

# **NPOS - PRACTICAL GUIDANCE**

**HOW TO PROTECT AGAINST ABUSE  
RELATED TO TERRORIST FINANCING?**

**2026**

This guide aims to support project leaders, directors, and managers of Non-Profit Organizations (NPOs) through the Malagasy administrative and legal labyrinth. It covers the different legal forms, the stages of establishment, as well as the new requirements regarding transparency and the fight against terrorist financing.

## 1. Choosing a Legal Structure

**Simple association (Ordinance 60-133) Simplest and most common form**

An association is an agreement by which two or more persons pool their knowledge or activity for a purpose other than sharing profits.

Drafting of the Statutes and Internal Regulations. Constitutive General Assembly (election of the Board). Filing of the Application: At the Police Prefecture or the District of the registered office. Documents: Statutes (x3), Minutes of the General Assembly (x3), List of executives (x3), copies of National Identity Cards (CIN). Filing Receipt: Issued by the authority. Publication: Insertion in the Official Gazette of the Republic (J.O.).

**NGO (Law 96-030) Humanitarian vocation, professional services)**

The NGO status offers a more "professional" recognition among donors.

Declaration of existence: Identical to the association. Application for Accreditation: Submitted to the Bipartite Committee (Regional or National). The application file must include a detailed program of activities and proof of financial/material resources.

Accreditation by Order: Established by the State representative within a maximum period of 2 months.

Foreign NGOs: Require a Headquarters Agreement issued by the Ministry of Foreign Affairs (MAE) following the opinion of the Ministry of the Interior.

**Foundation (Law 2004-014) Minimum capital: 1,200,000,000 Ar Allocation of assets to a cause**

1. Initial Endowment: Requirement of a minimum capital (currently 1.2 billion Ariary).
2. Notarized Deed: Commitment of the founders before a notary.
3. Recognition by Decree: Adopted in the Council of Ministers.

**Religious association (Ordinance 62-117) Exclusively religious purpose**

1. Mandatory Structure  
Board of Directors: 9 members, all of Malagasy nationality, term of 1 to 5 years (1 president, 1 vice-president, 1 secretary general, 1 treasurer, 1 deputy treasurer, 4 advisors).  
Members: List of 100 adult followers (with contact details and signatures).

2. Administrative File  
Format: 5 original copies, spiral-bound and stamped. Key Documents: Statutes, Internal Regulations, and Minutes of the General Assembly. Explanatory notes on religious dogmas and practices. Certificate from the Head of the Fokontany authorizing meetings at the headquarters. Individual File (Board of Directors): For each board member: certified National Identity Card (CIN) and Criminal Record (Bulletin No. 3).

3. Validation Procedure  
Filing: At the District or Prefecture of the headquarters. Control: Background check by the Police and Gendarmerie on the executives. Finalization: Signature of a Ministerial Order (Ministry of the Interior) recognizing legal personality.

### MANDATORY BODIES (NGO)

- General Assembly (Decision)
- Board of Directors (Orientation)
- Executive Committee (Execution)
- Statutory Auditor (Control) — Mandatory for NGOs.

### ANNUAL REPORTS

- Filing of a Moral and Financial Report every year. Presentation of the Operational Plan for the following year.

### UPDATING

Any modification of the statutes or change of executive must be declared to the supervisory authority under penalty of nullity.

## 2. Protect yourself from abuse against terrorist financing

The NPO sector is essential to the development of Madagascar, but it can be targeted by criminal networks to collect, transfer, or launder funds. Following the national risk assessment (Focus Group 2025), specific measures must be adopted.

### A. Identify Vulnerability Zones

In Madagascar, the risk is statistically considered "low" overall, but certain sectors require increased vigilance:

High-risk sectors: Education and training, Religious organizations.

Risk factors: Significant handling of cash, funding from abroad, activities in remote areas.

### B. Legal Obligations (Law 2018-043 & Decree 2024-1352)

To protect itself and remain in compliance, every NPO must:

- **Transparency of Executives:** Keep the list of Board members up to date and report any change to the supervisory authority (Interior, Population, or MAE).
- **Register of Large Donations:** Keep a specific register for any donation greater than or equal to 10 million Ariary.
- **Document Retention:** Keep all accounting records and proofs of activities for at least 5 years.
- **Financial Statements:** Prepare and, depending on size, publish transparent financial statements.

### C. Good Prevention Practices

- **Partner Verification (Due Diligence):** Before collaborating with another organization or a major donor, verify their integrity and the origin of their funds.
- **Traceability of Beneficiaries:** Accurately document who receives the aid. Avoid anonymous distributions of large funds.
- **Limitation of Cash:** Favor bank transfers or Mobile Money (MVol, Orange Money, Airtel Money) to leave a digital trail of transactions.
- **Staff Training:** Raise awareness among your teams about the risks of radicalization or infiltration under the guise of charitable activities.

### D. Red Flags

Be vigilant if:

- A donor imposes opaque conditions on the use of funds.
- Funds transit through high-risk countries without logical justification.
- The NPO is used to spread messages inciting hate or violence (Infiltration/Program abuse).
- Blatant inconsistency between the funds received and the activities actually carried out on the ground.

## 3. Tax benefits and recognition of public utility (ARUP)

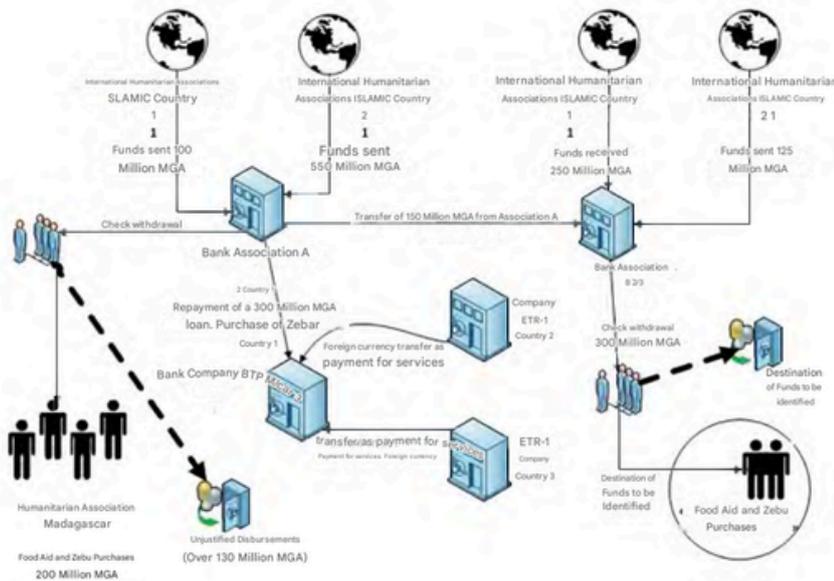
An association can request Recognition of Public Utility after 2 years of existence if its purpose is of general interest (education, health, etc.).

Procedure: Request to the Ministry of the Interior, study of the file, Decree of recognition. Advantages: Extended legal capacity (bequests, large donations) and access to specific tax exemptions (customs on imported equipment, etc.) according to the Finance Law

## 4. Supervisory authorities

- **Ministry of the Interior (MID):** For national and religious associations.
- **Ministry of Foreign Affairs (MAE):** Crucial if the religious association has a foreign origin or requests a headquarters agreement.
- **Ministry of Population (MPS):** Involved in the overall coordination of non-profit organizations.

## 5. Typologie d'abus d'OBNL à des fins de financement du terrorisme



### Facts:

The Associations' accounts are funded by foreign currency transfers received from abroad, as well as funding for charitable works and the associations' operating expenses. These large foreign currency transfers originate from Middle Eastern countries, ostensibly for the purchase of zebu cattle for needy Muslim families in Madagascar. Significant cash withdrawals have been made, along with transfers of several million Malagasy Guinean francs (MGA) to other associations and third parties in repayment of a supposed loan for the purchase of zebu. The supporting documents provided by the Association—namely, letters of thanks from the mayors of the various localities where they carried out their charitable work—have been questioned for lack of signatures and other reasons. Transfers intended for the association's leaders have been identified, and the explanation these individuals gave to the bank was that the zebu seller did not accept checks. Following monitoring of funds and field investigations with the assistance of the National Gendarmerie, several million MGA could not be accounted for; and false invoices for the purchase of zebu cattle were uncovered. These associations are strongly suspected of financing terrorism, due to the origin of the funds, their use (justified by false invoices), and loan contracts whose validity is questionable, and the fact that the final destination of the funds could not be justified by these associations.

### Red flags:

- Cash withdrawals from an account funded by transfers from a foreign Islamic charitable organization,
- Supporting documentation for the destination of funds, the authenticity of which can be easily questioned,
- Funds destined for non-profit organizations, a type of entity often used by terrorist organizations to facilitate their integration into a country's social environment,
- Bank account with unjustified withdrawals.

### Profile of individuals involved:

- Islamic humanitarian organization, whose board and council members are prominent and influential figures in Madagascar,
- President and Secretary General of the non-profit organization.

### Sector and areas of activity:

Charitable work benefiting disadvantaged Muslims and non-Muslims. Approximate amount involved: 750 million Ariary.

### Location of operation:

Antananarivo, Southeast, Southwest, and Northwest regions of Madagascar.

### Type:

Suspected financing of terrorism through non-profit organizations, with funds originating from abroad, some of which could not be justified or traced.

## 6. Contacts

### SAMIFIN

www.samifin.gov.mg  
contact@samifin.gov.mg  
+261 34 02 985 58

### Ministry of Foreign Affairs

B.P 836, Rue Andriamifidy,  
Anosy 101 Antananarivo -  
Madagascar  
[info-  
web@diplomatie.gov.mg](mailto:info-web@diplomatie.gov.mg)

### Ministry of the Interior and Decentralization

Rue Lamyme Gueye Anosy,  
Antananarivo

### Ministry of Population and Solidarity

41 rue Razanakombana,  
Antananarivo