International convention for the suppression of terrorism financing

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Relevance of the Instrument

Informal economy

Terrorist funds

HNIs
Signatories

- International convention for the suppression of terrorism financing
  - Entry into Force: 2002
  - Signatories: 189
  - Parties: 132
  - Exchange of Information
  - Preventive Financial Measures
  - Extradition and Mutual Legal Assistance
Sample Process for Hiding Assets Overseas

- Source: Andres Knobel (2020)
West African States particularly affected

<table>
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<tr>
<th>2020 figures</th>
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<tr>
<td>Burkina Faso - 921,000 forced to flee as of June 2020</td>
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<td>Mali - 240,000 people internally displaced with 54% of them women</td>
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<td>Niger - 489,000 forced to flee</td>
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<td>Nigeria – 7.7 million require emergency assistance</td>
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“The growing linkages between terrorism, organized crime and intercommunal violence cannot be overemphasized” - Mohamed Ibn Chambas, Head of the United Nations Office for West Africa and the Sahel (UNOWAS)
West African States particularly affected

FATF Report on Terrorist Financing in West Africa found the following vulnerabilities:

<table>
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<th>Vulnerability</th>
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<td>Lack of capacity to detect suspicious transactions</td>
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<td>Large, cash-based, informal economy</td>
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<td>Porous borders</td>
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<td>Domestic and international information sharing among ECOWAS states remains weak</td>
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Offences under the Convention (Art. 2)

Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out:

(a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or

(b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.
Offences under the Convention


Questions for Consideration

• Which of these offences are recognized in the domestic laws of your countries?
• Are there any which are not yet recognized?
• What have been the challenges in doing so?
Channels of Terrorist Financing

- Trade and other lucrative activities
- NGOs, charity organisations, and levies
- Smuggling of arms, assets and currencies by cash couriers
- Drug trafficking

Case Studies can be accessed here (p 20-34):
Asset freezing and confiscation

Article 8: State Parties have to take appropriate measures for the identification, detection, freezing or seizure and forfeiture of any funds used for terror financing.

Parties are encouraged to conclude agreements with other Parties of the funds derived from forfeitures;

And share these funds with the victims or their families.
Preventive Measures: Financial Reporting

Article 18(1)(b): Obligations on financial institutions

Prohibit the opening of accounts the holders or beneficiaries of which are unidentified

Verify existence and identification of legal entities including proof of incorporation, including information concerning the customers name, legal form, address, directors and provisions regulating the power to bind the entity

Report all complex, unusual large transactions and unusual patterns of transactions, without them needing to fear assuming criminal or civil liability for breach of any restriction on disclosure of information if they report their suspicions in good faith.
Preventive Measures: Exchange of Information

Article 18(2): Cooperation for (i) Licensing all money transmission agencies (ii) Detect physical cross-border transport of cash and bearer negotiable instruments

Article 18(3): Exchange information to prevent offences

Cooperate in conducting inquiries relating to movement of funds and persons

Parties may also exchange information through Interpol
Questions for discussion

• What have been the successful experiences with regard to
  o Utilisation of Suspicious Transaction Reports?
  o Freezing of funds used for terror financing?
  o Exchange of information with other countries in this regard?

• Any other aspects of this instrument.
Thank You!

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