



Registry of Associations

NPOs in Mauritius and Terrorist Financing Risks

What you need to know

What you need to do

2021

Some important statements

“...not all NPOs represent the same level of terrorist financing risk and some NPOs represent little or no risk at all”

Dr. Marcus Pleyer, FATF President

In a letter to the UN Office of the High Commissioner for Human Rights, 18 December 2020

“...there have been no known cases of terrorist financing abuse of NPOs in Mauritius”

NPO Terrorist Financing Risk Assessment Mauritius, 2020

International Measures on Terrorist Financing, and how they impact NPOs

The Financial Action Task Force (FATF)



FATF is the international body which sets and assesses standards for combatting money laundering and terrorist financing



Mauritius is a member of ESAAMLG – the regional body for East and Southern Africa

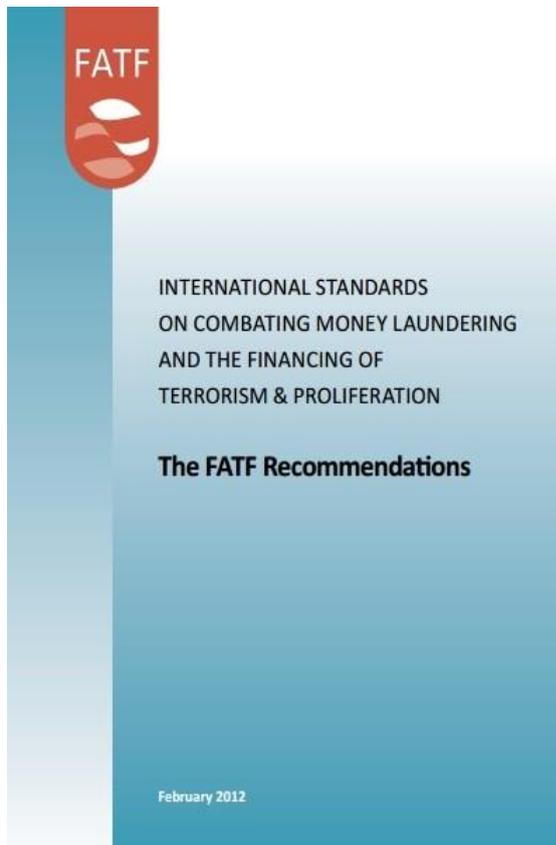
FATF's Typologies Report (2014)



FATF's study identified five types of international terrorist financing risk to NPOs.

- Diversion of funds
- Affiliation with terrorist entity
- Abuse to support recruitment efforts by terrorist entities
- Abuse of programming
- False representation (sham NPOs)

Requirements for Countries on Terrorist Financing in NPOs



FATF requires all countries to:
Identify NPOs which may be exposed to terrorist financing risks

Ensure that the measures to mitigate that risk are effective

Take a risk-based, targeted approach and not disrupt legitimate NPO activity.

(FATF Recommendation 8 and Immediate Outcome 10)

Recommendation 8

8. Non-Profit Organisations

Countries should review the adequacy of laws and regulations that relate to non-profit organisations which 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 non-profit organisations to protect them from terrorist financing abuse, including:

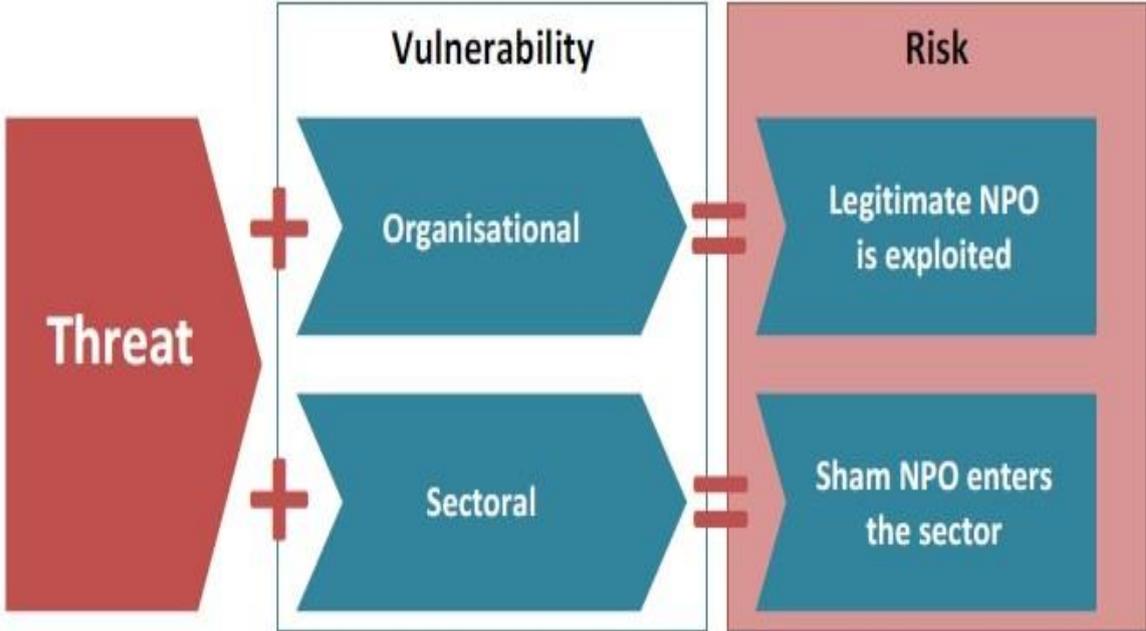
- (a) by terrorist organisations posing as legitimate entities;
- (b) by exploiting legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset-freezing measures; and
- (c) by concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.

A RISK BASED APPROACH TO NPO REGULATION

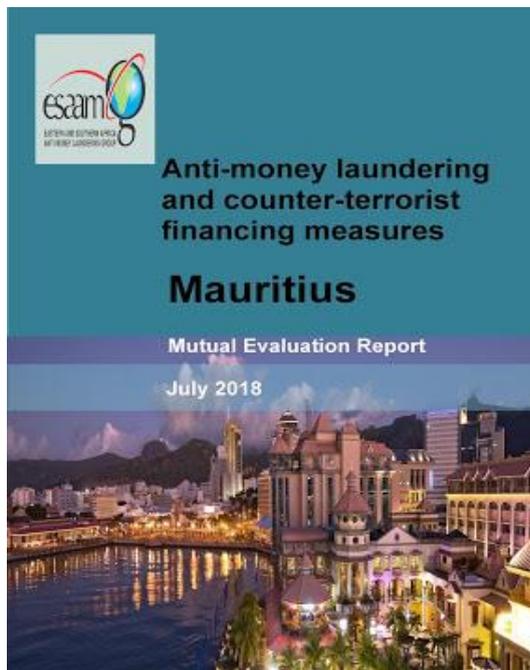


What is risk?

Figure 1. Threat+Vulnerability=Risk



FATF Evaluation of Mauritius



Mauritius was evaluated in 2018, with a follow-up in 2019

The report highlighted

- the need to do a assessment of the terrorist financing risk to NPOs
- The need to do outreach to NPOs on the risk, and how to reduce it

Terrorist Financing and NPOs in Mauritius

NPO Terrorist Financing Risk Assessment

- Completed in 2020
- Meets FATF requirements to:
 - Identify NPOs, which by virtue of their activity or characteristics, are likely to be ‘at risk’ of terrorist financing.
 - Identifies the nature of the terrorist financing threat to NPOs in Mauritius.
 - Assesses the effectiveness of measures to mitigate the risk to ‘at risk’ NPOs.

Scope of the Risk Assessment

The risk assessment identified the following types of NPOs as meeting the FATF definition of NPOs.

1. Associations
2. Charitable Foundations
3. Charitable Trusts
4. Companies Limited by guarantee

TF Risk of NPOs in Mauritius

Low-Medium

Nature of the TF Threat to NPOs in Mauritius

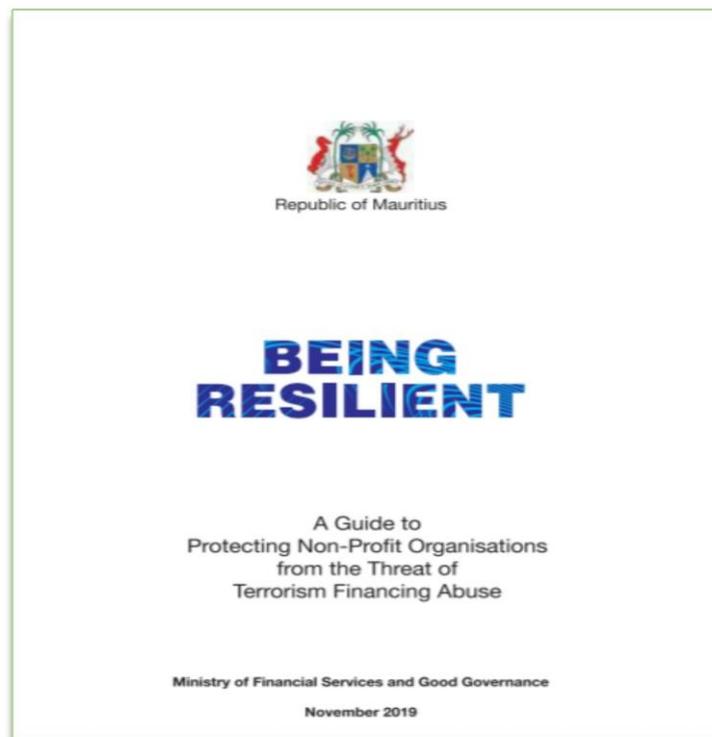
- The abuse of NPOs to promote extremist ideologies.
- The abuse of NPOs to finance or facilitate foreign terrorist fighters.
- The abuse of NPOs to finance terrorism overseas.

NPOs and NPO activities likely to be at increased risk of TF abuse

1. Cross border movement of funds.
2. Alternative sources of funds and remittance systems.
3. Involvement in complex international transactions or structures.
4. Cash fund-raising from anonymous sources.
5. Ethnic or religious activities.

Working with NPOs to prevent terrorist financing risks

Guidance for NPOs

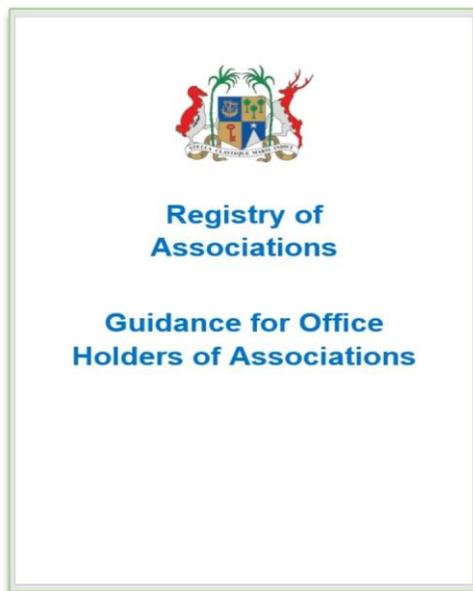


Duties of Office Holders



- Eligibility to hold office
- General Duties
- Record Keeping
- Financial Controls
- Annual Returns
- Rules

Model Rules for Office Holders

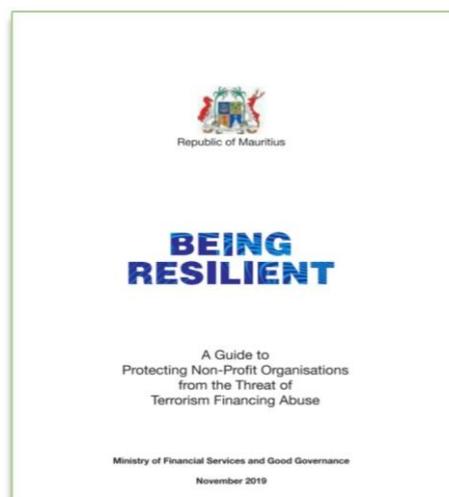


- Model Rules for President
- Model Rules for Secretary
- Model Rules for Treasurer
- Model Rules for Auditor

Combatting Terrorist Financing Risks

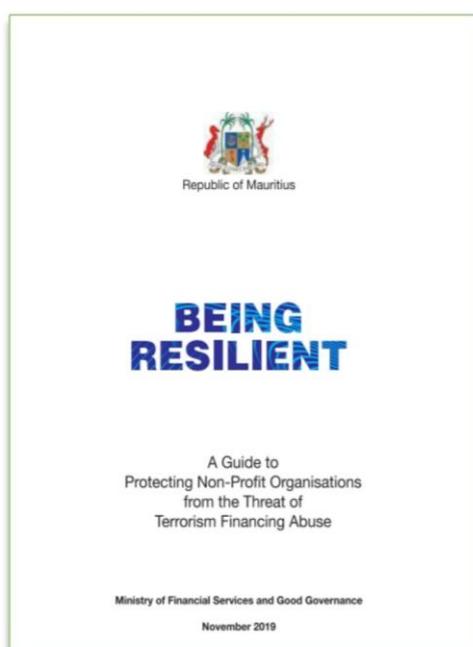
All NPOs must '*understand, identify and act*'

- Understand the nature of the terrorist financing risk to NPOs
- Identify the risk your NPO faces
 - Your exposure to threat
 - Your vulnerability to risk
- Act if needed to reduce the risk through best practices



- Financial Transparency and Accountability
- Programme Planning and Monitoring
- Organisational Integrity
- Partner Relations

'At Risk' NPOs



- Specific obligations
 - Refusal or removal of registration if there is support for terrorism
 - Obligation for auditors to report suspicious transactions
- Extra vigilance for 'at risk' NPOs
 - Reasonable measures to reduce risk
 - Reasonable due diligence of donors, partners and beneficiaries

United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019

Section 23. Prohibition to deal with funds or other assets of designated party or listed party

(4) Any person who holds, controls or has in his custody or possession any funds or other assets of a designated party or listed party shall immediately notify the National Sanctions Secretariat of –

(a) details of the funds or other assets against which action was taken in accordance with subsection (1);

(b) the name and address of the designated party or listed party;

(c) details of any attempted transaction involving the funds or other assets, including –

(i) the name and address of the sender;

(ii) the name and address of the intended recipient;

(iii) the purpose of the attempted transaction;

(iv) the origin of the funds or other assets; and

(v) where the funds or other assets were intended to be sent.

39. Reporting of suspicious information

Any information related to a designated party or listed party which is known to –

(a) a reporting person, shall be immediately submitted by the reporting person to FIU in accordance with section 14 of the Financial Intelligence and Anti-Money Laundering Act; or

(b) any other person, transmitted forthwith by that person, in writing, to FIU.

United Nations Security Council Consolidated List

<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Categorisation of countries by terrorist risk

Very High Risk	Afghanistan Iraq Nigeria Syria
High Risk	Pakistan Somalia India Yemen Philippines Democratic Republic of the Congo Mali Central African Republic Cameroon Turkey South Sudan Thailand
Medium	Sudan Kenya United States of America Niger Ukraine Mozambique Myanmar Burkina Faso United Kingdom Saudi Arabia Bangladesh Palestine Burundi Nepal Indonesia France Russia Chad Iran Israel South Africa China Lebanon Germany Greece Chile Venezuela Mexico
Low	Uganda Tajikistan Tunisia Angola Belgium Canada Sri Lanka Sweden Algeria Bolivia Spain Tanzania Bahrain Paraguay Italy Jordan Nicaragua Rwanda Peru Zimbabwe Ireland Republic of the Congo Australia Cote d' Ivoire Brazil Malaysia Kuwait Ecuador Netherlands Japan Kosovo Haiti Finland
Very Low	Madagascar Argentina Austria Kazakhstan Ghana Kyrgyz Republic Bosnia and Herzegovina Papua New Guinea Georgia Guatemala Morocco Senegal Armenia Laos Taiwan Montenegro Vietnam Honduras Guinea Denmark Czech Republic Azerbaijan Malawi Gabon Poland Jamaica Sierra Leone Lithuania Cyprus Albania Bulgaria Djibouti Zambia Macedonia South Korea Latvia Switzerland Hungary Dominican Republic Uruguay New Zealand Estonia Moldova Serbia Liberia Lesotho Norway Slovakia United Arab Emirates Panama Guyana Qatar Iceland Trinidad and Tobago Uzbekistan Bhutan
No Impact	Costa Rica Slovenia Togo Mauritania Portugal Croatia El Salvador eSwatini Mongolia Romania Benin Equatorial Guinea Cambodia Botswana Namibia Turkmenistan Mauritius Timor-Leste Singapore Eritrea North Korea The Gambia Oman Guinea- Bissau Belarus

Further Resources

A guide to protecting NPOs

[https://labour.govmu.org/Documents/downloads/Being%20Resilient%20Booklet%20L.Res%20\(2\)%20\(4\).pdf](https://labour.govmu.org/Documents/downloads/Being%20Resilient%20Booklet%20L.Res%20(2)%20(4).pdf)

FATF typologies report on the risk of terrorist abuse in NPOs

<https://labour.govmu.org/Documents/Special%20Migrant%20Unit/Associations%20Trade%20Union/11.%20roa.pdf>

FATF best practices paper on combatting the abuse of NPOs

<https://labour.govmu.org/Documents/Special%20Migrant%20Unit/Associations%20Trade%20Union/12.%20roa.pdf>

Terrorist Financing Risk Assessment for the NPO Sector in Mauritius

<https://labour.govmu.org/Documents/Special%20Migrant%20Unit/Associations%20Trade%20Union/13.%20roa.pdf>

Further Resources



**Global NPO Coalition
on FATF**

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Financial Action Task Force
Fatf-gafi.org

**East and Southern Africa Anti-
Money Laundering Group
(ESAAMLG)**
esaamlg.org/



**European Center for
Not-for-Profit Law**

**European Centre for Not-for-
Profit Law**
ECNL.org



human security collective

Human Security Collective
hscollective.org



Greenacre Group
greenacregroup.co.uk

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