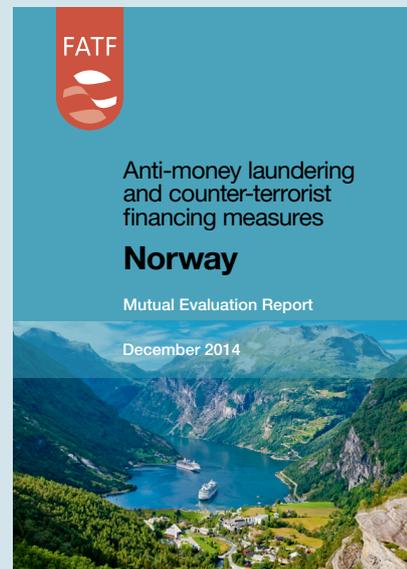




Anti-money laundering and counter-terrorist financing measures - Norway

4. Terrorist financing and financing of proliferation

Effectiveness and technical compliance



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4 TERRORIST FINANCING AND FINANCING OF PROLIFERATION

Note this chapter sets out the assessment of the Recommendations and Immediate Outcomes which are specific to terrorist financing and the financing of proliferation. The legal and operational measures set out in the previous chapter are relevant to countering both money laundering and the financing of terrorism.

4

Key Findings

- Norway has a sound legal framework for criminalising terrorist financing (TF), with the exception of the technical gaps in the offence. However, they do not appear to have undermined effectiveness.
- Norway is focusing its investigative resources and international cooperation efforts into conducting a small number of investigations related to terrorism and potential TF charges, based on its understanding of TF risks. The use of financial intelligence is integrated into all of the Norwegian Police Security Service's (PST) investigations. Given the context of terrorist risks in Norway and the security and law enforcement roles of PST, the objective of the outcome is achieved, at least in part, by employing other criminal justice measures to disrupt TF activities where it is not practicable to secure a TF conviction.
- Norway has only had one TF prosecution which did not lead to a conviction. However, this appears to be generally in line with TF risks.
- Norway has a sound legal framework for the freezing of terrorist assets under the UN sanctions regime (UNSCR 1267), though technical deficiencies exist. Banks have a good awareness of the freezing obligations, though implementation outside the banking sector is varied and limited. Effective implementation is undermined by the poor implementation of customer due diligence (CDD) requirements relating to beneficial ownership (see Immediate Outcome (IO) 4). Norway has implemented only certain aspects of targeted financial sanctions pursuant to UNSCR 1373, as required by Recommendation 6. The terrorist asset freezing mechanism under s202d of the *Criminal Procedure Act (CPA)* can only be used as part of an ongoing criminal investigation and does not establish a prohibition from making funds available to persons subject to a freezing action under this mechanism. As a result, Norway is unable to use targeted financial sanctions as an effective tool to combat TF.
- Norway has taken other action to prevent terrorists from moving funds using other asset freezing and confiscation measures. However, at the time of the on-site visit, the mechanism under s202d of the CPA had only been used in one instance. When terrorist and TF cases are made public, Norway has instead taken action to secure funds using asset confiscation and charging provisions.
- Norway has recognised the TF risk profile for non-profit organisations (NPOs) and has taken steps to effectively implement a targeted approach to the part of the sector responsible for the bulk of overseas NPO activity.
- Norway has taken measures to implement targeted financial sanctions for proliferation financing (PF) and financial institutions have frozen bank accounts of designated persons under this framework. However, the delays in transposing designations made by the UN into Norwegian law are a concern as targeted financial sanctions for PF are not implemented without delay. In addition, implementation outside the banking sector is varied and limited, and the lack of supervision of all reporting entities for these obligations is a concern.

4.1 Background and Context

4.1. **The PST's** main objective is to prevent and disrupt criminal activities threatening the security of the state of Norway, and PST is also the agency responsible for the law enforcement/criminal investigation of TF offences. The PST is a security service with police and prosecutorial capacities. Counter-terrorism and CFT are highly prioritised. In theory cases about terrorism and counter-terrorist financing (CFT) could be handled by any Police District. In practice such cases are dealt with only by the PST during both investigation and prosecution. Therefore, the PST generally has responsibility for investigations and certain prosecutorial decisions relating to the TF offence in s147b and s147d of the *Penal Code*. Court cases are normally prosecuted by NAST, but could also be prosecuted by PST. Cooperation with the regular Police, Customs, other authorities and the Foreign Ministry is highly developed. Also the cooperation with Services of other countries, especially the other Nordic countries and the members of the Bern Club is frequent and well-functioning. Budget money is allocated in relation to threat anticipated in the PST's annual assessment. The legal provisions for the regular Police and Prosecution concerning investigation and prosecution also apply to the PST. The PST has the possibility to use, before a formal investigation has been initiated, coercive measures to prevent TF. These measures include secret search, concealed video surveillance and technological tracking, audio surveillance and communication control and covert audio surveillance.

4.2. **The Ministry of Foreign Affairs (MFA)** is responsible for ensuring implementation of the targeted financial sanctions relating to TF and PF, and **the Financial Supervisory Authority (*Kredittilsynet*) (FSA)** is responsible for monitoring the compliance of the requirements by reporting entities. The targeted financial sanctions pursuant to UNSCR 1267/1989 and 1988 are implemented by an enabling statute, and the *Regulation on sanctions against Al-Qaida* of 22 December 1999 and the *Regulation on sanctions against Taliban* of 8 November 2013. Norway has a mechanism under s202d of the CPA which allows authorities to freeze terrorist assets as part of an ongoing criminal investigation.

4.3. The targeted financial sanctions relating to proliferation are implemented by the *Regulation on Sanctions against Iran of 9 February 2007* (the *Iran Regulations*) and *Regulation No. 1405 relating to sanctions and restrictive measures against North Korea of 15 December 2006* (the *DPRK Regulations*). The approach to the two regulations differs as the *DPRK Regulations* adopt the EU framework in the *European Council Regulation (EC) No. 329/2007*. The *Iran Regulations* do not rely on the EU framework, although they reflect the EU regulations.

4.4. Norway has a very active NPO sector with a large range of domestic NPOs supported by well organised umbrella organisations. Norway also has a strong network of larger NPOs active in charitable and human rights activities outside of Norway, including in conflict zones with significant security and potential terrorism risks. This latter sector is largely funded from public sector sources, reflecting the active role of domestic donors and the government of Norway to assist humanitarian causes. The levels of licensing or registering NPOs vary in Norway, and all such registrations are voluntary. Only 108 NPOs are licensed with the Foundation Collection Control under the *Act on the Registration of Charitable Fundraising*. This includes almost all of the largest NPOs which conduct collection of funds and operate in foreign jurisdictions. In addition, these NPOs may have a network of partner NPOs under them. There are 363 NPOs registered with the tax authorities for tax free status. These are all nationally based NPOs and may have a lot of regional/local branches under them. 31 000 NPOs are registered with the Register of NPOs, which is a register initiated by the NPO sector in 2010 to simplify cooperation between the sector and the state. Associations and organisations must register to participate in grant schemes and all such entities must also be registered with the Central Coordinating Register for Legal Entities. NPO sector umbrella organisations estimate that approximately 50 000 mostly small NPOs are not registered at all.

4.2 Technical Compliance (R.5-8)

Recommendation 5 – Terrorist financing offence

4.5. Norway is rated largely compliant (LC) with R.5. While Norway has a generally sound legal framework for the criminalisation of TF on the basis of the TF convention and R.5, there is a technical deficiency. There

are two TF offences in s147b of the *Penal Code*. Firstly, it is an offence to obtain or collect funds or other assets with the intention that they should be used (in full or in part) to finance terrorist acts: *s147b, first paragraph*. However, the provision of funds with the intention that they be used to carry out terrorist acts is not clearly criminalised, although this could be covered under the second paragraph. Secondly, it is an offence to make funds or other assets, bank services or other financial services available to terrorists or terrorist organisations, or person or enterprise acting on behalf of a terrorist or terrorist organisation: *s147b, second paragraph*. However, Norway has not criminalised as a stand-alone offence the collection of funds in the knowledge that they are to be used for any purpose by a terrorist individual or organisation. Norway noted that this conduct is criminalised as an attempt to make funds available to terrorists or terrorist organisations: *s.147b, cf s.49, PC*, though this has never been considered by the courts. It is noted that such conduct could also be criminalised as aiding and abetting a terrorist act, even though this is not sufficient to meet the requirements of R.5. Criminal sanctions for the TF offence are up to 10 years imprisonment for natural persons. Criminal liability applies to legal persons who are punishable by a fine or restrictions on the right to carry on a business. In addition, the act of establishing, joining, recruiting members or providing financial or material support to terrorism is an offence: *s149d, PC*.

Recommendation 6 – Targeted financial sanctions related to terrorism and terrorist financing

4.6. Norway is rated partially compliant (PC) with R.6. The *Al-Qaida Regulations* and *Taliban Regulations* establish a sound legal framework to implement targeted financial sanctions pursuant to UNSCR 1267/1988 and 1989 (the UN Taliban/Al Qaida sanctions). The regulations require all persons to freeze the assets of designated persons without delay and prohibit anyone from making funds available to or for the benefit of designated individuals and entities. The designation lists are automatically updated in Norwegian law. Therefore the freezing obligation and prohibition of making funds available occur without delay. The FSA has issued guidelines to assist financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs) to implement these requirements.

4.7. Norway has sought to implement targeted financial sanctions through a mechanism in the *CPA* (s202d). However, it implements only certain aspects of the targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6, and serious deficiencies remain. This mechanism allows the PST or prosecutor to freeze terrorist assets on the basis of suspicion without going to court, and it must then be brought before the court within 7 days. The freezing order can either list the identified funds or assets that are known or can include any assets owned by the person. This can include present or future assets. The order must be renewed every four weeks by the court, but the court may set a longer time limit if it deems that a new consideration in four weeks is not required. The decisions of the court are made public. However, this mechanism does not establish a designation mechanism and can only be used as part of an ongoing criminal investigation. Importantly, it does not establish a prohibition from making funds available to persons subject to a freezing action under this mechanism, though the provision of funds to a terrorist or terrorist organisation would be considered a TF offence: *PC s147b second paragraph*. These are serious deficiencies.

Recommendation 7 – Targeted financial sanctions related to proliferation

4.8. Norway is rated PC compliant with R.7. While Norway has established mechanisms to implement targeted financing sanctions relating to proliferation that are generally in line with requirements of R.7, delays in transposing designations into Norwegian law are a concern. Both the *Iran Regulations* and the *DPRK Regulations* require all natural and legal persons to freeze the assets of designated persons without delay and prohibit anyone from making funds available to designated persons. Failure to comply with the regulations is subject to fine and/or imprisonment of up to three years. The most significant deficiency is the delay in transposing designations into Norwegian law. The designation lists are contained in annexes to the regulations and are required to be updated when changes are made. For the *Iran Regulations*, this process takes 1-4 weeks. For the *DPRK Regulations*, it is a two-step process as they rely on the EU framework. At the EU level it can take up to 4 weeks to update the EU framework and then there is an additional delay of 1-4 weeks to update the annex of the *DPRK Regulations*. However, the EU regime for proliferation-related sanctions mitigates this problem to a limited extent. Nevertheless, the delays mean that the targeted financial sanctions for proliferation are not implemented without delay which is a serious technical deficiency.

4.9. The FSA has issued guidelines relating to these regulations and anyone who freezes funds under these mechanisms is required to immediately inform the MFA. The FSA is responsible for monitoring compliance by financial institutions and DNFBPs. However, the FSA has not focused on targeted financial sanctions and has only been considered on one occasion as part of a questionnaire to the banking sector in 2013, which included some specific questions on how they implement targeted financial sanctions. The FSA has not undertaken any monitoring of other types of reporting entities outside of the banking sector. Compliance with the regulations has not been reviewed during on-site visits.

4

Recommendation 8 – Non-profit organisations

4.10. Norway is rated LC with R.8. Norway has taken steps to enhance the transparency of the NPO sector and mitigate the risk of NPOs being misused for TF. The PST considers NPO sectors' TF risks in the PST annual threat assessments. The MFA considers the risks of the network of larger NPOs which account for (i) a significant portion of the financial resources under the control of the sector; and (ii) a substantial share of the sector's international activities. These NPOs are predominantly funded by the Norwegian government through the MFA. Authorities have engaged with the NPO sector including the Ministry of Culture when reviewing the adequacy of the operation of the legal framework, the MFA with those larger NPOs operating internationally, and the Ministry of Justice (MoJ) which published the *"Guide on how to avoid terrorist funding: Your contribution can be misused"* in 2012. The PST has an ongoing and targeted outreach to NPOs and relevant organizations, in collaboration with some selected police districts.

4.11. Norway has pursued policies to promote transparency, integrity and public confidence in the administration of NPOs through mostly voluntary measures. There are no mandatory requirements for NPOs to register, however policies support NPOs registering on a voluntary basis due to incentives, including favourable taxation treatment. Also, any NPO opening a bank account needs to be registered in the Brønnøysund Register, which ensures registration of some basic information. The MFA requires a number of controls for the NPOs it funds, including registration, reporting on the use of funds, providing statements of income and expenditure, and 'know their beneficiaries and associated NPOs'. Given the largely voluntary nature of registration of NPOs in Norway, sanctions appear to be limited to the removal of benefits accruable to NPOs (e.g., public funding and tax-exempt status).

4.3 Effectiveness: Immediate Outcome 9 (TF investigation and prosecution)

4.12. As outlined in Chapter 2 at Section 3, the authorities demonstrated a good understanding of the risk and context of TF based on the PST's work on annual threat assessments and the work of the MFA on TF risks, and undertake their work on the basis of the TF risks identified. The TF risks include small scale domestic collection, provision and use of funds for radicalised persons at risk of being involved in politically motivated violence in the form of Islamist extremism both in Norway and abroad.

4.13. The Commission of the 22 July 2011 has in its report (NOU, 2012) analysed what was done before, during and after the terrorist attacks perpetrated by Anders Behring Breivik. The Commission's constructive criticism has among other things resulted in a review of the Norwegian police organisation. On the part of the PST the Commission's findings about how tips and certain kinds of information were dealt with has led the PST to introduce new and more adequate methods in this area. The reorganization of the PST was completed on 1 March 2014. The new organization includes a new function which shall deal with tips and certain kinds of information from other services and the public immediately after receiving it.

4.14. Norway is focusing its investigative resources and international cooperation efforts into conducting a smaller number of financial investigations related to terrorism and potential TF charges, based on its understanding of TF risks. The PST indicates that investigations often identify roles played by terrorist financiers, but in the majority of cases investigations do not result in prosecutions for TF. Some cases have been dropped due to the limited chances of prosecution given the lack of evidence, while other investigations have involved early intervention as a preventive measure by the PST before gathering sufficient evidence for prosecution. It is apparent that financial investigations of terrorist groups and terrorist financiers are conducted by the PST making use of a wide range of investigative techniques and sources of financial

intelligence including cooperation with the financial intelligence unit (FIU) and other domestic authorities and international partners. The degree to which the PST uses the legal provisions and other methods is classified. It is worth noting that anyone can read on the PST official website that, for instance, s.222, CPA is used and what coercive measures this section makes available.

4.15. The PST has a close working relationship with the FIU and the National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM), and makes use of suspicious transaction reports (STRs) in its investigations into terrorism and TF. The PST has had one successful prosecution for terrorism offences in the NEPTUN case. The District Court found the defendant guilty of terrorism offences and the Court of Appeal upheld this decision. This case is ongoing as the decision of the Court of Appeal is appealed. In this case, the investigation was started by an STR which was reported to the PST from the FIU. Investigators from ØKOKRIM assisted the PST in their investigation, particularly for their financial investigation expertise.

4.16. Norway has only had one TF prosecution, which did not result in a conviction. The summary of this case is outlined below.

Box 4.1. Box 8 – TF prosecution

In 2009, a suspect was charged with TF under s147b PC based on sending funds through his illegal hawala operation to the Somali terrorist organization al-Shabaab. This was an extensive investigation which demonstrated the PST's use of a range of investigation techniques in TF investigations including secret communications surveillance, communications control, and electronic seizures. In the trial (Sentence 6 December 2010 by the Oslo District Court), a considerable part of the evidence consisted of a great number of telephone conversations from secret communications surveillance and communications control of the accused persons. In another trial for an offence of planning and preparation for a terrorist offence (Sentence 30 January 2012 by the Oslo District Court) important evidence was presented in the shape of several conversations on both telephone and e-mail from secret communications surveillance, covert audio surveillance, from both house and car, and communications control. In the TF case Norway also had fruitful cooperation with two countries in the European Union.

In this case, the accused was acquitted of TF in both the district court and the court of appeal as it was not demonstrated that Al-Shabaab, the organisation to which the funds were sent, was a terrorist organisation. Norwegian authorities undertook a significant effort to document the ideology and activity of Al-Shabaab. However, the accused was acquitted as the evidentiary burden was not met based on the facts of the case.

4.17. The PST also uses other legal measures to prevent and disrupt TF activities when the outcome of an investigation is doubtful. In the TF case, while there was no TF conviction, the accused was convicted of breaching the Somalia embargo and his funds were confiscated upon conviction. In another case in 2013, the leader of an NPO was suspected of TF offences and arrested on the suspicion that he was going to send his son and friend to Syria to join a terrorist organisation. In this instance, the PST considered that a TF conviction was not possible at the time the accused proposed to send them to Syria. The accused was arrested and charged with violations of s147d (recruiting a member for a terrorist organisation) and s224 (slavery offences). The asset freezing and confiscation in these two cases are considered further in IO.10.

4.18. As noted above, TF has been an aspect of several investigations of terrorism, some of which have been dropped, while others are on-going. The PST could not provide further information about the dropped or ongoing cases as the information is classified.

4.19. In the course of TF investigations, the PST is able to quickly and extensively access police data and obtain information from the FIU through well-developed channels. The PST is also able to quickly obtain information held by the FSA, NPO sector regulators, and Customs on the Currency Register. However there

have been some impediments with the pace and breadth of access to information from Customs and Tax due to secrecy obligations. PST reports that the government is working to support closer harmonisation between PST, Tax and Customs. Specifically, a proposal is under consideration where the secrecy provisions will be modified so that information to law enforcement agencies (LEAs) (including PST) can be provided by request or at the customs authorities own initiative, when there is “reasonable grounds to examine” whether someone prepares, commits or has committed serious crimes. This will be changed from the current provision, which demands “reasonable grounds to suspect...criminal acts”. While this is a positive step, the PST does not consider the current legislation to be a significant obstacle.

4.20. The technical deficiencies with the TF offence identified above have not had an impact on effectiveness, as they have not undermined investigations or prosecutions for TF. No concerns or difficulties regarding the TF offence were raised in the TF prosecution described above.

4.21. Taken into account the obvious evidential challenges in TF cases, the methods available for the PST to prevent and disrupt TF and the risk for terrorist activities Norway faces, it is not remarkable that only one case of TF has been prosecuted. In this context it should also be noted that there have been comparatively few prosecutions for TF within the EU.

4.22. The impression of transparency that the PST’s website brings about, in conjunction with the open and comprehensive report by the 22 July Commission, does supplement the overall efforts to counter terrorism and extremist behaviour.

Conclusion on IO.9

4.23. The overall impression is that TF is investigated and prosecuted in an effective way and that no major improvements are needed. The Immediate Outcome is achieved to a large extent. Norway is focusing its investigative resources and international cooperation efforts into a small number of investigations related to terrorism and potential TF charges. The PST demonstrated a strong understanding of TF risk and targets its investigations and resources based on these risks. Norway has only had one TF prosecution, which did not lead to a conviction as there was insufficient evidence. However, this seems to be generally in line with the TF risks in the country and the legal framework for the investigation and prosecution of TF is generally sound. The FIU and PST work closely together, and use of financial intelligence is integrated into all of PST’s investigations. The PST has also used other criminal justice measures to disrupt TF activities where it was not practicable to secure a TF conviction.

4.24. Norway has a **substantial level of effectiveness** for IO.9.

4.4 Effectiveness: Immediate Outcome 10 (TF preventive measures and financial sanctions)

Targeted financial sanctions for TF

4.25. While the legislative framework and mechanisms exist to freeze the assets without delay, and prohibit the provision of assets to, terrorists and terrorist groups designated by the UN under the UN Taliban/Al Qaida sanctions, there are important technical gaps which undermine effectiveness. Given that the obligation on parties to understand if their customers or parties to transactions have any relationship of ownership or control with a UN-designated entity is indirect, it is not clear that guidance supports the implementation of controls to check if a customer or transaction is an entity acting on behalf of or at the direction of a designated entity.

4.26. The FSA has taken some steps to support effective implementation of freezing without delay by providing guidelines to indicate the sources of up-to-date UN designation lists and the need to check for matches through electronic monitoring systems. The FSA also publishes the designation lists on its website. In its guidance, the FSA encourages financial institutions and DNFBPs to monitor the lists published by UN

Sanctions Committees to ensure that they are aware of de-listings as soon as they occur. Norway does not have a mechanism to alert financial institutions, DNFBPs and others to changes to the designation lists and there are no specific measures to communicate de-listings and unfreezing actions.

4.27. The PST has conducted outreach to a number of financial sector entities on a targeted basis to raise awareness of TF risks and the need for mitigation, including the potential risk of assets related to the UN Taliban/Al Qaida sanctions being present in the Norwegian economy. This supports more effective application of controls by the financial sector. The FSA, as the regulator of financial institutions and most of the DNFBPs present in Norway, has not conducted any outreach related to TF sanctions to support more effective implementation.

4.28. From discussions with representatives of various financial institutions, it is evident that the banking sector in particular has a high-level of awareness of the requirements related to UN Taliban/Al Qaida sanctions and is taking action to implement measures. Implementation by other reporting entities is varied and limited. A challenge for effective implementation of sanction screening in Norway is the limited implementation of requirements related to the identification and verification of ultimate beneficial ownership. As set out under IO 4, there are low levels of effectiveness relating to the conduct of CDD which limit the availability of beneficial ownership information to support effective sanctions screening of accounts and transactions.

4.29. Banks and some other reporting entities take a systems-led approach to real-time screening of accounts and transactions for matches with UN-listed entities. This includes screening both customers and beneficial owners, when known, against the lists. To achieve this they rely solely on external service providers for sanctions screening. However it is not clear if the reporting entities or the FSA take any steps to be assured that those private providers are applying the most up-to-date UN designations. It is also not clear that entities outside of the prudentially regulated sectors are applying screening programs or taking many other steps to check customers and parties to transactions against the UNSCR 1267 lists.

4.30. Norway's assessment of TF risk indicates challenges with individuals in Norway affiliated with UN-designated entities. The single case of Norway having frozen property related to UN Taliban/Al Qaida sanctions occurred in February 2003 when the property of a person related to a designated entity (Ansar al-Islam) was frozen (a single bank account containing USD 1 000). In that case, Norway was notified that the entity was being designated and was able to investigate if any related property was held in Norway in order to take action to freeze the property.

4.31. The PST 2013 Threat Assessment highlighted that extremist Islamist groups are small, but support militant Islamist groups in their former home regions, primarily through the collection of funds and several individuals from these groupings have travelled abroad to join these groups and to participate in armed battles. Further to the PST assessment of this trend, press reports in early 2014 indicated that Al-Shabaab issued a statement claiming that a Norwegian national of Somali origin was a suicide bomber killed in an attack on African Union troops in Bulo-Burte, central Somalia in early 2014.

4.32. Norway has never proposed a designation to the UN Sanctions Committees. The MFA indicated that Norway gave active consideration to proposing a designation in one instance, however no information was provided on how the process for identifying possible targets for designation was undertaken.

4.33. As noted above, there are serious technical deficiencies with Norway's implementation of targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6, as the asset freezing mechanism under s202d of the CPA can only be used as part of an ongoing investigation and does not establish a prohibition from provided funds to persons subject to a freezing action under this mechanism. These deficiencies mean that competent authorities are unable to target terrorist assets using these measures, which are intended to compliment asset tracing, financial investigations and provisional measures in a criminal context. As a result, Norway is unable to use these targeted financial sanctions as a tool to effectively combat TF. At the time of the onsite visit Norway did not have concrete plans to implement such a mechanism pursuant to UNSCR 1373 as required by Recommendation 6.

Terrorist asset freezing and confiscation, and TF risks

4.34. Through assessments conducted by the PST, the TF risk profile for Norway is, in a large part, well understood by the authorities and clearly articulated in public documents. It is not evident, however, that the measures to deprive terrorists and terrorist financiers of assets have been applied in a way that is consistent with the risk profile.

4.35. The assessment team sought to understand the extent to which implementation of the asset freezing mechanism that is available in the context of a terrorism investigation (s202d CPA) may support the effectiveness of Norway's efforts to prevent terrorists from raising, moving and using their funds. The PST or a prosecutor can take freezing action on an *ex parte* basis as part of a terrorism or TF investigation the person whose assets are to be frozen. This mechanism has the potential to freeze terrorist assets in a swift manner on a case-by-case basis, and the PST has procedures to immediately notify the financial institution to ensure that the assets are frozen immediately. At the time of the on-site visit, this mechanism has been used once to freeze terrorist assets. In this instance, the PST, who was aware of the bank account of the suspect, made the freezing order and informed the financial institution which froze funds immediately. The freezing order was first confirmed by the district court (as is required within 7 days), but dismissed by the court of appeal. The court of appeal found no proof of the funds belonging to a terrorist or terrorist organization and considered that they belonged to the individual donors because the funds were in an illegal hawala account used for ordinary transfers of funds. On 23 October 2014, Norway advised that the mechanism had been used in two other cases on 17 October 2014 and 20 October 2014. Given the late stage of the assessment process, the effectiveness of this mechanism in these cases could not be assessed. The Norwegian authorities indicated that this mechanism is only considered when a terrorism investigation has been made public by a prosecutor, of which there have only been a few instances. While there have been other covert terrorism investigations, this mechanism was not considered so as to not alert the suspect and disrupt the investigation.

4.36. Norwegian authorities have frozen and confiscated funds of suspected terrorists using ordinary criminal confiscation measures on three occasions (a description of these measures is in Chapter 3).

Box 4.2. Case examples: other confiscation of terrorist assets

Case 1: The first case was in the TF case outlined in IO.9. While there was no TF conviction, the accused was convicted of breaching the Somalia embargo and funds of NOK 144 000 (EUR 18 720) were confiscated under s3 of the *Act of 7 June 1968 number 4 to carry out the commitment from the United Nations Security Council*.

Case 2: The second case was in the NEPTUN case, Norway's only successful prosecution for terrorism offences, as the authorities confiscated NOK 954 930 (EUR 124 141) from the convicted terrorist under s34, 35 and 37d of the *PC*.

Case 3: The third case was in the case of the arrest of the NPO leader arrested on the suspicion that he was going to send his son and friend to Syria to join a terrorist organisation (as outlined in IO.9). The NPO leader was arrested with NOK 350 000 (EUR 45 500) in cash which was due to be sent to Syria with his son. The PST placed an immediate charge on these funds under s.217 of the CPA which allows the prosecutor to secure specific property by placing a charge against that property in order to secure payment of a fine or confiscation. This is an ongoing case and the accused has agreed for these funds subject to a charge to be used by the Norwegian authorities for charitable purposes.

4.37. These three cases demonstrate that Norway has taken steps to confiscate terrorist assets. In particular, the case of the NPO leader demonstrates the PST's effective and innovative use of asset freezing measures to disrupt the movement of funds suspected of being used for terrorism. Beyond the few cases outlined above, there have not been cases of significant assets being frozen in the context of terrorist investigations. However,

this is largely consistent with the risk profile for TF in Norway and the focus of the PST on a small number of terrorism and TF cases per year.

Non-Profit Organisations (NPOs)

4.38. Norway, in seeking to support the operation of NPOs, takes a number of approaches to avoid disrupting legitimate NPOs by assessing the TF risk profile for Norwegian NPOs. The PST yearly threat assessments consider aspects of the NPO sector's vulnerability to terrorism and TF, particularly risks for NPOs to be used domestically for small-scale collection of funds and material support for terrorism. The PST identifies that these higher risk groups do not control many resource or a significant share of the sector's international activities.

4.39. The MFA periodically identifies vulnerabilities of the network of larger NPOs which are active in charitable and human rights activities outside of Norway, including TF risks in conflict zones and terrorism-prone areas. The MFA works with international partners to assess TF risks in those conflict zones.

Internationally focused NPOs

4.40. The MFA periodically conducts outreach on risk, transparency and compliance to the network of larger NPOs which are active in charitable and human rights activities outside of Norway. These larger NPOs are predominantly funded by the Norwegian government through the MFA and are required to report on the use of the received funds, and subject themselves to control measures. The experience of the regulator and NPOs met by the team indicate that these large NPOs are complying with auditing and accounting legislation. Those which are registered for tax-free status are subject to controls from the tax authority. The MFA, through the Foreign Service Internal Control Unit (FSCU), controls the use of bilateral international development assistance by requiring public information, financial statements of income and expenditure, financial accountability, licensing or registration, "know your beneficiaries and associated NPOs" and record keeping. The FSCU has intensified its efforts to monitor and follow up on misuse of funds by publicly funded programs by NPOs. This has included allocating additional resources conducting risk assessments and on-site inspections which considered elements of TF risk where relevant. There is a concern that effective implementation of controls for those entities which may not be receiving public funding are generally not required to implement all of the controls and standards required by the FATF.

4.41. The FSCU provided data on the financial irregularities cases during the period 2007-12 and outlined findings and sanctions undertaken. The FSCU has identified a significant number of fraud, instances of corruption and other abuses of NPOs and indicated that criminal charges and other sanctions had been pursued in these cases. The FSCU has also detected a small number of instances possibly involving TF, which were referred to PST and international partners.

Domestically focused NPOs

4.42. There has been outreach to the more domestically focused NPO sector; however, this has varied across the sector. In 2012, the MoJ published the "Guide on how to avoid terrorist funding: Your contribution can be misused" and circulated it in Norwegian and several other languages spoken by minority groups in Norway. This Guide was circulated to NPO regulators, self-regulatory and umbrella organisations.

4.43. Reflecting concerns with risks from unregulated collection of funds by NPOs, Norway amended its legal framework in 2007 through the *Act on the Registration of Charitable Fundraising*. The Act established a voluntary licensing regime for the charitable collection of funds by NPOs. The Foundation Collection Control in Norway (established in 1991) was appointed by the Ministry of Culture to administer the voluntary licensing regime. NPOs licensed by the Foundation Collection Control to undertake the collection of charitable funds are required to submit statements of program and financial statements of accounts including fundraising and expenditure. These accounts are available on the Foundation Collection Control website. The Foundation

Collection Control supports transparency and compliance by its 108 licensed NPOs with the required standards.

4.44. The purely voluntary licensing regime for collection of charitable funds has not been effective in providing tools to prevent illegitimate actors misusing charitable fundraising, including possible abuse for TF. Norwegian authorities and the NPO sector have raised concerns that, while the purpose of the *Act on the Registration of Charitable Fundraising* remains valid, its implementation has been inadequate to effectively address the various risks. Following discussion with the NPO sector, the Ministry of Culture commenced a review of the adequacy of the operation of the new Act through an external evaluation involving the NPO sector.

4.45. In the context of domestic NPOs, Norway was unable to provide examples of cases of interventions and confiscation related to abuse of NPOs for TF. The voluntary nature of registration of NPOs in Norway means that available sanctions appear to be limited and the available evidence shows that measures to sanction cases of non-compliance have been very limited. Norway has taken steps to remove incentives and to publish a list of untrustworthy fundraisers (even those not registered with it) on the website of the Collection Control Office www.innsamlingskontrollen.no.

Conclusion on IO.10

4.46. Norwegian authorities have taken some action to prevent terrorists from raising, moving and using funds, however, the effectiveness of targeted financial sanctions is undermined by limitations in the criminal justice mechanism used to implement UNSCR 1373 as required by Recommendation 6. Norway has a generally sound legal framework for targeted financial sanctions pursuant to the UN Taliban/Al Qaida sanctions. Banks have a good awareness of the freezing obligations and implement measures. However, implementation is undermined by the limited implementation of beneficial ownership requirements, and implementation outside the banking sector is varied and limited. Norway's mechanism to implement targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6 has serious deficiencies as it can only be used as part of an ongoing criminal investigation and does not prohibit the provision of funds to persons subject to a freezing action under this mechanism. These deficiencies are important factors, since they undermine the ability of Norway to use targeted financial sanctions as an effective tool to combat TF. Despite this, Norway has taken alternative action to secure terrorist funds using confiscation and charging provisions in several cases. Finally, Norway has taken a targeted approach and effectively prevents misuse of Norwegian NPOs that are responsible for the bulk of overseas NPO activity.

4.47. Norway has a **moderate level of effectiveness** for IO.10.

4.5 Effectiveness: Immediate Outcome 11 (PF financial sanctions)

4.48. Norway has taken measures to prevent persons and entities involved in the proliferation of weapons of mass destruction from raising, moving and using funds. The *Iran Regulations* and *DPRK Regulations* implement the list-based freezing obligations and activity-based financial prohibitions related to the financial aspects of the supply, sale, transfer, manufacture, maintenance, or use of the items, materials, equipment, goods and technology prohibited by the relevant resolutions UNSCRs due to their association with proliferation of WMD. The most significant deficiency in the Norwegian framework is the delay in transposing new designations made by the UN into Norwegian law. As noted above, there are delays of 1-4 weeks for the *Iran Regulations*, and up to 8 weeks for the *DPRK Regulations* to update the annexes to the regulations. Norway is required to adopt an amended regulation to implement new designations and as a result, the freezing obligations and prohibitions do not commence until well after a UN designation is made. After being adopted by the MFA, the amended document is sent to Lovdata (the entity in charge of publishing laws and regulations) for inclusion in the regulation. This long delay has an adverse effect on the effectiveness of the regime as efforts to freeze the assets of designated persons are undermined by the person having advanced notice of their designation in Norway. However, this adverse effect is mitigated to some extent by the FSA including information on new designations on their website immediately after being informed by the UNSC rather than waiting for the designations to be transposed into Norwegian law. In addition, Norwegian banks rely on third party systems

that monitor several lists of designated persons, including UNSC-lists. Banks have not informed Norwegian authorities of any instances where they have identified the assets of designated persons upon designation by the UNSC and before the designations were transposed into Norwegian law.

4.49. These delays are due to governmental processes involved in revising regulations. However, at the EU level, Norway has established a dialogue with relevant committees in the EU to seek quicker implementation of designations at the EU level. In practice, financial institutions have frozen funds at the time of designation by the UN and prior to transposition into Norwegian law. This is considered further below.

4.50. The *Iran Regulations* and *DPRK Regulations* cover the funds controlled by a designated person, which covers instances of funds owned by third party where the designated person exercises control. This has been effectively demonstrated in one example in Norway. In this instance, funds were frozen under the *Iran Regulations* by a Norwegian maritime insurance company which were not owned by a designated entity, but they were frozen because the foreign shipping company involved acted on behalf of a designated entity.

Implementation by reporting entities

4.51. FIs have frozen assets related to proliferation pursuant to the *Iran Regulations*. Norway reports that there have been 17 instances of funds frozen in bank accounts, with a total amount of almost EUR 5.5 million relating to 13 designated entities. These funds were frozen by two banks which held accounts which held bank accounts and guarantees owned or controlled by designated persons. The frozen funds are related to entities designated by both the UN and EU as the *Iran Regulations* implement both sanctions regimes. The values over the past 5 years are set out below:

Table 4.1. Funds Frozen under the *Iran Regulations*

	2009	2010	2011	2012	2013
Value of funds frozen (approx. EUR)	0	70 000	13 000	5 097 000	254 000
Number of freezing actions	0	2	1	12	1

Source: data provided by Norway

4.52. The number and value of Iran sanctions related freezing actions taken has increased significantly since 2007. The majority of instances of freezing and the amount of funds frozen were in 2012 (12 accounts with a total of over EUR 5 million). The significant increase in 2012 is likely a result of new designations made by the EU. No funds have been frozen pursuant to the *DPRK Regulations*. The difference between funds frozen under the *Iran Regulations* and the *DPRK Regulations* is in line with the fact that the size of Iranian-Norwegian bilateral trade is significantly larger than Norwegian-North Korean bilateral trade.

4.53. In most instances, the financial institution informed the MFA immediately of the freezing of funds under the *Iran Regulations*, in line with the regulations and guidance for financial institutions. In one instance the financial institution notified ØKOKRIM. However, this is considered to be an isolated incident.

4.54. The MFA may authorise access to funds for certain circumstances such as basic needs or professional fees. The mechanism for accessing funds has proved to be effective in practice. The MFA has approved two applications for access to frozen funds for legal fees, while one application is still pending decision by the MFA. Of these applications under the *Iran Regulations*, both were related to entities designated by the EU. All funds frozen in Norway are owned by larger entities and therefore the fact that there have been no applications for access to funds for basic needs is expected. The MFA is also the responsible authority to proposing designations to the UN Committees. However, no such proposals have been made so the effectiveness of this mechanism is difficult to determine. There have not been any reports by FIs or DNFBPs of a refusal to provide funds or other assets to designated persons in line with the prohibition requirements in the regulations.

4.55. The banking sector generally demonstrated a good awareness and understanding of their obligations under the *Iran and DPRK Regulations*. This was particularly the case for large, multinational banks. This is

due to both steps taken by the Norwegian authorities to inform reporting entities of their obligations and international pressure. Banks and some other reporting entities take a systems-led approach to real-time screening of accounts and transactions for matches with designated persons and entities. This includes screening both their customers and beneficial owners, when known, against the lists. These entities rely solely on external service providers for sanctions screening. However, it is not clear if the reporting entities or the FSA take any steps to assure themselves that those private providers are applying the most up-to-date designations and that the contents of their databases are accurate.

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4.56. Despite the delays in transposing designations, in practice, large FIs in the banking sector may monitor the UN lists directly, if this is included by their service provider, rather than waiting for the lists to be transposed into Norwegian law. All reporting entities are encouraged to do so by the FSA in the guidance. The FSA receives information on new designations immediately from the Permanent Mission of Norway to the UN and places this information on their website by the next day. There have been examples of FIs in Norway identifying funds of persons designated by the UN before the designations are transposed into Norwegian law. In such instances, FIs have frozen the funds at the time of designation by the UN and prior to transposition into Norwegian law. This is, to some extent, due to other sanctions regimes and international pressure, in addition to the guidance provided by the FSA. The impact of the transposition delays on effectiveness is further mitigated by the fact that in some instances, designated entities added by the relevant UN Sanctions Committees were already designated by the EU sanctions which Norway has implemented.

4.57. The poor implementation of requirements related to the identification and verification of ultimate beneficial ownership has a negative impact on the implementation of the asset freezing obligations for proliferation. As set out under IO.4, there are low levels of effectiveness relating to the depth of CDD such that ultimate beneficial ownership information is available to support effective sanctions screening of accounts and transactions.

4.58. Implementation is varied and limited outside the banking sector. In the insurance sector, FIs were aware of the obligations and took some limited measures. These institutions used private service providers to monitor foreign customers but not Norwegian customers due to the cost of the service. DNFBPs did not take any measures to implement targeted financial sanctions relating to proliferation.

4.59. While only two banks have frozen funds in Norway, this may be explained by the fact that these large institutions hold a dominant market share in the banking sector and have a significant exposure to the oil and gas and related sectors in Norway. In addition, one Norwegian insurance company and one other Norwegian company have frozen funds or other assets pursuant to the *Iran Regulations*. The limited implementation in other parts of the financial sector and DNFBPs may be a contributing factor to the number of entities that have frozen funds.

4.60. There is a lower level of understanding and awareness for the *DPRK Regulations* than for the *Iran Regulations*. This may be due to the differing risk exposure of Norway to the economies of Iran and DPRK. The *DPRK Regulations* were only recently revised on 28 March 2014 after having initially been made in 2006. This represented a change in approach by Norwegian authorities as it adopted the EU framework. This means that the targeted financial sanctions in Norway also apply to persons designated by the EU under this mechanism. However, FIs were not aware of the change in approach and the guidance produced by the FSA and MFA has not been updated to reflect the revised regulations. All funds frozen by institutions have related to designated entities pursuant to the *Iran Regulations*.

Supervision of reporting entities

4.61. The lack of supervision of reporting entities for these obligations is a significant concern. The FSA is responsible for monitoring compliance by reporting entities; however, it has undertaken limited supervision. The only instance where the FSA considered this specifically was as part of a questionnaire to the banking sector in 2013, which included some specific questions on how the banking sector implements targeted financial sanctions. However, prior to this questionnaire, the FSA had not conducted any supervision regarding the targeted financial sanctions for proliferation financing. It is a concern that compliance with the

Iran and DPRK Regulations has not been reviewed or discussed as part of their on-site visits. The proliferation financing sanctions have not formed a part of any AML/CFT supervisory work outside the banking sector.

4.62. The FSA is aware that FIs rely solely on private service providers to carry out their obligations. However, it has not considered whether these measures are sufficient to meet the requirements. It has not taken any steps to test the robustness of the measures or engage in discussions with these FIs to obtain a detailed understanding of the operation of these measures. There is no supervision of DNFBPs relating to the implementation of the sanctions regimes.

4.63. The PST and FSA do not adequately coordinate in carrying the supervisory activity for the *Iran Regulations* and *DPRK Regulations*. As noted above in Chapter 2, the PST generally has sound mechanisms to coordinate activities domestically on financing of proliferation issues. However, the FSA does not participate in these forums. The lack of coordination increases the difficulty for the FSA to monitor reporting entities. This includes the ability to apply supervisory resources to areas of most importance and to ensure that supervisors understand the obligations and are able to identify deficiencies in a FI's measures.

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Other measures

4.64. The *Iran and DPRK Regulations* include a range of measures that extend beyond the technical requirements of Recommendation 7, but which support efforts to counter the financing of proliferation.

4.65. The *Iran Regulations* also prohibit all transfers of funds exceeding certain thresholds to or from a FI located in Iran or an Iranian person, without prior approval from the MFA: Art.30, 30a, 31. The thresholds for transfers involving FIs that require approval are: NOK 800 000 (EUR 104 000) when regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes; NOK 320 000 (EUR 41 600) when regarding personal remittances and NOK 80 000 (EUR 10 400) for any other transfer. For transfers involving Iranian persons, there are no thresholds for transfers regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes, while the threshold of NOK 320 000 (EUR 41 600) applies to all other transfers. Before a transaction is approved, the MFA consults with the PST with the aim to obtain information on the beneficial owner of the account the funds. Since 2011, the MFA has received 81 applications for transfer of funds to Iran (17 in 2011, 23 in 2012 and 41 in 2013). Four applications have been denied, two in 2012 relating to one UN designated entity and one EU designated entity, and two in 2013 relating to UN designated entities. All denials were due to the fact that sanctioned Iranian banks were involved in the transaction. This additional mechanism enhances the effectiveness of the regime to prevent persons involved in proliferation financing by reducing risk and ensuring that FIs review transactions with Iranian FIs and persons.

4.66. Norway's export control regime is overseen by the export section of the MFA which considers applications for the export of dual-use materials. Requests are only approved to end-users where there is no risk of such exports being diverted to military use or use in the manufacture of weapons of mass destruction. Norway also participates in multilateral export control arrangements. As noted above at IO.1, Norway has established coordination mechanisms to combat exports of goods and technologies relevant for the development of weapons of mass destruction and the financing of proliferation, though it is a concern that the FIU and FSA do not participate. In particular, the lack of coordination with the PST would negatively impact on the effectiveness of any future monitoring of the *Iran and DPRK Regulations* as it would make it difficult to take a risk-based approach to monitoring.

Conclusion on IO.11

4.67. Norway has taken significant measures to prevent persons and entities designated by the UN from raising, using and moving funds, however, the delays in transposition and the lack of supervision have an adverse impact on the effectiveness of the measures. There is strong coordination and cooperation between competent authorities on PF, although this does not include engagement with the FSA. Financial institutions have frozen the funds of designated entities, and of entities acting on behalf of designated entities, under the Iran sanctions, which demonstrate the effectiveness of the measures. While some of these cases relate to EU designations, this demonstrates the functioning of the system as Norway implements the EU and

UN measures using the same regulations. Banks understand their obligations relating to targeted financial sanctions for PF and have frozen bank accounts of designated persons, although implementation outside of the banking sector is varied and limited. Furthermore, the lack of supervision for all reporting entities is a concern as the measures being taken by financial institutions have never been tested and their adequacy has not been considered.

4.68. The delays in transposing designations into Norwegian law negatively impact the effective use of targeted financial sanctions to combat PF. The delays are mitigated to some extent by financial institutions which monitor UN lists (as encouraged to do so by the FSA's guidance) and have frozen funds prior to transposition into Norwegian law. Norway also implements EU sanctions, which means that it has already implemented targeted financial sanctions for new UN designations which are previously on EU lists. However, this is not considered sufficient to overcome the deficiencies in the legal framework.

4.69. Norway has a **moderate level of effectiveness** for IO.11.

4.6 Recommendations on Terrorist Financing and Financing of Proliferation

Terrorist financing

- a. Norway should clearly criminalise as a stand-alone offence the provision of funds for terrorist acts and the collection of funds in the knowledge that they are to be used for any purpose by a terrorist organisation or an individual terrorist (s.147b, PC).
- b. Norway should support effective implementation of targeted financial sanctions for TF by:
 - implementing all aspects of targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6
 - establishing effective supervision of FIs and DNFBPs for targeted financial sanctions
- c. Norway should enhance targeted outreach to the NPO sector on issues of risk, transparency and the standards set out in R8 and continue to support the government/NPO sector consultation in the formulation of regulatory controls for the collection of funds to address the risks posed by unregulated collection.
- d. Norway should enhance the coverage and implementation of regulatory frameworks and oversight for those NPOs which may be at risk. This should be done taking into account risks, while balancing the need to ensure that such measures do not disrupt legitimate NPO activities.

Proliferation financing

- e. Norway should ensure that designations are transposed quickly into Norwegian law under the Iran and DPRK Regulations to ensure that targeted financial sanctions for PF are implemented without delay.
- f. The FSA should undertake effective monitoring for compliance with the Iran and DPRK Regulations, taking into account the reliance of financial institutions on private service providers.
 - The FSA and PST, with FIU engagement, should establish a mechanism to communicate and coordinate on PF issues to assist in establishing risk-based targeted supervision.

Bibliography

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4. TERRORIST FINANCING AND FINANCING OF PROLIFERATION

Recommendation 5 – Terrorist financing offence

a4.1. In its 3rd Mutual Evaluation Report (MER), Norway was rated LC with the requirements regarding the TF offence (see paragraphs 97-107). Norway had not criminalised the collection of funds in the knowledge that they are to be used by a terrorist organisation or an individual terrorist. This deficiency remains outstanding.

a4.2. **Criterion 5.1** – TF is criminalised in a manner that is largely consistent with the TF Convention. It is an offence to obtain or collect funds or other assets with the intention that they should be used (in full or in part) to finance terrorist acts or other violations in s.147a: *PC s.147b first paragraph*. Further, it is an offence to make funds or other assets, bank services or other financial services available to terrorists or terrorist organisations, or person or enterprise acting on behalf of a terrorist or terrorist organisation: *PC s.147b second paragraph*. The term ‘enterprise’ is defined broadly in the preparatory works as meaning a company, society, corporation, cooperative or other association, one-man enterprise, foundation, estate or public activity. In addition, it is an offence to provide financial or material support to terrorist organisations when the organisation has taken steps to realise the purpose by illegal means: *PC s.147d*. The definition of ‘terrorist act’ includes a requirement that a criminal act referred to in the section has been committed with the intention of seriously disrupting society, intimidating population, or compelling a government, etc.: s.147a. The potential concern is that, because of this additional element of intention related to a terrorist purpose, the definition of ‘terrorist act’ used for the TF offence does not cover all of the conduct required in the UN conventions which is required by reference to Article 2(1)(a) of the TF Convention. There is no such requirement of intention in all of the offences in the UN conventions. As a result, the TF offence in s.147b does not cover all of the conduct covered by Article 2(1)(a) of the TF Convention. However, this is a minor technical issue and the funding of the conduct covered by the UN conventions without the additional intention element would be a criminal act as aiding and abetting of these criminal acts. Despite this issue, it is considered that Norway has criminalised TF on the basis of the TF Convention.

a4.3. **Criterion 5.2** – It is an offence to make available funds or other assets, or bank services or other financial services to terrorists or terrorist organisations for any purpose: *PC s.147b*. However, Norway has not criminalised as a stand-alone offence the collection of funds in the knowledge that they are to be used (for any purpose) by a terrorist organisation or an individual terrorist. Norway advised that the collection of funds is criminalised as an attempt to make funds available to terrorists or terrorist organisations under s.147b, though this has not been considered by the courts. In any event, the criminalisation of this conduct as an ancillary offence is not sufficient to meet the criterion. In addition, the scope issue noted above is also an issue for this criterion based on the definition of ‘terrorist act’ in the Glossary.

a4.4. **Criterion 5.3** – The TF offences apply to any funds. There is no restriction in the *PC* that would indicate that funds from both legitimate and illegitimate sources are not covered.

a4.5. **Criterion 5.4** – There is no requirement that the TF offence requires that the funds were actually used for a terrorist act, nor that it be linked to a specific attack.

a4.6. **Criterion 5.5** – The TF offence is subject to the same principles as the ML offence concerning: (i) inferring the intentional element of the offence from objective circumstances; (ii) criminal liability for legal persons; and (iii) the possibility of parallel criminal, civil or administrative proceedings. These requirements are met for the purpose of the terrorist financing offence.

a4.7. **Criterion 5.6** – The penalties for TF are proportionate and dissuasive, as it is punishable by a term of imprisonment not exceeding 10 years. Accomplices are liable to the same penalty: *PC s.147b*.

a4.8. **Criterion 5.7** – Criminal liability for TF offences applies to legal persons which are punishable by a

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fine, and the enterprise may also by a court judgment be deprived of the right to carry on business or may be prohibited from carrying it on in certain form: *PC* ss.26a, 27, 48a-b. There is no limit on the size of the fine that can be imposed and there are no known cases of legal persons being found guilty of TF offences. However, for the offence of conspiracy to commit a TF offence, the penalty is 3 years 'unless the offence comes under a more severe penalty provision': *PC* s.162c. It is unclear whether this means that the penalty for conspiracy to commit a TF offence is 3 years or 10 years. A penalty of 3 years is not dissuasive or proportionate given the penalty for TF is 10 years.

a4.9. **Criterion 5.8** – Norway has a comprehensive range of ancillary offences to the TF offence. In particular, it is also an offence to: (i) attempt to commit TF (s.49); (ii) participate as an accomplice in a TF offence: *PC* s.147c; or (iii) enter into an agreement to commit TF (conspiracy) as part of the activity of an organised group or network: s.162c.

a4.10. **Criterion 5.9** – Norway has adopted an 'all crimes' approach to the criminalisation of ML and therefore TF offences are predicate offences for ML.

a4.11. **Criterion 5.10** – Norway's TF offence has broad application and can be used to punish the financing of a terrorist act even where the terrorist act was committed outside of Norway. There is qualifying language in s.147a—such as references to "society" and "that country" may indicate that s.147a could be interpreted as being limited to terrorist acts committed domestically. The Preparatory Works and their legal traditions indicate that the offence does cover terrorist offences committed outside Norway. In addition, s.147b must be read in conjunction with s.12 of the *PC* which is a general provision that provides for extra-territorial jurisdiction in respect of certain offences (including s.147a-b) for Norwegian nationals and residents and in certain cases even for foreigners. Consequently, the financing of terrorist acts committed both domestically and abroad are covered.

a4.12. **Weighting and conclusion:** While the TF offence meets most technical criteria, it does not cover the collection of funds in the knowledge that they are to be used by a terrorist organisation or an individual terrorist. This deficiency remains outstanding from the 3rd round MER. **Norway is rated LC with R.5.**

Recommendation 6 – Targeted financial sanctions related to terrorism and terrorist financing

a4.13. In its 3rd MER, Norway was rated PC with these requirements (see paragraphs 127-145). It was found that Norway had implemented measures to freeze terrorist assets, but the freezing regime did not fulfil all the required elements. Since the MER, Norway has issued guidelines for financial institutions and DNFBPs and established procedures. While the legislative framework for the sanctions regime remains largely unchanged, Norway issued a new Regulation on sanctions against Taliban of 8 November 2013.

a4.14. **Criterion 6.1(a)-(e)** – Under the *Act Relating to the Implementation of Mandatory Decisions of the Security Council 1968*, the King in Council has the authority to make regulations to implement binding measures from the UN Security Council into Norwegian law. Norway implements UNSCR 1267/1989 and 1988 (the UN Taliban/Al Qaida sanctions), and their successor resolutions, through the *Regulation on sanctions against Al-Qaida of 22 December 1999* (the *Al-Qaida Regulations*) and the *Regulation on sanctions against Taliban of 8 November 2013* (the *Taliban Regulations*)¹. The PST is the Norwegian competent authority for identification and designation in accordance with the UN Taliban/Al Qaida sanctions. In addition, the MFA is responsible for the regulations, and it is authorised to amend, suspend or repeal these regulations (Art. 9). The PST is responsible for identifying targets and the MFA is responsible for proposing a person for designation (6.1(b)).

a4.15. **Criterion 6.2(a)-(e)** – Norway has sought to implement targeted financial sanctions pursuant to UNSCR 1373 through a mechanism to freeze terrorist assets in the *CPA*. However, Norway does not have a

1 While Norway relies on the EU framework to some extent to implement targeted financial sanctions for proliferation financing (R.7), it does not rely on this for terrorist financing (R.6).

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mechanism to make designations pursuant to UNSCR 1373 as required by Recommendation 6 and therefore does not have a mechanism to identify targets for designation. Norway does have a mechanism which allows authorities to freeze without delay any assets of a natural or legal person suspected of terrorism offences, or an enterprise directly or indirectly owned or controlled by a suspected person: *CPA* s.202d-g. The PST or a public prosecutor may decide to freeze assets, without going to court, when a person is 'with just cause suspected' (more than 50% likely) of committing, or attempting to commit, a terrorist act or TF offence. The freezing order can either list the identified funds or assets that are known or can include any assets owned by the person. The one freezing order that has been made applied to specific property of the person and can include present or future assets. However, under this mechanism, a freezing order can only be made as part of an ongoing criminal investigation and the order must be renewed every four weeks by the court (although the court may set a longer time limit if it deems that a new consideration in four weeks is not required): *CPA* s.202e. This mechanism does not establish any prohibition from making funds available to persons subject to a freezing action under this mechanism, though the provision of funds to a terrorist or terrorist organisation would be considered a TF offence: *PC* s.147b *second paragraph*. Therefore, while this mechanism provides for additional terrorist asset freezing, it does not implement all aspects of the targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6. Norway cannot consider requests for designation by foreign countries, although the asset freezing mechanism may be used when acting upon a rogatory letter from another country if Norwegian authorities open an investigation. The MFA is the competent authority for receiving lists of designated persons from other jurisdictions which are then distributed to the relevant agencies.

a4.16. **Criterion 6.3(a)-(b)** – In relation to the UN Taliban/Al Qaida sanctions, Norway relies on normal criminal laws to provide authority to collect or solicit information to identify persons and entities suspected of meeting the designation criteria. While the PST is responsible for the collection of information to identify persons and entities that meet the designation criteria, it does not have any mechanism or procedures to do this. In relation to freezing action under s.202 of the *CPA*, the prosecutor may order persons to provide assistance necessary for freezing assets under s.202g. The legislation allows the PST or public prosecutor to freeze the assets, and the prosecuting authority must then bring the case before the district court within 7 days. However, as noted above, this mechanism can only be used as part of an ongoing criminal investigation and there is no prohibition from making funds available to persons subject to a freezing action under this mechanism.

a4.17. **Criterion 6.4** – In relation to the UN Taliban/Al Qaida sanctions, the regulations provide for the authority to freeze and prohibitions applying without delay by automatically incorporating any changes in UN lists into the Norwegian legal system. The *Al-Qaida Regulation and Taliban Regulation* also prohibit anyone from making funds available for the benefit of the entities listed and cross-reference the UN lists to implement targeted financial sanctions without delay: Art.3. In relation to freezing action under s.202 of the *CPA*, Norway is able to freeze the specific assets without delay once a decision to freeze has been taken. However, as noted above, this mechanism can only be used as part of an ongoing criminal investigation and there is no prohibition from making funds available to persons subject to a freezing action under this mechanism.

a4.18. **Criterion 6.5(a)** – In relation to the UN Taliban / Al Qaida sanctions, the freezing obligations and prohibition on providing funds and services applies on Norwegian territory (including Norwegian airspace), on board any aircraft or any vessel under Norwegian jurisdiction, to any Norwegian national inside or outside Norway to legal persons established or constituted under Norwegian law and to any legal person in respect of any business done in Norway: Art 1. The regulations do not explicitly reference that that freeze action must be *ex parte*, however Article 6 prohibits any acts which would have the effect of circumventing freeze actions and would prohibit prior notice to the subject of a freeze action or prohibition on dealing.

a4.19. **Criterion 6.5(b)(i)-(iv)** – (i) In relation to the UN Taliban/Al Qaida sanctions, the freeze obligation extends to all financial assets or economic resources in Norway 'belonging to, owned, held or controlled by a natural or legal person, entity, body or group listed in the Sanctions Committee's' lists: Art.3. (ii) Funds and economic resources 'controlled by' a designated entity are covered: Art 3. (iii) Funds generated from funds owned or controlled by a designated entity are covered under the definition of funds: Art 2. (iv) The obligations to freeze the funds or assets of persons and entities to be frozen when acting on behalf of, or at the direction of, designated persons or entities is met by the requirement to freeze funds or assets 'controlled by' a designated entity, which extends to persons acting on their behalf in relation to those funds: Art.3.

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a4.20. **Criterion 6.5(c)** – The *Al-Qaida and Taliban Regulations* set out a prohibition of making available funds to or for the benefit of designated persons and entities: Art 3. There is no corresponding prohibition on making funds available to or for the benefit of persons in relation to UNSCR 1373.

a4.21. **Criterion 6.5(d)-(f)** – The FSA has provided guidelines to REs to inform them where to obtain the up-to-date designation lists and urges them to monitor the list of the UN Sanctions Committee through their electronic monitoring systems. The FSA also publishes the designation lists on its website. However, Norway does not have any system or mechanism to alert REs to changes to the designation lists when updated to the FSA website. Anyone who freezes funds or economic resources is required to immediately inform the MFA: Art.3. The Regulations include measures to protect the rights of *bona fide* third parties acting in good faith when freezing terrorist assets: Art.7.

a4.22. In relation to freezing action under s202 of the *CPA*, the PST has an internal procedure for the communication of a freezing order made by the PST or prosecutor to an entity which holds the assets or funds subject to that order. Under this procedure, the PST notifies the entity immediately, and the freezing order is also made public on the FSA's website. The FSA has provided guidelines on this asset freezing mechanism which explains the purpose and nature of this mechanism to financial institutions. The PST is also responsible for communicating de-freezing decisions to relevant entities. The *CPA* does not have specific measures to protect the rights of *bona fide* third parties acting in good faith. However, any person freezing assets would be doing so in response to an order received from the PST and/or a public prosecutor. .

a4.23. **Criterion 6.6(a)-(g)** – The *Al-Qaida and Taliban Regulations* state that any person or entity that is subject to a decision to freeze funds may request to be delisted in accordance with relevant sanctions committee's procedures: Art.3. The FSA's guidance on sanctions further explains that persons listed on the UN lists may submit a request to an agent appointed by the UN Secretary General to be removed. The guidance also notes that alternatively, a request for de-listing can be submitted via the MFA and provides contact details for this process. The FSA's Guidance provides a link to Sanctions Committee's website which contains relevant documents to request review and de-listing. Persons or entities with the same or similar name as designated persons or entities that are inadvertently affected by a freezing mechanism (i.e. a false positive) may contact the MFA, which is the competent authority for this. In its guidance, the FSA encourages financial institutions and DNFBPs to monitor the lists published by UN Sanctions Committees to ensure that they are aware of de-listings as soon as they occur. With regard to unfreezing under the *CPA*, if the conditions for freezing the assets are no longer fulfilled, such freezing shall be terminated without undue delay: s.202f.

a4.24. **Criterion 6.7** – The *Al-Qaida and Taliban Regulations* establish the procedures to provide access to funds frozen under those regulations in accordance with c6.7 and the relevant UNSCRs: art.4. With regard to unfreezing under the *CPA*, funds and/or assets that are required for basic expenses of the person, their household or any person they maintain, may not be frozen: *CPA* s202d, second paragraph.

a4.25. **Weighting and conclusion:** While Norway's framework to implement targeted financial sanctions pursuant to UNSCR 1267 is generally sound, the mechanism to implement targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6 can only be used as part of an ongoing investigation and does not establish a prohibition on making funds available, which are serious deficiencies. **Norway is rated PC with R.6.**

A4

Recommendation 7 – Targeted financial sanctions related to proliferation

a4.26. **Criterion 7.1** – Under the *Act Relating to the Implementation of Mandatory Decisions of the Security Council 1968*, the King in Council has the authority to make regulations to implement binding measures from the UN Security Council into Norwegian law. The MFA has the authority to suspend, amend, or repeal such regulations. Norway implements UNSCRs 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010) through the *Regulation on Sanctions against Iran of 9 February 2007* (the *Iran Regulations*). Norway implements UNSCRs 1718 (2006) through the *Regulation No. 1405 relating to sanctions and restrictive measures against North Korea of 15 December 2006* (the *DPRK Regulations*), which adopts the EU framework in the *European Council Regulation (EC) No. 329/2007*. Norway recently revised the DPRK Regulations, with the revised regulations entering into force on 28 March 2014.

a4.27. R.7 requires implementation of targeted financial sanctions to occur *without delay*—a term that, in this context, is defined to mean “ideally, within a matter of hours”. However, there are delays in transposing designations made by the UN into Norwegian law. The MFA is responsible for updating the annexes to the *Iran and DPRK Regulations* when the UN makes a designation. After being adopted by the MFA, the amended document is sent to Lovdata (the entity in charge of publishing laws and regulations) for inclusion in the regulation. For the Iran Regulations, the process to update Annex VIII takes 1-4 weeks. For the DPRK Regulations, the process to update Annex A takes 1-4 weeks, in addition to delays at EU level of approximately 4 weeks as Norway has adopted the EU framework. Once the UN makes a designation, the EU moves to amend the designation list in the annex to the corresponding EU Regulation. Because of the time taken to consult between the European Commission departments and translate the designation into all of the official EU languages, there is often a delay in when the designation and freezing decision is issued by the UN and the time that it is transposed into EU law. New designations are treated as being urgent and are generally processed in times at the lower end of this range. Other amendments to the list (such as deletions) are less urgent and will take more time to be transposed into EU regulation. These delays are a significant concern as the targeted financial sanctions for proliferation financing are not implemented without delay. The impact of this deficiency may be mitigated in part by the relative infrequency with which new entities are designated under relevant UN resolutions, and by wider measures taken by Norway applying to Iran and DPRK. In particular, Norway has established an authorisation process for transactions with Iranian entities above certain thresholds which allows the authorities to deny authorisation for transactions with potential targets for designation under UN resolutions, even if these have not yet been transposed into Norwegian law. This could potentially also be used to prevent the execution of transactions with designated entities during the period between their UN listing and the transposition.

a4.28. **Criterion 7.2** – The MFA is responsible for ensuring implementation of all UN Security Council’s sanctions, and also the restrictive measures adopted by the EU to which Norway is aligned.

a4.29. **Criterion 7.2(a)-(c)** – Under the *Iran Regulations*, Norway requires all natural and legal persons to freeze all funds and economic resources belonging to, owned, held or controlled by designated persons, entities and bodies: Art.23.1-3. The freezing obligations relating to the UN lists extend to all funds or economic resources belonging to, owned, held or directly or indirectly controlled by the designated persons, entities and bodies: Art.23.1-2. The obligations to freeze the funds or assets of persons and entities to be frozen when acting on behalf of, or at the direction of, designated persons or entities is met by the requirement to freeze funds or assets ‘controlled by’ a designated entity, which extends to persons acting on their behalf in relation to those funds: Art.23.1-2. The *Iran Regulations* also prohibit the making of funds or economic resources available, directly or indirectly, to or for the benefit of the natural or legal persons, entities or bodies designated by the UN unless licensed: Art.23.4.

a4.30. Under the *DPRK Regulations*, Norway requires all funds and economic resources belonging to, owned, held or controlled by the persons, entities and bodies designated by the UN to be frozen: *Appendix A, EC No. 329/2007 Art.6(1)*. Norway also requires all funds and economic resources belonging to, owned, held or directly or indirectly controlled by persons, entities and bodies designated by the EU to be frozen: *Appendix A, EC No. 329/2007 Art.6(2)-(2a)*. The *DPRK Regulations* also prohibit the making of funds or economic resources available, directly or indirectly, to or for the benefit of the natural or legal persons, entities or bodies designated by the UN unless licensed: *Appendix A, EC No. 329/2007 Art.6(4)*.

a4.31. **Criterion 7.2(d)** – The FSA has provided guidelines to financial institutions and DNFBPs to assist with the implementation of the *Iran and DPRK Regulations*. The guidelines inform financial institutions and DNFBPs where to obtain the up-to-date designation lists and urges them to monitor the list of the UN Sanctions Committee through their electronic monitoring systems. However, the guidelines have not been updated to reflect the revised DPRK regulations. The FSA also publishes the designation list on its website. Norway does not have any system or mechanism to alert REs to changes to the designation lists when updated to the FSA website.

a4.32. **Criterion 7.2(e)** – The *Iran Regulations* require anyone who freezes funds or economic resources to immediately inform the MFA: Art.23.8. The *DPRK Regulations* require anyone who freezes funds or economic resources to inform the MFA and immediately provide any information that would facilitate compliance with



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the EU regulations, including information about accounts and amounts frozen: *Appendix A, EC No.329/2007 Art.10*.

a4.33. **Criterion 7.2(f)** – The Regulations also include measures to protect the rights of *bona fide* third parties acting in good faith when freezing funds or economic resources: *Iran Regulations Art.42.1 and DPRK Regulations Appendix A, EC No. 329/2007 Art.11*.

a4.34. **Criterion 7.3** – The FSA is responsible for monitoring compliance by financial institutions and DNFBPs with the *Iran and DPRK Regulations*. However, the only measure the FSA has adopted for monitoring and ensuring compliance was to include a small number of questions on these regulations in their general questionnaires to banks which is provided as part of their desk-based reviews. The FSA has not undertaken any measures for other types of reporting entities outside of the banking sector. Persons, both natural and legal, who violate or wilfully aid and abet a violation of the *Iran or DPRK Regulations*, are liable to a fine or imprisonment not exceeding three years or both. Persons who negligently violate or negligently contribute to the violation of such regulations are liable to a fine or imprisonment up to six months, or both: *Act relating to the implementation of mandatory decisions of the Security Council of the United Nations: s.2*.

a4.35. **Criterion 7.4 (a)-(d)** – The Regulations provide details and the process for submitting a request to the UN focal point for de-listing: *Iran Regulations Art.23.9 and DPRK Regulations s3*. The FSA's guidance further explains that listed persons may submit a de-listing request to an agent appointed by the UN Secretary General and notes that a request can also be submitted via the MFA. Persons or entities with the same or similar name as designated persons or entities that are inadvertently affected by a freezing mechanism (i.e. a false positive) may contact the MFA, which is the competent authority for this issue. In its guidance, the FSA encourages financial institutions and DNFBPs to monitor the lists published by UN Sanctions Committees to ensure that they are aware of de-listings as soon as they occur.

a4.36. The MFA may authorise access to funds under the *Iran and DPRK Regulations*, or the making available of certain funds or economic resources when it has determined that the funds are: (i) necessary for basic needs of a designated person or their dependent family members; (ii) for professional fees; (iii) for payment of fees or service charges for routine holding or maintenance of frozen funds or economic resources: *Iran Regulations Art.26.1(a), DPRK Regulations Appendix A, EC No. 329/2007 Art.7(1)*. The MFA can only authorise access if the relevant UN Sanctions Committee has not objected within five working days of notification: *Iran Regulations Art.26.1(b), DPRK Regulations Appendix A, EC No. 329/2007 Art.7(1)*. The MFA may also authorise the release or making available of certain funds if it determines that they are necessary for extraordinary purposes and the relevant Sanctions Committee has been notified and approved: *DPRK Regulations Appendix A, EC No. 329/2007 Art.7(2)*.

a4.37. **Criterion 7.5** – The addition to frozen accounts of interests or other earnings due on those accounts or payments due under contracts, agreements or obligations is permitted, provided that such amounts also become subject to the freeze: *Iran Regulations: Art.29.2(2), DPRK Regulations Appendix A, EC No.329/2007 Art.9*. In addition, the MFA may authorise the release of certain frozen funds or economic resources in accordance with c7.5 and relevant UNSCRs: Art.25(a)-(b).

a4.38. **Weighting and conclusion:** The ability to freeze without delay is a fundamental component of targeted financial sanctions. Consequently, the delay in transposing UN designations into Norwegian law (c.7.1) is a serious technical deficiency. In addition, the very limited monitoring by the FSA for compliance is a concern (c.7.3). **Norway is rated PC with R.7.**

Recommendation 8 – Non-profit organisations

a4.39. In its 3rd MER, Norway was rated NC for these requirements (see paragraphs 399-400). Weaknesses included a need to review the laws and regulations that relate to NPOs; a lack of measures to ensure that terrorist organisations cannot pose as legitimate NPOs, or to ensure that funds/assets collected by or transferred through NPOs are not diverted to support the activities of terrorist acts or terrorist organisations. Many of these deficiencies have been addressed.

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a4.40. **Criterion 8.1** – In 2007 Norway amended its legal framework through the *Act on the Registration of Charitable Fundraising* which established a voluntary licensing regime for the charitable collection of funds by NPOs. Although the Act is new, following discussion with the NPO sector the Ministry of Culture commenced a review of the adequacy of the operation of the new Act through an external evaluation. A joint government/NPO sector group is working to review the regime and propose amendments to the regulatory framework. Norway has the capacity to obtain timely information on the activities, size and other relevant features, to identify the features and types of NPOs that are particularly at risk of being misused for TF. The Ministry of Culture cooperates with the academic sector to research various aspects of NPOs, including the numbers and features of various aspects of the sector. The PST annual threat assessments consider aspects of the NPO sector's vulnerability to terrorism and TF, particularly risks for NPOs to be used domestically for collection and provision of funds and material support for terrorism. The PST identifies that these higher risk groups do not control many resources or a significant share of the sector's international activities. The MFA periodically identifies vulnerabilities of the network of larger NPOs which are active in charitable and human rights activities outside of Norway, including TF risks in conflict zones and terrorism-prone areas.

a4.41. **Criterion 8.2** – There has been outreach to NPOs, however this has varied across the sector. The MFA periodically conducts outreach to the network of larger NPOs which are active in charitable and human rights activities outside of Norway. In 2012, the MoJ published the *“Guide on how to avoid terrorist funding: Your contribution can be misused”* and circulated it in Norwegian and several other languages spoken by minority groups in Norway. Norway has included a number of NPO umbrella organisations in the working group to assess the problems with illegitimate charitable fundraising (including for TF) and possible measures to ensure the NPO sector is not misused, including for TF. The PST has an ongoing and targeted outreach to NPOs and relevant organizations, also in collaboration with some selected police districts.

a4.42. **Criterion 8.3** – Norway has pursued policies to promote transparency, integrity and public confidence in the administration of NPOs through a range of mostly voluntary measures. Foundations are required to register with the Registry of Foundations. While there are no mandatory requirements for other NPOs to register, policies support NPOs registering on a voluntary basis with the Register of Non-Profit Organisations and the Central Coordinating Register for Legal Entities due to incentives including favourable taxation treatment and public funding. The collection of funds in Norway is not regulated. There is a voluntary register for fundraising, supervised by the Foundation Collection Control in Norway. All registers contain essential governance information on NPOs which are publicly available.

a4.43. **Criterion 8.4** – The network of larger NPOs (charitable and human rights activities) which account for (i) a significant portion of the financial resources under the control of the sector; and (ii) a substantial share of the sector's international activities (both fund raising or delivering in higher risk areas off-shore) are predominantly funded by the Norwegian government through the MFA. In such cases, these NPOs have to report on the use of the received means, and subject themselves to control measures. Large NPOs receiving government funds have to comply with auditing and accounting legislation, and those which are registered for tax-free status are subject to controls from the tax authority. The MFA, through the Foreign Service Internal Control Unit (FSCU), together with The Norwegian Agency for Development Cooperation (Norad), controls the use of bilateral international development assistance by requiring public information, financial statements of income and expenditure, financial accountability, licensing or registration, “know your beneficiaries and associated NPOs” and record keeping. Associations which do not receive public funding are not, in general, required to implement the controls and standards set out in c.8.4.

a4.44. **Criterion 8.5** – Given the largely voluntary nature of registration of NPOs in Norway, sanctions appear to be limited to removal of benefits accruable to NPOs, including halting (public) funding and removal of tax-exempt status. It is not clear that the legislation explicitly provides for measures to sanction cases of non-compliance by measures which may extend to freezing accounts, removal of trustees, fines or de-licensing. De-registration is an available sanction, as is a publication of untrustworthy fundraisers on the website of the Foundation Collection Control in Norway: www.innsamlingskontrollen.no.

a4.45. **Criterion 8.6** – The normal law enforcement measures – would apply in any investigation or prosecution of an NPO. Additionally, foundations can be investigated by the Foundation Authority.

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a4.46. **Criterion 8.7** – International requests are handled through the international network of the Norwegian Police Security Service and other relevant forms of international cooperation.

a4.47. **Weighting and conclusion:** Norway has implemented measures which generally meet the criteria for R.8. However, a few technical deficiencies remain, including those relating to available sanctions (c.8.5). **Norway is rated LC with R.8.**



Table of Acronyms

3AMLD	EU 3rd Anti-Money Laundering Directive
AA	Auditors Act
AC/AML Project	Anti-corruption and Money Laundering project
Action Plan 2000	Norwegian Government's Action Plan for Combating Economic Crime 2000
Action Plan 2004	Norwegian Government's Action Plan for Combating Economic Crime 2004
AEAA	Authorisation of External Accountants Act
Al-Qaida Regulations	Regulation on sanctions against Al-Qaida of 22 December 1999
AML	Anti-money laundering
AMLD	EU Anti-Money Laundering Directive
ANSC	Association of Norwegian Stockbrokers Companies
BERA	Business Enterprise Registration Act
BNI	Bearer Negotiable Instruments
BRC	Bronnoysund Register Centre
C	Compliant
CA	Customs Act
CBA	Commercial Banks Act
CCR	Central Coordinating Register for Legal Entities
CCRA	Central Coordinating Register for Legal Entities Act
CDD	Customer due diligence
CFT	Counter-terrorist financing
CJA	Court of Justice Act
Circular 9/2004	FSA Circular 9/2004 of 15 April 2004
CLA	Courts of Law Act
COE Corruption Convention	Council of Europe Criminal Law Convention on Corruption
Control Committee	Control Committee for Measures to Combat Money Laundering
Control Committee Regulations	Regulation on the Control Committee for Measures to Combat Money Laundering
CPA	Criminal Procedure Act
CRA	Currency Register Act
CRR	Currency Register Regulations
Customs	Directorate of Customs and Excise
DGPP	Director General of Public Prosecutions
DNFBP	Designated non-financial businesses and professions
DnR	Norwegian Institute of Public Auditors
DOB	Date of birth
DPA	Data Protection Authority
DPP	Director General of Public Prosecutions
EA	Extradition Act
ECHR	European Court of Human Rights
EEA	European Economic Area
Egmont Principles for Information Exchange	Egmont Principles for Information Exchange Between Financial Intelligence Units for Money Laundering Cases

TABLE OF ACRONYMS

EU	European Union
EU Extradition Convention	European Convention on Extradition
EUR	Euros
FATF	Financial Action Task Force
FCA	Financial Contracts Act
FIA	Financial Institutions Act
FIU	Financial intelligence unit
FNH	Norwegian Financial Services Association
FSA	Financial Supervisory Authority (Kredittilsynet)
FS Act	Financial Services Act
FSA Regulations	Regulations concerning the exchange of information with supervisory authorities from countries within and outside the EEA
FT	Financing of terrorism / terrorist financing
HSH	Federation of Norwegian Commercial and Service Enterprises
FUR	Follow-up report
IA	Insurance Act
ISA	International Standards on Auditing and related services
IOPS	International Pension Supervisors Group
IT	Information technology
KRIPOS	National Criminal Investigation Service
LEA	Law Enforcement Agency
LLC Act	Limited Liability Companies Act
LC	Largely compliant
MFA	Ministry of Foreign Affairs
ML	Money laundering
MLA	Money Laundering Act
MLA Prep. Works	Preparatory Works of the Money Laundering Act
MLR	Money Laundering Regulations
MoF	Ministry of Finance
MoJ	Ministry of Justice and Public Security
MOU	Memorandum/memoranda of understanding
MVTS	Money or value transfer service (i.e. money remitter / alternative remittance service)
N/A	Non Applicable
NARF	Norges Autoriserte Regnskapsføreres Forening (Association of Authorised Accountants)
NAST	National Authority for Prosecution of Organised and Other Serious Crime
NBA	Norwegian Bar Association
NC	Non-compliant
NCB	Non-conviction based
NEA	Nordic Extradition Act
NHO	Confederation of Norwegian Business and Industry
NIPA	Norwegian Institute of Public Auditors
NMFA	Norwegian Mutual Fund Association

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NOK	Norwegian Kroner
NPD	National Police Directorate
NRA	National Risk Assessment
OECD Bribery Convention	OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
ØKOKRIM	National Authority for Investigation and Prosecution of Economic and Environmental Crime
PA	Police Act
PAA	Public Administration Act
Palermo Convention	United Nations Convention against Transnational Organised Crime (2000)
PC	Partially compliant
PC	Penal Code
PCCC	Police Computer Crime Centre
PEP	Politically exposed person
PLLC Act	Public Limited Liability Companies Act
PF	Proliferation financing
POB	Place of birth
Police Academy	National Police Academy
Police Directorate	National Police Directorate
Population Register	Norwegian Population and Employer Register
Prosecution Authority	Government body responsible for conducting criminal prosecutions (headed by the Director General of Public Prosecutions)
PSP	Payment services provider
PST	Norwegian Police Security Service
PSD	EU Payment Services Directive
RBA	Risk-based approach
RCA	Regulations to the Customs Act
REAA	Real Estate Agency Act
REBA	Real Estate Business Act
Reg.1102	Regulation no.1102 of 30 November 1998 concerning exchange of information with supervisory authorities from countries within and outside the EEA
Regulations on International Cooperation	Regulations relating to International Cooperation in Criminal Matters
Reporting DNFBP or Reporting Designated Non-Financial Businesses and Professions	All non-financial businesses or professions that are obligated to comply with the Money Laundering Act and Regulations
Reporting entity	All entities that are obligated to comply with the Money Laundering Act and Regulations
Reporting FI or Reporting Financial Institution	All financial institutions that are obligated to comply with the Money Laundering Act and Regulations
RFA	Regulations for Advocates
ROK	Advisory Council for Combating Organised Crime
SBA	Savings Banks Act
SFA	Securities Funds Act

TABLE OF ACRONYMS

S/RES/	United Nations Security Council Resolution
SRB	Self-regulating body
SSB	Statistics Norway
STA	Securities Trading Act
STR	Suspicious transaction report
Strasbourg Convention	Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime 1990
Supervisory Council	Supervisory Council for Legal Practice
Taliban Regulations	Regulation on sanctions against Taliban of 8 November 2013
Tax Bulletin	Tax Directorate Bulletin of 5 November 2003
Tax Directorate	Directorate of Taxes
TCSP	Trust and company service provider
Terrorist Financing Convention	United Nations Convention for the Suppression of the Financing of Terrorism (1999)
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNCTC	United Nations Counter Terrorism Committee
UNSC	United Nations Security Council
USD	United States Dollars
Vienna Convention	United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988