



**Strengthening National Financial Systems Through International  
Cooperation and Information Sharing to Prevent Terrorism and  
the Proliferation of Weapons of Mass Destruction**

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Excellency, Mr. Alexis Bethancourt Yau, Minister of Public Security of Panama,  
Her Excellency, Ambassador Laura Flores, Permanent Representative of Panama,

Excellencies, Ladies and gentlemen

On behalf of Izumi Nakamitsu, High Representative for Disarmament Affairs, allow me to thank the government of Panama and the Organisation of American States for co-hosting this important event.

I also wish to express my sincere gratitude to the Government of Panama and the OAS for the strong cooperative relationship they have built with the Office for Disarmament Affairs, particularly in promoting the importance of the full and universal implementation of resolution 1540.

The world will struggle to prevent the acquisition of weapons of mass destruction by non-state actors if we cannot eliminate their sources of funding. Actors seeking such weapons will not hesitate to use every possible means to finance their activities. They may trade in drugs, arms, oil, antiquities and even humans. They can exploit new technologies and tools to smuggle money and resources, and abuse charitable causes for their own heinous purposes. In countering the financing of terrorism and proliferation, we will also be foiling other crimes they commit in the process.

UN Security Resolution 1540 universalized export controls to prevent non-state actors from acquiring weapons of mass destruction, in particular for terrorist purposes. It has greatly contributed to the strengthening of national controls and has complemented many other international arrangements.

Most recently, through Resolution 2325 of December 2016, the Security Council decided to intensify its efforts to promote the full implementation by all States of resolution 1540, particularly noting the need for more attention to, inter alia, proliferation finance measures.

When it comes to preventing non-State actors from acquiring WMD, UNODA – through its work in support of the 1540 Committee – has strongly supported the link between proliferation finance measures and export controls,

as part of the full and universal implementation of resolution 1540. Many of the policy options for countering proliferation finance depend on information or legal enforcement authority only available to national export control agencies. Likewise, export control authorities have highlighted how financial information is helpful to them as a way to trace critical end-users or illicit transactions.

In this context, UNODA, in cooperation with the 1540 Committee, its Group of Experts and the Government of Germany, has organized multiple industrial outreach conferences – the so-called ‘Wiesbaden’ conferences – with national export-control authorities and industry representatives, including from the finance sector. In these outreach conferences, together with our partners, we were able to raise awareness of the importance of full implementation of resolution 1540, including its relevance to export control and proliferation financing. There has also been recognition of the need for Governments to ensure that their implementation efforts are comprehensive enough to include services and financial transactions.

However, as non-state actors continue to innovate and diversify their methods to keep their flows of income, we must also keep pace.

I would, therefore, like to suggest a few areas of financial measures that could further contribute to the implementation of resolution 1540 and proliferation financing.

Firstly, strengthening the prevention of financial services from being used for the development and shipment of weapons of mass destruction and their means of delivery, and related materials. The Financial Action Task Force remains a leader in this field through its global network that assists States implement their legal, regulatory and operational measures. FATF standards are recognized as a model for combatting money-laundering, financing of terrorism and WMD proliferation, as recognized by Security Council resolution 1810 and 1977. The 1540 Committee, has built a sound partnership with the FATF. We will continue to cooperate with the Task Force in assisting Member States to develop their capacity to detect and prevent the provision of financial services for proliferation purposes in accordance with resolution 1540 and its subsequent resolutions.

Member States could consider how to better ensure effective information sharing between regulatory authorities and the financial sector, and also in between individual regulatory agencies. In today's interconnected world, it is possible to ensure compliance with export control policies essentially in real time. Sanctions lists can be updated immediately. Businesses can raise a red flag about a customer or transaction at any time, which can be checked instantly by a compliance officer sitting on the other side of the world.

Information on deceptive practices such as using front companies or layering letters of credit should be efficiently shared with not only the manufacturing and trading sectors, but also with the finance sector to effectively prevent financial services being provided to potential proliferators of WMDs.

Efficient communication, coupled with effective enforcement and compliance, is key to ensuring that businesses may thrive while preventing the proliferation of WMDs to non-State actors.

Through its continued support to the 1540 Committee, UNODA remains committed to, providing the assistance and facilitating the necessary international cooperation required to deprive malicious non-state actors of funding that could be used for the acquisition of weapons of mass destruction.

However, the full and universal implementation of these measures will take enhanced efforts from Member States, International and Regional Organizations, the private sector and civil society.

The United Nations will continue to raise awareness of this issue among major stakeholders and on request provide effective capacity building. We count on your continued support and contributions to achieve our common goal of building a safer and peaceful world.

I thank you and wish you a successful event.