

EDITORIAL

Financing Terrorism – A New Challenge

Ideologies, smart operatives, well-thought planning and accurate execution of terrorist attacks will fall short of a ‘mission – accomplished’ jubilant cry if the whole scheme is not supported with ample and unhindered flow of money. Money makes the mare go. To counter terrorism, the world community and law-enforcers have been looking and trying a variety of strategies and tactics, ranging from hot-pursuit to soft and smart policing and de-radicalization programmes to save the future generations from slipping into the hands of militants if we have already lost some of our people. One of the elements of almost all the Counter-Terror policies is to cut and chop the financial life-line of terrorist organizations. Since terrorism is a serious organized and transnational crime and can’t be tackled by one single agency, giving its complex nature and bewildering layering of its various sub-activities including financing and elusive mode of transactions. In view of ground difficulties in tracing the finances of terrorism, the government has assigned the task to a number of agencies in the recent past. Earlier, it was the sole domain of Federal Investigative Agency (FIA) to trace and probe the Suspicious Transactions as reported by the State Bank of Pakistan, though belatedly to the FIA. The State Bank never developed a mechanism itself to monitor the role of commercial banks where such Suspicious Transactions happen and where the accounts are often found as “closed” after the probe is started by the investigative agency.

The State Bank recently issued some guidelines to companies and banks on maintaining foreign currency accounts which are a belated prescription after the disease has spread into all parts of the body with a

sign of third degree cancer. *Daily Dawn* in its editorial on February 25, 2016 has aptly criticized the lethargy, ineptness and lack of political will on part of the government in dealing with this aspect of terrorism. It also observed,

“The guidelines themselves are a reminder of another sort, however. They remind us of the severe capacity weaknesses that mar all efforts to interdict terror-related financial flows in an economy where tax evasion is rampant and informal cash transactions are massive. Both of these – tax evasion and informality – automatically create the pathways through which funds can evade the gaze of the authorities, and also create perverse incentives in the financial sector to be more accommodating when dealing with the requirements for discretion from some of its high net worth clientele. In such an environment, detecting terror-related financing naturally becomes nearly impossible through regulatory channels alone. The State Bank cannot wage the fight against terror financing on its own given this context, and the near absence of any framework for cooperation with law enforcement is a key weakness”.

In addition to Bank accounts there are a number of other ways and means of raising funds for militant activities, in which some are shrouded in an apparently noble service to the community. This aspect of financing terrorism needs more resources and a deeper intelligence-gathering mechanism within the community. A joint venture is now needed by all law-enforcing agencies to counter financing terrorism and its seemingly unnoticed channels across the community. Local Police, FIA, NAB, CTD and other security agencies need to join hands and put heads together to trace the invisible flow of money in this vicious circle

of terrorism and other organized crimes. Cutting and severing the supply-line of terrorist organizations will deprive them of energy and sustainability, leading to their organizational atrophy and strangulation. However, this needs remarkable brains and professional investigators in the law-enforcing agencies who believe in impartiality, scientific investigation and commitment.

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