



Effective Freezing Regime: Communication Strategy

CFATF Secretariat Research Desk
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Importance of an Effective Freezing Regime



Detering non-designated persons or entities who might otherwise be willing to finance terrorist activity.



Exposing terrorist financing “money trails” that may generate leads to previously unknown terrorist cells and financiers.



Dismantling terrorist financing networks by encouraging designated persons or entities to disassociate themselves from terrorist activity and renounce their affiliation with terrorist groups.





Importance of an Effective Freezing Regime



Terminating terrorist cash flows by shutting down the pipelines used to move terrorist related funds or other assets.



Fostering international co-operation and compliance with obligations under the Al-Qaida/Taliban sanctions regimes, and resolution 1373(2001).



Forcing terrorists to use more costly and higher risk means of financing their activities, which makes them more susceptible to detection and disruption.





Communication of Freezing



Effective implementation of the asset freeze obligation requires an efficient and effective communication strategy.

Requirements concerning the communication of designations should be clearly articulated to the private sector, as required by paragraph 6(c) of INR 6.

This should include not just financial institutions, but also designated nonfinancial businesses and professions (DNFBPs) and high-risk sectors that may not have had as much exposure to asset freeze measures, such as non-profit organizations (NPOs).





Characteristics of the Communication Strategy



Asset freeze obligations in UNSCR 1373(2001) and the Al-Qaida/Taliban sanctions regimes are implemented through relevant legislation.



Asset freeze obligations are applicable to all natural and legal persons.



Efficient and effective methods should be used to inform the private sector and general public of their obligations under the asset freezing mechanism.



Characteristics of the Communication Strategy



Clear guidance to all persons and entities likely to hold targeted funds or other assets, which include, but go beyond, financial institutions.



Efficient and effective methods should be used to inform high-risk sectors and DNFBPs of their obligations under the asset freezing mechanism.

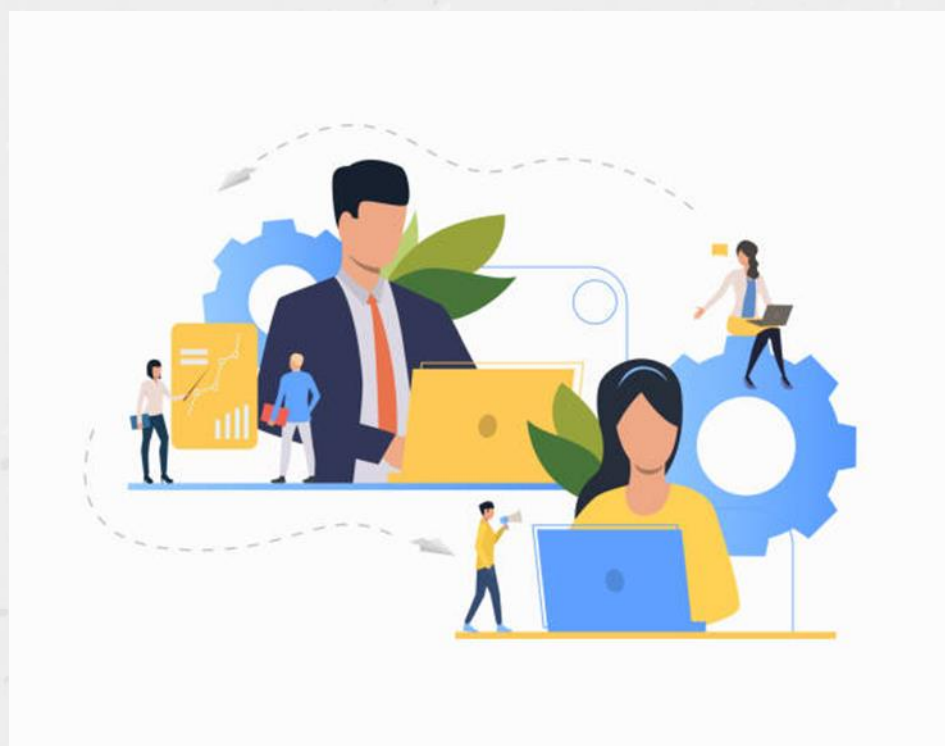


May include senior level engagement with appropriate bodies representing business, industry and high-risk sectors. Informal engagement with individual institutions and sectors. may also be done.





Content of Communication

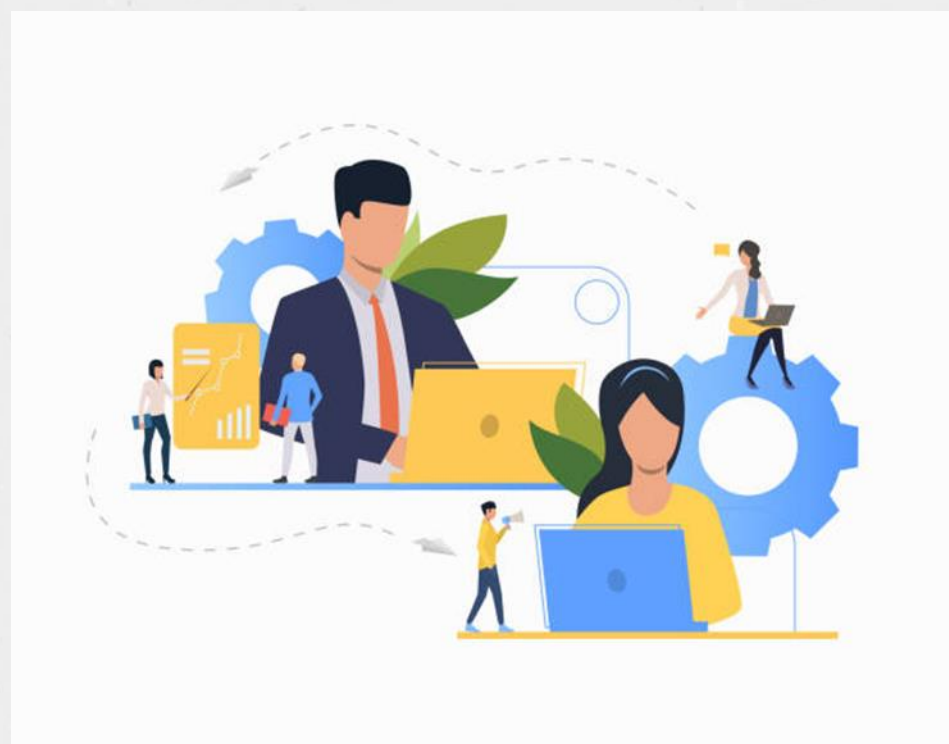


The communication strategy should ensure the timely and broad public dissemination of:

- The existence of the asset freezing restrictions and the obligations they impose on the private sector.
- The benefits of an asset freezing mechanism as a preventive tool to disrupt terrorist support and activity and the importance of complying with the asset freezing obligations.
- Information identifying all persons and entities subject to the asset freezing mechanism through publication of a comprehensive list of all such persons and entities.
- Actions taken under asset freezing mechanisms. The legal notice of a designation decision should be considered the first stage of this communication strategy.
- Clear points of contact within the government to which the private sector can direct any enquiries including a mechanism for the private sector to request, after conducting appropriate due diligence, guidance on possible matches to designated persons and entities. →



Methods of Communication



Countries should consider maintaining a government Internet site including up-to-date and comprehensive information on:

- The designation procedure and asset freezing mechanism.
- Texts of relevant laws.
- Comprehensive list of all persons and entities currently subject to the asset freezing mechanism.
- The contact point for public inquiries.
- Countries should consider an electronic subscription service for persons and organizations with a particular need to be kept informed of decisions to designate or revoke a designation, such as the financial sector, DNFBPs and high-risk industries.





Communication Mechanisms



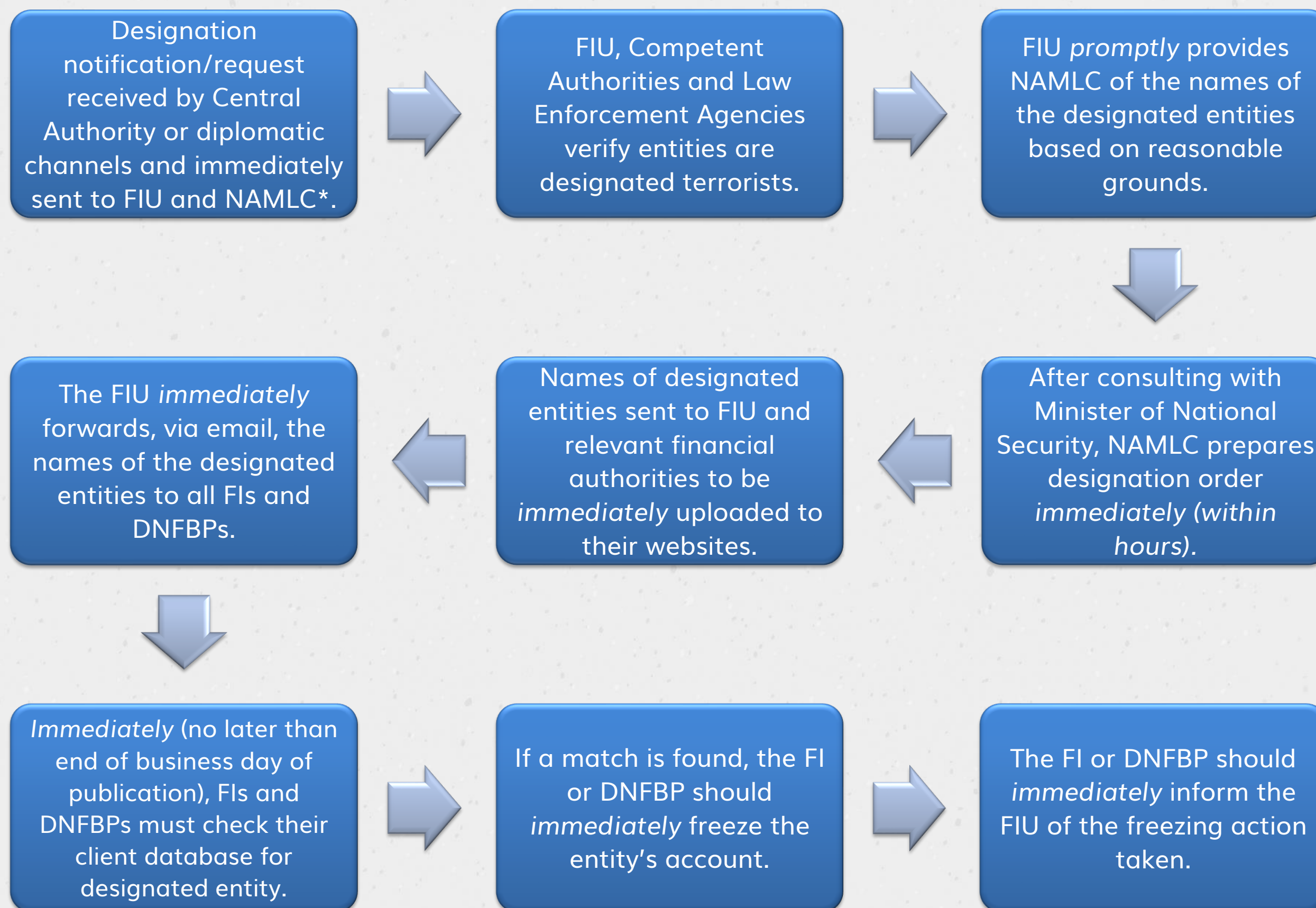
Countries can employ different mechanisms or procedures to implement their communication strategy regarding notification of designations.

The mechanisms utilized by countries for conveying notifications of designations should allow freezing to be done without delay, ideally within hours.





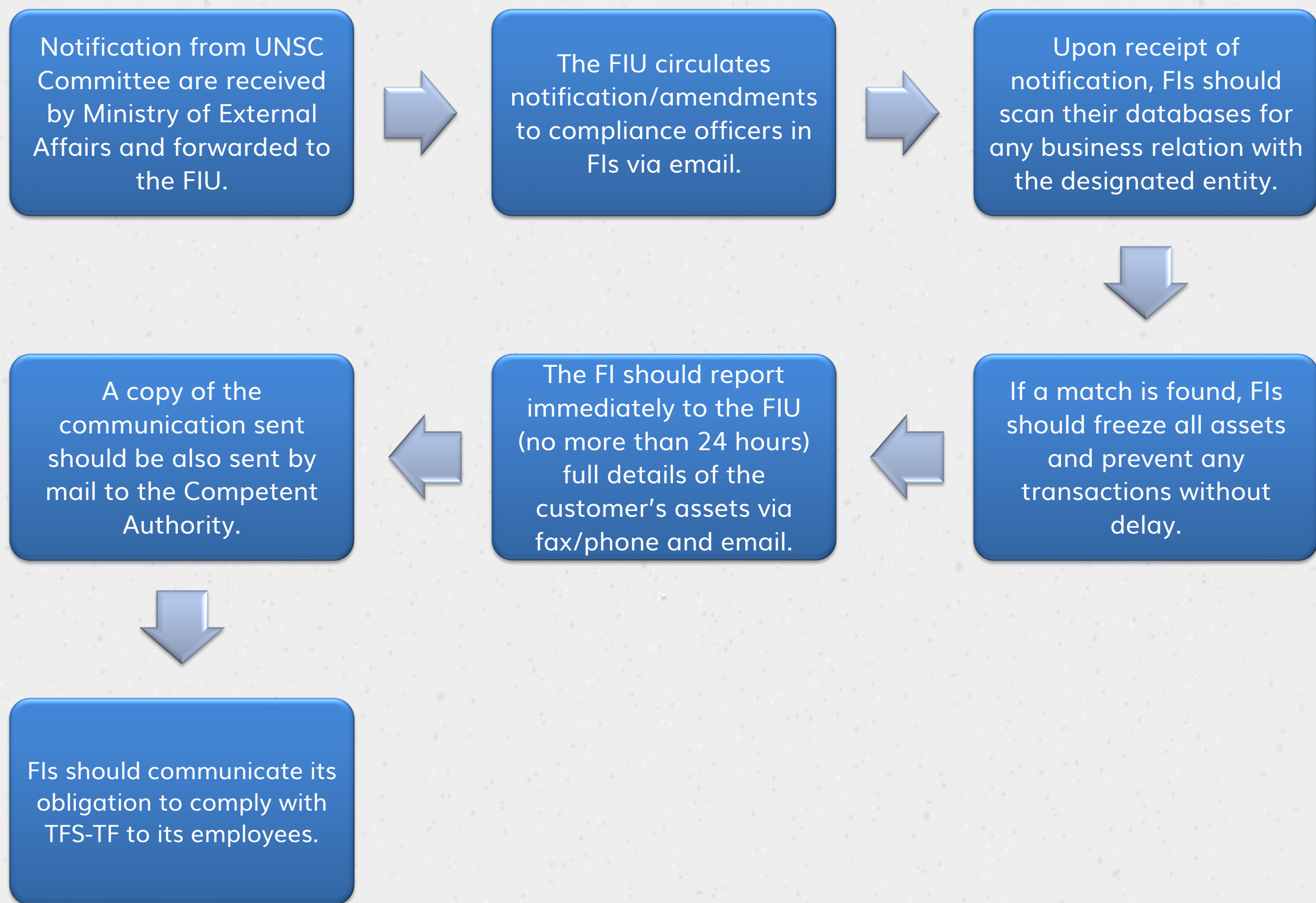
Example 1: How External Designation Request/Notification can trigger Domestic Freezing Mechanisms - Procedures



*NAMLC – National Anti-Money Laundering Committee

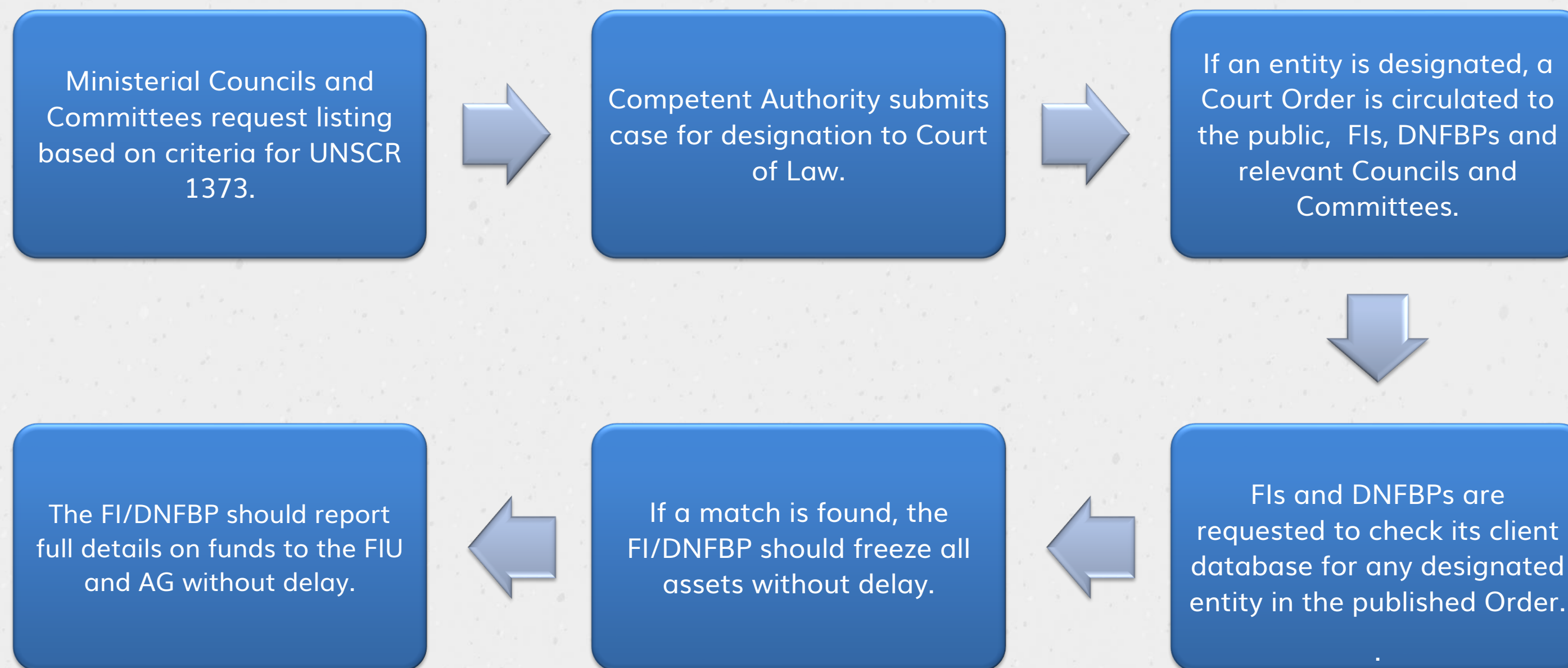


Example 2: How External Designation Notification can trigger Domestic Freezing Mechanisms – Procedures





Example 3: How Domestic Designation can trigger Domestic Freezing Mechanisms - Procedures



Thank you!

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