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Letter dated 7 February 2007 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached third report of Nigeria submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ricardo Alberto **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

07-26025 (E) 140307

Annex

Letter dated 27 September 2006 from the Permanent Representative of Nigeria to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

I have the honour to forward herewith Nigeria's country report on counter-terrorism for the year 2006, for your information and circulation in the usual manner (see enclosure).

(*Signed*) Aminu B. **Wali**
Ambassador
Permanent Representative

Enclosure

Country report of Nigeria on counter-terrorism

Introduction

The idea of terror evoked a strong feeling of extreme fear to make one to be very afraid of a violent action or the threat of violence that is intended to cause fear. To terrorize somebody or some people is often aimed at threatening them so that they will act as they are told. In Nigeria, there are many tendencies that can generate such violent actions that are occasioned by illicit individuals and groups acting violently to produce fear among the populace, with the objective of extorting some advantages that could produce economic, political, religious or social benefits.

Background

With an estimated 150 million people, Nigeria is the biggest country in Africa. At the dawn of Nigerian independence in October 1960, what the British colonial administration handed over to the Nigeria political elites was a product of their colonial policy of association which was implemented through a fractuous doctrine of Divide and Rule. The un-elected Governor General, who ran a dictatorship, handed over a power structure that he never shared with anybody, to a group of political elites overseeing vast heterogeneous and un-amalgamated ethnic communities and political societies. Yet these communities were obliged to live together democratically within a territory in a milieu of social inequalities and struggles for political recognition and domination. The ensuing anachronism spelt crises and conflict in the absence of a democratic political culture.

Geographical Location

Nigeria is located at the heart of Africa overlooking West and Central Africa sub-regions, and at the Southern centerpoint of the trans Saharan trade route with North Africa. Nigeria's location was also the nucleus of the infamous slave, merchant and oil routes of the Gulf of Guinea with broad perspectives and influences of a wide triangular world trade linking Africa, Europe and the Americas till today.

Risk and Terror Profile

The above factors have played out in various degrees on fomenting discord to the extent that Nigeria faces numerous risks of conflict and crises arising from the following:

- her roles in the West African sub-region
- her prominent role in the Gulf of Guinea sub-region
- resource control
- youth restiveness
- religious fanaticism and intolerance
- ethnic militia
- armed banditry
- greed and kleptomania
- political intransigence

- political thuggry
- war-lordism
- cultist groups
- corruption
- illegal oil bunkering
- influences of international terrorist groups
- poverty
- illiteracy

The Nigerian psyche is that of a national struggle and a drive to achieve above the others. The above stimuli therefore merely promote the impetus that could be exploited by demagogues. Consequently, delinquent youths and street urchins in the metropolis have become easy tools that could be used to commit acts of terrorism.

TERRORISM

In Nigeria, we believe that an act of terrorism means an act which:

a) May seriously damage a country or an international organization and
b) Is intended or can reasonably be regarded as having been intended to:

(i) unduly compel a government or international organization to perform or abstain from performing any act;
(ii) seriously intimidates a population;
(iii) seriously destabilize or destroy the fundamental political, constitutional, economic or social structures of a country or an international organization or
(iv) otherwise influence such government or international organization by intimidation or coercion and

c) Involves or causes as the case may be
(v) attacks upon a person's life which may cause serious bodily harm or death;
(vi) attacks upon the physical integrity of a person;
(vii) kidnapping of a person;
(viii) destruction of a government or public facility, a transport system, an infrastructural facility, including an information system, a fixed platform located on the continental shelf, a public place or private property, likely to endanger human life or result in major economic loss;
(ix) the seizure of an aircraft, a ship or other means of public or goods transport and the use of such means of transportation for any of the purposes in sub-paragraph (iv) above;
(x) the manufacture, possession, acquisition, transport, supply or use of weapons, explosives or of nuclear biological or chemical weapons, as well as research into and development of biological and chemical weapons without lawful authority;
(xi) the release of dangerous substance, or causing of fires, explosions or floods, the effect of which is to endanger human life;

(xii) interference with or disruption of the supply of water, power, or any other fundamental natural resources, the effect of which is to endanger life;

(xiii) propagation and dissemination of information or information materials in any form or mode whether true or false calculated to cause panic, evoke violence or intimidate a government, group of persons or a person.

Financial and Economic Assets Freeze

The September 11, 2001 attacks in the US raised the question of terrorism and terrorist financing to the front burner in the banking and financial sector of all countries, including Nigeria. Since then, the Central Bank of Nigeria (CBN) has stepped up its regulatory responsibility in ensuring that accounts opening and monitoring of financial transactions are carried out within the framework of a risk-based regime. This has been supported with the deployment of the Enhanced Financial Analysis and Surveillance Systems (e-FASS) which is a web-based reporting application jointly implemented by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC).

The Nigerian Financial Intelligence Unit (NFIU) also became operational in January 2005. It is now the only central body responsible for the receipt, analyses and dissemination of intelligence packages to law enforcement agencies and regulations. It also exchanges information with other FIUs around the world. It receives Suspicious Transaction Reports (STR) and Currency Transaction Reports (CTR) from banks, other financial institutions and designated financial institutions.

The NFIU has a counter-terrorism unit which in conjunction with other law enforcement and security agencies, is responsible for the monitoring of Nigeria's exposure and vulnerability to domestic and international terrorism, monitor developments and trends in domestic and international terrorism, assess and evaluate the potential and scope of terrorism in Nigeria, and formulate strategy and action plans to tackle the manisfestations of terrorist financing in Nigeria.

It has so far profiled Militant Groups, Non-Governmental Organizations and Non-Profit Organizations, to determine their bases of operations and sources of funding. The Unit is also monitoring and developing data bases on illegal oil bunkering/mining activities, individuals/groups involved, their affiliates and patrons, sources and destinations of the financial proceeds.

The offence of terrorism and terrorist financing is provided for under Section 15 of the EFCC Act 2004. Under this law, assets of terrorists and their associates can be frozen and confiscated. They can also be tried and convicted by a competent Court if found guilty.

Implementation

The provisions of the EFCC Act relating to terrorism are being vigorously enforced. So far, two convictions at the Federal High Court, Kaduna dated October 10, 2004 and October 21, 2005, have been recorded on acts of terrorism. Besides, the EFCC has taken steps to ensure compliance with the United Nations Resolution 1267. Following the information furnished by the UN and United States Embassy in Nigeria, alleging that **Nasco Group Nigeria Ltd** is owned by **Ahmed Id**ris **Nasreddin**, a designate of both the US and UN as an individual belonging to or associated with Al Queda, the Taliban or Usama bin Ladin, the Federal High

Court sitting in Abuja on Friday, March 3, 2006, granted an application stopping and freezing the financial and economic assets including business properties and things within Nigeria, belonging to or associated with Ahmed Idris Nassreddin, Nastrade Nigeria Ltd and 3 other companies in that Group. The assets were accordingly forfeited to the Federal Government of Nigeria in the interim.

The Nigerian Department of State Services has also done considerable work in respect of tracking down terrorists and freezing and/or seizing their assets. It has set up Counter-Terrorism Centres in Lagos, Kano, Maiduguri and Abuja to facilitate its surveillance.

In 2005, the Service arrested six (6) local Taliban extremists returning from GSPC terrorist Camp. The money in their possession was also seized. It had in 2002 fouled attempts by GSPC to establish terrorist cells in Katsina and Kano in Nigeria. The leader of the network, **Yakubu Musa Kafanchan** was arrested and prosecuted and money and equipment found in their possession confiscated.

Similarly, the activities of **Haruna Shahru**, another agent of GSPC financing extremist and terrorist activities by laundering proceeds from smuggled goods was detected and dismantled. Several properties including technical equipment were seized and Mr. Shahru arrested and detained.

Another attempt in 2003 by another Taliban Group to set up Camp in Yobe State was dismantled.

Banking secrecy and confidentiality has been abolished in Nigeria by virtue of Section 12(4) of the Money Laundering (Prohibition) Act 2774.

At the regional level, Nigeria has contributed greatly to operationalization of GIABA, the West African FATF style regional body, established to combat money laundering and terrorist financing in the sub-region.

Extraction Treaties

The offences set forth in the relevant international conventions and protocols relating to terrorism are included as extraditable offences in bilateral treaties to which Nigeria is a party.

The provisions of the Extradition Act are used to deny safe haven to terrorists. Relevant for this purpose are the provisions as contained in sections 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 of the Extradition Act. Cap 125 Laws of the Federation 1990.

The Nigerian Report to the CTC S/2003/308 indicated that the Extradition Act Law of the Federation 1990 is being used to deny safe haven to terrorists (e.g. case Hamama Belkacem, Algerian belonging to Islamic Salvation Army, who was extradited to Algeria).

There are provisions under Part II of section 35 of NDLEA Act, which, for the purpose of extradition, make the illegal acts under the Act extraditable offences.

Mutual Legal Assistance Laws and Treaties

Exchange of operational information has been intensified through enhanced working relationship between Nigeria and the International Police (Interpol) and other states as well as through the operational mechanisms of the Nigerian Intelligence Agency (NIA). The new Nigeria Financial Intelligence Unit (NFIU) has also commenced the sharing of financial intelligence information with other FIUs around the world and has entered into MoUS with several FIUs for purposes of sharing information and data.

Nigeria has entered into bilateral agreements on mutual legal assistance and extradition with a number of countries amongst which are the United Kingdom, South Africa, United States of America, Thailand, Benin, Ghana, Togo, Spain, Ireland and Italy.

Status of Ratification and Compliance with Conventions

Nigeria has signed 12 and ratified 7 of the 13 major multilateral international Conventions relating to the prevention and suppression of international terrorism. They are as follows:

S/No	Convention Protocol, Agreement, etc.	Date of Convention Protocol Agreement, etc.	Date of Ratification	Date of Accession
1.	Accession to the Convention for the suppression of Unlawful Acts Against safety of Civil Aviation 1971	26th August, 2000	31st December, 2002	
2.	Accession to the Convention for the suppression of Unlawful Seizure of Aircraft 1970	26th August, 2000	31st December, 2002	
3.	Protocol on the Suppression of unlawful acts of violence at Airport serving International Civil Aviation, Supplementary to the Convention on the Suppression of unlawful acts against the safety of Civil Aviation done in MONTREAL on 23rd September, 1977	23rd September, 1971		
4.	Convention on the Suppression of the Financing of Terrorism	9th December, 1999	28th April, 2003	
5.	Convention on the Prevention and Combating of Terrorism	14th July 1999	28th April, 2003	
6.	Instrument of Accession to the Convention for the Suppression of Unlawful Acts Against the safety of Civil Aviation, 1971	26th August 2000	31st December, 2002	
7.	Instrument of Accession to the Convention for the Suppression of Unlawful Seizure of Aircraft 1970	26th August 2000	31st December 2002	
8.	Instrument of Accession to the Convention for the Offences and Other Acts Committed on Board Aircraft 1963	26th August, 2000	31st December, 2002	

Nigeria has also ratified the following important Conventions:

Dates of Ratification of Accession	**TOC**	**28 JUNE 2001**
	Protocol (Trafficking in Persons)	28 June, 2001
	Protocol (Smuggling of Migrants)	27 September, 2001
	Protocol (Trafficking in Firearms)	Not Ratified
	CAC	14 December, 2004

Domestication of International Conventions

Nigeria has prepared a draft stand alone Bill which is now before the National Assembly for passage into law. Suggestions made at the September 2005 UNODC/TPB national experts seminar were incorporated. The Provisions of the new Bill contains clauses for prevention and punishment of terrorist acts operating from Nigeria.

The Nigerian Report to the CTC S/2002/69 indicated that the conventions and protocols, which have not been signed or ratified, are presently being considered and processed.

At the end of the National Experts Workshop organized by UNODC/TPB in September, 2005 in Nigeria, the participants adopted a comprehensive Plan of Action, including the following actions:

(a) Take the necessary steps for Nigeria to become a State Party to the following Conventions and Protocols by March 2006:

- Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, 1973;
- International Convention Against the Taking of Hostages, 1979;
- Convention on the Physical Protection of Nuclear Material, 1980;
- Protocol for the Suppression of Unlawful Acts Against the Safety of Fixed Platforms Located on the Continental Shelf, 1988;
- International Convention for the Suppression of Terrorist Bombings, 1977;
- Protocol Against the Illicit Manufacturing of and Ammunition, Supplementing the United Nations Convention Against Transnational Organized Crime, 2001;
- Convention for the Suppression of Acts of Nuclear Terrorism, 2005.

(b) Amend and forward to the Federal Executive Council the revised version of the Bill for An Act to Provide for Measures to Combat Terrorism and For Related Matters ("Anti-Terrorism Bill") by December, 2005, which takes into account the suggestions made in the Working Paper presented by the representatives of the United Nations on Drugs and Crime (UNODC) during the workshop and the United Nations Security Council resolution 1624 (2005) concerning incitement to commit terrorist acts;

(c) Rephrase Section 11 of the Anti-Terrorism Bill in order to ensure that not only cash but all funds used, collected or allocated for the financing of terrorist acts can be frozen without delay and upon request of competent national or foreign authorities in accordance with United Nations Security Council Resolution 1373 (2001);

(d) Forward to the Counter-Terrorism Committee and the Committee established pursuant to Security Council 1267, the required supplementary reports as soon as possible.

Nigeria has participated in several regional conferences (see list of technical assistance in section 2.1.b) where it has, together with other participating countries, expressed its commitment to ratify or access to the international instruments on counter-terrorism.

Legislation Applicable to the Transfer of Funds

The Central Bank of Nigeria, the apex financial regulator, by virtue of the Central Bank Act No. 24, 1991 and the Banks and other Financial Institutions Act No. 25, 1991, regulates all transfer of funds to and from Nigeria. Also, by virtue of Section 2(1) of the Money Laundering (Prohibition) Act 2004, it is mandatory for any transfer to or from a foreign country of funds or securities of a sum exceeding $10,000 or equivalent by any person or corporate body to be reported to the NFIU through the Central Bank of Nigeria. By virtue of Section 2 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995, all reports of declarations of $5,000 or its equivalent made to the Nigerian Customs Service are forwarded to the Nigerian Financial Intelligence Unit (NFIU).

The Central Bank has issued several circulars guiding the operations of foreign exchange. In all such circulars, strict adherence to the Know Your Customer (KYC), Customer Due Diligence (CDD) principles are emphasized. It must be noted also that under the Money Laundering (Prohibition) Act 2004, all suspicious transactions must be reported by financial and designated financial institutions. Furthermore, under Section 10, there is a currency transaction reporting regime also making it mandatory for all financial institutions to report transactions of a certain threshold. In case of individuals, it is N1million ($7,500) or corporate bodies N5million ($37,037). All these reports are filed with the Nigerian Financial Intelligence Unit (NFIU). This Unit analyses them and develops intelligence packages.

Western Union transfers are also regulated by the Central Bank. Only licensed Banks appointed as agents by Western Union operators are authorized to act as collection points. Identities of beneficiaries of Western Union transfers are verified and documented before payments are made. The EFCC, in conjunction with Western Union, are presently working on an elaborate scheme to effectively track down the use of Western Union facilities to launder funds obtained from fraud and other criminal activities.

ALTERNATIVE FINANCIAL SYSTEMS

Besides the traditional formal financial institutions, there also operate Community Banks and other Micro-finance institutions in Nigeria. These Banks which by the new Central Bank directive will transit into Micro Finance Banks by December 2007, serve the largely low-income communities and the rural and urban areas in Nigeria without access to financial services. This segment of Nigerians is estimated at about 65% of the population. These institutions are therefore meant to enhance

the latent capacity of the rural poor for entrepreneurship, generate employment, enhance household income and create wealth.

The focus of the CBN in formulating the Micro-finance policy is amongst others, to promote synergy and mainstreaming of the informal sub-sector into the national financial system. The policy is also to strengthen the regulatory and supervisory framework for Micro-finance Banks.

These Banks operate largely as a single Unit institution. Their vulnerability to money laundering and terrorist financing are generally very low. Nevertheless, the Central Bank ensures that measures against the scourge of terrorist financing are applicable to them equally. All CBN circulars on Know Your Customer principle and the filling of suspicious transactions reports to the NFIU are applicable to them and they are in compliance. They are also required to disclose their sources of funds, in compliance with the Money Laundering (Prohibition) Act. 2004.

TECHNICAL ASSISTANCE

Assistance received

(a) BY UNODC: Bilateral

The UNODC/TPB organized a National Expert Workshop (26-30 September 2005) aimed at providing technical legal advice for the implementation of the universal legal framework against terrorism. In addition to making presentations on the universal instruments, the TPB discussed possible amendments to the Nigerian Anti-Terrorism Bill. Among such proposals were: the extension of the scope of application of the Bill to cover all the offences set forth in the universal instruments against terrorism; the re-fining of language used to criminalize certain support conducts; explicit reference to the prohibition to invoke the political nature of the offence in extradition matters; the inclusion of broad legal authorities to ensure the freezing of terrorist assets; the setting up of an appropriate regulatory framework enabling financial institutions to detect and report suspicious transactions linked to terrorist financing, to be adopted either through amendments to the current Anti-Terrorism Bill or by extending the scope of application of the existing Money Laundering (Prohibition) Act 2004.

(b) By UNODC: Sub-regional or regional

UNODC/TPB conducted a Sub-Regional Experts Seminar in Bamako, Mali, to assist African States to implement the universal anti-terrorism instruments as well as the TOC Convention and its Protocols (25-28 November 2003). A representative of Nigeria participated.

The UNODC/TPB organized a Regional Expert Workshop on the ratification and implementation of the UN instruments against terrorism, corruption and transnational crime as well as on the drafting of the reports to the Counter-Terrorism Committee of the United Nations Security Council in Praia, Cape Verde, (8-10 December 2004). Nigeria made a request to UNODC to receive technical assistance in matters relating to the training of experts in the universal instruments against terrorism and transnational organized crime.

The UNODC organized the Round Table for Africa in Abuja, Nigeria (5-6 September 2005) gathering all African States, including Nigeria on 'Crime and drugs as impediments to security and development in Africa: Strengthening the Rule of Law'. A number of actions were proposed in order to attain key priorities such as to promote and support the ratification and implementation of the anti-terrorism instruments, to strengthen national criminal justice institutions, to establish national central authorities for handling mutual legal assistance and extradition matters, and to provide support to the Algeria based African Centre for the Study and Research on Terrorism.

(c) By Others

The Commonwealth Secretariat organized a Workshop on Legislative Measures to Combat Terrorism (12-16 May 2003) from West and Central African sub-region, in Banjul, The Gambia. One of the proposals made was the organization of another training workshop on capacity building in law enforcement cooperation within the framework of the fight against Terrorism. A representative of Nigeria participated.

The International Maritime Organization (IMO) – maritime security: Regional Seminar/Workshop for West and Central Africa countries (Nigeria, 31 March – 3 April 2003)/National seminar/workshop (21-25 July 2003).

The US Department of Justice, Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) organized a 4-day seminar on Financial Crimes, Asset Forfeiture and Money Laundering Programme for Prosecutors and law enforcement officials from February 21-23 2006, in Abuja. Various topics, including Trends and Methods in Terrorist Financing, Terrorism Financing and Money Laundering, etc., were elaborately discussed.

COMMENTS

In pursuit of Nigeria's compliance to the obligations of member states to Security Council Res. 1257 of 1999, Nigeria has gone ahead to implement the provisions of the Security Council in detriment to innocent Nigerian citizens who are in no way connected to or have links with Al-Queda, Taliban or associated individual and groups. Nigeria's action was, however, based on information furnished by the UN and the USA, of individuals in their list of those collaborating with Al-Queda, Taliban and others.

In Nigeria, there are as many as 4,000 innocent Nigerians whose livelihood depend on the economic activities of Limited liability companies where Ahmed Idris Nassreddin has share equity. One must equally therefore, look at the obligations of member States to protect the interest of their citizens especially where they are proven to be innocent of any dealings with Al-Queda, Taliban and the rest. It may be too harsh on Limited Liability Companies in Nigeria that have legal recognition in Nigeria to have their finances and assets frozen especially just because of one out of several shareholders where innocent Nigerians depend on them for their livelihood and those of their families. A balance must therefore be found whereby in pursuit of our obligations to the Security Council, we should not be seen as neglecting our obligations to protect innocent Nigerian citizens.