



Reference: TIGO ASA 20/2024.5194

8 February 2024

T. Raja Kumar
FATF President

Jeremy Weil
FATF Vice-President

Violaine Clerc
FATF Executive Secretary

Vincent Schmoll
FATF Deputy Executive Secretary

Dr. Gordon Hook
APG Executive Secretary

Re: Misuse of FATF standards to undermine civil society groups in India

Dear Leadership and Secretariat of FATF and APG,

We, the undersigned, are writing to bring to your attention critical concerns regarding the Financial Action Task Force (FATF)'s Mutual Evaluation Report (MER) for India. We are witnessing [alarming indications](#) of the Indian government's misuse of FATF standards to target and undermine civil society organizations working to defend human rights and urge FATF secretariat to schedule a meeting between the assessment team and Indian civil society representatives to ensure a more comprehensive and inclusive evaluation.

In November 2023, FATF's assessment team visited India for the fourth periodic review of the country's record on tackling illicit funding. It is scheduled to publish the MER in June 2024 for discussion during the plenary session.

Ahead of India's MER, five reports by different civil society organizations were submitted to the FATF. They present a deeply disturbing picture of how the Indian government has not only failed to comply with FATF standards but has also grossly misused them.¹ As the FATF plays a pivotal role in shaping global standards,

¹ The five reports include— *Weaponizing Counterterrorism India's Exploitation of Terrorism Financing Assessments To Target Civil Society* by Amnesty International; *The Adverse Impact of Counter Terrorism Laws on Human Rights Defenders and FATF Compliance in India* by American Bar Association, and three anonymous reports by the Indian Civil Society groups including *Shadow Report: Civil Society Perspectives for the FATF Mutual Evaluation Review of India*, *India's Electoral Bonds Scheme Poses Money Laundering Risks and a Threat to Democracy* and *Indian Government Shields Hindutva Terror Groups in Breach of FATF Standards*. All the reports are

we urge the secretariat and the assessment team to carefully consider the findings and recommendations presented in these reports and take necessary steps to mitigate these harms.

The reports vividly illustrate instances of misuse of FATF recommendations. Of particular concern are the revelations that the government, under the guise of adhering to FATF standards, has impeded the legitimate operations of not-for-profit organizations (NPOs) through the misuse of FATF Recommendation 8. These reports highlight the resulting harm to over 20,000 NPOs, leading to severely limiting or halting the operations of international entities like Oxfam, Amnesty International India, Greenpeace and Save the Children, and the unjust incarceration of human rights defenders. The deepest impact of the misuse of FATF recommendations are felt by local human rights defenders, organisations and local movements, who have been criminalized and prevented from carrying out their work effectively and safely. We also note the discriminatory weaponization of counter terrorism powers by the Indian government to target opposition groups and human rights defenders but not to restrict financing of violent groups supportive of the government.

Since the FATF assessment team did not meet with the diverse set of civil society groups in India during their onsite visit in November 2023 despite calls for the same,² the perspectives and concerns of civil society remain unaddressed. The absence of direct engagement with civil society during the onsite visit also raises doubts about the comprehensiveness of the assessment. Consequently, the findings presented in these reports offer a crucial opportunity for the assessment team to go some way towards rectifying this gap, effectively address the concerns raised, and mitigate the potential for further misuse of FATF standards by the Indian government.

The FATF has acknowledged instances of its standards being misused by member states, evident in actions such as intrusive supervision of NPOs without considering associated risks, restrictions on NPOs' access to funding and bank accounts, and the forced dissolution, deregistration, or expulsion of NPOs, supposedly under the guise of FATF compliance³, but actually breaching internationally recognized human rights standards such as the right to freedom of association and access to funding.⁴

We acknowledge the recent efforts by FATF, including the amendments to language of Recommendation 8 and the revision of the Best Practices Paper on Recommendation 8, to mitigate unintended consequences for NPOs.⁵ However, the misuse of FATF standards persists among member states, necessitating proactive intervention during mutual evaluation processes.

Considering that the mutual evaluation report drafted by FATF's assessment team would be placed for discussion in June 2024, we emphasize the importance of incorporating civil society perspectives into the final report. Failing to do so may result in a biased and non-transparent evaluation that solely reflects the government's perspective.

In closing, while acknowledging FATF's ongoing efforts to strengthen the compliance of global mechanisms against money laundering and terrorist financing with international human rights law, we call on the

available on the Global NPO Coalition website and can be accessed at <https://fatfplatform.org/news/india-reports-by-civil-society-ahead-of-the-upcoming-fatf-mutual-evaluation-onsite/>

² https://fatfplatform.org/assets/Letter-to-FATF_India_final-.pdf

³ FATF, Best Practices Paper on Combating the Terrorist Financing Abuse of Non-Profit Organisations (Nov 2023).

⁴ Article 22, International Covenant on Civil and Political Rights; Article 5, Declaration on Human Rights Defenders

⁵ <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/protecting-non-profits-abuse-implementation-R8.html#:~:text=key%20updates%20include%3A-.R.,TF%20risks%20posed%20to%20them>

assessment team and the secretariat to consider the aforementioned civil society reports seriously, acknowledging the need for a more balanced and representative MER.

Your prompt attention to this matter is crucial in upholding the credibility and transparency of the FATF evaluation process and ensuring that the legitimate human rights work of NPOs and activists in India continues.

Sincerely,

Amnesty International

Christian Solidarity Worldwide

CIVICUS: World Alliance for Citizen Participation

FIDH (International Federation for Human Rights), within the framework of the Observatory for the Protection of Human Rights Defenders

Front Line Defenders

Human Rights Watch

World Organisation Against Torture (OMCT), within the framework of the Observatory for the Protection of Human Rights Defenders

Legal Resources Centre



FINANCIAL ACTION TASK FORCE
Executive Secretary

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27 February 2024

Email: npos@fatfplatform.org

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Dear Representatives of the Global NPO Coalition on FATF,

I would like to thank you for writing to me on the 18 December 2023 raising concerns about the impact of actions of the Indian government on civil society in India.

I would also like to thank you for writing a joint letter with Amnesty International to Mr. T. Raja Kumar, the President of the FATF, on 4 September 2023, raising concerns about the misuse of the legal framework in India and its effects on the activities of NPOs in the country. The FATF Secretariat shared this letter with the President.

Upon your request, the letter dated 4 September was shared with both the assessment team and the assessed country, consistent with the process set out below. The assessment team took into consideration the relevant information raised in your letter dated 4 September 2023 during the onsite visit to India in November 2023 and will do so as part of the Mutual Evaluation of India more broadly. The final Mutual Evaluation report is due to be considered and adopted by the FATF in June 2024, before being adopted by the APG and EAG later in the year. While we appreciate the offer outlined in your letter received December 18, 2023, in order to allow for the assessment team to take into consideration a range of sources of independent information and have sufficient time to analyse that information and draw conclusions, the FATF has designed a specific process, as outlined below, to cater for this.

In that respect, I am happy to share further information on how civil society organisations may provide input into FATF Mutual Evaluations (available here: [Frequently Asked Questions \(fatf-gafi.org\)](https://www.fatf-gafi.org/en/about-us/frequently-asked-questions)). To assist assessment teams in upcoming mutual evaluations, the FATF compiles input from non-profit organisations (NPOs) and other civil society organisations on money laundering and terrorist financing risks and context. For assessment teams to consider input for upcoming assessments, NPOs should provide inputs on a jurisdiction to contact@fatf-gafi.org no less than two months prior to the indicated onsite date. Please find [here](#) the [Global Assessment calendar](#), that provides the latest information on ongoing and future mutual evaluations. Any information provided to the FATF Secretariat is shared with the assessment team, the assessed country, and external reviewers and the source of information is identified, should the stakeholder submitting the information be content with the FATF Secretariat following these steps and sharing the information provided.

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I would like to thank you for raising these concerns with the FATF. I take the opportunity of this letter to also reiterate that the FATF is committed to continued active engagement with the NPO community in an open and transparent manner, in order to ensure that NPOs' practical knowledge and experience can be properly reflected in the FATF's work.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Violaine Clerc', written in a cursive style.

Violaine Clerc
Executive Secretary