

# Global NPO Coalition on FATF

## Press Advisory

### Over 100 Nonprofit Organizations Worldwide Ask the Financial Action Task Force to Address Key Problems with its Recommendation 8 on Nonprofit Organizations

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CONTACT: Co-Chairs Kay Guinane, [kguinane@charityandsecurity.org](mailto:kguinane@charityandsecurity.org), M: +1 301 536 8169 T: +1 202 481 6927, Lia van Broekhoven, [lia@hscollective.org](mailto:lia@hscollective.org), T: +31707631410 | M: +31629489866

Washington, DC and The Hague – On January 15, 2016, 123 signatories from 46 countries sent a [letter calling on the Financial Action Task Force “to open a process to revise Recommendation 8”](#) as it inaccurately states that “Non-profit organisations are particularly vulnerable” to abuse by terrorists. The letter notes that “Recommendation 8 fails to recognize that the vast majority of the millions of NPOs [nonprofit organizations] 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.”

This language, and FATF's power to evaluate country implementation of its standards, has **helped fuel the trend of overly restrictive regulations for nonprofits around the globe and contributed to the growing problem of bank derisking of charity accounts.**

FATF has taken positive steps to address these problems, as seen its 2015 revision of the [Best Practices Paper](#) and implementation of a **risk-based approach** to anti-terrorist financing regulation. In the fall of 2015, FATF announced that it will revise the Interpretive Note, which provides detail on how governments should implement Recommendation 8. The goal is to make it consistent with the risk-based approach as well as principles of proportionality and protection for the activities of legitimate NPOs that are set out in the Best Practices Paper. However, **FATF said it was not revising Recommendation 8 at this time.**

**The letter’s signatories stress the need for FATF to revise Recommendation 8 as well as the Interpretive Note, since the phrase “particularly vulnerable” will continue to cause problems for NPOs.** “If the harmful and inaccurate language is not removed, FATF’s nonprofit standard will continue to disrupt the important and often life-saving work of nonprofit organizations,” said Kay Guinane, coalition co-chair and director of the Charity & Security Network.

Lia van Broekhoven, co-chair of the coalition and director of the Human Security Collective, said, “Without revision of the standard to reflect FATF's risk-based approach, the operating space for civil society worldwide will continue to shrink.”

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The Global NPO Coalition on FATF is a cooperative effort of a diverse network of nonprofit organizations from all parts of the globe that promotes anti-terrorist financing rules that are risk-based, proportionate and consistent with humanitarian and human rights standards. The coalition is coordinated by Charity & Security Network (US), Council on Foundations (US), European Centre for Not for Profit Law, European Foundation Centre (BE), Fund for Global Human Rights (US/UK), Human Security Collective (NL), International Centre for Not for Profit Law (US), Islamic Relief Worldwide (UK), Norwegian Refugee Council (CH) and Transparency International (DE).