**Terrorism financing in Pakistan**

Dr Maqsood Ahmed

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Terrorism is a contested term -- difficult to define, and a cause of contention in academics and policymaking for years. There is no universal definition of terrorism. According to the UNHCR, terrorism is commonly understood as acts of violence that target civilians to pursue political or ideological aims. In legal terms, although the international community has yet to adopt a comprehensive definition of terrorism, existing declarations, resolutions, and universal 'sectoral' treaties relating to specific aspects of it define certain acts and core elements.

In 1994, the General Assembly’s Declaration on Measures to Eliminate International Terrorism, set out in its resolution 49/60, stated that terrorism includes “criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes” and that such acts “are in any circumstances unjustifiable, whatever the considerations of a political, philosophical, ideological, racial, ethnic, religious or other nature that may be invoked to justify them.” Article 2 of ‘International Convention for the Suppression of the Financing of Terrorism’ defined financing of terrorism as: “An act of providing a person funds by any means (directly or indirectly), deliberately and knowingly so that the funds will be used in full or part to carry out a terrorist act by a terrorist or a terrorist organization.”

Funds are essential to execute a terrorist activity. Terrorists acquire funds by different means and place them in different ways and procedures. One of the most vibrant ways of utilizing money in the business of terrorism is money laundering. -- a process of hiding illegitimate origins of money by transforming them into other currency or assets, which can then be legitimately utilized, essentially conversion of dirty money into clean money.

According to Dr Nicholas Ryder, money laundering is claimed to be one of the largest global industries, and it is impossible to measure the actual scope of money laundering. Money laundering poses an international global threat undermining the financial system's integrity. The object of laundering money is to get the economic benefit from criminality without being caught. The terrorist or criminal will always seek to avoid leaving a trail that can lead back to the original crime (predicate offense). The terrorist will also seek to conceal the origins of the money, allowing it to be used to further terrorist activity or be re-invested to increase their funds. Traditionally there is a three-step phase to money laundering -- placement, layering, and integration.

Terrorism in the world at large, and Pakistan in particular, depends on many sources and channels of funding. Funding sources used by terrorists may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organizations. A percentage of the amount collected as donations and charity by organizations is used for the purchase of weapons, equipment, and to give training. So, terrorism is morphed into a proper structure -- they are into business, including drugs that are not prepared here but mostly from Afghanistan.

The charities and donations made by the developed countries to entities, either religious or social, in developing countries have the lion's share in financing extremist diaspora and, in turn, terrorism. People who are more inclined towards religion give their own money as charity and donations. They also collect money from other people for such purposes. Some individuals, due to their ideological convictions, donate personal assets also.

Owing to the religious concepts of the people of this country, people are very prone to giving charity because it is our sacred obligation to give zakat and sadaqah. At the same time, terrorist organizations collect funds on the pretext of religious charities. They collect zakat, sadqa, fitra, and hides of sacrificial animals in the name of religion and helping the poor and needy. Charitable organizations collect funds during religious congregations like after Jumma prayer every Friday or during spiritual prayers like Eid. During the holy month of Ramazan, they keep donation boxes or collect money in the name of zakat and sadaqah.

People generally don’t ask what is being done with the money they give in the form of charity. Such cash is misused for terrorist activities. This element of the socio-religious aspects of our nation is being exploited by the perpetrators of money-laundering and terror financing -- and charities and NPOs, especially those are running on donations, have a high-risk of terrorist financing and money laundering.

Religious conservatism, the mushroom growth of madrassahs, and the evolution of different sectarian groups were not kept in check over the past 33 years. Some madrassahs do serve as conduits for funding terrorism. There is no data available regarding sources of funding for these madrassahs, whether foreign or domestic. It is a high-risk area, and it is challenging to opine about the madrassahs, which are unregulated because there is no database or whereabouts of the background of children studying there, what kind of curriculum is being taught to them, whether any military training is being given to them or not. Various funding groups like madrassahs, student organizations, religious parties, NGOs, NPOs, and others go unaccountable due to the cash economy and make us vulnerable to terrorism financing.

The Hundi/Hawala system has been established for many decades in Pakistan, India, and the Middle East. And it has for such a very long time been so successful in laundering all sorts of black money, including terrorism financing. Terror groups have taken advantage of this because it remains successful in many legitimate businesses, and it has been misused by our bankers, traders, and local businessmen. Most of the proceeds of crime are based on illegal means -- corruption, weapons and drug trafficking (mainly from its Afghan border), smuggling, illegal gambling, and other criminal activities.

There is a consensus that Pakistan has many policies on every imaginable subject. The dilemma, however, is that there is a lack of implementation -- and thus the core objectives of the policies are not being met. This issue becomes more complex in the presence of the enormous civil, military, law enforcement, and other forms of bureaucracy that are trained and experienced in implementing the policy. There is an absolute disconnect between policy formulation and its implementation.

The writer is a deputy inspector general of police, currently heading the Security and Emergency Services Division of Sindh Police and the Sindh Safe Cities Authority.