

The Implementation of Recommendation No. 8 in Tunisia:

Impact on Freedom of Association

The report assesses Tunisia's non-profit organization (NPO) sector from the perspective of civil society and selected experts, while strictly upholding the principles of neutrality and objectivity. It also draws attention to specific issues that the Middle East and North Africa Financial Action Task Force (MENAFATF) assessment team should examine and analyze during its visit to Tunisia, to ensure a comprehensive and accurate assessment of the not-for-profit sector and Tunisia's compliance with Recommendation No. 8.

This report was prepared by team of civil society representatives and experts through a collaborative process. Their work proceeded without the participation of the official authorities responsible for preventing terrorism financing and money laundering in Tunisia, who failed to respond to civil society's repeated requests to contribute to the official risk assessment of the NPO sector. This exclusion unfortunately means it is impossible to replicate the collaborative experience of 2019, which involved government bodies, civil society, and international experts, and was considered pioneering in the Arab region and beyond.

The working group for this report adopted a methodology combining an analysis of legal texts and available reports with an evaluation of responses to a questionnaire distributed to Tunisian associations. Additionally, interviews were conducted with individuals possessing subject-matter expertise, including experts, lawyers, chartered accountants, and journalists.

Objectives

The report assesses Tunisia's compliance with key aspects of Financial Action Task Force (FATF) Recommendation No. 8, which states that:

Countries should identify the organizations which fall within the FATF definition of non-profit organizations (NPOs) and assess their terrorist financing risks. Countries should have in place focused, proportionate and risk-based measures, without unduly disrupting or discouraging legitimate

NPO activities, in line with the risk-based approach. The purpose of these measures is to protect such NPOs from terrorist financing abuse ...

The Interpretive Note to Recommendation 8 states that:

It is also important for such measures to be implemented in a manner which respects countries' obligations under the Charter of the United Nations and international law, in particular international human rights, international refugee law and international humanitarian law.

Paragraph 47 of the Best Practices Paper clarifies that:

Implementation of R.8. should respect and observe fundamental human rights and freedoms, such as freedom of opinion, expression, religion or belief, and freedom of peaceful assembly and of association.

Key Findings

This report finds Tunisia is currently non-compliant with key technical provisions and principles of the reformed Recommendation No. 8. Key thematic findings outlined in the report include:

■ Improper Definition of NPOs

Criterion 8.1(a) of the FATF Methodology requires countries to “*identify which subset of organizations fall within the FATF definition of NPO*”. The Best Practices Paper clarifies that “*Organizations working in the not-for-profit realm which are not within the scope of the FATF functional definition include ... organizations that primarily conduct research and/or advocate for changes in public policy but do not raise or disburse funds for NPO causes.*”¹

Following the revision of Recommendation No. 8 and its Interpretive Note, Tunisian legislation has not excluded “expressive” organizations – i.e., those engaged in advocacy, human rights promotion, and civil oversight. Consequently, these entities remain subject to various counter-terrorism financing legal requirements, contrary to the requirement outlined in paragraph 1 of the Interpretive Note that “*this Recommendation only applies to those organizations which fall within the FATF definition of an NPO.*” This inclusion has resulted in the inappropriate disruption of their activities, which contravenes Recommendation No. 8.

■ A ‘Low to Medium’ Terrorism Financing Risk?

In line with criterion 8.1(b), the authorities have conducted an analysis and assessment of terrorism financing risks associated with NPOs in Tunisia, as outlined in the Execu-

¹ <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/BPP-Combating-TF-Abuse-NPO-R8.pdf.coredownload.inline.pdf> (para 18)

tive Summary of the Update to the National Assessment of Terrorism Financing Risks for the period 2022–2024. The assessment concludes that the risk of NPOs being abused for terrorism financing purposes has been rated as “low to medium,” though empirical evidence does not necessarily support such a high rating. According to the National List of Persons, Organizations, and Entities Associated with Terrorist Crimes, as published on the website of the National Counter-Terrorism Commission (Commission Nationale de Lutte contre le Terrorisme, CNLCT), only four associations were listed during this period, out of a total of 35 designations.

The Majority of NPOs Surveyed Report Compliance

The authors of this report distributed a questionnaire to Tunisian civil society organizations to assess their compliance with legal and regulatory obligations related to funding and to assist in assessing compliance with 8.1(c). The majority of organizations surveyed generally adhere to the legal and regulatory requirements governing funding and financial management. The organizational structures of these NPOs are relatively stable, and they demonstrate a clear preference for formal financial channels. In most instances, they implement applicable accounting standards, thereby reducing the risks of money laundering and terrorism financing. Nevertheless, the survey identified some shortcomings, predominantly attributable to limited financial and human resources, as well as only partial awareness of relevant regulatory obligations.

Failure to Apply a Risk-Based Approach

Tunisia applies anti-money laundering and countering the financing of terrorism (AML/CFT) mechanisms to all FATF NPOs, regardless of their exposure to risk. This is non-compliant with the requirement that measures must be focused, proportionate and risk-based, without unduly disrupting or discouraging legitimate NPO activities (see criterion 8.1(c), 8.3(a), 8.3(b), 8.4(a), and 8.4(b) of the FATF Methodology).



There is no evidence of systemic money laundering abuse within the NPO sector, and the targeting of NPOs critical of the government strongly suggests a political motivation for these charges.

Misuse of FATF Standards to Silence NPOs and Pressure CTAF

A number of human rights associations have been accused of money laundering, with their managers being placed in pretrial detention for extended periods. In each of these cases, charges were ultimately dropped. There is no evidence of systemic money laundering abuse within the NPO sector, and the targeting of NPOs critical of the government strongly suggests a political motivation for these charges.

The authorities have also placed extraordinary pressure on the Tunisian Financial Analysis Commission (Commission Tunisienne des Analyses Financières, CTAF) to restrict NPOs funding, even imprisoning the CTAF president for his failure to crack-down on foreign funding of NPOs.

Shrinking Civic Space is Political, with Funding Risks as a Pretext

An analysis of responses from various stakeholders – including lawyers, chartered accountants, experts, donors, and bank officials – confirms that shrinking civic space in Tunisia is not predicated on a proven increase in money laundering or terrorism financing risks. Rather, this trend is part of a political dynamic aimed at restricting civic space by marginalizing intermediary bodies in favor of strengthened state control.

Tunisia is witnessing a structural shift in the relationship between the State and civil society, wherein legal, financial, and security tools are deployed in a concerted manner to limit the sector’s independence and diminish its role in defending rights and freedoms. The ongoing wave of arrests and judicial proceedings against civil society in Tunisia only strengthens this conclusion. This development poses significant challenges to the future of rights and freedoms and the role of civil society in Tunisia.

A Growing Body of Regulations, but Limited Efforts to Aid NPO Compliance

Tunisia’s legislative framework contains a proliferation of legislative texts, government decrees, ministerial decisions, decisions issued by CTAF, and circulars from the Central Bank of Tunisia. The government and various supervisory authorities have also, in recent years (2025–2026), issued several legislative texts in an attempt to improve compliance with the recommendations of international bodies. However, these measures have not been accompanied by initiatives to strengthen the capacities of the entities concerned with such legislative texts – namely associations, supervisory bodies, and bank officials.

Efforts to Amend the Associations Law Continue, Despite No Objective Justification

Tunisia's Associations Law, Decree-Law No. 88 of 2011, has received consistently positive evaluations from FATF, the United Nations and other international organizations. Notably, FATF's 2019 evaluation confirmed the low risk of terrorism financing within the NPO sector and acknowledged the lack of justification for amending Decree-Law No. 88.

Despite this, and despite the absence of any conclusive evidence that associations are involved in terrorism financing, the government continues its efforts to amend Decree-Law No. 88. The government justifies this by continually increasing the number of money laundering investigations against NPOs (despite a lack of convictions), and by the stated need to implement the recommendations of the Financial Action Task Force.

A Precipitous Decline in New Association Registrations

The impact of the foregoing has led to a significant decline in the rate of new association formations, which dropped from an average of 1,200–2,000 annually to 300 annually during 2024–2025. This coincides with a significant increase in the number of associations closing down by decision of their executive boards. The primary reasons for these developments include: official rhetoric accusing civil society of treason; fear of charges or investigations; difficulties in field operations due to poor cooperation from official authorities; scarcity of resources; and banking procedure obstructions that threaten the sustainability of NPOs' work. This is strong evidence that the government's measures are disrupting legitimate NPO activity and freedom of association.

De-Risking is Pushing NPOs out of the Banking System

The relationship between NPOs and banks has been characterized by tension and crisis since late 2023. There is clear evidence that this crisis is a direct consequence of policy decisions and rhetoric from the executive branch. In 2024, the Chair of CTAF was detained, solely on the basis of the President accusing him of failing to curb foreign funding of NPOs. Subsequently, banks have adopted excessive precautionary measures.

Such banking practices, aimed at de-risking, are likely to push NPOs toward solutions outside the banking system, which actually increases the risk of money laundering and terrorism financing within the sector. This is a blatant and egregious violation of FATF's guidance on financial access, as set out in its recent guidance on ensuring access to financial services for legitimate NPOs and others (in line with Recommendation No. 1)². It also violates Tunisia's obligation to not disrupt legitimate NPO activity under Recommendation No. 8.

² <https://www.fatf-gafi.org/en/publications/Financialinclusionandnpoissues/guidance-financial-inclusion-aml-tf-measures.html>

Conclusion

The use of AML/CFT measures to impose restrictions on human rights organizations is in direct contradiction to FATF standards. As noted by Dr. Marcus Pleyer, former President of the FATF at the time:

“The FATF Standards are designed to protect NPOs from terrorist financing, while also ensuring that their legitimate charitable activities are not disrupted or discouraged. The Standards were drafted to ensure that they are in line with international principles on human rights and fundamental freedoms. It is in direct contradiction to the FATF Standards and categorically unacceptable if its measures are exploited and used to oppress human rights under the pretext of counter-terrorism. Should this be identified during a mutual evaluation, a country would be assessed negatively for not implementing the risk-based approach outlined in the FATF’s Standards.”³

According to FATF’s own guidance, Tunisia has significant technical shortcomings in its AML/CFT measures for NPOs which render it non-compliant with Recommendation No. 8 and will negatively impact its compliance with Immediate Outcome 10. Furthermore, its use of AML/CFT measures to restrict civic freedoms are in direct contradiction of FATF standards and, using the FATF President’s language, “categorically unacceptable”.

Recommendations

■ To the Executive Authority

- Implement Financial Action Task Force (FATF) recommendations regarding the concentration of supervision on high-risk NPOs while reducing the burden on others.
- Refrain from deeming the NPOs sector as high-risk in its entirety, particularly given that prior assessments yielded the top rating of “Compliant.”
- Work toward aligning Tunisian legislation with Recommendation No. 8 and its Interpretive Note regarding the identification of organizations falling under the FATF definition of Non-Profit Organizations, in order to avoid current disruptions.
- Renew cooperation and openness with civil society in assessing terrorism financing and money laundering risks within the NPO sector, following the model of the 2019–2020 experience.

³ Correspondence from Dr Marcus Pleyer, President of FATF to Professor Ni Aolain, Mr. Voule, and Professor Lawlor, Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism; Special Rapporteur on the rights to freedom of peaceful assembly and of association; and Special Rapporteur on the situation of human rights defenders; 20th December, 2020, regarding measures taken by the government of Serbia.

- Implement the recommendations of previous reports, specifically regarding the dissemination of a culture of prevention of terrorism financing and money laundering risks through partnerships between state institutions and civil society, and refrain from amending Decree-Law No. 88.
- Monitor banks' compliance with counter-terrorism legislation and review Central Bank circulars. This should ensure the enforcement of sound, smooth procedures by banks for the benefit of NPOs regarding all permitted banking operations and prevent all practices that disrupt associative work and lead to financial exclusion.
- Direct the Public Prosecution to refrain from adopting a blanket approach in prosecuting civil society associations on charges of money laundering, a practice that became generalized during 2024–2025.
- Open a channel for dialogue with civil society regarding challenges faced by each party in relation to preventing terrorism financing and money laundering and work on disseminating a culture of prevention against this risk.

To the Parliament

- Review the Law on Counter-Terrorism and Prevention of Money Laundering to ensure respect for human rights, particularly the right to freedom of association and the presumption of innocence.

To the Judiciary

- Enhance the capacities of judges regarding the specificities of the risks of terrorism financing and money laundering within the NPO sector.
- Refrain from leveling charges of terrorism financing and money laundering against all associations under investigation that may merely face financial charges (or that may have made management errors) and avoid the use of preventive detention against the staff of these associations.

To Civil Society

- Continue efforts to ensure proper legal compliance regarding financial and administrative affairs to avoid management errors. Exercise due diligence, verify information and publications regarding terrorism provided by the government and the United Nations, and enhance the capacities of staff.
- Continue coordination to open channels of dialogue with all relevant stakeholders, including the Presidency of the Government, the Central Bank, the Tunisian Financial Analysis Commission (CTAF), banks, and Parliament, to bridge gaps in understanding regarding the specificities of each party's work.

■ To International Partners

- Conduct a specific assessment regarding the proper application of FATF requirements without infringing upon the freedom of association, particularly Recommendation No. 8.
- Encourage NPOs to improve their administrative and accounting systems to prevent the risk of terrorism financing and money laundering. This should be achieved by providing objective training, supplying resources for institutional capacity building, and allocating specific budgets to support associations in improving their governance.

■ To Reporting Persons (Banks)

- Refrain from classifying all NPOs as a high-risk client group for terrorism financing and money laundering. Work on assessing risks on an individual basis to avoid the resulting blanket and extra-legal measures.
- Uphold the right of NPOs to obtain bank accounts to support their compliance with applicable legislation.
- Rationalize the documentation required from associations for banking operations, particularly regarding the acceptance of transfers.
- Open a channel for dialogue between various bank departments, especially compliance departments, and civil society. This will help foster mutual understanding of the specificities of each party's work and enhance the capacities of bank staff regarding the nature of civil society work.