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THE EUROPEAN UNION**

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ADDENDUM TO NOTE

from : General Secretariat
to : Working Party on Terrorism

Subject : Evaluation of National Anti-Terrorist Arrangements
Report about the Evaluation of United Kingdom, 17-19 May 2004
Full version of the report

Evaluation of United Kingdom, 17-19 May 2004

Full version of the report

1.	General organisation of the police force in the UK and Wales	3
2.	The Security Service	14
	2.1. General presentation and legal basis.....	14
	2.2. Oversight of the Security Service.....	15
	2.3. Internal organisation	17
	2.4. The Security Service and Terrorism	17
	2.5. Countering terrorism.....	18
	2.6. Disclosure of evidence	20
	2.7. The Joint Terrorism Analysis Centre (JTAC)	21
3.	Legal provision.....	23
	3.1. Terrorism Act 2000 (TACT)	23
	3.2. Anti-Terrorism, Crime and Security Act 2001 (ATCSA)	24
	3.3. Regulation of Investigatory Powers Acts 2000	25
4.	The Crown Prosecution Service (CPS).....	27
5.	Contingencies	29
6.	The fight against the financing of terrorism	34
	6.1. At international level.....	34
	6.2. At domestic level.....	35
	6.3. Agencies.....	40
	6.4. Co-ordination	43

1. General organisation of the police force in the UK and Wales

1.1. The 1964 Police Act is at the origin of current structure of the police force: it divides responsibility between the Home Secretary, local police authorities and chief constables as part of the separation between operational and political (or executive) responsibility. The Home Secretary has the overall responsibility for the police force including funding, and acts as supervisor and co-ordinator.

1.2. There are 43 police forces across England (39, including the Metropolitan Police and the City of London police forces) and Wales (4) responsible for the investigation of crime including terrorist acts and related activities, collection of evidence and the arrest or detention of suspected offenders¹. The police work closely in conjunction with the Home Office, other law enforcement agencies, and the security and intelligence agencies in these regards. It also, in consultation with the Crown Prosecution Service, decides whether or not to bring charges.

1.3. The direction and control of each regional force falls to the chief constables², with the police authorities overseeing their work. The chief constable is responsible for the general organisation of the regional force, which includes setting local objectives and co-ordinating the publication of annual policing plans and report³. Guidelines 2004 state that "they should not be diverted from (counter terrorism activities) unless absolutely necessary" and "consequently, Chief Officers must ensure that Special Branches are adequately staffed and resourced to enable them to carry out their duties effectively". Guidelines also add, "it is desirable that the Head of the Branch should, given the nature of Special Branch work, have direct access to a chief officer and, where necessary, the Chief Officer personally".

¹ In 1964, the Police Act amended the structure of policing in England and Wales by reducing the number of local forces and merging various regional groups. This restructuring continued in 1966 when the number of police forces outside London was reduced from 117 to 49, and again in 1972, when the Local Government Act reduced the number to 41. There are 8 regional police forces in Scotland (the Justice Minister has responsibility for the eight regional police forces) and the Police Service of Northern Ireland that was created in 2001.

² Each chief constable is subject to the approval of the Home Secretary and other regulations.

³ To ensure that the policing standards are met, all regional forces are monitored by HM Inspectors of Constabulary (HMIC)

Day to day policing - such as deciding to make arrests and how to allocate officers to protect the public from potential threats - is entirely the independent responsibility of each force's Chief Constable. For instance he may sometimes call upon the military specialised equipment and expertise - such as bomb disposal (Military Aid to the Civil Power/MACP) - in support of operations. It is the judgement of Chief Officer of Police as to request such a support⁴ and to when military support is needed and what form it should take, and where and how it should be deployed.

1.4. Special Branch

1.4.1. There is a Special Branch unit in each of the police forces⁵ and they remain an integral part of the local force. Special Branch is answerable to the local Chief Constable or Commissioner. From this perspective police officers with executive powers within Special Branch are accountable in the same way as other members of the police service and must be compliant with current legal provision ruling their activities⁶.

⁴ These requests are made via the Home Office. This was the case during the police operation at Heathrow in February 2003.

⁵ Special Branches "vary from almost 1000 (including support staff) in the Metropolitan Police Special Branch (MPSB) to a dozen or less in some smaller county forces" (Home Office document).

⁶ Cf the Human Rights Act that came into force on 2 October 2000 incorporating the key provisions of the European Convention on Human Rights into United Kingdom domestic law, the Data Protection Act 1998 and the Freedom of Information Act 2000. Cf also the RIPA 2000 and the Regulation of Investigatory Powers (Scotland) Act 2000, the Race Relations (Amendment) Act 2000, etc. They are in particular concerned with policing the provisions provided within the Terrorism Act 2000 and the Anti-Terrorism Crime and Security Act 2001 (ATCS). Cf also procedures and ethical standards set down by both the Association of Chief Police Officers (ACPO) and Association of Chief Police Officers Scotland (ACPOS), etc.

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1.4.3. The Special Branches have the police lead in this area⁹ and especially on working closely with, and in support of, the Security Service as well as with other national agencies¹⁰. As the guidelines of 2004 states, "they acquire and develop intelligence to help protect the public from national security threats, especially terrorism and other extremist activity, and through this they play a valuable role in promoting community safety and cohesion" (Foreword by Secretary of State for the Home Department, the Minister for Justice and the Minister of State for Northern Ireland).

In all areas, including specific training in conjunction with the Metropolitan Police Special Branch, the Security Service has a very strong relationship with Special Branches at both local and national level. The relationship between Special Branch and the Security Service is a key element.

1.4.4. A basic link that bridges the police, Special Branches and the Security Service relates to the capacity of Special Branches members to turn intelligence into prosecutions. They are the primary instrument or adequate structure through which intelligence is turned into evidence (intelligence as such cannot generally be used as evidence in court), because the Security Service's members have no law enforcement competence. In doing so, the Special Branch role is intelligence, providing a conduit through which sensitive material can be passed in a way which ensures its protection in court. Consequently, the role of the Special Branches is crucial with regard to bring people charged with terrorism to court. Special Branch is the interface between the intelligence dimension (analysis) and the law enforcement dimension (in terms of executive powers, arrest, operations and prosecution). The Special Branch system acts in a way that preserves the intelligence as such for further use but and that can be used at the same time as a basis of a prosecution.

⁹ "...who do so much valuable work to gather and act on the intelligence which can help stop terrorists" (Cf the Home Office Strategic Plan 2004 – 2008 Confidential communities in a secure Britain, July 2004).

¹⁰ Special Branches assist the Security Service in carrying out its statutory duties under the Security Service Act 1989 and also supports the work of the Secret Intelligence Service (SIS) in carrying out its statutory duties in support of national security.

However, the Special Branch is more than an executive branch from a global counter terrorism perspective in terms of intelligence led policy.

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1.4.6. The threat from international terrorism also underlines the importance of the role of Special Branch Ports Units and their relationship in particular with the United Kingdom Immigration Service (UKIS) and Her Majesty's Customs & Excise (HMCE)¹⁷. Special Branches make also a significant contribution by posting staff to Special Branch units at airports and international rail termini¹⁸.

1.5. The importance of the contribution of Special Branches to the fight against terrorism as well as the need to better co-ordinate their activities at national level was recently highlighted by some additional measures of a particular importance. This reinforces the importance and relevance of their role with positive consequences at local level and on the Security Service's work at a final stage.

1.5.1. For the first time in the UK, a National Co-ordinator was appointed in 2003 by and is responsible to ACPO and will work closely with ACPO (TAM)¹⁹, the Home Office and the Security Service. His is to co-ordinate and promulgate Special Branch Policy, to set standards and codes of practice for Special Branch activity and quality, to assure implementation of best practice and policy within Special Branch (advisory role in relation to terrorist investigations). The National Co-ordinator will also deal with Ports Policing (including uniform ports security) and will be assisted in this domain by the National Co-ordinator of Ports Policing²⁰.

¹⁷ At some ports Joint Intelligence Cells (JIC) have been established and consist of members of Special Branch, HM Customs and MH Immigration Service.

¹⁸ Within their force area the Special Branches also cover sea and air ports (the National Ports Scheme, NPS) apart from larger air and seaports that have a "dedicated Special Branch presence" including the designated nine major airports (Policing of Airports Act 1974).

¹⁹ The National Co-ordinator of Special Branches was appointed in April 2004 by the Association of Chief Police Officers (ACPO) for England, Wales and Northern Ireland and the Association of Chief Police Officers for Scotland. The person appointed is also a member of ACPO's Terrorism & Allied Matters Committee.

²⁰ The National Co-ordinator of Ports Policing, who is appointed by the Home Office, works on behalf of ACPO (TAM). The National Co-ordinator of Ports Policing (NCPP) works closely with the Home Office, other border agencies, Department of Transport and Industry to ensure the effectiveness of counter terrorist border controls. He reports to the National Co-ordinator of Special Branch. In Northern Ireland, the Chief Constable performs similar tasks.

The National Co-ordinator of Special Branch will also reviewed annually guidelines for Special Branch and will report on them to the Home Office, the Scottish Executive Justice Department and ACPO (TAM) making recommendations for amendment if appropriate²¹.

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²¹ The creation of the responsibility of national co-ordinator is the response to Her Majesty's Inspectorate of Constabulary's (HMIC) review of existing Special Branches arrangements, which recommended the creation of this new post.

1.5.3. In addition, the head of the Metropolitan Police Anti-Terrorist Branch has been appointed as National Co-ordinator of Counter Terrorist Investigations²⁵. The National Co-ordinator may, by invitation of the relevant Chief Constable, assume responsibility for the coordination and direction of enquiries into terrorist and other related activity. The remit of the National Co-ordinator includes the overall command of the investigation with the authority to direct all aspects of police activity in each and all of the police areas that may be affected. He/she will also be responsible for the management of intelligence and evidential matters to bring matters to the point of trial, and decisions in respect of extradition proceedings.

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²⁵ In Scotland, taking account the specific jurisdictional context, the National Co-ordinator of Terrorist Investigations will fill an advisory role in relation to terrorist investigations occurring wholly within Scotland (guidelines 2004)

1.5.5. Other improvements are the new guidelines of 2004 for the Special Branches²⁷ as well as the recently introduced and agreed annual Statement of Joint Working Objectives that will serve as a basis for the planning of Special Branches' activities and to highlight the Security Service's priorities.

The guidelines are not the product of any legislative requirement or directive and take into account the major changes, which have occurred since 1994 regarding the threat to national security, the operational and legal environment in which the police work, and public expectations.

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²⁷ ACPO (TAM) is the relevant body for providing Special Branches with policy at national level. The Security Service is part of ACPO (TAM) at senior level and this enables the Security Service's opinion to be taken into account at an early stage of the definition and formulation of policy dedicated to the Special Branches.

1.5.7. Co-operation between Special Branches and the Security Service also takes place within the National Counter Terrorism and Security Office (NaCTSO) in the field of protective security. This joint venture, established in 1998, is tasked with the dissemination of protective security advice to the wider public and business communities²⁸. NaCTSO co-ordinates a nationwide network of specialist police advisors known as Counter Terrorist Security Advisors (CTSAs)²⁹. The unit collates and disseminates good practice and has responsibility for the management of police training in counter-terrorism protective security. Developing and maintaining strong links with other organisations is part of the unit's work, which allows for the identification of emerging needs and requirements in this area.

1.5.8 The regional branches are the front line of NCIS's work on top level criminals in the UK. Within them, teams of regional and criminal intelligence officers and analysts undertake long-term intelligence work against the UK's organised criminals and their organisations, utilising financial investigation, source development and technical support.

The regional branches have a strategic role, expressed through the assessments they produce on a quarterly basis to inform the top two levels (i.e. international and domestic, cross border) of the National Intelligence Model coordinating and tasking groups.

²⁸ NaCTSO is co-located with the Security Service's National Security Advice Centre and they both work closely (to develop advice on protection against terrorism to be issued).

²⁹ For instance, they have a programme of visits to the holders of largest radioactive sources giving advice on appropriate levels of protective measures.

2. The Security Service

2.1. General presentation and legal basis

The Security Service is the UK's security intelligence agency and its role and functions as defined by the Security Service Act 1989³⁰ are as follows:

- to protect national security against threats from espionage, terrorism and sabotage
- to safeguard the economic well-being of the UK against threats posed by the actions or intentions of persons outside the British Isles
- to support of the activities of police forces and other law enforcement agencies in the prevention and detection of serious crime (since October 1996).

Paragraph 1(1) of the Act states that the Security Service acts under the authority of the Secretary of State³¹ and paragraph 2(4) mentions that "the Director-General (makes) an annual report on the work of the Service to the Prime Minister and the Secretary of State". He/she "may at any time report to either of them on any matter relating to its work".

In addition to the Security Service Act 1989 as amended in 1996, other pieces of legislation are

- the Intelligence Services Act 1994 (ISA) which established the Intelligence and Security Committee (ISC). This Parliamentary committee is charged with oversight of expenditure, administration and policy of the three security and intelligence agencies (the Security Service, SIS and GCHQ)
- the Regulation of Investigatory Powers Act 2000 (RIPA) which established a Commissioner for Interception, a Commissioner for the Intelligence Services and a Tribunal to examine complaints and hear proceedings under section 7 of the Human Rights Act 1998.

³⁰ For the first time in the UK, an Act placed the Security Service on a statutory basis. It also enables in particular certain actions to be taken on the authority of warrants issued by the Secretary of State, mentions that the issue of such warrants are to be kept under review by a Commissioner; establishes a procedure for the investigation by a Tribunal or, in some cases, by the Commissioner of complaints about the Service.

³¹ However the Security Service is not part of the Home Office.

ISA and RIPA relate to provision for warrants to be issued by the Secretary of State to intercept communications, interfere with property and carry out intrusive surveillance (eavesdropping for instance). RIPA also provides for the issue of internal authorisations for directed surveillance and for the use of agents (covert human intelligence sources/CHIS).

2.2. Oversight of the Security Service

The Security Service is consequently subject to Ministerial, Parliamentary and Judicial oversights.

- Ministerial oversight. The Prime Minister is responsible for the UK intelligence machinery as a whole. He is supported in that capacity by the Security and Intelligence Co-ordinator, who oversees the arrangements which ensure that the activities of the agencies are effectively co-ordinated. In addition the Director General of the Security Service who is appointed by the Home Secretary in consultation with the Prime Minister addresses an annual report to the Home Secretary and the Prime Minister. The Home Secretary is regularly briefed by the Director General on threats to national security and on major current investigations³².
- Parliamentary oversight. The Parliamentary committee, which consists of nine Parliamentarians drawn from both the House of Commons and House of Lords, is appointed by the Prime Minister in consultation with the Leader of the Opposition. It reports annually to the Prime Minister, who then lays the report before Parliament³³.
- Both an Interception of Communications Commissioner and an Intelligence Services Commissioner (cf the Regulation of Investigatory Powers Act 2000 (RIPA)) exercises Judicial oversight.

³² The Home Secretary is personally involved in the Service most sensitive aspects of the work of the Security because he authorises warrants allowing the Security Service to intercept letters or telephone calls, to interfere with property or to carry out intrusive surveillance. The Home Secretary and the Director General also discuss matters of policy affecting the Service.

³³ The Director General of the Security Service who can share sensitive information with the Committee makes the release of information to the Committee. The Committee published its annual report for 2003-2004 on 29 June 2004.

- The Interception of Communications Commissioner is responsible for keeping under review the issue of interception warrants and the adequacy of arrangements for ensuring the product of interception is properly handled.
- The Intelligence Services Commissioner is responsible for keeping under review the issue of warrants by the Secretary of State authorising intrusive surveillance (e.g. eavesdropping) and interference with property in order to make sure that the Secretary of State was right to issue them.
- Both act on a similar basis: they respectively review the warrant applications that the intercepting agencies have made to the Secretary of State, in order to make sure that the Secretary of State was right to sign the warrants or the internally authorised use of directed surveillance (e.g. CHIS) to check that the Security Service are acting in accordance with the requirements of the law. They visit the Security Service and other agencies and have in depth discussions with the officers responsible for the relevant investigations³⁴. Both Commissioners submits an annual report to the Prime Minister which is subsequently laid before Parliament and published³⁵.

³⁴ The law requires us to provide the Commissioner with any documents or information he needs to carry out his functions.

³⁵ The Interception of Communications Commissioner's Report for 2003, published on 22 July 2004. The report includes a review of the interception processes and a summary of the value of the intercepts and, in a closed annex which is not published, accounts of the operational successes achieved as a result of the interception warrants he has reviewed. The Intelligence Services Commissioner's Report for 2003 was also published on 22 July 2004

2.3. Internal organisation

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2.4. The Security Service and terrorism

In general terms, the Security Service prioritises threats and allocates resources accordingly, and for that purpose takes into account the national intelligence priorities set by the Joint Intelligence Committee (JIC)³⁶. Ministers endorse priorities.

The majority of the Security Service's resources are currently focusing in countering international terrorism and domestic terrorism (mostly related to Northern Ireland). The largest proportion of Security Service resources is dedicated to the fight against international terrorism³⁷ and this proportion is increasing.

³⁶ The JIC is the central body in the UK's interdepartmental intelligence machinery. It advises on priorities for intelligence collection and assesses performance against them and supports the Security and Intelligence Co-ordinator who advises the Prime Minister on the co-ordination of the intelligence machinery, the establishing of intelligence requirements and arrangements for assessing the performance of the security and intelligence agencies.

³⁷ In March 2004, International Counter Terrorism represented 43.7% of resources, Irish Counter Terrorism 24.8% and Security Advice 11.8%.

Another important area is security advice (provided by the Service's National Security Advice Centre/NSAC) on the basis of investigative and assessment work that takes into consideration the nature and scale of the current threats. NSAC focus on Government (protection of key assets), organisations outside Government which are involved in sensitive government work and those elements of commerce and industry whose services and products form part of the Critical National Infrastructure (CNI)³⁸. The role of the NSAC's works is consequently to reduce vulnerability to terrorist threats and in addition to key government assets advice is also relevant to a broad range of other organisations, private and public.

2.5. Countering terrorism

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³⁸ The concept of Critical National Infrastructure focus on assets, services and systems that support the economic, political and social life of the UK (Communications, Emergency Services, Energy, Finance, Food, Government and Public Service, Public Safety, Health, Transport and Water) and refers to a common understanding of key sectors and functions that need to be preserved in the face of any disruptive challenge and protected in the public interest.

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2.6. Disclosure of evidence

The use of intelligence material as evidence is related to criminal proceedings and for instance the law does not allow the product of interception to be used in court as evidence but unlike interception, the product from an eavesdropping measure can be used in court as evidence.

In addition Security Service officers have been witnesses for the prosecution in a number of high profile criminal trials, and intelligence material has either been admitted in evidence or disclosed to the defence as « unused material" in a significant number of cases⁴⁴.

Another key point is to provide law enforcement bodies with intelligence in order to allow them to investigate then prosecute and to keep under control intelligence for further steps (or for instance in order to protect the source).

The duty of prosecutors to make unused material available to the defence in criminal cases is set out in the Criminal Procedure and Investigations Act 1996. The Act recognises that the duty of disclosure must accommodate the need to protect sensitive information the disclosure of which could damage important aspects of the public interest, such as national security.

The public interest most regularly engaged is that in the effective investigation and prosecution of serious crime, which may involve resort to informers and under-cover agents, or the use of scientific or operational techniques (such as surveillance) which cannot be disclosed without exposing individuals to the risk of personal injury or jeopardising the success of future operations. In such circumstances some derogation from the golden rule of full disclosure may be justified.

In order to solve this difficulty, the Security Service will apply for a Public Interest Immunity (PII) to prevent disclosure of intelligence collection methods at a trial if disclosure would cause real damage to the public interest by, for example, compromising the identity of an agent or a sensitive investigative technique.

⁴⁴ This has occurred mostly in the context of counter-terrorist and serious crime work.

The prosecutor may apply to the judge for authority to withhold the material and the application takes the form of a claim for public interest immunity (PII). Claims for PII are made on the basis of a certificate signed by the Home Secretary who takes account of detailed advice from prosecuting Counsel on the relevance of the material to the issues in the case. If the Home Secretary considers that the balance comes down in favour of non-disclosure, a claim for PII will be made. But the decision on a PII claim is one for the judge alone: it is the courts, not the Service or the Government, that ultimately decide what must be disclosed in a particular case. If a claim is accepted, the judge will continue to keep the decision under review throughout the proceedings.

2.7. The Joint Terrorism Analysis Centre (JTAC)

The Joint Terrorism Analysis Centre (JTAC), for which the Director General of the Security Service is responsible, was created in June 2003 after the Bali bombing to improve the provision of assessed intelligence on international terrorism and to support military, diplomatic, police and other intelligence agency needs. The aim was to create a "a more joined-up system".

JTAC was created as the UK's centre of excellence and expertise on assessing the threat from international terrorism, and is responsible for setting the threat levels to UK interests at home and overseas. It has been in existence since June 2003 and was set up to improve the provision of assessed intelligence on international terrorism, providing increased efficiency and responsiveness to customer requirements. JTAC is a major structural development within the UK Intelligence Community, and it has developed rapidly with the support of Ministers, the JIC, and relevant Departments and Agencies.

The Head of JTAC is responsible to the Director General of the Security Service, but JTAC is a self-standing organisation comprised of representatives from twelve government departments and agencies. This includes the three intelligence agencies (Security Service, GCHQ and SIS), the Ministry of Defence, Home Office, Foreign Office, Police, Department for Transport, Office for Civil and Nuclear Security, HMCE, and Department of Health, and Cabinet Office. The Head of JTAC could come from any of the 3 intelligence agencies and the DIS.

JTAC receives all intelligence relevant to international terrorism, and has teams of analysts, who assess this intelligence, set threat levels, and report this assessment to a wide range of government departments and agencies.

It is important that, JTAC includes both intelligence producers and consumers.

JTAC does not provide risk assessments: it is for departments to use their own expertise and experience together with JTAC's threat assessment or advice to produce a risk assessment that informs the Departments' strategic resource allocation decisions and prioritisation.

JTAC assessments contribute to assessments made by the Joint Intelligence Committee that is also responsible for strategic assessments of the international terrorist threat and related issues. It also works closely with the US Terrorist Threat Integration Centre and other partners worldwide⁴⁵.

⁴⁵ In May 2004, the Spanish State Secretary for Security and the director of the newly created National Antiterrorist Co-ordination Centre (CNCA) visited JTAC. The State Secretary for Security has invited JTAC to visit the CNCA in Nov 2004 in order to share its experience.

3. Legal provision

3.1. Terrorism Act 2000 (TACT)⁴⁶

The Terrorism Act is the primary piece of UK counter-terrorist legislation that was came into force on 19 February 2001 in response to the changing threat from international terrorism⁴⁷.

Some of the specific measures in the Terrorism Act are:

- It outlaws certain terrorist groups and makes it illegal for them to operate in the UK (proscription)⁴⁸, and specifically extends this proscription regime to include international terrorist groups, like Al Qaida.
- It gives police enhanced powers to investigate terrorism, including wider stop and search powers, and the power to detain suspects after arrest for up to seven days (though any period longer than two days must be approved by a magistrate).
- It creates new criminal offences, including:
 1. inciting terrorist acts,
 2. seeking or providing training for terrorist purposes at home or overseas,
 3. providing instruction or training in the use of firearms, explosives or chemical, biological or nuclear weapons;
- It provides additional powers applicable to Northern Ireland only, which must be renewed every year.

⁴⁶ The TACT is reviewed annually by an independent reviewer who also reviews the detention provisions in Part 4 of the ATCSA.

⁴⁷ It replaced the previous temporary anti-terrorism legislation that dealt primarily with Northern Ireland.

⁴⁸ Under the Act it is an offence for a person to belong to or profess to belong to a proscribed organisation, invite support for a proscribed organisation, dress or to wear, carry or display an article in such a way or in such circumstances as to arouse reasonable suspicion that he is a member of a proscribed organisation.

The Terrorism Act 2000 describes four main offences in relation to terrorist funding.

- Fund raising: it is an offence to invite anyone to provide money or property; receive money or property; or provide money or property for the purposes of terrorism.
- Use and possession of money or property for the purposes of terrorism.
- Funding arrangements: involvement in arrangements whereby money or property is made available for terrorism.
- Money laundering: facilitating the retention or control of terrorist property in any way, including concealment; removal from the jurisdiction; and transfer to nominees.

All of these apply in situations where a person intends, or has reasonable cause to suspect, that money or property will be used for the purposes of terrorism. The maximum penalty for each of these offences is 14 years imprisonment and/or a fine. There is also an obligation to disclose knowledge or suspicion of terrorist funding, based on information arising from one's trade, profession, business or employment. Failure to disclose such information is an offence subject to penalties of up to five years imprisonment and a fine. The Anti Terrorism, Crime and Security Act modified the Terrorism Act 2000 so that failure to disclose is an offence, in the regulated financial sector, wherever there are "reasonable grounds" to suspect terrorist funding.

3.2. Anti-Terrorism, Crime and Security Act 2001 (ATCSA)⁴⁹

The Anti-Terrorism, Crime and Security Act was passed in the immediate aftermath of the 11 September 2001. It builds and expands on the Terrorism Act⁵⁰.

⁴⁹ A committee of Privy Councillors reviews the whole of the ATCSA.

⁵⁰ However, the Terrorism Act is still the main piece of legislation that the police use operationally, on a day-to-day basis, to arrest and investigate terrorists.

Some of the specific measures in the ATCSA are:

- It prevents terrorists from abusing immigration procedures by allowing the Home Secretary to detain foreign nationals who are suspected of involvement in international terrorism but who cannot immediately be removed from the UK, until we can deport them
- It strengthens the protection and security of aviation and civil nuclear sites, and tightens the security of dangerous substances held in labs and universities
- It creates tough penalties for people seeking to exploit the events of 11 September 2001 by extending the law on hoaxes and increasing the penalties for crimes aggravated by racial or religious hatred
- It cuts off terrorists from their funds by allowing assets to be frozen at the start of an investigation.

Part 2 of this Act creates a new power which enables the Treasury to freeze the assets of overseas governments or residents who have taken, or are likely to take, action to the detriment of the UK's economy or action constituting a threat to the life or property of a national or resident of the UK.

Neither the Terrorism Act 2000 nor the Anti-Terrorism, Crime and Security Act 2001 contain specific legal provision dedicated to victims of terrorist act.

3.3. Regulation of Investigatory Powers Acts 2000

As the name implies, the Regulation of Investigatory Powers Acts that was adopted in 2000 provides with a framework for the interception of communications, the use of both covert surveillance and covert human intelligence sources (agents, informants and undercover officers) and access to communications data. It relates to the authorisation and use by law enforcement bodies and the intelligence services of special investigative techniques for the purpose of collecting intelligence. Consequently it also deals with the safeguarding of the public.

Part I refers to the interception of communications⁵¹ and the acquisition and disclosure of data and in particular incorporates European Convention on Human Rights (Human Rights Act 1998). Under Part I, Chapter I of RIPA, interception of communications is conducted by means of a warrant authorised by the Secretary of State on application by law enforcement, security or intelligence agencies. The purposes for which a warrant may be issued are in the interests of national security, to prevent or detect serious crime, for the purpose of safeguarding the economic well-being of the United Kingdom, or for the purpose of giving effect to the provisions of any international mutual assistance agreement. This part also refers to the appointment of a Commissioner responsible for the reviewing of the Secretary of States' role and responsibility in the domain of interception warranty.

Part 2 relates in particular to covert surveillance (intrusive and directed surveillance)⁵² as well as covert human intelligence sources (undercover officers, agents and informants...)⁵³.

⁵¹ Part I Chapter I of RIPA defines the interception of communications as any communication in the course of its transmission by means of either a public postal service or a public telecommunications system. The product of an intercepted communication cannot be used in evidence.

⁵² Part II of RIPA provides two categories of covert surveillance: Intrusive surveillance is defined as covert surveillance inside residential premises or private vehicles that is carried out by means of a surveillance device or involves a person on the premises or in the vehicle. Directed surveillance is defined as covert surveillance that is not intrusive, but which is undertaken for a specific investigation or operation that is likely to obtain private information about a person. Intrusive surveillance may only be carried out by the police service and HM Custom and Excise if an independent Surveillance Commissioner approves an authorisation. The authorisation must be necessary on the grounds that it is to prevent or detect serious crime. Intrusive surveillance by the security and intelligence services may only be carried out by means of a warrant authorised by the Secretary of State in the interests of national security, to prevent or detect serious crime or in the interests of the economic well-being of the United Kingdom. All Intrusive Surveillance authorisations must also be proportionate to what is sought to be achieved by carrying out the activity and the information obtained could not be reasonably obtained by other less intrusive means. The carrying out of Directed Surveillance and the use of a Covert Human Intelligence Source is authorised internally at a senior level within the police service, HM Customs and Excise and security and intelligence services. An authorisation can be granted if it is necessary and proportionate for one of the following purposes; in the interests of national security; for the purpose of preventing or detecting crime or preventing disorder; in the interests of the economic well-being of the United Kingdom; in the interests of public safety; or for the purpose of protecting public health.

⁵³ Part II of RIPA defines an Agent, Informant and Undercover Officer as a Covert Human Intelligence Source (CHIS) which is defined as a person who establishes or maintains a personal or other relationship with a person to covertly obtain and disclose information.

Part 3 specifically introduces a power to require disclosure of protected data (encrypted data).

Part 4 provides for independent judicial oversight of investigatory powers and establishes a Tribunal for dealing with complains about the use of investigatory powers.

Part 5 deals with various subjects including a sub part about the circumstances in which the Secretary of State may issue property warrants.

4. The Crown Prosecution Service⁵⁴ (CPS)

The Crown Prosecution Service (CPS) is responsible in England and Wales for prosecuting people charged with a criminal offence.

As prosecuting authority, the CPS is responsible for:

- Advising the police on cases for possible prosecution
- Reviewing cases submitted by the police
- Preparing cases for court
- Presentation of cases at court.

The head of The Crown Prosecution Service is the Director of Public Prosecutions who reports to the Attorney General, who holds parliamentary responsibility for the Service. He also makes decisions in the most complex and sensitive cases and advises the police on criminal matters.

Within the CPS the Casework Directorate deals with the most serious, complex and voluminous casework, including cases involving terrorism

⁵⁴ The Crown Prosecution Service forms part of the Criminal Justice System that involves many agencies such as the Police, the Prison service, the Probationary service, the Magistrates Courts, the Crown Courts, etc.

In addition to headquarters are based in London, York and Birmingham, the CPS operate under a structure of 42 geographical areas that correspond with the boundaries of 43 police forces. The CPS London area covers the operational boundaries of both City of London and Metropolitan Police Forces. In each area Chief Crown Prosecutor (CCP) is responsible for prosecutions⁵⁵.

If the police charge someone with a criminal offence in England or Wales, the Crown Prosecution Service (CPS) may decide to prosecute on the basis of a police « Report to a Crown Prosecutor for a Charging Decision" and its attachments including in particular an evidential report a containing the key evidence.

The CPS may proceed with prosecution if there is enough evidence to provide conviction against each defendant on each charge and it is in the public interest to proceed.

The Code for Crown Prosecutors⁵⁶ sets out the basic principles to be followed by Crown Prosecutors when they make case decisions and for that purpose refers to two criteria that help to decide on further steps.

First of all the Crown Prosecutor assesses the case and refers to the evidential test : enough evidence to provide a "realistic prospect of conviction" against each defendant on each charge has to be found/available and the evidence has to reliable. This means that a jury or a bench of magistrates, properly directed in accordance with the law, will be more likely than not to convict the defendant of the charge alleged. (This is a separate test from the one that criminal courts themselves must apply. A jury or magistrates' court should only convict if it is sure of a defendant's guilt.) If the case does not pass the evidential test, it must not go ahead.

⁵⁵ Reporting directly to the DPP, Chief Crown Prosecutors (CCPs) responsibilities include in particular carrying out prosecutions, including personal involvement in cases, representing The CPS within the local community and in partnership with other Criminal Justice System agencies (the chief constable, senior members of the judiciary, chief clerks to the Crown Courts, magistrates, magistrates' courts chief executives, chief probation officers, representatives of the Bar and defence solicitors as well as those from victim support organisations)

⁵⁶ The Code for Crown Prosecutors (The Code) is issued by the Director of Public Prosecutions under section 10 of the Prosecution of Offences Act 1985. It sets out the basic principles Crown Prosecutors should follow when they make case decisions.

In a second step, the Crown Prosecutor must decide whether a prosecution is needed in the public interest (public interest test).

The CPS will only start or continue a prosecution if a case has passed both tests⁵⁷.

5. Contingencies

In the aftermath of 11 September 2001 the UK reviewed in depth its preparedness and contingency plans to deal with terrorist threats. This led to new organisational arrangements with all departments; co-ordinated at the centre of the government with the Home Office in overall charge.

5.1. In the civil protection area, the Counter Terrorism strategy is to ensure that the UK is resilient against attack by protecting potential targets and by having in place the ability to respond quickly and minimise the impacts, were an attack to occur.

5.2. In order to reinforce the ability to deal with major incidents including terrorist events, the Civil Contingencies Bill will update emergency powers, improve the planning process at a local level, build better contacts between agencies and clarify the link between local areas and central government. Regional resilience teams are being established to enhance regional civil contingency planning against terrorist threats and other major emergencies.

⁵⁷ In lengthy or complex cases involving terrorism Summaries for judges are appropriate and prepared by the CPS and this may take the form of an opening note

5.3. In addition, key points are as follows:

- Aviation security will be strengthened on the basis of the implementation of recommendations from the Wheeler Review⁵⁸ and this includes the national roll out of the Multi Agency Threat and Risk Assessment Methodology which takes a joined up approach to airport security and a more coherent response to threats.
- Improving the electronic and physical security of Critical National Infrastructure and the related strengthening of the National Infrastructure Security Co-ordination Centre (NISCC)⁵⁹ in order to further increase its capacity to respond to and investigate incidents, and provide threat assessments.
- Holding counter terrorist exercises involving all emergency services (since 11 September 2001 the exercises programmes have been reviewed with among other aims the aim to test changes against the Counter Terrorism Contingency Planning guidance, to test all national assets/response such as COBR, CCS..., to test post incident procedures, to test the link between the police and consequence management⁶⁰ ...)

⁵⁸ The review examined the present arrangements for security at airports within the UK, with particular reference to the role of the Police.

⁵⁹ NISCC was created in 1999 and is an interdepartmental organisation set up to co-ordinate and develop existing work within Government departments and agencies and organisations in the private sector to defend the Critical National Infrastructures against electronic attack. NISCC is responsible for co-ordinating dialogue with owners of CNI systems to identify the most critical systems and work with them to reach a level of assurance about the protection of these systems, alerts or warnings of attack, assistance in response to serious attacks, information about the threat, specialist protective security advice and expertise and partnerships with CNI providers. The management board of NISCC, chaired by the Home Office, consists of representatives of the Cabinet Office, the Communications Electronics Security Group (CESG) of GCHQ, the Ministry of Defence, the Security Service and the Police.

⁶⁰ The term consequence management is defined as "measures to protect public health and safety, restore essential services and provide emergency relief to business and individuals affected by the consequences of a crisis (such as an act of terrorism)". This is in contrast to the term crisis management, which is defined as "measures to identify, acquire and plan the use of resources needed to anticipate, to prevent and/or resolve crisis or an act of terrorism."

- Introduction of new plans for ensuring the continuity of government including ensuring central strategic direction in a crisis as well as alternate locations from which Departments can ensure the continuity of key services to the public.
- Delivering protective security to individuals at threat from terrorist attack
- Enhancing our preparedness to deal effectively with Chemical, Biological, Radiological or Nuclear (CBRN) threats⁶¹, for instance through programme Cyclamen.

NOT DECLASSIFIED

⁶¹ **NOT DECLASSIFIED**

NOT DECLASSIFIED

5.5. Achievements to December 2003 are as follows:

- capability to deal with small-scale incidents (ie those affecting less than 1000 persons) in place⁶⁴
- 2,5 % of police officers nationally trained in CBRN
- National Decontamination Guidance and Guidance to Local Authorities published⁶⁵
- Procurement strategy agreed
- CBRN Communications strategy endorsed by Ministers
- Interim Mass Decontamination Vehicles operational
- Exercise OSIRIS II
- Re-designed Personal Protective Equipment ready for deployment to Police
- Exercise Counterbalance seminars running
- CT plan revised
- Detection equipment tested.

⁶⁴ A capabilities programme has been set up, following a review by the Prime Minister's Delivery Unit, consisting of 16 workstreams each the responsibility of a lead Department with the Civil Contingencies Secretariat in the Cabinet Office having overall management. The capabilities concerned cover personnel, equipment and training, as well as plans and concepts of operations. The aim of the programme is to ensure that the response is in place to deal rapidly, effectively and flexibly with the results of conventional or non-conventional destructive action.

⁶⁵ Cf also The most important documents are the Home Office "strategic national guidance on the Decontamination of people exposed to CBRN substances", and the Department of Health "Deliberate Release Guidance : Public Health Response"..

6. The fight against the financing of terrorism

6.1. At international level

6.1.1. The UK has fully implemented the UNSCR 1373 (Terrorism) and the UNSCR 1267 (Taliban), UNSCR 1333 (Usama bin Laden) and 1390 (Taliban/UBL)⁶⁶ as follows:

UNSCR 1373 of 28 September 2001 (regarding terrorism) is implemented in the UK by the Terrorism (United Nations Measures) Order 2001, which came into force on 10 October 2001. This order empowers the Treasury to direct banks and financial institutions to freeze the accounts of individuals and entities suspected of involvement in terrorism. Lists were issued on 12 October, 2 November and 7 November 2001 identifying 48 individuals and 77 organisations whose accounts would be frozen pursuant to SCR 1373. These lists included individuals listed by the US under President Bush's Executive Order, the US list of 22 most wanted terrorists; the list of United Kingdom proscribed terrorist organisations; and the individuals and organisations listed by the United States on 7 November 2001. Those lists have been communicated to some 600 banks and other financial institutions in the United Kingdom

UNSCR 1267, 1390, 1455 (regarding Usama bin Laden, Al Qa'ida and the Taliban) is implemented in the UK by the Al Qa'ida and the Taliban (United Nations Measures) Order 2002 of 16 January, which came into force on 25 January 2002⁶⁷.

⁶⁶ The UK continues to support the provision of technical assistance and capacity building in a number of countries, funding programmes and initiatives designed to address a range of anti-money laundering, anti-terrorist financing and other counter terrorism issues.

⁶⁷ This revoked the earlier Afghanistan (United Nations Sanctions) Order 2001, which had implemented UNSCRs 1267 (Taliban) and 1333 (bin Laden and the Taliban).

The UK ratified the UN Convention for Suppression of Financing of Terrorism in February 2000

In the UK, the Treasury implements United Nations financial sanction regimes and acts under the relevant Order in Council, and those sanctions are enforced by the Bank of England Sanctions Unit⁶⁸. Banks and financial institutions are legally obliged to freeze the funds of all those individuals and organisations whose name appears on UNSCR list. They must also notify the Bank of England if they know or suspect that a customer has been listed by the UN Sanctions Committee under UNSCR 1390, or is a person who commits or facilitates acts of terrorism. Under current legislation, financial institutions are obliged to collect Know Your Customer (KYC) information. Financial services providers are required to verify the identity of their customers under Regulation 7 of the Money Laundering Regulations 1993 and Chapter 3 of the FSA Money Laundering Sourcebook.

6.1.2. The UK plays a significant role in FATF and already complies with the Special 8 FATF Recommendations.

6.2. At domestic level

6.2.1 The Terrorism Act 2000 and The Anti-Terrorism, Crime and Security Act 2001 complement action at international level.

⁶⁸ In accordance with sanctions legislation against the Taliban, Usama Bin Laden, Al-Qa'ida and terrorism, the Bank of England Financial Sanctions Unit has issued 13 Notices requiring financial institutions to freeze the assets of named individuals and entities since 11 September. The Bank of England Financial Sanctions Unit is responsible for the administration of financial sanctions in the UK, as agent for HM Treasury. Financial sanctions legislation in the UK requires the assets of those individuals and entities named in Bank of England Notices, by the United Nations, and the European Commission to be frozen.

The Terrorism Act 2000 had given the authorities powers to prevent money from getting to terrorists and to detect and seize terrorist assets. According to the law:

- it is unlawful to invite someone to give money or other property with the intention or belief that it will be used for the purposes of terrorism or to invite support for a proscribed organisation
- it is unlawful to receive money in the above circumstance
- it is unlawful to provide, or process money or other property knowing or having reasonable grounds to suspect that it will or may be used for the purposes of terrorism
- an obligation to report to the authorities belief or suspicion that a transaction was intended to finance terrorism
- powers to seize cash at the border on suspicion that it was to be used for terrorist purposes or was part of the resources of a proscribed organisation and a power to order forfeiture of seized cash on the civil standard of proof of the balance of probabilities
- powers to freeze a country's assets if that country was acting to the detriment of the UK economy.

6.2.2. The Anti-Terrorism, Crime and Security Act 2001 provides

- police powers to seize terrorist cash anywhere in the UK
- police powers to freeze funds at the outset of investigation
- police powers to monitor accounts which may be used to facilitate terrorism
- tougher obligations on people to report suspicions that funds are destined for terrorism

This Act enables the authorities:

- to seize terrorist cash (and forfeit that cash on the balance of probabilities) anywhere in the UK i.e. inland as well as at the border
- to freeze funds at the start of an investigation, rather than having to wait until a criminal charge was laid

- to monitor accounts which may be used to facilitate terrorism
- the Act also requires people working in financial institutions to report where there are reasonable grounds to suspect' (as well as knowledge or suspicion) that funds are destined for terrorism
- the Act allows the Treasury to freeze assets of foreign individuals and groups (as well as whole countries) where there are reasonable grounds to suspect that they pose a threat to the UK economy, or the lives or property of UK nationals.

6.2.3. Another instrument in fighting terrorist financing is the Proceeds of Crime Act 2002 (POCA), which measures to disrupt organised crime gangs and deprive criminals of their financial gains. The Act⁶⁹ consolidates and strengthens existing criminal confiscation powers, introduces a new power of civil recovery, extends investigation powers and tightens up existing money laundering legislation. The Proceeds of Crime Act (POCA) covers all types of crime, not just arising from organised crime, terrorism or drugs but other crimes such as tax or customs and excise evasion, credit card, cheque or social benefit fraud regardless the amount. It will be up to the National Criminal Intelligence Services (NCIS) to decide what to do.

6.2.4. Another piece of legislation are the Money Laundering Regulations 2003 (The Regulations) that came into force on 1 March 2004 and apply to Accountants and Auditors, Tax Advisors, Dealers in high value goods (including auctioneers) whenever a transaction involves accepting a total cash payment equivalent to E15000 (around £10000) or more, Casinos, Estate Agents, Some Management Consultancy Services, Company Formation Agents, Insolvency Practitioners, Legal Advisors, Bureau de Change.

⁶⁹ The Act also includes provision for a Centre of Excellence (profile of financial investigation, increasing the level of knowledge, skills and support, to spread best practice and excellence nationally and internationally).

6.2.5. Charity⁷⁰

The keyplayer in this field is the Charity Commission established by law as the regulator and registrar of charities in England and Wales⁷¹ (the 1960 Charities Act). It is responsible for maintaining the Register of Charities⁷².

The Charity Commission considers complaints and concerns which are supported by evidence for instance the funds or other assets of the charity are being used in improper ways, the charity is undertaking improper political activities, etc).

The Charity Commission can undertake investigations into UK registered charities under the Charities Act 1993 and for that purpose has extensive powers of regulation, including powers to require production of information, to freeze bank accounts, to suspend or remove trustees, and to investigate and rectify wrong-doing in charities. However, the Commission is not a prosecuting authority and does not investigate criminal activities.

If an investigation occurs, the Commission works closely with other regulators and whilst it is not a prosecuting authority, is authorised to work with the police, the Crown Prosecution Service, and other authorities (such as the Inland Revenue).

⁷⁰ Cf operational guidance on Charity and terrorism of 28 January 2003 by the Charity Commission for England and Wales.

⁷¹ Charities in Scotland are regulated by the Scottish Charities Office and in Northern Ireland by the Police Service of Northern Ireland and the Department for Social Development.

⁷² Most charities in England and Wales have to register

The Charity Commission for England and Wales is proactive in ensuring that charities are not connected with terrorist organisations, investigating reports of such links and liaising with law enforcement agencies to mount criminal prosecutions where appropriate⁷³

The Charity Commission Response to terrorism (Charity Commission Policy)⁷⁴ is as follows.

- Links between charities and terrorist activity are unacceptable (links mean fundraising or provision of facilities as well as formal or informal connections to organisations proscribed under the Terrorism Act 2000, and any other legislation)
- The Charity Commission will deal with any allegation of links with terrorist activity as a matter of urgency and will liaise closely with intelligence, security and law enforcement agencies to facilitate investigation
- Active collaboration between charities and terrorist organisations is a police matter. Consequently where allegations are made to the Commission or suspicions arise, the Commission will inform the relevant law enforcement agencies and will co-operate fully with the criminal investigation.
- Trustees must be vigilant to ensure that a charity's premises, assets, volunteers or other goods cannot be used for activities that may, or appear to, support or condone terrorist activities including the use of a charity's premises for fundraising or meetings.
- Trustees are accountable for ensuring that procedures are put in place to ensure that terrorist organisations cannot take advantage of a charity's status, reputation, facilities or assets

⁷³ To ensure investigation of concerns about charities' links with terrorism, the Charity commission had already built up a network of contacts with intelligence, security and law enforcement agencies, before 11 September 2001. Following 11 September 2001, the Commission has taken immediate action to investigate concerns due to very few allegations made against charities in England and Wales. It was announced that on September 11 2002, the Charity Commission already had inquiries open into the activities of five charities and their potential links to terrorism, and were evaluating concerns into two others. Since then, it has evaluated concerns about a further ten charities, and opened formal inquiries into five of them. Two of those charities have been closed down and another one has had its assets frozen.

⁷⁴ On 13 March 2002, the Charity Commission published its policy on charities and their alleged. links to terrorism

6.2.6. Bureaux de change, cheque cashers and money transmission services were already covered by the Money Laundering Regulations 1993, and under the Terrorism Act 2000 were also obliged to report transactions suspected to be connected with terrorism. In order to ensure a better supervision of Money Service Businesses, a new regulation was adopted. The Money Laundering Regulations 2001 require all such businesses to register with Customs and Excise and grant Customs and Excise the power to inspect their premises and records to ensure compliance with the law. These provisions apply also to so-called hawala' arrangements and other alternative remittance systems which carry out funds transfers using informal arrangements⁷⁵.

6.3. Agencies

In general terms, the fight against the financing of terrorism is based on an enhanced and co-ordinated operational arrangements and on an increased integration between key bodies involved (government, law enforcement and regulatory bodies). This also means that a wide intelligence base is available to track means used by terrorists in order to raise and move funds.

More specifically in the law enforcement and intelligence area, the main bodies engaged in terrorist fundraising in terms of multi-agency co-ordination⁷⁶ are the Security Service, the National Terrorist Financial Investigation Unit (NTFIU) and the Terrorist Finance Unit of the National Criminal Intelligence Service (NCIS).

⁷⁵ As a NCIS study indicated, there is nothing illegal about such business, in itself, and some of these businesses provide valuable facilities to communities, which do not have easy access to more conventional institutions. However, some hawala bankers are believed to be involved in dubious activities and are vulnerable to use by terrorists and terrorist organisations.

⁷⁶ The Proceeds of Crime Act 2002 includes provision for a Centre of Excellence. This will deliver an enhanced programme of training, accreditation and monitoring of financial investigators nation-wide. These investigators will be drawn from members of the police, Customs and Excise, NCS, NCIS and other government agencies and they will be trained to exercise the powers provided for in the Act. The Centre of Excellence will raise the profile of financial investigation, increasing the level of knowledge, skills and support in this area. The Centre of Excellence will spread best practice and excellence nationally and internationally.

The Security Service plays a key role for instance in informing Government policy on terrorist finance and in intelligence-led investigations. The Security Service works closely with NTFIU, NCIS, HM Customs and Excise and UK police forces as well with overseas partners.

6.3.1. The National Crime Intelligence Service⁷⁷ which is the UK's Financial Intelligence Unit houses the Economic Crime Branch (ECB) which handles suspicious transaction reports and is the national reception point for disclosure of suspicions. The Economic Crime Branch is staffed jointly by police and customs officers.

NCIS as such it receives, analyses and disseminates disclosures of financial information - suspicious activity reports - concerning suspected proceeds of crime in order to counter money laundering⁷⁸.

NCIS is tasked⁷⁹ as follows:

- to gather, store and analyse information in order to provide criminal intelligence
- to provide criminal intelligence to police forces in Great Britain, the Police Service of Northern Ireland, the National Crime Squad and other law enforcement agencies
- to act in support of such police forces, the Police Service of Northern Ireland, the National Crime Squad and other law enforcement agencies carrying out their criminal intelligence activities

⁷⁷ NCIS's key partners are HM Customs and Excise, regional police forces, the National Crime Squad of England and Wales, the Organised Crime Task Force and the Scottish Drug Enforcement Agency on the basis of partnership agreements, working protocols and memoranda of understanding. The co-operation with regional branches is of particular importance: within them, teams of regional and criminal intelligence officers and analysts undertake long-term intelligence work against the UK's organised criminals and their organisations, utilising financial investigation, source development and technical support.

⁷⁸ In 2004, the Home Secretary announced that NCIS will become part of the new Serious Organised Crime Agency (SOCA), planned to start work in 2006.

⁷⁹ Section 2 of the Police Act 1997

6.3.2. The National Crime Intelligence Service includes a Terrorist Finance Team (TFT) that was set up on 15 October 2001 and is made up of specialist personnel from law enforcement, regulatory and intelligence agencies. TFT is part of the ECB and complements the existing bodies responsible for combating terrorist financing in the UK.

The main aims of the TFT are:

- to examine suspicious activity reports submitted to NCIS for possible terrorist links and to combine this data with intelligence and open source knowledge to make up an enhanced financial intelligence package. These packages are then investigated by the National Terrorist Finance Investigation Unit (NTFIU) at Scotland Yard, and other agencies⁸⁰
- to work with law enforcement and other agencies to develop intelligence led methodologies on terrorist financing and where appropriate share and provide guidance to the financial sector.

The TFT is actively engaged in identifying legitimate businesses that are knowingly funding terrorism or are being abused by those seeking to raise funds through extortion or manipulation of legitimate accounts.

6.3.3. The National Terrorist Financial Investigation Unit (NTFIU) based within Special Branch at New Scotland Yard⁸¹, is the law enforcement agency responsible for the investigation of terrorist finance in Great Britain. It supplies experienced terrorist finance investigators to the Terrorist Finance Team at NCIS. The Unit plays a central role in informing and implementing Government policy on terrorist finance and is an integral part of the UK's intelligence structure targeting terrorist finance.

⁸⁰ Not all reports are going out to law enforcement agencies for investigation and it will depend on their intelligence value. Non allocated disclosures remain in a "retained" queue until either a further disclosure or law enforcement enquiry prompt its dissemination. Specialists look at particular areas, for instance VAT, terrorist fraud and the Foreign Financial Intelligence Unit.

⁸¹ The Metropolitan Police Service Special Branch terrorist finance investigative team (FISAC)

6.3.4. The Security Service is the lead agency for combating international terrorism in the United Kingdom and Irish-related terrorism outside of Northern Ireland. It plays a key role in informing Government policy on terrorist finance and in intelligence-led investigations. The Service works closely with NTFIU, NCIS, HM Customs and Excise and UK police forces as well with overseas partners. It has to highlighted that the Security Service has raised the understanding within Government departments and law enforcement of the methodology of terrorist financing, by examining, for example, the use made by terrorist groups of fraud and of cash couriers.

6.4. Co-ordination

Reporting ultimately to one of the three ministerial committees, chaired by the Home Secretary, a range of co-ordination committees has been set up. In the field of terrorist finance, each of the committees seeks to promote:

- wider common understanding amongst departments based on assessment material and wider circulation
- more effective common action and better co-ordination at working levels enhanced and more efficient information flows
- broader international understanding and action

The following Government departments, agencies and others participate in this co-ordinated structure:

- Bank of England
- Cabinet Office
- Charities Commission
- Ministry of Defence
- Financial Services Authority⁸²
- Foreign and Commonwealth Office
- Government Communications Headquarters (GCHQ)
- Home Office
- National Terrorist Financial Investigation Unit (Metropolitan Police)
- National Criminal Intelligence Service
- Security Service
- HM Treasury⁸³
- Money Service Businesses

⁸² The FSA regulates the financial services industry and has four objectives under the Financial Services and Markets Act 2000: maintaining market confidence; promoting public understanding of the financial system; the protection of consumers; and fighting financial crime.

⁸³ Her Majesty's Treasury has responsibility for the Money Laundering Regulations 1993 and the implementation of European Directives on Money Laundering in the UK.