 14. IDENTIFYING UNUSUAL AND/OR SUSPICIOUS TRANSACTIONS

The Ethics & Compliance Department oversees unusual and/or suspicious transactions.

## 14.1. UNUSUAL TRANSACTIONS

Within a period of sixty days after an unusual transaction has been detected, CONMEBOL will analyse whether the events, circumstances or purpose surrounding the transaction are unjustified or if the explanation given is not valid. If this occurs, it will be classified as a suspicious transaction.

Transactions in which the identification of the Business Partner and other stakeholders is misleading, false and/or inadequate may be considered as unusual. The same applies to cases where the documentation provided is difficult to verify or when they are reluctant to identify themselves or provide information requested by CONMEBOL.

A transaction that triggers an alert due to its incompatibility with what has been declared is classified as an unusual transaction and it will be necessary to request supporting documents. If the source is not properly justified, the transaction will be classified as SUSPICIOUS and may be reported to SEPRELAD within a period of 24 hours in accordance with what is established in Resolution 49/2022.

CONMEBOL uses computer tools such as the SAP System, consults the debarred lists issued by international entities and verifies documentation in order to detect unusual transactions in a timely manner and deal with them in accordance with the requirements of current legislation. In cases where it deems it necessary, it may request additional reports from external suppliers in order to collect more information.

### 14.1.1. Main controls used to detect an Unusual Transaction

- Check by the Ethics and Compliance Department of documents and the reasonableness of payments made by CONMEBOL that are USD 50,000 and over.
- Registry of Business Partners.
- Check of all payments made by CONMEBOL, regardless of the amount, of funds from other sources. Example: FIFA FORWARD, WFRF or others.
- IT tools are used to check for individuals and legal entities that appear on international lists (OFAC, UN, etc.).
- Supplier contracts include a preventive clause to ensure compliance with laws against bribery and corruption.

## 14.2. SUSPICIOUS TRANSACTIONS

This Handbook specifies that the necessary analysis and control methods must be implemented to detect suspicious transactions with the aim of taking action and informing the authorities as per the applicable legislation.

Suspicious transactions are unusual transactions or those that do not fit the patterns of standard transactions. Even if they are for small amounts, they are done periodically and with no reasonable legal/economic grounds, or they originate from a country that does not apply money laundering prevention systems, or does so in an insufficient manner, and upon

performing an analysis and obtaining the corresponding documents, they continue to have no legal and economic grounds.

### **14.2.1. The key factors to consider before classifying a transaction as suspicious**

- Proper verification of the identity of the Member Associations, Council members, Commission members, directors, supervisors, heads, collaborators, suppliers, clients, and other CONMEBOL stakeholders.
- Carry out a control with a risk-based approach, in accordance with criteria established in the Risk Matrix for the Prevention of Money Laundering.
- Confirm the information submitted.
- Exercise due diligence.

### **14.2.2. Suspicious Transaction Report**

When a suspicious transaction is detected, it will be reported to the immediate superior and/or to the Compliance Officer along with the documents obtained from the due diligence conducted and a written report of the analysis performed that classifies it as suspicious.

CONMEBOL is required to submit a suspicious transaction report to SEPRELAD of any event or transaction, regardless of the amount and whether it has been carried out, that could show serious signs of being linked to the crimes of ML/TF.

Suspicious transaction reports need to be sent to SEPRELAD within the deadline established in legislation and through the form named “Suspicious Transaction Report” or the instrument that SEPRELAD establishes, accompanied by supporting documents and other relevant documents that are requested, anonymously and confidentially.

### **14.2.3. Ban on notifying or sharing the Suspicious Transaction Report**

Suspicious Transaction Reports (STR) are confidential, reserved and for the exclusive use of SEPRELAD. Only the Highest Authority, the Compliance Officer and the individuals that assist them in the performance of their duties can know about the sending of the STR.

CONMEBOL will refrain from disclosing, communicating or notifying that a STR has been sent to SEPRELAD, its content and the supporting documentation. Likewise, information that has been requested by the competent authority will not be revealed.

## **15. EXCEPTIONS**

The Ethics and Compliance Department will be responsible for exceptions granted within reasonableness and the framework of the risk-based approach, following evaluation, justification and the filing of each particular case.

## **16. DUTY OF CONFIDENTIALITY**

All correspondence is strictly confidential. The CONMEBOL Compliance Officer and the Ethics and Compliance Committee must abstain from revealing or announcing the existence of a Suspicious Transaction Report, including its content and supporting documents. This also applies to information that has been requested by SEPRELAD.

## **17. NEGATIVE REPORT**

The Compliance Officer must inform SEPRELAD quarterly if no transactions with signs of money laundering/terrorist financing have been detected. The report will be named “Negative Report” and is sent via a note to SEPRELAD until the entry into force of the integrated system for reporting operations for NPOs.

## **18. STORING OF INFORMATION AND FILING OF DOCUMENTS**

The Ethics and Compliance Department must keep a copy of supporting documentation for donations made, the dossier of the Member Associations and the supporting documents for suspicious transaction report.

The Accounting Department must file the original supporting documents for donations made and the documents that justify expenses that have been paid using donations. The document archive must be kept in chronological order for easy identification.

### **18.1. PERIOD FOR KEEPING INFORMATION AND DOCUMENTS**

All supporting documents outlined in this Handbook must be kept for five years, in accordance with what is established in the respective tax legislation and Resolution 490/2022 of SEPRELAD.

# 19. DATABASE

## 19.1. COUNCIL MEMBERS.

## 19.2. CLIENTS THROUGH BUSINESS AGREEMENTS AND OCCASIONAL CLIENTS

The Commercial department will keep the list of clients and their respective documentation up to date.

## 19.3. MEMBER ASSOCIATIONS

The Secretary-General will keep the list of Member Associations and the Ethics and Compliance Department documentation up to date.

## 19.4. SUPPLIERS

The Purchasing Management will keep a list of suppliers and their respective documentation up to date.

## 19.5. DONATIONS

The Accounting, Financial Planning and Ethics and Compliance departments will keep updated records on donation payments, and the Accounting Department will keep the corresponding accounting records. Monitoring of the donation process will be carried out by the Ethics and Compliance Department.

## 19.6. COLLABORATORS

The Human Resources Department will keep the list of collaborators and their respective documentation up to date.

## 19.7. MATCH OFFICIALS

The Competitions Department will keep the list of Match Officials and their respective documentation up to date.

## 19.8. MEDICAL OFFICIALS

The Medical Committee and Anti-Doping Unit will keep the list of Medical Officials and their respective documentation up to date.

## 19.9. REFEREES

The Refereeing Committee will keep the list of Match Officials and their respective documentation up to date.

## **20. TRAINING PROGRAMME IN ACCORDANCE WITH RESOLUTION SEPRELAD 490/2022**

The planning and supervision of the training programme is the responsibility of the Ethics and Compliance Department.

### **20.1. OBJECTIVES OF THE TRAINING PROGRAMME**

CONMEBOL can establish an ongoing training programme on the prevention of money laundering to attain the following objectives:

- Have an induction programme for new collaborators.
- Provide training and information on the policies, regulations, procedures and this AML/CTF Handbook to Member Associations, Council members, Commission members, directors, supervisors, heads, collaborators, suppliers, clients and other CONMEBOL stakeholders.
- To ensure compliance with the applicable rules and procedures.
- To periodically refresh knowledge of the applicable rules and procedures at CONMEBOL.
- To clearly establish the risks of money or asset laundering in relation to CONMEBOL.
- Meet the requirements established in current legislation.

### **20.2. CONTENT OF THE PROGRAMME**

The Training Programme's content will be decided upon by the Compliance Offer and prepared according to the characteristics of CONMEBOL.

The prevention system is bolstered by providing ongoing training to the collaborators and other stakeholders, for which CONMEBOL has in place an annual plan verified and approved beforehand by the Secretary-General.

The Ethics & Compliance Department, in conjunction with the Human Resources Department, prepares an annual training programme on AML/CTF. It is geared towards all partners to guarantee they receive proper training and have the latest tools and preventive measures for the fight against ML/TF.

Training is obligatory for all collaborators, therefore strict control of compliance will be carried out through Human Resources and they will have to inform the Ethics and Compliance Department.

The Development Department, the Ethics and Compliance Department can provide training for Member Associations and stakeholders.

## **21. KNOWLEDGE OF COLLABORATORS**

Before beginning a relationship with a collaborator, CONMEBOL will perform due diligence by checking debarred lists issued by international entities and by verifying the documents and information provided by the person. Also, it will be necessary to record the integrity, suitability and conflict of interests of the person.

CONMEBOL has a policy of not starting a relationship with people who have a negative background on debarred lists or whose for whom the integrity, suitability and current conflict of interests has not been ascertained.

The Human Resources Department is responsible for managing the knowledge of employees.

## **22. CODE OF ETHICS**

CONMEBOL has a Code of Ethics that includes the guiding principles, values and policies designed to highlight the obligatory nature of the procedures that comprise the AML/CTF system and their implementation in accordance with current legislation.

This Code establishes that any breach of the AML/CTF procedure will be considered an infringement, establishing parameters that determine the severity and the implementation of proportional and dissuasive sanctions; and it is mandatory for all Council members, the Secretary-General, Deputy Secretaries-General, Members of Permanent Commissions, Match Officials, Directors, Managers, supervisors, heads, collaborators of CONMEBOL and other stakeholders without any exception.

In the event there are sanctions, as well as previous infringements, they will be duly recorded.

## **23. OTHER INDIVIDUALS RESPONSIBLE FOR PREVENTION**

In addition to the duties and responsibilities of the position they hold, the directors, managers, supervisors and heads of other departments and sections must be familiar with and follow this Handbook. It is suggested that they:

- Promote and oversee the operation of CONMEBOL's Prevention Programme in its spheres of influence, and also provide the necessary instructions to ensure strict compliance with internal regulations and legislation on the prevention of money laundering.
- Partner with the Compliance Officer in all types of situations, particularly when the authorities must be present and regarding the reports of unusual or suspicious transactions issued by the staff members or teams that report to them.
- Implement the additional control systems and precautionary measures, in coordination with the Compliance Officer, deemed necessary to detect and prevent suspicious transactions.

Keep the staff members or teams that report to them updated on the applicable regulations and all the information regarding the prevention of money laundering.



## 24. POLICIES FOR UPDATING, MODIFYING AND REVIEWING THE AML/CTF HANDBOOK

The updating of the AML/CTF Handbook will be carried out in accordance with national regulations.

This Handbook may be modified based with approval of the President of CONMEBOL, at the suggestion of the Compliance Officer. Council members, members of permanent commissions, match officials, directors, managers, supervisors, heads, collaborators and other CONMEBOL stakeholders must be informed of all modifications.

The original version of this Handbook is the printed copy in possession of the Compliance Officer and signed by the President of CONMEBOL.

## 25. APPENDICES.

### APPENDIX I: Pro forma negative report.

Luque, xxxx xx, 202x  
Mr. XXXX XXXXX  
Minister of the Secretariat for the Prevention of  
Money or Asset Laundering.  
SEPRELAD.

In compliance with Resolution No. 453-/11 Article 18 on Negative Reports and Amendment Resolution No. 292/13, we hereby inform that during the period between January 202x and March 202x, no suspicious transaction reports (STR) were submitted by us.

Kind regards,

XX

CONMEBOL Compliance Officer

## **APPENDIX 2: General guide on alerts.**

These situations may be indicators of ML/TF risk:

1. Donors/contributors who ask the NPO to send funds to affiliates or beneficiaries in countries that have suffered Terrorist Attacks (TA) or that are associated with a High Risk level of suffering them, Radicalised Zones, or jurisdictions bordering on them, as well as countries considered as “non-cooperating” or with serious shortcomings in their Systems against Terrorist Financing or with high levels of corruption and criminality.
2. The internal/external auditing controls detect operations or transactions that do not have an explanation or justification, especially relating to the management of resources (for example: their storage and use for purposes unrelated to the aim and/or purpose of the entity).
3. A amount of transfers to countries that have suffered Terrorist Attacks (TA) or that are associated with a High Risk level of suffering them, Radicalised Zones, or jurisdictions bordering on them, as well as countries considered as “non-cooperating” or with serious shortcomings in their Systems against Terrorist Financing or with high levels of corruption and criminality, with proper justification.
4. Donors/contributors who refuse to give their identity.
5. Use of personal accounts to receive donations/contributions.
6. Refusal of the heads of NPOs to report, produce minutes, hold meetings, or carry out any kind of control.
7. Transfer of funds from NPOs to personal accounts without justification.
8. People in NPOs whose details are associated or linked to terrorists, organisations or terrorist groups.
9. Executives or influential people within NPOs with a background linked to the mismanagement of entities, fraud, corruption, and other illicit acts connected to ML.

**Official publication of the South American Football Confederation (CONMEBOL)**

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