

Ireland Terrorist Financing Risk Assessment

Contents

1. Risk rating overview	3
2. Introduction	5
Domestic	5
Assessment of risk of an act of terrorism	5
Assessment of risk of terrorist financing	6
International	7
Assessment of threat from terrorism	7
Assessment of risk of terrorist financing	8
3. Methodology	10
4. Sector-specific analysis using EU SNRA criteria	12
4.1 Cash products	12
4.1.1 Cash couriers	12
4.1.2 Cash-intensive business	14
4.1.3 High-value banknotes	14
4.1.4 Payments in cash	15
4.1.5 Privately owned ATMs	15
4.2 Financial sector	16
4.2.1 Retail banking sector	16
4.2.2 Retail and institutional investment sector	17
4.2.3 Corporate banking sector	17
4.2.4 Private banking sector	18
4.2.5 Crowdfunding	18
4.2.6 Currency exchange	19
4.2.7 E-money	19
4.2.8 Transfers of funds and money remittance	20
4.2.9 Illegal transfers of funds — Hawala	20
4.2.10 Payment services	21
4.2.11 Crypto-assets	22
4.2.12 Business loans	23
4.2.13 Consumer credit and low-value loans	23
4.2.14 Mortgage credit and high-value asset-backed credits	24
4.2.15 Life insurance	24
4.2.16 Non-life insurance	25
4.2.17 Safe custody services	25
4.3 Non-financial products	25
4.3.1 Trusts	26
4.3.2 Nominees	26
4.3.3 Companies	27
4.3.4 High-value goods – artefacts and antiquities	27
4.3.5 High value assets – precious metals and precious stones	28
4.3.6 High-value assets – other than precious metals and stones	28
4.3.7 Couriers in precious metals and stones	29
4.3.8 Investment real estate	29
4.3.9 Services provided by accountants, auditors, advisors, and tax advisors	29
4.3.10 Legal services from notaries and other independent legal professionals	30

4.4 Gambling sector products	30
4.5 Lotteries	32
4.6 Non-profit organisations	32
4.7 Professional sports	33
4.8 Free-trade zones	35
4.9 Citizenship-residence	35
5 Annex 1: Non-Profit Sector	36

1. Risk rating overview

SECTOR	RISK RATING
CASH PRODUCTS	
Cash couriers	Very significant
Cash-intensive business	Significant
High-value banknotes	Moderately significant
Payments in cash	Very significant
Privately owned ATMs	Lowly significant
FINANCIAL SECTOR	
Retail banking sector	Very significant
Retail and institutional investment sector	Lowly significant
Corporate banking sector	Lowly significant
Private banking sector	Not relevant
Crowdfunding	Moderately significant
Currency exchange	Moderately significant
E-money	Very significant
Transfers of funds and money remittance	Significant/Very significant
Illegal transfers of funds — Hawala	Significant
Payment services	Significant
Crypto-assets	Very significant
Business loans	Lowly significant
Consumer credit and low-value loans	Significant
Mortgage credit and high-value asset-backed credits	Lowly significant
Life insurance	Lowly significant
Non-life insurance	Lowly significant
Safe custody services	Not relevant
NON-FINANCIAL PRODUCTS	
Trusts	Moderately significant/Significant
Nominees	Significant
Companies	Moderately significant
High-value goods – artefacts and antiquities	Moderately significant
High-value assets – precious metals and precious stones	Significant
High-value assets – other than precious metals and stones	Not relevant
Couriers in precious metals and stones	Significant

Investment real estate	Moderately significant
Services provided by accountants, auditors, advisors, and tax advisors	Significant
Legal services from notaries and other independent legal professionals	Moderately significant
GAMBLING SECTOR PRODUCTS	
Betting	Not relevant
Bingo	Not relevant
Casinos	Not relevant
Gaming machines (outside casinos)	Not relevant
Lotteries	Moderately significant/Significant
Poker	Not relevant
Online gambling	Moderately significant
NON-PROFIT ORGANISATIONS	
Collection and transfers of funds through a non-profit organisation (NPO)	NPOs collecting or transferring funds: moderately significant. NPOs receiving institutional funding: lowly significant
PROFESSIONAL SPORTS	
Investments in professional football and transfer agreements relating to professional football players	Lowly significant
FREE-TRADE ZONES	
Free zones	Not applicable
CITIZENSHIP-RESIDENCE	
Investor citizenship and investor residence schemes	Not applicable

2. Introduction

The Financial Action Task Force requires each country to identify, assess and understand the terrorist financing risks it faces in order to put mitigation measures in place and disrupt terrorist networks. This is Ireland's latest risk assessment and it will be reviewed every two years. The risk assessment will determine the appropriate actions to mitigate any identified risks and will be used by a range of departments and agencies to identify areas where measures need to be put in place. In this regard, it will be appropriate to maintain the work of the Working Group.

The character of potential terrorist activity and support in Ireland is such that a distinction must be made between the differing threats from domestic terrorism and international terrorism. Domestic terrorist activity covers the threat from illegal paramilitary groups whose activities are driven by opposition to the constitutional status of Northern Ireland and whose primary operational objective is to conduct attacks on police officers and security forces in Northern Ireland and Great Britain. International terrorism covers the threats arising in connection with violent extremism having its roots in other issues – the most prominent of which at present is Islamist-inspired terrorism connected with conflict in the Middle East and North Africa.

Within both of these categories, a further distinction must be made between the assessed threat of an act of terrorism within Ireland and the risk of terrorist financing (TF) activity to support such an act, and the assessed risk of TF activity within Ireland which is aimed at the support of an act of terrorism outside Ireland.

In addition to these categories, it's important to acknowledge that increasingly there are other actors that resist easy categorisation, including growing levels of concern about right-wing extremism. The key trend in this area is growing evidence of transnational links between hyper-nationalist movements, facilitated by a toxic online environment on non-mainstream social media platforms. International links between right-wing extremist groups is a matter of increasing concern.

Domestic

Assessment of risk of an act of terrorism

Republican paramilitary groups (sometimes referred to as 'dissident groups') represent the main terrorist threat to the security of the State. While the Good Friday Agreement has delivered a stable peace that commands overwhelming cross-community support across the island of Ireland, certain groups in both communities, with very limited levels of support, remain intent on disrupting the progress which has been achieved.

While the most significant grouping involved in Northern Ireland-related terrorism declared a ceasefire in 1997, the stable peace which followed the ceasefire did not enjoy total support from those involved in violent activity. Some terrorist organisations continued their activities and new terrorist groupings emerged.

It is important to understand that these groups operate on a 'whole-of-island' basis, with activities occurring in Ireland and Northern Ireland. While logistical support, planning and financing may occur in both jurisdictions, in general it is not the objective of these groups to carry out acts of terrorism in this State, although these domestic terrorists can also be involved in a range of criminal enterprises in this jurisdiction. For that reason it is generally assessed that an attack in Ireland from this source is unlikely. The terrorist risk assessment for Ireland remains moderate. However, the threat level in Northern Ireland of Northern Ireland-related terrorism is considered to be substantial, meaning that an attack is likely, with members of the security forces being the most likely targets.

There are a number of Republican paramilitary groups with varying strength and capability and posing varying levels of threat. Some groups are considered to be continually operationally active and are assessed as having been responsible for a number of murders and bomb attacks in Northern Ireland; others are assessed as being active, but in a more sporadic manner.

It is important also to understand the potential linkages between Republican paramilitary groups and organised criminal groups (OCGs) in the State. A relationship of friction and facilitation exists between organised criminal groups and some domestic terrorist groupings. Distinguishing the activities of such groupings from Organised Crime Gangs can also be complex, with domestic terrorist groups often acting in an identical manner to Organised Crime Gangs. This can be seen through the means by which such groups may at times finance their activities, e.g. smuggling, extortion, drugs, etc., and the means by which such funds are concealed. Involvement in criminal activity is often for the personal enrichment of the members of domestic terrorist groups rather than for the financing of terrorist aims and activities.

Assessment of risk of terrorist financing

The costs associated with domestic terrorist acts – including those taking place in Northern Ireland and Great Britain – are relatively small for the most part. The material used in such acts can often be procured through the activist's own personal means or direct theft. On occasion, more sophisticated material may have to be procured, requiring access to funding.

In cases where greater funding may be required, the primary means by which these groups fund their activities is through a range of criminal activities including smuggling, extortion, robberies and the “taxing” of criminals involved in activities such as organised prostitution, the drug trade, etc. Counterfeiting has also been used by some groups more recently. These funds may then be laundered through cash enterprises such as licensed premises and security companies or in the form of ‘loans’ to businesses fronted by persons with no obvious affiliations to these groups. Since most of these fundraising mechanisms are criminal activities in their own right, it can be the case that they are dealt with on the basis of the detection and prosecution of those specific crimes. Such detection and prosecution can have the effect of forestalling any effort by the activists to finance specific activity falling within the TF offence.

The continuing success of An Garda Síochána over the years has significantly degraded the capacity of these Republican paramilitary groups to finance their operations and it is considered that such groups do not have significant reserves. Instead, they rely on ongoing criminal activities for funding, together with the modest personal resources of the small number of people directly involved in their groupings. Self-financed operations have consistently been detected, disrupted and prosecuted as attempted terrorist offences. Wider efforts to finance domestic terrorist activity have proven self-defeating due to their criminal character.

International

Assessment of threat from terrorism

Terrorist attacks across Europe and elsewhere have brought into sharp focus the continuing serious and dynamic nature of the threat posed by international terrorism against the background of continued instability in the Middle East, in particular. The major security concerns relate to the radicalising influences that travellers to conflict zones are exposed to, the security risks some individuals may pose on returning to their home countries, and the potential for attacks by persons who have not travelled to conflict zones but are inspired by groups such as ISIL.

The threat to Ireland is not assessed to be comparable to that which exists in other European jurisdictions. In this respect, Ireland enjoys a relatively benign security environment, with no specific intelligence of a particular threat, but recognition that a potential threat may exist. It is assessed that the current risk of an attack in Ireland from this source is moderate.

The threat from international terrorism is kept under constant and active review by An Garda Síochána, who take into account a range of considerations, including developments in the international threat landscape. Key considerations in relation to the current threat from international terrorism include:

- The threat posed by returning fighters from conflict zones;

- The potential for lone actors to carry out an attack;
- The aggressive stance, terrorist operations and radicalising potential of Islamist terrorist groups;
- Unforeseen trigger events which might motivate isolated attacks in this jurisdiction;
- Ireland's close relationship with the US, Europe and particularly UK, with whom Ireland shares a common travel area. Of note, the current threat level in the UK is 'substantial', meaning an attack is likely.

It remains difficult to assess the impact of Brexit on the threat from international terrorism, but changes to UK entry rules may lead to more efforts to use Ireland as a point of access to the UK via the border with Northern Ireland. AGS maintain awareness around the possible exploitation of the Common Travel Area arising from changes in the UK entry rules. Any further developments in this respect will inform future risk assessments.

An Garda Síochána enjoys a very positive relationship with the communities in Ireland in which individuals may be considered to be vulnerable to being radicalised or recruited for international terrorism. This relationship has been developed through community engagement over a long number of years. However, a very small number of individuals have travelled to areas of conflict and returned to this jurisdiction and a number of individuals have been fatally injured in the areas of conflict.

Assessment of risk of terrorist financing

There is the possibility, albeit currently assessed to be low, that Ireland could be used as a base from which attacks could be planned, etc. Such incidents would be likely to cause extreme disruption in the short-term and possibly longer-term reputational damage to Ireland both as a safe and secure destination and as an international partner in the fight against terrorism. Accordingly, the threat is kept under constant review, and the current assessment of low risk reflects careful assessment of the risk factors within Ireland for support to activities outside Ireland.

The numbers of supporters of international terrorism in the State is small when compared with other European jurisdictions, with little evidence to show any coordinated approach to fundraising in support of international terrorism. Intelligence suggests that there is no real infrastructure in place to facilitate fundraising for international terrorism at any significant levels. Ireland accordingly assesses that the risk of terrorist financing from within Ireland's resident population is lower than the risk in other jurisdictions with larger and less well integrated immigrant populations from regions of concern.

International terrorist groups through publications on social media etc. provide advice that travellers to conflict zones require little money to participate. While they do advise on the purchase of certain type of personal equipment and clothing, these costs are minimal and, for the most part, intelligence indicates that such individuals fund their own travel. Similarly, the emerging trend in recent atrocities in Europe is towards attacks which require little specialised resources or logistical and financing support, with the net effect that such attacks appear to be largely self-financed by the perpetrators, giving rise to little need for TF in the sense of a backer passing funds to a perpetrator.

3. Methodology

This national risk assessment follows the methodology used and considers the same products in the 2022 EU Supranational Risk Assessment (SNRA). The risk level is determined by assessing the threat and vulnerability attributed to each of the 43 products by using a weighted risk matrix of the threat (40%) and the vulnerability (60%). The rationale for the weighted risk matrix is that it is assumed that the level of vulnerability is likely to increase the attractiveness and hence the intent of criminals/terrorists to use a given modus operandi – thus ultimately impacting the level of threat. The EU SNRA is based on Member States' experts and other relevant stakeholders estimates, conducted on the basis of available intelligence, information (qualitative and quantitative inputs) and an agreed approach to threat assessment.

The threat assessment is based on the estimated combined assessment of intent and capability of criminals to change or transfer illegitimate or legitimate funds. The intent component relies on known intent, successful or foiled, and the perceived attractiveness of money laundering/terrorist financing (ML/TF) through a specific mechanism. The capability component is the capability of criminals to successfully change or transfer the laundered proceeds of crime in order to financially maintain a terrorist network.

The vulnerability assessment focuses on the existence and effectiveness of safeguards in place. The more effective safeguards in place, the lower vulnerabilities and risk are.

The weighted matrix is determined by attributing the one of the following values to each threat and vulnerability:

- **Lowly significant - value: 1**
- **Moderately significant - value: 2**
- **Significant - value: 3**
- **Very significant - value: 4**

The following table shows the threat and vulnerability risk score results determined by the weighted calculation, i.e. '40% threat' plus '60% vulnerability'. For example, a threat assigned 'significant' (value: 3) with a vulnerability assigned 'moderately significant' (value: 2) is calculated as follows: $(3 \times 40\%) + (2 \times 60\%) \Rightarrow 1.2 + 1.2 = 2.4$

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VERY SIGNIFICANT	2.2	2.8	3.4	4
SIGNIFICANT	1.8	2.4	3	3.6
MODERATELY SIGNIFICANT	1.4	2	2.6	3.2
LOWLY SIGNIFICANT	1	1.6	2.2	2.8
	LOWLY SIGNIFICANT	MODERATELY SIGNIFICANT	SIGNIFICANT	VERY SIGNIFICANT

V U L N E R A B I L I T Y

The outcome of the risk matrix results in a risk rating applied to each product. Based on the above example, a threat assigned 'significant' (value: 3) with a vulnerability assigned 'moderately significant' (value: 2) has a risk score of 2.4, which is a risk rating of 'moderately significant' (1.6 – 2.5).

RISK RATING RESULT	
1 - 1.5	Lowly significant
1.6 – 2.5	Moderately significant
2.6 – 3.5	Significant
3.5 – 4	Very significant

It is important to note that the level of threat and of vulnerability, and the resulting risk rating, is an assessment based on practitioners' experience in the respective sector(s) in Ireland. This mirrors the approach taken in the EU SNRA.

4. Sector-specific analysis using EU SNRA criteria

4.1 Cash products

The European Commission adopted a proposal for a Cash Controls Regulation in December 2016 and this came into force on 3 June 2021 to strengthen the fight against terrorist financing.

Before the pandemic, on average there were around 110,000 cash cases at European Union level per year, representing a total amount of around €55 billion. Customs controls detected around 13,000 cases where cash was not declared or was incorrectly declared, representing around €364 million per year.

As of the second quarter of 2020, due to the pandemic, travel was substantially disrupted and, consequently so was the physical movement of cash, resulting in lower values of cash controls declarations (and non-declared cash or incorrect declarations) than previous years.

Cash remains an inherent risk in both TF and ML, and is a particular concern for TF given that the small sums involved in the most likely TF scenarios are easy to move and hard to control. Criminals or terrorist financiers who generate cash proceeds seek to aggregate and move these profits from their source, either to repatriate funds or to move them to locations where access to placement in the legal economy is easier.

The EU SNRA notes that the threat of cash transportation into the EU from a third country may exist, in particular from countries exposed to TF risks or conflict areas (e.g. cash couriers from Syria, Gulf region, and Russia into the EU have been reported).

The scope for mitigation is limited given the difficulties, political and practical, associated with any effort to restrict the circulation of cash within the State, especially at the low levels which have characterised terrorist activity in Ireland in recent years. Both Revenue and AGS have indicated that cash movements by Organised Crime Gangs are a significant risk, and existing measures are configured to address this risk. Customer due diligence applies for all cash transactions of €10,000 or more in a single transaction or a series of linked transactions for dealers in high value goods.. Current legislation on the movement of cash allows for the seizure and detention of cash over €1,000. These levels are well above what has been observed in detected instances of TF.

However, in general, the use of cash is declining. Of note, since 2015, the number of ATM transactions declined by 46%, whilst the use of debit cards at the point of sale increased 284%.

Card payments accounted for 62.4% of the total number of payment transactions in 2021, with contactless payments rising to their highest level since data began to be collected in 2017.¹

4.1.1 Cash couriers

Ireland assesses the overall risk as very significant, which is similar to the EU SNRA. This is due to the anonymity of cash, the difficulty of controlling it, and the small volumes required. High denomination banknotes make transportation of large sums easier and in Ireland this is somewhat mitigated as €500 notes are not printed. The EU SNRA considers sending cash through post or freight consignments, using multiple consignments each containing lower amounts, as a theoretically attractive option as there is no courier physically crossing the external border carrying the cash who could be intercepted.

Cash couriers have been apprehended by the Irish authorities, and both intelligence and current investigations have pointed to the continuing use of couriers for cash movements, with the possibility of some funds being intended for TF.

To help mitigate the risk posed by cash couriers who use international ports to bring funds into and out of the country, the Financial Intelligence Unit (FIU) Ireland and the Special Detective Unit in An Garda Síochána work closely with Revenue by sharing information about potential cash couriers. Revenue have been registered as a stakeholder on the GoAML database. They are able to use the secure GoAML website to share information, on a real time basis, with the FIU Ireland in relation to potential cash couriers who have been stopped at Irish ports. The FIU Ireland assesses the information provided by Revenue, and if the case relates to potential TF, the information will be passed to the relevant Garda section for investigation.

The Department of Finance have been working on an SI with Revenue which will amend the Customs Act to increase the applicable penalties for breaches. In addition, Revenue and the FIU have introduced a protocol relating to detections of cash by Revenue. This involves real time notification of the detection to local AGS that has resulted in an increase of AGS money laundering cases running parallel to Revenue Section 39 forfeiture applications. Although Revenue is not directly involved in the investigation of money laundering/terrorist finance offences, the introduction of this protocol has significantly enhanced the collaboration between Revenue and An Garda Síochána in tackling this criminal activity and led to two ML convictions in 2023.

¹ Retail Banking Review November 2022: <https://assets.gov.ie/240770/d8b98fef-fe6a-4df8-b7d6-2f63e9f224b8.pdf>

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	4	3.6	Very significant

4.1.2 Cash-intensive business

Bars, restaurants, constructions companies, motor vehicle retailers, car washes, art and antique dealers, auction houses, pawnshops, jewelleries, textile retail, liquor and tobacco stores, retail/night shops, gambling services, strip clubs, massage parlours.

The EU SNRA notes that among the countries that have not set any limit to cash payments, Ireland and Sweden allow traders to refuse payments in cash. Significant anti-money laundering (AML) measures exist in this sector to control the risk of criminals converting cash into high-value tradable goods. These controls have limited effectiveness in preventing terrorist organisations from using cash-intensive businesses as a way of skimming off proceeds to finance terrorist acts. Irish authorities have seen cash businesses such as pubs and clubs used to generate funds to support dissident groups, both through the generation of cash which is diverted and through the provision of employment of persons of interest as security staff.

Since the Covid-19 pandemic, there has been a move towards electronic payments (EFT) by high-value goods dealers (HVGDs), in particular car dealers. The main motivators appears to be staff safety and cash handling charges. The AMLCU has not identified any indicators of activity related to terrorist financing.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	4	3.2	Significant

4.1.3 High-value banknotes

The EU SNRA rates the EU-wide risk from this vector as moderately significant, largely because law enforcement authority (LEA) feedback has suggested that terrorist groups avoid using large denomination notes because of the attention that they might attract. This would be particularly applicable in Ireland where banknotes above €50 are not circulated, and are removed from circulation by the banking system when they enter the system from outside. This makes high-value bank notes conspicuous and their use can arouse suspicion. Therefore, the threat is assessed as lower than the EU SNRA.

However, recent cash seizures by Revenue have seen a spike in the number of high value bank notes imported into the State and from a vulnerability point of view, cross-border transactions present certain weaknesses, and therefore risk is assessed as a moderately significant.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	3	2.2	Moderately significant

4.1.4 Payments in cash

Irish authorities have seen payments in cash used in cash-intensive businesses such as those listed above. This cash is in turn used to fund and support dissident groups. The EU SNRA rates the risk of payments in cash for TF purposes as 'very significant' because criminal organisations use cash payments as their primary modus operandi for illicit activity, as transactions can be accessible, speedy, anonymous, and therefore more challenging for enforcement agencies to detect.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	4	3.6	Very significant

4.1.5 Privately owned ATMs

Irish law enforcement regard the risk of the exploitation of privately owned ATMs for TF purposes as lowly significant for this country. Any transaction made at a privately owned ATM would be recorded/monitored by the bank in the same way using a non-privately owned ATM would, and therefore should raise an STR if considered suspicious. Law enforcement and regulators are aware of this possible method of TF, but there is currently nothing to indicate that privately owned ATMs in Ireland are being used in this way. It is important to note that privately owned ATMs are not currently registered or regulated.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2 Financial sector

The general threat and vulnerability in this sector is higher in sub-sectors where financial services are easy to access, cover small sums of money and allow a measure of anonymity. In short, the more cash-like a service is, the greater the likelihood of abuse. Key sub-sectors are retail deposit accounts, money transfer services and e-money. Illegal fund transfers (Hawala) also represent a significant risk, though by its very nature it is not amenable to the kinds of control and detection considered throughout this assessment. Abuse of the Hawala system presents significant risk for TF. Unlike other fund transfer systems, the recipient and the 'donor' are anonymous and it can often be the case that no actual funds leave the jurisdiction.

FIU Ireland has taken specific measures to mitigate the risks associated with financial sector products by way of its continuing collaboration with the Joint Intelligence Group (which includes AIB, BOI, Ulster Bank, Western Union and GNECB). In addition to the JIG, the FIU participates in other public-private partnerships dealing with international banks, accountancy bodies, and FinTech entities. The FIU also participates in the Europol Financial Intelligence Public Private Partnership, which includes FIUs, investigative authorities and reporting entities. The aim of the various public-private partnerships (PPPs) that the FIU participate in is to improve intelligence sharing arrangements, discuss trends, risks and typologies to aid the fight against money laundering and terrorist financing.

4.2.1 Retail banking sector

According to information from competent authorities, terrorist fighters generally withdraw bank account deposits through ATMs located in high-risk non-EU countries, conflict zones in general, or in bordering countries. Terrorists outside conflict zones also withdraw funds through ATMs in order to pay some of the expenses related to their operations in cash. The use of deposit accounts for TF purposes may be complicated in conflict zones by difficulties accessing funds, especially where access to ATMs or a functioning banking network is disrupted.

The FIU has systems in place on the GoAML system to identify STRs which have suspected links to terrorist financing, including identifying transactions to or from high risk or conflict zones. Financial institutions can also select a TF indicator when submitting STRs with suspected TF links to ensure the appropriate priority is given to the report. The FIU believes that financial institutions continue to have the appropriate TF measures in place to identify transactions to and from conflict zones or high risk jurisdictions.

Threat is considered very significant given the ease of access using ATM cards to draw cash from apparently legitimate bank accounts. Vulnerability is rated level 4 due to TF measures in place within financial institutions and FIUs which can flag the highest risk transactions (such as

ATM and other movements of cash into conflict zones). Ireland assesses the risk similarly to the EU and Irish law enforcement believes that the threat is present.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	4	3.6	Very significant

4.2.2 Retail and institutional investment sector

The terrorist financing threat related to retail and institutional investment could be significant if large amounts of legitimate funds are invested to finance terrorism, but when it comes to generating small amounts to commit terrorist attacks, the terrorist financing threat is not significant.

The EU SNRA rates this sector as being well controlled generally for ML by the financial institutions and FIU structures. However, there's little evidence to suggest that this vector is being used in any significant way for TF, and no evidence to date of its use in Ireland. Given that the analysis of TF threats emphasises that only small sums are required in respect of the current active threats, this is not assessed to be a likely vector in the current Irish threat environment.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.3 Corporate banking sector

The same analysis applies to the corporate banking sector and the retail and institutional investment sector. Individuals who wish to finance terrorist activities do not favour the type of products offered by corporate banking institutions, and there is currently a lack of evidence to suggest that terrorist organisations are using corporate banking services in the EU. Therefore the terrorist financing threat is not significant in this sector.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.4 Private banking sector

Credit institutions

EU SNRA considers this sector not to be relevant for TF due to the character of the services, which are far more vulnerable to use for tax evasion, fraud and money laundering – in other words, the amassing of funds, rather than their disbursement.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
n/a	n/a	n/a	Not relevant

4.2.5 Crowdfunding

Crowdfunding platforms

Crowdfunding is potentially a viable vector for TF fundraising. However, there has been little evidence of such activity and the EU SNRA assessed the threat as moderately significant. To date there has been little evidence of this in Ireland, but the sector is kept under review. The level of threat and vulnerability is assessed as in line with the EU SNRA.

Irish authorities have investigated a case where Republican paraphernalia were being sold, but so far this has not revealed a channelling of funds to terrorist activity. Investigations into this phenomenon have led to the conviction of a suspected dissident Republican for revenue offences. The matter is remanded for sentencing.

STRs have been received which show the use of crowdfunding platforms to raise large amounts of funds. There is difficulty showing that the funds raised are being used for TF; however the submission of the STRs shows that designated bodies are monitoring the bank accounts of crowdfunding platforms for potential TF.

As of 10 November 2023, the Regulation on European Crowdfunding Service Providers (ECSP) 2 for businesses is in force and will require all payments to be carried out through an authorised Payment Service Provider (PSP), as well as introducing other safeguards to mitigate risks. However, there will still be platforms operating in sectors not regulated under EU law, for example, donation or reward-based crowdfunding platforms. Unregulated crowdfunding platforms could be set up for fictitious projects in order to allow the collection of funds which are then withdrawn within the EU or transferred abroad, potentially to finance terrorist attacks.

² Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (Text with EEA relevance); OJ L 347, 20.10.2020, p. 1–49.

Notwithstanding the efforts at EU level, the potential remains for appeals for payment on private social media and messaging platforms.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately significant

4.2.6 Currency exchange

Currency exchange offices

The EU SNRA assesses both threat and vulnerability in this sector as significant and states that terrorist groups have used this vector because of the lack of planning and expertise required.

Currency exchange is predominantly a cash based service whereby customers attend in person at the currency exchange offices to conduct the transaction. While the prevalence of cash can increase the overall threat, the transaction which takes place is simply the exchange of currency. The cash which is exchanged at the currency exchange office is not transferred elsewhere and therefore such a transaction alone does not finance terrorism. A further transaction with another financial institution will be required in order to move the value of the cash, which decreases the threat.

Currency exchange is a purely transactional service meaning that a business relationship is not created between the currency exchange office and the customer, and this can increase vulnerability. Transaction amounts are generally quite small meaning that customers may not be subject to full Customer Due Diligence requirements until certain thresholds are reached. Other mitigating controls, such as Transaction Monitoring etc. may not be as robust as in scenarios where a business relationship is created with the customer.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately significant

4.2.7 E-money

Credit and financial institutions

Law enforcement authorities have gathered evidence that e-money loaded onto pre-paid cards has been used to finance terrorist activities, in particular to help terrorists commit attacks (e.g. hotel or car rentals).

The EU SNRA sees the threat and vulnerability of pre-paid, anonymous and easily spoofed credit cards as significant. While cash is in many ways preferable, e-money can be easier to move, and also allows for payments where cash would not be acceptable (such as online). Pre-paid debit cards can also serve as a way to physically move funds. Vectors continue to proliferate: there are now anonymised on-line credit card systems designed to mask the character of specific credit/debit card transactions on bank statements so as to avoid adverse impacts on credit ratings. Gambling transactions are one use case, but this would have obvious applications for TF.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	4	3.6	Very significant

4.2.8 Transfers of funds and money remittance

Credit and financial institutions — money value transfer services

The EU SNRA rates the threat of TF through this channel as very significant due to its convenience and relative anonymity and the vulnerability is similarly significant due to the difficulty of detecting the small sums used and the difficulty of compliance monitoring the large number of agents involved. The risk is somewhat mitigated by the fact that while larger operators are more likely to be used (due to the scope of their networks), they have better risk awareness. Therefore, Ireland assesses the risk along the same lines as the EU SNRA.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
4	3/4	3.4-4	Significant/Very significant

4.2.9 Illegal transfers of funds — Hawala

While it is almost certain that informal transfer networks present a threat of TF, it is difficult to assess the precise threat and vulnerability level given that these services are illegal by their very nature. The EU assigns no rating.

Hawala is predominantly practiced by Muslims, although similar systems are present in other immigrant communities such as the Chinese community. Irish policies are very much focused on integration, which reduces ghettoization and further reduces the practice of Hawala in Ireland.

Ireland's view is that Hawala, with its unregulated banking-like activity, attracts a significant risk. Unlike other fund transfer systems, the recipient and the 'donor' are anonymous and it can often be the case that no actual funds leave the jurisdiction. Given the number of legitimate methods and providers available to transfer funds to almost anywhere in the world, with the possible exception of active war zones, it can be difficult to see why this system would be used to transfer funds for any legitimate reasons. Efforts continue to identify Hawaladors within this jurisdiction and the transfer of funds to areas of conflict. In August 2022 in excess of €180,000 was seized by the Special Detective Unit in AGS in an investigation into suspected TF. The file is currently with the DPP.

While there is no evidence to suggest that informal value transfer systems such as Hawala are being used in this jurisdiction to facilitate terrorist financing, it is nonetheless viewed as a significant risk.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	3	3	Significant

4.2.10 Payment services

Credit and financial sector

The assessment of the terrorist financing threat related to payment services shows that account-based transactions are used by terrorists to store and transfer funds and to pay for the services or products needed to carry out their operations, in particular when processed through the internet. According to research on the financing of European jihadist terrorist cells, the formal banking system is one of the six methods most commonly used by terrorist groups³.

The EU SNRA identifies the threat for this sector as significant as there can be cross-border payments and the identification requirements can be circumvented. The vulnerability is rated as significant due to the reliance on the current counter-terrorist financing checks based on sanctions screening. Some banks screen individuals who may be subject to sanctions imposed by governments. Financial sanctions target individuals or groups that are already known to pose a threat, whereas the risk from TF often comes from individuals who are not subject to sanctions.

³ 2022 EU SNRA, p.90

Irish law enforcement agencies have reported good working relationships with the main payment service providers. This, along with the fact that such services are predicated on their reputation to customers, results in co-operation and mitigation of this risk in Ireland. Reputation management is a significant positive driver for the main providers, both to maintain customer confidence and to maintain shareholder confidence. It is assessed that these two imperatives maintain a high level of vigilance and de-risking. Further compliance benefits arise from the fact that, with many HQs present in Ireland, core ML/TF compliance functions are also housed here.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	3	3	Significant

4.2.11 Crypto-assets

Crypto-asset related activity represents a growing money laundering/terrorist financing threat. Financial intelligence units across the Financial Action Task Force (FATF) global network have seen a rise in the number of suspicious transaction reports that relate to crypto-assets. Several law enforcement authorities indicated that ML/TF risks from crypto-assets have increased further since 2019⁴, linked to the growth of the crypto-asset market.

Since 2021, 27 Virtual Asset Service Providers (VASPs) have registered on the FIU GoAML system to submit STRs to the FIU. In 2021, the FIU received 1,016 STRs from VASPs. This figure rose to 11,763 in 2022. While the rise in STRs is mainly in the money laundering space, there is a noticeable increase in TF-related reports.

The virtual asset sector is now supervised by the Central Bank of Ireland for AML/CFT purposes and all Virtual Asset Service Providers (VASPs) are required to register with the Bank for AML/CFT purposes. To date, 11 VASPs have been registered with the Central Bank, and a number of additional applications are under review⁵. Although crypto adoption for terrorism fundraising is low, there's a growing appeal to terrorist organizations due to factors like anonymity, global accessibility, speed, efficiency, irreversible transfers, and the decentralized nature of the product. This emphasizes the need for heightened vigilance from authorities to address the intricate intersection of virtual assets and terrorism financing in Ireland. The EU

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[https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Opinions/2021/963685/Opinion on MLTF risks.pdf](https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Opinions/2021/963685/Opinion%20on%20MLTF%20risks.pdf)

⁵ There are 27 VASPs registered on GoAML however only 11 VASPs are registered by the Central Bank. The difference is related to firms registered on GoAML that are no longer in existence, are no longer operating or in the process of assessment for registration by the Central Bank.

Single National Risk Assessment (NRA) underscores a significant TF threat associated with virtual currencies.

Irish law enforcement agencies have reported that criminals have used virtual currencies to purchase illegal items online, and there is a continuing risk that the overlap between terrorist groups and OCGs may lead to similar transactions in the TF space. While there have been no cases identified of it being used for terrorist financing to date in Ireland, the threat and vulnerability are clearly present and the overall risk rating is therefore very significant.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	4	3.6	Very significant

4.2.12 Business loans

Credit and financial sector (including insurance companies)

The EU SNRA rates this as low threat and low vulnerability because of the considerable due diligence associated with significant loans to businesses from financial institutions. Ireland shares this assessment.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.13 Consumer credit and low-value loans

Members of terrorist groups use low-value loans to finance travel by foreign terrorist fighters to high-risk non-EU countries. The most commonly used low-value product is consumer credit. The attraction of low-value loans is that they do not require a high level of expertise or planning.

EU SNRA assesses this as significant primarily because of the relative ease of setting up and then defaulting on a small loan (of less than €1,000) and the fact the financial institutions' control systems are focused more on fraud prevention than on TF detection, so financial institutions are less aware of the risks.

Law enforcement agencies in Ireland have noted cases where members of credit unions have applied for loans before returning home to high-risk jurisdictions. These loans are in general

refused due to good awareness within financial institutions of the risk. There is also good awareness of reporting obligations and therefore the vulnerability is considered as less than in the EU SNRA.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	2	2.4	Significant

4.2.14 Mortgage credit and high-value asset-backed credits

This is not an attractive vector for TF since it requires a significant asset against which to borrow, and there are less complex ways to carry out TF involving individuals with significant assets. Experience in Ireland to date suggests that controls on such credit are sufficiently robust to effectively limit vulnerability to TF, even though the controls are not focused on TF. The Irish assessment is therefore similar to the EU SNRA.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.15 Life insurance

The EU assessment of the terrorist financing threat related to life insurance finds that terrorist groups have limited interest in this method. It requires specific knowledge of the product and its specific characteristics. Further, life insurances are mostly designed for the long-term or a verifiable event, such as death or retirement, and thus provide limited flexibility.

The complexity of such an approach in contrast with the benefit which would accrue from a successful scheme would seem to rule out this vector for the types of small-scale TF which is assessed to be potentially more prevalent in Ireland. Accordingly, the threat and vulnerability are considered lower in Ireland than in the EU and assessed as lowly significant.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.16 Non-life insurance

The EU SNRA assesses both threat and vulnerability as moderately significant in view of the plausible scenario of small-scale insurance fraud regarding cars and the like. While this is mitigated by the documentary requirements for both insurance and making a claim, the control systems are not configured to be vigilant for TF. However, the lead time for a successful claim and the due diligence involved in creating a policy and processing in a claim render this an unattractive option for TF. The Irish insurance industry have indicated that they consider both life insurance and non-life insurance to be low risk for TF. The lack of any identifiable cases in Ireland to date leads to a lower assessment than the EU SNRA.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	1	1	Lowly significant

4.2.17 Safe custody services

The EU SNRA rates this as non-relevant to TF. While in principle such services could be used to allow one person to put value into storage and another to later take it out, in practice, one or both would still need to move the value, so that some other form of TF would be involved and more likely to be detected in practice.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
n/a	n/a	n/a	Not relevant

4.3 Non-financial products

The categories of legal persons and arrangements that are assessed in this section in terms of their vulnerability to being used for terrorist financing purposes are not subject to AML/CFT compliance obligations or supervised by an AML/CFT competent authority.

This sector can be divided into risks arising from the trade in high value goods, and risks arising from the manipulation and concealment of asset ownership. In general, the risk environment in Ireland is characterised by the rapid covert transfer of relatively small sums rather than the slow transfer and concealment of large sums.

4.3.1 Trusts

Trust or company service providers (TCSPs), legal professionals, tax advisors/accountants/auditors, providers of advice on capital structure and industrial strategy, advice and services on mergers and acquisitions and business strategy advice ('professional intermediaries')

Trusts are legal arrangements originally developed in common law jurisdictions. Within a trust, a settlor transfers assets to a trustee, who exerts control over these assets in the interests of one or more beneficiaries as determined by the settlor. While that is the traditional use of a trust, Revenue are now seeing TCSPs using unilateral trusts where no settlor is detailed, in such cases the trust carries a greater ML/TF risk.

In general, there is little evidence to date that trusts and other type of legal arrangements have been misused for the purpose of financing terrorism. Possibly due to the costs associated with setting up these arrangements, they do not appear to be particularly attractive to groups that carry out TF activities. The configuration of fiduciary structures does not allow the rapid management or distribution of funds that usually accompanies TF activities.

The EU SNRA rates the vulnerability as lowly/moderately significant (level 1/2).

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1/2	3	2.2-2.6	Moderately significant/Significant

4.3.2 Nominees

A nominee director exercises the functions of the director in the company on behalf of (and subject to the instructions of) the nominator. A nominee shareholder exercises the associated voting rights according to the instructions of the nominator and receives dividends on behalf of the nominator. Because the identity of the nominator is not evident, the identity of the person behind the nominee shareholder can be concealed.

Legally, nominees are responsible for the operation of the company, and accept the legal obligations associated with company directorship or ownership in the country in which the company is incorporated.

The EU assesses that the TF threat is lowly/moderately significant as law enforcement agencies report it is not an attractive vector for terrorist groups because it requires substantial planning

and expertise. However, if such expertise is available, then legal entities and arrangements could become attractive when there is a need to transfer large volume of funds for TF purposes. The Irish enforcement authorities have not identified any indicators of activity related to terrorist financing in this sector, but nevertheless they believe that this threat is present and assess this threat as a level 3, significant.

There are also difficulties in identifying high-risk entities (similar to the creation of legal entities) as legitimate money can be used to fund terrorism.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	3	3	Significant

4.3.3 Companies

There have been instances in Ireland where companies have been abused for terrorist financing purposes. Funds generated by criminal activities have been laundered through cash enterprises, such as licensed premises and security companies or in the form of “loans” to businesses. These were often fronted by persons with no obvious affiliations to terrorist groups and whose involvement in terrorist financing was found after investigation⁶.

EU SNRA assesses that the threat and vulnerability from manipulation of company dissolution rules is moderately significant/significant. Ireland's assessment is similar, with little evidence that this threat is present, but law enforcement recognise the possible threat in this area.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately significant

4.3.4 High-value goods – artefacts and antiquities

In assessing the threat in this area, the EU SNRA notes that looted artefacts and antiques are an attractive source of revenue for organisations controlling territory in conflict zones that intend to

⁶ gov.ie - National Risk Assessment - Money laundering and Terrorist Financing (www.gov.ie)

finance terrorist activities in the EU. There is little or no evidence to suggest such antiquities are being traded into or through Ireland, or that there are networks with sufficient sophistication to conduct such an operation. The threat level in the EU SNRA report is assessed as moderately significant. Ireland shares the EU's vulnerability analysis, which mainly relates to low awareness by dealers of TF risks.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
1	3	2.2	Moderately significant

4.3.5 High value assets – precious metals and precious stones

The EU SNRA's threat and vulnerability ratings are largely due to the ease of conversion and transport of such goods and the difficulty in controlling their purchase and sale within the EU. There is little evidence to date that terrorist groupings in Ireland have used this sector, but the threat cannot be discounted completely and therefore Ireland assesses the threat as moderately significant, similar to the EU. FIU Ireland receives a low level of STRs from the Dealers in High Value Goods sector and there is no evidence to suggest that this sector is being used for TF purposes. The low level of STRs was considered in assessing vulnerability, which has been assessed as significant, in line with the EU SNRA.

Although there is little evidence to date that terrorist groupings in Ireland have used this sector, consideration could be given to the expansion of the definition of cash within the Criminal Justice Act 1994 as amended by Section 20 Proceeds of Crime (Amendment) Act 2005 to bring it in line with the definition as per the EU Cash Control Regulation (Regulation 2018/1672). This would enhance Revenue's ability to assess and control intra-community movements of such commodities.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	3	2.6	Significant

4.3.6 High-value assets – other than precious metals and stones

The EU SNRA considers this sector non-relevant for TF, as does Ireland. While high-value goods represent a viable store of wealth for ML, they are a poor medium for the transfer of value to or within terrorist networks.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
n/a	n/a	n/a	Not relevant

4.3.7 Couriers in precious metals and stones

The EU SNRA assesses the threat in this sector as significant, but given the lack of systematic controls and risk awareness in the sector, they rate the vulnerability as very significant. Within Ireland, the threat would be assessed as driven by, and similar to, that of 'High value assets – Precious metals and precious stones' and is rated accordingly.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	3	2.6	Significant

4.3.8 Investment real estate

Real estate sector, independent legal professionals, notaries, credit institutions

Although the EU SNRA rates the threat and vulnerability in this sector as very significant, the conclusion was based solely on an analysis of the undoubted risks of ML from this sector. The competent authority and Irish law enforcement have conducted measures to raise awareness of money laundering and terrorist financing in this sector. There is no evidence to date of such TF activity in Ireland and it doesn't represent a viable vector for the type of small-scale funding characteristic of all currently assessed risks. Therefore, it is considered that the threat and vulnerability is reduced in Ireland and therefore both are assessed at as moderately significant.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately significant

4.3.9 Services provided by accountants, auditors, advisors, and tax advisors

The EU SNRA rating was not based on a separate assessment of risk for TF, but rather on an assumption that it shared the risks of the ML sector where such intermediaries can facilitate the concealment of the origin or destination of funds. There is little to indicate that this is a current risk in the EU or in Ireland. The FIU participates in a Public Private Partnership Group with this sector. Law enforcement agencies have conducted searches on premises of these professionals and in the majority of cases they were found to be providing legitimate professional services

although the documentation of those services was of evidentiary value in some instances. There is value in considering the issue in continuing outreach to these sectors by their competent authorities.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
4 (advisors, tax advisors) 3 (accountants, auditors)	3 (all)	3.4 3	Significant (all)

4.3.10 Legal services from notaries and other independent legal professionals

A similar analysis to that in 4.3.9 above applies to this sector. FIU Ireland participates in a Public Private Partnership Group with this sector which allows for intelligence sharing, discussion of trends, risks and typologies. Supervisory bodies in this sector, for example Chartered Accountants Ireland are also registered as Stakeholders on goAML and can submit competent authority reports to FIU Ireland if they have concerns in relation AML/CTF following an inspection of any of their members. There are currently 51 notaries public registered on the FIU GoAML system, a significant rise from the eight registered in March 2021, most likely due to outreach from the FIU to this sector. There is a very low level of STR reporting from this sector and no evidence to date to suggest it is being used for TF purposes. The AMCLU has performed a number of outreach events in conjunction with the Faculty of Public Notaries to increase awareness. There are no current indicators identified by the Irish authorities of activity related to terrorist financing.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately Significant

4.4 Gambling sector products

The EU SNRA considers TF non-relevant for the following gambling sector products, and Ireland concurs in this assessment:

- **4.4.1 Betting** - While betting presents a number of opportunities for ML, anything which can be done by way of transfer and concealment through betting can be achieved more simply with cash.
- **4.4.2 Bingo** - Considered not relevant.

- **4.4.3 Casinos** - In Ireland, Private Members' Clubs which operate as de facto casinos are subject to the ML/TF compliance regime. There have been no indications to date that this vector is of interest to terrorist organisations.
- **4.4.4 Gaming machines (outside casinos)** - Considered not relevant.
- **4.4.5 Poker** – Considered not relevant

4.4.6 Online gambling

Although it is theoretically possible to use an online gambling account to transfer money between two people with a degree of anonymity, in practice at each end there is a need to convert values between digital (and thus trackable) stores of value and something more anonymous such as cash.

There are 51 gambling service providers registered on goAML to submit STRs to FIU Ireland. The AML regime in Ireland is primarily set out in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) and applies to entities from this sector as they come within the definition of a “designated person”. As such, this sector must apply a risk-based approach to its business. This includes customer due diligence including ongoing monitoring, applying enhanced due diligence where necessary, have the appropriate AML/TF policies and procedures in place and submit STRs to the FIU where a provider suspects that a customer has been or is engaged in money laundering or terrorist financing.

An important development in Ireland in this sector was the publication of the Gambling Regulation Bill 2022 (December 2022). The Bill has been passed by Dáil Éireann and completed Second Stage in Seanad Éireann on 14th May 2024. It is hoped that the Bill will complete all remaining stages of the legislative process and will be enacted in the coming months.

The Bill sets out the framework and legislative basis for the establishment of a new, independent statutory body – Údarás Rialála Cearrbhachais na hÉireann, the Gambling Regulatory Authority of Ireland – and for a robust regulatory and licensing regime to regulate gambling in-person and online, and for the regulation of gambling advertising, websites and apps.

Importantly, section 14(1)(m) of the Bill provides that the Gambling Regulatory Authority will be designated as the competent authority under the 2010 Act in respect of the gambling sector and gambling activities in Ireland.

A Programme Board has been established to ensure that the legislation and the operational preparations are progressed in parallel so that the Authority commences operations as soon as possible after enactment of the Bill. Once enacted the Bill will provide the Authority with the

necessary enforcement powers for licensing and enable it to take appropriate and focused action where providers are failing to comply with the provisions of this bill and with the Authority's licensing terms, conditions and regulations

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2	2	Moderately significant

4.5 Lotteries

While the EU SNRA considers this vector to be non-relevant to TF, there have been some indications that Irish domestic terrorist groups may use small lotteries or draws as a means of fundraising. This risk is kept under careful review by AGS.

Some dissident republican groupings carry out 'draws' on social media where the prizes are arts and crafts completed by dissident republican prisoners. Ostensibly, these prisoners are also the recipients of funds raised in this manner. While the public nature and low amounts involved in these draws reduce the risk rating, the establishment of a system of fundraising, which could be utilised for TF, merits a moderately significant rating as same requires monitoring.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
2	2/3	2-2.6	Moderately significant/ Significant

4.6 Non-profit organisations

Collection and transfers of funds through a non-profit organisation (NPO)

A more detailed analysis of some of the issues in the not-for-profit sector is included in Annex 1 of this report, as well as recommendations for how to address these issues. One particular issue is the lack of a detailed overview of the non-profit sector.

Notwithstanding the lack of such an overview, regulators, departments, law enforcement and the private sector are all aware of the possible risks arising in this sector. Irish law enforcement is well aware of possible risks in relation to domestic and international terrorism financing, both of

which present different challenges to investigators. The Charities Regulator gathers and analyses information from the charities which it regulates and engages with charities which may be operating in higher-risk environments.

It's important to note that although NPOs are not a designated entity for the purposes of submitting STRs to the FIU, the FIU does receive STRs from other financial and non-financial sectors which could highlight transactions potentially linked to the misuse of this sector. For example, the financial institutions used by this sector are obliged to make STRs to report suspicious transactions into or out of the bank accounts used by NPOs and charities: this could include, for example, unusual or suspicious transactions to high-risk jurisdictions or conflict zones.

Based on the current knowledge and understanding of the sector, this overall risk is rated as moderately significant.

Ireland's 2024 draft assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
3	2	2.4	<p>NPOs collecting or transferring funds: moderately significant.</p> <p>NPOs receiving institutional funding: lowly significant.</p>

4.7 Professional sports

Investments in professional football and transfer agreements relating to professional football players

The EU SNRA considers the threat and vulnerability risks of this sector as 'moderately significant' and 'moderately significant/significant' respectively, due to the amount of money in European club football and the globalisation of the sport, including the lack of transparency in the ownership and transfer of players despite the worldwide, regional and national governance structures in place.

The considerable amount of money involved in European club football is not reflected in the professional game in Ireland. Transfer agreements and player contracts are relatively small in comparison to many European professional leagues. Under Football Association of Ireland (FAI)

Club Licensing regulations, all clubs are obliged to inform the Association, on an annual basis, of changes in ownership or any change to persons who could have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Currently, the FAI does not consider clubs to be vulnerable to exploitation for the purpose of terrorist financing. However, if a club enters a period of recession and finances become challenging, the temptation to accept investment from suspicious entities increases. While the motivation for an entity or individual to invest in football clubs is always questioned, the FAI remain vigilant to ensure that the rationale for investment will not damage the integrity of the game.

Integrity presentations are conducted annually with all players and match officials participating in the League of Ireland. An FAI Integrity Officer has been in place since 2011 as per UEFA Regulations. They are part of a UEFA network of integrity officers who receive regular training/education on betting and match fixing from UEFA and FIFA. All fixtures in the League of Ireland are monitored by UEFA for suspicious betting patterns and suspicious activity is notified to the FAI within 48 hours of the fixture taking place.

The FAI are currently implementing a Director and Owners' test for all club directors and owners. This was developed by researching similar tests and policies that are in place in Leagues across Europe and is in place on a trial basis for 2023 before becoming a binding process in the League of Ireland for the 2024 season. This test will assist in safeguarding the integrity of the clubs and League.

There is an ongoing Garda investigation of alleged match fixing in the League of Ireland between 2016 and 2019. Several arrests have been made and a file is currently being prepared by An Garda Síochána for the Director of Public Prosecution.

During the last 15 years, the FAI has disciplined a small number of players for betting nominal sums of money on fixtures in which their club was participating. The FAI have now implemented new rules in their Standard Players' Contract across men's and women's football. These rules ensure that all players are signed up to the Association regulations, which means they are not permitted to bet on football.

Taking note of the EU SNRA, the overall risk in Ireland is estimated to be less significant than in the EU overall.

Threat value	Vulnerability value	Risk Score	Risk Rating
2	1	1.4	Lowly significant

4.8 Free-trade zones

Free-trade zones, Free zones — Customs, direct taxation

FATF defines FTZs as designated areas within jurisdictions in which incentives are offered to support the development of exports, foreign direct investment (FDI), and local employment.

There are no free-trade zones in Ireland, therefore this sector was not considered.

Ireland's 2024 assessment			
Threat value	Vulnerability value	Risk Score	Risk Rating
n/a	n/a	n/a	n/a

4.9 Citizenship-residence

Citizenship investment programmes and investor residence schemes

'Golden visas' and 'golden passports'

The EU SNRA identified concerns associated with citizenship and residence by investment schemes, including inherent risks regarding security, money laundering, tax evasion and corruption. The assessment of the TF threat related to investor citizenship and residence schemes has identified areas of concern including security checks (certain security obligations that must be carried out before issuing a visa or residence permit, although there is discretion in the way that Member States approach security concerns beyond these checks) and a lack of transparency.

Ireland does not operate a citizenship investment programme, and the Irish Government took the decision to close Ireland's Immigrant Investor Programme (IIP) to further applications from 15 February 2023. A number of reports and findings from international bodies such as the European Commission, Council of Europe and Organisation for Economic Co-operation and Development (OECD) on similar investment programmes were taken into consideration when informing the decision.

As such, this risk is deemed no longer relevant for Ireland and has not been assessed.

Ireland's 2024 assessment

Threat value	Vulnerability value	Risk Score	Risk Rating
n/a	n/a	n/a	n/a

4. Annex 1: Non-Profit Sector

Non-profit organisations include clubs, societies, social enterprises, NGOs and religious bodies, including churches. Ireland has very many small non-profit organisations. Many non-profits in Ireland are not incorporated in any way. There are in excess of 34,000 non-profit organisations in Ireland⁷. Of these, 11,526 are registered charities as of end September 2023.⁸ In addition, there are approximately 12,000 sports clubs that are not eligible to be registered as charities. Ireland makes a legal distinction between charities and other forms of non-profit organisations. The Charities Regulator has no remit over those organisations that do not fall within the definition of charity under the Charities Act 2009. Analysis carried out by Benefacts of 2020 data suggested that the majority of non-profits in Ireland were not registered charities, with registered charities accounting for approximately one-third of the NPOs in Ireland.⁹

Benefacts' analysis of the 2020 data found that greatest number of non-profits are centred on local development, recreation and sports, and the education and research sectors.

FATF and the definition of non-profit organisation

At present, there is neither a common legal definition of an NPO in EU law nor a comprehensive legislative framework at EU level. Thus, NPOs are not directly included in the EU AML/CFT framework, following a similar approach as for other legal entities, foundations and legal arrangements in Union law and under the international standards of the FATF.

FATF is interested in a specific sub-set of non-profit organisations, which it defines as: "A legal person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of "good works".¹⁰

However, the FATF definition of 'non-profit organisation' does not directly correspond with the Irish policy understanding of a community and voluntary organisation. The FATF definition of an

⁷ [Benefacts - Non-Profit Sector Analysis 2021 \(benefactslegacy.ie\)](https://benefactslegacy.ie)

⁸ Charities Regulator, Annual Report, 2021: <https://www.charitiesregulator.ie/media/4492/charities-regulator-annual-report-2021-en.pdf>

⁹ [benefacts-nonprofit-sector-analysis-2020.pdf \(benefactslegacy.ie\)](https://benefactslegacy.ie)

¹⁰ [FATF Recommendations 2012.pdf.coredownload.inline.pdf \(fatf-gafi.org\)](https://www.fatf-gafi.org)

NPO would also appear to take into consideration fundraising with a purpose to benefit an individual or potentially its own membership ('fraternally').

By contrast, the Government's [Sustainable, Inclusive and Empowered Communities: A Five-Year Strategy to support the Community and Voluntary Sector in Ireland 2019-2024](#) recognizes that community and voluntary organisations typically share a common social purpose and features. These organisations are:

- **organised**, as distinguished from informal or ad hoc, purely social or familial groupings, and they have an institutional presence or structure,
- **non-profit distributing**, insofar that they do not return profits to a set of managers or owners,
- **independent**, particularly from Government and other public authorities,
- **voluntary**, containing some element of voluntary or unpaid participation,
- **self-governing** and in control of their own affairs, and
- **involved in activity contributing to the public good.**

Charities and the Charities Regulator

All charities operating in Ireland must be fully registered on the Register of Charities. It is an offence for an unregistered charitable organisation to carry on activities in the State.

There are three questions which would-be charities must answer:

1. Does your organisation operate in Ireland?
2. What is your organisation's charitable purpose?
 - The Charities Act 2009 sets out specific categories of charitable purpose. These are:
 - i. Relief of poverty or economic hardship
 - ii. Advancement of education
 - iii. Advancement of religion
 - iv. Other purpose that is of benefit to the community (as defined in section 3(11) of the Charities Act 2009)
3. Does your organisation generate a 'public benefit'?

As of September 2023, more than 11,500 organisations have been registered with the Charities Regulator. In 2022, schools accounted for just over 32% of all entries on the Register of Charities.¹¹

The Charities Regulator has introduced changes to the Annual Report which registered charities are required to submit to the Regulator from 2022. These changes are to assist in the gathering of information regarding international transfers of funds. Registered charities must report the total of all international transfers of funds both in to and out of the State, list the countries involved, and set out the method used to transfer those funds. The collection and analysis of this data will assist with the identification of charities that may be more exposed to TF risks.

The Charities Regulator monitors information submitted by charities in their Annual Reports and issue targeted communication to charities that they have financial transactions with countries placed under 'Increased Monitoring' or are 'High Risk' countries. This is to make them aware of the potential risks involved, to remind charity trustees of their obligations to ensure that due diligence and monitoring procedures are in place, and to seek assurances as appropriate. These charities are also referred to the 'Guidance on Anti-Money Laundering and Counter-Terrorist Financing for Charities' which is available on the Regulator's website.

In addition, as part of their work to raise awareness of the risks of ML and TF for charities, every year the Charities Regulator hosts a webinar on money laundering and terrorist financing, which includes presentations with members of An Garda Síochána who work in the area.

Why do some non-profits not register as charities?

There are some organisations that do not qualify for charitable status as they are specifically excluded by the Charities Act 2009 and these include:

- Organisations established solely for the promotion of athletic or amateur games or sports;
- Trade unions;
- Political parties;
- Lobbyists;
- Chambers of commerce;

¹¹ Charities Regulator, Annual Report, 2021: <https://www.charitiesregulator.ie/media/4492/charities-regulator-annual-report-2021-en.pdf>

- Fundraising groups who are set up solely to fundraise for charities that are already registered;
- Fundraising groups who are set up solely to help a particular person (examples include, but are not limited to, medical treatment).

Sports clubs are not regarded as charities, and have their own Revenue tax exemptions.

Some other not-for-profit organisations do not meet the charitable status test, such as certain social enterprises.

There are also member organisations that are set up as non-profit for the benefit of their members, rather than meeting the condition of benefiting the community as a whole.

Charities, non-profits and the role of departments and agencies

The Department of Rural and Community Development has governance oversight of the Charities Regulator and policy responsibility for the community and voluntary sector overall. However, the charity sector itself operates in a complex and cross-cutting policy environment.

Individual charitable organisations fall under the remit of – and are often funded by – the respective departments under whom policy for a particular area resides. For example, the Health Service Executive (HSE) is a registered charity.

Similarly, there are thousands of non-charity NPOs, the majority of which do not fall under the policy remit of the Department of Rural and Community Development. For example, amateur sporting groups such as the GAA - while non-profit organisations – fall under the policy remit of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

Given the number of non-profits operating in Ireland and the fact that only around a third are registered charities, this presents a complex picture. Individual departments and agencies tend only to have sight of the charities and non-profits operating within their policy area or dependent on them for funding. What is missing is a single, unified overview of the sector.

The launch of the [Directory of Irish Nonprofits](#) in 2022 was a welcome development. The Directory lists all non-profit organisations registered in Ireland in 2022 whether as an incorporated or unincorporated charity, a charter body, an entity with tax relief, a company limited by guarantee, a friendly or industrial society with public benefit purposes, a primary, secondary or higher education institution, or a political party. This information is sourced from regulatory filings made by the non-profits themselves during 2022 and is derived from public registers. However, it does not include some 12,000 locally registered associations, clubs and societies and some

4,000 local branches of church bodies, whose data is not freely available under open data regulations. Nor does it include unincorporated networks such as the Ukraine Civil Society Forum of the Immigrant Council of Ireland. While the launch of the Directory is welcome and represents a useful consolidation of otherwise disparate information, the Directory does not capture all of the non-profits operating in Ireland that might fall within FATF's definition of a non-profit.

Non-profits and terrorist financing

Irish law enforcement is aware of the risks around the potential misuse of the not-for-profit sector for the purposes of terrorist financing. Some NPO activities may involve a higher risk, depending on the funding sources (unknown/cash/international sources/high-risk countries), how funds are distributed, the types of activity, or beneficiaries (unknown/high-risk countries/high-risk customers/use of informal channels for sending money across borders). These risks increase when no formal banking channels are available for money transfers to and by NPOs due to de-risking practices by financial institutions. Several Irish international NGOs have advised the Department of Foreign Affairs of serious concerns in relation to certain countries' interpretation of FATF's NPO definition; it has been used to substantially curtail civil society space and consequently, the transfer of programmatic funds in these areas is becoming increasingly difficult.

In the context of domestic terrorism, Irish law enforcement have encountered attempts by persons suspected to be associated with dissident republican activities to involve themselves in or establish charitable organisations. It is suspected that this may be done with the aim of facilitating TF/ML. Law enforcement and the Charities Regulator have an excellent working relationship that aids monitoring of these instances. AGS has previously utilised the Street and House to House Collections Act 1962 to prevent 'collections' from the public for people imprisoned for terrorism-related activity.

In the context of international terrorism, conflict areas where extremists operate are often simultaneously areas of humanitarian crisis. This presents several challenges to Irish law enforcement. Firstly, the sending of money to areas of humanitarian crisis provides a plausible rationale for the transmission of funds. Secondly, little is known about the ultimate recipient(s) of the funds and/or their actual use.

Although NPOs are not a designated entity for the purposes of submitting STRs to the Financial Intelligence Unit (FIU) of An Garda Síochána, the FIU does receive STRs from other financial and non-financial sectors which could highlight transactions potentially linked to the misuse of this sector. For example, the financial institutions used by this sector are obliged to make STRs to report suspicious transactions into or out of the bank accounts used by NPOs and charities:

this could include, for example, unusual or suspicious transactions to high-risk jurisdictions or conflict zones.

The Department of Foreign Affairs is an important funder of non-profit organisations overseas. The Department's principal development and humanitarian funding mechanisms for NGOs are based on a robust set of criteria. These include a focus on organisations' governance, financial management, financial control, and risk management procedures. Organisations are required to have clear policies and procedures in place with regard to on-granting of funds and procurement. These NGOs are subject to rigorous financial and narrative reporting requirements on an annual basis, as well as intensive monitoring and evaluation procedures. As a grant-making body, the Department of Foreign Affairs is subject to the public financial management principles, procedures and reporting requirements outlined in Department of the Public Expenditure and Reform Circular 13/2014: Management of and Accountability for Grants from Exchequer Funds. In addition, all Irish international NGOs in receipt of funding from the Department of Foreign Affairs are expected to follow guidance documents made available by the Charities Regulator on its website, including in relation to anti-money laundering and counter terrorist financing legislation.

In preparation for forthcoming obligations and evaluations arising from membership of both the European Union and FATF, the Department of Finance has commissioned a Risk Assessment Partner ("RAP") to assist in the completion of national sectoral risk assessments in relation to anti-money laundering and counter terrorist financing in Ireland. It is anticipated that the RAP will take forward a sectoral risk assessment of the terrorist financing and anti-money laundering threat posed to the non-profit sector with an estimated completion by the close of 2025.