

January 15, 2016

To: Mr. Je-Yoon Shin, FATF President
Mr. David Lewis, FATF Executive Secretary

By email

Global NPO Coalition on FATF calls for revision of the FATF Recommendation 8¹

The undersigned nonprofit organizations (NPOs), representing 123 organizations in 46 countries, coming from different backgrounds (human rights, social service, donor community, etc.) call on the FATF to open a process to revise Recommendation 8. Since Recommendation 8 provides the basic standard, it is necessary to integrate and ensure coherent application of the risk-based, proportionate and targeted approach that the Interpretative Note and Best Practice Paper further elaborate. Further, Recommendation 8 is currently based on the unproven assumption that the entire NPO sector is "particularly vulnerable" to terrorism financing abuse:

1. **This is not in line with the FATF-endorsed risk-based approach.** It misleads governments to apply heightened measures to the entire NPO sector that result in over-regulation of the sector and various restrictions.
2. There is **no evidence that NPOs are particularly vulnerable compared to other sectors.** Recommendation 8 fails to recognize that the vast majority of the millions of NPOs pursue legitimate charitable activities and that abuse for terrorist financing is rare. Indeed, the FATF Typologies Report, which only identified 102 case studies, acknowledged that cases of abuse are rare.

The need to revise the standard is also recognized by the UN special rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism: *The absence in recommendation 8 of any reference to the right of freedom of association (and its corollary, the ability to access financial resources) and to the need to respect the principles of legality, proportionality, necessity and non-discrimination, has lent a veneer of legitimacy to States that have adopted legislation without due respect for their international human rights obligations. The Special Rapporteur concurs with the conclusion of the Special Rapporteur on the rights to freedom of peaceful assembly and of association that recommendation 8 "fails to provide for specific measures to protect the civil society sector from undue restrictions to their right to freedom of association by States asserting that their measures are in compliance with FATF recommendation 8"*²

Therefore we strongly urge FATF to revise Recommendation 8, as follows:

Current Recommendation 8 language:	Proposed revised text to replace the bold part of the current R8 with:
<i>Countries should review the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism. Non-profit organisations are particularly vulnerable, and countries should ensure that they cannot be misused: ...</i>	<i>If some non-profit organizations are identified as vulnerable, a proportional and targeted approach is needed. Countries should apply risk mitigation measures only if the risk is identified, and to those non-profit organizations at risk: ...</i>

¹ These suggestions for revision of Recommendation 8 do not imply endorsement of a specific FATF Recommendation, as the evidence suggests NPOs are no more vulnerable to abuse than other sectors.

² Report of the UN Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism, Ben Emmerson, A/70/371, p 11

Supported by:

1. ACRI – Association of Italian Banking Foundations and Savings Banks (*121 members*) Italy
2. ACT Alliance (*137 members*) Switzerland
3. Adeso United States of America, Kenya
4. ADRA Germany Germany
5. Africa Network for Environment and Economic Justice (ANEEJ) Nigeria
6. Africa Centre for Open Governance Kenya
7. American Friends Service Committee United States of America
8. Assifero- Italian Association of Grant-making Foundation (*102 members*) Italy
9. Asociación Española de Fundaciones (*1059 members*) Spain
10. Association of German Foundations (*20 000 members*) Germany
11. Association of Liechtenstein Charitable Foundations (*47 members*) Liechtenstein
12. Association Konekt Macedonia
13. Association of women Sandglass Serbia
14. Australian Council for International Development (*130 members*) Australia
15. Berghof Foundation Germany
16. Bill of Rights Defense Committee and Defending Dissent Foundation United States of America
17. Bishkek Feminist Initiatives Kyrgyzstan
18. Brot für die Welt Germany
19. Bulgarian Center for Not-for Profit Law Bulgaria
20. Bulgarian Donors' Forum Bulgaria
21. Business & Human Rights Resource Centre United States of America
22. Canadian Council for International Co-operation (*80 members*) Canada
23. CARE USA United States of America
24. Catholic Relief Services United States of America
25. CDA Collaborative Learning Projects United States of America
26. Center for Advanced Studies Bosnia and Herzegovina
27. Center for Equality Advancement Lithuania
28. Center for Peace Studies Croatia
29. Central-Asian Agency Creative SMAIL Kyrgyzstan
30. Centre for the Development of Democracy and Human Rights Russia
31. Charity & Security Network United States of America
32. Charles Stewart Mott Foundation United States of America
33. Citizen Participation Forum Bulgaria
34. Civic Initiative Georgia
35. CIVISOL Fundacion Colombia
36. CIVICUS (*global alliance with members from 150 countries*) South Africa
37. Community Foundation Leli Georgia
38. Conectas Human Rights Brazil
39. Cordaid The Netherlands
40. Conciliation Resources United Kingdom
41. Corruption Watch United Kingdom

42.	Council of Finnish Foundations (169 members)	Finland
43.	Council on Foundations (1750 members)	United States of America
44.	Croatian Platform for International Citizen Solidarity (31 members)	Croatia
45.	Czech Donors Forum (65 members)	Czech Republic
46.	DAFNE (European network of collective 7500 foundations from 22 European countries)	Belgium
47.	DanChurchAid	Denmark
48.	Dutch Association of Foundations (300 members)	The Netherlands
49.	Ecumenical Women's Initiative	Croatia
50.	Equality	Tajikistan
51.	European Foundation Centre (200 members)	Belgium
52.	European Center for Not-for Profit Law	Hungary
53.	Fondation de France	France
54.	Fondation Mérieux	France
55.	Fondazione Roma	Italy
56.	Fonds 1818	The Netherlands
57.	Fund for Global Human Rights	United Kingdom/United States of America
58.	Fundacion Mujeres en Igualdad	Argentina
59.	Global Fund for Women	United States of America
60.	Global Partnership for the Prevention of Armed Conflict	The Netherlands
61.	Global Witness	United Kingdom
62.	Helsinki Citizens' Assembly - Vanadzor	Armenia
63.	Helsinki Committee of Armenia	Armenia
64.	Herbalife Family Foundation	United States of America
65.	Human Appeal	United Kingdom
66.	Human Rights First	United States of America
67.	Human Security Collective	The Netherlands
68.	Humanist Institute for Co-operation with Developing Countries	The Netherlands
69.	Interchurch Organization for Development Cooperation (ICCO)	The Netherlands
70.	International Center for Not-for Profit Law	United States of America
71.	International Center for Religion & Diplomacy	United States of America
72.	International Partnership for Human Rights	Belgium
73.	Islamic Relief USA	United States of America
74.	Islamic Relief Worldwide	United Kingdom
75.	Justice and Peace Netherlands	The Netherlands
76.	Kazakhstan International Bureau for Human Rights and Rule of Law	Kazakhstan
77.	KeenTO	Colombia
78.	Keith Henderson, TIGERS/CONTAC American University's School of International Service	United States of America
79.	Kinder USA	United States of America
80.	Luso-American Development Foundation	Portugal
81.	Macedonian Center for International Cooperation	Macedonia
82.	Maecenata Foundation	Germany
83.	Mediterranean Women's Fund	France
84.	Mercy Corps	United States of America
85.	Moriah Fund	United States of America

86.	Muslim Aid	United Kingdom
87.	Muslim Charities Forum	United Kingdom
88.	Muslim Hands	United Kingdom
89.	Nahla - Center for Education and Research	Bosnia and Herzegovina
90.	National Forum for Volunteering Organizations	Sweden
91.	Netherlands Helsinki Committee	The Netherlands
92.	Nigeria Network of NGOs (<i>1800 members</i>)	Nigeria
93.	Nonviolence International	United States of America
94.	Norwegian Refugee Council	Switzerland
95.	Oak Foundation	United Kingdom
96.	Peace Appeal Foundation	United States of America
97.	Philanthropy Ireland	Ireland
98.	PINGO	Indonesia
99.	Rainbow Warriors Core Foundation	Aruba
100.	Regional Center for Strategic Studies	Georgia, Azerbaijan
101.	Rehabilitation and Development Charity Center TANAZIARI	Georgia
102.	Shazka Beyerle, Senior Advisor, International Center on Nonviolent Conflict	United States of America
103.	Search for Common Ground	Belgium/USA
104.	Semillas, Sociedad Mexicana Pro Derechos de la Mujer	Mexico
105.	Sheikh Eid bin Mohamad al-Thani Charitable Foundation	Qatar
106.	Slovene Philanthropy	Slovenia
107.	Socio-Economic Rights and Accountability Project (SERAP)	Nigeria
108.	Swedish Foundation for Humanities and Social Sciences	Sweden
109.	Swiss Church Aid	Switzerland
110.	Swiss Foundation	Switzerland
111.	Sudan Social Development Organisation UK	United Kingdom
112.	Syrian American Medical Society Foundation	United States of America
113.	TASO Foundation	Georgia
114.	Terra 1530	Moldova
115.	Third Sector Foundation of Turkey (TUSEV) (<i>100 members</i>)	Turkey
116.	Transparency International (<i>chapters in over 100 countries</i>)	Germany
117.	United Muslim Relief	United States of America
118.	Volkswagen Foundation	Germany
119.	Women for Development	Russia
120.	Women of Multinational Georgia	Georgia
121.	Women Peacemakers Program	The Netherlands
122.	Women's Fund in Georgia	Georgia
123.	WINGS (<i>global network of 86 support organizations in 35 countries</i>)	Brazil
124.	West Africa Civil Society Institute	Ghana
125.	Zakat Foundation	United States of America