

**ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM /COUNTER
PROLIFERATION FINANCING IN FOCUS**

Part Seven:

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-
Recommendation 5-Terrorist Financing Offence**

By: The Attorney General's Chambers and the National Anti-Money Laundering Oversight Committee (NAMLOC)

Terrorism has been problematic for many countries across the globe, however, the events of September 11, 2001 changed the landscape of how countries deal with terrorism. Recommendation 5 of the Financial Action Task Force's Forty Recommendations deals with "**Terrorist Financing Offence**".

Under this Recommendation it is incumbent upon countries to criminalize terrorist financing on the basis of the International Convention for the Suppression of the Financing of Terrorism (Terrorist Financing Convention). The Recommendation further calls for the criminalization of any financing to terrorists and terrorist organizations, even if there is no direct connection to a terrorist act.

The Anti-Terrorism Act (the ATA) of Saint Lucia, Chapter 3.16 of the revised laws of Saint Lucia criminalizes the financing of terrorist acts and financing terrorist groups or individuals. Section 6 of the act states "any person who, directly or indirectly, provides or makes available, financial or other related services intending that they be used, in whole or in part, for the purpose of committing or facilitating the commission of a terrorist act or for the purpose of benefiting any person who is committing or facilitating the commission of a terrorist act; or knowing that in whole or part, they will be used by, or will benefit, a terrorist group, commits an offence and is on conviction on indictment, liable to imprisonment for a term of 25 years."

Also of note is the fact that terrorist funds may come from legitimate or illegitimate means. Recommendation 5 identifies this and states that terrorist financing offences should extend to funds irrespective of the source. The Anti-Terrorism Financing Guidance Notes Regulations explains that "Financing of terrorism may involve funds raised from criminal activity e.g. fraud (credit cards and cheques), prostitution, smuggling, intellectual property theft (e.g. CD piracy), kidnapping and extortion. Some terrorists operations, however, do not depend on outside sources of money and may be self-funded either through legitimate sources such as employment, personal donations and profits from charitable organizations".

Saint Lucian legislation gives the Commissioner of Police powers to seize assets, which are used in the commission of terrorist acts and a Judge of the High Court may restrain and forfeit such property to the State.

Recognizing the close connection between international terrorism and money laundering, and consistent with Recommendation 5, Saint Lucia has enacted legislation ensuring that the financing of terrorism is a predicate offence for money laundering. Our legislation therefore covers a wide spectrum.

During the 4th Round Mutual Evaluation Process in September 2019, the assessors will seek to determine how effectively Saint Lucia has criminalized terrorism financing to the extent that persons, whether natural and legal who finance terrorist acts and terrorist organizations may be prosecuted and criminal and other sanctions may be applied to them.