NON-PROFIT ORGANISATION SECRETARIAT DIRECTIVES FOR THE MANAGEMENT OF NON-PROFIT ORGANISATIONS OPERATIONS IN GHANA

(FATF-DEFINED NPOs AT RISK OF TERRORISM FINANCING (TF) ABUSE)

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1.0 CREATION OF A NON-PROFIT ORGANISATION SECRETARIAT

The Government of Ghana recognises the vital role that Non-Profit Organisations (NPOs) play in the socio-economic development of the country.
Acknowledging the efforts of NPOs in humanitarian response, long-term development, and public policy advocacy through collaboration with government, research, capacity building, planning, and the promotion of accountable governance;

In the spirit of promoting transparency, accountability, and integrity within the NPO sector, and taking the necessary steps to foster public confidence and strengthen trust with development partners, while creating an enabling legal and institutional environment to enhance the operations of NPOs engaged in raising or disbursing funds for charitable, religious, cultural, educational, social, fraternal, or or for the carrying out of other types of "good works", and recognising the need to safeguard vulnerable Non-Profit Organisations from misuse in line with
Recommendation 8 of the Financial Action Task Force (FATF) standards;

By the authority vested in the Honourable Sector Minister, there is hereby established a NonProfit Organisation Secretariat ("NPO Secretariat") within the administrative structures of the Ministry. The Secretariat shall play the vital role of monitoring the operations of vulnerable NPOs in the country, while ensuring that measures adopted are proportionate, risk-based, and supportive of their legitimate activities.

The NPO Secretariat shall be governed by the NPO Secretariat Board consisting of representatives from relevant stakeholder institutions as determined by the Sector Minister.

2.0 APPLICATION OF THE DIRECTIVES

The Directives are applicable to not-for-profit legal persons, arrangements or organisations voluntarily established organization who in their operations raise funds and disburse funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of "good works".

This directive is targeted towards FATF-defined NPOs and those identified to be at risk of terrorism financing (TF) abuse.

3.0 FUNCTIONS OF THE NPO SECRETARIAT

The NPO Secretariat shall:

1. License organisations that raise funds and disburse funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of "good works" to operate as NPO.
2. Maintain and publish a list of NPOs referred to (1) in the country.
3. Establish standards, directives and codes of practice in collaboration with the NPO sector.
4. Adopt a risk-based approach in monitoring NPOs identified to be at high risk to terrorist financing (TF) abuse.
5. Conduct periodic risk assessments to identify NPOs that fall within the FATF definition and evaluate their risk exposure to TF abuse.
6. Implement proportionate and focused measures to address identified risks without unduly disrupting legitimate activities. These measures should be reviewed periodically.
7. Work with NPOs to develop and refine best practices to address terrorist financing risk and thus protect them from terrorist financing abuse.
8. Engage with the sector in raising awareness about TF risks, promoting good governance, and supporting self-regulation in collaboration with the NPO Secretariat.
9. Engage in targeted outreach and educational programmes targeted at FATF defined NPOs at high risk of TF abuse.
10. Protect the fundamental freedoms especially, the rights to freedom of association and expression.
11. Liaise between Government and the NPO sector.

    Advise the Sector Minister on matters of policy relating to the NPO sector.
12. Collaborate with relevant stakeholders, both domestic and international law enforcement agencies (LEAs) as well as competent authorities in investigations and the sharing of information.
13. Adhere to the procedures under Part 11 to respond to international requests for information regarding particular NPOs suspected of TF or involvement in other forms of terrorist support.
14. Issue Sanctions guidelines for the NPO sector.

4.0 ELIGIBILITY

For the purposes of licensing, an individual or organization applying to operate as an NPO in Ghana must;

1. a) be Incorporated under the Companies Act, 2019 (Act 992) as a company limited by guarantee or

   b) registered as a Community-Based Organization (CBO) with the Metropolitan, Municipal and District Assemblies (MMDAs).

2. have a clear mandate, mission statement, vision outlining its purpose, objectives, target beneficiaries and constitution which is in conformity with the developmental goals of the country.

3. have an identifiable office with a signboard visibly displayed, an accessible postal address, an email address and digital address.

4. have clear policies to promote accountability, integrity and public confidence in the administration and management of the organization.

5.0 APPLICATION AND LICENSING

1. An individual or organization seeking to operate as an NPO shall:
   a. complete and submit the appropriate registration forms to the NPO Secretariat.
   b. pay a non-refundable fee determined by the Parliament of Ghana.
   c. provide further information in support of the application if required by the Secretariat.

2. Where the NPO is a subsidiary/affiliate of an international non-profit organization, the NPO must have a certificate of registration of its parent body with the relevant authority to operate in the country before applying for a license.

6.0 REFUSAL OF LICENSE

1. The NPO Secretariat shall not issue a license to an individual or organization where:
   a. the government has the power to nominate, appoint, change or remove the directors of the organization;
   b. the organization is a public agency;
   c. it considers it expedient in the national interest to do so.

2. The NPO Secretariat shall give notice to the applicant in writing within three months after receipt of the application stating the reasons for refusal to grant a license.

7.0 DURATION OF LICENSE

A license issued under these Directive is valid for one year.

8.0 RENEWAL OF LICENSE

1. An NPO licensed under this Directive shall renew its license annually in accordance with established procedures.

2. An NPO seeking to renew its license shall submit;
   a. an annual audited (NPOs) and unaudited (CBOs) financial statement, where applicable, and an operational report.
   b. a proof of payment of the renewal fee.
   c. a record of any changes in its mandate (where applicable).
   d. a record of changes in of personnel in its Governance Structure.
   e. a record of change in its operational region, district or office.
   f. a tax clearance certificate.

3. The renewal forms shall be submitted at least one month before the expiration of the license.

4. Failure to renew a license within three months of expiry will amount to sanctions.

9.0 RISK MANAGEMENT

1. The NPO Secretariat in collaboration with the NPO sector and other relevant stakeholders shall periodically take steps to identify organisations which fall within the FATF definition of NPOs.

2. The NPO Secretariat in collaboration with the NPO sector and other relevant stakeholders shall periodically take steps to identify and assess the NPOs as stated in (1) to identify the nature of TF risks posed to them. For instance, TF risks associated with development partners, customers/ beneficiaries (including persons, group of persons and organizations) country specific or geographic areas, products, services, transactions and delivery channels.

3. Based on the risk assessment, the NPOs, NPO Secretariat and relevant stakeholders shall take steps to implement proportionate and focused measures to address the identified risks. These measures shall be reviewed periodically to be in line with international standards.

4. The NPO Secretariat in collaboration with Financial Intelligence Centre (FIC) shall conduct outreach and educational programmes for employees and staff of NPOs at risk of TF abuse on an annual basis. These outreach and

educational programmes will be more focused on the identified FATF-defined NPOs.

5. NPOs shall not indulge in any activities that infringe on the laws of Ghana.
6. NPOs shall report any form of suspicion of money laundering or terrorist financing to the FIC.

10.0 COOPERATION WITH RELEVANT STAKEHOLDERS INCLUDING LEAs AND OTHER COMPETENT AUTHORITIES

1. Where the NPO Secretariat has reasonable grounds to suspect that a particular NPO:
    a. is involved in TF abuse and/or is a front for fundraising by a terrorist organisation;
    b. is being exploited as a conduit for TF, including for the purpose of escaping asset freezing measures, or other forms of terrorist support; or
    c. is concealing or obscuring the clandestine diversion of funds intended for legitimate purposes but redirected for the benefit of terrorists or terrorist organisations.

2. The information relating to the suspicion in (1) above must be promptly shared with competent authorities in order to take preventive or investigative action.

11.0 PROCEDURES FOR NPOS TO RESPOND TO INTERNATIONAL REQUESTS

1. Designation of Focal Point
    a. The NPO Secretariat shall be the focal point of contact to receive and respond to all international requests for information regarding NPOs including NPOs suspected of TF or involvement in other forms of terrorist support.

2. Coordination with Competent Authorities
    a. The NPO Secretariat shall promptly consult relevant competent authorities, including FIC, LEAs, Office of the Registrar of Companies (ORC) on any request received under 1(a) above.

3. Information Gathering from NPOs
    a. The NPO Secretariat shall formally request the concerned NPO(s) to provide the required information (governance documents, financial statements, sources of funds, donors, beneficiaries, programme reports, etc.) within fourteen (14) days.

4. Confidentiality and Data Protection
    a. All information requests and responses shall be treated as

confidential.

b. NPOs shall not disclose to donors, beneficiaries, or the public that an international request has been received, in order to avoid tipping-off.

5. Information Sharing
   a. The NPO Secretariat shall collate and validate the information provided by the NPO.
   b. The information gathered shall be disseminated securely to the requesting international partner through the appropriate competent national authority.

6. Record Keeping
   a. The NPO Secretariat shall maintain records of:
      i. all international requests received
      ii. NPOs concerned
      iii. information provided iv. timelines of response
      iv. competent authority involved.

7. All records shall be accessible upon request by LEAs and competent authorities.

8. Escalation of suspicious findings
   a. Where there is evidence or suspicion of ML/TF, or other unlawful activity, the NPO Secretariat shall immediately escalate the matter by sharing this information with the FIC.

9. Capacity Building
   a. The NPO Secretariat shall conduct periodic outreach and educational programmes as appropriate to raise and deepen awareness among NPOs as well as the donor community about the potential vulnerabilities of NPOs to terrorist financing abuse and terrorist financing risks and the measures that NPOs can take to protect themselves against such abuse.

10. Periodic Review of Procedures
   a. The NPO Secretariat shall review and update these procedures periodically or whenever changes occur in national law, FATF Recommendations, or international cooperation requirements.

12.0 CORPORATE GOVERNANCE

1. NPOs are encouraged to have a functioning oversight body (Boards, Steering Committees etc) charged with the management of its operations to enhance transparency and accountability.

2. The FATF defined NPOs may form a self- regulatory body in collaboration with the NPO Secretariat and come up with standards and codes of conduct to

enhance their operations and mitigate the risk of TF abuse.

3. NPOs shall maintain information on:
    a. the purpose and objectives of their stated activities; and
    b. the identity of the person(s) who own, control or direct their activities, including senior officers, board members, trustees and financial records; and shall make this information available to competent authorities upon request.
    c. In the case of high-risk NPOs, shall make this information under (b) above available to the NPO Secretariat on annual basis and as and when requested.

4. NPOs at high risk of TF abuse shall submit an audited annual financial statement to the NPO Secretariat.

NPOs shall have appropriate internal control measures in place to ensure that all funds are accounted for and are spent in a manner that is consistent with the purpose and objectives of the NPO's stated mandate.

13.0 KNOW YOUR BENEFICIARIES AND PARTNERS

NPOs at high risk of TF abuse shall ascertain correct and complete identification particulars of their beneficiaries/targets/principals (partners, sub-grantees, organization, group of persons) who benefit from their interventions.

1. In case the beneficiary is an organization/group of persons, donor NPOs must have knowledge of detailed profile, details of financial transactions and particulars of such organization.
2. In case where the projects are implemented through partnership agreements with other partners, NPOs shall make it a part of their project agreements that partners shall maintain and share beneficiaries' information.

14.0 APPLICATION OF THE DIRECTIVES

1. Before establishing any business relationship with a partner, NPOs at high risk of TF abuse shall see to it that the partner is not placed on the UN Security Council Consolidated List, a Domestic List or a Third-Party list of persons who are linked to TF or against whom a ban, sanction or embargo subsists.

2. NPOs at high risk of TF abuse shall collect and maintain records and complete identification particulars of major partners.

3. NPOs at high risk of TF abuse shall conduct, on a risk-based approach, a reasonable search of public information, including information available on

reliable public platform, to determine whether the partner or their key employees, board members or other senior managerial staff are suspected of being involved in activities relating to terrorism, including terrorist financing or any other financial crimes.

4. NPOs at high risk of TF abuse shall refuse a donation or offer if they are unsure about its legitimacy.

15.0 KNOW YOUR EMPLOYEES

The Directives are applicable to not-for-profit legal persons, arrangements or organisations voluntarily established organization who in their operations raise funds and disburse funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of "good works".

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16.0 TRANSPARENCY AND ACCOUNTABILITY

1. NPOs shall receive all financial resource through the banking or financial system.
2. Disbursement of funds to beneficiaries shall be made through regulated financial and payment channels wherever feasible. Where cash is used for disbursements, an NPO shall maintain a detailed internal record of cash transactions.
3. NPOs receiving foreign contributions or foreign economic assistance shall appropriately utilize these financial resources on the agreed terms and conditions.

17.0 WAIVER OF IMPORT DUTY

1. Subject to Article 174 of the Constitution, the Ministry of Finance may approve the duty waivers, and for that purpose the NPO Secretariat shall scrutinize applications for duty waiver and recommend approval to the Ministry of Finance.
2. Applications for the waiver of a duty, including permit clearance from NPOs shall only be granted by the Ministry of Finance after recommendations by the Sector Ministry.
3. The facility of duty waiver shall be available to only NPOs which are in good standing.

4. NPOs accessing the duty waiver must have recommendation letters from their MMDAs.
5. In the case of one-off imports for humanitarian or relief activities, and of items to be distributed free of charge, this facility shall be available where a distribution plan accompanies the application.
6. Imported items that are also produced in Ghana and are of comparable quality and cost shall not be granted duty waiver except when approved by the relevant Ministry or required by the donor under an emergency.
7. The personal effects of an expatriate personnel of an NPO shall be granted duty waiver only under the normal Customs rules pertaining to first time entrants which rules shall apply for an initial period of six months only.
8. Where an NPO is disposing of an item acquired under the tax waiver provision to a person other than another NPO, the NPO shall ensure the payment of appropriate duty.
9. The Commissioner-General of the Ghana Revenue Authority (GRA) shall have the right to cancel the waiver facility already approved where an NPO misinforms or misrepresents to the Government on imports or where there is a disparity between the shipping documents and the goods received.

18.0 TAXATION

1. An NPO shall be expected to comply fully with the taxation and labour laws of the country, or any Agreement and Protocols signed with the Government of Ghana.
2. Where an NPO is involved in income generating activities, the NPO shall declare the details of the activities and the income to the Commissioner-General of the GRA for a certificate of exemption in accordance with Act 992.

19.0 SANCTIONS

1. Sanctions shall be applied to non-compliant NPOs where the NPO:
    a. provides misleading, false information, or false declarations with intent to deceive;
    b. fails to renew its license within the stipulated time required;
    c. fails to submit an annual audited financial statement and operational report in the case of an incorporated entity or an annual financial statement and operational report in the case of a Community-Based Organization;
    d. undertakes an activity in violation of any Laws and Regulations in Ghana;

2. Sanctions shall also be applied to persons acting on behalf of NPOs for non-compliance to the Directive.

3. The sanctions to be imposed on an NPO identified under (1) above may include:

a. revocation of licence;
b. suspension of its licence;
c. withdrawal of tax waiver;
d. blacklisting;
e. fines
f. criminal prosecution

4. A sanction shall not be imposed against any NPO unless it has been given thirty days' written notice during which time it may appeal against the charge to the NPO Secretariat before a final decision is taken.

a. The NPO Secretariat Board will set up an Arbitration Committee to address the issue at stake.
b. The Arbitration Committee shall report to the NPO Secretariat Board its recommendations.

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MINISTER FOR GENDER, CHILDREN AND SOCIAL PROTECTION

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