



# NONPROFIT ORGANIZATIONS

**EMBRACE**

**FINANCIAL**

**TRANSPARENCY**

Historically, compliance with regulations to prevent money laundering and the funding of terrorism was difficult for nonprofit organizations in Paraguay. The policies in effect clearly had not been designed for this type of organization and were not appropriate for either the nature of their work or their administrative capacity. There was a definite need to rethink the rules for nonprofits. As we began to discuss the issue with stakeholders, we collectively came to the conclusion that the best solution would be a set of separate regulations specific to the nonprofit sector.

With the collaborative process underway, a number of roundtables were held to share different perspectives and needs. The participating nonprofits (over 60 organizations) advocated for segmented legislation to take into account their diversity and variability. The government, understandably, insisted on high standards of transparency in line with recommendations from the Financial Action Task Force on Money Laundering (FATF).

Slowly but surely, as the meetings progressed, collaboration managed to transform conflicting opinions into concrete proposals.

The Paraguayan Office for the Prevention of Money Laundering (SEPRELAD) contributed their technical expertise to help draw up the new regulations. Organizations from the financial and business sectors also joined the effort.

Finally, after two years of work, the steering committee presented a new set of policies to the SEPRELAD. It was widely celebrated and quickly put into action, precisely because it was the result of a diverse, multi-stakeholder process. In fact, the new regulations were so readily

accepted that they were featured in Paraguay's report to the Financial Action Task Force of Latin America (GAFILAT), which brings together 17 countries from across the region.

**The new policies went into effect at the same time as the Sistema Integrado de Reportes de Operaciones (SIRO), an online portal for organizations to input their information and determine their risk levels and reporting obligations, which enables the government to effectively monitor the nonprofit sector in real-time. The best part is that this new model has the potential to be replicated in other countries.**

When nonprofit organizations are more transparent, the region is more transparent.



Strategic Pillar	Democratic Innovation
Elements of the Collaborative Process	Unifying vision, shared agenda
People Directly Impacted	0
People Indirectly Impacted	7,000,000