

Remarks by Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson Marking the Fifth Anniversary of the Terrorist Financing Targeting Center (TFTC)

June 6, 2022

Today, Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson delivered virtual remarks at the Terrorist Financing Targeting Center (TFTC) Five-Year Event in Riyadh, Saudi Arabia. This event marks the five-year anniversary of the TFTC, a multilateral body created to strengthen cooperation among seven countries – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, and the United States – to disrupt terrorist financing networks and related activities of mutual concern.

Under Secretary Nelson's remarks coincide with TFTC member **states' coordinated joint designation of 16 entities from a range of regional terrorist groups previously designated by the United States.**

As Prepared for Delivery

Good afternoon. It is my pleasure to join you virtually for this occasion. I look forward to visiting your countries and meeting with you in the future.

I'd like to thank His Excellency Abdullah al-Oeis for their kind remarks, and for the support we have received from your government as co-chair for the TFTC. We would not be where we are today without your personal support for this important initiative.

Today, I will focus on TFTC's accomplishments and approach, I will then highlight your planned discussions for this week's meetings, and finally, then I will talk about emerging threats and trends we see in terrorist financing.

The Biden Administration is focused on advancing multilateral initiatives, and the TFTC is a prime example. For Treasury, this is a unique institution to co-chair; in no other part of the world are our multilateral efforts formalized in such a structure. Our work is truly a collaborative endeavor across a range of government organizations from your countries.

In preparing for this event, I got a chance to dive deeper into the TFTC and I was struck by the tenacity of this organization and the strength of its members' commitment to its success.

This commitment is evidenced in the six rounds of designations of over 70 different individuals or entities and the ten capacity-building workshops you've conducted over the past five years.

Treasury remains committed to the TFTC's mission: in the past year alone dozens of our top intelligence analysts, policy experts, and regional attaches traveled to attend TFTC meetings on five separate occasions.

However, what is not captured in these numbers is the uniqueness of the context in which the TFTC operates and its truly multilateral and holistic approach.

Our approach is holistic by necessity; our success relies on addressing the full scope of terrorist financing. The agenda in the coming days is a testament to this perspective.

First, we must establish a common understanding of the scope of terrorist financing. Tomorrow in your brainstorming session on Syria, you will discuss different perspectives on the illicit financing risks emanating from that jurisdiction.

To facilitate that discussion, we sent our top experts from our Office of Intelligence and Analysis to brief you on where we see the highest threats and vulnerabilities. Together you will discuss the destabilizing terrorist and illicit finance threats emanating from Syria, and how best to work together to counter them. I look forward to hearing the conclusions of your conversations as well as the possible opportunities to jointly counter these threats.

Our experts will also provide briefings on captagon trafficking from Syria throughout the region; the Syrian regime's ties to Iran, including the IRGC-QF and Lebanese Hizballah; and ISIS financing.

I understand that this is the TFTC's second brainstorming session, and represents an important way to share our perspectives on discrete terrorist financing threats.

These discussions shouldn't end with identifying the problem. Your work will continue to address the broader systemic issues that give rise to these terrorist financing networks, and how TFTC members can collectively contribute to regional security and stability.

In the afternoon, you'll discuss how Treasury's approach to ensuring humanitarian assistance in Syria reaches those most in need without empowering illicit actors who seek to divert these funds.

The U.S. government prioritizes expanding humanitarian access throughout Syria to alleviate the suffering of the Syrian people. As part of this commitment, in November 2021, Treasury

expanded the authorization for non-governmental organizations to engage in humanitarian related transactions and activities.

Additionally, last month Treasury issued Syria General License 22. This new authorization is designed to support stabilization efforts in non-regime held areas of northeast and northwest Syria, while also deterring the human rights abuses and other malign activity of the Syrian regime.

We look forward to hearing about your approach and how you're ensuring your countries' humanitarian initiatives are protected from illicit finance schemes.

We are committed to strengthening our efforts to counter terrorist financing. We must remain vigilant in addressing this evolving threat. I want to highlight two trends and discuss how the TFTC is uniquely positioned to meet these challenges.

First, the global financial architecture is evolving. How we move and store money has changed dramatically, with digital assets and financial technologies becoming a larger part of people's everyday lives.

As we seek to harness the benefits of these technologies, we also must proactively identify trends and risks and share this information with our partners.

Sharing information with key allies will assist in minimizing potential blind spots in our risk assessment. A collaborative approach to responsible innovation, aligned with the FATF standards, can help ensure illicit actors are not able to seek refuge in or financially abuse permissive jurisdictions.

The TFTC's information-sharing and capacity-building efforts can be leveraged to address these emerging issues, and I look forward to seeing how these lines of effort are advanced in the coming years to deepen our understanding.

Second, the structure of key terrorist groups has changed dramatically since the TFTC was founded five years ago. Terrorist groups are becoming increasingly decentralized and are adapting to their loss of territory by exploiting global financial and information systems to support their operations, while expanding their control and influence into new regions.

As these terrorist groups evolve, we must leverage the full scope of authorities to thwart their operations. In part, this entails breaking down barriers across our government organizations. The TFTC is already doing this, as evidenced by the range of different agencies represented in the room today, and by incorporating different perspectives and authorities

into the workshops. The joint TFTC-Department of Justice workshop on June 8 on terrorist financing prosecutions is a key example of how we can learn from case studies of how to better use both our law enforcement, regulatory, and supervisory authorities to counter terrorist networks.

As I'm sure this group can appreciate, the financing of terrorism is central to terrorists' operational success, and our ability to disrupt their financial networks can have an outsized influence on countering terrorism more broadly.

Our actions must be both forceful, multilateral, and strategic. That is why we must redouble our efforts to take collective and multilateral disruptive action. I was pleased that for the sixth tranche of designations that we are announcing today, Saudi Arabia, Bahrain, and the UAE proposed targets.

We need to continue to use the TFTC's coordination mechanism and steadily increase the pace of our joint actions. We are counting on your representatives to come forward with targets to nominate.

As I mentioned at the outset, TFTC's success relies on its unique collaborative process, and it cannot be successful in this line of effort if only a few countries contribute.

In closing, thank you for the important work each of your delegations has done to protect the international financial system. It is critical work that I hope you continue with even more energy and creativity. I look forward to hearing your thoughts on how you envision TFTC evolving and wish you a productive series of meetings over the next couple of days.