



FATF Actions taken under the 2016 counter-terrorist financing operational Plan

FATF completes two-year operational plan to combat terrorist financing and will continue its focus on evolving threat

Paris, 23 February 2018 - The FATF has completed a comprehensive two-year programme, aimed at increasing understanding of terrorist financing risks, in particular the threat posed by ISIL/Da'esh, enhancing implementation of the global standards and evaluating countries' compliance with those standards.

Since February 2016 and with continued support from member countries and international fora such as the G20, the FATF has made important progress in increasing countries' awareness and understanding of terrorist financing risks. FATF's work has also resulted in strengthened measures to tackle today's terrorist financing threats, robust assessments to ensure that countries are taking the right action, and a process to hold countries to account that provide a safe haven for terrorist financiers.

FATF's strategy on combating terrorist financing focuses on five distinct areas of work. **Providing members with regular updates about evolving terrorist financing risks, in particular the financing of ISIL/Da'esh**, forms a core part of FATF's strategy. Building on the [February 2015 report on ISIL financing](#) and the [October 2015 report on emerging terrorist financing risks](#), the FATF provided members with five updates on ISIL's financing that also highlighted members' actions to disrupt this terrorist organisation's financial flows. Choking off ISIL's funding is a priority for the FATF, but it is also focused on other terrorist groups that had a catastrophic impact on the regions they operate in. In November 2017, the FATF agreed to extend its updates to cover an assessment of the financing of and mitigating measures taken by jurisdictions against ISIL, Al-Qaeda and their affiliates. Together with the Inter-Governmental Action Group against Money Laundering in West Africa and the Task Force on Money Laundering in Central Africa, the FATF analysed the confirmed and suspected funding sources of the terrorist groups operating in the [West and Central African region](#), including Boko Haram.

To survive, a terrorist organisation needs funds, but it also needs new recruits and supporters to keep their activities going. FATF finalised a report in November 2017 that specifically looks at the [financing of recruitment activities](#) to assist competent authorities in disrupting the recruitment of terrorists at an early stage. An up-to-date knowledge and understanding of terrorists' financial strategies to raise, move and use funds is critical to choke off these financial flows, and FATF's research and updates allows members to take informed and effective action to tackle terrorist financing. The FATF Training and Research Institute is delivering a Standards Training Course that includes an essential segment on Targeted Financial Sanctions and Counter-Terrorist Financing.

As FATF collected evidence of the evolving terrorist financing threats, it **ensured that the FATF Standards continues to provide up-to-date and effective tools to identify and disrupt terrorist financing activity**. The FATF continued to strengthen and refine its standards, which included measures to address the financing of foreign terrorist fighter travel. The FATF issued guidance to help countries criminalise terrorist financing, which is a fundamental requirement to successfully prosecute and convict anybody involved in terrorist financing.

The FATF provides robust tools to tackle terrorist financing, but countries need to focus more on the effective implementation of these measures. FATF's assessment process **ensures that countries are appropriately and effectively applying the tools, including UN Targeted Financial Sanctions, to identify and disrupt terrorist financing activity**. During its assessments, the FATF has looked closely at the actions that countries have taken to tackle terrorist financing and whether they are effective in detecting and disrupting terrorist financing activity. FATF's follow-up process allows it to **identify and take measures in relation to any countries with strategic deficiencies for terrorist financing**.

Effectively tackling terrorist financing is an effort that extends beyond national authorities. It also involves the private sector, who are on the frontline, dealing directly with persons involved in terrorist financing. It involves law enforcement and financial intelligence units, security services, and relevant counterterrorism agencies in other countries. Effective information-sharing is therefore essential to identify the information that could lead to the detection of terrorism-related financial flows. The importance of information sharing is reflected in 25 of the 40 Recommendations, which the FATF further clarified in the [Consolidated FATF Standards on Information Sharing](#). FATF has produced a number of key outputs to **promote more effective domestic coordination and international cooperation to combat the financing of terrorism**. To assist the public and private sectors to identify, and ultimately prevent, terrorist financing and terrorist activity, the FATF published an internal report on detecting terrorist financing and identified relevant risk indicators. With extensive input from both sectors, this report highlights the importance of private/public partnerships and provides risk indicators that will help both sectors identify and understand possible terrorist financing activity. Equally important as disrupting financial flows in support of terrorism, is the ability to freeze existing assets of a terrorist or terrorist organisation. The FATF's mutual evaluation process revealed that such targeted financial sanctions are not being utilized in an effective manner. The FATF has therefore developed a terrorist financing handbook which will help officials responsible for developing, reviewing and making decisions about domestic and third country requests for asset freezing measures.

Since the FATF published its strategy in February 2016, the terrorist and terrorist financing threat has evolved and continues to pose a risk to FATF members, the FATF global network, and the international financial system. ISIL's significant loss of territory appears to have weakened its funding, but authorities continue to face a range of challenges, from other terrorist organisations, and from the diffused threat posed by small cells, returning foreign terrorist fighters and lone actors.

The FATF has developed a new counter-terrorist financing operational plan which will focus its future efforts in responding to the current terrorist financing risks and ensuring that its global standards and their effective implementation continue to protect the integrity of the financial system.