



The Kingdom of Saudi Arabia
Initiatives and Actions to Combat Terrorism

May 2009

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Over the past eight years Saudi Arabia has successfully implemented a strategy to go after the men, the money and the mindset that support terrorism and extremism. As a declared target of Al-Qaeda, the Kingdom has made enhancements to its overall counterterrorism program. Saudi Arabia increased the size, training and professionalism of its security forces, which are now seasoned by direct experience, as well as by focused counterterrorism training programs in Europe and the United States. In addition, the Kingdom employed sophisticated aerial reconnaissance planes to help patrol remote areas and provide real-time data to protect against smuggling and infiltration.

Saudi security forces have also changed their policing style. They are now more active and engaged in communities, talking and working with neighbors and community members, who are an integral part of the Kingdom's success in combating terrorism. The Saudi people are galvanized in their rejection of terrorism and have provided countless tips and leads about suspicious activity. This has led to numerous arrests of most-wanted terrorists and to the discovery of safe houses in unassuming neighborhoods, where terrorists were meeting, plotting and staging attacks.

Saudi Arabia has also made it a priority to seek international cooperation to confront this threat. Joint task forces with the United States have been established to integrate intelligence gathering and sharing capabilities. Saudi Arabia and the U.S. have jointly declared several organizations as financiers of terrorism under United Nations protocol. In addition, the Kingdom has:

- Reduced the reporting threshold for cash transported across borders
- Worked with U.S. partners to train judges to prosecute terror financing cases
- Prohibited all charitable organizations from sending money abroad
- Launched the Financial Intelligence Unit (FIU) in September 2005

Broadly, the Kingdom has undertaken several initiatives to counter the extremist mentality and to promote moderation and tolerance among its citizenry:

- Unprecedented Counterterrorism Public Awareness Campaign (2005-ongoing)
- Extensive Public Education Campaign, from Kindergarten to College (2005-ongoing)
- Global Interfaith Dialogue Initiative (2008-ongoing)

On a more advanced, focused level, the Kingdom has been conducting two different, yet complementary programs: Counter-Radicalization and Rehabilitation. Whereas the broader public programs are preventative in nature, each of these programs go directly to the active source of extremism propagation and serve to neutralize it.

The following information outlines the efforts taken by Saudi Arabia, individually and with its global partners like the United States, to combat terrorism domestically and globally.

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International Cooperation

International partnerships are instrumental to Saudi Arabia's efforts to combat terrorism. The Kingdom works closely with the United States government and the United Nations to ensure that inter-country collaborations are effective and useful.

This level of cooperation has been ongoing since September 11, 2001, and it was fortified by the creation of the Saudi-U.S. Strategic Dialogue in April 2005. Under the Strategic Dialogue, a Counterterrorism Working Group continues to help ensure the governments' efforts and resources are aligned.

On the broader, global level, the Kingdom has also been making contributions. In August 2007 Richard Barrett, Coordinator of the United Nations Taliban and Al-Qaeda Monitoring Team, consulted with Saudi authorities on the Kingdom's program that protects citizens from the influence of extremist ideologies. Barrett sought to learn more about the program with the hope that other countries could adopt the program.

“By asking for INTERPOL's assistance, Saudi Arabia wishes to ensure that all INTERPOL member countries are made aware that these men are dangerous and that their activities represent a security concern not only for Saudi Arabia and the entire region but also for the world as a whole.”

—Ronald K. Noble , Secretary General of INTERPOL, February 2009

As partners on the global level, Saudi Arabia and the U.S. have made efforts to combat terrorist threats, even working to address the heart of issues that incite extremists. In 2007, Minister of Foreign Affairs Prince Saud Al-Faisal led a delegation of seven other Arab foreign ministers to meet with then U.S. Secretary of State Condoleezza Rice. Issues discussed included the revival of the Middle East peace process, the situation in Iraq, nuclear proliferation, terrorism and security in the Arabian Gulf. All parties reaffirmed their commitment to achieving peace and promoting regional security.

Below are examples of Saudi Arabia's international cooperation in counterterrorism:

2009

- February 2 – The Ministry of Interior released a list of 85 men wanted by security authorities for participating in extremists activities abroad. The list, which includes 83 Saudis and two Yemenis, was announced after the suspects' families were informed and applications for their extradition were delivered to INTERPOL. An international security alert, known as an Orange Notice, was issued by INTERPOL and sent to all its 187 member countries.

2008

- December 22-24 – The Training College of Naif Arab University for Security Sciences and the Council of Arab Interior Ministers jointly organized a training course on combating terrorism held in Tunis, Tunisia. The course covered topics including terror cells, the role of religion in fighting terrorism, the contradiction of terrorism with Islamic law and the Saudi experience dealing with terrorism.

- October 29 – Minister of Interior Prince Nayef bin Abdulaziz announced that Saudi Arabia will build a fence along its border with Iraq to prevent terrorists from moving between the two countries
- October 23 – During a Department of Defense news briefing in Fallujah, Iraq U.S. Marine Corps Major Gen. John F. Kelly, Commander of Multinational Force West, stated that “...the Anbar Province, which we all call home, has three national borders. One with the Saudi Arabians -- that border is actually quite tight. There is no regularly scheduled or regularly opened port of entry except for one place during the hajj period that’s coming up. But that’s -- that’s a good solid border. The Saudis are great soldiers and they take care of this side very well. We don't have to worry too much about that.”
- July 15 – While speaking at the Foreign Press Center in Washington D.C., Undersecretary of State for Public Affairs James Glassman noted the partnership between Saudi Arabia and the United States in the fight against radical ideology: “We work as well with partners in the Middle East. While they may disagree with some of our policies in their region, they agree that policies like diversion can make their own nations safer, and they are doing a great job. I would cite the Saudis especially in their work on diversion and on this pernicious ideology. CIA Director Michael Hayden has said that we are doing well in the war against al-Qaida, and he cites near strategic defeat of al-Qaida in Iraq, near strategic defeat of al-Qaida in Saudi Arabia, significant setbacks for al-Qaida globally, as a lot of the Islamic world pushes back on their form of Islam.”
- May 16 – The Kingdom signed agreements to become the 71st member nation of the Global Initiative to Combat Nuclear Terrorism and the 86th member of the Proliferation Security Initiative.
- February 24 – Interior Minister Prince Nayef bin Abdulaziz and French Interior and Overseas Territories Minister Michele Alliot-Marie signed a civil service agreement to enhance bilateral cooperation in the areas of counterterrorism, anti-narcotics and combat money laundering.

2005

- July 11 – Crown Prince Abdullah bin Abdulaziz renewed his call for improved international cooperation in the war on terrorism and the formation of an international counterterrorism center.
- April 7 – Saudi authorities extradited to Sudan three Sudanese citizens, who had been detained on various security issues, and received from Sudanese authorities’ six Saudi citizens wanted by security forces, the Ministry of Interior said.
- March 28 – Security authorities in the Kingdom extradited eight detained Yemenis to Yemen and received from Yemeni authorities 25 Saudi nationals wanted as suspects in security cases, the Ministry of Interior said.

- February 23 – Saudi security authorities handed over to U.S. authorities a U.S. citizen, who was previously detained for security issues, at the request of the detainee and his family, the Ministry of Interior announced.
- February 19 – Saudi Arabia extradited 19 Yemenis who had been detained for various security reasons, the Ministry of Interior announced.
- February 5-8 – The Counter-Terrorism International Conference was held in Riyadh; 51 countries and 9 international organizations attended. The participant workshops and delegate sessions resulted in a final communiqué, known as the “Riyadh Declaration.”

2004

- July 22 – The final report of the National Commission on Terrorist Attacks Upon the United States confirmed the following: that there was no evidence the government of Saudi Arabia funded Al-Qaeda; that the post 9-11 flights repatriating Saudi citizens, including members of the bin Laden family, were investigated by the FBI and “no one with known links to terrorism departed on these flights”; and that the Saudi government had been pursuing Osama bin Laden prior to 9-11.
- July 2 – The Financial Action Task Force (FATF) released its 15th annual report, which contained an evaluation of Saudi Arabia’s laws, regulations and systems to combat money laundering and terrorist financing. According to this evaluation: “Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”
- April 29 – The Office of the Coordinator for Counterterrorism of the U.S. Department of State released its 2003 “Patterns of Global Terrorism” report. The report praised Saudi Arabia for its “unprecedented” efforts to fight terrorism both inside its borders and abroad. Ambassador J. Cofer Black, Coordinator for Counterterrorism, stated: “I would cite Saudi Arabia as an excellent example of a nation increasingly focusing its political will to fight terrorism. Saudi Arabia has launched an aggressive, comprehensive, and unprecedented campaign to hunt down terrorists, uncover their plots, and cut off their sources of funding.”

2003

- FATF completed its mutual evaluation in September 2003 and commended Saudi Arabia for implementing the 40 recommendations on money-laundering and eight recommendations on terror financing. According to the 15th annual report released in 2004, “Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence,

established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”

- Saudi Arabia and the United States established a second joint task force in August 2003, this one aimed at combating the financing of terror. The task force, which was initiated by then-Crown Prince Abdullah, reflected the Kingdom’s commitment to the war on terrorism and its close cooperation with the United States in eradicating terrorists and their supporters.
- May 2003 – The United States and Saudi Arabia established a task force from across law enforcement and intelligence agencies to work side by side to share “real time” intelligence in the fight against terrorism.
- April 30 – Ambassador J. Cofer Black, Coordinator for Counterterrorism, released the Annual Patterns of Global Terrorism 2002 report and stated that “The Saudi Government has made significant strides, certainly in the last year. They are a strong partner in the war on terrorism. In the past several months, we have made significant strides in our counter-terrorism cooperation. The Saudi Government continues to work with us in identifying and working to counter al-Qaeda and other terrorist groups.... In recent months, I’ve made two separate trips to Saudi Arabia to work with senior officials. This is, in part, what we believe to be a long-term pattern of close coordination on terrorism issues.”

Combating Terrorist Financing & Money Laundering

Saudi Arabia has put in place world-class regulations and financial control mechanisms to combat terrorism. The Kingdom has implemented the 40 recommendations on money laundering and eight recommendations on terror financing of the Financial Action Task Force (FATF), an international body initiated by members of the G-8 countries. The FATF concluded in 2004 that Saudi Arabia has in place financial controls that “probably go further than any country in the world.”

The 15th Annual Report by the FATF, released in 2004, confirmed that Saudi Arabia had adopted rigorous standards:

“Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”

The Kingdom has also been vigilant in prosecuting individuals suspected of financing terrorism, and has frozen bank accounts, filed charges against and convicted individuals. The July 2004 FATF report confirmed that: “...there have been 62 successful prosecutions for ML [money laundering]. Additionally, 5 cases had been initiated for TF [terror financing] with one successful conviction...”

In going after terror financing, Saudi Arabia has been working in cooperation with many of its international partners, including the United States. The Saudi and U.S. governments have conducted joint designations of several organizations suspected of terrorist financing.

In January and June 2004, Saudi Arabia and the U.S. announced that they jointly designated a total of nine branch offices of the Al-Haramain Islamic Foundation under UN Security Resolution 1267; and in December 2003, the countries jointly designated the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG organizations as financiers of terrorism under UN Security Council Resolution 1267.

“...we share information on a daily basis with our intelligence counterparts on every continent, from MI5 in Britain to the Mabath in Saudi Arabia. The Saudis have been particularly strong partners in addressing terrorism and terrorism financing in the Kingdom and around the world.”

—Robert Mueller, Director of the FBI,
September 2007

Saudi Arabia has undertaken many actions to combat terror financing, including:

- In August 2003, the Kingdom approved new legislation that put in place harsh penalties for the crime of money laundering and terror financing. This legislation stipulated jail sentences of up to 15 years and fines up to \$1.8 million for offenders. The law implemented the 40 recommendations of the Financial Action Task Force (FATF) on money laundering and the eight recommendations on terror financing.
- In February 2003, the Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.
- Saudi Arabia was one of the first countries to take action against terrorist financing, freezing the assets of Osama bin Laden in 1994.
- Saudi Arabia, as a member of the G-20, approved an aggressive plan of action directed at the rooting out and freezing of terrorist assets worldwide. Saudi Arabia is proud to have been a leader in the development of this plan and its implementation, and of key objectives for U.S. and international policies for dealing with terrorism now and in the future.
- SAMA instructed Saudi banks to promptly establish a supervisory committee to closely monitor the threat posed by terrorism and to coordinate all efforts to freeze the assets of the identified individuals and entities. The committee is composed of senior bank officers who are in charge of risk control, auditing, money laundering units, legal affairs, and operations. The committee meets regularly in the presence of SAMA officials.
- Saudi banks put in place, at the level of their Chief Executive Officers, as well as at the level of a supervisory committee, mechanisms to respond to all relevant inquiries, both domestic and

international. To ensure proper coordination and effective response, all Saudi banks route their responses and relevant information via SAMA.

- A Special Committee was composed of representatives from the Ministry of Interior, Ministry of Foreign Affairs, the General Directorate of Intelligence and SAMA to handle requests from international bodies and countries with regard to combating terrorist financing.

Regulating Charitable Organizations

Charitable giving is a key tenet of the Islamic faith and there are thousands of charities throughout the Middle East. To ensure that no one manipulates the system in the name of criminal activity, the Saudi government has put in place one of the most rigorous systems in the world for controlling charities. No Saudi charity can collect contributions in cash or send funds outside the country.

A prime example of cooperation between Saudi Arabia and the United States occurred in March 2002, when the U.S. Treasury Department and Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Saudi Arabia-based Al-Haramain Islamic Foundation. While the Saudi headquarters for this private charity is dedicated to helping those in need, Saudi Arabia and the U.S. determined that these branches supported terrorist activities and organizations such as Al-Qaeda and AIAI (al-Itihaad al-Islamiya). In another example, in May 2003, Saudi Arabia demanded the Al-Haramain Islamic Foundation and all Saudi charities suspend activities outside the Kingdom until mechanisms are in place to adequately monitor and control funds.

Below are several other examples of Saudi Arabia's efforts to regulate and oversee charitable giving:

- In May 2003, SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom.
- In May 2003, Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.
- In May 2003, the Saudi Arabian Monetary Agency (SAMA) distributed an update entitled "Rules Governing Anti Money Laundering and Combating Terrorist Financing" to all banks and financial institutions in Saudi Arabia requiring the full and immediate implementation of nine new policies and procedures. The new regulations included:
 - All bank accounts of charitable or welfare societies must be consolidated into a single account for each such society. SAMA may give permission for a subsidiary account if necessary, but such an account can only be used to receive, not to withdraw or transfer, funds.
 - Deposits in these accounts will be accepted only after the depositor provides the bank with identification and all other required information for verification.
 - No ATM cards or credit cards can be issued for these accounts. No cash withdrawals are permitted from the charitable institution's account, and all checks and drafts are to be in favor of legitimate beneficiaries and for deposits in a bank account only.

- No charitable or welfare society can open or operate these bank accounts without first presenting a valid copy of the required license.
 - No overseas fund transfers are allowed from these bank accounts.
 - SAMA's approval is required to open a bank account.
 - Only two individuals duly authorized by the board of a charitable institution shall be allowed to operate the main account.
- On December 22, 2003, Saudi Arabia and the United States took steps to designate two organizations as financiers of terrorism under United Nations Security Council Resolution 1267 (1999). These organizations are the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG. Mr. Safet Durguti, a representative of the Vazir organization, was also designated under the relevant United Nations Security Council Resolutions as a terrorist financier. This was the third joint action taken against terrorist financing by the United States Treasury Department and the Kingdom of Saudi Arabia.
 - On January 22, 2004, then-Crown Prince Abdullah's Foreign Affairs Advisor Adel Al-Jubeir and Secretary of the Treasury John Snow held a joint press conference in Washington, DC to announce that Saudi Arabia and the United States had asked the UN Sanctions Committee to designate four branch offices of the Al-Haramain Foundation under UN Security Council 1267. The branches were located in Kenya, Tanzania, Pakistan and Indonesia and subject to the laws and regulations of those countries.
 - On February 27, 2004, the Custodian of the Two Holy Mosques King Fahd bin Abdulaziz issued a royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad, which is responsible for regulating charitable activities abroad.
 - On June 2, 2004, a press conference was held at the Royal Embassy of Saudi Arabia in Washington, DC, to announce that Saudi Arabia and the United States had jointly designated five branch offices of the Al-Haramain Islamic Foundation under UN Security Council Resolution 1267. It was also announced that Al-Haramain was being dissolved.
 - In 2004, the United States, Saudi Arabia and Britain jointly froze the assets of Saad Al-Faqih's London-based Movement for Islamic Reform in Arabia (MIRA) for allegedly providing support to Al-Qaeda. Al-Faqih is named on the UN Security Council Resolution 1267 list of individuals tied to Al-Qaeda.

Legal and Regulatory Actions to Combat Terrorism

Saudi Arabia has a strong legislative, regulatory, and supervisory framework for banking and financial services. This infrastructure ensures that each bank or other financial service provider remains vigilant and also has strong internal controls, processes and procedures to not only know the identity of its customers but also have awareness of their activities and transactions. Money laundering and other suspicious activities are targeted and all those found violating laws and regulations are subject to severe financial penalties and imprisonment.

The following are examples of the Kingdom's regulatory control efforts:

- SAMA and the Ministry of Commerce issued instructions and guidelines to the Kingdom's financial and commercial sectors for combating money laundering activities. To further strengthen and implement the current regulations, the Ministry of Commerce issued Regulation No. 1312 aimed at preventing and combating money laundering in the non-financial sector. These regulations aimed at the manufacturing and trading sectors also covered professional services such as accounting, legal affairs, and consultancy.
- The Saudi government took concrete steps to create an institutional framework for combating money laundering. This included the establishment of units to counter money laundering, with trained and dedicated specialist staff. These units work with SAMA and law enforcement agencies. The government also encouraged banks to bring money laundering-related experiences to the notice of various bank committees (such as Fraud Committees, and those of Chief Operations Officers and Managing Directors) for exchange of information and joint action.
- Saudi banks and SAMA implemented an online reporting system to identify trends in money laundering activities to assist in policymaking and other initiatives.
- In May 2003, SAMA issued instructions to all Saudi financial institutions to strictly implement 40 recommendations of the FATF regarding money laundering and the eight recommendations regarding terror financing. Furthermore, SAMA issued instructions to all Saudi financial institutions prohibiting the transfer of any funds by charitable organizations outside the Kingdom.
- Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU). This unit is tasked with handling money laundering and terror finance cases. A communication channel between the Ministry of Interior and SAMA on matters involving terrorist financing activities was also established.
- In May 2002, SAMA issued rules "Governing the Opening of Bank Accounts" and "General Operational Guidelines" in order to protect banks against money laundering activities. For instance, Saudi banks are not permitted to open bank accounts for non-resident individuals without specific approval from SAMA. Banks are required to apply strict "Know your Customer" rules and any non-customer business has to be fully documented.
- Saudi Arabia carries out regular inspections of banks to ensure compliance with laws and regulations. Any violation or non-compliance is cause for serious action and is referred to a bank's senior management and the Board. Furthermore, the government has created a permanent committee of banks' compliance officers to review regulations, guidelines, recommend improvements and to ensure that all implementation issues are resolved.
- Saudi authorities have made significant efforts to train staff in financial institutions and others involved in compliance and law as well as those in the Security and Investigation departments of the Ministry of Interior.

- Special training programs have been developed for bankers, prosecutors, judges, customs officers and other officials from government departments and agencies. Furthermore, training programs are offered by the Nayef Arab University for Security Sciences (formerly the Nayef Arab Academy for Security Sciences), the King Fahd Security Faculty, Public Security Training City, and SAMA.
- The Saudi government has established a permanent committee of representatives of seven ministries and government agencies to manage all legal and other issues related to money laundering activities.



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