

Principle 2: knowing the origin of funds and goods

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The second principle consists in knowing the origin of funds, for wealth management and financing, and the origin of goods, for commodity trading. This knowledge forms the core of compliance, as described in Part H. In Africa it takes on particular importance, owing to the weight of natural resources in the economies, the frequency of links between private fortunes and public office, and the existence of conflict zones and informal mining operations.

For funds, the clarification must cover the activity that generated the wealth, the contracts, public procurement awards and concessions on which it rests, the flows that built it up and the links with those in power. Summary declarations are not sufficient: supporting documents — company accounts, contracts, title deeds, tax returns where they exist — must be obtained and analysed.

For goods, the clarification must cover the place of extraction or production, the conditions of exploitation, the intermediaries and compliance with the due diligence obligations relating to conflict minerals and child labour described in Part H. Gold, cobalt, cocoa and timber call for particular vigilance. Certificates of origin, inspections and traceability programmes are the instruments of this verification.

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