

TERRORIST FINANCING

(TF)

Money underpins all terrorist activity

Terrorist groups utilise multiple methods for raising, storing moving and using funds.

Terrorists may engage in generating income from legitimate businesses or from criminal activity.

Terrorist attacks can be carried out by small groups or a single individual, with a relatively small amount of money, and sometimes with only limited involvement in the financial system.

Without it there can be no training, recruitment, facilitation or support for terrorist groups.

Small financial transactions may be considered to be of minimal risk, but can be related to terrorist financing and money laundering.

More than 150 terrorist groups identified by Canada, EU, UK, UN, US, India, Russia, China & Turkey

10 RICHEST TERRORIST GROUPS

Source: Forbes, 2018; The Global Initiative Against Transnational Organised Crime, 2018

- 1 Hezbollah
- 2 Taliban
- 3 Hamas
- 4 Al Qaeda
- 5 Islamic State/Daesh
- 6 Kurdistan Workers' Party (PKK)
- 7 Kata'ib Hezbollah
- 8 Palestinian Islamic Jihad
- 9 Lashkar-e-Taiba (LeT)
- 10 The Real Irish Republican Army (Real IRA)

FUNDING AMOUNTS FOR TERRORIST ATTACKS IN THE WEST

Examples



STATE SPONSORS OF TERROR

Source: US Department of State



- > Democratic People's Republic of Korea (North Korea)
- > Iran
- > Sudan
- > Syria

COUNTRIES AT MOST RISK OF TERRORIST ATTACKS

Source: Global Terrorism Index, 2017

- Nigeria
- Pakistan
- Iraq
- Afghanistan
- Syria

(94% of all terrorist deaths are located in the Middle East and North Africa, Sub-Saharan Africa and South Asia)

SOURCES OF TERRORIST FINANCING

Source: The Global Initiative Against Transnational Organised Crime, 2018; Europol Terrorism Situation and Trend Report, 2018



Large terrorist organisations

- > Taxation and extortion (including of drugs)
- > Natural resources
- > Theft and looting
- > Trafficking
- > Donations



Lone actors

- > Private funds
- > Legitimate state subsidies/benefits
- > Support from like-minded individuals
- > Card or loan fraud

INHERENT TF RISK CATEGORIES



Customer risk

- Charities & not for profits
- Money services businesses
- Unregulated MSBs e.g. hawala; money mules
- New payment methods providers



Product & channels risk

- New payment methods, including prepaid cards



Geographies risk

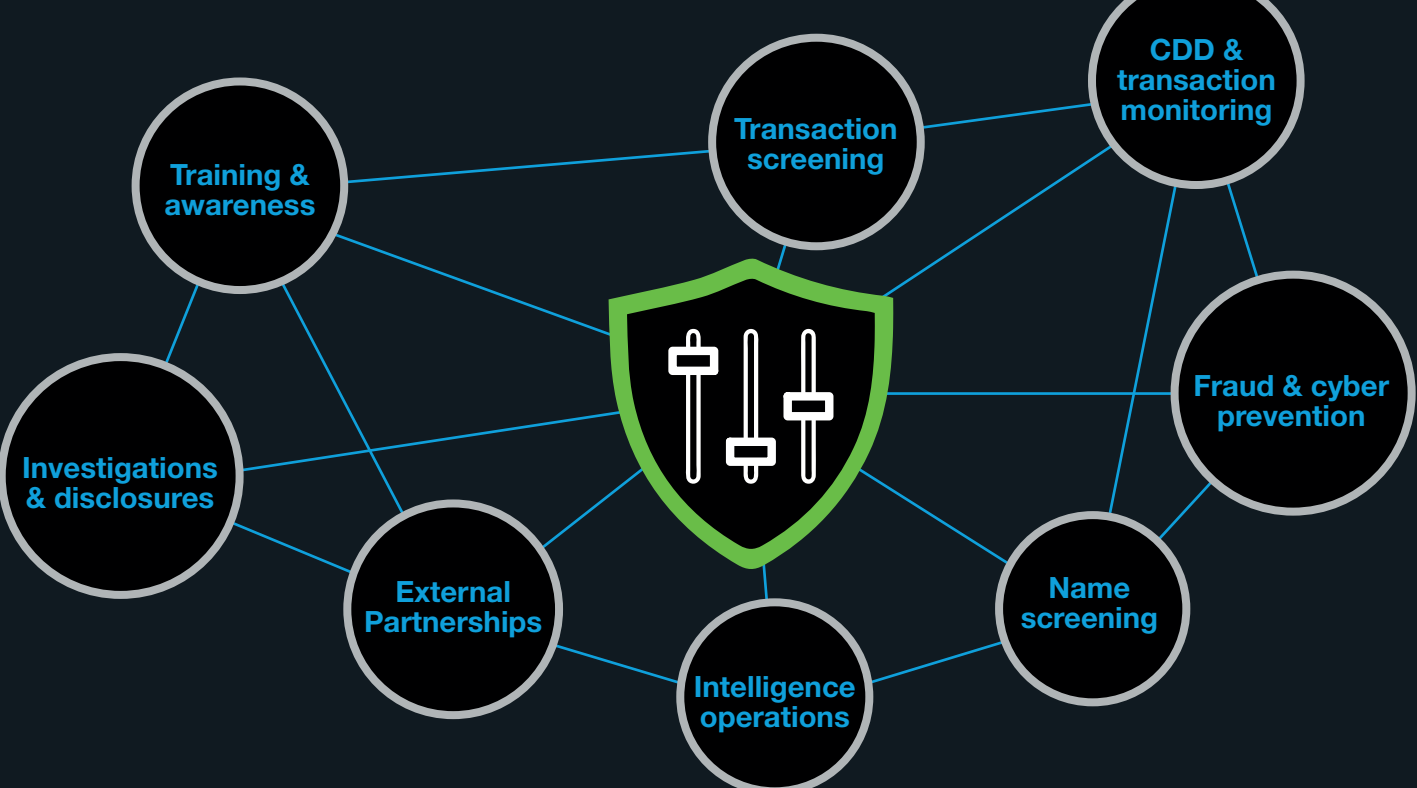
- Sanctioned countries
- Countries with significant terrorist activity
- Conflict countries or those bordering conflict countries
- Countries with repressive regimes



Over the last 17 years, 99% of all terrorist-related deaths occurred in countries involved in conflict or which have high levels of political terror.

Source: Global Terrorism Index, 2017

MAJOR TF CONTROLS



BE DILIGENT. BE CURIOUS. BE VIGILANT.

Figures used from various public sources