

New UN resolution reaffirms the close collaboration between the FATF and the United Nations in the fight against terrorist fighting

No country is immune from terrorism. All countries are at risk of being involved in the financing of terrorism, whether or not they themselves have been the victims of terrorist attacks.

New York, 28 March 2019 – The global threat from terrorism continues to grow and evolve, from returning terrorist fighters to right wing extremists. The threat of terrorism affects us all, as demonstrated by recent attacks around the world. [FATF President Marshall Billingslea addressed](#) the United Nations Security Council during the open debate on threats to international peace and security caused by terrorist acts, emphasising the importance of all countries taking effective action to prevent, detect and disrupt terrorist financing. FATF's assessments of countries show the challenges countries face in doing this. FATF is working closely with its regional bodies and the UN to help countries develop the expertise and capacity necessary to combat the ever-evolving threat from terrorist financing more effectively.

Today, the Member States of the United Nations Security Council adopted a new resolution, [UNSCR 2462](#), recognizing the essential role of the FATF in setting global standards to combat money laundering, terrorist financing, and weapons of mass destruction (WMD) proliferation financing.

The resolution urges all countries to implement the FATF Recommendations, including the standards to assess the specific terrorist financing risks they face. FATF's work to understand the evolving methods used to raise, use and move funds in support of terrorism is fundamental to develop effective responses at national and international level. In addition, the resolution requires countries to criminalize terrorist financing in line with FATF Recommendation 5, recognizing that countries must criminalize the financing of a terrorist act but also the financing of support to terrorist organizations and individual terrorists for any purpose, even in the absence of a link to a specific terrorist act. This is crucial; financing a single terrorist act may not be a large sum of money, but maintaining and evolving an entire terrorist organization requires significant financial resources.

The new resolution, which also welcomes FATF's on-going work to mitigate the risks from virtual assets and virtual assets service providers, reaffirms the close collaboration between the FATF and the United Nations in the fight against terrorist fighting.

UN Security Council: Preventing and combating the financing of terrorism

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Remarks by FATF President Marshall Billingslea

to United Nations Security Council
New York, Thursday 28 March 2019

As delivered

Minister Le Drian, your Excellencies,
colleagues, good morning.

Let me first thank France for its leadership on the critical issue of countering terrorist financing. The Resolution before us meaningfully advances the work of President Macron's "No Money for Terror" conference last year in Paris, at which I know, Minister Le Drian, you played a central role. We also look forward to this year's follow-up conference hosted by Australia.



FATF President Marshall Billingslea (left) and French Minister of Foreign Affairs Jean-Yves Le Drian
*United Nations Security Council open debate
FATF President Marshall Billingslea's remarks:*

Thank you for inviting the Financial Action Task Force (FATF) to speak at the adoption of this Resolution, which demonstrates this Council's continued strong commitment to strengthen international efforts to combat terrorism and terrorist financing.

Terrorism remains a threat to international peace and security from which no region is immune. Terrorist groups such as ISIL, Al-Qaeda and their affiliates continue to obtain funding from a wide range of sources. They use this funding to conduct terrorist acts, but they also need it to maintain and grow their terrorist organizations as a whole. Combatting all these aspects of terrorist financing remains a top priority for the FATF.

I'm pleased that this Resolution recognizes the FATF's central role in setting global standards to combat money laundering, terrorist financing, and proliferation financing. [Watch the full session.](#)

The FATF was founded in 1989 by the G-7 to combat money laundering by drug trafficking and organized crime networks, and has since expanded its role to counter terrorist financing and WMD proliferation financing. More than 190 member jurisdictions of the FATF and the FATF global network have committed to implementing and being evaluated for compliance with the FATF Standards, which include specific requirements to give effect to Security Council Resolutions to counter terrorism and WMD proliferation. In this way, the FATF and the Security Council work hand-in-hand to strengthen Member States' response to these critical threats to international peace and security.

As the FATF moves towards its 30th anniversary, I've focused my term as its president on pressing for action on several critical challenges. Specifically, the FATF is prioritizing efforts to: one, address the illicit financing risks associated with virtual currencies and related assets; two, take further action to strengthen international efforts to combat the financing of terrorism; and three, enhance its work to counter WMD proliferation financing.

I was particularly pleased to see that the Resolution highlighted the progress that the FATF has made on the first priority, when it welcomed the FATF's recent work to amend the FATF

standard and its interpretive note to clarify how states must regulate and supervise activities and providers of virtual assets, and the importance of effective prosecution of terrorist financing.

Additionally, as this Resolution conveys, it's critical that all States must understand where they may be vulnerable to terrorist financing and then use that understanding to mitigate those risks properly. I appreciate the valuable information on such risks in regular reports by the Security Council ISIL/AQ Monitoring Team. The FATF too prepares confidential reports on ISIL and Al-Qaeda funding sources and methods, as well as counter-measures that States should take as a result. The FATF also works, through its mutual evaluation process, to ensure that all countries accurately assess their terrorist financing risks and respond adequately to such risks.

As we all know, terrorist financing risks extend beyond the banking or financial sector. States need to identify all sectors—including those of non-financial services such as construction, commodities, and pharmaceuticals—that cases show can be vulnerable to terrorist financing.

For example, FATF typologies reports reveal methods of terrorist financing that rely on seemingly disparate schemes of drug trafficking and even used-car trade. Groups such as Hezbollah, the Revolutionary Armed Forces of Colombia (also known as the FARC), and al-Qa'ida in the Islamic Maghreb have benefitted from intermingling funds from criminal and otherwise legal trade activity for the purpose of funding terrorist attacks.

FATF reports also identify kidnapping for ransom as a prominent, sometimes even primary, source of terrorist revenue. The Resolution rightly prompts all States to do their necessary part in breaking a vicious cycle, in which ransom payments fund terrorist operations, including future kidnappings, and further incentivize these crimes. States must not allow hostage-takers and terrorists to benefit from ransom payments.

More broadly, States must also address fundamental contextual issues that create environments conducive to terrorism and terrorist financing. Corruption, weak or ineffective governance, and lack of respect for the rule of law—these problems can lead to regional instability and render economies vulnerable to terrorist financing.

The Resolution also includes an important focus on the adequate criminalization and effective prosecution of terrorist financing. We must not only criminalize terrorist financing that is linked to a particular terrorist act, but also when funds are provided to terrorist groups or terrorists for any purpose, such as their travel or general operations. This Resolution brings UN obligations into line with FATF Recommendation 5 and FATF guidance on the criminalization of terrorist financing. Through its assessments, as well as global fact-finding initiatives, the FATF has already encouraged more than 50 countries to pass new legislation to counter terrorist financing.

As to prosecution, nearly two-thirds of FATF assessments to date show that States are not effectively prosecuting terrorist financing. The FATF is working through its evaluation and follow up process to try to strengthen prosecution efforts. As a result, one of my priorities this year as FATF President is to conduct capacity-building workshops to improve States' ability to prosecute these crimes. This very week, the FATF conducted a workshop on best practices for prosecuting terrorist financing. We wholeheartedly welcome support from the Security Council in this effort.

Targeted financial sanctions are also central to this Resolution, as well as many of its predecessors. Such tools are critical to any country's arsenal in combatting terrorism. However, while about half of countries assessed by the FATF have enacted necessary legal measures to implement FATF requirements, there is a critical lack of effective implementation in applying

these sanctions. Less than one-fifth of States assessed by the FATF to date have done so. I hope that concerted efforts by the FATF and its Global Network, and the United Nations, enable and encourage all jurisdictions to strengthen the implementation of sanctions.

To this end, I welcome this Resolution's call upon the Counterterrorism Committee and ISIL/AQ Monitoring Team to bring to light specific cases of non-compliance. To ensure that terrorists cannot receive funds or financial services, all Member States must effectively counter sanctions evasion.

To combat terrorist financing, we must also bolster interagency coordination and information sharing both among and within States. States should exchange more information among all relevant authorities, such as Financial Intelligence Units, law enforcement, and intelligence services. Countries must ensure that all relevant agencies communicate and cooperate with each other effectively.

I welcome the clear and strong wording in this Resolution on such cooperation, which echoes the very first priority set out in the Ministerial Declaration of France's "No Money for Terror" conference.

The FATF also recognizes that this is a critical issue and, as a result, disseminated a confidential best practices paper to all relevant authorities on ways to strengthen interagency information sharing and cooperation. Moreover, FATF Recommendation 2 was also amended to recognize the need to ensure compatibility between data privacy and AML/CFT requirements.

It is also important to work closely with the private sector. New developments in public-private partnerships can add significant benefits in terms of greater and faster access to information. Large banks often have access to a significant amount of data, which can assist in countering terrorist financing, but governments also need to provide relevant information to financial institutions. A number of FATF Member States, including my own, have put in place legal frameworks that foster the sharing of specific threat information with and by financial institutions. The FATF continues to engage with the private sector on these issues and has released risk indicators to assist in identifying possible terrorist financing.

In conclusion, States must do more to combat terrorist financing. Terrorists will try to find new ways to fund their malign activities—but we can and must identify these schemes, and stop them in their tracks. Terrorists will try to slip past sanctions—but we can and must protect the effectiveness of these critical tools against any weaknesses. Terrorists will always need funding—but we can and we must criminalize such conduct and punish those who engage in terrorist financing to keep the international community safe.

I congratulate Mr. Minister and the Council on the adoption of this vital Resolution, which prompts all States to do just that. In concert, the FATF will continue using its assessment processes to ensure that States adequately implement these obligations, and hold accountable States that do not. The FATF will ensure that its recommendations capture and confront new and emerging threats. We look forward to continuing our close collaboration with this Council to combat terrorist financing and to help keep the international community safe. Thank you.