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Combating Terrorist Financing in the Gulf: Significant Progress but Risks Remain

Celina B. Realuyo



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by Celina B. Realuyo

Non-Resident Fellow, The Arab Gulf States Institute in Washington and
Former U.S. State Department Director of Counterterrorism Finance Programs,
Professor of Practice

William J. Perry Center for Hemispheric Defense Studies, National Defense University¹

EXECUTIVE SUMMARY

The Gulf countries have taken significant national, regional, and international steps to stem the flow of funds to terrorist groups over the past decade. Various measures have been instituted to better regulate and secure the formal banking sector, alternative remittance systems like hawalas, and charitable organizations in the Gulf. The tragic January 2015 terrorist attacks in Paris against the satirical magazine Charlie Hebdo and a kosher supermarket, perpetrated by disciples of Al Qaeda in the Arabian Peninsula (AQAP) and the Islamic State in Iraq and the Levant (ISIL) have galvanized the world's attention and demand to combat terrorism and the financial networks that fund and support these acts. In the fight against AQAP and ISIL, Gulf states will play a critical role on the military, ideological, and financial fronts of the campaign to degrade and destroy these groups. While the Gulf countries have made substantial strides in protecting their financial systems, risks and vulnerabilities to terrorist financing remain.

- Financial intelligence has allowed governments to better understand and combat terrorist organizations around the globe. Financing serves as the most critical enabler for any terrorist group to realize its nefarious mission. Tracking how terrorists raise, move, store, and use money has been instrumental in degrading and defeating groups such as Al Qaeda, the Tamil Tigers (LTTE) in Sri Lanka, and the FARC in Colombia.
- The recent rise of ISIL with its ability to conduct terrorist atrocities in Iraq and Syria, attract ideological support, recruit foreign fighters, and harness economic resources has refocused counterterrorism efforts worldwide. At the United Nations General Assembly, the Security Council unanimously adopted Resolution 2178(2014) on September 24, 2014: it condemns violent extremism and underscores the need to prevent the “recruiting, organizing, transporting or equipping of individuals who travel for the purpose of the perpetration,

¹ The views expressed in this article are those of the author and do not reflect the official policy or position of the William J. Perry Center for Hemispheric Defense Studies, the National Defense University, the Department of Defense, or the U.S. Government.

planning of, or participation in terrorist acts, associated with ISIL, Al-Nusra Front (ANL) and other affiliates or splinter groups of Al-Qaida.”²

- The financial front has once again become an indispensable aspect of combating terrorist groups like AQAP and ISIL by attacking their fundraising abilities. In the international coalition to fight ISIL, Gulf countries³ are key partners on multiple fronts, including the military and financial lines of effort.
- After the September 11, 2001 terrorist attacks perpetrated by Al Qaeda, several measures to “follow the money trail” and stem the flow of financing to terrorism have been implemented by the public and private sectors. Under the auspices of United Nations Security Council Resolution 1373(2001), nations strengthened their legal frameworks to combat terrorism and recognized that financing was the lifeblood of terrorist organizations.
- On the financial front, governments doubled efforts to detect the financing of terrorism, imposed economic sanctions, and raised awareness among the private and civic sectors about how terrorists use the international financial system to fund their infrastructure, members, and deadly operations. In light of Al Qaeda’s network in the Middle East, new regulations were adopted in the Gulf region to better supervise and protect the banking sector, hawala/alternative remittance systems, and the practice of zakat through charitable organizations.

In recent years, Gulf countries have made significant strides in safeguarding their financial systems from terrorist financing at the national and regional levels. Nevertheless, the risks of terrorist financing remain, especially from private donors, and the following measures could reinforce the Gulf region’s efforts moving forward:

POLICY RECOMMENDATIONS: ARAB GULF STATES

GENERAL

- Dedicate more financial, human, and technological resources to government agencies, like financial intelligence units, responsible for investigating and prosecuting terrorist financing and other financial crimes.
- Enhance the exchange of information and intelligence between government and private sector entities and among partner nations to better combat terrorist financing.
- Raise public awareness of how charitable donations can be directed to fund terrorism.
- Identify, pursue, and prosecute terrorist financiers and their facilitators.

SPECIFIC

- **Criminalize terrorist financing and money laundering**
- **“Know Your Customer” and report suspicious transactions at banks**
- **Collect, analyze, and disseminate suspicious transaction reports**

² United Nations, “Security Council Unanimously Adopts Resolution Condemning Violent Extremism, Underscoring Need to Prevent Travel, Support for Foreign Terrorist Fighters,” September 24, 2014, <http://www.un.org/press/en/2014/sc11580.doc.htm>

³ Gulf countries in this article refer to: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and UAE.

- **Investigate and pursue terrorist financing and financial crimes**
- **Prosecute terrorist financing crimes**

POLICY RECOMMENDATIONS: UNITED STATES

The United States should continue to enhance the capacity-building of Arab Gulf States analyzed in this study to:

GENERAL

- Enhance their Legal institutions against terrorism financing.
- Bolster their financial regulatory systems
- Promote financial information-sharing agencies
- Empower their Law Enforcement agencies
- Strengthen their prosecutorial procedures and successful outcomes

SPECIFIC

- **Remain vigilant, monitor, detect and disrupt new methods of terror financing and money laundering**
- **Leverage the financial instrument of national power and promote interagency and international cooperation to combat terror and transnational crime networks**
- **Harness its economic and financial power to defend and promote its national security interests**
- **Strengthen financial intelligence and make it a valuable tool supporting other instruments of national power to ensure U.S. national security**

INTRODUCTION

This article will describe the evolution of efforts in the Gulf to combat terrorist financing over the past decade, provide specific examples of national and regional measures instituted, and recommend courses of action to reinforce counterterrorism finance regimes in the region.

Money serves as the oxygen for any activity — licit or illicit. Therefore, financing for any organization is instrumental to its success; this equally applies to terrorist groups. Since the tragic attacks of September 11, 2001, financial intelligence and “following the money trail” have become a critical component of counterterrorism investigations and operations. Over the past dozen years, the U.S. and other governments have implemented robust counterterrorism finance measures that have significantly damaged terror networks and deprived them of vital financial resources. During the past decade, Al Qaeda operatives from Iraq to Afghanistan, including Al Qaeda in Iraq’s late leader, Abu Musab al-Zarqawi, complained about increased difficulty in funding terrorist operations, paying foreign fighters, and supporting their networks. As a result, choking off funding sources has become an essential aspect of counterterrorism efforts.

Defining Terrorist Financing

Terrorist financing refers to the processing of funds to sponsor or facilitate terrorist activity. A terrorist group, like any other criminal organization, builds and maintains an infrastructure to facilitate the development of sources of funding, to channel those funds to the providers of

materials and/or services to the organization, and, possibly, to launder the funds used in financing the terrorist activity or resulting from that same activity.

There are two types of terrorist financing:

Financial support – Support is in the form of donations, community solicitation and other fundraising initiatives. Financial support may come from states and large organizations, or from individuals.

Revenue generating activities - Income is often derived from criminal activities such as kidnapping, extortion, smuggling, or fraud. Income may also be generated from legitimate economic activities such as diamond trading or real estate investment.⁴

Al Qaeda, the organization led by Osama Bin Laden and responsible for the September 11, 2001 attacks, relied predominantly on financial support from facilitators in the Gulf and did not engage in criminal activities to generate revenue.⁵ This is in sharp contrast to more recent examples of Al Qaeda affiliates, like Al Qaeda in the Islamic Maghreb, ISIL, and the Haqqani Network; these terrorist groups are directly involved in generating revenue through criminal activities, including illicit drug, arms, human trafficking, extortion, and kidnap for ransom, to sustain themselves.

International and Regional Counterterrorism Finance Efforts since September 11, 2001

Over the past decade, the Financial Action Task Force (FATF) has been at the forefront of establishing international norms to combat money laundering and terrorist financing. The FATF has developed a series of 40 Recommendations that are recognized as the international standard for these financial crimes. They form the basis for a coordinated response to these threats to the integrity of the financial system and help ensure a level playing field. First issued in 1990, the FATF Recommendations were revised in 1996, 2001, and 2003 and most recently in 2012 to ensure that they remain up to date and relevant, and they are intended to be of universal application. The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally. In collaboration with other international stakeholders, the FATF works to identify national-level vulnerabilities with the aim of protecting the international financial system from misuse.⁶ All Gulf countries are members of the FATF.

Recognizing the threats posed by money laundering and terrorist financing operations to countries in the Middle East and North Africa (MENA), a FATF-style regional body, MENAFATF was created in Manama, Bahrain on November 30, 2004. The 18 MENAFATF member countries⁷ seek to achieve the following objectives in combating money laundering and terrorist financing:

- To adopt and implement the FATF 40 Recommendations on combating money laundering and financing of terrorism and proliferation
- To implement the relevant UN treaties and agreements and United Nations Security Council Resolutions

⁴ Jean-François Thony, "Money Laundering And Terrorism Financing: An Overview," IMF Publications, 2002, <http://www.imf.org/external/np/leg/sem/2002/cdmfi/eng/thony.pdf>

⁵ 9/11 Commission Report, Appendix A: The Financing of the 9/11 Plot, http://govinfo.library.unt.edu/911/staff_statements/911_TerrFin_App.pdf

⁶ FATF website: <http://www.fatf-gafi.org/pages/aboutus/>

⁷ MENAFATF members include: Algeria, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, UAE, and Yemen.

- To co-operate among each other to raise compliance with these standards within the MENA Region and to cooperate with other international and regional organizations, institutions and agencies to improve compliance worldwide
- To work jointly to identify issues of regional nature related to money laundering and terrorist financing, and to share relevant experiences and to develop solutions for dealing with them
- To take measures throughout the region to effectively combat money laundering and terrorist financing in a way that does not contradict with the cultural values, constitutional frameworks and legal systems in the member countries⁸

National Efforts to Combat the Financing of Terrorism

Bahrain

Bahrain has played a leading role in regional efforts to combat terrorism and terrorist financing, as it has itself been a victim of political and social unrest and violence due to extremist groups in recent years. The country is an important regional financial center, and recognizes its vulnerability to large cash flows through the Gulf region that support terrorist groups. Bahrain serves as the host to the MENAFATF Secretariat. In 2013, two royal decrees were issued amending the Charity Fundraising Law of 1956 to tighten terrorist finance monitoring and penalties and to strengthen the ability of the Minister of State for Communications to monitor and impede the use of social media to facilitate or promote terrorism.⁹ These amendments reflect the need to keep up with the evolving threat and terrorists' use of technological and financial innovation.

On November 9, 2014 Bahrain hosted the Manama Meeting on Combating the Financing of Terrorism. It served as an occasion for participating MENAFATF countries to demonstrate their commitment to halt the financing of terrorist groups and activities in all its forms. The meeting discussed the FATF's deep concern with the financing of the terrorist group ISIL, and efforts to deal with this urgent threat and the financing of other terrorist groups. The FATF issued a statement on October 24, 2014 setting out how the FATF Recommendations can help in: investigating and prosecuting those who finance terrorism, implementing targeted financial sanctions, and applying preventive measures to stop terrorists using the financial system or non-profit organizations around the world.¹⁰

Kuwait

Kuwait passed comprehensive anti-money laundering and combating the financing of terrorism (AML/CFT) legislation in 2013. Kuwait Law 106/2-13 provides new mandates and powers to the government including the criminalization of the financing of terrorism, the requirement to report suspected terrorist financing, and the ability to freeze terrorist assets without delay. In October 2013, the FATF noted that Kuwait had made progress but called for the country to continue its effort to establish and implement adequate procedures to identify and freeze terrorist assets, ensure its financial intelligence unit (FIU) is effective, and guarantee that institutions file suspicious transaction

⁸ MENAFATF website, <http://www.menafatf.org>

⁹ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/j/ct/rls/crt/2013/224823.htm>

¹⁰ "FATF welcomes Manama declaration: a valuable step forward in the fight against terrorism in the MENA region," <http://www.fatf-gafi.org/documents/news/fatf-welcomes-manama-declaration.html>

reports to the FIU. Kuwaiti financial and designated non-financial institutions were reportedly upgrading their systems and processes and preparing to train their personnel to implement the new law.¹¹

To oversee the charitable sector, the Ministry of Social Affairs and Labor is responsible for monitoring and supervising government-authorized charities, including enforcing the ban on cash donations except during Ramadan, implementing an enhanced receipt system for Ramadan cash donations, and coordinating closely with the Ministry of Islamic Affairs to monitor and prosecute fraudulent charitable operators. In 2013, however, there were increased reports of Kuwait-based private individuals funneling charitable donations and other funds to violent extremist groups outside the country, particularly to Syria.¹² Western officials believe that wealthy Gulf Arabs, in countries such as Saudi Arabia, Qatar, and Kuwait, have been a main source of funding for Sunni Islamist groups fighting in Iraq and Syria, including the Islamic State and Nusra Front. Kuwait has been one of the biggest humanitarian donors to Syrian refugees through the United Nations, but it has also struggled to control unofficial fundraising for opposition groups in Syria by private individuals.¹³ Terrorist financing from sympathetic donors to ISIL and other Al Qaeda affiliates continues to be a formidable challenge.

Oman

In 2002, Oman issued the Money Laundering Law, among the first of its kind in the Gulf, followed in 2004 by executive regulations on this law, and in 2007, an anti-terrorism law. The 2010 anti-money laundering and -terrorism financing law unified all previous legislation regarding financial crimes.¹⁴ The Royal Oman Police FIU, a member of the Egmont Group, is responsible for enforcing AML/CFT laws and regulations.

The Government of Oman and its Central Bank have a high degree of oversight of its commercial banking sector. Through monitoring authorities at the Central Bank, the Ministry of Commerce and Industry and the Capital Market Authority, Oman is directing financial institutions and banks to put in place the necessary measures to fight these crimes in accordance with international and regional standards.¹⁵ In 2012, Oman formally introduced Islamic banking services into the financial system through Royal Decree 69/2012. Hawalas are not permitted in the financial service sector and Omani authorities have acted to shutter attempted hawala operations.¹⁶ IN 2014, Oman established the National Commission for Anti-Money Laundering and Terrorism Financing (NC-AMLTF) that held its first meeting at the headquarters of the Central Bank of Oman (CBO) on December 8, 2014. The Commission reviewed the current status about amending the Anti-Money Laundering and

¹¹ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/j/ct/rls/crt/2013/224823.htm>

¹² Ibid.

¹³ “Kuwait markets authority endorses UN terror financing rules,” *The Daily Star*, September 29, 2014, <http://www.dailystar.com.lb/News/Middle-East/2014/Sep-29/272398-kuwait-markets-authority-endorses-un-terror-financing-rules.ashx>

¹⁴ Mohammed al-Jayousi in Manama and Faisal Darem, “Oman fights money laundering, terrorism financing,” Al Shofra.com, May 15, 2014, http://al-shorfa.com/en_GB/articles/meii/features/2014/05/15/feature-01

¹⁵ Mohammed al-Jayousi in Manama and Faisal Darem, “Oman fights money laundering, terrorism financing,” Al Shofra.com, May 15, 2014, http://al-shorfa.com/en_GB/articles/meii/features/2014/05/15/feature-01

¹⁶ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/j/ct/rls/crt/2013/224823.htm>

Combating the Financing of Terrorism.¹⁷ These measures demonstrate Oman's efforts to combat terrorist financing.

Qatar

Qatar has a legal framework in place to combat terrorism with its 2004 Combating Terrorism Law and 2010 Combating Money Laundering and Terrorist Financing Law. Under the auspices of the Money Laundering and Terrorist Financing Law, Qatar's Public Prosecutor is required to freeze the funds of terrorist organizations designated by the UN Security Council, and the government distributes lists of UN-designated terrorist entities and individuals to financial institutions. According to the Qatari Embassy to the U.S., Qatar's Financial Intelligence Unit (QFIU) is actively engaged in the international Egmont Group of Financial Intelligence Units, which aims at improving cooperation in the fight against money laundering and financing terrorism by setting international standards and practices to foster the implementation of domestic programs in this field. In September 2014, Qatar issued a new law to regulate charities in the country based on FATF standards. Formally, Qatar's Ministry of Labor and Social Affairs monitors and licenses non-governmental charitable organizations and requires that foreign partners of Qatari organizations submit to a vetting and licensing process before receiving Qatari funds.¹⁸

Despite a strong legal framework, judicial enforcement and effective implementation of Qatar's anti-money laundering/counterterrorist the financing of terrorism (AML/CFT) law are lacking, according to the State Department. Qatar's lack of outreach and enforcement activities to ensure terrorist financing-related transactions are not occurring and the lack of referrals by the financial intelligence unit of cases are significant gaps.¹⁹ Qatari-based terrorist fundraisers, whether acting as individuals or as representatives of other groups, are considered a significant terrorist financing risk and may have supported terrorist groups in countries such as Syria.²⁰

U.S. officials lauded the cooperation from wealthy Persian Gulf countries such as Saudi Arabia and the United Arab Emirates in efforts to stop donations to ISIL and allied groups and help enforce U.S. and United Nations sanctions. But Qatar and Kuwait are still "permissive jurisdictions for terrorist financing," according to David Cohen, U.S. Treasury Undersecretary for Terrorism and Financial Intelligence.²¹ Speaking at a Washington think-tank after a trip to the Gulf in October 2014, Cohen stated, "there are U.S.- and UN-designated terrorist financiers in Qatar that have not been acted against under Qatari law." He accused the Qatari authorities of allowing top financiers to live freely in the emirate despite the fact they are on international blacklists.²²

¹⁷ Times of Oman, December 8, 2014, <http://www.timesofoman.com/News/43933/Article-Oman-National-Commission-for-Anti-Money-Laundering-and-Terrorism-Financing-holds-first-meeting>

¹⁸ Qatari Embassy to U.S., Qatar's Record of Counterterrorism, <http://www.qatarembassy.net/ar/article/qatars-record-of-counterterrorism>

¹⁹ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/documents/organization/225886.pdf>

²⁰ Ibid.

²¹ William Mauldin, "U.S. Calls Qatar, Kuwait Lax Over Terror Financing: Both 'Have More Work to Do' to Curb Islamic State," *The Wall Street Journal*, October 23, 2014, <http://www.wsj.com/articles/u-s-calls-qatar-kuwait-lax-over-terror-financing-1414108799>

²² Jamie Dettmer, "U.S. Ally Qatar Shelters Jihadi Money Men," *The Daily Beast*, December 10, 2014, <http://www.thedailybeast.com/articles/2014/12/10/rich-little-qatar-big-ugly-ties-to-terror.html>

Saudi Arabia

Saudi Arabia has been an important regional leader in counterterrorism efforts, as a target and victim of terrorism itself. This commitment to fight terrorism was illustrated by Saudi Arabia's role in 2011 as a founding member of the Global Counterterrorism Forum (GCTF), a multilateral organization that seeks to reduce the vulnerability of people everywhere to terrorism by effectively preventing, combating, and prosecuting terrorist acts and countering incitement and recruitment to terrorism.²³ Recognizing that terror networks thrive on illicit funding, often hiding behind charitable organizations, Saudi Arabia states that it has put in place one of the world's strictest financial control systems to prevent funds going to support terrorism. The Saudi government affirmed its commitment to combating terrorist fundraising and has sought to further establish itself as a regional leader in disrupting terrorist finance efforts.²⁴ According to the Saudi Embassy to the U.S., all Saudi financial institutions have implemented the 40 recommendations of the FATF regarding money laundering and the eight recommendations regarding terror financing. Saudi charities are prohibited from transferring money abroad. The collection of cash contributions in mosques and public places as a practice of zakat is prohibited.²⁵ Notwithstanding Saudi Arabia's increased control over the formal financial sector, bulk cash smuggling from individual donors and charities has reportedly been a major source of terrorist financing.²⁶

The Saudi Arabian Monetary Agency (SAMA) offers programs and has implemented a technical program to train judges and investigators on legal matters involving terrorism financing and money laundering methods, international requirements for financial secrecy, and methods exercised by criminals to exchange information. Saudi Arabia works closely with the U.S., Britain, France, Italy, Canada, Australia and other allies to combat terror financing on a global scale.²⁷ These oversight measures illustrate Saudi Arabia's efforts to prevent terror groups from abusing their financial system and charitable organizations.

United Arab Emirates

The United Arab Emirates (UAE) serves as an important regional center for international commerce and banking and has therefore taken vigorous steps to protect the integrity of its economy from terrorist financing. In addition to increased scrutiny of the formal banking sector, exchange houses, hawaladars, and trading companies in the UAE have received increased attention. With immigrants comprising over 80 percent of the population, money remittance is a key pillar of the local economy in the Emirates. Since formal financial services are limited in many guest workers' home countries, hawaladars are prevalent in the UAE. According to the State Department, there are some indications that trade-based money laundering occurs in the UAE — including through commodities used as counter-valuation in hawala transactions or through trading companies - and that such activity

²³ GCTF website, <https://www.thegctf.org/web/guest/mission>

²⁴ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/documents/organization/225886.pdf>

²⁵ Embassy of Saudi Arabia Initiatives and Efforts to Combat Terrorism and Terror Financing Fact Sheet 2014: http://www.saudiembassy.net/files/PDF/Fact_Sheet_Counterterrorism_Sept_2014.pdf

²⁶ State Department 2013 Country Reports on Terrorism, <http://www.state.gov/documents/organization/225886.pdf>

²⁷ Embassy of Saudi Arabia Initiatives and Efforts to Combat Terrorism and Terror Financing Fact Sheet 2014: http://www.saudiembassy.net/files/PDF/Fact_Sheet_Counterterrorism_Sept_2014.pdf

might support sanctions evasion networks and terrorist groups in Afghanistan, Pakistan, and Somalia.²⁸

To oversee hawalas (alternative remittance systems), the UAE Central Bank issued new regulations in July 2012, making hawala registration mandatory, extending customer due diligence and suspicious transaction reporting obligations to hawaladars, and instituting sanctions for non-compliance. The Anti-Money Laundering Suspicious Cases Unit (AMLSCU), the financial intelligence unit (FIU), issued cautionary notes to the public regarding dealing with unlicensed charitable associations and investment companies.²⁹ The AMLSCU needs to enhance its financial information sharing capability to support cooperative efforts with counterpart FIUs. Law enforcement and customs officials should conduct more thorough inquiries into large declared and undeclared cash imports into the country, as well as enforce outbound declarations of cash and gold utilizing existing smuggling laws.

In efforts to combat ISIL, the U.S. and UAE established a new joint financial counterterrorism task force in October 2014 that will be focused on combating extremist fundraising and financial networks in the region. This initiative reflects increased U.S. efforts to stem the flow of money to ISIL from individual supporters, its oil profits, and its access to the international banking system. "The task force was created specifically to target terror finance in the region," UAE Ambassador Yousef Al Otaiba said, through a spokesperson. The Gulf and Turkey are the two regions U.S. counterterrorism officials say are key to degrading ISIL's finances, outside of Iraq and Syria. The Gulf is a hub of private fund-raising and is also home to a banking infrastructure that offers the potential for money laundering and access to the international financial system. U.S. Treasury Undersecretary for Terrorism and Financial Intelligence, David Cohen, commended the UAE, stating that the country is "steadfastly committed to preventing funding for ISIL, for Al Nusra Front [and] we have a very good close relationship with the Emiratis in combating terrorist financing."³⁰ This joint U.S.-UAE counterterrorist financing task force, along with other bilateral and multilateral information-sharing mechanisms, will support efforts to fight the financial front against ISIL aimed at depriving them of the economic resources needed to sustain themselves and their mission.

FURTHER ENHANCING COUNTERTERRORISM FINANCE EFFORTS

The Gulf countries have taken significant national, regional, and international steps to stem the flow of funds to terrorist groups over the past decade. As described above, various measures have been instituted to better regulate and secure the formal banking sector, alternative remittance systems like hawalas, and charitable organizations in the Gulf. In the fight against ISIL, Gulf states will play a critical role on the military, ideological, and financial fronts of the campaign to degrade and destroy the group. While the Gulf countries have made substantial strides in protecting their financial systems, risks and vulnerabilities to terrorist financing remain. Political will to combat the financing of terrorism is essential to sustain legal frameworks and enforcement actions against terrorist financiers.

²⁸ State Department 2013 International Narcotics Control Strategy Report (INCSR), Volume II: Money Laundering and Financial Crimes, <http://www.state.gov/j/inl/rls/nrcrpt/2014/vol2/222842.htm>

²⁹ Ibid.

³⁰ Taimur Khan, "Joint US-UAE task force to choke off ISIL funding," *The National*, October 27, 2014, <http://www.thenational.ae/world/middle-east/joint-us-uae-task-force-to-choke-off-isil-funding>

Going forward, Gulf countries should enhance their efforts to combat the financing of terrorism with the following measures:

- Dedicate more financial, human, and technological resources to government agencies, like financial intelligence units, responsible for investigating and prosecuting terrorist financing and other financial crimes.
- Enhance the exchange of information and intelligence between government and private sector entities and among partner nations to better combat terrorist financing.
- Raise public awareness of how charitable donations can be used to fund terrorism.
- Identify, pursue, and prosecute terrorist financiers and their facilitators.

As terrorist groups like ISIL and other Al Qaeda affiliates evolve, they will seek out ways to circumvent government counterterrorism efforts to realize their brutal agendas. With financial advances in raising and moving money, terror groups can be expected to adopt new methods of acquiring economic resources, and governments must keep up with these innovations. Since financing is the most critical enabler for terrorist groups to recruit, train, arm, and sustain their members and commit acts of violence, combating the financing of terrorism has become an integral part of the fight against terrorism. Given the Gulf region's geography, economy, and vulnerability to terrorist financing, Gulf countries must continue their efforts to stem the flow of funding to terrorist groups and safeguard their financial system

