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,

Reaffirming existing Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) recommendations and definitions by the Financial Action Task Force (FATF),

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

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

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

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

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

1. Recommends Member States acknowledge existing financial crime institutions and policy recommendations to combat Money Laundering, Financing of Terrorism, and Corruption:
   (a) Calling upon greater cooperation with the Financial Action Task Force (FATF) in addition to their existing 40+9 recommendations;
      (i) Encouraging Member States to reaffirm existing Customer Due Diligence (CDD) and Know Your Customer (KYC) recommendations to both traditional and decentralized finance;
      (ii) Recommending that the FATF assist in reconciling regional differences in Centralized Coin Exchange licensing, auditing, and taxation;
   (b) Recommending that FATF regional bodies provide each country a financial transparency grade evaluating domestic and international illicit cash flows;
      (i) Suggesting the provision of organizational resources towards developing Member States struggling to make progress in their anti-corruption initiatives due to struggling financial infrastructures;
      (ii) Transparency assessments will be published in an annual newsletter in an effort to inform the actions of international and outside organizations in dealing with those who have the capability but refuse to meet international standards;

2. Suggests implementation of a series of cryptocurrency guidelines known as the Working Against Cryptocurrency Corruption (WACC) principles:
   (a) Encourages Member States to submit international crypto transactional data to international authorities to better track suspicious financial flows;
(b) Asks for cooperation with universities and leading technology firms to develop computational systems to detect suspicious financial flows;

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

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

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

(d) Recommends that the UN’s Independent Audit Advisory Committee (IAAC) focus on the concept that each individual corporation should only have one single cryptocurrency account to aid in regulation of all cryptocurrency transactions;

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

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

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

(i) Enforcing and implementing sanctions placed on individuals;

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

(iii) Enforcing Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Framework or equivalent;

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

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

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

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

(a) High-quality data collection;

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

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

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

(b) Follow-up and review mechanisms;

(i) Supports the participation of financial regulators, central banks, local authorities, relevant ministries, and national parliaments in maintaining and ensuring the implementation of the AAAA;
(ii) Strengthening repatriation of stolen assets measures;
A. Highlights recovery expertise to prosecute, enforce, and confiscate assets as an important area to strengthen, especially in developing countries;
B. Encourages an exchange of technologies and best practices between countries and technical advice from the relevant regional organizations, WTO, IMF, and UNODC with regards to measures to repatriate stolen assets;
(c) Pushes for Member States to consider and adopt the stipulations of the Yaound Declaration (OECD);
(i) Recommending the creation of an ad-hoc committee which will manage the expansion of the Yaound Declaration into a more inclusive format;
A. Endorses the inclusion of local organizations to guide this process;
(ii) Highly recommends the participation of the Global Forum on Transparency and Exchange of Information for Tax Purposes as both a technical advisor of the expansion and an information-sharing partner;
(iii) Urging the strengthening and prioritization of all forms of information exchange including but not limited to exchange of information on request and automatic exchange of information networks.

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