

A Toolkit on
Illicit Financial
Flows:
Module 3

Advocacy Manual for Lawyers' Associations in the Global South



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About the project:

As a unique space under the Financial Transparency Coalition (FTC), the Southern Regions Programme (SRP) plays a crucial role of an incubator by placing just tax systems and financial transparency at the heart of development debates. In October 2017, during a South-South strategy meeting it was recognised to bring out a collaborative document that emerged from the perspective of the Global South. Five members¹ of the SRP came together to author the IFF Toolkit in an effort to address issues of financial secrecy, enablers of illicit financial flows, lopsided impact on domestic resources and the ability to raise further resources due to loss of revenue as IFFs and the much-needed reforms in the international financial architecture set in the context of Global South. The toolkit uses case study-based evidence to simplify the issue of tax abuse. The document also covers tax incentive abuse as a subject under IFFs. The toolkit has benefitted from discussions held at the Nepal Social Forum (March 8th-10th, 2018), Paper on Illicit Financial Flows: Rights, Restoring Justice and Freedom and Pan-Continental Southern Dialogue on Illicit Financial Flows², Nairobi (November 21-22, 2018).

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The publication has been produced by the Pan African Lawyers Union (PALU). This output does not intend to reflect the positions of all members of FTC.

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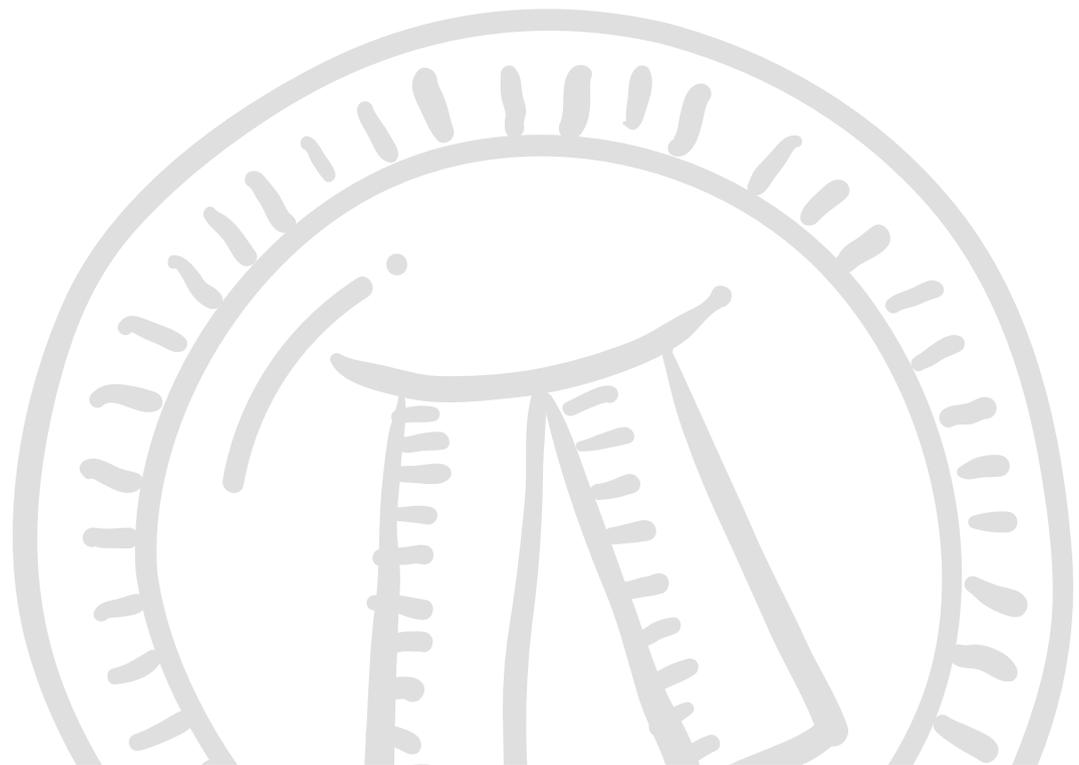
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¹ Asian People's Movement on Debt and Development (APMDD), Centre for Budget and Governance Accountability (CBGA), Latin American Network on Economic and Social Justice (LATINDADD), Pan African Lawyers Union (PALU) and Tax Justice Network Africa (TJNA)

² See more here - <https://financialtransparency.org/ftcs-pan-continental-southern-dialogue-illicit-financial-flows-nairobi-21st-22nd/>

A Toolkit on Illicit Financial Flows: Module 3

Advocacy Manual for Lawyers' Associations in the Global South



List of Acronyms

AAAA	—————	Addis Ababa Action Agenda
AMLA	—————	Anti-money laundering
FATF	—————	Financial Action Task Force
IBA	—————	International Bar Association
OECD	—————	Organisation for Economic Co-Operation and Development
PALU	—————	Pan-African Lawyers' Union
STR	—————	Suspicious transaction report
TFTC	—————	OECD Task Force on Tax Crimes and Other Crimes
UNCTOC	—————	United Nations Convention Against Transnational Organized Crime
UNGA	—————	United Nations General Assembly

Contents

Chapter 1 p6

Introduction and Background

Using this Advocacy Guide p9

Chapter 2 p10

The Origin of the Legal Profession's Responsibility to Curb IFFs

Legal Basis of the Legal Profession's Responsibility to Curb IFFs p12

Chapter 3 p20

Advocacy Options Available to the Legal Profession

Legal Litigation p22
Lobbying for IFFs Related Law Reforms p23
Public Awareness of IFFs, Education and Training p24
Citizen Sensitisation Programmes p25
Commissioning and Publishing Legal Research on IFFs p25

Chapter 4 p26

Opportunities and Challenges that Promote the Advocacy Efforts for the Legal Profession

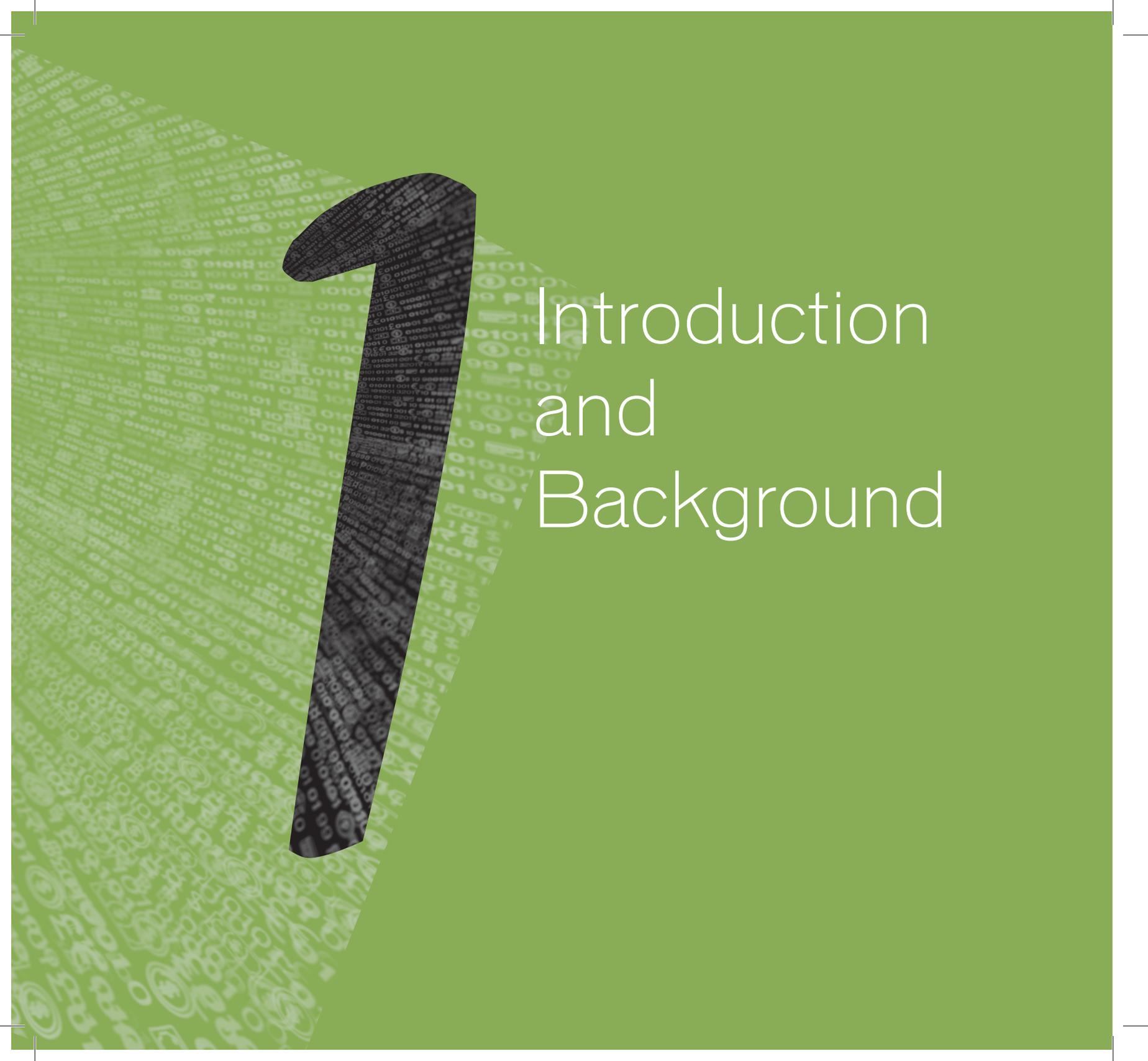
Challenges to Privilege and Confidentiality: Ethical Challenges p27
Multinational Corporations - Challenges and Prospects p28
Outflow of Capital p29
Tax Evaders p30
Organised Crime p31

Chapter 5 p32

Recommendations

Recommendations to the Lawyers Association and Legal Profession p33

End Notes p35



Introduction and Background

The rule of law is a basic principle in the defence of justice, human rights and moral sanctity of the society. The legal profession has a juxtaposed role in upholding and safeguarding the rule of law. This 'profession' embodies three values, namely, organisation, learning and the spirit of public service.¹ It embraces lawyers acting in accordance with higher standards.² Accordingly, the ethics of the profession are public service-oriented with rewards being incidental.³ Lawyers are therefore key change agents with great potential to influence positive policy reforms and socio-economic development in society.

However, the nobility of the legal profession stands challenged. It is now a commercial profession driven by monetary gain and greed. Lawyers skilfully use their legal knowledge and are often seen manipulating laws to their advantage rather than pursuing justice. Commentators see lawyers as 'enablers' of illicit financial flows or IFFs.⁴ Enablers of IFFs can be defined as a '[...] heterogeneous network of professionals that flouts and uses loopholes in both national and international laws to generate and drive the cross-border outflow of illicit finance'.⁵ Since the complexities of taxation,

law and global finance make it difficult to engage with these issues, the cardinal services of lawyers are often solicited.

The International Bar Association (IBA) has noted a decline in the ethical behaviour of legal professionals. More lawyers are facilitating IFFs and abusive tax practices and are more willing to give opinions on such transactions.⁶ For example, the Panama based law firm, Mossack Fonseca, was accused of creating shell companies as proxies for its clients to evade taxes.⁷

*'Every year huge sums of money are transferred out of developing countries illegally. These illicit financial flows strip resources from developing countries that could be used to finance much-needed public services, from security and justice to basic social services such as health and education, weakening their financial systems and economic potential. While such practices occur in all countries—and are damaging everywhere—the social and economic impact on developing countries is more severe given their smaller resource base and markets.'*⁸

IFFs are therefore a persistent challenge in the



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Global South.⁹ They account for substantial sums of money illegally transferred out of the Global South, stripping developing regions of resources that could have been used to finance much-needed public services such as health and education, as well as the progressive realisation

of human rights.¹⁰ At the heart of this challenge, lies the role played by enablers or facilitators of illicit flows, including banks, accounting and auditing firms, and lawyers. There are mounting allegations against lawyers abusing their profession at the expense of the integrity of the profession by providing services in furtherance of IFFs, whether directly or indirectly.¹¹ Despite this, legal expertise ranges from interpreting laws, upholding the rule of law, accounting for injustice, and holding perpetrators of economic injustice responsible for their activities in courts of law. This makes the legal profession well-placed to influence policy reform in municipal, sub-national, federal, regional and international law with regard to the fight against IFFs.



1.1 Using this Advocacy Guide

This guide highlights the important role played by lawyers in the promotion of global measures to combat IFFs, by enhancing the knowledge of lawyers' associations on the effects of IFFs in the Global South. It also provides references for lawyers' associations on activities and strategies they can adopt to curb IFFs in the Global South and to empower lawyers as advocates who are opposed to enabling IFFs.

Ch.2. P.10



Basis for legal professionals' responsibility to curb IFFs

This aids the understanding of the matrix of regional and international legal obligations for lawyers to uphold their ethical standards and to comply with measures aimed at curbing IFFs. In return, this circumvents conflict of interest in high-risk transactions that might expose lawyers as enablers of IFFs. Since there are no specific international or regional laws on IFFs, this guide provides regional, national and international legal obligations that arise from taxes, human rights, anti-money laundering, anti-corruption, trade and investment. It also provides professional codes of conduct for lawyers, and how lawyers' associations could help implement regional and international obligations in their jurisdictions.

Ch. 3. P. 20



Advocacy options available to the legal profession

The section highlights how the legal profession can use its knowledge and expertise to express the concerns of the public against IFFs. This assists the means through which governments and various stakeholders can develop and implement sound policies and measures against IFFs. Importantly, the legal profession can defend and promote the rights of society, which is affected by IFFs, by creating avenues to hold governments and multinational corporations (MNCs) accountable. Thus, the role of every lawyer is paramount whether they are corporate lawyers, government lawyers, lawyers in politics, lawyers in parliament, lawyers in civil society and lawyers working for inter-governmental organisations.

Ch. 4. P. 26



Opportunities and challenges present before the advocacy efforts of the legal profession

It is imperative for lawyers' associations to know about the opportunities that can be exploited in support of the legal profession's contribution towards curbing IFFs. In this regard, the principle of attorney-client privilege is a phenomenal challenge. Although vital, this principle has been severely debased by some lawyers in the Global South.

Ch. 5. P. 32



Recommendations for lawyer's associations to curb IFFs while upholding standards of the legal profession

Lawyers' associations must ensure that their members uphold professional standards, and protect them from intimidation and improper restrictions and infringements. Above all, lawyers' associations have an obligation towards society to ensure that the interests of justice prevail and legal services are available to, and accessible by everyone.



The Origin of the Legal Profession's Responsibility to Curb IFFs

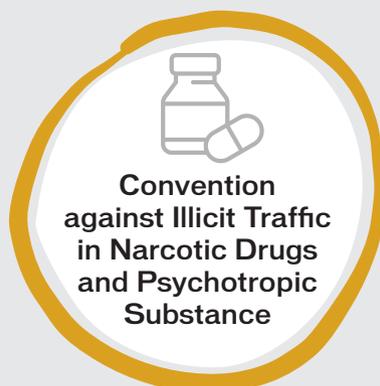
Due to the nature of their duties and obligations, lawyers strategically facilitate and mediate economic and financial transactions.¹² Thus, policies against IFFs may require lawyers to identify, understand and comply with specific statutory obligations, the nature of which is debatable based on national approaches.¹³ Thus, worth noting are the intricacies on IFFs and the secrecy underlying them.

The legal profession's responsibility arises from two key sources, namely, domestic and international obligations aimed at upholding and promoting ethical norms for the profession. Both sources ensure that lawyers in each and every domestic jurisdiction comply with the requirements for anti-money laundering and ethical obligations.¹⁴ The requirements entail lawyers do not unnecessarily and unintentionally risk themselves in executing their duties. Thus, the legal profession requires its members to act diligently and avoid conflicts of interest. When acting in accordance with their mandate, lawyers have a duty to avoid dragging the profession into any criminal, unethical or illegal activities, whatsoever, in the furtherance of IFFs, whether directly or indirectly.¹⁵



2.1 Legal Basis of the Legal Profession's Responsibility to Curb IFFs

The United Nations General Assembly (UNGA) plays a fundamental role in recommending methods of curbing IFFs at the international level. It provides a framework upon which states draw guidance for implementation at the domestic level. Thus, the fountainhead of the legal profession's mandate to curb IFFs is derived from sub-regional, regional and international instruments, both soft and hard law.



Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substance



Regarding IFFs caused by illicit drug trafficking, the UNGA adopted the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substance¹⁶ to address this concern. Although, the Convention did not apply or use the term ‘money laundering’ expressly, it defined the concept of money laundering and called upon states to create provisions in domestic law to criminalise it.¹⁷ This marked the first international attempt to ensure states arrest and prosecute those involved in illicit drug trafficking. This mandate binds states at the international level; however, domestic institutions are to investigate, arrest and prosecute offenders before municipal courts.

Illicit drug trade creates substantial illegal income and those engaged in these activities attempt to launder such proceeds into the formal financial system. They can use front and shell corporations to hide such income or assets. Lack of transparency in the beneficial ownership¹⁸ of such corporations creates hurdles for anti-money laundering (AML) detection.¹⁹ When suspected

criminals find themselves in difficult legal situations, lawyers are their saviours. Successful career criminals think ahead and need lawyers to assist with their illegal enterprise.²⁰ Criminal defence therefore becomes a key service that many lawyers provide. Unethical lawyers advise such clients on how to circumvent the law by laundering ill-gotten money. A few lawyers would not resist such rewarding deals with clients and would do what no ethical lawyers would do—see business opportunities in criminal activities.²¹ Indirectly, the Convention requires the legal profession to combat IFFs.

Convention against Transnational Organized Crime



The Convention against Transnational Organized Crime²² requires lawyers to act with due diligence to curb IFFs. The Convention criminalises IFFs and explicitly urges member states to consider and criminalise all acts incidental to IFFs. To ensure compliance with the directive, a mandatory requirement was made in terms of the Convention for member states to establish at domestic regulatory



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regimes and capacitate regulatory authorities as gatekeepers for IFFs.²³ The regulatory regimes were concerned with the requirements of customer identification, record-keeping and reporting of any suspicious transactions. The Convention uses 'a catch-all term' where 'other bodies susceptible to money laundering' includes legal professionals to highlight their role as enablers of IFFs.²⁴ Therefore, member states are to ensure mutual cooperation in exchange of information to curb IFFs. This also requires lawyers' associations to participate, for instance, in drafting policy documents for implementation by their members.

In its AML provisions envisaged in the Convention against Transnational Organized Crime, the UN restated the importance of the recommendations by the Financial Action Task Force (FATF).²⁵ The significance of adopting the FATF approaches is the unequivocal acknowledgement of their

relevance and importance through the lens of the UN. Although the recommendations are not specifically binding on member states, their adoption by the UN provides international recognition, and potential adoption and domestication, by the member states. The adoption of FATF recommendations (discussed below) by the UNCTOC could motivate legal professionals to participate in the fight against IFFs.

Convention against Corruption



The Convention Against Corruption was adopted by the UNGA in October 2003 and entered into force in December 2005.²⁶ This

Convention is the only binding international anti-corruption multilateral instrument. It recognises the importance of both preventive and punitive measures.²⁷ It deals with cross-border corruption and calls for international cooperation.²⁸ States that ratified the Convention are expected to cooperate in criminal matters, including IFFs, and to investigate issues pertaining to corruption. Further, the Convention provides for the participation of civil society and non-governmental organisations in accountability processes and underlines the

importance of access to information. The reason to include participation of stakeholders is most likely to counterbalance the political influences faced by the system. Thus, the Convention pushes for curbing cross-border corruption, a component of IFFs. Another objective of the Convention is to strengthen international law enforcement and judicial cooperation between member states²⁹ by providing effective legal mechanisms for international asset recovery.³⁰ The illegal proceeds may be layered into the financial system in various ways (for e.g. through real estate) and these assets may further be anonymously owned through shell companies. Thus, criminals may solicit lawyers' services to achieve their illegal goal. Accordingly, lawyers' obligations arise to avoid formalising illegal funds. A lawyer becomes an enabler, by providing services where they suspect or have reason to believe that the fund or property in question is the product of crime.

The launch of anti-corruption strategy for legal professionals in 2010 by the International Bar Association, the Organisation for Economic Co-operation and Development (OECD) and the UN Office on Drugs and Crime was a milestone for lawyers in fighting corruption in international business transactions. Corruption among lawyers was seriously affecting the nobility of the profession in the Global South.³¹

Convention for the Suppression of Financing of Terrorism



The Convention for the Suppression of Financing of Terrorism (1999)³² is another key instrument that was adopted by UNGA in response to financing terrorism. Of much interest is that financing of terrorism has also been dealt together with money laundering. Thus, the Convention requires states to criminalise financing terrorism and freeze and seize money intended to financing terrorist activities. Further, the Convention requires States to establish additional jurisdiction over offences when committed under certain circumstances.³³

An analysis of the Convention brings some indirect issues to the fore of the discussion. Lawyers are potential enablers of money laundering and terrorist financing due to the nature of the service they render to clients. They are vulnerable to complex money laundering schemes due to their ability to easily switch between advising on financial matters,³⁴ establishing trusts and corporate entities, conveyance and other financial transactions such as investments.³⁵ In such circumstances, however, lawyers are considered authentic by

The Origin of the Legal Profession's Responsibility to Curb IFFs

other professionals when clients are referred to them, confirming their supposed 'legitimacy' by association.³⁶ This presents a unique problem: if lawyers do not carry out client due diligence checks or report any suspicions (e.g. money laundering or terrorist financing), they expose unsuspecting third parties, such as financial advisors,³⁷ in turn creating additional problems in the legal profession. The most affected are cross-border international lawyers, who are subjected to unfamiliar and uncertain money laundering requirements.³⁸ This is a call on lawyers to combat, not enable IFFs, whether directly or indirectly. However, lawyers are opposed to the disclosure of confidential client information. The disclosure compromises attorney-client privilege and the independence of the Bar.

Financial Action Taskforce (FATF)



Apart from the Conventions referred to above, G7 countries established FATF in 1989. The primary objective was to set up and promote internationally recognised standards to combat money laundering. Since 1990s, 40 FATF Recommendations have been substantially revised to incorporate new developments and to reflect the changing trends in money laundering

and terrorism.³⁹ However, the core mandate of the FATF was changed substantially following the terrorist attacks in the USA on September 11, 2001, to include combating the financing of terrorism.⁴⁰

FATF recommendations placed a duty on legal professionals to assist in AML and curb terrorist financing. Legal professionals are mandated in terms of the FATF, to report suspicious dealings when engaged in financial transactions.⁴¹ Although fundamental to curbing terrorist financing activities, the suspicious transaction report (STR) requirement flies across the dictates of the attorney-client privilege. The duty to report suspicious transactions violates legal ethics, like the norms of confidentiality, trust and professional conduct. This requirement is a threat to the independence of the legal profession as it makes lawyers operate like spies, state agents or law enforcement officers. Whether the aspect of reporting is binding on lawyers is quite controversial and depends on each jurisdiction. In some jurisdictions, however, to continue representing or assisting the same client after STR has been made results in a civil or criminal suit.⁴² Thus, STR can cause mistrust and inaccessibility of lawyers due to loss of confidence by society, adversely endangering the administration of justice for all intents and purposes.

To understate how lawyers can be enablers of

illicit finance, it is essential to know how money laundering can be committed. Money laundering offences have similar physiognomies throughout the world. There are two cardinal elements to money laundering, namely:

- ➔ The necessary act of laundering itself, i.e. the provision of financial services, and
- ➔ A requisite degree of knowledge or suspicion (either subjective or objective) relating to the source of the funds or the conduct of a client.

The act of laundering is committed in circumstances where a lawyer, notarial or other independent legal professional engages in an arrangement (by providing a service or product) and that arrangement involves the proceeds of crime. These arrangements may be business relationships of investment management or of a fiduciary nature.⁴³ The degree of knowledge or suspicion that is required depends on the nature of the illicit financial flow in question. This is present where a lawyer providing the arrangement, service or product knows, suspects or has reasonable grounds to believe that the funds or property is a proceed of crime. The offence is committed where a lawyer knows or suspects that their client is engaged in or has benefited from an illegal activity. If lawyers or other independent legal professionals engage or

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associate with such clients or render such services, whether direct or indirectly, they qualify as enablers of IFFs as indicated in (ii) above.⁴⁴ Therefore legal professionals should have knowledge of FATF AML requirements in their dealings (especially certain transactions and activities) that are considered by FATF to carry higher risks of money laundering.⁴⁵

As highlighted above, Recommendation 22(d) of the FATF Report provides record keeping requirements set out in Recommendations 10, 11, 12, 15 and 17, which apply to designated non-financial businesses and professions. This includes lawyers and other independent legal professionals, when they prepare for, or executing transactions on behalf of their clients concerning illegal financial activities.⁴⁶ While



How the state balances the ability to make lawyers cooperate on one hand and prioritise security and safety issues rather than individual interests of clients on the other hand, have far reaching and possibly negative consequences.



not all lawyers are actively involved in providing legal services in financial transactions, however, key vulnerabilities were identified in the FATF Recommendations.⁴⁷ It suggests that when dealing with financial transactions that require the involvement of lawyers due to intricacies such as access to specialised legal and notarial skills and services, one may blindly assist in laundering or enabling IFFs. The operation of the lawyer-client privilege⁴⁸ shields the suspect, obstructs investigations,⁴⁹ and delays or prevents the arrest and prosecution of the suspect if a lawyer's services are used.⁵⁰

Combating money laundering is not an easy or individualistic task but a collaborative effort of several professionals, including lawyers. This collaboration is key to solicit lawyers' services in fighting money laundering and financing terrorism.⁵¹ FATF's major concern is

the requirement for legal expertise to combat money laundering. As a result, FATF 40+8 Recommendations of 2003 explicitly require lawyers to comply with the STR requirement in certain strategic areas.⁵² FATF incorporated relevant recommendations that specifically required non-financial business and professions to comply with preventive measures provided for in its Recommendations. The austere preventive measures encouraged non-financial businesses and professions, such as the legal profession, to adhere to the fundamental requirements for customer due diligence and record-keeping.⁵³

In terms of the FATF Recommendations, the legal profession is mandated to comply with the requirement to file STR whenever there are reasonable grounds to believe that the transaction in question facilitates or legitimises movement of proceeds of illegal activities, or to finance terrorism. However, there is no mandatory disclosure of STR where a legal professional is subject to professional privilege or confidentiality. Depending on the substantive content of the municipal law of a particular jurisdiction, legal obligations arise to determine cases or matters that would ordinarily fall within the lawyer-client privilege. How the state balances the ability to make lawyers cooperate on one hand and prioritise security and safety issues rather than individual interests of clients

on the other hand, have far reaching and possibly negative consequences. As a matter of principle, if not moral obligation, STR requirement is a responsibility that lawyers and other independent legal professionals can consider vis-a-vis the economic challenges and/or the negative impact of IFFs on society.

The adoption of policies and the establishment of anti-corruption institutions capture the nuances and the multi-dimensional character of the problem of corruption.⁵⁴ It is exacerbated by secrecy, which spurs corruption. Thus, greater degrees of secrecy pose higher risks of IFFs.⁵⁵ It erodes efforts to combat money laundering and IFFs⁵⁶ and the effectiveness of any initiatives by lawyers.

Pan African Lawyers Union (PALU)'s Code of Ethics on Anti-Corruption and Professional Compliance Standards for Lawyers Working in Africa mandates its members to uphold the ethics of the legal profession as well as the members' Bar Associations. The Code proscribes any conduct which compromises the integrity of the profession. Such unethical conduct includes corruption, conflict of interest,

debasing of lawyer-client privilege or any conduct that spurs money laundering, whether directly or indirectly. Lawyers are encouraged to pay attention to, promote and protect the rules provided for in their domestic laws, as well as regional and international instruments in so far as the conduct of the profession is concerned.⁵⁷ Article IX specifically bars lawyers from engaging in projects or transactions they know or ought to know originate from and/or are the destination of illicit funds.⁵⁸ When confronted with a situation of corrupt or unethical acts,⁵⁹ PALU encourages its members to seek guidance from the Anti-Corruption and Ethics Oversight Units established by their domestic Lawyers' Associations or the President of the Associations.⁶⁰

While PALU unites African lawyers and their Bars Associations through the law, its Code of Ethics has no binding effect because it does not have mechanisms for implementation. Regardless of this weakness, it is vital in upholding the ethics of the profession and its ability to mitigate conduct that potentially further IFFs. One has to be guided by such considerations to contribute towards combating IFFs.⁶¹





Advocacy Options Available to the Legal Profession

both hard and soft International law shaped and developed the international basis for the legal profession's responsibility to curb IFFs. It provides a framework but leaves domestication and implementation to member states. Thus, the challenges caused by IFFs in the Global South warrant urgent prioritisation.

The legal profession's awareness regarding IFFs can be linked to achieving Sustainable Development Goals (SDGs), particularly target 16.4, which calls on states to significantly combat IFFs, and all forms of organised crime by 2030. The awareness can be generated by undertaking five key roles as lawyers' contribution to combating IFFs.

Lawyers' Contribution to Combat IFFs



3.1 Strategic Litigation

Strategic litigation aims to bring about broad societal changes beyond the scope of an individual case at hand. It aims to use legal means to tackle IFFs that have not been adequately addressed in law or politics. It gives a platform for society, which is economically affected by endemic corruption, money laundering and other forms of IFFs to be seen and heard, triggers discussion of, for example, the right to development that is violated by individuals through IFFs. Successful strategic litigation brings about lasting political, economic or social changes and develops existing law. This increases the progressive and precedent-setting impact of the legal action against IFFs. Strategic litigation can bring significant changes in the law, as well as public awareness by taking carefully selected IFFs cases to court. With such strategic cases, although the initial step is seeking to clarify an individual IFFs complaint before the court, however, in addition to clarifying the individual case, the aim is also to obtain justice for a whole group, which might potentially find itself in a similar situation. Thus, strategic litigation is a legal tool for bringing social, legal and political change by using high profile IFFs case. In other words, the aim is to create legal precedents.

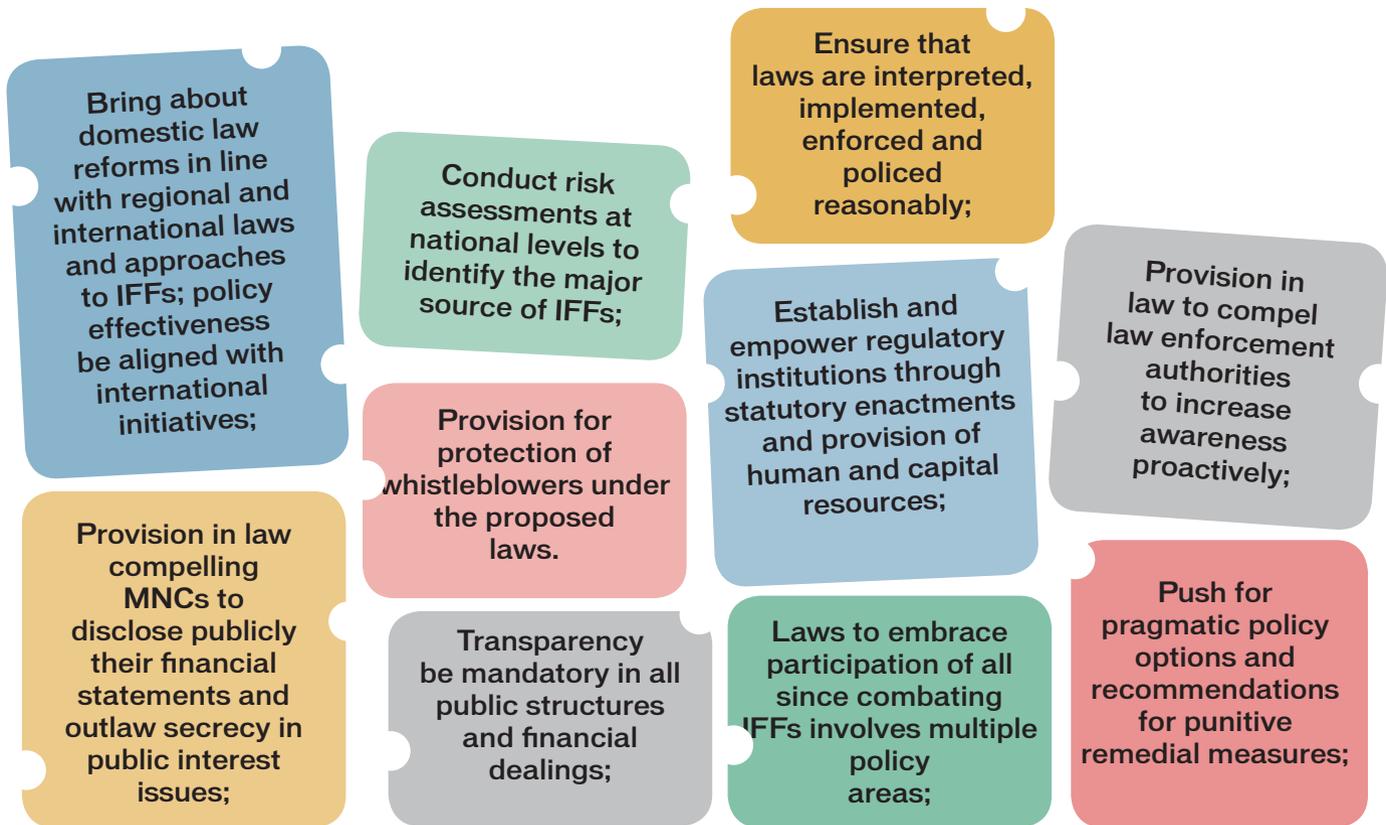
Outcomes to Strategic Litigation

As a result of strategic litigation, the following three outcomes can be achieved



3.2 Lobbying for IFFs Related Law Reforms

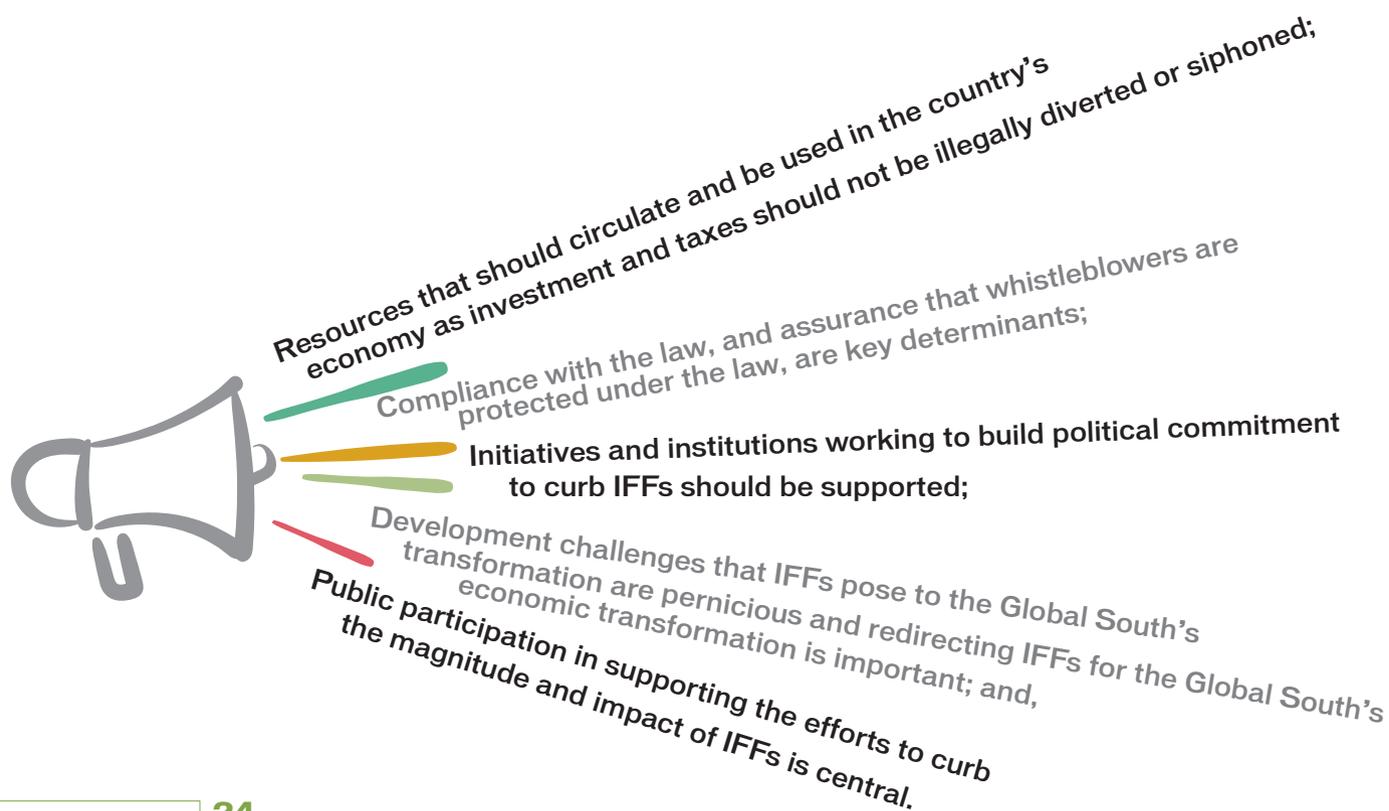
Lobbying for law reforms is a noble consideration and a measure to combat IFFs. Through conduction of a strategic litigation, there is a need for lobbying for law reforms and building sound approaches to:





3.3 Public Awareness of IFFs, Education and Training

Public awareness against IFFs assists law enforcement agents and regulatory institutions to curb IFFs. Informing society about IFFs and their nature is vital, while reporting any suspected illicit dealings is imperative. The aim is to provide simplified information as a self-screening tool for society to distinguish between forms of illicit flows and the reasons why IFFs are considered a crime. It is important to show that pernicious interests are prejudicial to national interests, as the resources available for public services and sustainable development are undermined. Public awareness is therefore essential to demonstrate that:



3.4 Citizen Sensitisation Programmes

Support civil society organisations to hold political leaders to account;

Encourage and help build national investigative capacity to tackle IFFs;



Raising the problem of IFFs in political dialogue in order to ensure engagement that addresses the challenge; and,

Hiring or training staff in the relevant public sector authorities to promote the technical skills needed to curb IFFs.

3.5 Commissioning and Publishing Legal Research on IFFs





Opportunities and Challenges that Promote the Advocacy Efforts for the Legal Profession

domestic lawyers' associations are relevant and convenient platforms at the national level to discuss, adopt and implement different advocacy views. Associations in each jurisdiction are domestic platforms to discuss the challenges faced by lawyers and other legal professionals and to promote their advocacy efforts. The

platforms bring together all legal professionals with the sole aim to build consensus on the role of the legal profession to curb IFFs. Two key considerations, namely, lawyer-client privilege and multinational corporations (MNCs) are important to note. The defence of privilege is often used to shield certain valuable information that would ordinarily assist investigators of IFFs.

4.1 Challenges to Privilege and Confidentiality: Ethical Challenges

Two key categories of ethical misuse related to the lawyer-client privilege are vital, namely, abuses of disclosure, abuses on non-disclosure, the ethics of diligence, competence and communication, and the balancing act of legal professional duties verses wider duties.

Regarding abuses of disclosure, no lawyers or independent legal professionals voluntarily disclose facts discovered or learnt during the course of professional duty, which conceivably might damage or negatively affect the reputation of a client. However, this is frequently violated in bars and clubs. A number of lawyers indulge in storytelling or gossip regardless of their basic

ethical obligations. Some legal professionals expanded their ethical violations through the use of technology like the internet to share confidential information with their peers.⁶² However, if lawyers indulge in unwarranted disclosures of confidential information of their clients, why would they not disclose to the relevant authorities any confidential information relating to money laundering they learnt during the course of duty? In such circumstances, the privilege or confidentiality claim can be a way to avoid disclosure of information that could be relevant to domestic security and peace or in the best interest of the public. Lawyers and independent legal professionals who espouse expansive



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and opportunistic approach to non-disclosure requirements to subvert the maintenance of national peace and security are none other than enablers of such crime. As such, the assertion of the privilege or confidentiality is to thwart endeavours to combat money laundering and IFFs.

Therefore, it is incumbent upon the International Bar Association through domestic lawyers' associations to cautiously and proactively monitor the use of claims of privilege and confidentiality by members.⁶³

Regardless of insightful debates on the attorney-client privilege, and changes occurring in AML initiatives, the Global South continues to lose substantial resources through IFFs.⁶⁴ The problem of IFFs is exacerbated by high levels of secrecy, weak tax administration, governance challenges, political instability and conflicts, lack of monitoring or regulatory capacity among others. Therefore, combating IFFs depends on the role lawyers and independent legal professionals play in institutionalising prudent legal regulatory regimes.

4.2 Multinational Corporations – Challenges and Prospects

Arguably, efforts to curb IFFs are weakened by the involvement of multinational corporations (MNCs) doing business in host states. MNCs bring potential economic benefits such as employment creation, building competence and skill, stimulus

for economic growth and capital injection, among others. Their size, nature and scale of operation enable MNCs to benefit substantially from economies of scale, enabling lower average costs and prices for consumers.⁶⁵ However, it is

necessary to interrogate what the Global South stands to gain from MNCs' investments. While MNCs have become omnipresent in the Global South, there are permanent worries about their operations.

The role played by MNCs is subject to debate. MNCs are by far the biggest culprit of IFFs.⁶⁶ They exploit loopholes in national and international laws to commit financial crimes in sophisticated ways that make them harder to detect or

investigate.⁶⁷ They employ experts and have the leverage to influence policy changes, thus promoting illicit ways of doing business in host states.⁶⁸ When confronted with legal issues, they have top lawyers to represent them even in IFF accusations (such as tax abuse, transfer mispricing, money laundering, transfer of funds by bribery and corruption among other financial crimes).⁶⁹ Some lawyers have MNCs as clients, and may not want their relationship to be affected as this may also affect their source of income.

4.2.1 Outflow of Capital

The Global South in which some MNCs operate end up paying more than what was actually invested. This is done through profits, debt servicing, royalties and fees, capital flows from South to North, and manipulation of imports and export prices. Although such reverse flows are themselves not unusual, however, the element of 'manipulation' makes the returns unjustifiably

high and therefore become illicit outflows.⁷⁰ Lawyers are highly involved in the chain. The defence of lawyer-client privilege is not a silver bullet; it does not serve the public's interests but that of the parties involved. Against this backdrop, lawyers are highly vulnerable as proxies and tend to benefit from the ill-considered activities of MNCs.



4.2.2 Tax Evaders

The principle is that all taxes should be paid to the host government of the country where economic activities in question occur and value is created. This principle was formulated and endorsed by G20 leaders in 2013, as ‘profits should be taxed where economic activities deriving the profits are performed and where the value is created’.⁷¹ The endorsement by the G20 leadership influenced the drafting of guidelines by OECD Task Force on Tax Crimes and Other Crimes (TFTC), which concluded in 2015.⁷² The G20 Declaration has wide-reaching international endorsement in the Addis Ababa Action Agenda (AAAA), with the statement that

*“[w]e will make sure that all companies including [MNCs] pay taxes to the Governments of the countries where economic activity occurs and value is created, in accordance with national and international laws and policies”.*⁷³

In this regard, the US Chamber of Commerce in Bangkok claimed the MNCs paid 70% of Thailand’s corporate taxes.⁷⁴ This implied considerable tax abuse by locals, clouded by the

intricate workings of the local tax code. Similarly, Indonesia investigated Alphabet Inc.’s Google for alleged abusive tax practices and tax evasion from 2011 to 2015.⁷⁵ For the 2015 tax year, Alphabet Inc. was accused of dogging \$400 million in taxes.

In contrast, Singapore’s low tax and generous tax incentives regime has made it highly attractive for MNCs like Apple Inc. and Microsoft. However, due to substantial loss of revenue, Singapore’s Ministry of Finance implemented a paradigm shift in the island nation’s tax policies. The move was meant to tax MNCs’ profits derived from all activities that were performed and/or where value was created. This was a setback to MNCs’ artificial shifting of profits. The investigations prompted American business groups in the region to issue a statement. Their warning that the tax crackdown risked slowing down planned investments by MNCs was an indirect endorsement that their activities should not be interfered with. The investigation of MNCs and changes in tax policies were fundamental to closing loopholes in the tax regime and curb tax abuse.⁷⁶

4.2.3 Organised Crime

The introduction of well-known brands in the Global South by MNCs also ushered in irresistible ways to lure criminal organisations to branch out into this lucrative area of crime.⁷⁷ East Asia is considered the hotbed of counterfeiting criminal activities such as smuggling, money laundering, drug trafficking and narcotics. Organised crime is a serious problem in the Global South and the emergence of international trade in counterfeit goods has provided organised crime new and highly lucrative means to earn illegal profits.⁷⁸ Organised crime goes hand-in-hand with corruption and wider governance failure, in the form of ineffective or weak enforcement of law, undermines the rule of law.⁷⁹

IFFs aggravate pre-existing economic inequalities among countries in the Global South. The inclusion of lawyers in the debate to curb IFFs is thought provoking. Lawyers and other independent legal professionals, including those in MNCs, notaries and conveyancers, are challenged to take initiative and contribute towards the fight against IFFs. The debate is a tool that helps in finding solutions to

Organised crime is a serious problem in the Global South and the emergence of international trade in counterfeit goods has provided organised crime new and highly lucrative means to earn illegal profits.

the problem of IFFs.

In summary, the debate regarding STR vis-a-vis legal privilege remains unresolved in many jurisdictions. Lawyers in particular strongly resist the STR requirement on the basis that it violates the legal profession (lawyer-client) privilege, which require confidentiality. Thus, the challenge caused by MNCs, as far as IFFs are concerned, is a case in point. Key professional legal skills that lawyers possess that are used in various sectors to circumvent the law and spur IFFs may also be tapped to close the gaps. The same skills and knowledge applied to enable IFFs can also be tapped in a positive way to combat IFFs.





Recommendations



Whether resulting from corruption, money laundering or tax abuse, IFFs constitute a major threat to economic development in the Global South. A majority of governments in the South are currently unable to fulfil most basic human needs. Due to its positioning in society, the legal profession, in particular lawyers, are often enablers, although at times unwittingly, of IFFs. However, if they can be enablers, lawyers can also effectively proscribe IFFs. Key measures that lawyers' associations may adopt and implement can be a game changer—enabling the legal profession to participate in combating IFFs in the Global South.

However, due to the complex nature of IFFs, detecting and preventing corruption and money laundering pose an almost insurmountable challenge in the absence of unwavering cooperation and information sharing. Thus, the realpolitik of combating IFFs requires lawyers'

associations to court the cooperation of the entire legal profession (lawyers, notaries, conveyancers, and other independent legal professionals). Lawyers' associations should play a cardinal role, both as policy giver to members and regulator of the profession to ensure all members—including independent, legal and professional members—in each domestic jurisdiction comply with the associations' directives. In order to do so, it is recommended that every independent legal professional in each jurisdiction be registered with the relevant law association to ensure compliance with the association's policies, as well as easy monitoring and regulation of their activities.

It is imperative that the legal profession combat IFFs proactively. Through cooperation, the legal profession in the Global South can strengthen anti-corruption and anti-money laundering mechanisms and curb IFFs.

5.1 Recommendations to the Lawyers Associations and Legal Profession

The lawyer-client privilege serves as the cornerstone for the right to a fair trial, privacy and proper functioning of the justice system. However, the protection of the privilege must not hinder efforts to combat money laundering, corruption and financing terrorism among other IFFs. Since the legal profession occupies a cardinal role in preventing and detecting crimes, it is recommended that lawyers and other independent legal professionals should not be exempted from STR requirement. Exempting them widens the gap in AML and terrorist financing legal regime.

Further, regarding disclosing confidential information for the primary purpose of combating money laundering and financing, it

is recommended that a reasonable balance be struck between legal professional privilege and countering money laundering and financing terrorism.

With regard to fighting money laundering, it is recommended that lawyers' associations lobby for the adoption, uniform implementation and enforcement of the standards set by the FATF more strictly, particularly in conducting due diligence of politically exposed persons and establishing true ownership of legal entities. Associations can lobby for transparency and accountability systems that actively and effectively address the culture of corruption and money laundering, as well as provide incentives and protection for whistleblowers.

Advocacy Options for Lawyers' Associations



End Notes



- 1 Roscoe Pound 'What is a Profession - the Rise of the Legal Profession in Antiquity' (1944) 19 (1) *Notre Dame Law Review* at 204.
- 2 Monageng S 'Lawyers: Guardians of the Rule of Law' (2012), available at <https://www.ibanet.org/Document/Default.aspx?DocumentId=52B39817-3DE1-484F-82CD-D8D0649CB8C7> (accessed 20 April 2019).
- 3 Roscoe Pound, op cit note 1 at 205.
- 4 We would recommend going through Module 1 of the IFF toolkit to understand in-depth the impact of illicit financial flows.
- 5 Sakshi Rai 'The Spectre of Illicit Financial Flows - Undermining Justice: A Primer on the Opacity in the Global Financial System and Challenges for Developing Countries' (2017) at 4. See also Tiberius Barasa 'Illicit Financial Flows in Kenya: Mapping of the Literature and Synthesis of the Evidence' (2018) at vi, available at <http://www.pasgr.org/wp-content/uploads/2018/09/Kenya-Illicit-Financial-Flows-Report.pdf> (accessed 7 June 2019). Distinction is made between 'enabler' and 'gatekeeper'. While an enabler was defined in the text, a gatekeeper is a professional who holds keys to the financial sector, who when IFFs are debated, is left out of the discussion of the individuals & industries involved. It is harder to hold them accountable, which is an important step in curtailing IFFs.
- 6 See generally International Bar Association (IBA) 'International Principles on Conduct for the Legal Profession' (2011).
- 7 Martha M. Hamilton 'Mossack Fonseca & Co - Panamanian Law Firm is Gatekeeper to Vast Flow of Murky Offshore Secret' (2016), International Consortium of Investigative Journalists, available at <https://www.icij.org/investigations/panama-papers/20160403-mossack-fonseca-offshore-secrets> (accessed 1 July 2019).
- 8 Organisation for Economic Co-operation & Development 'Measuring OECD responses to illicit financial flows' (Paris: OECD) (2013) at 15, available at <https://www.oecd.org/dac/accountable-effective-institutions/IFFbrief.pdf> (accessed 10 June 2019).
- 9 The Global South is a term that has emerged in transnational & postcolonial studies to refer to what used to be called the 'Third World' i.e. countries in Africa, Asia (with the exception of Japan, Hong Kong, Macau, Singapore, South Korea and Taiwan); Central America, Mexico, South America, and the Middle east (with the exception of Israel).
- 10 Tiberius Barasa, op cit note 4 at v.
- 11 Thabo Mbeki 'Foreword' in *Illicit Financial Flows: Report of the High-Level Panel on Illicit Financial Flows from Africa* (2014) at 2-4 & 13 -14. (Hereafter High-Level Panel Report).
- 12 Charles Goredema 'Not Above the Law: The Role of Lawyers in Combating Money Laundering & Illicit Assets Flow' (2018) at 2.
- 13 Ibid.
- 14 The International Bar Association, the American Bar Association, the British Bar Association & Law Societies of Europe 'A Lawyer's Guide to Detecting & Preventing Money Laundering' (2014) at 12, available at <https://www.lawsociety.org.uk/support-services/documents/iba-aml-typologies-report> (accessed 5 June 2019).
- 15 Ibid, at 12. Also, see Michael Levi, 'Money Laundering and Regulatory Policies' in Ernesto U Savona (ed.) *Responding to Money Laundering: International Perspectives* (1997).
- 16 See generally UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substance (1988), No. 27627: Adopted by the Conference at its 6th Plenary meeting, 19 December 1988.
- 17 Generally, see Mesay Tsegaye 'The Scope of Legal Professional Privilege and the Role of Lawyers in Anti Money Laundering and Combating Financing of Terrorism - The Case of Ethiopia' (2019), available at <https://www.abysinnialaw.com/blog-posts/item/1502-the-scope-of-legal-professional-privilege-and-the-role-of-lawyers-in-anti-money-laundering-and-combating-financing-of-terrorism-the-case-of-ethiopia> (accessed 10 June 2019).
- 18 Beneficial owners are true owners who exercise economic control over an entity either directly or by using legal arrangements (i.e. indirectly) or accrues gains from the transactions made under that entity.
- 19 John Bandler 'Lawyers, Drugs and Money: AML in Popular Media' 20 March 2018, available at <https://www.acamstoday.org/lawyers-drugs-and-money-aml-in-popular-media> (accessed 20 June 2019).
- 20 International Bar Association et al, supra note 13 at 12.
- 21 Philip J Griffin 'Case Note of Laundering and Legal Fees: The Implications of United States v Blair for Criminal Defence Attorneys Who Accept Potentially Tainted Funds' (2016) 164 *University of Pennsylvania Law Review Online* 179 at 179 - 180.
- 22 UNGA Convention Against Transnational Organized Crime (2000); hereafter the UNCTOC. This Convention is also referred to as the Palermo Convention.
- 23 See generally Articles 5 - 9, 11, 19, 23 & 24 of the Palermo Convention.

- 24 Article 7(1)(a) of the Palermo Convention.
- 25 The Financial Action Task Force, hereafter the FATF. For detail, see 'International Standards on Combating Money Laundering & Financing of Terrorism & Proliferation: The FATF Recommendations (2012), available at <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf> (accessed 6 June 2019).
Further, see FATF Report: Money Laundering & Terrorist Financing Vulnerabilities of Legal Professionals' (2013), hereafter FATF Report, available at <http://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20vulnerabilities%20legal%20professionals.pdf> (accessed 7 June 2019).
- 26 The UN Convention Against Corruption (2003); hereafter UNCAC.
- 27 Preventive measures - see Chapter II, Articles 5 - 14 of the UNCAC.
- 28 International cooperation - see Chapter IV, Articles 43 - 49 of the UNCAC. See also Article 11 of the UNAC.
- 29 Criminalization and Law enforcement - see Chapter III, Articles 15 - 44 of the UNCAC.
- 30 Asset recovery - see Chapter V, Article 51 - 59 of the UNCAC.
- 31 Doug Cornelius 'International Law: Lawyers and Corruption Laws' (2010) available at <https://www.lexisnexis.com/legalnewsroom/international-law/b/international-law-blog/posts/lawyers-and-corruption-laws> (accessed 20 June 2019).
- 32 UNGA Convention for the Suppression of Financing of Terrorism (1999); hereafter the CSFT. The Convention was adopted by Res.A/Res/54/109 of the UNGA on 9 December 1999; 39 ILM 270 (2000), entered into force on 10 April 2002.
- 33 Pursuant to Article 7 (2) of the CSFT. See Article 10 of the Convention. See also Louis Forget 'Combating the Financing of Terrorism' IMF Legal Department & IMF Institute' Seminar on Current Developments in Monetary and Financial Law: Money Laundering and Terrorism Financing, 10 May 2002, at 2 - 5. Also, see International Convention for the Suppression of the Financing of Terrorism* 9 December 1999, New York at 41; Fitz-Roy Drayton, Caribbean Anti Money Laundering Programme, Draft Legislation to Combat Terrorist Acts and Terrorist Financing; Commonwealth Secretariat, Model Legislative Provisions on Measures to Combat Terrorism (September 2002).
- 34 See, FATF Report on Money Laundering Typologies (2000-2001)
- 35 International Bar Association 'Lawyers and Money Laundering' (2008) available at https://www.anti-moneylaundering.org/Lawyers_and_Money_Laundering.aspx (accessed 10 June 2019).
- 36 Ibid.
- 37 Ibid.
- 38 Ibid.
- 39 Terrorist organisations vary widely from large, state-like organisations to small, decentralised & self-directed networks. Terrorists financing requirements reflect this diversity, varying greatly between organisations. Financing is required not just to fund specific terrorist operations, but to meet the broader organisational costs of developing and maintaining a terrorist organisation and to create an enabling environment necessary to sustain their illegal activities.
- 40 See, FATF 'Terrorist Financing' (2008), available at <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf> (accessed 20 June 2019).
- 41 Mesay Tsegaye, op cit note 16 at 7.
- 42 Mesay Tsegaye, op cit note 16 at 6 - 7.
- 43 Recommendation 10 of the FATF.
- 44 Recommendations 22(d) & 23(a) of the FATF.
- 45 The International Bar Association et al, supra note 13 at 13.
- 46 Five financial activities were referred to in Recommendation 22(d) of the FATF Report, namely, (i) buying and selling of real estates, (ii) managing of client money, securities or other assets, (iii) management of bank, savings or securities accounts, (iv) organisation of contributions for the creation, operation or management of companies and, (v) creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
- 47 Ibid.
- 48 FATF Report, supra note 24 at 31.
- 49 Ibid.
- 50 See generally Lawton P Cummings & Paul T Stepnowsky 'An Empirical Study of Attorney Facilitation of Money-Laundering through Commercial Transactions' (2011) *Faculty Scholarship* 971.
- 51 Mesay Tsegaye, op cit note 16 at 6.
- 52 See generally FATF Report, supra note 24 at 23 - 82.
- 53 As referred Recommendation 22(d) of the FATF Report, the financial dealings are buying & selling of real estate; managing of client funds, securities or other assets, management of bank savings / security accounts; organisation of contributions for the creation, operation or management of companies; creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
- 54 Economic Commission for Africa & Africa Union Advisory Board on Corruption 'Combating Corruption, Improving Governance in Africa: Regional Anti-Corruption Programme for Africa' (2011-2016) at 1.
- 55 High Level Panel Report, supra note 10 at 106. See also Global

- Financial Integrity 'Illicit Financial Flows to and from 148 Developing Countries: 2006-2015' (2019).
- 56 Global Financial Integrity 'Illicit Financial Flows to and from 148 Developing Countries: 2006-2015' (2019) at 20.
- 57 Article I of PALU Code of Ethics on Anti-Corruption & Professional Compliance Standards for Lawyers in Africa; hereafter the Code.
- 58 Article IX(c) of the Code.
- 59 Ibid, at Article VI.
- 60 Ibid, Article X. See also Article III & IV of the PALU Code of Ethics.
- 61 Benjamin J Odoki (Chief Justice) 'Preface' in D. Brian Dennison & Pamela Tibihikirra-Kalyegira (eds) *Legal Ethics and Professionalism A Handbook for Uganda* (2014) 11 at 14.
- 62 Patson Wilbroad Arinaitwe 'Confidentiality and Privilege in the Ugandan Legal Profession' in D Brian Dennison & Pamela Tibihikirra-Kalyegira (eds) *Legal Ethics and Professionalism A Handbook for Uganda* (2014) 99 at 132.
- 63 Ibid, at 133.
- 64 Global Financial Integrity 'Illicit Financial Flows to and from 148 Developing Countries: 2006-2015' (2019) at 1.
- 65 Shameema Ferdausy & Md Sahidur Rahman 'Impact of Multinational Corporations in Developing Countries' (2009) 24 *The Chittagong University Journal of Business Administration* 111 at 119 - 120.
- 66 Tove Maria Ryding 'Illicit Financial Flows' UNCTAD Summer School (2018) at 12.
- 67 Ibid.
- 68 High Level Panel Report, op cit note 10. See also Tove Maria Ryding 'Illicit Financial Flows' UNCTAD Summer School (2018) at 12.
- 69 Bhumika Muchhala 'The Right to Development & Illicit Financial Flows: Realising the Sustainable Development Goals & Financing Development' (2018) Human Right Council, A/HRC/WG.2/19/CRP.3
- 70 Shameema Ferdausy & Md Sahidur Rahman, op cit note 66 at 199.
- 71 G20 St Petersburg Summit Declaration (2013).
- 72 OECD 'Fighting Tax Crime: The Ten Global Principles' (2017) available at <http://www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.pdf> (accessed 21 June 2019).
- 73 Ibid. See also Peter Chowla & Tatiana Falcao 'Illicit Financial Flows: Concepts and Scope' (2016) at 12 - 18, available at https://www.un.org/esa/ffd/wp-content/uploads/2017/02/Illicit-financial-flows-conceptual-paper_FfDO-working-paper.pdf (accessed 20 June 2019).
- 74 See, e.g., Manunphattr Dhanananphorn & Eveline Danubrata 'Exclusive: Thailand Considering Tougher Tax Collection Rules for Internet, Tech firms' *Technology News*, 26th September 2016.
- 75 Ibid.
- 76 OECD 'Fighting Tax Crime: The Ten Global Principles' (2017) at <https://www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.htm> (accessed 3 July 2019).
- 77 Shameema Ferdausy & Md Sahidur Rahman, op cit note 66 at 120.
- 78 Louise I Shelley 'Transnational Organized Crime: An Imminent Threat to the Nation-State?' (1995) 48 (2) *Journal of International Affairs* 463 - 489. See also UN Office on Drugs & Crime 'The Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime', available at https://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf (accessed 28 June 2019); UN Office on Drugs & Crime 'Transnational Organized Crime: The Globalized Illegal Economy' (2019), available at <https://www.unodc.org/toc/en/crimes/organized-crime.html> (accessed 2 July 2019).
- 79 OECD 'Policy Coherence in Combating Illicit Financial Flows: PCS Thematic Module Draft' at 6, available at https://www.oecd.org/gov/pcsd/IFFs%20thematic%20module%20v12cl_for%20web.pdf (1 July 2019). See also GFI 'Transnational Crime & the Developing World' (2017), available at https://www.gfintegritty.org/wp-content/uploads/2017/03/Transnational_Crime-final.pdf (accessed 3 July 2019).



How to Use the Toolkit?

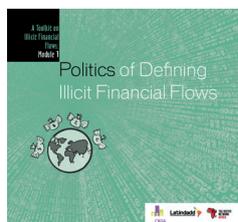
The toolkit is as an easy and accessible resource for enthusiasts, activists, civil society organisations, practitioners and journalists. Designed in a modular format, the toolkit aims to enable evidence based advocacy from the perspective of developing countries¹ for bringing awareness, policy change, exchanging examples of effective interventions from the Global South and wider collaboration between different actors. Please note that the policy recommendations are aimed to be adapted and tailored across settings, regions and priorities.

All modules are designed independently from each other but are structured in a holistic manner. It is recommended that Module 1 be read first as it sets the premise for this undertaking. The toolkit fulfils three objectives -

- Provides a well-rounded perspective of illicit financial flows from the Global South context and delving into its regional components.
- Introduces terms that are set under the framework of human rights, gender justice and the sustainable development agenda with respect to redressing the impact of illicit financial flows.
- Uses a multi-pronged approach to involve the larger civil society, practitioners and journalists through international and regional mechanisms, simplified case studies to demystify complex topics and examples of successful interventions across the Global South.

The toolkit is available in print and online. The technical module is also available in Spanish.

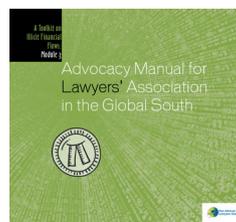
A Toolkit on Illicit Financial Flows



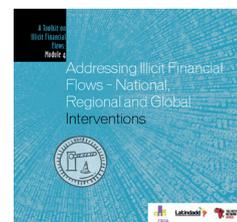
Module 1: Politics of Defining Illicit Financial Flows



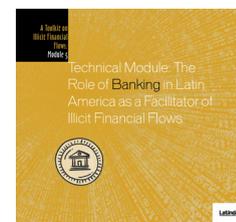
Module 2: Combating Illicit Financial Flows in the Extractives Sector in Asia



Module 3: Advocacy Manual for Lawyers' Association in the Global South



Module 4: Addressing Illicit Financial Flows - National, Regional and Global Interventions



Module 5: Technical module: The Role of Banking in Latin America as a Facilitator of Illicit Financial Flows

¹ The toolkit uses the terms developing countries or regions interchangeably with the Global South. The term 'Global South' represents countries in the developing regions of Africa, Asian and Latin America, Central America, Mexico, South America, and the Middle east (with the exception of Israel) that share a colonial and imperial past (with the exception of Japan, Hong Kong, Macau, Singapore, South Korea and Taiwan). Southern countries refer to countries belonging to the Global South.

About the Financial Transparency Coalition:

The Financial Transparency Coalition (FTC) is a global civil society network working to curtail illicit financial flows through the promotion of a transparent, accountable and sustainable financial system that works for everyone.



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Acknowledgement:

The team would like to thank Aida Jean Manipon (Asian Peoples' Movement on Debt and Development), Neeti Biyani, Subrat Das and Shuchita Rawal (Centre for Budget and Governance Accountability), Matti Kohonen (Christian Aid), Sargon Nissan (Financial Transparency Coalition) and Alvin Mosioma (Tax Justice Network Africa) for their valuable feedback and unwavering support.

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