



Financial Intelligence  
Unit

# **TERRORISM. TERRORISM FINANCING IN LATVIA**

INFORMATIVE MATERIAL

There is no common definition of terrorism at the international level.

# What is terrorism?

In Latvia terrorism is defined as the use of **explosives, use of fire, use of nuclear chemical, chemical, biological, bacteriological, toxic or other weapons of mass destruction, mass poisoning, spreading of epidemics or epizootic diseases, kidnapping of persons, taking of hostages, hijacking of air, land or sea** means of transport or other activities if they have been committed for the purpose of intimidating inhabitants or for the purpose of inciting the State, its institutions or international organisations to take any action or refrain therefrom, or for the purpose of harming the interests of the State or its inhabitants or international organisations. <sup>1</sup>

<sup>1</sup> Section 79.1 of the Criminal Law.

# WHAT TYPE OF LIABILITY IS FORESEEN FOR TERRORISM?

Terrorism is subject to **criminal liability** – life imprisonment or deprivation of liberty for a period of ten years and up to twenty years, with or without confiscation of property and with probationary supervision for a period up to three years.<sup>2</sup>

# WHAT IS FINANCING OF TERRORISM?

Financing of terrorism is the direct or indirect collection or transfer of financial funds or other property acquired **by any form with a view** to use them or **by knowing** that they will be fully or partly used to carry out one or several of the following activities:

- ✓ terrorism;
- ✓ travelling for the purposes of terrorism;
- ✓ involvement in a terrorist group, organisation or directing thereof;
- ✓ recruiting, training or self-training of a person for terrorism, as well as other activities determined in regulatory enactments.<sup>3</sup>

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Terrorism financing is also the direct or indirect collection or transfer at the disposal of a terrorist group or an individual terrorist of financial funds or property acquired by any means.<sup>4</sup>

<sup>2</sup> Section 79.1 of the Criminal Law.

<sup>3</sup> Section 5, Paragraph three of the PMLTPF Law

<sup>4</sup> Section 5, Paragraph four of the PMLTPF Law

# WHAT TYPE OF LIABILITY IS FORESEEN FOR TERRORISM FINANCING?

Financing of terrorism is subject to **criminal liability** – life imprisonment or deprivation of liberty for a period from eight to twenty years, with or without confiscation of property and with probationary supervision for a period up to three years.

## WHAT ARE THE PHASES OF TERRORISM FINANCING?

- 1 Attraction of funds:** the first phase where the main goal is to attract funds both from legal sources (donations from individuals, remuneration, social payments, collection of funds using charitable organisations, loans, etc.) and criminal sources (funds are acquired as a result of criminal activity (fraud, sale, trade in narcotic substances and/or weapons, theft, etc.)).
- 2 Movement of funds:** second phase where legal and/or illegal mechanisms are used to move the collected funds (bank transfer, money transfer, transactions in cryptocurrency, money couriers, parallel financial systems (“hawala”)).
- 3 Use of funds:** the third phase in which funds are used for terrorism or activities and support related thereto (propaganda, planning and preparation of terrorist acts, recruitment, training, provision of equipment, etc.).

# TERRORISM FINANCING IN LATVIA

According to National PMLTPF risk assessment report for the period of 2017 – 2019, **threats of terrorism financing in Latvia are low**, since there is low level of terrorism threats. Although there are several internationally known terrorist groups that cause threats of terrorism financing also in Latvia, in the cases when terrorist attacks were investigated, the use of the Latvian financial system has not been established in their financing.



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Responsible State institutions carry out a wide set of preventive activities to reduce the threat of terrorism financing.

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**The vulnerability of terrorism financing in Latvia is low.** Latvia has developed a financial sector wherein services are provided that might be used for terrorism financing. However, the understanding of subjects of the PMLTPF Law about terrorism financing and bypassing of sanctions has improved significantly, as well as their ability to identify suspicions about terrorism financing and bypassing of sanctions. Awareness of the State institutions regarding terrorism financing and bypassing and violation of sanctions has increased.

# TERRORISM FINANCING IN LATVIA

Even though terrorism financing cases have not been established in Latvia, nevertheless, according to the National PMLTPF risk assessment report for the period of 2017 – 2019, Latvia may be used in terrorism financing in the following ways (non-exhaustive list):

- ✓ In the event of possible radicalisation of inhabitants of Latvia, terrorism financing may occur as self-financing (including by using financial services);
- ✓ In the event of possible radicalisation of inhabitants of Latvia, terrorism financing may occur by obtaining funds from family members or relatives (including by using financial services);
- ✓ criminals and terrorist groups may use Latvian financial systems for the performance of transfers for terrorism financing purposes as a part of a chain of complicated transactions.

## ADDITIONAL INFORMATION

[https://likumi.lv/ta/id/88966-kriminallikums;](https://likumi.lv/ta/id/88966-kriminallikums)  
<https://likumi.lv/ta/id/178987-noziedzigi-iegutu-lidzeklu-legalizacijas-un-terorisma-un-proliferacijas-finansesanas-noversanas-likums;>  
[https://fid.gov.lv/;](https://fid.gov.lv/)  
[https://vdd.gov.lv/lv/darbibas-jomas/pretterorisms/;](https://vdd.gov.lv/lv/darbibas-jomas/pretterorisms/)  
[https://vdd.gov.lv/lv/noderigi/informativi-materiali/;](https://vdd.gov.lv/lv/noderigi/informativi-materiali/)  
<https://www.mfa.gov.lv/arpolitika/par-eiropas-savienibas-ierobezojiem-pasakumiem>