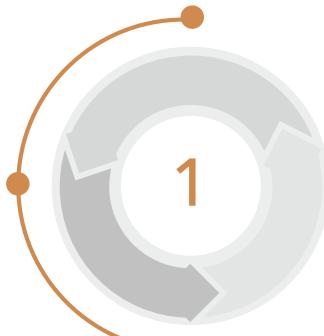




# PROLIFERATION FINANCING STAGES

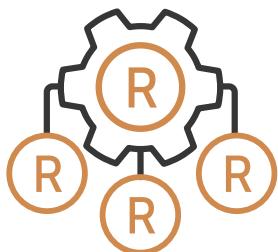


## RAISING FUNDS

For the purposes of proliferation of WMD

**Funding state actors, non-state actors and/or illicit networks.**

Includes **acquiring, sourcing, procurement or purchasing** of WMD (parts, components and/or precursors) **material** and/or **dual-use goods, intangible assets** e.g. technology, research and development, and **financial services** e.g. insurance, investments.



## MOVING FUNDS

**Spreading assets and funds** across different parties to **reduce risk** during procurement, manufacturing, assembly, import or export, and delivery – with or without required compliance steps such as permits or licensing.

Through **complex financial** and **cross-border channels** such as transfers, transport, trans-shipment and through trade-based money laundering schemes **hiding** the origin and/or ultimate **destination** of the **assets, property and/or funds**.

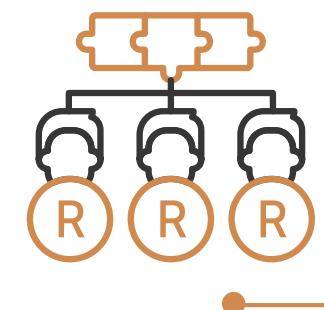
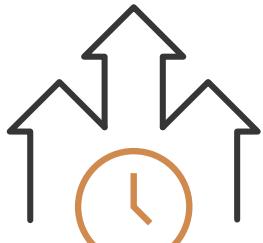


## STORING FUNDS

**Money can be invested or re-invested.**



**Divert or spread risk** through **geographic jurisdictions** with **close proximity** en-route to end **destination(s)**.



## USAGE OF FUNDS

End of WMD proliferation life cycle in **support** of a **programme, state actor, non-state actor and/or illicit network**.

For example, **funds** may be **paid to manufacturers** or used to **ship sensitive goods**, even when the **transactions** are not directly **linked** to the **movement** of those goods. This can occur when **details** such as the **end user, authentication state, or destruction** certificates and/or assurances are **unclear**.



## WMD PROLIFERATION

Refers to the **manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling, or use of nuclear, chemical, or biological weapons** and their means of delivery and related materials – Financial Action Task Force.





# PROLIFERATION FINANCING RED FLAG INDICATORS

## SOME **BEHAVIOURS** THAT COULD BE **SIGNS** OF PROLIFERATION FINANCING



- Parties are physically **located** in **proliferating countries**.
- Parties are physically located in countries of diversion concern i.e. states that **allow** the provision of **proliferation-sensitive goods**, or their **financing**, through their **territory**.
- **Biographical** details of parties are **similar** to those listed under **WMD sanctions** or trade controls such as names, addresses, or contact numbers.
- Parties are conducting **business** in **goods** and/or **technology controlled under domestic WMD control regimes**. This include **international** and **domestic** regulatory and compliance framework **i.e.** legislation, regulations, permits, licenses, etc. of WMD and dual-use goods.
- Parties involved conduct **business** activity **inconsistent** with their **profile**. End-user(s) not identified.
- Parties maintain **connections** with a country where there is concern about **proliferation**.
- Goods ordered from **third countries**.
- Cash used in transactions for **industrial items**.
- **Highly technical goods** (also called strategic goods) may be shipped to countries with lower technological development. These goods can include advanced technology or intangible assets.