

**THIRD REPORT ON THE OPERATION OF  
THE TERRORIST ASSET-FREEZING ETC. ACT 2010**

(REVIEW PERIOD: YEAR TO 16 SEPTEMBER 2013)

**BY  
DAVID ANDERSON Q.C.**

**Independent Reviewer of Terrorism Legislation**

**DECEMBER 2013**

Presented to Parliament  
pursuant to  
Section 31 of the  
Terrorist Asset-Freezing etc. Act 2010



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## 1. INTRODUCTION

### TAFA 2010

1.1. Part 1 of the Terrorist Asset-Freezing etc. Act 2010 **[TAF 2010]** implements the obligations of the United Kingdom under UN Security Council Resolution **[UNSCR]** 1373. It gives the Treasury power to freeze the assets of individuals and groups thought to be involved in terrorism, whether in the UK or abroad, and to deprive them of access to financial resources. The power operates independently of the criminal justice system: it can be used whether or not a designated individual has been charged with or convicted of a criminal offence. Those in custody or abroad may, depending on their circumstances, barely be affected at all. When applied to persons at liberty in the United Kingdom, however, designation has the potential to be highly intrusive and restrictive of everyday life.

### Independent review

1.2. Exceptional powers require exceptional safeguards. The principal safeguard available to individuals against unlawful use of the asset-freezing power is the right of designated persons to appeal to the High Court. A further safeguard, of a more general nature, is the provision made by TAF 2010 section 31 for the independent review of the operation of the Act. Independent review has been a feature of UK anti-terrorism law since the 1970s. TAF 2010 section 31 mirrors the requirements for independent review of the Terrorism Acts 2000 and 2006 **[TA 2000, TA 2006]**<sup>1</sup> and of the Terrorism Prevention and Investigation Measures Act 2011 **[TPIMA 2011]**.<sup>2</sup>

1.3. I have served as Independent Reviewer of TAF 2010 (as well as for the Terrorism Acts and of the control order/TPIM regimes) since February 2011. The uniqueness of the Independent Reviewer's post derives from a combination of two factors:

(a) complete independence;<sup>3</sup> and

(b) unrestricted access, based on a very high level of security clearance, to relevant documents and to personnel within Government, the police and the intelligence agencies.

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<sup>1</sup> TA 2006, section 36.

<sup>2</sup> TPIMA 2011, section 20.

<sup>3</sup> I disclosed a number of asset-freezing cases in which I was formerly instructed by designated persons in my First Report on the operation of TAF 2010 (December 2011) at 1.6.

The authority of the Independent Reviewer derives also from listening to the widest possible range of those affected by the laws against terrorism, including those against whom they have been applied. The role is more fully described on my website, from which all my reports can be freely downloaded.<sup>4</sup>

## **Earlier Reports**

### ***First Report (2011)***

- 1.4. My first report on TAFE 2010 [**the First Report**], covering the initial nine months of the operation of the Act,<sup>5</sup> was submitted to the Treasury and laid before Parliament in December 2011. The First Report extends to 76 pages, not including its six Annexes, and seeks to provide a comprehensive and accessible introduction both to TAFE 2010, which I sought to locate in its broader international and legal context, and to the first nine months of its operation. It culminated in nine specific recommendations, concerning consideration of the grounds for designation; the formalisation of review procedures; increased transparency; dialogue with the financial sector; and improved guidance for designated persons.
- 1.5. The Government responded promptly and constructively to my First Report, in February 2012.

### ***Second Report (2012)***

- 1.6. My second report on the operation of TAFE 2010 was conceived as a supplement to the first, reflecting both the limited activity under the Act during the 2011/12 reporting period and the fact that (as a result of my 5<sup>th</sup> and 6<sup>th</sup> recommendations of 2011), fuller information on the application of TAFE 2010 was being made available in the quarterly ministerial statements on the operation of the UK's Counter-Terrorist Asset-Freezing regime.<sup>6</sup>
- 1.7. The Second Report nonetheless contained a full account of the making and review of designations during the year to 16 September 2012, licensing, operation of the prohibitions and legal proceedings. It occupied 26 pages (not including annexes) and made one further recommendation, which was accepted by the Government in its response of February 2013.

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<sup>4</sup> [www.terrorism-legislation-reviewer.independent.gov.uk](http://www.terrorism-legislation-reviewer.independent.gov.uk). See also the Government's website <https://www.gov.uk/government/publications/> for asset-freezing reports and responses.

<sup>5</sup> 17 December 2010 to 16 September 2011: TAFE 2010 section 31.

<sup>6</sup> **Annex 2 – Annex 5** to this report.

## **The scope of this report**

- 1.8. This report, like its predecessor, is in the nature of a supplement. It does not supersede the First Report, but rather updates it in the light of developments over the period covered by this review: the year to 16 September 2013. It contains no equivalents to the First Report's chapter 2 (financial measures against terrorism), chapter 3 (genesis of the Act) or chapter 4 (contents of the Act), to which the interested reader is referred for essential background. In addition, much of what is said about the operation of the Act takes as its starting point the material set out at chapters 5-9 of the First Report.

## **Resources and methodology**

- 1.9. The Treasury has made its files freely available to me, and provided me with a place to read them. I have been shown everything that I asked to see for the purposes of this review, including legal advice given to the Government and highly classified intelligence relating to those designated under the Act. Officials and lawyers within Government have discussed ideas at my invitation and checked a draft of this report for accuracy, without of course seeking to alter the opinions expressed.
- 1.10. I have discussed the operation of the Act with Lord Deighton, the Commercial Secretary to the Treasury who has been the principal decision-maker under the Act since his appointment in January 2013, and with officials from the Treasury, the Office of Security and Counter-Terrorism in the Home Office, the Foreign Office and other departments and agencies. I have also spoken with a number of solicitors and barristers who act for designated persons, and with special advocates who have participated in asset-freezing cases. A trip to Brussels in October 2012 enabled me to discuss the functioning of the EU system for asset-freezing, and future legislative plans, with officials of the Commission and Council, MEPs and the EU's Counter-Terrorism Co-ordinator.
- 1.11. Although I have carefully read the files on a substantial number of designated groups and persons, including each of those in respect of whom a decision was taken to designate for the first time or to allow a designation to lapse, and each of those who has challenged his designation, my function is not to comment or to pronounce on individual cases. A judicial procedure exists for that purpose. The reason I have looked at individual files, as in the First Report, is to see whether they indicate systemic problems with, or possible improvements to, the operation of the Act.

## 2. PERSONS DESIGNATED

2.1. Designated persons are placed by TFA 2010 into two categories:

- those designated by the Treasury (section 1(a)); and
- those included on the EU list under Regulation 2580/2001 (section 1(b)).<sup>7</sup>

The prohibitions and other provisions of the Act apply both to those designated by the Treasury and to those on the EU list. The Act thus gives effect not only to the UK's international obligations to implement UNSCR 1373, but to its obligation under EU law to give effect to the EU's own implementing measures.

### Persons on the EU list

2.2. The processes by which the EU list is put together fall outside the scope of this report. Nonetheless, because those appearing on the EU list are subject to the other provisions of the Act, it is relevant to know who they are.

2.3. A copy of the current EU list, as it stood at the end of the review period, is at **Annex 1** to this Report.

2.4. The list is contained in an Annex to a separate Council instrument,<sup>8</sup> freely accessible via [www.europa.eu](http://www.europa.eu) and the Government's own website ([www.gov.uk](http://www.gov.uk)). It contains the names of each group and individual designated by the EU, together with other information which may include date of birth, passport number and the group(s) of which the individual is said to be a member.

2.5. A shorter version of the list, containing only the names of the groups and individuals designated, is now given at the Annex to each of the quarterly reports provided for by TFA 2010 section 30 (**Annexes 2-5** to this Report).

2.6. The EU list, as it stood at the end of the review period, comprised 11 individuals and 26 groups/entities. It does not, of course, purport to be a complete list of terrorists with assets frozen in the EU. In particular, it does not include:

- (a) persons designated under the UN Al-Qaida and Taliban asset-freezing regime, established under UNSCR 1267 and implemented by Council Regulation 881/2002 and the Al-Qaida (Asset-Freezing) Regulations 2011 (SI 2011/2742).

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<sup>7</sup> Regulation 2580/2001 constituted the EU's own implementation of UNSCR 1373, as explained in the First Report at 3.7–3.13.

<sup>8</sup> At the end of the review period, this was Council Implementing Regulation (EU) No. 714/2013 of 25 July 2013. Jason Walters was removed from the list by Council Implementing Regulation (EU) No. 1015/2012 of 6 November 2012.

- (b) persons without links or relations to a non-EU country, who for that reason are currently ineligible for EU listing; or
- (c) Persons listed nationally (e.g. under TFA 2010 in the United Kingdom) whom the Member State concerned has decided not to refer for EU listing.<sup>9</sup>
- 2.7. Of the 12 individuals that were on the EU list in September 2012, one (Jason Walters) was delisted during the period under review. There were no new EU listings.
- 2.8. Hizballah Military Wing was added in July 2013 to the 25 groups and entities that were on the EU list in September 2012.
- 2.9. EU listing is conditional upon a decision having been taken by a national competent authority.<sup>10</sup> For nine of the 11 individuals and six of the 25 groups/entities on the EU list, their listing rests on UK designation under TFA 2010.<sup>11</sup>
- 2.10. Since 2009 the Commission of the EU has been considering introducing a new, wide-ranging sanctions regime under Article 75 of the Treaty on the Functioning of the European Union, a power introduced by the Lisbon Treaty for that purpose. Such a regime would enable the assets of those considered terrorists to be frozen at EU level, even in the absence of non-EU links. Such a regime could be welcomed in particular by Member States which currently have no terrorist asset-freezing powers of their own, for which it would offer a route to full compliance with UNSCR 1373 and FATF Special Recommendation III. If and when such a regime is proposed, its possible consequences for existing domestic regimes such as TFA 2010 remain to be seen.
- 2.11. I held informal discussions during the year under review with officials of the EU Commission concerning the feasibility of such a measure and the safeguards that would be required. For the time being at least, no concrete steps have been taken to advance this idea.

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<sup>9</sup> For example, because the designated person is not thought to have assets or potential assets elsewhere, or because the designating state is unwilling or unable to share its intelligence on that person.

<sup>10</sup> As explained in the First Report, 3.12.

<sup>11</sup> This information is helpfully given in the Treasury's quarterly reports.

## Persons designated by the Treasury

### *Evolution of the list*

- 2.12. As I noted in the First Report, the number of Treasury designations under TAFE 2010 and its predecessors declined steeply, from 162 at the start of 2008 to 38 by September 2011. The major cause of this decline was the implementation of a policy whereby persons who were already subject to UN or EU asset freezes were no longer subject to duplicate Treasury designations, save where this was necessary to support an EU asset freeze.
- 2.13. Over the past two years, numbers have been broadly stable and turnover low. In September 2012 there were 40 designations: 32 individuals and eight entities. During the year to 16 September 2013:
- (a) One new individual (Mohammed Khaled) was designated, and two (Gulam Mustafa and Zana Rahim) were delisted.
  - (b) The same eight entities remained designated.
  - (c) The total number of designations thus fell to 39: 31 individuals and eight entities.

The identity of those designated at any given time can be clearly seen from the Annex to the Treasury's quarterly reports (**Annex 2-5** to this Report), in accordance with a recommendation in the First Report.

### *Designations delisted or allowed to lapse*

- 2.14. Two individuals were delisted during the period under review. The individuals are:
- (a) **Gulam Mustafa**, who was listed from April 2007 until May 2013, when his designation was revoked. He is a British citizen of Bangladeshi origin, who had been re-designated as recently as March 2013. His delisting in May 2013 was accompanied by an order quashing his earlier TAFE designations of 2011 and 2012, and formed part of a settlement agreement under which Mr Mustafa's appeal to the High Court against his designations was withdrawn.<sup>12</sup>
  - (b) **Zana Rahim**, an Iraqi Kurd who was listed from March 2009 until March 2013, when his designation was revoked. He was delisted following the annual review of his case in March by a Treasury Minister who concluded

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<sup>12</sup> This followed the revocation of the designation of Ismail Bhuta in November 2011, also before the hearing of an appeal, noted at 2.13(a) of the Second Report.

that his designation was no longer necessary for protecting the public against the threat of terrorism. Mr Rahim's appeal against his 2011 designation was not withdrawn and is still pending.

### ***New designation***

- 2.15. ***Mohammed Khaled***, a Syrian national in his mid-40s, was designated on 9 May 2013. I have read the file but can say no more about the intelligence which persuaded the Treasury that the reasonable belief test and the necessity test were satisfied. Unlike the only other new Treasury designations to date under TAFE 2010,<sup>13</sup> Mr Khaled's designation has not been used as the basis for a further designation at EU level.

### ***Breakdown of designated individuals***

- 2.16. Of the 31 UK-listed individuals at the end of the period under review:
- (a) All were men, aged between 26 and 62.
  - (b) 14 were UK nationals (some with dual nationality); other nationalities represented were Iranian, Saudi Arabian, American, Lebanese, Syrian and Kuwaiti.
  - (c) None is alleged to have been involved with Northern Ireland-related or far-right extremist terrorism.
  - (d) Nine were listed also by the EU, on the basis of their UK designations. The other 22 had no EU listing.
  - (e) Four were first listed in 2001; 20 were first listed between 2004 and 2007; five (the Iranians) were first listed in 2011; and one each were first listed in 2009 and 2013.
  - (f) 17 had been convicted in the UK of terrorist offences, all of them committed during the peak period of al-Qaida related terrorism in the middle of the last decade and many of them at the most serious end of the scale.<sup>14</sup>

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<sup>13</sup> The five Iranian nationals designated in October 2011: Second Report, 2.14.

<sup>14</sup> Four individuals (Ramzi Mohammed, Yassin Omar, Hussein Osman and Muktar Mohammed Said) participated in the failed London attacks of 21 July 2005; nine (Abdula Ali, Assad Ali Sarwar, Tanvir Hussain, Umar Islam, Adam Khatib, Nabeel Hussain, Ibrahim Savant, Waheed Zaman and Waheed Arafat Khan) were involved in the airline liquid bomb plot that was intercepted in August 2006; Parviz Khan pleaded guilty to involvement in the 2007 Birmingham plot to kidnap and execute a British Muslim soldier; and Bilal Talal Abdullah drove a jeep packed with explosive material into Glasgow International Airport in 2007. Zahoor Iqbal and Sultan Muhammad were convicted in 2008 of terrorism-related offences.

(g) 14 were in custody in the UK; 13 were overseas; and four were at liberty in the UK.

***Breakdown of designated entities***

2.17. The eight designated entities have each been on the list since 2001. Four of the entities are concerned with Lebanon or Palestine, three are South American and one Basque. The designation of six Northern Ireland entities (including the Real IRA and Continuity IRA) was allowed to lapse in 2010. My comments in the First Report (5.25-5.27) continue to apply.

***Quantity of assets frozen***

2.18. The number of accounts and approximate amount of assets frozen under the TAFE regime are given in the Treasury's quarterly reports to Parliament. The most recent figures, taken from **Annex 5** to this Report, are as follows:

	<b>Treasury list</b>	<b>EU list</b>	<b>Total</b>
Assets frozen (as at 30/09/12)	£91,000	£11,000	£102,000
Number of accounts frozen in UK	61	10	71
Number of designations	39	36	75

2.19. It should be noted that the total number of designations is greater than the total number of individuals and groups who are subject to designation. Thus, as may be seen from comparing Annex A and B to the latest quarterly report (**Annex 5**):

(a) Of the 11 individuals on the EU list, nine featured also on the Treasury list.

(b) Of the 26 groups on the EU list, six featured also on the Treasury list.

The number of unique individuals and entities designated on the Treasury list and EU list combined is thus 60 rather than 75.

2.20. These figures are low. However, the absence of funds or economic resources in the UK does not necessarily mean that TAFE 2010 is ineffective in relation to a particular designated person. The Act not only freezes funds owned, held or

controlled by a designated person, but prohibits the making of funds, financial services or economic resources available to or for the benefit of a designated person.<sup>15</sup>

### **Reasons for sparing use of TAFE 2010**

- 2.21. Proposals for designation may come from the police, intelligence services or Government departments. In some cases, the original initiative may (as in the case of the five Iranians designated in October 2011) come from a foreign government.
- 2.22. Various causes have been suggested to me for the small number of new designations:
- (a) The **statutory hurdles for designation** are viewed in some quarters (including by the US Government) as comparatively high. Several potential cases were reviewed or discussed during this period and were found not to meet the statutory criteria. Most were ruled out in discussions between officials. Some were submitted to Ministers for a decision, which was that the test was not met. Difficulties are not necessarily caused by the “*reasonable belief*” test, though it is a stronger version of the “*reasonable suspicion*” test which proved controversial in the past.<sup>16</sup> Applications will often fall at the necessity test,<sup>17</sup> even when it is believed that a person is or has been involved in terrorist activity.
  - (b) The **procedures for review and for legal challenge** can make considerable demands on the limited resources of Government departments and agencies, a factor which can cause them to re-assess whether a designation is really necessary.
  - (c) There are **other means**, often less cumbersome, of deterring, tracing and disrupting the financing of terrorism.
- 2.23. The view was also frankly expressed to me that **designation is not being considered in all the cases in which it could be of value**. There is certainly a threadbare look about the Treasury’s list of designated persons. Indeed its contents suggest a somewhat haphazard approach to designation. In particular:
- (a) No Northern Irish group or individual is designated at all.

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<sup>15</sup> TAFE 2010 sections 11-15; see the First Report, 4.8 – 4.10.

<sup>16</sup> The Terrorism Orders that preceded TAFE 2010 used a reasonable suspicion test, which proved controversial in *HM Treasury v Ahmed* [2010] UKSC 2: First Report, 3.17-3.25.

<sup>17</sup> That is, the requirement in TAFE 2010 section 2 that the application of financial restrictions must be necessary for purposes connected with protecting members of the public from terrorism.

- (b) None of the groups on the list was designated after 2001.
- (c) Of the individuals designated on arrest and still in prison, most were convicted in very high-profile cases in the middle of the last decade.<sup>18</sup> None of those more recently convicted (e.g. the 24 Islamist terrorists sentenced in early 2013 to a total of more than 260 years' imprisonment) has been subject to designation.

2.24. This should not be read as criticism of the Treasury, which does not pretend to specialist knowledge of the terrorist threat but sees itself essentially as an implementing body in this context, relying for its designations on proposals from others. The Treasury has sought to ensure that the existence of the power is well known to those who might wish to promote candidates for designation. The fact that asset-freezing is administered by a different department from other counter-terrorism powers means however that extra effort may be required if asset-freezing is always to be considered as an alternative to or in conjunction with other possible disposals for those believed to be engaged in terrorism.

2.25. In my second report, I noted that cross-departmental discussions on optimising the use of asset-freezing were in progress. There is a degree of co-ordination across Whitehall, including through the Asset Freezing Working Group (AFWG). More operational co-ordination however continues to be required. In particular:

- (a) I am not satisfied that the possibility of an asset freeze is routinely considered when terrorist suspects are **arrested or charged**. Whilst 17 convicted terrorists were designated at the end of the period under review, the plots of which they were accused all date back to the period 2005-2008.<sup>19</sup> By contrast, there was no designation of (for example) any of the 24 people who were sentenced to a total of more than 260 years' imprisonment in the early months of 2013.<sup>20</sup>
- (b) Whilst financial restrictions can be and routinely are imposed as conditions of TPIM notices, it is sensible that designation should be considered (as an alternative or an addition) in the case of candidates for **TPIMs** or for measures such as **deportation, deprivation of citizenship and the removal of passports** under the royal prerogative.<sup>21</sup>

<sup>18</sup> In particular, the failed 21/7 London attacks of 2005, the liquid airline bomb plot of 2006, the 2007 plot to kidnap and execute a British Muslim soldier and the Glasgow Airport bomb attack of the same year.

<sup>19</sup> See 2.16(f), above.

<sup>20</sup> The figure comes from the address given by Andrew Parker, Director General of MI5, at the Royal United Services Institute on 8 October 2013. It is published on [www.mi5.gov.uk](http://www.mi5.gov.uk).

<sup>21</sup> Written Ministerial Statement of 25 April 2013: <https://www.gov.uk/government/speeches/the-issuing-withdrawal-or-refusal-of-passports>

- (c) None of the organisations made subject to **proscription** since 2001 (10 of them proscribed since 2005) has also been designated under TAFE 2010. Such cases do tend to be referred where appropriate for a Europe-wide asset freeze, for which UK proscription can act as a trigger: but the difficulties in securing the agreement of 28 Member States to such measures are such that there may be cases in which unilateral UK designation of the entity in question, or of persons associated with it, could at least be worth considering.

2.26. I therefore recommend that:

- (a) High-level consideration should be given to the practical role that TAFE 2010 may realistically be expected to play in the fight against terrorism, on its own or in conjunction with other financial and non-financial measures.
- (b) Mechanisms should be put in place to ensure that designation under TAFE 2010 is considered in all cases where it could be beneficial. In particular, the possibility of designation should be routinely considered in cases where TPIMs and proscription are being contemplated, when suspected terrorists are arrested or charged and in cases where deportations, deprivations of citizenship or passport removal are contemplated on national security grounds.

2.27. One means of giving effect to those recommendations would be via transfer of responsibility for TAFE 2010 from the Treasury to the Home Office.<sup>22</sup> The Treasury however has countervailing advantages in terms of its relationships with financial institutions and with the US Treasury; and it has and presumably will retain responsibility for other sanctions regimes. Accordingly I make no recommendation in relation to this, though others may wish to keep the issue under review.

2.28. To be clear, it is not my position that TAFE 2010 is necessarily under-used. Designation is an intrusive measure which can be intensely frustrating and even humiliating for those subject to it, particularly individuals at liberty in the UK. It should be used only when it is necessary and proportionate to do so: there is no value, and significant potential for harm, in using it where the measurable utility is marginal or non-existent.

2.29. If one accepts however that the designation of individuals and groups may be of real value in starving terrorists of funds, it is inescapable that designation should be considered in cases where it could make a useful contribution. My recommendations seek to ensure that the necessary procedures are in place for achieving that.

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<sup>22</sup> As noted in my First Report, 10.18.

### 3. THE MAKING AND REVIEW OF DESIGNATIONS

- 3.1. This chapter covers the processes that are applied to persons who are considered for designation or delisting by the Treasury (TAFE 2010, sections 1(a) and 2-10). EU listing procedures fall outside the scope of this report, though appearance on the EU list has consequences under later sections of the Act.

#### Recommendations from the First Report

- 3.2. The process for designations and their review, as it applied in 2011, was described in chapter 6 of the First Report. It is not part of my function to second-guess the decisions taken by Ministers as regards the designation or delisting of particular individuals or entities. I did however make certain recommendations for improving the process. Those included, in particular:

##### **Recommendation 1**

*The Treasury should issue and present to Parliament a statement of policy regarding its approach to designation under TAFE 2010, in order to ensure that the power is used in a consistent and principle manner. That statement should deal, in particular, with:*

- (1) the factors that may lead the Treasury to conclude that the statutory tests for designation (in particular, the necessity test) are satisfied;*
- (2) the factors that in a case where the statutory tests are satisfied may inform the Treasury's exercise of its discretion to designate (or to retain a designation in force).*

*It should also confirm that no designation will be made, or retained in force, without consideration of whether designation would be proportionate bearing in mind the anticipated effect on private and family life (Article 8 ECHR) and property rights (Article 1 of the First Protocol).*

##### **Recommendation 2**

*With a view to ensuring that all relevant views and all other available options are considered in a structured manner, consideration should be given to addressing designations and reviews at regular meetings, modelled on meetings of the Control Order Review Group and the equivalent groups dealing with proscription, where the option of designation can be rigorously tested against possible alternatives on the basis of input from all concerned departments and agencies.*

##### **Recommendation 3**

*As part of the exercise of ensuring that all available options are considered, the police should be asked to advise specifically on the prospects for prosecution*

(accompanied, if necessary, by a seizure of assets pursuant to ATCSA 2001, section 1).

#### **Recommendation 4**

*Where reviews are conducted prior to release from prison, the review process should be more effectively co-ordinated with the MAPPA process, so that the necessity or otherwise of an asset freeze can be assessed together with other possible licence conditions.*

- 3.3. **Recommendation 1** was promptly given effect, in a Designation Policy Statement that was set out in the Annex to the Treasury's response. It forms **Annex 6** to this Report.
- 3.4. **Recommendation 2** was also given effect. An Asset-Freezing Review sub-group [**AFRG**] is now used to review all existing TAFE designations annually (or earlier if new evidence comes to light or there is a significant change in circumstances).
- 3.5. The Treasury agreed in respect of **Recommendation 3** that operational partners should advise on other measures, such as prosecution or forfeiture of assets, when the Treasury considers a designation proposal or reviews a case. It noted however (as is undeniable) that it must remain free to use an asset freeze alongside other tools where the case requires it.
- 3.6. **Recommendation 4** has been given effect by improved arrangements for integrating asset freeze designation reviews with the MAPPA process. The Treasury attends MAPPA meetings where appropriate, and considers MAPPA issues when conducting AFRGs for individuals who have been in custody. As a direct result of HMT's outreach programme and specific attendance at these meetings, I am told that the MAPPA community (specifically, the Probation Service, the Police and staff at Approved Premises) as a matter of course consult the Treasury on any financial matters pertaining to a Designated Person before approving any financial undertaking.
- 3.7. It was also encouraging to learn that the National Offender Management Service [**NOMS**] has agreed to be involved in designation reviews of prisoners on licence, and to attend AFRG meetings where it is relevant for them to do so. My understanding is that they have already attended and made valued contributions.

#### **Observations during the period under review**

- 3.8. For the purposes of this report I have reviewed the files in:
  - (a) the one case (Mohammed Khaled) which resulted in a new designation;

- (b) the two cases (Gulam Mastafa and Zana Rahim) which resulted in delisting; and
- (c) a series of cases which were considered for designation but rejected by Ministers.

I attended meetings of the AFWG and I also attended a meeting of the AFRG in September 2012, having prepared myself by reading the files being discussed. At that meeting I observed the cases of candidates for designation or designated persons being considered in detail, against the parameters set out in the Designation Policy Statement, by officials from a range of Government departments and agencies.

- 3.9. This is against the background of my comprehensive review of all 38 files prior to my First Report, and of a selection including all new designations and delistings prior to my Second Report.

### **New designation**

- 3.10. The process adopted for new designations will depend in part on the perceived urgency. In essence, however, the following steps are taken:
- (a) The Treasury is requested by another department or agency to consider an asset freeze. At least in the case of persons within the jurisdiction, law enforcement and security agencies will provide a statement of case. Any recommendation for a designation is accompanied by an assurance that it will be feasible to provide the future designated person with sufficient gist of any closed material relied upon to meet legal standards.<sup>23</sup>
  - (b) That request is scrutinised, generally by two policy officials and two lawyers. More information may be requested and received.
  - (c) The request is then circulated to interested parties.
  - (d) A meeting of the Asset Freezing Review Group is held, with a Treasury lawyer present, to discuss the applicability of the statutory tests and the factors informing the exercise of discretion.
  - (e) If it is decided that designation is an option, a submission is prepared for Treasury Ministers. One of them (normally the Commercial Secretary) takes a decision.

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<sup>23</sup> So as to comply with the law as stated in *AN* [2010] EWCA Civ 869.

- (f) A notice is published and an alert is sent to the financial sector informing them of the freeze. It is emailed to c. 13,000 subscribers to the financial sanctions notice list, which includes financial institutions, law firms etc.
- (g) On the following day, a letter is sent to the newly-designated person to inform him of the freeze, together with the agreed open form of words stating the reasons. The letter explains the licensing process, attaches a licence giving limited access to funds on a temporary basis and refers to the general licences. In future there will also be a reference to the FAQs launched in October 2013.

3.11. I reviewed the files in a total of four cases considered for designation. Mohammed Khaled was designated in May 2013; in the other three cases, Ministers decided against designation on the basis that the statutory test was not satisfied.

3.12. I can record that the submissions put up to Ministers were thorough, considered and based on careful analysis of the legal position; and that Ministers were also satisfied with the quality of the submissions that they received.

#### **Annual review of designations**

3.13. Under TAFSA 2010 section 4, all Treasury designations lapse automatically after 12 months unless steps are taken to renew them. All those who were designated at the start of the period under review had their designation reviewed over the period October 2012 – March 2013. The procedure may be summarised as follows:

- (a) The sponsoring agency provides the Treasury, four weeks or so before the meeting, with an updated statement of case, licensing risk assessment framework, an open form of words and an assurance that any closed material used will be capable of being gisted.
- (b) Designated persons are invited to make representations on the open form of words summarising the updated statement of case.
- (c) The Treasury circulates the statement of case to AFRG members, two weeks before the meeting, with an assessment of whether the statutory requirements are met. AFRG members check whether they hold additional relevant information.
- (d) The AFRG meets to discuss whether the statutory tests are met, whether there are alternatives to designation and whether to advise that discretion be exercised in favour of continued designation.

- (e) A submission in each case is prepared for the Minister after the meeting.
  - (f) A letter with brief reasons for the decision is sent to the designated person.
  - (g) The outcome of the review is published in a Treasury General Notice, and the Consolidated List on the Government's website was updated.
- 3.14. The head of the Treasury's Sanctions and Illicit Financial Team, who during the period under review was Mikael Down, told me that he personally familiarised himself with and approved every submission that went to Ministers under TAFA 2010 during the review period. Decisions during the period were all taken by the Commercial Secretary to the Treasury: Lord Sassoon in 2012 and Lord Deighton in 2013. Decisions usually but not invariably accord with civil service advice.
- 3.15. I conclude, on the basis of the files I have read, that:
- (a) The decisions on review were reached after consideration, as appropriate, of evidence from police, the prison service and other agencies.
  - (b) Ministers were properly and frankly advised on the application of the reasonable belief test and the necessity for public protection test in TAFA 2010 section 2(1).
  - (c) Ministers were prepared to find where appropriate that the necessity test was no longer satisfied, as in the case of the two persons who were delisted during the period under review (2.14, above).
- 3.16. Having read their recommendations, I did not detect any institutional bias within MI5, or indeed other departments and agencies, in favour of maintaining designations. The annual review system means that there is a cost in time and resources inherent in maintaining a designation. The bringing of legal challenges may further serve to concentrate minds, because of independent legal advice from outside counsel or because defending such challenges may tie up resources which could be more productively used elsewhere.

### **The AFRG**

- 3.17. The Asset-Freezing Review sub-group had its first full meeting on 18 September 2012, just after the end of the period under review, to consider whether to renew the designations of the five Iranians first listed in October 2011. Each of the five designations was eventually renewed. I attended the meeting. I also attended meetings of the Asset-Freezing Working Group in November 2012 and February 2013, at which the operation of the AFRG was discussed.

- 3.18. Participants in the AFRG tell me that it has proved its worth in terms of formalising the decision-making process and ensuring that all relevant information is fed into it. Some meetings have suffered however from inadequate preparation or non-attendance by key departments, which can make it difficult for the AFRG to perform its intended function. The purpose of the AFRG is to make decisions rather than to commission work. I am told that work is in hand to improve the process, and will keep this under review.

## 4. OPERATION OF THE PROHIBITIONS

### The prohibitions

- 4.1. Designation prohibits not only dealing with funds or economic resources owned, held or controlled by a designated person but also the making of funds, financial services and economic resources available to or for the benefit of a designated person. The prohibitions, imposed by TAFE 2010 sections 11-15, are summarised in the First Report at 4.8.

### Licences

- 4.2. It is provided by TAFE 2010 section 17 that the prohibitions in sections 11-15 do not apply to anything done under the authority of a licence granted by the Treasury. The objectives and functioning of the licensing system, as it continues to operate, were set out in chapter 7 of the First Report.

#### *General licences*

- 4.3. The five general licences described at 7.6-7.9 of the First Report continue to permit certain payments and transfers relating to insurance, legal expenses and funds for use in prison.
- 4.4. Those general licences were not substantively amended during the period under review. Whilst one of the quarterly reports (**Annex 2**) states that a new general licence was issued in the final quarter of 2012, it appears that the report was in error.

#### *Specific licences*

- 4.5. The individual licensing system was described at 7.10-7.17 of the First Report. The quarterly reports at **Annexes 2-5** to this Report reveal that over the year to 30 September 2013, which approximately coincides with the period under review, 15 specific licences under TAFE 2010 were issued, three were amended and one was revoked.
- 4.6. The previous practice was for every licensing decision to be taken personally by a Treasury Minister. In the Second Report I described this as surprising, given the very small sums – and the urgency – involved in some cases.
- 4.7. This has now changed. In early 2013, delegated authority was given by Ministers to allow senior Treasury officials to make certain categories of licensing decisions (e.g. regarding access to state benefits, training and one-off low risk activity) in circumstances where no significant change in the designated person's

circumstances would occur from the granting of a licence and where contentious issues are not likely to be raised. The majority of licensing decisions are still taken by Ministers. The exercise of these delegated arrangements, which apply to country sanctions as well as to terrorist asset-freezing, was reviewed in July 2013 and works satisfactorily from the point of view of both Ministers and civil servants. The figures in the quarterly reports reflect all TAFE 2010 licence activity, irrespective of the authorising individual.

- 4.8. My attention has been drawn to a number of specific licensing decisions. Such decisions, taken after due consideration of the risks, display a welcome flexibility of the sort that I urged in the First Report.<sup>24</sup> The volume of correspondence that can attend such matters as getting married or taking up employment is however striking. The heavy burden that designation can place on everyday life was described in my First Report<sup>25</sup> and is not to be underestimated. It should never be forgotten that the purpose of designation is not to restrict a person's financial freedom – though some restriction will be the unavoidable consequence – but to prevent the use of resources for terrorist purposes.

### Licensing review

- 4.9. In late August 2012, the Treasury launched a Terrorist Asset Freezing Licensing Policy Review. The aim of the review was to ensure that licensing policy meets the obligations set out in TAFE 2010 and is robust, proportionate and efficient. The Review encompassed approach to licensing, the format and content of licences and whether the licensing process could be simplified. It applied both to terrorist asset freezing and to country sanctions.
- 4.10. As part of the Review, financial institutions were contacted to seek their views on the approach to licensing, the format and content of licences and whether the licensing process could be simplified. Two responses were received, which I have seen. The main suggestion was that more general or “blanket” licences be issued, so as to result in fewer licence requests for transactions of a repetitive nature. This suggestion is likely to have been of more relevance to country sanctions than to terrorist sanctions, and was dismissed by the Treasury as impracticable.
- 4.11. I have also seen a submission made to the Review by two firms of solicitors who act regularly for persons designated under TAFE 2010. They echoed my call for FAQs (as to which, see 4.16-4.18, below) and drew attention to the different policies of different banks, for example as regards whether designated persons

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<sup>24</sup> Recommendation 7 was: “Continuing efforts should be made to draft individual licences with the maximum flexibility appropriate to the case.”

<sup>25</sup> First Report, 7.18-7.30.

are permitted to have cashpoint cards or required to come in for what can be the humiliating experience of explaining their status for the purpose of a counter withdrawal. They also complained of the extraordinary difficulties that can be experienced in gaining access to the people authorised to deal with frozen accounts. I have been shown one documented account of an attempt legitimately to pay a cheque into a frozen bank account, which took nine calls to different numbers followed by a visit to the bank in person.

- 4.12. Other suggestions made in the course of the Review were that the Treasury should be more proactive in issuing licences allowing access to sums not subject to reporting restrictions, and that general licences should be issued for the payment of state benefits and for the payment of daily living expenses following initial designation.
- 4.13. The Licensing Review concluded that the position first announced when the Terrorist Asset Freezing (Temporary Provisions) Bill was introduced to Parliament<sup>26</sup> continued to reflect the Treasury's broad approach. No changes to that broad approach were announced or implemented as a consequence of the Licensing Review. The Treasury published a revised statement in October 2013, which made no reference to the licensing review but included a link to Frequently Asked Questions for further information.<sup>27</sup>

### Relations with banks

- 4.14. The experiences referred to at 4.11 above are similar to those which prompted Recommendation 8 in the First Report.<sup>28</sup> Unfortunately, no solution seems imminent. Whilst they are not allowed to close a frozen account, financial institutions do not wish to deal with those believed to be terrorists, citing reputational and regulatory risk. Neither is the Treasury prepared to involve itself in negotiating standard procedures for banks which may have at most a handful of account holders in this situation. Some banks claim that they have to operate manual systems for designated persons because their general automated systems do not have the ability to enforce restrictions that are inherent in designation. The problem of accounts being closed after designations are revoked ("*de-banking*", as it is inelegantly known) remains, despite it being in the

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<sup>26</sup> Written Ministerial Statement from the Exchequer Secretary to the Treasury of 5 February 2010, Hansard HC col 31WS.

<sup>27</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/250208/Terrorism\\_licensing\\_policy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/250208/Terrorism_licensing_policy.pdf).

<sup>28</sup> Recommendation 8 was as follows: "*Dialogue between financial institutions, their regulators and the Treasury should seek to simplify the discharge by financial institutions of their responsibilities, and to identify ways in which those responsibilities can be discharged without causing needless frustration and humiliation to designated persons (for example, by the automatic closure of their accounts once designation ceases).*"

interest neither of the person concerned nor of the Government to drive such persons into more opaque ways of keeping and transferring money.

- 4.15. On a more positive note, the Government accepted Recommendation 10, contained in the Second Report, which commits it to providing any formerly designated individual or group which requests one with a written statement explaining why designation has been revoked or allowed to lapse. Such a statement was provided to Gulam Mustafa in September 2013, after his designation was revoked. It is to be hoped that there will be cases in which such a statement may prove useful in persuading financial institutions to deal with formerly designated persons.

## FAQs

- 4.16. Recommendation 9 in the First Report was that a list should be provided of FAQs, highlighting what is prohibited but also explaining, in simple non-legal language, the sort of transactions that designated persons are free to enter into. That recommendation was strongly supported by solicitors for designated persons, as I recorded in the Second Report.<sup>29</sup> When the State places such far-reaching restrictions on the economic activity of an individual, it is incumbent upon it to explain as precisely as possible the scope of those restrictions, principally for the benefit of the designated person but also to assist prosecutions in case of breach.
- 4.17. In August 2013, the Treasury produced a 57-page document entitled “*Financial sanctions: frequently asked questions (FAQs)*”. The document aims to help all concerned (including banks and insurance companies as well as designated persons) understand both the country sanctions and the terrorist sanctions regimes. Its complex subject-matter is dealt with both clearly and practically, for which I commend the Treasury.
- 4.18. Part 5 of the document explains the principles of an asset freeze, and Part 16 of the document (Annex B) contains specific guidance for designated persons under the terrorism and al-Qaida regimes. It deals sensibly and in plain English with questions of relevance to a designated person, such as “*Can someone give my spouse/partner money?*”, “*Can I accept a gift?*”, “*Can I be paid interest on my bank account/savings?*” and “*Can I borrow an Oyster card from a friend?*” I hope and expect that this document will be of value to all who are required to deal with the consequences of asset-freezing.

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<sup>29</sup> Second Report, 4.8.

## Impact on overseas aid

- 4.19. Shortly before this report went to press, I was alerted while on a visit to Israel and the occupied Palestinian territories to an issue of which I had previously been unaware: the actual or perceived constraints placed by the counter-terrorism laws of various western countries, including the asset-freezing provisions of EU and UK law, on the activities of NGOs and others who seek to provide aid (including humanitarian aid and capacity-building) to territories which are under the *de facto* control of designated or proscribed groups, or in which such groups are active on the ground.
- 4.20. In July 2013, the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and the Norwegian Refugee Council published an independent study on this subject.<sup>30</sup> The UK's laws on proscription and asset-freezing were summarised, as were the equivalent rules from many other jurisdictions. Evidence was presented from case studies to the effect that donor-State counter-terrorism measures were undermining the ability of humanitarian actors to support people in areas where armed terrorist groups were active. A tendency was noted towards "*self-censorship*" on the part of NGOs, and caution on the part of their bankers. The study recommended that the humanitarian community and donor States need to work more closely together, better to reconcile counter-terrorism measures and humanitarian action. It also pointed up the need for practical guidance on the context, scope and application of counter-terrorism measures in specific contexts, and advised that counter-terrorism laws and measures should be subject to exclusions or exceptions for humanitarian action.
- 4.21. I have held preliminary discussions on this theme with affected NGOs, who have left me in no doubt as to the significance of this issue for their activities in areas ranging from the Gaza strip (controlled by Hamas, an EU-designated entity) to Somalia, Afghanistan, Colombia and the Philippines. It would however be premature for me to make any recommendations in this complex policy area. I have reached no conclusions as to the extent (if any) to which Tafa 2010 – as opposed to other measures – is responsible for the difficulties currently being experienced by NGOs, or as to what solutions could most appropriately reconcile the purposes of designation with the facilitation of humanitarian aid.
- 4.22. I shall however be looking further into this issue during the year ahead. It is relevant to my statutory function of reviewing the operation of the Terrorism Acts and of Tafa 2010. Aid diversion to terrorist groups is a serious danger, dictating a

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<sup>30</sup> *Study of the Impact of Donor Counter-Terrorism Measures on Principled Humanitarian Action*: [https://docs.unocha.org/sites/dms/Documents/CT\\_Study\\_Full\\_Report.pdf](https://docs.unocha.org/sites/dms/Documents/CT_Study_Full_Report.pdf).

cautious approach to any suggestion of change. Equally, if asset-freezing and proscription laws are to be accepted as necessary tools in the fight against terrorism, it is important that they should be flexible enough to allow vital humanitarian aid to be distributed where it is needed. I expect to hold further meetings on this theme during 2014, and welcome input from any interested party.

## 5. LEGAL PROCEEDINGS

### Prosecutions for breach

- 5.1. The possible responses to breaches of prohibitions imposed under TAFE 2010 are outlined at 8.7-8.9 of the First Report.
- 5.2. For the third year in succession, as recorded in the Treasury's quarterly reports, there were no prosecutions during the reporting period of designated persons or of third parties for breaching prohibitions imposed under the Act. This is despite the fact that some breaches or possible breaches were identified during that period. Experience with control orders and TPIMs suggests that assembling the necessary admissible evidence can be difficult, and that juries can be sceptical about the seriousness of the alleged breaches.
- 5.3. It is plainly important that the Treasury gives itself every chance of establishing prosecution as a credible sanction for breach of requirements under TAFE 2010, whether by designated persons or by others. Various internal Treasury and cross-governmental processes are currently addressing the issue. I expect that progress will be reviewed in the next annual report.

### Appeals

- 5.4. Only two appeals against designations under TAFE 2010 or the Terrorism Orders were ongoing during the period under review; those brought by Gulam Mustafa and Zana Rahim. Both appellants were de-designated in 2013.
- 5.5. **Zana Rahim** was designated from 2009 until March 2013, when the Minister concluded that his designation was no longer necessary for protecting the public against the threat of terrorism. His appeal against his 2011 designation was still ongoing at the end of the reporting period.
- 5.6. The appeals of **Gulam Mustafa** against his 2011 and 2012 designations under TAFE 2010 were lodged in April 2012. In the event Mr Mustafa's designation – though renewed as recently as March 2013 – was discharged in May 2013 before the appeals reached a substantive hearing. The appeals were then withdrawn.
- 5.7. Of significance going well beyond Mr Mustafa's case was the ruling of the High Court in December 2012 on a preliminary issue. Departing from an earlier judgment,<sup>31</sup> it held that Article 6 of the ECHR applies to proceedings under TAFE

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<sup>31</sup> *R (Bhutta) v HM Treasury* [2011] EWHC 1789 (Admin), Mitting J.

2010.<sup>32</sup> The practical significance of that ruling is to require, as had already been established for control order (and now TPIM)) proceedings, an irreducible minimum of disclosure to enable a fair hearing for the appellant.<sup>33</sup> In so ruling, the Judge reflected on the “*obvious similarities*” between TPIMs and designations under TFA 2010, commenting that “[*e*]ach produces serious constraints on the person’s ability to live his life as he would normally expect and so interferes with his human rights”.<sup>34</sup>

- 5.8. It is possible that an obligation to disclose to a designated person the gist of the allegations against him may prevent designations from being sought where the national security case against that person is particularly sensitive. That consideration troubled the judicial House of Lords when it first acknowledged the obligation in the control order context.<sup>35</sup> The judgment in *Mustafa* is however to be welcomed. As is now generally acknowledged, in the English courts as well as those of Europe, there may be at least the appearance of injustice when a person is subjected to severe limitations on his freedom without being told enough of the reasons to enable him to instruct his lawyers. Though the extent of the “*irreducible minimum*” will depend on the circumstances of the case, designated persons should no longer be able to say that they have no idea why they were designated. The potential for injustice, and for the making of political capital from it, have thus been decisively reduced.

#### **Other cases**

- 5.9. As recorded in the quarterly report at **Annex 5**, two civil claims relating to designation were ongoing at the end of the period under review: one distinct from the appeal referred to at 5.6, above brought by **Gulam Mustafa** against the Treasury and other government departments, and one brought by an individual known as **M** against the Treasury. There were no rulings in either of these cases during the period under review.

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<sup>32</sup> *Gulam Mastafa v HM Treasury* [2012] EWHC 3578 (Admin), Collins J.

<sup>33</sup> *Ibid.*, [15].

<sup>34</sup> *Ibid.*, [4].

<sup>35</sup> *SSHD v AF (No.3)* [2010] 1 AC 269, complying somewhat reluctantly with the judgment of the European Court of Human Rights in *A v United Kingdom* (2009) 49 EHRR 628.

## 6. SUMMARY AND RECOMMENDATION

- 6.1. TAFE 2010 gives effect to the UK's international obligations, and may be considered state-of-the-art legislation in terms of its compliance with constitutional and human rights requirements.<sup>36</sup> That does not of course justify complacency: for example, I have indicated at 4.19 - 4.22 above my intention of examining over the year ahead whether the operation of TAFE 2010 (or other UK counter-terrorism measures) impedes the giving of humanitarian aid, and if so how those two imperatives could best be reconciled.
- 6.2. What is most striking about the operation of the Act is how lightly it has been used in its first three years. Of the 31 individuals designated at the end of the period under review, only four were at liberty in the UK (and thus likely to be affected to a significant extent by its prohibitions). The eight designated entities, who have not been added to since 2001, are all based overseas. The total assets frozen amount to less than £100,000.
- 6.3. Each of the four individuals who have brought appeals over the past two years has been de-designated, in each case as a result of a Treasury decision rather than a court judgment.<sup>37</sup> The appeals appear however to have been successful in concentrating minds: only one unappealed designation was revoked over the same period.<sup>38</sup>
- 6.4. The fact that so few appeals were brought appears to be further confirmation that few of those designated are substantially affected by the constraints placed upon them.
- 6.5. The fact that each appealed case ended in de-designation should be a reminder to those participating in meetings of the AFRG, and of course to Ministers, of the need to examine rigorously whether the statutory thresholds are satisfied in each case where designation is being contemplated or reviewed.
- 6.6. The very limited use made of TAFE 2010 is not necessarily a bad thing. To designate a person living in the UK can have "*a profoundly damaging effect on the way he lives his life in a way which approaches normality*", as a High Court Judge commented during the period under review.<sup>39</sup> The Treasury administers its designations with reasonable efficiency, and is to be commended for what it has done to improve the clarity of the prohibitions during the period under review.<sup>40</sup> But designation of a UK resident who is not in prison will always be accompanied by constraints, intrusions,

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<sup>36</sup> First Report, chapter 3.

<sup>37</sup> Ismail Bhuta, Habib Ahmed, Gulam Mustafa and Zana Rahim: Second Report, 2.13(a)(b) and 2.14, above.

<sup>38</sup> Selman Bozkur: Second Report, 2.13(c).

<sup>39</sup> *Mastafa v HM Treasury* [2012] EWHC 3578 (Admin), per Collins J at [8].

<sup>40</sup> In particular via the FAQs: see 4.15-4.17, above.

frustrations and a sense of powerlessness or even humiliation in the face of the bureaucratic state.<sup>41</sup> One would not wish this on anybody unless there were strong reasons to suppose that it would help to protect the public from the threat of terrorism. In an ideal world, TAFE 2010 would not be used at all.

6.7. Since however the world is not ideal and the threat of terrorism remains a real one, I have thought it important to recommend that connected thought be given, across Government, to the question of whether these powers are being used as effectively as they might be. I would emphasise that this is not solely or even mainly a Treasury responsibility, since while the Treasury has an executive role in the implementation of the Act, candidates for designation will generally be sponsored from elsewhere.

6.8. To the 10 recommendations made in my first two reports I therefore add two more:<sup>42</sup>

#### **Recommendation 11**

*High-level consideration should be given to the practical role that TAFE 2010 may realistically be expected to play in the fight against terrorism, on its own or in conjunction with other financial or non-financial measures.*

#### **Recommendation 12**

*Mechanisms should be put in place to ensure that designation under TAFE 2010 is considered in all cases where it could be beneficial. In particular, and subject to the conclusions under Recommendation 11, the possibility of designation should be routinely considered in cases where TPIMs and proscription are being contemplated, when suspected terrorists are arrested or charged and in cases where deportations, deprivations of citizenship or passport removal are contemplated on national security grounds.*

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<sup>41</sup> First Report, chapter 7.

<sup>42</sup> See 2.26, above.

**A list of those designated at the end of the period under review under the TFA 2010 Section 1(b) – taken from the Council Implementing Regulation 1375/2011 as amended by Council Implementing Regulation 213/2012**

**A. Persons**

1. ABDOLLAHI Hamed (a.k.a Mustafa Abdullahi), born August 11, 1960 in Iran. Passport: D9004878.
2. AL-NASSER, Abdelkarim Hussein Mohamed, born in Al Ihsa (Saudi Arabia), citizen of Saudi Arabia
3. AL YACOUB, Ibrahim Salih Mohammed, born 16.10.1966 in Tarut (Saudi Arabia), citizen of Saudi Arabia
4. ARBABSAR Manssor (a.k.a. Mansour Arbabsar), born March 6 or 15, 1955 in Iran. Iranian and US national. Passport: C2002515 (Iran); Passport: 477845448 (USA). National ID no.: 07442833, expiry date 15 March 2016 (USA driving licence).
5. BOUYERI, Mohammed (a.k.a. Abu ZUBAIR, a.k.a. SOBIAR, a.k.a. Abu ZOUBAIR), born 8.3.1978 in Amsterdam (The Netherlands) – member of the "Hofstadgroep"
6. FAHAS, Sofiane Yacine, born 10.9.1971 in Algiers (Algeria) – member of "al-Takfir" and "al-Hijra"
7. IZZ-AL-DIN, Hasan (a.k.a GARBAYA, Ahmed, a.k.a. SA-ID, a.k.a. SALWWAN, Samir), Lebanon, born 1963 in Lebanon, citizen of Lebanon
8. MOHAMMED, Khalid Shaikh (a.k.a. ALI, Salem, a.k.a. BIN KHALID, Fahd Bin Adballah, a.k.a. HENIN, Ashraf Refaat Nabith, a.k.a. WADOOD, Khalid Abdul), born 14.4.1965 or 1.3.1964 in Pakistan, passport No 488555
9. SHAHLAI Abdul Reza (a.k.a Abdol Reza Shala'i, a.k.a. Abd-al Reza Shalai, a.k.a. Abdorreza Shahlai, a.k.a. Abdolreza Shahla'i, a.k.a. Abdul-Reza Shahladee, a.k.a. Hajj Yusef, a.k.a. Haji Yusif, a.k.a. Hajji Yasir, a.k.a. Hajji Yusif, a.k.a. Yusuf Abu-al-Karkh), born circa 1957 in Iran. Addresses: (1) Kermanshah, Iran, (2) Mehran Military Base, Ilam Province, Iran. EN L 343/12 Official Journal of the European Union 23.12.2011
10. SHAKURI Ali Gholam, born circa 1965 in Tehran, Iran
11. SOLEIMANI Qasem (a.k.a Ghasem Soleymani, a.k.a Qasmi Sulayman, a.k.a Qasem Soleymani, a.k.a Qasem Solaimani, a.k.a Qasem Salimani, a.k.a Qasem Solemani, a.k.a Qasem Sulaimani, a.k.a Qasem Sulemani), born March 11, 1957 in Iran. Iranian national. Passport: 008827 (Iran Diplomatic), issued 1999. Title: Major General.

## B. Group and Entities

1. "Abu Nidal Organisation" – "ANO" (a.k.a. "Fatah Revolutionary Council", a.k.a. "Arab Revolutionary Brigades", a.k.a. "Black September", a.k.a. "Revolutionary Organisation of Socialist Muslims")
2. "Al-Aqsa Martyrs' Brigade"
3. "Al-Aqsa e.V."
4. "Al-Takfir" and "Al-Hijra"
5. "Babbar Khalsa"
6. "Communist Party of the Philippines", including "New People's Army" – "NPA", Philippines
7. "Gama'a al-Islamiyya" (a.k.a. "Al-Gama'a al-Islamiyya") ("Islamic Group" – "IG")
8. "İslami Büyük Doğu Akıncılar Cephesi" – "IBDA-C" ("Great Islamic Eastern Warriors Front")
9. "Hamas", including "Hamas-Izz al-Din al-Qassem"
10. "Hizbul Mujahideen" – "HM"
11. "Hizballah Military Wing, Including External Security Organisation"
12. "Hofstadgroep"
13. "Holy Land Foundation for Relief and Development"
14. "International Sikh Youth Federation" – "ISYF"
15. "Khalistan Zindabad Force" – "KZF"
16. "Kurdistan Workers' Party" – "PKK", (a.k.a. "KADEK", a.k.a. "KONGRA-GEL")
17. "Liberation Tigers of Tamil Eelam" – "LTTE"
18. "Ejército de Liberación Nacional" ("National Liberation Army")
19. "Palestinian Islamic Jihad" – "PIJ"
20. "Popular Front for the Liberation of Palestine" – "PFLP"
21. "Popular Front for the Liberation of Palestine – General Command" (a.k.a. "PFLP – GeneralCommand")
22. "Fuerzas armadas revolucionarias de Colombia" – "FARC" ("Revolutionary Armed Forces of Colombia")

23. "Devrimci Halk Kurtuluş Partisi-Cephesi" – "DHKP/C" (a.k.a. "Devrimci Sol" ("Revolutionary Left"), a.k.a. "Dev Sol") ("Revolutionary People's Liberation Army/Front/Party")
24. "Sendero Luminoso" – "SL" ("Shining Path")
25. "Stichting Al Aqsa" (a.k.a. "Stichting Al Aqsa Nederland", a.k.a. "Al Aqsa Nederland")  
"Teyrbazen Azadiya Kurdistan" – "TAK" (a.k.a. "Kurdistan Freedom Falcons", a.k.a. "Kurdistan Freedom Hawk")

## Written Ministerial Statement

**Operation of the UK's Counter-Terrorist Asset Freezing Regime:  
1 October 2012 to 31 December 2012**

**The Commercial Secretary to the Treasury (Lord Deighton):** Under the Terrorist Asset-Freezing etc. Act 2010 ("TFAFA 2010"), the Treasury is required to report quarterly to Parliament on its operation of the UK's asset freezing regime mandated by UN Security Council Resolution 1373.

This is the eighth report under the Act and it covers the period from 1 October 2012 to 31 December 2012. This report also covers the UK implementation of the UN Al-Qaida asset freezing regime and the operation of the EU asset freezing regime in the UK under EU Regulation (EC) 2580/2001 which implements UNSCR 1373 against external terrorist threats to the EU. Under the UN Al-Qaida asset freezing regime, the UN has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under the Al Qaida (Asset-freezing) Regulations 2011. Under EU Regulation 2580/2001, the EU has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under Part 1 of TFAFA 2010.

Annexes A and B to this statement provide a breakdown by name of all those designated by the UK and the EU in pursuance of UN Security Council Resolution 1373.

During this period the Independent Reviewer's Second Annual Report on the operation of the TFAFA 2010 was laid in Parliament. The report made one recommendation, to which the Treasury will respond by 14 February 2013.

The following table sets out the key asset-freezing activity in the UK during the quarter ending 31 December 2012:

	<b>TFAFA 2010</b>	<b>EU Reg(EC) 2580/2001</b>	<b>Al-Qaida regime UNSCR 1989</b>
Assets frozen (as at 31/12/2012)	£26,000	£11,000	£65,000 <sup>43</sup>
Number of accounts frozen in UK (at 31/12/2012)	65	10	25
New accounts frozen	0	0	1
Accounts unfrozen	0	0	0
Number of designations (at 31/12/2012)	40	37	295
(i) new designations (during Q4 2012)	0	0	3

<sup>43</sup> This figure reflects the most up-to-date account balances available and includes approximately \$64,000 of suspected terrorist funds frozen in the UK. This has been converted using exchange rates as of 19/01/2013

(ii) Delistings	0	0	14
(iii) individuals in custody in UK	14	0	1
(iv) individuals in UK, not in detention	5	0	3
(v) individuals overseas	13	12	228
(vi) groups	8 (0 in UK)	25 (1 in UK)	63 (1 in UK)
Individuals by Nationality			
(i) UK Nationals <sup>44</sup>	15	n/a	n/a
(ii) Non UK Nationals	17		
Renewal of designation	8	n/a	n/a
General Licences			
(i) Issued in Q4		(i) 1	
(ii) Amended		(ii) 0	
(iii) Revoked		(iii) 0	
Specific Licences:			
(i) Issued in Q4	(i) 1	(i) 0	(i) 0
(ii) Amended	(ii) 1	(ii) 0	(ii) 0
(iii) Revoked	(iii) 0	(iii) 0	(iii) 0

IBRAHIM (aka ABU HAMZA) and AL-FAWAZ were deported to the US in October 2012. Both individuals are designated under the UN Al-Qaida asset freezing regime.

#### Legal Proceedings

Appeals against designations made under the Terrorism (United Nations Measures) Order 2009 and TAFE 2010 were ongoing in the quarter covered by this report, brought by Zana Abdul RAHIM and Gulam MASTAFA. Judgement was handed down on a preliminary issue in relation to MASTAFA's appeal on 12 December 2012. Mr. Justice Collins held that Article 6 of the European Convention on Human Rights applies to proceedings under TAFE 2010. A claim for damages arising from the designation of another individual, known as "M" for the purpose of these proceedings, issued against the Treasury, is also on-going.

In the quarter to 31 December 2012, no criminal proceedings were initiated in respect of breaches of asset freezes made under the Act or under the Al-Qaida (Asset-Freezing) Regulations 2011.

## HM Treasury

### 29 January 2013

<sup>44</sup> Based on information held by the treasury, some of these individuals hold dual nationality.

## Annex A: Designated persons under TAFA 2010 by name<sup>45</sup>

### **INDIVIDUALS**

1. Hamed ABDOLLAHI
2. Bilal Talal ABDULLAH
3. Imad Khalil AL-ALAMI
4. Abdula Ahmed ALI
5. Abdelkarim Hussein AL-NASSER
6. Ibrahim Salih AL-YACOUB
7. Manssor ARBABSIAR
8. Usama HAMDAN
9. Nabeel HUSSAIN
10. Tanvir HUSSAIN
11. Zahoor IQBAL
12. Umar ISLAM
13. Hasan IZZ-AL-DIN
14. Parviz KHAN
15. Waheed Arafat KHAN
16. Osman Adam KHATIB
17. Musa Abu MARZOUK
18. Gulam MASTAFA
19. Khalid MISHAAL
20. Khalid Shaikh MOHAMMED
21. Ramzi MOHAMMED
22. Sultan MUHAMMAD
23. Yassin OMAR
24. Hussein OSMAN
25. Zana Abdul RAHIM
26. Muktar Mohammed SAID
27. Assad SARWAR
28. Ibrahim SAVANT
29. Abdul Reza SHAHLAI
30. Ali Gholam SHAKURI
31. Qasem SOLEIMANI
32. Waheed ZAMAN

### **ENTITIES**

1. BASQUE FATHERLAND AND LIBERTY (ETA)
2. EJERCITO DE LIBERACION NACIONAL (ELN).
3. FUERZAS ARMADAS REVOLUCIONARIAS DE COLOMBIA (FARC)
4. HIZBALLAH MILITARY WING, INCLUDING EXTERNAL SECURITY ORGANISATION
5. HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
6. POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND (PFLP-GC)
7. POPULAR FRONT FOR THE LIBERATION OF PALESTINE (PFLP)
8. SENDERO LUMINOSO (SL)

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<sup>45</sup> For full listing details please refer to <http://www.hm-treasury.gov.uk/d/terrorism.htm>.

## **PERSONS**

1. Hamed ABDOLLAHI\*
2. Abdelkarim Hussein AL-NASSER\*
3. Ibrahim Salih AL YACOUB\*
4. Manssor ARBABSIAR\*
5. Mohammed BOUYERI
6. Sofiane Yacine FAHAS
7. Hasan IZZ-AL-DIN\*
8. Khalid Shaikh MOHAMMED\*
9. Abdul Reza SHAHLAI\*
10. Ali Gholam SHAKURI\*
11. Qasem SOLEIMANI\*
12. Jason Theodore WALTERS

## **GROUPS AND ENTITIES**

1. Abu Nidal Organisation (ANO)
2. Al-Aqsa Martyrs' Brigade
3. Al-Aqsa e.V.
4. Al-Takfir and Al-Hijra
5. Babbar Khalsa
6. Communist Party of the Philippines, including New People's Army (NPA), Philippines
7. Gama'a al-Islamiyya (a.k.a. Al-Gama'a al-Islamiyya) (Islamic Group — IG)
8. İslami Büyük Doğu Akıncılar Cephesi (IBDA-C) (Great Islamic Eastern Warriors Front)
9. Hamas, including Hamas-Izz al-Din al-Qassem
10. Hizbul Mujahideen (HM)
11. Hofstadgroep
12. Holy Land Foundation for Relief and Development\*
13. International Sikh Youth Federation (ISYF)
14. Khalistan Zindabad Force (KZF)
15. Kurdistan Workers Party (PKK) (a.k.a. KONGRA-GEL)
16. Liberation Tigers of Tamil Eelam (LTTE)
17. Ejército de Liberación Nacional (National Liberation Army)\*
18. Palestinian Islamic Jihad (PIJ)
19. Popular Front for the Liberation of Palestine (PFLP)\*
20. Popular Front for the Liberation of Palestine — General Command (PFLP-GC)\*
21. Fuerzas armadas revolucionarias de Colombia (FARC)\*
22. Devrimci Halk Kurtulu Partisi-Cephesi — DHKP/C (Revolutionary People's Liberation Army/Front/Party)
23. Sendero Luminoso (SL) (Shining Path)\*
24. Stichting Al Aqsa
25. Teyrbazen Azadiya Kurdistan (TAK)

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<sup>46</sup> For full listing details please refer to <http://www.gov.uk>  
\* EU listing rests on UK designation under TAFSA 2010

## Written Ministerial Statement

**Operation of the UK's Counter-Terrorist Asset Freezing Regime:  
1 January 2013 to 31 March 2013**

**The Commercial Secretary to the Treasury (Lord Deighton):** Under the Terrorist Asset-Freezing etc. Act 2010 ("TFAFA 2010"), the Treasury is required to report quarterly to Parliament on its operation of the UK's asset freezing regime mandated by UN Security Council Resolution 1373.

This is the ninth report under the Act and it covers the period from 1 January 2013 to 31 March 2013. This report also covers the UK implementation of the UN Al-Qaida asset freezing regime and the operation of the EU asset freezing regime in the UK under EU Regulation (EC) 2580/2001 which implements UNSCR 1373 against external terrorist threats to the EU. Under the UN Al-Qaida asset freezing regime, the UN has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under the Al Qaida (Asset-freezing) Regulations 2011. Under EU Regulation 2580/2001, the EU has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under Part 1 of TFAFA 2010.

Annexes A and B to this statement provide a breakdown by name of all those designated by the UK and the EU in pursuance of UN Security Council Resolution 1373.

During this period the Treasury response to the Independent Reviewer's Second Report was laid in Parliament.

The following table sets out the key asset-freezing activity in the UK during the quarter ending 31 March 2013:

	<b>TFAFA 2010</b>	<b>EU Reg(EC) 2580/2001</b>	<b>Al-Qaida regime UNSCR 1989</b>
Assets frozen (as at 31/03/2013)	£23,000	£11,000	£72,000 <sup>47</sup>
Number of accounts frozen in UK (at 31/03/2013)	61	10	27
New accounts frozen	0	0	2
Accounts unfrozen	4	0	0
Number of designations (at 31/03/2013)	39	36 <sup>48</sup>	296
(i) new designations (during Q1 2013)	0	0	5

<sup>47</sup> This figure reflects the most up-to-date account balances available and includes approximately \$64,000 of suspected terrorist funds frozen in the UK. This has been converted using exchange rates as of 19/01/2013

<sup>48</sup> Includes EU only and joint UK and EU listings. One Individual was delisted in Q4 of 2012 but this was not included in the Quarterly Report for that period in error.

(ii) Delistings	1	0	4
(iii) individuals in custody in UK	14	0	1
(iv) individuals in UK, not in custody	4	0	5
(v) individuals overseas	13	11	227
(vi) groups	8 (0 in UK)	25 (1 in UK)	64 (1 in UK)
Individuals by Nationality			
(iii) UK Nationals <sup>49</sup>	15	n/a	n/a
(iv) Non UK Nationals	16		
Renewal of designation	31	n/a	n/a
General Licences			
(iv) Issued in Q4		(iv) 0	
(v) Amended		(v) 0	
(vi) Revoked		(vi) 0	
Specific Licences:			
(iv) Issued in Q4	(iv) 1	(iv) 0	(iv) 1
(v) Amended	(v) 1	(v) 0	(v) 0
(vi) Revoked	(vi) 0	(vi) 0	(vi) 0

A final designation made by the Treasury under TAFE 2010 expires at the end of one year, unless revoked or renewed before that date. As such, the designations of 26 individuals and 6 groups were reviewed during the period. Following these reviews, 31 designations were renewed and 1 designation was revoked.

#### Legal Proceedings

Appeals against designations made under the Terrorism (United Nations Measures) Order 2009 and TAFE 2010 were ongoing in the quarter covered by this report, brought by Zana Abdul RAHIM and Gulam MASTAFA. Gulam MASTAFA also issued proceedings in this period under section 27 of the TAFE 2010 challenging a licensing decision taken by HMT. This has been listed to be heard with MASTAFA's substantive appeal against his designation in July 2013. A claim for damages against the Treasury arising from the designation of another individual, known as "M" for the purpose of these proceedings is also on-going.

In the quarter to 31 March 2013, no criminal proceedings were initiated in respect of breaches of asset freezes made under TAFE 2010 or under the Al-Qaida (Asset-Freezing) Regulations 2011.

## HM Treasury

### 9 May 2013

<sup>49</sup> Based on information held by the Treasury, some of these individuals hold dual nationality.

## **INDIVIDUALS**

1. Hamed ABDOLLAHI
2. Bilal Talal ABDULLAH
3. Imad Khalil AL-ALAMI
4. Abdula Ahmed ALI
5. Abdelkarim Hussein AL-NASSER
6. Ibrahim Salih AL-YACOUB
7. Manssor ARBABSIAR
8. Usama HAMDAN
9. Nabeel HUSSAIN
10. Tanvir HUSSAIN
11. Zahoor IQBAL
12. Umar ISLAM
13. Hasan IZZ-AL-DIN
14. Parviz KHAN
15. Waheed Arafat KHAN
16. Osman Adam KHATIB
17. Musa Abu MARZOUK
18. Gulam MASTAFA
19. Khalid MISHAAL
20. Khalid Shaikh MOHAMMED
21. Ramzi MOHAMMED
22. Sultan MUHAMMAD
23. Yassin OMAR
24. Hussein OSMAN
25. Muktar Mohammed SAID
26. Assad SARWAR
27. Ibrahim SAVANT
28. Abdul Reza SHAHLAI
29. Ali Gholam SHAKURI
30. Qasem SOLEIMANI
31. Waheed ZAMAN

## **ENTITIES**

1. BASQUE FATHERLAND AND LIBERTY (ETA)
2. EJERCITO DE LIBERACION NACIONAL (ELN)
3. FUERZAS ARMADAS REVOLUCIONARIAS DE COLOMBIA (FARC)
4. HIZBALLAH MILITARY WING, INCLUDING EXTERNAL SECURITY ORGANISATION
5. HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
6. POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND (PFLP-GC)
7. POPULAR FRONT FOR THE LIBERATION OF PALESTINE (PFLP)
8. SENDERO LUMINOSO (SL)

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<sup>50</sup> For full listing details please refer to <http://www.gov.uk>.

## **PERSONS**

1. Hamed ABDOLLAHI\*
2. Abdelkarim Hussein AL-NASSER\*
3. Ibrahim Salih AL YACOUB\*
4. Manssor ARBABSIAR\*
5. Mohammed BOUYERI
6. Sofiane Yacine FAHAS
7. Hasan IZZ-AL-DIN\*
8. Khalid Shaikh MOHAMMED\*
9. Abdul Reza SHAHLAI\*
10. Ali Gholam SHAKURI\*
11. Qasem SOLEIMANI\*

## **GROUPS AND ENTITIES**

1. Abu Nidal Organisation (ANO)
2. Al-Aqsa Martyrs' Brigade
3. Al-Aqsa e.V.
4. Al-Takfir and Al-Hijra
5. Babbar Khalsa
6. Communist Party of the Philippines, including New People's Army (NPA), Philippines
7. Gama'a al-Islamiyya (a.k.a. Al-Gama'a al-Islamiyya) (Islamic Group — IG)
8. İslami Büyük Doğu Akıncılar Cephesi (IBDA-C) (Great Islamic Eastern Warriors Front)
9. Hamas, including Hamas-Izz al-Din al-Qassem
10. Hizbul Mujahideen (HM)
11. Hofstadgroep
12. Holy Land Foundation for Relief and Development\*
13. International Sikh Youth Federation (ISYF)
14. Khalistan Zindabad Force (KZF)
15. Kurdistan Workers Party (PKK) (a.k.a. KONGRA-GEL)
16. Liberation Tigers of Tamil Eelam (LTTE)
17. Ejército de Liberación Nacional (National Liberation Army)\*
18. Palestinian Islamic Jihad (PIJ)
19. Popular Front for the Liberation of Palestine (PFLP)\*
20. Popular Front for the Liberation of Palestine — General Command (PFLP-GC)\*
21. Fuerzas armadas revolucionarias de Colombia (FARC)\*
22. Devrimci Halk Kurtulu Partisi-Cephesi — DHKP/C (Revolutionary People's Liberation Army/Front/Party)
23. Sendero Luminoso (SL) (Shining Path)\*
24. Stichting Al Aqsa
25. Teyrbazen Azadiya Kurdistan (TAK)

<sup>51</sup> For full listing details please refer to <http://www.gov.uk>.  
\* EU listing rests on UK designation under TAFSA 2010

## Written Ministerial Statement

### Operation of the UK's Counter-Terrorist Asset Freezing Regime: 1 April 2013 to 30 June 2013

**The Commercial Secretary to the Treasury (Lord Deighton):** Under the Terrorist Asset-Freezing etc. Act 2010 ("TFAFA 2010"), the Treasury is required to report to Parliament, quarterly, on its operation of the UK's asset freezing regime mandated by UN Security Council Resolution 1373.

This is the tenth report under the Act and it covers the period from 1 April 2013 to 30 June 2013. This report also covers the UK implementation of the UN Al-Qaida asset freezing regime and the operation of the EU asset freezing regime in the UK under EU Regulation (EC) 2580/2001 which implements UNSCR 1373 against external terrorist threats to the EU. Under the UN Al-Qaida asset freezing regime, the UN has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under the Al Qaida (Asset-freezing) Regulations 2011. Under EU Regulation 2580/2001, the EU has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under Part 1 of TFAFA 2010.

Annexes A and B to this statement provide a breakdown, by name, of all those designated by the UK and the EU in pursuance of UN Security Council Resolution 1373.

The following table sets out the key asset-freezing activity in the UK during the quarter ending 30 June 2013:

	TFAFA 2010	EU Reg(EC) 2580/2001	Al-Qaida regime UNSCR 1989
Assets frozen (as at 30/06/2013)	£91,000	£11,000	£73,000 <sup>52</sup>
Number of accounts frozen in UK (at 30/06/2013)	61	10	28
New accounts frozen	4	0	1
Accounts unfrozen	4	0	0
Number of designations (at 30/06/2013)	39	36 <sup>53</sup>	290
(i) New designations (during Q2 2013)	1	0	0
(ii) Delistings	1	0	6
(iii) Individuals in custody in UK (at 30/06/2013)	14	0	1

<sup>52</sup> This figure reflects the most up-to-date account balances available and includes approximately \$64,000 of suspected terrorist funds frozen in the UK. This has been converted using exchange rates as of 02/07/2013

<sup>53</sup> Includes EU only and joint UK and EU listings.

(iv) Individuals in UK, not in custody (at 30/06/2013)	4	0	4
(v) Individuals overseas (at 30/06/2013)	13	11	221
(vi) Groups	8 (0 in UK)	25 (1 in UK)	64 (1 in UK)
Individuals by Nationality			
(v) UK Nationals <sup>54</sup>	14	n/a	n/a
(vi) Non UK Nationals	17		
Renewal of designation	0	n/a	n/a
General Licences			
(vii) Issued in Q2		(vii) 0	
(viii) Amended		(viii) 0	
(ix) Revoked		(ix) 0	
Specific Licences:			
(vii) Issued in Q2	(vii) 3	(vii) 0	(vii) 4
(viii) Amended	(viii) 1	(viii) 0	(viii) 1
(ix) Revoked	(ix) 0	(ix) 0	(ix) 0

#### Legal Proceedings

Appeals against designations made under the Terrorism (United Nations Measures) Order 2009 and TAFE 2010 were ongoing in the quarter covered by this report, brought by Zana Abdul RAHIM. The appeal brought by Gulam MASTAFA against his designation under TAFE 2010 was concluded. Gulam MASTAFA has since issued a civil claim against the Treasury and other government departments. A civil claim against the Treasury arising from the designation of another individual, known as "M" for the purpose of these proceedings is also on-going. A new challenge under s63(2) of the Counter-Terrorism Act 2008 has been issued by Mohammed AL GHABRA against the Treasury. This has been joined to be heard with a claim for Judicial Review brought by Mohammed AL GHABRA against the Foreign and Commonwealth Office.

In the quarter to 30 June 2013, no criminal proceedings were initiated in respect of breaches of asset freezes made under TAFE 2010 or under the Al-Qaida (Asset-Freezing) Regulations 2011.

## HM Treasury

### 16 July 2013

<sup>54</sup> Based information held by the Treasury, some of these individuals hold dual nationality.

## Annex A: Designated persons under TAFE 2010 by name<sup>55</sup>

### **INDIVIDUALS**

1. Hamed ABDOLLAHI
2. Bilal Talal ABDULLAH
3. Imad Khalil AL-ALAMI
4. Abdula Ahmed ALI
5. Abdelkarim Hussein AL-NASSER
6. Ibrahim Salih AL-YACOUB
7. Manssor ARBABSIAR
8. Usama HAMDAN
9. Nabeel HUSSAIN
10. Tanvir HUSSAIN
11. Zahoor IQBAL
12. Umar ISLAM
13. Hasan IZZ-AL-DIN
14. Mohammed KHALED
15. Parviz KHAN
16. Waheed Arafat KHAN
17. Osman Adam KHATIB
18. Musa Abu MARZOUK
19. Khalid MISHAAL
20. Khalid Shaikh MOHAMMED
21. Ramzi MOHAMMED
22. Sultan MUHAMMAD
23. Yassin OMAR
24. Hussein OSMAN
25. Muktar Mohammed SAID
26. Assad SARWAR
27. Ibrahim SAVANT
28. Abdul Reza SHAHLAI
29. Ali Gholam SHAKURI
30. Qasem SOLEIMANI
31. Waheed ZAMAN

### **ENTITIES**

1. BASQUE FATHERLAND AND LIBERTY (ETA)
2. EJERCITO DE LIBERACION NACIONAL (ELN)
3. FUERZAS ARMADAS REVOLUCIONARIAS DE COLOMBIA (FARC)
4. HIZBALLAH MILITARY WING, INCLUDING EXTERNAL SECURITY ORGANISATION
5. HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
6. POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND (PFLP-GC)
7. POPULAR FRONT FOR THE LIBERATION OF PALESTINE (PFLP)
8. SENDERO LUMINOSO (SL)

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<sup>55</sup> For full listing details please refer to [www.gov.uk](http://www.gov.uk).

## **PERSONS**

1. Hamed ABDOLLAHI\*
2. Abdelkarim Hussein AL-NASSER\*
3. Ibrahim Salih AL YACOUB\*
4. Manssor ARBABSIAR\*
5. Mohammed BOUYERI
6. Sofiane Yacine FAHAS
7. Hasan IZZ-AL-DIN\*
8. Khalid Shaikh MOHAMMED\*
9. Abdul Reza SHAHLAI\*
10. Ali Gholam SHAKURI\*
11. Qasem SOLEIMANI\*

## **GROUPS AND ENTITIES**

1. Abu Nidal Organisation (ANO)
2. Al-Aqsa Martyrs' Brigade
3. Al-Aqsa e.V.
4. Al-Takfir and Al-Hijra
5. Babbar Khalsa
6. Communist Party of the Philippines, including New People's Army (NPA), Philippines
7. Gama'a al-Islamiyya (a.k.a. Al-Gama'a al-Islamiyya) (Islamic Group — IG)
8. İslami Büyük Doğu Akıncılar Cephesi (IBDA-C) (Great Islamic Eastern Warriors Front)
9. Hamas, including Hamas-Izz al-Din al-Qassem
10. Hizbul Mujahideen (HM)
11. Hofstadgroep
12. Holy Land Foundation for Relief and Development\*
13. International Sikh Youth Federation (ISYF)
14. Khalistan Zindabad Force (KZF)
15. Kurdistan Workers Party (PKK) (a.k.a. KONGRA-GEL)
16. Liberation Tigers of Tamil Eelam (LTTE)
17. Ejército de Liberación Nacional (National Liberation Army)\*
18. Palestinian Islamic Jihad (PIJ)
19. Popular Front for the Liberation of Palestine (PFLP)\*
20. Popular Front for the Liberation of Palestine — General Command (PFLP-GC)\*
21. Fuerzas armadas revolucionarias de Colombia (FARC)\*
22. Devrimci Halk Kurtulu Partisi-Cephesi — DHKP/C (Revolutionary People's Liberation Army/Front/Party)
23. Sendero Luminoso (SL) (Shining Path)\*
24. Stichting Al Aqsa
25. Teyrbazen Azadiya Kurdistan (TAK)

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<sup>56</sup> For full listing details please refer to [www.gov.uk](http://www.gov.uk)  
\* EU listing rests on UK designation under TAFSA 2010

## Written Ministerial Statement

**Operation of the UK's Counter-Terrorist Asset Freezing Regime:  
1 July 2013 to 30 September 2013**

**The Commercial Secretary to the Treasury (Lord Deighton):** Under the Terrorist Asset-Freezing etc. Act 2010 ("TFAFA 2010"), the Treasury is required to report to Parliament, quarterly, on its operation of the UK's asset freezing regime mandated by UN Security Council Resolution 1373.

This is the eleventh report under the Act and it covers the period from 1 July 2013 to 30 September 2013. This report also covers the UK implementation of the UN Al-Qaida asset freezing regime and the operation of the EU asset freezing regime in the UK under EU Regulation (EC) 2580/2001 which implements UNSCR 1373 against external terrorist threats to the EU. Under the UN Al-Qaida asset freezing regime, the UN has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under the Al Qaida (Asset-freezing) Regulations 2011. Under EU Regulation 2580/2001, the EU has responsibility for designations and the Treasury has responsibility for licensing and compliance with the regime in the UK under Part 1 of TFAFA 2010.

Annexes A and B to this statement provide a breakdown, by name, of all those designated by the UK and the EU in pursuance of UN Security Council Resolution 1373.

The following table sets out the key asset-freezing activity in the UK during the quarter ending 30 September 2013:

	<b>TFAFA 2010</b>	<b>EU Reg(EC) 2580/2001</b>	<b>Al-Qaida regime UNSCR 1989</b>
Assets frozen (as at 30/09/2013)	£91,000	£11,000 <sup>57</sup>	£70,000 <sup>58</sup>
Number of accounts frozen in UK (at 30/09/2013)	61	10	29
New accounts frozen	0	0	1
Accounts unfrozen	0	0	0
Number of designations (at 30/09/2013)	39	37 <sup>59</sup>	284
(i) New designations (during Q3 2013)	0	1	1
(ii) Delistings	0	0	7

<sup>57</sup> This does not duplicate funds frozen under TFAFA.

<sup>58</sup> This figure reflects the most up-to-date account balances available and includes approximately \$64,000 of funds frozen in the UK. This has been converted using exchange rates as of 30/09/2013.

<sup>59</sup> This figure is based on ex-designations where the UK freeze forms the prior competent authority decision for the EU freeze.

(iii) Individuals in custody in UK (at 30/09/2013)	15	0	0
(iv) Individuals in UK, not in custody (at 30/09/2013)	3	0	4
(v) Individuals overseas (at 30/09/2013)	13	11	217
(vi) Groups	8 (0 in UK)	26 (1 in UK)	63 (1 in UK)
Individuals by Nationality			
(vii) UK Nationals <sup>60</sup>	14	n/a	n/a
(viii) Non UK Nationals	17		
Renewal of designation	0	n/a	n/a
General Licences			
(x) Issued in Q3		(x) 0	
(xi) Amended		(xi) 5	
(xii) Revoked		(xii) 0	
Specific Licences:			
(x) Issued in Q3	(x) 9	(x) 0	(x) 2
(xi) Amended	(xi) 0	(xi) 0	(xi) 0
(xii) Revoked/ Expired	(xii) 1	(xii) 0	(xii) 0

## Legal Proceedings

Appeals against designations made under the Terrorism (United Nations Measures) Order 2009 and TAFE 2010 were ongoing in the quarter covered by this report, brought by Zana Abdul RAHIM. Two civil claims relating to designations are also on-going, one brought by Gulam MASTAFA against the Treasury and other government departments, and another brought by an individual, known as "M", against the Treasury. The challenge under s63(2) of the Counter-Terrorism Act 2008 brought by Mohammed AL GHABRA against the Treasury and joined to be heard with his claim for Judicial Review against the Foreign and Commonwealth Office, is also on-going.

In the quarter to 30 September 2013, no criminal proceedings were initiated in respect of breaches of asset freezes made under TAFE 2010 or under the Al-Qaida (Asset-Freezing) Regulations 2011.

## HM Treasury 23 October 2013

<sup>60</sup> Based on information held by the Treasury, some of these individuals hold dual nationality.

## Annex A: Designated persons under TAFE 2010 by name<sup>61</sup>

### **INDIVIDUALS**

1. Hamed ABDOLLAHI
2. Bilal Talal ABDULLAH
3. Imad Khalil AL-ALAMI
4. Abdula Ahmed ALI
5. Abdelkarim Hussein AL-NASSER
6. Ibrahim Salih AL-YACOUB
7. Manssor ARBABSIAR
8. Usama HAMDAN
9. Nabeel HUSSAIN
10. Tanvir HUSSAIN
11. Zahoor IQBAL
12. Umar ISLAM
13. Hasan IZZ-AL-DIN
14. Mohammed KHALED
15. Parviz KHAN
16. Waheed Arafat KHAN
17. Osman Adam KHATIB
18. Musa Abu MARZOUK
19. Khalid MISHAAL
20. Khalid Shaikh MOHAMMED
21. Ramzi MOHAMMED
22. Sultan MUHAMMAD
23. Yassin OMAR
24. Hussein OSMAN
25. Muktar Mohammed SAID
26. Assad SARWAR
27. Ibrahim SAVANT
28. Abdul Reza SHAHLAI
29. Ali Gholam SHAKURI
30. Qasem SOLEIMANI
31. Waheed ZAMAN

### **ENTITIES**

1. BASQUE FATHERLAND AND LIBERTY (ETA)
2. EJERCITO DE LIBERACION NACIONAL (ELN)
3. FUERZAS ARMADAS REVOLUCIONARIAS DE COLOMBIA (FARC)
4. HIZBALLAH MILITARY WING, INCLUDING EXTERNAL SECURITY ORGANISATION
5. HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT
6. POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND (PFLP-GC)
7. POPULAR FRONT FOR THE LIBERATION OF PALESTINE (PFLP)
8. SENDERO LUMINOSO (SL)

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<sup>61</sup> For full listing details please refer to <http://www.gov.uk>.

## **PERSONS**

1. Hamed ABDOLLAHI\*
2. Abdelkarim Hussein AL-NASSER\*
3. Ibrahim Salih AL YACOUB\*
4. Manssor ARBABSIAR\*
5. Mohammed BOUYERI
6. Sofiane Yacine FAHAS
7. Hasan IZZ-AL-DIN\*
8. Khalid Shaikh MOHAMMED\*
9. Abdul Reza SHAHLAI\*
10. Ali Gholam SHAKURI\*
11. Qasem SOLEIMANI\*

## **GROUPS AND ENTITIES**

1. Abu Nidal Organisation (ANO)
2. Al-Aqsa Martyrs' Brigade
3. Al-Aqsa e.V.
4. Al-Takfir and Al-Hijra
5. Babbar Khalsa
6. Communist Party of the Philippines, including New People's Army (NPA), Philippines
7. Gama'a al-Islamiyya (a.k.a. Al-Gama'a al-Islamiyya) (Islamic Group — IG)
8. İslami Büyük Doğu Akıncılar Cephesi (IBDA-C) (Great Islamic Eastern Warriors Front)
9. Hamas, including Hamas-Izz al-Din al-Qassem
10. Hizbul Mujahideen (HM)
11. Hizballah Military Wing, including external security organisation
12. Hofstadgroep
13. Holy Land Foundation for Relief and Development\*
14. International Sikh Youth Federation (ISYF)
15. Khalistan Zindabad Force (KZF)
16. Kurdistan Workers Party (PKK) (a.k.a. KONGRA-GEL)
17. Liberation Tigers of Tamil Eelam (LTTE)
18. Ejército de Liberación Nacional (National Liberation Army)\*
19. Palestinian Islamic Jihad (PIJ)
20. Popular Front for the Liberation of Palestine (PFLP)\*
21. Popular Front for the Liberation of Palestine — General Command (PFLP-GC)\*
22. Fuerzas armadas revolucionarias de Colombia (FARC)\*
23. Devrimci Halk Kurtulu Partisi-Cephesi — DHKP/C (Revolutionary People's Liberation Army/Front/Party)
24. Sendero Luminoso (SL) (Shining Path)\*
25. Stichting Al Aqsa
26. Teyrbazen Azadiya Kurdistan (TAK)

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<sup>62</sup> For full listing details please refer to [www.gov.uk](http://www.gov.uk)  
\* EU listing rests on UK designation under TAFSA 2010

**Policy Statement on Designation – Factors taken into account in making a final designation under the Terrorist Asset-Freezing etc. Act 2010**

Under the Terrorist Asset-Freezing etc. Act 2010, the Treasury may make a “final” asset freeze designation in respect of a person only if the statutory requirements set out in section 2 of the Act are met. A final designation lasts for a year unless revoked earlier or renewed before the end of the year.

Under section 4(2), the Treasury may renew a final designation at any time before it expires if the requirements in section 2 continue to be met.

**Reasonable belief of terrorist activity requirement**

The first requirement is that the Treasury reasonably believe at least one of the conditions set out in section 2(1)(a) of the Act is met, i.e. that—

- i. the person is or has been involved in terrorist activity, or
- ii. the person is owned or controlled directly or indirectly by a person within sub-paragraph (i), or
- iii. the person is acting on behalf of or at the direction of a person within sub-paragraph (i).

For the purpose of section 2(1)(a), involvement in terrorist activity is any one or more of the following:

- i. the commission, preparation or instigation of acts of terrorism;
- ii. conduct that facilitates the commission, preparation or instigation of such acts, or that is intended to do so; or
- iii. conduct that gives support or assistance to persons who are known or believed by the person concerned to be involved in conduct falling within (i) or (ii) above.

“Terrorism” is defined in section 1 of the Terrorism Act 2000.

In deciding whether the reasonable belief test is met, the Treasury considers the reliability of the information which indicates that a person may have engaged in terrorist activity.

Where a person has been convicted of a terrorist offence in the United Kingdom, the evidence of their involvement in terrorist activity will have met the criminal standard of proof “beyond reasonable doubt” and will, therefore, also meet the reasonable belief requirement in section 2(1)(a) of the Act.

**Public protection requirement**

Section 2(1)(b) of the 2010 Act requires that the Treasury also consider whether it is necessary for purposes connected with protecting members of the public from terrorism that financial restrictions should be applied in relation to the person. The public protection requirement is not limited to protecting members of the public in the United Kingdom.

There is a wide range of factors that the Treasury takes into account in deciding whether the necessity test is met depending on the case. These include:

- The nature and extent of the person's terrorist activity;
- In the case of overseas groups or individuals, the terrorist threat posed to UK citizens and others overseas;
- Whether the person continues to be involved, or might re-engage, in terrorist activity;
- The impact of an asset freeze in limiting a person's access to their own or others' funds in the UK, including funds passed to them by third parties, and in denying them access to the UK financial system;
- The need for an asset freeze in light of other restrictions placed on the person;
- The UK's broader counter-terrorism agenda, including the Government's counter-terrorism programme "PREVENT"; and
- The need to maintain counter-terrorism relationships with other countries.

### **Exercise of discretion**

If both parts of the statutory test are met, the Treasury also considers whether an asset freeze is proportionate in each case, taking account of the impact on the person's business or private life, other restrictions that may be in place upon the person and whether any other counter-terrorism measure offers the same protection to the public as an asset freeze, balanced against the legislative objective of protecting members of the public from terrorism.

Before making a designation decision, the Treasury will seek out and consider advice from relevant departments and agencies.





## **HM Treasury contacts**

This document can be downloaded from  
[www.gov.uk](http://www.gov.uk)

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