

FORUM: Economic and Financial Committee (ECOFIN)

QUESTION OF: Combating Illicit International Financial Flows

SUBMITTED BY: Russian Federation

CO-SUBMITTED BY: Democratic People's Republic of Korea (DPRK)

SIGNATORIES: United Arab Emirates, United States of America (USA), The Republic of Kenya, Arab Republic of Egypt, Federal Republic of Somalia, The Republic of Niger,

THE GENERAL ASSEMBLY,

Recalling the principles of sovereign equality and non-interference as enshrined in the United Nations Charter, which underpins the legitimacy of international economic relations,

Deeply concerned by the extraterritorial application of unilateral sanctions imposed by the United States that, in practice, undermine national sovereign and disrupt legitimate financial flows,

Alarmed at illicit arms trade networks within the European Union and their contributions to financing activities that evade established regulatory frameworks, thereby destabilizing regional and global security,

Recognizing the ongoing challenges posed by economic sanctions imposed by certain Member States, which hinder the ability of the Democratic People's Republic of Korea (DPRK) and the Russian Federation to engage freely in global financial markets, thereby exacerbating the risk of financial flows that occur outside formal channels,

Reaffirming the right of sovereign nations, to protect their national security, and economic independence, and to conduct international financial transactions free from external interference,

Recognizing that the fight against illicit international financial flows requires a multilateral approach, and emphasizing the need for dialogue between all nations, to encourage mechanisms that allow for financial transparency while respecting national sovereignty,

- 1) Urges the international community to improve overall economic stability through the following measures:
 - a) Reassess and reform sanctions through talks, debates, and discussions.
 - b) Ensure that measures taken to target illicit financial activities do not discriminate against certain nations;

- 2) Calls upon the European Union to disable illicit arms trading networks within their boundaries by:
 - a) Creating a task force to detect and analyze financial movements, preventing international illegal transactions of funds,
 - b) Installation of x-ray machines in border areas to detect the movement of arms between nations, preventing international economic instability;

- 3) Encourages the expansion of responsibilities of the Financial Action Task Force (FATF) to include:
 - a) Monitor and evaluate the impact of unilateral sanctions and illicit arms trade on global financial stability,
 - b) Identify vulnerabilities in existing policies, and propose coordinated policy measures that respect state sovereignty while effectively combating illicit international financial flows;
 - c) Establishing focused monitoring protocols for high financial risk jurisdictions, including, but not limited to:
 - i.) Intensified scrutiny of their financial institutions
 - ii.) Mandatory quarterly audits;

- 4) Encourages the United Nations to implement specialized data analytical software to:
 - a) Recognize specific trends in the financial data of a nation to reveal anomalies.
 - b) Analyse data in real-time to prevent prolonged illicit financial transactions, and
 - c) Record the financial flow in a distributed ledger to promote a transparent, irreversible record of transactions;

- 5) Calls upon the United Nations to aid LEDC (Less Economically Developed Countries) in combating illicit financial flows by:
 - a) Providing training personnel to the governments to educate them on identifying illicit financial transactions,
 - b) Aiding them to develop their financial database and software through financial support;

- 6) Recommends the implementation of common standards for identifying and dealing with illicit financial flows by:
 - a) Closing gaps in the law that allow money laundering, tax evasion, and other financial crimes to occur, and
 - b) Conducting regular reviews of national financial systems to ensure compliance with international norms;

- 7) Encouraging enhanced surveillance and information sharing between member states by:
 - a) Monitoring border areas with advanced technologies like drones, AI detection CCTVs, and
 - b) Creating a cloud collaborative database between member states to facilitate immediate exchange of suspicious illicit transactions;
 - c) Compulsory reporting of all international transactions exceeding \$10,000 to monitor and prevent possible financial crimes. Incidents will be reported to:
 - i) Financial Action Task Force (FATF)
 - ii) International Monetary Fund (IMF)