

exceed \$10,000 in value are exempted from being registered.

#### Obligations of Registered NPOs

##### Change of Information

1. If there is a change in any information provided to the NPO Supervisor, whether the information was provided before or after its registration, a registered non-profit organisation shall give the NPO Supervisor written notice of the change, as soon as reasonably practicable.
2. Changes required to be provided under this section include changes to its purposes, objectives and activities.

##### Records

1. A registered non-profit organisation shall keep -
  - a. **Records of**
    - i. its purposes, objectives, and activities, and
    - ii. the identity of the persons who control or direct its activities, including, as appropriate, senior officers, directors and trustees; and
  - b. **Financial records that** -
    - i. Show and explain its transactions, within and outside Anguilla, and that are sufficiently detailed to show that its funds have been used in a manner consistent with its purposes, objectives and activities; and
    - ii. Show the sources of its gross income.
2. A registered non-profit organisation shall keep the records specified in subsection (i) for a period of at least 5 years.
3. A registered non-profit organisation that contravenes this section is guilty of an offence and is liable on summary conviction, to a fine not exceeding \$20,000.

##### Provision of Records

The NPO Supervisor may, by written notice to a registered non-profit organisation, require it to produce the records that the NPO is required to keep.

The NPO Supervisor may require the person who produced the records or any person who appears to be an officer or employee of the NPO or otherwise associated with it, to provide an explanation of the records.

A registered NPO that fails to comply with the notice is guilty of an offence and is liable on summary conviction, to a fine not exceeding \$50,000.

A person required to provide an explanation of any records produced under this section who, without reasonable excuse, fails to provide the explanation, is guilty of an offence and is liable on summary conviction, to a fine not exceeding \$50,000.

##### Application Form and Fee, and NPO Regulations

The application form and NPO Regulations are located on our website, [www.fsc.org.ai](http://www.fsc.org.ai). On the home page, select "Anti-Money Laundering and Combating the Financing of Terrorism", then click "What's New". A copy of the application form can be collected from our office. The non-refundable application fee is EC\$150.00.

*The Financial Services Commission wishes to thank you for your time, cooperation and commitment to ensure that Anguilla plays its part with the rest of the international community to safeguard our jurisdiction, and your organisation from being used for illegal activities and illegitimate business.*

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## FATF Special Recommendation VIII: Non-Profit Organisations

Anguilla Financial Services Commission



#### OUR MISSION

To enhance the safety, stability and integrity of Anguilla's financial system and contribute to Anguilla being a premier financial centre, through appropriate regulation and legislation, judicious licensing, comprehensive monitoring and good governance.

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## Introduction and definition of Non-Profit Organisation (NPO)

The misuse of non-profit organisations for financing or supporting illegal activities is coming to be recognised as a crucial point in the global struggle to stop such funding at its source. This has captured the attention of the Financial Action Task Force (FATF); who implemented Special Recommendation VIII: Non-profit organisations.

A non-profit organization is an organisation that is established solely or primarily for charitable, religious, cultural, educational, social or fraternal purposes or for the purpose of benefiting the public or a section of the public; and it raises or disburses funds in pursuance of those purposes.

Accordingly, is it important for Anguilla to have strong systems to monitor the NPO sector.

## What is the purpose of NPOs having strong systems in place?

- To verify that NPOs are used for legitimate purposes.
- To ensure that Anguilla is compliant with the Financial Action Task Force (FATF), international standards.
- To reduce the risk of financing or supporting illegal activities.
- To protect the NPOs sector from being used for illegitimate business.

## Why is risk awareness necessary for NPOs?

Through outreach and training programs, the objective is to:

- Protect the NPO sector in Anguilla from being used for illegitimate financing.
- Promote the transparency and accountability, integrity and public confidence in the administration and management of NPOs.
- Identify the risks of illegal financing and the measures available to protect against it.

## What are the benefits to a registered NPO?

- Transparency and integrity
- Public confidence
- Ability to attract funding

## Why must Anguilla adopt this new approach?

The Caribbean Financial Action Task Force (CFATF) is an organization of thirty Caribbean nations and territories with the objective of combating money laundering and terrorist financing. Anguilla is a member of CFATF. The grouping is an associate member of the global Financial Action Task Force (FATF).

FATF is an inter-governmental body which sets standards, and develops and promotes policies to combat money laundering and terrorist financing. Nine Special Recommendations were issued; Recommendation 8 zeros in on non-profit organisations. Anguilla must comply with FATF's international standards.

An effective approach in identifying, preventing and combating illegal activities of NPOs is to engage in the following:

- Outreach to the NPO sector;
- Supervise and monitor the sector;
- Partake in effective information gathering; and
- Have effective mechanisms for international co-operation

## What do transparency and accountability mean for a NPO?

NPOs already have internal controls in place to ensure funds are fully accounted for and spent in a manner consistent with the stated purpose. Common controls may include:

- Developing and keeping records of program budgets that account for all program expenses.

## NPOs should employ the following practices:

- Keep funds in bank accounts and use formal financial channels to transfer money. The use of "cash" or alternative remittance services to transfer funding should only be used as a last resort.
- Maintain and make available to appropriate authorities, records of domestic and international transactions that are sufficiently detailed to verify that funds have been spent in a manner consistent with the purpose and objectives of the organisation/program/project.
- Document and maintain information on the purpose and objectives of the NPOs stated activities and the identity of the person or persons who own, control or direct the NPOs activities, including senior board officers, board members and trustees.

## What are the legal requirements?

### Requirement of NPOs to register

1. Pursuant to Section 5 of the Non-Profit Organisations Regulations, 2010, a non-profit organisation shall be registered in the NPO Register if it is -
  - a. incorporated, formed or otherwise established in Anguilla; or
  - a. administered in or from within Anguilla.
2. An exempted non-profit organization is not required to be registered under this section.
3. A non-profit organisation that contravenes this section is guilty of an offence and is liable on summary conviction to a fine not exceeding \$50,000.

### Exempted non-profit organisation

An organisation whose gross annual income does not exceed \$5,000 and whose assets do not