



# General Assembly

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**Macroeconomic policy questions: promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development**

**State of Palestine:\* draft resolution**

## **Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development**

*The General Assembly,*

*Guided* by the purposes and principles enshrined in the Charter of the United Nations,

*Noting* that the 2030 Agenda for Sustainable Development,<sup>1</sup> in particular target 16.4 of the Sustainable Development Goals, underlines the commitment of States to significantly reduce illicit financial flows by 2030, and recalling in particular paragraph 18 of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,<sup>2</sup> in which it is emphasized that measures to curb illicit financial flows will be integral to achieving sustainable development,

*Reaffirming* the United Nations Convention against Corruption,<sup>3</sup> which is the most comprehensive and universal instrument on corruption, and recognizing the need to continue to promote its ratification or accession thereto and its full and effective implementation, including full support for the Mechanism for the Review of Implementation of the Convention,

*Reaffirming also* the United Nations Convention against Transnational Organized Crime,<sup>4</sup>

\* On behalf of the States that are members of the Group of 77 and China, taking into account also the provisions of General Assembly resolution 73/5 of 16 October 2018.

<sup>1</sup> Resolution 70/1.

<sup>2</sup> Resolution 69/313, annex.

<sup>3</sup> United Nations, *Treaty Series*, vol. 2349, No. 42146.

<sup>4</sup> *Ibid.*, vol. 2225, No. 39574.



*Recalling* its resolutions [65/169](#) of 20 December 2010, [71/213](#) of 21 December 2016, [72/207](#) of 20 December 2017 and [73/222](#) of 20 December 2018,

*Recalling also* its resolutions [71/208](#) of 19 December 2016, [72/196](#) of 19 December 2017 and [73/186](#) of 17 December 2018,

*Taking note* of the report of the High-level Panel on Illicit Financial Flows from Africa and its relevant contributions to increasing knowledge of the sources of illicit financial flows, and reiterating its invitation to other regions to carry out similar exercises,

*Taking note also* of the report of the Inter-Agency Task Force on Financing for Development<sup>5</sup> and of the agreed policy recommendations<sup>6</sup> of the Intergovernmental Group of Experts on Financing for Development of the United Nations Conference on Trade and Development at its first session, held in Geneva from 8 to 10 November 2017,

*Recognizing* that making progress on achieving target 16.4 of the Sustainable Development Goals on reducing illicit financial flows could contribute to the achievement of many of the other Goals and targets included in the 2030 Agenda for Sustainable Development,

*Reiterating its deep concern* about the impact of illicit financial flows, in particular those caused by tax evasion, corruption and transnational organized crime, on the economic, social and political stability and development of societies, and especially on developing countries and their progress in financing the 2030 Agenda for Sustainable Development,

*Recognizing* that illicit financial flows associated with profit-shifting practices can have a damaging impact on tax revenues, particularly in developing countries,

*Recognizing also* that combating illicit financial flows is an essential development challenge, noting that developing countries are particularly susceptible to the negative impact of illicit financial flows, and emphasizing that illicit financial flows reduce the availability of valuable resources for financing for development,

*Recognizing further* the importance of studying the relationship between illicit financial flows and target 17.4 of the Sustainable Development Goals on debt sustainability, given that Governments may resort to external borrowing in the face of missing revenue owing to the impact of illicit financial flows,

*Recognizing* that the challenge posed by the increasing scope and complexity of combating illicit financial flows and the need for the recovery and return of stolen assets requires strengthened international cooperation,

*Recognizing also* that numerous technical, legal and practical challenges remain unresolved in repatriating funds to countries from where they were originally stolen,

*Bearing in mind* in this regard that there are different sources of illicit financial flows and that a separate analysis of each source is more beneficial in designing policy responses to prevent illicit financial flows,

*Noting with appreciation* the ongoing efforts by regional organizations and other relevant international forums to strengthen cooperation in preventing and combating illicit financial flows,

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<sup>5</sup> *Financing for Development: Progress and Prospects 2018* (United Nations publication, Sales No. E.18.I.5).

<sup>6</sup> See TD/B/EFD/1/3.

*Reaffirming* the importance of chapter V of the United Nations Convention against Corruption, and underlining that the recovery and return of stolen assets pursuant to that chapter is a fundamental principle of the Convention,

*Recognizing* the work carried out by the Conference of the States Parties to the United Nations Convention against Corruption, and in particular its Open-ended Intergovernmental Working Group on Asset Recovery, to advance the full implementation of chapter V of the Convention,

*Welcoming* the first meeting of the Global Forum on Asset Recovery, which was held in December 2017, and its communiqué, and taking note of the technical resources produced by the United Nations Office on Drugs and Crime and the World Bank through the Stolen Asset Recovery Initiative,

*Recognizing* the important work undertaken by academia and civil society, including the International Centre for Asset Recovery and the U4 Anti-Corruption Resource Centre, in assisting Member States in understanding the challenges associated with the return of stolen assets under chapter V of the United Nations Convention against Corruption,

*Noting* the efforts to promote the exchange of information and synergies between the open-ended intergovernmental expert meetings to enhance international cooperation under the United Nations Convention against Corruption and the Working Group on International Cooperation established by the Conference of the States Parties to the Convention,

*Recalling* the work of the Platform for Collaboration on Tax, which is to intensify collaboration and coordination on tax issues between the United Nations, the International Monetary Fund, the World Bank Group and the Organization for Economic Cooperation and Development, including on formalizing regular discussions among the four international organizations on the design and implementation of standards for international tax matters and on the strengthening of their ability to provide capacity-building support to developing countries,

*Noting* the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters under common reporting standards developed by the Organization for Economic Cooperation and Development, and now involving 102 countries, as well as the role of the Global Forum on Transparency and Exchange of Information for Tax Purposes,

1. *Welcomes* the focus on combating illicit financial flows, inter alia, at the High-level Dialogue on Financing for Development, held on 26 September 2019, and calls for stronger international cooperation on combating illicit financial flows, given the impact of illicit financial flows on the ability of developing countries to mobilize resources in order to achieve the Sustainable Development Goals;

2. *Also welcomes* the high-level meeting on international cooperation to combat illicit financial flows and strengthen good practices on asset return, convened by the President of the General Assembly at Headquarters in New York on 16 May 2019, and decides to continue discussions on this issue, building on the momentum created by the meeting;

3. *Reaffirms its commitment* to strive to eliminate safe havens that create incentives for the transfer abroad of stolen assets and illicit financial flows, to strengthen regulatory frameworks at all levels in accordance with international standards and to further increase transparency and accountability of financial institutions and the corporate sector, as well as public administrations;

4. *Welcomes* the ongoing efforts of Member States to enhance knowledge and broaden understanding of the challenges and opportunities involved in international

cooperation to combat illicit financial flows and strengthen good practices on assets return consistent with the United Nations Convention against Corruption<sup>3</sup> so as to foster sustainable development;

5. *Acknowledges* that combating illicit financial flows requires a range of actions that includes deterring, detecting, preventing and countering such flows;

6. *Recalls* that new technologies can both increase efficiency in revenue collection and strengthen the efforts to combat illicit financial flows, as well as carry financial integrity risks;

7. *Expresses its concern* that virtual assets are being used for illicit activities, and in this regard encourages Member States and other relevant organizations to take measures to prevent and counter their illicit use;

8. *Acknowledges* that combating illicit financial flows contributes to domestic resource mobilization, and calls upon the relevant organizations of the United Nations system, within their respective mandates and resources, to continue their consideration of the negative impact of illicit financial flows on financing the 2030 Agenda for Sustainable Development,<sup>1</sup> to further explore policy responses to the phenomenon and to coordinate their efforts in this regard;

9. *Notes* that international cooperation in combating illicit financial flows is a work in progress that must continue to be pursued, and encourages all countries to develop effective tools and create a policy environment for combating illicit financial flows, in accordance with the existing relevant international frameworks, including the United Nations Convention against Corruption;

10. *Encourages* countries and relevant multilateral and international organizations to continue their efforts to provide, upon request, technical assistance and capacity-building assistance to developing countries, as well as to support African, Asian and Latin American and Caribbean initiatives, in order to improve their capacity to prevent, detect and combat illicit financial flows and strengthen good practices on assets return to foster sustainable development;

11. *Encourages* further efforts by relevant national and international actors to mitigate transfer mispricing and trade misinvoicing;

12. *Calls upon* all countries to work together to eliminate base erosion and profit shifting so as to ensure that multinational corporations pay taxes to the Governments of the countries where the economic activity occurs and the value is created;

13. *Also calls upon* all countries to cooperate, in accordance with applicable bilateral or multilateral agreements, in the areas of mutual legal assistance and administrative assistance in tax matters, as well as the automatic exchange of financial account information;

14. *Reiterates* the need to fully upgrade the Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body with experts representing their respective Governments;

15. *Decides* that the Committee of Experts should consider proposals to further international tax cooperation at the United Nations, identify gaps and challenges in international tax cooperation, including in existing instruments, and present concrete recommendations to the Economic and Social Council;

16. *Recognizes* that measures aimed at combating illicit financial flows often require cooperation between law enforcement agencies, and encourages Member States, where applicable and subject to their domestic legal system, to cooperate

further in civil and administrative measures relating to the return of proceeds of illicit financial flows;

17. *Urges* Member States that have not yet done so to consider ratifying or acceding to the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime and the Protocols thereto,<sup>7</sup> and urges States parties to those Conventions and Protocols to make efforts towards their effective implementation;

18. *Stresses* that anti-corruption measures should be an integral part of national development policies and strategies and that further research, policy development and programming should be undertaken in all jurisdictions, as appropriate, to address corruption;

19. *Encourages* all jurisdictions to consider the introduction of beneficial ownership registries of legal entities, such as companies, trusts and limited liability partnerships, as appropriate;

20. *Encourages* States parties to the United Nations Convention against Corruption to make full use of the asset recovery tools set forth in chapter V of the Convention, including mechanisms for the enforcement of foreign restraining and confiscation orders, as a means of significantly reducing the expenses that a State party may normally incur in pursuing asset recovery;

21. *Notes with concern* that proceeds emanating from offences established under the United Nations Convention against Corruption have yet to be disposed of in favour of the legitimate owners and victims of the crimes, and encourages Member States to deter, detect, prevent and counter corruption, increase transparency and promote good governance;

22. *Calls upon* all States parties to the United Nations Convention against Corruption, in particular requesting and requested States, to cooperate to recover the proceeds of crime, as defined in the Convention, and to demonstrate their strong commitment to ensuring the return or disposal of such proceeds, in accordance with article 57 of the Convention;

23. *Recognizes* the importance of enhanced capacity for data collection and analysis to combat illicit financial flows, emphasizing the need to increase the exchange of data within national government institutions as well as from international institutions;

24. *Emphasizes* the importance of the ongoing efforts of the United Nations Office on Drugs and Crime, in coordination with the United Nations Conference on Trade and Development and other institutions, to develop a methodology to produce estimates of the total value of inward and outward illicit financial flows;

25. *Invites* the President of the General Assembly, the President of the Economic and Social Council and the Secretary-General to give appropriate consideration to the importance of combating illicit financial flows and strengthening assets return, and in this regard invites all international institutions, including the International Monetary Fund, the World Bank and the World Trade Organization, to support these efforts, in accordance with their respective mandates;

26. *Stresses* that all international tax cooperation efforts should be universal in approach and scope and fully take into account the different needs and capacities of all countries, and calls upon the relevant organizations of the United Nations system, within their respective mandates and resources, to ensure that no one is left

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<sup>7</sup> United Nations, *Treaty Series*, vols. 2225, 2237, 2241 and 2326, No. 39574.

behind and that no country is left behind in the implementation of the present resolution;

27. *Looks forward* to the inclusion, in the 2020 report of the Inter-Agency Task Force on Financing for Development, of an analysis of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development, pursuant to the mandate of the Task Force, and also looks forward to the deliberations of the Economic and Social Council forum on financing for development follow-up on efforts to combat illicit financial flows;

28. *Requests* the Secretary-General to submit to the General Assembly at its seventy-fifth session a report on the challenges that Member States experience in combating illicit financial flows and recovering and returning stolen assets and on the options available to help to accelerate the elimination of illicit financial flows and to return stolen assets, in line with commitments contained in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development;<sup>2</sup>

29. *Decides* to include in the provisional agenda of its seventy-fifth session, under the item entitled “Macroeconomic policy questions”, the sub-item entitled “Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development”.

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