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The war on terrorist financing must be stepped up ***By Stuart Levey***

Terrorist acts in Britain, Spain and the Netherlands provide painful confirmation that Europe is both a base for and a target of terrorist cells. Less noticed, however, is the fact that Europe has also been exploited by terrorists as a haven for raising, moving and storing money. The United Nations Security Council's recent passage of Resolution 1617, targeting the support networks of al-Qaeda and the Taliban, clears the way for vigorous action to cut off al-Qaeda's lifelines in Europe and around the world. As Gordon Brown, chancellor, recently stated: "Just as there should be no safe haven for those who perpetrate terrorism, so there should (be) no hiding place for those who finance terrorism." It is time to translate these words into action.

Resolution 1617 strengthens what might be the most powerful tool for global action against those who provide money, arms, technology or other support to al-Qaeda and the Taliban. When an individual or entity is designated pursuant to the resolution, states are required to freeze their assets, deny them access to the financial system and prevent them from travelling internationally or acquiring arms. Any who do business with them face the same consequences.

Targeted sanctions are particularly well suited for disrupting terrorist networks. Their most obvious benefit lies in shutting down the pipelines through which terrorists raise and move money. And, although it is true that individual terrorist attacks may be inexpensive, terrorist organisations require far more than explosives to survive. They need money to train, recruit, pay operatives and their families, travel, bribe officials, procure cover and false documents, as well as purchase material. Constricting the flow of cash to terrorist groups can also increase dissension within their ranks and trigger hasty communications and actions that expose operatives and organisers to detection. Additionally, past designations have enabled us to freeze financial transactions mid-stream, providing invaluable intelligence about donors, facilitators and end-recipients.

Resolution 1617 has the potential to be an extraordinarily effective tool. It envisages 191 UN member states acting as one to isolate al-Qaeda's supporters, both physically and financially. The impact of these sanctions depends, however, upon their breadth and depth of application. Money flows will seek out the path of least resistance.

Unfortunately, earlier iterations of Resolution 1617's sanction programme have not come close to realising their potential. Some governments, in Europe and elsewhere, have refrained from bringing terror supporters to the Security Council's attention, even when these individuals were known to be supporting al-Qaeda within their own borders. Additionally, too many countries limit compliance simply to adding designated names to a domestic "list" with no mechanisms to ensure that the sanctions are actually being enforced. If financial institutions are not notified immediately upon the designation of a target and if regulatory authorities are not ensuring that financial institutions are properly screening accounts and transactions, the financial bite of designations is lost.

In unanimously adopting Resolution 1617, the Security Council took forceful action to address these issues. The resolution articulates a detailed and clarified definition of what constitutes association with al-Qaeda and contains enhanced due process provisions to ensure the designation process is as open and fair as possible. With respect to implementation, the resolution embraces standards, issued by the inter-governmental Financial Action Task Force, that provide internationally endorsed guidance on executing effective sanctions regimes. The resolution further obliges member states to report regularly to the UN on implementation benchmarks, such as transaction screening and travel controls. Countries that hesitated to submit known terrorist supporters to the UN or implemented these sanctions half-heartedly no

longer have any excuse.

With this strengthened resolution, the international community is now fully armed to take unified, decisive action against al-Qaeda's support networks. What remains is for all member states to dedicate themselves to giving this tool its intended effect. As world financial centres, Europe and the US have the power to deal al-Qaeda a significant blow by enforcing these provisions vigorously.

The UN resolution has shown the way - the time for aggressive action is now.

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