

Appearance before the House of Commons Standing Committee on Finance (FINA) on Terrorist Financing in Canada and Abroad

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Thank you, Mister Chair and members of the Committee, for inviting me to discuss Terrorist Financing in Canada and Abroad.

In my time today, I will highlight certain key threats that Canada and the rest of the World face as regards terrorist financing, and I will outline a few steps that the Government of Canada in cooperation with its international partners can take to help mitigate these threats.

As the juggernaut of ISIS rolls on unabated, and as Al-Qaida and its affiliates across the world show renewed vigor, terrorist financing threats are on the rise. ISIS is flush with funds, and its reliance on criminal methods and donations from rich individuals to fund its operations has become all too obvious. Simultaneously, the heightened activity by Al-Qaeda affiliates Boko Haram, and AQAP, as well as Lashkar-e-Taiba, and the Taliban, all of whom are well-financed, thanks to their exploitation of criminal sources of money and the misuse of charitable organizations alike is causing great concern to the democratic denizens of Canada and the international community.

A key factor that allows the aforementioned terrorist organizations to thrive is their ability to launder the proceeds of their criminal activities towards terrorist financing ends and purposes. Often in concert with criminal organizations, as well as on their own, these terrorist groups have been able to finesse the craft of money laundering in order to disguise the sources of their income from the ultimate destination that this income is bound for, that is, towards perpetrating terrorist acts, setting up and administering newer affiliates and cells, and for training, recruitment, and online radicalization of terrorists.

An alarming trend is the global nature of the movement of terrorist funds that not only tends to misuse the international financial system but also makes it very difficult to trace these funds, and to prosecute and convict those engaging in the nefarious act of perpetrating, financing, and facilitating the terrorism that we all in the civilized world love to hate.

Given the seemingly intractable task and mission of stemming the flow of terrorist funds and their use to launch terrorist attacks, what can Canada alongside the global community do to mitigate the terrorist financing threat?

First, it is important to recognize that terrorists succeed by moving men, money, materiel, and messages, across the world. Hence a broader and more expansive scope of 'material support' to include men, money, materiel, and messages should be adopted by the comity of nations in order for them to make more informed and effective choices in exercising the countering the financing of terrorism tools of sanctions, investigations and enforcement, regulations, and outreach.

Second, given the free movement of money, men, materiel, and messages in this day and age of the internet, ISIS, Al-Qaida, and their acolytes are not limiting their theaters of operation and fund-raising activity only to Iraq, Syria, and the broader Middle East but are also extending them to North Africa, West Africa, South West Asia, South Asia, Europe, etc. ISIS inspired attacks in Paris, Ottawa, and Oklahoma are a case in point. So is the heinous attack of French citizen Mehdi Nemmouche in Brussels, Belgium, as is the combined training activity of Boko-Haram, Al-Qaeda, and ISIS in Mauritania. Foreign Terrorist Fighters may not perpetrate terrorist attacks only in their home countries. Therefore, any counter terrorist finance strategy should not limit itself to Iraq, Syria, and their immediate neighbors as has been the wont of the international community to do over the past year or so.

Third, given the serious online radicalization, fund-raising and recruitment threat that ISIS presents, it is imperative to work with social media companies to take down incendiary videos and websites that train impressionable persons in bomb-making, imbibe radical thoughts and beliefs, and lionize those that commit atrocious terrorist acts. Present efforts underway in bringing legislation in Canada to address this issue are a step in the right direction. Of Course, hopefully, these legislative initiatives will balance the needs of security with those of free speech and the privacy concerns of citizens.

Fourth, while there has been lot of debate in the past several years over the functioning and effectiveness of the FINTRAC, and by all accounts its performance has considerably improved, not much has been spoken of in terms of the dire need for two-way information sharing between the law enforcement agencies, and FINTRAC. This two-way information sharing would further improve the effectiveness of FINTRAC and the quality of its financial intelligence products.

Fifth, while targeted sanctions of the Al-Qaida Taliban regimes at the UN are a noteworthy 'name and shame' deterrence phenomenon and the capacity building initiatives of the UN 1373 regime have gained high praise, their effectiveness of implementation, as well their impact at stemming terrorist financing have yet to be assessed. The Government of Canada, which is actively engaged in funding and facilitating Countering the Financing of Terrorism Capacity Building Programs through the UN and its agencies, may like to request both the Al-Qaida Taliban Monitoring Team, and the Counter-Terrorism Executive Directorate for information regards the effectiveness of implementation and the impact of UNSCR 1267 and UNSCR 1373 respectively.

It is hoped that these thoughts and recommendations would help the Committee in its examination of Terrorist Financing in Canada and abroad going forward.

In closing, thank you, Mister Chair and members for this opportunity to discuss this issue. I welcome your questions.