



Regional risk assessment (RRA) on terrorism financing

December 2016

AUSTRAC



Overview

Background to the RRA

Methodology

Key findings

Reflections and lessons learned



Background to the RRA

Key outcome of 2015 CTF Summit

Commitment to regional collaboration

A world first in regional TF assessments

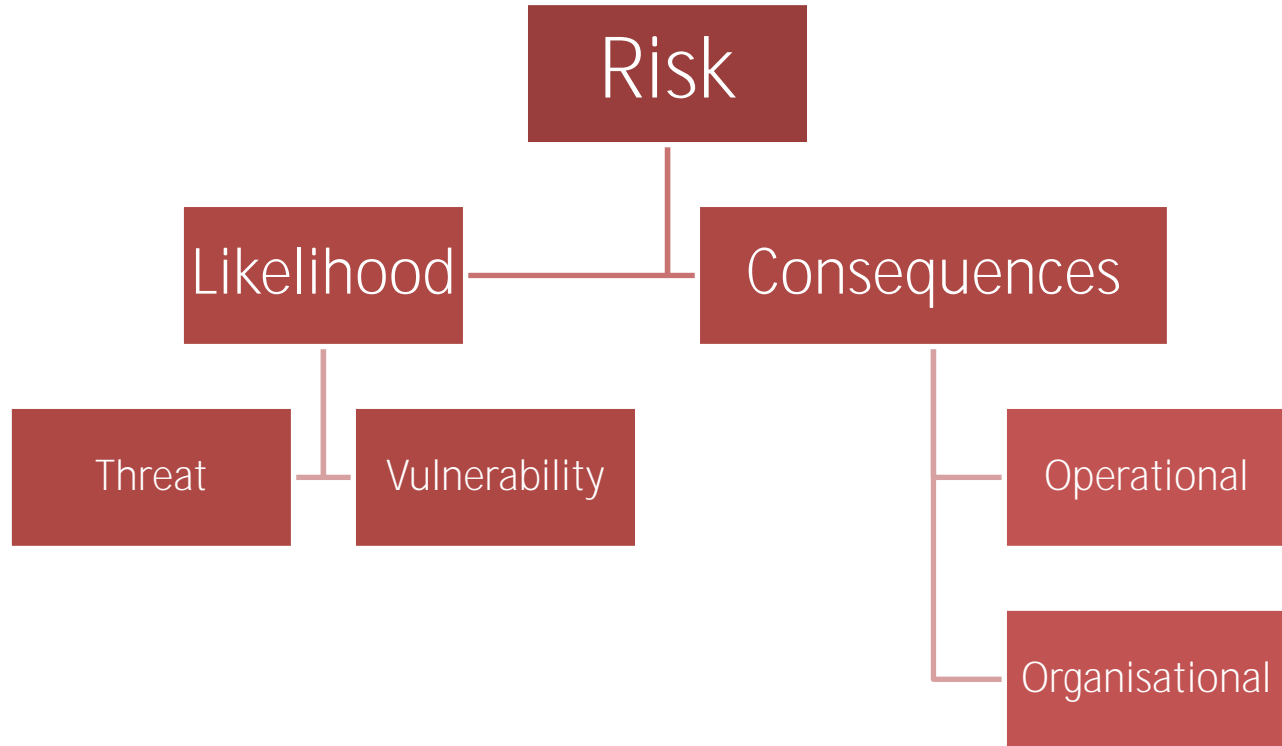


Methodology

*How the RRA was
conducted*



Risk framework





Sample: TF assessment package

DESCRIPTION (please provide description of your answer)

RISK FACTOR

RAISING FUNDS

LEGALLY

Charities and non-profit organisations

High → 1. 2. 3. 4. 5. 6. 7. 8. 9. ← Low Medium

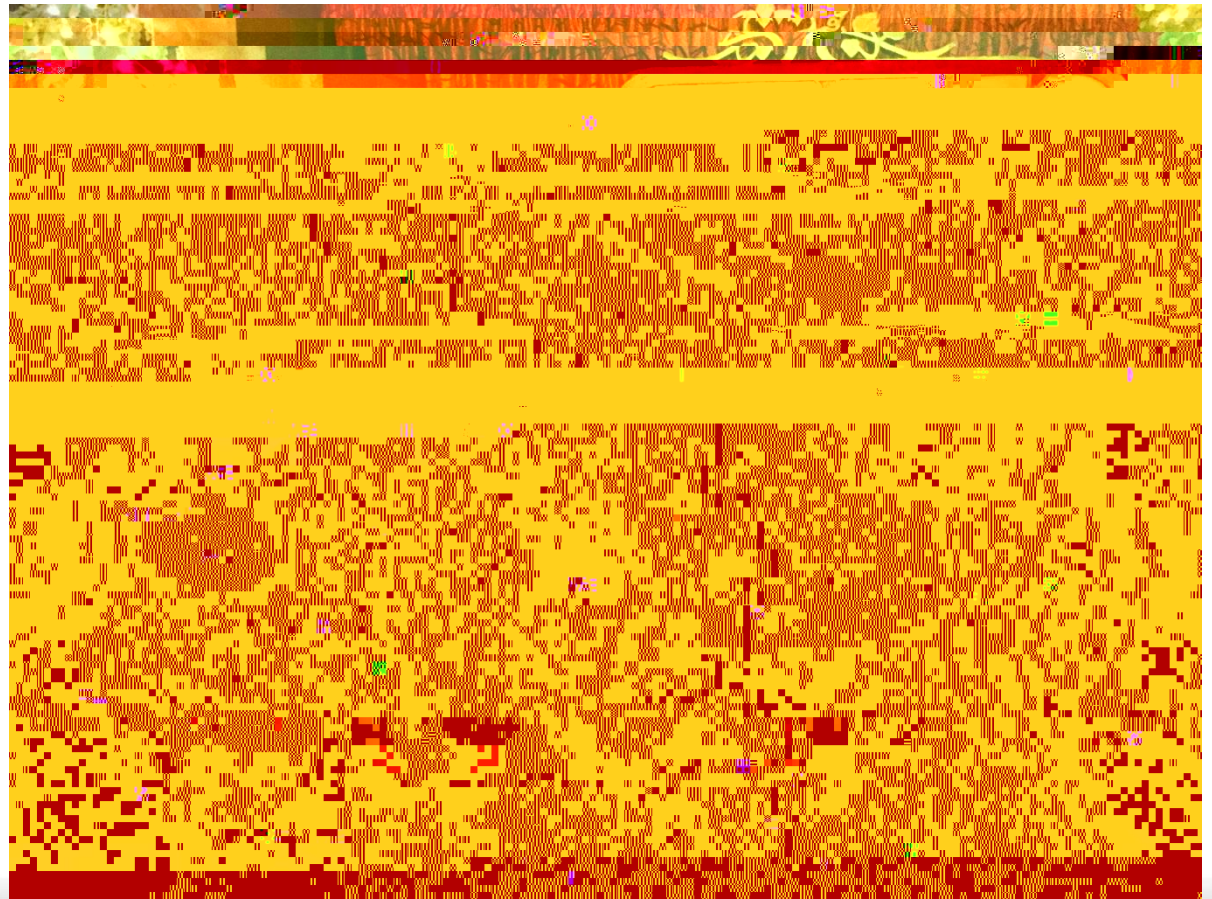
Some vulnerability, but not prominent issue







Validation of results





Key findings



Global security environment

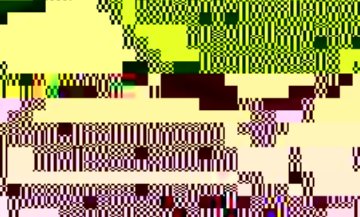
The rise of ISIL

Other transnational terrorist groups

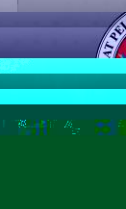
Domestic conflicts

Cross-border movement of extremists/foreign fighters





CTF capabilities and challenges





Key TF risks – *raising funds*

Self-funding from legitimate sources
Non-profit organisations (NPOs)
Online funding
Criminal activity



Self-funding



Highest risk method for raising funds

Response opportunities

FIUs should provide the critical bridge

Improved guidance on customer risk profiles

Regional 'pooling' of knowledge



NPOs



High risk, but clearer picture needed

Response opportunities

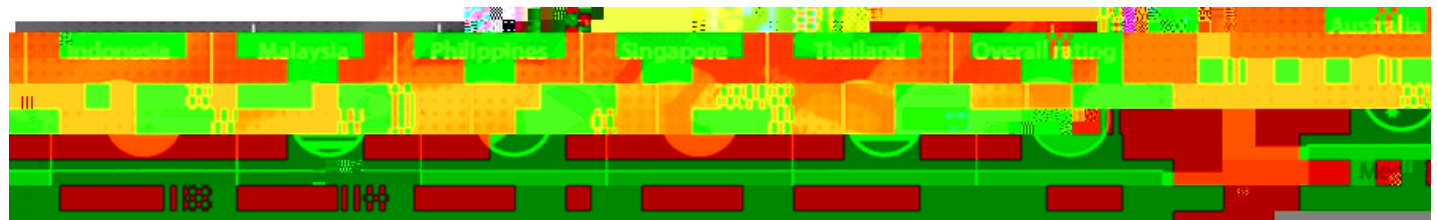
Targeted country NPO risk assessments

Implement revised FATF Rec 8 fully

Greater collaboration



Online funding



Use is minimal, but vulnerability is high

Response opportunities

Dedicated 'cyber operations teams'

Using social media as a detection tool



Criminal activity



Key source of funds for some groups

Response opportunities

- Multi-agency and cross-border task forces
- Parallel CT and TF investigations



Key TF risks - *moving funds*

Cross-border movement of funds/value

Banking system

Alternative remittance and money service
businesses



Cross-border movement

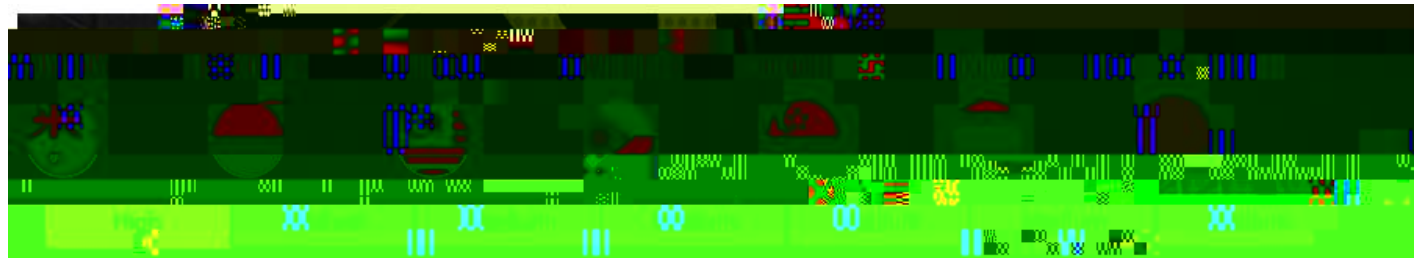
Proven method which will persist

Response opportunities

Stronger intelligence collaborat slab8/F1BTBT4



Banking system



Still exploited despite AML/CTF frameworks

Response opportunities

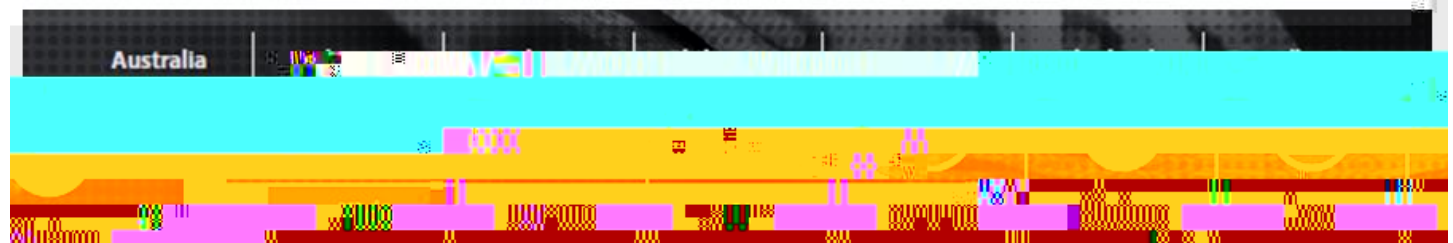
Continue to build trusted relationships

Ensure transaction monitoring is updated

Collaborate on CTF training initiatives



Alternative remittance and money service businesses



Known misuse is lower than inherent vulnerability, role in regional economies and risk

Response opportunities

Identify indicators of high-risk services



Key TF risks - *using funds*

Organisational funding most likely for widow/family and propaganda





Key TF risks - *using funds*

Higher likelihood and risk of operational funding





Potential change factors

Uptake of new payment methods

Stored value cards

Online payment platforms

Increased TF into the region



Priority actions



- Address highest priority risks:
 - self-funding from legitimate sources
 - at-risk NPOs
 - cross-border movement of funds/value
 - external funding into the region



Reflections & lessons learned

- Clear and agreed Terms of Reference
- Start early
- Regular project team meetings
- Know your environment
- Essential vs desired information requirements
- Simple collection tools

Thank you
