

**Security Council**

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**Letter dated 27 August 2003 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**

I write with reference to my letter of 21 May 2003 (S/2003/588).

The Counter-Terrorism Committee has received the attached third report from the Sudan 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) Inocencio F. **Arias**
Chairman

Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

Annex

Letter dated 11 August 2003 from the Permanent Representative of the Sudan to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

I have the honour to enclose herewith the supplementary report of the Government of the Republic of the Sudan in response to your letter dated 9 May 2003 (see enclosure).

(Signed) **Elfatih Erwa**
Permanent Representative

Enclosure

[Original: Arabic]

Third report of the Government of the Sudan in response to the questions of the Counter-Terrorism Committee contained in its letter dated 9 May 2003

Paragraph I: Implementation measures

1.2 International Convention for the Suppression of the Financing of Terrorism

The Sudan has completed the procedures for ratification and deposited the instrument of ratification with the Secretary-General of the United Nations in May 2003. The Sudan has thus ratified all 12 United Nations treaties concerning counter-terrorism together with all the regional instruments and the counter-terrorism conventions of the Organization of the Islamic Conference and the African Union.

The United Nations Convention against Transnational Organized Crime is currently with the Council of Ministers for authorization of the completion of the legal procedures for ratification.

1.3 Domestic legislation to combat money-laundering

By its decision No. 119/2003 of 9 March 2003 (annex 1) the Council of Ministers approved the draft law with the proviso that its drafting must be consistent with international legislation on combating money-laundering, particularly in connection with related international crimes. The draft law is currently before the National Council (Parliament) for approval of its promulgation. In the meantime, the banks are obliged to combat money-laundering in accordance with the anti-money-laundering order of 20 May 2002 (annex 2) of the Bank of the Sudan (the Central Bank) the provisions of which are intended, in particular, to support international anti-money-laundering efforts. The bulletin of the Bank of the Sudan directs the banks to cooperate among themselves and with banks abroad in accordance with the laws and procedures in force.

The bulletin directs the banks to notify the Bank of the Sudan immediately of any suspect funds. It also introduces appropriate measures for the freezing of such funds or for referral of the matter to the competent judicial authorities. Bank officials are required to inform their supervisors immediately of any suspicions they may have concerning funds deposited in the Bank. The external auditor of the Bank is responsible for evaluating the Bank's implementation of the anti-money-laundering policy.

The anti-money-laundering bulletin of the Bank of the Sudan makes provision, with immediate effect, for the establishment of units to combat money-laundering. In implementation of that provision, and within the framework of the terms of reference of the Bank of the Sudan under the Act of 1959, the Governor of the Central Bank issued administrative order No. 26/2002 in August 2002 (annex 3) establishing the Bank's Financial Information Unit (FIU) which is mandated to receive information and reports from the banks and financial institutions, to analyse such material to verify the validity of the sources of funds and the uses to which they are put, to block reported transactions that are suspected of representing money-laundering or which are linked with terrorism or financial crime, to report on

them and to provide information on suspicious assets, frozen accounts and individuals and entities with which dealings are prohibited by order of the State.

The Unit is now carrying out its work within the Central Bank.

1.4 Working methods of banks and other money transfer agencies and the laws regulating their work

A licence to engage in banking operations is granted through the Central Bank after study of the necessary documents from the records of the company, its certificate of incorporation, the approval by the Registrar General of Sudanese companies and a certificate of good standing from the banks that deal with the company. The licences of the exchange agencies are renewed annually after verification that the agencies have complied fully with all the policies regulating their activities emanating from the Central Bank. The currency agencies have to retain statements of account, periodic reports and audit statements, and must keep methodical accounting records covering all operations performed which are submitted for verification to the inspectors of the Central Bank who revise them where required. The Central Bank also directly supervises the currency agencies and inspects them periodically.

The regulations require transfers abroad to be made through known correspondents, thereby simplifying the monitoring process, and the names and addresses of the party making the transfer and of the beneficiary and the date must be specified. The supporting documents must also be retained (annex 4).

Any operation involving foreign currency is regarded as falling outside the banking and exchange agency system and is a breach of the law for which the bodies concerned are held liable and penalized. The penalty may include confiscation of the funds involved in the operation in addition to other penalties under the relevant laws.

1.6 What are the procedures followed to deal with requests from other States in the matter of criminal investigations and judicial proceedings?

The Sudan applies procedures for judicial cooperation with respect to the handing over of offenders, the exchange of documents, the taking of evidence, requests for judicial assistance and other matters, in accordance with its obligations under international and regional instruments to which it is a party such as counter-terrorism conventions and the Riyadh Convention on Judicial Cooperation of 1983 and 1957 Extradition Act. It also cooperates on an ongoing basis with Interpol and, in the context of bilateral conventions, with several other States.

The Sudanese Act on the regulation of refugees of 1974, for example, permits the refusal of entry to a refugee who has committed a non-political crime outside the Sudan.

Under the provisions of these conventions the Sudan carries out its international obligations in connection with the facilitation of judicial investigations and procedures.

For example, in May 2003, the Sudan handed over to the Kingdom of Saudi Arabia a number of persons suspected of having been involved in terrorist activities. In February 2003, it handed over a person accused of hijacking a Saudi Arabian civilian aircraft. This took place in the context of judicial cooperation under the

Arab Convention on the Suppression of Terrorism of 1998, and the Riyadh Convention on Judicial Cooperation of 1983. The Sudan handed over the hijackers of the Ethiopian plane in accordance with a bilateral agreement between the two countries on extradition.

1.7 The Sudan has acceded to the 12 international instruments relating to the suppression of terrorism and a committee set up by the Minister of Justice (annex 5) is currently studying the domestic legislation and those instruments in order to ensure conformity with the international conventions. In general, domestic legislation such as the Anti-Terrorism Act of 2000, the Weapons, Munitions and Explosives Act of 1986 (annex 6), the Civil Aviation Act of 1999 (annex 7), the Penal Code of 1991 (annex 8), and other relevant legislation, provide penalties for crimes specified in those instruments.

Technical assistance

The Government of the Sudan has taken the initiative in the implementation of Security Council resolution 1373 (2001) concerning counter-terrorism by establishing and developing specialized units. The Ministry of the Interior has set up a counter-terrorism unit, the Bank of the Sudan has set up the Financial Information Unit and the Ministry of Justice has set up a specialized counter-terrorism agency (annex 9). There is also a coordinating agency for following up the implementation of resolution 1373 (2001) which includes various relevant State services and which makes recommendations as necessary to the State and its various services concerning the most appropriate means of implementing the resolution. It also prepares the necessary reports for the Counter-Terrorism Committee of the Security Council.

All these bodies are in need of technical support. A start on such cooperation was the visit to the Sudan in June 2003 of an expert of the World Bank in the field of money-laundering, an offer by friendly States to cooperate with the Sudan in this field and the offer by a friendly European State which expressed its willingness to support the counter-terrorism unit in the Ministry of the Interior.

The Government of the Sudan thanks the Counter-Terrorism Committee for its interest in the Sudan's request for technical support. When the Government has completed the information on its requirements, it will submit a comprehensive study to the Committee. The anti-money-laundering agency of the Central Bank will also contact the joint programme of the World Bank and the International Monetary Fund, as suggested in paragraph 2.3 of the above-mentioned letter from the CTC.

6 August 2003
