



Examining the Financing and Facilitation of Foreign Fighters and Returnees in Southeast Asia

BACKGROUND

The Islamic State in Iraq and Syria (ISIS) attracted an estimated 42,000 individuals from over 120 countries to the so-called caliphate. With the territorial defeat of ISIS, the return of these individuals to their home countries, or the potential for ISIS fighters to seek refuge with violent extremist groups in other regions, is drawing increasing attention.

Southeast Asia has emerged as an area of particular concern. More than 1,500 of the foreign fighters who joined ISIS were from Southeast Asia¹ and more than 60 regional groups pledged allegiance to ISIS or its self-appointed Caliph.² In particular, ISIS has previously sought to capitalize on existing terrorist and criminal groups that have long been active in the areas between the Philippines, Malaysia, and Indonesia.

United Nations Security Council Resolution 2178 (2014) called upon member states to address the

threat posed by foreign fighters, including by disrupting and preventing financial support. Security Council Resolution 2462 (2019) further called upon member states to increase the timely sharing of financial information with regards to the actions, movements, and patterns of terrorist networks, including foreign fighters, returnees, and potential relocators.

Foreign fighters present a unique challenge to current anti-money laundering and countering the financing of terrorism (AML/CFT) frameworks. Evidence suggests that foreign fighters predominately finance their own travel,³ thus avoiding traditional mechanisms for detecting the source and movement of terrorist finance. Foreign fighters may also solicit funds from knowing or unknowing family members back home, which is difficult to distinguish from legitimate remittance transfers. Overly risk-averse responses to combatting foreign fighter financing can hinder financial inclusion and have drastic

¹ Richard Barrett, "Beyond the Caliphate: Foreign Fighters and the Threat of Returnees," The Soufan Center, October 2017.

² Rohan Gunaratna, "The Caliphate's Influence in Southeast Asia," The Asia Dialogue, 14 February 2017.

³ Hamed el-Said and Richard Barrett, "Enhancing the Understanding of The Foreign Terrorist Fighters Phenomenon in Syria," United Nations Office of Counter-Terrorism, July 2017.

consequences on already fragile humanitarian situations.

There is a need to better examine the financial profiles of identified or suspected foreign fighters in order to improve criminal justice responses to foreign fighters and returnees. Financial information can play a critical role, helping to fill evidence gaps in criminal investigations and identify suspicious transactions indicating a person has, or is planning to, travel to join a terrorist organization. Similarly, financial information can help identify the movement of known foreign fighters, including potential return to their home countries.

Further exploration of the financial structures that support foreign fighters can also be crucial to understanding if there are any operational linkages between the facilitators of foreign fighters and transnational organized crime groups, such as those with experience in human smuggling and trafficking.

ABOUT THIS PROJECT

With the support of the Government of the Netherlands, the Global Center is undertaking a two-year program to explore what is known about the

financial patterns of foreign fighters and returnees in Southeast Asia.

In partnership with the Asia Pacific Group on Money Laundering (APG), the Global Center will produce a typology report and study of the use of financial intelligence and financial profiling related to foreign fighters emanating from, returning to, or traveling within the region. The report aims to analyze how financial intelligence is being used to support the detection, disruption, or prosecution of foreign fighters.

Through workshops and practitioner exchanges held under the program, the Global Center and APG will build the capacity of financial sector and regulatory authorities to identify suspicious indicators, develop financial profiles, and generate effective intelligence for use by law enforcement agencies in addressing the threat of foreign fighters and their facilitators in the region.

About the Global Center on Cooperative Security

The Global Center is dedicated to achieving lasting security by advancing inclusive, human rights–based policies, partnerships, and practices that address the root causes of violent extremism. We provide independent analysis and work with government, civil society, and private sector partners to deliver programming that is globally informed and locally grounded.

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