FATF

BEST PRACTICES PAPER

SHARING AMONG DOMESTIC COMPETENT AUTHORITIES INFORMATION RELATED TO THE FINANCING OF PROLIFERATION

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FINANCIAL ACTION TASK FORCE

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

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BEST PRACTICES PAPER TO RECOMMENDATION 2

INFORMATION SHARING AND EXCHANGE RELATED TO THE FINANCING OF PROLIFERATION, AMONG RELEVANT AUTHORITIES AT THE DOMESTIC LEVEL

I. INTRODUCTION

1. This paper sets out best practices in information sharing and exchange among relevant authorities at the domestic level relating to the financing of proliferation.

2. It aims to provide guidance on:

- facilitating implementation of Recommendation 2 and the sharing of information between or among anti-money laundering (AML)/counter-terrorist financing (CFT) authorities and authorities responsible for combating weapons of mass destruction (WMD) proliferation;
- a possible framework for information sharing and exchange between relevant authorities, in terms of effective implementation of United Nations Security Council (UNSC) obligations relating to the financing of proliferation;
- identifying the relevant agencies which may have or may need information to combat the financing of proliferation; and
- possible mechanisms (including relevant legal authorities) by which relevant agencies co-operate and, where appropriate, may co-ordinate domestically to combat the financing of proliferation.

3. FATF has not yet agreed a working definition of *financing of proliferation*[1]. Examining the framework of UNSC measures shows that the financing of proliferation is an adjunct to WMD proliferation.

[1] FATF has developed a working definition for *financing of proliferation* as set out in *Combating Proliferation Financing: A Status Report on Policy Development and Consultation* (Status Report):

"Financing of proliferation" refers to the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their

4. In most jurisdictions, robust systems are likely in place aimed at the prevention and detection of this procurement activity related to development of prohibited programmes or capabilities, particularly through the imposition of export controls on proliferation sensitive goods, technology, knowledge and services, as well as secret and criminal intelligence efforts aimed at identifying, investigating, disrupting and taking action to disrupt proliferation networks. Efforts to combat the financing of proliferation must therefore be integrated into these established structures to combat WMD proliferation.

5. Many of the measures for countering the financing of proliferation may draw on resources already available through the export control system, regulatory reporting requirements, targeted financial sanctions, and trade sanctions, while others are dependent on information or legal authorities which are available only from export control authorities. Consequently, it is crucial to share information gathered by each of the competent authorities through these various processes.

6. Financial measures are an important supplement to, but not a substitute for, effective export controls[2] and are crucial to the overall success of the counter-proliferation framework. Financial information may help as an important investigative tool, although it should be underscored that its effectiveness also depends on the availability of accurate information. Specialised financial investigative techniques can be useful in proliferation-related cases although its relevance is not yet clearly documented[3], and the benefit of these measures can be limited if other counter proliferation measures are not effectively implemented and enforced. This guidance paper is to assist jurisdictions in engaging appropriate authorities in order to best exploit financial information and apply financial measures to combat the financing of proliferation.

7. With respect to combating the proliferation of WMD and associated financing of proliferation aimed at preventing the acquisition of WMD by non-State actors under United Nations Security Council Resolution (UNSCR) S/RES/1540(2004), in S/RES/1810(2008) and S/RES/1977(2011), the UNSC has taken note of international efforts towards full implementation of S/RES/1540(2004), including on preventing the financing of proliferation-related activities, and takes into consideration the guidance[4] of the framework of the Financial Action Task Force (FATF).

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means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

2 Financial measures may include, *inter alia*, various financial prohibitions or restrictions, targeted financial sanctions, or vigilance of financial relationships or activities, as discussed in greater detail below (depending also on the requirements of the relevant UNSCRs).

3 Financial information may come from a variety of sources, including but not limited to, law enforcement measures / subpoenas to financial institutions, intelligence services, sanctions compliance information, or FIUs, as discussed below.)

4 The FATF has issued the following non-binding guidance papers on the implementation of relevant United Nations Security Council Resolutions (UNSCRs): *The Implementation of Financial Provisions of United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction* (June 2007); *The Implementation of Activity-Based Financial Prohibitions of United Nations Security Council Resolution 1737* (October 2007); *The Implementation of Financial Provisions of UN Security Council Resolution 1803* (October 2008).

II. FRAMEWORK OF THE FINANCING OF PROLIFERATION-RELATED MEASURES IN UNITED NATIONS SECURITY COUNCIL RESOLUTIONS

8. This section sets out the framework of UNSCRs relating to the financing of proliferation. Effective implementation of these resolutions will require information sharing and exchange between or among authorities at the domestic level. The framework provides an indication of the broad range of agencies within government which might need to participate in mechanisms for cooperation and co-ordination on countering the financing of proliferation.

9. Since different UNSCRs imply different implementation measures, the content of the respective UNSCRs has an impact on the authorities which are involved at a domestic level. Jurisdictions therefore should evaluate the measures they have taken for the implementation of proliferation-related UNSCRs in order to draw conclusions as to which authorities should be involved in the information exchange, either because they can provide relevant information, or benefit from such information.

10. The UNSC has taken a two-tiered approach to combating the proliferation of WMD and associated financing of proliferation: a targeted approach, aimed at the proliferation activities of states specifically identified by the UNSC[5], and a global approach, aimed at preventing the acquisition of WMD by non-State actors (S/RES/1540(2004)).

11. The sanctions regimes imposed by the UNSC on proliferation-sensitive activities in and programs of the Democratic People's Republic of Korea (DPRK) and Iran include a number of measures targeting the financing related to these activities and programs:

- obligation or encouragement of member states to take necessary measures to prevent the provision of financial services or assistance to the DPRK or Iran related to the provision, supply, sale, transfer, manufacture, maintenance, or use of items, materials, equipment, goods and technology prohibited by the relevant resolutions (Operative Paragraph (OP) 9 and OP 10 of S/RES/1874(2009) in connection with OP 8(a), OP 8(b) and OP 8(c) of S/RES/1718(2006); OP 6 of S/RES/1737(2006); OP 6 of S/RES/1747(2007); OP 8 and OP 13 of S/RES/1929(2010));
- implementation of targeted financial sanctions against persons or entities engaged in or providing support for the DPRK's and Iran's proliferation-sensitive activities and programs (OP 8(d) of S/RES/1718(2006); OP 12 of S/RES/1737(2006); OP 4 of S/RES/1747(2007); OP 11-12 and OP 19 of S/RES/1929(2010));
- call upon member states to prevent the provision of any other financial services, or the transfer of any financial or other assets or resources, that could contribute to the DPRK's and Iran's proliferation sensitive programs and activities (OP 18 of S/RES/1874(2009); OP 21 of S/RES/1929(2010));

5 At present, the UNSC has imposed targeted measures in relation to the Proliferation–Sensitive Programmes of the DPRK and Iran.

- call upon member states not to enter into new commitments for grants, financial assistance, or concessional loans to the DPRK or Iran, except for humanitarian and developmental purposes (OP 19 of S/RES/1874(2009); OP 7 of S/RES/1747(2007)); and
- call upon member states not to provide public financial support for trade with the DPRK or, in the case of Iran, to exercise vigilance in entering commitments for public financial support in order to avoid such financial support contributing to sensitive nuclear activities or to the development of nuclear weapon delivery systems. (OP 20 of S/RES/1874(2009), and OP 9 of S/RES/1803(2008).

12. Specifically in relation to Iran, the UNSC:

- has decided that member states shall prohibit the acquisition by Iran of an interest in or an investments by Iran or Iranian natural or legal persons of an interest in any commercial activity in another State involving uranium mining, production or use of nuclear materials and technology, in particular uranium-enrichment and reprocessing activities, all heavy-water activities or technology-related to ballistic missiles capable of delivering nuclear weapons, in territories under their jurisdiction (OP 7 of S/RES/1929(2010));
- calls upon member states to exercise vigilance over the activities of financial institutions with Iranian banks and their foreign branches and subsidiaries, in particular Bank Melli and Bank Saderat, in order to avoid such activities contributing to Iran's proliferation sensitive activities or to the development of nuclear weapon delivery systems (OP 10 of S/RES/1803(2008));
- decides that member states shall require persons subject to their jurisdiction to exercise vigilance "when doing business[6]" with Iranian persons and entities, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have reasonable ground to believe that such activities could contribute to Iran's proliferation-sensitive activities or to the development of nuclear weapon delivery systems (OP 22 of S/RES/1929(2010));
- calls upon member states to prohibit Iranian banks from opening new foreign branches, subsidiaries, or representative offices, or from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with foreign banks if they have reasonable ground to believe that such activities could contribute to Iran's proliferation-sensitive activities or to the development of nuclear weapon delivery systems (OP 23 of S/RES/1929(2010)); and

6 This concept is broader than the financial provision under S/RES/1737(2006), S/RES/1747(2007), and S/RES/1803(2008). The FATF's draft guidance paper on S/RES/1929(2010) provides a guideline to implement this provision.

- calls upon member states to prohibit financial institutions from opening representative offices or subsidiaries or banking accounts in Iran if such financial services could contribute to Iran's proliferation-sensitive activities or to the development of nuclear weapon delivery systems (OP 24 of S/RES/1929(2010)).

13. S/RES/1540(2004) includes two obligations of states relating to the financing of proliferation:

- to adopt and enforce, in accordance with national procedures, effective laws which prohibit any non-State actor to manufacture, acquire, possess, develop, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery, in particular for terrorist purposes, as well as attempts to engage in any of the foregoing activities, participate in them as an accomplice, assist or finance them (OP 2); and
- to establish, develop, review, and maintain appropriate effective national export and trans-shipment controls over certain items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export and controls on providing funds and services related to such export and trans-shipment such as financing, and trans-shipment that would contribute to proliferation, as well as establishing end-user controls; establishing and enforcing appropriate criminal or civil penalties for violations of such export control laws and regulations (OP 3(d)).

III. KEY AGENCIES FOR INFORMATION SHARING AND EXCHANGE

14. Based on the framework of proliferation-related UNSCRs as outlined in section 2, jurisdictions should take steps to identify which agencies should be involved in the information exchange, either because they can provide or benefit from relevant information.

15. This section identifies agencies which, depending on the organisation of each jurisdiction, the duties imposed by the relevant UNSCRs and the measures the jurisdiction has chosen to implement the respective UNSCR, may have information integral to the implementation of the measures set out in the framework described in section 2, as well as the agencies that may need that information to enforce and monitor compliance with those measures.

(A) EXPORT CONTROL AND CUSTOMS / BORDER CONTROL AGENCIES

16. Export control agencies are a critical source of information on the goods and services that might be abused for proliferation, as well as of information on proliferators. Customs and border protection agencies rely on this information to ensure compliance with export control provisions and collect the customs-relevant data. Other agencies or authorities may also use this information in order to better understand the financing of proliferation risks. Consequently, export control and customs agencies can, depending on the circumstances, be both providers and users of information that may indicate the existence of the financing of proliferation.

17. As users of information, export control authorities have noted that financial information may be helpful in detecting actual end-users and illegal transactions and may improve the effectiveness

of investigations conducted by law enforcement authorities by permitting a more thorough understanding of the transaction and business structures and methods used to facilitate illegal transfers of prohibited items across jurisdictions. Export control agencies therefore are both providers and recipients of information in the context both of S/RES/1540(2004) and of the UNSCRS relating to Iran and the Democratic People's Republic of Korea (DPRK).

(B) INTELLIGENCE SERVICES

18. Intelligence information about financial activities related to proliferation may be important in providing governments with key details in order to prevent the financing of proliferation. Linking a financial transaction to WMD proliferation can sometimes be difficult; thus intelligence information may provide a crucial link between a dual-use item and its destination for proliferation use. Some jurisdictions have intelligence agencies specifically tasked with identifying, analyzing, and disseminating intelligence on individuals and entities who may be involved in or supporting the financing of proliferation of WMD.

19. Intelligence can also play a key role in identifying individuals and entities who may be involved in or supporting the financing of proliferation of WMD, especially those who operate in different jurisdictions. Such intelligence-based identification can be used for proposals for public designation of individuals and entities related to the financing of proliferation in accordance with Security Council list-based programs, pursuant to S/RES/1718(2006) and S/RES/1737(2006) and their successor resolutions.

20. In many jurisdictions, competent authorities, including export control and customs agencies, may also use intelligence information about possible suppliers or end-users of goods with a potential dual use in a WMD program when deciding whether to grant an export license or to let goods pass the border. Some jurisdictions have developed profiles of suspicious suppliers on the basis of infringements of export control provisions or end users based on intelligence which customs agencies use to trigger catch-all provisions. Customs agencies in these jurisdictions will stop shipments by the profiled supplier, or to a profiled end user to make sure that the export complies with the control measures required under the UNSCRs. Intelligence services therefore play an essential role in identifying individuals and entities who may be involved in or supporting the financing of proliferation of WMD.

(C) FINANCIAL INTELLIGENCE UNITS

21. Some jurisdictions have noted the historical value of the information contained in suspicious transaction reports (STRs) as being important for the identification of additional suspect individuals, businesses, and accounts which might otherwise never be known to law enforcement. Therefore, whilst a STR may not appear to have any investigative relevance at the date of its filing, it may become relevant to an investigation in the future. Financial intelligence units therefore are relevant as providers of information in the context of both the UNSCRS related to Iran and the DPRK and S/RES/1540(2004).

22. Although FATF does not require STR reporting to combat the financing of proliferation of WMD, some jurisdictions have chosen to establish suspicious reporting requirements for banks and

other financial service providers as an additional means to implement UNSC resolutions related to Iran and the DPRK and S/RES/1540(2004). The reports these institutions make to FIUs can be a highly relevant resource for identifying individuals and entities who may be involved in or supporting the financing of proliferation of WMD and enforcing and monitoring compliance with laws to counter the financing of proliferation.

(D) LAW ENFORCEMENT AND PROSECUTION AGENCIES

23. S/RES/1540(2004) requires States to establish and enforce appropriate criminal or civil penalties for violations of laws and regulations related to export controls or counter the financing of proliferation. In some jurisdictions, contravention of laws implementing UNSC sanctions (including the financial measures in relation to the DPRK and Iran) is also a criminal offence. Law enforcement and prosecution agencies will therefore be critical users of information indicating the financing of proliferation and, through their investigations of other proliferation-related offences, may also generate information relevant to the financing of proliferation. Law enforcement and prosecution agencies therefore may be - subject to criminalisation of contravention of laws implementing the UNSCRs related to Iran and the DPRK and S/RES/1540(2004)–both providers and recipients of information.

(E) FINANCIAL SUPERVISORS AND COMPETENT AUTHORITIES

24. A number of UNSC measures in relation to Iran call for restrictions on the capacity for Iranian financial institutions to operate outside Iran, as well as for restrictions on non-Iranian financial institutions to operate inside Iran, or with Iranian entities. Some jurisdictions have implemented these requirements by prohibitions whereas others have resorted to licensing requirements. In the latter case, these measures have implications both for the regulation of a jurisdiction's financial services sector (*e.g.,* controls on the availability of licenses to provide financial services) as well as for the prudential regulation of that jurisdiction's financial institutions (*e.g.,* the impact of any relationship they may have with Iranian banks).

25. Individuals and entities who may be involved in or supporting WMD proliferation require access to financing in order to function. Financial supervisors' ability to ensure that this access is denied requires that they be aware of the financing of proliferation risks posed particularly by financial institutions from Iran and the DPRK identified by the UNSC in the relevant resolutions. This makes them both users and sources of information, especially in jurisdictions that have chosen to implement the UNSC measures through licensing requirements. Financial supervisors in such jurisdictions should be encouraged to share with other agencies information they may have concerning the linkages between local financial institutions and individuals from Iran and the DPRK and entities who may be involved in or supporting the financing of proliferation of WMD.

(F) TRADE PROMOTION AND INVESTMENT AGENCIES

26. UNSC measures related to the DPRK and Iran related to publicly provided support for trade call upon member states to ensure that trade promotion agencies are aware of proliferation risks associated with the DPRK and Iran when considering to provide support for trade. The role of such agencies in assisting exporters and investors might, depending on the organisation of such agencies,

mean that they obtain information of trade approaches which may indicate patterns of illicit procurement of WMD dual use goods. In some jurisdictions, trade agencies may provide general information and serve as a contact point but will not initiate and support singular transactions. Depending on their profile, trade promotion and investment agencies may therefore be a source of information relevant in the context of the UNSCRS relating to Iran and the DPRK.

(G) GOVERNMENT POLICY DEPARTMENTS

27. In many jurisdictions, Government departments will also have a key interest in being involved in proliferation finance information exchange. In particular, relevant Foreign Affairs, Finance, Commerce and Home and Justice Departments will potentially benefit from receiving proliferation finance information, to allow them to ensure that the UNSC regimes are being appropriately implemented in their jurisdictions, and to allow them to identify any gaps in their regime, where relevant, that require changes to the domestic or jurisdictional regime, or even to the UNSC regime itself.

(H) AGENCIES OR AUTHORITIES INVOLVED IN THE IMPLEMENTATION OF RELEVANT UNSCRS

28. Authorities responsible for implementing targeted financial sanctions require all sources information to identify individuals and entities who may be involved in or supporting the financing of proliferation of WMD. In addition, these authorities have compliance information that may assist other authorities in better understanding the financing of proliferation.

IV. MECHANISMS FOR DOMESTIC CO-OPERATION AND CO-ORDINATION

29. This section sets out the mechanisms (including relevant legal authorities) by which relevant agencies may co-operate and, where appropriate, co-ordinate domestically to combat the financing of proliferation.

(A) COOPERATION: ADEQUATE LEGAL AUTHORITIES TO COLLECT AND SHARE INFORMATION

30. In many jurisdictions, the authority for a government agency to collect information, whether from the public or from other government agencies, is accompanied by regulatory restrictions on how it can use that information. These restrictions can limit an agency's ability to share information it has collected with other government agencies generally, or for purposes other than for which the information was collected. Similarly, many jurisdictions will have principles of privacy that restrict certain information being shared.

31. Jurisdictions have to find an appropriate balance between efficient mechanisms of information sharing and legitimate issues of data protection for the purpose of ensuring compliance with, or to investigate contraventions of, national legislation to counter the financing of proliferation.

32. Some jurisdictions allow relevant agencies in the counter proliferation and export control system to use classified / intelligence information relating to the financing of proliferation in the administration of export / customs controls, including to target certain exports, as well as to detain or seize suspect exports, in such a way that does not require those agencies to disclose the origin or content of that information.

33. Some jurisdictions allow FIUs to disclose data related to proliferation to relevant agencies in the counter proliferation and export control system. Such disclosure should be in conformity with the arrangements within the relevant jurisdiction with respect to protection of the data held by the FIU.

(B) CO-ORDINATION:

34. Implementation of the measures in S/RES/1540(2004), S/RES/1718(2006), S/RES/1737(2006) and subsequent relevant resolutions may engage a range of agencies which have not traditionally been involved in the administration of export controls, as set out in section 3. This may have significant advantages, as these agencies are likely to hold information of relevance to the financing of proliferation that has not previously been accessed by export control, customs and border control and law enforcement agencies. It may also pose challenges since these agencies may possibly be taking on new tasks implying an extension of competences and resources.

35. Incorporating all agencies identified in section 3 to co-ordinate the implementation of the UNSC measures described in section 2 is a critical way of tackling proliferation finance, allowing for joint analysis, co-ordinated and complementary operations, and more developed policy positions. Such joint working can also be a key confidence and relationship building measure. A possible avenue to achieve this co-operation, information sharing and joint working may be regular or ad hoc-inter-agency meetings that may include representatives from financial, intelligence, export control, law enforcement, regulatory / supervisory and policy agencies. Issues which may be discussed in these meetings might include:

- monitoring and analysis of risks, threats, new trends and vulnerabilities in the counter financing of proliferation regime;
- development of policy on combating the financing of proliferation of nuclear, biological, and chemical weapons and their means of delivery;
- recommendations of appropriate responses for competent agencies to take action to counter the financing of proliferation;
- identification of key intelligence gaps related to the financing of proliferation and development of possible solutions to close those gaps;
- consideration of potential interdiction opportunities to impede financing of proliferation activities and co-ordination of such actions;
- co-ordination and de-conflicting the activities of competent agencies (including financial, intelligence and law enforcement agencies) in terms of combating the financing of proliferation;
- co-ordination of investigations of financial support for export control violations, and the enforcement of laws related to the export and transhipment of controlled dual-use goods, including to sanctioned countries;

- co-ordination and de-conflicting of financial, intelligence and law enforcement agencies in terms of potential plans to identify and designate individuals and entities who may be involved in or supporting the financing of proliferation of WMD; and
- review of mechanisms to ensure effective scrutiny of suspicious activity reporting and to meet the requirements of sanctions implementation.

ANNEX 1

CASE STUDIES OF SUCCESSFUL INTERAGENCY CO-ORDINATION

Case study 1

One successful example of interagency cooperation on combating proliferation activities involved the Finance, Justice, and Commerce Departments of country A against a global procurement network that sought to illegally acquire dual-use and military components for the Government of Country B, violating a number of domestic laws and regulations. The government wielded a powerful array of authorities and took co-ordinated actions on the same day against Country B's proliferation supply chain. Financial information contributed to realising and verifying the creation of front companies that were used to evade regulations. The Justice Department unsealed an indictment naming 16 foreign-based defendants that were Country B's suppliers and middlemen. Simultaneously, the Finance ministry levied sanctions against the military end-users of Country B that procured goods from those named in the indictment. On the same day, the Commerce Department announced 75 additions to its list of entities of concern because of their involvement in the global procurement network. The case involved the illegal export of dual-use items to Country B that had a military application. The goods diverted to Country B via this network were dual-use goods prohibited by export control regulations due to their end-use and end-user. The Commerce Department led the investigation and co-ordinated with the Finance Ministry and customs enforcement officials.

Case study 2 (relating to interagency co-ordination for implementation of targeted financial sanctions by designating)

The development of designations for targeted financial sanctions in Country A is undertaken in consultation with the Finance, Foreign, and Justice Ministries. The Finance Ministry is very engaged with colleagues, in a variety of agencies, throughout the investigation process. Initial targets are suggested through an interagency working group, and closely co-ordinated and vetted within appropriate agencies in the early stages of development. Depending on the amount of intelligence involved in constructing a case, the Finance Ministry also works closely with the intelligence community to develop a case for a designation.

In addition, the Finance Ministry goes through a formal co-ordination phase designed to de-conflict proposed designations with the operational and policy interests of other agencies, and to ensure that the targets are consistent with and further the strategic national security and foreign policy goals of the country. Interagency co-ordination is clearly a critical part of the process because it ensures that the public designation of entities and individuals involved in or supporting WMD proliferation do not jeopardise the ongoing operations of colleagues in the law enforcement or the intelligence communities, and are consistent with the government's foreign policy and national security objectives and interests. The government is acutely mindful of the importance of ensuring that it does not compromise sensitive sources or methods that would harm national interests or the fundamental rights of parties involved, and that the actions are co-ordinated with ongoing diplomatic efforts in order to achieve effectively the national security and foreign policy objectives.

Once this very thorough interagency review process has been completed and the Finance Ministry has received concurrences from interagency colleagues, the final evidentiary package is presented. Before the designation is formally announced, the Finance Ministry investigates whether a designation target has a presence in the country. If such a presence is detected, investigators work to prepare an operation to block any property that can be identified. Any domestic enforcement operations are closely co-ordinated with law enforcement officers from other federal agencies and local authorities.

In one particular case, Country A designated Company X due to its provision of support for WMD proliferation.

Company X was subject to a call for enhanced vigilance by the United Nations Security Council. Company X was known to use deceptive practices, including the creation and use of front companies to try and evade sanctions and continue to engage in financial transactions with banks in Country A. The Finance Ministry received information of possible front companies from financial institutions who had discovered relevant data from performing due diligence and investigating certain transactions which they deemed to be suspicious. Based upon this and sensitive government information, including intelligence, the Finance Ministry began to develop an evidentiary case to also designate front companies of Company X to prevent them from using Country A's financial system to make payments which may have supported proliferation activity. Financial information was used in the development of the designation and the corresponding indictment against individuals and entities involved. For example, in the account opening documents for establishing one of the front companies, the listed address and telephone number were the same as that for Company X. The Finance Ministry worked with the relevant other government agencies, in particular the Foreign and Justice Ministry, through a formal co-ordination phase to de-conflict the proposed designations with the operational and policy interests of other agencies.