

How does the Charity Commission deal with the possibility of links between charities and terrorist groups?

Obviously any suspicion that a charity may be involved in the funding of terrorism has the potential to be incredibly damaging to that charity's reputation and the public's trust in their work. The Charity Commission continues to be highly alert to the possibility of abuse of charities for terrorist purposes. In carrying out our work as the independent registrar and regulator of charities in England and Wales, we work with three basic assumptions:

- An organisation that had support of terrorism explicitly or implicitly as one of its objects (i.e. its aims) would not be charitable.
- That use of an existing charity's assets for support of terrorist activity is not a proper use of those assets.
- That links - or alleged links - between a charity and terrorism corrode public confidence in the integrity of charity.

The following key factors guide our work in this area:

- actual instances of terrorist involvement and abuse of charities are extremely few in number but are totally unacceptable. Involvement in this case might include fundraising or provision of facilities, but also include formal or informal links to organisations 'proscribed' under the Terrorism Act 2000, and any subsequent secondary legislation;
- the Charity Commission will deal with any allegation of links between a charity and terrorist activity as an immediate priority. We will deal proactively, robustly, effectively and swiftly when we have evidence or serious suspicions of terrorist abuse involving charities;
- where such allegations are made we will liaise closely with relevant intelligence, security and law enforcement agencies to facilitate a thorough investigation;
- effective regulation involves putting a strong emphasis on giving support and guidance to charities to prevent problems and abuse occurring in the first place; and
- we believe that the most effective way for the sector to minimise its exposure to the risk of terrorist abuse is through implementing strong governance arrangements, financial management and partner management. Charities which implement good general risk management policies and procedures will be better safeguarded against a range of potential misuses.

When charities, or those connected with them, have committed a criminal offence this is a matter for law enforcement agencies and we will refer suspicions of criminal activities, including terrorism, to them as appropriate. We will liaise with them in sharing information and in deciding how best to take the issue forward.

When trustees act reasonably and honestly we respond flexibly and will take this into account in deciding whether to take regulatory action against trustees, and in assessing how to support trustees to put the charity back on a secure footing. Deliberate wrongdoing, criminality and serious abuse, including terrorist abuse, will be dealt with rigorously and decisively based on the evidence and targeting the core of the abuse. Where possible we will ensure that legitimate charitable activity can continue both during an investigation and afterwards.

What obligations do charities have?

Charities are subject to the provisions of UK anti-terrorist legislation and the obligations that flow from it.

Charities must comply with the law. It is the responsibility of charity trustees to safeguard their charity from terrorist abuse. We will support them to do this, and will not prevent charities from carrying out legitimate and vital humanitarian and other work, within the law. Charity trustees should inform the police of any suspected criminal activity, including terrorist activity, within or involving the charity as soon as possible after the incident.

Charity trustees should report to us immediately, as a matter of best practice, any serious incident that has resulted or could result in a significant loss of funds or a significant risk to a charity's property, work, beneficiaries or reputation. This includes where the charity (including individual staff, trustees or volunteers) have any known or alleged links to a proscribed (banned) organisation or to terrorist or other unlawful activity.

We expect trustees to be vigilant to ensure that a charity's premises, assets, volunteers or other goods cannot be used for activities that may, or appear to, support or condone terrorist activities. Examples include the use of a charity's premises for fundraising or meetings.

Charities should take all necessary steps to ensure their activities could not be misinterpreted. The Commission expects trustees or charities to ensure their activities are open and transparent, for example when transferring assets abroad. We hold trustees accountable for ensuring that procedures are put in place to ensure that terrorist organisations cannot take advantage of a charity's status, reputation, facilities or assets.

How might charities become linked to terrorist organisations?

The involvement of charities in supporting terrorist organisations is very rare. However, it is important that trustees remain vigilant in order to ensure that a charity's resources are not used to fund or support terrorism. It is helpful to be aware of the ways in which terrorist organisations may seek to exploit a charity to further their objectives. These methods may include:

- Using money raised by charities to fund terrorist activity.
- Using charities who provide facilities for young people to recruit for terrorist organisations.
- Using charities as a base for spreading propaganda.
- Using charities for money laundering purposes.

Trustees should be especially vigilant against the possibility of their charity inadvertently providing support for terrorism by allowing their charity to be used for money laundering purposes. They should act cautiously when offered unsolicited donations or loans, or where they cannot fully satisfy themselves of the credentials or propriety of the persons or resources involved.

What will the Charity Commission do if you receive a complaint about a possible link between a charity and terrorism?

We will deal with any allegation of links between a charity and terrorist activity as an immediate priority.

If a trustee of a charity has been designated by the Treasury ie because of reasonable suspicions of involvement with acts of terrorism or because s/he is controlled or acting on behalf of another designated person, continuing to act as a trustee may constitute a criminal offence, as designated persons have restrictions on dealing with charitable funds. In addition other trustees risk committing a criminal offence if they make funds or economic resources available to a designated person. This risks damaging the charity's reputation and may put the charity's assets at risk of being frozen. We will work with any charity in this situation to ensure that a designated trustee resigns or is removed from their position to prevent the charity from being put at risk.

Property belonging to a charity which is connected to a terrorist organisation may be forfeited by court order. However, the Charity Commission may take steps to ensure that such property is used for legitimate charitable objects rather than confiscated.

Will you keep me updated if I make a complaint?

The Charity Commission is committed to carrying out its regulatory functions as openly and transparently as possible and we do endeavour to keep MPs updated on cases they have brought to our attention. However, as you will understand, there are some limits as to how much information we can make public when investigating this type of complaint. If we decide to open a statutory inquiry we will usually publish an inquiry report when it is completed, and any action necessary has been taken. This report explains our decisions and outlines any wider lessons that the case has highlighted. Where other bodies are involved we may not be able to complete our inquiry and then publish a report until their concerns are resolved, in order to ensure that we do not prejudice the outcome of any parallel investigation. This is especially important in cases where links to terrorism have been alleged.

We are very aware of our accountability to Parliament and are happy to meet with you in order to keep you well informed of our progress and to explain our decisions in greater detail. If such a meeting would be of use to you please contact us using the details below.