



Resolution 2211 (2018)¹

Funding of the terrorist group Daesh: lessons learned

Parliamentary Assembly

1. The Parliamentary Assembly continues to be concerned about the threat posed by terrorist organisations such as Daesh to peace and stability in the Middle East, even if the plan by Daesh to create a caliphate in Syria and in Iraq has failed, thanks mainly to military action by Iraqi and Syrian, including Kurdish, fighters, supported by the international community.

2. The Assembly warns that the military defeat of Daesh in Iraq and Syria does not necessarily mean the end of this terrorist group, as it will probably morph into something different. It is therefore important to ensure that it will not be able to use the funding sources it has used in the past. In addition, although some of these sources are specific to Daesh, many can be – and are indeed – used by other terrorist organisations.

3. Daesh operations have included terrorist attacks undertaken within the Arab World, but also beyond. This organisation has claimed responsibility for attacks in many countries around the world. While these tragedies are sometimes the fruit of a more organised group-led attack, often they are carried out by so-called “lone wolves” or isolated individuals, who have been radicalised. One of the most serious challenges to Europe and the United States is posed by these individuals, especially foreign fighters coming home from Iraq and Syria who are likely to revive underground networks in their countries. The Assembly refers in this respect to its [Resolution 2091 \(2016\)](#) on foreign fighters in Syria and Iraq.

4. The fight against Daesh has taught us that a terrorist group driven by an extreme Islamist ideology can cause wholesale destruction while capturing territory in which people can be enslaved and money raised through the sale of national resources and extortion. The money can also be exported to other fundamentalists around the world sharing the same ideology, using or bypassing the existing global financial system.

5. The foundation underpinning Islamist terrorism, and its funding, is the extreme ideology which drives adherence to the terrorist cause. There therefore needs to be a global initiative to root out extremism and religious intolerance.

6. The Assembly welcomes the resolutions taken and implemented by member States and international bodies aimed at tackling the financing of terrorism. In particular, the Assembly hopes for the swift and effective implementation of the Financial Action Task Force (FATF) standards worldwide, specifically of the FATF Recommendations on Combating Money Laundering and the Financing of Terrorism & Proliferation. These should be used by member States to cut off flows of funds and financial and economic assets of individuals and entities on the Daesh and Al-Qaida Sanctions List, as underlined by United Nations Security Council Resolution 2253.

7. The Assembly also appreciates the decision taken by the FATF to broaden its geographic representation and global engagement to counter terrorism financing. Indeed, terrorism (and likewise Daesh itself) is a fluid, transnational phenomenon which affects every different part of the world. International bodies and organisations should thus keep their doors open to any new member who wishes to implement legal and

1. *Assembly debate* on 24 April 2018 (13th Sitting) (see [Doc. 14510](#), report of the Committee on Political Affairs and Democracy, rapporteur: Mr Phil Wilson). *Text adopted by the Assembly* on 24 April 2018 (13th Sitting).



financial tools to stop the financing of terrorism. Most importantly, however, they should provide support and advice to developing countries, which often lack the resources and have strategic deficiencies when it comes to effectively tackling terrorism.

8. Effective financial operations are indispensable when it comes to stopping terrorist organisations such as Daesh. National (and international) bodies such as the financial intelligence units can be particularly helpful in identifying terrorist networks and their financial backers, and should thus continue to be supported and used by member States. Collective law-enforcement channels such as Interpol and Europol should also be used more by member States, especially in order to prosecute and penalise foreign terrorist fighters and anyone providing material support to Daesh.

9. The Assembly acknowledges the work done by the Council of Europe in this field, namely by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) and the Committee of Experts on Terrorism (CODEXTER).

10. The Assembly also recalls the important help provided by the European Union-United States Terrorist Finance Tracking Programme (TFTP) with regard to leads in tracking financial networks and channels of terrorist organisations, and thus calls on member States to use the programme more proactively.

11. The way in which international terrorist organisations such as Daesh finance their operations around the world can only be tackled by countries acting in concert against such activity; and by employing a comprehensive strategy involving a number of measures focusing on international co-operation and preventive measures, including military action where appropriate. The challenge is also to share among international organisations financial information which will be able to disrupt and ultimately stop terrorist activity.

12. Therefore, the Assembly calls on member States to:

12.1. prevent or stop, in any way possible, all financial sources, techniques and channels supporting Daesh and other terrorist organisations, including extortion, taxation, exploitation of natural resources, smuggling of antiquities, drug trafficking, bank looting, looting of civilians and cultural property, external donations and kidnapping for ransom;

12.2. continue to promote and support research on the sources and channels of funding of terrorism, in order to remain up to date on new alternative sources of financing, such as virtual currencies;

12.3. engage in and develop collaboration and co-operation efforts across borders and with international bodies and institutions in order to promote a more transparent, efficient and rapid exchange of information and intelligence;

12.4. intensify capacity building and technical assistance in relation to terrorism financing hotspots, as set out in the Action Plan on Countering Terrorism drafted by the G20 member States;

12.5. reaffirm the need to build local capability to investigate and counter terrorist financing, including corruption;

12.6. study and develop new technologies, in order to better track, monitor and eventually shut down channels of terrorist financing, and assess whether virtual and crypto currencies and block chain and financial technologies (fintech) help to fund terrorism and should be regulated in a co-ordinated way;

12.7. improve the effective implementation of the international standards of transparency, as set out in the United Nations and FATF recommendations;

12.8. sign and ratify, if they have not already done so, the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198). It notes in this respect that Andorra, the Czech Republic, Ireland, Liechtenstein, Norway and Switzerland have not signed it, while Austria, Estonia, Finland, Iceland, Lithuania, Luxembourg and Monaco have signed but not ratified it;

12.9. adopt such initiatives as the United Kingdom's Joint Money Laundering Intelligence Taskforce to facilitate greater intelligence sharing on terrorist financing;

12.10. develop, following the example of France, updated national guidelines, based on international standards, providing concrete advice to businesses and people whose sectors have been listed among the sources of Daesh's financing;

12.11. consider banning new business relationships with banks in Syria. Due diligence is needed concerning financial transfers and transactions in Iraq, Syria and Libya, as well as in the border regions of these countries;

12.12. oblige banks to monitor prepaid debit cards, so as to ensure that they can only be reloaded via bank transfers and personally identifiable accounts;

12.13. establish a second layer of security that vets the names of clans/tribes at airports or land borders, taking into account the increasing number of refugees and diaspora in Europe from Syria and North Africa;

12.14. work across government departments and agencies to better co-ordinate action against the funding of terrorism;

12.15. pay close attention to the ability of lone-wolf operatives, inspired by extreme ideological beliefs, to raise money by, for example, using welfare payments or prepaid debit cards to undertake acts of terrorism.

13. Finally, the Assembly calls on the member States of the European Union to implement the proposals made in the 2016 Action Plan for Strengthening the Fight against Terrorist Financing, and in particular to bring virtual currency exchange platforms under the supervision of the Anti-Money Laundering Directive; revise the prohibition of centralised registers providing all bank accounts belonging to one person; extend the scope of the financial intelligence units; and improve the efficiency of freezing measures based on the United States listings.