



**PERMANENT MISSION
OF THE PRINCIPALITY OF LIECHTENSTEIN
TO THE UNITED NATIONS
NEW YORK**

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CHECK AGAINST DELIVERY

SECURITY COUNCIL

OPEN DEBATE ON PREVENTING AND COUNTERING THE FINANCING OF TERRORISM

STATEMENT BY GEORG SPARBER

DEPUTY PERMANENT REPRESENTATIVE

Mr. President,

Liechtenstein is grateful for the opportunity to address this important topic in an open debate of the Security Council. We also welcome the fact that a Security Council resolution provides an updated basis for engagement of the international community in the prevention and countering of the financing of terrorism. At the same time, Liechtenstein would like to put its view on record that open debates should inform the drafting process leading to the adoption of Security Council resolutions and should therefore be conducted before adoption as a way to increase accountability and the inclusion of the wider membership.

Mr. President,

Liechtenstein is steadfast in its commitment to ensure that its financial center is not involved in any form of criminal activity. In this regard, the prevention and countering of terrorist financing remains a top priority. Strong domestic legislation must be promoted, which requires all financial intermediaries to exercise due diligence. Government institutions, in particular well-funded and operationally independent financial intelligence units, are instrumental to the effective implementation of such legislation. The Liechtenstein FIU has been the backbone of our domestic efforts to counter the financing of terrorism

over the last sixteen years. Close cooperation with international partners has been an important dimension of its work. As part of its activities, the Liechtenstein FIU, through the Egmont Group, assists other countries in increasing capacities of their financial intelligence units, appreciating that capacity-building is a vital component in the joint global effort to curb the financing of terrorism. Liechtenstein, as a member of Moneyval, also underlines the importance of properly resourced FATF Style Regional Bodies (FSRBs).

Mr. President,

Liechtenstein is particularly alarmed by the growing link between terrorism, human trafficking and modern slavery. Both human trafficking and other slavery-related crimes are increasingly employed as a terrorist tactic and as a fundraising instrument for terrorist groups. The Security Council has recognized this link by listing human traffickers under the Libya sanctions regime. Liechtenstein supports a more consistent practice in this regard and encourages further discussion, including on a possible thematic sanctions regime. As displacement becomes more pervasive, those affected, in particular women and girls, become increasingly vulnerable to human trafficking and modern slavery. In order to tackle this alarming situation, Liechtenstein launched, together with the government of Australia and the United Nations University, a Financial Sector Commission (FSC) on Modern Slavery and Human Trafficking – also known as the “Liechtenstein Initiative”. This Initiative directly addresses the appeal by the Security Council for States and the financial sector to collaborate in the fight against modern slavery and human trafficking.

In the FSC, actors from retail banks, hedge funds, global regulators, institutional investors, survivors as well as the UN and the anti-slavery movement are brought together to elaborate actionable measures, on which the global financial sector can build on to tackle modern slavery and human trafficking. Indeed, the financial sector must be a vital component and partner in blocking the financial flows generated by slavery-related crimes. As they handle funds generated from such activities, financial institutions risk infringing a number of existing laws – including laws on the financing of terrorist activities. This is why we have decided to employ our expertise as a financial center to help lead the global efforts to end modern slavery and human trafficking. The outcome of the work of the Liechtenstein Initiative will be presented during high-level week in September.

Mr. President,

Liechtenstein is keenly aware that the increased use of new technologies, in particular blockchain technology, provides both risks and opportunities in the fight against the financing of terrorism. It is in this spirit that Liechtenstein currently introduces a regulatory framework in this area, including to ensure that existing and future due diligence standards are applied to new technologies with a view to avoiding legal and regulatory gaps. Liechtenstein also continues to strongly advocate for the upholding of existing standards of human rights and humanitarian law when engaging in measures related to the countering of the financing of terrorism. The UN must lead by example where it undertakes actions to prevent and fight terrorism and counter its financing. Liechtenstein recognizes and appreciates the positive effects of the work of the Ombudsperson for the ISIL/Al-Qaida sanctions regime and support the institutional strengthening and expansion of the office to other sanctions regimes. The Security Council also has a particular responsibility to ensure that the mandates of its sanctions regimes, including on the countering the financing of terrorism, do not unduly restrict humanitarian action. While some consideration is given to this issue by the Council, its policy remains sketchy and inconsistent as reports by humanitarian actors continue to confirm. We share the concerns that certain provisions of Security Council resolutions may lead to *de facto* or *de jure* obstruction of humanitarian action. Provisions that could make it more difficult for humanitarian actors to use cash to provide assistance, that hinder the use of banking services for humanitarian actors, or that could further discourage humanitarian actors from operating in environments where terrorist groups remain operational directly affect civilians and must be avoided. Liechtenstein encourages the Council to issue consistent guidance to States to avoid unintended consequences in the implementation of its resolutions and to adopt a more coherent approach to ensure that humanitarian actors are given the necessary space to operate.

I thank you.