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Security Council

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Letter dated 20 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from the Bahamas, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

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Annex

[Original: English]

Note verbale dated 20 December 2001 from the Permanent Representative of the Bahamas to the United Nations addressed to the Chairman of the Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

The Permanent Mission of the Commonwealth of The Bahamas to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning Counter-Terrorism and has the honour to refer to the latter's note dated 29 October 2001, regarding the report on measures taken to implement Security Council resolution 1373 (2001) adopted by the Security Council on 28 September 2001.

The Permanent Mission of the Commonwealth of The Bahamas is pleased to advise that the Government of The Bahamas has taken the following steps:

1. Pursuant to the International Obligations (Economic and Ancillary Measures) Act 1993, the Governor General, on 25 September 2001, executed the International Obligations Economic and Ancillary Measures (Afghanistan) Order 2001. (S.I. No. 139 of 2001). A copy of this Order is contained in enclosure I.

2. This Order prohibits the sale or supply of goods to Afghanistan; prohibits the provision of financial services to or any business with Osama Bin Laden and the Al Queda organization of any individuals or entities associated with them. The Order also freezes any accounts held in the name of Osama Bin Laden, the Al Queda origination or any person or organization associated with them as designated from time to time by the Attorney General after consultation with the Governor of the Central Bank of The Bahamas and the Director of the Financial Intelligence Unit.

3. To ensure that the financial services industry of The Bahamas was not used for terrorist activity, a Task Force was established to monitor the implementation of the Order. The Task Force is chaired by the Attorney General and the Minister of Justice and is comprised of the Governor of the Central Bank of The Bahamas, the Director of the Financial Intelligence Unit, the Director of Legal Affairs, the Director of Public Prosecutions, the Inspector of Financial and Corporate Service Providers, the Executive Director of the Securities Commission, the Compliance Commission and senior police officers. The Task Force meets biweekly.

4. The Attorney General, after consultation with the Governor of the Central Bank and the Director of the Financial Intelligence Unit has issued four notices under the International Obligations (Economic and Ancillary Measures) Order. These notices were issued on 27 September 2001, 16 October 2001, 12 November 2001 and 15 November 2001.

5. As a result of the notices being forwarded to the financial institutions, three accounts totalling in excess of US$ 32 million were frozen as a

protective measure because of the similarity of names of alleged terrorists appearing on the lists.

6. During the week of 22 October 2001, a team from the United States of America comprising officials from the Federal Bureau of Investigation, the Financial Crimes Enforcement Network, the Internal Revenue Service, the Secret Service, the Federal Reserve Bank and the United States Customs visited The Bahamas and assisted in the investigation of the source of the $32 million. As a result of the investigation, it was determined that none of the funds were connected to any of the terrorists named on the lists and the funds were released.

7. The Office of the Attorney General is currently drafting a Terrorism Bill to specifically define and criminalize terrorism and to provide special remedies and special powers to law enforcement agencies of investigation and punishment of terrorism.

Further, existing laws relating to the seizure, confiscation and forfeiture of assets are being reviewed for amendments where appropriate, to allow for the effective disruption of the flow of any funds, shown or suspected to have been used to facilitate terrorist activities. This would include, but is not limited to, funds used to provide food, housing, equipment or training. Every effort is being made to expedite this process.

8. As a result of the Financial Action Task Force (FATF) Special Meeting on the Financing of Terrorism held in Washington, D.C., on 29 and 30 October 2001, the FATF expanded its mission beyond money laundering and agreed to a set of Special Recommendations on Terrorist Financing and also agreed to a Comprehensive Plan of Action. As a part of this Plan of Action a Self-Assessment of all FATF members against the Special Recommendations was proposed.

The Caribbean Financial Action Task Force (CFATF) is also taking part in this self-assessment exercise and the Self-Assessment Questionnaire was forwarded to all CFATF members.

The Bahamas is in the process of completing its questionnaire for submission to FATF by 31 December 2001.

9. The CFATF has also developed an action plan for CFATF members. A copy of this Action Plan is contained in enclosure II.

Enclosure I

S.I. 139 of 2001

Enclosure II

Terrorist Financing

Caribbean Basin Region

Draft Plan of Action

1. Sign and ratify the United Nations Convention for the Suppression of the Financing of Terrorism.

2. Report to the Counter-Terrorism Committee of the Security Council in keeping with the agreed timetable all steps taken to implement the Convention of 9 December 1999.

3. Implement United Nations Security Council resolutions 1333 (2000) and 1373 (2001).

4. Report to the Counter-Terrorism Committee of the Security Council steps taken to implement Security Council resolution 1373 (2001) by 27 December 2001.

5. Report to the Counter-Terrorism Committee of the Security Council steps taken to implement Security Council resolution 1333 (2000).

6. Take note of the individuals and organizations listed in the United States Executive Orders relating to terrorist financing and liase with the United States in relation to action taken in blocking those accounts maintained by or on behalf of such individuals and organizations in the financial systems of the region.

7. Take note of and monitor all international lists of individuals, organizations and countries that engage in or are concerned with terrorist financing activity.

8. Establish immediately the legislative and regulatory framework to facilitate the blocking of accounts of individuals and organizations named on international lists as being concerned with terrorist groups, acts and terrorist financing networks.

9. Notify the Secretariat and the international community of steps taken in relation to blocking accounts as described above.

10. Notify the Secretariat and publish regularly, in aggregate form, the number of terrorist financing related accounts and the value of assets which have been frozen.

11. Participate in the Self-Assessment exercise against the Financial Action Task Force (FATF) Special Recommendations, which should be completed by 31 December 2001. (The relevant questionnaire is being developed by the FATF and will be circulated shortly.)

12. Devise and publish an action plan to come into compliance with the FATF Special Recommendations by June 2002.

13. Enact and effectively implement by June 2002 all necessary legislation which would comply with the FATF Special Recommendations on Terrorist Financing.

14. Participate in a regional monitoring, reporting and enforcement mechanism in relation to the FATF Special Recommendations on Terrorist Financing and agree to share all available information with the international community.

15. Work with the FATF, FATF-style regional organizations and other relevant regional and international organizations in order to determine the most appropriate framework for stemming the flow of clean funds or funds not yet determined as tainted to the financial networks of terrorist organizations.

16. Develop additional guidance for financial institutions on the techniques and mechanisms used in the financing of terrorism by February 2002.

17. Participate in regional typology exercises on terrorist financing.

18. Enact legislation and establish procedures specifically aimed at curtailing parallel or underground banking systems in the region.

19. Call upon the Caribbean Anti-Money-Laundering Programme to widen its mandate to facilitate the provision of technical assistance and training in relation to terrorist financing.

20. Establish a Joint Regional Working Group involving the private sector on terrorist financing.