



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty Integrity and Transparency

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AMLSD E-NEWSLETTER

Combating The Abuse of Non-Profit Organisations

The 2022 sectoral risk assessment of NPOs showed that the threat of funds being collected or used in the TCI for the financing of terrorism is low. However, since the TCI is an international financial center with a large population of foreign residents living and working in the country, it is possible that funds to support terrorists can be remitted by TCI-NPOs internationally to support terrorists.

Therefore, NPOs that pay funds to beneficiaries or vendors outside the TCI are at risk of abuse for terrorist financing purposes. This newsletter is issued primarily for the benefit of these NPOs.

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CFT Risk Management for NPOs

Counter Financing of Terrorism (CFT) measures are essential for NPOs to prevent exploitation by terrorist organizations. Here are strategies for effective CFT risk management:

- **Awareness and Training:** Educating staff, volunteers, and board members about CFT regulations, red flags, and reporting obligations fosters a culture of compliance and vigilance.
- **Enhanced Due Diligence:** Implementing enhanced due diligence measures for high-risk activities, transactions, and beneficiaries enables NPOs to detect and deter potential abuse.
- **Collaboration and Information Sharing:** Engaging with regulatory authorities, law enforcement agencies, and industry peers facilitates the exchange of intelligence and best practices to combat illicit financing activities.

Guidance for NPO Risk Assessment

Conducting thorough risk assessments is paramount for NPOs to identify vulnerabilities and implement effective safeguards. Here are key steps to consider:

- **Identifying Risk Factors:** NPOs should assess factors such as geographic location, nature of operations, funding sources and partnerships to pinpoint potential risks.
- **Internal Controls:** Implementing robust internal controls, including financial management procedures, transparency measures and governance structures, enhances accountability and reduces susceptibility to abuse.
- **Due Diligence Processes:** Establishing due diligence processes for donors, beneficiaries and partners helps mitigate the risk of unwittingly facilitating illicit activities.

Understanding the Risk Landscape

NPOs play a crucial role in serving communities, advancing causes, and promoting social welfare. However, their altruistic mission also makes them susceptible to exploitation by malicious actors seeking to launder money or finance terrorism under the guise of charitable activities.



Contact Us

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