

Showing changes made by FATF at the October 23016 Plenary

Immediate Outcome 10

Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.

Characteristics of an effective system

Terrorists, terrorist organisations and terrorist support networks are identified and deprived of the resources and means to finance or support terrorist activities and organisations. This includes proper implementation of targeted financial sanctions against persons and entities designated by the United Nations Security Council and under applicable national or regional sanctions regimes. The country also has a good understanding of the terrorist financing risks and takes appropriate and proportionate actions to mitigate those risks, including measures that prevent the raising and moving of funds through entities or methods which are at greatest risk of being misused by terrorists. Ultimately, this reduces terrorist financing flows, which would prevent terrorist acts.

This outcome relates primarily to Recommendations 1, 4, 6 and 8, and also elements of Recommendations 14, 16, 30 to 32, 37, 38 and 40.

Note to Assessors:

Assessors should also consider the relevant findings on the level of international co-operation which competent authorities are participating in when assessing this Immediate Outcome.

Core Issues to be considered in determining if the Outcome is being achieved

- 3.1. How well is the country implementing targeted financial sanctions pursuant to (i) UNSCR1267 and its successor resolutions, and (ii) UNSCR1373 (at the supra-national or national level, whether on the country's own motion or after examination, to give effect to the request of another country)?
- 3.2. To what extent, without disrupting or discouraging legitimate NPO activities, has the country applied focused and proportionate measures to such NPOs which the country has identified as being vulnerable to terrorist financing abuse, in line with the risk-based approach? ~~implemented a targeted approach, conducted outreach, and exercised oversight in dealing with NPOs that are at risk from the threat of terrorist abuse?~~
- 3.3. To what extent are terrorists, terrorist organisations and terrorist financiers deprived (whether through criminal, civil or administrative processes) of assets and instrumentalities related to TF activities?
- 10.4. To what extent are the above measures consistent with the overall TF risk profile?

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a) *Examples of Information that could support the conclusions on Core Issues*

1. Experiences of law enforcement, FIU and counter terrorism authorities (e.g., *trends indicating that terrorist financiers are researching alternative methods for raising /transmitting funds; intelligence/source reporting indicating that terrorist organisations are having difficulty raising funds in the country*).
2. Examples of interventions and confiscation (e.g., *significant cases where terrorists, terrorist organisations or terrorist financiers are prevented from raising, moving and using funds or their assets seized / confiscated; investigations and interventions in NPOs misused by terrorists*).
3. Information on targeted financial sanctions (e.g., *persons and accounts subject to targeted financial sanctions under UNSC or other designations; designations made (relating to UNSCR1373); assets frozen; transactions rejected; time taken to designate individuals; time taken to implement asset freeze following designation*).
4. Information on sustained outreach and targeted risk-based supervision and monitoring of NPOs that the country has identified as being at risk of terrorist financing abuse NPO supervision and monitoring (e.g. *frequency of review and monitoring of such NPOs~~the NPO sector~~ (including risk assessments); frequency of engagement and outreach (including guidance) to NPOs~~sector~~ regarding CFT measures and trends; remedial measures and sanctions taken against NPOs*).

b) *Examples of Specific Factors that could support the conclusions on Core Issues*

5. What measures has the country adopted to ensure the proper implementation of targeted financial sanctions without delay? How are those designations and obligations communicated to financial institutions, DNFBPs and the general public in a timely manner?
6. How well are the procedures and mechanisms implemented for (i) identifying targets for designation / listing, (ii) freezing / unfreezing, (iii) de-listing, and (iv) granting exemption? How well is the relevant information collected?
7. To what extent is the country utilising the tools provided by UNSCRs 1267 and 1373 to freeze and prevent the financial flows of terrorists?
8. How well do the systems for approving or licensing the use of assets by designated entities for authorised purposes comply with the requirements set out in the relevant UNSCRs (e.g., UNSCR 1452 and any successor resolutions)?
9. What is the approach adopted by competent authorities to target terrorist assets? To what extent are assets tracing, financial investigations and provisional measures (e.g., freezing and seizing) used to complement the approach?
10. To what extent are all four of the following elements being used to identify, prevent and combat terrorist financing abuse of NPOs: (a) sustained outreach, (b) targeted risk-based supervision and monitoring, (c) effective investigation and information gathering, and (d) effective mechanisms for international cooperation. To what extent are the measures being applied focused and proportionate and in line with the risk-based approach such that NPOs

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~~are protected from terrorist financing abuse and legitimate charitable activities are not disrupted or discouraged? What is the level of licensing or registration for NPOs? To what extent is a risk-sensitive approach taken to supervise or monitor NPOs at risk from terrorist abuse and appropriate preventive, investigative, criminal, civil or administrative actions and co-operation mechanisms adopted?~~

~~10.11. To what extent are appropriate investigative, criminal, civil or administrative actions, cooperation and coordination mechanisms applied to NPOs suspected of being exploited by or actively supporting terrorist activity or terrorist organizations? Do the appropriate authorities have adequate resources to perform their outreach/supervision/monitoring/investigation duties effectively?~~

~~11.12. How well do NPOs understand their vulnerabilities and comply with the measures to protect themselves from the threat of terrorist abuse?~~

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- 12.13. Are there other aspects of the investigative, prosecutorial or judicial process that promote or hinder the identification, tracing and deprivation of assets and instrumentalities related to terrorists, terrorist organisations or terrorist financiers?
- 13.14. Do the relevant competent authorities have adequate resources to manage their work or address the TF risks adequately
- 14.15. Where resources are shared, how are TF related activities prioritised?