




FINANCIAL ACTION TASK FORCE  
GROUPE D'ACTION FINANCIÈRE

# The Revised FATF Standards

## 5. Terrorist Financing

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## Overview

- Terrorist financing in the revised Standards
- Criminalisation of terrorist financing (R.5)
- Non-profit organisations (R.8)
- Targeted financial sanctions related to terrorism and terrorist financing (R.6)

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## Terrorist Financing in the Revised Standards

- The FATF IX Special Recommendations on TF were adopted in 2001, as an addition to the 40 Recommendations which focused on ML
- To remove duplication and highlight synergies, the Special Recommendations have been merged into the 40 Recommendations
- The 2012 FATF 40 Recommendations on ML, TF and FoP fully incorporate all elements of the 2001 FATF IX Special Recommendations

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## Criminalisation of TF (R.5)

- Limited changes to criminalisation:
  - restructuring of the Interpretative Note, including adding language on the mental element and sanctions as per ML
  - introduction of an explicit reference to the Terrorist Financing Convention
- As before, the implementation of R.5 should not contradict the TF Convention (note that R.5 sets specific requirements that go beyond the TF Convention)

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## Non-Profit Organisations (R.8)

- No substantial changes have been introduced to R.8: countries should ensure that NPOs are not misused by terrorist organizations or to finance terrorism.
- The requirement to provide appropriate authorities with adequate financial, human and technical resources is directly incorporated into the Interpretative Note.

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## Targeted Financial Sanctions (R.6)

- The underlying requirements are unchanged
- The objective of R.6 is to support the consistent implementation of:
  - **UNSCR 1267** and its successor resolutions (Al Qaeda and the Taliban)
  - **UNSCR 1373** (terrorism and terrorist financing)

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## Targeted Financial Sanctions (R.6)

- **UNSCR 1267** and its successor resolutions
  - identification by countries & designation by the UN
  - delisting by the UN; unfreezing only after UN delisting
  - access to funds under UNSCR 1452
  - challenging designations: UN Ombudsperson
- **UNSCR 1373**
  - identification & designation by countries; countries need to be able to consider foreign requests
  - delisting and unfreezing by countries
  - challenging designations and requests for access to funds through national courts

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## Targeted Financial Sanctions (R.6)

- Targeted financial sanctions cover:
  - freezing of funds/assets of designated persons and entities

AND

  - prohibition to make funds/assets available to designated persons and entities

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## Targeted Financial Sanctions (R.6)

- The Recommendation has been updated and clarified:
  - Terminology closer to that of the UNSCRs
  - Reference to successor resolutions to UNSCR 1267 adopted since 2003
  - A clearer distinction between targeted financial sanctions and other requirements related to TF, in particular R.4 (confiscation and provisional measures)

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## Targeted Financial Sanctions (R.6)

- Targeted financial sanctions:
  - cannot be replaced by “ordinary” provisional measures, that are not sufficient, and may even be contrary to the requirements of UNSCR 1267 and 1373
  - are not intended to replace measures taken in the context of R.4
  - are not conditional upon the existence of criminal proceedings, though they may complement such proceeding
  - are preventive measures aiming at immobilizing funds, to transferring their ownership

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