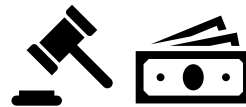




Thematic summary assessment of gaps in implementing key countering the financing of terrorism provisions of Security Council resolutions

With a focus on investigating and prosecuting the financing of terrorism



United Nations Security Council
Counter-Terrorism Committee
Executive Directorate (CTED)

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Background and methodology

In its resolution 2462 (2019), paragraph 35, the Security Council requests the Counter-Terrorism Committee Executive Directorate (CTED) to provide, annually, on the basis of its reporting and in consultation with the Analytical Support and Sanctions Monitoring Team pursuant to resolutions 1526 (2004) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and the Taliban and associated individuals and entities, to the United Nations Office on Counter Terrorism (UNOCT), through the Counter-Terrorism Committee, a thematic summary assessment of gaps identified and areas requiring more action to implement key countering the financing of terrorism (CFT) provisions of relevant Council resolutions for the purpose of designing targeted technical assistance and capacity-building efforts and taking into account, as appropriate, mutual evaluation reports of the Financial Action Task Force (FATF) and FATF-style regional bodies (FSRBs).

In its assessments issued in [2021](#) and [2022](#), CTED noted that gaps related to the criminalization of terrorism financing (TF) were being progressively addressed and were primarily technical in nature, requiring limited adjustments in legislation or clarifications in judicial practice. However, investigating and prosecuting TF remained challenging on many levels,¹ from technical expertise to international and inter-agency cooperation. Failing to ensure that the offence is investigated and prosecuted effectively and in a timely manner, while ensuring full compliance with international law, renders even perfectly compliant legislation a “dead letter” and falls short of States’ obligation to bring terrorists and their financiers to justice.

While recognizing that in some circumstances, criminal prosecution may not be the most appropriate disruptive measure and that the investigating authority should have the necessary discretion in determining whether prosecution or other alternative measures are most effective in a particular case, it is, however, important to ensure that the overall number of TF investigations and prosecutions are commensurate with a State’s risk profile, especially when national and/or sectoral risk assessments point to frequent and diverse TF occurrences, including in relation to the travel of foreign terrorist fighters (FTFs).

¹ Those gaps are not new but are persistent. In 2018, a review of FATF and FSRB mutual evaluation reports found that 66 per cent of the assessed jurisdictions had major or fundamental deficiencies in the investigation and prosecution of TF (FATF, President’s Paper, *Anti-money Laundering and Counter Terrorist Financing for Judges & Prosecutors*, June 2018). Only 29 per cent of the reviewed jurisdictions had prosecuted any TF offences, and only 20 per cent had obtained convictions. In 2020, CTED and the Analytical Support and Sanctions Monitoring Team identified a number of common challenges pertaining to TF investigations and prosecutions in their joint report prepared pursuant to resolution 2462 (2019) (S/2020/493). See also relevant gaps identified in CTED’s [2021](#) and [2022](#) CFT gaps assessments.

The Security Council specifically called upon Member States of the United Nations to more effectively investigate and prosecute cases of TF and apply appropriate, effective, proportionate and dissuasive criminal sanctions to individuals and entities convicted of TF activity.²

With this in mind, the present report focuses on gaps identified in the context of investigating and prosecuting the financing of terrorism. It was prepared based on, in particular, the outcomes of eight assessment visits conducted by CTED on behalf of the Counter-Terrorism Committee in 2023, and FATF/FSRB mutual evaluation reports and follow-up reports published this year. It also incorporates the information gathered through CTED's ongoing analysis of TF trends and threats, and CFT-related events organized or attended by CTED throughout the year (including its participation in relevant FATF analytical projects).

Additional country-specific elements of CTED's preliminary analysis can be made available to UNOCT and relevant United Nations entities, upon request, to substantiate the findings relating to any particular gap.

² Security Council resolution 2462 (2019), para. 8.

Challenges in establishing required legal elements of the terrorism financing offence

A number of challenges in investigating and prosecuting TF stem from gaps in the criminalization of TF itself, as highlighted in previous reports.³ At the same time, investigators and prosecutors also face a number of practical challenges in establishing the required elements of the TF offence, especially with regard to mens rea, i.e., proving that the individual(s) charged with TF intended, or knew, that funds or other assets were going to support terrorism, terrorists, or terrorist organizations. The following gaps have been identified in this regard:

- ***Erroneous interpretation of the offence requirement in relation to the use of funds for a terrorist purpose.*** In line with resolution 2462 (2019) and FATF recommendation 5, it should be sufficient to prove that the terrorist financier had the unlawful intention or knowledge that the assets were provided to, or collected for, a terrorist organization or individual terrorist, without requiring a specific intent to further the illegal aims of the terrorist organization or individual terrorist.
- ***Legislative gaps which prevent authorities from inferring information and intent from objective factual circumstances.*** Some statutes restrict those objective facts to the “behaviour” of the offender, which unnecessarily excludes other objective facts (such as documentary evidence, behaviour by other parties, statements by other parties, etc.) from the proof of intent and knowledge.
- ***Limitations in establishing that the funded organization or individual is a terrorist organization or individual terrorist,*** as defined by the relevant legislation, in the absence of applicable designations or adjudicated cases on their involvement in terrorist activity. Having a publicly declared list of designated terrorist persons and organizations can be useful as it removes the need for the prosecution to prove that the financed person or organization is involved in terrorism and helps to prove knowledge by the accused.⁴ Some States adhere to the no-designation approach whereby the competent court defines on a case-by-case basis whether the organization invoked in the context of a particular prosecution is criminal (including terrorist). In this framework, the burden is on the prosecution to show, often through circumstantial evidence, what precisely the financier knew about the person (or organization) and its aims, and this is often challenging in practice. In other States, however, the TF offence does not extend to financing organizations that have not been previously designated or adjudicated as such.

³ CTED, “Thematic summary assessment of gaps in implementing key countering the financing of terrorism provisions of Security Council resolutions”, December 2022, pp. 8–9; CTED, “Thematic summary assessment of gaps in implementing key countering the financing of terrorism provisions of Security Council resolutions”, December 2021, pp. 8–9.

⁴ FATF, *Guidance for Investigating and Prosecuting Terrorist Financing*, March 2021 (not public). See also, Security Council resolution 2462 (2019), para. 11.

- **Overly narrow interpretation of “funds and other assets” by investigating authorities.** In many cases, authorities fail to ensure that the scope of TF investigations extend to the full spectrum of funds or assets (including economic resources, dividends and income accruing from assets, etc.).

Suggested priority areas for technical assistance



Expert support for relevant legislative amendments (substantive or procedural) and, where applicable, for jurisprudential analysis or guidance in the areas identified above.



Trainings for the relevant authorities on challenges related to establishing the mental elements of the TF offence, as well as on relevant safeguards to allow for financial intelligence to be effectively converted into evidence to secure TF prosecutions and convictions.

Gaps related to investigative strategies

As noted by FATF, having a well-informed investigative strategy to address evolving threats should be a prerequisite for each and any TF investigation. Adequate understanding of national and regional risks enables the relevant authorities and the private sector to align their strategies and objectives, including in the context of TF investigations. The following gaps have been identified in this regard:

- ***Disconnect between the findings of a national risk assessment (NRA) on TF threats and vulnerabilities on the one hand and investigative strategies and priorities on the other.*** In some States, NRAs identify particular threats (e.g., increased use of social media to solicit funds for terrorist purposes), but investigative approaches do not seem to adapt to address those threats (e.g., developing an investigative strategy for capturing and making use of online information, including requesting and preserving evidence from service providers).
- ***TF investigations and prosecutions are not integrated into national counter-terrorism or CFT strategies as a means of combating TF.*** It is recommended that in order to ensure a consistent approach and methodology, CFT strategies explicitly set out guidance in respect of the need to conduct parallel financial investigations in terrorism-related cases, the forms those investigations might take, prioritization of TF investigations and the way in which the different agencies would interact. They should also analyse how financial intelligence may be used to support policy priorities to tackle identified TF threats.

Suggested priority areas for technical assistance

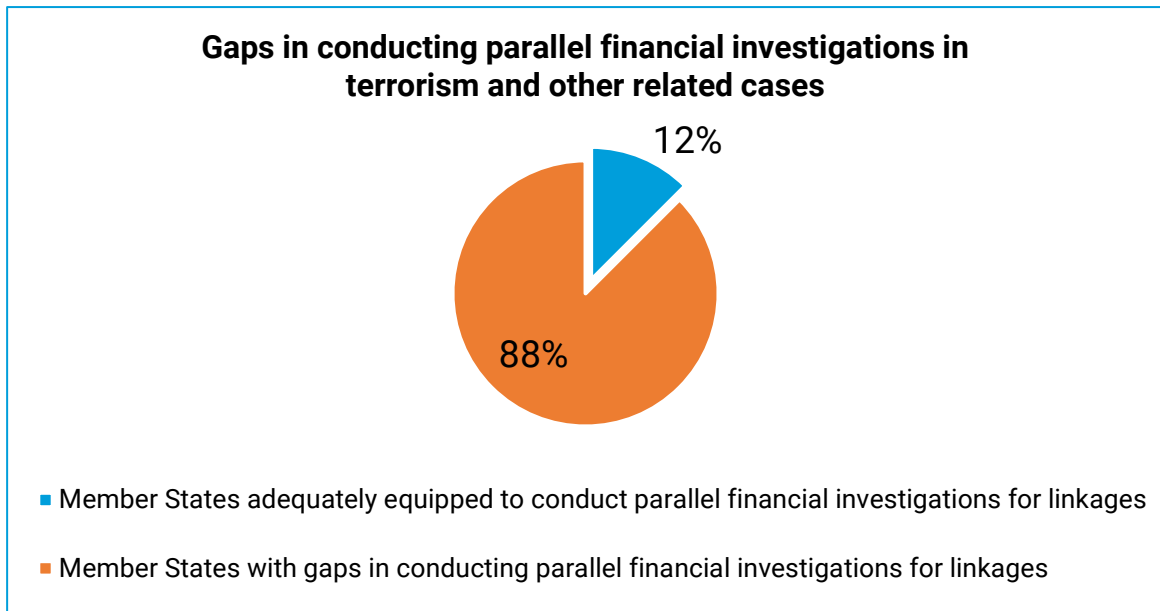


Expert training in developing and implementing well-informed investigative strategies to address evolving threats.

Lack of parallel financial investigations in terrorism and other related cases and related gaps in inter-agency cooperation

In paragraph 7 of resolution 2462 (2019), the Security Council calls upon Member States to conduct financial investigations in terrorism-related cases. Similarly, FATF recommends that financial components be explored as a part of any terrorism investigation. In addition, parallel financial investigations into potential TF activity are also strongly recommended in certain non-terrorism criminal investigations, in particular to explore links between organized crime and terrorism and/or its financing. The following gaps have been identified in this regard:

- Lack of legal basis and/or operating procedures for parallel financial investigations in every investigation on terrorism and, as appropriate, other relevant crimes.*** In some States, gaps in legislative or procedural frameworks are offset by established practices, including effective inter-agency cooperation platforms and/or integrated databases, which allow financial information to be brought into terrorism or organized crime investigations. However, having clear frameworks or set policies in this regard is recommended to ensure that the possibility of TF, as a distinct criminal activity, is considered in every terrorism investigation.⁵ Special operating procedures developed to initiate a TF investigation in a non-terrorism criminal investigation help to ensure that that nexus is considered by the competent authorities, especially where TF and other criminal investigations fall under the jurisdiction of separate agencies.



⁵ See also, FATF recommendation 30.

- **Gaps in (or complete lack of) multi-agency cooperation mechanisms.** FATF has underscored that multi-agency strategies are demonstrably effective in improving the detection, investigation, and prosecution of sophisticated terrorism financiers and in disrupting the flow of funds and other support or resources to terrorists. However, in several jurisdictions, there are no established coordination mechanisms or frameworks (e.g., necessary inter-agency agreements, authorizations, and pre-existing relationships, or frameworks to swiftly form ad hoc joint investigation teams or similar task-force-type operational bodies) to support a multi-agency approach in tackling TF.
- **Absence of analysis of possible linkages between organized crime and TF.** Member States with high risks of organized and transnational organized crime continue to face challenges in detecting and investigating illicit financial flows and analysing possible links with TF.

Suggested priority areas for technical assistance



Expert assistance to develop frameworks for strengthening and increasing parallel financial investigations in terrorism cases and improving coordination and cooperation between specialized units.



Expert support for establishing frameworks for investigations regarding potential TF when investigating relevant organized crime. Facilitating access to the experience of jurisdictions that proactively and effectively examine links between organized crime and TF, including through parallel investigations, coordinating platforms and strategic research and analysis, and public-private partnerships (PPPs).

Challenges in converting financial information and intelligence into admissible evidence in criminal proceedings

In paragraph 7 of resolution 2462 (2019), the Security Council calls upon Member States to seek ways to address the challenges in obtaining evidence to secure TF convictions. Known evidentiary challenges in investigating and prosecuting TF offences include extensive reliance on intercepted communications (including text messages, telephone calls and social media records, some through encrypted methods), use of undercover operations (including online), interpretation of coded language used by terrorist supporters, use of information derived from intelligence of other sensitive national security sources, and analysing complex financial transactions, including those based on modern technology and/or performed with the use of anonymizing techniques. Several assessments conducted during the reporting period noted that TF cases were often dismissed by the judiciary based on insufficiently conclusive evidence. The following gaps have been identified in this regard:

- ***Ineffective use of information derived from intercepted communications and/or undercover agents to establish the mens rea of a TF offence.*** The typically heavy reliance on such proofs in TF cases is not a gap in the implementation as such, as long as it is rooted in fair trial and rule of law-compliant procedures and is used in a way that allows the information obtained to be used as lawfully admissible evidence. However, gaps in technical and expert capacity to use these investigative techniques effectively and in a manner compliant with international law, including international human rights law, have been identified during the reporting period.
- ***Dealing with sensitive sources or technology in criminal investigations.*** States have noted that using evidence derived from national security information in court proceedings can be challenging, especially when sensitive and sophisticated technology is used to respond to evolving trends, such as encryption. FATF has also noted that when faced with the possibility of public disclosure of details related to those technologies during the course of legal proceedings, authorities sometimes opt to abandon prosecution or drop the TF charges.

- **Preservation and sharing of digital evidence** during investigations and prosecutions was cited as a recurrent challenge, especially in the absence of a dedicated system or platform to share such evidence with other agencies.

Suggested priority areas for technical assistance



Trainings for law enforcement and prosecution authorities and the judiciary on authenticating, retrieving and preserving evidence derived from sensitive sources or methods, as well as due process-compliant options for controlled disclosure of national security information.

Gaps in processes that trigger terrorism-financing investigations

In its resolution 2462 (2019), the Security Council calls upon Member States to accelerate the exchange of operational information and financial intelligence, ensuring that competent authorities can use financial intelligence shared by financial intelligence units and relevant financial information obtained from the private sector, in compliance with international law, including international human rights law, and use financial intelligence as a tool to detect networks of terrorists and their financiers. A TF investigation can be triggered in different ways, including through the reporting of obliged entities under an anti-money-laundering (AML)/CFT regime, financial intelligence from the competent authority, specifically requested financial information, or open-source information. The following gaps have been identified in this regard:

- **Underreporting of suspicious transactions related to TF.** In some States, although they are exposed to terrorism or TF risks, their financial intelligence units (FIUs) receive limited or no suspicious transaction reports (STRs) on TF activities. This may be owing to different factors, including reactive reporting by obliged entities; inadequate understanding of typologies and risks to support the effective identification of TF activities; the absence of methodological guidance on the identification and reporting of STRs using a risk-based approach; a lack of tools to adequately scrutinize suspicious transactions (e.g., automated search systems to identify designated individuals or entities, with an adequate level of training in using those tools and adequate human oversight) and communicating them in a timely manner and efficiently to the relevant authorities; or inefficient supervision. The quality of STRs also varies, including by sector where newly regulated providers, such as virtual asset service providers and certain types of designated non-financial businesses and professions, typically submit fewer or lower quality STRs related to TF.

- **Gaps in the use of financial intelligence by law enforcement authorities.** In some States, this could be attributed to communication gaps between FIUs and law enforcement, including insufficient feedback on the quality and usefulness of reports disseminated by FIUs. In the absence of meaningful feedback, FIU reports may be too technical, insufficiently focused on specific elements, or blatantly irrelevant to the investigative process. This is also important in the context of gaps in expertise analysed below. Good practices observed in this regard during the reporting period included the use of “imbedded” officers from relevant law enforcement agencies within the FIU unit on CFT, as well as having dedicated units dealing with TF investigations within the law enforcement agencies.
- **Limited and untimely access to information held by authorities who are not directly involved in investigations.** In some States, in the absence of cooperation and coordination frameworks for the exchange of information, law enforcement authorities face impediments to timely access to information held by other authorities, notably specialized regulators that are responsible for the NPO sector. The information required during an ongoing investigation is only available upon formal request, which is lengthier than, for example, accessing the information through an automated system.
- **Reactive approach.** In some States analysed during the reporting period, the approach to the identification of TF is passive, with limited efforts and capacity for proactive detection. In those States, most TF investigations are launched based on information or reports from foreign intelligence partners, rather than detection by national authorities.

Suggested priority areas for technical assistance



Capacity-building for FIUs to be targeted and evidence-oriented in the gathering of financial intelligence.



Expert assistance for building PPP frameworks between FIUs and targeted segments of the private sector with a higher vulnerability to TF.



Capacity-building for law enforcement agencies to acquire practical knowledge on the integral and core role of financial investigations in counter-terrorism operations and to analyse and utilize financial intelligence to develop evidence to strengthen investigations in a prosecution-oriented manner.

Gaps in cooperation between financial intelligence units and customs authorities

Authorities encounter challenges in detecting transactions to fund terrorism that do not go through the formal financial system. Cash couriers used for TF purposes remain challenging to detect, investigate and prosecute. Customs services and their coordination with FIUs play a vital role in that respect. However, gaps in formal and practical venues for such cooperation remain persistent. The following gaps have been identified in this regard:

- ***The absence of established channels of cooperation or exchange.*** Some FIUs are not connected to the customs authorities' database and have no access to information on suspicious cash declarations. This is compounded by an absence of frameworks for customs authorities to disclose information to the FIU. The communication between customs and FIUs is limited and ad hoc in the absence of an adequate information exchange mechanism.
- ***FIUs not using the information available from customs authorities.*** There is limited coordination between customs and FIUs as a result of which FIUs do not utilize the information from customs to support their operational analysis. This reflects a lack of support by the FIU to the customs authorities. The absence of feedback on the usefulness and quality of information shared by customs authorities has also been observed.

Suggested priority areas for technical assistance



Training programs on TF investigations should be extended to include customs authorities and modules on practical aspects of cooperation and information exchange on this topic, including risk indicators, aimed at increasing the capacity of the customs authority to detect suspicious activity related to TF.



Facilitate access to good practices in relation to effective information exchange between FIUs and customs authorities.

Gaps in engagement with the private sector

In its resolution 2462 (2019), the Security Council encourages competent national authorities to establish partnerships with the private sector, including financial institutions, the financial technology industry, and Internet and social media companies, in particular with regard to the evolution of the trends, source and methods of the financing of terrorism. The timeliness and efficiency of financial information exchange between the public and private sectors is essential in TF investigations.

FATF issued dedicated guidance in this regard, highlighting, inter alia, that appropriate mechanisms for sharing strategic, operational, tactical and targeted information by law enforcement with the private sector can improve the investigative process.⁶ More recently, CTED also analysed the relevant challenges in its [Analytical Brief](#) on Establishing effective public-private partnerships on countering the financing of terrorism. The Brief underscores in particular the need for States to allocate sufficient resources to both public and private sector stakeholders and to continue to strengthen collaboration frameworks for the competent national authorities (not only FIUs but also any other agencies playing a role in CFT, such as law enforcement and customs) and the private sector to effectively combat TF, while ensuring full respect for international law, including international human rights law, international humanitarian law and international refugee law. Such frameworks should include clear provisions on what information can and cannot be shared and under which circumstances and with which stakeholders, as well as oversight and accountability mechanisms to safeguard the rights to privacy and data protection.

The following gaps in engagement with the private sector have been identified during the reporting period:

- **Lack of frameworks allowing for cooperation and information exchange.** CTED assessments indicate that Member States face challenges in institutionalizing partnerships with the private sector on financial information-sharing and more specifically in the context of CFT (often owing to a lack of expertise, insufficient resources, and limitations in the scope of PPPs). The absence of clear legal frameworks for information-sharing through PPPs can lead to significant challenges, including in gathering admissible evidence to support criminal investigations and prosecutions.⁷ Collaboration can also be challenging given the bans in legislation, including data privacy laws, which overall restrict the ability of law enforcement to obtain information needed for investigations.⁸

⁶ FATF, *Private Sector Information Sharing*, (Paris, 2017).

⁷ CTED Analytical Brief, *Establishing effective public-private partnerships on countering the financing of terrorism*, December 2023. pp 14–15.

⁸ *Ibid.*, p. 14.

- **One-way communications.** In many States, PPPs are limited to one-way communications channels where information is provided or requested on an ad hoc basis, without subsequent follow-up or regular feedback, and therefore these communications fall short of their full potential.⁹
- **Lack of practice, rapport, trust, and confidence.** Establishing good relations and having a direct point of contact between law enforcement authorities and the private sector can facilitate proactive outreach by the sector and enable them to promptly and effectively respond to requests for information, as well as improve the overall reporting quality.

Suggested priority areas for technical assistance



Expert assistance to establish robust and clear legal frameworks to promote effective PPPs with relevant human rights standards, in particular rights to data protection and privacy.



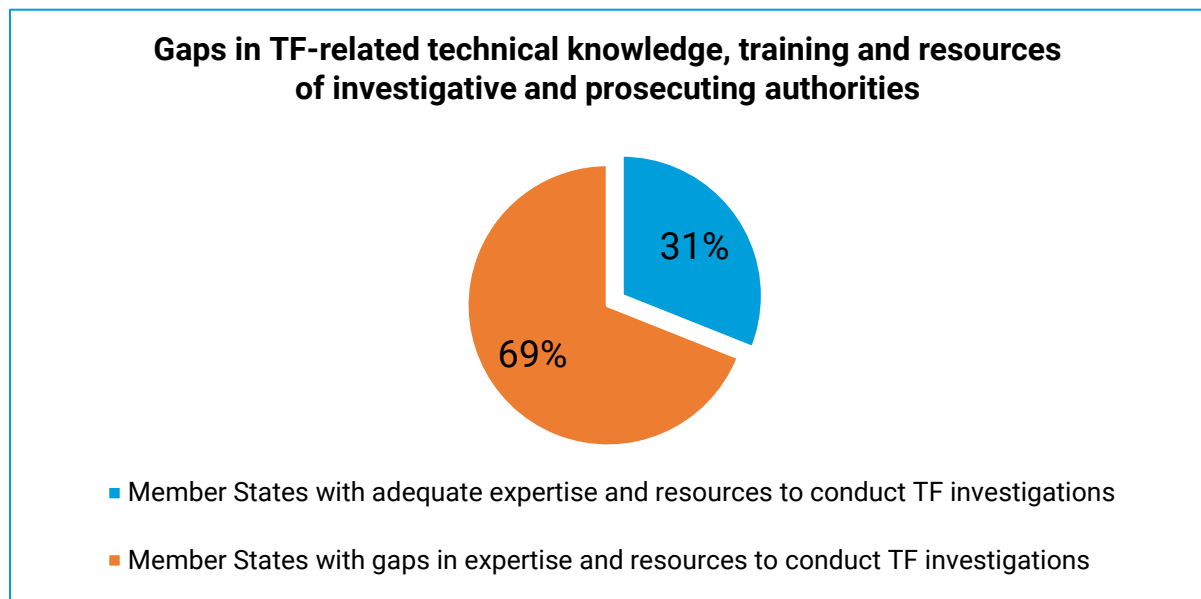
Facilitation of access to practices and the experience of jurisdictions which have developed dedicated coordinating platforms in this area.

⁹ Ibid., p.16.

Gaps in technical knowledge, resources, and training of investigative and prosecuting authorities

The Counter-Terrorism Committee calls upon Member States to further enhance the specialized expertise and capacity of the authorities engaged in handling increasingly complex TF cases that involve advanced investigative techniques and complex international cooperation mechanisms in order to keep pace with the rapid evolution in financial tools and TF methods.¹⁰ The following gaps have been identified in this regard:

- **Challenges in investigating TF activity that abuses new and emerging payment and fundraising technologies.**¹¹ Given the novelty and continuing evolution of certain payment and fundraising methods, the majority of Member States face challenges in conducting investigations in this area.
- **Deficiencies in specialized TF investigative expertise and TF-specific procedures at various levels.** This lack of common understanding of TF leads to deficiencies in coordination and the flow of essential information among relevant authorities and impedes their abilities to effectively pursue investigations and prosecutions. Financial intelligence is at times not optimally used owing to a lack of expertise.
- **Inadequate investigative expertise with respect to certain types of TF abuses.** In several States, competent authorities do not have sufficient expertise and capability to investigate cases of suspected abuse of NPOs for TF purposes.



¹⁰ Delhi Declaration on countering the use of new and emerging technologies for terrorist purposes, 29 October 2022, para. 24.

¹¹ For more details, see www.un.org/securitycouncil/ctc/news/cted%E2%80%99s-tech-sessions-highlights-%E2%80%9Cthreats-and-opportunities-related-new-payment-technologies-0.

- ***Insufficient training opportunities.*** An adequate level of practical training is vital for FIUs, law enforcement agencies, prosecution authorities and the judiciary but also for other competent authorities, such as customs. Recent FATF/FSRB evaluations revealed that training and technical know-how is not uniform among all relevant authorities, leading to a low number of identified and investigated cases and a sparse collaborative approach. In some instances, and as noted under section 1 above, there are varying degrees of understanding on the required elements of the TF offence between law enforcement authorities and the judiciary. States should also pay particular attention to training authorities in the areas most affected by the terrorist threat, tailored to the size of the country and its context and level of risk, focusing on criminal measures, special investigative techniques and mutual legal assistance so that the TF component is more systematically integrated into terrorism-related investigation and prosecution proceedings.
- ***Lack of technical tools for the analysis of financial information and detection of TF offences.*** The reception, collection, and processing of data, as well as dissemination and processing of requests to and from law enforcement authorities, are still performed manually by some FIUs. This slows down the analysis of information, allowing for potential errors which can impede the identification of suspicious activity and subsequently affect the quality of evidence. Conversely, while technology can be of advanced assistance in performing analysis of voluminous amounts of information, human oversight is still required.
- ***Shortage of human resources for analysing financial data and identifying instances of TF offences.*** With fewer staff, the efficiency of analysis can decline, leading to delays in investigations. Limited human resources may affect the prioritization of cases and ultimately the resolution of cases.
- ***Budget constraints*** faced by FIUs, law enforcement agencies and the judiciary remain a challenge in some States, and this ultimately affects the effectiveness of investigations and prosecutions.

Suggested priority areas for technical assistance



Capacity-building for understanding and applying a number of analytical and investigative techniques in a practical environment, including the use of special investigative techniques.



Ongoing and comprehensive capacity-building initiatives on TF investigations and prosecutions for all relevant authorities.



Expert assistance in using specialized analytical software which enables the adoption of an intelligence-led approach to collect, analyse, use, and share financial data more efficiently in compliance with international human rights and standards.



Building the capacity of competent authorities to enable them to track, monitor and investigate money-laundering/TF operations related to virtual assets, as well as developing the necessary procedures for seizing, confiscating, and managing virtual assets associated with illicit activities.

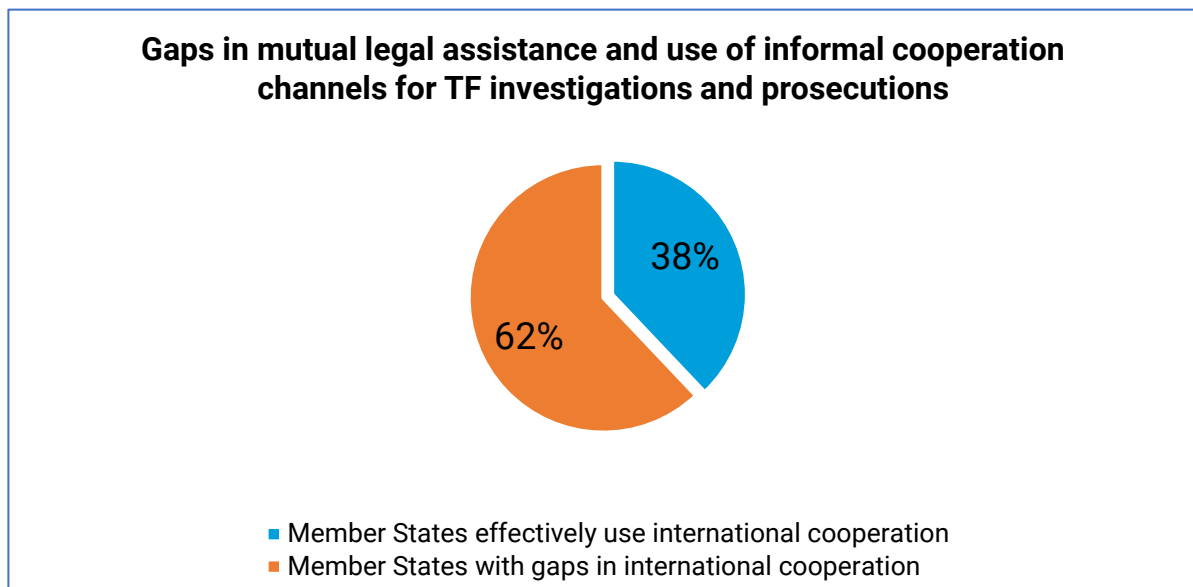


Capacity-building for FIUs and law enforcement agencies to equip them to conduct specialized investigations into the involvement of NPOs or their activities in TF and assistance in developing cooperation frameworks between FIUs and law enforcement with authorities holding information on NPOs.

Gaps in international cooperation in investigating and prosecuting terrorism financing

The Security Council has repeatedly called upon Member States to afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of terrorist acts, including assistance in obtaining necessary evidence that is in the possession of another State. The following gaps have been noted in the area of international cooperation:

- **Insufficient utilization of informal cooperation channels.** In some States, information is not exchanged through informal channels of cooperation during investigations and doing so is not a usual operational practice. On the receiving end, the response rate to informal requests for information is generally low, deterring law enforcement authorities from making further requests. A lack of initiative among law enforcement authorities to follow up on the request has also been observed and accounts for the low rate of response to requests made. For incoming requests, authorities lack frameworks, mechanisms and internal guidelines on processing and prioritizing requests. The absence of such mechanisms affects their ability to obtain valuable intelligence and evidence to make progress on investigations.



- **Low level of execution of TF-related mutual legal assistance (MLA) requests.** The number of MLA requests left unexecuted or with delays appears to be elevated considering the requirement for a rapid response for TF cross-border investigations. Law enforcement agencies have difficulties in obtaining evidence in a timely manner to proceed with investigations and prosecutions.

- **Number of MLA requests misaligned with a State's TF risk profile.** States do not actively make requests for MLA despite having active TF investigations and facing high risks of TF. The practice of collecting evidence and prosecuting cases only at the domestic level restricts the ability of law enforcement agencies to deal with cross-border TF cases.
- **Absence/weakness of frameworks for joint investigative teams.** The absence of legal provisions in this area does not favour cooperative investigations or the establishment of bilateral or multilateral arrangements to enable joint collaborative efforts. Some States have established legal frameworks and signed agreements with the aim of strengthening cross-border police and judicial cooperation, which may lead to the establishment of joint investigative teams. Nevertheless, these mechanisms have not been explored in practice.
- **Gaps in requesting and providing cooperation on virtual asset transactions.** Taking into account the often cross-border nature of virtual asset transactions, it has been noted that some Member States have no arrangements requiring competent authorities to provide international cooperation in relation to money-laundering, predicate offences and TF relating to virtual assets.
- **Drawbacks in providing and receiving international cooperation investigating TF activity through abuse of NPOs.** There are no procedures or designated points of contact in place to facilitate prompt information-sharing with competent foreign authorities in order to take preventative or investigative action regarding particular NPOs suspected of TF.

Suggested priority areas for technical assistance



Specialized training in the investigation, prosecution, and adjudication of terrorism crimes for law enforcement agencies and the judiciary are recommended to promote international judicial and law enforcement cooperation with foreign jurisdictions (i.e., on extradition and mutual legal assistance), including training on forming joint investigative teams.



Facilitation of access to practices aimed at strengthening mechanisms that allow for the broadest possible regional and international cooperation, including through the use of FIU, police, or customs communications channels to enhance coordination of cross-border investigations, including the creation of joint investigative mechanisms.

Highlights and conclusions

In resolutions 2462 (2019) and 2482 (2019), the Security Council highlights the value of financial intelligence and financial investigation in counter-terrorism and includes new and focused requirements in this regard. In resolution 2462 (2019), it also calls for strengthening frameworks allowing competent national authorities, in particular FIUs, intelligence services, law enforcement agencies, prosecutorial and/or judicial authorities, to gather and share information on the financing of terrorism; as well as to accelerate the timely exchange of relevant operational information and financial intelligence of terrorist networks, including FTFs and FTF returnees and relocators. In the resolution, the Council further requires Member States to ensure that designated law enforcement authorities have responsibility for TF investigations within their national CFT framework. There should be a proactive financial-investigative component in all terrorism-related investigations and when conducting investigations into the financing of terrorism.

Conducting effective investigations and prosecutions requires a strategic execution of national action plans in proportion to risks faced by a Member State. Investigations cannot be conducted in a silo but require a coordinated approach among competent national agencies and the private sector with a practical and workable level of synchronicity. FIUs play a central role in TF investigations, but the use of financial intelligence extends to other relevant authorities who sometimes lack capacity to process and integrate it in an optimal way. Gaps have been noted in the manner coordination occurs among different agencies and the flow of information to successfully conduct cases.

Where applicable, the Counter-Terrorism Committee has recommended that States introduce a clear legal basis for mandatory parallel investigations and establish policies or standard operating procedures to ensure that relevant financial flows are considered in every terrorism investigation, including in relation to FTFs. Furthermore, States need to continue to improve their procedures or practices that would ensure a strategic and systematic approach to identifying possible nexus between other forms of crime, including human trafficking, and TF. In this regard, the Committee has also recommended establishing a coordination mechanism to ensure timely information exchange and parallel investigations regarding potential TF when investigating organized crime.

With respect to PPPs, authorities are, in most cases, able to request information through the reporting entities in the financial sector, including with respect to trends and risks observed in other sectors (e.g., payment processors). Several sector-specific guidance documents with risk indicators have been published and/or communicated to the relevant stakeholders. However, there is often no formal framework for such partnerships on CFT matters. Framing these partnerships with a legal basis would allow the establishment of, inter alia, oversight mechanisms to ensure that relevant PPPs adhere

to data protection or privacy obligations under national legislation, as well as applicable international frameworks.

There remains the need to further strengthen international cooperation when investigating and prosecuting TF. States are encouraged to use all available channels for effective international cooperation on AML/CFT on the operational level, including through the conclusion of memorandums of understanding and the exchange of information via the Egmont Group of Financial Intelligence Units' secure website, as well as regional cooperation structures.

Competent authorities in some Member States still face resource constraints, whether budgetary or logistical. TF investigations and prosecutions require specialized knowledge and expertise, especially in light of rapid technological developments in the methods used for TF and in the tools available to detect and disrupt such activity. This applies to the various authorities across the enforcement chain: law enforcement, prosecutorial and judicial authorities.

CTED will continue to enhance its collaboration with FATF and CTED's Global Research Network, relevant United Nations entities, and international and regional organizations to collectively support Member States' efforts to address the identified gaps.