



Security Council

Seventieth year

7587th meeting

Thursday, 17 December 2015, 3 p.m.

New York

Provisional

President: Mr. Lew (United States of America)

Members:

Angola	Mr. Manuel
Chad	Mr. Cherif
Chile	Mr. Valdés Pulido
China	Mr. Zhao Yong
France	Mr. Sapin
Jordan	Mr. Malhas
Lithuania	Mr. Krivas
Malaysia	Mr. Ahmad Husni Hanadzlah
New Zealand	Mr. Van Bohemen
Nigeria	Mrs. Ogwu
Russian Federation	Mr. Churkin
Spain	Mr. De Guindos Jurado
United Kingdom of Great Britain and Northern Ireland	Mr. Osborne
Venezuela (Bolivarian Republic of)	Mr. Ramírez Carreño

Agenda

Threats to international peace and security caused by terrorist acts

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The meeting was called to order at 3.05 p.m.

Adoption of the agenda

The agenda was adopted.

Threats to international peace and security caused by terrorist acts

The President: I would like to warmly welcome the Secretary-General, the Ministers and the other representatives here in the Security Council Chamber. Their presence today underscores the importance of the subject that we have gathered to discuss.

In accordance with rule 37 of the Council's provisional rules of procedure, I invite the representatives of Albania, Armenia, Australia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Costa Rica, Croatia, Cyprus, the Czech Republic, Denmark, Egypt, Estonia, Finland, Germany, Greece, Hungary, Iceland, Iraq, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lebanon, Liechtenstein, Luxembourg, Malta, Montenegro, Morocco, the Netherlands, Nicaragua, Norway, the Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, Senegal, Serbia, Slovakia, Slovenia, Sweden, Switzerland, the Syrian Arab Republic, Tajikistan, the former Yugoslav Republic of Macedonia, Togo, Tunisia and Turkey to participate in this meeting.

In accordance with rule 39 of the Council's provisional rules of procedure, I invite Mr. Je-Yoon Shin, President of the Financial Action Task Force, to participate in this meeting.

The Security Council will now begin its consideration of the item on its agenda.

I now give the floor to His Excellency Secretary-General Ban Ki-moon.

The Secretary-General: Let me begin by thanking the Government of the United States for its leadership in convening this historic first-ever Security Council meeting of Finance Ministers. I salute your decision, Mr. President, to focus on countering the financing of terrorism. As Daesh and other terrorist groups disseminate their hateful propaganda and ratchet up murderous attacks, we must join forces to prevent them from acquiring and deploying resources to do further harm.

We know the challenges before us. The terrorists take advantage of weaknesses in financial and regulatory regimes to raise funds. They circumvent formal channels to avoid detection and exploit new technologies and tools to transfer resources. They have forged destructive and very profitable links with drug and criminal syndicates, among others, and they abuse charitable causes to trick individuals to contribute. They are agile and have been far too successful in attaining resources for their heinous acts.

Through the years, we have made progress in identifying and limiting various methods of terrorist financing, in many cases developing measures to prevent the flow of funds to terrorists. Numerous Security Council resolutions clearly express the international community's determination to tackle terrorist financing. More and more Member States continue to sign and ratify the International Convention for the Suppression of the Financing of Terrorism. More and more countries have adopted legislation to criminalize terrorist financing and build and strengthen regulatory systems to counter funding flows to terrorists. The focus and guidance of the Financial Action Task Force has expanded to include the spectrum of methods to fund terrorism.

Still, more needs to be done. Terrorists continue to adapt their tactics and diversify their funding sources. Today, Daesh runs a multi-million dollar economy in territories under its control. Daesh terrorists raise money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, the trafficking of humans and arms, and racketeering. They loot and sell precious cultural property, shamelessly profiting from the destruction of humankind's common heritage. Social media outreach is exploited by Daesh not just for radicalization and recruiting, but also for fundraising. Other terrorist organizations around the world — from Boko Haram to Al-Shabaab to the Taliban — are following suit. They increasingly employ elusive tricks to raise and transfer funds, covering their tracks and leaving little evidence for Governments and the private sector to identify tainted resources or to follow the funding trail.

Just as terrorist groups are innovating and diversifying, the international community must stay ahead of the curve to combat money-laundering and the financing of terrorism. Doing so will not be easy. Many States have yet to establish the necessary legal regimes, institutions and expertise to identify and freeze terrorist

financing and assets. The implementation of key Security Council resolutions on this subject remains weak in many parts of the world. The private sector and civil society are often left outside the circle of consensus-building and trust, thus becoming a potential weak link. In some cases, the misinterpretation and misapplication of international standards have resulted in violations of due process, undermining confidence and damaging the partnerships with key communities needed to effectively address the problem.

The draft resolution to be adopted by the Security Council today will help intensify our efforts, identify new vulnerabilities and advance stronger and more efficient regulatory regimes, with due regard for human rights. I would suggest at least five further areas of focus.

First, we should increase international cooperation and share information and expertise, especially in stopping the illegal transfer of and trade in cultural artefacts. Where States lack the knowledge and resources to strengthen their systems, the international community should offer effective capacity-building.

Secondly, we will expand United Nations programming on countering the financing of terrorism, which currently includes the United Nations Counter-Terrorism Implementation Task Force Working Group on this subject. That body coordinates the activities of several entities in this area, such as the Counter-Terrorism Committee Executive Directorate, the United Nations Office on Drugs and Crime and the Monitoring Team of the Committee pursuant to resolutions 1267 (1999) and 1989 (2011) concerning Al-Qaida and associated individuals and entities. The United Nations Counter-Terrorism Centre will also now focus on programming in countering the financing of terrorism.

Thirdly, we should work more closely with the private and charitable sectors to identify suspected transactions and invest in credible and manageable regulatory systems to block terrorist funds.

Fourthly, I intend to lead, as requested by the Council, strategic-level discussions within the United Nations on the gravity of the threat including on the sources of financing of these groups, and report back to the Council within 45 days on our conclusions.

Fifthly and critically, as we fight terrorists, let us also take special measures to ensure that we do not harm migrants or refugees and their communities

of origin. Last year, developing countries received over \$400 billion in remittances from migrants living abroad. That is more than three times the total of global official development assistance.

Remittances sent home by migrant workers are a lifeline. The average Somali family, for example, receives 60 per cent of its income from abroad. The 2030 Agenda for Sustainable Development (General Assembly resolution 70/1) includes commitments to making the transfer of remittances faster, cheaper and safer, while fully recognizing measures to combat the financing of terrorism. Let us work to ensure that measures to stop illicit financial flows do not undermine the achievement of the sustainable development goals.

I once again welcome today's draft resolution and this unprecedented demonstration of global commitment. I urge the Council to complement its effort today with concrete action to ensure that today's historic meeting shuts down funding channels for terrorist groups, prevents attacks and builds a safer, more secure world for all.

The President: I thank the Secretary-General for his statement and his strong support for the draft resolution.

I now give the floor to Mr. Shin.

Mr. Shin: I thank you, Sir, for this unprecedented opportunity to address the Security Council and to highlight the importance of countries taking urgent action to implement the Financial Action Task Force (FATF) standards to counter terrorist financing and help defeat the Islamic State in Iraq and the Levant (ISIL).

Terrorism needs money. ISIL operates as a State and provides all the services a State is expected to provide. Therefore, ISIL needs more money than other terrorist groups. Money is its biggest vulnerability. Preventing and disrupting financial flows must be at the centre of any successful strategy to defeat ISIL. Disrupting the finances of ISIL damages its ability to recruit fighters. ISIL needs access to the financial system to move money and pay for supplies. ISIL misuses charities and money-remitters and needs to physically move large quantities of cash. Financial intelligence can reveal the structure of terrorist groups, the activities of individual terrorists, and their logistics and facilitation networks.

How does the FATF help and what has it achieved? It has put in place a global framework of standards to

combat the financing of terrorism, based on Security Council resolutions. Almost all jurisdictions have committed to implementing the FATF standards and are being assessed by their peers. We publicly name those that fail to take action. That serves to warn other jurisdictions and banks of the risks, and deters foreign investment. So far, the FATF has put more than 80 jurisdictions through that process and has publicly identified 58 of them. Of those, 43 have since made the necessary reforms.

Our aim is to protect the integrity of the financial system and to make sure that there are no safe havens for terrorist financing. During the past six months, the FATF has reviewed the implementation of counter-terrorist financing measures in 196 jurisdictions. Almost all have criminalized terrorist financing and can apply targeted financial sanctions. In the past two months alone, half of those jurisdictions where we found serious problems have introduced urgent laws to address them. But that is not enough. Only 33 jurisdictions have secured convictions for terrorist financing, and most implement United Nations asset freezes too slowly, with delays of between two days and one month. It is now urgent that every jurisdiction focus on effectively implementing the FATF standards, not just on passing laws and regulations.

The value of those measures is clear. On Saturday, the FATF convened a meeting of operational experts from financial intelligence units, law enforcement and security and intelligence agencies. They explained how financial intelligence from the private sector has helped to track down the terrorists behind recent attacks, thereby preventing further attacks. We also heard about cases where disrupting terrorist financing has undermined terrorist groups' ability to prepare attacks.

On Sunday, members of the FATF, the United Nations, the International Monetary Fund, the World Bank and others came together to learn lessons from the recent attacks, focusing on members' operational capability to counter terrorist financing. Our most important conclusion is that there is a need for better and more timely information-sharing among agencies within and among jurisdictions and with the private sector.

In the next six weeks we will gather information from FATF members on the terrorist financing risks that they are facing, the challenges of sharing financial intelligence and how they are responding to

those challenges. That will help us work together to overcome obstacles to information sharing. We know, for example, that different data-protection laws mean that banks, one of our largest sources of intelligence, are often prevented from sharing information across borders even within their own organizations, let alone with other banks or the authorities. We will also identify and share red flags, indicators of terrorist financing, so as to help the private sector detect and report suspicious activity.

The FATF has always worked closely with the United Nations. In October we updated our standards to reflect resolution 2178 (2014), on foreign terrorist fighters. With a strong mandate from the Security Council today, we will take further action to strengthen those measures throughout the FATF global network, and we will continue to promote faster, more effective implementation of targeted financial sanctions. The visible support of the United Nations helps us put pressure on members to implement FATF standards effectively.

Finally, the FATF is a task force with a time-limited mandate. That focuses our work and can make us responsive and flexible. But it also means that we depend on the goodwill and support of members to implement and assess the FATF standards and to share their knowledge of the changing threats. As finance ministers, we need the Council's strong support in order to carry out our work. I will therefore end by thanking the members of the Security Council, and all of our members, for their help with our essential work.

The President: I thank Mr. Je-yoon Shin for his briefing and for the important work that the Financial Action Task Force does to bring the world together in order to fight this problem. We hope today's meeting and draft resolution will help to enhance the effectiveness of our effort.

Members of the Council have before them document S/2015/972, which contains the text of a draft resolution submitted by Albania, Angola, Armenia, Australia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, Costa Rica, Croatia, Cyprus, the Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Montenegro, Morocco, the Netherlands, New Zealand, Nicaragua,

Nigeria, Norway, the Philippines, Poland, Portugal, Qatar, Romania, the Russian Federation, Saudi Arabia, Senegal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the Syrian Arab Republic, Tajikistan, the former Yugoslav Republic of Macedonia, Togo, Tunisia, Turkey, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Bolivarian Republic of Venezuela.

The Council is ready to proceed to the vote on the draft resolution before it. I shall put the draft resolution to the vote now.

A vote was taken by show of hands.

In favour:

Angola, Chad, Chile, China, France, Jordan, Lithuania, Malaysia, New Zealand, Nigeria, Russian Federation, Spain, United Kingdom of Great Britain and Northern Ireland, United States of America and Venezuela (Bolivarian Republic of)

The President: The draft resolution received 15 votes in favour. The draft resolution has been adopted unanimously as resolution 2253 (2015).

I shall now make a statement in my capacity as Secretary of the Treasury of the United States.

We come together at a consequential time and in a historic setting. Never before have finance ministers convened for an official Security Council meeting. Today's unprecedented meeting underscores the importance of combating the financing of terrorism, the dedication of the international community to destroying the Islamic State in Iraq and the Levant (ISIL), and the critical role of finance ministries and the broader international financial community in this fight.

I would like to thank His Excellency Secretary-General Ban Ki-moon for his leadership and the commitment of the United Nations to this important effort. I also thank President Je-Yoon Shin of the Financial Action Task Force (FATF) for travelling all this way and for all that the FATF is doing to counter terrorism threats. And I would like to thank Ambassador Power for her work in organizing today's meeting and finalizing the resolution we have just adopted, which will help us protect the international financial system from abuse and exploitation by terrorists. For coming here to signal our collective resolve, I would like to thank all of those in the Chamber, so many of whom travelled long distances to be at this meeting.

I would like to reaffirm the continued commitment of the United States of America to cutting ISIL off from economic resources and the international financial system, and to working with the international community to use the measures in today's resolution 2253 (2015) and the tools we have honed over the past 14 years to make the world safer and better protected from ISIL and other deadly terrorist groups.

After the 11 September attacks, the United States and our international partners vowed to counter terrorism with every tool at our disposal. Early on, we recognized the need to target the financial resources of terrorism networks and to deprive them of the funds they need to recruit, train, travel, equip, attack and murder. Since that time, we have greatly strengthened the transparency and resilience of the international financial system and developed tools to track and disrupt channels of terrorism-funding. The impact is real. Regulators and financial institutions alike are far more sophisticated and attuned to the threat of terror-financing, and have made it harder for terror groups like Al-Qaida and Hizbullah to place and move funds. Our financial system is more transparent, resilient and stronger as a result.

We have uncovered and cut off channel after channel of support to Al-Qaida, leaving its branches hungry for funding and less capable of plotting and carrying out attacks. We have also improved our ability to deploy those tools in effective and sophisticated ways against other illicit financial threats, most notably in our successful multilateral effort to bring Iran to the negotiating table in connection with its nuclear programme.

But we have also seen the terror threats evolve in dangerous ways. Different tactics, like lone wolf attacks and shootings, are examples we have seen on American soil. New groups have emerged with innovative messaging, recruiting, military and financing strategies. ISIL is the most dangerous manifestation of that new threat. Since it emerged, ISIL has terrorized the people of Iraq and Syria, Paris and elsewhere with its attacks, and killed and wounded people from many nations and religions. Our Governments, in coordination with the United Nations and other multilateral organizations, have been countering ISIL for some time. But we all know that we need to do more together to degrade and destroy that brutal force of terror.

Since 2014 the United States has been working to destroy ISIL by drawing upon every aspect of American power, as President Obama made clear again last week. A critical part of the entire United States Government strategy is the use of counter-terrorism-financing tools and authorities to stop ISIL's operations by isolating it financially and economically. As many here know, ISIL is a challenging financial target. Unlike other terror groups, ISIL derives a relatively small share of its funding from donors abroad. Instead, ISIL generates wealth from economic activities and resources within the territory under its control. And ISIL's financing has evolved from seizing territory and looting bank vaults to leveraging more renewable revenue streams. So far, ISIL has reaped an estimated \$500 million from black-market oil and millions more from people whom it brutalizes and extorts.

At the same time, ISIL has financial vulnerabilities, and the United States approach has evolved as well so as to attack those vulnerabilities. ISIL's newer financing methods are now targets. Because of its need to control territory, ISIL requires large and renewable streams of income to pay fighters, procure weapons and provide basic services to local populations. In order to sustain its oil infrastructure and its military efforts, ISIL needs access to the international financial system. Those dependencies present opportunities for attack. To cut off ISIL's resources and funding streams, most important the revenue from its oil sales, the United States military has been working with coalition partners to attack ISIL's entire oil supply chain, its oil fields, refineries and its tanker trucks. Over the past month, nearly 400 of ISIL's oil tanker trucks have been destroyed.

While those attacks are having a real and growing impact, the United States and the international community must also work with countries bordering Iraq and Syria to enhance border security and help stop illicit cross-border flows. To sever ISIL from the international financial system, the United States is working with its partners to actively target ISIL's key financial facilitators, sanctioning more than 30 of its senior leaders and financiers. United States officials have worked with the Government of Iraq to deny ISIL access to the Iraqi financial system and, in collaboration with law enforcement and foreign partners, United States officials have worked with financial institutions to strengthen their ability to detect activity associated with ISIL supporters.

While we are making progress to financially isolate ISIL, if we are to succeed we must all intensify our efforts, on our own and together at an international level. Today, we adopted a new Security Council resolution that builds on previous measures and strengthens our existing tools. It expands the focus of resolution 1267 (1999), concerning the Al-Qaida sanctions, to specifically emphasize ISIL in the designation criteria, making association with ISIL grounds for targeted sanctions. It calls on Member States to ensure they have the legal tools to criminalize the financing of individual terrorists and terrorist organizations for any purpose — recruiting, training, travel and other activities — even in the absence of a link to a specific terrorist act. It calls upon Member States to increase engagement with the private sector to prevent the terrorists' use of the financial system, and it encourages Governments to better share information internally and among nations so as to avoid missing critical information about terrorist activities. Resolution 2253 (2015) is a critical step, but the real test will be determined by the actions that we each take after adoption. We need meaningful implementation, coordination and enforcement from each country represented here and from many others. As we have all learned in our work to counter Al-Qaida, ISIL and other groups to date, the successful use of those counter-terror-financing tools requires robust domestic implementation, extensive collaboration with private partners, intense multilateral coordination and information-sharing.

The importance of that coordination was exemplified this year when we at the United States Treasury worked with our French and European counterparts in real time to provide over 1,300 leads immediately following the horrific Paris attacks in January and November. That type of coordination is ongoing and essential, and we must combine it with a relentless desire to adapt and change our tools as the terror groups adapt to our measures. The nations of the world standing together and acting together represent a more powerful force than our individual actions alone. We must also work through other multilateral organizations. Last week, the Financial Action Task Force held a meeting on investigating and prosecuting terrorist financiers and implemented targeted financial sanctions. The Counter-ISIL Finance Group, which is co-led by the United States, Italy and Saudi Arabia, is focused, among others things, on expanding information-sharing in combating the financing of ISIL affiliates.

Even as we continue that important work, we must also remain steadfast in our commitment to both protect the stability of the international financial system and expand financial inclusion, so that the benefits of global growth are broadly shared. Those two objectives — protecting the financial system from illicit activity while increasing access to financial services — are complementary, not conflicting, as we know that financial exclusion undermines the integrity of the entire financial sector and that inclusion creates stakeholders around the world committed to positive change.

In conclusion, our joint work on counter-terrorism financing over the past 14 years has taught us that we can meet the long-term evolving terror challenge, but we must keep adapting, and we must stay focused to do so. The enhanced sanctions regime under the newly adopted resolution and the robust implementation of the resolution and other counter-terror-financing measures will help us meet the terrorism threat, whether from ISIL or others like Al-Qaida, Al-Shabaab, Boko Haram, Hizbullah, the Al-Nusra Front or new individuals and groups.

Once again, I thank the many participants who have come here for travelling to take part in this historic meeting and for their support of this important resolution and this broader long-term effort.

I now resume my functions as President of the Council.

I give the floor to the Minister for Finance of Jordan.

Mr. Malhas (Jordan) (*spoke in Arabic*): First and foremost, allow me to thank the United States Secretary of the Treasury, Mr. Jacob Lew, for presiding over this very important meeting. My country appreciates the efforts of the United States of America, which have led to the convening of this meeting, the very first in the history of the Security Council.

We too are gratified by the adoption by consensus of resolution 2253 (2015), at a time when many terrorist attacks have been carried out throughout the world, killing innocent people and exacerbating humanitarian crises — attacks that, as we all know, disregard all precepts of morality and humanity. I would like to thank the lead delegations of the resolution, namely, the delegations of the Russian Federation and the United States of America, for their efforts. I would also like

to thank the Secretary-General, Mr. Ban Ki-moon, for his statement, and I would like to thank Mr. Je-Yoon Shin for his briefing. We fully support the efforts of the Financial Action Task Force, as well as its close cooperation with all States within the framework of the fight against terrorism.

The resolution we have just adopted is a watershed, given its specificity and its major thrust. It updates the sanctions regime, which will now be known as the sanctions regime against Al-Qaida and the Islamic State in Iraq and the Levant. It expands the criteria for listing on the sanctions list to ensure that they include activities that demonstrate a link between individuals and entities tied to Daesh, so that those criteria are not limited solely to links with Al-Qaida. That is a point that we stressed during the negotiations, because it is in keeping with today's reality and shows that the international community is determined to face the international threat posed by Daesh.

Jordan has always stressed the importance of the fight to combat the financing of terrorism and cut off its sources. That is one of the pillars and prerequisites when it comes to any efforts aimed at combating terrorism. It behooves me to say here that the fight against the financing of terrorism, including the financing of Daesh, cannot rest on the shoulders of a single country or a single independent institution. The multifaceted sources of that financing mean that we need to strengthen cooperation among national institutions and among institutions at the regional and international levels. Terrorist organizations thrive on the illicit trafficking in oil, natural resources and antiquities and the seizing of hostages for ransom, not to mention the taxes they impose on the population and the exploitation, to put it baldly, of innocent citizens. The lack of international cooperation and cooperation at the regional level has contributed to the success of those terrorist organizations. With respect to the fight against the financing of terrorism, my country would like to stress several important points.

We need to bolster the International Convention for the Suppression of the Financing of Terrorism. All countries must adhere to that Convention, which focuses specifically on the financing of terrorism and strengthens judicial cooperation among States. Countries must also live up to their commitments and must ensure that their citizens and residents do not support terrorist organizations financially. All sanctions committees must include on their sanctions

lists any individuals guilty of such actions, and we must also ensure that individuals included on either national or United Nations sanctions lists have no access to the financial system, in accordance with all the relevant resolutions. Donor countries, as well as their partners and the relevant United Nations agencies, must provide assistance to States so as to strengthen their capacities and capabilities in the fight against terrorism, including strengthening their public and private banking sectors. Individuals guilty of the crimes at issue here must be brought to justice or extradited to States with jurisdiction. I would like to share with the Council some of the measures we have undertaken in Jordan in that regard.

Jordanian parliamentarians have taken note of the expansion of terrorist groups in the region. We have strengthened our legislation so as to take that new reality into account. We have criminalized any acts involving the financing of terrorism or the lending of support to terrorist organizations. Any individual who provides financing to those preparing or committing an attack will be brought to justice, pursuant to the updated law on the suppression of the financing of terrorism of 1994, as well as the 2010 law on money-laundering. Our national authorities have also undertaken practical measures at all crossing and border points so as to prevent the entry of oil shipments from areas controlled by Daesh or the entry of any stolen goods or antiquities. Those two forms of trafficking are the main sources of financing for terrorist organizations in both Syria and Iraq. We have also raised the level of awareness and vigilance in the financial and currency sectors. We have taken measures to ensure that both the public and private banking sectors prevent Daesh, as well as any other terrorist organization, from accessing the Jordanian or international financial system. The new law on currency exchange is being studied so as to ensure that it is in keeping with the provisions of our Constitution. Following the adoption of resolution 2199 (2015) by the Council, we have undertaken a number of measures and steps aimed at combating trafficking in antiquities. Those measures form part of the efforts we have undertaken to combat the financing of terrorism, since we know that trafficking in antiquities is the second most important source of funding for terrorist organizations.

The atrocities committed by terrorist organizations, including Daesh, clearly demonstrate that the terrorists want to prevent us from living in peaceful coexistence.

The fight against terrorism is therefore truly a global one. Combating Daesh and similar organizations requires a global approach based on three axes — the military, security and ideological.

I would like to reiterate the importance of weakening Daesh, especially at the financial level. That will require international efforts, as well as serious collective efforts at all levels.

The President: I thank Minister Malhas for his statement. We all understand that Jordan bears a special burden in dealing with so many refugees escaping from the Islamic State in Iraq and the Levant.

I now give the floor to the Minister of Finance and Public Accounts of France.

Mr. Sapin (France) (*spoke in French*): I would like to thank the United States presidency for having taken the initiative of convening this meeting, which gives Ministers of Finance the honour of taking part in a meeting of the Security Council.

One month ago, France was struck by terrorist attacks of an unprecedented scale on French soil. I would like to take this opportunity to thank the entire world that reached out to us with words and gestures of solidarity that touched us deeply. But France was not the only country to be attacked. No country has escaped, no continent has been spared, and with each passing month the list of barbaric attacks grows inexorably longer: Lebanon, Turkey, Tunisia, Egypt and now, most recently, the United States. Since June 2014, thousands of men and women around the world have lost their lives in acts of terrorism perpetrated by Daesh or groups that have sworn allegiance to Daesh. We are therefore all — and we all know this — affected. In the face of such blind savagery, we each have the duty to act.

At such moments, we must each set aside our national differences and join forces to advance our common will. That common will must be expressed here, in the Security Council of the United Nations, because it is here that the story of all major crises has been written, and the crisis we face today is of such scope. This message was one that I shared last week in Brussels with my European colleagues, at the heart of this other collective and common endeavour that is the European Union. The terrorist threat is a threat not only to the whole world but also, more specifically, to the European project, given its consequences. Europeans

must therefore be prepared to address it, and they have decided to do so.

Tomorrow our colleagues from the ministries for foreign affairs will meet here to seek a solution to the Syrian crisis. They are more used to meeting in this Chamber than we are, but the same motivation inspires us and the same desire guides us: to ensure our common security and our common responsibility. Our colleagues contribute by finding solutions to armed conflicts, and we contribute by drying up the sources of financing for terrorism and thereby overcoming the terrorists whose acts they fuel.

The singularity and power of this terrorist group stems from the fact that it has collected vast spoils of war from various sources. Smuggling, extortion, trafficking — Daesh will do anything to finance itself. We who are gathered here today — most of us are ministers of finance — have the task of understanding these financial flows and cutting them off. Everything possible must be done to financially choke off terrorism.

Resolution 2253 (2015), which we have just adopted, offers concrete responses. It recognizes Daesh as the entity that must be combated. It identifies the specific financing methods used by this terrorist group: the trade in oil; trafficking in antiquities and artwork; kidnapping for ransom; extortion; and trafficking in human beings. The resolution provides us with the legal means to stop them, through freezing the assets of individuals or entities linked to such financing throughout the world.

Now that the resolution has been adopted, we must implement it as rapidly as possible. It will have no impact unless it leads to new listings by the Security Council. There is a list of individuals and entities subject to sanctions because of their links with Al-Qaida. Now we are targeting both Al-Qaida and Daesh, so the list must grow. France attaches particular importance to the effective and speedy implementation of the resolution.

Over and above Daesh, the other lesson to be drawn from the recent attacks is that terrorists continuously find new ways to finance themselves, including through small amounts. Our responsibility is to ensure that none of these goes unnoticed. In this respect, I see three challenges facing ministers of finance.

First, we need to bolster the effectiveness of our financial intelligence-gathering. We must acquire the capabilities necessary to track suspect financial flows.

We must better integrate our financial intelligence units with our intelligence and investigation services. There is also a need to considerably improve the exchange of information between the financial information intelligence units of our various countries. It is crucial that information be better shared in a more comprehensive and more rapid manner. Sometimes all that is needed is a few hours' warning to prevent an attack.

There is a second challenge: that of anonymity. Those who wish to transfer funds discreetly can resort to archaic traditional methods such as cash, gold and precious metals. These forms of payment need to be better controlled, of course, but today those who want to transfer funds discreetly can also do so using innovative, very modern methods. Electronic and virtual currencies pose new risks, and I speak from recent and very painful experience. The attacks on 13 November in Paris were, to a large extent, financed through prepaid cards, which enabled anonymous transfers and payments to take place between Belgium and France. We must therefore tackle these shortcomings. It is certainly not a matter of prohibiting such innovative forms of payment, but we have to do away with their anonymous aspect.

Finally, because the financing of terrorism is multifaceted and shape-shifting, all of society must mobilize. Private actors must be just as vigilant as our services. In France, we have since January called for more vigilance to be shown by financial establishments, to raise their awareness of the risk of financing terrorist groups linked to Daesh. We have compiled a specific manual for organizations, and I have written to art-world professionals to point out to them the risks of Daesh being financed by trafficking in archaeological artefacts or artwork. I am gratified that the concept of cause for vigilance has been included in the resolution. We need to generalize this.

This programme of work is a very dense one, and a great deal of effort lies before us. I wish to take the opportunity afforded us by this meeting to thank the Financial Action Task Force (FATF), which is at the very heart of the mechanism to combat the financing of terrorism. It has a clear vision of the shortcomings of its members in terms of the criminalization of the financing of terrorism and of asset freezes. At the Group of 20 Summit held in Antalya, following the attacks of 13 November, Heads of state and Government entrusted a very clear mandate to us: the time for procrastination is over, and we must exert pressure on these countries

to ensure that their mechanisms are made effective. I should like to thank the President of the FATF for having held in Paris this weekend a special meeting on the financing of terrorism.

I hope that next February, during the next Group of 20 finance meeting, under the Chinese presidency, we will be able to take new, effective and strong measures. An effective FATF is a guarantee of the effective implementation of United Nations decisions. Similarly, it is very important that the work of the FATF nourish the process of reflection taking place in this very building. Too often, our institutions function in compartmentalized silos: diplomats speak to diplomats and financiers speak to financiers. Today is opportunity to do away with such compartmentalization.

Finally, I would like to pay tribute to Jack Lew for taking the initiative of organizing this very first meeting of Security Council ministers of finance. I hope that this will serve as a fruitful precedent, because joint action is the key to effectiveness.

The President: Again, I extend my condolences on the terrible losses from the recent terrorist in Paris.

I now give the floor to the Minister of Finance of Chile.

Mr. Valdés Pulido (Chile) (*spoke in Spanish*): We thank the Secretary-General and the President of the Financial Action Task Force (FATF) for their statements, and the United States and the Russian Federation for having put together resolution 2253 (2015).

Chile welcomes the convening of this meeting by the President of the Security Council, and we take this opportunity to reaffirm our unwavering determination to cooperate with collective efforts to combat terrorism. We would like to once again reiterate our condemnation of all terrorist acts, methods and practices and of the operations that finance them, in all their forms and manifestations, regardless of their motivation, wherever they occur, and by whomever they are committed.

The self-styled Islamic State terrorist group remains a destabilizing factor in the Iraqi and Syrian conflicts. Its spread to and presence in other countries and regions is equally alarming. We must therefore work together to implement a multilateral strategy aimed at putting an end to its activities.

Regarding the specific topic that brings us here this afternoon, we believe that additional efforts must be

made to choke off financing of these groups and thus ensure the full and effective implementation of the relevant Security Council resolutions. It is thus vital to ensure the implementation of the standards contained in the recommendations of the Financial Action Task Force.

Putting an end to the financing of the Islamic State will be no easy task, since a significant part of its income derives from activities carried out on the territory under its control and which therefore cannot be detected by the financial system. We must therefore focus our efforts on its interactions with the outside world, such as the sale of oil, the payment of ransom or the smuggling of objects of cultural and historical value, inter alia. That is why it is essential that resolution 2253 (2015), adopted today, allow for the ongoing judicious study of the evolution of new trends in terrorist financing.

Moreover, we believe it to be important that the sanctions imposed on Al-Qaida and associated groups be implemented effectively. There must be timely exchange of information among countries on the financial transactions that terrorist groups conduct, either themselves or, more important, through third parties. We also need to be aware of the new challenges that arise every day, such as the fight against the funding of foreign terrorist fighters. At the same time, we reiterate that protecting human rights is an essential aspect of the fight against terrorism. All efforts and measures carried out within States must constantly be adjusted to take into account obligations under international law, human rights law and the rule of law.

Finally, Chile notes, as it indicated during its presidency of the Security Council in January, that it is crucial that the link between inclusive international development, peace and security be recognized. We believe that, as the numerous destabilizing processes are showing, the lack of inclusive development in many, but not all, cases can foment conflicts. It is therefore essential that the lack of opportunities be addressed with greater force, without our being distracted from taking all immediate measures to stop the financing of terrorist groups at a global level.

The President: I now give the floor to the Chancellor of the Exchequer of the United Kingdom of Great Britain and Northern Ireland.

Mr. Osborne (United Kingdom): I would like to begin, as others have done, by congratulating the

President for suggesting today's meeting, in which the Finance Ministers of the members of the Security Council have come together for the first time in the history of the United Nations. I would also like to congratulate the Secretary-General and the President of the Financial Action Task Force (FATF) for the leadership that they have shown on the issue before us.

I, too, would like to start by offering my condolences and the condolences of the British people for those who lost their lives in Paris as a result of the dreadful attacks there, but also those who lost their lives in Ankara, Beirut and California, as well as the Russian holiday-makers travelling home from Sharm el-Sheikh who lost their lives. It is clear that these acts of violence were designed to intimidate and divide us, but they have failed to do that. Indeed, it is very striking to look at the Security Council table here in the Chamber and note that this has often been where the divisions of the world have been most evident, yet today the unity of the world is on display. Far from dividing us, the terrorists in Daesh — the Islamic State in Iraq and the Levant (ISIL) — are actually uniting us. We are determined to take the fight to them, deprive them of their financing and to defeat them.

All of us around this table have been grappling with the threat that terrorism poses. In the last year alone in the United Kingdom, our security forces have prevented seven different plots to attack citizens in our country. At a time where people question whether we can defeat these terrorists, we are already defeating these terrorists and we are making progress. In the last year, the coalition against Daesh/ISIL has liberated over 40 per cent of the territory under their control in Iraq. We are stemming the flow of foreign fighters to their ranks. We are exploiting the vulnerabilities in their financial network, and we are successfully targeting their oil supply. As British Prime Minister David Cameron said here at the United Nations in September, we are leading the efforts to tackle Daesh/ISIL's propaganda so that fewer people around the world are influenced by their message of hate.

We know that those who seek to commit acts of terrorism will not stop, so neither should our resolve to defeat them. When our values of freedom and democracy are threatened, when efforts are made to undermine the international peace and security that the Security Council protects, we must all unite to condemn those actions and prevent further tragedy.

Since the Council first adopted resolution 1267 (1999), the threat from terrorism has evolved. In Daesh, we face a new type of threat, oppressing those in the territory that they physically control, inspiring foreign terrorist fighters to join their cause in places like Syria and Iraq, and now potentially in Libya as well, and radicalizing individuals to inspire them to commit atrocities at home. It is a new breed of terrorism and a new challenge for us as Governments and the international community, and it calls for a new response. Today we are taking significant further steps to strengthen that response. I very much welcome the adoption of the very comprehensive resolution today (resolution 2253 (2015)), and I thank the Secretary-General and his team at the United Nations for their work on this matter. I would like briefly set out the areas that the United Kingdom considers to be key to strengthening the global efforts to combat terrorist financing and the financing of Daesh and to make full use of resolution 2253 (2015).

First, we must ensure that we are using the existing tools that we already have to combat the threat of terrorist financing to their full effect. In September this year, the United Kingdom put forward a list of names of British nationals who had travelled to Syria and recommended them for listing under United Nations sanctions. Today I would urge other Member States to do the same, to propose the designation of those individuals who pose a real threat so that their assets can be frozen around the world and we can cut off the resources they need before they can commit their planned acts of terrorism.

We must ensure that we are using our counter-terrorism financing regimes to full effect domestically as well. I agree with what the Secretary-General was saying earlier. We need to make sure that all Member States have a regime in place that criminalizes the financing of terrorists for any purpose and that they implement the United Nations sanctions regimes fully and promptly. I thought this was also an extremely important point raised by the President of the FATF. The gap between the sanction being announced and the sanction being implemented is crucial in a world where money can be moved from one place to another in a matter of seconds.

In the United Kingdom, we have taken a long look at our regime, and I can confirm today that we will legislate domestically to ensure that we are able to implement United Nations sanctions without any delay. Like all members of the European Union (EU), we are

currently reliant on an EU process that takes too long. We want to work with our partners in the European Union to streamline that process and make our response more rapid in order to make sure that we at a European level are able to implement United Nations designations immediately.

Secondly, I want to make sure that we are responding to the evolving nature of terrorist threats with additional new measures. We heard today about the value of the Syrian oil fields to Daesh, namely, that oil alone is providing the terrorist group with millions of dollars every day: it is estimated that Daesh receives \$1.5 million in proceeds every day from its exploitation of oil. We know that the military action that the United Kingdom is proud to be taking with its allies through the British air force is having some success in limiting this resource — this oil money.

But we Finance Ministers can also take action. We should make clear, as we do with resolution 2253 (2015), that the United Nations sanctions regime can and will be used to target not just the terrorists but the traders, the middlemen, the people who facilitate the illegal trade in oil that provides Daesh with one of its principal sources of revenue. We should similarly focus on the illegal trade in cultural artefacts, about which the Finance Minister of Jordan spoke very powerfully. We are literally seeing the history of some these countries being stolen outright from their peoples. Frankly, there is much more we can do to shine a light on the opaque trade in cultural artefacts.

But, naturally, as we limit one branch of Daesh's financial network, we know that they will attempt to strengthen another. We must therefore be ready to respond to their evolving ways of satisfying their financial needs, that is, kidnapping for ransom or the involvement of organized crime. Accordingly, I am delighted that resolution 2253 (2015) makes this point clear as well.

I also want to look at new ways of gathering and sharing information among law enforcement agencies, internationally as well as domestically, between law enforcement agencies and the private sector, including our banking systems. This was a point that was raised by a number of speakers, and I think it is a very important one. We are taking steps in the United Kingdom, the home of one of the world's largest — indeed the world's largest — financial centres, to make sure that we have

a partnership with the financial sector by which we are working together to tackle illicit financial flows.

The third and final point I want to make is this: I want to make sure that the Council continues to work together to consider how we implement the recommendations on how we do more to tackle terrorist financing. Because if the threat is constantly evolving, so must our response to match it.

I welcome the special meeting of the Financial Action Task Force last weekend, specifically focused on our collective response to terrorist financing. In particular I was pleased to see a commitment from the group to update its report on Daesh financing while working with the counter-ISIL finance group and others.

I think it would be sensible for finance ministers to perhaps meet again in the Security Council in the months ahead, at some point, to review the evolving situation and to consider proposals for further measures. Let us be clear: adopting a resolution is one thing, implementing the resolution is of course another. We have all committed to report to the United Nations on the progress we make on that. I think that is something that we should therefore put into action.

That is where I see the priorities for action — ensuring we are making the most of the existing tools that we have; implementing new measures to respond to the particular threat that Daesh poses to us and continuing to work together to develop our response further and reporting back here at the United Nations until we fully destroy this evil.

The President: I agree wholeheartedly that the unity we have here today has to be reflected in the unity we undertake in implementing and executing against it.

I now give the floor to the Minister for Economic Affairs and Competitiveness of Spain.

Mr. De Guindos Jurado (Spain) (*spoke in Spanish*): Allow me to begin, Mr. President, by welcoming your initiative, which gives us an opportunity for Ministers for Finance to come together at the Security Council in a historic meeting. I also wish to express my gratitude for the contributions and leadership of the Secretary-General and of the President of the Financial Action Task Force.

I would like especially to congratulate the Russian Federation and the United States of America for

introducing resolution 2253 (2015), which improves the tools at the disposal of the international community for combating the financing of international terrorism in three important ways.

The resolution incorporates Daesh as part of the United Nations sanctions regime; it strengthens and enhances the obligations of Member States in the light of the recent recommendations of the Financial Action Task Force; and it sets up systematic reporting, which will facilitate the updating of intelligence information of the United Nations and its States Members on the reality we are facing.

The urgency of the threat represented by Daesh today justifies the updating of the sanctions regime and making sanctions as effective as possible. That is why we very much welcome the new measures set out by the resolution with regard to the functioning of the Security Council Committee established pursuant to resolutions 1267 (1999) and 1989 (2011).

Spain is fully committed to the core principles of the United Nations, especially the initiatives developed to combat terrorism generally, and the financing of terrorism in particular. Often we are tempted to see terrorism as an issue that is only of interest to those countries that suffer from terrorist attacks first hand. However, we tend to forget that we live in an interconnected world with a globalized economy. Therefore, the risk that the financial system of one country could be used to channel funding to terrorism exists in every country in the world.

Those who finance terrorism take advantage of the lack of control over the risk that may exist in some countries in order to abuse the financial system. That is why I believe that one of the first tasks on which we need to redouble our efforts is in raising global awareness about the risks. All countries are faced with the risk of being used to divert funds for the purpose of terrorism. And therefore all countries must act with determination to set up effective oversight mechanisms.

The global nature of the threat necessarily requires a coordinated response aimed at eliminating any vacuum or gap or disconnect that could be exploited by terrorists to their own ends. We must therefore improve communication networks and information exchange, both bilaterally and multilaterally and eradicate any existing impediment, as called for in the resolution we have adopted today.

To ensure effective coordination, however, a necessary first step requires us to establish national structures capable of handling the information and intelligence that is indispensable and relevant if we are to prevent and fight this scourge. As part of the financing against terrorism, access to information is an essential element. It is important that we intensify efforts and improve transparency regarding the real holders of funds, who hide themselves behind other persons and legal provisions.

We have a lengthy task before us, but we must address it with a broad perspective that not only focuses on the financing of terrorism but also encompasses financial aspects of violent extremism and radicalization, which is the life blood of such organizations.

Daesh also needs to finance its processes for attracting new adherents. It is crucial that we are able to identify and cut off financial flows at that early stage.

Moreover, terrorist groups have exploited new payment methods in financing their criminal activities. Against that backdrop, we must be able to put in place mechanisms to control and avert the use of such tools for financing of terrorism.

Finally, I would like to highlight the point that the new instrument adopted today by the Security Council includes elements that will serve to strengthen one of the core principles in the fight against terrorism, namely, respect for human rights. We very much welcome the fact that the new resolution includes a specific mention of the importance of the role of the Office of the Ombudsperson and calls upon the Secretary-General to take all the necessary measures to continue to ensure the independence and effectiveness of that Office. We hope that, on the basis of that new paragraph in the resolution, we will make progress towards the full institutionalization of the Office of the Ombudsperson, which plays an essential role in the work of the Committee.

The President: I now give the floor to the Minister of Finance of Angola.

Mr. Manuel (Angola): We fully support the initiative of the United States presidency and the co-sponsors to promote this meeting of the Ministers of Finance in the Security Council, as we believe it will contribute to the development of new and effective measures to achieve our common objectives in the fight against terrorism and money-laundering.

The fight against terrorism is not a new concept. For some time now, many countries have been battling terrorism, which has taken the lives of many innocent men, women and children across the globe, while breaching fundamental human rights that are consecrated by the spirit and letter of the Charter of the United Nations.

As a Member of the United Nations and various other international and regional organizations, Angola is still highly concerned about terrorism. Like the United Nations, we will fight against it, for it is not a matter that solely concerns a single country or organization, but in fact affects all of the citizens of the world.

In recent decades, extraordinary advances in information and technology have facilitated financial flows and communication among billions of people, among which are those who breach human rights through the misuse of social media and other communication tools.

Angola's action against terrorism became effective in 1999, when parliamentary resolution 25/99 was adopted on preventing and fighting terrorism, which adopted the 1999 Organization of African Unity Convention on the Prevention and Combating of Terrorism. In addition, a number of other legal measures were put in place. I wish to point out that the Angola National Assembly regulation 38/10, adopted in 2010, approves the International Convention for the Suppression of the Financing of Terrorism. An anti-terrorism and money-laundering bill was adopted in Angola under law 12/10, and was later reinforced by law 34/11. Law 1/12 allows Angola to immediately apply resolutions of United Nations sanctions committees in order to prevent terrorism from benefitting from any form of financing. Under those regulations, we created a financial intelligence unit and a national designation committee, which are in charge of the centralizing and processing of all information concerning money-laundering and the financing of terrorism.

Apart from implementing the various laws against terrorism, money-laundering and illicit financial flows, as a country, Angola has made tremendous efforts to empower its institutions to detect and combat terrorism and its financiers. As a response to the worldwide appeals against this evil, which affects all of us, the proliferation of terrorist organizations, such as Islamic State in Iraq and the Sham and Boko Haram, is a major concern, as they end the lives of thousands and

thousands of citizens across the world. We recognize that such terrorist organizations originate not only from erroneous religious ideologies, but they are strongly correlated with the sources of financing. That is what makes such organizations powerful and still more threatening. On that basis, we believe that the best weapon against terrorism remains the eradication of its sources of financing.

Getting rid of the sources of financing for terrorism is by far the more effective weapon. But in order to do so, a massive collective effort is required by all countries and organizations. Efficient mechanisms must be created to allow countries to control the origin and destination of funds that circulate internally and which, instead of being channelled towards investing in development, are in danger of being directed towards disseminating ideologies, extremism and political objectives that go against human rights under the democratic rule of law. That primarily affects those developing countries that have been recently recovering from the effects of the Cold War.

However, we must extend the fight beyond institutions, countries and organizations. All citizens must feel socially responsible and be individually involved in fighting this phenomenon. In that context, it is worth strengthening the efforts of developed countries to approve the restructuring of national financial systems, as that proposed in the Group of 20 meetings, modelled after the Volcker Rule and the Dodd-Frank Act, approved in the United States Congress, designed to protect financial and non-financial institutions against the risks of exaggerated self-regulation, which led to the earlier financial crises of 2008 and 2009.

Moreover, it is necessary to provide the mechanisms by which all citizens have access to, and knowledge of, the information on the United Nations sanctions lists. Furthermore, citizens must be aware of the actual sanctions to be applied, such as the seizure of capital, goods and assets of those listed. Such mechanisms have already begun to be implemented in Angola, based on information provided by the Financial Intelligence Unit. We think it is also important that all countries develop and speed up legal cooperation mechanisms and knowledge-sharing regarding such matters as the origin and destination of funds, as well as the implementation of restorative measures required by other foreign States.

The President: I now give the floor to the Second Minister of Finance of Malaysia.

Mr. Ahmad Husni Hanadzlah (Malaysia): I join other Council members in thanking you, Mr. President, for convening this meeting, which Malaysia fully supports. I wish to acknowledge the presence of my counterparts around the table, which is a sign of our collective resolve to combat the scourge of terrorism, particularly its financing aspects. I also wish to express appreciation to His Excellency Mr. Ban Ki-moon and to Mr. Je-Yoon Shin for their respective briefings on the issue at hand.

I wish to echo and underscore the sentiments by earlier speakers about the need for additional measures to further isolate the terrorist entity Daesh/Islamic State in Iraq and the Levant (ISIL) from the international financial system, with a view to effectively constraining and ultimately cutting off its sources of funding.

Malaysia strongly condemns the recent multiple terrorist attacks, including the most recent ones in Paris, Beirut, Mali and the Sinai.

Malaysia strongly rejects the warped ideology of Daesh. We fully reject any attempt on its part to link such ideology with Islam, which is a religion of peace, compassion, moderation, justice and tolerance towards all cultures and religions.

Too many innocent people have paid the price of terrorism, and the international community needs to step up to do more. The heinous attacks serve to reaffirm the need for all countries to stand united and firm against terrorism. We believe the United Nations and other multilateral frameworks provide the best platform for coordinated and sustained action. It is on that basis that Malaysia fully supports the present initiative by both the Russian Federation and the United States, and we welcome the unanimous adoption of resolution 2253 (2015) today, which we co-sponsored.

Malaysia welcomes the comprehensive coverage of the new resolution to further focus the long-standing 1267 (1999) Al-Qaida sanctions regime on evolving terrorist threats. The new resolution covers all aspects of the obligations of Member States with regard to establishing the necessary legal framework for the criminalizing of terrorism financing and to operationalize terrorism financing sanctions through the listing and delisting process.

On the domestic front, Malaysia has adopted a comprehensive framework that criminalizes terrorism financing and money-laundering. Punishment for terrorism financing under section 130N of the Malaysian penal code carries severe penalties, among others, of up to 30 years of imprisonment. The terrorism financing offence is also provided under the Anti-money-laundering, Anti-terrorism Financing and Proceeds of Unlawful Activities Act of 2001.

In June, Malaysia underwent the mutual evaluation exercise of the Financial Action Task Force (FATF). Among other things, the exercise highlighted Malaysia's commitment to FATF standards, including our strong legal and regulatory framework for combating terrorism financing. Malaysia's legal framework for targeted financial sanctions against terrorism provides strong tools to identify terrorist networks and take steps to freeze terrorist assets. The regime against terrorism is administered robustly and is well implemented, to a large extent based on resolution 1267 (1999).

Malaysia is well placed to adopt and implement the proposals set out in the new resolution. Our strategic plan under the anti-money-laundering and combating financing of terrorism act includes measures such as engaging with the private sector on terrorism financing issues and implementing the necessary measures.

Malaysia's financial regulators and compliance officers constantly exchange views and share information on issues relating to the implementation of anti-money-laundering and countering the financing of terrorism with our regional and international counterparts. We constantly work to identify key Daesh threats, including the trends and modus operandi of terrorism financing, enhance investigation techniques and conduct specialized training in relation to typologies, investigations and new areas.

The threat of international terrorism has increased with the terrorists' capabilities to manipulate the various technological innovations of our time. Hence, it is imperative that Member States resolve to undertake further multilateral and high-priority measures to combat terrorist financing. Our experts will have to continuously work together to address the defining and urgent challenges arising from that threat. The international community needs to be vigilant of terrorist financing activities. Concerted efforts are urgently needed not only to adopt and implement the new resolution, but also to renew our commitment to

carry out the measures conscientiously to counter the challenge.

In conclusion, Malaysia joins other Council members in urging all Member States to continue to take appropriate measures to counter radicalization and violent terrorism in all its forms and manifestations that lead to terrorism, financing, recruitment or the mobilization of individuals into terrorist groups.

The President: I now give the floor to the Vice-Minister for Foreign Affairs of Lithuania.

Mr. Krivas (Lithuania): My delegation would like to commend the presidency for steering the negotiations that led to the adoption of resolution 2253 (2015) and for organizing this timely debate. We hope that this innovative format, with the participation of senior officials in charge of the subject matter, will become a tradition for the Security Council, which strives for practical impact. I would also like to thank the Secretary-General and the President of the Financial Action Task Force for their insightful briefings.

The resolution adopted today clearly identifies countering the financing of terrorism as one of the priorities in the fight against terrorism. The financing of terrorism and its connections with organized crime represent a widespread and very complex phenomenon. We should protect the integrity and stability of the international financial system, cut off the resources available to terrorists, deny possibilities for those engaged in terrorism financing to profit from such activities and, ultimately, hold them to account.

Money-laundering represents a significant part of the funds raised to finance terrorism. We therefore acknowledge the important role of banks and other reporting industries in the identification and tracking of terrorist financing activities. In that regard, we welcome the steps taken by the Council — including its resolutions 2191 (2015), 2199 (2015) and 2253 (2015), the last of which includes a major review of the Al-Qaida sanctions regime. We also welcome the work and recommendations by the Financial Action Task Force, which enable Member States to effectively counter the financing of terrorism, including by Daesh, Al-Qaida and associated individuals and entities.

As a member of the European Union (EU), Lithuania supports and actively participates in the EU's engagement with regional and global partners on the issue of countering terrorism financing, such

as the United States, the Council of Europe, the Gulf Cooperation Council and the United Nations. The EU has taken a number of important steps in that regard, including securing effective implementation of anti-money-laundering/countering the financing of terrorism mechanisms, advancing the establishment of financial intelligence units and much more.

At the same time, we spare no effort in stepping up internal preparedness by Lithuania. Back in 2013, Lithuania revised its legislation to bring the measures against the financing and support of terrorism into full conformity with its international obligations, as well as with the recommendations of the Committee of Experts on the Evaluation of Anti-Money-laundering Measures and the Financing of Terrorism. Lithuania is now well-positioned for international cooperation in that regard. Our institutions now focus on the effective implementation of the revised legislation. To raise awareness, the Ministry of Foreign Affairs has included detailed information about it on its Internet site.

As a practical step of implementation, the director of our national financial intelligence unit has issued an order that establishes a list of 50 criteria related to clients' behaviour, the nature and background of monetary transactions and geographic aspects. It gives clear guidance for reporting entities on recognizing suspicious transactions and on reporting suspected terrorist financing.

While countering money laundering and the financing of terrorism is one of the priorities, we also recognize that terrorism can be defeated only by a comprehensive response. That means that every aspect — from conditions conducive to terrorism to incitement to commit terrorist acts, from terrorists' military infrastructure to large-scale offensives, from the flow of foreign terrorist fighters to the supply of arms and other non-financial support — must be addressed in its own right. We must maintain commitment to bringing terrorists and their accomplices to justice, and send out a strong and clear message that support for or carrying out terrorist activities will never be tolerated.

The essential element of all these efforts remains the long-term commitment of States and their cooperation. We note especially the significant and admirable efforts that have been made by the countries neighbouring conflict zones. But we also recognize that individual States may lack capacities to address those aspects adequately, and therefore we support a call to the donor

community and the United Nations to help build the capacities of States in need.

The President: I now give the floor to the Permanent Representative of New Zealand.

Mr. Van Bohemen (New Zealand): Let me congratulate you, Secretary Lew, for convening this meeting today of so many finance ministers, and I acknowledge the presence of so many of your colleagues in the Chamber today. Sadly, the New Zealand Minister of Finance was not able to join you, Mr. President, but he does send his greetings and his support for the work done today.

The Islamic State in Iraq and the Levant (ISIL)/Daesh is one of the gravest threats we have known to the purposes and principles of the United Nations. Over the past year, we have watched in horror as ISIL and Al-Qaida have conducted attacks against innocent civilians around the world. There has been a ripple effect of fear and intolerance that has gone further.

The Security Council's message in today's resolution 2253 (2015) is simple: the whole United Nations membership must work more actively to disrupt ISIL, Al-Qaida and associated terrorist groups. We are pleased that the resolution takes a more comprehensive approach to the issue of countering ISIL. We believe that it is essential that when the Council considers this threat it look at the whole threat posed by those groups and consider it beyond the narrow prism of the sanctions regime, which has sometimes been the only focus, particularly of the Committee that I chair.

That is why we regard the new element in the resolution today calling for a comprehensive, strategic report by the Secretary-General as particularly important. It should ensure that the Council does have that totality of understanding when it takes decisions affecting ISIL. Fundamentally, we need to deny ISIL, Al-Qaida and their affiliates the resources to operate — the oxygen that fuels the fire. The targeting of terrorist financing has never been more important.

As I have previously reported as Chair of the pursuant to resolutions 1267 (1999), 1989 (2011), and 2253 (2015), ISIL generates revenue internally and has diverse funding sources. The non-traditional sources of terrorist financing — whether fund-raising through social media, organized trade in oil and antiquities or self-funded foreign terrorist fighters — can be difficult to disrupt without the coordination of efforts at all levels.

That includes coordination with the private sector and solid financial intelligence. We need to attack all the financial flows, all of the time.

Member States are obligated to prevent and criminalize terrorist financing. The Financial Action Task Force (FATF) provides essential expertise and support in those areas, in what is now a global standard. It is worrying, therefore — as the President of the FATF has reminded us — that there are gaps in the legal effectiveness of some Member States' regimes. We are talking not about the numbers of laws enacted or prosecutions undertaken, but about how effective our overall systems are to prevent, detect and stop terrorist financing. Our challenge is to operationalize the sanctions regime and the obligations that we have put on paper. That requires political will and prioritization, and a greater practical focus on implementation, compliance and follow-up.

There is significant but unrealized potential in the sanctions list. We have the measures, but need the wider United Nations membership to provide the listings. While there are existing listings relating to ISIL, Al-Qaida and their leaders, there is a need to update the list to reflect the threat, as stated in resolution 2249 (2015). We have to be better at targeting those who facilitate funding and support, and are within our grasp. The web of funding streams and support extends well beyond the territory that ISIL controls, including to a growing list of affiliates. The list needs to be an operational instrument, not a policy statement. As a result of resolution 2253 (2015), the list's annual review also now has more teeth, with incentives for States to cooperate and remain engaged. Delisting as a possible consequence of Member States not providing up-to-date information is now a reality.

As Chair, New Zealand is committed to openness and engagement with the broader United Nations membership. That is for its own sake and to enable greater understanding, support and implementation. That is an important point because the regime will not work if Member States do not cooperate with it. As Chair, I have to say frankly that there are aspects of the way the regime operates that have concerned me. The Committee's rules and practices can, in my view, compromise the effectiveness of the very regime we are seeking to implement. While consensus can be a strength, to require unanimity before any action can be taken on important matters, such as the investigation of allegations of non-compliance, is a major weakness.

It politicizes the regime and arguably goes beyond the Charter of the United Nations provisions on decision-making. In our view, the Council needs to have a good look at that aspect of the regime.

As Chair, we want to be practical about sanctions exemption requests, such as for basic expenses and travel bans, and encourage Members to utilize them and work with them. We are pleased, therefore, that today's resolution provides explicitly for the granting of exemptions for asset-freezing provisions. That will allow the regime to be applied practically and will strengthen rather than weaken the regime.

The Office of the Ombudsperson is essential to the effectiveness and support of the regime. It is a real success story. It is vital to demonstrate that the due-process requirements are being fulfilled. New Zealand, as Chair, has, like others, put significant effort into managing the successful transition to our new Ombudsperson, Ms. Catherine Marchi-Uhel. However, as the first Ombudsperson reported, there are still shortfalls in the Office's arrangements. We hope that the Secretariat will act on the expression of will in resolution 2253 (2015) to ensure the necessary arrangements to carry out the Ombudsperson's mandate in an effective and independent manner. We, as a Council, need also to ensure that the Monitoring Team and the Security Council Affairs Division are properly resourced to carry out the tasks that have been assigned to them.

We should never allow the threat posed by ISIL and Al-Qaida to become normalized by the repetition of "UN-speak" or the tyranny of distance from so many of our own countries. The atrocities and deprivations committed by ISIL, Al-Qaida and affiliated groups are very real and hurt us all. The sanctions regime is a living instrument that we must regularly adapt. Resolution 2253 (2015) is just that — an adaptation and a strengthening of the regime to counter the growing threat ISIL.

The President: I call on the Permanent Representative of Nigeria.

Mrs. Ogwu (Nigeria): I want to thank the delegation of the United States for convening this seminal meeting to address a very critical dimension of terrorism. Being the first Security Council meeting held at the level of Finance Ministers, it underscores the readiness of the Council to adopt a holistic approach to examining terrorist financing. We acknowledge

the presence of participating Finance Ministers and welcome them to the Security Council. I want to thank the Secretary-General for sharing his perspectives on this subject. Mr. Shin, President of the Financial Action Task Force (FATF), has provided significant insights into countering the financing of terrorism, and we are indebted to him.

The threat of terrorism is expanding and intensifying. This scourge is affecting a greater number of States throughout the entire world. Terrorist groups have developed an insatiable appetite for territory. They are increasingly laying claim to territory and, indeed, setting up administrative structures to support them. They continue to gain access to significant funding streams, which they use to support their destabilizing activities.

Nowhere is that more profound than in the case of the Islamic State in Iraq and the Sham (ISIS). The ISIS phenomenon demonstrates a new type of terrorist organization. The group sustains its operations through funding, illicitly generated within the territory that it occupies. That is primarily from looting banks, exploiting oil fields, kidnapping for ransom and robbing economic assets. Those funding streams are crucial to the activities of ISIS. Cutting them off is therefore of critical importance and should be a top priority for the international community. That also applies to Al-Qaida, the Al-Nusrah Front, Al-Shabaab, Boko Haram and other terrorist groups.

Criminalizing the financing of individual terrorists and terrorist organizations, implementing the relevant United Nations sanctions regime and multilateral action are some of the most most potent weapons in the arsenal of the international community in the war against the financing of terrorism. International cooperation must be strengthened to achieve the goal of stifling the funding of ISIS and other terrorist groups. A comprehensive approach within the scope of the rule of law and due process, respecting all principles of the Charter of the United Nations and international human rights and humanitarian law, is essential. It requires urgent action at the international, regional and national levels.

At the international level, the Security Council has provided effective leadership in countering the financing of terrorism through instruments such as Al-Qaida sanctions regime and resolution 2199 (2015). The Al-Qaida sanctions regime requires United

Nations Member States, among other things, to freeze the assets of ISIS, Al-Qaida and other listed entities and individuals. Resolution 2199 (2015) specifically targets the oil trade, the trade in cultural property, kidnapping for ransom and other sources of funding exploited by terrorist groups. All of this demonstrates the commitment of the Council to advancing the countering terrorist financing agenda.

At the regional level, specifically in West Africa, the Intergovernmental Action Group against Money Laundering (GIABA) — an institution of the Economic Community of West African States (ECOWAS) — is playing a key role in the efforts of ECOWAS member States to comply with international standards in combating money-laundering and countering terrorist financing. In addition to its engagement with Governments, GIABA also works with financial institutions that operate in ECOWAS States in order to strengthen their capacity to combat money-laundering and the financing of terrorists. In response to the threat of terrorism, ECOWAS has taken a variety of measures, including the enactment of laws to combat terrorist financing and the establishment of the relevant institutional frameworks. They have enhanced cooperation among their national agencies and with international partners. They have also strengthened their investigative and prosecutorial capacities.

At the national level, Nigeria has enacted legislation to combat terrorist financing. In 2014, the Anti-Money Laundering and Combating the Financing of Terrorism in Banks and Other Financial Institutions Regulations were adopted. The objective of the law is to provide compliance guidelines for finance institutions to counter money-laundering and the financing of terrorism that are consistent with international best practices under the regulatory purview of the Central Bank of Nigeria. The regulation empowers the Central Bank to diligently enforce measures to counter money-laundering and the financing of terrorism, as well as to ensure compliance by all financial institutions in the country. In addition to setting up those units in all financial institutions and banks, the regulation requires financial institutions to report all suspicious transactions to the Nigerian Financial Intelligence Unit. The regulation is consistent with the recommendations of the Financial Action Task Force concerning resolutions 2170 (2014) and 2178 (2014).

It is not sufficient to establish laws and regulations to disrupt terrorist financing. We must ensure that they work effectively. Governments must also approach

those laws in a whole-of-Government approach that implements the United Nations sanctions regimes, identifies terrorist financing risk and develops effective ways to detect, disrupt, deter and prosecute terrorist financing. We must devise mechanisms to identify, monitor and take action against unregulated money transfer services and strengthen the transparency of financial flows. The ability to detect, analyse and share information about financial flows is essential to financial investigations.

National financial intelligence units and other competent national authorities must be empowered to effectively discharge these mandates. This may require capacity-building intervention on the part of the Counter-Terrorism Committee and other relevant entities. Those entities may also help to identify gaps in Member States' competencies that diminish their capacity to detect and disrupt terrorist financing, and make appropriate recommendations on how to bridge those gaps.

It is essential that the international community develop a harmonized and decisive response to cut off the sources of financing that sustain ISIS and other terrorist groups. This is a critical first step in degrading and defeating them. To achieve this, information sharing, cooperation and coherence must be enhanced at all levels. In that regard, we believe that resolution 2253 (2015), just adopted this afternoon, is a vital step forward and a practice point of departure toward our common purpose.

The President: I thank the representative of Nigeria for her statement and note the horrible violence and death of thousands in Nigeria perpetrated by Boko Haram. It is yet another reminder of how important the work we are doing here today is.

Mr. Ramírez Carreño (Venezuela) (*spoke in Spanish*): I would like to thank Mr. Jacob Lew, United States Secretary of the Treasury, and his delegation for having convened this debate on an issue of such importance — the threat to international peace and security posed by terrorism and its financing. We also thank in particular the Finance Ministers and other national officials for their presence here this afternoon, as well as the Secretary-General and the President of the Financial Action Task Force, Mr. Je-Yoon Shin, for their attendance here today.

My country highlights the unity and joint efforts of all the members of the Security Council that enabled the unanimous adoption today of resolution 2253 (2015),

whose provisions are central to addressing this issue of global reach while also serving to adapt the instruments and mechanisms of the Council to the situation facing humankind today, in particular the ruthless actions of terrorist groups such as the Islamic State in Iraq and the Sham (ISIS). We note that the Security Council is able to effectively fulfil its mandate when the necessary political will is there. We hope that this spirit will prevail, enabling us to address and resolve important issues that have awaited the Council's attention for years.

Venezuela reiterates its categorical rejection of acts of terrorism in all its forms and manifestations, irrespective of motive, wherever and by whomever it is committed, bearing in mind that such acts constitute flagrant violations of international law and violate the right to life. Accordingly, my country wishes to express its deep concern over the accelerated pace at which the phenomenon has spread, and the unprecedented military and logistical capacity at the disposal of terrorists acting in the Middle East, Africa and Europe. The extraordinary military capacity of terrorist groups has been directly linked to the destabilization of countries such as Iraq, Libya and Syria through military intervention, foreign interference and war. It must be stated clearly that the rapid rise of terrorism is the result, *inter alia*, of the financial and military support provided to armed and violent non-State actors who were previously exploited as instruments of destabilization before becoming terrorist groups that merged with ISIS, expanding rapidly.

My country is appalled by the suffering and high cost in human life paid by the peoples of Iraq, Libya and Syria, among others, as a result of the barbaric acts and violence of terrorist groups. It is time for the Security Council to act to prevent the financing and support of terrorism, while complying with international law. My country therefore firmly supported resolution 2199 (2015) and resolution 2253 (2015), which we adopted earlier today. We hope that all States will work towards their strict implementation, without exception or double standards.

The most recent terrorist attacks, in particular those committed by ISIS, demonstrate that vulnerability in the face of this terrible scourge and the phenomenon of foreign terrorist fighters is now worldwide. That is why the role of the Council will be crucial in the fight to address this extraordinary threat to the future of humankind. In the same vein, we stress that effectively

combatting terrorism, including the financing thereof, will require robust joint efforts on the part of the international community. States must boldly assume their responsibility for fighting this scourge by ensuring full compliance with the provisions of international instruments and the resolutions of the Security Council and the General Assembly prohibiting the transfer of arms to, the financing and training of, and the provision of safe haven to terrorist groups.

Effectively tackling this phenomenon does not allow for dichotomies, because there is no such thing as good terrorists and bad terrorists. Terrorism is a single phenomenon that must be prevented, confronted and eliminated unequivocally. That is why the international response to this scourge requires an assessment of the conditions that favour its spread throughout the world, without justifying the commission of terrorist acts in any circumstances, with a view to developing effective and innovative strategies to counter terrorist and extremist narratives so as to prevent the radicalization, recruitment and mobilization of both human and economic resources in its favour.

Much progress has been made since 11 September 2001 in combating financing for terrorist groups, but clearly it is not enough. As terrorist societies and groups have evolved, these criminal organizations have also improved their methods of building and managing their resources. The best example of that is the way that ISIS has supported itself thanks to revenue illicitly generated in the occupied territories, primarily by exploiting and selling oil, looting banks, smuggling cultural heritage and antiquities and kidnapping for ransom, among others. In that regard, financial intelligence activities, along with the timely exchange of operational information, are crucial if we are to disrupt and dismantle the financial infrastructure of such terrorist organizations, keeping in mind that ending their financing will help to limit and even contain their criminal activities. It is important to understand how they manage their resources if we are to combat them effectively.

Finally, we believe the international community must continue to work to create, implement and strengthen strategies that can neutralize terrorist groups' ability to act. In that regard, we believe that the eventual adoption of an international convention against terrorism would complement the range of international legal instruments we already have, by enabling us

to arrive at a definition that would strengthen the consensus on this subject.

The President: I now give the floor to the Permanent Representative of Chad.

Mr. Cherif (Chad) (*spoke in French*): I too would like to thank the United States presidency for organizing this special Council meeting of finance ministers devoted to the fight against terrorist financing. I would also like to thank the Secretary-General and Mr. Je-Yoon Shin, President of the Financial Action Task Force (FATF), for their briefings.

Effectively countering every form of financing of terrorism, including the raising, transfer and use of funds and other financial assets by terrorists, requires States to continually adapt their responses to the terrorists' increasingly sophisticated methods in an era of technological advances and globalization. In that regard, we welcome the results that have been achieved through the sanctions regime imposed on Al-Qaida through resolutions 1267 (1999) and 1989 (2011). As the principal tools available to the Security Council, they have enabled us not only to implement sanctions measures such as the assets freeze, travel ban and arms embargo, but also to prevent the transfer of weapons to the individuals and entities on the sanctions list. We commend the activities of the Committee established pursuant to 1267 (1999) and 1989 (2011) concerning Al-Qaida and associated individuals and entities and would like to express our appreciation to the Analytical Support and Sanctions Monitoring Team for its valuable assistance to the Committee in implementing the Security Council's measures.

Resolution 2253 (2015), which we have just adopted, strengthens the existing sanctions regime against Al-Qaida and takes into consideration the new aspect of the terrorist threat stemming from the activities of the Islamic State in Iraq and the Levant (ISIL). Chad welcomes this significant new phase in the fight against terrorist financing, which specifically targets the illicit trade in oil and petroleum products, modular refineries and related materiel, as well as associated individuals and entities who facilitate the travel of foreign terrorist fighters.

The process of adding individuals to the sanctions list must be done with transparency and respect for human rights. In that regard, we emphasize the importance of ensuring the independence of the Office of the Ombudsperson and of strengthening its

capacity by providing it with the tools and resources it needs to function. We would also like to stress the importance of strengthening the independence of the Monitoring Team. Furthermore, the appointment of the Ombudsperson and the Monitoring Team experts should be done in respect for transparency and competence, as well as for the principle of regional representation.

Beyond this, we are impatiently awaiting the various reports requested under resolution 2253 (2015), particularly that of the Monitoring Team working jointly in cooperation with the Executive Directorate of the Counter-Terrorism Committee in following up on the implementation of resolutions 2199 (2015) and 2178 (2014), as well as the report of the Secretary-General on United Nations action aimed at helping Member States combat this threat.

Strengthening the global fight against terrorist financing has to be done by enacting and implementing measures on the national, regional and international fronts. In that regard, to the extent that it means permit, Chad has made major efforts to prevent and combat money-laundering and terrorist financing. To do so, we have established a national financial investigation agency and begun to implement the relevant community regulations established on 4 April 2003 by the Central African Economic and Monetary Community.

After adopting our first ever anti-terrorism law a few months ago, we are determined to add to our legislative arsenal in order to be able to more effectively combat terrorist financing in all its forms, in accordance with the relevant FATF recommendations concerning the fight against money-laundering, terrorist financing and the proliferation of weapons of mass destruction. The FATF recommendations form the basis of a coordinated response to threats to the integrity of the financial system and will help to harmonize its regulation at the global level. In that regard, efforts are under way to enact legislation prohibiting terrorist financing in all its forms. Chad participated actively in formulating a subregional strategy for combating terrorism and arms trafficking in Central Africa and we expect to ratify the 19 international instruments on terrorism in their entirety.

The addition of ISIL to the sanctions list and the change of the name of the sanctions regime, henceforth to be known as the ISIL (Daesh) and Al-Qaida sanctions list, signals the international community's determination to respond commensurately to the extremely serious

threat that terrorism represents. However, we should recall that the deliberately provocative names that terrorist organizations give themselves cannot and should not be associated with any religion, nationality or civilization. The fight against terrorism must not become a vehicle for inciting religious hatred and fear, because terrorism is a global threat that does not confine itself to any religion or community.

In conclusion, we note that there is an entire range of tools and norms for effectively combating terrorist financing, including the relevant Security Council resolutions, especially resolutions 1367 (1999), 2199 (2015) and 2253 (2015), adopted today. What is therefore lacking is their effective implementation. We urge every State to get to work immediately to tackle the problem of terrorist financing.

The President: I thank the Permanent Representative of Chad for his statement and I note that the people of Chad have suffered terrible violence at the hands of Boko Haram. As we look around the table, there are too many reminders of how important this work truly is.

I now give the floor to the representative of China.

Mr. Zhao Yong (China) (*spoke in Chinese*): China welcomes the initiative of the United States presidency to convene today's meeting and thanks Secretary-General Ban Ki-moon and President Je-Yoon Shin of the Financial Action Task Force (FATF) for their briefings.

At present, international terrorist activities are rampant. The international community is experiencing a severe resurgence of terrorism, which has become its most severe and urgent security challenge. International terrorist forces are using all sorts of channels to raise funds for their terrorist activities, thereby endangering the stability of the global financial system. In recent years, the international community has worked diligently to combat the financing of terrorism, but many challenges remain in that regard.

First, the sources of terrorist funding are many. International terrorist forces, in addition to such traditional methods as receiving donations and committing armed robbery, are using new channels to raise funds, including the illegal exploitation of and trafficking in oil and other mineral resources, the smuggling of cultural relics and ransom payments.

Secondly, the financing of terrorism is becoming ever more discreet, due to the growing number of ways to transfer funds in today's world, in particular the

rapid growth of electronic payment platforms. It has become more difficult to precisely identify the sources of funding of terrorist organizations.

Thirdly, international cooperation in that regard needs to be strengthened. At present, coordination in this field remains inadequate and double standards persist. Some countries are still facing real difficulties in implementing the Council's resolutions and FATF rules.

Fourthly, efficiency in combating the financing of terrorism needs to be further improved. The current lists of terrorists lack information that is crucial to identifying them, thereby hampering effective monitoring by the financial organizations.

With respect to combating the financing of terrorism, China wishes to emphasize the following five points. First, the fundamental principles of counter-terrorism action must be strictly followed. Terrorism is the common enemy of humankind and any act of terrorism — whenever, wherever or by whomever conducted and for any motivation — constitutes a serious crime. There must be no double standards in counter-terrorism. International counter-terrorism activities must adhere to the purposes and principles of the Charter of the United Nations and other recognized fundamental norms of international relations, and bring into full play the leading role of the United Nations. That is the primary principle in our efforts to combat the financing of terrorism.

Secondly, the resolutions of the Council and relevant rules of FATF must be implemented effectively. China welcomes the adoption today of resolution 2253 (2015). All countries should comply with the provisions of the resolution so as to further improve their domestic legislation, establish appropriate mechanisms and ensure the effectiveness of the measures they undertake. All countries should also comply with the rules of the FATF to strengthen cooperation in financial monitoring and crack down on illegal activities, such as underground banking, so as to cut terrorist funding channels.

Thirdly, international cooperation in combating the financing of terrorism should be further enhanced in the light of new trends and changes in methods of terrorist financing, the international community should adopt targeted measures and approaches at the international level. It is important to fully exploit the advantages of the United Nations and other international

organizations, including through the establishment of databases and information-exchange platforms for that purpose. At the national level, it is imperative to enhance interdepartmental coordination and information analysis. At the industrial level, Internet companies and network carriers should exercise self-discipline and consider the adoption of a global industry-wide code of conduct at an early date.

Fourthly, continuous efforts should be made to increase efficiency in the financing of terrorism, China hopes that the countries concerned will provide detailed information when submitting listing requests for individuals and entities. The Ombudsman and the Council's sanctions Monitoring Teams should assist the sanctions committees in further improving the current sanctions lists.

Fifthly, assistance should be provided for capacity-building of developing countries, which are limited in their means and resources to confront terrorist threats. The international community should focus on the real difficulties faced by the developing countries in combating financing for terrorism, and provide them with effective assistance, including financial resources and training of personnel.

China is firmly opposed to all forms of terrorism and is an important actor in international counter-terrorism efforts. We will strengthen our counter-terrorism cooperation with the international community, including by combating the financing of terrorism through joint efforts in the maintenance of international peace and security.

The President: I now give the floor to the Permanent Representative of the Russian Federation.

Mr. Churkin (Russian Federation) (*spoke in Russian*): We welcome the convening of today's Security Council timely and important meeting on suppressing the financing of terrorism.

The consequences of the outbreak of terrorism in the Middle East and North Africa are spreading far beyond the region. The recent terrorist attacks demonstrated that the world is facing a threat of global nature and scale. At the same time, it is quite clear that its breeding ground lies in the Iraqi and Syrian territory that has been seized by the so-called Islamic State in Iraq and the Levant (ISIL). There is a need to rebuff ISIL decisively and in a coordinated manner, and to that end to elaborate a clear mechanism for action by the international community. We can eradicate that

absolute evil only by acting together, without double standards, and by fully suppressing the channels used to finance terrorism.

In February, at Russia's initiative, the Security Council adopted resolution 2199 (2015), reaffirming and creating new commitments for States in preventing the financing of terrorism through the illicit trafficking of oil, other natural resources, antiquities and other sources. Unfortunately the obligations under the resolution are not being shouldered by all or everywhere. In that regard, it is clear that the special responsibility for suppressing the channels for the financing of ISIL unavoidably rests with the States bordering on Iraq and Syria. We are forced to note that the sale of fossil fuel from ISIL-controlled territory continues. It is organized with the complicity of tenebrous economic structures, whereby oil is acquired by smugglers for cash in areas where it is extracted and refined. They freely cross borders, entering in direct contact with the heads of ISIL and conclude business deals with them.

It is estimated that the illicit export of fuel by ISIL is reaching \$1.5 million per day. The majority of oil products move through Turkey. In the majority of cases, oil is transported in trucks by road through the border crossing points of Karkamış, Akçakale, Cilvegözü and Öncüpınar. The trucks number in the thousands, and the shipments are carried out on behalf of ISIL by a number of Turkish companies, including Serii in the city of Konya and Sam Otomotiv in the city Antakya. The oil purchased in Turkey for ISIL is transported to the Tüpraş Refinery in the city of Batman. However the main flow goes through Turkish ports located on the Mediterranean Sea, mainly Ceyhan.

As a result of air strikes by the Russian Federation's aerospace forces, the volume of illicit oil exports has been substantially reduced. On the other hand, it has increased the importance for terrorists of alternative sources of financing through other natural resources and agricultural and industrial production. The total value of that basket is already approaching \$700 million per year. For example, ISIL's income from the sale of phosphates is close to \$250 million; from the sale of barley and rye, \$200 million; and from cement, \$100 million. There is also trafficking in hostages and cultural artefacts, and foreign donations continue to flow in.

The proceeds are used by ISIL to purchase weapons and ammunition. The supreme military council of ISIL monthly allocates over \$30 million for that purpose.

Purchases of weapons and ammunition for terrorists take place through shell companies in a number of Eastern European States. Only since September, under the pretext of strengthening the Syrian opposition, rocket missiles for Grad multiple rocket launcher systems and grenades for hand-held portable anti-tank grenade launchers, small arms and ammunition, as well as spare parts for Gvozdika self-propelled howitzers have all entered ISIL-controlled Syrian territory. What is noteworthy is that most of the weapons consignments are of Soviet design, manufactured in Eastern Europe on expired Soviet licenses.

To eradicate ISIL's illicit economy, a quantitative strengthening of the measures undertaken by States and the international community as a whole is needed. An important step was taken today. Upon the initiative of Russia and the United States, the Council unanimously adopted resolution 2253 (2015), aimed at combating ISIL and other terrorist organizations and their financing. The key task of the resolution, in our eyes, lies in strengthening the regime for tracking and suppressing the channels used to illicitly finance ISIL and associated groups. The United Nations monitoring and sanctions mechanisms can now clearly focus on eradicating any manifestation of terrorist financing.

Work will not be limited to the United Nations alone. The potential of the Financial Action Task Force (FATF) to elaborate counter-financing and money-laundering measures will be activated. Forty-five days following the adoption of the resolution, the Secretary-General will issue a report containing concrete and frank assessments, including with respect to the sources of the illicit financing of ISIL.

It is important that the resolution pinpoints ISIL as the most dangerous independent terrorist threat. That is why the sanctions list and special committee were both renamed. The listing criteria have been made clearer, which will allow for any natural or legal person who has been complicit with that criminal organization to be subject to sanctions. The resolution calls for full coordination among States in their efforts to investigate crimes related to the financing of ISIL, Al-Qaida and associated organizations, including the extradition and prosecution of those guilty of such actions. Special stress is placed in that regard on cooperation with States on whose territory or against whose citizens such terrorist attacks have been carried out.

In the Russian Federation, we are working consistently and systematically at the national level to counter and suppress the financing of terrorism. On 18 November, by presidential decree, an inter-agency committee to suppress the financing of terrorism was created. An inter-agency plan has been elaborated, in the framework of which financial intelligence and law enforcement agencies have conducted close to 5,000 investigations, resulting in the initiation of 270 criminal cases. Over 1,600 natural and legal persons are suspected of having provided material support to ISIL. With the support of the legislative branch, work to improve legislation to counter terrorism is ongoing.

Our country will continue to take decisive measures to counter ISIL. We will defeat that evil only by presenting a common front. As the President Vladimir Putin of the Russian Federation has repeatedly said, combating the threat of terrorism will require the consolidation of the entire international community's efforts, with respect for the norms of international law and with a central role to be played by the Security Council.

The President: I thank the Permanent Representative of the Russian Federation for his statement and offer condolences for the lives lost in the terrorist attack on a civilian flight carrying so many holiday travelers.

There are no more names inscribed on the list of speakers. Before adjourning the meeting, I would like to make a few closing remarks.

This has been an unprecedented meeting, as well as a constructive and productive one. We have adopted resolution 2253 (2015), which will help us protect the international financial system from abuse and exploitation by terrorists, and we have reviewed our work to counter the financing of the Islamic State in Iraq and the Levant (ISIL). We have also reaffirmed our commitment to using the measures contained in today's resolution and the tools that we have honed over the past 14 years to make the world safer from ISIL and other deadly terrorist groups. We must remain united as we move forward to execute our task with the same determination with which we have spoken today in the adoption of the resolution. That is the only way we will be effective in combating the threat of terrorism.

I thank the Secretary-General and I thank Ambassador Power for organizing the meeting.

The meeting rose at 5.25 p.m.