



# HOW CHARITIES CAN SAFEGUARD AGAINST TERRORIST FINANCING

## 7 fundamental questions to consider



1

### IS YOUR CHARITY AWARE OF THE RISKS OF ABUSE?

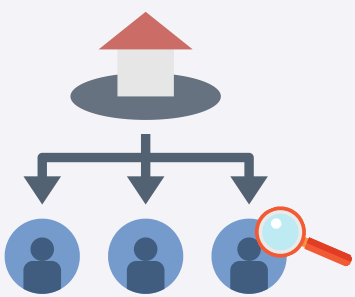
Charities need to be aware of the nature of risks which they are exposed to, based on how and where their activities are carried out and adopt a risk-based approach towards mitigating these risks. The extent of due diligence checks should correspond with the level of risks assessed.



2

### DOES YOUR CHARITY KNOW THE SOURCE OF FUNDS?

Charities should make best effort to ascertain the legitimacy of the source of funds, especially when the organisation receives a substantial amount of donations from unknown donors.



3

### WHO ARE YOUR BENEFICIARIES?

Charities should identify and verify the identities of the beneficiaries and establish clear selection criteria in a written policy. Enhanced due diligence checks have to be carried out for beneficiaries located in high-risk and other monitored jurisdictions. Visit <http://www.fatf-gafi.org/> for the list of countries.



4

### ARE THERE WRITTEN AGREEMENTS WITH YOUR PARTNERS?

Charities should establish clear written agreements regarding activities to be undertaken and the use of the charity's name and resources when working with partners to deliver programmes.



5

### DOES YOUR CHARITY HAVE A MONITORING SYSTEM?

Charities should establish a monitoring system to ensure that funds and services are being used as intended. Charities should monitor the performance of projects and activities regularly and take appropriate measures to account for funds and services delivered, using a risk-based approach.



6

### DOES YOUR CHARITY UPHOLD STRONG GOVERNANCE AND HAVE ROBUST INTERNAL CONTROLS?

Strong governance and robust internal controls are the key preventive mechanisms to safeguard charities against all forms of abuse, including terrorist financing. Additionally, charities should ensure that transactions are conducted via regulated financial channels wherever possible to minimise any potential abuse by terrorist organisations while funds are in transit.



7

### ARE YOU AWARE OF YOUR OBLIGATION TO REPORT SUSPICIOUS TRANSACTIONS?

Charities should be aware of the Suspicious Transaction Report (STR) filing obligations under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Terrorism (Suppression of Financing) Act. Guidance and publications from the Suspicious Transaction Reporting Office (STRO) can also be accessed from the STRO Online Notices and Reporting Platform (SONAR). Visit <http://www.police.gov.sg/sonar> for more information.