

This is just a short update on the FATF organized consultation meeting on the revision of the Best Practice Paper (BPP) in Brussels on March 25. It covers their response to our sign on letter, the main substantive points made about the BPP and possible next steps.

Re the sign on letter and our asks about the process for revising the BPP:

We asked for:

1. Sharing the full draft for open consultation
2. More time for adequate consultation with whole nonprofit sector and a formal structure for future dialogue with NPOs
3. To include examples of NPO due diligence practices only in an annex or text boxes to avoid a checklist approach and no summaries that could read as de facto standards.

The FATF said the **June deadline to complete the BPP is not negotiable** since the FATF is pushed by the G20 to move quickly with this. However he stated that the **dialogue between the FATF and the NPO sector has now reached a formal structure** and that **point 3 will be taken into account**. After a lunch break consultation with FATF officials they **agreed to circulate the draft for comments but only among those NPOs who got invited to the Brussels meeting (so called streamlined consultation)**. They added that the **FATF national governments are free to share the draft**.

The FATF informed us that we will receive information on the follow up steps next week, and we will keep you informed. |

Substantive points discussed

A short summary of the meeting posted by the FATF on March 27 can be accessed here:

<http://www.fatf-gafi.org/documents/news/npo-consultation-march-2015.html>

It is pretty general and confirms the risk based, proportionate approach.

A quick list of issues discussed:

- FATF President Roger Wilkins noted their recent report on ISIL, which found NPOs are not a big source of funding for ISIL but “could become a source.” (Seemed clear concerns about ISIL are pushing their timeline.)
- Seemed to be agreement that zero tolerance government policies are a bad practice, should be avoided.
- Outreach is a big area of concern, They want both good and bad examples of government outreach.
- Access to financial services was also a major topic and will be addressed in the paper.
- There was a useful discussion of the new assessment process - more details on that will be in an upcoming report from colleagues in the EU.

Possible Next Steps

We wanted to alert you to **options for next steps we can take on our end** regarding the BPP:

- **Send to the FATF an updated version of our statement by the end of next week, recalling our asks for an open consultation.**

You can still co-sign: over 70 NGOs/coalitions from over 30 countries signed the NPO statement concerning FATF Recommendation 8 Best Practice Paper consultation. The

statement was already forwarded to the FATF President and Secretariat, and was circulated during the Brussels meeting. Since we keep receiving signatures we will be adding them to the statement and send them an updated version. **To sign on email kguinane@charityandsecurity.org**. The statement is publicly available on our joint NPO coalition web site (http://fatfplatform.org/wp-content/uploads/2015/03/NPO-Statement-on-FATF-BPP-consultation-process_March2015.pdf).

- Seek to get governments and observers to share the draft to ensure that it can be consulted with the wider NPO sector in your country and beyond. We encourage you to **get in touch with your national delegations to the FATF by sending them the statement and asking them for the full draft.**
- In addition, since the FATF sent out the outline of the BPP (**attached**) for comment until April 10, there is **still an opportunity for the NPO coalition to send written comments by April 10.** While we are waiting for further information from the FATF on the next steps in light of the Brussels meeting, we are considering the joint response to this outline. It should include a short introduction on NPO examples and suggestions how to package the examples to avoid "checklist" approach. If we write such response we will circulate for your comments prior to sending it.

Once we know more from FATF re the draft we will schedule a telebriefing. In the meantime please send us your reflections, comments and suggestions.

Best regards,
Kay

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