

**SMALL GRANT AGREEMENT
“GACC Ad-hoc grant”**

BETWEEN

Transparency International e.V. (Secretariat), Alt Moabit 96, D-10559 Berlin, Germany, (hereinafter referred to as “TI-S”)	AND	Transparency International Spain C/ Fortuny 53, 28010, Madrid, Spain. (hereinafter referred to as “The Partner”)
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(Hereinafter jointly referred to as ‘**the Parties**’)

Title of the Project to be carried out under this Grant Agreement: “**Global Anti-Corruption Consortium project**”

1. PURPOSE AND SCOPE OF THE AGREEMENT

- 1.1 The purpose of this Grant Agreement is to enable immediate, concrete advocacy action to amplify the impact of a specific journalistic investigation. Grants aim to support one-off fast advocacy actions – anything from stunts and media events, posters and advertisements, videos, public opinion polls, legal submissions or anything else that uses the investigative story to push a needed anti-corruption policy reform in your country and/or contribute to hold accountable the wrongdoers exposed by investigative journalists.
- 1.2 The following Annex form integral parts of the Agreement:
- Annex I** Terms of Reference (Description of the action)
Annex II Additional provisions
Annex III Partner's Bank Account information

2. FINANCIALS AND REPORTING

- 2.1 The total grant amount approved under this Grant Agreement is **EUR 2,280** (two thousand two hundred eighty Euro). The grant will be disbursed in one instalment, upon signature of this Agreement by both Parties.
- 2.2 The Partner agrees to keep a record of expenditure incurred under this Agreement and will provide TI-S with **a) a financial report** (in a format to be provided by TI-S, which may include a detailed expenditure listing), and **b) a narrative report** on the use of the grant and. Upon TI-S request, the Partner further agrees to provide simple copies of receipts, boarding passes, invoices and any other documentary evidence justifying the expenditure incurred under this grant.
- 2.3 The grant shall be used only for the purposes stated in this Agreement. Use and management of the funds shall comply with local regulations, generally accepted accounting practices and any specific requirements reflected in Annex II – Additional Provisions. Annex II of this Agreement forms an integral part of the Agreement.

Checked by TI PA: _____

Initialed _____

- 2.4 Legal costs can be covered by this grant only upon prior agreement of TI-S.
- 2.5 TI-S reserves the right to suspend or cancel payments or claim repayment in part or in full, if the funds are found to be misused, not satisfactorily accounted for, and/or the stated project objectives and contractual requirements are not being met.
- 2.6 The grant will be transferred to the Partner's bank account as indicated in Annex III.

3. LIABILITY AND SPECIAL PROVISIONS

- 3.1 The Partner shall be liable for any and all damages to persons, property or any financial loss caused by the Partner or any third party, hired by the Partner, in the performance of the obligations under this Agreement.
- 3.2 The Partner shall ensure that every contract with a third party contains a clause that any limitation or exclusion of liability to the Partner's benefit also applies to limit or exclude TI-S's liability.
- 3.3 The Partner shall be liable for any and all damages caused by any other kind of legal action resulting from the implementation of this Agreement.
- 3.4 TI-S shall not accept any responsibility or liability for any claims, debts, demands, damage or loss arising from the implementation of this Agreement.
- 3.5 The Partner shall immediately notify TI-S of any circumstances, which might place the Partner in an actual or perceived conflict of interest in relation to the obligations under this Agreement or the interests of TI-S and/or Transparency International in general.
- 3.6 The Partner shall comply with security and communication guidelines that TI-S will develop and share with the Partner.

4. ENTRY INTO FORCE, DURATION AND TERMINATION

- 4.1 This Agreement shall enter into force upon signature by both Parties.
- 4.2 The Agreement shall remain in force until 31 October 2020, unless it is terminated in accordance with provisions in Sections 3 and 4 of this clause.
- 4.3 Both Parties are entitled to terminate this Agreement in writing at any time by observing a notice period of **21 days**.
- 4.4 In accordance with Annex II - Additional Provisions, any corrupt or illegal behaviour constitutes a violation of this Agreement and justifies its immediate termination.

5. MISCELLANEOUS

- 5.1 Any amendment or modification to this Agreement shall be agreed upon between the Parties in writing.
- 5.2 If any of the provisions of this Agreement shall become or be held invalid or unenforceable, all other provisions hereof shall remain in full force and effect.
- 5.3 The place of jurisdiction for all disputes arising out of or in connection with this Agreement shall be Berlin, Germany.

SIGNATURES

For the Partner:

For TI-S:

Madrid, 31 – 07 - 2020

Berlin, _____

(Date)


(Date)

Name: D. Jesús Sánchez Lambás

Name: Maximilian Heywood

Position: Secretary General

Position: Head of Policy & Advocacy,
Transparency International

ANNEX I – Description of the action**APPLICATION FORM “GACC ad-hoc grant”**

1. Name of your organisation: Transparency International España
2. Name, email address and Signal number of the contact person:

David Martínez García
david.martinez@transparencia.org.es
 C/ Fortuny 53, Madrid, 28010.

3. Topic of the investigation and country(ies) included:

Anti-money laundering in the real estate sector in Spain

4. Briefly explain why you would like to advocate on this topic. Please include information on your organisation’s experience in the area, previous work done, and opportunities to advance the topic

In recent years, Spain has been an especially vulnerable area within the European Union to money laundering through the real estate sector. Already in 2006 the report of the Organization for Economic Cooperation and Development (OECD) “Report on tax fraud and money laundering vulnerabilities involving the real estate sector”, showed that in Spain measures have not yet been established comprehensive and necessary to eradicate or lessen this problem and its link with local corruption.

In this report, the real estate sector is also identified as a key area and important facilitator for money laundering.

Spain is especially chosen for their geographical location as destinations for second residence, having further increased the size of the real estate sector in the country. To this we must add that, in 2013, Spain promoted investments in the real estate sector through the golden visa program in investments of more than 500,000 euros. For historical reasons, Spain has a special relationship with the Spanish-speaking Latin American, attracting not only a significant number of citizens with dual nationality who have moved their residence to Spain, but also a significant increase in commercial and legal relationships of significant economic volume.

Finally, it should not be forgotten either that both countries have served as a strategic enclave, investment and residence also for migrant citizens from the countries of Eastern Europe and post-soviet states, including luxury real estate sector.

International organizations and professionals in the sector have identified numerous common deficiencies in combating money laundering, such as the lack of exhaustive knowledge and compliance with obligations, the commitment of the authorities to the sector in question and legislative and regulatory gaps.

In Spain the Notaries are a group of special concern due to its decisive role in this matter, therefore this Project wants to address this and engage with this professional group in order to have a close dialogue with them and review and recall its anti-money laundering due diligence obligations and control mechanisms.

5. List at least one and up to three concrete actions that you are planning to undertake under this grant.

Action 1: Dynamic Blog with news, materials and recommendations regarding AML, BOT, golden visas, tax havens, asset recovery, other corruption or fraud issued connected.

Action 2: Meetings with the Órgano Centralizado de Prevención del Blanqueo de Capitales del Notariado

Action 3: Letter to the Consejo General del Notariado with recommendations

6. What do you aim to achieve? Please list anticipated results and specify who is targeted by your actions. Finally mention briefly, how you will measure success.

- 1) Raise general awareness regarding AML risks in the Real Estate sector in Spain.
- 2) Provide update AML/BOT news, materials, reports and relevant documents.
- 3) Engage with the Consejo General del Notariado and present cases.
- 4) Advocate with the notaries for more due diligence measures and controls.

7. Additional information that you want us to know (not obligatory)

This project will be developed from July to September/October 2020.

8. Submission date of the application: June 24th, 2020.

9. Budget as basis for the requested amount: 2,280 EUR

Budget template. Feel free to add lines under each heading (A.-D.)

Name of Chapter	Transparency International Spain
Name of project	Fostering integrity and AML provisions within Spanish Real Estate Sector
Amount of grant in USD (as per grant agreement)	2,280 EUR
Local currency	Euro
Amount received in local currency	

Category of expenditure	Actual Cost (local currency)
Salaries	1,733 EUR
Travel	
Honoraria (consultants etc.)	
Workshops	
Overhead (blog maintenance)	547 EUR
Other	
Total	2280 EUR

ANNEX II: Additional Provisions

The following provisions reflect terms and conditions as set out in funding agreements between TI-S and its donors. Any recipient of grants, funded through TI-S core and project resources is under the same obligation to comply with donor requirements and any breach thereof may result in suspension or termination of the grant funding.

1. ANTI - CORRUPTION

- 1.1 No offer, payment, consideration or benefit of any kind which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted – neither directly nor indirectly – as an inducement or reward in relation to activities funded under the Grant Agreement, including tendering, award, or execution of contract.
- 1.2 The Partner shall work actively to prevent corruption, illegal or improper handling or other form of misuse of funds. When planning and implementing activities under the Grant Agreement, the Partner shall take the risk of corruption into account and identify key risks and risk mitigation measures.
- 1.3 If at any stage the Partner becomes aware of, or suspects, any misappropriation or diversion of funds or possible fraud or corruption the Partner must report the matter immediately in writing to TI-S.

2. ANTI - TERRORISM

- 2.1 The Partner is committed to taking appropriate steps to ensure that funds are not used to provide assistance to, or otherwise support, terrorists or terrorist organizations.
- 2.2 No such funds, other financial assets and economic resources will be made available, directly or indirectly, to, or for the benefit of, a natural or legal person, group or entity associated with terrorism consistent with relevant United Nations resolutions, European Union measures and other international standards, relating to counter terrorism and in particular the financing of terrorism.
- 2.3 If, during the course of the Agreement, the Partner discovers a link with any organization or individual possibly considered a terrorist entity by international standards, the Partner must immediately inform TI-S in writing. A prompt response and action plan will be jointly devised in order to adequately mitigate potential risks.
- 2.4 Executive Order 13224 designates individuals and entities that commit or pose a significant risk of committing terrorist acts and authorized the Secretary of State to designate additional individuals and entities. The Order also authorized the Secretary of Treasury to designate additional individuals and entities that provide support or services to, are owned or controlled by, act for or on behalf of, or are “otherwise associated with,” an individual or entity who has been designated in or under the Order. All property and interests in property of the individual or entity in the United States or in the possession or control of U.S. persons are blocked. The Order prohibits all transactions and dealings in blocked property or interests in the U.S. or by U.S. persons, and also prohibits transactions with, and provision of support for, individuals or entities listed in or subject to the Order.
- 2.5 The Partner should be aware of Executive Order 13224 and the names of individuals and entities designated there under. A list of these names can be found at the web site of the Office of Foreign Assets Control (OFAC) within the Department of Treasury. That web site is <http://treasury.gov/ofac>.

- 2.6 The Partner is reminded that U.S. Executive Order and U.S. law prohibit transactions with, and the provision of resources and support to individuals and organizations associated with terrorism. It is the legal responsibility of the Partner to ensure compliance with these Executive Orders and laws.
- 2.7 As a subcontractor to an award funded by U.S federal government, the Partner is obliged to check all vendors and individuals in the System for Award Management (SAM) for potential exclusions. The Partner shall not use the subgrant funds for payment of any services, goods, salaries, or honorariums to a vendor or individual which has active exclusion in SAM. TI is obliged to keep all search records on file: electronic or paper archive. SAM can be accessed exclusively via the following link: <https://www.sam.gov/portal/SAM/##11#1>

3. EMPLOYMENT POLICY

The Partner shall comply with good corporate governance, assuring that employment policies/practices implemented comply with internationally recognized equality standards on disability, gender and child protection.

4. ENVIRONMENTAL POLICY

The Partner shall pay due regard to the environmental impact of its activities under this Agreement.

5. REPORTING ON IRREGULARITIES

- 5.1 If any changes occur, which significantly impair the developmental value of the funding arrangement, the Partner shall inform TI-S immediately in writing.
- 5.2 The Partner is obliged to immediately inform TI-S in writing of any changes including major changes to planned project activities, or if irregularities in the management of funds are foreseen or have occurred. This also applies where a delay occurs in the envisaged progress of activities, or where other essential changes occur in relation to the original conditions of the grant.

6. RIGHT OF INSPECTION

- 6.1 TI-S is entitled to request all relevant information, which has a bearing on the implementation and progress of activities, and to carry out physical and financial inspections at any time in respect of activities undertaken with TI-S funds, also after termination of the Agreement. The Partner shall cooperate with and assist TI-S in the process of monitoring, evaluation, review, audits or similar activities. TI-S reserves the right to conduct unannounced inspections.
- 6.2 The right of inspection as outlined in 6.1 may also extend to TI-S' donors. The Partner shall render every assistance to the officials appointed by the donors to carry out such an inspection and shall allow them access to the documents relating to the grant.

7. PRESERVATION OF DOCUMENTS AND AUDITING

- 7.1 The Partner shall retain all records related to the Agreement until the end of the tenth year after TI-S' last payment. They shall be kept in a safe and orderly manner, preferably in digital form and must be easily accessible/ retrievable.
- 7.2 The Partner must supply TI-S with a copy of their annual accounts audited by an independent firm of professional auditors. These will include a management assertion

of the existence and satisfactory performance of procedures and controls to mitigate the major risks to which the Partner is exposed in administering its funds, including the funds received under this Agreement.

8. BRANDING

Upon request by TI-S, the Partner, when referring to activities, fully or partly financed in accordance with the Grant Agreement, shall recognize and make public that activities are financed by TI-S' donors.

9. CONFIDENTIALITY

The Partner agrees that the Partner shall not during, or at any time after the termination of this Contract, use for the Partner or others, or disclose or divulge to others, any trade secrets, confidential information, or any other proprietary data of JDN.

10. FLY AMERICA ACT

The Fly America Act was enacted in 1974 to mandate the use of U.S. flag air carriers for federally funded international travel. Since the Fly America Act's enactment, innumerable changes have taken place in the airline industry. Because of this evolution, the Fly America Act and the federal travel regulations promulgated under the act have been revised to allow travelers more flexibility while remaining in compliance with the law. The Federal Travel Regulations were written in a question and answer format making them easier to understand.

In a nutshell, the Fly America Act requires that foreign air travel funded with Federal dollars be performed on U.S. flag air carriers, unless one has a good reason not to. This applies to ALL foreign travel funded by Federal dollars.

The Federal Travel Regulations no longer require that international tickets be "issued" by a U.S. flag air carrier or "printed" on their "ticket stock". While international flights should be on U.S. flag air carriers whenever possible, the Federal Travel Regulations now permit flights on foreign air carriers when code sharing is present. In other words, the flight is considered the same as one operated by an U.S. flag air carrier. The U.S. flag air carrier's designator code, however, must be present in the area next to the flight numbers on the airline ticket, boarding pass, or on the documentation for an electronic ticket (passenger receipt). More information is included in Annex III, which forms an integral part of this Agreement.

The Fly America Act bounds the Partner to US carriers whenever available, if flying in relation to this project and if the costs will be charged to this project's budget.

11. THE CODE OF FEDERAL REGULATIONS - GENERAL COMPLIANCE

It is the responsibility of an entity receiving a federal award /directly as an award or indirectly as a sub-award/ to make sure that all of their activities and transactions follow the full list of protocols set forth in the Code of Federal Regulations. The Code can be found at: <http://www.ecfr.gov/>.

12. TIME CARDS

All staff members must maintain time cards. The time card must reflect the time spent on this grant and other grants - this is the basis for charging a salary to this grant and evidence of the percentage of time spent on it.

Contractors must maintain a time card in case they are not invoicing the company for their work.

Time cards should be maintained on a monthly basis - or correspond to pay periods.

It must be signed by the person and the supervisor and kept on file.

ANNEX III: Partner's Bank Account

The bank account provided below **MUST** be on the name of the Partner

**BANK DETAILS FOR PAYMENTS OUTSIDE THE SEPA
(Single Euro Payments Area)**

ACCOUNT HOLDERS NAME	Transparency International Espana
ADDRESS: STREET	c/Fortuny 53
TOWN	Madrid
POST CODE	28010
COUNTRY	Spain

BANK NAME IN FULL	Caixa Bank S.A.
ADDRESS: STREET	Paseo General Martinez Campos 3
TOWN	Madrid
COUNTRY	Spain
ACCOUNT or IBAN NUMBER	ES5621006704040200100220
BIC / SWIFT CODE	CAIXESBBXXX