



## Security Council

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### **Security Council Committee established pursuant to resolution 1267 (1999)**

#### **Note verbale dated 28 August 2003 from the Permanent Mission of Monaco to the United Nations addressed to the Chairman of the Committee**

The Permanent Mission of the Principality of Monaco to the United Nations presents its compliments to the Chairman of the Committee established pursuant to Security Council resolution 1267 (1999) and, in accordance with paragraph 6 of Security Council resolution 1455 (2003), has the honour to submit the report of the Government of the Principality.

**Annex to the note verbale dated 28 August 2003 from the Permanent Mission of Monaco to the United Nations addressed to the Chairman of the Committee**

**Report to be submitted to the Security Council Committee established pursuant to resolution 1267 (1999) in accordance with paragraph 6 of Security Council resolution 1455 (2003)\***

## **I. Introduction**

1. *Please provide a description of activities, if any, by Osama bin Laden, Al-Qa`idah, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends.*

There have so far been no terrorist attacks in the territory of the Principality of Monaco. The small size of the country and the priority attached by the Government to guaranteeing a high level of security for persons and property in all circumstances have helped to deter terrorist groups from establishing themselves in Monaco. However, in the light of the international situation and the threats it poses for the security of all, the risk of terrorism is taken very seriously and the necessary precautionary measures have been implemented: the “*plan Vigirenfort*”, in operation since 2001, has recently been strengthened by new monitoring and surveillance measures.

## **II. Consolidated list**

2. *How has the 1267 Committee’s List been incorporated within your legal system and your administrative structure, including financial supervision, police, immigration control, customs and consular authorities?*

The list drawn up by the Committee established pursuant to resolution 1267 (1999), and all its updates (in addition to the Committee’s official correspondence, its web site, [www.un.org/Docs/sc/committees/1267/1267ListEng.htm](http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm), is checked weekly) are transmitted to the following immediately upon receipt by the Department of Foreign Affairs:

- The Department of Finance and the Economy, which is the supervising authority of the Budget and Treasury Department (which deals with the Monegasque Bank Association), SICCFIN (Financial Network Information Service), the Taxation Services Department and the Customs Administration; and
- The Department of the Interior, which supervises the police forces (Public Security Department) and the Immigration Control Service (the Residents Section of the Public Security Department).

Checks are then carried out to ensure that the listed individuals and entities do not appear in the files and dossiers handled by those departments.

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\* The annexes referred to in this report may be consulted in the Secretariat (Room S-3055).

At the regulatory level, as soon as a European Commission regulation amending Council Regulation (EC) No. 881/2002 “imposing certain specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the Al-Qa`idah network and the Taliban”<sup>1</sup> is published in the Official Journal of the European Communities, a ministerial decree is issued in Monaco to update the lists reproduced in accordance with European regulations and the Committee’s updates (see section 9 of the report for details of the procedure).

3. *Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the List? If so, please describe these problems.*

The only problems reported with regard to the names and identifying information as currently included in the list relate to difficulties with similarities between people’s names; however, these problems have been resolved (N.B.: The Principality of Monaco has only 32,020 inhabitants).

4. *Have your authorities identified inside your territory any designated individuals or entities? If so, please outline the actions that have been taken.*

As of 18 August 2003, no designated individual or entity had been identified in the territory of Monaco.

5. *Please submit to the Committee, to the extent possible, the names of individuals or entities associated with Osama bin Laden or members of the Taliban or Al-Qa`idah that have not been included in the List, unless to do so would compromise investigations or enforcement actions.*

The authorities in Monaco have not so far identified any individuals or entities for inclusion in the List.

6. *Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the List? Please specify and elaborate, as appropriate.*

No individuals or entities have so far engaged in legal proceedings against the authorities as a result of their inclusion in the List.

7. *Have you identified any of the listed individuals as nationals or residents of your country? Do your authorities have any relevant information about them not already included in the List? If so, please provide this information to the Committee as well as similar information on listed entities, as available.*

No national of or resident in Monaco is included in the List.

8. *According to your national legislation, if any, please describe any measures you have taken to prevent entities and individuals from recruiting or supporting Al-Qa`idah members in carrying out activities inside your country, and to prevent individuals from participating in Al-Qa`idah training camps established in your territory or in another country.*

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<sup>1</sup> N.B.: These regulations repeat the modifications transmitted by the 1267 Committee.

The legislative measures in force in Monaco for the prevention of the recruitment of persons in order to involve them in terrorist activities are contained in articles 209-211 of Monaco's Penal Code, which penalize criminal conspiracies.

Under these provisions, any conspiracy or agreement for the purpose of preparing or committing crimes against persons or property constitutes a crime against the public peace; any person taking part in such a conspiracy or agreement is subject to 10 to 20 years' imprisonment. It should be noted that recruitment of members of a criminal conspiracy, such as a terrorist group, is considered as participation in such a crime. Furthermore, any person assisting those committing a crime against the public peace as defined above by providing them with equipment, means of communication, lodgings or meeting places is subject to five to ten years' imprisonment.

Any financial support to members of terrorist groups, for the purpose of their recruitment or otherwise, also constitutes an offence under Sovereign Ordinance No. 15,320 of 8 April 2002 on the suppression of the financing of terrorism (see Annex 1), since that text calls for a penalty of five to ten years' imprisonment for anyone who directly or indirectly provides, collects or manages funds with the intention or knowledge that they are to be used for the commission of the terrorist acts listed in article 2, paragraphs 1-8, of the Ordinance. Those paragraphs list the terrorist acts described in article 2 (1) of the International Convention for the Suppression of the Financing of Terrorism. Heavier penalties may be imposed if those acts also constitute other crimes.

Lastly, in the light of the small size of Monaco's territory and its entirely urban nature, it is practically impossible for terrorist training camps to be set up there.

### **III. Financial and economic assets freeze**

*Under the sanctions regime (paragraph 4 (b) of resolution 1267 (1999) and paragraphs 1 and 2 (a) of resolution 1390 (2002)), States are to freeze without delay the funds and other financial assets or economic resources of the listed individuals and entities, including funds derived from property owned or controlled, directly or indirectly, by them or by persons acting on their behalf or at their direction, and ensure that neither these nor any other funds, assets or resources are made available, directly or indirectly, for such persons' benefit, by their nationals or by any persons within their territory.*

9. *Please describe briefly:*

- *the domestic legal basis to implement the asset freeze required by the resolutions above;*
- *any impediments under your domestic law in this context and steps taken to address them.*

The legal basis of the implementation of the assets freeze required by resolutions 1267 (1999) and 1390 (2002) is Sovereign Ordinance No. 15,321 of 8 April 2002 concerning procedures for the freezing of funds in order to combat terrorism (see Annex 2). This text, which was enacted pursuant to the International Convention for the Suppression of the Financing of Terrorism and to Security Council resolution 1373 (2001), provides for:

- The definition of the concept of an assets freeze, which consists of preventing any movement, modification, use or manipulation of the funds (art. 2);
- The obligation for credit establishments, financial institutions, insurance companies and any other body, entity or person to freeze funds belonging to or held by the legal or natural persons, bodies and entities listed by Ministerial Decree (art. 1);
- The creation of additional prohibitions such as the prohibition of making frozen funds available to persons listed in the Ministerial Decree; of the provision of services to those same persons, and of the conduct of or participation in operations to circumvent the freeze provisions (art. 3);
- Criminal penalties applicable in case of failure to comply with the aforementioned obligations (from €18,000 to €90,000) (art. 7).

Since the promulgation of Sovereign Ordinance No. 15,321, seven Ministerial Decrees<sup>2</sup> (No. 2002-222 of 9 April 2002, No. 2002-434 of 16 July 2002, No. 2002-581 of 11 October 2002, No. 2002-669 of 10 December 2002, No. 2003-193 of 11 March 2003, No. 2003-380 of 3 July 2003 and No. 2003-418 of 1 August 2003) implementing that Sovereign Ordinance have been published. They identify the physical or legal persons, entities or bodies whose funds are to be frozen in accordance with the list provided by the Committee established pursuant to resolution 1267 (1999) and take into account all modifications to that list (and, de facto, the resulting modifications of Council Regulation (EC) No. 881/2002, which reproduces the list).

Monegasque law provides for no specific obstacle to the application of a procedure for the freezing of terrorist assets, provided that such a procedure is in compliance with Sovereign Ordinance No. 15,321.

10. *Please describe any structures or mechanisms in place within your Government to identify and investigate Osama bin Laden, Al-Qa`idah or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.*

The structures competent to investigate financial networks related to Osama bin Laden, Al-Qa`idah and the Taliban are centred upon the Budget and Treasury Department (the authority responsible for relations with the bodies which supervise credit establishments (Banking Commission), and which is therefore authorized to receive from those bodies all necessary information to ensure compliance with the obligation to freeze assets) and SICCFIN, the body which deals, inter alia, with the declarations of suspicion relating to possible terrorist-related transactions (and to transactions which may come from organized criminal activities) which the country's financial bodies and other professionals are obliged to make. SICCFIN also considers requests from foreign entities having equivalent functions. These two Government bodies are under the authority of the Department of Finance and the Economy.

<sup>2</sup> There are seven of these decrees because they incorporated several consecutive updates from the Committee.

Also within that Department, a committee to coordinate the various administrative departments charged with monitoring financial activities was established by Sovereign Order No. 15,530 of 27 September 2002 (see Annex 3). This committee, chaired by the Government Adviser for Finances and the Economy, is responsible for organizing the sharing of information among the departments which monitor activities in the investment banking and insurance sectors and the management and administration of foreign legal persons, and deal with issues of common interest relating to the coordination of the monitoring of those activities. The committee meets at least four times per year and may also invite any representative of another government department or any qualified person working or doing business in the area of financial activities.

Lastly, the Judicial Police Division, which comes under the Public Security Department, has the authority to carry out, on the initiative or request of the Monegasque courts or in the framework of international police cooperation (Interpol), any investigation to identify financial networks related to Osama bin Laden, Al-Qa'idah or the Taliban or to any person providing support to those entities or to associated individuals or groups.

11. *Please convey the steps banks and/or other financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Osama bin Laden or members of Al-Qa'idah or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer" requirements. Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.*

Financial institutions must inform the Budget and Treasury Department of any asset-freezing measures they may be prompted to take pursuant to the ministerial decrees referred to under question 9. If financial institutions encounter difficulties in identifying the individuals or entities subject to freezing, they must consult the Department, indicating precisely the name of the account holder, and this communication must be accompanied by the fullest possible information concerning his or her identity. The Department then conducts the necessary investigations; it recommends that, during this lapse of time, any unusual movement of funds involving the account in question should be notified without delay.

In addition, under article 3 of Act No. 1,162 (as amended by Act No. 1,253 of 19 July 2002 — see Annexes 4 and 4 bis) on the participation of financial institutions in combating money-laundering and the financing of terrorism, all professional entities subject to reporting obligations (see para. 1 (a) of document S/2002/1418 of 26 December 2002)<sup>3</sup> are required to report to SICCFIN all sums entered in their books and all transactions involving sums that may be linked to or are intended to finance terrorism, terrorist acts or terrorist organizations, and the facts on which they have based their report. There are administrative and criminal penalties for failing to comply with this obligation (see para. 1 (a) of document S/2002/1418 of 26 December 2002). SICCFIN agents, for their part, are authorized to request transmission of all documents pertaining to the identity of the customers and to transactions effected by them (see Sovereign Ordinance No. 15,454 of 8

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<sup>3</sup> Act No. 1,253 extended to other professional entities, such as management companies, trustees and management companies of foreign structures (companies services providers) the obligation to establish internal procedures for combating money-laundering and the financing of terrorism.

August 2002 amending Sovereign Ordinance No. 11,246 of 12 April 1994 concerning the establishment of a Financial Network Information Service — see Annex 5). SICCFIN also conducts inspections of financial institutions' anti-money-laundering and anti-terrorist-financing arrangements: in this connection, several on-site inspections were planned and carried out in 2002 by two agents, both in banking establishments (four inspections lasting about two to three weeks) and at a management company of a foreign structure (one inspection lasting about two weeks), monitoring of the latter professional entities, to which the legislation was recently extended, having begun in late April. These inspections are supplemented by spot checks.

Also, supervision of financial institutions by SICCFIN on the basis of documents transmitted at its request continued in 2002, inter alia, with the monitoring and verification of the internal procedures established by portfolio management companies to combat money-laundering and terrorist financing.

“Know your customer” requirements: pursuant to article 10 of Act No. 1,162 of 7 July 1993, as amended, and article 1 of Sovereign Ordinance No. 11,160 of 24 January 1994, as amended by Sovereign Ordinance No. 15,453 of 8 August 2002 (see Annex 6), financial institutions and gaming houses are required, before entering into a relationship with a new customer, to verify his or her identity on the basis of:

“For a natural person, any official document bearing his or her photograph.

“For a legal person, the original, office copy or certified true copy of an act or extract from official registers mentioning the name, legal form and registered office of the legal person and the powers of the persons acting on its behalf.

“The financial institutions and gaming houses shall retain the originals or copies of the documents presented.

“The information gathered shall be followed up.”

These institutions are required, under the same conditions, to make enquiries as to the identity of occasional customers and to verify the identity of occasional customers who effect transactions involving sums of more than €15,000 or rent safe deposit boxes. Lastly, these institutions must verify the identity of persons for whom accounts are opened, safe deposit boxes are rented or transactions are carried out, if it is likely that the persons requesting the services of these institutions are not acting on their own behalf. All information concerning the identity of such persons and the capacity [in which they are acting] must be retained for five years.

In addition, financial institutions are required, in accordance with the recommendations of the Monegasque Bank Association, to verify the financial environment and economic context in which the transactions are taking place, taking into account the new special recommendations on terrorist financing of the Financial Action Task Force on Money Laundering (FATF).

12. *Resolution 1455 (2003) calls on Member States to provide “a comprehensive summary of frozen assets of listed individuals and entities”. Please provide a list of the assets that have been frozen in accordance with this resolution. This list should also include assets frozen pursuant to resolutions 1267 (1999), 1333 (2000) and 1390 (2002). Please include, to the extent possible, in each listing the following information:*

- *Identification(s) of the person or entities whose assets have been frozen;*
- *A description of the nature of the assets frozen (i.e. bank deposits, securities, business assets, precious commodities, works of art, real estate property, and other assets);*
- *The value of assets frozen.*

Since no terrorist assets have yet been frozen in Monaco, this question is not applicable.

13. *Please indicate whether you have released pursuant to resolution 1452 (2002) any funds, financial assets or economic resources that had previously been frozen as being related to Osama bin Laden or members of Al-Qa`idah or the Taliban or associated individuals or entities. If so, please provide reasons, amounts unfrozen or released and dates.*

This question is not applicable, no funds having been released (cf. previous question).

14. *Pursuant to resolutions 1455 (2003), 1390 (2001), 1333 (2000) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designated individuals and entities. This section should include a description of:*

- *The methodology, if any, used to inform banks and other financial institutions of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of Al-Qa`idah or the Taliban. This section should include an indication of the types of institutions informed and the methods used;*

All ministerial decrees adopted pursuant to Sovereign Ordinance No. 15,321 of 8 April 2002 and disseminating or amending the list of individuals and entities whose funds must be frozen are published in the *Journal de Monaco* (Official Gazette), to which all financial institutions affected by the restrictions imposed on the individuals and entities identified in these ministerial decrees have access.

- *Required bank-reporting procedures, if any, including the use of Suspicious Transaction Reports (STR), and how such reports are reviewed and evaluated;*

The procedures with respect to the reports of suspicion (Suspicious Transaction Reports (STR)) that banking establishments and other financial institutions are required to make are described in articles 3, 4, 5, 6 and 17 of Act No. 1,162, as amended. These provisions stipulate, inter alia:

“Article 3. Financial institutions are required to report to the Minister of State:

- “– All accounting entries and any transactions involving sums that may originate from illicit drug-trafficking or organized criminal activities, as well as the facts on which they have based their report;
- “– All sums entered in their books and all transactions involving sums that may be linked to or are intended to finance terrorism, terrorist acts or terrorist organizations, and the facts on which they have based their report.”

In addition, the aforementioned obligation to report may be extended, by ministerial decree, to transactions and acts involving natural and legal persons domiciled, registered or established in a State or territory whose legislation is known to be inadequate or whose practices are deemed to hamper efforts to combat money-laundering by a competent international authority responsible for consultation and coordination.

Financial institutions that refuse to carry out a transaction likely to come under one of the categories mentioned above are also required to make this type of report (art. 5). Any information received after the filing of the report and which may alter its import must also be transmitted (art. 6).

SICCFIN receives the reports, which must be in writing, and acknowledges receipt thereof. The acknowledgement may be accompanied by an objection raised during the time necessary to carry out the transaction, which may be suspended for a period not exceeding 12 hours; such period may be extended by an order with statement of reasons from the President of the Court of First Instance or the judge delegated by him or her.

As a safeguard, on application by the Prosecutor General, to whom such matters are referred by SICCFIN, the funds, accounts, securities or items mentioned in a report may be placed under sequestration by an order with statement of reasons from the President of the Court of First Instance or the judge delegated by him or her. The sequestration is lifted in accordance with the rules of ordinary law. The order is enforceable from the moment it is registered or even before this formality is completed, if the judge so orders in a particular instance because of the urgency of the situation.

The financial institution is charged with acting as custodian (art. 4).

In addition, SICCFIN agents may request the transmission of all documents relating to the identity of customers and to transactions effected by them if such request is linked to a transaction that has been the subject of the report referred to in article 3 (art. 17).

- *Requirements, if any, placed on financial institutions other than banks to provide STR, and how such reports are reviewed and evaluated.*

The procedures described above apply to all natural and legal persons identified as financial institutions for the purposes of Act No. 1,162, as amended (for details, see paragraph 1 (a) of document S/2002/1418 of 26 December 2002).

- *Restrictions or regulations, if any, placed on the movement of precious commodities such as gold, diamonds and other related items.*

Under article 12 of Act No. 1,162, as amended, “all documents and information relating to transactions involving gold, silver or platinum, such as the nature, number, weight and standard of items and pieces made of gold, silver or platinum, whether bought or sold, and the names and addresses of the persons who sold them and of those on whose behalf the financial institutions purchased them, must be entered in a register retained for five years”.

- *Restrictions or regulations, if any, applicable to alternate remittance systems such as — or similar to — “hawala, as well as to charities, cultural and other non-profit organizations engaged in the collection and disbursement of funds for social or charitable purposes.*

The Franco-Monegasque Agreement of 14 April 1945 and the exchanges of letters of 18 May 1963 and 27 November 1987 established the principle that the legislation and regulations in force in France concerning banks and financial institutions are applicable in the Principality.

Pursuant to article L. 511-5 of the French Monetary and Financial Code, applicable in Monaco, only legal persons registered as credit institutions may carry out banking transactions (receipt of funds from the public, credit operations, and provision to customers or management of means of payment).

In addition, all commercial and financial activity in the Principality requires the prior authorization of the Government. In this connection, two financial institutions — the Post Office (Western Union) and American Express (Moneygram) — have been authorized to remit or transfer funds.

There is thus no question of an informal remittance system or network being authorized in Monaco. Any activity of this type that developed in the Principality would therefore be illegal and prohibited, and the persons responsible for such activity would be liable to criminal penalties.

The regime applicable to associations (charitable centres, cultural organizations and other non-profit organizations) was described in paragraph 1 (d) of document S/2002/1418.

## **IV. Travel ban**

*Under the sanctions regime, all States shall take measures to prevent the entry into or transit through their territories of listed individuals (paragraph 1 of resolution 1455 (2003), paragraph 2 (b), of resolution 1390 (2002)).*

15. *Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.*

N.B.: The legislative and administrative measures in the area of border controls and the conditions for entry into and stay in the Principality have been described in minute detail in several reports on terrorism submitted by Monaco.<sup>4</sup>

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<sup>4</sup> Cf., inter alia, para. 2 (g) of document S/2002/93 of 21 January 2002 and para. 2 (g) of document S/2002/93/Add.1 of 10 June 2002; para. 2 (b) of document S/AC.37/2002/24 of 17 April 2002.

It is important to emphasize that, under the Convention on good-neighbourliness between France and Monaco of 18 May 1963, the stay of aliens in Monaco requires the prior agreement of the French authorities:

- In accordance with this Convention, the Principality of Monaco applies, as far as the exercise of border controls at its frontiers is concerned, the provisions on entry into the Schengen area. Thus, persons whose names are included in the Schengen Information System (SIS)<sup>5</sup> for the purpose of being refused entry may not enter Monegasque territory.
- In addition, issuance of a residence permit to an alien requires prior consultation with the French authorities. Any objection by these authorities to the settlement of an alien in Monaco results in the non-issuance of a residence permit to the person concerned.

Consequently, just as in France, an application to settle in the Principality from a person identified in the list would be refused.

In addition to these arrangements, it should be specified that controls at points of entry into and exit from the territory of the Principality are carried out by the Monegasque Public Security Department and, in particular, by the Division of Maritime and Airport Police, whose mission is to strengthen controls at the Principality's external borders, in conformity with the requirements of the Schengen Agreements. The names of persons included in the list drawn up by the Security Council Committee established pursuant to resolution 1267 (1999) and its successive updates are transmitted to these services, which are thus able to cross-check them with the persons residing in the Principality.

16. *Have you included the names of the listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.*

Only persons whose full or partial identification (but comprising at least the last and first names and the date of birth) has been provided on the Committee list are incorporated into the database of the Public Security Department of Monaco. It is effectively impossible to make use only of a family and first name, or indeed an alias, if certain related items are not duly filled in; other information such as place of birth, descent and nationality are indispensable to avoid confusing two persons with the same name or any mistaken identity. The Principality of Monaco is also supporting the efforts that the Committee is now undertaking to gather the nationalities, dates and places of birth and identification numbers of the persons on the list.

17. *How often do you transmit the updated list to your border control authorities? Do you possess the capability of searching list data using electronic means at all your entry points?*

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<sup>5</sup> Persons referred to in the list drawn up by the Committee and whose identification is complete are included in SIS under the heading "State security, Muslim extremist, immediate measure: on-site check". In the case of persons who have not been formally identified, searching SIS is uncertain, and the results obtained may not relate to the fight against terrorism owing to possible namesakes.

As soon as an update appears on the Committee site (cf. the information provided in relation to question 2 of the present report) or is passed on by it, amendments to the Committee list are transmitted immediately to the Department of the Interior, which then informs the Department of Public Security and especially the border control services.

Because of the absence of border checkpoints at the road entry points into the Principality,<sup>6</sup> only heliports and ports of Monaco have the electronic means to monitor data described in question 16. On the other hand, if a person is apprehended or checked at a land point of entry or on a public highway by a Public Security Department agent, the Department can at any moment transmit the information on that person's identity by radio to the police headquarters, which performs the necessary checks.

18. *Have you stopped any of the listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.*

None of the listed persons has been stopped at any border point on Monegasque territory.

19. *Please provide an outline of the measures, if any, taken to incorporate the list in the reference database of your consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the list?*

It should be noted that in accordance with articles 2 and 3 of the Convention on good-neighbourliness between France and Monaco of 18 May 1963, only French consular authorities are empowered to grant visas for the Principality, insofar as the entry, residence and establishment of aliens in Monaco requires that those aliens possess a passport or proof of identity bearing the stamps, visas and authorizations that permit entry, residence or establishment in France.

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<sup>6</sup> The absence of border checkpoints at the road points of entry is owing to the fact that the Principality of Monaco is enclosed in French territory, to the existence of the Convention on good-neighbourliness between France and Monaco of 18 May 1963 (which stipulates, in article 2, that: "The Government of the Principality undertakes to require that aliens seeking to enter, reside and establish themselves in the Principality be in possession of a valid passport or other travel document or identification card in lieu thereof, bearing the appropriate stamps, visas and authorizations permitting them to enter, reside and establish themselves in France and, in particular, in the Department of the Alpes-Maritimes. ..."; and, in article 7, that "The Government of the Principality shall take the necessary steps to assure effective control, through its coastguard and police force, of access to the Principality by sea. It undertakes not to allow any aliens to enter its territory by this means unless they satisfy the conditions set forth in article 2 above. ...") and to the existence of a trade union between the two States (art. 1 of the Customs Convention between France and Monaco of 18 May 1963, specifying that: "French territory and Monegasque territory, including the territorial waters thereof, shall form a customs union. ... There shall be only one customs demarcation line in the Principality. Established on the sea side, it shall merely form a section of the French customs demarcation line on the Mediterranean coast").

## V. Arms embargo

*Under the sanctions regime, all States are requested to prevent the direct or indirect supply, sale and transfer to Osama bin Laden, members of the Al-Qa`idah organization and the Taliban and other individuals and entities associated with them, from their territories or by their nationals outside their territories of arms and related material of all types, including the provision of spare parts and technical advice, assistance, or training related to military activities (paragraph 2 (c) of resolution 1390 (2002) and paragraph 1 of resolution 1455 (2003)).*

20. *What measures, if any, do you now have in place to prevent the acquisition of conventional arms and weapons of mass destruction by Osama bin Laden, members of Al-Qa`idah and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapons development and production?*

N.B.: The principality's weapons of war regime (regulated under article 16 of the Convention on good-neighbourliness of 18 May 1963) as well as legislative and administrative measures with respect to authorizations for weapons purchases and export controls have been minutely detailed in several reports on terrorism presented by Monaco.<sup>7</sup>

21. *What measures, if any, have you adopted to criminalize the violation of the arms embargo directed at Osama bin Laden, members of Al-Qa`idah and the Taliban and other individuals, groups, undertakings and entities associated with them?*

The laws and regulations that determine the war materiel regime in France being directly applicable to the Principality, the measures taken by the French Government in this connection apply to Monaco.<sup>8</sup>

Moreover, it should be noted that with respect to the embargo, paragraph 1 of the optional protocol to the Customs Convention between France and the Principality of Monaco of 18 May 1963, which is an integral part of the Convention, points out that "The Administration française des douanes et droits indirectes shall ensure the implementation in the Principality of Monaco under the same conditions as in France of ... all legislative or regulatory provisions in force in France that prohibit or restrict imports and exports in any way or subject imports and exports to specific procedures under the supervision of the Customs Service".

Finally, it seems pertinent to recall that no weapons of war or small arms are produced in the territory of the Principality.

<sup>7</sup> cf. particularly paragraph 2 (a) of document S/2003/93 of 21 January 2002; paragraph 2 (c) of document S/AC.37/2002/24 of 17 April 2002; and question No. 2 of paragraph 2 (a) of document S/2002/1418 of 26 December 2002.

<sup>8</sup> The measures taken in the Principality of Monaco in relation to weapons and munitions exports not considered to be instruments of war are described in paragraph 2 (c) of document S/AC.37/2002/24 of 17 April 2002.

22. *Please describe how your arms/arms broker licensing system, if any, can prevent Osama bin Laden, members of Al-Qa`idah and the Taliban and other individuals, groups, undertakings and entities associated with them from obtaining items under the established arms embargo.*

With respect to obtaining weapons and munitions not considered to be war materiel, it should be stressed that no one in Monaco can acquire or own defensive firearms or munitions for them other than manufacturers or merchants duly authorized by the Minister of State and operating in a professional capacity. Any assignment or transfer of such weapons in any way, whether firearms or munitions for them, can only be carried out for the benefit of a person authorized to own or sell them. Any assignment or transfer of such arms or such munitions must be declared to the Minister of State. The same applies in case of loss. Only acquisition or possession of hunting weapons or munitions, edged weapons and sporting and exhibition firearms and munitions for them is exempt from the prior authorization regime.

Similarly, no one<sup>9</sup> in Monaco can carry or transport either defensive firearms and munitions for them or edged weapons without the authorization of the Minister of State, who can withdraw it at any time.

These regulations provide sufficient guarantees to prevent Osama bin Laden, members of Al-Qa`idah and the Taliban, as well as other persons, groups, undertakings and entities associated with them, from obtaining items prohibited under the arms embargo in force.

23. *Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted/used by Osama bin Laden, members of Al-Qa`idah and the Taliban and other individuals, groups, undertakings and entities associated?*

As no weapons or munitions are produced in Monaco, this item is not applicable.

## **VI. Assistance and conclusion**

24. *Would your State be willing or able to provide assistance to other States to help them implement the measures contained in the above-mentioned resolutions? If so, please provide additional details or proposals.*

The Principality of Monaco is ready to cooperate with other States to enable the implementation of measures put forward in the above-mentioned resolutions. SICCFIN is authorized to exchange information with the competent foreign authorities on operations that appear to be linked to drug trafficking or organized criminal activities, terrorism, terrorist acts or terrorist organizations, or their financing, subject to reciprocity and on condition that no criminal proceedings have already been instituted in Monaco on the basis of the same evidence.

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<sup>9</sup> Only agents of the police and armed forces (la Force) and the Department of Public Security (as well as agents of the State, the commune or a public institution who, by reason of their duties, are at risk of attack, or persons who are responsible for guard duty or a security mission and have been certified to that effect by the Minister of State) are authorized to bear weapons in the exercise of office.

Moreover, the Principality of Monaco will host a meeting of a United Nations Group of Experts from 5 to 7 September 2003 (coordinated by the Office on Drugs and Crime, Vienna) on finalization of the guides on the legislative reforms needed to combat transnational organized crime effectively. These guides will be addressed to all States Parties to the Palermo Convention and its additional protocols, with a view to promoting the transincorporation of these instruments into their national legislation.

25. *Please identify areas, if any, of any incomplete implementation of the Taliban/Al-Qa`idah sanctions regime, and where you believe specific assistance or capacity-building would improve your ability to implement the above sanctions regime.*

While we are fully aware of the efforts made by the Committee to gather more details on the identity of individuals and information on entities on the lists, accurate and unambiguous identification of the persons referred to must remain a priority for the effective implementation of the sanctions regime.

26. *Please include any additional information you believe pertinent.*

None.

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