24 October 2019

English only*

Forty-third Meeting of Heads of National Drug Law Enforcement Agencies, Asia and the Pacific
Bangkok, 22–25 October 2019

Draft report

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Addendum

Consideration of topics by working groups

(c) Countering money-laundering, illicit financial flows and the use of the darknet and cryptocurrencies in relation to the drug trade

The working group on the above topic met during the 5th meeting, held on 24 October 2019. In its consideration of the issue, the working group formulated the following observations and recommendations:

2. Observations

(a) Anti-Money-laundering activities of member States are not always adequate to the challenges posed by the organized crime involved in illicit drug trafficking. At times drug-related cases are not supported by the investigation of illicit financial flows and assets generated by this type of crime are not always properly targeted;

(b) Effective anti-money-laundering requires close cooperation between law enforcement agencies, prosecutorial authorities, banking sector, money or value transfer services (MTVS) providers, tax authorities and other relevant agencies and actors;

(c) Online drug trade and use of social media for this trade has increased significantly;

(d) The extent of the use of the darknet for drug trade and the use of cryptocurrencies for money-laundering differ from country to country. The level of training of law enforcement officers in responding to and investigating illegal activities in this area vary in the countries of the region;

(e) Investigating drug-related money-laundering and the use of cryptocurrencies in these cases poses challenges that are related to gaps in legislation,

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or are due to lack of cooperation at national and international levels, long response times to urgent requests in ongoing investigations and other factors;

(f) Asset Recovery Interagency Networks (ARIN) provide a platform for cooperation in tracing, freezing, confiscation of assets generated by illicit drug trafficking;

(g) As a measure to counter money-laundering some countries have introduced in national legislation the burden of proof of "unexpected wealth" for suspects.

3. Recommendations

(a) Governments should encourage their law enforcement agencies, tax authorities, prosecutorial, financial intelligence units and other relevant agencies to closer cooperate with the banking sector, formal and informal MTVS providers in undertaking anti-money-laundering activities;

(b) Governments should ensure that adequate training is provided to the front-line law enforcement officials to ensure that evidence related to the online drug trade, including in the darknet, as well as on the use of cryptocurrencies for these purposes and for money-laundering is properly secured during early stages of investigative interventions. Measures should be undertaken to exchange training tools and materials developed by the member States as well as those of UNODC and other partners to ensure the widest coverage;

(c) Governments should carry out financial investigations aimed at freezing criminal assets when investigating drug cases with potential links to illicit financial flows.