



PRESS RELEASE

NPOs applaud important changes in Financial Action Task Force (FATF) policy – NPOs no longer considered “particularly” vulnerable

Brussels, 29 June 2016 – The Global NPO Coalition on FATF, representing a wide coalition of non-profit organisations (NPOs), applauds the Financial Action Task Force’s (FATF) recent update to its counter-terrorism recommendation on NPOs.

NPOs hail the removal of the long-standing characterisation of non-profits as “particularly vulnerable” to terrorist abuse from Recommendation 8 (R8). The previous language led to overregulation and inappropriate restrictions on NPOs, hampering their legitimate and essential work around the world. The policy changes were approved at FATF’s Plenary in South Korea on 22-24 June, see <http://www.fatf-gafi.org/publications/fatfgeneral/documents/plenary-outcomes-june-2016.html#npo>

The new wording of Recommendation 8 clearly acknowledges that not all NPOs are at risk and directs countries to undertake a risk-based approach when considering counter-terrorism financing measures. In addition, revisions to the accompanying Interpretative Note (R8IN), along with the June 2015 Best Practices Paper, will assist countries in taking a more proportional approach towards the sector. We expect to see the revised standards implemented soon at national level.

The impact of the revision of Recommendation 8 on the NPO sector cannot be underestimated. As an inter-governmental body that sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering and terrorist financing, FATF has far-reaching influence on national governments’ regulation of the charitable sector. More than 180 jurisdictions worldwide are committed to the implementation of its Recommendations.

FATF has committed to strengthening its engagement with the NPO sector. While dialogue with the NPO sector has been formalised over the past year, the sector calls for further improvements in the consultation process, proposing the development of written guidance for engagement with NPOs to enable the same meaningful participatory practices adopted by other multi-lateral entities.

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NOTES TO EDITORS

FATF Recommendation 8 and Interpretive Note

Both the revised R8 and R8IN can be downloaded on the FATF website: http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf

About the Global NPO Coalition on FATF

Since 2013, the Global NPO Coalition on FATF has directed its advocacy to influence positive changes to FATF policies and guidance for NPOs, including its Recommendation 8 (R8) of the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) standard. Over 200 non-profit organisations (NPOs) worldwide have endorsed the work of the Coalition. A core group of diverse stakeholders, including the Charity & Security Network (C&SN), the European Center for Not-for-Profit Law (ECNL), the European Foundation Centre (EFC), the Human Security Collective (HSC) and the International Center for Not-for-Profit Law (ICNL), facilitates and coordinates the work of the Coalition. More information on this work can be found at www.fatfplatform.org and @fatfplatform.

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