

**The Second Sub-Group Meeting**  
**on**  
**Combating the Financing of Terrorism**

**The Bay of Bengal Initiative for Multi-Sectoral  
Technical and Economic Cooperation - BIMSTEC**

**29 – 30 May 2006**

**Chiang Mai Province**  
**Thailand**

## List of Delegation

### BANGLADESH

### BHUTAN

1. Major Tashi Dorji  
Superintendent of Police, Royal Bhutan Police

### INDIA

1. Mr. Arun Goyal  
Director, FIU-IND
2. Mr. A.M. Prasad  
Deputy Director, Intelligence Bureau
3. Mr. Satish Bhushan  
Under Secretary, DEA

### MYANMAR

1. Ms. Khin Saw Oo  
Deputy Director, Banking Regulation Department, Central Bank of Myanmar
2. Pol. Lt. Col. Tin Maung Win  
Deputy Director, Department Against Transnational Crime,  
Myanmar Police Force, Ministry of Home Affairs

### NEPAL

1. Mr. Mainali Arjun Kant  
Deputy Chief of Mission, Embassy of Nepal, Thailand

### SRI LANKA

1. Mr. B.M. Dole  
Senior Superintendent of Police  
Deputy Director – State Intelligence Service

2. Mr. D.W. Ravi B. Seneviratne  
First Secretary, Embassy of Sri Lanka, Thailand

#### **THAILAND**

1. Police Colonel Yuthabool Dissamarn  
Acting Secretary General, Anti-Money Laundering Office
2. Mr. Apichat Thanomsup  
Examination and Litigation Bureau, Anti-Money Laundering Office
3. Pol.Lt.Col. Aimorn Chaibuadang  
Director, Law Enforcement Policy Division, Anti-Money Laundering Office
4. Mr. Weekoon Nithimutrakul  
Acting Director, Information and Analysis Center,  
Anti-Money Laundering Office
5. Mr. Chanchai Pongpassorn  
Investigator, Anti-Money Laundering Office
6. Mr. Thawatchai Rittagorn  
Intelligence Officer  
National Intelligence Agency
7. Mr. Rapipongs Banchong-Silpa  
Second Secretary, Department of International Economics,  
Ministry of Foreign Affairs
8. Mr. Parisanti Phadungcheewit  
NCC-CTTC
9. Pol. Lt. Col. Niramom Yossathorn  
Director, Division of International Cooperation and Intelligence  
Department of Special investigation
10. Ms. Surawan Boonyasirira  
Special Case Officer  
Division of International Cooperation and Intelligence  
Department of Special investigation

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**TENTATIVE PROGRAM**  
**THE SECOND SUB-GROUP MEETING**  
**ON COMBATING THE FINANCING OF TERRORISM**  
**29 – 30 MAY 2006**  
**At Imperial Mae Ping Hotel, Chiang Mai, Thailand**

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**Day 1 (Sunday 28 May 2006)**

Arrival of the delegation

**Day 2 (Monday 29 May 2006)**

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|---------------|---|
| 09.00 – 09.30 | Registration at <u>Room Imperial 3</u> , 2 <sup>nd</sup> Floor  |
| 09.30 – 10.00 | Opening Session <ul style="list-style-type: none"> <li>- Welcome remarks by Head of Thai Delegation (Pol.Col. Yuthabool Dissamarn)</li> <li>- Introductory remarks by Heads of Delegation</li> </ul>  |
| 10.00 – 10.30 | Coffee Break  |
| 10.30 – 10.45 | - Adoption of the Agenda <ul style="list-style-type: none"> <li>- Report of the First Sub-Group Meeting held on 28 – 29 April 2005 (By AMLO)</li> <li>- Report of the Second Joint Working Group on Combating Transnational Crime and Terrorism held on 4 – 5 May 2006 in New Delhi, India (By AMLO)</li> </ul>   |
| 10.45 – 12.00 | - Revised Designation of a Nodal Agency/ Designation of Nodal Officers <ul style="list-style-type: none"> <li>- Follow-up/ Progress Report of Implementation of the Members (From the Previous Proposed Three Major Areas of Cooperation)             <ul style="list-style-type: none"> <li>● Sharing of information/ intelligence on CFT</li> <li>● Short Term Training Programs</li> <li>● Exchange of Visits</li> </ul> </li> </ul> |
| 12.00 – 13.30 | Working Lunch   |

- 13.30 – 15.30 - Discussions: “Role of Alternative Remittance “Hawala” in the financing of terrorism and development of appropriate counter measures” **and**
- Country Typologies/ Case Studies on Money Laundering and Financing of Terrorism
- Thailand (As Lead Shepherd)
  - Bangladesh
  - Bhutan
  - India
  - Myanmar
  - Nepal
  - Sri Lanka
- 15.30 – 15.45 Coffee Break
- 15.45 – 16.30 - Other Matters (If any)
- Date and Venue of the Third Meeting of the Sub- group
- 19.00 Dinner in honor of the delegation hosted by the Anti-Money Laundering Office

### **Day 3 (Tuesday 30 May 2006)**

- 09.45 - 11.00 Consideration and adoption of the Report of the Second Sub-group Meeting
- 11.00 – 11.30 Closing Session
- Closing remarks by Head of Thai Delegation
  - Photo Session
- 11.30 - 12.30 Lunch
- 13.00 – 16.30 Sightseeing (optional)

### **Day 4 (Wednesday 31 May 2006)**

Departure of the delegation

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## **Agenda Item 1: Opening Session**

- **Welcome remarks by Head of Thai Delegation**
- **Introductory remarks by Heads of Delegation**
  - **Chairman invites each delegation to introduce themselves and make some remarks regarding their participation in the Second Sub-group on CFT Meeting**
    - **Bangladesh**
    - **Bhutan**
    - **India**
    - **Myanmar**
    - **Nepal**
    - **Sri Lanka**

## Agenda Item 2: Adoption of Agenda

- **Chairman proposes the agenda for the meeting's adoption, as appears in the attachment.**

The Sub-group will meet in a full day session to present and discuss the cooperation program. The agenda is based on the results of the First Sub-group Meeting in April 2005, and the Second Joint Working Group on Counter Terrorism and Transnational Crime held on 4 – 5 May 2006 in New Delhi, India.

The meeting consists of four main sessions.

The first session will be summary reports of the First Sub-Group Meeting held on 28 – 29 April 2005 in Bangkok and the Second Joint Working Group on Counter Terrorism and Transnational Crime held on 4 – 5 May 2006 in New Delhi, India, for delegates' reference.

The second session will be the matters for consideration. There are a number of matters including Revised Designation of Nodal Agency/ Designation of Nodal Officers; Follow-up/ Progress Report of Implementation of the Members; Discussions: "Role of Alternative Remittance "Hawala" in the financing of terrorism and development of appropriate counter measures"and Country Typologies/ Case Studies on Money Laundering and Financing of Terrorism.

The third session at the end, the Sub-group will consider date and venue of the next meeting.

In the fourth session which will be held on the second day, the members will meet again for half a day to consider and adopt the minutes of the meeting.

**PROVISIONAL AGENDA**  
**SECOND SUB-GROUP MEETING ON**  
**COMBATING THE FINANCING OF TERRORISM**  
**29 – 30 May 2006**  
**At Imperial Mae Ping Hotel**  
**Chiang Mai Province, Thailand**

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1. Opening Session
2. Adoption of the Agenda
3. Report of the First Sub-Group Meeting held on 28 – 29 April 2005
4. Report of the Second Joint Working Group on Combating Transnational Crime and Terrorism held on 4 – 5 May 2006 in New Delhi, India
5. Matters for Consideration
  - 5.1 Revised Designation of Nodal Agency/ Designation of Nodal Officers
  - 5.2 Follow-up/ Progress Report of Implementation of the Members
  - 5.3 Discussions: “Role of Alternative Remittance “Hawala” in the financing of terrorism and development of appropriate counter measures”**and**  
Country Typologies/ Case Studies on Money Laundering and Financing of Terrorism
6. Other Matters (If any)
7. Date and Venue of the Third Meeting of the Sub-Group
8. Consideration and Adoption of the Report of the Second Sub-group Meeting
9. Closing Session

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### **Agenda Item 3: Report of the First Sub-Group Meeting**

- **The first sub-group meeting was held as from 28 – 29 April 2005 in Bangkok, Thailand.**
- **For the member countries' reference, the Summary Proceedings of the First Meeting appears in the attachment.**

**Summary Report of the First Meeting  
of the BIMSTEC Sub-Group on Combating the Financing of Terrorism**

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The First Meeting of the **Sub-Group on Combating the Financing of Terrorism** was held on 28<sup>th</sup> – 29<sup>th</sup> April 2005 in Bangkok, Thailand. The objectives were to strengthen relationships, and exchange information through the network of the member countries. The results of the Sub-group meeting can be summarized as follows.

**1. Designation of Nodal Points:**

The meeting agreed to appoint nodal points for future coordination:

- Bangladesh nominated General Manager, Anti-Money Laundering Department, Bangladesh Bank
- Bhutan had not nominated any person
- India nominated Head of Indian FIU
- Myanmar nominated Head of Myanmar FIU
- Nepal was absent
- Sri Lanka nominated Director of Criminal Investigation Department
- Thailand nominated Secretary General of Anti-Money Laundering Office

**2. Proposed Draft Terms of Reference of the SG-CFT**

On the Terms of Reference prepared by Thailand, the member countries exchanged views on the draft TOR, which contained objectives, cooperation framework, and logistic arrangements of the Sub-group meeting.

### **3. Exchange Review of Current Activities: Country Presentations**

On the exchange review of country activities, the delegates from each country presented to the Meeting about their situation, policies and methods against terrorist financing activities.

### **4. Proposed Programme of Cooperation among the Member Countries**

On the proposed programme of cooperation:

- The Sub-group emphasised the importance of modern communication for effective exchange of information among the nominated nodal points. The Meeting also noted the importance of cooperation in capacity building, in terms of training, exchange programmes and visits among the member countries, and
- The Sub-group called upon the member countries to put in place legal framework, timely exchange of information and intelligence related to combating the financing of terrorism.

### **5. Conclusion**

In conclusion, the first Sub-group's dialogue is good and mutually supportive. The Group saw the need to strengthen and broaden the partnerships among the member countries.

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**Agenda Item 4: Report of the Second Joint Working Group on Counter Terrorism and Transnational Crime held on 4 – 5 May 2006 in New Delhi, India**

- The Second Joint Working Group on Counter Terrorism and Transnational Crime was hosted by the Government of India held on 4 – 5 May 2006 in New Delhi.
- The Report of the Second Joint Working Group on Counter Terrorism and Transnational Crime appears in the attachment for the member countries' reference. At the said Meeting, the Joint Working Group had proposed the suggestions for **the Sub-Group on Combating the Financing of Terrorism** as follows;

- BIMSTEC Member States should consider putting in place a suitable legal framework on AML/CFT matters.
- Member States should closely cooperate in sharing of information on this matter. Those BIMSTEC Member States who have not set up FIUs should be encouraged to do so as that would enable them to become members of EGMONT Group, thereby making sharing of information on AML/CFT matters easier. Also, Member States which already have FIUs agreed to assist other Member States in setting up of FIUs.
- Member States should, in addition to identifying their respective nodal agency, also designate nodal officers for effective networking.
- The Second Meeting of the Sub-Group (which is this meeting) may discuss on the specific issues on the Role of alternative remittance channels such as Hawala in the Financing of Terrorism and development of appropriate counter-measures and typologies and case studies on Money Laundering/Financing of Terrorism/ and the conduct of Financial Investigations in BIMSTEC Member States and the region.

**REPORT OF  
SECOND MEETING OF THE  
BAY OF BENGAL INITIATIVE FOR MULTI-SECTORAL  
TECHNICAL AND ECONOMIC COOPERATION (BIMSTEC)  
JOINT WORKING GROUP ON COUNTER TERRORISM AND  
TRANSNATIONAL CRIME (JWG-CTTC)**

**New Delhi, India**

**May 04-05, 2006**

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## **REPORT OF THE SECOND MEETING OF THE BIMSTEC**

### **JWG-CTTC**

1. The Second Meeting of the BIMSTEC JWG-CTTC was held on May 04-05, 2006 in New Delhi, India. The list of Participants is at **Annex-I**.

#### **AGENDA ITEM 1: ADOPTION OF AGENDA**

2. The Meeting adopted the Agenda which is at **Annex -II**

#### **AGENDA ITEM 2: COUNTRY STATEMENTS**

3. The representatives of BIMSTEC Member States presented their respective country statements on counter terrorism and transnational crime and its impact on the security, peace and stability of the region. They also highlighted the measures that they have adopted at the national level and the diplomatic initiatives taken by them to strengthen the campaign against terrorism and transnational crime.

#### **AGENDA ITEM 3: REVIEW OF REPORTS OF LEAD SHEPHERDS OF SUB-GROUPS**

4. The four Lead Shepherds of the Sub-Groups on Intelligence Sharing; Combating the Financing of Terrorism; Legal and Law Enforcement Issues; and Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals reported on the activities of their respective Sub-Group and suggested time frames for the next meetings.

5. The Meeting took note of the work done by each Sub-Group. The JWG-CTTC endorsed the following recommendations made in respect of each Sub-Group:

##### **(a) Sub-Group on Intelligence Sharing**

- Principle of intelligence sharing should be mutual interest and confidentiality. The main mode of exchange of intelligence will be bilateral. Intelligence provided by one country to another or shared within a BIMSTEC forum should not be passed to a third party without the express consent of the originator.

- Every effort would be made to protect the sources of intelligence provided or shared within the BIMSTEC. Intelligence provided by one Member State shall not be used in legal proceedings by another Member State. A Member State desiring to do so shall seek official authorization from the originator prior to doing so.
- The Sub Group would facilitate exchange of intelligence assessments, estimates, recommendations, trends, warnings and experiences. Member countries should also consider sharing specific intelligence on individuals, organizations and their modus operandi.
- In the next meeting, the Sub Group should discuss details of communication mechanism, including designation of a focal point, and put up recommendations/options before the next meeting of the JWG-CTTC. This focal point will coordinate with relevant organizations and agencies in their respective countries. The Member countries agreed to provide details with regard to their respective focal points to the Lead Shepherd.
- Next meeting of the sub group should discuss in detail issues such as: the setting up of common data bank; specific themes such as the activities of terrorists and terrorist groups whose footprints go beyond one Member State; and the use of appropriate software for communication. In this regard, Member States should convey a list of such groups in advance to the Lead Shepherd to facilitate the task of the sub group in drawing up a common list for dissemination among the Member States. The bilateral mechanisms among the BIMSTEC Member States could be strengthened for initial exchanges and thereafter a dedicated regional network could be set up after careful deliberations. Initially the exchanges could be with regard to sharing of non-sensitive data.
- Sri Lanka agreed to host second sub-group meeting on Intelligence Sharing within the next two months.

(b) **Sub-Group on Legal and Law Enforcement Issues**

- The meeting recognized that as legal and law enforcement issues are an important and complex area in BIMSTEC JWG-CTTC cooperation, careful consideration and sufficient time may be required to achieve the desired results.
- A compilation of relevant national laws should be prepared. This would assist in harmonizing laws of the member states as well as provide models for those

Member States which are revising/amending their laws and help in filling up gaps, if any, in existing laws.

- The sub-group should consider existing models of cooperation in this area in SAARC and ASEAN in order to develop a desirable framework of cooperation on legal and law enforcement issues, including mutual assistance in criminal matters.
- More priority and attention should be given to providing comprehensive replies to the questionnaire circulated by India in 2005 to understand the commonalities and differences existing in this area amongst BIMSTEC Member States.
- India will circulate a revised draft text of the proposed agreement on cooperation in combating international terrorism, organized crime and illicit drug-trafficking; incorporating the suggestions made in the sub-group meeting held in December 2005 as well as in this Meeting, in May 2006 to all BIMSTEC member states for their consideration/comments.
- Sub-group on Legal and Law Enforcement issues should, in addition to holding their second meeting, also exchange information by e-mail, fax and through informal consultations.

(c) **Sub-Group on Combating the Financing of Terrorism**

- BIMSTEC Member States should consider putting in place a suitable legal framework on AML/CFT matters.
- Member States should closely cooperate in sharing of information on this matter. Those BIMSTEC Member States who have not set up FIUs should be encouraged to do so as that would enable them to become members of EGMONT Group, thereby making sharing of information on AML/CFT matters easier.
- Member States which already have FIUs agreed to assist other Member States in setting up of FIUs.
- Member States should, in addition to identifying their respective nodal agency, also designate nodal officers for effective networking.
- The next Meeting of the Sub-Group may like to deliberate on the following specific issues:-



-- Role of alternative remittance channels such as Hawala etc. in the Financing of Terrorism and development of appropriate counter-measures.

-- Typologies and case studies on Money Laundering/Financing of Terrorism/Conduct of Financial Investigations in BIMSTEC Member States and the region.

-- As there is some overlap between the work of the Sub-Group on Legal and Law Enforcement Issues and Sub-Group on Combating the Financing of Terrorism, there should be regular contact between the Lead Shepherds of the two Sub-Groups.

- Thailand informed that the second meeting of Sub-Group on CFT will be held in Chiang Mai on 29-30 May 2006.

**(d) Sub-Group on Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals**

- Adequate and timely exchange of information is critical to the prevention of illicit trafficking in narcotic drugs, psychotropic substances and precursor chemicals.

- Periodical border meetings between enforcement agencies should be encouraged.

- PEN measures should be strengthened for curbing illicit trafficking. Controlled Delivery mechanism should be utilized.

- A website being prepared by NCB India may also be extended to BIMSTEC Member States.

- It was agreed that BIMSTEC Member States should, in the first instance, utilize their own expertise fully, and the possible involvement of UNODC could be considered at a future date.

- The second meeting of the Sub-Group will be held in Myanmar in July 2006.

**AGENDA ITEM 4. : DISCUSSION ON HOLDING BIMSTEC JWG-CTTC MEETING BACK TO BACK WITH MEETINGS OF SUB-GROUPS**

6. The JWG-CTTC discussed the holding of JWG-CTTC meeting back-to-back with meetings of Sub-Groups and decided that:

- If any Sub-Group feels the need to hold back-to-back meetings with the next meeting of the JWG-CTTC, the Lead Shepherd of that Sub-Group may inform the Chair of the next meeting of the JWG-CTTC;
- Member States are encouraged to include members/experts dealing with the four areas of the Sub-Groups in their respective delegations to the next meeting of the JWG-CTTC.

**AGENDA ITEM 5: FINALISATION OF CALENDAR OF ACTIVITIES.**

7. It was decided that the four Sub-Groups should hold their second meetings within the next three months i.e. by end July 2006.

**AGENDA ITEM 6: DECISION ON THE CHAIR OF THE NEXT MEETING**

8. The meeting welcomed the offer of Myanmar to host the next meeting of the JWG-CTTC in December 2006.

**AGENDA ITEM 7: DISCUSSION AND FINALISATION OF REPORT**

9. The Meeting adopted the report of the second JWG-CTTC on May 05, 2006.

**AGENDA ITEM 8: ANY OTHER MATTER**

10. India offered training in various aspects of counter terrorism in Indian institutions. A list of courses offered was circulated. Member States may convey to India their interest in courses which they wish to avail.

11. The Meeting agreed on the issuance of a press release, which is at **Annex- III.**

12. The Meeting was conducted in a very constructive and friendly atmosphere. The delegations thanked the Chair for the excellent conduct of the meeting and expressed their deep appreciation to the host, India, for the gracious hospitality accorded to the delegations and excellent arrangements made for the Meeting.

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## **Agenda Item 5: Matters for Consideration**

### **Item 5.1 Revised Designation of a Nodal Agency/ Designation of a Nodal Officer**

- **At the First Sub-Group Meeting, each member state had already identified nodal point (Point of Contact) for coordination.**
- **At the Second Joint Working Group on Counter Terrorism and Transnational Crime Meeting held on 4 – 5 May 2006 in New Delhi, India, the Meeting suggested that in addition to identifying nodal agency, the member countries should also designate nodal officers for effective networking.**
- **Therefore, each delegation is invited to provide both name and position, telephone number, fax number, and e-mail address of the officer who is really responsible for the work related to combating the financing of terrorism. This will be useful for close coordination such as in requesting and providing information.**
- **The meeting may like to agree that respective agency should inform all member countries in case there is any change of the nodal officer.**

## **Item 5.2 Follow-up/ Progress Report of Implementation of the Members**

- **From the previous proposed Program of Cooperation, the Sub-group identified major areas of cooperation that include:**
  - Exchange of Financial Intelligence Information
  - Exchange Programs and Visits
  - Capacity Building and Training
  
- **This year, the Lead Shepherd prepares a format for presentation of activities undertaken by the Sub-group members. The report matrix is in the attachment.**
  
- **Based on the said matrix, the delegation may like to report what complementary national actions are BIMSTEC countries currently implementing or what have been completed.**

**Item 5.3 - Discussions on “Role of Alternative Remittance through Hawala in the financing of terrorism and development of counter measures” and**

**- Country Typologies/ Case Studies on Money Laundering and Financing of Terrorism**

- **Sub-group members are invited to discuss the “Role of Alternative Remittance through Hawala in the financing of terrorism and development of counter measures” based on the country's experience and provide inputs on typology studies to determine trends and methods of money laundering and financing of terrorism in the region based on the country's specific studies.**

- Thailand
- Bangladesh
- Bhutan
- India
- Myanmar
- Nepal
- Sri Lanka

**Agenda Item 6: Other Matters (If any)****Agenda Item 7: Date and Venue of the Third Meeting of the Sub-Group**

- The Sub-group will meet at least once a year. While the Lead Shepherd will be responsible for hosting future meetings, this does not preclude the other members from volunteering to host meetings of the Sub-group.
- Members may wish to consider volunteering to be the host and suggest appropriate date of the next meeting.

**Agenda Item 8: Consideration and Adoption of the Report of the  
Second Sub-group Meeting**

- The secretariat tables a Report of the Second Sub-group Meeting on Combating the Financing of Terrorism for adoption by the meeting.

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