



EU AML / CFT GLOBAL FACILITY

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It is with great conviction that I contribute to the EU Global Facility's mission. Over the course of several missions -from Argentina to the Caucasus, from Türkiye to South Africa- I have witnessed firsthand the strength of this initiative: its **ability to adapt, to listen, and to respond to the diverse legal and operational realities on the ground.**

What makes this initiative so effective is its adaptability. Each mission is shaped by the local context -whether in a civil or common law system- and brings together diverse communities of practitioners who may not usually collaborate. **Breaking down these silos is essential.**

The Facility's approach balances legal frameworks

with practical tools, always grounded in operational realities. In doing so, it fosters a culture of cooperation and shared expertise, both nationally and internationally.

Sustained impact, however, requires follow-up. In my experience, **the real impact of these initiatives comes from their continuity.** Capacity building is not a one-off effort. It must be sustained and embedded in long-term strategies. This is how we move from good intentions to tangible results - from information to prosecutions.

The EU Global Facility is a relevant and much-needed instrument, especially for countries seeking to strengthen their systems and overcome complex operational challenges. It deserves to be supported, developed, and given the means to grow. Because when we follow the money, we find the truth—and justice."

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Where we worked

January – April 2025



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Beneficial Ownership Risk Assessment



Participants from the ESAAMLG region stressed the importance of this risk assessment tool for their respective jurisdictions. © 2025/EU AML/CFT Global Facility

Train-the-Trainer workshop marks the launch of the ESAAMLG Toolkit

From 25–28 February 2025, 40+ representatives from 16 African countries of the Eastern and Southern Africa Anti–Money Laundering Group (ESAAMLG) region gathered in South Africa to attend a train-the-trainer workshop. This step wrapped up a two–year collaborative journey between the ESAAMLG Project Team and the EU Global Facility on the topic of Beneficial Ownership Risk Assessment, focusing on Legal Persons and Legal Arrangements.

Over four days of intensive collaboration, the ESAAMLG countries (+ the DRC) representatives were acquainted with the brand new comprehensive toolkit that aims to provide a common basis to Beneficial Ownership (BO) Risk Assessment on Legal Persons and Arrangements (LP/LAs).

The workshop focused on the identification and assessment of threats, vulnerabilities, and residual risks associated with LP/LAs, which are key elements aligned with FATF Recommendations 24 & 25 and Immediate Outcome 5.

“The BO Risk Assessment Toolkit, which consists of a 7–step process, was created with the continuous support of the EU Global Facility, who also developed a user–friendly Excel platform to support our region’s jurisdictions,” explains Nyaradzo Chiwewe, Co–Chair of the ESAAMLG Project Team.

Combining **rigorous methodology with practical usability**, the toolkit aims to equip countries to conduct their own structured assessments, helping to combat the misuse of corporate vehicles for money laundering, terrorism, and proliferation financing.



More than just a learning experience, the workshop provided participants with a platform to share expertise, receive support and practice for future implementation.

“The partnership here was amazing! Experts and participants interacted like a family—engaging, insightful, and rich in content,” says Msebe Malinga from Eswatini. Echoing the sentiment, David Mongo from the DRC shared, “**The approach was truly educational:** starting with defining

the concepts before practising to master the tool. We’re now ready to be trainers at the national level and replicate this back home.”

During the practical, small group sessions, the EU Global Facility experts used a fictional country as a testing ground, providing participants with concrete examples to practice with the methodology and the Excel tool. “We wanted to ensure the tool was user–friendly so it can give countries the ability to take control of their own assessments and better guard against the misuse of corporate structures for illicit financing,” explains EU Global Facility Key Expert on BO Alexandre Taymans.

We extend our particular thanks to the GIZ and the Financial Intelligence Centre of South Africa for their invaluable support to the success of this event.

Watch the Video Recap



“ It’s all very well identifying risks, but it’s better to assess them so that mitigation [measures] can be taken.

David Mongo
Democratic Republic of Congo

New partner countries

Cuba: a pioneering partnership

We are proud to announce a significant first for the EU Global Facility: a successful scoping mission to Havana in March, which marked the **official launch of our bilateral cooperation with Cuban authorities** on AML/CFT.



This mission, which also entailed the delivery of our very first onsite training, sets the foundation for tailored technical assistance, with a strong focus on FATF statistics — a priority area for Cuba as it becomes the first GAFILAT country to undergo the 5th Round of FATF Mutual Evaluations.

What did the FATF Statistics training entail?

Building on a virtual session held in February, the EU Global Facility organised its first onsite workshop in collaboration with the Central Bank of Cuba. Targeted at 50+ professionals from 21 Cuban institutions, the hands-on training consisted of practical group exercises, in-depth case studies, and rich discussions on FATF Recommendation 33.

Sessions explored key areas such as **statistics related to police investigations, judicial proceedings, and asset recovery**, all aimed at helping participants understand how to produce and analyse statistics that align with international expectations, and why this matters for the upcoming mutual evaluation. Participants also benefited from insights shared by countries that have already been evaluated, including: Latvia – on their MONEYVAL experience, France – on asset recovery statistics, the UK – on the Joint Asset Recovery Database and Spain – on police and IO 3–4 statistics.

The EU Global Facility is particularly proud to support Cuba as it navigates the FATF evaluation process and works to build a stronger, more resilient AML/CFT framework.

Bhutan joins EU GF as new partner country

April 2025 marked a milestone for the EU Global Facility as Bhutan became our 2nd partner country in South East Asia (with Indonesia)!

From 14–18 April 2025, we delivered our first activity: the flagship **"Turning Intelligence into Evidence"** workshop. Delivered online and tailored to Bhutan's legal and institutional context, the event brought together key actors from across the Bhutanese penal chain—financial intelligence, law enforcement, prosecutors, and judiciary.

The training focused on FATF Immediate Outcomes 6 to 9, with tailored sessions designed in close consultation with local authorities.



"This partnership the EU Global Facility is extremely timely as we prepare for our upcoming Mutual Evaluation in 2027–2028," noted Tashi Gyeltshen, Director of the Financial Intelligence Department of the Royal Monetary Authority of Bhutan, adding:

"It is a critical milestone in Bhutan's collective efforts to foster a more coordinated and effective response to money laundering, terrorist financing, and other financial crimes."

Risk Assessments

Moldova presents Non-Profit Risk Assessment under revised Rec 8

On 10 April 2025, the EU Global Facility accompanied the Republic of Moldova in a landmark achievement: the presentation of its Non-Profit Organisations Sectoral Risk Assessment Report.

Why is this a 'first' ? Because Moldova thus became the first EU Global Facility partner country to complete the crucial exercise of NPO risk assessment under the newly revised FATF Recommendation 8.



This achievement, supported by the project's experts over 9 months, fully aligned with the recent updates to FATF Recommendation 8 and the Best Practices Paper, reinforcing Moldova's commitment to transparency, risk-based oversight, and the protection of civic space.

What is FATF Rec 8 ? FATF Recommendation 8 emphasises the importance of protecting NPOs from being misused for terrorist financing, calling on countries to understand the risks facing their NPO sectors and apply proportionate, risk-based measures to mitigate them—without disrupting legitimate charitable activities. The recommendation encourages transparency, accountability, and effective oversight, ensuring that the sector remains resilient while continuing to serve communities in need. Compliance with Recommendation 8 is essential for both financial integrity and safeguarding humanitarian efforts globally.

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Crypto Risk Assessment Support for Algeria

Meanwhile, Algeria has embarked on an ambitious initiative to accelerate its first national Risk Assessment on Virtual Assets, with targeted technical assistance from the EU Global Facility.

At the request of the Bank of Algeria, our experts have been supporting national authorities in the design and implementation of this critical assessment, which is expected to be finalised by mid-2025.



“This ambitious timeline reflects both the urgency of the task and Algeria’s strong political will to meet international standards as a jurisdiction under enhanced monitoring,” said Arnaud Stien, EU GF Key Expert on Regulation and Financial Intelligence Units.

In March–April 2025, a group of 22 representatives from key Algerian institutions—ranging from financial supervisory bodies to law enforcement agencies and relevant ministries—began intensive technical collaboration with EU GF experts, according to a three-phased programme:

- **Phase 1 (Q4 2024):** Introductory sessions on virtual asset risks and international regulatory frameworks.
- **Phase 2 (March 2025):** Development of strategic tools and questionnaires to support risk data collection
- **Phase 3 (Mid-2025):** Analysis of collected data and finalisation of the national methodology, with a focus on enhanced public-private sector cooperation.

Long Read

Terrorist Financing and the Non-Profit Sector

Five Principles to Achieve Compliance with FATF's Reformed Recommendation 8

Together, adherence to the 40 Recommendations of the Financial Action Task Force (FATF) should ensure that countries are well-positioned to guard against the threats of money laundering and the financing of terrorism and nuclear proliferation. And yet, not all FATF Recommendations are made equal. Among its many standards intended to preserve the integrity of the global financial system by ridding it of dirty money, the FATF's Recommendation 8 on preventing terrorism financing abuse in the not-for-profit organisations (NPO) sector stands out from the crowd. Recommendation 8 has arguably received more policy attention than any of the FATF's other standards, having been revised twice in less than a decade. Why so?

NPOs have been thought to be uniquely susceptible to abuse for terrorism financing ever since it became clear how [Al-Qaeda both infiltrated](#) and established numerous charities to funnel donations to its coffers before its coordinated attack on the World Trade Center in New York. Responding to this lucrative terrorism financing vehicle at the time, the FATF established a standalone recommendation on NPOs in its [IX Special Recommendations](#), passed just a few short weeks following 9/11. Early iterations of Recommendation 8 emphasised the NPO sector as being “particularly vulnerable” to terrorism financing, prompting a wave of stringent government regulations that quickly showed themselves to be disproportionate with the actual level of risk.

This left the sector in a stranglehold: facing severe restrictions to its freedom of operations, as well as access to banking services due to the sector's undeserved reputation for being a hotbed for terrorism financing. In the most worrying cases, some states have undoubtedly implemented

Recommendation 8 in bad faith, using it as cover to deliberately suppress advocacy groups, watchdogs and other civil society members.

“Some states ... implemented Rec 8 in bad faith [...]

Having been made aware of such unintended consequences of its standard, the FATF, to its credit, has responded by diligently curtailing ambiguities in the phrasing of Recommendation 8, its Interpretive Note and an accompanying Best Practices Paper, ambiguities which have had severe consequences for the healthy functioning of civil society groups globally. In redrafting these resources, the FATF has offered for the first time “bad practices” alongside good ones, making explicit various kinds of measures and approaches which are inexplicably contrary to its intentions.

This most recent raft of changes were approved by the FATF plenary in November 2023, just in time for the initiation of its 5th round of Mutual Evaluations. Largely, these reforms are underpinned by five principles which states should keep in mind when embarking on their mission to implement Recommendation 8 in its new form.



(1) Protecting NPOs from Terrorism Financing

Though it may seem obvious, the reformed Recommendation 8 reemphasises the need for states to investigate and prosecute cases against NPOs that are exploited by or support terrorist organisations or movements. To do this effectively entails an important two-step process. First, states must determine the distinct terrorism financing threats that its NPO sector is exposed to. Then, countering the financing of terrorism (CFT) measures must be developed which are based on evidenced, as opposed to merely theoretical, terrorism financing risks.

(2) Measures that are Focused, Proportionate and Risk-Based

Readers of the reformed Recommendation 8 will notice how often the phrase “focused, proportionate and risk-based” is repeated, underlining the FATF's insistence on this principle which has been insufficiently embodied by states to date. In sum, the Recommendation calls on states to devised CFT measures that are **focused** (limited in scope to the issue of mitigating TF risk within the NPO sector), **proportionate** (corresponding in magnitude to the degree of risk), and **risk-based** (corresponding to only relevant risks).

The Recommendation, its Interpretive Note and accompanying Best Practices Paper **leaves no room for misunderstanding on this point**: any measure carried out in furtherance of satisfying Recommendation 8 must be in-line with the degree of known risk of terrorism financing abuse. This required specificity ensures scarce resources will be most effectively deployed against only the most at-risk NPOs in the sector. For the group of less at-risk NPOs, the Interpretive Note signals how, oftentimes, it is sufficient for states to provide outreach and educational programmes to raise awareness of terrorism financing vulnerabilities and the means **NPOs have to protect themselves from such abuse**, leaving them to continue operations without being needlessly implicated in unnecessary CFT procedures.

States should also take note of the FATF's unequivocal declaration that NPOs “are not reporting entities and should not be required to conduct customer due diligence”, thus providing states with certainty that subjecting NPOs to the same requirements as so-called “obliged entities” (including financial institutions and the designated non-financial businesses and professions [DNFBPs]) does not align with the FATF's intentions. This distinction is further emphasised throughout the reformed Recommendation, Interpretive Note and Best Practices Paper by repeated use of the phrase “oversight and monitoring” to describe the relationship between the NPO sector and the state's CFT obligations. This means, plainly, that while obliged entities are treated with “supervision”, the NPO sector ought to be treated with “oversight and monitoring”, indicating an entirely different quality of relationship, one that is preventative and enriching, not punitive or controlling.

(3) Not Disrupting Legitimate Activity

Similar to “focused, proportionate and risk-based”, the reformed Recommendation makes frequent use of the qualifier that all efforts to implement Recommendation 8 must not “unduly disrupt or discourage legitimate NPO activity”. The entrenchment of this principle in the reformed Recommendation 8 is clearly FATF's effort to make good on the findings of its [stocktake](#) on the unintended consequences of the incorrect implementation of its standards. The stocktake emphasised the negative impacts CFT measures had had on legitimate NPO activity, acknowledging that its mutual evaluations had not sufficiently assessed whether measures applied by jurisdictions were proportionate to the terrorism financing risk present, or whether they were focused on only higher-risk NPOs.

In recognition of these past failings, the FATF makes itself clear that under the reformed Rec 8 CFT measures must not unduly disrupt or discourage the activity of those NPOs deemed to be less at-risk, in addition to any organisation that does not meet the FATF's functional definition of an NPO.

Put plainly in the Interpretive Note, the FATF warns that measures which disrupt or discourage legitimate NPO activity are not in compliance with Recommendation 8. For example, in the realm of access to financial services, the Best Practices Paper (p. 40) lays bare several bad practices that are not in line with the risk-based approach avowed by the FATF, including the mis-categorisation of

all NPOs as high-risk clients requiring enhanced due diligence checks, as well as applying customer due diligence checks on the beneficiaries of NPO activities, like the recipients of humanitarian assistance. Repeated insistence on this point, found across the reformed Recommendation 8, **closes off any tolerance for unintended consequences of CFT measures on legitimate NPO activity**, going so far as to denote such measures as non-compliant with the Recommendation.

(4) Respecting Rule of Law and Human Rights

The reformed Recommendation 8 reinforces a principle that underpins the entirety of the FATF system, namely that no matter how states implement its standards through laws and measures, this must be done in a manner that is consistent with the UN Charter and international law, including international human rights, refugee and humanitarian law. This is to say that any FATF-inspired measures which contravene these international law and human rights instruments are not in compliance with Rec 8.

Crucially, the reformed recommendation makes note of this obligation in relation to [UN Security Council Resolution \(UNSCR\) 2664 \(2022\)](#), para 1, which affords humanitarian actors an exemption to UN sanctions regimes (this exemption was made permanent through [UNSCR 2671 \[2024\]](#)). By this exemption, or so-called humanitarian carve out, the UN Security Council affirmed that “the provision, processing or payment of funds, other financial assets, or economic resources, or the provision of goods and services necessary to ensure the timely delivery of humanitarian assistance or to support other activities that support basic human needs [by select humanitarian actors] are permitted and not a violation of the asset freezes imposed by the Council or its Sanctions Committees”. In practice, this ensures that measures aimed at preventing terrorism financing abuse of NPOs in accordance with FATF’s Rec 8 must not impinge upon the work of NPOs whose activity is covered under this broad-based humanitarian exemption to UN sanctions.

(5) Cooperation

Across several dimensions, the revised Recommendation maintains that reaching compliance is not within the gift of public sector authorities alone, that attempts to do so are unlikely to secure a passing grade from the FATF in a mutual evaluation. The [FATF Methodology](#) (p. 49) for assessing compliance with its standards states that jurisdictions should engage with NPOs when conducting sectoral risk assessments to identify the nature of terrorism financing risks and in devising measures to address those risks. This is sensible, as **only NPOs themselves can truly speak to their own vulnerabilities and risk mitigation strategies and approaches**.

Further, the Best Practices Paper emphasises numerous “tri-sectoral dialogues” involving public authorities, NPOs and the financial sector convened to tackle challenges like bank de-risking, another key unintended consequence of past iterations of Recommendation 8. Given the current FATF presidency’s focus on enhancing financial inclusion through a heartened embrace of the risk-based approach, it can be expected that states demonstrating sincere cooperation between public, private and NPO sectors will fare well in their mutual evaluations.

Putting it to Work

The most recent tranche of amendments to Recommendation 8, its Interpretive Note and the accompanying Best Practices Paper are a hard-won achievement for concerned states, civil society organisations, and key leaders within the FATF, many of whom contribute to the work of the EU Global Facility on AML/CFT. The reformed Recommendation is a product of the FATF’s earnest introspection into the unintended consequences of its standards on civil society, and a close reading of it illustrates the FATF’s expectation for tangible change to result. Indeed, these five principles of the reformed Recommendation 8 all appear to be non-negotiable approaches, with virtually **no room remaining for unintended consequences, and certainly not for bad faith implementation**.

With this context in mind, it is imperative for states to appreciate the letter as well as the spirit of the reformed Recommendation 8 as they begin to prepare for their upcoming assessments, which according to the FATF will place even **greater emphasis on effectiveness, risk awareness and context**.

Coming Up



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As we begin the new year, the EU Global Facility is already working on a number of activities for its partner countries. Take a peak at a few of them below and stay up to date with our activities on our [website](#), [in](#) & [X](#)

Ukraine:

Our support to Ukraine's beneficial ownership transparency efforts will continue, expanding focus to IT systems and control and verification mechanisms.

Sri Lanka:

Following a request for technical assistance, the EU Global Facility will deliver its very first activity on "Intelligence to Evidence" in May. It will be followed by a scoping mission of the project, scheduled in August 2025

Mauritius:

Our support to Mauritian partners will continue in the coming months, as we resumed technical assistance activities on a variety of topics,

Malawi NPO Risk Assessment

Support to Malawi's Non Profit sector is entering its final phase, with upcoming sessions focused on completing legislative and regulatory gap analyses, evaluating mitigation measures and enhancing public outreach strategies for effective NGO oversight.

FSRBs ties

Delegations from the EU Global Facility will participate in the upcoming plenary meetings of the MENAFATF in Jordan this May, GAFILAT in July in El Salvador and the APG in Japan this August, further strengthening existing partnerships with the FSRBs.

Beneficial Ownership

Technical assistance to the beneficial ownership regimes of partner countries –including Angola, Jordan, Seychelles, Trinidad and Tobago, and Uzbekistan– will continue, with a focus on enhancing legal frameworks, implementation tools and IT systems.



THE EUROPEAN UNION'S GLOBAL FACILITY ON
**ANTI-MONEY LAUNDERING AND
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