



NATIONAL MONEY LAUNDERING / TERRORIST FINANCING (ML/TF) RISK ASSESSMENT TOOLKIT

GUIDANCE MANUAL

NON-PROFIT ORGANIZATIONS TF RISK ASSESSMENT TOOL

Identifying the FATF NPOs at risk of terrorist
financing abuse



Funded by the European Union



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Introduction of the NPO tool

The nonprofit organization (NPO) tool of the National Risk Assessment (NRA) Tool serves as an instrument that jurisdictions can use to support their analyses of the terrorist financing abuse of NPOs. Through it, the Working Group will identify NPOs that meet the Financial Action Task Force (FATF) definition, assess the evidence of NPO abuse for terrorist financing, determine the inherent risk (exposure to active terrorist threat), and review the quality of existing mitigation measures. This analysis should seek to complement and draw on national terrorism and terrorist financing risk assessments.¹

The Risk Assessment Process

COMPOSITION OF THE WORKING GROUP

In line with a collaborative approach, the Working Group should represent all relevant parts of government and the NPO sector. Representatives of the following entities are required:

- At least one representative of each type of NPO²
- Competent authority overseeing or monitoring NPOs (this may be a regulator or a coordinating authority; all such authorities should be represented if there is more than one)
- Financial Intelligence Unit
- An intelligence service representative or someone who represents another authority with operational knowledge of terrorist financing (including confidential information and any ongoing cases)
- Law enforcement authorities
- Banking association
- Tax authority (if NPOs have a dedicated tax status)

1. To comply with international legal obligations, jurisdictions should ensure that activities protected by international humanitarian law, international human rights law, and international refugee law are not treated as negative factors in a risk assessment.

2. One individual can represent more than one type of NPO. For example, the person may be a representative for an umbrella organization or association with a foreign headquarters that is also working in a geographical location in close proximity to an active terrorist threat.

PARTICIPATION OF NPOS IN THE WORKING GROUP

The coordinator must ensure participation of a representative sample of the NPO sector in the risk assessment. It is particularly important to include representation of NPOs that meet the FATF definition, and representatives that have reliable knowledge of unregulated NPOs. To increase reach, the following actions can be taken:

- Administer online surveys and questionnaires (including perception surveys)
- Connect with umbrella organizations as a means of enabling participation by NPOs that represent the sector
- Engage with NPOs on an ongoing basis (rather than one-time consultations)
- Provide opportunities for NPO participation (such as by gathering data, assessing findings, and validating results)
- Exchange information (instead of providing only one-directional training or information)

SKILLS AND KNOWLEDGE NEEDED BY THE WORKING GROUP

- Understanding of the NPO sector
- Understanding of the domestic legal framework for NPOs
- Understanding of the accounting, accountability, and governance regimes for NPOs
- Access to information (including confidential information) on cases of terrorist financing
- Analytical skills to assess the quality and weight of qualitative evidence
- Meeting facilitation ability
- Report writing ability

A collaborative multistakeholder process that promotes and protects trust, transparency, and inclusiveness by and between the Working Group's members is essential. The Working Group should be co-led by an NPO representative if possible.

Risk assessment processes have been most beneficial where there is (a) strong commitment by participants and the Working Group leadership to perform a realistic and credible assessment, and (b) a strong coordinator (a dedicated project leader with solid project management and communication skills, technical and analytical capacity, and sufficient seniority to function independently while also being very collaborative).

Subtasks may be divided among members, but all final assessments must be agreed on by the Working Group as a whole.

DATA AND INFORMATION

Working Groups should observe the following guidelines for gathering and using data and information:

- Use the best available information and list the sources on which the assessment is made. Particularly where data are scarce, not comprehensive, or inaccurate, it is important to indicate this in records and reports.
- Give reliable estimates when requested data are not available.
- Obtain information from all relevant sources, including the NPO sector, NPO regulators or supervisors, financial institutions, Financial Intelligence Units, law enforcement authorities, intelligence authorities, tax authorities, and others.
- If information or data to reliably complete tables are unavailable, perform more work to collect such information or data about FATF NPOs in that jurisdiction. Data collection methods could include the following:
 - Questionnaires and surveys
 - Interviews
 - Observations
 - Focus groups
 - Ethnographies, oral histories, and case studies (where they exist)
 - Documents and records such as the following:
 - Gazette list of registered NPOs
 - Government ministries
 - Civil society databases

Assessment steps

Jurisdictions can assess the risk of the abuse of NPOs for terrorist financing by following the steps below:

1. Identify all NPOs that could meet the FATF definition and collect information about these FATF NPOs.
2. Assess the evidence of terrorist financing abuse of NPOs.
3. Assess the inherent risk of FATF NPOs (for all FATF NPOs together, for selected categories, or both)
4. Assess the effectiveness of mitigating measures (for all FATF NPOs together, for selected categories, or both).

Note. Step 4 need only be performed for FATF NPOs assessed to be of a medium to high inherent risk. If the FATF NPO category is assessed to be of a low inherent risk, there may be no need to apply mitigating measures. This is especially the case if there is no or low evidence of terrorist financing (TF) abuse of NPOs.

Outcomes of NPO TF Risk Assessment Tool

Implementing a TF risk assessment can be expected to produce the following assessment outcomes:

- Identification of FATF NPOs and collection of data on their characteristics
- Evidence of terrorist financing abuse of NPOs
- Level of inherent risk by FATF NPO category
- Effectiveness of mitigating measures by FATF NPO category
- Visual summaries of all assessment results to support analysis

Understanding the NPO Tool

Many factors contribute to the risk of terrorist financing abuse of NPOs. This tool has been developed to reflect the key factors and their underlying relationships, based primarily on the FATF Recommendations and Guidance papers. In this tool, these factors are called variables. The ratings assigned to these different variables by the Working Group ultimately lead to the assessed risk level of terrorist financing abuse of NPOs.

VARIABLES

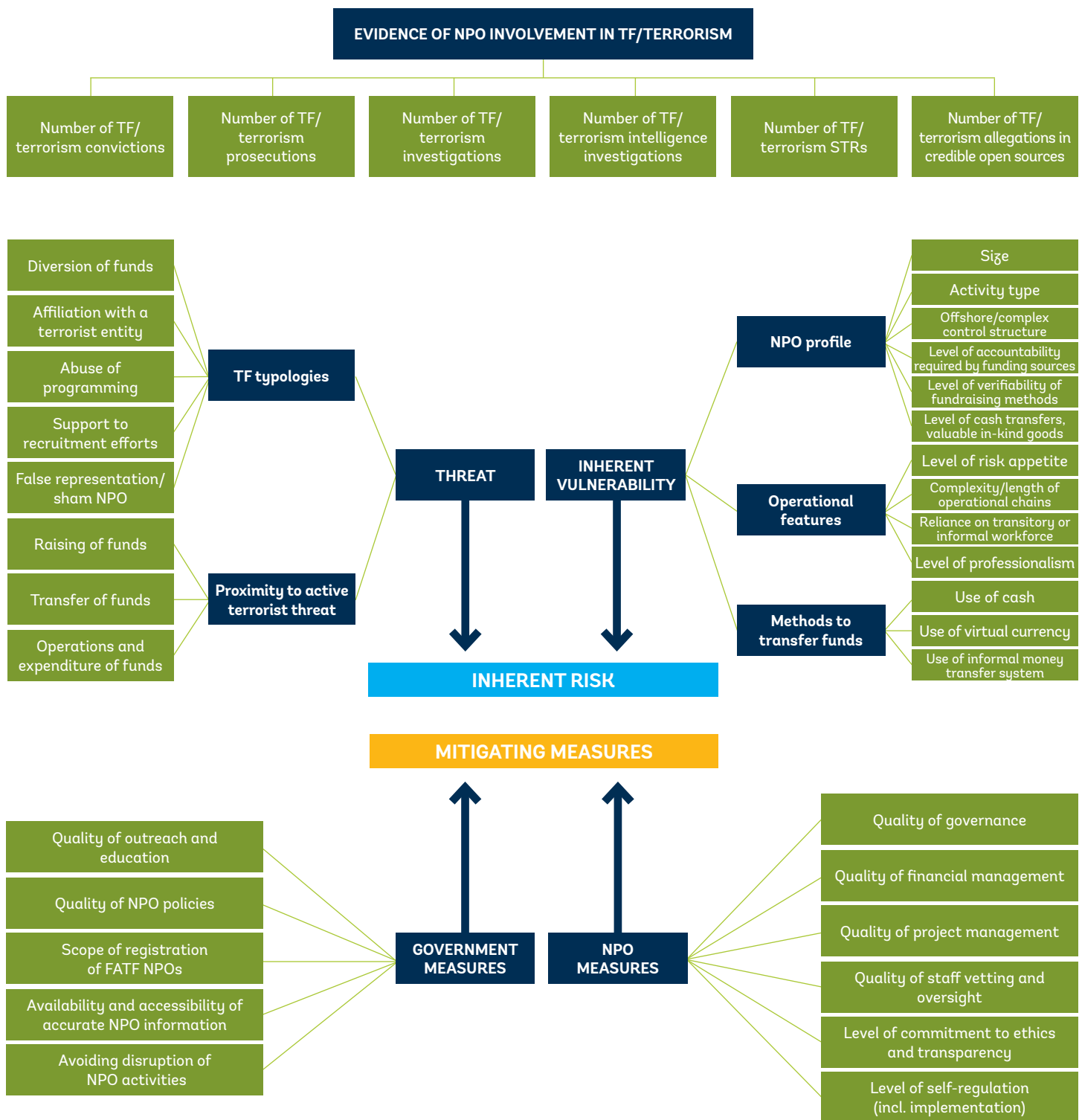
There are two types of variables in the tool: (a) input variables, and (b) intermediate variables.

- a. Input variables:** These variables require the Working Group to enter an assessment rating. For each step of this assessment, there is guidance on these variables in this document.
- b. Intermediate variables:** These variables are higher-level factors. Using the ratings entered for the input variables and the underlying formulas that reflect their relationships, the Excel tool generates the ratings for these intermediate variables.

THE STRUCTURE OF THE NPO TOOL (THE NETWORK DIAGRAM)

The formulas that have been built into the tool make it possible to combine the assessment results of input variables and calculate the ratings for intermediate variables. Each variable in the tool has been assigned a weight, and the underlying relationships between the variables of various levels have been determined by setting up certain preconditions. The diagrams in figure 1 reflect the underlying network of variables for the NPO tool.

Figure 1: Network Diagram NPO Tool



At the end of the assessment, the Excel tool will help generate at least three ratings:

- Evidence and level of terrorist financing abuse of NPOs
- Inherent risk of NPOs by NPO category
- Quality of mitigating measures by NPO category

Important: The National Risk Assessment (NRA) Tool is **not** a data analysis tool. The input required should be based on qualitative judgment of the data, information, and expert opinions for the different input variables.



Step 1. Identify and collect data on all NPOs that meet the FATF definition

1a. Assemble jurisdiction aid profile

Indicate the amount of aid that the jurisdiction has provided and received in the assessment period. Depending on the jurisdiction context (level of TF threat and active terrorist threat), this may be of relevance in determining which category of NPOs might be more exposed to TF threat.

1b. Identify all legal entities, arrangements, and organizations that could fall under the FATF definition of NPO

Given the variety of legal forms that NPOs can have (depending on the jurisdiction), the FATF has adopted a functional definition of NPO (see box). This means that FATF Recommendation 8 applies to any legal person, arrangement, or organization that meets the FATF definition, regardless of legal status in the jurisdictions where there is legislation for NPOs (though such legislation is not required by FATF).

The FATF's functional definition of Nonprofit Organization (NPO):

An NPO is any legal person or arrangement or organization 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”.³

3. FATF (Financial Action Task Force), *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations* (Paris: FATF/OECD, 2012–2021), 64, Interpretive Note to Recommendation 8.

The FATF has established that only NPOs that fall under the FATF definition are vulnerable to TF abuse.

To enable an informed distinction between the organizations that do and do not meet the FATF definition, the Working Group should do the following:

- Identify all organizations that perform activities for purposes of any type of good works,
- Categorize these organizations,
- Document basic information about these organizations in the Excel file (to the best of the Working Group's knowledge; this may mean that the Working Group is only able to provide an approximation of the number of organizations, their operating models, activities, and purposes until it obtains more information for future risk assessments),
- Review the information collected about the various categories of organizations against the FATF definition. Only where the organizations meet the FATF definition are they considered FATF NPOs. The Working Group should only apply the risk assessment to this subset of FATF NPOs, to determine the risk level of the different categories of FATF NPOs.

FATF requirements for NPOs (Recommendation 8):

Countries should review the adequacy of laws and regulations that relate to nonprofit organizations that the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk-based approach, to such nonprofit organizations to protect them from terrorist financing abuse.

There are two important notes that need to be made:

1. Focused and proportionate measures need to be taken depending on the risk level of NPOs.
2. The FATF is not prescriptive about the measures that should be applied. It does not require jurisdictions to implement registration, licensing, or a regulatory regime to NPOs.

In particular, the FATF does not encourage introducing supervision of all NPOs for the purposes of countering the financing of terrorism. Moreover, the FATF does not suggest that NPOs should become reporting entities (like financial institutions). Such one-size-fits-all approaches are inconsistent with the risk-based approach of Recommendation 1.⁴

When identifying which NPOs could meet the FATF definition, Working Groups should ensure that the widest array of nongovernment and not-for-profit legal persons, arrangements, and organizations are considered. It may be that the FATF NPOs overlap entirely with regulated NPOs in the jurisdiction, but this cannot be assumed. Working Groups should ensure that this broad consideration includes NPOs registered with another authority as well as those that are not registered.

EXCLUSION OF NPOS FROM THE RISK ASSESSMENT

At the identification stage, it is better to be comprehensive. If a particular legal category in the jurisdiction includes some organizations that meet the FATF definition and some that do not, those that do not should still be included.

However, certain types of organizations can be safely excluded. Examples include political parties, trade unions, professional associations, and credit unions. These are all normally considered to be outside the scope of organizations that engage in good works.

The FATF has established that the NPOs most at risk of abuse for terrorist financing are those that are engaged in service activities such as providing housing, social services, education, or health care.

4. FAFT, *The FATF Recommendations*, 60–63.

NPOs engaging in expressive activities (for example, sports and recreation, arts and culture, interest representation, or advocacy) such as political parties, think tanks, and advocacy groups are much less likely to be exposed to TF abuse. For expressive NPOs, the Working Group should consider whether there are considerations warranting their inclusion—for example, if there are concerns that expressive NPOs are encouraging terrorist recruitment.

1c. Document core information about FATF NPOs

Core information on FATF NPOs is collected in this step. Even where data are not available, this table should be completed. In such cases, reliable estimations and expert opinions may be used instead. The records and report should clearly indicate the degree to which data or information is unavailable, inaccurate, scattered, or outdated. For example, it is common that registration does not provide 100% coverage, or that NPOs have drifted away from their original missions.

Item	Input	Guidance
Total number of FATF NPOs		Insert the total number of FATF NPOs.
Total value of income/budget/ expenditure of FATF NPOs		Insert the (estimated) total value of the income, budget, or expenditure of all NPOs that meet the FATF definition. Just one of these metrics is sufficient. The metric of choice should be the one that is most reliable in establishing the financial size of the NPO sector. This will differ by jurisdiction, depending on the data collected. In the records, please indicate the metric chosen.
Value of income/budget/ expenditure brackets of FATF NPOs	<i>Bracket 1: number of NPOs</i>	Establish income, budget, or expenditure brackets (income band for the last financial year) to best reflect the NPO sector in the jurisdiction. Break down the number of FATF NPOs by these value brackets. Provide a best estimate if accurate or comprehensive data are not available. Rows for more brackets can be added as needed.
	<i>Bracket 2: number of NPOs</i>	
	<i>Bracket 3: number of NPOs</i>	
Number of FATF NPOs with significant international exposure		Insert the number of FATF NPOs that raise or disburse significant international funds or have international operations. The threshold for significance should be determined by the Working Group. For example, 15%–30% of fundraising, disbursement, or operations occurring across borders could be considered significant.

Item	Input	Guidance
Purpose of FATF NPOs with significant international exposure		Using the jurisdiction's NPO classification, break down (list the estimated or actual number of) FATF NPOs with significant international exposure by purpose classification. If there is no classification available, the Johns Hopkins list—which includes categories such as culture, health, social, education, environmental, and development—can be used. Rows can be added as needed to include all necessary classifications.
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
Purpose of predominantly domestic FATF NPOs		Using the jurisdiction's NPO classification, break down (list the estimated or actual number of) predominantly domestic FATF NPOs by purpose classification. If there is no classification available, the Johns Hopkins list—which includes categories such as culture, health, social, education, environmental, and development—can be used. Rows can be added as needed to include all necessary classifications.
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
	<i>Number of NPOs</i>	<i>Purpose classification</i>
Legal types of NPOs		List the estimated or actual number of FATF NPOs for each type of legal structure an FATF NPO can take within the jurisdiction. Rows can be added as needed. Categories may include foundations, associations, trusts, registered societies, charitable incorporated organizations, and unincorporated associations. Where there are ad hoc, unregistered, or informal NPOs or NPOs that do not have a clear legal structure, these should be added as a category and an estimated number or indicative range of such NPOs should be given.
	<i>Number of NPOs</i>	<i>Legal structure</i>
	<i>Number of NPOs</i>	<i>Legal structure</i>
	<i>Number of NPOs</i>	<i>Legal structure</i>
	<i>Number of NPOs</i>	<i>Legal structure</i>
	<i>Number of NPOs</i>	<i>Legal structure</i>

1d. Collect additional FATF NPO information (if available)

Additional information relevant to TF and terrorism exposure on FATF NPOs is collected in this step. Working Groups should complete the sections for which data are available or can be reliably estimated.

Number of FATF NPOs that raise significant funds abroad	List the number of FATF NPOs that raise significant funds abroad. The threshold for significance should be determined by the Working Group. For example, 15%–30% of fundraising across borders could be considered significant.
Source jurisdictions of international funds raised (% breakdown)	Break down the share of international funds raised by source jurisdiction (at least for the 10 main sources). If a risk classification of jurisdictions has been made at the national or supranational level (such as a terrorist, terrorist financing, or national security assessment), the breakdown could be categorized by the assessed risk level of the source jurisdictions.
Number of FATF NPOs with significant international disbursements	Insert the number of FATF NPOs that have significant international operations. The threshold for significance should be determined by the Working Group. As an alternative, NPOs with at least 15%–30% of their operations occurring across borders would meet this threshold.
Destination jurisdictions of international funds disbursed or spent (by %)	Break down the share of international funds disbursed or spent by destination jurisdiction (at least for the 10 main destinations). If a risk classification of jurisdictions has been made at the national or supranational level (such as a terrorist, terrorist financing, or national security assessment), the breakdown could be categorized by the assessed risk level of the destination jurisdiction.
Number of FATF NPOs with significant disbursements to humanitarian disaster/emergency situations	Insert the number of FATF NPOs that make significant disbursements (including for their own operations and activities) to humanitarian disaster or emergency situations. ⁵
Destination jurisdictions of disbursements for humanitarian/emergency situations	Break down the share of international funds disbursed or spent by destination jurisdiction (at least for the five main destinations for humanitarian/emergency support).
Number of FATF NPOs with significant disbursements to areas where there is an active terrorist threat	Insert the number of FATF NPOs that make significant disbursements (including for their own operations and activities) to areas or geographical locations where there is an active terrorist threat.
Destination jurisdictions of disbursements with active terrorist threat	Break down the share of international funds disbursed or spent by destination jurisdiction (at least for the 5 main destinations with active terrorist threat).

5. Disbursing funds to or operating in humanitarian emergencies may increase exposure to TF abuse. The urgency of needs may diminish adherence to oversight and controls, which may raise exposure to abuse. For this reason, ensuring the assessment of TF risks for these NPOs can be useful—particularly where they are operating in closer proximity to terrorist activity.



Step 2. Assess and document evidence and level of terrorist financing abuse of NPOs

Using the NPO tool in Excel, assess and document evidence of terrorist financing abuse of NPOs for the different input variables. If there is evidence of terrorist financing abuse of NPOs available, it is advised that descriptive information on the case(s) be included in the records and report.

These should include (a) the characteristics of the NPO, such as legal type, purpose, size, value of assets, ownership and control structure, fundraising methods, disbursement methods and services/goods provided, types of transactions common to the NPO, and (b) characteristics of the case, such as NPO representative involved, value of the assets abused for TF purposes, and the method of abuse (typology description—that is, how the NPO was abused and the geographical locations involved).

For each of the NPO categories that meet the FATF definition (as per Step 1), a separate analysis should be made. This category-by-category analysis is intended to support the understanding of risk at a granular level.

These categories are what is meant by “NPO type 1,” and “NPO type 2” in the Excel tool.

Input Variable	Assessment Rating	Guidance
Number of TF and Terrorism Convictions	High (1.0)	<p>Have there been any TF convictions of NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? If so, at what level should the number of those convictions be rated? Consider how this number of TF convictions relates to each of the following:</p> <ul style="list-style-type: none"> • The total number of TF convictions in the assessment period (and annual breakdown to identify trends) • The number of FATF NPOs • The total number of criminal convictions in the assessment period (and annual breakdown to identify trends) of NPOs, their representatives, or both • The total number of terrorism convictions in the assessment period
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	
Number of TF and Terrorism Prosecutions	High (1.0)	<p>Have there been any TF prosecutions of NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? If so, at what level should the number of these prosecutions be rated? Consider how this number of TF prosecutions relates to each of the following:</p> <ul style="list-style-type: none"> • The total number of TF prosecutions in the assessment period (and annual breakdown to identify trends) • The number of FATF NPOs • The total number of criminal prosecutions (and annual breakdown to identify trends) of NPOs, their representatives, or both • The total number of terrorism prosecutions in the assessment period
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	
Number of TF and Terrorism Investigations	High (1.0)	<p>Have there been any criminal investigations related to TF of NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? If so, at what level should the number of criminal investigations related to TF be rated? Consider how this number of investigations relates to each of the following:</p> <ul style="list-style-type: none"> • The total number of criminal investigations related to TF in the assessment period (and annual breakdown to identify trends) • The total number of criminal investigations related to TF charges made • The total number of criminal investigations related to TF charges opened • The number of FATF NPOs • The total number of criminal investigations of NPOs, their representatives, or both • The total number of criminal investigations related to terrorism in the assessment period
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	

Input Variable	Assessment Rating	Guidance
Number of TF and Terrorism Intelligence Investigations	High (1.0)	<p>Have there been any intelligence investigations related to TF of NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? If so, at what level should the number of intelligence investigations related to TF be rated? Consider how this number of investigations relates to each of the following:</p> <ul style="list-style-type: none"> • The total number of intelligence investigations related to TF in the assessment period (and annual breakdown to identify trends), including: <ul style="list-style-type: none"> ○ The reliability of sources ○ The reliability of the information • The total number of intelligence investigations related to TF (historically) • The number of FATF NPOs • The total number of intelligence investigations of NPOs, their representatives, or both • The total number of intelligence investigations related to terrorism in the assessment period
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	
Number of STRs/SARs related to TF and terrorism	High (1.0)	<p>Have there been any STRs or SARs related to TF on NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? These STRs or SARs can be submitted by any reporting entity, including banks or money transfer service providers. If so, at what level should the number of STRs and SARs related to TF be rated? Consider how this number relates to each of the following:</p> <ul style="list-style-type: none"> • The total number of STRs and SARs related to TF on NPOs and their representatives that have been referred to other agencies • The total number STRs and SARs related to TF in the assessment period (and annual breakdown to identify trends) • The total number of STRs and SARs related to TF (historically) • The number of FATF NPOs • The total number of STRs and SARs related to NPOs, their representatives, or both • The total number of STRs and SARs related to terrorism in the assessment period
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	

Input Variable	Assessment Rating	Guidance
Number of TF and Terrorism allegations in open sources	High (1.0)	<p>Have there been any allegations in credible open sources about terrorist financing or terrorism abuse of NPOs or their representatives (including employees, volunteers, or other individuals acting in an official capacity representing an NPO)? If so, how should the level of these allegations be rated? Consider each of the following:</p> <ul style="list-style-type: none"> • The credibility of the open sources such as academic reports, NPO reports, and known news sources (as opposed to online anonymous blogs) • The number of allegations made • The nature of the allegations • The substantiation provided <p>Disinformation about NPOs may sometimes be presented as credible. When assessing the credibility of allegations about terrorist financing abuse of NPOs or their representatives, a careful review of the source of information is warranted. It is recommended that the Working Group consult neutral third parties to obtain the most objective views on the credibility of the open-source allegations.</p>
	Medium (0.5)	
	Low (0.2)	
	Does not exist (0.0)	



Step 3. Assess inherent risk

Objective

- The level of the inherent risk (by category of FATF NPOs) is assessed on the basis of the following:
 - TF threat by category of FATF NPOs
 - Inherent vulnerability by category of FATF NPOs

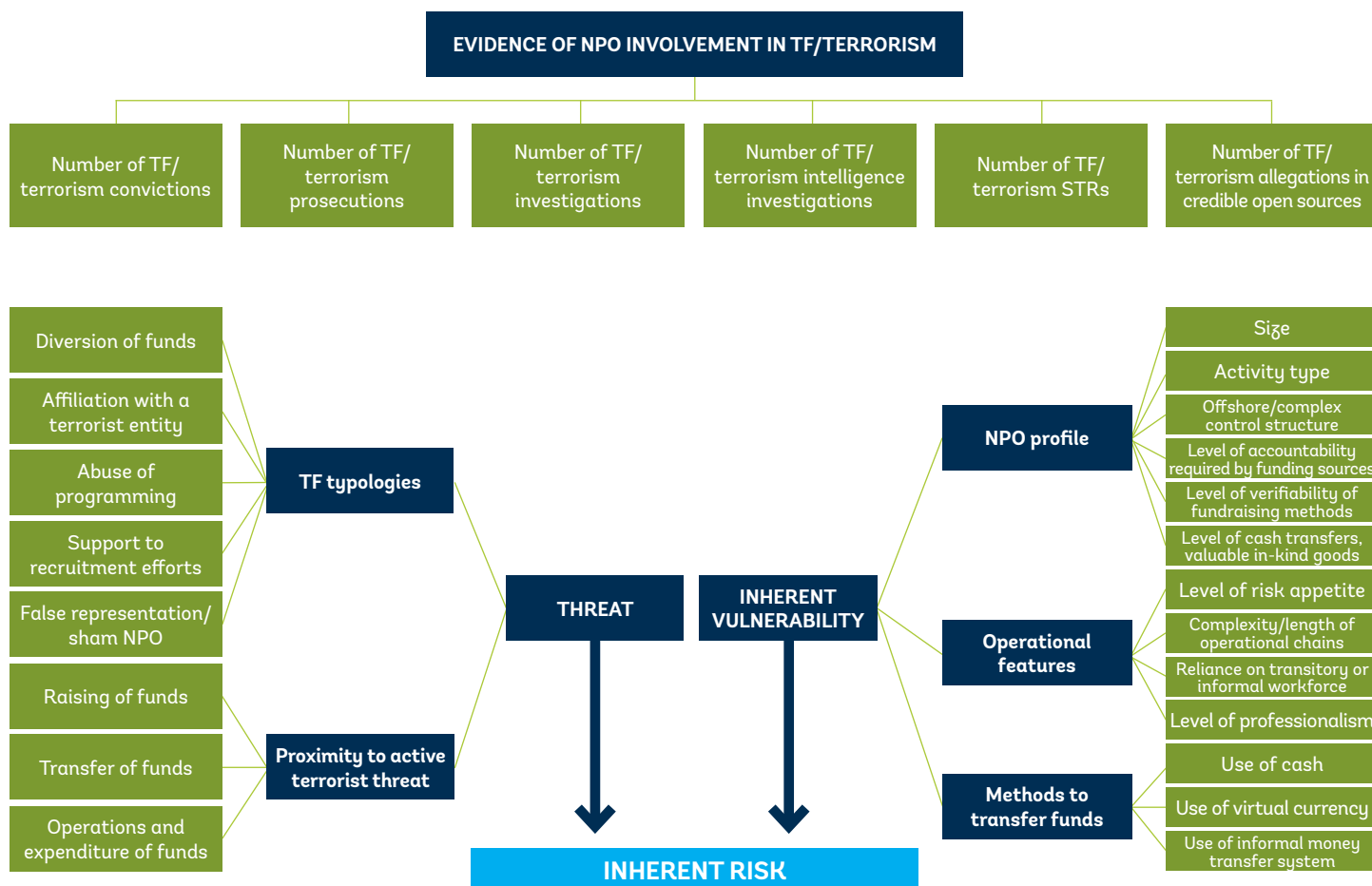
Before the inherent risk assessment: Categorization of NPOs

For the inherent risk assessment, the Working Group will need to decide how to apply the assessment (figure 2). It can choose to assess all FATF NPOs as one category, or it may choose to perform additional or separate inherent risk assessments of different categories. The Excel tool will be able to draw up a comparative risk heat map if an assessment of different categories of FATF NPOs is made.

Additional or separate assessments may be particularly useful where there are categories of NPOs that face more significant concerns, either because of evidence of terrorist financing abuse (see Step 2), or because of features or characteristics of the NPOs. For example, NPOs that operate in areas where there is a terrorist threat or where terrorists operate could be treated as one category, and NPOs that operate among populations known to be supportive or sympathetic toward terrorist groups as another.

At this stage it may also be worthwhile to consider the level of aid that the jurisdiction has provided and received in the assessment period and whether more concern should be given to NPOs that provide aid outside the jurisdiction or to NPOs that provide incoming or domestic aid (particularly if there is an active terrorist threat in the jurisdiction).

Figure 2. Network diagram for the assessment of inherent risk by NPO category



3a. Assess the threat by category of FATF NPOs

Intermediate Variable	Input Variable for Threat	Assessment Rating	Description
TF typologies ⁶	Diversion of funds	High (1.0)	There is evidence—or reasonable grounds for believing or suspecting—that NPOs (including employees, volunteers, or other individuals acting in an official capacity representing an NPO) in this category have diverted or are diverting funds to terrorism, a known or suspected terrorist entity, terrorist individual, or supporter of terrorism
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Affiliation with a terrorist entity	High (1.0)	There is evidence—or reasonable grounds for believing or suspecting—that NPOs (including employees, volunteers, or other individuals acting in an official capacity representing an NPO) in this category maintain an operational affiliation with a known or suspected terrorist entity, terrorist individual, or supporter of terrorism.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Abuse of programming	High (1.0)	There is evidence—or reasonable grounds for believing or suspecting—that NPO-funded programs meant to support legitimate purposes are manipulated at the point of delivery to support terrorism, a known or suspected terrorist entity, terrorist individual, or supporter of terrorism.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Support for recruitment efforts	High (1.0)	There is evidence—or reasonable grounds for believing or suspecting—that NPO-funded programs or facilities are used to create an environment that supports or promotes terrorism recruitment-related activities.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	False representation/sham NPO	High (1.0)	There is evidence—or reasonable grounds for believing or suspecting—that under the guise of charitable activity, organizations or individuals raise funds or carry out other activities in support of terrorism, a known or suspected terrorist entity, terrorist individual, or supporter of terrorism
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	

6. FATF (Financial Action Task Force), "Terrorist Financing Risk Assessment Guidance" (FATF, 2019), para. 68. See also: FATF, "Risk of Terrorist Abuse in Non-profit Organisations," (FATF, 2014), 36.

Intermediate Variable	Input Variable for Threat	Assessment Rating	Description
Proximity to active terrorist threat	Collection of funds	High (1.0)	<p>There is evidence—or reasonable grounds for believing or suspecting—that NPOs in this category are located in or collecting funds in areas with</p> <ul style="list-style-type: none"> a. an established presence of terrorism b. conflict in which there is an active terrorist threat. Or from collecting funds or operating with c. a known or suspected terrorist entity or terrorist individual, d. a population that is actively targeted by a terrorist movement for support and cover,⁷ or e. entities (including financial institutions) and individuals known to be supportive of or sympathetic toward terrorist entities, terrorist individuals, terrorist ideology, or radical beliefs.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Transfer of funds	High (1.0)	<p>There is evidence—or reasonable grounds for believing or suspecting—that NPOs in this category are located in or facilitate transfer of funds through or to areas with</p> <ul style="list-style-type: none"> a. an established presence of terrorism or b. conflict in which there is an active terrorist threat, or are transferring funds to or from, or operating with c. a known or suspected terrorist entity or terrorist individual, d. a population that is actively targeted by a terrorist movement for support and cover,⁸ or e. entities (including financial institutions) and individuals known to be supportive of or sympathetic toward terrorist entities, terrorist individuals, terrorist ideology, or radical beliefs.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	

7. FATF, "Risk of Terrorist Abuse in Non-profit Organisations," (FATF, 2014) p. 44.

8. FATF, "Risk of Terrorist Abuse in Non-profit Organisations," (FATF, 2014) p. 44.

Intermediate Variable	Input Variable for Threat	Assessment Rating	Description
	Expenditure of funds	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>There is evidence—or reasonable grounds for believing or suspecting—that NPOs in this category are located in, or disbursing funds or delivery of programs through which they are operating in areas with</p> <ul style="list-style-type: none"> a. an established presence of terrorism, b. conflict in which there is an active terrorist threat, or from expending funds, or operating with c. a known or suspected terrorist entity or terrorist individual, d. a population that is actively targeted by a terrorist movement for support and cover,⁹ or e. entities (including financial institutions) and individuals known to be supportive of or sympathetic toward terrorist entities, terrorist individuals, terrorist ideology, or radical beliefs. <p>Disbursing funds to or operating in humanitarian emergencies may also increase exposure. The urgency of needs can diminish adherence to oversight and controls, which may raise exposure to abuse.</p> <p>A lesser exposure could also arise from an NPO's provision of services to entities, populations, or persons known to be targeted, supportive of, or sympathetic toward terrorist groups, terrorist ideology, or radical beliefs. This includes those who are vulnerable to being exploited for TF purposes, such as refugees, victims of humanitarian emergencies, and children in high-risk areas and diaspora groups.</p>

9. FATF, "Risk of Terrorist Abuse in Non-profit Organisations," (FATF, 2014) p. 44.

3b. Assess the inherent vulnerability by category of FATF NPOs

The following table can be used to assess the variables on inherent vulnerability of FATF NPOs by category (see Step 2).

Intermediate Variable	Input Variable	Assessment Rating	Guidance
NPO profile	Size ¹⁰	Large (1.0) Medium (0.5) Small (0.2)	<p>Indicate the size of this category of NPOs. Take the following into consideration:</p> <ul style="list-style-type: none"> Value of income, budget, or expenditure of the NPOs (the metric of choice should be the one that is most reliable in establishing the financial size of the NPO sector; this will differ by jurisdiction depending on the data collected) Scale of operations Number of staff (including volunteers) Number of locations Comparison with NPO sector in its entirety Comparison with other categories of NPOs in the sector
	Activity type	Service (1.0) Expressive (0.0)	<p>Indicate the type of activity that this category of NPO engages in, using the following classifications:</p> <ul style="list-style-type: none"> Service activities include programs focused on housing, social services, education, and health care. These may provide cash, in-kind goods, intangible services, or institutional grants or contracts. Expressive activities include programs focused on sports and recreation, arts and culture, interest representation, or advocacy. (Such NPOs might provide intangible services such as training or use of location and equipment, or they might provide in-kind goods. Depending on the measure to which such services are provided, it may be warranted to qualify these NPOs as service NPOs).
	Offshore or complex control structure	High (1.0)	Do NPOs in this category have foreign control structures, unusually complex control structures, or both?
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	

10. This variable does not have an impact on the inherent risk rating.

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Level of accountability required by funding sources	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	What is the level of accountability associated with the primary sources of income for this category of NPOs? Income from government institutions and NGOs generally present a lower exposure to abuse because their accountability mechanisms typically include due diligence, conditions for expenditure, reporting requirements, tracing, and oversight.
	Level of verifiability of fundraising methods	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	What is the level of verifiability associated with the predominant fundraising methods for this category of NPOs? Cash collections and religious contributions are more vulnerable to skimming and fraud or misrepresentation. Social media or online collection, public donation through formal financial channels, and member fees tend to allow for much more verification because a formal trail can be consulted or obtained.
	Level of cash transfers or valuable in-kind goods	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	What is the level of cash transfer or valuable in-kind goods that this category of NPOs provides? This type of service delivery is prone to diversion, misappropriation, and abuse, which raises its inherent vulnerability.
Operational features	Level of risk appetite	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	The organizational culture affects the values that NPOs prioritize. What is the level of risk appetite for NPOs in this category? Risk appetite may be reflected by lower controls when performing fundraising or by lower project management controls to enable service delivery (note that this could be driven by good intentions). Greater exposure arises where a large risk appetite is combined with a higher exposure to threat and poor standards of management. Risk may also arise where organizations are willing to lower risk management standards in order to achieve mission objectives. ¹¹

11. FATF, "Risk of Terrorist Abuse in Non-profit Organisations," (FATF, 2014), p. 26. Interpreted as: "drive to deliver, even if compromises integrity" (such as in that report, case study 32 on p. 39).

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Complexity or length of operational chains	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>The longer or more complex an operational chain is, the higher its inherent vulnerability becomes. This vulnerability is due to increased challenges to effective oversight, exposure to diversion of resources, and abuse in the delivery of programs.¹²</p> <p>How long or complex are the logistical networks of NPOs in this category (the chains through which they collect, retain, transfer, and deliver resources)? Higher levels of decentralized management decisions on operations may increase inherent vulnerability because it reduces an NPO's ability to perform oversight on the delivery of programs and control of resources.¹³</p>
	Reliance on transitory or informal workforce	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>What is the % of transitory workers compared to regular staff of NPOs in this category? A higher level of transitory staff or informal staff members may make it difficult to scrutinize staff in areas such as technical expertise, risk assessment, compliance, legal matters, and integrity, thus increasing exposure to abuse.¹⁴</p>
	Level of professionalism	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>What is the level of professionalism exercised by this category of NPOs? Consider (a) their size; (b) the value of their income, budget, or expenditure; (c) their scale of operations; and (d) whether they meet expected ethical and professional standards (evidenced by internal codes of conduct, internal and external accountability, and structures of governance—including oversight).</p>

12. The higher the level of extended logistical networks, the higher the inherent vulnerability becomes as a result of increased exposure to diversion of resources and abuse of delivery of programs. Source: FATF 2014.

13. FATF, "Risk of Terrorist Abuse in Non-profit Organisations."

14. A higher level of transitory staff may make it difficult to scrutinize staff, thereby increasing exposure to abuse. Source: FATF, "Risk of Terrorist Abuse in Non-profit Organisations."

Intermediate Variable	Input Variable	Assessment Rating	Guidance
Methods used to transfer funds	Use of cash	High (1.0)	How much do NPOs in this category rely on cash to receive, move, and use funds? Strong reliance on cash may increase the exposure to skimming, diversion, misappropriation, and abuse, and may limit verifiability. This is particularly true of NPOs that have to physically transport cash to areas of operations because formal financial systems have ceased to operate (often because of violent conflict). The same applies to NPOs that make the majority of their disbursements through cash, particularly where there is close proximity to (a) an active terrorist threat; (b) entities, populations, or persons known to be supportive of or sympathetic toward terrorist groups, terrorist ideology, or radical beliefs; or (c) those who are vulnerable to being exploited for TF purposes (these may be individuals or groups).
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Use of virtual currency	High (1.0)	How much do NPOs in this category rely on virtual currencies that limit the traceability of transactions (including emerging payment methods such as Bitcoin or other digital currencies) to receive, move, and use funds? ¹⁵
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Use of informal money transfer systems	High (1.0)	How much do NPOs in this category rely on informal or alternative remittance and money service businesses that limit the traceability of transactions to receive, move, and use funds (including informal value transfer systems such as Hawala)? ¹⁶
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	

15. Austrac, "NPO Risk Assessment Questionnaire."

16. Austrac, "NPO Risk Assessment Questionnaire."



Step 4. Analyze mitigating factors by category of FATF NPOs

Objective

Establish the quality of mitigating measures by category of FATF NPOs by assessing the following:

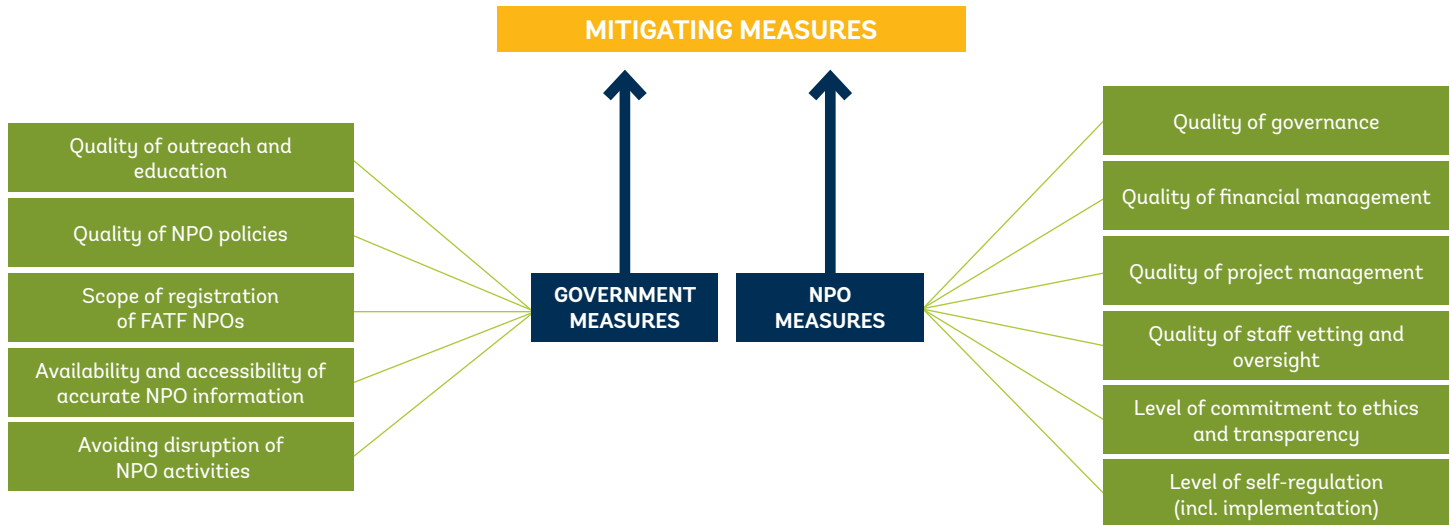
- Quality of government measures applicable to this category of NPOs
- Quality of NPO measures taken at an institutional level by this category of NPOs.

Important: The treatment of the NPO sector is, and should be, different from that of reporting entities such as financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs). NPOs are not obligated to take preventive measures such as customer due diligence, record keeping, and monitoring and reporting of suspicious activity. FATF has not set out obligations for NPOs.

This step aims to assess the adequacy and proportionality of mitigating measures applicable to at-risk FATF NPOs, including laws and regulations, policies, and programs that promote accountability, integrity, and public confidence in the administration and management of NPOs (figure 3). It also aims to raise awareness about the potential vulnerabilities of NPOs to terrorist financing abuse and terrorist financing risks while concurrently preventing disruption of legitimate charitable activities. These measures include self-regulatory measures within the NPO sector or subsector.

The mitigating measures assessment step need only be applied to those categories of FATF NPOs that were assessed to have a high or medium inherent risk rating. In principle, low-risk FATF NPOs do not require mitigating measures.

Figure 3: Network diagram for the assessment of mitigating measures by NPO category



Step 4. Analyze mitigating factors by category of FATF NPOs

Intermediate Variable	Input Variable	Assessment Rating	Guidance
Government measures	Quality of outreach and education	High (1.0)	What is the quality of outreach and education to NPOs by the government? Are at-risk NPOs aware of the risks of terrorist abuse, and is their knowledge deepened through guidance and preventive education? What measures have government entities taken to improve NPOs' understanding of their terrorist financing risk and possible methods for mitigating it? Do they collaborate with NPOs and others to establish and disseminate best practices? Examples include awareness raising, targeted risk assessments, monitoring, outreach, support, guidance, and training. Working Groups should also consider whether the outreach is sufficiently risk based—that is, providing a higher level of support to higher-risk NPOs.
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	
	Quality of NPO policies	High (1.0)	Does the government have clear policies to promote accountability, integrity, and public confidence in the administration and management of NPOs? ¹⁷
		Medium (0.5)	
		Low (0.2)	
		Does not exist (0.0)	

17. FATF Methodology (8.2.a).

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Scope of registration of FATF NPOs	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>Are all FATF NPOs required to register with (for example) the Tax authority, Registrar of Companies, Chamber of Commerce, or NPO regulator? At what point are they expected to register? Trigger points could be (a) once they have a written constitution, (b) when they are legally incorporated, (c) when they open a bank account, (d) when they start public fundraising, (e) when their income exceeds a certain threshold (e.g., US\$10,000), (f) when they receive overseas funding, or (g) when they achieve a best practice standard. Who are they expected to register with? What is the estimated % of registration coverage of the FATF NPOs? Are registration requirements too restrictive, leading to there being many NPOs that are established but not registered? Does registration collect the information specified by the FATF?¹⁸</p> <p>Note: FATF emphasizes that specific licensing or registration requirements for counterterrorist financing purposes are not necessary. For example, in some jurisdictions, NPOs are already registered with tax authorities and monitored in the context of qualifying for favorable tax treatment such as tax credits or tax exemptions.</p>
	Availability and accessibility of accurate NPO information	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>Rate the level to which accurate information on NPOs is available and can be obtained by appropriate authorities if there are concerns. Is there effective cooperation, coordination, and information sharing (to the extent possible) among all appropriate authorities or organizations that hold relevant information on NPOs?</p> <p>Are there appropriate points of contact and procedures to respond to international requests for information regarding NPOs when particular NPOs are suspected of terrorist financing or involvement in other forms of terrorist support? These can include (a) the names and addresses of organizations, trustees, and directors; (b) legal structure; (c) purpose(s) for which they were established; (d) the location of activities in which they are engaged; (e) the services provided; (f) their donor base; and (g) the value of income, assets, or expenditures.</p>

18. *FATF Recommendations*, Interpretive Note to Recommendation 8 (8.6.b).

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Avoiding disruption of NPO activities	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>Counterterrorist financing measures must explicitly not disrupt legitimate NPO activities; they especially should minimize the negative impact they might have on beneficiaries of the good works of NPOs. They may not be used to justify abuse of civil society for political purposes. Jurisdictions have an obligation to respect freedom of association, assembly, expression, religion or belief, and international humanitarian law. Indicators of disruption of legitimate NPO activities include</p> <ul style="list-style-type: none"> De-risking: Have there been signals that NPOs have faced challenges in gaining access to financial services? Examples include disruptive delays in transfers, closure of money or value transfer services (MVTs) or bank accounts, or failure to open bank or MVTs accounts. Are there signals that there have been limitations to freedom of association, assembly, expression, religion, or belief, or violations of international humanitarian law as identified by the UN Special Rapporteur on Freedom of Association? <p>Where such indicators have arisen, what measures have jurisdictions taken to minimize their negative impact on NPOs?</p>
NPO measures	Quality of governance	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>Have NPOs in this category implemented effective governance measures to ensure integrity and transparency? Two important elements of governance are (a) authority and stewardship (active oversight of organizational governance and policy making by the board of directors, which oversees conduct of the NPO's affairs, ensures that a qualified team carries out day-to-day activities, manages and accounts for financial and other resources, and oversees fulfillment of the mission); and (b) accountability (ability to explain, accept responsibility, and take public trust into consideration when carrying out responsibilities, to provide details on operations, and to accept responsibility for outcomes).¹⁹ Have NPOs in this category:</p> <ul style="list-style-type: none"> Established effective organizational governance (versus opaque leadership or decision-making structures); Shown evidence of sound expenditures and management of funds received from donors and governments; Shown effective organizational governance (including human resources); and Shown accountability for the outcomes, quality, and ranges of their programs and services?²⁰

19. ICNL (International Center for Not-for-Profit Law), "Self Governance: The Role of Governing Boards in Fostering Accountability," *International Journal of Not-For-Profit Law* 2, no. 3 (March 2000), <https://www.icnl.org/resources/research/ijnl/self-governance-3>.

20. ICNL, "Self Governance: The Role of Governing Boards in Fostering Accountability."

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Quality of financial management	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>How sound are the financial management practices of NPOs in this category? Internal transparency and accountability practices should ensure effective control over how funds are collected, retained, transferred, and spent and over how programs are delivered. NPOs should keep records and employ practices consistent with the following:</p> <ul style="list-style-type: none"> • Comprehensive financial planning and budget systems—including all sources and uses of funds for all aspects of operations • Clear procedures for execution of financial matters and separation of duties (such as ensuring that authorization functions for purchasing, cash handling, and depositing of funds are separate from review and verification functions) • Clearly documented accounting policies and procedures • Sound reporting practices for all revenue and expenditures for the organization as a whole as well as for programs and funding sources • Diligent monitoring procedures for review of revenue and expenditure, including independent audit <p>Negative indicators may include the following:</p> <ul style="list-style-type: none"> • Inability to account for the origin of income or final use of resources • Use of third parties to open NPO bank accounts or carry out some transactions • Inconsistency of expenditures with programs and activities • Structural inconsistencies in accounting and mandatory reporting

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Quality of project management	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>How sound are the project management practices of NPOs in this category? Consider whether the practices allow for planning, tracking, and review of the use of resources in light of project requirements, including the following:</p> <ul style="list-style-type: none"> • Effectiveness, budget, and deadlines • If, when, and why resources are shifted toward other activities • Whether programmatic information is being kept for a reasonable period of time. <p>Does the NPO have milestones, targets, and indicators, and mechanisms for monitoring these to ensure project delivery and to identify possible problems? Do NPOs perform appropriate checks on donors, partners, and beneficiaries, considering the circumstances and context of the organization and the environment in which it operates?</p> <p>Note that there is no expectation that NPOs apply anti-money laundering (AML) or combating the financing of terrorism (CFT) customer due diligence procedures, as need to be applied by financial institutions and DNFBPs.</p>
	Quality of staff vetting and oversight	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>What is the quality of the processes and procedures that NPOs in this category apply for vetting (or screening) of any person acting in an official capacity representing an NPO? These may be paid or unpaid volunteers or staff members, particularly trustees, board members, senior officers, and persons in sensitive positions. Such procedures would ensure recruitment of persons with the necessary skills, experience, and expertise, and would also protect against hiring or assigning roles to those with criminal records, such as for terrorist activity, money laundering, fraud, or bribery. Consider the effectiveness of organizational governance and oversight (including structures and processes for managing human resources).</p>

Intermediate Variable	Input Variable	Assessment Rating	Guidance
	Level of commitment to ethics and transparency	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>To what extent do NPOs in this category commit to ethical practices and transparency?</p> <p>Do NPOs have policies and procedures for addressing complaints and grievances and receiving and communicating feedback, and do these apply to both internal and external stakeholders?</p> <p>Do NPOs adhere to relevant codes of conduct or other external best practice standards?</p> <p>Do NPOs provide open-source information about</p> <ul style="list-style-type: none"> • The identity of those who control or direct the NPOs' activities, • The purpose and objectives of their activities, • Their activities, • Their sources, use, and expenditure of funds?
	Level of self-regulation (incl. implementation)	<div>High (1.0)</div> <div>Medium (0.5)</div> <div>Low (0.2)</div> <div>Does not exist (0.0)</div>	<p>To what extent have NPOs in this category set up self-regulation measures for good governance, accountability, and transparency? This includes internal standards for programs, organizational integrity, governance, management practices, human resources policies, finances, communication, disclosure, and fundraising. Note that in many jurisdictions, associations of NPOs have established good practices guidelines for NPOs.²¹</p>

21. ICNL "[Self Governance](#)."



Step 5. Draw conclusions and disseminate resulting materials

Use the tool to draw your own conclusions

This tool is a tool to be used to identify the relevant factors affecting the risk of abuse of NPOs for terrorist financing in a structured and transparent fashion, through the visualization provided by the tool's results. Its function is to support analysis. In this final step, the Working Group is expected to consider the assessment results and draw conclusions regarding the level of risk and the adequacy and proportionality of measures.

Important: After assessment results are inserted into the Excel tool, the tool will generate results diagrams for the three assessment steps and enable a heat map of the inherent risk faced by different categories of FATF NPOs where those categories have been assessed.

Base recommendations on the risk assessment

Depending on the risk assessment's conclusions, the Working Group is expected to make evidence-based recommendations on the need for policies, programs, or amendments to laws and regulations that will (a) promote accountability, integrity, and public confidence in the administration and management of NPOs and (b) raise awareness about the potential vulnerabilities of NPOs to terrorist financing abuse and terrorist financing risks, while also preventing disruption of legitimate charitable activities. Where it is found that the inherent risk level is low or that current measures are sufficient, recommendations for further measures are not necessary.

Capture and communicate the conclusions

Whichever medium the Working Group chooses, it should ensure that it reflects clear conclusions on the following items:

- How many NPOs meet the FATF definition as well as core information on these NPOs
- The level of terrorist financing abuse of NPOs as indicated by available information, the sources that support this conclusion, and descriptions, if any, of the types of abuse
- The level of inherent risk of NPOs for TF—for all FATF NPOs together and for selected categories to which the assessment has been applied—including the main underlying drivers of and explanation for this risk assessment, distinguishing between
 - the threat level (by category) and
 - the inherent vulnerability level (by category).
- The quality of mitigating measures for all FATF NPOs together and for selected categories. (Note: This is only for the high or medium inherent risk categories of FATF NPOs. If the FATF NPO category has a low inherent risk, there may be no need to apply mitigating measures. This is especially the case if there is no or low evidence of TF involvement of NPOs.) This should address:
 - the main gaps in mitigating measures and
 - current measures that are particularly effective.
- Recommendations based on the risk assessment (if any).
- Dissemination strategy in collaboration with the NPO sector.

INTEGRATING THE NPO TF RISK ASSESSMENT RESULTS INTO THE NATIONAL TF RISK ASSESSMENT

NPOs are not obliged entities under the FATF Recommendations. For this reason, the World Bank Group has developed this separate tool for assessing the NPO risk of TF abuse rather than treating NPOs as a sector in the TF Risk Assessment tool. The results of this NPO TF assessment can be transferred to National TF Risk Assessment (in the sectoral summary assessment sheet of Step 5) for the NPO categories that have been assessed to have a higher-than-medium threat.

DISSEMINATING RESULTS

The Working Group can choose any medium for recording its conclusions and recommendations to disseminate these results as effectively and efficiently as possible, including the following:

- Presentation
- Targeted report
- Sanitized report
- Briefing materials (for example fact sheets, brochures, or manuals)

