



American Model United Nations
General Assembly Second Committee

GA Second/II/1

SUBJECT OF RESOLUTION: Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development

SUBMITTED TO: The General Assembly Second Committee

The General Assembly Second Committee,

1 *Reaffirming* existing Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) rec-
2 ommendations and definitions by the Financial Action Task Force (FATF),

3 *Recognizing* the necessity of building upon existing institutional frameworks in order to best address these
4 issues in a rapidly changing world,

5 *Fully aware* that an increase in international transparency for data regarding illicit financial flows (IFF)
6 results in greater enforcement, more accountability, and higher rates of detection of illicit money laundering and tax
7 evasion schemes,

8 *Bearing in mind* state sovereignty and the importance of protecting administrative and economic institutions
9 within Member States as a crucial aspect of all UN action as cited in the United Nations Declaration of Human
10 Rights,

11 *Emphasizing* the current lack of international cooperation and the difficulty in regulating the international
12 exchange of illicit cash flows and especially those through cryptocurrency,

13 *Prioritizing* international cooperation and the importance of law enforcement agencies in maintaining strin-
14 gent information sharing programs and blockchain forensics research to better deanonymize on-chain transactions
15 and investigate Decentralized Finance (DeFi) assisted crimes,

16 1. *Recommends* Member States acknowledge existing financial crime institutions and policy recommendations
17 to combat Money Laundering, Financing of Terrorism, and Corruption:

18 (a) Calling upon greater cooperation with the Financial Action Task Force (FATF) in addition to
19 their existing 40+9 recommendations;

20 (i) Encouraging Member States to reaffirm existing Customer Due Diligence (CDD) and Know Your
21 Customer (KYC) recommendations to both traditional and decentralized finance;

22 (ii) Recommending that the FATF assist in reconciling regional differences in Centralized Coin
23 Exchange licensing, auditing, and taxation;

24 (b) Recommending that FATF regional bodies provide each country a financial transparency grade
25 evaluating domestic and international illicit cash flows;

26 (i) Suggesting the provision of organizational resources towards developing Member States struggling
27 to make progress in their anti-corruption initiatives due to struggling financial infrastructures;

28 (ii) Transparency assessments will be published in an annual newsletter in an effort to inform the
29 actions of international and outside organizations in dealing with those who have the capability but
30 refuse to meet international standards;

31 2. *Suggests* implementation of a series of cryptocurrency guidelines known as the Working Against Crypt-
32 tocurrency Corruption (WACC) principles:

33 (a) Encourages Member States to submit international crypto transactional data to international
34 authorities to better track suspicious financial flows;

35 (b) Asks for cooperation with universities and leading technology firms to develop computational
36 systems to detect suspicious financial flows;

37 (c) Supports the creation and expansion of blockchain forensics departments as a global priority and
38 encourages these departments to engage in interdepartmental cooperation as crimes on the blockchain commonly
39 cross national borders;

40 (i) Requests Member States and private organizations with expertise in the field of blockchain foren-
41 sics to help other Member States establish forensics departments and promote interdepartmental
42 relationships to pursue justice;

43 (ii) Invites particular attention on combating decentralized tumblers and coin mixers that obfuscate
44 the tracking of transactional data;

45 (d) Recommends that the UN's Independent Audit Advisory Committee (IAAC) focus on the con-
46 cept that each individual corporation should only have one single cryptocurrency account to aid in regulation of all
47 cryptocurrency transactions;

48 (e) Suggests the tracking of detected suspicious transactions, accounts, and crypto addresses in a
49 global blacklist accessible to all banks, auditing organizations;

50 3. *Urges* financial transparency and the promotion of domestic financial institutions that prevent and detect
51 illicit financial flows:

52 (a) Encourages an exchange of best practices between Member States, in addition to technical advice
53 from the United Nations Office on Drugs and Crime (UNODC) and the International Monetary Fund (IMF), with
54 regards to;

55 (i) Enforcing and implementing sanctions placed on individuals;

56 (ii) Enforcing anti-corruption measures for foreign aid and IMF loans;

57 (iii) Enforcing Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Frame-
58 work or equivalent;

59 (b) Strongly suggests the inclusion of financial inspection subcommittees within the UN's Indepen-
60 dent Audit Advisory Committee (IAAC) which would assess and mitigate the risks associated with money laundering
61 in an effort to combat IFFs and effectively increase surveillance; such committees would consist of highly qualified
62 finance experts appointed by the respective governments of Member States;

63 (i) These subcommittees would have the mission of acquiring, collecting, processing and analysing the
64 information necessary and relevant actions aimed at counteracting money laundering and terrorist
65 financing;

66 (ii) Subcommittee officers will oversee committees composed of managers appointed by each indi-
67 vidual Member State that elects to participate in the inspection process and will be guided by the
68 World Bank;

69 4. *Seeking* to strengthen the Addis Ababa Action Agenda (AAAA) with regards to illicit financial flows
70 through means such as but not limited to:

71 (a) High-quality data collection;

72 (i) Places particular emphasis on data disaggregated by disability, migratory status, race, ethnicity,
73 geography, age, sex, income, religion, and other relevant demographic information;

74 (ii) Endorses an exchange of best practices between countries, with assistance from the World Trade
75 Organization (WTO), IMF, and World Bank, for the collection, maintenance, and analysis of data;

76 (iii) Encourages member states to compile and make data on illicit financial flows publicly available
77 in an effort to promote international cooperation and coordination on the issue;

78 (b) Follow-up and review mechanisms;

79 (i) Supports the participation of financial regulators, central banks, local authorities, relevant min-
80 istries, and national parliaments in maintaining and ensuring the implementation of the AAAA;

- 81 (ii) Strengthening repatriation of stolen assets measures;
- 82 A. Highlights recovery expertise to prosecute, enforce, and confiscate assets as an important area to
83 strengthen, especially in developing countries;
- 84 B. Encourages an exchange of technologies and best practices between countries and technical advice
85 from the relevant regional organizations, WTO, IMF, and UNODC with regards to measures to
86 repatriate stolen assets;
- 87 (c) *Pushes* for Member States to consider and adopt the stipulations of the Yaound Declaration
88 (OECD);
- 89 (i) Recommending the creation of an ad-hoc committee which will manage the expansion of the
90 Yaound Declaration into a more inclusive format;
- 91 A. Endorses the inclusion of local organizations to guide this process;
- 92 (ii) Highly recommends the participation of the Global Forum on Transparency and Exchange of
93 Information for Tax Purposes as both a technical advisor of the expansion and an information-sharing
94 partner;
- 95 (iii) Urging the strengthening and prioritization of all forms of information exchange including but
96 not limited to exchange of information on request and automatic exchange of information networks.

Passed, Yes: 44 / No: 6 / Abstain: 7