

## Chapter 9

# OPTIONS AND RECOMMENDATIONS

*There appears to be no “silver bullet” for the derisking issue.<sup>231</sup>*

Regardless of what it is called—derisking or financial access—the problems that NPOs are experiencing in obtaining banking services to fund international programs will not be resolved without concerted action by all stakeholders. If financial institutions continue to consider banking NPOs as too risky or costly, the problem will only worsen. If government agencies fail to intervene, the human costs—denial of vital assistance to populations in crisis—will escalate, with potentially devastating results. Fundamental U.S. foreign policy interests, including inviolable humanitarian principles and long-term security imperatives, demand action now.

While the financial and nonprofit sectors play essential roles in helping to develop and implement solutions to financial access problems, the U.S. government bears responsibility for leadership in addressing this “collective action problem.” Furthermore, it is in government agencies’ interest to stop the movement of funds into unregulated or opaque channels; ensuring that NPOs have access to traditional banking services is the most effective way to address these challenges. While there is no “silver bullet” to solve the complex problem of derisking all at once, there are specific actions that can and should be taken to help remove the impediments to nonprofits’ critical humanitarian, development, education and peacebuilding work abroad.

This chapter will review proposed solutions that have been put forward by various stakeholders and experts, assessing their feasibility and potential for successfully addressing the problems raised in this report. It will also explain why some proposals are not practical solutions.

These recommendations and options should be viewed as the starting point in a process among stakeholders that moves toward solutions; the list is not exhaustive, nor is it intended to preclude additional ideas that emerge from further consideration of the problem. However, in order to be effective, solutions must meet some basic criteria:

- Address the drivers of narrowing financial access for NPOs
- Adapt to all sizes of NPOs and FIs
- Improve the implementation of the risk-based approach to AML/CFT programs
- Avoid anything that would make compliance unduly complex and burdensome

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<sup>231</sup> David Artingstall, Nick Dove, John Howell, and Michael Levi, *Drivers & Impacts of Derisking: A Study of Representative Views and Data in the UK*, by John Howell & Co. Ltd. For the Financial Conduct Authority, February 2016, <https://www.fca.org.uk/publication/research/drivers-impacts-of-derisking.pdf>.

## RECOMMENDATIONS

### Launch a Solutions-Oriented Multi-Stakeholder Dialogue

The systemic nature of the problems indicates that changes implemented by only one group will not necessarily bring about the overall desired results: access for NPOs to regulated, transparent financial channels. All stakeholders must work together to find effective solutions for the multiple problems identified in this report, and in order for this dialogue to take place, new modes of engagement between regulatory officials, NPOs and FIs must be created.

A multi-stakeholder process should work toward ensuring that the financial system is responsive to NPOs, streamlining regulatory requirements on FIs, and protecting the system from abuse by terrorists or other bad actors. Such a process can encourage mutual cooperation to reduce apparent misunderstandings and fear and assist in better understanding the unique situations NPOs face. A high-level, sustained, multi-stakeholder process should craft practical solutions that benefit all parties, ensuring that they do not exacerbate the very problems they seek to eliminate.

Participants should include:

- U.S. agencies whose interests are impacted by the financial access problem, including those engaged in financial regulation, foreign policy, foreign assistance and national security
- A diverse range of NPOs, along with sector umbrella groups
- Financial institutions involved in international fund transfers, and key trade associations
- Multilateral organizations, such as the World Bank, UN and FATF

The World Bank/ACAMS meetings in June 2016<sup>232</sup> and January 2017 were successful gatherings of relevant stakeholders focused on practical solutions and represent a process to build on. Work streams and engagement of NPOs and FIs resulting from the January meeting should be sustained to promote greater understanding and dialogue.

### Update the Bank Examination Manual and Bank Examiner Training

As enforcers of the Bank Secrecy Act with the ability to impose civil fines,<sup>233</sup> Federal Bank Examiners are key to regulatory oversight and significantly influence FI behavior. As this report reveals, their work is often intrusive, second-guessing FIs' due-diligence procedures and applying pressure that increases compliance costs and discourages FIs from serving their NPO customers. In addition, regulatory oversight often varies by examiner, and the inconsistency adds further uncertainty for FIs. Banks reported examples in which examiners were not aware of policy guidance that banks are not required to know their customers' customers. A training program

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<sup>232</sup> The Stakeholder Dialogue on De-risking, a workshop organized by the World Bank and ACAMS (Association of Certified Anti-Money Laundering Specialists) May 31-June 1, 2016, <http://www.acamstoday.org/stakeholder-dialogue-on-derisking/>.

<sup>233</sup> Federal Deposit Insurance Corporation Regulations, Risk Management Manual of Examination Policies, Sec. 14.1-3, <https://www.fdic.gov/regulations/safety/manual/section14-1.pdf>; Office of the Comptroller of the Currency, Examinations: Overview, <https://www.occ.gov/topics/examinations/examinations-overview/index-examinations-overview.html>.

addressing appropriate examination techniques, policy objectives (including supporting financial inclusion when dealing with NPOs, MSBs and correspondent banks), guidance on the risk-based and proportional framework and greater understanding of NPOs, and that they are not by definition high-risk customers, is necessary and would help bridge the knowledge gap between examiners and FIs and examiners and NPOs.

The NPO section of the Bank Examination Manual has not been updated to reflect the June 2016 changes in FATF R8 (and is not scheduled to be revised until 2018). A collaborative effort between FIs, NPOs and the FFIEC<sup>234</sup> is needed to revise the outdated language concerning risk assessment of NPOs and to implement it immediately. The resulting revision should guide FIs through a proportionate risk-based approach.

## **Create an NPO Repository/Utility to Streamline FI Customer Due Diligence**

Technology-based solutions to enable effective and proportionate FI compliance, often referred to as “utilities,” can eliminate much of the paperwork and documentation requests that result in rising compliance costs and, hence, restricted financial access for NPOs. A repository created specifically for NPO financial access purposes could set out customized criteria that allow all types of organizations—large and small, established and new, secular and religious—to be included. FIs could then use the repository for their customer due diligence, obtaining the necessary information quickly and inexpensively. Using existing models as a guide, a team of lawyers and financial industry experts would evaluate the information submitted by NPOs.

Such a database would be a “green list”—one that is operated by an independent entity, such as an NPO or consortium of stakeholders—in order to avoid making the government a gatekeeper to NPO financial access (“white list”). However, one or more government agencies would need to give FIs assurance that they can rely on the information in conducting their due diligence. NGO Source, a repository used by international grantmakers, provides a useful precedent for such a regulatory greenlight (see box below).

The primary challenge in establishing a repository will be determining what screening criteria are appropriate for facilitating NPO financial access. The criteria should be limited to what are necessary and relevant for FIs’ risk management purposes in order to avoid unnecessary compliance costs. For example, “know your customer’s customer” questions, such as specific information on program beneficiaries or donors, go beyond the scope of what is required by regulators, according to both the U.S. Treasury and multilateral organizations such as FATF.<sup>235</sup> And criteria used by existing repositories intended to help donor decision-making are not useful to facilitate international financial transactions, as they exclude some organizations on the basis of budget size, age or religious affiliation.<sup>236</sup>

<sup>234</sup> Federal Financial Institutions Examination Council, <https://www.ffiec.gov/>.

<sup>235</sup> FATF, Guidance on Correspondent Banking, October 2016, <http://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Correspondent-Banking-Services.pdf>.

<sup>236</sup> Charity Navigator excludes groups not recognized by the IRS under 501(c)(3) or that do not file annual reports to the IRS (Form 990). Typically, these are religious organizations and their affiliates. This database also requires an NPO to have “at least \$1 million in revenue for two consecutive years and been in existence for at least seven years,” thus excluding both small and new organizations. See <http://www.charitynavigator.org/> and <http://www.give.org>.

## NGO SOURCE: A MODEL THAT COULD BE ADAPTED FOR FINANCIAL ACCESS PURPOSES

In 2012, the nonprofit TechSoup Global and the Council on Foundations launched a project to build a repository of information on foreign NPOs that U.S. donors could use to streamline and simplify the process for international grantmaking. Supported by the expertise of top technology companies and leaders in U.S. philanthropy, the project launched the first custom-built database that is used by grantmakers needing an “equivalency determination” that a foreign grantee meets the IRS requirements for public charities under Section 501(c)(3) of the tax code before making a grant.

The database, known as NGO Source, avoids the duplication and unnecessary expense of separate equivalency determinations by individual grantmakers by using a standardized process developed by legal experts that is designed to comply with IRS regulations. In 2015, the IRS finalized a rule on equivalency determinations designed to lower the costs and administrative burdens of cross-border grants, giving grantmakers confidence that they can rely on equivalency determinations from a program such as NGO Source.

The process is straightforward. Grantmakers pay an annual membership fee to register with NGO Source, giving them access to the Grantmaker Portal, where they can search to see if the proposed grantee is already listed. If so, they can get an Equivalency Determination Certificate and accompanying documentation. If the proposed grantee is not listed, the grantmaker can request that an Equivalency Determination be made. The grantee is then sent a questionnaire that includes all the information required by IRS rules. NGO Source is available to help the grantee complete the questionnaire, a process that can take up to 4 weeks. Costs, paid by donors and foundations seeking these determinations, range from \$250 for organizations already in the database up to \$1,760 for a new determination.

Next, the NGO Source team of tax law experts evaluates the information submitted. If the proposed grantee meets the criteria, it is added to the repository and the grantmaker receives an Equivalency Determination Certificate. If the proposed grantee does not meet the criteria, NGO Source notifies the grantmaker and provides an explanation. Once the NPO is in the database, the information is available to other grantmakers.

NGO Source is similar to SWIFT’s Know Your Customer database in that both are fee-based services that allow users to conduct due-diligence procedures quickly and cost-effectively by relying on the services’ expertise and work product. The difference is that NGO Source is custom-built to deal with the unique features of NPOs and has the virtual blessing of the sector’s regulator. Its technology could be adapted to the financial services context by establishing criteria for NPO eligibility that fit the risk management needs of financial institutions.

## **Create a Special Banking Channel for Humanitarian Crises**

When the international financial system is not able to meet the needs of NPO customers doing humanitarian work, new and special procedures to facilitate the transfer of funds overseas may be needed. Given the dire humanitarian need in places like Syria, it is even more important that fund transfers are timely. Although special procedures would not address the systemic problem revealed by this study, it could alleviate some of the most dangerous and serious impacts.

Working with foreign governments and multilateral organizations, the U.S. should create a viable banking channel into specific conflict areas where humanitarian need is greatest to better facilitate NPO aid delivery without creating repercussions for banks. For NPOs that have lost their accounts, a public entity, such as a government body, regional development bank or the UN, could establish a means of facilitating the movement of funds, even on an emergency basis, and put risk management procedures in place.

As part of this process, it is important to recognize that in some humanitarian crises, reliable documentation and ordinary due diligence required of NPOs are likely to be unrealistic, given unique local conditions. To acknowledge this reality, alternative ways to avoid inadvertent support to designated groups should be explored.

## **Institute Safe-Harbor Protections**

The World Bank/ACAMs dialogue suggested the creation of safe-harbor provisions, whereby FIs that bank NPOs in good faith and meet certain criteria would be held harmless if funds inadvertently ended up in the wrong hands. Adopting a safe harbor would give U.S. banks confidence that they can do business with higher-risk customers and regions, provided they maintain rigorous risk-mitigation controls that are recognized by regulators; investment in consistent and effective due-diligence procedures would lessen the threat of prosecution or regulatory enforcement or, at a minimum, cap penalties at nominal amounts. This approach could be highly effective in expanding financial access for NPOs.

U.S. policymakers have been reluctant to establish safe harbors in the sanctions/national security context, fearing abuse by bad actors and the perception that such measures might imply a less-rigorous commitment to combatting illicit finance. Various formulations could be developed on a trial basis, however, such as temporary waivers of sanctions enforcement or limited safe harbor from regulatory actions for all but egregious violations. The USG could also require that FIs utilizing the safe harbor protection agree to additional, regular information sharing with law enforcement and regulators.

U.S. government funding of an NPO also could be considered adequate customer due diligence, since the extensive governance and reporting requirements that government grantees must meet make FI customer due diligence duplicative and unnecessary. Such a provision would have to be carefully crafted to ensure that it does not become de facto “white list” (see discussion of “white list” below).

## Improve Implementation of the Risk-Based Approach

FATF has updated its risk-based approach to make it proportionate and ensure that it does not negatively impact the work of legitimate NPOs. This framework, focused on effectiveness, is relatively new, and the notion of residual risk acceptance,<sup>237</sup> inherent in the risk-based approach, is not always reflected in current rules or enforcement policies. As the FATF noted in its 2016 mutual evaluation of the U.S., terrorist financing and sanctions violations “are strict liability offenses.”<sup>238</sup> There is an inherent tension between strict liability and a risk-based approach that appears to contribute to narrowing financial access for NPOs.

Policy statements in speeches and blogs, attempting to clarify that regulators do not expect perfection and that charitable sector as a whole is not by definition high risk, have proven insufficient to provide the assurances necessary to tip the balance in favor of banking customers and countries perceived to be higher risk. Government agencies must be more explicit about the level of oversight they do and do not expect of FIs, including for NPO accounts.

The following steps should be taken:

### ***Counter the Outdated Portrayal of NPOs as “Particularly Vulnerable” to Terrorist Abuse***

The obsolete view of the terrorist financing risks associated with the NPO sector persists, notwithstanding changes to FATF R8, which removed the “particularly vulnerable” language and called for a proportionate risk-based approach. To bring U.S. policy up to date, officials should review all laws, regulations and guidance that impact NPO financial access to ensure that they reflect the revised FATF R8. Furthermore, the government should clearly state that NPOs are not by definition high-risk bank customers and avoid overstating the risk of NPOs. The Bank Examination Manual is just one such document in need of revision. FIs should also examine their policies and procedures with the goal of removing all outdated language.

### ***Develop Clear Guidance and Standards to Reduce Guesswork and Compliance Costs***

Guidance and standards must be consistent, practical, relevant to today’s financial services market and proportionate to any actual risk identified. They should clearly outline what information is required to ensure legal compliance by both banks and NPOs while remaining flexible enough to adapt to various types of FIs and NPO customers. When all parties know what is expected, guesswork and conflicting requests are avoided. This can lower compliance costs, differentiate between different levels of risk and focus scarce resources on reducing real risks.

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237 Humanitarian Outcomes for InterAction, “Residual Risk Acceptance: An Advocacy Guidance,” September 2016, [https://www.humanitarianoutcomes.org/sites/default/files/residual\\_risk\\_advocacy\\_guidance\\_note.pdf](https://www.humanitarianoutcomes.org/sites/default/files/residual_risk_advocacy_guidance_note.pdf).

238 Financial Action Task Force & Asia/Pacific Group on Money Laundering, “United States Mutual Evaluation: Anti-Money Laundering and Counter-Terrorist Financing Measures,” December 2016, <http://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-United-States-2016.pdf>. It is important also to note that FATF did not cite the unintended consequences of the U.S. application of the risk-based approach as a problem (or even as a concern) in the U.S. evaluation. This sends an ambiguous signal concerning over-compliance with AML/CFT requirements resulting in derisking.

A standardized list of information and documents FIs need from NPO clients to establish new accounts, monitor transactions and conduct annual reviews should be developed jointly by FIs and NPOs. Greater clarity of expectations will promote transparency and information sharing, enhance communications at the outset of a banking relationship and reduce time and costs. Similarly, standard information requirements for cross-border wire transfers via correspondent banks, as suggested by FATF Recommendation 16, could minimize delays or denials.

### ***Promote Transparency, Information Sharing and Proportionality to Recalibrate Risk Perception***

Clear standards must be combined with proportionate and transparent enforcement policies. Fear of harsh, expensive enforcement actions weighs FIs' risk-benefit calculation in favor of derisking NPOs.<sup>239</sup> To reassure banks that they will not face severe penalties for inadvertent violations and to operationalize official statements rejecting zero tolerance, the government should formalize the standards for and mechanics of the enforcement process to reflect the risk-based approach. In particular, it should clearly differentiate between actions taken in good faith and those that are negligent or intentional. Intermediate sanctions, such as those used by the IRS for tax-exempt organizations, could make the process much more proportionate and ease FI fears of taking on clients perceived to be riskier.

### ***Create Incentives to Encourage Appropriate Risk Management***

Stakeholders should develop a menu of measures, beyond creation of a safe harbor, to incentivize FIs to bank NPOs and encourage greater efforts to engage with and better understand NPOs' operations and needs. Monetary incentives, such as tax credits, or reputational incentives, such as recognizing FIs who engage in—rather than avoid—effective risk management of NPOs and other customers perceived as high risk, should be explored. A structure for NPOs to pool accounts may provide an incentive for FIs by streamlining administration and lowering costs.

At the level of the FATF, statements should clearly articulate that FIs are responsible for commercial decisions on whom to bank but that widespread account closures within national jurisdictions are not consistent with implementation of the risk-based approach. FATF mutual evaluations should take into account such systematic closures and explore why they happen. Greater FATF attention to financial access could encourage regulatory officials to communicate guidance and expectations on the national level to correspondent banks, MSBs and NPOs. FATF (or other international financial bodies, such as FSB) should expand technical assistance in the area of financial governance and regulation to higher-risk jurisdictions.

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<sup>239</sup> Unintended Consequences of Anti-Money Laundering Policies for Poor Countries, Center for Global Development, at 10, November 9, 2015, <http://www.cgdev.org/sites/default/files/CGD-WG-Report-Unintended-Consequences-AML-Policies-2015.pdf>.

## Other Options

In cases in which formal financial transfers remain problematic, U.S. and international organizations could identify appropriate alternatives to the formal banking system—informal payment channels that NPOs can utilize to help lessen reliance on carrying cash. Alternative methods of moving funds, such as Bitcoin and other virtual currencies, mobile money and new electronic payment systems, should all be explored. Another option concerns creating de minimus exemptions for transactions below a certain dollar threshold; if being sent by an NPO for humanitarian purposes, ordinary FI due-diligence procedures would not be necessary.

## Impractical Options

The findings in this report are likely to generate many ideas for increasing financial access for nonprofits that merit further consideration. At the same time, however, many ideas have been proposed that, upon examination, were found to be unworkable for a variety of reasons. Others have been attempted without success. These suggestions either are unlikely to effectively address the NPOs' financial access difficulties or have the potential to create additional problems.

### *The Problems with “White Lists”*

A “white list” generally refers to a list of “approved” NPOs that have been vetted by the government. Proposals for white lists have been discussed since the U.S. Treasury published its *Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities*<sup>240</sup> but have generally not been supported by either NPOs or the government. White lists are not inherently a bad idea. Rather, the context defines when they are appropriate.<sup>241</sup>

There are several problems associated with a white list for financial access purposes. First, all groups not on the white list are presumed to be essentially on a black list, which would make it more difficult for those organizations to get financial services. Second, NPOs are cautious about the degree of government control, and government is concerned that publishing a list of “approved” charities could make them targets for terrorist financiers. Third, such a system is prone to discrimination practices that could, for example, disfavor Muslim charities or groups that are critical of government policies. Fourth, a government-run white list might also erect barriers for small NPOs, which, as this report shows, make up a significant proportion of NPOs that do international work.

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240 Treasury *Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities*, Department of Treasury, 2010, [https://www.treasury.gov/resource-center/terrorist-illicit-finance/Documents/guidelines\\_charities.pdf](https://www.treasury.gov/resource-center/terrorist-illicit-finance/Documents/guidelines_charities.pdf).

241 Examples of “good” white lists include the IRS list of tax-exempt organizations and USAID’s PVO list. However, these lists are not workable models for financial access purposes. The IRS list excludes organizations that are not required to obtain tax-exempt status, such as religious congregations and associations of religious groups, both of which conduct essential services in foreign countries. The PVO list maintained by USAID is based on criteria set forth in federal regulations and requires at least 18 months of operations and an audited financial statement for the prior fiscal year. This effectively precludes new organizations from joining the list. USAID’s criteria also exclude “church, synagogue, mosque or other similar entity organized primarily for religious purposes.”



## ***Social Responsibility Initiatives at Financial Institutions***

Corporate social responsibility initiatives to promote NPO access to financial services could be helpful. However, given FIs' perception of regulatory risk and increasing compliance costs, appeals to FI social responsibility without changes in the regulatory environment are unlikely to achieve the goal of financial inclusion for NPOs.

## ***Building Relationships with Local Bank Managers***

Some NPOs have tried to solve their financial access problems by establishing and maintaining regular contact with the bank's branch managers, where they provide detailed information on their operations and finances. However, in several cases when accounts have been closed, local bank managers have said that decisions are made at a higher level and that the local branch cannot change them. In addition, local branches have no influence over correspondent banks, which are often the source of delayed and canceled wire transfers and additional documentation requests.

## **Recommendations to Strengthen the Knowledge Base: Future Research**

This report provides important new information on the impact the global trend of bank "derisking" has on the nonprofit sector, but, as with many reports, it also raises questions that require further information and analysis. Areas for future research include:

- The present study found little significant difference between faith-based and secular NPOs in their bank problems. However, the sample was not large enough to examine specific religious-based organizations. It is important to, at the very least, obtain information about all U.S.-based Muslim nonprofit organizations working in foreign countries. This could help determine whether discrimination contributes to their banking problems.
- In some areas, the only way to determine potential solutions is to collect data on the ground where programs are actually implemented. This is where both intended and unintended consequences really can be observed; indeed, such observations would indicate what happens when fund transfers are significantly delayed or canceled. This information can inform functional policy and solutions.
- There is agreement that increased compliance costs are a major problem; this point was made by study participants from financial institutions, stakeholders and survey respondents (32.6% referred to fees as a problem) and is reiterated in news reports. All groups acknowledge that it is a driver of derisking. Cost-effectiveness analyses can be applied throughout—from the government's role in financial institutions as middle processors to NPOs.
- In order to understand the impact of American NPOs, there needs to be more precise information than is currently available, such as their specific program areas or their primary missions. This is exemplified by the fact that 77% of NPOs list education as one of their missions. However, to develop and implement new strategies targeted to the greatest need, it is important to know what is meant by a primary mission.

- Further research should examine the FI perspective on financial access and derisking; what information financial institutions collect from NPOs; how they decide to maintain or drop NPO customers; when they request more information; and, within the institution, who makes these decisions. In essence, there is a dearth of information from and about financial institutions regarding the important role they have in this process.
- Following on previous studies regarding correspondent banking and MSBs, the World Bank is in a good position to gather further data and should be commissioned to provide a deeper analytical base regarding challenges confronting NPOs. It could explore new options, such as indemnification and insurance for firms and NPOs engaged in higher-risk jurisdictions, and propose next steps.
- It is always crucial to understand the things that work. Additional research on the 32% of NPOs without financial access problems could offer valuable insight into how financial access difficulties can be avoided. Do these NPOs work only in certain geographic areas? Do they know how to “work the system?” Knowing ways in which they differ from those NPOs that have difficulties in financial transfers will clarify some of these issues.

# CONCLUDING THOUGHTS

This report presents new data concerning the scope, severity and effects of narrowing financial access for U.S. NPOs. The fact that 2/3 of NPOs face difficulties with international financial transactions, that more than 6% experience account closures, and that 37% experience delays of wire transfers is a cause for alarm. The fact that these problems affect many different types of programs in all parts of the world points to the systemic nature of the problem. These data mean that people suffering from starvation, disease, terrorism and conflict are being harmed.

The underlying AML/CFT and sanctions policies resulting in the phenomena of derisking are based on valid and critical security objectives in the aftermath of 9/11. But the damaging unintended consequences of these policies threaten to undermine vital U.S. security and foreign policy interests.

A new way of looking at financial access is necessary to confront this growing crisis. It is not a choice between financial integrity and financial inclusion; indeed, they are complementary, not contradictory, goals. As former U.S. Treasury Secretary Jack Lew noted, these efforts should not be antithetical: “This is not a conflict of interest, it is a need to bring together two parallel interests.”<sup>242</sup>

The convergence of interests of all stakeholders—U.S. policymakers and regulators, financial institutions and nonprofits—in finding solutions to the financial access problems NPOs are encountering provides the basis for a win-win proposition. All have a stake in preventing diversion of charitable assets to terrorist organizations. With broader foreign policy and security interests, the U.S. government supports activities of U.S. charities in meeting vital humanitarian and development imperatives, including addressing underlying conditions conducive to terrorism. Financial institutions want to lower compliance costs, reduce enforcement risks and work within reasonable risk management parameters. NPOs require timely and reasonably priced financial services to facilitate international operations, frequently to regions in conflict.

The ideas proposed and analyzed in this report warrant serious consideration, as do other options that stakeholders may develop through collaborative engagement and dialogue. It does not address the entirety of the complex financial access issue, nor purport to offer definitive solutions to the NPO aspect of the problem. The report has generated many questions and identified areas that should be explored further. It is but a first step in focusing attention on a critical problem and constructive approaches to the challenges.

Most importantly, however, leadership is needed from U.S. policymakers, as the serious and systemic problems will not be solved otherwise. Without acknowledging the deleterious humanitarian consequences of restricted financial access for NPOs, as well as concerted action to address it, the situation will continue unabated, undermining U.S. foreign and security policies. The opportunities for new approaches to these challenging issues represented by the changes in the U.S. government and Congress makes this a propitious time. The growing crisis demands action now.

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<sup>242</sup> Lalita Clozel, “Lew on DeRisking: Banks Should Not Be Penalized for Engaging Abroad,” *American Banker*, October 7, 2016, <https://www.americanbanker.com/news/lew-on-de-risking-banks-should-not-be-penalized-for-engaging-abroad>