

## **Association of Banks Singapore (ABS) Countering Financing of Terrorism Seminar 25 March 2011**

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### **Michael Chandler, Keynote Address: Old Threats New Threats**

Chandler gave an overview of the Al-Qaeda linked groups from 2001-2004, and contrasted this with those of today. He spoke about the fact that they were better educated, had access to the internet, and had greater mobility and so on which had led them to realize that countries were not being run how they wanted. This had been a good thing, in that it has brought about the recent events in a number of Middle Eastern/African countries. However it poses a worry too in that it remains to be seen that when these revolts start to settle down whether key actors will be mature enough to be able to produce democracies suited to their countries.

However, there are still figures like Anwar Al-Awlaki, the “New Bin Laden” who inspire those who want to be involved in terrorism. Chandler looked at their sources of funding, pointing out that actual terrorist operations are not so expensive, but that keeping the organization alive is what is costly. He ran over the various measures that have been put into place, and some of the problems the earlier legislation ran into, proceeding on to briefly mention several banks that have been or are subject to legal action.

Chandler concluded with raising the question do we need new solutions and counter-measures. He proposed that while we had lots of good infrastructure in place, sometimes the mechanisms failed to work well.

### **Wendy Wysong, Issues and Trends in OFAC Sanctions Risk**

Wysong gave a highly detailed and technical presentation on United States (US) sanctions prohibiting financial transactions with certain entities. She began by defining what/who OFAC (Office of Foreign Assets Control) sanctions targeted. She took everyone through a brief timeline of the developments in OFAC sanctions affecting international banks, and then examined in detail the programs in Iran, Libya, Sudan, Cuba, Myanmar, Syria, and North Korea.

Wysong then discussed various issues, including transparency and insulation of US persons, and the penalties for violating US OFAC sanctions. Finally, she ran through some interesting case studies of international transactions in Iran and Burma, highlighting the complex nature of the laws but also the ease at which sanctioned elements can be hidden or disguised.

### **Panel Discussion: Terrorist Financing- Credit Card, Bank and Cheque Frauds**

The panel discussion began with a presentation from Normah Omar, who talked largely about the need for a clear and workable definition of terrorism, raised the issue of how statistics should be and are being used. She then moved on to discuss methods of terrorist financing and the indicators of terrorist financing. Her presentation ended with some well thought out counter

measures, including but not limited to a definition of terrorism, training programs for bank officers, regulators and law enforcers, the establishment of a kind of financial enforcement network, and better filtering systems and coordination between banks, regulators and law enforcement.

Seehanat Prayoonrat continued the discussion, explaining the sources of terrorism financing in Thailand, some of the trends (such as vis-a-vis the rubber tapping season), and responses such as the implementation of a new law and more detailed questioning of new customers by banks.

The final presentation was given by Rodolfo Mendoza Jr., who talked about terrorist financing in the Philippines, explaining how the main focus of terrorist financing was to educate the Islamic youth. He talked about the integration of businesses and NGOs, and how the government focused purely on disruption of terrorist networks, but not on nailing down terrorist financiers.

## **Workshop 2: Monitoring and Surveillance**

This workshop sought to answer questions about how effective monitoring and surveillance are, why so much money needs to be spent on it, how much technology helps, whether banks' contributions work whether or not feedback to Financial Investigators from intelligence agencies helps, and whether or not intelligence agencies shared information in the Southeast Asian region.

### **Rohan Gunaratna: Terrorist Financial Infrastructure in Southeast Asia**

Gunaratna gave a detailed presentation on the terrorist threat and talked about the financial infrastructure terrorists' use. He placed emphasis on being able to identify indicators and always being alert, being vigilant. He recommended private and government partnership (public-private partnership), starting with a small trusted group within banks.

*Prepared by:*

*Rebecca Lunnon  
Research Analyst, ICPVTR*