

106TH CONGRESS
2D SESSION

H. RES. 495

Expressing the sense of the House regarding support for the Financial Action Task Force on Money Laundering, and the timely and public identification of noncooperative jurisdictions in the fight against international money laundering.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2000

Mrs. ROUKEMA (for herself, Mr. BEREUTER, Mr. BLILEY, Mr. BORSKI, Mr. MCINNIS, Mr. GOSS, Mr. PICKETT, and Mr. MCCOLLUM) submitted the following resolution; which was referred to the Committee on Banking and Financial Services

RESOLUTION

Expressing the sense of the House regarding support for the Financial Action Task Force on Money Laundering, and the timely and public identification of noncooperative jurisdictions in the fight against international money laundering.

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 traf-

ficking, 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 certain 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 sub-

ject 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 2 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 non-cooperative jurisdictions: Now, therefore, be it

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

2 (1) the United States should continue to ac-
3 tively and publicly support the objectives of the
4 FATF with regard to combating international
5 money laundering;

6 (2) the FATF should identify noncooperative
7 jurisdictions in as expeditious a manner as possible
8 and publicly release a list directly naming those ju-
9 risdictions identified;

10 (3) the United States should support the public
11 release of the list naming noncooperative jurisdic-
12 tions identified by the FATF;

13 (4) the United States should encourage the
14 adoption of the necessary international action to en-
15 courage compliance by the identified noncooperative
16 jurisdictions; and

17 (5) the United States should take the necessary
18 countermeasures to protect the United States econ-
19 omy against money of unlawful origin and encourage
20 other nations to do the same.

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