

Information Note¹

- Event:** Meeting of the Financial Action Task Force - Working Group on Terrorist Financing and Money Laundering (WGTM)
- Organizers:** The Financial Action Task Force - Working Group on Terrorist Financing and Money Laundering – the FATF Secretariat
- Date and Venue:** 21-22 February 2011; Paris, France
- Participants:** Representatives of the Finance Ministries and Financial Intelligence Units from: Argentina, Australia, Austria, Belgium, Canada, China, Denmark, European Commission, Finland, France, Germany, Greece, Gulf Cooperation Council (GCC), Hong Kong- China, India, Italy, Japan, Kingdom of the Netherlands, Luxembourg, Mexico, Norway, Republic of Korea, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and United States.
FATF Associate Members: Asia Pacific Group (APG), Caribbean Financial Action Task Force (CFATF), Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), Eurasian Group, Financial Action Task Force of South America (GAFISUD), Intergovernmental Action Group against Money Laundering in Africa (GIABA), MONEYVAL, International Organizations: European Central Bank (ECB), International Monetary Fund (IMF), UN Office on Drug and Crime (UNODC), and for the United Nations Security Council, representative of CTED and 1540 Committee expert

1. Objectives

- Inform the FATF/WGTM, as appropriate, on the obligations of States in resolution 1540 as the FATF/WGTM develops guidance or recommendations for its members on proliferation financing
- Share the latest data on States measures related to countering proliferation financing as considered by operative paragraph 2 and 3 d) of resolution 1540 (2004) with the FATF/WGTM
- Strengthen cooperation with the FATF in response to the briefing by the current President of the FATF to the 1540 Committee on 21 December 2010, and as encouraged in resolution 1810 (2008)
- Cooperate with the FATF/WGTM members on assistance and other activities related to implementation of its guidance or recommendations on proliferation financing

¹ For information – not an official report. The views expressed here do not necessarily represent those of the 1540 Committee or of the organizers or participants in the event.

2. Background

In late 2007, the FATF began to address the issue of compliance with various UNSC resolutions, particularly 1540, with implications for governing financial institutions and financial transactions. The products of its efforts appear in a Typology Project Team report (www.fatf-gafi.org/dataoecd/14/21/41146580.pdf) to the WGTM in 2009 and the "*Combating Proliferation Financing: A Status Report on Policy Development and Consultation*" later referred as the *Status Report* (www.fatf-gafi.org/dataoecd/14/21/41146580.pdf) of the WGTM and its proliferation financing project team in April 2010, as well in statements made at the 1540 Committee Comprehensive Review and the 1540 Committee meeting on cooperation with international, regional, and sub-regional organizations in December 2010 in Vienna.

3. Overview

Proliferation financing was discussed during the second working session on the 22nd of February. The Secretariat introduced the document FATF_WGTM_WD(2010)2.doc. The 1540 Committee expert presented the requirements of resolution 1540 with regard to the prohibition of financing the activities listed in operative paragraph 2 dealing with nuclear, chemical and biological weapons and their means of delivery, and the measures to control funds and services to export, transit, transshipment and re-export weapon-related materials contained in operative paragraph 3 (d).

In addition, the 1540 Committee expert presented data on measures taken by States relevant to proliferation financing according to the 1540 Matrices, approved by the 1540 Committee in December 2010.

Furthermore, the 1540 Committee expert underlined that resolution 1540 itself does not provide standards or guidance on how to implement its requirements; States adopt implementation measures according to their national procedures. Guidance and standards elaborated by international organizations, including FATF, in the framework of their respective mandates, could serve member States in their efforts to implement resolution 1540 and to develop a comprehensive and coordinated approach to address the threat of proliferation and terrorism.

4. Additional notes.

On the definition of proliferation financing, delegations discussed the opportunity to agree on a common definition of proliferation financing due, *inter alia*, to its implications for the targeted financial sanctions as well as information sharing. One delegation announced a new proposal to be submitted to all delegations for their consideration shortly.

5. Additional comments

For further information, please contact the 1540 Committee experts by e-mail at 1540experts@un.org