

**EXPERIENCES OF MEMBER STATES IN THE IMPLEMENTATION
OF THE AL-QAIDA/TALIBAN SANCTIONS MEASURES**

In Annex II (g) of Resolution 1735 (2006) the Security Council mandated the Monitoring Team, inter alia: *“To present to the Committee recommendations, which could be used by Member States to assist them with the implementation of the measures referred to in paragraph 1 of this resolution and in preparing proposed additions to the Consolidated List.”*

In this regard, the Monitoring Team has put together a list of the experiences of some Member States, drawn from information received during the Team’s trips and/or from reports obtained by the Team. The examples contained in this list of Member State experiences is not intended to be exhaustive as it contains only those practices brought to the attention of the Monitoring Team as of June 2007. There are probably other States which have equally useful experiences to share which are not known to either the Committee or the Team.

The Committee would like to stress that the attached list of Member State experiences is not a judgment on any Member State or indication that these are practices which other Member States must follow. This list of Member State experiences is only intended to highlight how some States have implemented the Al-Qaida/Taliban sanctions measures in case other Member States, taking into account their own situation and needs, may find them useful examples to consider.

The examples contained in the attached list of Member State experiences are set out in 5 sections:

- i. General Implementation – 4 examples
 - ii. Consolidated List – 5 examples
 - iii. Assets Freeze – 27 examples
 - iv. Travel Ban - 8 examples
 - v. Arms Embargo - 6 examples.
- Total = 50 examples

Should any Member State wish to obtain further details on any of the examples listed in the attached paper, please contact the Monitoring Team at the following email: 1267mt@un.org

GENERAL IMPLEMENTATION OF THE AL-QAIDA/TALIBAN SANCTIONS

S/N	PRACTICE	DESCRIPTION OF PRACTICE - General
1.	National Coordination Committee for effective interagency coordination	<p>Many States have set up national bodies to oversee the implementation of the Al-Qaida/Taliban sanctions regime across all national departments and agencies. Typically; these Committees bring together all relevant agencies to deal with counter-terrorism issues, raise awareness and identify problems.</p> <p>The Monitoring Team has previously recommended that the Committee encourage States to enhance their internal coordination mechanisms concerning the implementation of the sanctions regime, and it continues to note that States that have such mechanisms find implementation easier than those that do not.</p>
2.	Ensuring comprehensive implementation of financial sanctions	<p>One State has reported that it has designated a single body to coordinate and oversee the comprehensive implementation of financial sanctions nationally by a wide range of separate authorities and industry/trade associations. The common practice of relying on central banks or on financial regulators who are accustomed to operate in a narrower sphere can result in partial and fragmented implementation, especially when listed parties continue to run businesses.</p>
3.	Sanctions-specific training by national government	<p>One State has reported that it plans to coordinate sanctions-specific training for relevant private sector personnel whose work involves sanctions implementation.</p> <p>The Monitoring Team has previously advocated the value of public-private partnerships in implementing the sanctions. For example, suspicious transaction reporting training for financial sector employees in the private sector.</p>
4.	Sanctions-specific training by other governments	<p>To strengthen their capacities for the Al-Qaida/Taliban sanctions implementation, several Member States have arranged for their officials to be trained by foreign Governments.</p>

CONSOLIDATED LIST (including circulation of the List and updates to the List; use of electronic means; access by authorities and relevant private-sector officials to the information contained in the UN-Interpol Special Notices).

S/N	PRACTICE	DESCRIPTION OF PRACTICE - List
1.	Incorporating the List into national watch lists/databases	To mitigate the lack of sufficient identifiers for some names on the List, some States incorporate the List into their national watch lists and databases, and then add additional identifying and supporting information received through bilateral or multilateral cooperation or by using their membership in regional bodies to build knowledge of the individuals and entities on the List.
2.	Regional lists	One State has reported that its regional group has established a list of individuals and groups distributed through a secure Internet connection for the purpose of preventing their travel.
3.	Improving implementation of sanctions measures through the provision of multiple formats for searching the List	Some States convert the List into an electronically-readable format to facilitate up-loading into the databases of their private sector institutions. This could also facilitate improved implementation globally. For example the websites of the Central Bank of one State and the Financial Authority of another State have incorporated the Consolidated List into their national watch lists in multiple formats, including Excel (xls), HTML, Adobe Acrobat (PDF), comma delimited (csv) and plain text (txt). This approach allows financial institutions to work with the electronic format that best meets their particular circumstances without the need to recreate the list on their own. The approach may also limit the amount of errors made in transposing the Consolidated List data into multiple formats.
4.	Circulation of List to charities	Some States distribute the Consolidated List and all updates to all charities within their territory.
5.	Circulation of List to non-banking financial institutions	Some States circulate the list to a number of non-banking financial institutions. This permits the implementation of the assets freeze beyond the banking sector.

IMPLEMENTATION OF THE ASSETS FREEZE (including how States deal with charities and other non-profit organizations, cash couriers and hawala transactions).

S/N PRACTICE DESCRIPTION OF PRACTICE –Assets Freeze

Basis for freezing

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| 1. | Administrative or legal framework which allows for the freezing of assets based on listing by the Committee alone | <p>Some Member States have adopted legislation or regulations that automatically impose the assets freeze upon listing by the Committee and issuance of a routine regulation by national authorities, without any need for further assessment of the case against national standards of evidence to support a criminal charge.</p> <p>This is consistent with preambular paragraph resolution 1735 (2006) which reads: “Reiterating that the measures referred to in paragraph 1 below, are preventative in nature and are not reliant upon criminal standards set out under national law.”</p> |
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Application of Assets Freeze measure

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| 2. | Defining funds, other than financial assets and economic resources and explaining the objective of the freezing measures | <p>Defining assets or economic resources subject to the sanctions measures is a useful adjunct to explaining the objectives of the sanctions to private sector bodies that may need to take action. This can lead to a proactive response by the private sector in identifying assets beyond the banking sector.</p> |
| 3. | Reducing the risk of omissions of assets subject to freezing by adopting a wider interpretation of “financial assets” | <p>Some States have adopted similar views on “assets” by applying freezing actions to real estate, office equipment and interest (shares) in companies.</p> <p>Others have opted for a more wide-ranging approach. For example, one State’s regulations explicitly defines that “property” means: “property of every description and documents relating to or evidencing the title or right to property, or giving a right to recover or receive money or goods, and includes any funds, financial assets or economic resources.”</p> |
| 4. | Assets held by nominees | <p>One State reported freezing bank accounts of individuals who held assets on behalf of listed persons. This is entirely within the scope of the sanctions, which covers assets owned or controlled “directly or indirectly” by listed persons or “on their behalf”.</p> |

S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
5.	Monitoring of low-level criminal activity which may fund Al-Qaida related terrorism	One State has a programme which collects information nationally on all persons who have been arrested or suspected of involvement in low-level bank or credit card fraud, or travel document offences. This information is compared against identified key indicators of potential terrorist activities and shared within the financial community to help discover accounts opened using suspect identity documents. The programme receives leads from banks, as well as reports of false passports presented to social security offices and used in applications for driver's licenses. A recent investigation uncovered a stockpile of cheque books, credit cards and forged documents which had been used to obtain goods which could then be returned for cash. The programme has begun to note correlations and build profiles which may have relevance for other States.

Notification systems

6.	Sensitizing the public to prevent unauthorized dealing in targeted assets	Some States interpret their obligation widely by, for example, extending the duty to report assets affected by the sanctions beyond financial institutions to the general public, making it illegal to enter into any transaction with respect to the properties of listed individuals or entities, except with a license. These provisions are universally binding, and in order to sensitize the public, the State makes announcements through government journals and the press.
7.	Designing comprehensive notification systems to increase the effectiveness of asset freeze measures	Notifying key players of the obligation to freeze funds, other financial assets or economic resources is important. Some notices communicating asset freeze obligations have been observed to contain only simple instructions sent only to mainstream banks and focusing on bank accounts. However, others notices are more elaborated and comprehensive and the distribution channels go beyond traditional banks, covering an array of assets or economic resources.
8.	Anticipating assets beyond banks accounts	As the overall objective is to design comprehensive assets freezing mechanisms, it is essential that although notice of listing may initially be sent to banking entities, the actual readership goes beyond the traditional banking sector. The banking system is simply the sector of first contact. Therefore notices sent through banks should by no means be taken to mean that they apply to only banks. Consequently, the wording of notices must reflect that the obligation to freeze targeted assets falls on 'every person', natural or legal, even if the notices may be initially channelled through the banks.

S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
9.	Clearly identifying the legal authority in the Freezing Order/Notice	Further, a freezing notice is often useful when it clearly identifies the legal authority for the actions called for in the notice, as a means of providing comfort for those who are obliged to freeze assets, and to minimize any delays that could occur if the notice or its target or the action to be taken, is not clear.
10.	Reducing risk of fragmented implementation by promoting wide notification of the asset freeze obligations, beyond the traditional banking sector	<p>These measures include</p> <ul style="list-style-type: none"> (i) attaching modifications to the Consolidated List to publicly circulated government notification systems including in Government Gazettes or Official Journals (ii) displaying the Consolidated List on publicly and freely accessible government websites with particular emphasis on the national agencies responsible for implementing the asset freeze measures and (iii) disseminating the Consolidated List or changes thereto through trade associations for speedy onward transmission to their respective wider membership.

Disclosures

11.	Regular reporting	One State requires filing of assets freeze implementation reports including nil returns at regular intervals and whenever assets are found and frozen.
12.	Reporting of transactions on targeted assets	Some States also require any individual or entity holding or having information about targeted assets or about actual or attempted transactions in connection with targeted assets, to report to the appropriate authorities.
13.	Deposit of moneys owing to listed person	The Government of one State ordered anybody with a contractual obligation towards a listed individual, his companies or investments to deposit the moneys owing to this listed individual into an account opened at the Central Bank.

Implementing the Assets Freeze without affecting the rights of other possible owners

14.	Equitable and objective apportionment of assets which fall within the assets freeze	One State places restrictions on the transfer of shares in banking entities owned by a listed individual.
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S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
15.	Equitable and objective apportionment of assets which fall within freezing measures	One State also reported freezing only that portion of the assets of a commercial entity (which is not listed) representing the interest of a listed individual. The non-listed commercial entity has been allowed to continue operating, without affecting the interests of other shareholders who are not subject to sanctions and also in order to preserve the jobs of some 4000 employees. This State has emphasized the relevance and importance of giving due regard to the separate legal identity of companies.
16.	As above	Another State has sold the share of a listed individual in the family business and placed the proceeds in a frozen account administered by the Government.
17.	As above	One State attributed to a listed individual, the part of a real estate property he jointly owns with parties that are not listed. The portion attributed to the listed individual is now administered by the Government through its Financial Intelligence Unit. The share of jointly-owned properties attributed to the listed individual will continue to generate rental income while frozen. The properties will be occupied by Government departments, which will pay rent into a frozen account at the Central Bank.
18.	Allowing a listed entity to continue operating in order to preserve the business and protect the interest of innocent third-parties	In January 2006, the Committee approved, for the first time, a resolution 1452 (2002) request made on behalf of a listed entity (a hotel) owned by a listed individual. To avoid the loss of the jobs of innocent hotel workers, as well as the revenue stream generated by the business, the State proposed that a Government agency assume custody and management of the hotel, pursuant to provisions of a soon-to-be-adopted national law. This mechanism would ensure that the listed party did not control the corporate assets and could not divert income to support terrorism. The income generated by the business will pay running expenses, under Government oversight, and any profits will be placed in a frozen account. According to the approved scheme, the listed entity's management is required to present budgets for ordinary day to day expenses of the entity for specified periods. At regular intervals, Government appointed 'examiners' will audit the accounts to ensure that the money is not being diverted. However, this plan depends on legislation that allows the Government to take custody and manage a business in place of a listed person or his appointees.

S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
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Adapting useful banking practices

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| 19. | Financial Intelligence Units (FIUs) | A number of States have established Financial Intelligence Units which are then mandated to receive, analyze Suspicious Transaction Reports and disseminate intelligence packages to law enforcement agencies. These FIUs have assisted national efforts to identify Al-Qaida finances in many cases. |
| 20. | Implementing ‘remediation’ Customer verification program to minimize the risk that listed individuals may continue to access the banking sector, undetected, under false identities | <p>“Remediation” offers a fresh opportunity to detect bank accounts opened by individuals using false identities prior to the introduction of Know Your Customer/Enhanced Due Diligence requirements and prior to them being listed by the 1267 Committee. Many States have made KYC mandatory with regard to new bank accounts and only optional (risk based) with respect to accounts in existence at the time the KYC rules became mandatory.</p> <p>One State requires all banks operating in its territory to conduct customer verifications, retrospectively, for all 17.5 million bank accounts existing at the time the KYC rules were made mandatory. As a best practice, States could continue making KYC mandatory for new customers, but also require KYC reviews for all customer accounts (new and old) on a regular basis.</p> |

Charities

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| 21. | Licensing and regulation of charities | <p>Some States have introduced licensing and better regulation of charities, such as by requiring complete records of activity, full reporting of the dispersal of assets and the independent audit of accounts. Some have also enacted legislation to prevent the abuse of charities, restrict the automatic granting of charitable status, and to close down charities that are being exploited by terrorist groups.</p> <p>These States have also reported that trustees of charities are now obliged to notify the authorities when their charities receive funds from or remit funds to foreign entities or individuals.</p> |
| 22. | Oversight and supervisory bodies | Some States have created national authorities to monitor the activities of charities. |
| 23. | Action against the abuse of charities | <p>Some States have taken measures such as:</p> <p>(i) providing technical assistance to other States to improve corporate governance and regulation in the charity sector;</p> |

S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
		<p>(ii) requiring that charitable assistance abroad be provided in kind (such as goods and services) rather than in cash to reduce the risk of the diversion of donations;</p> <p>(iii) establishing a body to assume responsibility for all overseas charitable activity and requiring case-by-case Government approval for donations abroad in addition to notifying the recipient State.</p>
24.	Reducing abuse of charities through issuance of governance guidelines and external review or reference mechanism for the charitable sector	<p>Some States issue guidelines for charities within their jurisdiction in respect of the governing structure, financial transparency and accountability, anti-terrorist financing procedures and indicators of potential abuse of activities and funds that are easily recognized by the donors.</p> <p>Some authorities maintain a list of NGOs that qualify for Government funding in accordance with the Government’s own guidelines.</p> <p>Some States have private sector watchdogs, including umbrella organizations, for charitable organizations or independent private sector review and endorsement mechanisms. These can be effective in enhancing self-regulation and corporate governance and thereby may supplement governmental oversight for the charitable sector.</p>
25.	Reducing the risk of abuse of charitable donations	One State dissolved a listed entity and its assets and operations were transferred to a newly established government entity charged with the responsibility of distributing overseas all private charitable donations made nationally.

Alternative Remittance Systems

26.	Measures that encourage banking of the “un-banked”	<p>Some States and private sector entities have begun to address the factors that deter people from using formal banking systems, for example by abolishing over-elaborate customer verification practices which make it difficult for customers to open bank accounts; reducing fees for money transfers; removing minimum balance requirements; and increasing the availability of bank services, as well as addressing stringent bank licensing requirements.</p> <p>One State has created a special type of accounts aimed at low-income individuals which have attracted much attention, with over 1 million accounts being opened in 3 months against 60,000 to 70,000 regular bank accounts opened during the same period.</p>
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S/N	PRACTICE	DESCRIPTION OF PRACTICE –Assets Freeze
27.	Measures aimed at reducing the abuse of hawala systems through registration of hawalas on a voluntary basis so as not push such systems further under ground.	<p>A system of voluntary registration of hawalas and their equivalents has gathered momentum in some Member States. For example since 2004, one State has registered over 100 hawala brokers. Registered hawala systems are then subject to mandatory ‘know your customer’ rules, reporting of suspicious transactions and minimum record keeping requirements.</p> <p>In addition, requiring registered hawala brokers to deal only with correspondent hawala brokers who are registered and are thus under some governmental oversight further enhances their protection against being used as conduits for international transfers of terrorist-related funds.</p>

IMPLEMENTATION OF THE TRAVEL BAN (including whether the authorities have access to the Interpol Stolen & Lost Travel Documents database; implementation of ICAO standards; Machine Readable Travel Documents; biometric Travel Documents).

S/N	PRACTICE	DESCRIPTION OF PRACTICE – Travel Ban
1.	Container security	Some States screen cargo shipments at borders and consider them a very useful practice in ensuring that this form of transport is not used by those on the List to violate the sanctions measures. For example, one State assesses the threat of incoming container cargo using sophisticated analytical software prior to loading, during the transfer and upon entry to the country, and examining selected cargo (including with x-ray equipment) and screening all cargo with radiation detection devices. Another State uses a similar system (although a larger proportion of cargo is actually searched), while two other States screen cargo for radiation.
2.	Improving the security of travel documents – biometric measures	An increasing number of States plan to incorporate biometric measures into newly issued passports, both to improve the security of travel documents and to comply with the planned introduction of biometric identifiers as a precondition for facilitated or visa-free travel in the future. These measures target a worldwide problem of terrorist or other criminal use of false documents. Adherence by States to internationally agreed standards, such as those that the International Civil Aviation Organization (ICAO) is currently drawing up, will ensure that the maximum benefit flows from the use of biometric technology against those it seeks to target, including those on the Consolidated List.
3.	Improving the security of travel documents - MRTDs	Some States have upgraded their travel document issuance systems to produce machine-readable travel documents (MRTDs), which not only facilitates the work of those officials checking the documents but also makes it more difficult to illegally modify them. To further strengthen protection against tampering of travel documents, several States have moved to issue such documents only with digital photographs, as per enhanced ICAO security standards. Some States have also incorporated into their travel documents biometric features such as facial images and fingerprints.
4.	Models for freedom of movement and visa-free zones	A group of States recently adopted additional measures relevant to the travel ban, including enhanced security measures and information-sharing for persons on short-stay visas and residents of border areas. Some of these States have also adopted a two-part approach — utilizing restrictions to exclude listed persons from outside their regional group zone, while maintaining national restrictions to limit the movement of listed persons within the zone.

S/N	PRACTICE	DESCRIPTION OF PRACTICE – Travel Ban
5.	Instant access to Interpol’s Stolen and Lost Travel Documents Database	In December 2005, Interpol initiated a pilot project with one State that significantly expanded the ability of the officials of that State to detect stolen and lost travel documents. Although a great majority of Interpol Member States (109 States out of 186) contribute to its Stolen and Lost Travel Documents Database through the Interpol National Central Bureau (NCB) in their capitals, this State now provides real time access to the Interpol database not only to its NCB, but also to its 20,000 agents at border control points, customs and immigration offices, and embassies and consulates, enabling officers to verify instantly if a document is stolen or lost.
6.	Usefulness of the Interpol-United Nations Security Council special notices	Interpol has received increasing feedback and data from States in response to the Interpol-United Nations Security Council special notices, and much information, including photographs and fingerprints, has been added to the notices. One State examines all new Interpol-United Nations Security Council special notices and checks to see if any of the names or aliases has a connection to that country. It also runs the fingerprints contained in the restricted versions of the notices through its police database to check for matches within its own system.
7.	Use of the Interpol-United Nations Security Council special notices to publish wanted posters	The immigration authorities of one State publish posters of internationally and nationally wanted individuals, including those on the Consolidated List and these are placed at entry/exit points.
8.	Certificate of negative identification	<p data-bbox="537 1329 1468 1434">One Member State allows parties who have been or are at risk of “false positive identification” to obtain official confirmation that they are not the listed party.</p> <p data-bbox="537 1476 1468 1623">The Minister of Foreign Affairs of this State may, by virtue of its United Nations Suppression of Terrorism Regulations, issue a certificate to the effect that he has reasonable grounds to believe that the person named in the certificate is <u>not a listed person</u>.</p> <p data-bbox="537 1665 1468 1761">Similarly, its Anti-Terrorism Act provides that an entity claiming not to be a listed entity may apply to the Solicitor General for a certificate stating that it is <u>not a listed entity</u>.</p> <p data-bbox="678 1812 976 1833">-----</p>

IMPLEMENTATION OF THE ARMS EMBARGO (including prevention of access to military training, assistance and advice; recruitment; Man Portable Air Defence Systems (MANPADs); Chemical, Biological, Radiological and Nuclear Weapons (CBRN))

S/N	PRACTICE	DESCRIPTION OF PRACTICE – Arms Embargo
1.	Control mechanisms on ammonium nitrate-based products and compounds	<p>In view of the threat posed by improvised explosives and the potential to reduce the threat through national regulatory mechanisms, States that have not already done so are encouraged to introduce safety regulations governing the manufacture and sale of ammonium nitrate-based products with a high nitrogen content.</p> <p>One State has adopted an Ammonium Nitrate Materials (High Nitrogen Content) Safety Regulations in 2003 which established certifiable standards and control mechanisms on ammonium nitrate-based products and compounds, particularly those containing more than 28 per cent by weight of nitrogen.</p> <p>Another State has proposed an amendment to its counter-terrorism laws to prohibit private persons from purchasing fertilizers with ammonium nitrate levels of more than 28 percent (which can be used to improvise explosive devices).</p>
2.	Reducing the threat of MANPADs	<p>One State has introduced a threat reduction initiative on the use of MANPADs to the Association of Southeast Asian Nations (ASEAN) Regional Forum.</p>
3.	Dual Use Goods	<p>One State has passed a “Strategic Goods (Control) Act” in 2002 that regulates the physical and electronic transfer as well as the brokering of strategic goods and strategic goods technology. A ‘catch-all’ provision covers all goods and technologies that are intended or likely to be used for the manufacture of weapons of mass destruction (WMD). A permit is required for the export/re-export, transshipment or transit of controlled strategic goods and strategic goods technology, or any goods and technology necessary in the development, production, operation, stockpiling or acquisition of nuclear, chemical or biological weapons, and missiles capable of delivering such weapons. A brokering system has also been established and all brokers of arms and explosives must first register with the National Authority of that State before they can broker in these items.</p>
4.	Dual Use Goods	<p>One State has a “Defense and Strategic Goods List” (DSGL) which was amended in 2003. This DSGL incorporates descriptions of defense and dual use goods and technologies from control lists originating from international export control regimes to which the State is a member. This export regime mentions listed goods that may not be exported from</p>

S/N PRACTICE DESCRIPTION OF PRACTICE – Arms Embargo

the State unless a license or permission has been granted by the Minister of Defense or an authorized person and that license or permission is produced to a Collector of Customs before exportation. The DSGL is divided into two parts: military goods and non-military lethal goods; and dual use goods comprising equipment and technologies developed to meet commercial needs but which may be used either as military components or for the development or production of military systems or weapons of mass destruction.

5. **Legislative basis prohibiting provision of arms to listed persons** Most Governments have generally not provided any information to confirm their legislative basis for implementing the arms embargo. However, one State's resolution 1455 report states that Section 4 of its United Nations Afghanistan Regulations and Section 4 of its United Nations Suppression of Terrorism Regulations prohibit making available any property, including arms, for the benefit of a person on the 1267 Consolidated List. These provisions appear to provide for the legal seizure of arms, military and paramilitary materiel in the possession of those on the List, as well as comprehensive prohibition against the provision of any property for the benefit of listed individuals.
6. **Legislative provisions on recruitment** One State's Anti-Terrorism Act establishes as an offence, the act of participating in or contributing to an activity of a terrorist group, which includes:
- (a) providing, receiving or recruiting a person to receive training; (b) providing or offering to provide a skill or an expertise for the benefit of, at the direction of or in association with a terrorist group; (c) recruiting a person in order to facilitate or commit (i) a terrorism offence, or (ii) an act or omission outside the State that, if committed in that State, would be a terrorism offence; (d) entering or remaining in any country for the benefit of, at the direction of or in association with a terrorist group; and (e) making oneself, in response to instructions from any of the persons who constitute a terrorist group, available to facilitate or commit (i) a terrorism offence, or (ii) an act or omission outside that State that, if committed in the State, would be a terrorism offence.
