



Committee: Security Council MS

Topic: Preventing and Combating the Financing of Terrorism

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Introduction

The Security Council was established on October 24, 1945, after WWII to deal with the failure of the League of Nations to maintain world peace. It was founded by five permanent member states because of the country's post-World War II importance. This committee has the primary responsibility to lead in solving threats to peace worldwide and tries to recommend new methods of adjustments of terms of settlements; The Security Council decides when and where to deploy UN peacekeeping operations.

The committee has 15 members, 5 of those members are permanent, Permanent membership of the Security Council was given to five governments under Oppenheim's International law because of their importance in the years after World War II, but on a proposal from the Security Council, the General Assembly may recall permanent members of the United Nations Security Council. Any country that has repeatedly violated the principles laid down in the current charter can be removed. The council's permanent members are The United States, France, China, Russia, and the United Kingdom. The other ten non-permanent members are chosen for two-year terms by the General Assembly. The council's current non-permanent members are Albania (2023), Brazil (2023), Gabon (2023), Ghana (2023), India (2022), Ireland (2022), Kenya (2022), Mexico (2022), Norway (2022) and the United Arab Emirates (2023).

A representative of each country member of the council must be present in case the committee needs to meet as a kind of urgency arises. The member states have the task of resolving conflicts by addressing both parties, reaching peaceful resolutions, and imposing sanctions and decisions.

Solutions in the Security Council can only be selected with the vote of 9 members out of those 15. Still, in the case that one of the permanent members opposes the given resolution, the permanent member can use the power of veto to end the negotiated settlement or decision, regardless of the Council's members' majority position to try and protect all countries national interests, enforce a foreign policy doctrine or, in some cases, to advance an objective that is especially important to one of the countries.

Combating the financing of terrorism or counter-terrorist financing (CFT) are laws, acts, or other implementations made to combat or fight the act of funding what governments deem as terrorist acts. Terrorist financing is the act of raising funds from different sources like drug dealing, kidnapping for ransom, fraud, weapon trafficking, or donations granted by businesses, all for the final purpose of financing a terrorist group, so it can operate. This operation usually gets related to money laundering, which is hiding money's origins when obtained in illegal ways. In this case, the funds granted are commonly used to commit unlawful actions.

Terrorism is a global problem that risks thousands of people's lives. Terrorist groups need money to carry out their operations, and if these groups don't get funds, they cannot buy weapons or supplies. As terrorist groups find new ways to finance their activities, the Security Council needs to find a way to restrict resources and stop their criminal activities. Since 9/11, terrorism has become a primary challenge for all countries. Law enforcement and criminal justice are vital tasks for the Security Council.

The committee has the capacity to investigate and prosecute terrorist operations in order to strengthen cooperation between nations against the financing of terrorists. This issue is critical as terrorist organizations are growing fast and strong. All members of the committee must share their insights toward finding an efficient and effective solution to the problem presented.

Development

On the report of the United Nations Office on Drugs and Crime, "Terrorist financing includes the purposes and grosses used by terrorist organizations to fund their activities". (UNODC) In 1999, members of the United Nations invented the International Convention for the Suppression of the Financing of Terrorism. This convention seeks to develop efficient policies toward legislation and operational-level responses to threats and terrorist activities. Some countries that were most affected by terrorist attacks in 2021 in terms of the death of people are:

Afghanistan is doubling the rates of the second most affected country, with 2,199 deaths provoked by terrorism, Iraq with 836 deaths, Mali with 551 deaths, Syria with 502 deaths, and Somalia with 478 deaths. The biggest terrorist group at the moment is the Jamaat Nusrat Al-Islam wal Muslimeen, operating in the Sahel, which is the fastest-growing terrorist organization in the world, growing 69% to 351 deaths in 2021. The deadliest terrorist group in the world is the Islamic State of West Africa, which killed an average of 15 people in each attack in Niger.

There are three main stages in terrorism financing. The first one of these stages is raising funds, the groups of terrorists can collect these funds via criminal or illegal activities. The second stage is transferring the funds to a criminal group, terrorist network, or cell. This is the stage with which money laundering is often associated. The last one of these stages is using the funds to buy weapons, shelter, food, and other necessities. In each stage of financing terrorism, the funds have to be "stored" in places like in a cash box or a bank account.

This operation becomes very similar to money laundering, as illegal funds are deposited to financial institutions or businesses in order to "clean" the money. The main difference between money laundering and terrorist financing is that terrorist financing is utilized to harm people in attacks and create fear in society. This is concerning as terrorism impacts economic development, dismantles society's order, and induces fear in citizens through violence and intimidation, all of this with the purpose of seeking extremist ideological purposes.

There are several risks involved in the financing of terrorism for every member of the committee. According to the International Monetary Fund (IMF), "Terrorist financing possesses risks to the health and stability of financial institutions and the financial system, increases the volatility of international capital flows, and constraints foreign direct investment." (IMF, 2000). This situation represents a threat to the world as millions of dollars are being used towards illegal activities, causing damage to society. According to INTERPOL, "Low-level fraud, kidnapping for ransom, abuse of non-profit organizations, illicit trading in commodities, and the usage of digital currency are sources of terrorist funding, among others." (INTERPOL)

More than a thousand banks are at risk for this situation, as transfer transactions can become the breakthrough for illegal financing activities. Act No. 9 of 2013 of the Prevention and Eradication of Terrorism Financing Convention states that banks need to cooperate with authorities when suspicious financial transactions are made with the intent of using for terrorism or involving people or institutions whose name is listed in the List of Suspected.

Various organizations are collaborating to combat this problem. The Financial Action Task Force (FATF), a government department with now 39 member countries, is primarily responsible for developing global standards to fight and combat money laundering and the financing of terrorism. The Egmont Group, a collection of specialist financial intelligence operations that seek to expose potential frauds, scams, and financial crimes, is another strategic alliance addressing this problem.

Since the outbreak of COVID-19, terrorist organizations have found a way to make more money and increase their revenues by raising and moving funds into the digital space using cryptocurrencies and other digital sources because of its anonymity and intractability, making the collected funds easier to manage between terrorist and criminal groups. As well as through fraud and the illegal commercialization of vaccines. Countries with areas with poor access to healthcare have been victims of these acts, as they have no other way to ensure the well-being of the habitants of those areas. It is a reality that terrorist groups are very creative when they finance using methods that are almost impossible to detect, causing their operations to be stronger and more innovative than in the past decades.

Conclusion

To the members of the committee, solving this issue is critical for the well-being of global security, keeping in mind the need for peace and cooperation, fighting terrorist financing will allow the elimination of this problem and provide people with a world without extremist groups and terrorist activities.

There are several actions that our nations can implement to solve this issue. The Security Council urges the committee members to cooperate and develop a common approach to this issue.

One method of conducting financial inspections is to monitor members' economic systems, as well as provide technical assistance and utilize technology in finances; these are some of the formerly efficient implementations that could further be expanded to detect suspicious activity.

An investigation is critical to maintaining peace; therefore, The Security Council also invites the committee members to carry out law enforcement and criminal prosecution against borders. This is important as members of these criminal groups may travel and cross borders within the territories of members of the committee. The committee can impose sanctions, laws, and other decisions that all active members of the committee must implement. Solving this issue also needs to be fast, as long-term solutions may take several years to implement.

The Security Council needs to provide people the opportunity to live without fear and eliminate the illegal financing that terrorist groups have had for the past years. The committee hopes all members are able to find solutions and implement them to solve this important issue.

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