



International Organization for the
Security of Electronic Transactions



**ZERMATT
SUMMIT**
HUMANIZING GLOBALIZATION

The Anti-Illicit Trade Declaration

Calling on the International Community to address all Forms of Illicit Trade

Despite considerable efforts of global organizations, governments and actors from the private sector, Illicit Trade remains prevalent and continues to pose a significant threat to the global economy.

At the Zermatt Summit, delegates from 46 different countries launched The Anti-Illicit Trade Declaration, calling on the International Community to address all forms of Illicit Trade. This declaration outlines the steps that need to be taken to stop Illicit Trade, which governments and private sector signatories agree needs to be treated as a serious crime.

Today, with the digitalization of economies and recent technology developments, the fundamentals of trade are transforming in both legal and illegal economies. Improved global networks, real time data sharing systems and online platforms enable a more efficient supply of illicit products and increase the number of parties participating in this market, creating significant challenges for legitimate manufacturers, governments and other operators within affected industries.

Therefore, Illicit Trade has become a major contributor to discrepancies in wealth between the developing and developed world, while fuelling devastating conflicts and undermining the legitimacy of States. In effect, Illicit Trade is the conduit that supports destabilizing and dangerous activities in nearly every sphere of the global economy.

As a result

- new forms of Illicit Trade have appeared and will continue to develop making the fight against Illicit Trade more complex and transnational than ever.
- Illicit Trade hinders the fundamental building blocks of development, democracy, human rights and rule of law. It enables corrupt practices among government officials and private citizens alike.
- each year, an increasing number of goods and brands are affected by Illicit Trade across all industries.

There is an urgency to develop an Anti-Illicit Trade Declaration to enhance awareness of the issue and respond to these challenges. The OISTE Foundation, the Zermatt Summit, WISEKey and a high-profile panel of international experts therefore launched at the September 2018 Zermatt Summit the Anti-Illicit Trade Declaration that will be ratified during 2019. This will be presented to the international community via a global roadshow calling on the international community to address all forms of Illicit Trade, promote due diligence and supply chain controls, and to foster cooperation between state and non-state actors in developing sustainable solutions.

Anti-Illicit Trade Declaration Main principles:

Treat Illicit Trade as a serious crime within the UN Convention Against Transnational Organized Crime (UNCAT), the UN Convention Against Corruption (UNCAC), and Agreement on Trade Related aspect of Intellectual Property Rights (TRIPS),

- Address problems of corruption and money laundering related to Illicit Trade with legislation
 - a zero tolerance policy,



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- Strengthen legal frameworks and help law enforcement,
- Improve cross-agency mechanisms to contrast Illicit Trade crime,
- Endorse governments which are destroying Illicit Trade products,
- Pressure governments as well as any other entities which use or facilitate the usage of products derived from Illicit Trade,
- Drive criminal entrepreneurs out of business,
- Reduce incentives to enter illegal markets,
- Reduce opportunities for organized crime to enter the financial system,
- Help governments sustain legitimate markets and foster UN sustainable Goals (UN SDGs).

Illicit trade has a negative impact on economic stability, social welfare, public health, public safety & our environment - examples include:

- Health & Safety - narcotics, fake medicines & foods, tobacco, defective materials.
- Environment – environmental crimes affecting flora and fauna.
- Human Rights Exploitation - forced human trafficking, prostitution and slavery.
- Finance - illicit financial flows, trade-based money laundering criminality and terrorism.
- Government - reduction of tax revenues & legitimate employment, social instability and insecurity.
- Economy – wealth and rule of law.

To this end, the signatories are adopting the Anti-Illicit Trade Declaration and the principles below:

1. We are committed to collaborate with all relevant stakeholders – whether an individual, organization or government – irrespective of their acumen, culture, location or motive to pursue a long-term sustainable strategy to combat Illicit Trade as a global threat to the world economy.
2. We support the development of innovative technological solutions to ensure the protection and traceability of products and services with a view to stop Illicit Trade in all of its forms.
3. We will assist with the establishment of the next generation of tracking and tracing systems based on interoperable open and recognized international standards consistent with applicable laws.
4. That will enable tighter controls in securing supply chains and preventing the circulation of Illicit Trade products and services.
5. We will support the creation of a cryptographic key (Root of Trust) to provide dual factor authentication keys using asymmetric technology to digitally tag products and protect them against Illicit Trade.



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6. We will work with each other and will establish formal and informal partnerships with governments, innovators, security experts, civil society, academia, private actors and other stakeholders to foster technical collaboration to counter Illicit Trade.
7. We will study the strengths, weaknesses and interlinkages in the way that our multi-jurisdictional world economy influences the advancement of a coherent system for trusted identities required to secure international trade, ecommerce platforms and IoT.
8. We will encourage global information sharing to identify, prevent, and detect Illicit Trade and ensure flexible responses to secure of the wider global trade ecosystem.
9. To ensure the establishment of a meaningful partnership through the implementation of the Anti-Illicit Trade Declaration, we, the undersigned companies, will continue to define collaborative activities that we will undertake to further this Declaration. We will also report publicly on our progress in achieving these goals.

Signatories

OISTE Foundation
Dourgam Kummer

Zermatt Summit Foundation
Christopher Wasserman

WISeKey International Holding AG
Carlos Moreira

Phillip Morris Products SA
Alvise Giustiniani

David Behrends
Sucafina SA