



G-8
Counterterrorism Action Group
Efforts to Combat Terrorist Financing

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Efforts to Combat Terrorist Financing Post 9/11

- **September 11 attacks underscored the importance of stemming the flow of funds to terrorist groups**
- **September 11 served as a catalyst to institute and/or reinforce measures to combat terrorist financing and money laundering**
 - **National Level (i.e., national strategies)**
 - **Regional Level (i.e., APEC, OAS/CICTE, OSCE, etc.)**
 - **International Level (i.e., UN, FATF, G-8)**



G-8/Counterterrorism Action Group

- **CTAG was established at the G-8 Evian Summit in June 2003**
- **CTAG provides CT assistance donors with a forum to identify priority areas of need to implement UNSCR 1373, and to coordinate CT capacity building efforts to maximize impact. To date CTAG has focused on the following subject areas:**
 - **Terrorist Financing**
 - **Port and Maritime Security**
 - **Aviation Security**
 - **Police and Law Enforcement**
- **CTAG meets regularly throughout the year and includes the UNCTC as a member to ensure a seamless link with that organization.**

**Source: White House Fact Sheet - G-8/Counterterrorism Action Group, June 2, 2003*



CTAG Counterterrorism Finance Efforts

- **CTAG decided to leverage the AML/CTF expertise of the Financial Action Task Force on Money Laundering to address CTF technical assistance requests**
- **CTAG and FATF developed a list of priority countries for CTF technical assistance**
- **FATF has embarked on technical assistance needs assessments of these countries**
- **Assessments will assist donor community in addressing needs**
- **CTAG/FATF exercise strives to maximize impact of technical assistance programs and avoid duplication of efforts**



Five Basic Elements of an Effective AML/CT Finance Regime



- 1. Criminalize terrorist financing and money laundering**
- 2. “Know Your Customer” and report suspicious transactions**
- 3. Collect, analyze, and disseminate suspicious transaction reports**
- 4. Investigate and pursue terrorist financing and financial crimes**
- 5. Prosecute terrorist financing crimes**



Challenges Posed by Non-Bank Conduits

While significant AML/CTF measures to supervise the traditional banking system have been undertaken since 9/11, challenges remain with the oversight of non-bank conduits:

- **Alternative Remittance Systems (ARS)** are efficient, cost-effective, largely unregulated means to move funds without a paper trail
- **Non-Profit Organizations (NPO's)** are well-intentioned vehicles to raise and channel funds to charitable works, but may be abused by terrorist financing networks
- **Cash Couriers** are an efficient way to move money across borders for nefarious purposes but difficult to detect and control



Proposals to Address Terrorist Financing through Non-Bank Conduits

Through international fora such as G-8/CTAG, donor countries can channel human and financial resources to:

- **Encourage regulation and registration of ARS and NPO's**
- **Educate ARS and NPO operators of their vulnerability to possible abuse by terrorist financing networks**
- **Train law enforcement authorities to detect terrorist financing schemes through ARS or NPO's**
- **Promote cross-border information sharing of case studies and typologies on abuse of ARS and NPO's**



For More on G-8 Sea Island Summit 2004:

http://usinfo.state.gov/ei/economic_issues/group_of_8.html

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