



First, we would like to express our appreciation for the EBA's new draft guidelines, especially the annex to the EBA's ML/TF risk factors guidelines dedicated to customers that are not-for-profit organisations (NPOs). By choosing option 5b (Adding in the RFGLs a new set of guidelines covering due diligences on customers that are NPOs...) you have validated what we have always advocated for as a sector: that our diversity in terms of size, scope, operations, mandates, and business models requires a deeper understanding and a more nuanced approach when it comes to risk determination. We very much like the call for a dedicated contact point for NPOs in financial institutions (FIs). And are also firmly of the opinion, and underscore your points, that the benefits of initial investment by FIs in understanding and dealing with NPOs will far outweigh the costs they incur.

On the specifics of the draft guidelines we have a few comments to raise. Namely:

*9e - what transactions the NPO is likely to request, based on its objectives and activity profile, including payment of staff or providers posted abroad, and the expected frequency, size, and geographical destination of such transactions. For this purpose, firms should refer to information including organigrams, explanation of the organisational structure of the NPO, **the detailed list of staff and beneficiaries for each of its activities.***

Asking for a detailed list of beneficiaries for each activity is, in our opinion, not proportionate or risk-based, and can burden the NPO. It will be better to rephrase this as 'class of beneficiary' – so, e.g., refugees, or youth, or students...

10 d, e, f: **Reputation/adverse media findings**

This entire category is problematic. We know, for example, that many Palestinian organisations are subject to disinformation and smear campaigns (<https://charityandsecurity.org/news/settlement-in-libel-suit-is-setback-for-disinformation-campaign/>; https://target-locked-obs-defenders.org/IMG/pdf/obs_palestine2021ang-1.pdf; <https://charityandsecurity.org/wp-content/uploads/2021/09/The-Alarming-Rise-of-Lawfare-to-Suppress-Civil-Society.pdf>; <https://online.ucpress.edu/jps/article-abstract/49/2/65/107373/Delegitimizing-Solidarity-Israel-Smears-Palestine>).

So who then decides what is a 'relevant, reliable and independent' source? Either this category should be deleted altogether, or if you do decide to include it, there should be recognition of disinformation and smear campaigns which some parts of the sector are subject to.

For 11 on mitigating measures:

One category that could be added is if an NPO engages in expressive activities and not in raising or disbursing funds – that is if it is engaged in advocacy, etc. – it is low risk. This is a distinction that the FATF clearly makes.



Another category that could be added here is sectoral self-regulation measures that result in mitigating risk – including understanding of TF risk itself.

The Draft Guidelines on policies and controls for the effective management of ML/TF risks when providing access to financial services is very good for individuals.

However, this section does not apply to legal entities such as NPOs. Could the EBA recommend that a basic account be also available to legal entities?

19a – small point on terminology. Does refugee include the asylum seeker category? If not, maybe this could be rephrased as 'forcibly-displaced persons'?
