

## **H. Res. 495**

### ***In the House of Representatives, U.S.,***

*June 19, 2000.*

Whereas the International Monetary Fund has estimated the amount of international money laundering to be at least \$600,000,000,000 annually representing 2 to 5 percent of the world's gross domestic product;

Whereas money laundering is a crucial adjunct to the underlying crimes that generate money, including drug trafficking, kidnapping, murder, international terrorism, and other forms of violent crime;

Whereas money laundering and foreign corruption facilitate each other, undermining the efforts of the United States to promote democratic institutions and economic development around the world;

Whereas, in today's open and global financial markets, which are characterized by a high mobility of funds and the rapid development of new payment technologies, the tools for laundering the proceeds of serious crimes have become more sophisticated and readily available;

Whereas recent years have witnessed a sharp increase in the number of jurisdictions offering financial services without appropriate controls or regulation and which are protected by strict banking secrecy legislation which facilitates the anonymous protection for illegal assets in cer-

tain countries or territories making them even more attractive for money laundering;

Whereas the proliferation of such noncooperative countries or territories which do not, or only marginally, participate in international cooperation against financial crime, also exacerbates competition between these centers and so contributes to worsen existing practices and makes more difficult the maintenance of anti-money laundering standards in other countries;

Whereas, in order to ensure the stability of the international financial system and effective prevention of money laundering, all financial centers in the world should have comprehensive control, regulation, and supervision systems, and that all financial intermediaries and agents be subject to strict obligations, notably as regards the prevention, detection, and punishment of money laundering;

Whereas the Financial Action Task Force on Money Laundering (FATF), of which the United States is a founding member, was established for the purpose of developing and promoting policies to combat international money laundering;

Whereas the FATF, consisting of 26 jurisdictions including the United States and two international organizations, originally issued in 1990 and revised in 1996 40 recommendations designed for universal application that set out the basic framework for antimoney laundering efforts covering the criminal justice system and law enforcement, the financial system and its regulation, and international cooperation;

Whereas the FATF has determined the criteria for defining noncooperative countries or territories consistent with the

40 recommendations, and FATF members have agreed on a process for identifying noncooperative jurisdictions to include all countries and territories, both inside and outside FATF membership, whose detrimental practices seriously and unjustifiably hamper the fight against international money laundering;

Whereas the FATF has reported that the list of noncooperative countries or territories should include several subcategories of noncooperative countries or territories which could be as follows: clearly noncooperative with severe deficiencies in many areas, partly noncooperative with impediments in various areas, and de facto noncooperative with no significant impediments in laws and regulations but ineffective regime in practice; and

Whereas the FATF is gathering and analyzing all relevant information necessary for the publication of lists of noncooperative jurisdictions: Now, therefore, be it

*Resolved*, That it is the sense of the House that—

(1) the United States should continue to actively and publicly support the objectives of the FATF with regard to combating international money laundering;

(2) the FATF should identify noncooperative jurisdictions in as expeditious a manner as possible and publicly release a list directly naming those jurisdictions identified;

(3) the United States should support the public release of the list naming noncooperative jurisdictions identified by the FATF;

(4) the United States should encourage the adoption of the necessary international action to encourage compliance by the identified noncooperative jurisdictions; and

(5) the United States should take the necessary countermeasures to protect the United States economy against money of unlawful origin and encourage other nations to do the same.

Attest:

*Clerk.*