

Terrorism & Terrorist Financing



agencia



Terrorism defined?

Terrorism = Terrere + isme

Terrere = Latin for 'frighten' or 'tremble'

Isme = French for 'to practice'

Terrorism is to practice fear or trembling



Why does terrorism exist?

- Religion
- Oppression
- Historical Grievances
- Violations of International law
- Relative Deprivation
- Hatred toward global economic hegemony
- Financial Gain
- Racism
- Guilt by association
- Supporting sympathisers
- Mortality salience
- Narcissism
- Sensation-seeking
- Failure of conventional channels of expression
- Communication and publicity



212 Separate Definitions



Component parts;



83.5% contain the concept of violence



65% include political goals



51% include causing fear or terror



21% include indiscriminate targeting



17% include the victimisation of civilians or non-combatants.



UN Security Council Resolution 1566(2004)

- *‘Criminal acts, including against civilians, committed with the intent to cause death or serious bodily injury, or taking of hostages, with the purpose to provoke a state of terror in the general public or in a group of persons or particular persons, intimidate a population or compel a government or an international organization to do or to abstain from doing any act, which constitute offences within the scope of and as defined in the international conventions and protocols relating to terrorism’.*

The Terrorism (UN Measures)(Overseas Territories) Order 2001

The use of or threat is designed to:

- influence the government or to intimidate the public
- Advance a political, religious or ideological cause
- Serious violence against a person
- Serious damage to property
- Endangers another's life other than the person committing the action
- Create a serious risk to the health or safety of the public or section of the public
- Seriously interfere or disrupt electronic system

Any of these acts involve the use or threat of use of firearms or explosives



TF Risk Assessment

Terrorist Finance Risk

Risk that funds or assets intended for a terrorism purpose are being raised, moved, stored or used in or through a jurisdiction in the form of legitimate or illegitimate funds or assets.

- Terrorist Financing Threat
- Terrorist Financing Vulnerability
- Terrorist Financing Consequence



Assessing the Threat

Intent + Capability + Timescale



Threat + Vulnerability





CONTEST Strategy

- PREVENT people from turning to terrorism and stop future generations of terrorists from emerging
- PROTECT citizens and critical infrastructure by reducing vulnerabilities against attacks
- PURSUE and investigate terrorists, impede planning, travel and communications, cut off access to funding and materials and bring terrorists to justice
- RESPOND in a coordinated way by preparing for the management and minimisation of the consequences of a terrorist attack, improving capacities to deal with the aftermath and taking into account the needs of victims.

PROSCRIBED TERRORIST ORGANISATIONS



Home Office



- Home Secretary can proscribe an organisation if it :-
- Commits or participates in acts of terrorism;
- Prepares for terrorism;
- Promotes or encourages terrorism (including the unlawful glorification of terrorism); or
- Is otherwise concerned in terrorism.
- Proportionate to do so.

<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>



Terrorist Organisation & Wealth

- **ISIS – Annual Turnover \$2billion**
 - Main funding sources: oil trade, kidnapping and ransom, collection of protection and taxes, bank robberies and looting.
- **Hamas – Annual Turnover \$1billion**
 - Main funding sources: taxes and fees, financial aid and donations (especially Qatar).
- **FARC – Annual Turnover \$600million**
 - Main funding sources: drug production and drug trafficking, kidnapping and ransom, mining of minerals (especially gold), fees and taxes
- **Hezbollah – Annual Turnover \$500million**
 - Main sources of income: financial assistance and donations (especially Iran), production and trafficking of drugs
- **Taliban – Annual Turnover \$400million**
 - Main funding sources: drug trafficking (mainly production of opium and heroin), sponsorship fees and taxes, financial assistance and donations.
- **Al-Qaeda – Annual Turnover \$150million**
 - Main sources of finance: financial assistance and donations, kidnapping, ransom and drug trafficking.
- **Lashkar-e-Taiba – Annual Turnover \$100million**
 - Main sources of finance: financial assistance and donations.
- **Al Shabab – Annual Turnover \$70million**
 - Main funding sources: kidnappings and ransom, illegal trade and pirate activity, sponsorship fees and taxes
- **Real IRA – Annual Turnover \$50million**
 - Main funding sources: smuggling and illegal trade, aid and donations
- **Boko Haram Annual Turnover \$25million**
 - Main funding sources: kidnappings and ransom, fees and taxes, protection, bank robberies and looting



UK Terrorism - Think Finance!

- 22/3/2017 Westminster Bridge
 - 6 Killed and 50 injured
 - 52yrs old Khalid Masood
 - Hired a vehicle and drove it along the bridge deliberately knocking pedestrians over.
 - Crashed at the Palace of Westminster and then fatally stabbed PC Keith Palmer
 - Shot Dead by police
- 22/5/2017 London & Manchester Arena Bombing
 - 23 killed over 200 injured at Ariana Grande Concert
 - Jihadist inspired
 - Homemade bomb containing bolts
 - Salman Ramadan ABEDI 22yrs old British Muslim of Libyan heritage
- 3/6/2017 London Bridge and Borough Market
 - 3 Islamist inspired attackers drove a hired van along London Bridge into pedestrians.
 - Walked into Borough market and carried out multiple stabbings.
 - Wearing fake suicide vests
 - 8 Killed 48 injured
 - All three attackers were shot dead by police
- 15/9/2017 Parsons Green Bombing
 - Ahmed Hassan 18yrs attempted to bomb a London tube train
 - Bomb packed with shrapnel
 - Partially explode injuring 50 people
 - Caught attempting to flee through Dover port
 - Sentence to life imprisonment

Paris Terrorists



Status	Dead	Arrested	Dead	Dead	Dead	Dead	Dead	Dead	Dead	Dead
Nationality	Belgian	French (living in Belgium)			French (living in Belgium)	French	French	French	French (living in Belgium)	Belgian and Moroccan
Known connection to chief planner	—	✓				✓			✓	✓
Believed to have visited Syria	✓	✓			✓	✓	✓	✓	✓	✓
Committed previous crimes	✓	✓				✓	✓		✓	✓
Previous terrorism connection suspected	✓				✓	✓	✓			



6 Steps of a Terrorist Attack Cycle

During target selection:

- Was travel required to select a target and to conduct surveillance activity?
 - If so, how frequently and by whom?
 - If so, how far and by what means?

During planning:

- Were weapons purchased?
- Were additional surveillances necessary?
- Were vehicles purchased, rented or stolen?
- Were there needs for safe houses or other logistical support that would require financing?

During deployment:

- Were travel, lodging, food and/or communications expenses required?
 - If so, for how many and for how long?

During the attack:

- Were expenses required for command and control?
- Were expenses required for communications devices?

During the escape:

- What travel or lodging expenses were necessary?
- Were they necessary for attackers and/or support elements of the attack?

For exploitation:

- Were there internet and media expenses or other communications requirements?
- Was exploitation driven by a core group, an affiliate or the operatives?



Mutual Evaluation Report 2008 (3rd Round)

- US\$45 Million held in frozen accounts at time of MER subsequently confiscated and shared with Bermuda
- No evidence of terrorism and no evidence of terrorist financing at time of report
- Financial Investigation Agency (FIA) get SARs
- FIA and Egmont freely exchange information and intelligence
- CDD Regs dealt with under AMLTF code of practice 2018



Terrorist Financing

- The FATF defines terrorist financing as the “financing of terrorist acts, and of terrorists and terrorist organisations.”
- It can also involve the facilitation of terrorist acts using other assets or stores of value (such as oil and natural resources, property, legal documents, financial instruments, etc.).
- The financing can also take place indirectly by storing value in different types of non-financial tangible or intangible assets.

Foreign Terrorist Fighters



- UN Defined - “individuals who travel to a state other than their states of residence or nationality for the purpose of the perpetration, planning, or preparation of, or participation in, terrorist acts or the providing or receiving of terrorist training, including in connection with armed conflict”

– September 2014, the UN Security Council Resolution 2178

- The Revenge Seeker – frustrated, angry and finding an outlet to discharge towards person, group or entity they see as being at fault.
- The Status Seeker – looking for recognition and esteem from others
- The Identity Seeker – Need to belong to something meaningful, defining their identity through group affiliations
- The Thrill Seeker – Looking for excitement, adventure and glory



Terrorist Property - Defined

- Terrorist property means-
 - money or other property which is likely to be used for the purposes of terrorism,
 - proceeds of the commission of acts of terrorism, and
 - proceeds of acts carried out for the purposes of terrorism.

Reference to proceeds of an act includes a reference to any property which wholly or partly, and directly or indirectly, represents the proceeds of the act (including payments or other rewards in connection with its commission).



Offences

- Article 6 - Fund raising
- Article 7 - Use and possession of money or property for terrorism.
- Article 8 - Funding arrangements
- Article 9 - Money Laundering
- Article 10 - 12 Duty to disclose
- Article 13 - Cooperation with the police
- Article 18 - Terrorist finance: things done outside the territory

2002 no.1822 The Anti-terrorism (Financial and Other Measures) (Overseas Territories) Order 2002



Offences

- Article 3 – Collection of funds
- Article 4 – Making funds available
- Article 5 – Freezing of funds
- Article 6 – Facilitation of activities
- Article 7 – Offences in connection with licenses
- Article 8 – Failure to disclose knowledge or suspicion
- Article 9 – Obtaining Information
- Article 10 – Disclosure of Information

2001 No 3366 The Terrorism (United Nations Measures) (Overseas Territories) Order 2001



Other legislation

- Proliferation Financing (Prohibition) Act, 2009
- Anti-money Laundering Regulations [Consolidated By The Financial Services Commission]
- Anti-money Laundering And Terrorist Financing Code Of Practice 2008
- Terrorist Asset-freezing Etc. Act 2010
- The Terrorist Asset-freezing Etc. Act 2010 (Overseas Territories) Order 2011
- The Terrorist Asset-freezing Etc. Act 2010 (Overseas Territories) (Amendment) Order 2017
- The Policing And Crime Act (Financial Sanctions) (Overseas Territories) Order 2017
- The Chemical Weapons (Sanctions) (Overseas Territories) Order 2018
- The Chemical Weapons (Overseas Territories) Order 2005



Forfeiture of money or property

- 15.—(1) The court by or before which a person is convicted of an offence under any of articles 6 to 9 may make a forfeiture order in accordance with the provisions of this article.
- (2) Where a person is convicted of an offence under article **6(1) or (2) or 7**, the court may order the forfeiture of any money or other property—
- (a) which, at the **time of the offence**, he had in his **possession** or under his **control**, and
 - (b) which, **at that time**, he intended should **be used**, or had **reasonable cause to suspect might be used**, for the purposes of terrorism.
- (3) Where a person is convicted of an offence under **article 6(3)** the court may order the forfeiture of any money or other property—
- (a) which, at the **time of the offence**, he had in his **possession** or under his **control**, and
 - (b) which, **at that time**, he **knew** or had **reasonable cause to suspect would or might be used** for the purposes of terrorism.
- (4) Where a person is convicted of an offence under **article 8** the court may order the forfeiture of the money or other property—
- (a) to which the **arrangement in question related**, and
 - (b) which, **at the time** of the offence, he **knew** or had **reasonable cause to suspect would or might be used** for the purposes of terrorism.
- (5) Where a person is convicted of an offence under **article 9** the court may order the forfeiture of the money or other property to **which the arrangement in question related**.



Forfeiture of Terrorist Cash

Cash which

- is intended to be used for the purposes of terrorism, or
 - is, or represents, property obtained through terrorism,
- to be forfeited in civil proceedings before a magistrate's court

It does not matter whether there are any proceedings relating to an offence in connection to the cash



Account Monitoring Orders

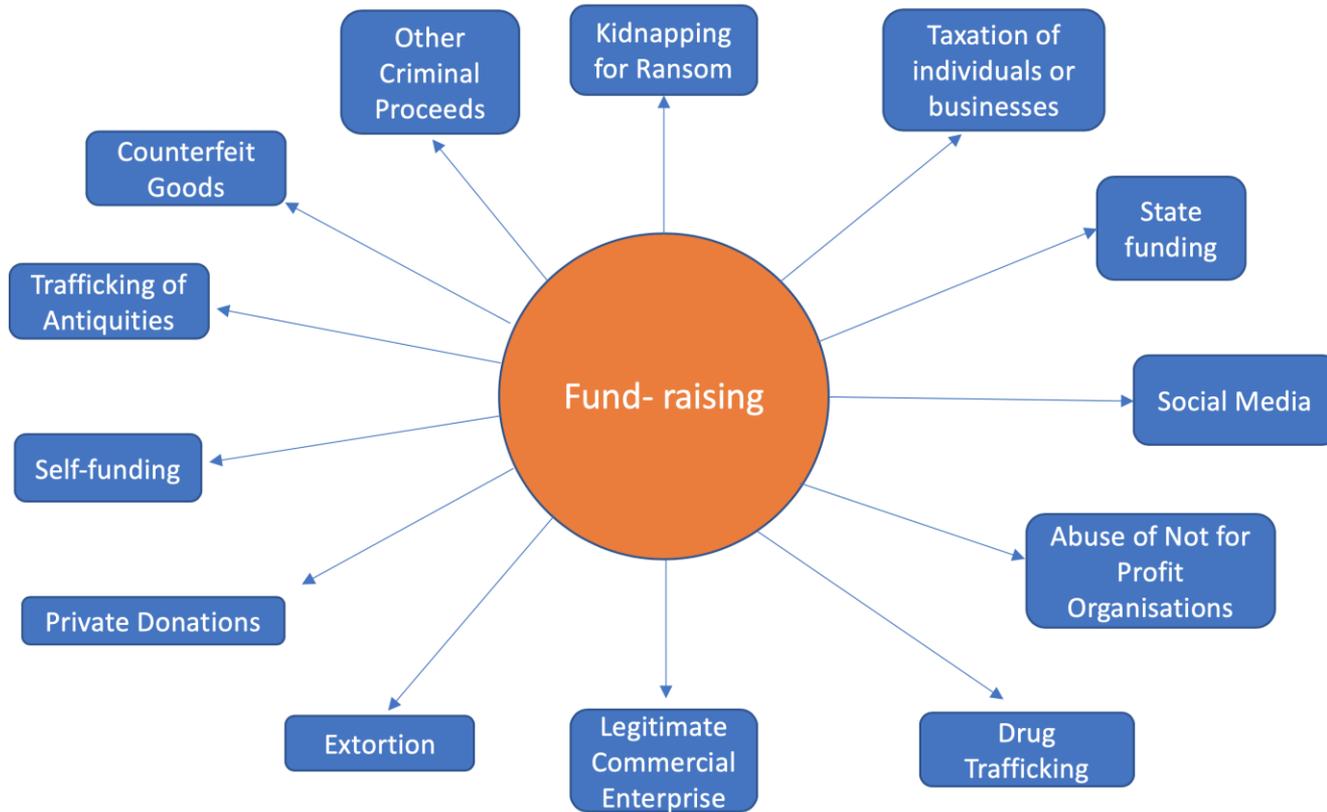
- An account monitoring order can be granted for
 - The purposes of a terrorist investigation
 - The tracing of terrorist property
 - An order will enhance the effectiveness of the investigation.
- The account monitoring order must no exceed 90 Days



Article 6 - Fund Raising

6. - (1) A person commits an offence if he -
 - (a) invites another to provide money or other property, and
 - (b) intends that it should be used or has reasonable cause to suspect that it may be used, for the purposes of terrorism.
- (2) A person commits an offence if he -
 - (a) receives money or other property, and
 - (b) intends that it should be used or has reasonable cause to suspect that it may be used, for the purposes of terrorism.
- (3) A person commits an offence if he -
 - (a) provides money or other property, and
 - (b) knows or has reasonable cause to suspect that it will or may be used for the purposes of terrorism.
- (4) In this article a reference to the provision of money or other property is a reference to its being given, lent or otherwise made available, whether or not for consideration.

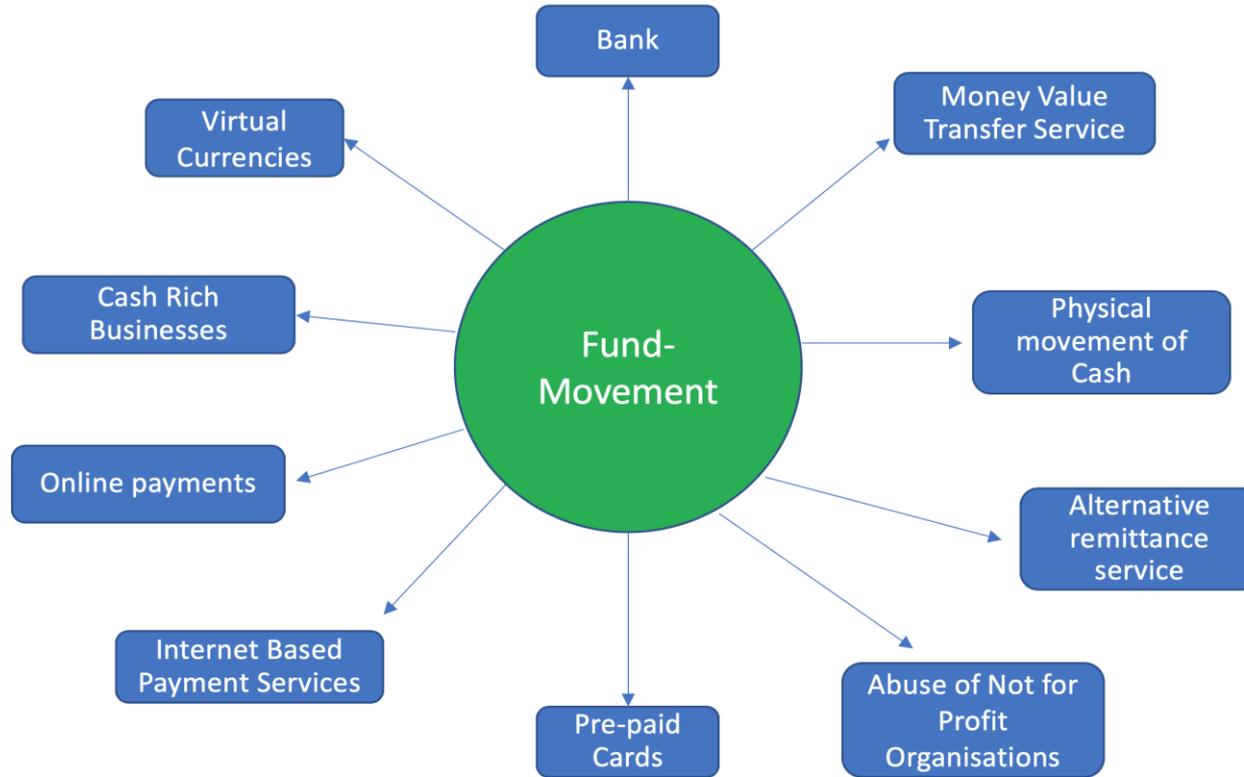
Fund Raising



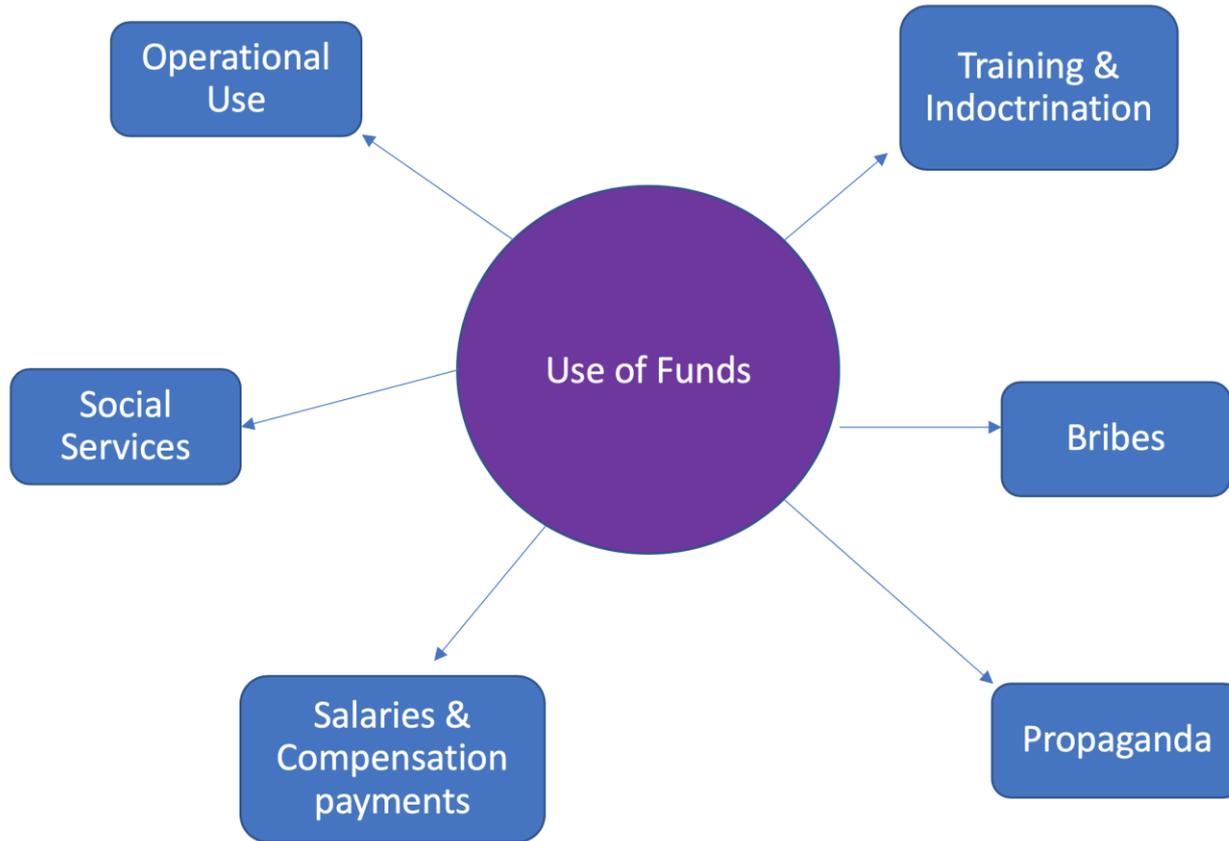
Storing of Funds



Movement of Funds



Use of Funds





Income Generation

- 1993 World Trade Centre – Partly funded through selling counterfeit t-shirts, kitchenware & mobile phones on New York's Broadway.
- 2001 – Osama bin Laden owned retail honey shops throughout the Middle East and Pakistan.
- 2002 Hezbollah – Methamphetamine Ring in the US where proceeds funneled to Hezbollah.
- 2004 Madrid Bombings – Funded by the sale of counterfeit DVD's and selling drugs.
- Revolutionary Armed Forces of Colombia – Cocaine
- Al-Qaeda profited from the Afghan poppy crops where 86% of the worlds Opium is supplied.
- Irish Republican Army (IRA) – Tin Rattling in bars

Trafficking of Arts & Antiquities

- Profit to fund terrorist operations and purchase weapons
- Destroy or remove national treasures – ‘cultural cleansing’
- Illicit Art trade valued at US\$50billion
- Illicit Antiquities trade valued at US\$6billion



Nazem Said Ahmad & Hassan Nasrallah



- Established the Artual Gallery in Beirut as a front to “launder substantial amounts of money bound for the terrorist group,” for which he is a “significant financier,”
- “In concealing his ill-gotten gains from the Lebanese government, Ahmad has deprived the government and the Lebanese people of much-needed tax revenue while the country faces serious economic challenges.”
- Alleged that he “personally” provided funds to Hezbollah Secretary-General Hassan Nasrallah
- Lebanon-based diamond dealer Nazem Said Ahmad and DRC-based businessman Saleh Assi. Mr Ahmad was accused of involvement in “blood diamond” smuggling.
- “Hezbollah continues to use seemingly legitimate businesses as front companies to raise and launder funds in countries like the DRC where it can use bribery and political connections to secure unfair market access and evade taxes,”



<https://www.thenational.ae/world/mena/us-sanctions-millionaire-hezbollah-moneymen-as-nasrallah-speaks-1.951180>



SANCTIONS REGIME



Three categories of sanctions



Targeted Sanctions

Aimed at individuals



Sectorial Sanctions

A particular sector to prevent dealings in a particular product



Comprehensive Sanctions

All import/export trade against most service, types of goods or technological services



Sanctions Lists

- United Nations
 - Economic or Trade sanctions
 - Arms embargoes
 - Travel bans
 - Financial or commodity restrictions
- European Union
 - Interruption or reduction, in part or in whole the EU's economic and financial relations with a country outside the EU
 - UK OFSI
- United States
 - OFAC & SDN
 - Prohibited from providing property or interest in property by freezing.

Office of Financial Sanctions Implementation (OFSI)

OFSI aims

- raise awareness of and compliance with financial sanctions
- rapidly detect, respond to and address financial sanctions breaches
- provide a professional service to businesses and others affected by financial sanctions

SANCTIONS

- asset freezes which prohibit you from:
 - dealing with a sanctioned person's assets, including funds and property
 - making funds or goods available directly or indirectly to a sanctioned person
 - restrictions on access to financial services and markets

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>



Why use sanctions?

Coerce: the person or regime on who it is imposed to change behaviour by increasing the cost on them to such an extent that the sanctioned person or regime decides to cease the offending behaviour

Constrain: by denying key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation

Signal disapproval: by stigmatising and potentially isolating a regime or individual, as a way of sending a broader political message nationally or internationally

Protect: the value of assets that have been misappropriated from a country until these assets can be repatriated



Who is subject to sanctions

- Any person in the BVI
- Any person who is a British citizen, a British Overseas Territories citizen, a British subject, a British National (Overseas) or a British protected person who is ordinarily resident in the BVI
- A body incorporated or constituted under the laws of the BVI
- Any person on board a ship or aircraft that is registered in the BVI

Ensuring compliance rests with:

- A body registered, incorporated or constituted under the laws of the BVI or any part of the BVI and supervised by the BVI Financial Services Commission (this will include all financial institutions)
- A body registered, incorporated or constituted under the laws of the BVI or any part of the BVI and supervised by the BVI Financial Investigation Agency (this includes all designated non-financial businesses and professional and non-profit organisations)
- Any person on board a ship or aircraft that is registered in the BVI



Action to take !

01

Check financial sanctions consolidated list

02

Check to see if there are any accounts held by a BVI person or holds funds or economic resources on behalf of the person subject of the sanction.

03

Comply with the terms of the sanction such as freezing assets

04

Make an application for the licence from the BVI Governor and report the asset freeze

05

Continually monitor the financial sanctions notices



What is Proliferation Financing?

“The act of providing funds or financial services which are used, IN WHOLE or IN PART, for the:

- manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of
- nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.”

SANCTIONS



Terrorist Finance Tracking Program (TFTP)

Article 1 – Purpose of the Agreement

1. The purpose of this Agreement is to ensure, with full respect for the privacy, protection of personal data, and other conditions set out in this Agreement, that:
 - (a) financial payment messages referring to financial transfers and related data stored in the territory of the European Union by providers of international financial payment messaging services, that are jointly designated pursuant to this Agreement, are provided to the U.S. Treasury Department for the exclusive purpose of the prevention, investigation, detection, or prosecution of terrorism or terrorist financing; and
 - (b) relevant information obtained through the TFTP is provided to law enforcement, public security, or counter terrorism authorities of Member States, or Europol or Eurojust, for the purpose of the prevention, investigation, detection, or prosecution of terrorism or terrorist financing.

2. The United States, the European Union, and its Member States shall take all necessary and appropriate measures within their authority to carry out the provisions and achieve the purpose of this Agreement.



European Counter Terrorism Centre (ECTC)

Designed as a central hub in the EU in the fight against terrorism, the ECTC focuses on:

- Providing operational support upon a request from a EU Member State for investigations;
- Tackling foreign fighters;
- Sharing intelligence and expertise on terrorism financing (through the Terrorist Finance tracking Programme and the Financial Intelligence Unit);
- Online terrorist propaganda and extremism (through the EU Internet Referral Unit);
- Illegal Arms trafficking;
- International cooperation among counter terrorism authorities.
- 81 staff members & 14 seconded national experts



agencia