



**Asia-Pacific
Economic Cooperation**

2013/SOM3/CTTF/008

Agenda Item: 8

DNFBP Capacity Building Workshop

Purpose: Information
Submitted by: Australia



**30th Counter Terrorism Task Force Meeting
Medan, Indonesia
28-29 June 2013**



Summary

Protecting designated non-financial businesses and professions (DNFBPs) from terrorist financing

Capacity Building Workshop

21-22 May 2013, Jakarta

Summary

Australia led an APEC Counter Terrorism Task Force (CTTF) capacity building workshop in Jakarta to address some of the key challenges faced by Indonesia in their efforts to protect non-financial businesses and professions (DNFBPs) from terrorist financing. Workshop participants developed a better understanding of how to effectively enforce regulation and adopt reporting measures that can help protect the DNFBP sector from abuse by terrorism financiers. A similar workshop will be held in the Philippines in late 2013. An APEC-wide report on this issue will be prepared by Australia and released in September.

Outcomes

Building on the DNFBP risk assessment discussions held in Singapore in November 2012, this follow-up capacity building workshop addressed some of the key issues and challenges faced by Indonesia in their efforts to protect non-financial businesses and professions (DNFBPs) from terrorist financing. The workshop, opened by APEC CTTF chair, Ambassador Harry Purwanto, highlighted new methods of terrorist financing, challenges faced by Indonesia as it further develops effective counter-terrorism legislation and enforcement programs, and recent advances to combat terrorism financing through DNFBPs.

Workshop participants completed practical exercises designed to acquire insight into real-world situations as they relate to terrorist financing activities. Using a fictitious scenario, economies worked with a professional facilitator to explore the various ways in which funds could be channelled through the DNFBP sector without triggering Indonesia's AML/CTF reporting requirements. Some of the suggested techniques used by participants included moving funds via cash couriers, structuring amounts to avoid transaction threshold reporting, and using false identification details to acquire/lease properties.

At the conclusion of the workshop, participants worked with a professional facilitator to develop action plans aimed at improving decision-making and interagency coordination, the two areas that continue to be a challenge in implementing policy measures.

Participation

Thirty participants from two APEC economies (Indonesia, Russia) – from financial intelligence units, law enforcement and counter-terrorism agencies, along with representatives of relevant peak industry bodies – attended the two-day workshop. Russia attended on a self-funded basis.

Planned activities

Australia aims to disseminate an APEC-wide report in September 2013, followed by a second capacity building workshop in conjunction with the Philippines in late 2013 (TBA).

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**Capacity Building Workshop
Protecting designated non-financial businesses and
professions (DNFBPs) from terrorist financing**

21-22 May 2013, Jakarta

Program Agenda

**Shangri-La Hotel, Jakarta
Java Room**

Building on the DNFBP risk assessment discussions held in Singapore in November 2012, this follow-up capacity building workshop will seek to address some of the key issues and challenges faced by Indonesia in their efforts to protect non-financial businesses and professions from terrorist financing.

The workshop will involve the following activities:

- presentations to provide the latest information and updates on recent developments that relate to the targeted area of training;
- scenario playing to acquire some insights into real-world situations as they relate to terrorist financing activities; and
- practical exercises to develop skills and techniques in particular areas that support policy development, implementation and reporting, particularly in relation to terrorism financing and suspicious transactions.

At the conclusion of this workshop, participants would have:

- acquired some knowledge and understanding of the current methods, channels and strategies that are being used to finance terrorism;
- improved their understanding of suspicious transaction reporting processes as they relate to terrorism financing; and
- developed techniques to prepare and implement an effective 'action plan' to support and improve suspicious transaction reporting (STR) compliance in the DNFBP sector.

DAY 1: Tuesday 21 May

8.30 – 9.00 am **Registration**

9.00 – 9.10 am **Welcoming Remarks**
Ambassador Harry Purwanto
Deputy, International Cooperation
Indonesian National Counter-Terrorism Agency

Mr Leslie Williams
Director, APEC Branch
Department of Foreign Affairs and Trade, Australia

9.15 – 10.15 am **Participant Introductions and Workshop Overview**
Mr Siva Lingam
Chief Facilitator

Session 1: Context Setting

10.15 – 10.30 am **APEC Report: Key Findings and Recent Developments**
Ms Olivia Gray-Rodgers
Project Officer, AUSTRAC

In this session, Ms Gray-Rodgers will provide a short update on the draft APEC report on counter terrorism financing and DNFBCPs. Her presentation will seek to highlight the key findings of the report and outline the recent developments that have taken place to protect businesses and professions from terrorist financing.

10.30 – 10.45 am **Morning Break**

10.45 – 11:00 am **Issues / Challenges to Address in Indonesia**
PPATK

This brief presentation will outline some of the ongoing issues and challenges faced by Indonesia as they work to develop policies / programs and implement measures to protect businesses and professions from terrorist financing.

11.00 – 11.30 am **Open Discussion**

Session 2: Current Modus Operandi in Terrorism Financing

11.30 – 12.30 pm **Terrorism Financing: Financing the organisation, financing the operation**
Australian Transaction Reports and Analysis Centre (AUSTRAC)

This presentation provide a broad overview of terrorism financing including exploring methods by which funds can be raised to support the infrastructure of a terrorist group and the funding of a specific attack. He will further examine how terrorists could channel funds through DNFBCPs.

12.30 – 2.00 pm **Lunch**

2.00 – 3.00 pm **Practical Scenario**

In this practical session participants will take part in a fictitious scenario which will explore the various ways in which funds could be channelled through non-financial businesses and professions in order to support a terrorist entity.

Facilitator: AUSTRAC

Session 3: Use of Information and Applications

3.00 – 3.45 pm **Information and Applications in Terrorism Financing Investigations**

This session will explore how AML/CTF information (customer due diligence, know your customer and suspicious transaction reports) can be used to support terrorism financing investigations. This will be followed by an open discussion and sharing of experiences among participants and experts.

Presenter: AUSTRAC

3.45 – 4.00 pm **Afternoon break**

Session 4: Industry and Stakeholder Consultations

9.30 – 10.30 am **Industry perspective/engagement**

This session will explore industry challenges to supporting an effective regulatory framework in more complex and newly regulated areas such as the DNFBP sector, particularly in relation to recent amendments to Indonesia's AML/CTF Law.

5.15 pm – 5.30 pm **Day 1 wrap-up session**

Mr Siva Lingam
Chief Facilitator

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**DAY 2: Wednesday 22 May**

9.00 – 9.15 am **Re-cap and overview of day's session**

Mr Siva Lingam  
Chief Facilitator

### Session 4: Measures and Strategies to Counter Terrorism Financing

4.00 – 5.15 pm **Whole-of-government approach to terrorism financing**

In this session, participants will workshop some of the measures and strategies that can be used in a whole-of-government approach to counter terrorism financing.

Facilitators: AUSTRAC & Mr Siva Lingam

10.30 – 10.45 am **Morning Break**

10.45 – 12.30 pm **Discussion: The Challenges of Reporting Suspicious Transactions**

This session will allow for sharing of experience amongst government and industry on the challenges of reporting suspicious transactions in the more complex and newly regulated areas such as the DNFBP sector.

Mr Siva Lingam  
Chief Facilitator

12.30 pm – 2.00 pm **Lunch Break**

## Session 6: Action Planning

- 2.00 pm – 3.30 pm      **Action planning: Improving STR compliance for DNFBPs (part 1)**
- In this practical exercise participants will seek to develop the techniques to prepare and implement an effective action plan of activities or measures that would lend support to improving the DNFBP sector's capacity to better comply with suspicious transaction reporting obligations.
- Mr Siva Lingam  
Chief Facilitator
- 3.30 pm – 3.45 pm      **Afternoon Break**
- 3.45 pm – 4.45 pm      **Action planning: Improving STR compliance for DNFBPs (part 2)**
- Mr Siva Lingam  
Chief Facilitator

## Session 7: Evaluation and Next Steps

- 4.45 – 5.15 pm      **Evaluation of Project Effectiveness**
- Ms Penelope Howarth  
Executive Officer, APEC Branch  
Department of Foreign Affairs and Trade, Australia
- 5.15 – 5.30 pm      **Next Steps and Closing Remarks**
- Ambassador Harry Purwanto  
Deputy, International Cooperation  
Indonesian National Counter-Terrorism Agency
- Mr Leslie Williams  
Director, APEC Branch  
Department of Foreign Affairs and Trade, Australia



Asia-Pacific  
Economic Cooperation

# APEC NEWS RELEASE

Issued by the APEC Counter-Terrorism Task Force



## Boost for APEC's battle against terrorist financing

**Jakarta, 29 May 2013**—APEC's fight against terrorism received a boost last week when policy makers and financial experts received training in new ways to protect vulnerable businesses and professions from terrorism financing.

The training, in the form of a two-day workshop on 21-22 May 2013 in Jakarta, Indonesia, was conducted under the auspices of APEC's Counter Terrorism Task Force.

As Indonesia tightens regulation of its financial system, terrorism financiers may look to channel funds through other less regulated domestic sectors in the region, such as the so-called designated non-financial businesses and professions (DNFBPs) which are not classed as financial institutions.

DNFBPs include real estate agents, lawyers and accountants, notaries, trust and company service providers, casinos and dealers in precious metals and stones. They can be potentially vulnerable to abuse by terrorists and money launderers because of their traditional lack of exposure to financial regulation.

The workshop, opened by the CTF's Chair Ambassador Purwanto, highlighted recent advances in ways to combat terrorism financing through DNFBPs, new methods used by terrorist groups and some of the challenges faced by APEC members as the group works to further develop effective counter-terrorism legislation and enforcement programs.

"Finance provides a lifeline for terrorism and it is critical for the world to curb all forms of terrorist financing," Ambassador Purwanto told participants.

"The regulation of DNFBPs is an essential part of this effort."

In 2002, Indonesia established a Financial Intelligence Unit called the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) to focus specifically on money laundering and terrorist financing issues.

In a further step forward in February this year, Ambassador Purwanto discussed the Indonesian Government's enactment of a counter-terrorism financing law giving it new powers to cut off lines of terrorist financing, including by freezing bank accounts and seizing assets. Under the legislation, financial institutions are obliged to report suspicious transactions to the PPATK which can then present cases to law-enforcement agencies.

The Australian-led workshop followed an earlier two-day CTF workshop in Singapore in November 2012.

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For more information or to arrange possible interview opportunities, please contact David Hendrickson +65 9371 8901 at [drh@apcc.org](mailto:drh@apcc.org) or Michael Chapnick +65 9647 4847 at [mc@apcc.org](mailto:mc@apcc.org).

Additional details about APEC meetings, events, projects and publications can be found at [www.apcc.org](http://www.apcc.org). You can also follow APEC on [Twitter](#) and join us on [Facebook](#).



## SUMMARY OF EVALUATION REPORTS

### Protecting DNFBPs from terrorist financing – An APEC Capacity Building Workshop

May 21-22, 2013  
Jakarta, Indonesia



**Submitted by:**  
**Leslie Williams**  
**Director, APEC Branch**  
**Department of Foreign Affairs and Trade**  
**Australia**

June 2013



## General Details

|                                 |                                                                                     |
|---------------------------------|-------------------------------------------------------------------------------------|
| <b>Activity Title:</b>          | <b>APEC Capacity Building Workshop – Protecting DNFBPs from terrorist financing</b> |
| <b>Participants' Economies:</b> | Indonesia, Russia, Australia                                                        |
| <b>Gender</b>                   | Male 26      Female 11                                                              |
| <b>Completed questionnaires</b> | 20 (all participants present at the end of the workshop<br>Male 13      Female 7)   |

| <b>Results Summary</b>                     |            |                      |            |
|--------------------------------------------|------------|----------------------|------------|
| Improvement in knowledge and understanding |            | Value of Discussions |            |
| Significant                                | <b>28%</b> | High                 | <b>30%</b> |
| Moderate                                   | <b>69%</b> | Moderate             | <b>69%</b> |
| No improvement                             | <b>3%</b>  | Low                  | <b>1%</b>  |
| More information required                  |            |                      |            |
| Yes                                        | <b>52%</b> | No                   | <b>48%</b> |

1. How likely are you to use the knowledge / skills acquired from this workshop in performing your work?

|                |    |
|----------------|----|
| Highly likely  | 6  |
| Likely         | 14 |
| Not likely     | -  |
| Unable to rate | -  |

Comments:

2. What part of this workshop did you find most helpful?

- Session 2 – Practical Scenario Discussion (6)
- Sharing information, experiences and lessons learned to build cooperation (6)
- Session 5 – Industry and Stakeholder Consultations (3)
- Session 4 – Whole of government approach to Counter-Terrorism Financing (2)
- Draft APEC report on the experience among government and industries in other countries (1)
- Practice and examples of different situations (1)
- Networking – know people who can work with (1)
- Session 3 – Information and Applications in terrorism financing investigations (1)
- Session 6 – Action Planning: Improving STR compliance for DNFBPs (1)

3. What was your least favourite part of the workshop?

- Session 6 – Action Planning: Improving STR compliance for DNFBCPs (3)
- Discussions (1)
- Practical exercises (1)
- Session 5 – Industry and Stakeholder Consultations (1)
- Session 3 – Information and Applications in Terrorism Financing Investigations (1)
- Less participation from other APEC member economies (1)

4. Would you like to add any other comments?

- The exercise and practical scenario was too simple
- Please add cross-cultural perspectives because at a theoretical level we all absolutely agree with each other
- Next time more participants in discussions and better material
- More motivation session
- Plan one more day for 'games' to practice our skills

**Based on Session 1: Issues/Challenges to Address in Indonesia, please rate and comment on the following questions:**

5. Did this session improve your knowledge and understanding of the challenges faced by Indonesia in protecting businesses and professions from terrorist financing?

|                        |    |
|------------------------|----|
| Significantly improved | 6  |
| Moderately improved    | 14 |
| Not improved           | -  |
| Unable to rate         | -  |

|                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comments:<br>This session improved my knowledge and showed me problems faced by Indonesians<br>Maybe needed a little introduction on the structure of the FIU of Indonesia<br>But I need more action step in order to increase the awareness of DNFBCP's to report |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

6. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 8  |
| Moderately useful | 12 |
| A little useful   | -  |
| Not useful        | -  |

|           |
|-----------|
| Comments: |
|-----------|

7. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |    |
|-----|----|
| Yes | 11 |
| No  | 8  |

|                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------|
| Comments:<br>Cultural alternatives for modelling<br>More examples on issues that could be found as challenges in Indonesia |
|----------------------------------------------------------------------------------------------------------------------------|

**Based on Session 2: Terrorism Financing: Financing the organisation, financing the operation, please rate and comment on the following questions:**

8. Did this session improve your knowledge and understanding of the methods by which funds can be raised to support terrorist groups?

|                        |    |
|------------------------|----|
| Significantly improved | 6  |
| Moderately improved    | 14 |
| Not improved           | -  |
| Unable to rate         | -  |

|                                                                                                             |
|-------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>Wide overview of methods – very good<br/>If there are new methods they should be added</p> |
|-------------------------------------------------------------------------------------------------------------|

9. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 4  |
| Moderately useful | 16 |
| A little useful   | -  |
| Not useful        | -  |

|                                                                                                             |
|-------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>Good discussion<br/>Very important session - maybe we need more time for next workshop</p> |
|-------------------------------------------------------------------------------------------------------------|

10. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |    |
|-----|----|
| Yes | 15 |
| No  | 4  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>More reality financing cases or typology<br/>More involvement from other relevant stakeholders<br/>The situation in Indonesia is different compared with other countries especially in charity activities. So better to discuss this subject more deeply<br/>More new schemes of financing terrorism<br/>More explicit information on how terrorist is involved in any financing action and examples<br/>Need to talk about professions sector</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Based on Session 2: Practical Scenario, please rate and comment on the following questions:**

11. Did this session improve your knowledge and understanding of the ways in which funds could be channelled through non-financial businesses and professions to support a terrorist entity?

|                        |    |
|------------------------|----|
| Significantly improved | 4  |
| Moderately improved    | 16 |
| Not improved           | -  |
| Unable to rate         | -  |

|                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>It was very interesting and useful to know the Indonesian legislation and how terrorist organisations can avoid control and use non-financial business for their purposes.<br/>I got new information about channels of terrorist funded<br/>Maybe give different exercises to each group</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

12. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 7  |
| Moderately useful | 12 |
| A little useful   | 1  |
| Not useful        | -  |

Comments:

13. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |    |
|-----|----|
| Yes | 8  |
| No  | 10 |

Comments:

Two different groups that need to do opposite work ie terrorist vs FIU  
More active and specific

**Based on Session 3: Information and Applications in Terrorism Financing Investigations, please rate and comment on the following questions:**

14. Did this session improve your knowledge and understanding of the ways AML/CTF information can support terrorism financing investigations?

|                        |    |
|------------------------|----|
| Significantly improved | 5  |
| Moderate improved      | 15 |
| Not improved           | -  |
| Unable to rate         | -  |

Comments:

Useful to know methods and channels (3)  
More examples

15. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 7  |
| Moderately useful | 13 |
| A little useful   | -  |
| Not useful        | -  |

Comments:

16. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |    |
|-----|----|
| Yes | 8  |
| No  | 10 |

Comments:

More examples

**Based on Session 4: Whole-of-government approach to Counter-Terrorism Financing, please rate and comment on the following questions:**

17. Did this session improve your knowledge and understanding of the measures that can be used in a whole-of-government approach to counter terrorism financing?

|                        |    |
|------------------------|----|
| Significantly improved | 6  |
| Moderate improved      | 13 |
| Not improved           | -  |
| Unable to rate         | 1  |

Comments:  
We need more cooperation among government (3)  
Useful examples and discussions

18. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 7  |
| Moderately useful | 12 |
| A little useful   | -  |
| Not useful        | -  |

Comments:

19. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |   |
|-----|---|
| Yes | 9 |
| No  | 9 |

Comments:  
· Cultural issues and solutions  
· The importance of inter-agency cooperation in all levels of management

**Based on Session 5: Industry and Stakeholder Consultations please rate and comment on the following questions:**

20. Did this session improve your knowledge and understanding of the challenges faced by industry in supporting an effective regulatory framework for DNFBPs?

|                        |    |
|------------------------|----|
| Significantly improved | 7  |
| Moderately improved    | 12 |
| Not improved           | 1  |
| Unable to rate         | -  |

Comments:

21. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 5  |
| Moderately useful | 15 |
| A little useful   | -  |
| Not useful        | -  |

Comments:  
Good discussion

22. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |   |
|-----|---|
| Yes | 8 |
| No  | 9 |

Comments:  
The participation from another industry

**Based on the panel, Challenges of Reporting Suspicious Transactions, please rate and comment on the following questions:**

23. Did this session improve your knowledge and understanding of the challenges of reporting suspicious transactions?

|                        |    |
|------------------------|----|
| Significantly improved | 5  |
| Moderately improved    | 12 |
| Not improved           | 1  |
| Unable to rate         | 2  |

|                                                                           |
|---------------------------------------------------------------------------|
| <p>Comments:<br/>This is important. We need to trace information. (3)</p> |
|---------------------------------------------------------------------------|

24. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 5  |
| Moderately useful | 14 |
| A little useful   | 1  |
| Not useful        | -  |

|                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>From this discussion we know what's the barrier of reporting STR esp from the DNFBP so we can think about problem solving (highly useful)</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |   |
|-----|---|
| Yes | 9 |
| No  | 9 |

|                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------|
| <p>Comments:<br/>Industry education solutions<br/>Different ways of collecting RST, what RST in different countries</p> |
|-------------------------------------------------------------------------------------------------------------------------|

**Based on Session 6: Action Planning: Improving STR compliance for DNFBPs, please rate and comment on the following questions:**

26. Did this session improve your knowledge and understanding of how to prepare an effective action plan to improve STR compliance for DNFBPs?

|                        |    |
|------------------------|----|
| Significantly improved | 6  |
| Moderately improved    | 14 |
| Not improved           | -  |
| Unable to rate         | -  |

|                  |
|------------------|
| <p>Comments:</p> |
|------------------|

27. How would you rate the level of discussion in this session?

|                   |    |
|-------------------|----|
| Highly useful     | 4  |
| Moderately useful | 16 |
| A little useful   | -  |
| Not useful        | -  |

|                  |
|------------------|
| <p>Comments:</p> |
|------------------|

28. Did you think that the session should have included any other information or details? If yes, please note what you think should have been covered as well in this session.

|     |    |
|-----|----|
| Yes | 7  |
| No  | 10 |

|                  |
|------------------|
| <p>Comments:</p> |
|------------------|