

14 November 2017

Original: English*

**Subcommission on Illicit Drug Traffic and
Related Matters in the Near and Middle East****Fifty-second session**

Beirut, 13–17 November 2017

Draft report*Rapporteur:* Muhammad Basharat Tahir Malik (Pakistan)**Addendum****Consideration of topics by working groups****Issue (b): Countering money-laundering, illicit financial flows and the use of the darknet and cryptocurrencies in relation to the drug trade**

1. The working group on the above topic met during the third meeting, held on 14 November 2017. In its consideration of the topic in question, the working group formulated the following observations:

(a) There is a significant amount of information in private companies in the financial sector available for investigative purposes;

(b) There is a lack of information sharing protocols between the Financial Intelligence Units (FIUs), law enforcement agencies (LEAs) and private companies in the financial sector;

(c) Private companies in the financial sector are frequently willing to help with training as well as investigative work — particularly when brand reputation is at stake;

(d) Financial institution cannot validate information and intelligence without bidirectional information flows;

(e) There is a low level of understanding of Internet, social media and darknet related matters;

(f) There is a low level of investigations particularly after the drugs are seized — the concept of “following the money” is rarely followed;

(g) There is a low level of effectiveness in asset seizure possibly caused by the shortcomings in legislation or by lack of practical implementation or experience.

* Available only in Arabic, English, and Russian, which are the working languages of the subsidiary body.



2. The working group drew up the following conclusions:
 - (a) There is a need for use of financial intelligence at the tactical, operational and strategic levels;
 - (b) There is a need for more systematic and sustainable training in the field of financial intelligence analysis and asset seizures, including introduction of financial intelligence analysis in curriculums of training institutions — particularly with regard to the Internet, social media and darknet;
 - (c) There is a need for feedback from the LEAs/FIUs back to private companies in the financial sector.
 3. The working group adopted the following recommendations:
 - (a) Governments should encourage better cooperation between the Financial Intelligence Units (FIUs) and law enforcement agencies (LEAs);
 - (b) Governments should be encouraging intelligence-based policing that is, to be proactive rather than reactive. The gathering of financial intelligence and subsequent analysis is a key aspect of this;
 - (c) Governments should introduce policies and procedures which facilitate better sharing of information between public institutions and private companies in the financial sector;
 - (d) Governments should ensure that training institutions have relevant training curricula, tools, as well as specialized equipment and software for the training of financial intelligence analysts.
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