

- Posted: Tue, Feb 12 2008, 12:07 PM IST

Banks need to track SE Asia terror financing: Expert

At least \$2-\$3 million of funds are moving in SE Asia per month for terrorist activities, says Rohan Gunaratna, head of International Centre for Political Violence and Terrorism Research in Singapore

Reuters

Singapore: Militant groups move \$3 million through banks and informal transfers in Southeast Asia every month to finance their activities, heightening the need for lenders to track murky transactions, a security expert said on Tuesday.

Rohan Gunaratna, author of "Inside Al Qaeda", said a partnership between governments and the private sector is needed to improve vigilance against transactions that could bankroll attacks, such as those that killed 202 people in Bali in 2002.

"At least \$2-\$3 million of funds are moving in Southeast Asia per month for terrorist activities," said Gunaratna, head of the International Centre for Political Violence and Terrorism Research in Singapore, on the sidelines of a seminar.

He said several militant Muslim groups such as the Philippines' Abu Sayyaf and Indonesia's Jemaah Islamiah group are raising these funds and then moving them across the region to fund their plans.

He said these groups have four sources of funds - individual donors, charities, bank frauds and businesses.

"Terrorist groups have created legitimate businesses in Southeast Asia, including Singapore, in the past. Now these infrastructures are being dismantled."

James Sassoon, president of anti-money laundering agency Financial Action Task Force, said that international financial centres such as London, New York and Singapore are attractive to money launderers and financiers of terrorism because they can use financial markets to fund their illegal activities.

He said financing such activities may only require a small amount of money, citing the example of the al Qaeda-sponsored suicide-airliner attacks in New York in September 2001.

"The US authorities have estimated that the attacks on 9/11 cost between \$400,000 to \$500,000," he said.

Established by the Group of Seven leading industrial nations in 1989, the FATF leads international efforts to adopt and implement measures designed to counter the use of the financial system by criminals.

Singapore, which in 2002 said it had detained 15 suspected Muslim militants for plotting to blow up US military vessels, introduced measures in November to try to detect terrorism financing. Anyone carrying or posting more than \$21,170 in or out of the country has to make a report to immigration authorities.

In the Philippines, Muslim separatists angered at stalled peace talks with the government could start a bombing campaign in the south of the archipelago, analysts said recently.

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