



# 141<sup>st</sup> IPU Assembly

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Standing Committee on  
Peace and International Security

3 October 2019

## Panel discussion *Criminalization of money laundering*

*Tuesday, 15 October 2019 (4.30 – 6.30 p.m.)  
Amphitheatre (ground floor), Building B, Sava Centre*

### Concept note

#### **Background**

Money laundering is the process through which illegally obtained funds are given the appearance of having been legitimately obtained. Money laundering and corruption are inextricably linked. Where there is one, the other will be lurking in the background. Every year, huge amounts of funds are generated from illegal activities such as drug trafficking, tax evasion, people smuggling, theft, arms trafficking and corrupt practices.

There are several reasons why people launder money, among other: to legitimize illegally accumulated wealth and avoid it being seized by authorities; to avoid prosecution by distancing themselves from illegal funds; to evade taxes that would be imposed on earnings from the funds; and to increase profits by reinvesting the illegal funds in legitimate businesses.

Money laundering has huge economic and social consequences. It helps expand the black economy, undermines the global financial system and raises questions of credibility and transparency. It also encourages crime because it enables criminals to effectively use and deploy their illegal funds. Money laundering also "criminalizes" society as criminals can make legitimate profits by manipulating their illegal funds into legitimate businesses. Ultimately, money laundering undermines human development, international security and national economies. It destroys the integrity of a country's financial system, diminishes government tax revenues and weakens government control over the economy.

#### **The session will address the following questions:**

- Why should parliamentarians focus their attention on money laundering?
- What is the status of criminalization of money laundering world-wide and how can gaps be exploited?
- What specific steps can parliamentarians take to help prevent illegal financial transactions and corruption?
- How can parliamentarians ensure that a robust and efficient legislative framework is in place to combat money laundering and terrorist financing?
- How can parliamentarians fight impunity and ensure accountability so that no organization/business, public official or individual no longer be above the law when it comes to corruption and money laundering offences?

**Expected achievement and outcome:**

Specifically, the panel will aim to discuss how parliamentarians around the world can contribute to the design and to the effective implementation of anti-money laundering strategies. The debate will address the challenges to implementing parliamentary monitoring of the existing laws and to enforcing stricter ones in order to end corruption and money laundering crimes. These crimes fuel other crimes such as the financing of terrorism, human and small arms trafficking and drugs trafficking, among others.

**Format**

The session will be an interactive discussion between parliamentarians and experts. After introductory remarks by the panellists, the floor will be open for an exchange of views, and for questions and answers.