

FATF Actions to Identify and Disrupt ISIL, Al-Qaeda and Affiliates' Financing

Republic of the Congo and across the globe demonstrate that, despite its territorial defeat in Iraq and Syria, ISIL is continuing to expand its network, carrying out attacks against innocent civilians and disrupting peaceful societies. Additionally, Al-Qaeda and its affiliates remain a threat to international stability and security and from which no region is immune.

To support its member jurisdictions to combat the financing of these terrorist organisations, the Financial Action Task Force (FATF) created a mechanism that would facilitate the understanding of terrorist financing (TF) risks emanating from ISIL. FATF's public report, titled *Financing of the Terrorist Organisation: Islamic State in Iraq and the Levant* (February 2015), was the initial outcome of this exercise. This effort was broadened in October 2017 to cover Al-Qaeda as well as affiliates of both groups. Since 2015, the FATF has produced regular, non-public updates for operational authorities and the intelligence services that ensure that authorities across the FATF Global Network are swiftly informed of the shifting TF activity involving these groups, as well as of actions taken by jurisdictions to combat associated risks.

At the FATF Plenary in Orlando, Florida, in June 2019, the FATF adopted its tenth update on the financing of ISIL, Al-Qaeda and affiliate groups. Due to sustained international pressure over the past years, including the implementation of a range of measures provided by the FATF Standards (e.g. cross-border law enforcement efforts, targeted financial sanctions, etc.), ISIL has seen a significant decrease in its revenues. This has led to a fundamental shift in the financial structure of ISIL and how the core group remaining in Iraq and Syria is linked to its affiliates and branches around the world. ISIL continues to provide financial support to its branches, but also empowers them to raise their own funds locally, and even relies on some branches to distribute funds within their own region. ISIL continues to exploit the Money or Value Transfer Services (MVTs) sector, especially unregistered services providers, to move funds to finance its terrorism around the world. Despite its territorial defeat in Iraq and Syria, ISIL and its affiliate groups still possess stockpiled cash and other financial resources, and have made attempts to invest these illicit gains into legitimate business and other investments. For example, we have seen evidence that a new ISIL network within Central Africa may be attempting to establish businesses to buy gold and sell it in foreign markets. Al-Qaeda continues to benefit from funds raised through illegal activity and from sympathisers worldwide as well.

The FATF continues to monitor the changes in TF risk posed by these and other terrorist groups. Under the U.S. Presidency, FATF has made numerous advances to improve TF risk assessment outcomes globally; strengthen investigations and prosecutions of TF and other illicit financing via new payment methods, such as virtual assets; and promote the effective implementation of TF disruption strategies.

Information and intelligence shared through the FATF's internal reporting mechanism not only boosts understanding of TF risks of operational authorities globally, but also serves as a foundation for further FATF action to combat emerging TF risks. Taking into account the recently adopted UNSCR 2462, which requires Member States to disrupt and to criminalise the financing of terrorism for any purpose, even in the absence of a link to a specific terrorist act, Members across the FATF Global Network are urged to utilise the outcomes of these updates and to continue to take swift, coordinated actions to combat TF in line with the FATF Standards. The FATF will continue to support public authorities via the dissemination of current TF risk

information on ISIL, Al-Qaeda and affiliate groups, providing a rapid response to new and emerging TF risks as they develop on the ground.