

THE IMPACT OF INTERNATIONAL
INFORMAL BANKING ON CANADA:
A CASE STUDY OF TAMIL TRANSNATIONAL MONEY
TRANSFER NETWORKS (*UNDIYAL*), CANADA/SRI LANKA

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I. Introduction

In the immediate aftermath of the Tsunami that devastated the coastal regions of Sumatra, Sri Lanka, Thailand, and India, on December 26, 2004, Sri Lankan community groups in Toronto became active in fundraising for Tsunami victims. Toronto-based Tamil community organizations and Tamil media which had been raising money for relief, rehabilitation and reconstruction over the past 15 years were the first to initiate coordinated fund raising drives. On December 26, 2004, three community radio stations and one Tamil TV station launched a live, on-air fund raising drive that lasted for three days and netted \$2.5 million CAD.¹ An unusual participant in the drive was an influential informal money transfer agent who was present at one of the radio stations. The money collected by the radio station was sent to Sri Lanka every three hours or whenever it reached \$50,000. One of the members of the relief organization that was coordinating the work on the ground in the North-eastern part of Sri Lanka and a Sri Lankan representative of the Toronto Money transfer agency were also on air via telephone from Sri Lanka. The money was transferred to the Tsunami ravaged region instantly. The money transfer agent waived his commission and he himself contributed an undisclosed amount of money. In contrast, local people and non-governmental organizations (NGO) on the ground have complained that assistance from the Government of Sri Lanka has not reached certain parts of the eastern province for over a month.² The government of Sri Lanka has allocated SLR (Sri Lankan rupee) 10,000 (\$100 US) for each Tsunami victim's funeral expenses. However, the banks in the eastern province - a post-conflict zone - were unable to provide even SLR 5,000 (\$50 US) for the victims citing insufficient funds. This underlines two things: firstly, the enormous

¹ The stations were Canadian Tamil Radio (CTR), Canadian Tamil Broadcasting Corporation (CTBC), Canadian Multicultural Radio (CMR), and Tamil Vision Incorporated (TVI) – all based in Toronto.

² Mr. Tilak Ranavirajah, Chairperson of the Presidential Task Force for Disaster Management acknowledged at a press conference that 70 percent of Tsunami affected people had not received any government aid because of bureaucracy and inefficiency of the government relief operations, *Associated Press*, February 3, 2005 and *Toronto Star*, February 3, 2005.p. A15.

importance and impact of diaspora and transnational communities on the countries of origin;³ secondly, the uses of efficient and fast informal money transfer networks.

Transnational and diasporic communities have influenced economic, political and cultural processes in their countries of origin in significant ways. They have the potential to influence economies and wealth creation. From the banking network of the Rothschilds, originating in 18th century Europe, to the more recent Hinduja group, transnational communities have been a leading player in global transactions. The Rothschild family banks operated more like an informal bank in the 19th century in the manner they settled their accounts dealing with money transfer at the end of the year.⁴ At \$450 billion US, the annual economic output in the early 1990s of the 55 million Chinese overseas was estimated to be roughly equal to that of the 1.2 billion people in China itself (Seagrave 1995). The Interpol estimates place the percentage of informal money transfer business in India at up to 40 percent of its gross domestic product (GDP) (Balauf 2002).

While the political and financial influences of transnational communities have come under closer scrutiny after September 11, 2001 (9/11), Western governments have not formulated effective policy responses to the emergence of transnational communities. The conventional approach, applied somewhat inconsistently, has been to view these communities as potentially dangerous groups bringing their “homeland conflicts” with them and therefore a perennial threat to social cohesion in host countries.⁵

³ Broadly defined, diasporas constitute people dispersed among diverse destinations outside their homelands. Transnationalism is the social, economic, political and cultural practices carried out by such populations and they vary over time and space.

⁴ Lawrence Malkin and Yuval Elzur, “Terrorism’s Money Trail”, *World Policy Journal*, Vol. XIX, No.1 (Spring 2002), p.65.

⁵ For example, Michael Ignatieff has suggested “...Diaspora nationalism is a dangerous phenomenon because it is easier to hate from a distance: You don’t have to live with the consequences – or the reprisals ... Canadians, new and old, need to think about what role diasporas play in fanning and financing the

The case of Liban Hussein highlights the flaws of the conventional approach in the post 9/11 context and the serious consequences that may arise for individuals. Pursuant to regulations issued by the federal Cabinet in October 2001 and specific provisions in the *Anti-terrorism Act*, the Office of the Superintendent of Financial Institutions (OSFI) is responsible for distributing a consolidated list of named terrorists to financial institutions. These institutions, including banks, federally regulated trust and loan companies and life insurance companies, are then required to freeze the assets of anyone whose name is on that list. Few would contest the desirability of curtailing terrorism by cutting off its money supply but the system the government enacted is problematic because the lists and instructions issued to financial institutions by the OSFI encourage racial profiling (Bahdi 2003: 302). According to a government document, financial institutions themselves must make the determination as to whether they are in possession or control of any property owned or controlled by a listed entity (Canada 2002). OSFI advises financial institutions to regard with suspicion not only people whose names are on the list, but also anyone whose name *resembles* the name of a listed person: "... if you have grounds for suspicion do not rely on different (but similar) spelling as grounds for deciding that a person is not intended to be covered by the list" (OSFI 2004; Bahdi 2003: 302). Commenting on this guideline, Bahdi states: "[b]ank managers and employees, working under the shadow of risk of financial and criminal sanction, are thus implicitly encouraged to regard Arabs and Muslims as especially suspect. In short, race and religion, through the use of names, becomes a proxy for risk" (Bahdi 2003: 302).

Liban Hussein is a Canadian citizen who ran a money transfer business to help Somalis send money home to a country where there are few banks. In November 2001, American authorities

hatreds of the outside world. The disturbing possibility is that Canada is not an asylum from hatred but an incubator of hatred..... So it is appropriate to say to newcomers: You do not have to embrace all our supposed civilities. You can and should keep the memory of the injustice you have left firmly in your heart. But the law is law. You will have to leave your murderous fantasies of revenge behind." (Ignatieff 2001)

placed Hussein on a list of 62 people who allegedly supported terrorism. On the same day, the United Nations Security Council and the Canadian government adopted the same list. Hussein's bank accounts were frozen for seven months, his business was shut down and it became a crime for anyone to have any financial dealings with him. Although he was ultimately "delisted" when the Canadian Justice department acknowledged finding no evidence to link Hussein with terrorist activities, by then Hussein's personal reputation had been ruined (Dosman 2004).

The remittances sent by transnational communities are the most stable and second largest capital inflow to developing countries. According to World Bank estimates, remittances to developing countries amounted to \$125.8 billion US for 2004, an amount that is at least 20 percent higher than development aid to these countries (World Bank 2005:136; Sorenson *et al.* 2003:288). These remittances are primarily channelled through informal money transfer networks, rather than official banking systems.

The informal networks have flourished among transnational communities for various reasons. Often, these communities originated in impoverished villages or conflict zones in societies characterized by cash intensive economies. Their points of origins were usually remote areas without adequate banking facilities. The official banking system is slow and not responsive to emergencies, while the informal system can deliver money within hours to the recipient's household. Preliminary research also suggests that official banks do not properly disclose the transfer rates and charge a high percentage of commission (World Bank 2003). Latin American countries like Mexico have successfully mediated the money transfer system to the benefit of the senders (Orozco 2000). Migrant workers in the United States have been able to benefit in this regard. However, a number of countries mired in internal conflicts and turmoil have yet to organize their banking systems to facilitate rapid, inexpensive and reliable money transfer systems. For this reason, the informal banking system dominates the life of several

transnational and diasporic communities. Informal Money Transfer Systems (IMTS) have been the only channel of remitting money from the US to a number of African countries including Somalia.⁶ Similarly the lack of banking linkages between Australia and several African countries is the reason for the emergence of IMTS in Australia. As long as these problems exist, IMTS will continue to be active in many parts of the world. International regulatory bodies such as Financial Action Task Force on Money Laundering (FATF) has acknowledged that in certain geographic regions informal money transfer services provide a “legitimate and efficient service” and “their services are particularly relevant where access to formal financial sector is difficult or prohibitively expensive.”⁷

The new economics of migration draws our attention to the *household* in conflict zones and other economically impoverished regions as an important unit for analyzing the link between poverty, livelihood strategies and money transfer networks. In this context, remittances are understood as a way to diversify the household’s income in response to poverty, conflict and other constraints.⁸ Hence, remittances are a critical dimension of a household livelihood strategy. However, the households are no longer confined to one geographic location. They have become transnational as members of the household are scattered in various parts of the world but linked by transnational practices such as money transfers.

As the power of nation-states weakens as a result of rapid globalization, and as the power of transnational communities grows, the logic of incorporating these communities into theories and

⁶ More recently, the institutionalization and formal operation of remittance companies are offering alternatives to informal transfer mechanisms.

⁷ FATF, “Combating the Abuse of Alternative Remittance Systems”, p.2. Available at: <www.fatf.org/eng> accessed on January 28, 2005.

⁸ Nicholas Van Hear (2002) examined the role of remittances in sustaining societies under strain using Sri Lanka and Ghana as case studies.

practices of international law, international relations, development policy, foreign policy and civil society grows as well.

II. Informal Money Transfer Systems

Informal money transfer systems are rooted in antiquity and have been an important remittance system between the global south and global north. It predates the western banking system. These services operated primarily to facilitate the transfer of money, value or goods to geographically distant locations. Ethnic, clan, village, regional, and kinship ties were an important element in these transfer services. With the intensification of transnational migration in the latter part of the twentieth century, the informal system has spread to the cities of the global north. The IMTS are not generally associated with violence and should not be conflated with organized crime, gangs and other syndicates. There is no evidence that the IMTS have become the preferred vehicle for the movement of funds by contemporary terrorist organizations or criminal networks (Buencamino and Gorbunov 2002:1).

It is estimated that more than \$20 billion US is sent across the borders by informal money transfer networks (Simpson 2004:1). In some parts of South Asia the system is called *Hawala* and *Hundi*. Among the Sri Lankan Tamils it is popularly known as *undiyal* (literally 'piggy banking'). In South East Asia the system is known as *Fei Ch'ien* and *Chit*. The informal transfer system operates as an unofficial bank, but one that handles only remittances rather than the usual functions of deposits, savings and lending. Some scholars argue that the system transfers only the value - not money - and therefore, it is appropriate to call the system an "Informal Value Transfer System" (Passas 1999: 11; Jost and Sandhu, 2000:2).⁹ While it is correct to say the

⁹ See Passas (2003) for a useful discussion of terminology.

remittance system is about transferring the value, the users of the system prefer to identify it as the transfer of money. The Financial Action Task Force on Money Laundering refers to the informal system as “Alternative Remittance system” and specifically money or value transfer services (MVT). MVT is defined as a

[f]inancial service that accepts cash, cheques, other money instruments or other stores of value in one location and pays a corresponding sum in cash or other form to a beneficiary in another location by means of communication, message, transfer or through a clearing network to which the MVT service belongs (Van Hear 2002).

Research on these systems has been limited. The available studies locate the system simply in the economic sphere and the post-9/11 criminalization of the informal money transfer system has added a political dimension. While these two aspects are important to our understanding of the informal money transfer system, we argue that the cultural and social dimensions of the system are equally important. We suggest that a better working definition of informal money transfer systems is that they are *social, cultural and financial networks that function primarily outside the formal banking system and are transnational in operation*. This research addresses the Tamil informal money transfer system, its economic, social and cultural impact on both Canada and Sri Lanka. Since there have been few studies on informal money transfer systems in Canada, the study of *undiyal* in Toronto and its distribution network in Sri Lanka could serve as a useful model for generating appropriate policy responses to a range of informal banking systems in the diasporic and transnational context.

III. Research Methodology

Ethnographic research was conducted in Toronto, Canada, Singapore and Sri Lanka. In Sri Lanka the research was conducted in the capital city of Colombo, and in the post-conflict zones of Jaffna, Kilinochchi, Mannar and Trincomalee. In-depth interviews were conducted with

fourteen informal money transfer agents in Toronto. One in-depth interview was conducted with the president of the Money Changers Association of Singapore in Singapore in August 2004. Two focus groups for the users of informal money transfer system were conducted in Sri Lanka (August 2004) and Toronto (December 2004). The Sri Lankan focus group was conducted in Jaffna. Three women and six men participated in the group. All of them have immediate and/or close family members and relatives living in Toronto. Six men and three women participated in the Toronto focus group. In addition, one of the authors of this study has been a frequent user of Tamil informal money transfer system for the past eleven years. Two transactions were made by the authors during the period of research. It would be appropriate to mention that the study has benefited from participant observation: one of the researchers had the opportunity to spend five hours at an informal money transfer agency in Toronto conducting participant observation.

It was not possible to organize a focus group for informal money transfer agents in Toronto. As one agent put it, "talking about our business with other competitors is bad for our business". Ten informal money transfer agents refused to be officially interviewed. However, they shared their views and insights with the researchers. One of the reasons these agents cited for being reluctant or refusing to participate altogether, was that they had traumatic interrogation experiences when, in the wake of 9/11, Canadian authorities turned up at their place of business with increasing frequency. Two of the agents we approached informed us that some of the questions on the questionnaire were exactly similar to the ones asked by the Canadian authorities.

IV. The Community: Sri Lankan Tamils

Sri Lanka is among the top 20 developing countries that receive large amounts of remittances from its diaspora. It received \$1 056 million US in 2001, through official banking systems. This amounts to 7.0 percent of the GDP (World Bank 2003). This is important to an economy that has a total annual GDP of less than \$20 billion US. There has been no systematic research on regional or ethnic breakdowns on remittances and modes of money transfer. Hence, it is impossible to calculate what percentage of this annual remittance is sent by the Tamil diaspora. Remittance data from official sources are patchy at best. There are no disaggregates in terms of migrant remittances and refugee or diaspora remittances. The available information does not include the money sent through informal networks. There is a crucial need for mapping both the formal remittances as well as remittances by informal money transfer networks that operate outside official banking systems.

The Sri Lankan Tamil community in Canada is the largest Tamil diaspora in the world. An estimated 250,000 Tamils live mainly in Toronto. The majority of them came to Canada as refugees fleeing the civil war in that country. Between 1987-2001, Sri Lanka was among the top three source countries for refugee claimants in Canada (Citizenship and Immigration Canada 2002). Large numbers of Tamils have been granted some form of residence status in their host country. In Canada, the acceptance rate for Tamil refugee claimants has been consistently high. This perhaps explains why Toronto has become the epicentre of Tamil transnationalism (Cheran 2002). Recent research indicates that 49.8 percent of the population entered Canada as refugee claimants. Another 32.4 percent came as family class immigrants. Forty-three percent of the study sample had experienced internal displacements before arriving in Canada and 17.5 percent had lived in various refugee camps in Sri Lanka. Another 35 percent were separated from their families during the period of immigration (Beiser *et al.* 2004).

The Tamil diaspora has well developed social, cultural and economic networks that function as powerful 'social capital' in sustaining Tamil communities in Canada and Sri Lanka. Unlike the traditional migrant remittances that are uni-directional arriving from overseas and then circulating within the local economy, remittances from the Tamil diaspora may be better understood as transnational flows connecting several sites in Europe and Canada to the "homeland". There are large Sri Lankan Tamil communities in Germany, Switzerland, France, Norway, Denmark, the United Kingdom and Australia. Tamil informal money transfer networks are the preferred means of remitting money to Sri Lanka in those countries.

The Tamils from Sri Lanka, living in Canada, have provided substantial resources for humanitarian relief to thousands of families displaced from the war-torn areas in Sri Lanka. More controversially, it must also be acknowledged that over the course of almost two decades of civil war, this community has participated in financing the armed struggle for a separate Tamil state waged by the Liberation Tigers of Tamil Eelam (LTTE) (Cheran, 2002).¹⁰

V. The Liberation Tigers of Tamil Eelam

No study of the Tamil diaspora and its relationship to Sri Lanka can be undertaken without an adequate understanding of the role of the Liberation Tigers of Tamil Eelam (LTTE). Commonly known as Tamil Tigers, the LTTE formed as a militant organization in 1978, in response to the continued denial of Tamil rights by successive Sri Lankan governments since 1948. Demands by the Tamil minority for equal rights were denied and peaceful, non violent agitation by several Tamil political parties for Tamil rights within a federal system in the 1960s and early 1970s were suppressed by the military. Ethnic pogroms against Tamils were carried out with the tacit

¹⁰ The Sri Lankan government has estimated that the LTTE generates \$80 million US from its diaspora annually.

support of the national government in 1956, 1958, 1977, 1981, 1982 and 1983. In the wake of a major attack by the LTTE on Sri Lankan soldiers in July 1983, the situation deteriorated and paved the way for a brutal civil war¹¹. In this period the Tamil Tigers transformed themselves from a rag tag militant group to a well-organized fighting force that engaged in conventional warfare with the government of Sri Lanka. The Tigers also developed a naval arm and a suicide squad known as the “Black Tigers”. Their ruthlessness and disregard for humanitarian norms in the conduct of warfare has been well documented. Human rights monitors have cited the LTTE’s responsibility for crimes against humanity, including the ethnic cleansing of Tamil speaking Muslims from the Northern province in 1990; large scale massacres of Muslim and Sinhalese civilians, assassinations of political opponents, and most recently, the recruitment of child soldiers.¹²

At the same time, it must be emphasized that the Tigers are a multifaceted organization. Currently, they govern a *de facto* state in the north and eastern province and are headquartered in the Vanni region of Sri Lanka. The areas under their control have a separate judiciary, police service (Tamil Eelam Police Service), health authority (Tamil Eelam Health Services (TEHS)), Tamil Eelam Administrative Service (TEAS), and Tamil Eelam Education Service (TEES). Their revenue department is elaborate and employs about 3,500 trained people. They also have a Planning and Development Secretariat (PDS) that is responsible for long term planning and reconstruction. Everyone, including Sri Lankan government officers, is required to obtain entry and exit permits to enter the region. The LTTE “government” operates

¹¹ There are several important and unbiased sources that document human rights violations and other atrocities by both parties to the conflict. Chief among them are: Amnesty International (<<http://www.amnesty.org>>), The Sri Lanka Monitor (<<http://www.gn.apc.brcsl/project>>), Monthly reports from INFORM, a Sri Lanka based human rights monitor, www.inform.org and regular reports from the Home for Human Rights (HHR), Sri Lanka. For a political and historical overview of the conflict see generally Tambiah (1986), Spencer (1990), and the Marga Institute’s series of nineteen monographs on the History of Ethnic Conflict in Sri Lanka: Recollection, Reinterpretation and Reconciliation (2001).

¹² See, Human Rights Watch Report, “Living in Fear: child soldiers and the Tamil Tigers in Sri Lanka (2004). Online:<<http://www.hrw.org/report/2004/srilanka1104/>>

all the hospitals in the region, employs pre-school, primary and secondary school teachers and manages these schools. Several Sri Lankan government structures in the north and eastern parts of Sri Lanka are effectively under the control of the Tiger government.¹³ International non-government organizations, the World Bank, Asian Development Bank, UNICEF, United Nations Development Programme (UNDP) and several other international agencies coordinate their activities with the Tigers in the areas controlled by them. However, controversies remain as to what extent these agencies will cooperate with the Tigers. The Tsunami tragedy brought the question forward once again. Several foreign correspondents reporting from Sri Lanka, as well as representatives from international aid agencies, the Sri Lankan government, and the United Nations (UN) acknowledged the timely and efficient relief and rehabilitation efforts of the Tigers in the tsunami hit regions of the north and east.¹⁴ However, the unresolved ethnic conflict and the persistent lack of consensus within the Sri Lankan ruling coalition with respect to the viability of a settlement with the LTTE have hampered large scale aid flows to areas in the north and east. The Tamil diaspora has attempted to address the gap by channelling funds via the IMTS directly to these areas. The Tigers themselves and several other local relief organizations have acknowledged that without the significant response from the Tamil diaspora the situation in the North and east would have been far worse.

Subsequent to the signing of a permanent ceasefire signed by the government of Sri Lanka and the LTTE, the LTTE was no longer proscribed as a terrorist organization in Sri Lanka. It deserves mention, however, that Canadian authorities continue to consider members and associates of the LTTE as terrorists even though the LTTE itself has not been included in the

¹³ Even security and intelligence agencies, which generally assess the LTTE as a terrorist organization, acknowledge that the Tigers provide a “reasonably well managed administration.” (Janes Sentinel, 4 September 2000, online; http://janes.com/security/regional_security/news/sentinel/sent000904_n.shtml).

¹⁴ For example: “Tamil rebels revamp image”, *Globe and Mail*, January 17, 2005; p. A 8; “Rebel group uses it discipline to help survivors”, *Chicago Tribune*, January 7, 2005; “Foes Will Need to Be Friends in Rebuilding of Sri Lanka”, *New York Times*, February 2, 2005.

Canadian government list of Foreign Terrorist Organizations.¹⁵ Tamil refugee claimants seeking asylum as well as prospective immigrants applying for permanent residence continue to be subjected to security interviews by Canadian Security Intelligence Service (CSIS) officers that all too frequently resemble interrogations. Although controversial immigration security certificate procedures have not been invoked against anyone of Sri Lankan origin since 1997, proceedings very often leave individuals in a legal limbo while their files await review by department analysts (Aiken 2005).

In the post-conflict and post-tsunami context of 2005, remittances have become a vital source for rehabilitation and reconstruction. The informal money transfer networks have assumed an additional role as agents for relief and rapid social change facilitating individual as well as collective remittances. Collective remittances are sent by organizations or groups for relief, rehabilitation and reconstruction activities. Previous research has revealed that there are 300 Tamil transnational Home Village Associations (HVA) and Alumni Associations (AA) operating in Toronto. These are unique networks of village associations formed on the basis of one's origin in a particular village, and Alumni Associations based on one's high school (Cheran 2005). Since the peace process was initiated in 2002, these organizations have been engaged in post-conflict reconstruction and development work in the Tamil areas of Sri Lanka, often channelling their money through informal money transfer networks.

¹⁵

As reported in Canadian media, the federal government has repeatedly defended its refusal to list the Tigers, saying it does not want to upset the fragile peace process. On the other hand, Canada has adopted the UN Convention on Terrorist Financing (1999) and has attempted to apply it to proscribe LTTE fundraising activities in Canada. *National Post*, 18 January 2005 A1 and A8.

VI. Cultural Dimensions of Tamil Money Transfer Networks

Like many other informal money transfer networks, the Tamil networks are rooted in notions of trust and shared ethnicity. The trust between the agents of money transfer and the clients is important in facilitating the efficiency, stability and reliability of the network. Incidents of broken trust are rare and none of the people interviewed complained about any breach of trust. All the participants that attended the focus group in Toronto maintained that trust is the most important reasons why they use IMTS. Many of them were skeptical about using the formal banking system to remit money. The Tamil IMTS is almost mono ethnic in the sense all the agents and clientele are Tamils. Only one of the very successful agents interviewed is beginning to transform his informal system to a more formal, franchised network that would cater to other communities as well.

There are other forms of transmitting and saving money that are rooted in cultural practices and based on trust and still prevalent in Toronto. The female puberty celebrations and house warming celebrations are two examples. Friends and relatives “gift” money and sometimes gold jewellery during the celebrations and the collected money will be used as either an investment for the future or to pay off debts accrued in the process of building/buying the house. The receivers of the money will in turn “gift” the same amount or more when the appropriate even or time occurs. The system is largely a kinship affair. However, in the diaspora inclusion of friends and well wishers has become a standard feature of these events.

Cheetu is the other system which has been in practice for a long time. Someone in the community gathers about ten people, mostly close relatives and friends from the same village. They all agree on a certain amount to be paid on a monthly basis for a year to a trusted person -

the *cheetu* holder. The *cheetu* holder is actually the guardian of the money. He or she must be a well respected person with good moral standing in the community. Let us say that the monthly amount is \$1,000 CDN. The first collection of \$10,000 will go to the *cheetu* holder. The next month, all the contributors will gather and they will choose one among them to receive the collected \$10,000. This is accomplished by either drawing a lottery or anyone in need can request the money with a certain discount. If more than one person requests the collection, the person who offers the greatest discount will receive the money. In case of family emergencies, there will be no competition and the person who needs the money urgently will receive it. *Cheetu* is the most popular and widely prevalent savings system among Tamils in Toronto. One can participate in the *cheetu* system in Sri Lanka while residing in Toronto.

The reproduction of some of the Tamil village and cultural systems in Toronto is one indicator of ethnic communities existing in parallel to main stream civil societies. These ethnic communities are self-contained with their own informal money transfer systems, market places, media and neighbourhoods while maintaining a necessary but segmented incorporation in the mainstream. On the one hand, Tamils use the formal banking system for domestic financial transactions. However, the informal *undiyal* remains the primary mechanism for remittances. The client profiles of *undiyal* agents defy any stereotypes. From executive officers to dish washers, all classes of people use the system to remit money to Sri Lanka. The Toronto focus group consisted of six men: one real estate agent, two kitchen helpers, two taxi cab drivers and one journalist; as well as three women: one computer programmer, one bank teller, and one grocery store owner. All of them use IMTS and half of them use it on a regular basis (at least monthly).

There are about 100-150 *undiyal* outlets in Toronto.¹⁶ Eleven of the fourteen major outlets we interviewed have a formal relationship with FINTRAC. The other three do not. In Canada, unlike the U.S., federal law does not require formal registration. However, The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* requires financial institutions, including IMTS to maintain records of their customers and their transactions.¹⁷ There are several *undiyal* outlets that work either as sub agents or on their own. All those interviewed were males. Although not a single money transfer agent was female, it was evident that the wives and daughters of some of the agents were actively assisting in the business. Several of the agents use ethnic media to advertise their services. But the participants in the study maintained that word of mouth is the best form of marketing. In two cases, the network is simply based on village identity. For example, almost all of one agent's clients are from his village back in Jaffna, Sri Lanka. Some of these outlets have been major sponsors of Tamil cultural events and Tamil ethnic media in Toronto and enjoy respect and popularity which in turn boosts their business.

The informal money transfer agents have multiple businesses in multiple locations. All but one the participants in the study have other businesses. Three of them are joint owners of jewellery shops and engage in the gold trade; another five own grocery stores; two have import-export business in grocery and food products. Most of the main agents either own import-export business in Sri Lanka, Singapore and India or have partners in those countries.

Walking into a typical Tamil grocery store, one cannot fail to notice several distinct retail sections. In addition to the main grocery section, the video section is the next most important -

¹⁶ The calculation is based on the list of advertisers in the three major Tamil directories (Amongst Tamils, *Ulagath Thamizhar Vanikam*, and *Thamilan Vazhikaatti*), ten Tamil weekly newspapers and the information provided by the Money Transfer Agents interviewed. However, some of the outlets counted may not be in operation and new ones may have formed. We have included the main agencies and an estimated number of sub or collection agencies.

¹⁷ The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* was enacted in 2000 and amended in 2001.

where people can find popular Tamil films and television serials available for rent as low as 50 cents each. Another section is reserved for selling fresh fish purportedly imported from Sri Lanka (but most usually from the Caribbean). Finally, there is a counter reserved for IMTS, usually managed by a single individual with a receipt book or in some cases a computer.

VII. Transaction Process

The transaction process is simple. The sender takes the money, usually in cash, to the agent. The agent completes a form with details of sender, receiver and the amount both in Canadian dollars and the Sri Lankan rupee equivalent. The exchange rates and the amount of money to be delivered in Sri Lankan currency are prominently displayed. The sender and the agent both sign the form and each keep a copy. The money will be delivered to the receivers or his/her household in Sri Lanka by the representative or another agent in three hours or next day or in within three days depending on the location in Sri Lanka. Motorcycle couriers employed by the agents can deliver money to remote locations in the North east of Sri Lanka and it may take two to three days. For home delivery in those regions, an additional \$5 CDN is charged. Transaction fees are generally \$5 for amounts under \$500 and \$10 for amounts over \$500. Some agents charge \$2 for every thousand dollars sent. If the money isn't delivered, it will be returned upon presentation of the receipt. The transaction process is easy and fast. It does not involve much paper work. The only form is filled by the agent. The main advantage of the system, and the one that makes the system "informal", is that the receiver does not need a bank account. The process is less expensive. The agents use a variety of methods to move or transfer money. Goods swaps are the main form of settling accounts. However, invoice manipulations, the smuggling of currency or commodities, while not acknowledged by the agents, appear to be

other mechanisms.¹⁸ It is interesting to note that netting operations of transnational corporations follow many of the same principles (Buencamino and Gorbunov 2002:2). In the above described transaction, cash does not actually cross borders and it never fully enters the conventional banking system. It actually circulates within the network.

One agent explained that he tends to use a bank wire transfer once in two weeks or every time his collection exceeds \$50,000 CDN. However, this is not a preferable way of settling accounts for many agents. It appears that some of the agents transfer money to Singapore where they get 10 Singapore cents as commission for every dollar they bring. Singapore, Bangkok, Jakarta and Hong Kong are the preferred destinations and operational bases for the Tamil IMTS. According to one agent, carrying large amounts of cash in and out Singapore is not difficult. In addition, Singapore is the gold market for India and Sri Lanka. All the agents that have jewellery stores in Toronto have some business in Singapore. IMTS is not regulated in Sri Lanka. Colombo is the major location for black market currency exchange. Buying and selling foreign currency is a free enterprise at most of the roadside stalls in the capital.

The deficiencies associated with the conventional financial system are the primary reason why IMTS are still very popular. Financial institutions and other formal money transfer agencies like Western Union and Moneygram charge about 20 percent in commission fees. In the case of bank to bank transfers, the participants we interviewed reported unfavourable discrepancies between the exchange rate on the date of transfer and the rate applied on the receiving end on the date of delivery. They also cited commission fees being charged at both ends as further problem. In many parts of the world, especially in various conflict zones, IMTS are the only possible means of receiving money from sources within the country or abroad. All the

¹⁸ Lisa Carroll's study for INTERPOL (2002) confirms that gold smuggling and invoice manipulation are used to settle debts among IMTS operators in India, Pakistan and Sri Lanka. See also Jost and Sandhu (2000).

participants in our Sri Lanka focus group mentioned that the only way to receive money in their areas was through IMTS. Twenty years of civil war has completely devastated the formal banking system in the conflict zones and almost three years after the cease fire agreement, the government has not sought to rebuild the system. The People's Bank, a popular Sri Lankan government bank which has a network of 326 branches, has only 33 branches operating in the entire north and eastern provinces. These branches are located in the Sri Lankan army controlled areas and not accessible to the people living in the territories controlled by the LTTE. Further, the pawning of gold is a core function of all the major banks in Sri Lanka. However, none of the banks offer any pawning service in the Northern region while the People's Bank operates just two pawning centres in the eastern province. For the rest of the country, this bank offers pawning services at 186 locations. Private banks are slowly moving into selected areas in the northern part of the country. However, the amount of money available in all the banks in the North and eastern provinces is minimal and large territories in the conflict zones remain under the control of the LTTE where no government banks operate. The LTTE has its own fledgling banking system, but operation of the system is limited to the Vanni area in the north.

Post 9/11 regulations have changed some of the ways in which the informal money transfer system operates. Before 9/11, the agents were not collecting the identification details of the sender. Now, in compliance with The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, two pieces of identification are necessary to send money. Officially, one cannot send more than \$10,000 CDN at a time. In the case of more formalized agencies, all transaction details are stored in simple notebooks or computer hard drives. The information is not coded and is usually recorded in the English language to facilitate possible review/scrutiny by Canadian authorities. Our research has been unable to confirm how many of the 200 *undiyal* outlets are in compliance with federal requirements. Anecdotal comments by the agents we

interviewed suggest that a significant number operate outside the legal framework, primarily for reasons of convenience.

VIII. Frequency of Usage

The average remittance total an agent handles is estimated to be in the range of \$30,000-\$60,000 CDN per month. A very large number of small transactions is the usual pattern. The customers are mostly regulars. In many cases, they have been supporting their family members and relatives for several years. Between 1987-2002, the money sent through the informal network by the regulars assisted in sustaining a society ravaged by war. Internal displacements, large scale destruction of homes, and more than 100,000 deaths have left an indelible mark on this community. One in six persons lives in the diaspora. The number of diaspora-dependent households in Sri Lanka is very significant. Every major military offensive on the part of the Sri Lankan government triggered massive internal displacement and resulted in large amounts of money being sent back home to needy families. Money is also regularly sent for Tamil festivals, family milestones, including weddings and funerals. After the Tsunami in December 2004, remittance levels soared.

IX. Linkages to the Formal Banking System

All the agents interviewed have accounts with the banks. Some of the agents accept debit cards from clients. The difficulty with the banks is the reluctance of the banks to accept large amounts of cash. Large cash transactions are often viewed as suspect. On the other hand, according to one agent, if they had a long history with the bank, and the banks applied their Know Your Client (KYC) policy in an appropriate manner, large cash transactions would not be a problem.

The Tamil community from Sri Lanka is accustomed to a cash intensive economy.¹⁹ One agent estimated that 40 percent of his remittances is sent through wire transfers. Other agents rarely use the banks. Even when they choose to use banks, they use them once in two weeks or when the exchange rates are beneficial for them. The government of Sri Lanka has encouraged the use of Non-Resident Foreign Currency Accounts (NRFC) that are not subject to foreign exchange regulations. However, Sri Lankan banks do not have branches outside the country; therefore, it is not very useful for people who reside outside the country. The Hatton National Bank of Sri Lanka (HNB) with some of its former employees based in Toronto initiated a money transfer system in partnership with the TD Bank of Canada in 1991 without much success. Research conducted in other geographic regions indicates that government initiatives to attract remittances have been not very successful. (Meyers 1998).

X. Impact of the Domestic and International Regulatory Context

In the post 9/11 context, both domestic and international anti-terrorism measures have had an important impact on the regulation of the financial and banking sectors including IMTS. For this reason we will turn to a brief review and analysis of some of the salient features of these measures.

The definition of terrorist activity implemented in the omnibus amendments in 2001 to the *Criminal Code of Canada* begins by incorporating offences from the twelve United Nations anti-terrorism treaties to which Canada is signatory. These treaties adopt an objective, functional

¹⁹ Savings are often maintained in gold. Hard currency is preserved in secret hiding places. Trust in the formal banking system collapsed in the mid 1980s. In response to bank robberies by Tamil militants, the major banks including the state-run Bank of Ceylon and People's Bank transferred all the savings and gold from the Tamil areas to the capital city of Colombo. It became very difficult for people to retrieve their savings and gold.

approach to defining terrorism through a series of proscribed acts – ranging from hijackings and international abductions to crimes in relation to nuclear materials, terrorist bombings, and the financing of terrorism. If it had ended there, as a number of advocates had urged, there would be little cause for concern. However, the Code goes on to identify a complex list of supplementary circumstances which can constitute terrorist activity. Acts of domestic and international terrorism as well as threats to commit acts are criminalized. Such acts must be motivated in whole or in part by “a political, religious or ideological purpose, objective or cause” and be committed “in whole or in part with the intention of intimidating the public... with regard to its security, including its economic security, or compelling a person, a government or a domestic or an international organization to do or to refrain from doing any act... and intentionally ... cause death or serious bodily harm to a person...”. A further subsection indicates that “every one who knowingly facilitates a terrorist activity is guilty of an indictable offence ...regardless of whether the facilitator knew that a particular terrorist activity was facilitated; any particular terrorist activity was foreseen or planned at the time it was facilitated; or any terrorist activity was actually carried out”.

While the field of terrorism studies has generated a proliferation of definitions, the consensus among many authors is that there is no universally or even generally accepted definition. As Levitt once quipped, the “search for a definition of terrorism in some ways resembles the quest for the Holy Grail” (Levitt 1986). Proposals by India, Sri Lanka, Algeria and Turkey to include an aggregate crime of terrorism within the International Criminal Court’s jurisdiction were rejected and the international community has so far failed to agree on a definition of terrorism for a proposed comprehensive terrorism convention. The Supreme Court of Canada has recognized that “[t]he absence of an authoritative definition means that at least at the margins, ‘the term is open to politicized manipulation, conjecture and polemical interpretation’” (*Suresh* 2002: 53). A series of pre-existing offences in the Criminal Code already criminalized the full range of violent

acts that characterize contemporary terrorism; provisions relating to conspiracy, as well as aiding and abetting ensured that those who planned or financed the commission of such offences were within the law's reach. Nevertheless, consistent with the growing trend of "governing through crime", the quick and symbolic fix of new laws would enhance the optic of a government intent on doing its fair share for the global war on terrorism (Roach 2003: 23-5).

Canada's new definition of terrorism casts an exceedingly wide net. The new provisions do not criminalize membership in political movements *per se* – but it is clear that anyone who provides any kind of assistance or indirect support to groups that include violent resistance within their activities, other than in the context of an armed conflict, will run the risk of being caught by the definition and the facilitation provisions. A case which illustrates the potential pitfalls of these provisions is the Tamil Rehabilitation Organization (TRO), a relief organization formed in 1985 to assist Tamil refugees and war victims in the conflict zones of Sri Lanka. It is a registered NGO in Sri Lanka and works closely with both the Sri Lankan government in the government controlled areas and the LTTE in Tiger controlled areas. The TRO is respected as an efficient, grass roots relief and rehabilitation organization by UN agencies, the International Financial Institutions as well as the Government of Sri Lanka.²⁰ The TRO, while a legal NGO in Sri Lanka working with a range of international donors, has had great difficulties obtaining charitable status in Canada in order to facilitate its relief and reconstruction activities. Mark Pieth raises a relevant hypothetical question in this regard: how should the banks deal with a charity fund for the family members of jailed terrorists? Should such a fund is considered supporting of terrorism (Pieth 2002)?

²⁰ For example: an editorial in *The Boston Globe*, January 5, 2005, quoted Caroll Belamy, executive director of UNICEF: "TRO's well coordinated relief arrangements put in place in so short a time are really commendable"; Harim Peiris, Director General of Sri Lanka's Ministry of Rehabilitation addressing TRO delegates and representatives of international development organizations at a seminar in Colombo, Sri Lanka on June 18, 2004 said, "TRO occupies a special place with its role in humanitarian activities in the North-East. We are working with them and our Ministry is committed to working with the TRO". See also, Colin Freeze, "Despite Rebel Ties Tamil aid group earns high marks", *Globe and Mail*, January 16, 2005.

It deserves mention that to the extent that international treaties allow for the possibility of an individual being designated as a “terrorist”, they do so only with regard to persons who have intentionally perpetrated or been complicit in a specified act of violence. The requirement of this mental element (*mens rea*) necessarily implies that mere membership or affiliation with groups responsible for international crimes would not be sufficient to establish the required degree of personal and knowing participation.²¹ On the other hand, individuals are criminally responsible even when they did not participate in the physical commission of a crime in circumstances where they acted as knowing accomplices or aided and abetted the commission of offences. Consistent with this principle, the United Nations Terrorist Financing Convention criminalizes “terrorist” fundraising only when funds are collected “wilfully ... with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out...” a list of specified offences or acts.²² Additional provisions indicate that it is also an offence to participate as an accomplice, organize or direct others to commit an offence, or intentionally “contribute to the commission of an offence by a group of persons acting with a common purpose.”²³ The treaty is a clear affirmation that those who financially contribute to violent acts are to be considered just as culpable as those who detonate the bombs. At the same time, mere membership in an organization, in the absence of other evidence demonstrating intentional and personal involvement, would not meet the test for prosecution or extradition under the terms of the treaty.

²¹ An exception is accorded to membership in groups of a particularly violent and notorious nature, such as a “death squad.” The United Nations High Commissioner for Refugees notes: “the purposes, activities and methods of some groups are of a particularly violent nature, with the result that voluntary membership thereof may also raise a presumption of individual responsibility. Caution must be exercised when such a presumption of responsibility arises, to consider issues including the actual activities of the group, its organizational structure, the individual’s position in it, and his or her ability to influence significantly its activities, as well as the possible fragmentation of the group.” UNHCR, *Guidelines on International Protection, Application of the Exclusion Clauses: Article 1F of the 1951 Convention relating to the Status of Refugees*, HCR/GIP/03/05, 4 September 2003, para. 19.

²² *International Convention for the Suppression of the Financing of Terrorism* (1999), act. 2.1 [hereinafter *Terrorist Financing Convention*]. The text of this treaty is available online: <<http://www.untreaty.un.org/English/Terrorism.asp>>.

²³ *Ibid.* art. 2.5.

The Criminal Code also affords power to the federal Cabinet, upon the Solicitor General's recommendation, to bypass the regular criminal process and simply designate terrorist groups without any sort of hearing. Aside from an array of evidentiary, constitutional and general rule of law concerns which the definition of terrorist activity and facilitation engage, these provisions afford wide scope for racial profiling on the part of the broad range of actors charged with responsibility for applying the new law. Many of the more draconian provisions in the package of federal laws implemented in response to 9/11 have yet to be invoked. To date, there has been just one set of charges laid pursuant to the anti-terrorism amendments to the Criminal Code. The Justice Department has not made use of its new powers of preventative arrest or investigative hearing. To a significant degree, it has been business as usual: for all new security cases involving non-citizens, government officials have elected to initiate proceedings under the *Immigration and Refugee Protection Act* which are less costly and easier to prosecute (with concomitantly fewer safeguards for the individual). There is little doubt, however, that as security consciousness continues to grip many Canadians, racialized individuals and communities, including the members of the Tamil community whom we interviewed, have been feeling increasingly under attack. Post 9/11 law reform has contributed to a climate in which many people feel less secure, rather than more. Domestic efforts to support the global "war on terrorism" are creating a chill in refugee and immigrant communities (Canadian Council for Refugees, 2004). Indeed, shortly after Bill C-36 was tabled in the House of Commons, a Globe and Mail columnist observed that, "most people will not be terribly inconvenienced by Ms. McLellan's proposals. Instead the costs will be borne by people who find themselves targets of police suspicion because of their ethnic background, radical political views or association with immigrant communities that have ties with groups deemed to be terrorist fronts" (McCarthy 2001:5). Members of the Tamil diaspora who are merely associated with, but not actual members or even supporters of the LTTE confirm this observation. Enhanced surveillance and

policing as well as the denial of access to public meeting spaces for cultural events as among the post 9/11 concerns cited by both the IMTS agents and users.

As for the specific role of IMTS, it would seem there is little cause for particular concern. The amount of money channelled through IMTS by terrorists and criminal elements is so small as to be indistinguishable from those sent by regular clients.²⁴ In fact it can be argued that conventional banking institutions have offered much more efficient mechanisms for the transfer of large sums of money for illegal purposes. It has been reported, for example, that the 9/11 hijackers received money through Western Union and other official financial institutions.²⁵ Nevertheless, IMTS continue to be viewed with suspicion and some users reported that although they still use IMTS, they were aware that their very identity as Tamils risked the prospect of being identified as a security threat by CSIS suspecting links between themselves and the LTTE.

The prospect of anonymity offered by those IMTS outlets, which do not keep transaction records, may act as an inducement for individuals and groups engaged in criminal activities. However, as noted above, there is no evidence to suggest that IMTS generally are the preferred vehicle for criminals. An in-depth interview conducted with the owner of an *undiyal* business indicated that they have been forced to change some of their accounting practices after 9/11 and subsequent scrutiny by Canadian intelligence agencies. While none of the outlets have been closed or forced out of business, two major IMTS agents had their business accounts in one of the five major banks closed in 2003, on the basis that their transactions were considered high risk. The agents are now using smaller banks and two of them have initiated legal proceedings to challenge the closure of their accounts. Two focus group participants in Toronto

²⁴ *Supra* note 5.

²⁵ *New York Times*, January 4, 2002.

and one money transfer agent interviewed reported that individual users of the *undiyal* system have been targeted by the Canadian security establishment in some instances. One of the agents mentioned that, in the early 1990s, the bank requested a list of his clients whenever he went to deposit money. Subsequently, the list was released to Canadian law enforcement authorities and individuals on the list were questioned at home. The authorities wanted to know whether the individuals were sending money to the Tamil Tigers.

While there appears to be a great deal of public support for enhanced regulatory tools to combat terrorist financing, there has been relatively little attention by law enforcement officials in Canada to ensure that laws and policies are implemented in a manner that adequately accounts for the heterogeneous nature of contemporary international terrorism. While some militant/rebel/terrorist groups are indeed primarily devoted to unlawful aims, other groups are national liberation movements engaged in self-determination struggles deemed legitimate under international law (Kälin and Künzli 2000); and others, including the LTTE as described above, are multifaceted organizations which have been engaged in criminal activities while at the same time functioning as *de facto* states with the tacit approval of international development organizations.

XI. Conclusions and Recommendations

The majority of money transmitted through the IMTS consists of remittances from migrants and refugees. International financial institutions and governments have already recognized the importance of these remittances for development. The challenge, however, is to identify imaginative and efficient ways to channel this money through the formal banking system. As long as the regular banking system remains expensive, slow and unfriendly to migrants, IMTS will not only survive but flourish.

There is a danger that the regulatory response to IMTS will serve to force these agencies to operate exclusively underground. The authors conclude that existing laws and policies are fully adequate to address criminal concerns; but that many of these laws and policies should be implemented in a manner which is more sensitive to the actual users of the system.

Migrant friendly policies and a cost effective transformation of the remittance system in the formal financial sector can successfully channel the money from IMTS to the formal system. Incentives to promote the use of the formal banking system, rather than a total ban of IMTS, should be the primary means to increase remittance flows through official channels. This conclusion is supported by the Abu Dhabi Declaration on *Hawala* and has been endorsed by a broad cross section of law enforcement authorities, United Nations and Financial Action Task Force officials, scholars and government representatives from several developed as well as developing countries.²⁶

²⁶ Bankers, money changers, law enforcement authorities, UN and FATF officials, scholars and government officers from several developed as well as developing countries attended an international *Hawala* conference in Abu Dhabi in May 2002. The Abu Dhabi Declaration on *Hawala* was the result of the conference. The Declaration asserted that “regulations should be effective but not overly restrictive”. See www.treas.gov/offices/enforcement/program/hawala-conf.pdf. The Conference Statement released in April 2004 after the 2nd international hawala conference is also of interest: see, www.cbuae.gov.ae/Hawala/statement-E.htm.

XII. Appendices

- A. Questionnaire

- B. Forms used by Money Transfer Agents

- C. Map of Sri Lanka

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APPENDIX A

Questionnaire for Money Transfer Agents

Pseudonym: _____

Age: _____

Sex: _____

What brought you to Canada?

When did you arrive in Canada?

Did you come to Canada as a refugee? If not could you specify the way you immigrated?

How long have you been in the money transfer business?

Why did you choose this business?

How do you get customers? Through advertising? Through word of mouth? Or other means?

How do your customers know about your business?

Are your customers primarily from your community?

Do you work with other money transfer businesses in other communities?

Do you transfer money domestically?

Why do your customers use you to transfer money abroad?

What are the differences between your service and the service offered by a bank?

How do the beneficiaries receive the money at the transfer's destination?

How would you characterise the beneficiaries abroad?

What charges are involved?

Does the size of the payment determine the fees?

How fast can a payment arrive in a foreign market?

Do you charge different rates for different speeds of delivery?

How do you determine your foreign exchange rates?

What is the typical payment size?

How many payments do you process a week?

Are there peak periods on when customers wish to use your services?

What are the costs of running a money transfer business?

Do you own other businesses?

How do you settle debit/credit situations with your partners overseas?

What legal restrictions have been imposed on your business?

Has any government agency contacted you about your business?

Would you voluntarily report suspicious transactions to the authorities? How?

How would you define a suspicious transaction?

How has your business grown over the last three years?

Do you view this as a family business?

Are there any services you will not offer?

What concerns you most about the regulation of the money transfer business?

Do you make payments over the Internet?

Can a customer leave money with you for a period of time and then retrieve it later?

Do you lend money as a part of your money transfer business? If so, how do you offer credit?

What are the strengths of your business?

How do you see your business growing over the next three years?

What are the threats to your business?

How do you characterise the competition to your business?

Are any of your customers denied bank accounts at a Canadian financial institution?

How do you manage all the cash associated with running a money transfer business?

Do you make regular deposits at a Canadian bank?

Do foreign banks operating in Canada offer services that Canadian banks do not?

What are the advantages of your business versus Moneygram and Western Union?

What are the difficulties in running this business?

Do you travel to Sri Lanka for business purposes?

What is the average volume of money that gets remitted in a month?

How does the system work?

How fast can you remit the money?

How is it possible?

How do you make a profit?

Do you consider your business a service to the community?

Did the attacks of September 11, 2001 and their aftermath affect your business? If, so can you elaborate?

Have your ever been questioned, interviewed or monitored by Canadian security representatives?

If yes, could you elaborate?

Is there any other information you would like to share?

APPENDIX B

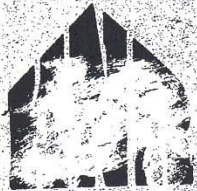
Forms used by Money Transfer Agents

EXPRESS MONEY TRANSFER
Financial Services Inc.

Parliament St, Toronto, Ont. M5C 1S3
 Tel : (416) 321-1111
 Fax : (416) 321-1112

B № 4269

Date: 16-03-2000
 Amount: (\$) 1500-USD
 500-C\$
 Service Charge: (\$) 10
 Total Received: (\$) 510-

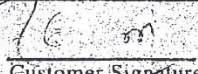



BENEFICIARY

Name: [REDACTED]
 Address: ROYAL PEARL GARDEN
 ALWIS TOWN ROAD
 WATTS A
 Phone: [REDACTED]

ORDERING CUSTOMER

Name: JERON
 Address: [REDACTED]
 Phone: [REDACTED]


 Customer Signature


 Accepted By

SIN/Drivers Licence No [REDACTED]

CASH



FINANCIAL SERVICES & MONEY TRANSFER

ment Street, Toronto, Ont.

Tel: (416) 723 Fax: (416)

Reference No: **6599**

BENEFICIARY

NAME _____
 ADDRESS _____
 _____ LANE
 NATIONAL HOUSING SCHEME
 CROW ISLAND, MATTAWLIYA G.L.S.
 TELEPHONE 5 _____ ID No _____

ORDERING CUSTOMER

NAME SERAN
 ADDRESS _____

 TELEPHONE 9 _____ ID No _____

EXCHANGE RATE 65/50 RECEIVABLE AMOUNT 145,500

COINS		
5 X		
10 X	1	10 -
20 X		
50 X	20	1000 -
100 X	20	2000 -
1000 X		
TOTAL	3010	-

Date:	1/7/99.
Amount: (\$)	3000
Service Charge: (\$)	10
Total Received: (\$)	3010.

Note: Regarding money transfer S.V.G. Financial Services Inc. will not be responsible for any problems, if reported after two weeks from date of receipt.

[Signature]
 Customer Signature

[Signature]
 Authorized Signature

APPENDIX C

Map of Sri Lanka

