

The International Fight against the Financing of Terrorism: Analysis of the Anti-Money Laundering and Combating Financing of Terrorism Regime

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Abstract : Financing is important for all terrorists - from the largest organizations in control of territories, to the smallest groups - not only for spreading fear through attacks, but also to finance the expansion of terrorist dogmas. These organizations pose serious threats to the international community. The disruption of terrorist financing aims to create a hostile environment for the growth of terrorism and to limit considerably the terrorist groups capacities. The World Bank (WB), together with the International Monetary Fund (IMF), decided to include in their scope the Fight against the money laundering and the financing of terrorism, in order to assist Member States in protecting their internal financial system from terrorism use and abuse and reinforcing their legal system. To do so, they have adopted the Anti-Money Laundering /Combating Financing of Terrorism (AML/CFT) standards that have been set up by the Financial Action Task Force. This set of standards, recognized as the international standards for anti-money laundering and combating the financing of terrorism, has to be implemented by States Members in order to strengthen their judicial system and relevant national institutions. However, we noted that, to date, some States Members still have significant AML/CFT deficiencies, which can constitute serious threats not only to the country's economic stability but also for the global financial system. In addition, studies stressed out that repressive measures are more implemented by countries than preventive measures, which could be an important weakness in a state security system. Furthermore, we noticed that the AML/CFT standards evolve slowly, while techniques used by terrorist networks keep developing. The goal of the study is to show how to enhance the AML/CFT global compliance through the work of the IMF and the WB, to help member states to consolidate their financial system. To encourage and ensure the effectiveness of these standards, a methodology for assessing the compliance with the AML/CFT standards has been created to follow up the concrete implementation of these standards and to provide accurate technical assistance to countries in need. A risk-based approach has also been adopted as a key component of the implementation of the AML/CFT Standards, with the aim of strengthening the efficiency of the standards. Instead, we noted that the assessment is not efficient in the process of enhancing AML/CFT measures because it seems to lack of adaptation to the country situation. In other words, internal and external factors are not enough taken into account in a country assessment program. The purpose of this paper is to analyze the AML/CFT regime in the fight against the financing of terrorism and to find lasting solutions to achieve the global AML/CFT compliance. The work of all the organizations involved in this combat is imperative to protect the financial network and to lead to the disintegration of terrorist groups in the future.

Keywords : AML/CFT standards, financing of terrorism, international financial institutions, risk-based approach

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