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**Fourth United Nations Conference to Review
Progress Made in the Implementation of the
Programme of Action to Prevent, Combat and
Eradicate the Illicit Trade in Small Arms and
Light Weapons in All Its Aspects**

New York, 17–28 June 2024

**Responsible industry conduct and practices to prevent
trafficking in and the diversion of small arms and
light weapons**

Working paper submitted by Mexico

1. The illicit trafficking in and diversion of small arms and light weapons is a pervasive issue that threatens international peace and security, exacerbating violence, enabling criminal organizations and undermining the rule of law worldwide. Governments have a legal, practical and moral responsibility to implement controls responsibly, fairly and transparently to prevent diversion and trafficking. However, industry conduct and practices in small arms and light weapons transfers can either enhance the prevention of or facilitate the diversion of firearms from legal to illicit markets.
2. The small arms and light weapons industry, encompassing manufacturers, distributors, brokers and other intermediaries, occupies a central position in the global arms ecosystem. Despite regulatory efforts aimed at overseeing the distribution and sale of small arms and light weapons, a multitude of practices and negligence within key industry players has facilitated trafficking and diversion to unauthorized recipients.
3. Regulation in the small arms and light weapons industry is not universal in scope or effect. Where regulations do exist, they differ greatly, representing an uneven landscape for the different stakeholders involved. Against that backdrop, the industry should undertake its own due diligence rather than relying solely on government directives or legislation as protection against liability or risk.
4. The production and supply of small arms and light weapons demands adequate attention as the obvious starting point of responsible transfers. Excessive production leads to increased loss of control for producers, exporters, brokers and importers alike. A culture of restraint in small arms and light weapons production is likewise pressing. Production, export, stockpiling or use should be guided by an “as little as possible” approach in avoiding, in particular, a situation where economic interests surpass and undermine human security imperatives.



Mechanisms used for trafficking and diversion

5. Several mechanisms facilitate trafficking in small arms and light weapons and their diversion from legal to illegal spheres. Each channel underscores a critical failure in both regulatory oversight and industry conduct to prevent unauthorized recipients from acquiring small arms and light weapons. Investigations by law enforcement agencies have demonstrated that a large number of illegally trafficked small arms and light weapons originate from a relatively small cohort of dealers who, despite regulatory infractions, often evade stringent punitive measures. Such mechanisms include the following:

(a) **Straw purchases.** Legal buyers acquiring small arms and light weapons for someone ineligible to purchase or possess them remains a prevalent method of diversion into the black market. These transactions often evade detection due to lax enforcement and regulatory oversight;

(b) **Bulk and repeat sales.** Small arms and light weapons purchased in bulk or through repeat sales over days, weeks and months can be easily diverted to illegal markets, especially when bought by straw purchasers or intermediaries. The lack of stringent checks on bulk transactions contributes to the stockpiling of small arms and light weapons by criminal networks;

(c) **Gun shows and private sales.** The absence of mandatory background checks at gun shows and for private sales in many jurisdictions creates significant opportunities for illegal trafficking and diversion. This has allowed individuals prohibited from owning small arms and light weapons to bypass the legal purchasing process;

(d) **Online sales.** The digital marketplace increasingly facilitates anonymous and unregulated transactions by unlicensed private sellers, allowing buyers and sellers to engage in transfers of small arms and light weapons without adequate background checks or outside an adequate legal framework. In many cases, unlicensed “private sellers” are allowed to sell firearms, as long as they are not engaged in the firearms business, and they are allowed to sell firearms without any background checks on the purchaser or any record-keeping. That anonymity significantly hinders the ability to trace the sale and possession of illegal firearms;

(e) **Lack of serialization and traceability.** Small arms and light weapons without serial numbers (commonly referred to as “ghost guns”) complicate efforts to trace the origin of weapons that have been trafficked or diverted. The absence of traceable identifiers enables these firearms to circulate undetected in illicit markets.

Impacts of small arms and light weapons trafficking and diversion

6. Trafficking in and the diversion of small arms and light weapons result in a broad array of impacts, ranging from human rights to sustainable development, to the security of States and their societies.

7. The proliferation of illicit small arms and light weapons poses a grave threat to the fundamental human rights enshrined in the Universal Declaration of Human Rights. It also exacerbates conflict, contributes to elevated levels of homicide and armed violence and disproportionately affects groups in vulnerable situations. Illicit small arms and light weapons are instrumental in fuelling conflicts and escalating violence, contravening the principles of the Charter of the United Nations. Their unchecked circulation empowers criminals and armed groups, undermines peace processes and facilitates a culture of impunity. The availability of illicit small arms and light weapons significantly correlates with increased homicide and armed

violence rates, undermining States' obligation to protect the right to life as stipulated in the International Covenant on Civil and Political Rights.

8. The impact of illicit small arms and light weapons on women and children is particularly egregious, with the unquestionable rise in gender-based violence and the use of child soldiers.

9. The destabilizing effect of illicit small arms and light weapons on countries' security environments poses significant obstacles to sustainable development. Resources utilized to address security concerns detract from investments in critical areas such as education, health, and infrastructure, hampering the achievement of the Sustainable Development Goals and the implementation of the 2030 Agenda for Sustainable Development.

10. Armed violence and insecurity associated with illicit small arms and light weapons restrict access to education and health, which are fundamental rights protected under the International Covenant on Economic, Social and Cultural Rights. The disruption of educational activities and health-care services exacerbates the vulnerability of affected populations, in particular in conflict-affected regions.

Recommendations for the Programme of Action on Small Arms

11. It is crucial to develop comprehensive strategies that address all aspects of small arms and light weapons transfers, including manufacturing, sale, transfer, end use and disposal, with a view to closing the legal gaps exploited to divert weapons and ensuring a coordinated global approach for the effective implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.* Industry action and engagement is central to those efforts, especially when it is the starting point of the supply chain. Recommendations in that regard include the following:

(a) **Supply-side enhancements.** Governments can pursue comprehensive industry and supply-side enhancements while the small arms and light weapons industry can implement self-regulation and adapt its practices towards responsible conduct. It is imperative that all small arms and light weapons be equipped with unique, permanent markings at the point of manufacture. Those markings should include the country of manufacture, the manufacturer's name and a serial number. This measure will significantly enhance the ability of law enforcement and regulatory bodies to trace small arms and light weapons across their life cycle, thus facilitating the identification of diversion points into the illicit market. Industry innovation and working collaboratively with government authorities should both be encouraged;

(b) **Ethical practices and social responsibility.** Corporate responsibility must form part of the core of success in the markets where the small arms and light weapons industry operates. Moral arguments should never be construed as incompatible with good business practice. Conducting business in an ethical and responsible way should also be understood as a key pathway for competitive advantage;

(c) **Unauthorized recipients.** Industry prevention of diversion to unauthorized recipients and the illegal market should be prioritized and rigorous procedures for assessing end use and end users be implemented. This should cover exports and transfers to and from unregulated civilian markets;

(d) **Brokering regulations.** Regulation of small arms and light weapons brokering activities through licensing, registration and stringent monitoring

* See annex, circulated in the language of submission only, for proposed paragraphs to be considered for the outcome document of the Fourth United Nations Conference to Review Progress Made in the Implementation of the Programme of Action on Small Arms.

mechanisms is essential to prevent illicit brokering and trafficking. These regulations should ensure that all brokering activities are transparent, accountable and aligned with international standards and obligations, thereby closing a significant avenue for illegal arms transfers;

(e) **Comprehensive record-keeping.** Manufacturers and brokers should maintain detailed, accurate and accessible records on the production, holding and transfer of small arms and light weapons. Such records are indispensable for accountability purposes and crucial for effective tracing operations. This will enable the identification and rectification of gaps in the management and control of small arms and light weapons stocks, thereby reducing the risk of diversion to illicit channels or loss of control;

(f) **Enhanced cooperation with international efforts.** Active participation in and support for international efforts, including regional and subregional initiatives, aimed at combating illicit arms trafficking are crucial. This entails the sharing of best practices, adherence to international treaties and agreements related to arms control and engaging in collaborative efforts to develop and implement global standards for legal small arms and light weapons trade regulation;

(g) **Legal frameworks.** Advocating for and assisting in the development of comprehensive national and international legal frameworks that address all aspects of small arms and light weapons trade is necessary. This includes manufacturing, sale, transfer and end use, with a view to closing legal gaps exploited by illicit traffickers and ensuring a coordinated global approach to arms control, as well as ensuring that victims of negligent, reckless or unlawful small arms and light weapons industry conduct have access to justice to hold perpetrators accountable and obtain compensation for harm;

(h) **Role of civil society.** Civil society organizations and non-governmental organizations play a vital role in advocating for stronger international standards and in monitoring States' compliance with their commitments under the Programme of Action on Small Arms and other relevant international agreements. Their involvement ensures transparency, accountability and the inclusion of a wide range of perspectives in the formulation and implementation of policies aimed at combating the illicit trade in small arms and light weapons.

Annex

[English only]

The outcome document of the Fourth Review Conference of the Programme of Action to Prevent, Combat, and Eradicate the illicit trade of small arms and light weapons should consider the following language:

[2024 Declaration]

- We commit to take review our internal procedures to ensure that industry and private sector entities operating under national jurisdiction conduct their business consistent with the Programme of Action. We likewise commit to provide better policy and operational guidance to industry in supporting our efforts in the effective implementation of the Programme of Action.
- We recognize the need and importance of in-depth discussions on the role of industry in responsible international transfers of small arms and light weapons, and ensure that the work undertaken in the framework of the Programme of Action includes the involvement of external stakeholders, such as representatives of the business and financial communities, international organizations and civil society, including NGOs with specific expertise on responsible business conduct, arms transfers and the effects of their illicit and unregulated trade.
- We welcome the UN Guiding Principles on Business and Human Rights and the Information Note by the UN Working Group on Business and Human Rights on “Responsible business conduct in the arms sector: Ensuring business practice in line with the UN Guiding Principles on Business and Human Rights”.

[Action-oriented measures for effective implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, 2024–2030]

- To take necessary steps to ensure that industry and private sector entities operating under national jurisdiction conduct their business consistent with the Programme of Action.
- To promote and facilitate opportunities for industry to develop and adapt their respective processes and oversight to contribute to supporting the implementation of the Programme of Action.
- To provide policy and operational guidance, as well as support, to industry efforts to conduct diversion risk assessments taking into consideration the Programme of Action.
- To raise industry awareness regarding the UN Guiding Principles on Business and Human Rights and the Information Note by the UN Working Group on Business and Human Rights on “Responsible business conduct in the arms sector: Ensuring business practice in line with the UN Guiding Principles on Business and Human Rights”.
- To develop operational guidance for different industry entities in the SALW supply chain as to how to assess human rights risk with respect to specific contracts/transfers.
- To enhance dialogue with and outreach to State’s industry to raise awareness and exchange of information and of best practices for the implementation of the Programme of Action, as well as to better understand the specific challenges and

needs of a State's industry in relation to the provisions of the Programme of Action.

- To promote the use of technological innovations from production in precluding diversion and ensuring SALW physical security throughout their lifecycle.
- To encourage producers to invest in research and development efforts to develop innovative technologies and solutions for enhancing the traceability, security, and accountability of SALW.
- To enhance oversight and follow-up of manufacturers/producers known to have facilitated trafficking and/or diversion.
- To engage in multi-stakeholder consultations with communities affected by irresponsible or negligent SALW industry practices.
- To ensure that victims of negligent or unlawful SALW industry conduct that results in diversion or illicit trafficking have access to justice to hold perpetrators accountable and obtain compensation for harm.
- To initiate or enhance focused deliberations on the role of industry in responsible SALW transfers and share their experiences and practices of effective measures including existing processes, guidance and related materials, and written guidance materials relating to national efforts to ensure industry awareness and compliance with national transfer control systems.
- To implement or enhance rigorous procedures for thoroughly assessing both the end-use and end-user of exported SALW with the aim of preventing their diversion, misuse, delivery, or re-transfer to unauthorized recipients.
- To promote that producers conduct thorough due diligence on potential customers to ensure that SALW are only sold to authorized recipients.
- To give due regard and special attention to exports and transfers to and from unregulated civilian markets.
- To strengthen verification of end-user certificates and ensure that SALW transfers are only conducted for legitimate purposes to authorized end-users, including through the adoption of verifiable and robust procedures for the issuance and authentication of end-user certificates.
- To enhance the regulation of SALW brokering activities through licensing, registration, and stringent monitoring mechanisms to prevent illicit brokering and trafficking.
- To ensure that brokering activities be transparent, accountable, and aligned with the Programme of Action in order to close a significant avenue for trafficking and diversion in SALW.
- To enhance controls and monitoring of suspicious bulk transactions that contributes to the stockpiling of SALW by criminal networks.
- To enhance oversight of the digital SALW marketplace to prevent anonymous and unregulated transactions by unlicensed private sellers that facilitate and perpetuate illicit trafficking and trade.
- To consider requiring contractual penalties and contingencies in SALW transfer agreements, including the cancellation of further SALW deliveries and the legal termination of relations with the client, in case diversion has occurred.
- To implement industry outreach programs and improve regulatory oversight as to ensure that manufacturers adhere to strict export control measures to prevent the unauthorized transfer of SALW across borders.

- To ensure awareness and continued updated for industry, especially exporters and brokers, for compliance with relevant UN Security Council-mandated arms embargoes and sanctions.
- To promote partnerships between producers and governments to sharing information and best practices, participating in capacity-building programs, and supporting initiatives to strengthen legal and regulatory frameworks related to preventing SALW diversion and trafficking.

[Action-oriented measures for effective implementation of the International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons, 2018–2024]

- To enhance diversion prevention from production through proper marking and tracing.
- To enhance resilience to diversion and trafficking by implementing robust traceability mechanisms in SALW production processes.
- To ensure that SALW have unique and permanent markings at the point of manufacture (including the country of manufacture, manufacturer’s name, and a serial number), to significantly enhance the ability of law enforcement and regulatory bodies to trace SALW across their lifecycle, facilitating the identification of diversion points into the illicit market.

[Action-oriented measures to promote effective international cooperation and assistance to ensure the effective implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects and the International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons, 2024–2030]

- To enhance capacity building of industry for better client assessments that take into consideration the potential client’s intended end-use, prior record of lawful use, and known or suspected relationships with criminal organizations.
- To promote capacity building to support States’ producers in providing comprehensive training to their employees on the risks of diversion (including training on identifying suspicious activities, reporting irregularities, and maintaining accurate records) and the importance of compliance with relevant regulations and standards.

[Follow-up to the Fourth Review Conference of the Programme of Action]

- One of the biennial meeting of States in the period between the Fourth and the Fifth Review Conferences be dedicated to the theme “The role of industry in supporting implementation of the Programme of Action and the International Tracing Instrument”.