



Statement on behalf of the European Union and its Member States

by

Ms. Daniela Gauci, Counsellor

on Combating and Financing Terrorism

**at the Joint special meeting of the Counter-Terrorism Committee and the
1267/1989/2253 ISIL (Da'esh) and Al-Qaida Sanctions Committee on
“Terrorist-financing threats and trends and the implementation of Security
Council resolution 2462 (2019)”**

United Nations

New York

18 November 2021

– CHECK AGAINST DELIVERY –

I have the honour to speak on behalf of the European Union and its Member States.

The Candidate Countries the Republic of North Macedonia*, Montenegro*, Serbia* and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as the Republic of Moldova, align themselves with this statement.

I would like to start by thanking France for putting terrorism financing in the spotlight with Resolution 2462 and this morning's panellists for all their very useful contributions.

Combating the financing of terrorism remains of utmost concern for the EU and its Member States and maintaining a strong international commitment to cutting off sources of terrorism funding is of critical importance. **UNSCR 2462 (2019) represents a major step** towards the establishment of a comprehensive international framework in this field.

Terrorists change their **modus operandi** to be able to circumvent controls. They use financing structures and streams, like channelling funds through small foundations or other organisations; technology, like crypto assets and crowd-funding platforms and different sources, including from organized crime or the illicit trafficking of cultural property. We therefore need to be vigilant and update our counter-measures as and when necessary.

The European Union is at the forefront of promoting the work carried out by the Financial Action Task Force (**FATF**) to raise international standards with regard to transparency and beneficial ownership of legal vehicles. We remain committed to supporting activities aimed at improving and enhancing information sharing and enhancing capacity to comply with the relevant UN Security Council resolutions, FATF recommendations, and the Paris agenda adopted during the first '**No Money for Terror**' conference held on 25 and 26 April 2018.

In this regard the EU is stepping up efforts to **support partner countries** to increase compliance with international standards across the full chain of terrorism financing, from detection to asset recovery, with a multi-agency perspective engaging with intelligence, supervisory and regulation

** The Republic of North Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.*

authorities, financial intelligence units, law enforcement, prosecution, specialised judiciary and asset recovery authorities among others.

[Let me provide some examples on which action is particularly important:

- Transparency of **beneficial ownership of companies and trusts** is key, as criminals are known to exploit opaque structures as a means to hide their sources of funding or to circumvent sanctions regimes. The EU has strong rules in this area, which the recent proposal to overhaul the Anti-Money Laundering framework will further strengthen. Inter-agency cooperation is another key element to fight terrorism financing. In this regard, we harmonised rules on criminalisation of terrorism financing, developed a new asset-freezing regime against Al-Qaeda and ISIL in 2016, and adopted legislation to ensure that Financial Intelligence Units have access to bank account information, and that law enforcement authorities also do in specific cases of serious crime, including terrorism. We also strengthened the framework under which law enforcement authorities and Financial Intelligence Units can exchange information in addition to cases that concern money laundering, its associated predicate offences and terrorism financing.
- In the EU, terrorist attacks by small cells and small actors have been carried out with very small amounts of funding. These **low-amount transactions** may not be easy to detect by financial institutions. Therefore, we need to bridge the intelligence gap and improve the use of financial information in counter-terrorism investigations. In this respect, we support intensifying and accelerating the timely exchange of information and financial intelligence of a strategic nature as reflected in the resolution.

Several countries have established public-private partnerships in the area of financial information, for example between the police, Financial Intelligence Units and financial institutions. We are not only providing financial support to projects looking into the developments of such partnerships in the EU but is also pushing cross-border cooperation through the first transnational public-private partnership for financial information sharing - The Europol Financial Intelligence Public-Private Partnership (EFIPPP). Its participants have started

to exchange strategic information and sanitized case studies. We therefore remain committed to the resolution's call for continued work to establish **public-private partnerships**.

Before concluding, let us highlight – as the resolution itself does – that measures to counter terrorist financing must comply with international law, in particular international human rights law, international humanitarian law and international refugee law. CFT measures should never be misused to justify imposing restrictions on fundamental freedoms, or to target and criminalise civil society and human rights defenders.

Moreover, we cannot but insist here – before concluding - on the need to take into account the potential effect of counter-terrorism measures, including sanctions, on **humanitarian action**. Countering terrorism and providing humanitarian assistance are mutually inclusive objectives – we must implement robust CFT measures and we must ensure the protection of the humanitarian space. We have heard ample evidence of the unintended impact of Counter-Terrorism measures on humanitarian actors. We must work harder to ensure that Counterterrorism measures do not impede humanitarian action. The EU reaffirms the importance of robust and effective counter-terrorism measures and sanctions regimes in the fight against terrorism. Safeguarding the humanitarian space through appropriate measures, including through the consistent inclusion of humanitarian exemptions, where relevant, is essential in order not to impede the delivery of humanitarian assistance. We also welcome the launch of FATF's project to study and mitigate the incorrect implementation of FATF standards and downstream effects.

Finally, we would like to reiterate that **coordination and international cooperation in the field of counter-terrorism between Member States and United Nations entities** are key to learn from each other and to support targeted technical assistance and capacity building efforts. We believe that strengthening our international efforts further is a must if we are to move closer to preventing and countering the financing of terrorism.

Thank you.