

CND 2024 Mid-term Review Stakeholders' Contributions

DESA input on challenge 10

10. Increasing links between drug trafficking, corruption and other forms of organized crime, including trafficking in persons, trafficking in firearms, cybercrime and money-laundering and, in some cases, terrorism, including money-laundering in connection with the financing of terrorism, are observed

In combating illicit financial flows, including those related to the sale of illegal drugs, weaknesses in one country can undermine the ability of all countries to ensure integrity through regulatory arbitrage. The proceeds of crime and tax-related illicit financial flows are often transferred using the same types of legal ownership chains, transaction layering and secrecy structures. Mismatches in laws and policies frequently occur within a particular area – for example between the tax laws of two States – but can also occur across different policy areas – for example between tax laws and anti-money laundering rules. Operating in silos undermines the international community's ability to identify and address gaps. Yet, there remains no venue for dialogue among institutions and States on illicit financial flows that cuts across normative frameworks for corruption, financial crime, and tax. Intergovernmental discussion in relevant specific policymaking forums should continue, but high-level international political coordination, involving policy areas currently discussed in silos, can help close gaps between policy frameworks and enhance synergies. It is recommended that Member States address this coordination gap using the existing multilateral architecture. The Economic and Social Council can serve as an effective host for coordination among Member States, international institutions (including United Nations system and non-United Nations entities) and external stakeholders with an annual dedicated meeting on illicit financial flows.