

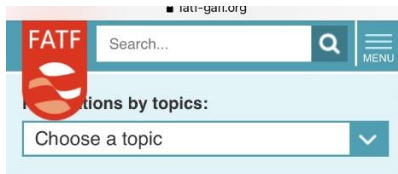
## Notes: Working group call with the FATF Secretariat, 25 Nov 2020

### Agenda:

1. Aligning the work of the UN Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism with that of the FATF (also in view of UNSCR 2462)
  2. Feedback from the plenary (Strategic Review: update; developments around virtual assets); and recent changes to the FATF website
  3. Training and education of FSRB assessors/national regulators/country-level evaluators on the more nuanced issues of R8 implementation, including risk assessment of the NPO sector. How can the Global NPO Coalition contribute to this in a more consistent manner? Especially given we have a compilation of best-practice examples at the national level, as well as experience of working with government representatives, esp. on risk assessments.
  4. Exploring the setting up of a permanent dialogue mechanism with the FSRBs at the regional level, tailored to the needs of each region
  5. BO (*provisional agenda item – based on PSCF consultation on the 24<sup>th</sup>*)
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1. On the question of whether **United Nations Special Rapporteur mandates** (not just that of the UN SR on the protection and promotion of HR and fundamental freedoms while countering terrorism, but also that of the SR on the promotion and protection of the right to freedom of opinion and expression, the SR on the rights to freedom of peaceful assembly and of association, the SR on the situation of human rights defenders, etc.) are systematically taken into account when countries are being peer evaluated:
  - The FATF Secretariat noted that engagement with the UN Special Procedures mandates was NOT systematic, though they do engage with the SRs directly, and do routinely check on mandate output.
  - The Coalition mentioned that the UN Counter-Terrorism Committee has agreed to the use of Special Procedures reports, treaty body findings, and UPR reports and that this list will likely be included in the Global Counter-Terrorism Compact's Terms of Reference. The Secretariat said that a list of agreed upon authoritative sources would be very useful for their work.

2. **Website changes:** The FATF has added a 'Financial Inclusion and NPO issues' page to its Topics list on their [Home Page](#). The landing page has all the NPO-related documents but also, and most importantly, a link related to [How can NPOs provide input into the mutual evaluation process?](#) The process for doing so (email, timeline, format) and who the information will go to is also outlined. The Coalition welcomed this development.



## Topic: Financial Inclusion and NPOs

Ensuring that financially excluded or underserved groups have access to regulated financial services helps to strengthen the implementation of AML/CFT measures. The FATF Standards also helps protect the non-profit sector from abuse for terrorist financing. Using the risk-based approach, these measures should not disrupt or discourage legitimate non-profit activities.

[How can NPOs provide input into the mutual evaluation process?](#)



and other civil society organisations on money laundering and terrorist financing risk and context.

For NPOs—as defined by the FATF—this could include information related to the implementation of risk-based measures to protect the sector from potential terrorist financing abuse. Similarly, input could include experiences of the application of the risk-based measures set out in Recommendation 8.

In order for assessment teams to consider input for upcoming assessments, please provide your input on a jurisdiction to [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org) **no less than two months prior to the indicated onsite date**. Please refer to the FATF mutual evaluation calendar for upcoming assessments and onsite dates.

Please note that any information provided to the FATF Secretariat will be shared with the assessment team, the assessed country, and external reviewers and the source of information will be identified. As assessors have huge volumes of material to review, please provide



Additional suggestions the Coalition made included:

- ensuring that a link to the methodology is included in the page, given that the **format** of input needs to mirror the methodology as far as possible
- the inclusion of a similar page such as the one the FATF has developed on **FSRB websites**
- the inclusion of a link that will **allow NPOs to suggest organizations the assessors can meet during the on-site visit**

3. On the **FATF Strategic Review** process: The Secretariat mentioned that an ad-hoc group has been set up for the process which meets every 5 weeks or so (with the aim of getting the Review done by June 2021), reviewing the Mutual Evaluation process, the ICRG process and the methodology itself.

The Secretariat found the [Global Coalition's input](#) to the process very useful – and aligned to their thinking on the topic – that **when it comes to R8 and IO10, most countries were not implementing a RBA on NPOs: not conducting adequate outreach to NPOs and not identifying the subset of NPOs most at risk of TF abuse. This was determined after a scan [thematic review] of all FATF Mutual Evaluation Reports and some additional reports from the Global Network [FSRBs].**

Some of the Global NPO Coalition recommendations as part of the Strategic Review input

paper have already been implemented, as evidenced in the welcome changes to the FATF website. This has also prompted the Secretariat to think about opening up the Strategic Review process to a possible public consultation. There will be a public version of the Strategic Review document at some point in the future.

4. The FATF Secretariat training manager said that Recommendation 8 was the most misunderstood Recommendation. He mentioned three developments:
  - a. The conduct of a global needs assessment and the need for a centrally-managed training programme (on information and skills)
  - b. The FATF assessor training centre in Busan, Korea, TREIN, which is now officially under the Secretariat
  - c. **E-learning courses:**
    - i. Material: good practice, indicators
    - ii. Audience: national authorities, policymakers, prosecutors

**The need for succinct, distilled material was mentioned. The Coalition offered its expertise in partnering with the Secretariat to develop NPO-sector specific material (best-practice examples, digest of international standards on rights and freedoms concerning NPO sector, a module) based on its experience across the globe.**

5. **Beneficial Ownership:** Following on from the Private Sector Consultative Forum discussions the day before, the Coalition reiterated that the application of Recommendations 24 and 25 to the NPOs sector have be risk-based and nuanced, as the concept of private benefit does not apply to NPOs in the same way as it does to corporate vehicles. The Secretariat agreed, and will convene two separate NPO discussions on this topic in the coming weeks/months: one with the Coalition and the other jointly with the transparency NPOs (Transparency International, Global Financial Integrity, Global Tax Justice, etc.)
6. The topic of setting up **FSRB engagement mechanism** could not be discussed in detail and will be put on the agenda for the next Working Group meeting.