



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

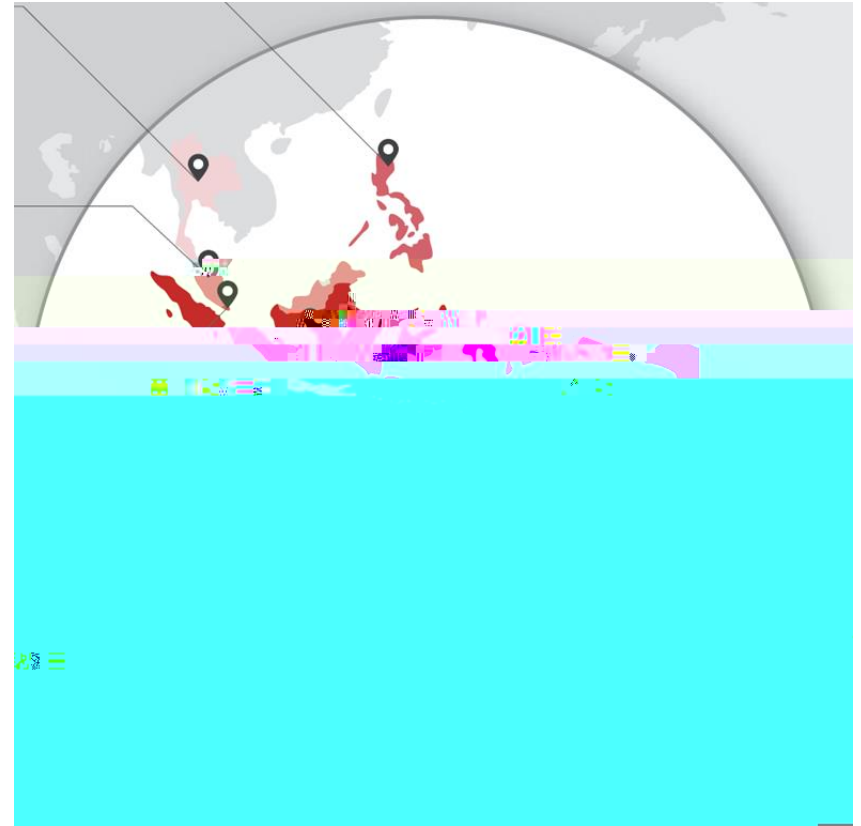
Commitment to regional collaboration

A world first in regional TF assessments



In-scope region

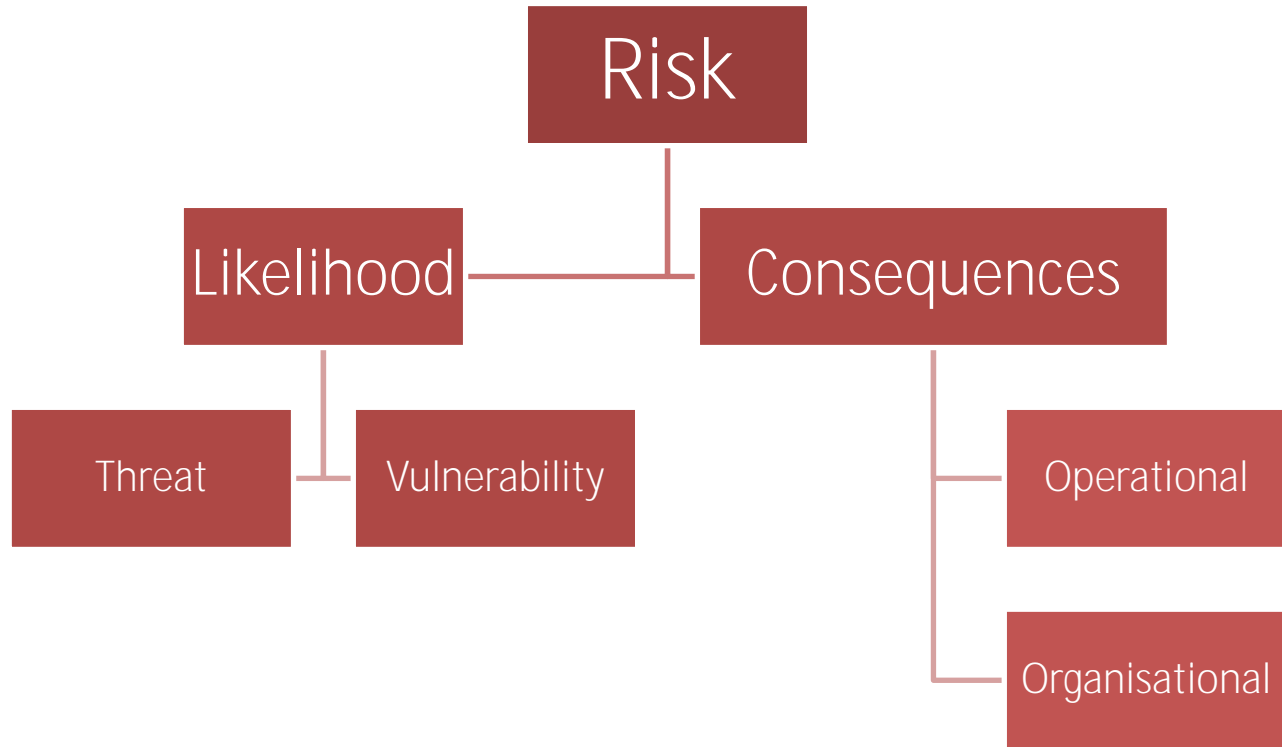
Australia
Indonesia
Malaysia
Philippines
Singapore
Thailand



Methodology

*How the RRA was
conducted*

Risk framework



Information collection t



Sample: TF assessment package

DESCRIPTION (please provide description of your answer)

RISK FACTOR

RAISING FUNDS

LEGALLY

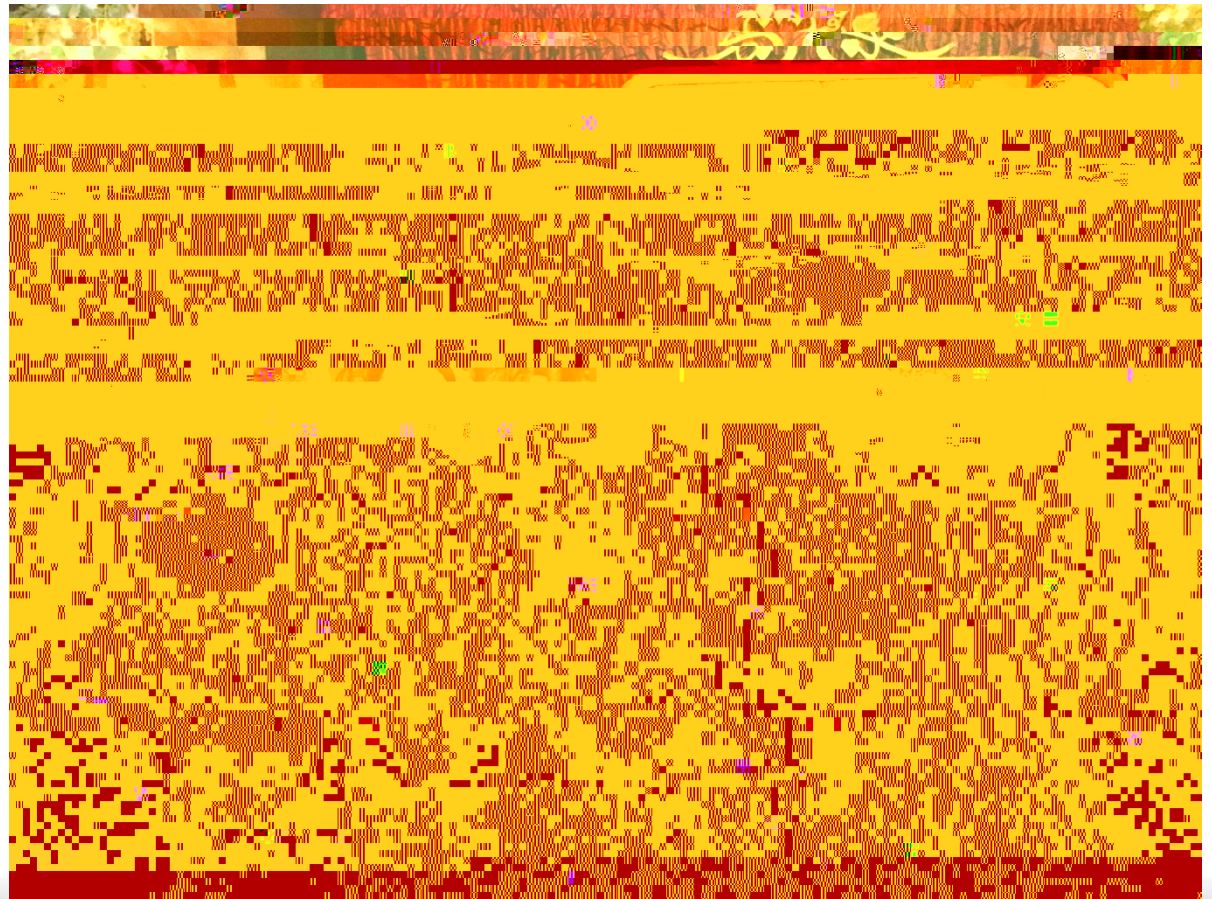
Charities and non-profit organisations

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

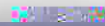
The rise of ISIL

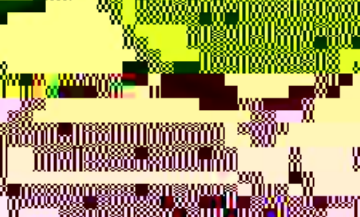
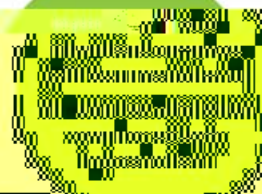
Other transnational terrorist groups

Domestic conflicts

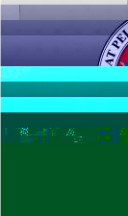
Cross-border movement of extremists/foreign fighters







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

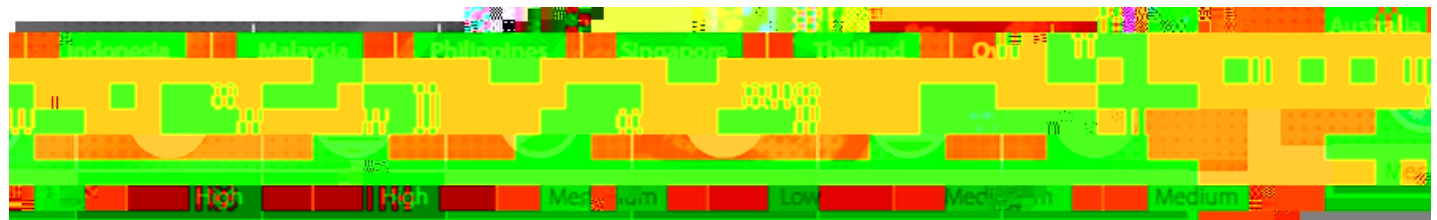
Response opportunities

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

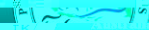
- Multi-agency and cross-border task forces
- Parallel CT and TF investigations

Key TF risks - *moving funds*

Cross-border movement of funds/value

Banking system

Alternative remittance and money service
businesses



Cross-border movement

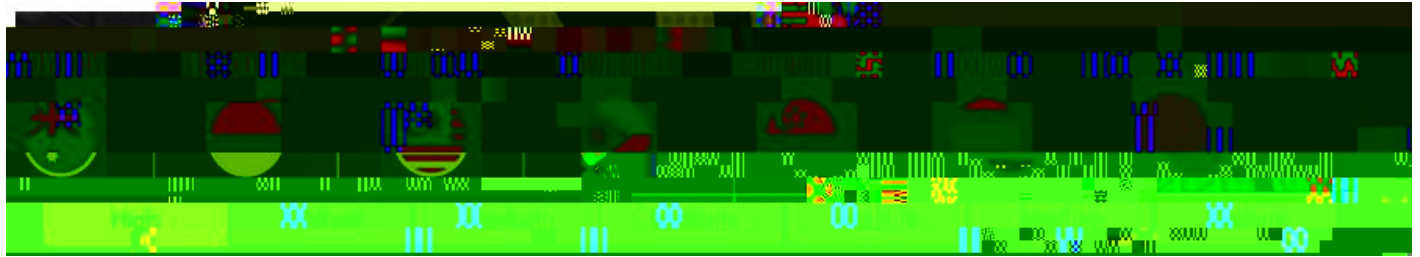
Proven method which will persist

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
