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## Terrorist Financing Basics – Definitions & Concepts (Foundational)

This sheet provides short, practical definitions and a simple comparison between terrorist financing and money laundering. It is designed as a quick-reference tool for frontline and operations staff.

### Key Definitions

Term	Plain-language definition
Terrorist financing	Collecting, moving, or using funds or other assets to support terrorist acts, individuals, or organisations, whether the money comes from legal or illegal sources.
Money laundering	Turning proceeds of crime into funds or assets that appear to come from legitimate sources so they can be used or invested without attracting attention.
Targeted financial sanctions	Measures that require freezing or restricting funds or assets of specific listed persons, entities, or groups, and prohibiting making funds or services available to them.
High-risk jurisdiction	A country or territory assessed as presenting higher risk for money laundering, terrorist financing, or sanctions evasion due to weaknesses in its controls, context, or exposure.
Non-profit organisation (NPO) risk	The risk that charities, foundations, or similar organisations may be misused to raise, move, or distribute funds for terrorist purposes, intentionally or unintentionally.

### How Terrorist Financing Differs from Money Laundering

Aspect	Terrorist financing	Money laundering
Source of funds	Can be legal (salary, donations, business income) or illegal (crime).	Typically from criminal activity such as fraud, corruption, drug trafficking, tax evasion, or organised crime.

Primary focus	The purpose of the funds – supporting terrorist acts, individuals, or organisations.	The criminal origin of the funds – disguising where the money came from.
Typical amounts	Often small or moderate amounts that may still have serious impact.	Often moderate to large amounts linked to profit-making crime.
Key controls	Sanctions screening, risk-based monitoring, NPO due diligence, attention to patterns and geography.	Customer due diligence, transaction monitoring, investigation of unusual activity, reporting suspicious transactions.

Use this sheet during training, onboarding, or team briefings. Encourage staff to explain each term in their own words and to discuss real examples from your institution.

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