



STATEMENT OF THE GROUP OF 77 AND CHINA ON ARTICLE 4 BIS OF THE DRAFT UN CONVENTION AGAINST TRANSNATIONAL ORGANISED CRIME, DELIVERED BY MR. KAMAL KUMAR, DIRECTOR, NATIONAL INSTITUTE OF CIMINOLOGY AND FORENSIC SCIENCE, INDIA, OCTOBER 6, 1999 - DURING THE 5TH SESSION AND INFORMAL CONSULTATIONS OF THE AD HOC COMMITTEE ON THE ELABORATION OF A CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME

Mr. Chairman,

I make this statement on behalf of the Group of 77 and China on an important issue relating to Article 4 bis: Measures to combat money laundering. The Group supports Option 1 as the basis of deliberations on this article.

2. The Group has problems with Option 2, particularly its paras 2 and 3 which seek to make it obligatory for the State Parties to adopt, and adhere to, the Forty Recommendations of the Financial Action Task Force on Money Laundering established by seven major industrialized countries. Indeed, Option 1 in its para 5 also calls upon the State Parties to give consideration to these recommendations but without forcing an obligation on them to adopt and adhere to them.

3. The Group of 77 and China feels that most of its member countries were not represented in the deliberations leading to the establishment of the Financial Action Task Force recommendations. Also, the recommendations, by their very nature, are subject to amendments by FATF members and not other Member States, party to this Convention. In fact, the recommendations, originally formulated in 1990, have already been amended once in 1996. This process may go on in future as well. It, therefore, may not be logically a very sound proposition to include adoption of such recommendations in a global convention in an obligatory manner.

4. The Group finds it difficult to accept the provision relating to "peer review" by the Financial Action Task Force, which may not be really necessary, particularly in the light of the spirit of what is going to be contained in Article 23 of the Convention.

5. Incidentally, contrary to the text of para 2 of Option 2, the UN General Assembly has merely recalled resolution no. 5 (XXXIX) of April 24, 1996 of the Commission on Narcotic Drugs where "noted".

6. The language of Option 1, which reflects the mechanism provided for the 1988 Drug Convention, is found more acceptable to the Group of 77 and China.

Thank you, Mr. Chairman, for your attention.