

**ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM /COUNTER
PROLIFERATION FINANCING IN FOCUS**

Part Ten:

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-
Recommendation 8- Non-Profit Organizations**

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The Financial Action Task Force (FATF), for the purposes of Recommendation 8 gives a specific definition of Non-Profit Organizations (NPOs), it reads “an NPO refers to a legal person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of ‘good works’”. The specifics of Recommendation 8 only apply to NPOs which fall under this definition.

The importance of NPOs to societies is one of the main reasons for protecting them against terrorist financing abuses. As such, countries are encouraged to use a risk based approach when dealing with NPOs, this is where greater measures are applied to NPOs at higher risk, but legitimate charitable activities are protected.

Countries are required to have an appropriate authority tasked with applying sanctions on NPOs or any person affiliated to the NPO for violations. Furthermore, NPOs should be required to licence or register and should retain pertinent information such as their objectives and the identity of the person(s) who owns and controls the operation. This information should be publicly available.

It is also incumbent upon the NPO to have proper systems in place, to record and account for funds received and ensure that donations are spent in a manner commensurate with the entity's objectives.

Saint Lucia has a large and wide array of Non-Governmental Organizations including Culture and Creative Industries and Civil Society Organizations. Recognizing the importance of these entities and in seeking to protect and regulate them the Non-Governmental Organization Act was developed. This Act gives very clear guidelines on how NGOs are to operate and their responsibilities, for example Section 8 of the Act indicates “A Non-Governmental Organisation, its officers and members shall comply with—

- (a) the founding document of the Non-Governmental Organisation as amended from time to time; and
- (b) the Money Laundering (Prevention) Act and the Anti-Terrorism Act.”

NGOs are therefore encouraged to acquaint themselves with these Acts.

During the onsite visit by the Caribbean Financial Action Task Force (CFATF) assessors from September 16-27, 2019 a close examination will be done on this Recommendation to determine whether all of its tenets have been met. Further information on Recommendation 8 can be had from the CFATF website at <https://www.cfatf-gafic.org>.