



The U.K. updates its Charity Sector Guidance

On the 1st of November, the U.K. Office of Financial Sanctions Implementation (OFSI) has updated its Charity Sector Guidance. The latter focuses on entities and individuals which operate in, or with, the charity or NGO sector, and are involved in work that may include activity with those subject to UK financial sanctions.

'The Taliban takeover has created a complex situation where people subject to financial sanctions (designated persons) in the UK now claim to be in positions of authority', says OFSI.

The U.K. NGOs are exploring ways of providing humanitarian assistance to Afghanistan without breaching export control regulations. From the regulatory perspective, the activity is not necessarily permitted just because it is for a charitable or humanitarian purpose.

According to the updated Guidance, each organization should assess its own exposure and put due diligence measures in place to manage any identified or anticipated risks of breaching financial sanctions. This particularly targets the usage of the Informal Value Transfer Systems (IVTS) including the Hawala system that operates in Afghanistan. The Commission advises to only make cash payments in exceptional circumstances, given the greater risks of doing this.



If the only option is to facilitate a payment through Hawala banking, the OFSI suggests to

- obtain as much information as possible about the Hawala provider and the parties involved prior to making the transaction and
- discuss the payment route with your bank in advance.

Full text of the Guidance is [available here](#).

Source: [OFSI](#)