Charities and terrorism

Reporting requirements

When should trustees make a report to the Police?

Short answer:

Trustees, charity employees or volunteers must report suspicions or beliefs about terrorist financing offences as soon as is possible to the National Crime Agency (‘NCA’) or a police officer. This is in order to comply with s.19 of the Terrorism Act 2000 (‘TACT’).

If you’re concerned about an imminent threat to life and property you must contact the police immediately.

Legal requirement: charity trustees, employees and volunteers are under a positive legal duty to report any belief or suspicion of terrorist financing offences to the police. If they don’t, they may commit a criminal offence.

In more detail:

Charities must follow the same advice that the government provides to every member of the public, that they should always remain vigilant.

Section 19 of TACT creates an obligation for a person who, during the course of their employment ‘believes’ or ‘suspects’ another person has committed an offence under section 15-18 of TACT. These are terrorist financing offences and include, but are not limited to, terrorist fundraising, entering into a funding arrangement and the use of money or other property for the purposes of terrorism (see Terrorist Financing). The report must be made as soon as is reasonably practicable to a ‘constable’.

Employment includes unpaid employment and/or volunteering, and therefore applies to charity trustees and other volunteers as well as paid employees. It’s a criminal offence under section 19 of TACT not to disclose a belief or suspicion of terrorist financing offences to the police as soon as possible. If found guilty, a person may be liable on conviction to imprisonment, to a maximum of five years, or to a fine, or both. Not knowing that an offence should have been reported, is not a defence. It’s therefore important that everyone working in a charity knows about this duty.

There are a number of ways in which charities can report their suspicions or beliefs so as to comply with their legal obligations under section 19 of TACT, such as:-

- the NCA website
- Metropolitan Police Anti-Terrorist Hotline, calling 0800 789 321 (set up to receive confidential information) A textphone service is available for people with speech or hearing difficulties on 0800 032 45 39.
- calling 101 or reporting at a local Police Station
If you’re concerned about an imminent threat to life you must contact the police immediately.

Sections 15-18 apply whether or not the incident giving rise to the offence occurred in the UK or overseas. Therefore an action committed overseas can result in prosecution in the UK.

There are also other wider money-laundering reporting and disclosure requirements which may impact on charities. These are dealt with in Chapter 2: Due diligence, monitoring and verification of the end use of funds and in Chapter 3: Fraud and Financial Crime, section J.

When should trustees report to the Charity Commission?

Short answer

Reporting serious incidents: The Commission requires charities to report serious incidents. As a trustee, if you make any report under section 19 of TACT, you should also report this to the Commission under its Serious Incident Reporting framework. You should also report to the Commission as soon as you become aware of it, instances where the charity (including any individual staff, trustees or volunteers) has any known or alleged link to a proscribed organisation or to terrorist or other unlawful activity.

In more detail

Legal requirement

As a matter of good practice, all charities, regardless of size or income, should report serious incidents to the Commission promptly.

If your charity’s income is over £25,000, you must, as part of the Annual Return, sign a declaration confirming there were no serious incidents during the previous financial year that should have been reported to the Commission but were not. If incidents did occur, but weren’t reported at the time, you should submit these before you file your charity’s Annual Return, so you can make the declaration.

Until all serious incidents have been reported, you will not be able to make this declaration, or complete the Annual Return, which is a statutory requirement under section 169 of the Charities Act 2011. Be aware also that it’s an offence under section 60 of the Charities Act 2011 to provide false or misleading information to the Commission.

If you fail to report a serious incident that subsequently comes to light, the Commission may consider this to be mismanagement, for example, where the trustees have failed to manage the risks properly and breached their legal duties. This could prompt regulatory action, particularly if further abuse or damage has arisen following the initial incident.
What to report

Given the serious and significant risk to the charity concerns about links to terrorism raise, to discharge your duties, you and your co-trustees should report these concerns immediately. The Commission’s Serious incident reporting guidance explains what sort of incidents should be reported. These include if you become aware of allegations being made, or have evidence to suspect that:

- your charity (including trustees, members of staff, volunteers or anyone connected with the charity) has known or alleged links to a proscribed organisation or other terrorist/unlawful activity
- someone within or closely connected to your charity, or one of your delivery partners, is placed on a UK or international terrorist list or is subject to an asset freeze
- charity funds or assets have been used to pay bribes, protection money or ransoms
- charity funds or assets have been used/diverted (perhaps via a delivery partner) to support a terrorist group or terrorist activity
- your charity has been used to circumvent asset freezing measures
- charity personnel have been kidnapped or harmed by terrorist groups, including if overseas on charity work/operations
- your charity has been a victim of fraud and/or money laundering

You should also report to the Commission:

- where your charity’s banking facilities are at risk of being withdrawn, perhaps because of its presence on overseas terrorist lists
- where your charity may have come into close contact with a proscribed organisation and is at risk of having committed a criminal offence
- where you’re made aware of an allegation about links with terrorist or criminal activities, even if the charity considers these are unfounded

You and your co-trustees should also be aware of the risks to your charity of being abused for extremist purposes; for example, when carrying out activities and events involving guest speakers or when promoting literature and educational materials, perhaps via the charity’s website and on social media. You should report to the Commission if:

- you know or suspect that your charity’s premises or activities have been misused as a platform for the expression or promotion of extremist views, or the distribution of extremist materials
- you become aware of media reports alleging that your charity has been misused for such purposes, particularly if you believe these could damage your charity’s reputation

For detailed advice about protecting your charity from extremism, see chapter 5 of the Commission’s Compliance Toolkit

By reporting serious incidents promptly you help show that you’re discharging your duties and acting responsibly.