

GUIDE FOR NGOs SEEKING TO OPEN BANK ACCOUNTS WITH EU BANKS

Opening a bank account in the EU can be challenging for NGOs, but **preparation is key**. By understanding the regulatory landscape, gathering relevant documentation, and providing clear and transparent information concerning its business, an NGO can significantly **improve the likelihood of obtaining an EU bank account**.

What are the Banks' Obligations in the EU?

Client & Owner Verification	Risk Assessment	Due Diligence	Monitoring	Sanctions	Internal Policies & Risk Appetite
Confirm the NGO's identity, existence, and who controls or manages it.	Evaluate money-laundering/terrorism-financing risks based on the NGO's activities.	Understand why the NGO needs the account and how it intends to use it.	Check transactions and keep updated information; apply enhanced checks if risks are higher.	Ensure the NGO and its activities do not breach EU, UK, US, or other sanctions.	Beyond legal requirements, some banks adopt stricter internal rules.

KEY PREPARATION STEPS FOR NGOs

Step 1

Prepare Documentation

Gather complete, up-to-date documents confirming your NGO's **identity, legal status, address, governance and ownership**, and the authority of those acting on its behalf. This includes registration and constitutional documents, proofs of address, ID for controllers and owners, and a structure chart.

Step 2

Explain Your NGO's Purpose and Activities

Provide **clear information** on what your NGO does, its purpose, the countries where it operates, its beneficiaries, and who funds its activities (its "source of wealth"). You may also prepare a brief covering letter addressing these points.

Step 3

Explain the Expected Account Activity

Be ready to outline **why** your NGO needs a bank account, the **types of payments** it expects to receive (including who sends them and from where), the payments it will make (including recipients and their locations), and the **expected turnover** on the account.

Step 4

Consider Your NGO's Connection to the EU Member State

If your NGO is not established in the EU member state where it seeks a bank account, be prepared to **demonstrate a logical connection** to that state (like locally based donors, directors, or employees) to support the need for an account there.

Step 5

Adopt or Enhance Financial and Compliance Controls

Ensure your NGO has **internal controls** to safeguard assets and comply with laws, including **AML and sanctions** requirements. This includes written policies on transaction approvals, limited account access, risk-based procedures for verifying the source of donations, etc.

Step 6

Explain Any Connections to Sanctioned Countries

Be ready to disclose if your NGO or its controllers have **connections to countries** subject to significant **EU, UK, or US sanctions**, including any ongoing or planned transactions. If such connections exist, consider seeking **specialist legal advice**.

NEED LEGAL HELP WITH EU BANKING?



PILnet's Banking Help Desk can help!



Submit a request through PILnet's intake form. We will connect you with legal experts for a **free 45-minute consultation**. They can also assist with drafting essential internal policies and answer other complex questions.