

## Update to FATF Guidance on AML/CFT Measures and Financial Inclusion

### Survey for NPOs as financial institutions' customers

#### Background

In October 2023, the FATF agreed to undertake a project to review and consider limited and targeted amendment to R.1/INR.1 and related consequential amendments to the Standards, as well as update the [FATF Guidance on AML/CFT measures and financial inclusion](#) (the 2017 Guidance), to encourage implementation of effective and proportionate measures commensurate to higher and lower risk situations, with a view to promoting a more inclusive financial system with adequate safeguards in place.

We are looking to update the FATF's guidance on financial inclusion by including real-world examples of good or bad practices in applying the AML/CFT standards that supports/hinders financial inclusion. We would be grateful if NPOs, as financial institutions' customers, could provide examples of such practices, so that we can consider including them in the updated guidance, so that others can learn from these experiences. We are also interested in better understanding the issue of simplified due diligence measures, and how they are applied in practice.

**The FATF have already received a high number of inputs for the Best Practice Paper for Combatting TF Abuse of NPOs, that will be considered again in the context of this work. We would be grateful for the respondents to share new examples, focusing on the issue of financial inclusion, according to their experience as customers of financial institutions.**

The information provided may be used in the main text or annexes of the updated Guidance. It will be made available to the FATF delegations, for the purpose of this work. The source of information will be identified (unless you specify otherwise).

#### Provision of Inputs

The purpose of this survey is to collect examples from NPOs regarding the implementation of the AML/CFT standards under the risk-based approach that supports/hinders financial inclusion. Please keep each example **concise and succinct, to maximum half a page to as far as possible**. Please complete the survey in English and send it to the Secretariat ([jenny.CHAN@fatf-gafi.org](mailto:jenny.CHAN@fatf-gafi.org)) by **Wednesday 10 July 2024, 6pm CET**, with the file name "Inputs of [organisation] on the update to FATF Guidance on AML/CFT measures and financial inclusion".

Please note that the Secretariat will not provide feedback on each individual submission. However, the Secretariat or a member of the project team might contact you to obtain additional information relating to the example(s) that you submit. The FATF will not share this information with third parties without your consent.

**Country:** Philippines

**Name of organisation responding:** *LCDe Leyte Center for Development*

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## Template for Inputs

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| <p><b>Inputs to Chapter 1 - Statement of the problem</b></p>  |
| <p><b>1. Challenges in balancing AML/CFT requirements and financial inclusion</b></p> <p>Examples could cover (non-exhaustive list):</p> <ol style="list-style-type: none"> <li>a. Cases of challenges, as a customer, in accessing and using financial services linked to the implementation of AML/CFT measures</li> </ol>  |
| <p><b>Example</b></p> <p>Our NGO called Leyte Center for Development has been serving poor and vulnerable communities since 1988. We are compliant with government laws, have received government awards in the past 20 years and have good working relations with local and national government officials.</p> <p>It came as a shock to all of us when the government’s AMLC Anti Money Laundering Council froze our organizational and personal bank accounts last May 2, 2024. The resolution TF 89 just said “ freezing of LCDe accounts and other related accounts, for financing terrorism”. This is indeed arbitrary, unjust, totally without due process of the law. No court case has even been filed against us. 6 staff and volunteers of LCDe have their personal bank accounts frozen as well. Our life line has been cut off, we do not have income nor money to buy food and other basic needs.</p> <p>AMLC is killing us, an organization who has been complementing government efforts to solve poverty and grant relief aid to over a million people over the past 36 years!</p> <p>Why are we being persecuted for helping poor people? Our donors have pulled out for fear that their bank accounts might be frozen, too. The AMLC also froze the bank accounts of our suppliers where we purchased relief goods for disaster stricken communities and local governments.</p> |
| <p><b>Inputs to Chapter 3 - Guidance on measures to support financial inclusion</b></p>   |
| <p><b>2. Measures to ensure access to and usage of financial services by financial services customers</b></p> <p>Examples could cover (non-exhaustive list):</p> <ol style="list-style-type: none"> <li>a. Measures/guidance/regulatory requirements helping to facilitate customers’ access to and usage of financial services</li> <li>b. Initiatives by customers or associations of customers to address ML/TF risks and financial institutions’ concerns</li> <li>c. Engagement with authorities/financial sector to encourage appropriate implementation of a risk-based approach</li> </ol>  |
| <p><b>Example:</b></p> <p>LCDe has filed a petition in court. Until now, there is no answer. We are under mental anguish for lack of resources to pay the lawyers and court fees when filing.</p>   |
| <p><b>Any other issue relevant to addressing financial exclusion and de-risking:</b></p>  |

**LCDe, along with other Philippine NGO's, have formed a national alliance called "Defend NGO's, Reclaim Civic Spaces" which was launched last July 2, 2024 in Manila. The alliance aims to lobby with government authorities and get the broadest local and international support for the persecution.**

**We are also campaigning for resource generation so that we have food and other basic needs, money to pay the lawyers while these attacks from AMLC and state forces are ongoing.**