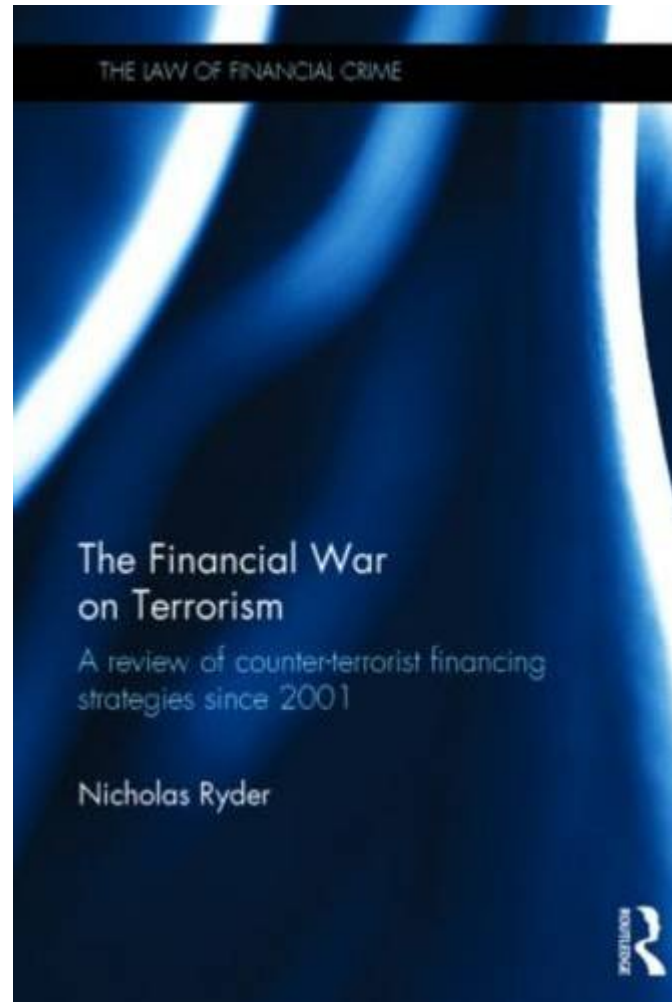


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‘The financial war on terrorism: a review of UK counter-terrorist financing strategies since 2001’



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Abstract

- What is the financial war on Terrorism?
- Sources of terrorist funding
- Cheap terrorism
- The United Kingdom
- Final thoughts

What is the financial war on terror?

- “as attacking, whether via **criminalisation, confiscation, forfeiture, freezing, sanctioning** the financial assets of known or suspected terrorists ... [it] also contains the use of **preventative** methods ... and the collection of **financial intelligence** from suspicious activity reports” (Ryder, 2015, forthcoming).

Sources of Terrorist Financing

- Corporate donations,
- Non-profit organisations,
- Drug trafficking,
- Extortion,
- Organised retail theft,
- Fraud,
- Kidnappings for ransom,
- Oil refining,
- Misapplied charitable donations,
- Islamic non-remittance systems,
- Sale of conflict diamonds,
- Bank robberies,
- Sale of ivory and
- Self financing.

Cheap Terrorism

- Bishopsgate bomb (1993)
 - £3,000, £1bn worth of damage to property
- World Trade Centre bomb (1993)
 - \$400, 1,000 people injured
 - Ramzi Yousef (uncle is KSM who financed 9/11) ‘we ran out of money to bring both towers down’
- Oklahoma City bombing (1995)
 - \$5,000
- USS Cole (1999)
 - \$10,000
- Sari Club Discotheque in Denpasar, Bali (2003)
 - killed 202, injured over 300 people, \$74,000

Cheap Terrorism

- Madrid Bombings (2004)
 - killing 191, injuring over 1,800, €8,000
- London bombings (2005)
 - Killing 56, £100 and £200
- Westgate Mall (2013)
 - \$5,000
- Boston Marathon bombings (2013)
 - \$500
- Lee Rigby (2013)
- Charlie Hebdo shootings (2015)
 - Killing 17
 - €4,000

United Kingdom CTF Strategy

1. Preventing terrorist from using common methods to raise funds,
2. Preventing the financial system from being used by terrorists,
3. Financial Intelligence,
4. Financial Investigations and
5. Freezing assets (Home Office 2013)

United Kingdom CTF Strategy

- Criminalisation
 - Armal El Wahabi (November 2014)
 - Hana Khan (February 2015)
- Confiscation/Forfeiture
 - HM Government (2009)
 - Home Office (2010)
- Sanctions Regime
 - House of Lord Select Committee on Economic Affairs (2007)

United Kingdom CTF Strategy

- Freezing of Assets
 - Terrorism Asset-Freezing etc Act 2010
 - Al-Qaida (Asset Freezing) Regulations 2011 (S.I 2011/2742)
- Financial Intelligence
 - CTF related SARS 0.23% (NCA, 2013)
 - Similar findings in Australia 0.15% (AUSTRAC, 2013)

The Labour Government

- Developed and implemented the following financial crime strategies:
 - Money Laundering
 - Counter-terrorist financing
 - Fraud
 - Market Abuse Regime
 - Bribery
 - Confiscation of the Proceeds of Crime

The Coalition Government

- ‘We take financial crime seriously’ (David Cameron, Day of Reckoning Speech, 2009)
- ‘We will tackle financial crime’ (George Osborne, Mansion House Speech, 2010, 2011 and 2013)
- Proposed creation of the Economic Crime Agency (Coalition Agreement, 2010)
- Creation of the National Crime Agency (Courts and Crime Act 2013, s.1)

The Coalition Government

- Financial crime and the 2007/2008 financial crisis
- Reduction of SFO budget
- Market manipulation
- Increased use of financial penalties (£1.4bn fines in 2014)
- Increased remit of the Home Office
- Abolition of the Serious Fraud Office?

Conservative Government

- What does the future hold?
 - Reform of the Human Rights Act 1998?
 - Communications Data Bill 2015
 - Financial Action Task Force Mutual Evaluation Report (2016)
 - Publication of National Risk Assessment for Money laundering and Counter-Terrorist Financing
 - But what about countering terrorist financing?
 - Government to revisit strategy?

Conclusion

- More questions than answers
- Are the measures effective?
- Will sanctions continue to work?
- Will the freezing of assets work?
- Will terrorists continue to use the formal banking system to move funds?
- Self sufficient?