

National Workshops on Combating Money Laundering and Suppressing the Financing of Terrorism

Project Objective

- To **raise awareness on technical and legislative aspects** of money laundering and issues related to the financing of terrorism;
- To familiarize participants with **legal and administrative tools** to combat money laundering/financing of terrorism;
- To identify, together with experts from the countries, **needs for further legislative development** relevant to combating money laundering/financing of terrorism.

Background

In 1998, in a Political Declaration against Money Laundering, the United Nations General Assembly, at a special session on the world drug problem, recommended that States that had not yet done so adopt by the year 2003 national money-laundering legislation in accordance with relevant provisions of the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988 Convention), as well as other measures adopted at the special session. Since then, developments at the national and international level have brought even greater recognition of the role of anti-money-laundering measures in promoting economic development, private businesses and the rule of law. For example, efforts of States to combat money laundering are becoming part of their economic reform measures, and therefore increasingly relevant in their co-operation with the international financial institutions.

The consequences of money laundering can also be a threat to national and international security. The United Nations "International Convention for the Suppression of the Financing of Terrorism", which entered into force on 10 April 2002, recognizes that financing is at the heart of terrorist activity. The Convention calls for efforts to identify, detect and freeze or seize any funds used or allocated for the purpose of committing a terrorist act. To suppress successfully the financial basis of terrorist networks, comprehensive legislation in combination with effective structures of criminal investigation and proceeding are required.

Approach

National workshops on combating money laundering and suppressing the financing of terrorism will be organized in interested OSCE participating States. They will be implemented jointly by the UN ODCCP Global Programme Against Money Laundering (GPML) and the Office of the Co-ordinator of OSCE Economic and Environmental Activities, together with the respective host governments.

The workshops will implement the relevant provisions of the Programme of Action that was endorsed at the "Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism", held on 13 and 14 December 2001. The Programme calls, *inter alia*, for the adoption of national legislation and the creation of corresponding structures in the area of combating the financing of terrorism. In this context, it explicitly refers to the importance of "providing assistance, upon request, to States in developing relevant national legislative and administrative tools."

At each of the two-day national workshops the following issues will be addressed:

- United Nations and other international instruments on money laundering and financing of terrorism issues, including recommendations of the Financial Action Task Force;
- United Nations Model Law on Money Laundering and national laws against money laundering;
- The role of anti-money-laundering efforts in co-operation with international financial institutions (e.g. World Bank/International Monetary Fund);

- National authorities, including financial intelligence units against money laundering;
- International co-operation and exchange of information;
- Development of alternative remittance systems and the cash smuggling problem.

Senior officials/experts representing relevant authorities from the host country will participate, inter alia from the office of the Prime Minister, the parliament, the central/national bank, the ministry of finances, the ministry of foreign affairs, the ministry of justice, the ministry of the interior and/or security, the police, the judiciary or the prosecution service. The exact list of invitees will be determined by the ODCCP and the OSCE in close consultation with the host government.

To cover the issues outlined above, the workshop will require three to four international consultants, including GPML experts, who will be employed as facilitators. National consultants will also be engaged where possible. Participants/experts from the host country will be expected to actively contribute to the discussions.

Optionally, in order to facilitate the exchange of information and technical co-operation on the regional level, the national workshops could be followed by a regional event at a later stage.

Timeframe

Start: Second half of 2002 (First workshops 30 September to 6 October for Kazakhstan and Kyrgyzstan)

Financial Implications

Unfunded. The implementation of the workshop is subject to the availability of extrabudgetary contributions.

Cost: US\$ 32,000 (EURO 32,510 based on the OSCE rate of exchange for August 2002) for the participation of two countries (Kazakhstan and Kyrgyzstan).