



Republic of Namibia

Financial Intelligence Centre

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ON

**CURRENT TERRORISM FINANCING (TF) TRENDS
ASSOCIATED WITH THE ISLAMIC STATE IN IRAQ AND
THE LEVANT (ISIL), AL-NUSRAH FRONT FOR THE
PEOPLE OF THE LEVANT (ANF), AND ANY OTHERS
DESIGNATED AS ASSOCIATED WITH AL-QAIDA.**

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1. Scope and introduction

This circular aims to create awareness of current Terrorism Financing (TF) trends associated with the Islamic State in Iraq and the Levant (ISIL), Al-Nusrah Front for the People of the Levant (ANF), and any others designated as associated with Al-Qaida for:

- All Accountable and Reporting Institutions (AIs and RIs);
- Law Enforcement Authorities (LEAs);
- Entities, associations and bodies involved in crude oil dealings; and
- Entities, associations and bodies involved in the preservation and dealing of artefacts and cultural heritage.

The attached document not only highlights trends but it also presents suggested measures to combat such trends in line with resolution 2199 (2015). This document contains a summarized version of reasonable measures AIs and RIs may consider to enhance relevant controls.

2. Background

The FIC, as part of its continued efforts to assist in reducing the national Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF) risks circulates Lists derived from the United Nations Security Council of designated individuals, entities and other groups¹. In the same vein, the FIC also issues guidance, which may be in the form of Circulars to guide AIs, RIs and relevant stakeholders on measures to enhance the combatting of ML/TF and PF risks.

Through this Circular and its attachment, the FIC aims to create awareness on the Security Council Committee's decision – pursuant to resolutions 1267 (1999) and 1989 (2011), to convey the current trends in financing of the Islamic State in Iraq and the Levant (ISIL), Al-Nusrah Front for the People of the Levant (ANF) and any others designated as associated with Al-Qaida. All AIs, RIs, LEAs, entities, associations

¹ As mandated by the Prevention and Combatting of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014) (PACOTPAA) and its complementing regulations

and bodies involved in crude oil dealings as well as those entities, associations and bodies involved in the preservation and dealing of artefacts and cultural heritage are urged to consider combatting measures as contained in section II of the attached document.

This circular is issued in terms of Section 9(1) (h) of the Financial Intelligence Act 2012, Act 13 of 2012, as amended (herein referred to as The FIA).

3. Considerable risk mitigation measures

3.1 Listings proposals for the ISIL (Da'esh) & Al-Qaida Sanctions List

Listings of individuals and entities on the ISIL (Da'esh) & Al-Qaida Sanctions List is a powerful and effective instrument to implement sanctions provisions and therefore hinder ISIL or ANF's ability to generate revenue through the illicit trade in antiquities. It is essential that Accountable and Reporting Institutions are abreast with the updates on the ISIL (Da'esh) & Al-Qaida Sanctions List and screening against such List is done effectively.

3.2 Proper documentation

Documentation is central to investigations. Proper documentation and record keeping enhances the ability to reconstruct transactions and importantly, the flow of funds. Therefore, enhancing the record-keeping is of significant importance.

3.3 Monitoring and due diligence processes

It was noted that monitoring and due diligence procedures are not yet properly implemented in this area. This situation is exacerbated by the increasing sophistication in the forgery of documents.

An important control measure to the highlighted TF risks lies in detecting suspicious transactions (or activities) and reporting such transactions (or activities) to competent authorities such as the FIC or/and law enforcement. For this detection to take place

effectively, the private sector and relevant public bodies need to implement enhanced due diligence and monitoring measures such as:

- Mechanisms that will allow for adequate monitoring of transactions and client behaviour periodically (e.g daily or as necessitated by the risk exposure). This works by comparing behaviour to known profiles in order to identify suspicious or unusual transactions/activities; and
- Subjecting clients to relevant sanctions screening and engaging competent authorities when matches are detected or where the need arises.

3.3.1 Implementation of measures countering external donations

A recent listing by the United Nations Sanctions Committee of a non-governmental organization with ties to ANF demonstrates the continued abuse of the charitable sector by terrorist groups.

The continuing risk that both ISIL and ANF receive external funds through donations and other transfers underlines the importance of paragraph 22 of resolution 2199 (2015). Accountable and Reporting Institutions are urged to address this issue directly through enhanced vigilance of the international financial system (remittances) and by working with their non-profit and charitable organizations to ensure financial flows through charitable giving are not diverted to ISIL, ANF or any other individuals, groups, undertakings and entities associated with Al-Qaida.

3.3.2 Implementation of monitoring measures to deny ISIL and ANF access to the international financial system

Paragraph 23 of resolution 2199 (2015) focuses on ISIL's and ANF's access to the international financial system and urges Accountable and Reporting Institutions to take measures to ensure that such access is blocked. ISIL's potential manipulation of the alternative remittance sector and use of cash couriers remain a significant concern.

Furthermore, cases have been reported of foreign terrorist fighters who joined ISIL and were able to continue accessing the international financial system by

withdrawing funds from their national banks accounts using automated teller machines located near areas where ISIL operates. In addition, there is a continuing risk that ISIL core in the Syrian Arab Republic and Iraq may try to provide funds to, or move funds between, its so-called provinces in other areas. Accountable and Reporting Institutions should remain aware that the asset freeze against individuals and entities on the ISIL (Da'esh) & Al-Qaida Sanctions List, including ANF, is not limited to a particular territory from which a transaction originates, through which it transits or in which it is received.

3.4 Reporting activities suspicious of TF and PF

Furthermore, the FIC reiterates the need for all AIs, RIs and relevant stakeholders to implement or/and enhance measures to help them detect and report Suspicious Transactions (STRs) and Suspicious Activities (SARs) relating to TF and PF, in terms of section 33 of The FIA.

3.4.1 Methods of reporting Suspicious Transaction Reports or Suspicious Activity Reports relating to TF and PF to the FIC

AIs, RIs and relevant stakeholders can report Suspicious Transaction Reports or Suspicious Activity Reports relating to TF and PF to the FIC through:

- a) Electronic submission(online/web based or xml by clicking on <https://www.fic.na/goaml/>); or
- b) Completion of manual STR/SAR form (form can be send to helpdesk@fic.na)

4. Non-compliance with the provisions of this Circular

Any non-compliance with the directions and specifications contained in this Circular is an offence in terms of section 63 of the FIA.

The information contained in this document is intended only to provide a summary and a general overview on these matters and is not intended to be comprehensive. This document may contain statements of policy which reflect FIC's administration of the legislation in carrying out its statutory functions.

The guidance provided by the Centre in this circular, even though authoritative, is not intended to replace the FIA or PACOTPA including Regulations issued thereunder. The circular does vary the existing guidance note on reporting of suspicious transactions regarding ML as far as adding the obligations pertaining reporting of Financing of Terrorist and Proliferation transactions or activities are concerned. The said guidance note can be accessed at www.fic.na.

The information contained herein is current as at the date of this document.

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Director: Financial Intelligence Centre