UN adopts resolution to disrupt Islamic State funds

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United Nations: The UN Security Council unanimously adopted a resolution on Thursday aimed at disrupting revenue that the Islamic State extremist group gets from oil and antiquities sales, ransom payments and other criminal activitiesÂ Â a goal that finance ministers agree will be challenging.

The Islamic State group, also known as ISIL and Daesh, is already subject to U.N. sanctions under resolutions dealing with al-Qaida. The resolution, sponsored by the United States and Russia, elevates IS to the same level as al-Qaida, reflecting its growing threat and split from the terror network behind the 9/11 attacks.

It makes "association with ISIL" as well as al-Qaida a critera for sanctions including a financial freeze, travel ban and arms embargo.

U.S. Treasury Secretary Jacob Lew, who chaired the meeting, called ISIL "a challenging financial target" because unlike other "terror groups" like al-Qaida it gets a relatively small share of its funding from donors abroad.

The Islamic State group controls a large swath of Syria and Iraq, including oil and gas fields, though bombing campaigns by the U.S.-led coalition and ground forces have enabled Iraq to regain some territory.

France's Finance Minister Michel Sapin told the council that no country is safe from ISIL attacks, the most recent in Paris and California, and that since June 2014 some 1,600 people around the world have been killed in attacks by the extremist group or groups loyal to them.

While foreign ministers from the 15 council nations will be meeting in New York on Friday to discuss a political solution to the Syrian civil war, he said every country has to play a part in stemming the flow of money to extremist groups which are fueling conflicts.

"What sets Daesh apart and makes it so powerful is the fact that it has amassed a sizable war chest by a variety of means including smuggling, extortion and trafficking," Sapin said. "There is no crime that Daesh will not commit to finance itself."

Lew said ISIL generates funds from economic activity and the resources in territory under its control and its financing "has evolved from seizing territory and looting bank vaults to leveraging more renewable revenue streams."

So far, he said, "ISIL has reaped an estimated $500 million from black market oil and millions more from the people it brutalizes and extorts."

At the same time, Lew said, ISIL has vulnerabilities because it needs large and sustained streams of income to pay fighters, procure weapons, and provide basic services for people living in areas it controls.

He stressed that IS needs access to the international financial system for oil equipment, weapons, communications equipment and other imported items which requires them to move fundsÂ Â and that provides opportunities for attack.

To cut off oil revenue, Lew said the U.S.-led coalition has been attacking ISIL's entire oil supply chain from oil fields and refineries to destroying nearly 400 of its tanker trucks in the past month.

He said the United States is also working with its partners to target ISIL's key "financial facilitators."

Britain's Chancellor of the Exchequer George Osborne said the extremist group's oil revenues are estimated to represent 40-45 percent of IS' income.

"The good news is that it's diminishing as a combination of the kind of financial action we're taking, and frankly military action against the oil fields are having their effect, and that's something we should welcome," Osborne said.

But France's Sapin said the international community will only be able to target the extremists' revenue from areas it controls "by destroying Daesh."

The U.N. resolutions, he stressed, are part of a broader effort to fight financing for ISIL, al-Qaida and other extremist groups.

Sapin told the council that last month's Paris attacks were largely financed through pre-paid cards whose buyers and recipients can't be traced. He called for regulations that do away with anonymous transactions.

The resolution adopted Thursday is drafted under Chapter 7 of the U.N. Charter, which can be militarily enforced.

It urges countries to share information about extremist groups and encourages the 193 U.N. member states "to more actively submit" names for inclusion on the sanctions list. It also expresses "increasing concern" at the failure of countries to implement previous sanctions resolutions.

Je-Yoon Shin, head of the multinational Financial Action Task Force which has set global standards to combat the financing of extremists, said all countries must focus urgently on implementing the standards and not just pass laws and regulations.

While half of those countries found with serious problems in the last two months have introduced laws to address them, he said only a small number of countries "have secured convictions for terrorist financing" and most are too slow in implementing asset freezes.

The resolution calls for a report within 120 days on what every country is doing to tackle the financing of IS and al-Qaida.

It also requests Secretary-General Ban Ki-moon to provide an initial "strategic-level report" in 45 days on the sources of financing of IS and associated groups, including through illicit trade in oil, antiquities and other natural resources, as well as their planning and facilitation of attacks, and to provide updates every four months.

- AP