I. Key comments on the current EC questionnaire on risk

Our organisations and the organisations we represent found it practically impossible to answer the European Commission (EC) questionnaire on risk perception since it does not include sufficient explanation of terms and methodology, is not at all tailored to the basic characteristics of the non-profit sector and there was little time to collect the necessary data. The terms used refer to products and customers etc., which fit for-profit oriented service providers but not our sector organisations, which are not-for-profit and serving public benefit purposes. For the future, we suggest to consider collecting input from the Not for Profit (NPO) sector on how such a questionnaire could potentially be drafted to accurately reflect non-profit activities and work, therefore enhancing the quality and effectiveness of data collection. We would also be happy to point to experts/consultancies already working on national risk assessments to work on revising the questionnaire.

When the questionnaire is revised to fit the NPO sector context, we would be at your disposal to circulate this among our constituency and facilitate data collection in early 2019 if there would be sufficient time available to respond.

II. Draft input into EC questionnaire assessing risk perception by the sector

We have non-the less tried to provide the following sector input based on the EC questionnaire but would like to stress that we did not have enough time to cross-check this input with our constituency. We would however be happy to get this confirmed or amended before the second meeting scheduled for January 2019.

1. How do you score the overall level of inherent risk in your sector/country?

It is not clear to us what “inherent risk” means and if the EC questionnaire refers to evidence, arguments, opinions, reports, surveys. We have hence included information based on national risk assessments, sector assessments and concluded with our own opinion/perception based on current experiences.

- Data deriving from national risk assessments:

At national level not many EU countries have undertaken a sector specific Risk Assessment. In addition, not many EU Member States refer in the FATF MER to National Risk Assessments and provide further information on sector specific risk assessments. This lack of Risk
Assessment related data for non profit sector potentially illustrate that countries on national level also struggle with methodology issues to undertake an NPO sector specific risk assessment, lack sufficient data or consider that non profit sector is at insignificant risk to invest more time and resources in analysing it.

From the data in the FATF evaluations of past years, the national risk assessments do not provide conclusive evidence of any enhanced risk for the non profit sector. Below we highlight some of the findings from national risk assessments with regard to our sector (the data is extracted from the published risk assessments or published FATF mutual evaluation reports).

The UK National Risk Assessment, which was published in 2017 assesses the terrorist financing risk of the NPO sector in its entirety to be low, whilst recognising that certain parts of the sector – particularly charities working internationally in certain countries - face significantly higher risks. The Charity Commission welcomes this distinction and emphasises that the risks that charities face will vary depending on what they do and where they operate. In 2015, the UK’s first NRA assessed the terrorist financing risk to the NPO sector as medium-high. https://www.gov.uk/government/news/charity-commission-welcomes-publication-of-the-uks-national-risk-assessment. In Ireland, the overall ML/TF risk for the NPO sector is considered as medium-low.

FATF MERs in Belgium, Norway, Spain and Sweden include some information on National Risk Assessments and NPOs but there is no information on an overall level of risk, only subsectors at higher risk are mentioned (presuming that other parts of the sector are not at risk). Example of Norway: Norway has made some progress on identification of threats and at risk NPOs. Unlike the last National Risk Assessment (NRA) of 2014, the 2016 NRA contains a short sub-chapter on NPOs. “…Ethnic affiliated organisations that transfer money to high-risk destinations” are identified as posing “a particularly high risk.”, and the NRA considers for example how donors can be misled, and how funds are raised and moved out of Norway. TF risks are not addressed in any detail in the PST annual threat assessments and the vulnerabilities of NPOs are not mentioned. Norway explains that the information they used in their risk assessment regarding NPOs is based largely on classified information, c.f. the official secrets act, which could not be included in a public document or shared with assessors.

In Slovenia, in the course of the 2015-2016 National Risk Assessment, the NPO sector was assessed as showing low vulnerabilities for ML/TF abuse due to the fact that NPOs perform their activities mostly in fields related to humanitarian purposes or sports.

In Latvia, the 2018, National Risk Assessment concluded TF risk is low for non profit sector; an analysis of STRs and UTRs from 2007-2015 found no linkages to NPOs.

NPO colleagues from Kosovo had the opportunity (during 2017/18) of participating in the government-led working group conducting a risk assessment of the NPO sector, providing
substantive input to the draft risk-assessment report, including getting additional time from the government for internal sectoral consultation on the report. The risk assessment report recommends a series of "soft" measures based on education, increased cooperation and implementation of existing frameworks and a National Action Plan on counter-terrorism measures. The onsite visit took place earlier in the year, with the final evaluation report due out by year end.

In Spain the FATF Follow-up report (2018) states that “Spain has identified those organizations that meet FATF’s definition of NPO and has followed an approach that takes into consideration the risks these entail. However, Recommendation 8 requires further understanding and identification of those NPOs that are most vulnerable to TF risk, together with the adjustment of laws, regulations and others in consequence, and this has not occurred to a full extent”.

- **Data deriving from sector run risk assessments:**
The NPO sector itself has only in few countries engaged in own systematic risk assessments but we sense that there is more interest within the sector to consider doing this. We are aware of a limited sector run risk analysis undertaken in Switzerland (concluding with no significant risk) and are aware that the German NPO sector is currently undertaking a more indebts risk analysis with an extensive questionnaire circulated among the NPO sector. Initial results are expected for early 2019. In Spain the NPO sector conducted a risk self analysis among significant organisations in 2017 throughout a survey (some conclusions are not aligned with FATF follow up report such as “encouraging NPO to use regulated financial channels”, since one of the results of the survey was that by majority they are using right now regulated financial channels).

- **Scoring of risks by undersigning NPOs**
Representing NPOs including philanthropic organisations working for the public benefit either as grant givers, organisations running own programs, think tanks, delivering of services or advocacy organisations, we are aware and concerned about money laundering and terrorism threats both in Europe and in third countries. Several NPOs work in high risk areas in order to provide assistance to the population as well as to promote positive measures aimed at social inclusion, and human rights education, which contributes to fighting extremism. There is also a significant number of NPOs engaging in poverty reduction, humanitarian support The undersigning NPOs/networks think that a smaller number of organisations within our sector can be at risk for money laundering or terrorism financing for different reasons but we are not aware of a significant number of actual of cases of abuse or an NPO system immanent high risk. We are aware that abuse can happen on a limited scale and have engaged in various awareness raising actions within our constituency to alert them to potential risks and around potential mitigation measures to address them. We understand from FATF policy papers and
work at national and EU level risk assessments that certain risk indicators can be used to identify potential risks related to NPO action such as sources of funding (unknown sources/international sources and sources from high risk countries), types of beneficiaries (unknown/higher risk type or high risk region), types of activities (scope or regions). Taking into account the size and wide variety and diversity of the sector and since possibilities for abuse are extremely small, we assess the terrorist financing risk and money laundering risks of the NPO sector in its entirety to be low, while we recognise that smaller parts of the sector - face higher risks. We consider that the overall level of risk looking at the entirety of millions of existing NPOs is “less significant”.

2. How do you score the components of your sectors risk profile

2.1. Products and services: Only small parts of our sector produce products and services at a larger scale (if they do then mostly in the area of public benefit such as social services/health care/education), we hence consider the risk of this component “less significant”.

2.2. Customers: Our sector does generally not have customers. Grant making organisations have beneficiaries, which may in some cases constitute risks that can be addressed/monitored by due diligence checks. Careful checks on beneficiaries are the standard practice by many organisations. Our sectors are aware that one abuse case can be very damaging to the entire NPO sector and considerable efforts are undertaken to ensure that NPOs follow the “know your beneficiary” principle. We hence consider this component “less significant” to “moderately significant” depending on the type of NPO and the specific beneficiary.

2.3. Geographic: In terms of geographic component it is not clear from the questionnaire if this refers to the area where NPO activities are conducted, or the area where NPO is registered, or area where NPO partners or collaborators are residing or temporarily located, or all of those. Considering that it refers to the NPO activity, we can state that the majority of NPOs are active at the national, regional and local level. However there is an increasing trend of internationalisation and some organisations are already active across borders and some are active in so-called higher risk countries, in particular also in the humanitarian sphere. As there has been a lack of evidence on the potential abuse of non-profit organisations, we consider the overall risk related to the geographical outreach as “less significant”, which can increase depending on the specific NPO activities. However international NPOs have reported to do thorough risk management to lower potential risks.

2.4. Delivery channels: it is not clear to us if this refers to delivering channels for “services” for those NPOs who conduct delivery of services or delivery channels of grants/funding. If the latter, we consider that there is low risk where formal banking channels are used for transfers of philanthropic flows. We think that risks increase in those rare cases and situations where no formal banking channels are available for non profits and where cash transports are used. We engage in a wider NPO coalition on FATF and are in this context advocating solutions to ensure that banks/formal financial flows, which lower risks of abuse, are made possible for
our sector and would be eager to engage with the EC in a multistakeholder event to also discuss with different sectors how to ensure access to banking services for the NPO sector. New technological tools such as blockchain could potentially provide new ways to transfer philanthropic flows.

3. How do you score controls and mitigating factors of your sector’s risk profile?

3.1 Awareness of ML/TF risks, including availability and effectiveness of staff AML/CFT training
Representing NPOs/philanthropic organisations working for the public benefit we consider that our members and partners are becoming more aware and concerned about money laundering and terrorism threats. An increasing number of our members have engaged in training of programme and financial staff to ensure that no abuse happens within the organisation and that due diligence processes are applied both to donors and beneficiaries/partners. Umbrella organisations in different countries are developing specific training programs for their members and the NPO sector that cover from “how to understand potential risks” to “how to mitigate potential risks”. However we also consider that more could be done to encourage specific staff training and smaller organisations may not yet have been as much involved as they could have. The infrastructure organisations could potentially consider developing more specific training modules around AML/CFT training we consider the rating “good” to “poor” depending on the size of the organisation. This could be facilitated by EU funding possibilities for such sector efforts.

3.2 Effectiveness of identification and verification policies and procedures
An increasing number of our members have put in place identification and verification policies to ensure that due diligence/know your partner processes are applied both to donors and beneficiaries/partners. This is either required by national level law or by self-regulation tools or considered own good practice (see also FATF R 8 Best Practice Paper). Some national NPO sectors are working on best practices handbooks for the sector. However more could be done to encourage training and application of such procedures in specific cases. We consider the rating “good”.

3.3 Effectiveness of ongoing monitoring policies and procedures, including transaction monitoring
An increasing number of our members have put in place monitoring policies to ensure that no abuse happens. This is either required by national level law or by self-regulation tools or considered own good practice. However more could potentially be
done to encourage tight application of such procedures in particular also for smaller organisations. We consider the rating "good".

3.4 Effectiveness of suspicious transaction reporting
It is not clear how this would be relevant for NPOs since they are not obliged entities under the AMLD. We would be happy to answer this question after the November meeting, once it is clarified if and how NPOs should need to report suspicious transactions, which is not required by FATF standards or the AMLD Directive. Some NPOs have also stated that even where reporting of suspicious transactions is occurring, there is no clear follow up – so it is difficult to have any conclusions on the effectiveness.

Whistle-blower policies are put in place by several NPOs. We are currently not in a position to give any rating on this point.

3.5 Effectiveness of record-keeping policies and procedures
Our members are required by law to keep financial records and to report them to the relevant authorities. NPOs receiving grants have also reported record-keeping requirements by their public and private donors. We consider the rating “good”.

3.6 Adequacy of AML/CFT resources
It is not clear to us what is meant by AML/CFT resources – we would be happy to answer this question after the November meeting, once this term is clarified.

3.7 Effectiveness of governance structures, including reporting lines and senior management buy-in
This differs from organisation to organisation and it hence is difficult to assess for us. Senior Managements in NPOs are however very concerned to avoid abuse but are of course also avoiding reputational damage. The FATF BPP also lists some examples from Europe.

Overall comment: in addition to the four categories: (*) "Very good", "good", "poor", or "very poor" – one may consider to include a medium category “average”.

4. Listing of key risks
4.1 3 main current risks in your sector/firm, stressing however that these instances are very rare to happen:

- Transactions/operations in/to high risk countries
- Use of informal money transfers – it must be noted that informal money transfers are mostly used because banks are derisking and correspondent banking is declining. So the actual risk stems from financial exclusion
- Transactions/operations with high risk individuals within the country of residence
4.2. 3 main emerging risks in your sector/firm

- Use of cryptocurrency – could be both beneficial and risky, depending on how the system is set up. As outlined above, it can also be as a solution to the risk of informal transfers stated above

5. Perception of existing measures to mitigate potential risks

Specifically those NPOs considered exposed to risks above (service delivering NPOs, larger organisations with international outreach, humanitarian, etc) are actually those most regulated and most checked by supervising authorities, tax authorities, banks (obliged entities), public and private donors and auditors, and most often to have self-regulation or internal systems of checks in place.

- Hard law
We consider that existing AML/CFT systems appear to adequately address potential risks. Controls and registration processes for NPOs are not the same across all Member States but this should not be considered a weakness of the system or of inadequate controls and checks. The NPO sector is well regulated in the EU countries by a system of civil law/tax law/charity law as well as ML and CFT laws, which have evolved out of and can be explained according to the different cultural and legal traditions and history of the different Member States. Specific AML/CFT rules have been introduced with the 4th AMLD and in this context also Registers of beneficial owner (BO) of NPOs are being introduced in EU-Member States.

- Banking sector checks
Philanthropic and other non-profit actors have reported that banks and other financial and consultancy service providers undertake Know Your Customer (KYC), AML and FATF Recommendation 8 related checks.

- Auditor checks
For those NPOs being audited, audit controls imply additional checks and controls. Auditors of several philanthropic actors look at internal controls and due diligence processes to ensure that the money given to grantees is not subject to fraud or otherwise being inefficiently used. Terrorism financing is part of the broader check on fraud, given it would be a misuse of funding provided or funding being provided to a fraudulent organisation. INGOs (International NGOs) are subject to internal controls and due diligence processes and have to undergo audit controls to prevent fraud. INGOs have reported that they are roughly audited every six months or even more often by a variety of donors and by different companies.

- Guidance by governments and regulators
Some governments and charity regulators have issued concrete guidance for charities to prevent TF abuse, see, for example, the Charity Commission for England and Wales toolkits: https://www.gov.uk/government/publications/charities-and-terrorism

- **Self-regulation – codes of conduct**
  In addition there are sector-initiated codes of conduct developed by the fundraising as well as the wider philanthropic sectors, which often include guidance on governance, reporting, monitoring of the use of funds, knowing your donors and knowing your beneficiaries (see also examples in FATF BPP).

  Codes, e.g., include internal procedures (sometimes based on donor regulation) and the 6-eye-principle on signatures for financial transfers.

  There is a strong self-interest to act professionally, to be transparent and accountable and to ensure that no abuse takes place.

- **Individual good practice**
  In response to new and intensified risks of acting in certain areas/regions, most larger NPOs/philanthropic organisations have adopted sophisticated and professionalised risk management approaches, which cover not only areas of security and safety but also fiduciary, legal, reputational, operational and information risks. Examples include:

  - Security briefings and awareness raising around risks for staff
  - NPOs operating in the humanitarian sphere are often funded by donor governments who have very strict compliance and due diligence requirements, which we must adhere to. Risk assessments/monitoring: if an NPO is planning a programme in a country with a high risk of designated terrorist activity, or involving a cash transfer, appropriate risk assessments and mitigation measures are carried out, documented and kept/updated where appropriate throughout the programme
  - Policies on anti-fraud, bribery and corruption, and CFT
  - Due diligence practice and checks: most NPOs have clear policies in place to ensure that funds and resources are fully accounted for and not diverted to terrorists or money laundering. NPOs undertake due diligence on donors and beneficiaries (the use of software to screen partners against certain lists was reported, cross-referenced with data published by specialised bodies such as Transparency International (TI)). This avoids dealing with organisations who might be involved in with money laundering and/or terrorism financing.

  In order to mitigate risks, the vast majority of philanthropic organisations do not transact in cash and in many cases insist upon partners having audited accounts. They perform strict due diligence on partners, and meet with beneficiaries, check finances, carry out unannounced visits and inspections, etc. Several have already developed or are developing a whistle-blower mechanism.
To sum up, NPOs believe that good governance arrangements, financial checks and risk management policies and procedures that fit the specific needs and size, activities and areas of operation of NPOs, are the best tools to safeguard against a range of potential abuse, including terrorist financing and money laundering. NPOs are aware of potential risks but in most cases do not consider themselves at risk because of the careful mitigation measures and practices in place. However, that said, a zero-risk scenario does not exist.
ANNEX

With regard to the 2017 SNRA – we would like to recall our comments as follows:

NOTE (October 2017) – prepared by EFC, ECNL, HSC and CSE

The European Commission (EC) has published its first **Supranational Risk Assessment** (SNRA) end June 2017. The European Center for Not-for-Profit Law (ECNL), the European Foundation Centre (EFC) and Human Security Collective (HSC) in collaboration with Civil Society Europe (CSE) took a lead in organising discussions around the SNRA among diverse groups of organisations, producing submissions to the EC and facilitating a wider exchange between non-profits at the EU level and the European Commission. This note summarises comments to the June 2017 SNRA report, related process and way forward:

1. As stated in earlier comments/submissions, we do not agree that the level of threat and vulnerability to money laundering and terrorism financing of non-profit organisations (NPOs) is “significant” (level 3) as suggested in the final report. While we agree that NPOs (as any other sector) may be exposed to the risk of money laundering and terrorism financing we did not find sufficient arguments within the assessment conducted for such findings.

2. We are pleased that in drawing the recommendations for action, the EC did not opt for regulatory treatment but rather for soft law approaches, to be developed in a participatory manner with the NPO sector. This was a specific ask from the European NPOs of the Global NPO Coalition on FATF, under the lead of the European Center for Not-for-Profit Law (ECNL), the European Foundation Centre (EFC) and Human Security Collective (HSC).

3. We welcome that the SNRA recognises the concern that financial institutions may be reluctant to provide financial services to parts of the non-profit sector (so called bank de-risking) and that this should be addressed when developing policies in this area.

4. We welcome that the SNRA calls on the EC to organise multi-stakeholder exchanges with non-profits and to provide more guidance and/or training on the topic for non-profits receiving EU funding and are interested in participating discussing this further.

5. In terms of process, we recommend for the next SNRA to be undertaken to consider wider engagement with the NPO sector including possibilities for on-line participation/reaction of the wider NPO sector.

Going forward, we would like to propose the following:
- the organisation of a European level multi-stakeholder exchange involving, potentially, banks/businesses/regulators/NPOs) and others to ensure better access to financial services/bank accounts at EU level by September 2018
- ensure better NPO involvement in member-state/national level Risk Assessments (RAs) and the EU SNRA, as well as in evaluation process at all stages (so that NPOs are not only able to raise awareness but also provide valuable input and information about the sector and thus make both processes more effective in implementing FATF standards/EU policy/national efforts). Our organisations could act as a facilitating channel by providing a list of relevant contact details in the member States.
- the co-organisation of an event and development of information and awareness programs designed to counteract ML/TF abuse to be disseminated to NPOs (at EU level and potentially supporting such events at national level)
- invite NPOs at a forthcoming meeting with member States representatives to follow up on the recommendations, and also allowing NPOs to share existing awareness-raising initiatives in the NPO sector.

III. Key comments on EC SNRA report of June 2017

1. We are in agreement with wording of the actual report insofar as it refers to the fact that NPOs may be exposed to risks of being abused for TF purposes but as stated above we do not agree with the level of risk stated and how the risk was assessed. The report would benefit from more in-depth knowledge of the NPO sector, which is indeed much rooted in different national contexts, cultures and legal traditions. We welcome the mentioning of bank-derisking practices, which we identify as a significant barrier to our work and a practice which is creating more risks since funds may be channelled through less formal ways.

- NPOs may be exposed to the risks of being abused for TF purposes.
- Controls appear in place when dealing with collection of funds within EU – transfer outside EU more vulnerable.
- Mentions concern that some financial institutions may be reluctant to provide parts of the NPO sector with financial services (de-risking) and that this should be kept in mind when developing policy.

It would be worthwhile mentioning in this context that European NPOs and philanthropic actors play an important role in developing education, peace and democracy, in gender equality, in the inclusion of discriminated groups, in social and health services and employment, and in areas of conflict or in areas where the radicalisation discourse is widespread and hence contribute to counter terrorism efforts. They also contribute to the fight against corruption, money laundering and terrorism financing, and supporting watchdogs and whistle-blowers.

The report would benefit from concrete examples of risks specific to NPOs.
2. We do not agree with the analysis on threat and vulnerability as provided for in Annex 2 to June 2017 SNRA report:

In the analysis, the two NPO risk scenarios related to NPOs are not clearly distinguished ("collection and transfer of funds"), neither for defining the scope, nor related to the potential threat or vulnerability scenario, while in reality fundraising/collection and distribution of funds are distinct actions with potentially different TF risks, and with separate legislation and NPO practice to mitigate potential risks.

Annex 2 to June 2017 SNRA report: p. 186-187

=> **ML and TF threat** ("likelihood"): significant (level 3) and for those getting institutional funding moderately significant (level 2)

- modus operandi not frequently used by terrorists
- however, when they are misused, NPOs represent a significant threat, in particular as far as foreign terrorist fighters are concerned. They can use these structures quite easily (easy to set up) and may access to cash to finance their travels

We do not agree with the unsubstantiated assumption that NPOs can be easily created. As outlined by several experts, it is even easier to create for profit entities than NPOs in many countries.

Annex 2 to June 2017 SNRA report: p. 187-189

=> **TF/ML vulnerability** ("Weakness"): significant (level 3) and for those getting institutional funding moderately significant (level 2):

- (i) **risk exposure**: inherent for NPOs working in high risk areas and exposed to high risk customers; cash donations; traceability of source and transfers (when sent abroad) difficult.

- (ii) **risk awareness**: no centralised framework; vary among Member States; risk awareness increasing; own risk analysis and controls/due diligence measures

- (iii) **legal framework and controls in place**: not included in EU AML/CFT framework; national level differs; weakness for transfer outside EU.

We welcome that the subsets of NPOs considered to be at risk is more clearly spelled out, however a clearer description would be welcome: NPOs working in high risk areas and exposed to high risk customers; cash donations; receiving and transferring money abroad.

The paper could more explicitly review/analyse if existing EU and national measures and (self) regulatory frameworks already address those risks – the fact that regulations differs across the Member States is not a weakness as such:

- For service-delivery NPOs and other subsets considered to be at risk, specific national measures could be mentioned, which may differ from country to country. That diversity, however, does not necessarily imply less effective risk mitigation measures but rather
also speaks for a risk based approach as different regulatory frameworks and mitigation measures reflect different nature of risks in different countries. The NPO sector is regulated by a system of civil law/tax law/charity law/ML and CFT laws, which can be and are rooted in the different cultural and legal traditions. Though different, it is evident that national approaches are in place in many cases.

- Even though NPOs are not directly targeted by the AMLD, the national implementation rules do also apply to them via rules on the banking sector/financial services, etc. and on Beneficial Ownership.
- **Since weakness is identified when dealing with transfer of funds or expenditure outside the EU**, reference should be made to the EU AMLD framework and respective implementation rules covering some risks related to money transfers via banks/financial service providers.

### IV. Comments on risk mitigation measures

Annex 2 to June 2017 SNRA report: p. 189

=> For EC:

- Guidance and or training for NPOs in receipt of EU funding
- Organise multi-stakeholder exchange involving all professional sectors, in particular the financial sector, involved in business with NPOs

=> For competent authorities/Member States:

- Better NPO involvement into national risk assessments, into the development of informal and awareness raising programmes designed to address risks
- Provide awareness raising materials to NPOs
- Further analyse risks faced by the NPO sector

We agree with the suggested mitigation measures and would like to offer collaboration on developing those further. We do not see room for further EU-level regulatory options – current risks seem sufficiently addressed by national and EU-level regulatory actions and could be further strengthened by non-regulatory options; where there is room is in legislative/non-legislative moves towards ensuring better access for NPOs to banking services and formal channels for cross-border transactions.

**Here are some ideas for moving the non-regulatory measures forward:**
- bank de-risking should be addressed through multi-stakeholder exchanges involving, potentially, banks/businesses/regulators/NPOs and other avenues to ensure better access to financial services/bank accounts – to happen also at EU level (involving EU central bank).
- ensure better NPO involvement in member-state/national level Risk Assessments (RAs) and the EU SNRA, as well as the evaluation process at all stages (so that they are not only able to raise awareness but also provide valuable input and information about the sector and thus
make both processes more effective in implementing FATF standards/EU policy/national efforts). There could be room for guidance on good practice of engagement in RA/evaluations – could be potentially done in collaboration with FATF.

- involve NPOs in the development of informational and awareness programs designed to counteract ML/TF abuse (at member state as well as at the EU level)
- value and encourage the existing awareness-raising initiatives in the NPO sector and support them by providing awareness-raising materials (at member state as well as at EU level)
- provide for regular analysis of the NPO sector through research and outreach.

V. Key NPO comments on the SNRA process

Below we recall some of our general comments on the SNRA process:

1. Need for a more open SNRA consultation process with the wider NPO sector
   Given the diversity of the NPO and philanthropy sector, it is important that the consultation related to the SNRA process is open and enables participation of the wider NPO sector. Information and documents for comments should be published on the EC website to ensure that all interested parties can review and comment. Deadlines to respond to draft papers should allow for interaction with the wider sector.

2. Need for ongoing dialogue between the EU and the NPO sector on ML and TF issues
   There should be continued dialogue between the NPO sector and policymakers to explore how the objectives of ML and TF risks can be addressed without unnecessarily restricting the operating environment for NPOs, see also the improved dialogue of the NPO sector with FATF on the matter. Is there need for a new dialogue format similar to the FATF PSCF?