



## EU AML / CFT GLOBAL FACILITY

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Over \$1 billion in cryptocurrency donations were processed globally in 2024.

### Are NGOs ready for the risks?

The terms virtual assets, cryptocurrency and digital trading are becoming more commonplace in everyday language around the world. Understanding what they are and how they might be capable of being used by organisations however, remains a distinct challenge.

Why or how can NGOs around the world engage in this space?

**Virtual assets**, also referred to as cryptoassets, refer to **any digital representation of value that can be digitally traded, transferred or used for payment**. The most common example of a virtual asset is virtual currency such as Bitcoin, Litecoin, Ethereum or Dogecoin. Gaming tokens, non-fungible tokens (NFTs) and governance tokens might also be considered virtual assets, depending on the circumstances and the context in which the assets exist and are used.

It is clear that the accessibility and acceptability of virtual assets as a legitimate form of trading is on a remarkable rise globally. The same is true when it comes to NGOs operating both domestically and internationally. **Cryptocurrency is increasingly being adopted by NGOs to enhance fundraising**, facilitate cross-border payments, and promote financial inclusion. Many charities now accept donations in virtual assets such as Bitcoin and Ethereum, opening up new avenues for supporters to contribute. Platforms like The Giving Block and BitGive have made it easier for hundreds of charities to receive crypto donations.

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# Where we worked

November 2025 – January 2026



**EU AML / CFT**  
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# Central Asia

## EU Global Facility, EU-ACT bring together judges, law enforcement representatives during regional conference on Intelligence to Evidence for Central Asian states.

### How do you transform financial intelligence into courtroom evidence that stands up to judicial scrutiny?

This was the central question addressed during a three-day regional workshop held in Bishkek, Kyrgyz Republic, from 19 to 21 January 2026.

Bringing together judges, prosecutors, financial intelligence analysts, investigators and law enforcement officers from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, the event focused on bridging the critical gap between intelligence gathering and prosecution – a gap that criminal networks increasingly exploit to move illicit proceeds across borders.

Co-organised by the EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism (EU Global Facility on AML/CFT) and the EU Action against Organised Crime and Terrorism (EU-ACT), the workshop was hosted by the Financial Intelligence Unit of the Kyrgyz Republic.

### Addressing a Growing Security Threat

Organised crime is becoming more connected, violent and global. Criminal networks exploit global trade routes, digital technologies and weak governance to traffic drugs, weapons, and other illicit goods. Money laundering provides the financial infrastructure that enables these operations to grow, allowing criminals to legitimise proceeds, corrupt officials, and reinvest in further criminal activity.

In Central Asia, geographic position along major trade corridors, combined with evolving financial systems, creates vulnerabilities that transnational criminal organisations seek to exploit. **Effectively disrupting these networks requires not only detecting suspicious financial flows but converting that intelligence into evidence strong enough to secure convictions and recover criminal assets.**

Opening the workshop, EU Ambassador to Bishkek Rémi Duflot emphasised the strategic importance of the work: “Financial intelligence can and should play a central role in crime fighting, but must not remain an isolated product; it needs to be transformed into admissible evidence that can stand in court, support convictions and ultimately lead to the confiscation of illicit assets.”



Representatives from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan took part in the three-day workshop. © 2026/EU Global Facility



Financial intelligence can and should play a central role in crime fighting, but must not remain an isolated product

Rémi Duflot

Head of the European Union Delegation to the Kyrgyz Republic

### From Theory to Practice: Building Operational Capacity

Over three intensive days, EU Global Facility and EU-ACT experts from France, Spain and Brazil helped practitioners to work through real-world scenarios and concrete challenges encountered when investigating complex financial crimes. Sessions covered:

- **Parallel Financial Investigations:** Techniques for conducting financial investigations alongside traditional criminal investigations, identifying asset flows while building the criminal case.
- **Cross-Border Tracing and Mutual Legal Assistance:** Practical approaches to following money across jurisdictions, requesting and providing international cooperation, and navigating differences in legal frameworks.
- **Open Source Intelligence (OSINT):** Methods for leveraging publicly available information to map corporate structures, identify beneficial owners, and corroborate financial intelligence.
- **Asset Recovery and Confiscation:** Mechanisms for freezing, seizing and ultimately confiscating criminal proceeds, including international asset forfeiture cooperation.
- **Evidentiary Standards and Admissibility:** Understanding what courts require, how to present financial intelligence in ways that meet evidentiary thresholds, and avoiding common pitfalls that undermine prosecutions.

The workshop addressed participants' operational reality head-on, offering both best practices and potential solutions to obstacles they have encountered in their own jurisdictions

As EU AML/CFT Global Facility Team Leader David Hotte noted: “Financial crime doesn't respect borders – and neither can effective responses to it. By bringing together representatives from across the penal chain, these workshops create the networks and mutual understanding that formal cooperation mechanisms alone cannot achieve.”



### Building Regional Momentum

The Bishkek workshop represents the second phase of an expanding Central Asian initiative. In September 2024, the EU Global Facility on AML/CFT partnered with MASAK, Türkiye's Financial Intelligence Unit, to convene practitioners from Central Asia in Ankara for similar peer-to-peer exchanges.

This regional approach creates sustained opportunities for professional networks to develop across borders. Participants from different countries and different parts of the criminal justice chain – financial intelligence units, police and security services, prosecutors, judges, customs and tax authorities – gain shared understanding of each other's capacities, constraints and operational needs.

A follow-up regional workshop is planned for later in 2026 in Uzbekistan, continuing the momentum and allowing participants to share progress, challenges and evolving practices as they implement lessons learned.

# Regulation and FIUs

## Cambodia: Making Financial Intelligence Actionable

The EU Global Facility delivered the third and final workshop in a dedicated series for Cambodia's Financial Intelligence Unit on 17–21 November 2025, focusing on Immediate Outcome (IO) 6 of the FATF Methodology. The online workshop brought together 40 representatives from Cambodia's key AML/CFT competent authorities, including the Financial Intelligence Unit (CAFIU), law enforcement agencies, customs, tax authorities, prosecutors, and supervisory bodies.

### Why does IO6 matter?

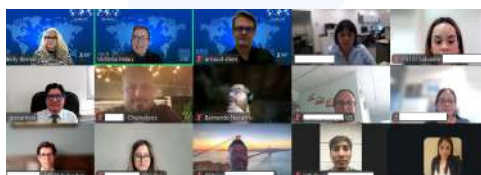
Among the 11 IOs the FATF uses to assess a country's AML/CFT effectiveness, IO6 serves as a crucial nexus. It evaluates whether financial intelligence is not only produced, but effectively used in investigations, prosecutions, and asset recovery. As EU Global Facility trainer and former Egmont Group Chair Xolisile Khanyile emphasised: *"For FIUs to be fit for purpose, they need to receive good regulatory reports, have sufficient staff and funding to enhance their technological tools and produce intelligence reports that are of quality and are actionable."*

### Building bridges between institutions

Effective national coordination among competent authorities is essential for a strong AML/CFT framework, yet intelligence often breaks down between production and operational use. The workshop addressed each function of the FIU – receipt, collection, analysis, and dissemination – while fostering inter-agency cooperation to ensure financial intelligence products can be effectively leveraged across the entire AML/CFT ecosystem.

Participants engaged with case studies, interactive exercises, and group discussions to better understand the interlinked roles of IO6 with all other IOs, and how each institution can support the others in the fight against ML/TF.

## Virtual Assets: Launch of Support for Peru, El Salvador



In December 2025, the EU Global Facility kicked off its technical assistance to Peru and El Salvador on the topic of virtual assets (VAs) and virtual asset service providers risk assessment.

The programme combines country-specific bilateral sessions tailored to each nation's context with joint regional workshops designed to foster experience-sharing and exchange of good practices between both countries' competent authorities. Following these preparatory sessions, which confirmed governance structures and aligned expectations, Phase 1 launched in January 2026.

Both countries are now mapping their VA/VASP ecosystems through systematic data collection, identifying regulated and informal actors, analysing suspicious transaction reports and blockchain analytics, and gathering qualitative intelligence from competent authorities.



# Beneficial Ownership

## EU Global Facility Partners with IMF in "BO Clinic"



The EU Global Facility and the International Monetary Fund Legal Department's Financial Integrity Group co-organised the BO Legal Drafting and Effectiveness Clinic at the Joint Vienna Institute from 10–14 November 2025.

The clinic brought together officials from 13 countries – **Armenia, Azerbaijan, Czech Republic, Hungary, Kyrgyzstan, Moldova, Montenegro, Poland, Romania, Serbia, Tajikistan, Turkmenistan and Ukraine**– to strengthen their capacities in implementing robust BO regimes aligned with FATF standards, particularly the

recently updated Recommendation 24.

Through peer exchange and knowledge sharing, participants reviewed national BO systems and registers, identified implementation challenges, diagnosed legal and regulatory gaps, and exchanged practical solutions. The programme addressed both the legal framework for BO transparency and its effectiveness (FATF Immediate Outcome 5), covering technical requirements, national implementation strategies, register management, and duties related to identification, verification, access, and dissemination of beneficial ownership information.

## Angola Strengthens BO Transparency with EU GF Support

On 26–29 January 2026, the EU Global Facility organised a four-day mission on beneficial ownership in Angola, bringing together financial regulators, banks, notaries, real estate agents, trust service providers, and other designated non-financial businesses and professions.

The mission came at a strategic moment as **Angola recently finalised its first Legal Persons and Legal Arrangements Risk Assessment with EU Global Facility support**. The country has since been developing new beneficial ownership guidance and regulatory frameworks to strengthen transparency across the financial sector.

The mission aimed to (i) disseminate Angola's newly completed LP/LA Risk Assessment, (ii) present the draft Beneficial Ownership Guidance developed with EU Global Facility support, and (iii) deliver targeted training on implementing these frameworks in practice.

**Sessions were tailored to each stakeholder group's specific role** –from supervisory authorities conducting customer due diligence oversight to frontline financial institutions verifying beneficial ownership information.



# Long Read

## How can NGOs use cryptocurrency and manage risks adequately

*Continued from front page*

According to The Giving Block, a platform specialising in crypto philanthropy, over \$1 billion in cryptocurrency donations were processed globally in 2024, with 70% of Forbes' US Top 100 Charities accepting cryptocurrency donations, a 25% increase compared to the previous year. This growth highlights the sector's interest in virtual assets but also underscores the need for careful risk management.

**So what are the apparent benefits ?**

### 1. Global Reach

Operationally, **cryptocurrency offers cost and speed benefits**, and this is augmented in the case of cross-border payments. With low-cost cross-border transfers, it is especially useful for NGOs operating in countries with unstable or limited banking infrastructure or high remittance fees. Cryptocurrency also allows organisations to send funds directly to field offices or beneficiaries without relying on traditional banks. NGOs often operate in such countries where banking systems are unstable or remittance fees are high and they can therefore send funds quickly and at a lower cost directly to field offices or beneficiaries, bypassing traditional financial institutions. This is particularly beneficial in emergency situations.

**From a financial inclusion perspective, NGOs are using cryptocurrency to reach unbanked populations.** In regions where people lack access to banking, digital wallets and crypto payments can provide a way to receive aid

directly. For example, some humanitarian organisations have piloted blockchain-based cash transfers for refugees and disaster victims, ensuring that help reaches those who need it most without the barriers of conventional banking. Virtual assets can also reach unbanked populations; the World Bank estimates that 1.3 billion adults globally remain unbanked, a stark reminder of the iniquity built into the current financial system in terms of accessibility.

### 2. Transparency and Accountability

Advocates of blockchain technology will remind us that the technology provides an immutable record of transactions, which can help NGOs demonstrate transparency in how funds are used. This is particularly valuable for building trust with donors and stakeholders. Transparency and accountability are crucial for NGOs and charities, and blockchain technology appears to offer a solution, as every transaction can be traced and verified, helping organisations demonstrate to donors and stakeholders exactly how funds are being used.

### 3. Innovation

Blockchain itself has also facilitated innovation in the NGO sector. Some NGOs are experimenting with blockchain for supply chain tracking, digital identity verification, and smart contracts to automate aid distribution. The World Food Programme, for instance, currently uses blockchain technology to deliver \$325 million to refugees in 4 countries (Bangladesh, Jordan, Lebanon and Ukraine), streamlining processes and reducing the risk of fraud.

Several well-known organisations have adopted cryptocurrency in their operations. Save the



Children accept crypto donations to support emergency responses, while UNICEF launched CryptoFund in 2019 to receive, hold, and disburse donations in cryptocurrency for open-source technology projects. Oxfam and other humanitarian agencies have also piloted blockchain-based cash transfers in disaster zones. Oxfam's Unblocked Cash programme has significantly reduced delivery times by 96% and distribution costs by 75% using blockchain e-vouchers.

Despite these advantages, **NGOs must contend with significant practical, legal and security challenges.** Different jurisdictions will view the risks differently because the appetite for engaging with and understanding virtual assets is variable and changeable, so it is important to consider how these risks play out in different areas. That said, there are a number of common concerns, as set out below, which NGOs need to think about when considering the financial impact on their organisation and their short and long term needs.

#### 4. Price Volatility

One key risk is the unstable value of cryptocurrency, as the prices are highly volatile. This is for a variety of reasons, from its decentralised nature to newness in the market and investor sentiment. For instance, Bitcoin's value dropped by over 60% in 2022, and has witnessed over eight corrections over 50% in its 17 years of existence. However, Bitcoin has managed to recover from each correction over the course of a full cycle to make new all-time highs, including its most recent all-time high of US\$126,000 per Bitcoin in October 2025. The inherently volatile nature means that it is difficult for trustees, particularly in countries which impose fiduciary or statutory obligations on them as custodians of money, to demonstrate that they are discharging those duties and that they have acted with reasonable skill and care where there is disproportionate reliance on either financing or investing in cryptocurrency, particularly without really understanding the risks or making sure there is proactive management of the relevant portfolio. There may also be rules around diversification and transparency of assets that may mean that these type of assets may be legally excluded.



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#### 5. Security

Security is another major concern, as cryptoassets are vulnerable to hacking and loss of private keys. According to Chainalysis, \$2.2 billion was stolen in cryptoasset hacks in 2024.

Illicit actors are appearing in many forms to leverage cryptocurrency for crime, from transnational organised crime groups to traditional crime types, such as drug trafficking, gambling, intellectual property theft, money laundering, human and wildlife trafficking, and violent crime, and approximately \$40.9 billion was received by illicit crypto addresses in 2024, a figure which has decreased each year since 2022.

Criminal activity includes the stealing of wallets of services and individuals, committing cybercrime like hacking, extortion, trafficking, or scams, as well as those facilitating this activity by selling the underlying infrastructure, tools, and services needed to commit crime and profit, including laundering-as-a-service. There are no clear statistics yet which suggests a clear trend of NGOs using cryptocurrency being specifically targeted or exploited, however multiple agencies across the world are beginning to monitor and explore the risks in this area, given the high levels of trust that often operate in the sector.

#### 6. Regulatory Uncertainty

Tax implications are also significant. In the UK, HM Treasury published a draft statutory instrument in May 2025 to amend the Financial Services and Markets Act 2000 to include provisions relating to

cryptocurrencies. The amends will designate certain cryptoassets as "specified investments" and some activities, such as issuing qualifying stablecoin, as "regulated activities".

In the UK, the Financial Conduct Authority (FCA) estimated that 7 million adults owned cryptoassets as of August 2024, representing about 12% of the adult population. While cryptocurrencies are not legal tender in the UK, they are regulated as cryptoassets, and activities such as exchange and custody are subject to FCA, and soon, revenue and tax, oversight. NGOs must also comply with AML/CTF regulations, which require robust due diligence and transaction monitoring.

Similarly, in the US, the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) was passed in 2025 and provides a framework for stablecoins. Two additional acts relating to cryptocurrency are being considered, which would change the jurisdiction over cryptoassets from Securities and Exchange Commission to the Commodity Futures Trading Commission.

10 | “There is [...] a core reputational risk, as cryptoassets are sometimes associated with illicit activity.”

The EU has been storming ahead and now has a very comprehensive and enforceable regulatory framework for cryptoassets. The regulations, contained within the new Markets in Crypto-Assets Regulation (MiCA) amongst other laws, standardises crypto businesses registration, disclosure, risk management customer interaction across all 27 member states.

In contrast, cryptocurrency has been banned in China since 2021 and has very recently reinforced the restrictions. However, it is interesting to note that despite the ban, over \$3.2 million was raised in cryptocurrency for the benefit of victims of the Hong Kong fire in November 2025. As a special administrative region, cryptocurrency donations are legal in Hong Kong. The use of cryptocurrency to fundraise in Hong Kong highlights the impactful and inevitable use of cryptocurrency that China may need to consider in its approach. It also highlights the risks of ensuring NGOs understand the varying legal and regulatory landscape in different countries, and

so need to take care when considering the start and end point of transactions.

## 7. Limited acceptance in some regions

Not all vendors or beneficiaries accept cryptocurrency, which may limit its practical utility in many areas. Therefore, the argument regarding financial inclusion may apply in some areas and yet be ironically disappplied in others. The exact scale of this exclusion vs inclusion has not been fully mapped out, however what is clear is that there is not yet a clear assumption that using cryptocurrency will always lead to financial inclusion.

## 8. Environmental Impact

The rapid rise of cryptocurrencies has in turn drawn attention to their effect on the planet. **A key issue is the amount of energy required for Bitcoin mining.** In 2025, Bitcoin mining used over 175 Terawatt hours of electricity annually worldwide . This amount is similar to what the 24th biggest energy-using country would use. A Bitcoin transaction creates as much pollution as 1.58 million Visa transactions . Sustainability and environmental impact is therefore under scrutiny, which may go against the very grain of some NGO activities, or undermine their overall mission in an indirect way.

## 9. Reputational considerations

In tandem with the environmental impact is the significant impacts on both the reputation and values of particular NGOs whose very role it might be to preserve and maintain the environment and the planet,. This in turn may also negatively impact the view of beneficiaries and potential and actual donors.

**There is also at times a core reputational risk, as cryptoassets are sometimes associated with illicit activity;** Chainalysis found that illicit transactions accounted for just 0.14% of all crypto transaction volume in 2024, but public perception remains a challenge .

Reputational risks also arise in a different way, as cryptocurrency is often associated with politicised elements, and so raise the risk for NGOs in using it. Cryptoassets have, at times, been linked to political figures, parties, or movements, which can create challenges for NGOs that are committed to neutrality or have a diverse supporter base. If an NGO is perceived



as endorsing or benefiting from politically charged crypto activity, this may undermine its independence and alienate donors or beneficiaries who hold differing views. Maintaining clear boundaries and transparency around the source of cryptocurrency donations is essential to avoid unintended associations and to safeguard the organisation's reputation.

## Addressing the risks

Given the landscape regarding the possible abuse of cryptocurrency is still evolving, it is important for NGOs to think proactively and regularly about how they can adequately engage in using it for its overall advantage.

Similar to general financial management, NGOs should think about how they can best prevent, identify, and manage any associated risks and have proactive mitigation in place that can be acted on promptly should the need arise. This will translate into well drafted and understood operational policies, process and review mechanisms across the organisation.

NGOs should establish a written policy covering the acceptance and use of cryptocurrency, how they will undertake risk assessment and mitigation strategies, how they will comply with legal and regulatory requirements, and set out clear and firm operational procedures for converting crypto to fiat currency, with relevant accountability mechanisms.

Undertaking some form of due diligence will also be important. **Before accepting cryptoasset donations or engaging with service providers, NGOs should verify the source of funds** to prevent money laundering, assess the reputation and reliability of exchanges and wallets and ensure compliance with financial, tax, charity and other legal requirements if applicable.

Having strong security measures is also critical so that the organisation is not unduly exploited for financial abuse or other purposes.



Key steps include using reputable custodial services or secure wallets and doing relevant research accordingly, employing multi-factor authentication and access controls, and ensuring there is capacity and capability to regularly update software and to monitor for any suspicious activity.

Further, many jurisdictions now require organisations which use cryptocurrency to keep a detailed record of all relevant transactions. Therefore, ensuring clear and comprehensive records are in place will be important. Trustees should also regularly monitor the value of holdings and consider converting to fiat where appropriate.

Finally, a cautious culture is likely to be beneficial at this time. Trustees need to consider how dynamic and agile reporting lines in relation to cryptocurrency work in their organisations, as well as being clear about whether or not there needs to be any reporting to relevant regulators. Training will also be important; staff and trustees should understand the basics of cryptocurrency and blockchain, their relevant legal and regulatory obligations in whichever countries they operate, and should understand the ever changing environment for best practice in security. If in doubt professional IT, accounting or legal advice should be obtained with relevant expertise.

## Summary

In summary, while cryptocurrency offers NGOs new opportunities for fundraising and financial inclusion, it also introduces legal, operational and practical risks. If an NGO is considering implementing the use of VAs, the following key action points should be kept in mind.

- Create a **virtual assets policy** setting clear rules for accepting and managing cryptocurrency.
- Ensure compliance frameworks meet AML, CTF, and tax requirements and keep accurate records.
- **Manage risks** by monitoring volatility, using secure wallets, and protect against cyber threats.
- **Protect reputation** by considering the environmental, ethical, and political impacts of using virtual assets and communicate any use transparently.
- **Train and educate staff and trustees** and seek advice from experts when needed.

# Coming Up



In the coming months, the EU AML/CFT Global Facility will continue working with its partner countries, through online and onsite activities. Take a peak at a few of them below and stay up to date on our [website](#) and [in](#).

## Mexico:

Virtual Assets will be under the spotlight during a regional conference co-organised with partners in Mexico City in March 2026.

This major event will bring together 17 of the GAFILAT jurisdictions for a 4-day conference.

## Bhutan:

Our technical assistance to Bhutan will continue, this time with two activities to be delivered in Thimphu, on FATF Rec 8 and Intelligence to Evidence.

## El Salvador / Peru:

Support to both countries will continue, with the rollout of phase 2 of the technical assistance programmes on Virtual Assets Risk Assessments.

## Maldives:

Following an official request for technical assistance, a scoping mission will be conducted to assess the needs of the new partner country.

### Storytelling Project

The EU Global Facility and GAFILAT launched an innovative project to help countries demonstrate their AML/CFT effectiveness in mutual evaluations using storytelling techniques. The project will deliver a methodological guide, in-person workshop, regional webinar, and training course.

### Asset Recovery

Our technical assistance to Kyrgyzstan will continue with a workshop targeted at law enforcement agencies on asset recovery investigation techniques. The online activity will cover identification, seizure, management, confiscation, and disposal of criminal assets.

### NPO sectoral risk assessment

The EU Global Facility will be in Mauritius for the public presentation of the Non-Profit Organisation Sectoral Risk Assessment, a major work carried out over the past year with support from the project. The presentation will showcase key findings and recommendations.





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