



Financial Investigation Agency

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Public Advisory – Covid-19 For all NON-PROFIT ORGANIZATIONS Operating from within the Territory

What is a non-profit organization (NPO)?

Under the Laws of the Territory of the British Virgin Islands (the Territory), a non-profit organization means *“a body of persons whether incorporated or unincorporated, established solely or primarily for the promotion of charitable, religious, cultural, educational, social or fraternal purposes, or other activities or programmes for the benefit of the public, or a section of the public and which raises or disburses funds in pursuance of its objectives primarily within the Territory”*.

There are many different types of NPOs. Some examples include foundations, service clubs, churches/religious organizations, community groups/organizations and national country associations.

Public Advisory

The Agency is responsible for the supervision and monitoring of NPOs within the Territory.

The Agency recognises the vital work that many NPOs are currently undertaking within the Territory, in providing crucial charitable services to those in need, as a result of the Covid-19 pandemic.

Unfortunately, it is evident from global reports that criminals and terrorists are also seeking to exploit the Covid-19 pandemic to undertake illicit activities and are using NPOs to do so.

The following guidance is issued to assist those NPOs which are currently operating, receiving donations and providing crucial assistance to members of the public in the Territory, so that any donations received reach the legitimate and intended recipient.

Receiving donations

When receiving donations all NPOs are required to fulfil the due diligence requirements. This is particularly the case where the donations are in excess of \$10,000 (monies or equivalent assets).

You may also receive a series of donations from the same donor, which may be less than \$10,000 in value individually but when totalled exceeds \$10,000 over the course of one (1) year. Where this is the case, due diligence needs to be undertaken. It is, therefore, important to keep a record of all donations which are received and to keep an eye on the value of all donations.

If you receive a donation and the person making the donation does not wish to have their identity publicly revealed, you must still carry out the required due diligence. If you want more detailed guidance on anonymous donations, please contact the Agency directly.

You may also need to undertake extra due diligence based on whether the donations are coming from someone who is high risk (or from a high-risk jurisdiction) or considered a politically exposed person (a PEP).

If you know or suspect that the donation may be linked to illicit activities, the NPO must not accept the donation and make a report to the Agency.

Making payments

When the NPO enters into a transaction with a third party, they also have to carry out due diligence on that party. This is even more important now, as information suggests that criminals are seeking to exploit from the Covid-19 pandemic.

If the NPO is making payments to any third party, for example for goods, services or even making donations to other organizations, ensure that you identify the party. You should also take steps to verify their identity, using reliable sources.

This is a requirement under the regulations AND protects the NPO from scammers.

Keeping records

Keeping records is also a very important part of the requirements. When undertaking a business relationship or transaction (donation or payment), remember to keep a record of it, in a form that can be easily retrieved. This also applies to records of any due diligence that is undertaken.

Training employees and volunteers

As stated above, unfortunately, criminals are using the Covid-19 pandemic to make their own financial gains, even exploiting NPOs.

Training members, employees and volunteers has always been important, but is even more crucial now in light of the current climate. Training increases awareness of the requirements and, should the NPO be targeted for illicit purposes, reduces the risk of the NPO being used/scammed.

Ensure that staff carrying out critical functions have received the appropriate training. Where staff have been with the NPO for a while, check to see if they need a refresher training session.

The Agency appreciates that Covid-19 has changed the way NPOs will be operating. You may even have more volunteers wanting to help their community. Given all the work that NPOs are doing in the community, training may not seem like a priority but even a basic refresher can protect the NPO.

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The above guidance is not an exhaustive list of all the requirements placed on NPOs within the Territory. It has been put together to assist NPOs operating during these unprecedented times. A full list of obligations may be obtained from the Agency.

The Agency recognises that this is a difficult time. If you have any questions regarding the above guidance, or the obligations placed on NPOs, please contact the Agency with your queries in the first instance and we will try our best to assist you.

If your query relates to compliance obligations, please email complianceunit@fiabvi.vg.

If your query relates to a suspicious transaction or suspicious activity, please email reportingauthoritygroup@fiabvi.vg.