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United States Mission to the OSCE

Session I: Capacity Building – Preventing Money Laundering and the Financing of Terrorism

As delivered by Charles Hornbostel, U.S. Department of State
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Thank you, Moderator.

Thank you, distinguished panelists, for this engaging discussion on building states' capacities to tackle money laundering and terrorist finance. As the Coordinator's food-for-thought paper indicates, the OSCE can assist in great measure by facilitating capacity building and organizing training for entities, public and private, engaged in anti-money laundering and combating the financing of terrorism.

As the Financial Action Task Force is the international standard-setting body on all matters related to AML/CFT, the United States' capacity-building programs ensure that partners and assistance recipients adopt and implement the FATF Recommendations. In short, we train to the standard.

At the most basic level, we seek to establish and develop effective AML/CFT regimes around the world. We do this by ensuring that money laundering and terrorism financing are effectively criminalized; that jurisdictions have an effectively-implemented regulatory regime with preventative measures in places as called for by the FATF; that jurisdictions have financial intelligence units that receive financial disclosures, conduct analysis, and disseminate information to law enforcement; that law enforcement has the tools, authorities and capacity to conduct proactive financial investigations; that prosecutors and judges have the authority and capacity to understand and successfully prosecute financial crimes, including money laundering and terrorism financing, and that they have the tools to identify, trace, freeze, and confiscate assets as appropriate. We also emphasize the need to promote international cooperation and to facilitate cross-border information sharing, which are at the heart of the FATF standard. We conduct this work bilaterally as well as in partnership with other jurisdictions, FATF-style regional bodies such as MONEYVAL, and the Eurasian Group, the UN's Global

Programme against Money Laundering, and such International Financial Institutions as the IMF and the World Bank.

The newly-revised FATF Recommendations will come out later this month. We expect to review our assistance programs shortly thereafter, and expect that our partners will do likewise, to ensure that our capacity-building approaches reflect and incorporate the most current FATF standards.

As we noted in our opening remarks, the OSCE's unique comprehensive concept of security reminds us that, in the context of AML/CFT, we cannot strengthen state security by detecting and interdicting financial crimes if such efforts infringe on the human rights and fundamental freedoms of ordinary citizens and their representatives in civil society. We hope that this meeting will spark thinking about how the OSCE can serve as a platform for discussion, training and information exchange that promotes awareness of the essential linkages between the OSCE's human dimension commitments and the effective implementation of AML/CFT measures.

Thank you, Mr. Moderator.