



Financial Action Task Force (FATF) says “yes” to formalised annual consultation with NPOs

Brussels, 1 July 2015 – The Charity and Security Network (CSN), the European Center for Not-for-Profit Law (ECNL), the European Foundation Centre (EFC), the Human Security Collective (HSC) and the International Center for Not-for-Profit Law (ICNL), representing a wider coalition of non-profit organisations (NPOs), welcome the announcement of the Financial Action Task Force (FATF) that it will enhance its engagement with NPOs when working on combating money laundering and terrorist financing. The FATF will now hold annual meetings with NPOs on specific issues of common interest and organise *ad hoc* exchanges on technical matters.

The FATF, as an inter-governmental body that sets standards and promotes implementation of legal, regulatory and operational measures for combating money laundering and terrorist financing, has far-reaching influence on national governments' regulation of the NPO sector, which in some cases has led to over-regulation of the sector. More than 180 jurisdictions worldwide are committed to the implementation of its Recommendations.

FATF's pledge for an annual meeting with the NPO sector comes following last week's FATF Plenary meeting in Brisbane, Australia, at which the Plenary also approved for publication a revised version of the Best Practices Paper on its Recommendation 8 on combating the potential abuse of non-profit organisations for terrorist financing purposes. We are currently reviewing this revised document. The NPO sector submitted input to the Best Practice Paper review with the aim of preventing cases of over-regulation and misinterpretation of the existing Recommendation by countries, which hinders legitimate activities of NPOs that play a vital role in society.

A wide-reaching coalition of NPOs led by CSN, ECNL, EFC, HSC and ICNL, has over the past year been advocating for a more formalised dialogue with the NPO sector and hence welcomes FATF's new commitment. Clear rules of engagement for this strengthened FATF dialogue with NPOs should now quickly be drafted to ensure meaningful and inclusive participation of NPOs. The coalition will put forward recommendations for a system of consultation and dialogue with clear operational rules that will be part of the formal process of engagement between FATF and its key stakeholders.

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NOTES TO EDITORS

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About the NPO coalition

Since 2013, the European and International civil society coalition on FATF has stepped up its advocacy to influence an amendment of Recommendation 8 (R8) of the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) standard. Over 200 nonprofit organisations (NPOs) worldwide have endorsed the work of the coalition on influencing the revision of the R8 Typology paper and the Best Practices (policy) Paper (BPP). A core group, consisting of the Charity and Security Network (CSN), the European Center for Not-for-Profit Law (ECNL), the European Foundation Centre (EFC), Human Security Collective (HSC) and the International Center for Not-for-Profit Law (ICNL), facilitates and coordinates engagement with the FATF and civil society constituents in a number of countries. An online civil society platform on the FATF (<http://www.fatfplatform.org>) has been launched to complement the existing FATF google group for timely outreach, information sharing and communication.

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