

# **Report of the Fifth Meeting of the BIMSTEC Sub-Group on Combating the Financing of Terrorism**

**06-08 March, 2013  
Dhaka, Bangladesh.**

-----

1. The Fifth Meeting of the BIMSTEC Sub-Group on Combating the Financing of Terrorism (SG-CFT) under the BIMSTEC Joint Working Group on Counter-Terrorism and Transnational Crime (JWG-CTTC) was held on 06-08 March, 2013 in Dhaka, Bangladesh.
2. Delegates from Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand attended the Meeting. The list of delegates appears as *Annex I*.

## **Agenda Item 1: Inaugural Session**

3. The BIMSTEC SG-CFT Meeting opened with a formal inaugural session presided over by Mr. Abu Hena Mohd. Razee Hassan, Deputy Governor and Head of BFIU. The Governor of Bangladesh Bank, Dr. Atiur Rahman was the Chief Guest of that opening session. During the session, Mr. Debaprosad Debnath, General Manager & Operational Head of BFIU, welcomed all the distinguished delegates of the meeting. Mr. Weekoon Nithimutrakul, on behalf of BIMSTEC Sub Group Secretariat, emphasized the joint working spirit among the member countries. The Chief Guest, Dr. Atiur Rahman urged for enhancing cooperation among this BIMSTEC region and declared the commencement of the meeting. The Chair of the inaugural session, Mr. Abu Hena Mohd. Razee Hassan, emphasized the importance of cooperation in combating the financing of terrorism through international cooperation. He expressed his heartfelt gratitude to the BIMSTEC delegations and thanked everyone for their efforts to make this event successful and concluded the inaugural session.

## **Agenda Item 2: Introductory speeches by the Heads of Delegation**

4. The formal working sessions of the meeting started with introductory remarks of BIMSTEC members. The Chair of the working sessions Mr. Abu Hena Mohd. Razee Hassan and Co-Chair Mr. Weekoon Nithimutrakul welcomed all the delegates for the formal working sessions. Each Head of delegation introduced himself and his other colleagues.

## **Agenda Item 3: Report of the Fourth Meeting of the BIMSTEC SG-CFT in March 2012**

5. Mr. Wiroj Panjakhajornsak, on behalf of Thailand, read out summary report of the 4th BIMSTEC SG-CFT Meeting held on 19-20 March, 2012 in Bangkok, Thailand.

## **Agenda Item 4: Adoption of the Agenda**

6. The agenda adopted by the Meeting appears as *Annex II*.

## **Agenda Item 5: Matters for Consideration**

### **5.1 Exchange of views on current activities**

7. Co-Chair inquired about AML/CFT situation in the BIMSTEC countries. He stressed on signing MOUs among the BIMSTEC countries on priority basis. The proposal was also adopted in the last meeting.
8. Bangladesh stated its recent initiatives and current status of CFT of the country. Bangladesh informed the Meeting that BFIU has given highest priority to the signing of MOUs with BIMSTEC member countries. It was also informed that BFIU has already signed MOUs with Thailand, Sri Lanka, Nepal and Myanmar.
9. Thailand reported on what it has done in the areas of information sharing, exchange of study visits and sponsorship for BIMSTEC countries' membership in the Egmont Group. Thailand has signed MOUs with Bangladesh, Nepal and Myanmar and has been negotiating with India and Sri Lanka.
10. India informed that FIU Bhutan is being assisted in setting up IT infrastructure in order to enhance their functional capacities. The Meeting was also informed that India has already signed MOUs with Nepal and Sri Lanka and negotiation with Thailand is in advanced stage. The existing CFT regime of India was also shared.
11. Myanmar informed the meeting that it has signed MOUs with Bangladesh and Thailand.
12. Sri Lanka informed the meeting that it has signed MOUs with Bangladesh, India and Nepal. Sri Lanka made a power point presentation on recent activities (*as appears annex III*) and their ICRG progress.
13. Bhutan informed the meeting that it is going to sign MOU with Bangladesh very soon. Bhutan also informed about assistance to be provided by FIU, India on IT infrastructure and capacity building. Risk assessment being undertaken by Bhutan was also shared in the Meeting.

### **5.2 Presentation of Case Studies on “Terrorist Financing through Wire Transfer”**

14. India presented its experiences with case studies on terrorist financing through wire transfer. (*Details appear annex IV*).
15. Myanmar presented its experiences with case studies on terrorist financing through wire transfer. (*Details appear annex V*).
16. Nepal presented its experiences with case studies on terrorist financing through wire transfer. (*Details appear annex VI*).
17. Sri Lanka presented its experiences with case studies on terrorist financing through wire transfer. (*Details appear annex VII*).
18. Thailand presented one case study related to terrorism financing through wire transfer. (*Details appear annex VIII*).

19. Bangladesh presented its experiences with one case study related to terrorism financing through wire transfer. (*Details appear annex IX*).
20. After the presentations the Chair asked for any questions and comments. India raised its concerns in obtaining KYC information of foreign issued credit/debit cards. India also inquired about the existing mechanism being used by BIMSTEC member states for monitoring of foreign contributions/donations.
21. Bhutan inquired about when and what level of information was shared with law enforcement agencies for those FIUs with no investigative powers. Bhutan also inquired on level of cooperation between law enforcement agencies and FIUs in taking the case to a logical conclusion. FIUs of Bangladesh and India shared their experiences in this regard.
22. Bangladesh inquired Sri Lanka about their current status of TF related STRs and Sri Lanka provided relevant statistics.
23. India expressed their great concern about counterfeit currency notes and its linkages with TF. India also shared some of the inputs indicating the involvement of actors in printing, circulation or smuggling of fake currencies by using an intricate network covering the BIMSTEC region. Bangladesh also expressed their concerns about the counterfeit currency.

### **5.3 New Initiatives: Conceptual Framework on BIMSTEC Consolidated List of Designated Persons/Entities**

24. Thailand presented a detail idea about the creation of a BIMSTEC Consolidated List of Designated Persons/Entities modeled on the UN List for CFT purposes. This proposal was adopted in principle at the 4th Sub-Group Meeting in Bangkok, Thailand.
25. BIMSTEC SG-CFT Secretariat explained the requirement of preparing a list of Designated Persons/Entities in accordance with the existing standards set by the FATF and in conformity with the domestic laws/procedures of the member countries. The list may then be sent to the BIMSTEC SG-CFT Secretariat for making a consolidated list and for further replacement with the new list, if needed (*Details appear annex X*).
26. India made a presentation on the targeted financial sanction regime being followed in the country. This presentation reflected the procedures and systems established in accordance with the standards of UNSCR 1267 and 1373(*Details appear annex XI*).
27. Bangladesh and India expressed their concerns whether adoption of this framework would dilute the existing standards set out by the FATF with regard to targeted financial regime. Accordingly India inquired about the objective of preparation of the consolidated list of designated persons/entities.
28. BIMSTEC SG-CFT Secretariat explained the objective of the list and mentioned that the list is to be prepared as per the standards set out by the FATF or UN Security Council Resolutions and existing domestic laws and procedures. However it was clarified that the utilization of the list by the member states can be for two purposes depending on the request made by the member countries. If member country intends to get the information only, same can be provided by the requested member countries. In case, member country intends to take immediate actions in terms of the existing domestic laws and procedures, the requested member states can take actions accordingly.

29. The Chair opined that the framework mentioned in aforesaid paragraph required to be examined by the member countries. He requested all the member countries to send their views/comments to the Secretariat within two months from the date of adoption of this report.

#### **5.4 New Initiatives: proposed program of cooperation among Member Countries**

30. The Chair invited the delegations to propose new ideas for consideration.
31. Myanmar proposed to create a web page for sharing legal provisions regarding the TF among the BIMSTEC member countries. The chair mentioned that the web site of each FIU may be an ideal one to access and enhance knowledge. Bangladesh informed the meeting that all Laws, Regulations, Guidelines and Circulars related to ML/TF are available in English in website of Bangladesh Bank.
32. Thailand mentioned the e-learning module which can be found in many FIUs website e.g. AUSTRAC.
33. India proposed to use the platform of BIMSTEC to share intelligence, information and other relevant reports, typologies etc. relating to counterfeit currency notes to counter the menace effectively and efficiently.

#### **Agenda Item 6: Other Issues**

34. The Chair asked the member countries to discuss the APG paper. APG has shown their interest to work with BIMSTEC SG-CFT and circulated a paper containing the detail of compliance level regarding FATF Standards related with wire transfer of BIMSTEC countries. APG has also offered BIMSTEC countries for possible area of technical assistance. APG has also notified that as per terms of reference of APG BIMSTEC SG-CFT may apply for APG Observer status (*Summary appears annex XII*).
35. India proposed that requirements of technical assistance be based on internal assessment of technical deficiencies and priorities of the member countries. Each member country was asked to send their priorities to BIMSTEC SG-CFT Secretariat and then the Secretariat will consolidate the priorities and forward it to the APG. The Chair advised the delegates to complete this task and send their priorities to the Secretariat within next two months.
36. Bangladesh proposed the need to organize training sessions for the FIUs and Law Enforcement Agencies of BIMSTEC member countries for their capacity building under the umbrella of BIMSTEC SG-CFT. SG-CFT Secretariat mentioned that they will write to the APG on funding issues.
37. India offered to organize training program for BIMSTEC FIUs and other related agencies on request basis.
38. Bangladesh made five proposals as follows:
1. SG-CFT Secretariat should follow up the progress of signing MOUs among the BIMSTEC member countries.
  2. Exchange of case studies, red flag and typologies.

3. All BIMSTEC members should facilitate others (who are non-Egmont members) in the process of Egmont membership application.
  4. SG-CFT Secretariat should follow up the implementation status of BIMSTEC meetings' decisions on half yearly basis.
  5. Start a Self Evaluation process regarding terrorist financing in consultation with the member countries, if required.
39. The chair opined that SG-CFT Secretariat should follow up the MOU signing progress and implementation status on a half yearly basis. He also emphasized the importance of exchanging of case studies and typologies. He further urged the member countries to facilitate to become a member of Egmont Group.

**Agenda Item 7: Date, Venue and the Theme of the Sixth Meeting of the Sub-Group**

40. The Chair asked for any volunteer to host the next BIMSTEC SG-CFT meeting and also invited to propose a theme for the next meeting.
41. Bhutan said that they will notify later on.
42. India and Myanmar agreed in principle to host the meeting.
43. The Co-Chair mentioned that opportunity should be offered by alphabetic order. So BIMSTEC SG-CFT Secretariat would be happy to hear from Bhutan by next week. Otherwise opportunity will be for India.
44. India proposed the theme of 6<sup>th</sup> BIMSTEC SG-CFT Meeting to be related to counterfeiting currency notes for financing of terrorism.

**Agenda Item 8: Consideration and Adoption of the Report of the 5th SG-CFT Meeting**

45. The Meeting adopted the report of the 5th Meeting of the BIMSTEC SG-CFT and the attached documents.
46. The Chair thanked the delegates for their active cooperation which resulted in a fruitful outcome of the Meeting.
47. The delegations from Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand expressed their sincere appreciation to the Chair for conducting the Meeting in a highly efficient manner. The delegates also expressed their gratitude to the Bangladesh, in particular, the Bangladesh Financial Intelligence Unit, for its generous hospitality and excellent arrangements.

\*\*\*\*\*