In 1985, a luggage bomb planted in Vancouver blew up Air India Flight 182 over the Atlantic Ocean near Ireland. The bomb killed all 329 people aboard, 280 of them Canadians. The same day, a bomb destined for a second Air India flight killed two baggage handlers at Tokyo’s Narita airport. These simultaneous bombings by a Vancouver-based conspiracy were a precursor to the terrorist attacks of 11 September 2001. Grievances a world away, in this case against the government of India for its attacks on the Golden Temple, the holiest site in the Sikh religion, inspired terrorism in a western democracy. Modern technology was used to produce mass causalities. Until 11 September 2001, the Air India bombings were the world’s most deadly act of aviation terrorism.

Canadians were slow to learn lessons from the horrors of the Air India bombings. The government of India immediately appointed a public inquiry, but for many Canadians, the Air India bombing was a foreign matter. A massive Royal Canadian Mounted Police (RCMP) investigation was plagued by problems. It resulted in the conviction of only one person – Inderjit Singh Reyat – on just two charges of manslaughter and one of perjury. The Canadian government did not call a full public inquiry, the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182, until 2006. In June 2010, the inquiry report was released, containing five volumes outlining a wide range of deficiencies in Canada’s response both before and after the bombing.

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1 *R v Reyat* 1991 CanLii 1373 (BCSC) (manslaughter conviction in relation to Reyat’s construction of a bomb that prematurely exploded in Narita airport killing two baggage handlers); *R v Reyat* 2003 BCSC 254 at para 11 (guilty plea by Reyat on the basis that he acquired material in the bombing but did not intend that it be used to bomb Flight 182 killing 329 people). Reyat was subsequently convicted of one count of perjury in relation to his testimony in *R v Malik and Bagri* 2005 BCSC 350, which, after a 230 day trial, resulted in two acquittals; ‘Reyat Convicted of Perjury in Air India Trial’ *Victoria Times Colonist* (18 September 2010), online: Times Colonist <http://www.timescolonist.com/news/Reyat+convicted+perjury+India+trial/3545276/story.html>.
One volume of the report, but none of the Commission’s twenty-nine recommendations, was devoted to the prevention of terrorism financing, including financing from charities. The special focus feature will focus on this aspect of the Commission’s work and mandate.

The Air India inquiry had a massive mandate to investigate whether there were deficiencies in Canada’s assessment of the threat of terrorism before the bombing and in effective co-operation among government agencies in the investigation of the bombing. After prolonged hearings that included battles with the government over access to secret information, this part of the inquiry resulted in a volume of over 1,200 pages, which outlined numerous failures in the pre- and post-bombing phases. They included inadequate sharing of intelligence that should have identified the threat to Flight 182, the only Air India flight at that time that departed from Canada, and problems of co-operation between the Canadian Security Intelligence Service (CSIS) and the RCMP that hindered and delayed the investigation.²

The Air India inquiry was, however, not only concerned with the past. The inquiry was given an extensive forward-looking mandate that produced additional volumes on the challenges of terrorism prosecutions, including the relationship between, intelligence and evidence, and witness protection,³ aviation security,⁴ and terrorism financing, including any misuse of funds from charities.⁵ This last part of the mandate responded to concerns about the charitable status granted to the Babbar Khalsa (BK), a Sikh group that demanded (and still demands) the creation of Khalistan as a Sikh nation and its separation from India. The BK was founded by Talwinder Singh Parmar, widely believed to be the mastermind of the Air India bombings, and it is a proscribed terrorist group both in Canada and elsewhere. The BK, which both CSIS and the RCMP believed to be centrally implicated in the Narita and Air India bombings and terrorist acts and plots in both Canada


³ Air India Inquiry, Final Report, ibid, vol 3, pts 1, 2: The Relationship between Intelligence and Evidence and the Challenges of Terrorism Prosecutions, (Ottawa: Canadian Government Publishing, 2010).

⁴ Air India Inquiry, Final Report, supra note 2.

⁵ Ibid, vol 5 at 195.
and India, managed to obtain charitable status in the early 1990’s, although its charitable status was revoked in 1996.\textsuperscript{6}

The focus on terrorism financing also recognized the prominence that has been given to terrorism financing since 11 September 2001. United Nations Security Council Resolution 1373, for example, called on all states under the mandatory provisions of chapter 7 of the UN Charter to ensure that the financing of terrorism was a crime.\textsuperscript{7}

This focus feature builds on an innovative dimension of the Air India commission’s approach to its work. In order to tackle its mandate, the Commission of Inquiry commissioned fifteen research papers that were published in four volumes with the report.\textsuperscript{8} These articles were completed by the end of 2007, and most of the authors presented their papers at the commission’s hearings, where they were subject to cross-examination by the parties given standing, including counsel representing the government of Canada and counsel representing the families of the victims of the Air India bombings. This combination of academic studies with the public process of the inquiry allowed the Commissioner, Justice Major, ‘to see [that] the research produced for him challenged and defended in a public forum.’\textsuperscript{9}

The focus feature contains three papers originally written for the Air India commission on the topics of terrorism financing and the regulation of charities. These articles have been revised to take account of the commission’s report and other developments over the past three years. Taken together, they provide an important contribution to the generally sparse literature that is available in Canada with respect to the prevention of terrorism and, in particular, with respect to terrorism financing.\textsuperscript{10}

\section*{II Canada’s record on terrorism financing and the regulation of charities}

Canada’s response to 11 September 2001 and Security Council Resolution 1373 featured significant changes to the law relating to both

\footnotesize{\textsuperscript{6} Ibid at 195.\
\textsuperscript{9} Ibid, vol 2: \textit{Terrorism Financing, Charities and Aviation Security at 9.\
\textsuperscript{10} But see RT Naylor \textit{Satanic Purse} (Montreal: McGill Queens, 2006). In response to the lack of research on such issues in Canada and following a recommendation by the victims’ families, the commission suggested that an academic centre of excellence be established to study terrorism and its prevention: Air India Inquiry, \textit{Final Report}, supra note 2, vol 5: \textit{Terrorism} (Ottawa: Public Works and Government Services, 2010) at 271–3.}
terrorism financing and the regulation of charities. With respect to terrorism financing, the *Criminal Code* was amended to criminalize intentional terrorism financing and provide for freezing and forfeiture of terrorist funds.\(^{11}\) The 2001 Anti-Terrorism Act also amended Canada’s money laundering legislation to include terrorism financing.\(^{12}\) In 2006, Parliament expanded the range of entities that had obligations to report to Canada’s financial intelligence agency, the Financial Transactions Reports Analysis Centre (FINTRAC), under the money laundering legislation. It also enacted provisions to facilitate information exchange between financial intelligence and revenue authorities. The 2006 legislation also recognized privacy concerns by providing a regular review role for the privacy commissioner with respect to FINTRAC’s work.\(^{13}\)

Canada’s 2001 Anti-Terrorism Act also included the Charities Registration (Security Information) Act.\(^{14}\) It provides an elaborate scheme to allow the ministers of public safety and national revenue to certify that a charity should be stripped of charitable status on the basis of information, perhaps not disclosed to the applicant, that the charity has made or will make resources available to a terrorist organization either directly or indirectly.

The public results of these changes to the law have been meagre. Although terrorism financing charges have been used in relation to some terrorist plots, there has only been one conviction in Canada for what was purely a terrorism financing offence, and the person, who was convicted of providing $3000.00 to the Tamil Tigers, was sentenced to six months imprisonment, a sentence that the Crown has appealed.\(^{15}\)

Canada has been questioned by the UN’s Counter-Terrorism Committee on its lack of terrorism financing prosecutions and has eleven non-compliant ratings from the Financial Action Task Force (FATF) in its 2008 report.\(^{16}\) FATF is an intergovernmental group with representatives from thirty-four states. It was originally focused on money laundering, but its mandate was expanded in 2001 to include

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11 SC 2001 c 41 adding ss 83.02–83.16 of the *Criminal Code*.
12 *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, SC 2000, c 17, as amended by SC 2001 c 41.
14 *Charities Registration (Security Information) Act* SC 2001 c 41, s 113.
terrorism financing. The Charities Registration (Security Information) Act has not been used to deprive a charity of charitable status.17 In 2007–8, FINTRAC, which has a budget of about $50 million dollars, made twenty-nine terrorism financing disclosures to other entities, such as the RCMP, and ten more disclosures in relation to combined cases of terrorism financing and money laundering.18 In 2009–10, the number of terrorism financing disclosures rose to seventy-three, with thirty-six more combined with money laundering. These reports, however, were still dwarfed by 470 disclosures in money laundering cases. In order to make these reports, FINTRAC received almost 25 million reports in 2009–10, the vast majority involving large cash and electronic fund transactions.19 These figures are not surprising because it should be easier to detect the large amounts of dirty money associated with organized crime as opposed to the often small amounts of sometimes clean, sometimes dirty money associated with terrorist groups.

Both terrorism financing regulation and the related regulation of charities are carried out by institutions with other mandates. FINTRAC is mainly concerned with money laundering. Charities are regulated by the federal Canada Revenue Agency, which is primarily concerned with the integrity of Canada’s income tax system. Although the threat of revocation of charitable status could be fatal to a legitimate charity, it may not be much of a deterrent to those who are prepared to engage in terrorism financing. A charity that is deregistered can simply continue to work as a non-profit organization. Such organizations cannot give their donors tax receipts, but they are exempt from taxation. Counter-terrorism measures remain peripheral to most agencies involved in attempts to prevent terrorism financing, and terrorism can be financed in any number of ways. As a consequence, policy makers should not expect too much from attempts to prevent terrorism financing, even though it has been a focus of much international attention.

III The international record on terrorism financing and the regulation of charities

The ramped-up international focus on terrorism financing after 11 September 2001 can be explained, in part, by Al Qaeda leader Osama bin Laden’s exaggerated reputation as a financier and by the fact that the United Nations had already committed itself to terrorism financing

17 Ibid at 217.
through the 1267 sanctions regime and the 1999 Convention on the Suppression of Terrorism Financing. The 1267 regime provides individual sanctions, including an asset freeze against those listed as associated with al Qaeda or the Taliban, and the 1999 Convention requires the criminalization of the wilful provision of funds and property for terrorism.

Many countries, including Canada, added terrorist financing to money laundering schemes, as they scrambled in the wake of 11 September to comply with Security Council Resolution 1373. FATF similarly added terrorism financing recommendations including those aimed at charities to their main recommendations with respect to money laundering. Such approaches, however, frequently ignore fundamental differences between money laundering and terrorism financing. The 11 September attacks were likely the most expensive act of terrorism ever, but they cost less than a half of million dollars, and the US government’s 9/11 Commission concluded that ‘trying to starve the terrorists of funds is like trying to catch one kind of fish by draining the ocean.’ The costs of the Air India bombings have been estimated at between $3 000 and $10 000. The cost of the 2002 Bali bombings was $20 000; the 2004 Madrid bombings, 15 000 euros; and the 2005 London bombings, ‘a few hundred British pounds.’

It can be argued that it is unfair to focus on the low costs of terrorist acts because there are higher costs associated with maintaining a terrorist organization. But such assumptions about the nature of terrorist organizations are changing. Terrorism appears to be evolving away from reliance on al Qaeda as a central organization into an ideology that inspires self-funded groups such as those convicted in the Toronto terrorist plots, involving a number of people in plots that included possible truck bombings. There is a real danger that the global focus on terrorism financing and related strategies involving the listing or proscription of specific individuals and terrorist groups are an example of ‘fighting the last war.’ Such strategies are dangerous because they will be ineffective in preventing the next terrorist attack and because they may provide a false sense of security.


21 Resolution 1373, supra note 7.


23 Air India Inquiry, Final Report, supra note 2, vol 5 at 34, 237.
Terrorism financing regimes may not only be ineffective against much home grown terrorism; they may also impose costs that far exceed their benefits.\(^{24}\) The costs of terrorism financing regimes include the significant costs that governments can externalize to third parties, such as financial institutions and charities, by requiring them to comply with various reporting requirements and to ensure that they do not indirectly provide funds to terrorists.

Reporting requirements and the collection of information about millions of financial transactions can also invade privacy. The Canadian government has stressed that FINTRAC is an agency that is at ‘arms length’ from other parts of government, in part because of concerns that otherwise it may violate Charter protections against unreasonable search and seizures and warrant requirements.\(^ {25}\) Anti-terrorism financing regimes deputize third parties to enforce lists of proscribed terrorists and to file suspicious transaction reports. This raises a risk of discriminatory and stereotypical enforcement, especially with respect to persons who have common Arab or Muslim names.

An additional challenge to anti-terrorism financing regimes is their reliance on lists of individuals and terrorist groups. The listing of individual terrorists associated with al Qaeda has been promoted by Security Council Resolution 1267.\(^ {26}\) Listing has always constituted a problematic exercise because it fuses judicial, executive, and legislative powers in proclaiming a person to be an international outlaw without advance notice or a hearing and often on the basis of secret intelligence that is never publicly disclosed. In Canada, Liban Hussein was wrongly listed and then fortunately delisted as a terrorist in the aftermath of 11 September 2001.\(^ {27}\)

Challenges to the 1267 process have been growing. They started with the European Court of Justice’s decision in the Kadi\(^ {28}\) case but also...

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\(^{24}\) See Anita Anand, ‘Combating Terrorist Financing: Is Canada’s Legal Regime Effective?’ (2011) 61(1) UTLJ [this issue].

\(^{25}\) Stanley Cohen, Privacy, Crime and Terror (Markham, ON: LexisNexis Butterworths, 2005) at 268.

\(^{26}\) Resolution 1267, supra note 20.


included Canada’s own Abdelrazik case and a subsequent case in the United Kingdom, with judges finding that listing on the basis of secret evidence is not a fair process, especially given the severe effects of terrorism financing laws that prohibit all dealings with listed entities. The growing due process challenges to listings present additional difficulties for anti-terrorism financing regimes that were already somewhat marginalized because of the changing nature of terrorism.

IV  The Air India commission’s report on terrorism financing and charities

Although the Air India commission made twenty-nine formal recommendations, none of these related to terrorism financing or the regulation of charities. As Anita Anand suggests, this is ‘a conspicuous omission,’ given the commission’s mandate and the fact that the Canadian and other governments devote considerable resources to combatting terrorism financing. David Duff similarly suggests that the absence of formal recommendations on this subject was ‘a missed opportunity.’ This focus feature attempts, in a small way, to remedy the lack of recommendations about terrorism financing and charities in the Air India report.

Although it did not make formal recommendations, the Air India commission warned that the money laundering model ‘is not well-suited to terrorist financing’ and that ‘discovering terrorist financing activity amidst the millions of reports about financial transactions or thousands of applications for charitable status is like finding the proverbial needle in a haystack.’ The commission also reported that 90 per cent of the terrorism financing cases in Canada that were reported from FINTRAC came from voluntary information supplied by law enforcement or CSIS. It stressed that FINTRAC should be better integrated into the intelligence cycle involving domestic and foreign intelligence agencies and police forces. It expressed disagreement with FATF, which, in its 2008 evaluation of Canada’s money laundering and terrorism financing regime criticized FINTRAC for relying on leads and intelligence. Unfortunately, the commission did not follow through on these insights by recommending that the best approach to terrorism financing is

29 Abdelrazik v Canada (Foreign Affairs), 2009 FC 580.
31 Anand, supra note 24.
32 David Duff, ‘Charities and Terrorist Financing’ (2011) 61(1) UTILJ [this issue].
33 Air India Inquiry, Final Report, supra note 2, vol 1 at 185–6.
34 Air India Inquiry, Final Report, supra note 2, vol 5 at 58, 99.
likely to be one informed by intelligence about pre-existing groups suspected of involvement with terrorism. Such an approach would require a radical paradigm shift, given that so much of terrorism financing, including FATF’s analysis, remains rooted in a money laundering model that focuses on locating large amounts of dirty money.

Such a strategic and intelligence-lead approach to terrorism financing also raises the vexed question of so-called Al Capone approaches to law enforcement, in which people can be prosecuted for terrorism financing and related offences even though the primary concern is to disrupt a suspected terrorist plot or network. Such pretextual prosecutions can be improper. For example, a recent prosecution of a suspected terrorist in Canada for child pornography collapsed after the judge excluded evidence because of CSIS’s improper conduct in obtaining the evidence.\(^{36}\)

The Air India commission recommended that the role and powers of the prime minister’s national security advisor be enhanced to allow better co-ordination of the whole of the government’s approach to terrorism, including better integration of FINTRAC and charities regulators into the intelligence cycle. The government has yet to respond to this recommendation. Similarly, the government has not implemented the 2006 recommendations of the Arar Commission that the jurisdiction of the review body, the Security Intelligence Review Committee, be expanded to include FINTRAC and other agencies in order to ensure that the review matches the increased intensity and integration of the government’s anti-terrorism efforts.\(^{37}\) The failure of Ottawa to respond to both recommendations suggests that there has been successful resistance to increased review to ensure either the efficacy or the propriety of Canada’s anti-terrorism efforts. This lack of implementation of two key recommendations made by the Arar and Air India commissions is unfortunate. It suggests that Ottawa conceives of review as the enemy of security, instead of as a way to ensure that the government’s security efforts are improved and have the confidence of the public.

With respect to charities, the commission heard evidence that about a third of disclosures made by FINTRAC in relation to terrorism financing involved charities. In a telling footnote, however, the commission reports that only a third of these charities had registered charitable status in Canada.\(^{38}\) This reality seriously limits the efficacy of devices such as the

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\(^{36}\) R v Mejid, 2010 ONSC 5532.

\(^{37}\) Canada, Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar, A New Review Mechanism for the RCMP’s Security Activities (Ottawa: Ministry of Public Works, 2006); the Air India commission notes limits on the ability of the Privacy Commissioner to review the work of FINTRAC; Air India Inquiry, Final Report, supra note 2, vol 5 at 248

\(^{38}\) Ibid at 195, n 12.
Charities Registration (Security Information) Act, which can only deregister those charities that are registered in Canada. In addition, the commission reported that only a small handful of Canada charities have their status revoked for cause, and that it is not even possible to determine whether their status was revoked for reasons related to terrorism financing.39 These findings cast serious doubts on the efficacy of focusing on the status of charities that may provide funds to terrorists. Those who are prepared to give money to groups that may finance terrorists are not likely to be deterred by the absence of a tax receipt, and the groups they donate to are not likely to be deterred by the revocation of their charitable status, let alone by intermediate sanctions before revocation.

Effective regulation in this area may require a dramatic federal expansion into the regulation of non-profit organizations, which are haphazardly regulated by the provinces. It is not clear whether the benefits of such an expansion of regulation would justify its significant costs, and this may explain why the commission did not make a formal recommendation, even though it identified non-profit organizations as a ‘gap in the system.’40

A more severe response than increased regulation of charities or non-profits would be terrorism financing prosecutions. Here, the Air India commission makes numerous recommendations about how to improve terrorism prosecutions, including recommendations with respect to empowering trial judges to better manage cases and decide public-interest immunity claims.41 It also documents how one terrorism financing investigation in Canada has been bogged down for years in translation and other logistical difficulties.42 At the same time, Mark Sidel’s article in this focus feature warns of the dangers that the threat of terrorism financing prosecutions may chill legitimate charitable activity and burden freedom of expression and association.43

39 Ibid at 231 (noting that eleven charities were deregistered in 2005 and eight were deregistered in 2004).
40 Air India Inquiry, Final Report, supra note 2, vol 1 at 191.
41 The government has introduced legislation to give case-management judges and not, as suggested by the Commission, the trial judge more case-management powers. The bill, however, does propose other mega-trial reforms proposed by the commission, such as increasing the number of jurors and delaying enforcement of severance orders; see Bill C-53, An Act to Amend the Criminal Code (Mega-Trials), 3rd Sess, 40th Parl, 2010 (first reading 2 November 2010). The fate of the commission’s recommendations that trial judges be able to decide public-interest immunity applications may rest on the Supreme Court’s pending decision in Her Majesty the Queen v FA et al, Supreme Court Case Number 33066, argued 18 March 2010 and under reserve.
42 Air India Inquiry, Final Report, supra note 2, vol 5 at 242–3.
43 Mark Sidel ‘Choices and Approaches: Anti-terrorism Law and Civil Society in the United States and the United Kingdom after September 11’ (2011) 61(1) UTLJ [this issue].
Proscription of terrorist groups in general has sometimes been defended mainly as a symbolic denunciation of terrorism. The Charities Registration (Security Information) Act emerges more as a similar symbol of disapproval of terrorism than as a device that will be used. The law responds to the offence caused by the fact that the Babbar Khalsa once had charitable status, but it creates a risk that the work of the vast majority of legitimate charities could be deterred by concerns about possible indirect involvement in terrorism financing. The verdict is not much brighter for Canada’s anti-terrorism financing regime. As the commission notes, the regime is necessary to comply with Security Council and FATF mandates, even though it ’may not be the most effective instrument to prevent terrorism.’

Late in 2010, the Canadian government announced its Air India Action plan in response to the Commission’s report. The action plan was silent on the commission’s major recommendation with respect to an enhanced role for the prime minister’s national security advisor. The government asserted that ‘Canada has a strong and effective anti-terrorist financing regime’ that was ‘a fundamental tool in undermining terrorist activities.’ It then provided a commitment that it would enhance the exchange of intelligence between FINTRAC and its federal partners and ‘establish a new forum to identify illicit financing threats from abroad and to develop targeted measures to safeguard Canada’s financial and national security interests.’ The government’s reference to increased intelligence sharing with FINTRAC follows the commission’s discussions of the importance of an intelligence-led approach to terrorism financing. The government’s commitment to a new forum for terrorism financing is very vague, and discerning its meaning awaits further developments.

The first article in this focus feature by Professor Anita Anand critically examines Canada’s anti-terrorism financing regime and suggests that there is a need to evaluate the costs and benefits of the regime. This is an important recommendation, given the absence of tangible successes.

44 Proscription of terrorist groups such the IRA in the United Kingdom has often been defended on ‘presentational’ or ‘symbolic grounds’ because it is of ‘marginal utility in combating political violence, to which the survival of the IRA since 1918 in the teeth of almost continuous proscription bears ample testimony’; Clive Walker, The Anti-Terrorism Legislation, 2d ed (Oxford: Oxford University Press, 2009) at 2.43.
45 Charities Registration (Security Information) Act, supra note 14.
46 Air India Inquiry, Final Report, supra note 2, vol 1 at 186.
of the anti–terrorism financing regime and the fact that so much of its
cost is externalized to third parties such as financial institutions and char-
ities. Professor Anand expresses scepticism that the enhanced role of the
national security advisor will respond to the lack of cost-benefit analysis,
given the wide range of responsibilities contemplated for that position.
In any event, the government has shown little interest in implementing
this recommendation. Another possible review body might be a parlia-
mentary committee, but Canada’s committees are notoriously under-
staffed and are handicapped by an inability to get access to secret
information.

The second article, by Professor David Duff, examines the regulatory
regimes for charities that may be involved in terrorism financing. Professsor Duff notes how the constitutional division of power fragments
authority over charities and gives the federal government few tax-based
tools. He acknowledges, however, that federal tools have been expanded
to include intermediate sanctions and how both the de-registration of the
Babbar Khalsa and the 2001 reforms led to decreases in the number of
charities being registered in Canada.

The final article, by Professor Mark Sidel, offers a comparative per-
spective on terrorism financing and charities. It stresses how the
American approach has been to rely on prosecutions of charities and
others for material support of terrorism and how the US Supreme
Court has recently upheld this strategy in *Holder v Humanitarian Law
Project* 48 despite claims that prohibiting the giving of otherwise lawful
support to listed international terrorist groups burdens freedom of
expression and association under the First Amendment. The American
criminal-prosecution approach is contrasted with the British approach,
which relies more on regulation by a charities commission. Professor
Sidel warns that prosecutions and rigid guidelines may deter legitimate
charitable activities and expresses some disappointment that the Air
India commission did not recommend the creation of a charities commis-
sion for Canada.

As is often the case, Canada probably lies somewhere between the US
and UK approaches. On the one hand, this provides the potential for
Canada creatively to combine nuanced regulatory approaches with selec-
tive prosecutions for terrorism financing. But this is only a potential. At
present, Canada seems to lag behind both countries because it cannot
match the American record on terrorism financing prosecutions or the
British record of providing centralized regulation and guidance to char-
ities to assist them in complying with their legal obligations not to finance
terrorism.

48 130 S. Ct. 2705 (2010).
In addition to contributing to the literature on terrorism financing, this focus feature should provoke further debate about the role of terrorism financing regulation in the overall approach to the prevention of terrorism. It also, hopefully, will promote further reflection and discussion of the Air India report, which seems to have quickly escaped from public view. The failure of the Air India commission to make recommendations in the terrorism financing area may reflect understandable pessimism about what can actually be achieved by controlling financing in a world where deadly acts of terrorism have and can be committed with relatively small amounts of money, money that can be obtained in an infinite variety of ways. The commission’s low key approach to this issue may also reflect a pragmatic acceptance that global anti-terrorism financing regimes are here to stay, regardless of their costs or their effectiveness. At the same time, the extensive post-9/11 regulation of terrorism financing and charities, both in Canada and elsewhere, cannot be ignored, if only because of the possibility that it may cause more harm than good.