

## **UN ODC's ROLE IN PROMOTING INTERNATIONAL COOPERATION IN COMBATING MONEY LAUNDERING AND TERRORIST FINANCING**

I am privileged to address you today at this Regional Conference on Combating Money Laundering and Terrorist Financing. In particular, I wish to thank the Indonesian and the Australian governments for pursuing the initial idea to locate the event on the beautiful island of Bali, a sign that the two nations and the Region wish to look to the future after the tragic events which recently occurred here.

My colleague this morning has already talked about the fundamental definitions and differences of money laundering and terrorist financing and the international control measures. Despite such fundamental differences, the nature of many counter-measures enables the international community to effectively combat money laundering simultaneously as it combats terrorist financing. Main counter-measures include international cooperation through: mutual legal assistance agreements; strong and effective financial investigation units; stricter reporting requirements of suspicious transactions within banks; and less rigorous bank secrecy provisions.

The investigation, prosecution and suppression of crime for the protection of the citizens and the maintenance of peace and public order are important goals of all organized societies. The pursuit of that goal cannot realistically be confined within national boundaries. International crimes thrive on the existence of barriers between jurisdictions. It is impossible to combat transnational organized crime in a situation where the judiciary authorities operate in firm isolation from one another. Mutual legal assistance is an important mechanism through which the international community can more effectively suppress transnational crime. A strong system of mutual legal assistance will in due course be the most efficient tool in dealing with criminals and terrorists.

There are similarities between the mutual legal assistance provisions in the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and the new UN International Convention for the Suppression of the Financing of Terrorism that came into force in April this year. Both conventions include provisions that are not limited in scope to judicial proceedings, as many other conventions with a mutual legal assistance component. These two conventions' scope is wider and, consequently, allows for mutual legal assistance to be afforded for investigation and prosecution of offences as well as for judicial proceedings. Moreover, both conventions include a clause stating that State Parties may not decline a request for mutual legal assistance on the ground of bank secrecy.

The way in which the ODC Regional Centre in Bangkok has promoted mutual legal assistance in combating transnational crime, which so far has been connected to drug related transnational crime, can easily be adopted in relation to other crimes such as money laundering and terrorism financing. This is particularly true when considering the similarities between the mutual legal assistance provisions of the two mentioned conventions. The Regional Centre of the UNODC has been executing a project aiming to strengthen the judicial and prosecutorial drug control capacity in East Asia. The priority countries within this project are China, Cambodia, Laos, Myanmar, Thailand and Vietnam. One of the key objectives of this project is to facilitate cooperation in matters of international requests for assistance regarding drug or related investigations and prosecutions. One of the main activities of the project, in relation to mutual legal assistance, has been the establishment of a Mutual Legal Assistance Advisory Committee. This committee, comprising of senior legal and law enforcement representatives from the six countries, work together to identify the issues to be addressed to assist these countries with providing mutual legal assistance to one

another. The UN has provided legal advice to countries that undertake activities to increase their mutual legal assistance capacity. Sub regional workshops have been arranged to raise awareness and to discuss procedural issues relating to the provisions of mutual legal assistance in drug control matters.

Many persons in the region who have responsibilities for carrying out the judicial process have limited experience of, or training for, the application of recently enacted or amended laws. The prosecution of international criminals, money launderers and terrorists gives rise to complex legal issues that require specific training to understand and address them. The international aspect of criminality and the corresponding need for cooperation is for many countries a new experience. Similarly, crime and terrorist investigations are becoming more complex and enforcement officers are using new techniques to identify and prosecute money launderers and terrorists. After the recent surge in terrorist acts, pressure upon countries to enact laws on terrorist financing and money laundering is now mounting. This places the prosecution and the judiciary in an even more difficult situation as they are now requested to fully understand, not only the complexities of cross-national drug trafficking including the laundering of its proceeds, but also cross-national terrorist funding. Judges and prosecutors now need to receive training in the law in order to professionally administer not only the drug legislation with its money laundering component, but also terrorist financing legislation and, thereby, meet the objectives of their countries newly enacted laws.

In this regard, the UNODC is also promoting cooperation between countries of the Region in combating money laundering in general. This is done through the implementation of another regional project, namely the ASEM Anti-Money Laundering Project, aiming to develop a sustainable institutional capacity at a national, regional and international level, but this time in the field of anti-money laundering. This project builds the institutional capacity as a whole in regards to money laundering and, therefore, deals with law enforcement officials, bank officials, as well as the judiciary and prosecutorial officials. The priority countries for this project are Thailand, Malaysia, China, Vietnam, Indonesia and the Philippines, and, possibly, also Brunei. The international cooperation this project promotes is less formal than mutual legal assistance, but of fundamental importance as it aims to develop closer and deeper cooperation between Europe and Asia as part of international efforts to implement a global anti-money laundering regime. The first phase of this project is on-going where the extent of assistance required in the individual jurisdictions is being assessed. The needs analysis report of the six countries will, thereafter, serve as a basis for the preparation of course outlines and work programmes for training and technical assistance in any relevant area. Similarly to the above-mentioned project aiming to strengthen the judicial and prosecutorial drug control capacity in East Asia, we shall involve in the delivery of legal and judicial education programmes on the aims, objectives and successful prosecution of money laundering and asset forfeiture legislation. Furthermore, it might also involve delivery of technical assistance and training in investigation of financial crimes and in asset seizure and forfeiture to the law enforcement as well as training to the financial sector. There is also the possibility that a specific activity within the project will deal with terrorist financing as the on-going needs assessment has identified a concern within the various institutions regarding the new regulations connected to this.

Ladies and gentlemen, national legislation has limitations, and in order to combat transnational crime and terrorist activities, beyond nations' borders, international criminal law and anti-terrorism conventions are effective tools. Standards for international cooperation, as well as standards for domestic law, are set by treaties and conventions. United Nations conventions and other regional conventions empower consistent national laws and determine acceptable law enforcement strategies. The United Nations, and its conventions, have a role to play in encouraging countries and making them aware of the benefits of cooperating with such set standards. When ratified, the

conventions provide the Signatory countries with a global basis for extraditing offenders, carrying out joint investigations and providing and requiring mutual legal assistance. All such processes, thereafter, render the prosecution of offenders easier and quicker and transnational crime and terrorism becomes universally criminalized. Many countries within our region have not yet signed and ratified the conventions addressing organized crime and terrorism. I wish to strongly call upon all authorities of the Asia Pacific countries to show our commitment to the fight against transnational organised crime and terrorism by ratifying the relevant conventions as soon as possible. I also call upon the larger and richer nations in our region to help the neighboring countries to combat organized crime and terrorism more effectively by providing them with the financial, material and human resources they so urgently need.

Starting in September 2001 and boldly in 2002, the gross criminal product has shown its capacity to diversify its evil plan by killing thousands of people, irrespective of their nationality. Millions of people are made unemployed and destitute while economies collapse due to terrorist attacks. The threat that organized crime and terrorism constitute to society reaches across borders for its victims. By further improving the region's consultation and cooperation, something which this conference so well exemplifies, all the countries in our region, as well as in the world, will benefit.

Thank you all for your attention.