

References to Antiquities in the Monitoring Team Reports and recommendations related to illicit trade of antiquities in Iraq and Syria

S/2014/815 – 14 November 2014 – MT’s ISIL/ANF Report
http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2014/815

Antiquities

72. On the issue of antiquities looting, the Monitoring Team has consulted with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Customs Organization (WCO) and relevant academic and other experts.¹ Open-source reporting also indicates that ISIL has been generating income by plundering antiquities in Iraq and the Syrian Arab Republic.² There is evidence that ISIL encourages the looting and subsequent smuggling of Iraqi and Syrian antiquities, especially from archaeological sites. ISIL earns revenue by taxing the looters. The looting has become more systematic and organized. For example, it has been reported that ISIL has become more involved in the digging and uses contractors with bulldozers to dig at the sites.³ Excavated objects are then sold to local dealers. Already in January 2014, the Directorate General of Museums and Antiquities of the Syrian Arab Republic reported that 300 people were digging at the important Dura Europos site.⁴

73. This is a growing but not a new risk.⁵ Antiquities have been plundered in Iraq before, and were the cause of a specific Security Council response in 2003. Resolution 1483 (2003) includes a provision requiring Member States to take measures facilitating the return of Iraqi cultural property illegally removed from Iraq since 1990, “including by establishing a prohibition on trade in or transfer of such items and items with respect to which reasonable suspicion exists that they have been illegally removed”.⁶ Although the looting and sale of antiquities is a known risk, it is very difficult to reliably estimate the amount of money that ISIL raises through this activity, and the Monitoring Team has not received officially confirmed information pointing to a particular sale that was clearly ISIL-related. Furthermore, there is a risk that local dealers will stockpile the artefacts until the world is no longer focused on this issue. On this basis, the Monitoring Team recommends a preventative approach.

The Al-Nusra Front for the People of the Levant

83. The finances of ANF are much more opaque than those of ISIL and there is very little information available in open sources. According to three Member States, ANF is

¹ A detailed PhD dissertation has been written on the general subject: “Transnational crimes against culture: looting at archaeological sites and the grey market in antiquities”, by Blythe Alison Bowman, University of Nebraska, 2008.

² See, for example, “ISIS Selling Iraq’s Artifacts in Black Market: UNESCO”, *Al Arabiya*, 1 October 2014, and Mark V. Vlasic, “Islamic State sells ‘blood antiquities’ from Iraq and Syria to raise money”, *The Washington Post*, 14 September 2014. In order to help relevant professionals and law enforcement officials recognize the types of items that are likely to be illegally traded, the International Council of Museums issued an “Emergency Red List of Syrian Cultural Objects at Risk” in 2013. A similar list of Iraqi antiquities at risk has existed since 2003.

³ David Kohn, “ISIS’s looting campaign”, *The New Yorker*, 14 October 2014.

⁴ Syrian Arab Republic, Ministry of Culture, Directorate General of Antiquities and Museums, “Annual Report 2013”, January 2014.

⁵ According to an international organization, this is an increasing risk as antiquities are seen as a profitable and secure investment.

⁶ More recently, the UNESCO Executive Board adopted a decision on the protection of Iraqi heritage (195 EX/31).

dependent on donations from private financiers from the wider region. ANF has received several million dollars from private wealthy donors and fundraising initiatives. Other sources of income include kidnapping for ransom, as previously reported (see S/2014/770), some extortion close to the borders of the Syrian Arab Republic with Turkey and Jordan, as well as weapons sales to other groups in the Syrian Arab Republic.⁷

84. ANF is more discreet about its operations than ISIL. However, it is clear that ANF has seized a much smaller territory than ISIL, and it is often divided into separate pockets. There are currently few or no oil production facilities under ANF control, removing much of the group's ability to raise funds by controlling or exploiting oil smuggling. However, it may be able to extract revenue from distribution networks in the areas that it controls. There are indications that ANF may be extracting or seeking to generate revenue from antiquities smuggling.⁸ Given the Syrian Arab Republic's rich cultural heritage, and assuming that ANF requires continuing income to secure essential supplies, any move to contain such revenue would be highly valuable.

Recommendations

91. The Monitoring Team is making a series of recommendations for Security Council action. These fall into three categories.

93. In the second set of recommendations (section B below), building directly on the analysis in this report, the Monitoring Team recommends three new sanctions measures that would require appropriate authority from the Security Council. While these build on the existing Al-Qaida sanctions regime, they strengthen measures relating to the assets freeze and arms embargo, with the goal of delivering both preventative and disruptive effect.

94. They have been developed after careful debate within the Monitoring Team, not least to properly consider the risk of unintended consequences. The recommended measures — imposing a seizure of oil tankers and their load departing or seeking entry into ISIL- or ANF-controlled territory, introducing a limited international moratorium on the trade of antiquities that may have been illegally looted in the Syrian Arab Republic or Iraq by ISIL or ANF and imposing a preventative embargo on flights destined to land in or taking off from ISIL- or ANF-controlled territory (with a Council-managed exemption procedure to allow for humanitarian or other traffic authorized by the Council) — are designed to disrupt revenue to ISIL and ANF. The Monitoring Team notes that these measures in and of themselves are not sufficient to respond to the threat from ISIL and ANF. A comprehensive approach is required, one that properly integrates multilateral strategies with Member States' national actions. Targeted sanctions, both the existing Al-Qaida sanctions regime and any enhanced regime that may be adopted by the Council, can only form one part of the necessary international response.

95. Security Council targeted sanctions against Al-Qaida associates like ISIL and ANF have evolved significantly over the past two decades, with an increasing emphasis on improving the quality of listings, advancing the implementation of the sanctions measures and encouraging a strategic approach by the Committee to how Chapter VII sanctions can contribute to international peace and security. There will always be concern about the

⁷ Information provided by a Member State.

⁸ Information provided by a Member State and an international organization.

introduction of new sanctions measures, not least when these are considered against the backdrop of a significant immediate threat to peace and security. The Monitoring Team is therefore making an unusual recommendation alongside the three new measures, which is that the Committee formally review the impact of the new measures (if adopted) within 180 days. This impact assessment introduces a mechanism through which the Committee, and therefore the Council, can take soundings on how enhanced measures are working and can adapt them in light of any adverse unintended consequences that are identified.

Recommendation six: The Monitoring Team, noting that ANF and ISIL may generate revenue from the smuggling and sale of antiquities illegally taken from the territory of the Syrian Arab Republic or Iraq, recommends that the Chair request the Security Council to mandate a world-wide moratorium on the trading of antiquities from the Syrian Arab Republic or Iraq since the passing of resolution 2170 (2014) that lack clear, certified provenance. Although such a moratorium would not eliminate the criminal market for smuggled antiquities, this ban should disrupt the market for antiquities from the Syrian Arab Republic and build on prior Security Council measures⁹ in the case of Iraq, depressing potential ANF and ISIL revenues.

⁹ See paragraph 7 of Security Council resolution 1483 (2003), in which the Council, among other things, requires Member States to establish a prohibition on the trade in or transfer of Iraqi cultural property illegally removed from Iraq.

Summary Impact assessment

2. The Monitoring Team reported to the Committee on its impact assessment and pointed out that resolution 2199 (2015) had had a noteworthy effect in raising awareness concerning the revenue generation of the Islamic State in Iraq and the Levant (ISIL), listed as Al-Qaida in Iraq (QDe.115), and of the Al-Nusrah Front for the People of the Levant (ANF) (QDe.137), and in galvanizing Member States. This is especially the case with respect to the smuggling of antiquities and efforts to prevent ISIL and ANF from gaining access to the international financial system.

6. Although the illicit trafficking of cultural heritage from Iraq and the Syrian Arab Republic has been going on for years, the activities of ISIL and ANF have significantly increased the scale of this problem and risk. However, credible estimates related to the smuggling of antiquities by ISIL are currently unavailable. ISIL is increasingly organizing this illicit trade in a quasi-bureaucratic manner. The group generates revenue at various steps of the process. It demands a fee for granting permits to looters and excavators and “taxes” the antiquities excavated and smuggled out of its territory on the basis of their estimated value. Looting and excavation are done using heavy machinery and more portable metal detectors. ANF also appears to derive some income from the smuggling of antiquities, although this appears to be less pervasive.

7. The Monitoring Team identified six major challenges that complicate the effective implementation of sanctions provisions aimed at curbing the ability of ISIL and ANF to generate assets through the illicit trade in stolen and looted artefacts:

(a) Lack of documentation on antiquities constitutes a problem for Member States’ investigations. It is important that the documentation of seizures by Member States include details such as the date and the location of the seizure and the origin of the artefacts;

(b) Collectors, art dealers and auction houses are the last “line of defence” against the sale of illegal artefacts. Therefore, effective development of regulations concerning the implementation of private sector due diligence measures remains a challenge;

(c) The risk of terrorism financing is significant in the trading of illicit artefacts. Therefore, further attention on the part of relevant Member State authorities with respect to this issue might potentially increase the practical effects of sanctions;

(d) While, on the one hand, safe havens for antiquities outside Iraq and the Syrian Arab Republic offer the potential to ensure that stolen and looted artefacts are preserved, they could, on the other hand, inadvertently increase the size of the market for illicit antiquities;

(e) Unlike oil-related interdictions, reporting on seizures of illegally removed cultural artefacts, although covered by the general reporting requirement under paragraph 29

¹⁰ Official Report was confidential.

of resolution 2199 (2015), is not stipulated as a specific reporting obligation for Member States under the resolution. Encouraging Member States to report seizures of cultural artefacts illegally removed from Iraq and the Syrian Arab Republic could improve the analysis of this issue;

(f) Encouraging Member States to propose listings of ISIL- or ANF-related individuals and entities involved in the illicit trade in antiquities by ISIL and ANF could potentially increase the effectiveness of the implementation of the provisions of resolution 2199 (2015).

55. As a general rule, ISIL has proven adept at adjusting to local conditions, and if there is a revenue-generating activity that ISIL can exploit in the territory it controls, it will try to do so, as has been the case with oil and antiquities in Iraq and the Syrian Arab Republic.¹¹

Recommendation

92. The International Criminal Police Organization (INTERPOL) is currently working on various projects relating to foreign terrorist fighters and the interconnection between terrorism and organized crime. These projects might be beneficial for countering the threat of groups associated with Al-Qaida, including ISIL in Libya.

93. The Monitoring Team recommends that the Committee encourage INTERPOL, in cooperation with the Government of Libya and appropriate neighbouring Member States, to develop a specific project enabling information exchange between Member States on foreign terrorist fighters and the interconnection between smuggling and terrorism finance.

¹¹ Given that ISIL generates revenue from the illicit trade in cultural heritage from the Syrian Arab Republic and Iraq, the United Nations Educational, Scientific and Cultural Organization pointed out to the Monitoring Team that a risk remained that illicit antiquities smuggling might also become a revenue-generating tool for terrorist organizations in Libya. However, currently, no Member State highlighted this as source of funding for the groups covered in the present report.

III. Monitoring relating to the illicit trade in cultural property

8. The effectiveness of the monitoring of the illicit trade in looted cultural property depends on the availability of data from seizures conducted by Member States. In this regard, customs authorities play a strategic role, and actions should be taken to raise the awareness of customs authorities with respect to this ongoing illicit trade. The World Customs Organization (WCO) periodically issues recommendations to its members relating to customs practices. For example, in 2013, the Committee and the Monitoring Team worked with WCO to amend the language of the Customs Cooperation Council recommendation concerning the use of advance passenger information and passenger name record data to highlight the use of those data for Security Council sanctions implementation. These recommendations, despite the fact that their implementation is voluntary for WCO members, influence customs agencies' decision-making. A new WCO recommendation focusing on the fight against the illicit trade in antiquities would galvanize the authorities of relevant Member States into action and raise their awareness of the issue. In order to increase the visibility of this measure, the potential new WCO recommendation could be issued in cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO).

R3. The Monitoring Team recommends that the Committee mandate the Monitoring Team to cooperate with WCO and UNESCO in exploring the possibility of issuing a new WCO recommendation highlighting the risk posed by illicit trade in looted cultural property for global financing of terrorism and report back on the progress of this cooperation.¹²

9. The problem of the illicit trade in looted cultural property carried out by ISIL has galvanized a range of Member States and international organizations such as UNESCO, the International Council of Museums (ICOM) and the International Criminal Police Organization (INTERPOL). Enhanced monitoring of this trade is key to its future disruption.

R4. The Monitoring Team recommends that the Committee invite UNESCO, the International Council of Museums, INTERPOL and other relevant organizations to a special thematic meeting of the Committee at which they can update the Committee on their ongoing activities aimed at monitoring the international illicit trade in looted cultural property linked to ISIL and to discuss further measures that could be taken.

10. In order to counter the illicit trade in stolen and looted cultural property by ISIL, it is crucial to increase the current information available to Member States concerning objects that have been identified as stolen or were seized by relevant authorities. The provision by, and exchange between, Member States of such information can potentially be used to identify and track underlying smuggling and illicit trading networks. One international instrument that can

¹² WCO released the new Resolution in July 2016 (Resolution of the Customs Co-operation Council on the role of customs in preventing illicit trafficking of cultural objects (Brussels, July 2016).

be used by Member States to gather and exchange information on illicitly traded cultural property is the INTERPOL database on stolen works of art.

R5. Given the growing risk of terrorism financing through the illicit trade of cultural property, the Monitoring Team recommends that the Committee write to Member States and encourage them to systematically update the INTERPOL database on stolen works of art with detailed information on objects stolen and seized from Iraq, the Syrian Arab Republic and Libya.

11. Although much of the focus of the international community has been on the looting of the cultural heritage in Iraq and the Syrian Arab Republic, it is important to keep in mind that ISIL also controls territory in Libya. Libya is a country with a significant number of archaeological sites; hence, there is a substantial risk that ISIL could attempt to raise funds by looting the cultural heritage of Libya. In fact, the International Council of Museums recently issued an Emergency Red List of Libyan Cultural Objects at Risk¹³ in order to assist law enforcement officials as well as the art world in identifying objects originating from Libya that are at risk of being illegally traded. The Monitoring Team believes that awareness of the risk of the looting of the cultural heritage in Libya by ISIL should be raised.

12. As a first step, the Monitoring Team intends to engage relevant Member States and international organizations in exploring measures — such as a prohibition of the trade in or transfer of Libyan cultural property illegally removed from Libya or the imposition of other possible restrictive measures on the trade in cultural property from Libya — that could be taken to mitigate this risk, and will report back to the Committee on its findings.

R6. In addition, the Monitoring Team recommends that the Committee write to Member States to advise them of the risk of the looting of the cultural heritage in Libya by ISIL and encourage Member States to raise awareness with relevant authorities and business entities of the International Council of Museums Emergency Red List of Libyan Cultural Objects at Risk.

13. One significant aspect of the illicit trade in looted and stolen cultural property is the transport and storage of these objects as they are moved from the source to the market. Developing additional hurdles in order to disrupt the activities of antiquities smugglers during this process could lower the profit margins that smugglers are able to achieve with these objects. This in turn would reduce the funds that ISIL is able to generate through this illicit trade. In the past, several Member States have seized illicit and looted antiquities in free ports, free zones and similar customs areas. Smugglers used those areas because they are not only exempted from import customs duties, but also, in most Member States, less regulated than regular storage areas. Therefore, those areas are particularly at risk of being misused to store or “stockpile” illicit and looted antiquities for a prolonged period of time until prospective buyers are found, a forged provenance for these objects can be created and/or the world’s attention is no longer focused on the looting of antiquities from the Syrian Arab Republic and Iraq. However, some Member States have recently begun to introduce a range of administrative changes with respect to how these areas are regulated in order to tighten control.

R7. The Monitoring Team recommends that the Committee write to Member States to highlight the risk of the potential misuse of free zones, free ports and similar

¹³ <http://icom.museum/resources/red-lists-database/red-list/libya/>.

customs areas by those trading in illegally obtained cultural property, and encourage those that maintain those areas, and have not yet done so, to introduce inventory lists, describing, in particular, stored cultural property in order that customs agencies may be in a better position to identify potentially illicit antiquities, and to restrict the duration of storage for cultural property in order to mitigate the risk of the stockpiling of looted antiquities in those areas.

III. Illicit trade in cultural property

24. While the oil, gas, spare parts and financial services industries have extensive experience with regard to the implementation of targeted sanctions, the art and antiquities market, as explained to the Monitoring Team by market participants and specialists in the antiquities trade, is in general fairly new to the implementation of sanctions. While the most sophisticated market players have compliance structures in place, compliance and due diligence, including know-your-customer procedures, are generally not as well developed in the antiquities and numismatic market as in other industries. Furthermore, some market participants are still sceptical that the looting of antiquities in Iraq and the Syrian Arab Republic generates a significant revenue stream for ISIL.

25. While precise and official data in this area, which have been confirmed by Member States, continue to be rare, satellite-based monitoring as conducted within the framework of several academic projects revealed a marked increase in looting in ISIL-held areas in Iraq and the Syrian Arab Republic in 2014 and 2015. Furthermore, information confirmed by Member States has pointed to the development by ISIL of administrative structures designed to manage looting activities and the existence of receipts related to the “taxing” of antiquities looted in ISIL-controlled territory.¹⁴ Such developments clearly reflect the sustained expectation of profits to be derived through looting and the illicit trade of antiquities. This situation coupled with the fact that compliance structures within this market are less well developed poses a clear risk that the illicit trade in antiquities may develop into a strategic gap in counter-terrorism financing measures. This issue warrants detailed attention and the development of a range of operative sanctions measures designed to counter the threat.

26. All available data provided by market participants and academics demonstrate that as the profit margins for looted antiquities at the first point of sale are potentially small, the trading of significant volumes of antiquities is required if significant funds are to be generated. Therefore, a range of measures aimed at increasing the effectiveness of existing compliance structures and administrative measures devised to inhibit this illicit trade should ideally result in a diminution of the profit margin and a reduction in the commercial viability of looting in Iraq and the Syrian Arab Republic.

A. Inhibiting illicit transport

27. Antiquities market specialists emphasized to the Monitoring Team that the targeting of ongoing looting in Iraq and the Syrian Arab Republic necessitates physical control over the territory in which those activities are carried out. Consequently, until physical control over the territory is again achieved, sanctions measures should target the commerce-driven logic underpinning the looting so as to diminish the profit margins that can be achieved through the illicit sale of looted antiquities.

¹⁴ See document S/2015/739, para. 6.

28. A first set of measures should be aimed at increasing transport costs and the administrative risks incurred by those engaged in illicit trafficking in antiquities. Antiquities market specialists indicated to the Monitoring Team that this could be achieved through administrative changes made to the World Customs Organization Harmonized System Nomenclature and Classification of Goods and the import structures of Member States. In chapter 97 of the World Customs Organization Nomenclature and Classification of Goods, there are two headings under which the category of antiquities is addressed: heading 97.05 relates to collectors' items of archaeological and numismatic interest; heading 97.06 relates to antiques of an age older than 100 years. While a large range of items fall within either of these two broad categories, subcategories are not specified. However, such a broad categorization is not always the rule for the Nomenclature and Classification of Goods; for example, in chapter 15, under subheading 15.01, 11 variants of animal fat are currently classified.¹⁵

29. Market specialists emphasized in their discussions with the Monitoring Team that further specification of even a few additional subheadings under headings 97.05 and 97.06 would itself represent a major step. For example, additional subheadings could further distinguish antiquities according to age or type (mosaics, for example). Such a measure would ensure that all members of the World Customs Organization were encouraged to amend their national nomenclatures in a harmonized manner, thereby preventing regional market distortions. Further specifications of such items would enable national customs agencies to identify potentially relevant antiquities more easily among imported goods. Those specifications would also enable customs agencies to hold antiquities associated with a false declaration on the basis of misclassification rather than only in those cases where prior credible evidence exists that they were stolen or looted. Holding antiquities associated with a false declaration and therefore open to suspicion on administrative grounds would provide more time for investigations of greater complexity into their origin and ownership history. This would in turn increase the risk on administrative grounds faced by smugglers of ISIL-related antiquities, in all probability without adding to the costs incurred by legitimate market participants.

30. Very few Member States have specialized customs agents trained to detect and conduct investigations focused on stolen and/or looted art and antiquities. Furthermore, such investigations by customs personnel require a significant amount of time and training. Consequently, the number of these specialized customs agents is, according to information available to the Monitoring Team, relatively small, even in the Member States that maintain such units. Market participants therefore suggested that, in order to concentrate available resources, the point of entry for antiquities should be limited to a small number of ports in each Member State, which would allow specialized investigators to focus their work only on those ports. Further, any antiquities imported through other ports could be seized on the grounds of the violation of entry requirements, which would therefore provide time for complex investigations into their origin. While this measure would likely not impose significant new transport costs on market participants, it would increase transport risks for smugglers of illicit antiquities from ISIL-controlled territory.

B. Measures directed against illicit trade

¹⁵ Available at http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs_nomenclature_2012/-/media/A450E554B4AF4E15AC613D9C5845C410.ashx.

31. According to information provided to the Monitoring Team by Member States, business entities and academic specialists, a particular challenge to inhibiting the trade in antiquities that have been removed illegally from Iraq and the Syrian Arab Republic¹⁶ is the issue of their identification. ISIL-related looting concerns mainly Roman, Byzantine and Islamic antiquities. While older antiquities from the pre-Roman period trade for higher prices, their identification presents less of a challenge and they are therefore less likely to be illicitly traded by smugglers. Roman, Byzantine and Islamic antiquities from Iraq and the Syrian Arab Republic are very similar to antiquities dating from the same period in other parts of the wider region. Therefore, distinguishing those antiquities requires highly specialized knowledge, and in some cases, is impossible even when such knowledge exists. This is particularly true for ancient coins dating from this period which, as a medium of value exchange, circulated widely within the region.

32. On the other hand, the identity of a portion of the antiquities under the control of ISIL is already known and has been documented. ISIL systematically robbed museum storage depots and storage depots of former archaeological digs. A significant proportion of the items have been catalogued by the museums concerned and the archaeological expeditions responsible for the digs. Currently, there are several projects under way in Europe and Northern America whose aim is to enable the collection and digitalization of information concerning those items.¹⁷ Merging the various lists and databases and making the final database accessible to vetted and registered antiquities and coin dealers, as well as auction houses, would enable market participants to secure information regarding the identity of objects that are very likely to have been traded by ISIL-related individuals, which would then allow them to vet the antiquities with which they come into contact in the course of their business activities. The United Nations Educational, Scientific and Cultural Organization (UNESCO), which is currently the lead entity in activities related to the fight against illicitly traded antiquities, is mandated, pursuant to paragraph 17 of Security Council resolution 2199 (2015), to assist in the implementation of sanctions measures against ISIL in this regard. Therefore, the Monitoring Team will further explore with UNESCO options for the establishment and maintenance of such a database.

33. In their discussions with the Monitoring Team, entities including associations of antiquities dealers and auction houses have favoured the establishment of such a database as a vetting tool. However, this database by itself would not be sufficient for the purpose, owing to its inability to encompass unregistered and freshly excavated and looted antiquities. Hence, while useful, the establishment of such a database would constitute only a first step towards the provision of helpful guidance to compliance procedures in the market. Regional organizations and antiquities market specialists pointed out to the Monitoring Team that offering the database without additional measures would entail the following risk: unscrupulous market participants might abuse such a database through claims that vetting objects against it was sufficient and that the identities of all objects not included in the database were therefore unproblematic.

34. Consequently, in addition to the database, a parallel strengthening of compliance procedures within the market is necessary. The trade in art and antiquities uses “provenance” as its central compliance instrument. In the market, the term is loosely defined as “proof of

¹⁶ See para. 17 of Security Council resolution 2199 (2015).

¹⁷ In addition, the International Criminal Police Organization (INTERPOL) maintains a list of stolen works of art in its Works of Art Database which is accessible to market participants after a process of vetting carried out by INTERPOL. However, this database includes only those objects that are known to have been stolen.

prior ownership". Currently, however, no internationally accepted standard exists which determines what provenance should entail. Market participants pointed out to the Monitoring Team that provenance could range from a simple affidavit from the seller to multiple certificates of ownership spanning decades. The lack of an international agreement on the minimum standards for establishing provenance is due to the fact that antiquities have been traded for several hundreds of years. It is only fairly recently, mainly as a consequence of the adoption by the General Conference of UNESCO, on 14 November 1970, of the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, that provenance has become a central market instrument. This being the case, business entities explained to the Monitoring Team that a significant number of legal antiquities have only a weak provenance, meaning at most one or two documents demonstrating prior ownership. This problem is particularly prevalent for the trade in ancient coins, for which provenance documents are rarely produced or archived. Notwithstanding, since the illicit trade of ISIL in looted antiquities is connected to international financing of terrorism, further work on an acceptable international standard for provenance seems necessary.

35. In contrast with the oil and gas and financial services industries, the current trade in antiquities does not utilize stringent compliance systems, including know-your-customer procedures, in addition to provenance checks. As outlined above, provenance may present a challenge even in cases of clearly licit antiquities, in particular for the trade in coins. Therefore, know-your-customer procedures focusing on the seller of antiquities would present an additional hurdle for those engaged in the smuggling of antiquities. Furthermore, maintaining records of sellers of antiquities with dealers and auction houses for a minimum period would enable potential law enforcement investigations to access data on past sales more easily and therefore introduce an additional risk factor for smugglers of illicit antiquities.¹⁸

36. Furthermore, business entities and associations emphasized to the Monitoring Team that once dubious sellers and/or objects are identified by market participants, no formalized and legally protected mechanism currently exists which allows market participants to share the identity of these sellers and/or objects with one another. A similar problem concerning agents of concern in the money services business sector is in the process of being addressed through a trade association database which allows member companies to exchange the relevant sensitive data. A comparable mechanism would pose a significant risk to the commercial activities of smugglers of illicit antiquities.

IV. Conclusion

37. The preparation of this report is intended to serve as a first step in the Monitoring Team's engagement with the private sector, as mandated in annex I to Security Council resolution 2253 (2015). The Monitoring Team will continue its discussions with relevant business

¹⁸ Article 10 (a) of the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property may be said to offer a first guiding principle for this work. The text of article 10 (a) reads:
Article 10

The States Parties to this Convention undertake:

(a) To restrict by education, information and vigilance, movement of cultural property illegally removed from any State Party to this Convention and, as appropriate for each country, oblige antique dealers, subject to penal or administrative sanctions, to maintain a register recording the origin of each item of cultural property, names and addresses of the supplier, description and price of each item sold and to inform the purchaser of the cultural property of the export prohibition to which such property may be subject.

entities, and Member States and regional and international organizations, and will develop appropriate recommendations for inclusion in its first comprehensive report, to be submitted to the Committee by 30 June 2016, as mandated in paragraph (a) of annex I to Council resolution 2253 (2015).

16. Member States informed the Team of seizures of antiquities originating from Iraq or the Syrian Arab Republic. The total amount per year that ISIL is able to generate from these activities remains difficult to estimate.¹⁹ While the loss of territory by ISIL in Iraq and the Syrian Arab Republic has reduced opportunities for the group to loot antiquities (see S/2016/501, para. 11), the Team continues to receive reports from Member States and international organizations concerning ongoing looting within ISIL-controlled territory, such as at several sites in Ninawa governorate, Iraq.

Generating data on smuggling of antiquities

83. As previously outlined by the Team (see S/2016/210, para. 8), the continuing looting activities within ISIL-controlled territory necessitate the generation of more detailed data by Member States²⁰ in order to analyse smuggling networks that allow looted antiquities to be transported and therefore provide an opportunity to bring those looted antiquities to international markets. Further differentiation of relevant categories in chapter 97 of the Harmonized System Nomenclature and Classification of Goods²¹ of the World Customs Organization (WCO) would enable national customs agencies to better identify potentially relevant antiquities and hold those that are intentionally wrongly declared.

84. The Monitoring Team recommends that the Committee write to Member States encouraging them to explore possibilities to create additional subcategories under headings 97.05 and 97.06 in the WCO Harmonized System Nomenclature and Classification of Goods.

Enabling customs and the law enforcement community to better identify relevant antiquities

85. Secure sharing of information concerning looted antiquities is key to enabling customs and law enforcement agencies to identify objects that are likely to have been traded by ISIL-related individuals. The WCO ARCHEO platform²² allows participants to exchange information through this communications tool on warnings, seizures and other relevant areas through the secure CENComm (Customs Enforcement Network) platform. WCO also operates the CEN seizures database in which Member States can enter and analyse information on customs seizures, allowing them to develop risk indicators and identify trends. These tools are not yet widely used.

86. The Monitoring Team recommends that the Committee write to Member States encouraging them to raise awareness among the relevant customs and law enforcement agencies of the WCO ARCHEO platform with a view to its wider use and also encouraging them to share data on seizures through the WCO CEN seizures database.

¹⁹ One Member State estimated that ISIL had generated between \$150 million and \$200 million in 2015 from that trade; others reported that the value was too difficult to estimate.

²⁰ While Member States informed the Team about seizures of antiquities, the Committee has not yet received official seizure reports, demonstrating that further awareness-raising is necessary concerning the reporting provisions of paragraph 15 of resolution 2253 (2015).

²¹ See chapter 97 of the Harmonized System Nomenclature and Classification of Goods of the World Customs Organization on "Works of art, collectors' pieces and antiques". Available from www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs_nomenclature_2012/~/_/media/BB5F7132F59C4218BBE69A882906349A.ashx.

²² Currently, only about 40 Member States participate in ARCHEO.

87. Private sector stakeholders and Member States explained that antiquities of Mesopotamian origin could be traced because they were concentrated in Iraq and the Syrian Arab Republic, but Roman or Byzantine antiquities originating in Iraq or the Syrian Arab Republic were difficult to distinguish because similar antiquities could also be found in the wider region. Antiquities experts explained, however, that, if it could be clarified which archaeological sites, museums and excavation storage houses had been looted by ISIL or ANF, they would have a better chance of identifying relevant antiquities as a result of aesthetic differences.

88. To strengthen the compliance systems of business entities in the antiquities market, the Monitoring Team recommends that the Committee write to Member States encouraging those that have not yet done so to provide, where available and on a national basis, to relevant industry stakeholders and associations operating within their jurisdiction lists of archaeological sites, museums and excavation storage houses that are located in territory under the control of ISIL or any other listed group.

Strengthening due diligence and know-your-customer procedures

89. The trade in art and antiquities uses “provenance”²³ as its central compliance instrument, yet there is no internationally accepted standard that determines what such provenance documentation should entail. In addition, the international antiquities trade does not operate on agreed and defined compliance systems, including know-your-customer procedures. Furthermore, no internationally agreed standards exist concerning the maintenance and storage of relevant documentation involving the sale of antiquities (see S/2016/213, paras. 34-35). All these elements would not only enable market participants to better identify potentially problematic antiquities, but also allow law enforcement investigators to gain access to data on past sales more easily and therefore introduce additional risk factors for smugglers.

90. The Monitoring Team recommends that the Committee write to Member States encouraging those that have not yet done so to engage relevant business associations and antiquities market participants to agree on minimum standards of provenance documentation, differentiated due diligence and know-your-customer procedures and a minimum period during which documentation pertaining to the sale of antiquities should be retained by sellers.

²³ Documentation concerning the legality of prior ownership of the object. This involves, where available, also export certificates issued by countries in which these items originate. A wider use of this measure by Member States would therefore also support private sector compliance. WCO and the United Nations Educational, Scientific and Cultural Organization provide a model export certificate. See “UNESCO-WCO Model Export Certificate”, available from www.unesco.org/new/en/culture/themes/illicit-trafficking-of-cultural-property/legal-and-practical-instruments/unesco-wco-model-export-certificate/.

ADDITIONAL REFERENCES

1 - Explanation of terms - Sanction “assets freeze” – Excerpt ²⁴

Definition of “funds and other financial assets or economic resources”

(...)

18. *Economic resources* should be understood to include assets of every kind, whether tangible or intangible, movable or immovable, actual or potential, which potentially may be used to obtain funds, goods or services, such as:

(...)

f. works of art, cultural property, precious stones, jewellery or gold;

2 - UNSC Resolution 2199 (2015) - Excerpts

Cultural Heritage

15. Condemns the destruction of cultural heritage in Iraq and Syria particularly by ISIL and ANF, whether such destruction is incidental or deliberate, including targeted destruction of religious sites and objects;

16. Notes with concern that ISIL, ANF and other individuals, groups, undertakings and entities associated with Al-Qaida, are generating income from engaging directly or indirectly in the looting and smuggling of cultural heritage items from archaeological sites, museums, libraries, archives, and other sites in Iraq and Syria, which is being used to support their recruitment efforts and strengthen their operational capability to organize and carry out terrorist attacks;

17. Reaffirms its decision in paragraph 7 of resolution 1483 (2003) and decides that all Member States shall take appropriate steps to prevent the trade in Iraqi and Syrian cultural property and other items of archaeological, historical, cultural, rare scientific, and religious importance **illegally removed from Iraq since 6 August 1990 and from Syria since 15 March 2011**, including by prohibiting cross border trade in such items, thereby allowing for their eventual safe return to the Iraqi and Syrian people and calls upon the United Nations Educational, Scientific, and Cultural Organization, Interpol, and other international organizations, as appropriate, to assist in the implementation of this paragraph;

Reporting

29. Calls upon Member States to report to the Committee within 120 days on the measures they have taken to comply with the measures imposed in this resolution;

30. Requests the Analytical Support and Sanctions Monitoring Team, in close cooperation with other United Nations counter-terrorism bodies to conduct an assessment of the impact of

²⁴ Available on <https://www.un.org/sc/suborg/en/sanctions/1267/usefulpapers>

these new measures and to report to the Committee established pursuant to resolutions 1267 (1999) and 1989 (2011) within 150 days, and thereafter to incorporate reporting on the impact of these new measures into their reports to the Committee in order to track progress on implementation, identify unintended consequences and unexpected challenges, and to help facilitate further adjustments as required, and further requests the Committee established pursuant to resolutions 1267 (1999) and 1989 (2011) to update the Security Council on the implementation of this resolution as part of its regular oral reports to the Council on the state of the overall work of the Committee and the Monitoring Team;

3 - UNSC Resolution 22253 (2015) - Excerpts

Preamble

Condemning the destruction of cultural heritage in Iraq and Syria particularly by ISIL and ANF, including targeted destruction of religious sites and objects; and recalling its decision that all Member States shall take appropriate steps to prevent the trade in Iraqi and Syrian cultural property and other items of archaeological, historical, cultural, rare scientific, and religious importance illegally removed from Iraq since 6 August 1990 and from Syria since 15 March 2011, including by prohibiting cross-border trade in such items, thereby allowing for their eventual safe return to the Iraqi and Syrian people,

14. Encourages all Member States to more actively submit to the Committee established pursuant to resolutions 1267 (1999) and 1989 (2011) listing requests of individuals and entities supporting ISIL, Al-Qaida, and associated individuals, groups, undertakings and entities, and directs the Committee to immediately consider, in accordance with its resolution 2199 (2015), designations of individuals and entities engaged in financing, supporting, facilitating acts or activities, including in oil and antiquities trade-related activities with ISIL, Al-Qaida, and associated individuals, groups, undertakings and entities;

15. Expresses increasing concern about the lack of implementation of resolutions 1267 (1999), 1989 (2011), and 2199 (2015), including the insufficient level of reporting by Member States to the Committee on the measures they have taken to comply with its provisions and calls upon Member States to take the necessary measures to fulfil their obligation under paragraph 12 of resolution 2199 to report to the Committee interdictions in their territory of any oil, oil products, modular refineries, and related material being transferred to or from ISIL or ANF, **and calls upon Member States to report also such interdictions of antiquities, as well as the outcome of proceedings brought against individuals and entities as a result of any such activity;**

Monitoring Team

95. Requests the Analytical Support and Sanctions Monitoring Team to submit, in close collaboration with the CTED, to the Committee established pursuant to resolutions 1267 (1999) and 1989 (2011) in 30 days recommendations to the Committee on measures that can be taken to strengthen monitoring of global implementation of resolutions 2199 (2015) and 2178 (2014) and additional steps that could be taken by the Committee to improve global compliance with these resolutions;

96. Requests the Analytical Support and Sanctions Monitoring Team to provide the Committee established pursuant to resolutions 1267 (1999) and 1989 (2011) on a quarterly basis oral briefings on its analysis of global implementation of resolutions 2199 (2015) and 2178 (2014) including gathered information and analysis relevant to potential sanctions designations by Member States or Committee actions that could be taken; ISIL Reporting

ISIL reporting

97. Recalling the threat posed to international peace and security by ISIL and associated individuals, groups, undertakings, and entities, requests the Secretary General to provide an initial strategic-level report that demonstrates and reflects the gravity of the aforementioned threat, including foreign terrorist fighters joining ISIL and associated groups and entities, and the sources of financing of these groups **including through illicit trade in oil, antiquities, and other natural resources**, as well as their planning and facilitation of attacks, and reflects the range of United Nations efforts in support of Member States in countering this threat, in 45 days and provide updates every four months thereafter, with the input of CTED, in close collaboration with the Monitoring Team, as well as other relevant United Nations actors;

Annex I

In accordance with paragraph 73 of this resolution, the Monitoring Team shall operate under the direction of the Committee and shall have the following mandates and responsibilities:

(a) To submit, in writing, comprehensive, independent reports to the Committee, every six months, the first by 30 June 2016, on the following issues:

(...)

(iii) the impact of the measures in resolution 2199 (2015), including progress on implementation of these measures, unintended consequences and unexpected challenges, as mandated in that resolution in the form of updates on each of the following subjects: oil trade; trade in cultural property; kidnapping for ransom and external donations; direct or indirect supply; sale or transfer of arms and related material of all types; as part of the impact assessment, pursuant to paragraph 30 of resolution 2199 (2015);

(...)

(v) To consult, in confidence, with Member States' intelligence and security services, including through regional forums, in order to facilitate the sharing of information and to strengthen implementation of the measures;

(...)

