

Fair Access: Ending the Exclusion of Muslim Charities from Banking

Prepared by MCRO from two 2026 reports, by the International Civil Liberties Monitoring Group (ICLMG) and by Anver M. Emon (University of Toronto). Sources appear in grey, for example ICLMG 4 means the ICLMG report, page 4. Acronyms and full sources are on page 4.

Key message.

Banks and payment companies are closing the accounts of Muslim-led and humanitarian charities to avoid possible risk, without reasons and without appeal, even though Canada says its terrorist-financing threat is limited.

ICLMG 4–6 · Emon 2

De-risking is when a bank or payment company drops a client to avoid possible risk, instead of managing that risk ICLMG 4. It is a predictable result of how Canada's anti-money-laundering, anti-terrorism financing and sanctions rules are designed ICLMG 4 · Emon 3. No Canadian charity, or its staff or directors, has been charged with a terrorist financing crime linked to its charitable work ICLMG 30.

The evidence at a glance

THE SYSTEM

13+

federal agencies shape the rules ICLMG 5 · Emon 10

38,000+

businesses must apply them ICLMG 5 · Emon 19

High → Med

charities were called "high risk" in 2015 and 2023; medium in 2025

ICLMG 5, 32

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independent bodies can check whether a closure was reasonable, free of discrimination and based on evidence

ICLMG 5

WHAT REVIEWS FOUND

80,000+

registered charities; for many Muslims, giving is a religious duty (zakat)

Emon 2

≈ Half

of terrorist-property reports in a 2009 audit rested on a "possible" name match Emon 29

2 of 6

NSIRA recommendations rejected by the CRA, including collecting demographic data on charities Emon 15

\$20M

new maximum fine for breaking anti-money-laundering rules in 2026, up from \$500,000

ICLMG 20

What it looks like

Six real cases, anonymized and shared with permission.

Case	What happened ICLMG 7–8
Cut off from donations	A donation platform gave a large Syria aid charity 15 to 30 days to leave after its new bank partner de-risked. Regular donations were disrupted.
Guilt by association	A Palestine solidarity group lost its bank account in 2024. Then a director and 13 family members did too, with no reasons. Two years later, a second bank dropped the director.
Frozen aid	After Canada eased sanctions on aid to Syria in February 2025, a payment company froze nearly \$1 million for almost a year.
A false story	After a false article, later retracted, banks closed a charity’s accounts and an executive’s and spouse’s accounts, RRSPs and credit cards.
No one could explain	A credit card company suspended a charity a week after signing it up.
A lost gift	A \$400,000 donation was flagged nearly six months late. After about 50 questions, the donor withdrew it.

Charity leaders say banks that drop a charity also close its board members’ personal accounts too Emon 33.

Three harms that feed each other

Biased risk checks

Bank risk practices open the door to bias and privacy violations. One report was filed only because people showed Middle Eastern passports Emon 3, 30.

Cut off from banking

Charities lose bank and payment services and can’t operate. Leaders report being shut out of everyday payment apps Emon 3, 14.

Aid pulled back

To keep their accounts, charities pull back from places in need. Some give only bare-minimum aid; some drop projects Emon 3, 37.

No data

No one in Canada collects data on de-risking, so the full scale is unknown ICLMG 4–5.

Why it matters

Finding	Source
A Senate committee found “structural bias against Muslim charities” in the CRA’s audit unit	Emon 7
NSIRA found the CRA chose charities to audit without enough rigour, risking bias	Emon 7 · ICLMG 5
Banks don’t have to explain closures. OBSI won’t review risk decisions, though it may look at some closures for bias	ICLMG 5 · Emon 20
Canadian banks generally won’t send charities’ aid money to regions Canada calls “high risk”	Emon 38
Banks are punished for missing a risk, but not for wrongly cutting off a lawful client	ICLMG 4
The US has a law and a strategy on de-risking; Canada’s regulators pay it little attention	Emon 32
The harm reaches equality, free association and expression, and life-saving aid	ICLMG 5

Five priorities and who must act

All 24 recommendations from the two reports, grouped into five priorities. **BOTH REPORTS** marks asks that both reports make.

1 Count de-risking and make it public **BOTH REPORTS** **FINANCE** **FINTRAC** **FCAC**

- **Finance:** require all banks and other reporting businesses to report each year how many accounts they closed, and why ICLMG rec. 3 · Emon rec. 3
- **FINTRAC:** report on de-risking in its annual report, using a standard template Emon recs. 4–5
- **FCAC:** a strategy for access to banking, checked every five years Emon rec. 6

2 Make access to banking a rule **FINANCE** **OSFI** **BOC** **FINTRAC** **FCAC**

- **Finance:** make failing to prevent unfair de-risking a compliance failure; issue guidance on de-risking and access to banking ICLMG recs. 2, 4
- **OSFI, BoC:** make access to banking a core principle of financial regulation Emon rec. 2
- **FINTRAC, FCAC, OSFI:** favour managing risk over closing accounts ICLMG rec. 8

3 Reasons, a response and a real review

BOTH REPORTS

BANKS

OBSI

FINTRAC

OSFI

- **Banks:** give clear reasons, a chance to respond and an independent internal review ICLMG rec. 12
- **OBSI:** review banks' risk decisions in complaints, including de-risking as possible bias ICLMG rec. 11 · Emon rec. 7
- **FINTRAC, OSFI:** set minimum record-keeping standards for these decisions ICLMG rec. 9

4 Fair risk checks, with charities at the table

BOTH REPORTS

FINANCE

FINTRAC

CRA

- **Finance:** weigh civil liberties and access to banking in national risk assessments; involve charities in writing them and on the federal advisory committee ICLMG recs. 1, 5, 7 · Emon rec. 8
- **FINTRAC, Finance:** train staff on risk decisions, including systemic bias ICLMG rec. 10
- **CRA:** tell charities the legal reasons for an audit Emon rec. 1

5 Clear rules for humanitarian work

FINANCE

CRA

PS

GAC

- **Finance, PS, GAC:** help banks apply sanctions changes correctly ICLMG rec. 6
- **CRA, PS, GAC:** plain guidance and twice-yearly sessions on the humanitarian exception, the authorization process and sanctions Emon recs. 9–11
- **PS:** regularly review the authorization process, including whether it makes charities pull back aid Emon rec. 12

Banks include payment companies. OBSI is an independent non-profit ombudsman, not a government agency ICLMG 27. Emon rec. 7 builds on rec. 2 Emon 34.

Acronyms

BoC Bank of Canada

CRA Canada Revenue Agency

FCAC Financial Consumer Agency of Canada

FINTRAC Financial Transactions and Reports Analysis Centre of Canada

GAC Global Affairs Canada

ICLMG International Civil Liberties Monitoring Group

NSIRA National Security and Intelligence Review Agency

OBSI Ombudsman for Banking Services and Investments

OSFI Office of the Superintendent of Financial Institutions

PS Public Safety Canada

ABOUT MCRO

The Muslim Communities Research Observatory is an independent research observatory. We collect and synthesize rigorous research on Muslim communities, turn it into policy briefs, dashboards and toolkits, and help leaders and organizations put that evidence to work. Contact: Amira Elghawaby · amira.elghawaby@mcro.ca

Disclosure: Emon's research was conducted under the former Office of the Special Representative on Combatting Islamophobia, then led by Amira Elghawaby, now MCRO's contact (Emon 6). ICLMG's report was funded by The Muslim Fund.

Sources (numbers are page numbers): McSorley, T. (2026). *The Damage of De-risking: How Canada's Policies to Counter Terrorism Financing Drive Financial Exclusion*. ICLMG. Emon, A. M. (2026). *Humanitarianism & the Exclusion of Muslim Charities from the Financial Sector*. Institute of Islamic Studies, University of Toronto. Evidence is current to October 2026.