

## IV. Internet-facilitated trade in precursors<sup>43</sup>

224. In the last few years, online trading, including online chemical trading platforms that offer their clients directories and databases of chemicals and chemical manufacturers from all over the world, has become an important tool for buyers of chemicals looking for a way to access remote markets in an efficient manner.

225. Such Internet-facilitated trade can take various forms. There are platforms that only provide buyer and supplier information, for a fee or free of charge, and are not involved in the business transaction. Other platforms may act as trading platforms and are directly engaged in the online sales of chemicals to their customers. Manufacturers of chemicals and trading companies advertise their capacity to supply chemicals on their own websites and buyers (end users) use the Internet to communicate their intent to purchase chemicals.

226. Because of the widespread legitimate use of chemicals in the private sector, online trading platforms similar to the websites of legitimate companies selling chemicals, including precursors listed in Table I and Table II of the 1988 Convention, can easily be found on the common web (also called the “surface web” or “clear web”). This contrasts with the anonymous online marketplaces on the hidden web (darknet) where controlled drugs are sold.

227. A number of online trading platforms are only virtual marketplaces where buyers meet sellers, and therefore the actual transactions do not take place through them; others may act as brokers. The owners or operators of such online trading platforms might not be aware of the applicable control measures that may exist in the jurisdiction under which they

operate. Internet-facilitated trade may not even be subject to control measures similar to those that are otherwise applicable to the physical movement of internationally controlled precursors during manufacture, import, export, distribution or end use.

228. Therefore, online trading companies and platforms are vulnerable to exploitation by criminal organizations and traffickers seeking to buy or offering to sell controlled precursors (and the equipment needed for illicit drug manufacture). In practice, those trafficking in controlled precursors often do not place orders in their own names; instead, they use front companies, intermediaries, false names or other ways to disguise their identity when buying or selling over the Internet.

229. Article 12, paragraph 8, of the 1988 Convention requires the parties to take the measures they deem appropriate to monitor the manufacture and distribution of substances in Table I and Table II that are carried out within their territory, such as by controlling all persons and enterprises engaged in the manufacture and distribution of such substances and controlling under licence the establishment and premises in which such manufacture or distribution may take place.

230. However, information regarding legislation and practices that Governments apply with regard to the control of Internet-facilitated trade in precursor chemicals is not available on a systematic basis.

231. Currently, the only such information available was gathered by INCB in the context of Operation “Eagle eye” in 2013. The Operation was focused on domestic and international trade in acetic anhydride. Some countries that participated in the operation confirmed that trading in acetic anhydride over the Internet (including posting of offers to sell or buy the substance) required registration or authorization of the company by their respective Governments. However, no further details were provided.

232. In addition, the Board is aware of specific regulations and/or guidelines applied in some countries, such as China and the United States, that relate to the use of the Internet to arrange domestic or international sales of controlled precursors. For example, in China, regulations require all entities that sell precursors over the Internet to be registered with the competent national authorities.<sup>44</sup> In the United States, website providers who assist in arranging transactions of listed chemicals among

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<sup>43</sup> INCB has previously called attention to the misuse of the Internet by online pharmacies that illegally sell prescription medicines to members of the general public without the required prescriptions. As part of this, INCB actively promotes awareness of the need for suitable controls regarding the sale of pharmaceutical preparations over the Internet.

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<sup>44</sup> E/INCB/2011/4, para. 19.

buyers, sellers or transporters from foreign countries may also be considered as brokers or traders, and be subject to control.<sup>45</sup>

233. Governments recognized as early as 2000 that the continued advertising and sale of precursor chemicals (and controlled pharmaceuticals) for illicit purposes in most countries over the Internet was an international activity that needed to be countered.<sup>46</sup>

234. In its resolution 54/8, entitled “Strengthening international cooperation and regulatory and institutional frameworks for the control of precursor chemicals used in the illicit manufacture of synthetic drugs”, the Commission on Narcotic Drugs invited Member States to take appropriate measures to strengthen international cooperation and the exchange of information regarding the identification of new routes and modi operandi of criminal organizations dedicated to the diversion or smuggling of precursor chemicals, including with respect to the use of the Internet for illicit purposes, and to continue to notify INCB of such information.

235. In its resolution 60/5, the Commission encouraged Member States, INCB, UNODC and relevant international organizations to collect data, analyse evidence and share information with respect to criminal activities relating to precursors conducted using the Internet. It also encouraged them to continue to strengthen legal, law enforcement and criminal justice responses, based on national legislation, as well as international cooperation, to curb such illicit activities.

236. From a law enforcement point of view, suspicious requests for precursors posted on the Internet present a unique opportunity for national competent authorities to monitor potentially illicit activities. The information gathered can be further developed into valuable actionable intelligence that

competent authorities can use for further investigation and to prevent criminal activities.

237. For example, in the framework of Operation “Follow me”, which was aimed at facilitating and enhancing the exchange of operational information on suspected diversion attempts and trafficking in acetic anhydride, suspicious requests made over the Internet for supplies of the substance were identified and shared among the countries concerned for further analysis and investigations (see para. 174 above).

238. Voluntary cooperation between national authorities and relevant industrial sectors, based on the principle of shared responsibility, is a practical measure that could further assist in the verification of transactions and in preventing the diversion of precursors from licit channels. There are some examples of voluntary self-regulation implemented by some Internet-based trading platforms. Such regulations include posting policies, under which trading in products that are illegal, or may easily be used for illegal purposes, including controlled substances and prescription and banned drugs, is not permitted.

239. Governments are therefore invited to cooperate with relevant industries, and with each other, to prevent the misuse of the Internet for the diversion of chemicals into illicit channels. The concept of voluntary public-private partnerships<sup>47</sup> could possibly be adapted to companies providing Internet-related services in order to collect, analyse and share relevant information about suspicious activities conducted over the Internet. Finally, further study should be made regarding the extent to which control measures, such as those requested in article 12, paragraph 8, of the 1988 Convention, are applicable to entities that act as brokers in the supply of controlled precursors over the Internet.

<sup>45</sup> United States, Department of Justice, Drug Enforcement Administration, “Use of the Internet to arrange international sales of listed chemicals”, in *Federal Register*, vol. 69, No. 31 (17 February 2004), pp. 7348 and 7349.

<sup>46</sup> See Commission on Narcotic Drugs resolution 43/8.

<sup>47</sup> E/INCB/2015/4, paras. 166–178.