ECOFIN

Economic & Financial Affairs Council

Study Guide

Agenda

Strengthening international financial frameworks to combat unethical money exploitation strategies

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Letter from the Secretary General

Dear Delegates,

It is with immense pride and excitement that I welcome you to JBCN PxC MUN 2026.

Serving as your Secretary-General this year is both an honour and a responsibility that I hold very close to my heart. JBCN PxC MUN is not merely a conference—it is a platform where ideas are refined, perspectives are challenged, and young leaders discover the impact of their voices in shaping meaningful discussions.

My journey with Model United Nations has been one of constant learning and growth. Every committee, every debate, and every resolution taught me the importance of diplomacy, critical thinking, and collaboration. What began as an opportunity to improve my public speaking skills quickly evolved into a passion for international relations, problem-solving, and leadership.

Beyond MUN, I am someone who enjoys challenges, values discipline, and believes that growth comes from stepping beyond one's comfort zone. These are the same qualities that make MUN such a transformative experience. It demands preparation, adaptability, confidence, and the ability to think under pressure —skills that extend far beyond the committee room.

Whether this is your first conference or your fiftieth, I encourage you to embrace every moment of this experience. Speak with conviction, negotiate with purpose, and approach every debate with an open mind.

Remember that the true value of MUN lies not only in the awards earned, but in the knowledge gained, the connections formed, and the confidence developed along the way.

On behalf of the Secretariat and the Organising Committee, I would like to thank you for placing your trust in JBCN PxC MUN 2026. We are honoured to host you and look forward to witnessing the passion, creativity, and determination that each of you will bring to your respective committees.

Whether you are addressing the challenges of asylum seekers and refugee protection in UNHCR, debating the ethical and responsible utilization of global financial resources in ECOFIN, shaping regional counterterrorism initiatives and cooperation in the League of Arab States (LAS), or navigating the political turmoil and collapse of a futuristic superpower in the Fall of the Solar Federation, there is a committee here for every delegate to think critically, negotiate effectively, and leave a lasting impact.

I hope this conference challenges you to think deeper, speak with confidence, and lead with purpose. Most importantly, I hope it leaves you with experiences, friendships, and lessons that remain with you long after the final gavel falls. Welcome to JBCN PxC MUN 2026. Let us make it unforgettable.

Warm Regards,
Parth Shah, Secretary-General
JBCN PxC MUN 2026

Letter from the Executive Board

Hello delegates, welcome to the Economic and Financial Committee (ECOFIN) at JBCN MUN 2026! We are delighted to have you and serve as the Directors and Assistant Director for this committee, and we look forward to engaging with each one of you in what promises to be an intellectually stimulating and solution-oriented committee.

We hope this conference provides an opportunity for you delegates to challenge each other's perspectives, strengthen each other's diplomatic skills, and collaborate in addressing one of the most pressing financial concerns of our time.
As the second committee of the UNGA, the ECOFIN is entrusted with addressing the global economic and financial issues that directly affect the global forum and impact international stability as well. This year's agenda, Strengthening International Financial Frameworks to Combat Unethical Money Exploitation Strategies, calls upon delegates to examine vulnerabilities within the global financial system that enable practices such as money laundering, tax evasion, regulatory arbitrage, and the misuse of financial technologies.

While international organisations and financial institutions have established various mechanisms to address these challenges, the rapidly evolving nature of the global economy demands stronger cooperation, more transparency, and much more effective regulatory frameworks.

It will ultimately be the responsibility of this committee to determine how the international community can collectively safeguard the integrity of the global financial system while balancing economic growth, financial inclusion, innovation and national sovereignty. Whether you are an experienced delegate or participating in your very first Model United Nations Conference, we encourage you to approach this committee with curiosity and diplomacy.

The ECOFIN is not merely a committee of statistics and economic policies; it's a platform where pragmatic negotiation, strategic thinking and international cooperation come together to shape realistic solutions. As you prepare for the conference, we encourage you to use the study guide as a foundation while also exploring the broader economic, legal, and geopolitical dimensions of the agenda

We eagerly look forward to meeting all of you and witnessing the thoughtful debate, diplomacy, ideas and collaboration you will bring to this committee.

Warm regards,
Your Executive Board,
Ayaan Shah and Lamiyah Lehery,
Directors,
Ishaan Ankleshwaria,
Assistant Director

Introduction to the Committee

The Economic and Financial Committee (ECOFIN)

Overview

The Economic and Financial Committee (ECOFIN) or Second Committee of the United Nations General Assembly (UNGA) is one of the six main committees of the UNGA. It is the main forum to discuss international economic, financial and development related issues and is composed of all 193 UN Member States to address issues that go beyond the national and international boundaries and that need collective global action. Economies are becoming more and more interdependent in terms of trade, finance, technology and globalization, and as such, the choices made by individual states have international impacts. ECOFIN offers a space for negotiating a co-ordinated solution, reconciling the various economic priorities, and supporting sustainable and equitable growth, taking into account the sovereignty and development needs of every Member State.

Mandate and Functions The committee is empowered by the United Nations Charter, in particular Article 13 and 55, which mandate the General Assembly to promote international cooperation in the economic, social, cultural, educational and humanitarian spheres. In this context, ECOFIN is responsible for discussing and recommending solutions on various economic matters of international importance.

It covers topics including international trade, sustainable development, macroeconomic policy, public finance, poverty reduction, financing for development, globalisation, digital economies, climate finance, debt sustainability and strengthening of international financial institutions.
The committee has no legislative or enforcement powers, but its resolutions have a major impact on international norms, inform future negotiations and inform the work of the broader United Nations system.

Working Procedure

ECOFIN operates by means of formal debate, moderated and unmoderated caucuses, discussion and negotiations and the drafting of resolutions. Delegates have the authority to speak for their assigned Member States' official foreign and economic policy and are expected to negotiate in the interest of their respective countries while seeking solutions that are acceptable internationally.
The committee takes decisions by majority or consensus, which promotes diplomacy, compromise and coalitions among member states. Delegates should not only discuss domestic policy solutions but also viable and international cooperative ones.

Scope of Discussion

ECOFIN's work is spread across many aspects of international economic governance. The following are some of the issues raised in the committee but not exclusively:

- International trade and world market stability.
- The Sustainable development and the Sustainable development goals (SDGs) for 2030.
- Financing development and foreign assistance.
- Cooperation in the fiscal and monetary field.
- Humanitarian effects of economic sanctions

The topics and issues covered are interdisciplinary and delegates are urged to gain not only an understanding of economic theory but political, legal and humanitarian aspects of economic policy-making at the global level.

While ECOFIN is regularly in discussions on issues related to international financial and development policy, it does not manage institutions like the World Trade Organization (WTO), the International Monetary Fund (IMF), and regional development banks, such as the European Investment Bank (EIB). It, however, supports these organisations, makes recommendations, promotes coordination of policies and bridges the gap between the Member states and international organisations.

This is a joint effort that helps ECOFIN to bridge the gap between political diplomacy and economic governance and to ensure that all international financial discussions are inclusive and reflect the interests of all UN Member States.

Expectations from Delegates

Delegates to ECOFIN need to take on the stance of policy makers who need to solve complex issues in the global economy.

It will be helpful if delegates know the current economic situation, priorities and financial needs of their country, its trade relationships, development objectives and foreign policy stances on issues to be discussed in the agenda. Successful delegates will be able to think critically, be persuasive negotiators, evidence-based arguers and effective drafters of comprehensive and actionable resolutions. However, with many economic issues involving competing national interests, diplomacy, compromise and consensus building are necessary as a basis for the committee's operation.

In the end, ECOFIN is designed to facilitate positive discussion that can help build a more stable, more equitable and more resilient global economy. Participants are encouraged to actively participate, to think critically and to come up with innovative solutions that reinforce principles of international cooperation and sustainable development.

Introduction to the Agenda

The global financial system plays a vital role in facilitating international trade, investment, and economic development. Every day, trillions of dollars move across borders through banks, financial institutions and digital payment systems, connecting businesses, governments and individuals worldwide. However, alongside these legitimate financial activities, criminals and unethical actors continue to exploit the international financial system for personal, political and criminal gain.

These practices are commonly known as unethical money exploitation strategies. Some examples are: money laundering, tax evasion, terrorist financing, corruption, illicit financial flows, trade-based money laundering, shell companies, sanctions evasion and the misuse of technologies such as cryptocurrencies. As globalisation and digital financing continue to expand in today's world, these financial crimes have increased alongside them, and today they are more sophisticated and have become harder for nations to detect and prevent. The consequences of these activities extend far beyond financial losses. They deprive governments of valuable tax revenue, which is needed for health care, infrastructure, education, etc. These crimes reduce trust in financial institutions and also create an unfair advantage in the global economy. Developing countries are often affected the most, as illicit financial flows reduce investments, limit economic growth and worsen inequality.

Since financial transactions can easily move across multiple jurisdictions in seconds, national laws alone are usually insufficient to address such challenges. Strengthening international cooperation, improving transparency and promoting consistent financial regulations have therefore become essential priorities for the international community today. Despite the existence of international initiatives and regulatory bodies aimed at combating financial crime, significant gaps remain in the global financial framework. Differences in national laws, limited cross-border cooperation, inconsistent enforcement, financial secrecy, and rapid evolution of digital technologies continue to create opportunities for individuals and organisations to exploit the international financial system.

The second committee of the United Nations General Assembly, responsible for economic and financial matters, the ECOFIN, provides a platform for member states to discuss global financial governance and recommended policies that promote sustainable and inclusive economic development. Under this agenda, delegates are expected to examine the strengths and shortcomings of existing international financial frameworks while proposing innovative, practical and collaborative solutions to combat unethical money exploitation strategies.
The goal of this committee is to strike a balance between strengthening financial oversight, encouraging economic innovation and protecting national sovereignty, while also ensuring that the international financial system remains transparent and secure.

History of the Agenda

International financial frameworks to combat unethical money exploitation practices have evolved over the past five decades. From the FATF and BEPS to the UNCAC, these frameworks and actions taken have helped to combat tax evasion, corruption, money laundering, and terrorist financing. In the 1980s, when drug abuse was a major problem, countries and organisations began to create and enforce anti-money-laundering policies largely as a tool against the international drug trade.

One of the first actions taken against money exploitation and money laundering was the 1988 Vienna Convention. This was the first major international agreement to encourage all nations to reduce the international narcotics and drug trade by enacting uniform anti-money-laundering laws. The Vienna Convention also required every member nation to enact legislation providing for the identification and confiscation of laundered drug money. In July 1989, as frameworks to combat drug abuse were on the rise, the G7 (the G7 is an intergovernmental forum comprising seven of the world's highly developed economies) estabilished the FATF(Financial Action Task Force). FATF helped combat illicit financial flows and money laundering associated with the drug trade. Later in 1990, FATF introduced the original 40 recommendations to combat misuse of financial systems and money laundering.

These recommendations were later revised to include preventive measures for terrorist financing as well.
In the 2000s, frameworks and actions started to diversify. In 2003, the UNCAC (United Nations Convention against Corruption) was adopted by the UNGA. UNCAC is the only legally binding universal anti-corruption instrument. This convention emphasises the importance of law enforcement and international cooperation to combat corruption. Later in the 2010s, many frameworks and projects were started to stop tax evasion. In 2013, the OECD (Organisation for Economic Co-operation and Development) launched the Base Erosion and Profit Shifting (BEPS) project. This provides governments with 15 actionable standards to combat tax avoidance.

It ensures multinational enterprises pay taxes where they conduct economic activities and create value.
This multilateral effort aims to combat international tax evasion and loopholes. In 2015, the Addis Ababa Action Agenda was established by the 193 member states of the United Nations at the Third International Conference on Financing for Development. It helps establish a global strategy to finance sustainable development, and it helps to significantly reduce IFFs(Illicit Financial Flows). Now in the 2020s, as technology is on the rise, it is vital to prevent criminals from hiding behind shell companies or virtual assets, or using cryptocurrencies unethically.

Current Situation

The Changing Landscape of Global Financial Crime The interdependence through the international financial system is greater than ever before. Digital banking and cross-border payment systems, fintech, and virtual assets have all made significant strides to streamline and speed up global trade. At the same time, these same advances have also opened new avenues for criminals to make use of financial networks, corrupt officials, terrorist groups and transnational crime syndicates.

Unethical money exploitation has ceased to be limited to the traditional ways of concealing illegal wealth. Criminal networks are becoming more technologically advanced and are now using multi-jurisdictional activities, laws that can be exploited, and new technologies to hide the source of criminal funds.

The scale of the problem is massive, with the estimated 2-5% of global GDP – around USD 800 billion to USD 2 trillion being laundered every year (United Nations Office on Drugs and Crime (UNODC)).

After decades of reform and improved international cooperation, just a fraction of these illicit funds are traced or recovered.

The primary ways in which money is exploited today -

Money Laundering

Money laundering is the most common financial crime globally. It is the act of disguising illegally obtained money as a legitimate source of income, usually accomplished in three phases: placement, layering and integration. Money from drug trafficking and corruption, cybercrime, human trafficking, environmental crime and organised crime is routinely funneled via banks, businesses, real estate, casinos and offshore financial centres, then repatriated to the formal economy.

International financial transactions have become more instant in nature, making laundering more complex, with multiple countries and financial intermediaries involved in getting through the detection radar.

Tax Evasion, Illicit Financial Flows and Trade Based Money Laundering Tax evasion and illicit financial flows (IFFs) still are siphoning billions of dollars annually from governments, especially those in developing countries where taxation is a critical component of funding for healthcare, education and infrastructure.

One of the most prevalent issues currently is "Trade Based Money Laundering" (TBML), a malicious effort of manipulating international trade transactions with the aim of concealing the movement of illegal funding. Invoices can be overvalued or undervalued by criminals, shipping logs can be altered, and the criminals can bill the same shipment

Multiple times in an effort to shift cash across borders while masking the transaction with the illusion of legitimate business. With almost 80% of global trade being conducted through trade finance, keeping track of all transactions is an enormous challenge for both regulators and customs authorities.

Corruption and Terrorist Financing

One of the main facilitators of unethical financial practices remains corruption.

Often, bribery, embezzlement, procurement fraud and the misuse of public office create illegal money that is then channelled through domestic and international financial systems. Likewise, the financing of terrorism is a unique problem. Unlike money laundering, terrorist financing typically is about small sums of money that are hard to trace in the face of billions of dollar transactions that occur daily. Funds can come from legal and illegal sources and then move via charities, cash couriers, informal value transfer systems or digital payment systems.

Cryptocurrency and Digital Assets

As cryptocurrencies have grown, they have revolutionised the world of legitimate finance, as well as financial crime. Criminals are using privacy-enhancing technology, decentralised finance (DeFi), cryptocurrency mixers, anonymous wallets and cross-chain bridges to obscure transaction trails, whereas blockchain technology brings transparency. According to recent analyses, up to USD 51 billion was sent to illicit cryptocurrency addresses in 2024, and stablecoins have become an increasing percentage of illegal transactions because they are fast, accessible and easy to transfer internationally. Cryptocurrencies make up a small portion of all money laundering, but their decentralised and poorly controlled nature has led to governments across the globe being increasingly worried about them

In addition, financial crime is far outpacing regulation. New technologies such as cryptocurrencies, decentralised finance, artificial intelligence and advanced cyber-based fraud have developed ways of hiding the proceeds of illicit wealth that are not currently on the radar of regulatory frameworks. While there has been modest progress in the regulation of virtual assets, FATF found that the majority of assessed jurisdictions have not made a significant effort to adopt international crypto standards, creating substantial gaps in regulation that criminals exploit, it said.

Emerging Challenges

Financial crime is now more transnational, technologically sophisticated and decentralised. Shell companies, intricate ownership structures, encrypted communication channels, digital payment systems, and AI-driven automation are now tools used by criminal groups to thwart investigations and conceal the financial flow of crime. At the same time, the surge in legitimate cross-border trade and investment calls for a good balance between effective financial control and maintaining an effective international trade and investment climate. These developments reflect a wider challenge for the international community: to establish regulation that is tough enough to prevent financial crime from occurring, while allowing for innovation, financial inclusion and economic growth. International cooperation, beneficial ownership transparency, new information-sharing tools and modern regulatory systems are key priorities of policymakers as financial systems continue to evolve

Case Study 1: The Panama Papers (2016)

In April 2016, the world was shaken by one of the biggest financial leaks in history, known as the Panama Papers. More than 11.5 million confidential documents from the Panamanian law firm Mossack Fonseca were leaked to journalists (ICIJ). The documents covered almost 40 years of records and revealed thousands of wealthy individuals, politicians, business leaders, celebrities and public officials from around the world had used offshore companies to hide money and assets. An offshore company is a company that is registered in another nation, usually in a country where taxes are very low and financial information is kept private. These companies aren't illegal by themselves and are also used for genuine business purposes. However, the Panama Papers showed us that numerous offshore companies were being used to hide the real owners of the money, avoid paying taxes, moving money secretly from place to place, and, in some cases, also to help criminals hide their money, which has been earned through illegal activities such as corruption and money laundering. This made it extremely challenging for governments to know where money was coming from and where the money was being sent. The investigation found that Mossack Fonseca had created more than 214,000 offshore companies for clients from over 200 different countries. The leak had involved several current and former government officials, business executives and other influential individuals. Although not everyone mentioned in the document had broken the law, the case showed us that international law had many flaws that could be exploited. Different countries had different financial rules, and adding to this, there was limited cooperation between governments, allowing people to move money freely without gaining any attention.

The Panama Papers led to many investigations in various countries, with governments recovering billions of dollars in unpaid taxes and also introducing stricter financial rules. International organisations such as the Financial Action Task Force (FATF) and the Organisation for Economic Co-operation and Development (OECD) also encouraged countries to increase transparency, share financial information with each other and strengthen laws against money laundering and tax evasion. Many countries introduced new rules requiring companies to reveal the real individuals who owned or controlled them. This made it harder to hide money behind anonymous companies. The Panama Papers highlighted that financial crime is a global problem that cannot be solved by one nation alone. It showed us the importance of international cooperation, stronger financial regulations and greater transparency in protecting the global financial system.

Case Study 2: Former Nigerian Dictator General Sani Abacha

General Sani Abacha, who ruled Nigeria from 1993 until his death in 1998, is widely considered a very corrupt leader. He and his associates systematically embezzled an estimated $5 billion from different funds, channelling the money into global bank accounts and offshore shell companies to store the money. One such shell company called Doraville held the funds, which were later frozen in 2014. Approximately US $4-5 billion, or up to 10% of all Nigeria's oil revenues during the five years he was in power, were illegally diverted and moved offshore using different means. The schemes to steal and launder money varied. In one scheme, Abacha's National Security Advisor would write a letter to request funds for unspecified "security needs." Abacha would sign and give his approval on the letter and for the funds, then his national security advisor would present the letter for payment to the Nigerian Central Bank. During his rule, cash was laundered by depositing it into Nigerian accounts of local businesses, smuggling money overseas and depositing it into foreign institutions, and money transfers were also deposited into accounts in false names, shell and bearer share companies, and trusts. Another scheme he and his associates used was the over-billing and kickback scheme, in which a corrupt company would supply goods to the government at very inflated prices and then kick back a portion to Abacha and his associates. In one instance, the government of Nigeria paid US$110 million for vaccines that were in fact worth less than US$23 million. In another instance, he directed Ismaila Gwarzo, his National Security Advisor, to present him with false funding requests for security operations or equipment, which he had the power to authorise, and would do so. The funds would then be taken directly to Abacha's house.

A lot of the money found and seized has been returned back to Nigeria by different countries and is currently being used for the benefit of the country as a whole, but the corruption during Sani Abacha's rule taught us a lot of things. It showed us that if you have power, you can find loopholes in the international banking system and use these to store illicit wealth. It also showed us that corruption if done at such a large scale not only affects a few individuals but even most parts of the country. A lot of the money taken was from public funds or earned selling items at over inflated prices. This meant that the normal people in Nigeria found it hard to buy a few items, or didn't have the funds for some of their basic needs. This is why corruption needs to stop, and we as a committee, ECOFIN, have to come up with a solution for it.

Major Countries and Organisations

FATF

Financial Action Task Force (FATF)

Established in 1989, the Financial Action Task Force (FATF) is the world's leading intergovernmental body for combating money laundering, terrorist financing, and the financing of weapons of mass destruction. Through its Global Network, over 200 jurisdictions have committed to implementing its internationally recognised standards. FATF's Forty Recommendations form the global benchmark for Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT), covering areas such as customer due diligence, beneficial ownership transparency, virtual assets, suspicious transaction reporting, international cooperation, and asset recovery. Rather than enforcing laws, FATF evaluates countries through its Mutual Evaluation Process (MEP) and publicly monitors compliance via its Grey List and Black List. Grey-listing can significantly reduce investor confidence, increase borrowing costs, and restrict access to global financial markets, while blacklisted jurisdictions face enhanced due diligence and countermeasures. Despite criticism over its lack of enforcement powers and the disproportionate impact of grey-listing on developing economies, FATF remains the most influential organisation shaping global financial integrity.

USA: As the issuer of the world's primary reserve currency and largest economy, the US plays a major role in battling financial crime through stringent frameworks and strict enforcement. It spearheads the AML and CTF standards and heavily influences compliance through the TFI office. Agencies like FinCEN, established by the US, effectively work towards combating financial crime. Although the US is also known as a host country for numerous shell companies which are used to conceal ownership by transferring money through a series of locations, highlighting vulnerabilities in its system.

China: China is the world's biggest trading country and is also an important player in fighting global financial crime. It has huge volumes of trade, especially making it highly susceptible to TBML and underground banking networks used for capital flight. While China has strengthened AML regulations and tightened oversight of digital assets, balancing financial openness, capital controls, and effective enforcement remains a significant challenge.

UK: The United Kingdom is one of the world's foremost financial hubs and is significantly influencing global financial regulation and anti-money laundering standards. Yet, London has also been the subject of criticism for its role in the movement of illegal funds, via high-dollar real estate and shell companies and through overseas territories

In response, the UK has increased transparency of beneficial ownership and extended measures to tackle economic crime.

Switzerland: Switzerland is home to many global banks and is one of the world's largest financial centres. This gives it an important role in global finance. Switzerland hosts a lot of international organisations in Geneva; this gives it influence and importance. Historically, Switzerland has had financial laws with strict confidentiality, making banking private for individuals. Today, however, Switzerland is no longer considered secretive; it collaborates with different countries and has even strengthened its AML laws.

Singapore: Singapore is a major Asian financial centre. It also has strict AML and CTF regulations which help combat unethical financial activity. Singapore works closely with different international financial organisations, which makes it important in international cooperation. Lastly, today Singapore is a major financial centre working toward cryptocurrency regulation. It helps create important legal frameworks on how cryptocurrencies should be used and stored today.

Existing Frameworks and Initiatives

IMF and its policies -

The International Monetary Fund has helped shape and advise AML (anti-money laundering) and CFT(combating the financing of terrorism) policies globally, and within its members' national frameworks. The IMF also helps assess countries based on the international AML/CFT standards.
The IMF also attaches anti-corruption conditionality(donor organisations or countries ask recipient countries or organisations to increase transparency or enact anti-corruption reforms or policies in exchange for financial help) to its loans or financial aid programs.

OECD anti-bribery convention-
This convention is a legally binding treaty adopted on 21st November 1997. The Convention establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions and establishes an open-ended, peer-driven monitoring mechanism to increase transparency and trust. This Convention is leading global efforts to fight bribery of foreign public officials, especially in international trade and investment.

UN Conventions-

The UN has launched a lot of Conventions like the UNTOC(United Nations Convention against Transnational Organised Crime) which legally binds member states to criminalise corruption, money laundering, trafficking, etc. Another such program launched by the UN is UNODC's Global Programme against Money Laundering (GPML). This is a global programme providing in-depth assistance to countries to build and strengthen their anti-money laundering and countering financing of terrorism (AML/CFT) capacity.
Even today, it helps to develop effective and comprehensive AML/CFT legal and regulatory frameworks. Lastly, another important UN action is the UN Global Compact Principle 10, which is anti-corruption. This principle tells UN Global Compact participants and businesses to combat all the different forms of corruption. Some examples include combating extortion or bribery.

StAR-The Stolen Assets Recovery Initiative launched by the UNODC and World Bank is an initiative through which stolen funds are recovered and returned.StAR helps countries track ,freeze and get back stolen money. This helps combat corruption and unethical financial exploitation.

Definition of key terms

Anti-Money Laundering (AML): A set of laws, regulations, and procedures designed to prevent criminals from disguising illegally obtained funds as legitimate income and to detect, investigate, and prosecute money laundering activities.

Beneficial Ownership: The natural person(s) who ultimately owns, controls, or benefits from a legal entity or asset, even if ownership is held through intermediaries such as shell companies or trusts.

Counter-Terrorist Financing (CTF): Policies and measures aimed at preventing individuals or organisations from providing, collecting, or transferring funds intended to support terrorist activities.

Financial Action Task Force (FATF): An intergovernmental organisation established in 1989 that develops international standards and recommendations to combat money laundering, terrorist financing, and other threats to the integrity of the global financial system.

Financial Intelligence Unit (FIU): A national agency responsible for receiving, analysing, and disseminating information regarding suspicious financial transactions to relevant law enforcement and regulatory authorities.

Illicit Financial Flows (IFFs): Cross-border movements of money or assets that are illegally earned, transferred, or utilised, including proceeds from corruption, tax evasion, organised crime, money laundering, and terrorist financing.

Shell Company: A legal entity with little or no significant business operations that may be used for legitimate commercial purposes but can also be exploited to conceal ownership, evade taxes, or launder illicit funds.

Trade-Based Money Laundering (TBML): A method of laundering money through the manipulation of international trade transactions, including over- or under-invoicing, false declarations, or fictitious shipments, to disguise the movement of illicit funds.

Tax Evasion: The illegal act of deliberately misrepresenting financial information or concealing income to reduce or avoid tax obligations.

Tax Avoidance: The legal use of tax laws and loopholes to minimise tax liability, often through complex corporate structures or profit-shifting strategies.

Virtual Assets: Digital representations of value, including cryptocurrencies, that can be traded, transferred, or used for payment or investment purposes.

Decentralised Finance (DeFi): A blockchain-based financial ecosystem that enables lending, borrowing, trading, and other financial services without relying on traditional financial intermediaries such as banks.

Know Your Customer (KYC): A regulatory process requiring financial institutions to verify the identity of customers, assess potential risks, and monitor transactions to prevent financial crimes.

Politically Exposed Person (PEP): An individual who holds or has held a prominent public position, as well as their close associates and family members, and who may therefore present a higher risk of involvement in bribery, corruption, or money laundering.

Offshore Financial Centre (OFC): A jurisdiction that provides financial services to non-residents, often characterised by favourable tax regimes, specialised corporate structures, and extensive international financial activity.

FATF Grey List: A list of jurisdictions identified by the FATF as having strategic deficiencies in their anti-money laundering and counter-terrorist financing frameworks while actively working with the FATF to address them.

FATF Black List: Officially known as High-Risk Jurisdictions Subject to a Call for Action, this FATF list identifies jurisdictions with severe strategic deficiencies that pose significant risks to the international financial system.

Customer Due Diligence (CDD): The process by which financial institutions identify and verify customers, understand the nature of their business relationships, and continuously monitor transactions to detect suspicious activity.

Beneficial Ownership Register: A database maintained by governments or regulatory authorities containing information on the individuals who ultimately own or control companies, trusts, or other legal entities.

Embezzlement: theft or misappropriation of funds placed in one's trust or belonging to one's employer

Moderated Caucus Topics

1. Strengthening International Cooperation to Combat Cross-Border Financial Crime

2. Enhancing the Effectiveness of the Financial Action Task Force (FATF)

3. Regulating Cryptocurrencies, Virtual Assets, and Decentralised Finance (DeFi)

4. Increasing Beneficial Ownership Transparency and Regulating Shell Companies

5. Combating Trade-Based Money Laundering (TBML)

6. Balancing Financial Privacy with Transparency in the Global Financial System

7. Addressing Tax Evasion, Tax Avoidance, and Illicit Financial Flows

8. Capacity Building for Developing Countries to Strengthen AML/CFT Frameworks

9. Leveraging Artificial Intelligence and Emerging Technologies to Combat Financial Crime

10. Reforming International Information Sharing Between Financial Intelligence Units (FIUs) and Law Enforcement Agencies

Questions a Resolution must answer (QARMA)

1) How can countries strengthen international cooperation and information sharing to combat money laundering, tax evasion, and unethical financial activities?

2) What weaknesses in the current international financial system allow unethical financial exploitation activities to occur?

3) What are some measures that can be implemented to improve transparency and prevent the misuse of shell companies, offshore accounts and other tools used to hide illicit funds?

4) How can the international community strengthen financial regulations and improve global cooperation to combat unethical money exploitation strategies while respecting national sovereignty and recognising the different legal and economic circumstances of different countries?

5) How can financial institutions in the private sector collaborate with major international organisations to combat money laundering and other such unethical financial activities?

6) How can international financial institutions support developing nations, particularly by supporting them in their financial systems and enforcing financial regulations?

7) What regulations should be introduced to address emerging challenges such as the misuse of cryptocurrencies and other digital financial technologies for illegal activities?

8) How can the international community hold individuals, corporations, and financial institutions accountable for unethical financial practices while ensuring that legitimate economic activities are not disrupted?

9) What role should international organisations such as the IMF, World Bank, FATF, and OECD play in combating financial crime worldwide?

10) How can international financial frameworks be strengthened to close the legal loopholes that enable unethical money exploiting strategies?

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