

Preventing the Misuse of Non-Governmental Organizations for Terrorist Financing

KMMM Jayathilaka#

University of Peradeniya, Sri Lanka

#jayathilakamithila@gmail.com

Non-governmental organisations (NGOs) play a vital role in socio-economic development of a state by complementing efforts of a government to provide services and assistance to those in need. However, features such as access to multitude of sources of funds, cash intensiveness, possession of diversified and interconnected financial and logistical networks and high level of public trust make NGOs attractive for terrorists financing. Terrorist organizations use NGOs as conduits to raise funds and transfer funds for the execution of their noxious objectives. Pressing need to safeguard NGOs from being used as a medium for terrorist financing has prompted calls for countries to strengthen legal and regulatory frameworks and their enforcement, and to upgrade supervision efforts over NGOs. Regulation of NGOs is a double-edged sword task because excessive regulation and bureaucratic interventions can obstruct contributions of NGOs to socio-economic development of a country. This study examines the effectiveness of present legal framework with a special emphasis on the Voluntary Social Services Organizations Act in preventing terrorist financing in the non-governmental organization sector of Sri Lanka. Primary sources such as legislations and policy documents and secondary sources such as Hansard reports, parliamentary committee reports, research papers and scholarly journal articles are used in order to accurately identify loopholes and weaknesses in the Voluntary Social Services Organizations Act. To produce a roadmap for achieving a flawless legal regime for non-government organisations, inputs from representatives of National Secretariat for Non-governmental Organisations, Financial Intelligence Unit, Criminal Investigation Department are obtained through semi-structured interviews.

Keywords: *terrorist financing, non-governmental organisations, Sri Lanka*