

ANNEX – KEY DEFINITIONS OF THREAT, VULNERABILITY AND RISK RATING

Terrorism financing (TF) risks are viewed as a combination of threats and vulnerabilities (including controls), with consequences deemed as severe.

a. Definition of Threat Levels

TF threat is a measure of how terrorists / terrorist groups are known to be using / have used the various sectors for TF both regionally and locally.

Contextual factors (*e.g. presence of foreign community, status as international financial centre and transport hub etc.*) may influence the threat level.

High	Terrorists / terrorist groups are known to be using this sector <u>widely</u> for TF, both regionally and locally.
Medium-High	Terrorists / terrorist groups are known to be using this sector <u>widely</u> for TF regionally, and available information <u>points to the possibility of the sector being used locally</u> .
Medium-Low	Terrorists / terrorist groups are known to be using this sector <u>in some instances</u> for TF regionally, and available information shows <u>no indication of the sector being used locally</u> .
Low	Terrorists / terrorist groups are known to be using this sector <u>in rare instances</u> for TF regionally, and available information shows <u>no indication of the sector being used locally</u> .

b. Definition of Vulnerability Ratings

The vulnerability of a sector being exploited for TF is a function of its level of accessibility, exposure, and the strength of its controls.

High	High chance of the sector being exploited for TF. The sector can be used by terrorist / terrorist groups because of a <u>high</u> level of accessibility and exposure. In most cases, controls could also be weak.
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Medium-High	<p>Medium-High chance of the sector being exploited for TF.</p> <p>The sector can be used by terrorist / terrorist groups because of a <u>high</u> level of accessibility and exposure. In most cases, there could be some level of controls.</p>
Medium-Low	<p>Medium-Low chance of the sector being exploited for TF.</p> <p>The sector can be used by terrorist / terrorist groups because of a <u>certain</u> level of accessibility and exposure. In most cases, there could be a reasonably good level of controls.</p>
Low	<p>Low chance of the sector being exploited for TF.</p> <p>The sector is less likely to be used by terrorist / terrorist groups because of a <u>low</u> level of accessibility and exposure. A high level of controls could also be present in some cases to further bring down the level of vulnerability.</p>

c. Definition of Risk Ratings

A four-point scale is used to assess the level of risks, which are a function of threats (which is given greater consideration) and vulnerabilities (including controls), and consequences.

High	High risk of terrorist / terrorist groups using this sector for TF, taking into account known cases, typologies, as well as levels of accessibility, exposure and controls.
Medium-High	Medium-high risk of terrorist / terrorist groups using this sector for TF, taking into account known cases, typologies, as well as levels of accessibility, exposure and controls.
Medium-Low	Medium-low risk of terrorist / terrorist groups using this sector for TF, taking into account known cases, typologies, as well as levels of accessibility, exposure and controls.
Low	Low risk of terrorist / terrorist groups using this sector for TF, taking into account known cases, typologies, as well as levels of accessibility, exposure and controls.