

# Role of the FAU in detecting and blocking terrorist financing in Chile and examples of terrorist financing cases

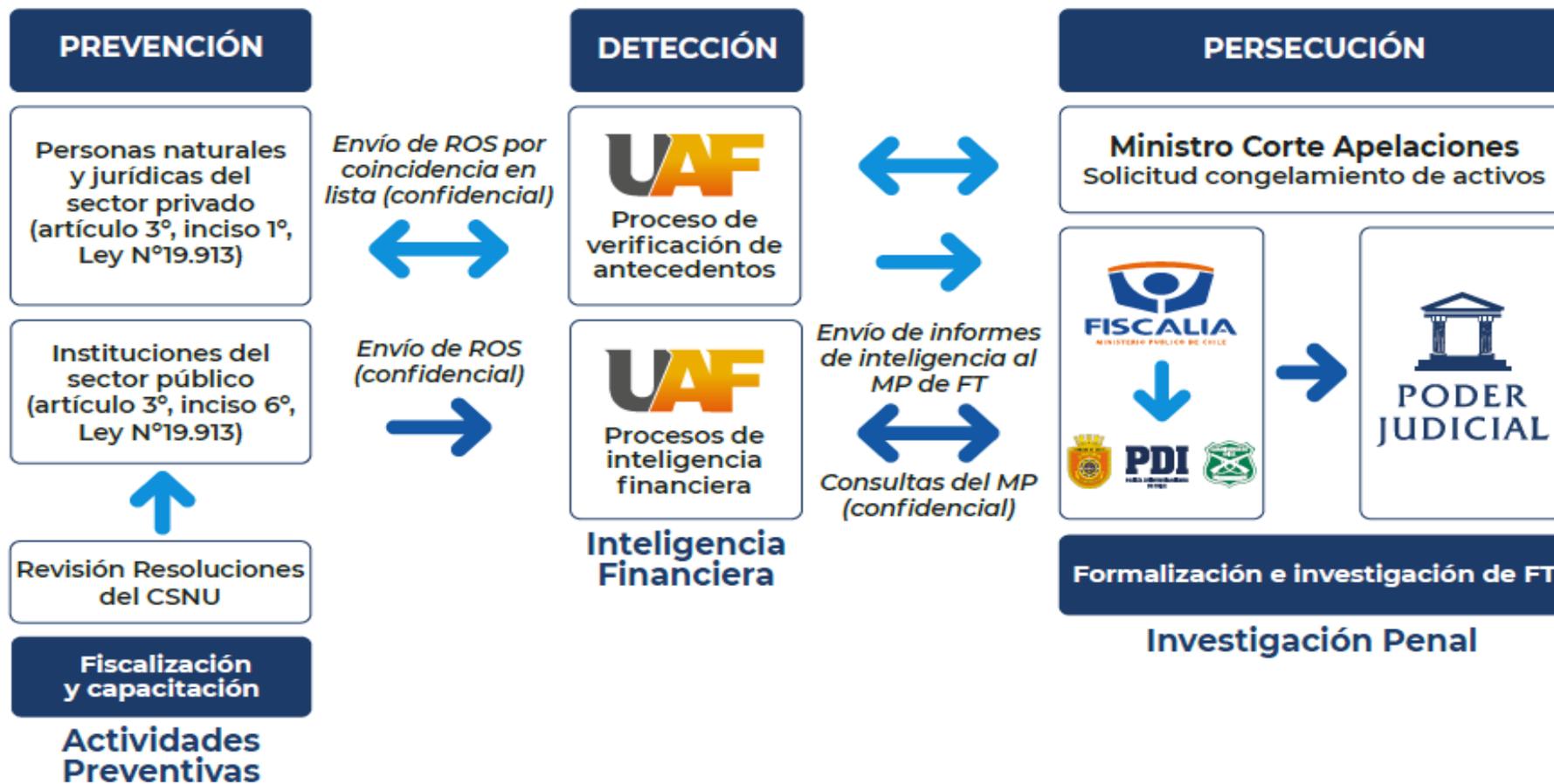
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# National ALA/CFT/CFP System

# Pillars of the National ALA/CFT/CFP System



## Article 3° Law 19.913 inc. 2nd.

It defines a suspicious transaction as:

‘any act, operation or transaction which, in accordance with the customs and practices of the activity in question, is unusual or lacks apparent economic or legal justification **or could constitute any of the conduct referred to in Article 8 of Law No. 18.314 (on terrorist conduct), or is carried out by a natural or legal person listed in any resolution of the United Nations Security Council, whether it is carried out in isolation or repeatedly**’.



## Article 8 of Law 18.314\*

“Anyone who by any means, directly or indirectly, **requests, collects or provides funds for the purpose of being used in the commission of any of the terrorist offences referred to in Article 2, .....**”



### Examples of terrorist offences Article 2 of Law 18.314

- ☐ Murder (Article 391)
- ☐ Injury (Articles 395, 396, 397 and 398)
- ☐ Kidnapping and child abduction (Articles 141 and 142)
- ☐ Fire and Damage (Articles 474, 475, 476 and 480)

# Screening of persons listed in UNSC Resolutions

**Art 38, Law 19.913:**  
Resolutions of the United Nations Security Council and its subsequent resolutions or any others that add to or replace them, and which are contained in supreme decrees published in the Official Gazette.



Resolutions: 1,267 of 1999; 1,333 of 2000; 1,373 of 2001; 1,390 of 2002; 1,718 of 2006; 1,737 of 2006; 1,747 of 2007; 1,803 of 2008; 1,929 of 2010; 1,988 of 2011; 1,989 of 2011; 2,253 of 2015; 2,356 of 2017; and 2,371 of 2017.

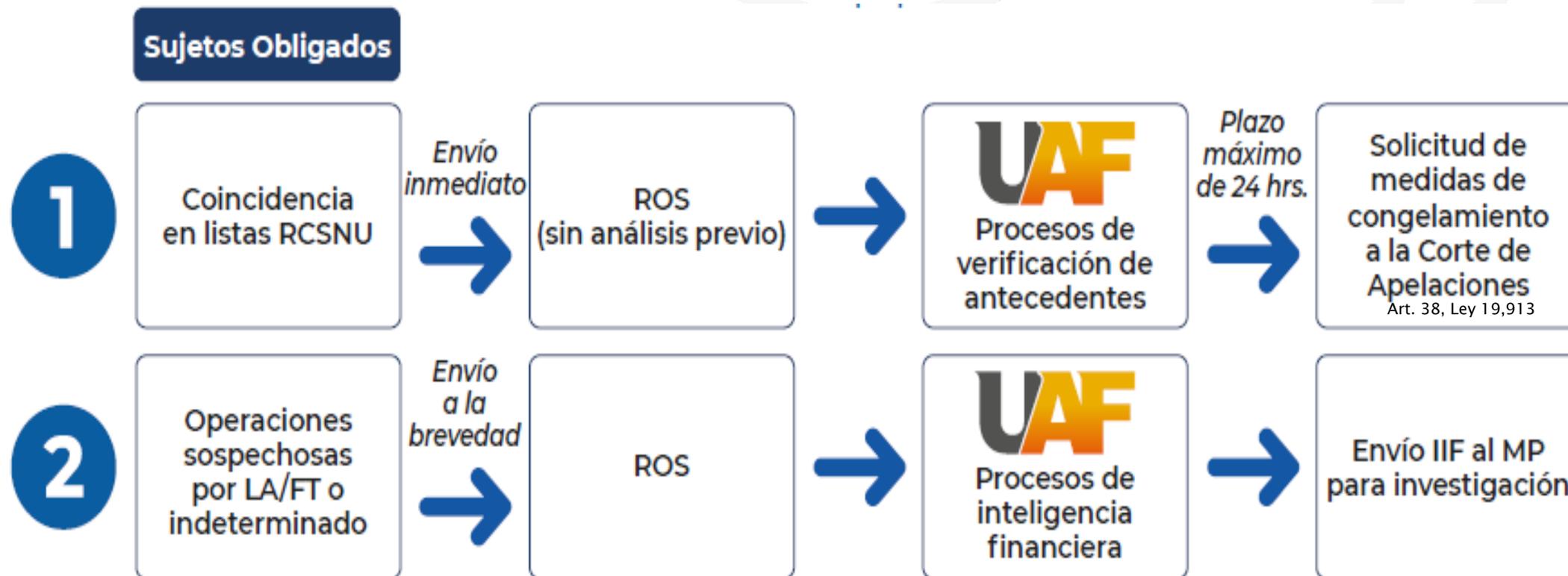


OSs should immediately send a STR to the FAU informing them of this finding, so that the FAU can proceed to take the asset freezing measure established in Article 38 of Law No. 19.913, pending verification of the match on the list.



**United Nations**  
Security Council

# Type of entry of a FT STR to the FAU



# Simulated freezing of goods/assets GAFILAT Chile in July 2024

The purpose of the exercise was to assess the capacity of the Chilean system to implement targeted financial sanctions (TFS) arising from a potential match with the United Nations Security Council Resolutions (UNSCR) sanctions lists on financing of terrorism (FT) and financing the proliferation of weapons of mass destruction (WMD).

A designation and freezing of funds or assets was carried out based on the provisions of UNSCR 1373 (2001) and an update in line with UNSCR 1267 (1999). The aim was to verify the different powers, mechanisms and procedures at the country level, in order to comply with the regulatory and designation obligations for an eventual freezing of funds or assets by the regulated entities.

The exercise was carried out without prior notice, which made it possible to assess the response capacity of the institutions involved in such a situation. It allowed to identify some areas of strength and opportunities for improvement of the actors involved, in order to strengthen their capacities and thus better face an eventual real case.

# Examples of terrorist financing cases

- Al Qaeda and 9/11 (United States), 2001.
- Hezbollah and money laundering networks in Latin America (Northern Triangle).
- ISIS and oil trafficking.
- Al Haramain Foundation (Saudi Arabia/International).
- ETA and extortion of businessmen ('revolutionary tax').
- Boko Haram and the use of abductions for ransom.



# Main challenges encountered

- Difficulty in distinguishing between legal and illegal financing.
- Limitations of the international financial system.
- Lack of international cooperation.
- Technological advances.
- Porous borders and informal economies.

THANK YOU