

SENIOR MEMBERS IN THE POLICE AND SECURITY FORCES AS POLITICALLY EXPOSED PERSON

MEMBROS SUPERIORES DE FORÇAS E SERVIÇOS DE SEGURANÇA COMO PESSOA POLITICAMENTE EXPOSTA

Francisco Jorge Gonçalves

Legal Adviser — Portuguese National Authority for Emergency and Civil Protection
PHD in Political Science and International Relations: Security and Defence
Associated Researcher at the Research Centre of the Institute for Political Studies / Catholic University
1649-023 Lisbon, Portugal
vurthor@gmail.com

Verónica Martins

PHD in Political Science, Europe specialisation (Sciences-Po Paris)
Nonresident Senior Researcher Fellow, Europe programme, Centre for Geopolitics & Security in Realism Studies
N1 7GU, London, United Kingdom
martinsveronica@yahoo.fr

Abstract

The combat of Money Laundering and Terrorism Financing has been a goal pressed by numerous governments around the world especially after 9/11. It is assumed that certain individuals, because they were entrusted with prominent public functions, present a higher risk for potential involvement: hence the designation “Politically Exposed Person” (PEP). Since the first anti-money laundering directive, only High-Ranking Officers in the Armed Forces are qualified as PEP. However, senior members in the Police and Security Forces, services that are generally headed by civilians, are also entrusted with prominent public functions. This paper will analyse the importance of PEP as a tool for fighting terrorism financing and whether senior members in the Police and Security Forces are qualified as PEP in six countries. The findings show that most countries do not qualify senior members of the Police and Security Forces as PEP, which may represent a security breach regarding terrorism financing. Likewise, this critique may guide policy makers to include senior members of Police and Security forces as PEP.

Keywords: Politically Exposed Person; Anti-money Laundering; Terrorism Financing; Police and Security Forces; High-Ranking Officers.

How to cite this article: Gonçalves, F. J., & Martins, V. (2021). Senior Members in the Police and Security Forces as Politically Exposed Person. *Portuguese Journal of Military Sciences [Revista de Ciências Militares]*, November, IX(2), 433-453. Retrieved from https://www.ium.pt/?page_id=6461

Resumo

Especialmente após o 11 de setembro, o combate ao Branqueamento de Capitais e ao Financiamento do Terrorismo foi um objetivo seguido por vários governos em todo o mundo. Com efeito, parte-se do princípio de que determinados indivíduos, pelo facto de lhes terem sido confiadas funções públicas de destaque, apresentam um maior risco de potencial envolvimento: daí a designação de “Pessoa Politicamente Exposta” (PPE). Desde a primeira diretiva comunitária de combate ao branqueamento de capitais, apenas Oficiais Gerais nas Forças Armadas são qualificados como PPE. No entanto, membros superiores da Polícia e das Forças de Segurança, na sua maioria liderados por civis, também desempenham funções públicas de destaque. Assim, este artigo analisará a importância de PPE como instrumento de combate ao financiamento do terrorismo e se membros superiores da Polícia e das Forças de Segurança são reconhecidos como PPE em seis países. As principais conclusões demonstram que a maioria dos países não reconhece os membros superiores da Polícia e das Forças de Segurança como PPE, o que pode representar um risco de segurança em relação ao financiamento do terrorismo. De igual modo, esta crítica pode orientar os decisores políticos a incluir membros superiores da Polícia e das Forças de Segurança como PPE.

Palavras-chave: Pessoa Politicamente Exposta; Combate ao Branqueamento de Capitais; Financiamento do Terrorismo; Forças e Serviços de Segurança; Oficiais Gerais.

“What the use of fingerprints was to the 19th century, and DNA analysis was to the 20th century, so financial information and forensic accounting has come to be one of today’s most powerful investigative and intelligence tools available in the fight against crime and terrorism”

Speech by Gordon Brown (2006, p. 5) on *Meeting the terrorist challenge*

“Knowing where the trap is — that’s the first step in evading it”

Herbert (1987, p. 43)

1. Introduction

The concept of Politically Exposed Person (hereinafter PEP) is associated with money laundering (hereinafter ML) and terrorism financing (hereinafter TF), where it is assumed that individuals invested in certain positions pose a greater risk in possible criminal offenses (principle extending to their family members). Therefore, the qualification as PEP means that gatekeepers (financial institutions, designated non-financial business and professions, like lawyers, among others) must adopt more demanding procedural requirements. After all, the traceability of financial information has an important deterrent effect, especially regarding TF.

These recommendations include the implementation of best practices by the aforementioned gatekeepers because certain individuals (and their families) are subject to increased risks with respect to a potential involvement in corruption schemes, ML and TF due to the position they occupy.

Historically, some mediatized cases led to the reinforcement of procedural rules with respect to the phenomenon of ML and diversion of national funds to accounts located in foreign countries, especially regarding the diversion of millions of dollars by the former Nigerian dictator Sani Abacha (and his family members), as well as the attempt by the Nigerian government to recover these amounts.

Moreover, the repetition of this trend — for instance, with Jean François J.C. Duvalier (Haiti), Ferdinando Marcos (Philippines), Mubutu S. Seko (Zaire/Congo nowadays), Raul Salinas (Mexico) — led to the implementation of international laws to avoid this type of situations.

On the other hand, after the 9/11 terrorist attacks, a greater control was needed to facilitate the communication of suspicious transactions, as well as the financial flows from certain charitable organizations and individuals which could be diverted to finance the practice of terrorist acts.

It is a fact that there is no global definition of PEP, and there are even other nomenclatures — Senior Foreign Political Figure (United States, 2001). However, the most important is to reemphasize the existence of a (variable) list of individuals on which gatekeepers should have a special focus.

The Directive (EU) 2018/843 of the European Parliament and of the Council (2018), also known as the fifth anti-money laundering, is the culmination of the European Union's action regarding Anti-Money Laundering (hereinafter AML), and TF. However, since the first anti-money laundering directive, only High-Ranking Officers in the Armed Forces (and not senior members of Police and Security Forces) are qualified as PEP. True, historically, certain mediatized cases regarding ML involved High Ranking Officers in the Armed Forces (e.g., General Sani Abacha in Nigeria). Likewise, in certain countries it is High-Ranking Officers in the Armed Forces who occupy senior positions in the Police and Security Forces. Nevertheless, senior members in the Police and Security Forces, mostly led by civilians, are also entrusted with prominent public functions.

Finally, what comprises the definition of Police and Security Forces? This designation can lead to confusion concerning which Police and Security forces are implied. Civil, military or paramilitary? Furthermore, what types of competences are exercised? Maintenance of public order? Detection and investigation of crimes? For this paper we consider a Police and Security force, any public organism that, according to its countries' legislation, exercises public functions in the field of internal security. Therefore, any public organism that has a mission regarding the supervision on a specific sector (like aviation, food industry and so on) is not qualified as a Police and Security force.

1.1. Research question and objectives

Our research question is formulated as follows: should senior members of Police and Security Forces be qualified as Politically Exposed Person? Senior members of the Police Services are among the top 10 jobs with the greatest perceived risk of involvement in ML, illicit payments, and TF — has included on the Dow Jones Watchlist (2013). Moreover, the Financial Action Task Force (hereinafter FATF) has produced several reports regarding TF, including the financing of recruitment for terrorism purposes stressing the need to act

urgently to strengthen global Counter-Terrorist Financing (hereinafter CTF), that are more ingenious and complex (FATF, 2018b).

We emphasize the case of Vlademiro Montesinos, former Peruvian Director of National Intelligence under President Alberto Fujimori, who was sentenced for embezzlement, bribery, and TF. But he would not be qualified as PEP according to the Directive (EU) 2018/843 of the European Parliament and of the Council (2018).

Moreover, the aim in this paper is to pinpoint the importance of PEP as a legal mechanism, especially considering the definition of traditional and emerging sources of funds for TF. To this end, it is necessary to analyze certain trends regarding TF: self-recruitment terrorism; self-financed terrorism and especially the importance of private donations through Non-Profit Organizations (hereinafter NPO) or using their name.

Subsequently we will check if senior members in the Police and Security Forces are qualified as PEP in six countries (Chile; Uruguay; Portugal; United Kingdom; Philippines and Pakistan)¹ and if the lack of legal provision poses a vulnerability regarding a Risk Based Approach² (hereinafter RBA) assessment of TF. For that matter we will consider the last Mutual Evaluation Reports (hereinafter MER) on those six countries made by FATF and its associated members: El Grupo de Acción Financiera de Latinoamérica (hereinafter GAFILAT) and The Asia/Pacific Group on Money Laundering (hereinafter APG).

1.2. State of the Art

As Seymour (2008) pointed out, less than 30 years ago, ML globally was not even classified as a crime by the USA and other countries. After 9/11, aiming better efficiency, several countries merged the different legal regimes regarding the combat of ML and TF (Zagaris, 2004). However, there are differences between ML and TF, as pinpointed by Dean et al. (2013, p. 68) because, for instance, TF (unlike ML) is not undertaken for profit.

Besides, as Greenberg et al. (2009) stressed out, the strengthening of preventive measures for recovering and the densification of PEP is a fundamental tool. Nevertheless, Kang (2018) alerts to potential collateral damage involving the myriad of foreign PEP and the closure of their accounts by some gatekeepers (financial institutions) who fear the application of heavy fines if these accounts are not fully investigated.

Regarding the European Union's efforts to combat ML and TF, several authors like Jasinski (2001), Unger et al. (2014) and Ligeti and Simonato, (2017) have analyzed the effectiveness of its legislation. Furthermore, authors like Mekpor et al. (2018), have analyzed the compliance of several countries regarding FATF recommendations.

However, applying the concept of PEP to police and security forces, considering the designated six countries in the sample, in our view represents an original approach and may guide policy makers to include senior members of Police and Security forces as PEP.

¹ We have chosen two countries from South America, two from Europe and two from Asia. Moreover, the choice of the countries regarding Asia, was based on a very high threat level of terrorism and on the existence of official legal translation of legislation to English language.

² A risk is a faction composed by three factors: threat, vulnerability and consequence. For its meanings consult FATF (2013a; 2015c). The US Department of Treasury (2015) also uses the same concepts as FATE.

2. Method and Analysis

In this paper we will create seven tables, four related with TF and three with PEP considering its compliance by the six countries. Concerning TF, using a comparative method, we intend to collect and compare available data, provided by Europol (2010-2016) and Vidino (2011) regarding the importance of Self-Recruitment Terrorism (table one). Next, using the sample of Oftedal (2015), we want to create a table (number two) regarding the financing of terrorism cells. Finally, using the data from FATF (2014a) and US Department of Treasury (2015), we will create and compare data (table three and four) regarding the misuse of NPO and the importance of private financing of TF.

After the findings and discussion of these four tables, we will proceed with the findings and discussion of PEP and its compliance. To achieve that goal, and as far as methodology is concerned, we use a comparative analysis regarding international laws and the different countries' legislation on ML and TF. Indeed, the implementation of international laws by different international bodies and organizations, like the United Nations and the European Union regarding the combat of ML and TF led to the creation of certain international mechanisms: the United Nations Convention Against Corruption (The United Nations 2003) (hereinafter UNCAC) and the anti-money laundering directive: the Directive (EU) 2018/843 of the European Parliament and of the Council (2018). Likewise, FATF is an intergovernmental organization founded in 1989, which aims to combat ML and TF schemes — whose headquarters are in Paris. The FATF issues recommendations to financial institutions on the best practices to be adopted with respect to financial activity to prevent certain types of crime, including TF. The FATF (2012-2020) have prepared a document entitled: "International Standards to Combat Money Laundering and the Financing of Terrorism and Proliferation", comprising 40 recommendations. So, it is important to compare (and confront) the following three sources of international laws on the different meanings of PEP: UNCAC, FATF (2012-2020) and the Directive (EU) 2018/843 of the European Parliament and of the Council (2018), for two reasons: first, these three sources of international laws are influenced by each other, and it should be noted that the European Union itself subscribed to the UNCAC. Moreover, several countries are both members of the European Union and the FATF. To this end, we will create an illustration (number five) comparing key concepts regarding the different aspects of PEP between UNCAC, FATF (2012-2020) and the Directive (EU) 2018/843 of the European Parliament and of the Council (2018).

Next, also using a comparative analysis on countries' legislation, we will create a table (number six) checking if senior members in the Police and Security Forces are qualified as PEP in the case studies countries. Then, also using a comparative method, we will make a table (number seven) analyzing the compliance of MER for the aforementioned six countries regarding FATF recommendations five (Terrorism Financing Offence); eight (measures to prevent the misuse of NPO) and 12 (PEP). After the overall discussion of results, we use a deductive method, with the objective to answer our main question.

Moreover, the consultation of various secondary sources — books and specialized articles will provide us with a complement of information.

There are some limitations regarding TF mostly because the main findings consider

data available mostly in Western countries. However, MER reports use that same data to evaluate its compliance in Asian countries, for instance. One final note: given the subject's sensitiveness, the trust and confidentiality implied and the sanitary context we are now facing, it was not possible to conduct face to face interviews.

3. Findings and Discussion

3.1. Traditional and Emerging Sources of Funds for Terrorist Financing

“Keyboard equals Kalashnikov” — jihadist slogan

Considering Table 1, several aspects must be outlined regarding self-recruitment terrorism: in this situation, an individual (lone wolf) or a group of individuals, influenced by an extremist ideology, create a jihadist network, unaffiliated to any terrorist organization. Indeed, certain individuals may even want to join a terrorist organization, but the lack of skills undermines the goal. Put it simply: “Do it yourself.”

Table 1 — Percentage of Self-Recruitment Terrorism in Western countries

	EUROPOL Terrorism Situation & Trend Report (TE-SAT)	Vidino (2011)
Sample	(Number of suspects arrested for religious inspired terrorism) 1868	(Analyses of Plots against targets inside the European union) 33
Timeline	2009-2015 2009 – 110 arrested 2010 – 179 arrested 2011 – 122 arrested 2012 – 159 arrested 2013 – 216 arrested 2014 – 395 arrested 2015 – 687 arrested	2006-2010 2006 – 6 plots 2007 – 6 plots 2008 – 8 plots 2009 – 5 plots 2010 – 8 plots
Total percentage of self-recruitment terrorism	2/3	70% (21 of 33)

Source: According to the data available from Europol TE SAT reports (2010-2016) and a sample created by Vidino (2011, pp. 12-15).

True, in 2011, the deaths of Bin Laden, Anwar al-Awlaki and online recruiter Samir Khan were a setback for the self-recruitment terrorism and in that year only more than 50% of the people detained in Europe were unaffiliated to known terrorism organizations (Europol, 2012, pp. 19-21). Still, that setback has changed significantly because the Al-Qaeda network and The Islamic State of Iraq and the Levant (hereinafter ISIL) placed an importance on lone wolves and attacks in Western countries, instead of providing financial or material support or even disseminating propaganda (Europol, 2016, p. 26).

Of course, this trend meant that new ways of self-financing of lone wolves and unaffiliated terrorist cells had to be implemented. So, monitoring known terrorist groups is not sufficient for a proper combat of TF, which means that a timely control is paramount. True, AML and

countering TF has made it all more difficult for terrorist organizations to use traditional methods to raise or move funds. Nevertheless, the flexibility of these organizations, and new threats posed by Foreign Terrorist Fighters (hereinafter FTF) —especially the ones returning from ISIL — and small cell terror networks (like the ones unaffiliated to known terrorist organizations), require “authorities to monitor not only how these traditional methods continue to be used”, but also how they make use of emerging sources for TF (FATF, 2015a, p.11).

So, according to the findings of Table 2, comprising 40 terrorist cells that plotted or carried out attacks in Western Europe (between 1994 and 2013), 50% were self-financed and 3/4 of the analyzed plots estimated at less than \$10.000 (Ofstedal, 2015, p. 45).

Table 2 — Financing of terrorist cells

Sample	40 terrorist cells in western Europe
Timeline	1994-2013
Self-financed	50%
Estimated amount	¾ less than \$10.000

Source: According to the data available from Ofstedal (2015).

Moreover, several samples of the terrorist cells analyzed by Ofstedal (2015) were also used by Vidino (2011), which means that not only most of these terrorist cells were self-financed but also that they used small amounts of money (less than €10.000), and resulted from self-recruitment terrorism. These findings only highlight the difficulty to trace and deter TF and the need to have a strong legal framework without loopholes for a better combat of TF.

On the other hand, Table 3 shows that terrorist organizations target some NPO to gain access to materials and funds and to exploit their networks. True, individuals and organizations seeking fundraising for TF “may attempt to disguise their activities by claiming to be engaged in ‘legitimate charitable’ or humanitarian activities and may establish NPO for these purposes” (FATF, 2014a, p. 42). Furthermore, “internal actors affiliated to terrorist organizations demonstrate that these individuals are able to exercise influence over the operations of the NPO that ultimately support terrorist organizations” (FATF, 2014a, p. 42). Also, according to FATF (2014a) the main reason of the NPO misuse was the result of a lack of robust internal governance and/or appropriate external oversight.

Table 3 — Misuse of NPO

Sample	102 case studies
Origin	14 countries Australia, Belgium, Brazil, Canada, Czech Republic, France, Israel, Japan, Kyrgyzstan, Mozambique, New Zealand, Norway, Portugal and Thailand.
Diversion of funds	54%
Affiliation with a Terrorist Entity	45%
Support for Recruitment	26%

Source: According to the data available from FATF (2014a). There are other misuses, but they represent a small percentage so the authors’ decided not to include them.

Bearing in mind that *Zakat* is the third pillar of Islam (e.g., a Muslim believer should give a small amount to charity and so on), the importance of charitable organizations is not questioned. Yet, the lack of knowledge of Islam and its complex realities, often makes people unable to distinguish “(...) the moderates from the radicals that disguise themselves by using a tolerant rhetoric” (Baran, 2006, p. 12). Furthermore, most policy makers do not even have knowledge about the Islamic religion and its complex realities (Baran, 2010, p. 11). Even if declarations and activities of NPO leaders seemed suspicious and radical, they were not properly investigated because there were understood as being connected with the proper practice of Islam. The risk of abuse of NPO (26%) was most visible in the recruitment of members for terrorism purposes.

According to Table 4, these findings are like those of table three, emphasizing the importance of NPO (although The US Department of Treasury uses the designation charitable organizations, they pursue the same goals “good works” as NPO in FATF reports) in fundraising for TF, even if not channeled through an NPO.

Table 4 — Misuse of charitable organizations and/or private donations to terrorism

Sample	96
Timeline	2001-2014
Individual donations to terrorism	33%
Individual donations on behalf of charitable organizations	24%
Fundraising through charitable organizations	20%

Source: According to the data available from the US Department of Treasury (2015).

Regarding private donations, we must underline the importance of *the Hawala system*, consisting of a method of transferring money without any physical money moving, used since the 8th century in South Asia. Besides this is a system based on trust and without official records and if the *Hawala system* is not generally unlawful, after September 11, it has been used by terrorist and criminal groups to avoid AML and CTF³ (FATF 2013b; US Department of Treasury, 2015).

So, these four tables concerning TF, highlights four main trend findings: the self-recruitment terrorism; the self-financed terrorism; the small amounts used in terrorism acts, and the importance of private donations: either individually or channeled through an NPO.

But what kind of activities are pursued by terrorist organizations? Traditionally, as FATF (2015a, p.11) pointed out, terrorist organizations use funds for five activities: operations (e.g., carry out specific terrorist attacks and undertake pre-operational surveillance); propaganda and recruitment (e.g., use of internet, especially the social media); training; salaries and member compensation. Finally, social services because

³ Concerning the “would-be Times Square bomber, Faisal Shahzad” and the transfer of funds using the *Hawala system* see Freeman and Ruehsen (2013, pp. 10-11). Also consult US Department of Treasury (2015, pp. 23-24).

several terrorist groups use their economic funds to support social associations providing a myriad of social services, with the scope to “undermine the credibility of the legitimate governments” (FATF, 2015a, p. 12).

Another traditional source for generating revenues for TF is engaging in criminal activities⁴ (FATF, 2008; US Department of Treasury, 2015). For example, terrorist organizations engaged in identity theft to raise funds via credit card fraud; opium trade; extortion; kidnapping for ransom and even tax crimes.⁵

However, new sources for TF are emerging, a trend that began with the appearance of the ISIL⁶ and the FTF phenomenon. Indeed, “individuals often use funds from legitimate sources (e.g., employment income, family support, bank loans) to finance their travel to the conflict zone” (FATF, 2015a, p.24).

Finally, the fundraising through social media has become one of the most important new income for TF, especially thanks to the anonymity of the Internet. After all, the rapid expansion of social media has been exploited by terrorist groups to spread their terrorist propaganda and therefore represents a growing TF vulnerability.

Social networks are being also used to coordinate fundraising campaigns, and may raise substantial amounts of income (FATF, 2015a). Likewise, terrorist organizations “are now able to conduct outreach to a large audience through a peer-to-peer horizontal communication, that starts on chats and forums, goes on through social networks, and sometimes keeps on going through mobile application for communication” (FATF, 2015a, p. 33). Additionally, continual changes in technology regarding online and new payment methods (e.g., crowdfunding; virtual currencies⁷, prepaid cards) pose a vulnerability, especially because many of these systems can be accessed globally; used to transfer funds quickly and are also anonymous by design (FATF, 2015a).

3.2. Definition of PEP in International Legal Systems

Considering Table 5, several aspects must be outlined. To begin with, the UNCAC is quite vague and abstract in the densification of concepts associated with the PEP, but the explanation is linked to the need to reach compromises between different countries in different regions that sometimes have conflicting interests.

⁴ As alerted by FATF (2018b, p. 16), in the last few years it has been detected many arrests of lone wolfs and FTF who have previous criminal records.

⁵ In Finland, “four Finnish citizens were arrested on suspicion of having committed offences including tax fraud in order to finance jihadist activities in Syria and Finland” (Europol, 2015, p. 10).

⁶ For a detailed analysis regarding the myriad of income sources of TF concerning ISIL, consult FATF (2015b) and Martin and Solomon (2017).

⁷ Regarding the schemes for TF involving virtual currencies, consult FATF (2014b). For a RBA on virtual currencies consult FATF (2015c).

Table 5 — Comparative chart of PEP in UNCAC, FATF 40 recommendations and fifth European Directive

PEP	UNCAC	FATF (40 recommendation's) 2012-2020	The Directive 2018/843 (fifth anti-money laundering)
Basic definition of PEP	Individuals who are, or have been, entrusted with prominent public functions and their family members and close associates	People who are or have been assigned prominent public functions, nationally or in a foreign country, or in an international organization	Natural person who is or who has been entrusted with prominent public functions
Nacional, foreigner, international office	National and foreigner	National, foreign and international office	PEP resident in another country
Time limit	Not specified	No limit	One year after leaving the service, based on a risk-based approach
Family members	Not specified	Related individuals either directly (family members) or through marriage or similar (civil) union formula	a) The spouse, or a person considered to be equivalent to a spouse, of a politically exposed person; b) The children and their spouses, or persons considered to be equivalent to a spouse, of a politically exposed person; c) The parents of a politically exposed person
Close associates	Individuals clearly associated with people who perform, or have performed, important public functions	Individuals very close to the PEP, either socially or professionally	a) Natural persons who are known to have joint beneficial ownership of legal entities or legal arrangements, or any other close business relations, with a politically exposed person; b) Natural persons who have sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the de facto benefit of a politically exposed person
Heads of State	Not specified	Specified	Specified
Heads of government	Not specified	Specified	Ministers, Ministers-Deputies and Secretaries of State
Members of parliament or of similar legislative bodies	Not specified	Specified	Specified
Members of the governing bodies of political parties	Not specified	Employees of important political parties	Specified
Members of courts	Not specified	Justice officials	Members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances
Members of the armed forces	Not specified	Officers of the armed forces	High-ranking officers in the armed forces
Companies hold by the State	Not specified	Specified	Members of the administrative, Management or supervisory bodies of State-owned enterprises
Diplomatic representatives	Not specified	Specified	Ambassadors, chargés d'affaires
Members of banks	Not specified	Specified	Members of courts of auditors or of the boards of central banks
Exclusions	Not specified	Employees with a intermediate or lower hierarchical position from those mentioned above	Does not cover middle-ranking or more junior officials

Source: Elaboration based on the aforementioned legislation (UNCAC; FATF 40 Recommendations and the Directive 2018/843).

Also, the FATF (2012-2020) list is not — nor is it intended to be — exhaustive. In fact, it advocates its adaptation to the respective legal systems according to its administrative organization and its different levels (for example, Federal, State, and Local). However, the FATF (2012-2020) recommendations (especially its interpretative notes) are extremely meticulous and detailed with regard to the performance of banking institutions (e.g., not maintaining anonymous accounts or fictitious names), financial ones and others, including how to deal with emerging financial instruments (and control), as well as anticipating a myriad of possible scenarios (for example, it recommends checking whether the beneficiary of a life insurance policy is a PEP). On the other hand, the requirements applicable to foreign PEP do not involve a residence criterion.

In fact, the option regarding the densification with key concepts associated with PEP presupposes that gatekeepers enjoy maximum freedom (and responsibility) in their performance in order to be able to anticipate possible infractions derived from a lack of RBA.

Indeed, the time limitation imposed by the Directive (EU) 2018/843 of the European Parliament and of the Council (2018), one year after leaving office as PEP, is also reductive because in the case of certain positions (e.g., Head of State), their privileges last well beyond the end of the performance of these functions.

Furthermore, although the Directive (EU) 2018/843 of the European Parliament and of the Council (2018) is quite accurate in certain definitions, this option proves to be too costly in some situations. For example, the definition of a close relative is linked to a European reality, based on a limited degree of kinship (descendants and ascendants), ignoring other more distant kinship levels (such as uncles, nephews and cousins, among others). In some of the historical examples already mentioned in this paper, the so called “more distant” family members played decisive roles in ML and TF schemes and would not be qualified as a PEP.

Regarding the designation “High Ranking Officers”, and taking into account the NATO (2010) codes for grades of military personnel, this designation comprises the General Officers (from OF-6 to OF-9) usually from the ranks of Brigadier-General (one star) to General (four star), in the Army and Air Force and from Commodore to Admiral in the Navy.

3.3. Senior Members in the Police and Security Forces as PEP

So according to Table 6, the United Kingdom’s senior members (or even members) of Police and Security forces are not qualified as PEP⁸. However, Portugal (in a very recent legislation change, dated of August 31st 2020) shifted its legal paradigm by qualifying as PEP General Officers (in active duty) of the National Republican Guard and Chief Superintendents of the Public Security Police (PSP). Indeed, until the Law n.º 58/2020 (Assembleia da República, 2020) entered in force, Portugal did not include senior members (or even members) of Police and Security as PEP.

⁸ With the conclusion of BREXIT, United Kingdom no longer will be required to implement European Union Law. So, any future changes to ML laws can be made by the UK Government under Sanctions and Anti-Money Laundering Act 2018 (Parliament, House of Commons, 2020).

Table 6 — Qualification of senior members of Police and Security forces as PEP in six countries

Countries	UNCAC	FATF (40 recommendation's 2012-2020)	National legislation regarding ML and/or TF	Members of Police and Security forces as PEP
Portugal	Ratified	Member	Law No. 58/2020, August 31 (Transposition of the Directive 2018/843)	Foreseen ✓ General Officers (in active duty) of the National Republican Guard ✓ Chief Superintendents of the Public Security Police (PSP)
United Kingdom	Ratified	Member	The Money Laundering and Terrorist Financing (Amendment) Regulations of 2019 (Transposition of the Directive 2018/843)	Not foreseen
Philippines	Ratified	Member of the APG which is a FAFT associate member	Republic Act. No. 9160 – Anti-Money Laundering Act (AMLA) of 2001 Republic Act. No. 10168 – Terrorism Financing Prevention and Suppression Act of 2012 Circular No. 950 of 2017 from the Bangko Sentral ng Pilipinas	Not foreseen
Pakistan	Ratified	Member of the APG which is a FAFT associate member	Anti-Terrorism Act (Amendment) Bill, 2020	Not foreseen
Chile	Ratified	Member of GAFILAT which is a FAFT associate member	Law No. 19913 of December 12, 2003 – Creates the financial analysis unit and modifies several provisions on laundering and laundering assets. Last modified by the Law No 21234 of May 29, 2020	Foreseen ✓ Director General Carabiners; ✓ Director General of Investigations
Uruguay	Ratified	Member of GAFILAT which is a FAFT associate member	Law No. 19,574 of December 20, 2017 and in articles 1 and 2 of Decree No. 379/018 that regulates the aforementioned Law	Foreseen ✓ Chiefs, Deputy Chiefs ✓ Inspectors and Police Directors

Source: Elaboration taking into account the aforementioned countries legislation of six countries.

Likewise, it is important to note that the aforementioned countries of South America are part of GAFILAT, in which the definition of PEP is often the responsibility of a State body (e.g., Financial Analysis Unit in Chile), rather than being directly fixed in a legislative act.

Now, this legislative technique (a simple decision from the minister of finance can change the qualification of a PEP) allows for greater adaptability and flexibility in a global world where the schemes (and beneficiaries) of ML and TF are increasingly ingenious and complex. In contrast, in Portugal and Great Britain, the definition of PEP is based on legislative acts that almost follow *ipsis verbis* the transposition of the European Directive.

In fact, in the two South American countries analyzed, there is an express legal provision to qualify senior members of Police and Security Forces as PEP, and in some cases, specifying from which post such a qualification may occur. In the case of Uruguay, PEPs are considered “persons who perform or have performed a public function in the last five years following

the termination of office” (GAFILAT, 2020, p. 97).

Regarding the Philippines, the term PEP was not mentioned in the original Anti-Money Laundering Act of 2001, nor was it in the subsequent amendments. The term surfaced in an updated anti-money laundering rules and regulations (Bangko Sentral ng Pilipinas, 2011).

Indeed, PEP refers to “an individual who is or has been entrusted with prominent public position in the Philippines with substantial authority over policy, operations or the use or allocation of government owned resources; a foreign state, or an international organization” (Bangko Sentral ng Pilipinas, 2017).

In theory, a vague and abstract definition of PEP adopted by the Philippines can encompass a greater plurality of individuals and organizations. However, unlike FATF (2012-2020) recommendations which are very meticulous and detailed, those of Bangko Sentral ng Pilipinas RBA⁹ are vague regarding PEP, which can make a difference regarding its efficiency.

3.4. Compliance Related to Terrorism Financing, Misuse of NPO and PEP

So, according to Table 7 and despite all MER being produced according to the FATF recommendations and its interpretative notes, a closer look to these reports shows some inconsistencies, and even some contradictions. Furthermore, the scope and efficiency of countries legislation cannot be measured by a vague and abstract definition: densification is a key component of a good legal framework. The weight of private donation and/or self-financing gives a particular importance to TF as an autonomous crime (recommendation 5), to NPO (recommendation 8) and to PEP (recommendation 12). Therefore, it is important not only to widen the definition but also to densify it, and these aspects are visible regarding the Philippines which is largely compliant with all three recommendations.

Table 7 — Compliance regarding TF, misuse of NPO and PEP in six countries

Countries	Mutual Evaluation Report	Terrorism Financing Offence (Recommendation 5)	Measures to Prevent the Misuse of NPO (Recommendation 8)	PEP (Recommendation 12)
Portugal	Fourth MER (2017)	Largely Compliant	Partially Compliant	Largely Compliant
United Kingdom	Fourth MER (2018)	Compliant	Compliant	Compliant
Philippines	Third MER (2019)	Largely Compliant	Largely Compliant	Largely Compliant
Pakistan	Third MER (2019)	Largely Compliant	Partially Compliant	Partially Compliant
Chile	Third MER (2010)	Partially Compliant	Compliant	Compliant
Uruguay	Fourth MER (2020)	Largely Compliant	Compliant	Compliant

Source: Elaboration using the data from the MER made by APG; FATF; and GAFILAT of the six countries.

However, in the same report are pinpointed several limitations which contradict its evaluation, regarding all three evaluations. For instance, concerning recommendation five, although the sanctions that are to be applied to individuals who commit the TF offence (maximum imprisonment of 40 years and maximum fine of P1,000,000) “[...] are likely to be

⁹ Compare, for instance, with the precision of RBA from legal professional (lawyers, notaries, and so on) that FATF (2019) advocates.

effective, proportionate and dissuasive [...]”, the lack of TF¹⁰ convictions make it “impossible to assess the application or efficacy of sanctions in practice” (APG, 2019a, 84). Also, after “six and a half years since the introduction of the standalone TF offence, the Philippines has not conducted any TF prosecutions” and after all, “[...] from 2014 to 2017, there were only 18 TF investigations” (APG, 2019a, p. 84). Additionally, “there have been no prosecutions or convictions despite almost 1,000 terrorist incidents occurring in the Philippines during the period under review” (APG, 2019a, p. 11).

Moreover, concerning recommendation eight, “the Philippines has a large and diverse NPO sector, which was recently subject to an assessment to identify the features and types of NPO likely to be at risk of TF abuse” (APG, 2019a, p. 6). Moreover, “there have been 32 NPOs in the Philippines potentially involved in TF activity” (APG, 2019a, p. 11).

Likewise, despite the above description and concluding that “Minor Targeted risk-based supervision or monitoring of the NPO sector has commenced, although there are still knowledge gaps regarding the composition of the NPO sector relating to both registered and unregistered NPOs” (APG, 2019a, p. 175), the rate on this recommendation is contradictory with the evaluation.

Finally, as far as recommendation 12 is concerned, the Philippines has been considered as “largely compliant”, even if PEP requirements set out by the Bangko Sentral ng Pilipinas “are only applicable to close associates in restricted circumstances” (APG, 2019a, p. 244). In addition, the report even considers the vague formula such as “immediate family members” as good legal framework but it fails short in comparison with the densification, made by The Directive (EU) 2018/843 of the European Parliament and of the Council (2018) concerning family members and close associates.

Regarding Pakistan some of the key conclusions show it “has limited mitigating measures for legal persons and there is no supervisory oversight of TF regarding legal persons” (APG, 2019b, p. 7). The 2020 Follow-Up Report (hereinafter FUR) on the progress of Pakistan in addressing the technical compliance deficiencies identified in its 2019 MER found that for recommendation 12, Pakistan remains partially compliant (APG, 2020, p. 7). Since the MER, Pakistan has revised the EC Manual and has introduced new AML/CFT legislation which includes measures related to PEP. Still, it remains in the FATF Grey List until February 2021, since “the AML/CFT Rules do not constitute ‘enforceable means’¹¹, as no penalties for non-compliance have yet been specified” (APG, 2020, p. 7).

Regarding the two European case studies, Portugal and United Kingdom face different degrees of exposure to TF. According to the National Risk Assessment, the major risks for Portugal relate to Islamist groups and separatist movements, although globally “the TF risk level is deemed to be low” (FATF, 2017, p. 16). True, Portugal was rated largely compliant with FATF requirements of Recommendation 12, but still there are some limitations, because

¹⁰ For a detailed analysis of TF in the Philippine’s and the combat by its government consult Croissant and Barlow (2007). Regarding the Lamitan Bombing consult Banlaoi (2018). For an analysis of the Abu Sayyaf Group consult Singh (2018).

¹¹ For a detailed explanation regarding the difficulties for Pakistan to comply with FATF recommendations, consult Bukhari et al. (2021). Moreover, concerning the difficulties to implement policies and legislative measures consult Zahid (2018, p. 22). Finally, regarding the misuse of the *hawala* system used by terrorist regarding ML and TF, see Rasa et al. (2017).

Portugal has criminalized TF in accordance with the UN Terrorism Financing Convention although “concerns remain, in particular, about the financing of an individual terrorist, without a link to a terrorist act” (FATF, 2017, p. 4). Also, Portugal must conduct a proper review concerning NPO with the objective to avoid being abused for TF (FATF, 2017, p. 70).

The UK faces considerable threats from international terrorism although its TF activity is not significant, “involving small amounts of funds raised by UK based individuals to fund their own travel to join terrorist groups, to send to terrorist associates, or to finance their own terrorist attack plans” (FATF, 2018a, p. 5). However, it has proceeded to the adoption of the necessary measures and in its last MER of December 2018, the UK was rated compliant (FAFT, 2018a, p. 198). Moreover, UK has been rated with high standards evaluations and has a very good understanding of TF risks especially with FTF and the misuse of NPO (FAFT, 2018a).

As far as the Uruguay and Chile are concerned, they are both members of GAFILAT which has conducted the evaluation, although many years separate the MER of the two countries: 2010 for Chile and 2020 for Uruguay. Indeed, over the years, and especially after 2010, FATF has produced more interpretative notes (introducing more rigorous criterion) to enforce its recommendations, which means that comparing MER in a long timeline can produce some shortcomings.

Concerning Uruguay, although major risks related to criminal funds from abroad exist, “the overall risk of terrorist financing was considered low” and the financial system “had not been used for those purposes” nor “there are terrorist organizations operating locally” (GAFILAT, 2020, pp. 5-6). As far as recommendation 12¹² is concerned, it has been rated compliant for it, has strengthened its CTF system and met the failing criteria pointed out (GAFILAT, 2020, 184-186).

4. Answering the Main Question: Should Senior Members in the Police and Security Forces be Qualified as Politically Exposed Person?

Financial intelligence is a necessary component for all counter terrorism activities, and the use of relevant and appropriate non-financial information is essential for TF investigations, especially considering the emerging sources of funds for Terrorist Financing. Key points must be extracted from a large amount of raw information and alternative scenarios must be evaluated.

Moreover, financial intelligence analysts must have knowledge, skills, and abilities if they want to be proactive (and not reactive), regarding Anti-Money Laundering and the Combat of Financing Terrorism. After all, a substantial part of TF occurs in two temporal moments: when an individual is going to commit a terrorist act or when he joins a terrorist organization (FATF, 2018b). So, timing is crucial regarding CFT, and a RBA is one of the tools.

A “zero failure” RBA approach is an idealist scenario; there are occasions where results are not good enough, even with a proper legal investigation and despite having taken reasonable

¹² Clavijo Suntura et al. (2020) analyze and identify the numerous qualifications of PEP in Latin America countries, advocating the creation of uniformed regulations, for proper efficiency.

and proportionate CFT measures to identify and mitigate risks. A TF risk assessment needs a CFT legal and regulatory framework, without loopholes in the law that can be exploited.

Therefore, PEP is a tool to CFT, especially considering that a substantial part of funds from TF comes from private donations either directly or indirectly, through private donation to legal persons, mostly NPO. One of the findings of this paper was that both in the Philippines and in Pakistan the surveillance over Legal Persons (which includes, NPO) is ineffective, which means that private donations to NPO are not scrutinized. Moreover, other key findings of this paper link vague densifications of PEP with an inefficient legal framework, that leads to fewer investigations and little (or no) condemnations by courts of law regarding TF.

It is true that both in FATF (2012-2020) 40 recommendations and in the Directive (EU) 2018/843 of the European Parliament and of the Council (2018), the qualification of PEP can be extended to natural people with an intermediate or lower hierarchical position from those in this paper (e.g., covering the military ranks from Captain to Coronel and not only Official Generals). However, if senior members of Police and Security forces are not expressly identified as PEP, of course the extension to qualify junior members of a Police or Security force as PEP cannot be applied.

As already mentioned, for historical reasons only Official Generals of the armed forces were qualified as PEP because they headed departments of Police and Security forces. However, times have changed and if Heads of State, ministers, and so on are qualified as PEP, there is no reason not to qualify senior members of Police and Security forces as PEP.

Nevertheless, some shortcomings can also be found in the countries that define Police and Security forces as PEP. For instance, in Portugal according to article 25 of Law No. 53/2008 (Assembleia da República, 2008), the Police and Security forces who exercise competences in the field of internal security are not only the Republican National Guard (GNR) and the Public Security Police (PSP) — whose their senior members are qualified as PEP — but also the Judiciary Police (PJ); the Portuguese Immigration and Borders Service (SEF) and the Security Information Service (SIS). Indeed, the Judiciary Police (attached to the Ministry of Justice) has the most significant role in criminal investigations entrusted by law or delegated by the competent judicial organ.

Finally, if a natural person is qualified as a PEP, its money transactions will be scrutinized and that can make the difference regarding CTF. Considering future prospects, based on an RBA, there is no legal justification for not qualifying a senior member of Police and Security forces as a PEP since their public and core functions represent a vulnerability which can be exploited regarding TF. Indeed, according to the US State Department of Treasury (2015, p. 22) a proper and efficient legal framework have aided gatekeepers, to mitigate risks and to reduce the potential abuse including TF.

5. Conclusions

- Concerning TF, we have identified four main trends: self-recruitment terrorism; self-financed terrorism; small amounts used in terrorism acts, and the importance of private donations: either individually or channeled through an NPO.
- A substantial part of funds from TF comes from private donations either directly or

indirectly through private donation to NPO.

- Regarding the qualification as PEP, FATF (2012-2020) 40 recommendations are still the best international legal tool against ML and TF, in comparison with the Directive (EU) 2018/843 of the European Parliament and of the Council (2018) and the UNCAC.

- A vague densification of TF, misuse of NPO and PEP leads to a weak legal framework concerning TF with implications on the investigation (and condemnations) regarding TF, and the Philippines and Pakistan fit into that example.

- Philippines, Pakistan, and the United Kingdom do not qualify senior members of the Police and Security Forces as PEP, which may represent a security breach regarding TF.

- Although Chile, Uruguay and Portugal qualify senior members of Police and Security Forces as PEP, this qualification needs to be accompanied with other counter terrorism financing measures, especially if other risks included in a RBA persist.

References

- Anti-Terrorism Act (Amendment) Bill (2020). Pakistan. [Website]. Retrieved from http://www.na.gov.pk/uploads/documents/1595864688_763.pdf
- Asian Pacific Group (2019a). *Anti-money laundering and counter-terrorist financing measures - Philippines, Third Round, Mutual Evaluation Report*, APG, Sydney. [Website]. Retrieved from <http://www.apgml.org/includes/handlers/get-document.ashx?d=c0fe3714-bfcf-475e-8ff3-47e9c3cfe496>
- Asian Pacific Group (2019b). *Anti-money laundering and counter-terrorist financing measures - Pakistan, Third Round Mutual Evaluation Report*, APG, Sydney. [Website]. Retrieved from <http://www.apgml.org/includes/handlers/get-document.ashx?d=389ff465-24a1-41cf-9ab9-27edc2e4c836>
- Asian Pacific Group (2020). *1st Follow-Up Report Mutual Evaluation of Pakistan*. APG, New South Wales, Australia. [Website]. Retrieved from <http://www.fatf-gafi.org/media/fatf/documents/reports/fur/APG-1st-Follow-Up-Report-Pakistan-2020.pdf>
- Banco Central del Uruguay (2019). *Lista de personas que ocupan cargos incluidos en la definición de Personas Políticamente Expuestas*. [Website]. Retrieved from <https://www.bcu.gub.uy/Servicios-Financieros-SSF/Paginas/Personas-Politicamente-Expuestas.aspx>
- Bangko Sentral ng Pilipinas (2011). *Updated Anti-Money Laundering Rules and Regulations. Circular No. 706*. [Website]. Retrieved from <https://www.bsp.gov.ph/Pages/ABOUT%20THE%20BANK/Advocacies/Advocacies/Microfinance%20and%20Financial%20Inclusion/BSP%20Regulations%20Related%20to%20Microfinance%20and%20Financial%20Inclusion/VI.%20Anti-Money%20Laundering%20or%20Combating%20the%20Financing%20of%20Terrorism%20AML%20or%20CFT/Circular-706.aspx>
- Bangko Sentral ng Pilipinas (2017). *Amendments to Part Eight of the Anti-Money Laundering Regulations of the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions. Circular No. 950*. [Website]. Retrieved from <https://www.bsp.gov.ph/Pages/ABOUT%20THE%20BANK/Advocacies/Advocacies/Microfinance%20and%20Financial%20Inclusion/BSP%20Regulations%20Related%20to%20Microfinance%20and%20Financial%20Inclusion/VI.%20Anti-Money%20Laundering%20or%20Combating%20the%20Financing%20of%20Terrorism%20AML%20or%20CFT/Circular-950.aspx>

- Banlaoi, R. C. (2018). The Lamitan Bombing and Terrorist Threat in the Philippines. *Counter Terrorist Trends and Analyses*, 10(9), 1-5.
- Baran, Z. (2006). Countering Ideological Support for Terrorism in Europe: Muslim Brotherhood and Hizb ut-Tahrir — Allies or Enemies? *Quarterly Journal*. Retrieved from https://consortium.pims.org/filestore2/download/3607/Countering%20Ideological%20Support%20for%20Terrorism%20in%20Europe_Zeyno%20BARAN.pdf
- Baran, Z. (2010). *The Other Muslims. Moderate and Secular*. New York: Palgrave Macmillan.
- Baran, Z., & Tuohy, E. (2011). *Citizen Islam. The Future of Muslim Integration in the West*. New York: Continuum.
- Brown, G. (2006). *Meeting the Terrorist Challenge*. Speech at Chatham House, London, 10 October.
- Bukhari, H., & Haq, I., & Shakoori, A.R. (2021). *Pakistan: Tackling FATF Challenges & Solutions*. AA Consultants & Publishers.
- Clavijo Suntura, J. H., & Rosero Rosero, P.M., & Aragón Cuamacás, G.E. (2020). Challenges of identifying and monitoring politically exposed persons (PEPs) in Latin America. *Journal of Money Laundering Control*. doi: org/10.1108/JMLC-05-2020-0061
- Croissant, A., & Barlow, D. (2007). Following the Money Trail: Terrorist Financing and Government Responses in Southeast Asia. *Studies in Conflict & Terrorism*, 30(2), 131-156. doi: 10.1080/10576100600959721
- Dean, A., Thompson, E., & Thompson, K. T. (2013). Draining the Ocean to Catch one Type of Fish: Evaluating the Effectiveness of the Global Counter-Terrorism Financing Regime. *Perspectives on Terrorism*, 7(4), 62-78.
- Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (2018). *OJ L 156 43-74*.
- Dow Jones Watchlist (2013). *Dow Jones Risk & Compliance User Interface User Guide*. [Website]. Retrieved from http://factiva.com/en/cp/collateral/files/DJ_Risk_and_Compliance_UI_UserGuide_EN.pdf
- European Union Law Enforcement Agency. 2010. *EU Terrorism Situation and Trend Report 2009*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/te-sat-2010-eu-terrorism-situation-trend-report>
- European Union Law Enforcement Agency. 2011. *EU Terrorism Situation and Trend Report 2010*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/te-sat-2011-eu-terrorism-situation-and-trend-report>
- European Union Law Enforcement Agency. 2012. *EU Terrorism Situation and Trend Report 2011*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/te-sat-2012-eu-terrorism-situation-and-trend-report>
- European Union Law Enforcement Agency. 2013. *EU Terrorism Situation and Trend Report*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/te-sat-2013-eu-terrorism-situation-and-trend-report>
- European Union Law Enforcement Agency. 2014. *EU Terrorism Situation and Trend Report*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/te-sat-2014-eu-terrorism-situation-and-trend-report>

- European Union Law Enforcement Agency. 2015. *EU Terrorism Situation and Trend Report*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-2015>
- European Union Law Enforcement Agency. 2016. *EU Terrorism Situation and Trend Report*. [Website]. Retrieved from <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2016>
- Financial Action Task Force (2008). *FATF Terrorist Financing Typologies Report*. FATF. Paris. [Website]. Retrieved from www.fatf-gafi.org/publications/methodsandtrends/documents/fatfterroristfinancingtypologiesreport.html
- Financial Action Task Force (2012-20). *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, FATF, Paris, France. [Website]. Retrieved from <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>
- Financial Action Task Force (2013a). *FATF Guidance. National Money Laundering and Terrorist Financing Risk Assessment*. FATF, Paris. [Website]. Retrieved from www.fatf-gafi.org/publications/methodsandtrends/documents/nationalmoneylaundryingandterroristfinancingriskassessment.html
- Financial Action Task Force (2013b). *The Role of Hawala and Other Similar Service Providers in Money Laundering and Terrorist Financing*. FATF, Paris. [Website]. Retrieved from <http://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf>
- Financial Action Task Force (2014a). *Risk of terrorist abuse in non-profit organization's* (the "NPO report"), FATF. Paris. [Website]. Retrieved from www.fatf-gafi.org/publications/methodsandtrends/documents/risk-terrorist-abuse-non-profits.html
- Financial Action Task Force (2014b). *Virtual Currencies: Key Definitions and Potential AML/CFT Risks*. FATF. Paris. France. [Website]. Retrieved from www.fatf-gafi.org/publications/methodsandtrends/documents/virtual-currency-definitions-aml-cft-risk.html
- Financial Action Task Force (2015a). *Emerging terrorist Financing Risks*. FATF. Paris. [Website]. Retrieved from <https://www.fatf-gafi.org/media/fatf/documents/reports/Emerging-Terrorist-Financing-Risks.pdf>
- Financial Action Task Force (2015b). *Financing of the Terrorist Organization of the Islamic State and the Levant (ISIL)*, (the 'FATF ISIL report'). FATF. Paris. [Website]. Retrieved from www.fatf-gafi.org/publications/methodsandtrends/documents/financing-of-terrorist-organisation-isil.html
- Financial Action Task Force (2015c). *Guidance to a Risk-Based Approach to Virtual Currencies*. FATF. Paris. France. [Website]. Retrieved from www.fatf-gafi.org/publications/fatfgeneral/documents/guidance-rba-virtual-currencies.html
- Financial Action Task Force (2017). *Anti-money laundering and counter-terrorist financing measures - Portugal, Fourth Round Mutual Evaluation Report*. FATF. Paris. [Website]. Retrieved from www.fatf-gafi.org/publications/mutualevaluations/documents/mer-portugal-2017.html
- Financial Action Task Force (2018a). *Anti-money laundering and counter-terrorist financing measures - United Kingdom, Fourth Round Mutual Evaluation Report*. FATF. Paris. France. [Website]. Retrieved from <https://www.fatf-gafi.org/publications/mutualevaluations/documents/mer-united-kingdom-2018.html>

- Financial Action Task Force (2018b). *Financing of Recruitment for Terrorist Purposes*. [Website]. Retrieved from <https://www.fatf-gafi.org/publications/methodsandtrends/documents/financing-recruitment-terrorist-purposes.html>
- Financial Action Task Force (2019). *Guidance for a Risk Based Approach. Legal Professionals*. FATF. Paris. France. [Website]. Retrieved from [https://www.fatf-gafi.org/documents/riskbasedapproach/documents/rba-legal-professionals.html?hf=10&b=0&s=desc\(fatf_releasedate\)](https://www.fatf-gafi.org/documents/riskbasedapproach/documents/rba-legal-professionals.html?hf=10&b=0&s=desc(fatf_releasedate))
- Freeman, M., & Ruehsen, M. (2013). Terrorism Financing Methods: An Overview. *Perspectives on Terrorism*, 7(4), 5-26.
- Greenberg, T. S., Gray L. S., Delphine, L. M., & Gardner, C. (2009). *Stolen Asset Recovery. Politically Exposed Persons. A Policy Paper on Strengthening Preventive Measures*. Washington D.C: The World Bank.
- Grupo de Acción Financiera de Latinoamérica (2020). *Mutual Evaluation Report of the Eastern Republic of Uruguay*, GAFILAT, Buenos Aires. [Website]. Retrieved from <https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/GAFILAT-Mutual-Evaluation-Report-Uruguay-2020.pdf>
- Herbert, F. (1987). *Dune*. New York: Ace Books.
- Jasinsky, W. (2011). New Challenges in Combating Money Laundering, Terrorism Financing and Corruption. *Internal Security*. 3(2). 181-200.
- Kang, S. (2018). Rethinking the Global Anti-Money Laundering Regulations to Deter Corruption. *International and Comparative Law Quarterly*, 67(3), 695-720. doi:10.1017/S0020589318000106
- Lei n.º 53/2008. *Aprova a Lei de Segurança Interna*. Diário da República, 1.º Série, 167, 29 de Agosto, pp 1-7. Última atualização pela Lei n.º 21/2019, de 25 de fevereiro. Diário da República, 1.º Série, 39, 25 de fevereiro. Lisboa: Assembleia da República.
- Lei n.º 58/2020. *Transpõe a Diretiva (UE) 2018/843 do Parlamento Europeu e do Conselho, de 30 de maio de 2018, que altera a Diretiva (UE) 2015/849 relativa à prevenção da utilização do sistema financeiro para efeitos de branqueamento de capitais ou de financiamento do terrorismo e a Diretiva (UE) 2018/1673 do Parlamento Europeu e do Conselho, de 23 de outubro de 2018, relativa ao combate ao branqueamento de capitais através do direito penal, alterando diversas leis*. Diário da República. 1.º Série, 169, 31 de agosto, pp. 3-206. Lisboa: Assembleia da República.
- Ley n.º 19574 (2018). *Ley Integral Contra El Lavado de Activos*. Uruguay. [Website] Retrieved from <https://www.impo.com.uy/bases/leyes/19574-2017>
- Ligeti, K., & Simonato, M.. (2017). *Chasing Criminal Money: Challenges and Perspectives on Asset Recovery in the EU*. Bloomsbury Publishing.
- Martin, M., & Solomon, H. (2017). *Islamic State: Understanding the Nature of the Beast and Its Funding*, *Contemporary Review of the Middle East*, 4(1), 18-49. doi: 10.1177/2347798916681319
- Mekpor, E. S., Aboagye, A., & Welbeck, J. (2018). *The Determinants of Anti-money Laundering Compliance among the Financial Action Task Force (FATF) Member States*. *Journal of Financial Regulation and Compliance*.
- North Atlantic Treaty Organization (2010). *NATO Codes for Grades of Military Personnel. STANAG 2116*. Edition 6.

- Oftedal, E. (2015). *The Financing of Jihadi Terrorist Cells in Europe*. Norwegian Defence Research Establishment (FFI). [Website]. Retrieved from <https://publications.ffi.no/nb/item/asset/dspace:2469/14-02234.pdf>
- Parliament. House of Commons (2020). *Politically Exposed Persons Regime*. Briefing Paper, 7376. [Website]. Retrieved from <https://researchbriefings.files.parliament.uk/documents/CBP-7376/CBP-7376.pdf>
- Raza, MS, Fayyaz M, & Ijaz, H. (2017). *The Hawala System in Pakistan: A Catalyst for Money Laundering & Terrorist Financing*. *Forensic Res Criminal Int J* 5(4): 00167. doi: 10.15406/frcij.2017.05.00167
- Republic Act No. 9160 – Anti-Money Laundering Act (AMLA) of 2001. The Philippines.
- Republic Act No. 10168 – Terrorism Financing Prevention and Suppression Act of 2012. The Philippines.
- Seymour, B. (2008). Global Money Laundering. *Journal of Applied Security Research*, 3(3-4), 373-387. doi: 10.1080/19361610801981001
- Singh, B. (2018). Crime – Terror Nexus in Southeast Asia: Case Study of the Abu Sayyaf Group. *Counter Terrorist Trends and Analyses*, 10(9), 6-10.
- The United Nations. (2003). *United Nations Convention Against Corruption. Treaty Series*, 2349, 41.
- The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (2019). United Kingdom. [Website]. Retrieved from <https://www.legislation.gov.uk/uksi/2019/1511/contents/made>
- Unger, B., Ferwerda, J. Broek, M., & Deleanu, I. (2014). *The Economic and Legal Effectiveness of the European Union Anti-Money Laundering Policy*. Edward Elgar Publishing.
- Unidad de Análisis Financiero (2020). *Personas Expuestas Políticamente (PEP)*. [Website]. Retrieved from https://www.uaf.cl/entidades/politica_cat.aspx
- US Department of Treasury (2015). *United States National Terrorist Financing Risk Assessment*. US Department of Treasury. Washington, United States. [Website]. Retrieved from www.treasury.gov/resource-center/terroristillicitfinance/Documents/National%20Terrorist%20Financing%20Risk%20Assessment%20E2%80%932006-12-2015.pdf
- United States. (2001). *The USA PATRIOT Act: Preserving life and liberty: uniting and strengthening America by providing appropriate tools required to intercept and obstruct terrorism*. Washington, D.C.: U.S. Dept. of Justice.
- Vidino, L. (2011). *Radicalization, Linkage, and Diversity: Current Trends in Terrorism in Europe*. Santa Monica, CA: RAND Corporation. [Website]. Retrieved from https://www.rand.org/content/dam/rand/pubs/occasional_papers/2011/RAND_OP333.pdf
- Zagaris, B. (2004). The Merging of the anti-money laundering and counter-terrorism financial enforcement regimes after September 11, 2001. *Berkley Journal of International Law*, 22, 123-157.
- Zahid, F. (2018). Crime – Terror Nexus in Pakistan. *Counter Terrorist Trends and Analyses*, 10(9), 18-23.