

# Introduction

## Know, Research, Participate, ADVOCATE

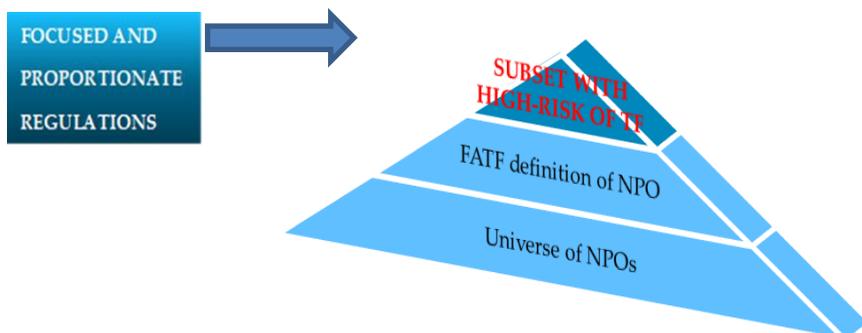
This Practical Recommendations Guide for Non-Profit Organizations (NPOs) has been the result of a collaborative process among different stakeholders. For more than two years the consortium of experts comprised by Pedro Gecik and Gabriela Pellón—in articulation with NPO networks at the local level, government authorities and representatives of financial institutions—has advocated for the strengthening of technical capacities of a large number of Civil Foundations and Associations.

The FIU legal framework, the Recommendations of the Financial Action Task Force (FATF) and the requirements of financial institutions impact the day-to-day work of NPOs, which in most cases lack the technical and material resources to meet these demands and suffer from limitations in access to financial services (de-risking.)

Argentina has made progress in updating the legal framework for the prevention of money laundering and terrorist financing aimed at Reporting Institutions in the financial sector according to a Risk-Based Approach. During 2018 and 2019, other non-financial sectors have also begun to be addressed. In the case of the non-profit sector, local authorities have engaged in constructive dialogue with the aim of achieving a new standard that complies with the provisions of FATF Recommendation 8.

The window of OPPORTUNITY for civil society to get involved and participate is open NOW.

Authorities, experts and referents should be aware of the terrorist financing risks to which NPOs are exposed and review the regulatory framework to focus on the segment they identify as most vulnerable. The FATF has recognized that *not all NPOs bear a high risk and some may pose little or no risk at all*, and it is insisting on localized and proportionate measures to the level of risk identified on a case-by-case basis.



In this context, it became clear that there was a need to have a practical tool available to any organization that allows it to understand the logic of the requirements of the Financial Information Unit and banks and, thus, make well-informed determinations about their internal practices and their impact in order to make reforms that mitigate the negative impact of financial risk aversion.

Good practices at the international level are pointing to the need to strengthen the technical capacities of those who manage NPOs in order to collaborate with the authorities in drafting an anti-money laundering and counter-terrorist financing regulatory framework that results from an informed debate based on concrete evidence.

The support of the International Center for Not-for Profit Law (ICNL) and the feedback provided by multiple stakeholders—the public sector, the private sector and prestigious NPOs—have greatly contributed to the drafting of the Guide with a collaborative and didactic approach that we hope will strengthen organizations in their daily practice.

**Pedro Gecik - Gabriela Pellón**



*Dialog on NPOs & De-risking with Deputy Executive Secretary of GAFILAT, Representatives of the Global NPO Coalition on FATF, Argentine Government Authorities and FATF Executive Secretary at the Autonomous City of Buenos Aires, November 2018*



*Training Session for NPOs in Rosario, October 2018*