



**Philippine Institute for Political Violence and Terrorism Research
S. Rajaratnam School for International Studies
World Check
Consortium for Countering the Financing of Terrorism**

**International Workshop on Countering the Financing of Terrorism
July 7-8, 2008, Sulo Hotel, Quezon City, Philippines**

EXECUTIVE SUMMARY

The workshop aimed to address the multi-faceted issues surrounding terrorist financing and give the target audience a better awareness and understanding of their roles in combating the financing of terrorism (CFT) and money laundering (AML). The participants came from varied agencies and departments in the Philippine government's anti-terrorism sector, law enforcement, military, financial regulators and the private sector. They were introduced to the basic facts and differences between money laundering and terrorist financing and how there are indicators that could actually be warning signs of suspicious transactions-this information is said to be useful for members of the regulators and the bankers present. It was shown how in AML and CFT, perpetrators exploited the weaknesses in financial systems in a permissive environment to hide the true nature of their activities. It was also discussed how terrorists and criminal groups are also using front organizations such as charities, non-government organizations and businesses to move funds.

The speakers from RSIS and World-Check highlighted the threat to national security and financial systems and the urgent need for decision makers in governments and financial institutions to take measures to prevent and punish terrorist financing and money laundering. The workshop stressed that the financial and private business sector and law enforcement agencies have an integral role in creating a hostile environment for terrorists and other financial criminals to exploit any weaknesses in financial systems. Financial Investigations, Know your Customer (KYC), and Know Your Employee (KYE) were among the major practices introduced to the participants and the presentation of case studies on the financing of real terrorist incidents helped in understanding the practical significance of these methods.

The workshop discussions centered on the need for better awareness and vigilance for all those involved in AML and CFT. The participants recognized the need for the adoption of best

practices and measures to better address money laundering and the financing of terrorism. Among these measures include:

- The strengthening of national laws and regulations, such as the Anti-Money Laundering Act and the Human Security Act to criminalize and punish money laundering and the financing of terrorism.
- The establishment and strengthening of government units to monitor and analyze money laundering and terrorist financing trends and reports of suspicious transactions.
- Adoption of measures by banks and financial institutions of strict Know Your Customer (KYC) policies.
- The strengthening of coordination and cooperation between government regulators, law enforcement, and the financial institutions

Both the organizers and the participants recognize the need for an in-depth training on financial investigations, AML and CFT for financial institutions and government regulatory offices. It was reiterated that the financial sector is actually the first line of defense against terrorists as these groups/individuals need money to perpetrate their activities while strengthening the capability for financial investigations is a proactive response against potential terrorist attacks. Public awareness on these issues is also important and the media would play a vital role in advocacy and information dissemination campaigns that would be a public-private partnership between the government, regulators and financial institutions.