

Agenda Item: Preventing the Financing and Arms Supply of Terrorist Organizations

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1. Letter from the Secretary General

Dear delegates,

With my absolute pleasure, I would like to extend a heartfelt welcome to each delegate who is participating in the very first edition of FBOMUN. As the Secretary-General of this conference, I can confidently say that I am beyond excited to witness your commitment and the talent in diplomacy that you will bring to this year's event.

This year marks the beginning of our journey, and as we take this first step with high dedication, our committees will highlight the global challenges that people face every day, while also offering spaces shaped by creativity and imagination. Throughout this journey, I wholeheartedly believe that you will find ways to overcome the challenges ahead by utilizing your critical thinking skills.

As you step into the world of Model United Nations, I strongly encourage you to think like diplomats and approach each agenda with creativity and resilience. Never forget that the experiences and skills you gain during this conference will not only stay here; they will stay with you and continue to guide you throughout your future, inspiring both yourselves and others.

Thank you all for being a part of this journey and for helping us shape the very first chapter of FBOMUN. I wish you a delightful conference that fulfills you both academically and socially. Remember that you are the ones who will make this path unforgettable. If you ever need any further assistance, please do not hesitate to reach out.

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Secretary General

2. Letter from the Chairboard of DISEC Committee

Dear delegates;

First of all we would be very pleased to welcome you all to FBOMUN'26! As your chairboard we are looking forward to meeting you and listening to your interesting discussions, thrilling debates.

As an agenda item we have chosen a current topic which we all know very well: "Preventing the Financing and Arms Supply of Terrorist Organizations". As is known, terrorist groups cause many casualties worldwide. If these groups did not receive support, such losses would never occur. In this committee, we aim to find a solution to this problem, which is one of the main reasons for the continuation of terrorism.

We truly believe these two days will be wonderful. We put a lot of effort into writing this study guide. We strongly recommend that you read this study guide so that you can both win an award and participate in the committee. In particular, try to develop logical, feasible, and policy-appropriate solutions to the questions at the end of the guide in order to draft a resolution paper, which is the goal of our committee. We also recommend that you go beyond the study guide and research your countries' policies on the subject. Good luck with your work! If you have any questions, problems, or concerns, please don't hesitate to contact us.

We would also like to express our deepest gratitude to the academy and the organisation team who made this conference possible and have always been by our side.

Best Regards

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3. Introduction to the Committee: What is DISEC?

The United Nations has six committees that gather annually to discuss and tackle both global and regional problems, which are mainly called “General Assembly” committees. The Disarmament and Security Committee is one of them, in fact, it is usually referred to as the first General Assembly, though the numbering does not convey any meaning. The committee, along with the rest of the General Assembly committees, plays a pivotal role in international policymaking, creating a guideline for arms control and nuclear weapons proliferation, resolving regional conflicts, and serve as an advisory board for the United Nations Security Council, which is tasked with safeguarding the stability of the international community.

The jurisdiction of the Disarmament and Security Committee, mostly referred to as its acronym DISEC, is quite extensive. Topics under its purview include the regulation of armaments, resolving regional conflicts, preventing an outer-space arms race, and fostering international peace through disarmament.

DISEC operates under the rules established by the United Nations Charter, therefore participation in the committee is quite demanding, as delegates need to display a profound understanding of conflict-resolving, diplomatic finesse, and a commitment to the aforementioned principles, which are, again, tied to the United Nations Charter. Additionally, navigating the intricate web of international politics is quite tricky when themes like justice, equity, arms-race, and world peace are hanging in the balance, therefore a harmonious approach from delegates is most appreciated.

4. Introduction to the Agenda Item

a. Key Terms

Terrorism: A method of coercion that utilizes or threatens to utilize violence in order to spread fear and thereby attain political or ideological goals.

Terrorist Financing: Terrorism financing is the act of providing financial support to terrorists or terrorist organisations to enable them to carry out terrorist acts or to benefit any terrorist or terrorist organisation.

Money Laundering: Money laundering is the process of disguising the proceeds of crime and integrating it into the legitimate financial system.

Proliferation: Proliferation is a rapid multiplication of parts or the increase in the number of something.

Small Arms and Light Weapons (SALW): Small arms and light weapons are man-portable weapons made or modified to military specifications for use as lethal instruments of war.

Grey Market: A grey market or dark market is the trade of a commodity through distribution channels that are not authorised by the original manufacturer or trademark proprietor.

End-Use Certificate (EUC): An end-user certificate, or EUC, is a document used in international transfers, including sales and arms provided as aid, of weapons and ammunition to certify that the buyer is the final recipient of the materials and does not plan on transferring the materials to another.

Arms Embargo: An arms embargo is a restriction or a set of sanctions that applies either solely to weaponry or also to "dual-use technology."

Cryptocurrency: Cryptocurrencies (also known as digital currencies or virtual currencies) are a form of digital money. They allow payments to be made electronically and function in a similar way to standard currencies that use physical cash.

Darknet: The Dark Web is a place where sellers of illegal drugs, identities, information (passwords, account numbers, etc.) weapons, and many other illegal forms of physical materials and digital information look to traffic these materials across borders.

Illicit: Illicit means unlawful or not permitted or forbidden by law in a specific jurisdiction.

b. Understanding the Agenda

What is Terrorism: Terrorism comes from the Latin word *terrere*, meaning, "to frighten". Terrorism was first used during the French Revolution referring to the period between 5 September 1793 and 27 July 1794. This period is also known as "reign of terror" and means the systemic use of harsh policies by the Jacobins against those opposed or suspected to be opposed to the French Revolution. Although as a concept "terrorism" is a product of the French Revolution, it dates back to the sicarii movement of the first century. This group consisted of Jewish men who were fighting against the Roman occupation in Palestine between 66-73. The sicarii movement used unorthodox tactics such as attacking the Romans or those who collaborated with them in daylight with a short sword called *sica*, burning granaries and sabotaging Jerusalem's water supplies. As explained above, terrorism is a political phenomenon, which is at least two thousand years old. So far, various studies have been conducted over the issue of terrorism and many definitions of terrorism have been made.

Terrorism is based on political objectives and to achieve their political objectives, terrorist organizations conduct violent acts. Although carrying out terrorist activities depends on limited financial resources compared to its damages, they are not free. Funds are needed for terrorist operations and for organizational expenditures to develop and maintain an infrastructure of organizational support and to promote the ideology of a terrorist organization. Operational costs of a terrorist activity include buying weapons or bomb making components, transportation and living expenses of terrorists. According to the 9/11

Commission, the requirements for a terrorist attack inflicting catastrophic harm are as follows:

- Leaders able to evaluate, approve, and supervise the planning and direction of the operation;
- Communications sufficient to enable planning and direction of the operatives and those who would be helping them;
- A personnel system that recruit candidates, vet them, indoctrinate them, and give them necessary training;
- An intelligence effort to gather required information and form assessments of enemy strengths and weaknesses;
- The ability to move people and;
- The ability to raise and move the necessary money

In 2001, Al-Qaeda, by spending about \$400.000- \$500.000, had fulfilled these requirements and launched attacks upon the US. Some of the other recent terrorist attacks' costs can be found below:

Element	Frequency
Violence, Force	83,5
Political	65
Fear, Terror Emphasized	51
Threat	47
(Psychological) effects and (anticipated) reactions	41.5
Victim-Target Differentiation	37.5
Purposive, Planned, Systematic, Organized Action	32
Method of Combat, Strategy, Tactic	30.5
Extranormality, in Breach of Accepted Rules, without Humanitarian Constraints	30
Publicity Aspect	21.5
Arbitrariness; Impersonal, Random Character; Indiscrimination	21

Source: Alex P. Schmid, Albert J. Jongman, Political Terrorism: A New Guide to Actors, Authors, Concepts, Data Bases, Theories, and Literature, (New Brunswick, N.J. :Transaction Publishers, 1988), p.5

In addition to operational costs, terrorist organizations also need funds for organizational requirements. The living costs of terrorists, payments made to the families of terrorists, costs of recruit, training, indoctrination and travel, bribing, and providing funds for the legal, political side of the terrorist organization bring an additional financial burden to the terrorist organization. To finance both operational costs and organizational spending, terrorist organizations engage in criminal activities such as drug trafficking, robbery and various types of smuggling, make use of the legitimate businesses, their wealthy sympathizers and humanitarian organizations and get financial support from states; and all of these acts refer to the concept of the financing of terrorism.

Broadly, the financing of terrorism can be defined as the acquisition of funds that are needed for the operational and organizational costs by terrorist groups by any means.

5. Past Actions Related to the Agenda

a. Historical Context

The term "Financing Terrorism" with its current connotation began to crystallize in the late 1990s, and interest in it escalated internationally after 09/11 terrorist attacks (2001). Studies and analyses of terrorist crimes indicate that financing is one of the most important pillars necessary for committing these crimes. This has led most legislations in most countries of the world to treat financing as a crime in itself. To understand the current dimensions of terrorist financing, the extent of the development of its tools, and its current level of danger, we can return to its historical roots. A historical review allows us to understand how the methods and tools of financing have evolved, reaching their modern forms.

Financing Organized Violence in Ancient and Medieval Times

It cannot be said that what was witnessed in ancient and medieval times represents financing of terrorism in the contemporary legal and political sense, as this term did not exist at that time. However, history reveals practices that represent the roots of the idea of using money to support organized violence to achieve specific goals. Some competing forces and rebel groups resorted to obtaining financial or logistical resources within the framework of what was then considered part of indirect warfare, political conspiracies, or support for rebel movements. The most prominent historical examples of this can be traced back to the Pharaonic era. Some inscriptions and papyri referred to internal conspiracies against the pharaoh, some of which were supported by money or other resources. In the late Roman era, some politicians were financing and arming street gangs with the aim of spreading terror in society. The Jewish terrorist group Sicarii (dagger bearers) relied on financial and logistical

support from a network of sympathizers who believed in their cause in their revolt against Roman rule in the first century AD.

If we move to the time of the Persian Empire, we find that the "king's gold" was used to fuel the conflicts that existed between the Greek cities, and to strengthen their divisions with the aim of weakening their unity. In the eleventh and twelfth centuries AD, the Assassins relied on financial networks to support the political assassinations that they committed. While the Crusades were financed by donations from individuals, princes, and church funds in the twelfth and thirteenth centuries.

Moving on to the fourteenth century, we find that some rebel movements in Europe imposed tributes on feudal lords to finance their armed operations, just as pirates in the Mediterranean and Red Seas relied on ransoms paid to free captives as sources of funding. This is in addition to what some countries provide them with, which secretly support them to achieve political interests. Some armed Sufi groups in parts of Central Asia and Anatolia have resorted to endowment funds and donations to finance their activities.

Financing Organized Violence in the Nineteenth up to Mid-Twentieth Centuries

The nineteenth and mid-twentieth centuries witnessed the emergence of movements that used violence to achieve their goals. These movements had revolutionary or nationalist motives and relied on various sources of funding. In Tsarist Russia, some extremist groups relied on donations from sympathizers and the proceeds of looting and plundering operations that targeted banks and money transport vehicles. In Europe, some nationalist movements relied on donations from expatriates, support from countries seeking to weaken their opponents, and what they obtained from simple criminal activities, such as fraud or small-scale theft, while rebel movements relied on donations and the proceeds of some criminal activities in both South and Central America.

Financing Terrorism in the Second Half of the Twentieth Century

Some of the geopolitical changes that resulted from World War II led to the emergence of organized terrorist groups with clear ideologies in different regions of the world, including Europe, the Middle East, Africa, and Southeast Asia, which received direct funding from some sponsoring states, organized donations, as well as proceeds from some criminal activities such as drug trafficking, arms and goods smuggling, currency and document counterfeiting, extortion, and kidnapping.

This period also witnessed the development of banking systems, information systems, and communications systems, which facilitated the transfer of money between countries through official and unofficial channels. The Hawala system emerged within the context of unofficial money transfer systems, and these groups exploited it. Terrorist financing operations are now carried out through three stages: 'Collection, Transfer, and Use', whereas in previous eras they were limited to only the collection and use stages.

In light of this development in terrorist financing methods and its modern complexities, the need for an international legal framework to combat this phenomenon emerged. The Convention for the Suppression of the Financing of Terrorism, adopted by the United Nations

General Assembly in 1999, represented a turning point in international efforts to criminalize the financing of terrorist acts.

This agreement is the first international document to establish the concept of "Terrorist Financing" and define it with a precise legal definition, as an independent crime in itself, which does not require it to be associated with a terrorist act. It stipulates that any person who provides or collects funds with the intention of using them to carry out a terrorist act is considered to have committed the crime of terrorist financing. Regardless of the source of the funds, the method of transfer, or whether or not the terrorist act was carried out.

b. The Link Between International Organized Crime and Terrorism

Looking at national criminal law texts, we can find various definitions of terrorism. These definitions are shaped by national interests, beliefs, and perspectives. As some authors have noted, terrorism has many facets; it is subjective and has many different dimensions.

Organized crime involves structured groups or networks committing illegal, profit-driven acts, such as drug trafficking, money laundering, and human trafficking, often across international borders. These groups use violence, corruption, and sophisticated technology (including cybercrime and encrypted communication) to operate and evade law enforcement.

Terrorists may exploit organized crime as a source of financing or logistical support; this support is obtained through the illicit trade in weapons, people, drugs, artworks, and cultural property. However, terrorist groups may also benefit from revenues derived from criminal activities such as the illicit trade in natural resources and wildlife, the misuse of legitimate commercial enterprises, kidnapping for ransom, extortion, bank robberies, and piracy.

Addressing the links between terrorism and organized crime has become an increasingly high priority for the international community. The United Nations has adopted various resolutions focusing on this issue.

Terrorism and organized crime are not new phenomenon. In the beginning, this nexus was relatively small-scale, temporarily and generally active within the national border. After the end of the Cold War, the increasing number of weak and failed states, improvements within the communication and technological world changed the nature of these relations. The nexus between terrorism and organized crime groups became large-scale, both at the national and international level. Today terrorism and organized crime groups are an important international challenge. This new reality became more apparent after 9/11 of 2001. The main aim of the organized crime groups is profit oriented; "business is business". Terrorism's goal is generally ideological, but also it needs resources in order to sustain its activities. Illegal activities such as; drug trafficking, drug smuggling, are the lucrative way to gain more profit in the short-run. This situation is one of the main reasons for the convergence of both groups. Both groups try to cooperate with each other. They change "know-how", train, support and protect each other. This relation created a huge amount of black/grey market profit. As mentioned above, due to the some facilitating factors, the nexus between terrorism and organized crime groups is a growing threat for international peace and stability. In the light of

tangible examples in different terrorist and organized crime groups, this paper tries to indicate that there is cooperation and relationship between two groups and it develops into a global security threat.

Terrorist groups are usually ideologically or politically motivated while organized crime groups are profit-oriented	Both operate secretly and usually from an underground network
Terrorist groups often wish to compete with governments for legitimacy, organized crime groups do not	Both use 'muscle and ruthlessness' on primarily civilian victims
Terrorist groups usually seek media attention; organized crime groups do not	Intimidation is the characteristic of both groups
Terrorist victimization is generally less discriminated than the violence used by organized crime groups	Both use similar (though not entirely overlapping) tactics: kidnappings, assassination, extortion ("protection money," "revolutionary taxes")
	In both cases, the control of the group over the individual is strong
	Both use front organizations, such as legitimate businesses or charities

6. The Financing of Terrorism in Modern Era

a. Social Media

They are electronic platforms and applications "on the Internet and mobile phones" that allow users to create and share content, and interact with others in virtual communities and networks. The first of these platforms was launched in 1997, and their number currently exceeds 500 platforms, with more than 5 billion users around the world interacting on them.

The role of social mediaAfter 09/11 terrorist attacks (2001), and as a result of international efforts to combat the financing of terrorism and tighten the noose on international transfers, terrorist organizations sought to evade those efforts by concealing and disguising the nature of the funds collected to finance terrorist activities in various ways. This is in addition to relying more on funding from within their areas of control or from neighboring countries. This was done through the exploitation of natural resources such as oil and its derivatives, organized extortion, the seizure of property and funds, investment in legitimate commercial activities as a front for money laundering and securing resources, and the exploitation of charitable organizations and donation boxes in places of worship.

The last three decades have witnessed a tremendous technological boom in all fields, and it had positive effects on all of humanity. However, it contributed to supporting all criminal

activities, provided terrorist groups with numerous means and methods of support, and created new areas for concealing and camouflaging the nature of the funds collected to finance the activities of these groups. Its arms have extended beyond all geographical borders, unleashing some of the "lone wolves." The most important of these methods, in terms of complexity and danger, are the following:

Media has grown, and they are no longer just a means of communication between individuals, but rather have become an effective tool for influencing ideas, and they have been used in legitimate activities, such as e-commerce and marketing, which rely on broadcasting advertisements through algorithms that are determined according to the interests of each user. However, this positive use of social media cannot hide the other side of human progress, as these media have been exploited in numerous criminal activities. Terrorist organizations have employed the mechanism of these algorithms to spread hate speech, justify acts of violence, attract new members, and encourage individuals to commit terrorist attacks. This is in addition to increasing the chances of creating a nurturing environment for terrorist organizations in many countries, through the use of fake accounts to broadcast misleading and artificial messages, video clips, or audio recordings using artificial intelligence tools, addressing feelings of anger and sadness, and in the form of attractive social formulas that help make extremist narratives more convincing.

The chances of negative influence increase through a series of cancerous reposts from sympathetic and intellectually unprotected accounts using the "Like & Share" features. Most importantly, terrorist organizations use these features to collect digital donations, engage in illegal e-commerce, and launder money and transfer it through fake or encrypted accounts.

Despite the efforts made by security agencies, in coordination with the technology companies responsible for these platforms, to prevent their exploitation for financing terrorism or broadcasting violent content, terrorist organizations are working to find alternative methods, such as encryption, manipulating language and symbols, and constantly creating new accounts.

b. Financial Technology (FinTech)

These are technical innovations that are employed in financial services and activities such as: money transfer, insurance, lending and financing, trading platforms, cryptocurrencies, as well as electronic payment systems that include cards, mobile wallets, prepaid cards, etc. It was natural for these tools to attract money launderers and terrorist financiers. For the ease and speed of transferring and receiving money, as well as to the protection and confidentiality some of them provide for the data of the parties to financial transactions, with the possibility of conducting these transactions through the use of electronic means with fictitious names and fake accounts without identifying the identity of the real user.

These tools have created many challenges for security agencies and financial oversight systems in various countries, the most important of which is the difficulty of identifying the sources of funding or feeding some electronic means, and the ambiguity of the parties to some financial transactions due to the extreme flexibility and speed in dealing and movement of funds. The use of a third party is often complicated, tracking money is difficult after it moves through successive layers of intermediaries and platforms, and there is also the absence of regulatory and oversight frameworks for some of these modern financial tools and methods in many countries.

c. Crowdfunding Platforms

Although Platforms activities in their “simple form” have been known as a form of social solidarity throughout history – with limited goals and scope – modern technology has opened the door to them through websites on the Internet that act as an intermediary in collecting small sums of money from a large number of participants to finance investment projects or charitable activities, on a wider scale and with multiple objectives.

The first platform was launched on the Internet in 2003, and the idea began to spread in 2009. Estimates indicate that the number of active platforms currently exceeds six thousand platforms worldwide. In this context, crowdfunding platforms represent one of the most dangerous tools exploited by terrorist organizations, as they allow them to reach a wide audience of potential sympathizers around the world and quickly collect donations under the guise of a legitimate or humanitarian cause.

d. Cryptocurrencies

It is a digital payment system that does not rely on banks, and enables the transfer of funds globally quickly and without an intermediary, as they are stored in digital wallets and use encryption to ensure security. The most famous of these are: Bitcoin, Ethereum, Ripple, and Monero. They are considered among the most dangerous tools for financing digital terrorism, due to the anonymity they provide and the difficulty of tracking. Terrorists use these currencies through unregulated exchanges, anonymous brokers, and methods to conceal the path of transfers, such as currency mixing or sequential currency swapping, in addition to collecting donations online. Social media, financial technology, and crowdfunding platforms are also exploited to support these suspicious activities.

In conclusion, the historical foundation of the idea of financing terrorism shows that it is not a product of the present, but rather its beginnings began in ancient times. Furthermore, modern technical and political transformations have increased the complexity of the phenomenon, which calls for a deeper understanding of its nature and history. National and international legislation, financial oversight, security efforts, and international cooperation keep pace with this development to confront this crime in a balanced manner that guarantees security without compromising basic rights.

7. Preventing the Financing of Terrorism

a. Sources of Funding

Money laundering and terrorist financing occur throughout the world and represent great threats to the world's stability and security.

In the past, money laundering was explicitly tied with the financial and banking sectors. However, the increasingly comprehensive regulation in these sectors have coerced the money launderers to become more sophisticated. Consequently, they started penetrating non-financial sectors such as tourism and hospitality, Non-Governmental Organisations, art markets, etc.

By exploiting the vulnerabilities within national anti-money laundering and countering terrorist financing (AML/CFT) frameworks, terrorists and serious organised crime groups weaken the soundness and reliability of financial systems. This results in increased volatility of international capital flows, undermined citizens' trust in financial institutions and negatively affected market integrity. These phenomena also have a dampening effect on foreign direct investment and the economy as a whole.

Money laundering is the process by which proceeds from a criminal activity (corruption, drug trafficking, market manipulation, fraud, tax evasion, etc.) are disguised to conceal their illicit origins in order to be used in the legal economy.

Money can be laundered in many ways: depositing small cash amounts in unremarkable bank accounts; the purchase and resale of luxury items; through a series of complex international financial transactions... When one method has been detected, criminals soon find another.

Money laundering can be defined in a number of ways. Yet, countries should always ensure it.

Terrorist financing (TF) is the raising of money involving the solicitation, collection or provision of funds, with the intention that it may be used to support terrorist acts, terrorists or terrorist organisations. Whether they are part of large terrorist organisations which control territory, or members of small terrorist cells, terrorists need money. Their funds may originate from legitimate sources, or from criminal activities (looting, extortion, robbery of economic assets and natural resources, exploiting non-profit organisations, Kidnapping for Ransom, cash smuggling...). Terrorists need money for weapons, travel, accommodation and to plan, train for and execute terrorist attacks. A lack of funds limits their ability to prepare/carry out attacks, and to develop as an organisation. Disrupting and preventing terrorism-related financial flows and transactions is, therefore, one of the most effective ways to fight terrorism.

Terrorists are constantly adapting how they raise funds and where they move them to, in order to circumvent national safeguards. Factors that facilitate terrorist financing include the relative ease with which electronic payment mechanisms can be accessed, the widespread use

of new technologies or products (e.g. social media payments), anonymity when making financial transfers, access to a wide range and number of potential sponsors or sympathisers. Terrorists predominantly use traditional funding methods, particularly self-funding, to raise the finance they require to travel to conflict areas. The challenge for jurisdictions is to identify these individuals due to the relatively low amounts of funding they require and the speed with which they can acquire it. Terrorist financing should be criminalised in line with the UN Convention for the Suppression of the Financing of Terrorism, adopted by the UN General Assembly in December 1999.

How to prevent: Combating terrorist financing involves investigating, analysing, deterring, and preventing sources of funding for activities geared towards violence and the threat of violence against civilians. By tracking down the source of the funds that support terrorist activities, law enforcement may be able to prevent some of those activities from occurring.

Countering money laundering and the financing of terrorism cannot be done in isolation. Indeed, it has been clearly established that illicit proceeds used to support organised criminal groups are also used for terrorist financing. AML/CFT necessarily involves the implication of many actors, both public and private, and the analysis of a broad framework that considers the close links between the financing of terrorism and criminal activity related to organised crime.

The success of AML/CFT strategies solely depends on coordinated efforts and seamless communication between all actors of the financial investigation and penal chain, including public bodies (regulatory authorities, law enforcement agencies, the judiciary, specialised asset recovery bodies), civil society actors, media and the private sector. Only if all these players work together and correctly assess the cross-border influence of crime can the containment of ML/TF be successful. These efforts should further be supported by an interconnected AML/CFT global network, combined with the multiplication of new AML/CFT networks.

b. The Role of the Financial Action Task Force (FATF)

The FATF Recommendations set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction. Countries have diverse legal, administrative and operational frameworks and different financial systems, and so cannot all take identical measures to counter these threats.

The FATF Recommendations, therefore, set an international standard, which countries should implement through measures adapted to their particular circumstances. The FATF Standards comprise the Recommendations themselves and their Interpretive Notes, together with the applicable definitions in the Glossary.

Paris, 8 July 2025 – A new report by the Financial Action Task Force (FATF) highlights serious and evolving terrorist financing risks and warns of gaps in countries' abilities to fully understand terrorism financing (TF) trends and thus respond effectively.

The report, *Comprehensive Update on Terrorist Financing Risks*, reveals terrorists' persistent ability to exploit the international financial system to support their activities and carry out attacks. With the TF methods varying depending on several factors and contexts, the report highlights terrorists' adaptability, underscoring the need for risk-based counter-terrorist financing measures.

While many jurisdictions have taken important steps to address terrorist financing, the report finds that 69% of jurisdictions assessed by the FATF and the Global Network exhibited major or structural deficiencies in effectively investigating, prosecuting and convicting TF cases.

The report underscores that unless both the public and private sectors urgently bolster technical compliance and effectiveness, those seeking to finance terrorism will continue to exploit vulnerabilities.

FATF President, Elisa de Anda Madrazo said: *"This continued abuse of the financial system poses a serious threat to global security and undermines international peace. Countries around the world must use the intelligence in this report to build a stronger picture of the threats they face and harness the tools available through the FATF Global Network to strengthen international cooperation and intelligence sharing."*

The report includes case studies spanning more than 10 years to provide a comprehensive overview of the factors influencing TF risks, bringing together contributions from more than 80 jurisdictions from across the FATF Global Network, extensive research and more than 840 submissions from the private sector, academia and think tanks.

Today's report outlines current and evolving methods employed by terrorist organisations and individuals to raise, move, store, and use funds and assets, including cash transportation, hawala and other similar service providers, money value transfer services, online payment services, formal financial services, digital platforms (including social media and crowdfunding features), Virtual Assets, and the abuse of legal entities, such as shell companies, trusts and non-profit organisations (NPOs).

Evolving Terrorist Financing Risks: Based on submissions from across the FATF Global Network, the report outlines key trends in the evolution of terrorist financing over the past decade, including:

- A marked increase in the mixed use of diverse methods of financing and the integration of digital technologies with conventional techniques, adding new layers of complexity to TF activities.
- Operations increasingly decentralised, with regional financial hubs and self-financed cells playing a larger role, adapting to local contexts, and using a broader range of funding sources, from criminal proceeds to investments in business activities.

- The threat posed by lone individuals—often younger in age—is rising, with such actors relying on microfinancing strategies drawn from licit sources and petty crimes, as well as technology-enabled methods, including gaming and social media features.
- Tracing financial trails related to increasingly frequent ethnically, racially or politically motivated terrorist attacks comes with its own set of challenges, including inconsistent designations and proscriptions, as well as low scale and visibility of financial activity in the preparation of attacks.
- Convergences between terrorist financing schemes and organised crime.

In the context of growing instability and violence in several regions, the report highlights increased prevalence of terrorist organisations engaged in armed conflicts and how terrorists or terrorist groups operating in close proximity to such conflicts may vary their financing tactics, taking advantage of the complex crisis environment.

Humanitarian aid plays an essential role in conflict-affected regions. The report highlights the importance of protecting this critical work from abuse and warns of the risk of humanitarian aid being diverted for terrorist financing and promotes proportionate, risk-based measures to protect the humanitarian sector and safeguard NPO activity in line with international law.

Strengthening Global Response: To support countries in responding to these challenges, the report outlines key recommendations aimed at enhancing the Global Network efforts in understanding and responding to TF, including strengthening international cooperation and developing targeted public private partnerships.

It also provides a set of practical risk indicators to help competent authorities, the private sector and other stakeholders to detect and suppress terrorist financing, such as patterns in payments, travel activity, and social media activity.

The report was produced with support from the United Nations' Counter Terrorism Executive Directorate (UN CTED) and France as project co-leads. Assessing compliance with the applicable CFT requirements of UN Security Council resolutions has been part of the core mandate of the Counter-Terrorism Committee since its inception in 2001 and consequently became one of the key focus areas of UN CTED's work. Among other analytical work on CFT, UN CTED annually publishes summary assessments of gaps in implementing key CFT provisions of UNSCRs. Its most recent Thematic Summary Assessment of Gaps highlighted deficiencies in countries' responses in investigating and prosecuting the financing of terrorism.

Assistant Secretary-General Natalia Gherman, Executive Director of UN CTED welcomed the adoption of the FATF Comprehensive Update on Terrorist Financing Risks noting that *“co-leading this work has been a unique experience for CTED and attests to a coordinated approach between CTED and other participating UN entities, and the FATF Global Network in analyzing evolving global and context-specific TF trends and supporting Member States in this regard.”*

8. Preventing the Arms Supply to Terrorist Organizations

In 2001, the United Nations Security Council adopted the resolution 1373, which required States to “refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts, including by ... eliminating the supply of weapons to terrorists”.¹ Due to the constantly evolving nature of the operational environments of terrorist groups and terrorists however, denying them access to weapons has become a complex and multifaceted challenge. In 2017, the Security Council Counter-Terrorism Committee held an open briefing on preventing terrorists from acquiring weapons. Subsequently, in the same year, the Security Council unanimously adopted resolution 2370, which called on all States to eliminate the supply of weapons (including SALW, military equipment, UAS and their components, and IED components) to those involved in terrorist acts. Resolution 2370 became the first Security Council resolution specifically dedicated to addressing this linkage.

a. Legal and Illegal Arms Markets

The Need for a Legitimate Market : There are several arguments put forward by manufacturers and distributors of firearms as to why the industry is important at both a national and international level. Among the incentives to export arms are the following: the need to enhance the security of the allies or partners;

- the desire to constrain the behaviour of adversaries;
- the prospect of arms transfers influencing governments’ internal or external behaviour;
- the creation of economies of scale necessary to support a domestic arms industry.

Competing legal frameworks in different States further complicate the legitimacy of the legal market. A transaction may be legitimate in the State that dispatches the weapons but illicit in the State that receives them. The trade in small arms is undeniably large. Based on recent studies, the international small arms trade was worth at least USD 6 billion in 2014. Trade in ammunition also played an important role and accounted for 38 per cent of global transfers. The value of military firearm shipments increased by 49 per cent between 2013 and 2014, from USD 475 million to USD 708 million. In contrast, the value of transferred pistols and revolvers declined by 16 per cent, from USD 1 billion to USD 845 million (Holtom and Pavesi, 2017: 13). It is important to note that the cost of firearms has another dimension relating to the impact caused from gun violence, which in the United States alone resulted in US\$8.2bn of direct costs.

The Role of the Arms Trade in Sovereignty and Regional Balances of Power: Arms trade plays a prominent role in the economies of nations at war, and particularly in intrastate conflicts. The availability of small arms makes war possible, and their continuing availability fuels the protraction of war. Weapons used to maintain domestic order and to defend a nation's borders represent the most visible and enduring manifestation of these basic rights, and thus will always remain closely identified with issues of independence and sovereignty. A logical extension of these rights is the right for States to legally manufacture or otherwise

acquire weapons necessary for self-defence. Legally and factually, this is entirely correct: generally, the issue of a sovereign right for a state to manufacture firearms is not debated, other than by those who are ideologically committed to the eradication of all weapons, legal or illegal.

Regional balance of power links to that of sovereignty. In terms of firearms, if one state in a region starts to amass high levels of weapons, whether through importation or production, it has the potential to pose a risk to the regional balance of power. Export controls are one way of controlling this, but of course do not cover domestic arms production.

Differences Between Legal and Illegal Markets:

The dividing line between the legal and the illicit trade is not always easy to draw and depends on national legal frameworks and international law. Generally identified are three types of market and stages, or types of transfers of firearms, referred to by the Small Arms Survey (2001) as the '*Legality Spectrum*':

- **Legal or Regulated Transfers:** These include, in general, all legally manufactured arms and international transfers that importing, exporting or transit States legally authorize in accordance with their respective national law and international law.
- **Illicit Grey-Market Transfers:** These transfers have some authorized elements while other aspects may be illicit, such as when authorized by either importing or exporting country but not both. Grey transfers can also occur when, for example, governments or their agents exploit loopholes or circumvent national and/or international laws or policies. These '*grey market firearms*' can also include largely unregistered firearms (including '*misplaced, lost or forgotten*' firearms, antiques, souvenirs and battlefield trophies, all of which might still be capable of live firing, or easy conversion to live firing), "*not held, used or conveyed for criminal purposes but identified as often ending up in the illicit market*".
- **Illegal Black-Market Transfers:** These are transfers in clear violation of national and/or international laws, which take place without official government consent or control, including cases of diversion and illicit cross-border trafficking. Black-market firearms include therefore all illegally brokered, traded, diverted or trafficked arms, or those in active criminal, insurgency or terrorist hands, or stockpiled by such groups.

Despite the existence of regulatory frameworks such as the Arms Trade Treaty (ATT) and End-Use Certificates (EUCs), the legal arms market remains a potential gateway for weapons to reach terrorist organizations. The diversion of legally manufactured weapons into illicit channels (whether through fraudulent documentation, inadequate stockpile management, or exploitation of regulatory loopholes) represents one of the most significant challenges in preventing arms supply to terrorist groups. These mechanisms will be explained in more detail in the following sections.

The inability to draw a clear line between legal and illegal arms markets creates opportunities for terrorist organizations to increase their access to arms. Therefore, closing these gaps is crucial in decreasing support for terrorist organizations.

b. Small Arms and Light Weapons (SALW) Proliferation

The illicit proliferation of SALW can fuel and prolong armed violence and support illegal activities and the emergence of violent groups. Access to illicit SALW contributes to the development of terrorism, organised crime, human trafficking, gender violence and piracy; and the diversion of weapons is closely linked to corruption and poor management practices. Small arms are weapons intended for use by an individual. They include pistols, rifles, submachine guns, assault rifles and light machine guns; light weapons are designed for use by two or more persons serving as a crew and include heavy machine guns, grenade launchers, mortars, anti-aircraft guns and anti-tank guns, all less than 100 mm in calibre.

It is widely acknowledged that proliferation, illicit trafficking, and diversion of small arms and light weapons (SALW) across the world poses a significant threat to peace and security at a national, regional, and global level. The illicit flow of SALW has a destabilising effect on societal advancement, economic growth, sustainable development, and human rights. When illicit trafficking and diversion of SALW occurs within the context of an armed conflict – whether this is during a civil war or intercommunal, interstate, or internal conflict – in which terrorist organisations operate, this further fuels the conflict and poses significant challenges to security and conflict prevention. The flow of illicit SALW can increase the intensity and duration of conflicts and has deteriorated the security situation, for example in Mali, Democratic Republic of Congo but also South Sudan.

The past decade saw 85,148 terrorist attacks involving SALW, responsible for 193,172 fatalities worldwide. What is even more worrying is that over the past decade there has been a strong upward trend in terrorist attacks involving SALW as well as in the number of fatalities resulting from such attacks. While the rise in terrorist violence in Syria and Iraq has contributed to this global increase, similar patterns have emerged on other regional scenes, including in West Africa the Horn of Africa, North Africa, South Asia, and Southeast Asia. The UN Security Council has repeatedly recognised the need to prevent terrorists from acquiring SALW and acknowledges that terrorists can benefit from organised crime, in particular the trafficking of SALW.

The Small Arms Survey Trade Update 2017 uses as its base United Nations Comtrade data from the years up to 2014. As the update clarifies, States voluntarily supply data to Comtrade, and thus “While UN Comtrade captures much international commercial activity, it does not capture all small arms transfers as many states do not report them to United Nations Comtrade, or do so only partially”. Other data used in this section comes from SIPRI, which has an international focus, as well as from the Campaign Against Arms Trade (CAAT), which has a United Kingdom/European Union focus.

The Small Arms Survey Trade Update 2017, published in 2018, gives a good indication of the major exporting states for SALW, and when combined with data from SIPRI gives a good overall picture of which States are the source of the majority of weapons. The

players may have changed slightly since the Cold War, the SIPRI data for 2017 still shows that the top ten exporters continue to be responsible for 92 per cent of global arms exports (SIPRI, 2017). Holtom and Pavesi (2017) narrow the trade down from all arms to just small arms and light weapons, and their data is reproduced in Graphic below. The data they use is slightly older than that used by SIPRI but, nonetheless, show interestingly that the key exporting States change, and the dominance of the arms trade in general is not wholly reflected in the SALW trade.

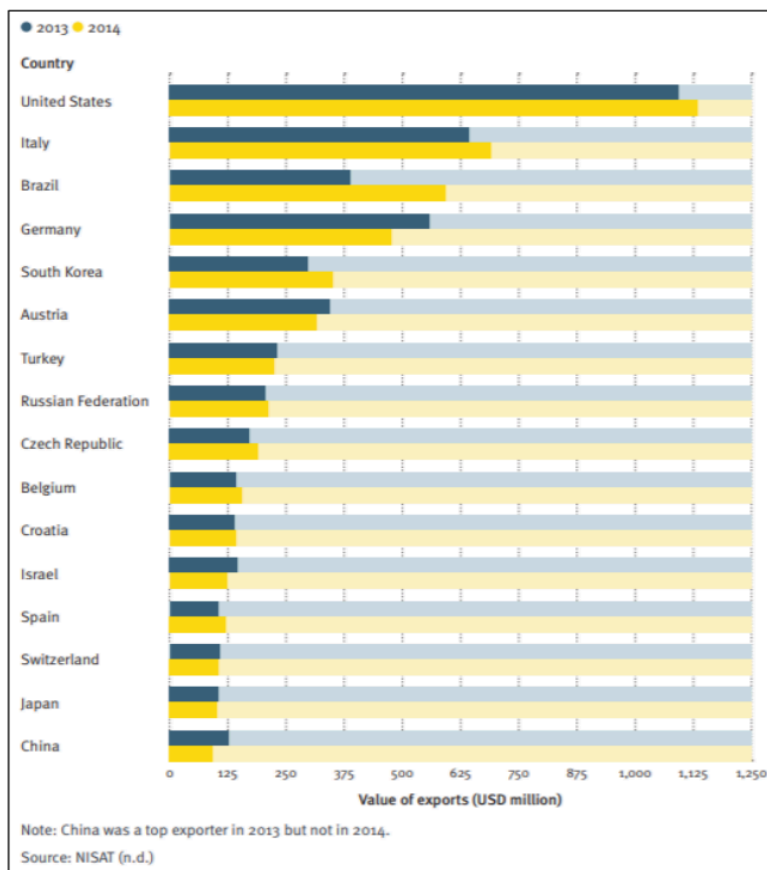


Figure 3.4 Top 16 exporters of Small Arms and Light Weapons, from Holtom and Pavesi (2017: 18)

The United States tops both the SIPRI list for total arms exports and Holtom and Pavesi's list for SALW exports in 2017. Russia, however, slips from second place in terms of total arms exports to eighth for SALW, while Brazil climbs from 24th place in total arms exports to third for SALW in 2017. A further interesting point is the presence of Croatia on the SALW list, in eleventh place. It does not appear at all on the SIPRI list, but neighbouring Serbia, Hungary, and Bosnia-Herzegovina do all appear (in 37th, 14, 44th and 45th places respectively).

Treaties and Instrument About SALW: In 2001, countries adopted the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (PoA). In the instrument, governments agreed to improve national small arms

regulations, to strengthen stockpile management, to ensure that weapons are properly and reliably marked, to improve cooperation in weapons tracing, and to engage in regional and international cooperation and assistance. Within the PoA framework, the General Assembly adopted the International Tracing Instrument (ITI) in 2005, a global instrument for cooperation in weapons tracing. Improving weapons tracing is also part of the 2030 Agenda for Sustainable Development. Together, both instruments constitute the normative framework on small arms and light weapons, which all UN Member States have agreed upon.

States periodically report on the implementation of the PoA and ITI and review implementation efforts at Biennial Meetings of States and Review Conferences. Additionally, countries have held Meetings of Governmental Experts (MGE) to benefit from the knowledge of technical specialists on matters pertaining to small arms control.

The global framework of treaties and instruments related to these types of weapons also includes the Firearms Protocol and the Arms Trade Treaty. In addition, there are regional instruments and mechanisms such as regional roadmaps to control and regulate small arms and light weapons.

c. State Responsibility in Cross-Border Arms Trafficking

Many States have established national standards and procedures to assess whether to authorize, and to regulate, international transfers of arms. These standards and procedures often require consideration of whether proposed arms transfers will be consistent with international legal obligations. States Parties to the Arms Trade Treaty (2013) are required to establish national control systems in relation to arms transfers (including ammunition/munitions, parts and components, and brokering). The New Zealand Government has sponsored the development of a ‘Model Law to assist in identifying and translating [Arms Trade Treaty] commitments into national legislation’. The Arms Trade Treaty provides that ‘[e]ach State Party shall take appropriate measures to enforce national laws and regulations that implement the provisions of ... [the Arms Trade Treaty]’. The Treaty also requires that ‘[e]ach State Party shall take appropriate measures to regulate, where necessary and feasible, the transit or trans-shipment under its jurisdiction of conventional arms covered ... [by the Treaty] through its territory in accordance with relevant international law’. Coastal State Parties to the Arms Trade Treaty therefore appear to be obliged to regulate foreign flagged vessels transiting, for example, their territorial seas subject, however, to the right of innocent passage. More generally, difficulties arise in the enforcement of national standards required by relevant treaties and other rules of international law against persons who are outside the territory of the State. The Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime (2001), and the regional treaties referred to above generally address these enforcement issues through provisions on extradition and cooperation, including through international organizations such as INTERPOL (INTERPOL has also entered cooperative agreements with the United Nations). The Arms Trade Treaty includes specific provisions on international cooperation and assistance.

Individuals can be held responsible under international criminal law in certain situations for the supply of arms that are used in the commission or attempted commission of genocide, war crimes, or crimes against humanity. This form of culpable assistance in the commission of international crimes was recognized as early as the war crimes trials following World War II, where the owner and general manager of a firm that supplied Zyklon B gas used in concentration camps in occupied Poland were found guilty for knowingly and voluntarily providing material assistance to acts of genocide (then charged as a war crime). In respect of aiding and abetting liability, a person will be responsible for procuring or providing arms where such conduct assists, encourages, or lends support to the perpetration of a specific crime and has a substantial effect upon the perpetration of the crime, and the person procuring or providing the arms had knowledge that the arms would assist in the commission of the crime.

Reference has already been made to treaties such as the Nuclear NPT (1968), the Biological Weapons Convention (1972), the Chemical Weapons Convention (1993), the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction (1997), the Arms Trade Treaty (2013), the Protocol against the Illicit Manufacture of and Trafficking in Firearms, Their Parts and Components and Ammunition (2001), and the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (with Annex) (1997), and to the obligations they impose on States to prohibit absolutely, or to restrict, transfers of arms. Each of these treaties applies to transfers to non-State entities. Reference has also been made to customary international law prohibitions on transfers of arms arising, for example, in relation to the duty to prevent genocide, that apply to transfers to non-State entities. International criminal law also applies to natural persons involved in arms transfers. States Parties to relevant treaties are also required to apply national laws and regulations on arms transfers to non-State entities within their jurisdiction.

d. Unmanned Aerial Systems (UAS)

The aerospace community is planning for growth in Unmanned Aerial Systems (UAS) funding and research opportunities. The premise that UAS will revolutionize aerospace appears to be unfolding based on current trends. There is also an anticipation of an increasing number of new platforms and research investment, which is likely but must be analysed carefully to determine where the opportunities lie.

Mature, functional and affordable UAS are a comparatively new aerospace technology. For a time it was considered likely that an unbounded future of air vehicle design and innovation would emerge. The various government procurement processes have had the effect of rationalizing the field. The purchase price and operating cost of field systems to date has not encouraged an explosion of diversity. In general the cost model associated with aerial capabilities did not change with the advent of capable UAS. Although government selected

air frames may be difficult to supplant, opportunities do exist to improve navigation systems, aerodynamic models, control systems and avionics. The less stringent certification processes and absence of a human on-board do allow the scientific community to modify systems that are already in service, but this too is changing. Smaller UAS research is the area where industry might be reluctant to invest substantial resources due to limited opportunities for profit. Micro UAS are also the area where the science community can safely develop and operate their own research capabilities. Large laboratories have formed around micro UAS and Group 1 UAS . Diversity of procured and field systems is most likely to occur in this scale due to low past investment, low cost and low risk. Unlike the larger UAS, the micro UAS domain will continue to be strongly influenced by scientific research. The question of scalability of UAS for missions becomes significant when micro UAS are considered. It appears that physical constraints create limits that can not be overcome. For example for high altitude ISR missions, satellite communications requires large steerable antennas; large apertures are needed for sensors; active sensors demand significant electrical power. In many large UAS, electrical power for payload is more at issue than mechanical power for manoeuvre. A deeper consideration would ask whether these missions are simply the result of the current paradigm. All of the physical constraints listed above can be overcome by distribution of sensors, emitters and receivers under a different operational concept. Outside the domain of information and data there are challenges that simply reflect the physics underpinning aerospace: a conventionally powered micro UAS will not have long range at high speed.

9. Identity and Document Fraud in Terrorist Operations

Identity and document fraud has become an increasingly important issue in terrorist operations, as it enables members of terrorist organizations to move across borders, access financial systems, and operate without revealing their true identities. Terrorist organizations frequently use forged passports, stolen identity cards, fake visas, and other fraudulent documents to support their activities.

There are several common methods used in identity and document fraud by terrorist organizations:

- **Passport Forgery:** Terrorists may use completely fake passports produced by illegal networks, or they may alter real passports by changing the photograph, name, or date of birth. This allows them to travel internationally without being detected.
- **Stolen or Borrowed Identities:** Terrorists sometimes use genuine documents that belong to another person. These documents may be stolen, bought on the black market, or borrowed from someone who looks similar to the terrorist.
- **Fake Visas and Entry Stamps:** Terrorist organizations may use fake visa stickers or counterfeit border entry stamps to make it appear that they entered a country legally.

- **Fraudulent Supporting Documents:** Terrorists may use fake documents such as student IDs, work permits, residence permits, or driver's licenses to live and operate in a country without raising suspicion.
- **Digital Identity Fraud:** With the development of technology, terrorists may also use stolen personal data, hacked government systems, or fake online identities to open bank accounts, transfer money, or communicate online securely.

These methods make it easier for terrorist organizations to move, communicate, and carry out operations internationally while avoiding law enforcement.

Document fraud plays a critical role in terrorist activities such as international travel, arms trafficking, money laundering, and the establishment of safe houses. Without false documents, it would be much more difficult for terrorist organizations to operate internationally. For this reason, identity and document fraud is considered a major security threat by many governments and international organizations.

However, there are still several challenges in preventing document fraud. Some countries have weak border control systems and limited access to biometric technology. In addition, corruption, lack of training, and insufficient information sharing between countries make it easier for terrorists to use fraudulent documents. Terrorist organizations often take advantage of conflict zones and countries with weak government control to obtain false documents.

To address this issue, many countries have started using biometric identification systems such as fingerprints, facial recognition, and iris scans at border checkpoints and airports. International cooperation is also essential. Information sharing through international databases, such as databases of stolen and lost passports, can help authorities detect fraudulent documents more effectively. The United Nations, INTERPOL, and other international organizations play an important role in helping countries improve document security and strengthen border control systems.

Addressing identity and document fraud is essential in order to limit the mobility, financing, and operational capacity of terrorist organizations.

10. Legal Frameworks and Conventions

a. International Convention for the Suppression of the Financing of Terrorism (1999)

The Terrorist Financing Convention (formally, the International Convention for the Suppression of the Financing of Terrorism) is a 1999 United Nations treaty designed to criminalize acts of financing acts of terrorism. The convention also seeks to promote police and judicial co-operation to prevent, investigate and punish the financing of such acts. The Convention was negotiated following the 1996 UNGA Resolution 51/210 and a G-8 counter-terrorism initiative, and adopted by consensus by the UN General Assembly as Resolution 54/109 on 9 December 1999 at its fourth session. As of October 2018, the treaty

has been ratified by 188 states; in terms of universality, it is therefore one of the most successful anti-terrorism treaties in history.

The Convention's scope is deliberately limited to funding of violent acts: it does not define "terrorism" generally, but defines a financing offence by reference to specific violent acts. According to Article 2.1, it is a criminal offense to provide or gather funds—whether directly or through others—if done knowingly and with the intent that the money will be used, even partly, to commit an act that harms or kills civilians or non-combatants. The act must also aim to instill fear in the public or pressure a government or international body to take or avoid certain actions.

The Convention establishes binding legal obligations on State Parties to either prosecute or extradite any individual within their jurisdiction who is alleged to have committed an offence as defined under Article 2. This includes not only the direct commission of such an act, but also attempts to commit the offence, participation as an accomplice, the organization or direction of others to commit the act, or any other form of contribution to the offence by a group acting with a common purpose. These obligations apply irrespective of the location where the conduct in question occurred.

Article 8 of the Convention focuses on financial measures. It requires each State Party to take appropriate steps, in line with its domestic law, "to identify, detect, and freeze or seize any funds used to finance terrorism." This includes both funds intended for terrorist acts and proceeds generated from such acts. States must also establish legal procedures for the forfeiture of these funds.^[6] Moreover, state parties commit themselves not to use bank secrecy as a justification for refusing to co-operate in the suppression of terrorist financing. The Convention also mandates mutual legal assistance and intelligence sharing. States Parties agree to assist each other in investigating and prosecuting terrorist financing. Article 12 requires a receiving State to furnish information or evidence to a requesting State with respect to offences under the Convention. Specifically, state parties cannot deny a legal assistance request by citing bank secrecy. Article 10 similarly provides for extradition: if the suspect is present in one State, that State must submit the case for prosecution or extradite the person to another State with jurisdiction. The treaty does not allow exceptions for "political offences" or "fiscal offences"; under Articles 13 and 14, the financing of terrorism is explicitly excluded from being treated as either, for the purposes of extradition or mutual legal assistance. This means that States cannot refuse to cooperate on those grounds. Additionally, Article 24 states that if disputes arise over the interpretation of the treaty and cannot be resolved through negotiation, they may be referred to the International Court of Justice (ICJ).

For example in 2017 Ukraine opened a case against Russia for supporting pro-Russian terrorist groups during Russian intervention in Ukraine and for racial discrimination against Crimean Tatars. On 31 January 2024, the ICJ delivered its judgment. The Court found Russia to be in partial breach of the Convention for not conducting an adequate investigation into financial aspects linked to the MH17 incident, thus failing in its obligation to either prosecute or extradite suspects. It also clarified that the Convention applies strictly to the movement of funds, and does not cover the provision of weapons. Most of Ukraine's other claims were

dismissed without compensation; the judgment is the ICJ's first substantive interpretation of the Convention.

b. The Arms Trade Treaty (ATT)

The Arms Trade Treaty (ATT) is a multilateral treaty that regulates the international trade in conventional weapons. It entered into force on 24 December 2014. 116 states have ratified the treaty, and a further 26 states have signed but not ratified it. The ATT is an attempt to regulate the international trade of conventional weapons for the purpose of contributing to international and regional peace; reducing human suffering; and promoting co-operation, transparency, and responsible action by and among states. The treaty was negotiated in New York City at a global conference under the auspices of the United Nations (UN) from 2–27 July 2012. As it was not possible to reach an agreement on a final text at that time, a new meeting for the conference was scheduled for 18–28 March 2013. On 2 April 2013, the UN General Assembly adopted the ATT.

International weapons commerce has been estimated to reach US\$70 billion a year. International non-government and human rights organizations including Amnesty International, Oxfam, the Arias Foundation for Peace and Human Progress, Saferworld, and the International Action Network on Small Arms (who lead the Control Arms Campaign) have developed analysis on what an effective ATT would look like.

It would ensure that no transfer is permitted if there is substantial risk that it is likely to:

- be used in serious violations of international human rights or humanitarian law, or acts of genocide or crimes against humanity;
- facilitate terrorist attacks, a pattern of gender-based violence, violent crime, or organized crime;
- violate UN Charter obligations, including UN arms embargoes;
- be diverted from its stated recipient;
- adversely affect regional security; or
- seriously impair poverty reduction or socioeconomic development.
- Loopholes would be minimized. It would include:
 -
 - all weapons (including all military, security, and police arms, related equipment and ammunition, components, expertise, and production equipment);
 - all types of transfer (including import, export, re-export, temporary transfer, and transshipment), in the state sanctioned and commercial trade, plus transfers of technology, loans, gifts, and aid;
 - all transactions (including those by dealers and brokers, and those providing technical assistance, training, transport, storage, finance, and security).

The Amnesty International website "loopholes" include shotguns marketed for deer hunting that are virtually the same as military/police shotguns and rifles marketed for long

range target shooting that are virtually the same as military/police sniper rifles. Amnesty International advocates that the civilian guns must be included in any workable arms trade controls; otherwise, governments could authorize export/import of sporting guns virtually the same as military/police weapons in function.

It must be workable and enforceable. It must:

- provide guidelines for the treaty's full, clear implementation;
- ensure transparency (including full annual reports of national arms transfers);
- have an effective mechanism to monitor compliance;
- ensure accountability (with provisions for adjudication, dispute settlement, and sanctions);
- include a comprehensive framework for international cooperation and assistance.

NGOs are also advocating that the ATT must reinforce existing responsibilities to assist survivors of armed violence, as well as identify new avenues to address suffering and trauma.

Opposition to the ATT can be broken down into state opposition and civil society opposition. Over thirty states have objected to various parts of the ATT during negotiations, the majority of which held strong concerns about the implications for national sovereignty. From a civil society point of view, groups concerned about national sovereignty or individual rights to armed defense have been negative of the ATT. While not fundamentally opposed to an ATT, these groups are keenly sensitive to ensuring an ATT does not undermine national constitutional protections and individual rights. The most vocal and organized civil society groups opposing aspects of the ATT originated from the United States. These groups include the National Rifle Association of America (NRA), the National Shooting Sports Foundation, the Second Amendment Foundation, and The Heritage Foundation. The NRA and the Gun Owners of America say that the treaty is an attempt to circumvent the Second Amendment and similar guarantees in state constitutions in order to impose domestic gun regulations.

As of 2025, the ATT has:

- 116 States Parties
- 26 Signatories not yet ratified

Major arms exporters including the United States and Russia have not ratified the treaty. The United States signed the treaty in 2013 but announced its intention to withdraw in 2019, stating it would not become a party. Many NATO members, EU countries, and states from Africa, Latin America, and the Pacific are active participants.

11. Challenge-Based Case Studies

In the Russia-Ukraine war, arms transfers and military support led to a further escalation of territorial competition. The provision of weapons by major powers can contribute not only to immediate military objectives but also to the prolongation of conflicts and increased casualties. Russia's arms transfers and indirect support to various actors in different conflict zones significantly influenced the course of the war and the balance of power.

In terms of trade, the territory of modern Syria has historically been a key trade corridor, linking Turkiye with the Middle East. But today, Syria acts as a major highway for illicit trading activities. Many smuggling groups are apolitical, private, and profit-oriented networks composed of connected businessmen and border residents. By the start of the civil war, a long history of drug, weapons, and people trafficking had created networks of illicit actors in Syria and some of its neighbouring countries which were only strengthened by the insecurity and instability of the conflict. The international networks are vital conduits of weapons and ammunition for militant organizations. Meanwhile, these same networks satisfy the necessities of Syrian citizens who need food, aid, and opportunities to escape the conflict zone. In turn, these networks benefitted from the chaos, by supplying the demand for weapons and aid, and by leveraging the war to loot sectors of the economy.

The traffic of small arms from the U.S. into Mexico, where firearms are so tightly controlled that there is in fact only one licensed gun shop, is a highly overlooked aspect of the ongoing security crisis in the Central American country.

When in 2016, President Donald Trump not only proposed to build a wall along the border between the two countries but also promised supporters that Mexico would foot the bill, the Guardian reported that then-leader Enrique Pena Nieto responded by strongly condemning any prospect of the costs being passed onto Mexico, as well as pointing out that the proposal would in fact benefit the country by obstructing the influx of illegal firearms from the U.S.

To explore the possible risk factors for arms proliferation under the Taliban, Afghan Peace Watch (APW) conducted field investigations in late 2022 in three provinces in Afghanistan: Helmand, Kandahar, and Nangarhar. It identified weapons markets or bazaars in border areas that operate with the consent of local Taliban officials, as evidenced by weapon permits and licences obtained by APW. Researchers visited six weapons markets in the three provinces, and obtained paperwork issued to civilians and local weapons dealers on file with the Small Arms Survey. APW interviewed weapons smugglers, low-level Taliban fighters, and local Taliban officials, as well as former ANDSF members and security experts on Afghanistan. Research findings confirm the presence of weapons markets in border areas and indicate ongoing cross-border weapons smuggling, despite an upsurge in weapons seizures made by the GDI.

12. Questions a Resolution Should Address

- 1)** What measures should be taken to prevent terrorist organizations from using forged identity documents for arms smuggling and financial transactions?
- 2)** What steps should states take to prevent the illegal proliferation of small arms and light weapons and to strengthen control over them?
- 3)** What frameworks should be established to prevent terrorist organizations from misusing cryptocurrencies, crowdfunding platforms, and social media for fundraising purposes?
- 4)** How can more effective international cooperation mechanisms be developed to identify and disrupt terrorist financing networks?
- 5)** What mechanisms should be established to hold states accountable for their support of terrorist organizations?
- 6)** How can states prevent the diversion of legally manufactured weapons into illicit channels used by terrorist organizations?
- 7)** What international regulations should be put in place to prevent terrorist organizations from acquiring and using Unmanned Aerial Systems (UAS) as weapons?
- 8)** How should frameworks about money laundering be strengthened to prevent terrorist organizations from concealing illicit funds through legitimate financial systems?
- 9)** What international measures can be taken to control dark web markets that facilitate anonymous arms trade and terrorist financing?
- 10)** How can states prevent gray market arms transfers that indirectly allow terrorist organizations access to weapons?
- 11)** How can the details of End-Use Certificates (EUC) be strengthened to prevent the re-transfer of weapons to terrorist organizations?

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