# INTERNATIONAL COURT OF JUSTICE

## The PrimeChain Case

## Kingdom of Sinnoh v. Federal Democratic Republic of Konoha

Statement of Agreed Facts

The Federal Democratic Republic of Konoha and the Kingdom of Sinnoh are neighbouring States in the continent of Alola. Both States are members of the North Alolan Association of Nations (NAAN), a regional organization created in 1987 to promote welfare, economic growth, regional stability, and functional cooperation. NAAN was consciously modelled on an earlier Asian regional organization and the founding document of NAAN, the NAAN Charter, is *in pari materia* with the SAARC Charter.

In 2012, following a series of cross-border electricity and transport-payment disputes, NAAN members amended the Charter to create the North Alolan Arbitration Council (NAAC). NAAC was created to facilitate conciliation and arbitration in disputes arising under sectoral economic instruments, public-sector contracts, and approved regional payment arrangements. The amendment was adopted unanimously, but it was controversial because several member states insisted that Article X of the NAAN Charter must continue to prevent NAAN from becoming a forum for political disputes.

Konoha has a population of 68 million and has, since 2009, described itself as the secure ledger capital of the North. It hosts several virtual asset service providers, payment aggregators, blockchain analytics start-ups, and cross-border remittance platforms. Government speeches regularly describe financial technology as part of Konoha's economic sovereignty and development strategy.

Sinnoh has a population of 108 million and is Alola's largest conventional banking sector. Its economy relies on the export of minerals, port services and markets for public debt. The Leaf Mist Front (LMF), an armed non-State group, has repeatedly attacked Sinnoh, claiming to act for the "*financial liberation*" of communities living along the Konoha-Sinnoh borderlands.

LMF is designated as a terrorist organization under both Konohan and Sinnohian law, and the NAAN List of Entities of Concern. The ISIL (Da'esh) & Al-Qaida Sanctions Committee of the United Nations Security Council does not refer to it by name and LMF is not named in any Security Council resolution.

The area along the border between Konoha and Sinnoh is ethnically heterogeneous, economically interdependent, and politically delicate. There are many families whose lands fall on both sides of the border. Traders refer to the border as "*open in practice, but closed in law*". There is no agreement between the neighbouring states about the relevance of this social situation for due diligence and attribution purposes.

Prime Commercial Bank (PCB), a corporation in Konoha, provides the PrimeChain payment corridor. The stablecoin of Konoha currency is used for remittance transfers through PrimeChain by Sinnohian migrant workers, philanthropic organizations, exporters, and small-scale traders. The bank is privately-owned but 18 percent of shares of PCB belong to Konoha Sovereign Development Fund and it has one non-executive director appointed by the Fund.

PCB processes around 43 percent of all cross-border retail remittances in the NAAN region. Several independent economists believe that the disruption of PrimeChain may have an impact on purchasing of food products, medical care, school fees, and import of goods for small businesses in at least four NAAN States. Konoha claims that this information proves that Sinnoh was aware of this impact.

Sinnoh claims that PrimeChain had become a preferred financial channel for LMF due to the design of PrimeChain allowing the use of omnibus wallets, deferring originator verification, and peer-to-peer liquidity providers. Konoha maintains that PrimeChain is no more risky than other borderland cash channels, hawala-type money movement, informal gold transactions, and mobile payments that function in the region.

In 2021, the foreign ministers of NAAN signed the Alolan Financial Security Understanding (AFSU). This instrument was launched in the context of a ministerial retreat, published on the website of NAAN and characterized in the press release as a political commitment to financial security cooperation in the region. The instrument was not submitted to the legislature of Konoha or Sinnoh. The text of the instrument is presented in Annex II.

AFSU makes references to FATF standards, targeted financial sanctions, urgent exchange of financial information, virtual assets, beneficial ownership, and avoidance of wholesale de-risking. The language of the instrument includes expressions like ‘shall endeavour’, ‘will maintain’, ‘commit politically’, ‘without prejudice to domestic law’, and ‘should consult’. Parties have different views on whether the above expressions indicate non-binding cooperation or legally binding commitments.

The Virtual Assets and Secure Finance Act, 2022 of Konoha requires that “*licensed virtual asset service providers must comply with international best practices, including relevant FATF standards, as may be notified by the Financial Intelligence Authority*”. No notification of FATF standards under this section had been made prior to 1 March 2026. Nevertheless, the Financial Intelligence Authority consistently referenced FATF documents in its supervisory activities.

Sinnoh’s Emergency Security and Financial Integrity Ordinance, 2020 allows for the designation of persons and entities abroad as “*terror-finance enablers*” on the basis of the determination of the National Security Council that there are reasonable grounds to believe that such person’s or entity’s systems substantially enabled terrorist financing. Sinnoh considers this to be a normal financial sanctions regime. Konoha views it as punitive, extraterritorial, and coercive.

From March 2024 to February 2026, Sinnoh provided Konoha with eight intelligence summaries on the alleged fundraising efforts of LMF using privacy wallets, peer-to-peer brokers, religious charities, relief efforts donations, and donations via PrimeChain. Three of these intelligence summaries were tagged “regional security urgent” under the AFSU. Five summaries were transmitted diplomatically and copies provided to NAAN Financial Security Contact Point.

Konoha acknowledged all eight summaries and responded that Sinnoh had not supplied admissible wallet-ownership evidence sufficient under Konoha’s Criminal Procedure Code. Konoha also stated that several wallets identified by Sinnoh were used by remittance agents, disaster-relief volunteers, and traders who could not be frozen without judicial confirmation. Konoha nevertheless froze four wallets for 30 days in July 2025 on prudential and humanitarian-risk grounds.

In August 2025, LMF attacked a Sinnohian customs post and released a statement saying it would “*bring down the paper palaces of state finance*”. The statement did not mention Konoha, PrimeChain, PCB, FATF, or NAAN. Sinnoh says the statement made the risk to financial infrastructure foreseeable. Konoha says it was propaganda and not an actionable warning.

The NAAN Finance Ministers' Conference addressed virtual assets in October 2025. A resolution was not reached due to two smaller States' objections concerning the implementation cost of FATF. Due to the regional organization's unanimity approach, no agreement can be enacted without the approval of all Member States. According to the Chair's oral statement, members in general agreed on quick implementation of international standards, provided that there is the capacity and domestic laws. Konoha did not make any objection to this sentence. Sinnoh later referred to this sentence as a regional *opinio juris*.

On 11 March 2026, synchronized bombings took place in Sinnoh's Central Securities Depository, its National Payments Switch, and a commuter station located beneath the Ministry of Finance. 134 individuals lost their lives and more than 700 others were injured. This attack also delayed salary payments to civil servants and made the Sinnoh's national currency lose 12 percent in value compared to US dollars within two days. LMF claimed the act in an encrypted video.

On the same day, the Sinnoh stock market closed for 36 hours. Various ratings companies put Sinnohian sovereign bonds on negative outlook. One of Sinnoh's opposition leaders claimed in Parliament that the government had been forewarned for several months about the financial aspect of the LMF but "*had outsourced national security to rhetoric*". Sinnoh states that such internal politics are not relevant to the Court's legal assessment.

On 12 March 2026, the Sinnoh National Security Council obtained a report from InstinctChain Analytics, a private blockchain forensic company located in a third state. InstinctChain reported with high confidence that 18 wallets were under control of LMF facilitators and that at least USD 41 million was transferred through PrimeChain over the preceding nine months. It was also reported that three wallets could be controlled by regular remittance agents, and some transactions could be associated with charitable donations following Cyclone Ravi.

The Sinnoh claim is not that PCB was intending to fund LMF. Rather, it is that PCB and Konoha knew or should have known that PrimeChain was being utilized by LMF facilitators and that Konoha failed to take appropriate precautions. Konoha believes that this makes due diligence a strict liability regime for any financial technology platform that subsequently comes to light in a private analytics report.

On 14 March 2026, Sinnoh urgently requested that Konoha freeze all PCB omnibus wallets, seize PCB's compliance servers, retain transaction logs, and arrest three Konoha nationals. The directive established a 24-hour deadline, asserting that standard mutual legal assistance time frames were unacceptable for regional security.

Konoha responded to the urgent request within 36 hours. It proposed a joint investigation, the provisional retention of certain records, and an emergency conference involving financial intelligence officers. The immediate freezing of omnibus accounts was declined due to the potential impact on approximately 6.4 million remittance accounts. Sinnoh was also requested to transmit the underlying evidence through either the existing Mutual Legal Assistance Treaty channel or a court-to-court request.

On 16 March 2026, Sinnoh notified the NAAN Secretary-General of its intent to activate the AFSU consultation procedure and, should the need arise, refer the dispute to the NAAC. Konoha replied that a dispute about State responsibility, and alleged terrorist financing by a non-State actor was a bilateral and contentious issue excluded from NAAN deliberations.

The Secretary-General circulated a procedural note stating that the AFSU permits urgent technical consultations, but that NAAC arbitration requires either the consent of both States or a Council of Ministers certification that the dispute is technical rather than political. The note added that Article X of the NAAN Charter must be respected. Sinnoh says the note confirms that Konoha should have engaged in the regional process. Konoha says the note confirms that the regional organs could not decide the dispute without its consent.

On 17 March 2026, the NAAN Counter-Terror Finance Working Group met informally on the margins of a scheduled Finance Ministers' meeting in Jeju. No minutes were adopted. The Chair circulated a non-paper stating that members should, as a matter of regional expectation, operationalize FATF Recommendation 15 and the Travel Rule for virtual assets without delay, and should not allow domestic evidentiary formalities to defeat urgent security cooperation. Konoha's delegate wrote 'noted, subject to domestic law' in the closed chat function.

The Jeju meeting was succeeded by an informal side meeting during a week of the Sixth UN Committee with the topic "*Informal International Lawmaking and Financial Security*". Government representatives from more than 30 States participated in the meeting. An official representative of Sinnoh stated that financial refuges of terrorists cannot rely on legal formalism. In turn, a representative of Konoha claimed from the floor that soft law cannot be misused for legitimization of any form of unilateral action.

On 5 April 2026, the verified X account of Sinnoh's Ministry of Defence published "[t]*he Kingdom has taken recourse to its inherent right to retaliate against the sponsors of murder. It is a precise, necessary and proportional act. Refuges for terror finance will pay for their choice*". Five minutes later, the Prime Minister retweeted the statement adding "*[n]o sanctuary for the bankers of terror*". These posts were in both English and Sinnohian. They were cited in major news media outlets as well as published by Sinnoh's Permanent Mission at the UN.

Sinnoh did not submit a communication expressly identified as an Article 51 notification immediately following the operation. According to Sinnoh, digital communication of official nature is a normal practice among states nowadays. Konoha considers it a political act rather than any kind of legal action.

On the morning of 5 April 2026, Sinnohian drones attacked the PCB Disaster Recovery Center, situated within Konoha, approximately 13 kilometres from the Konoha–Sinnoh border. This center hosted servers responsible for copying all PrimeChain documents of compliance and payment settlement. The attack rendered the Center inoperative for five weeks, injured seven PCB employees and disrupted payments for 16 hours in four NAAN States. Sinnoh claims there was no usage of any explosives inside the nearby civilian town. Konoha believes that fragments fell on the roof of the local school.

About the same time, Sinnoh's cyber forces used malicious software which made PCB freeze all outflows of stablecoins worth over $500 for eight days. The malicious software did not delete any data, but it created sanctions notifications about 33,345 accounts. Later on, PCB informed that LMF wallets tried to transfer their money during the freeze period but failed.

Sinnoh views the drone attack and cyber-attack as a joint operation against the financial nodes involved in the attacks of 11 March. Konoha sees them as separate violations of international law as it is a use of force against the territory of Konoha, a violation of Konoha's sovereignty by means of cyber-attack, coercive intervention into Konoha's financial system, and collective punishment of civilians.

In a letter dated 5 April 2026, Sinnoh addressed a letter to the President of the United Nations Security Council (UNSC) asserting that it has "*responded to an armed terrorist attack by targeting the financial nodes that made it possible*". The letter mentioned issues such as necessity, proportionality, failure of existing measures to prevent imminent movement of funds and "*the right* *of every State to protect its people from cross border terrorist finance*". However, it does not mention the phrase 'right to self-defense' in the operative part.

Konoha too sent a letter to the UNSC on 6 April 2026 denying that it was providing sanctuary to LMF and saying that Sinnoh has used force against a private financial institution in violation of Article 2(4) of the UN Charter, respect for sovereignty and non-intervention, settlement of disputes by peaceful means and responsibilities of NAAN membership.

On 9 April 2026, the Registrar of NAAC addressed both Parties and noted that NAAC can provide good offices and technical conciliation services, but cannot register an arbitration process without prior consent or approval from the Council of Ministers. The Registrar also said that NAAC "*does not decide questions of armed attack, self-defense, state responsibility for terrorism or obligations derived from the Security Council resolutions unless expressly authorized by the parties*".

Sinnoh claimed that Konoha thwarted the regional procedure by resorting to Article X while also criticizing Sinnoh for sidestepping NAAN. In turn, Konoha claimed that Sinnoh was mixing up technical cooperation with the determination of a contentious issue between the Parties. Konoha suggested that both Parties refer the dispute to the International Court of Justice (ICJ). Sinnoh at first declined this suggestion.

By 12 April 2026, Sinnoh classified PCB, three PCB directors, and Konoha's Financial Intelligence Authority as terrorists financing enablers under its domestic ordinance. All Sinnohian banks were forbidden from having business with those entities. Correspondent banks of other States banned PCB from using dollar clearing facilities. Sinnoh argues that the latter were non-coercive financial actions which are based on security reasons. However, Konoha claims that the aforementioned actions were illegal counter-measures involving sovereign regulators and non-guilty depositors.

The debate took place in Konoha's Parliament on 13 April 2026. While some legislators blamed PCB for regulatory failures, others criticized Sinnoh for economic pressure. A parliamentary committee proposed improving Konoha's VASP regulations. Sinnoh refers to this debate as evidence of the deficiencies of the Konoha system. Konoha contends that legislative improvements do not mean international violations.

On 15 April 2026, Konoha's Supreme Court held in a domestic case brought by remittance users that FATF standards were "*relevant interpretive material for domestic financial regulation but not self-executing law in Konoha absent notification or legislation*". The Court also wrote that "*no* *domestic court may ignore the transnational character of terrorist finance or the duty of reasonable cooperation among States*". Sinnoh cites the second sentence as evidence of a general principle. Konoha cites the first sentence as proof that FATF standards do not bind directly.

On 20 April 2026, the NAAN Council of Ministers adopted by consensus a short statement condemning terrorist financing and "all unilateral military action affecting regional payment systems". Sinnoh joined the consensus after adding a footnote that "*This statement is without prejudice to the Kingdom's right to respond to armed terrorist attacks.*" Konoha objected to the footnote after adoption, saying footnotes cannot rewrite consensus.

In May 2026, three NAAN States quietly asked both Parties to avoid turning NAAN into a forum for bilateral accusations. Two other NAAN States expressed concern that excluding the dispute from NAAN entirely would make regional financial-security cooperation meaningless. None of these communications was adopted by a NAAN organ. The Parties disagree on whether such practice has legal significance.

In June 2026, a group of international law scholars issued an open letter saying that official social-media statements can evidence legal position, but should not casually be treated as unilateral declarations creating obligations. Sinnoh says the letter is only a teaching and cannot override State practice. Konoha says it reflects the correct caution under the law of sources.

In June 2026, also, a group of migrant workers' organizations wrote amicus briefs to both states. They claimed that both the states have exploited poor people, the former by neglecting regulations on risky remittances and the latter by punishing infrastructure which migrants used. It is an agreement of the Parties that the above-written letters are not pleadings, but they have different views regarding the facts on which the humanitarian situation is based.

Later on, the Parties entered into a written Special Agreement. Whereas, Konoha wanted all disputes to be decided upon by the ICJ, Sinnoh agreed to the proceedings before ICJ only if it were allowed to make submissions that regional process impacts admissibility and the scope of any declarations by the Court.

The Parties acknowledge that LMF had planned and carried out the attacks on 11 March; however, they disagree whether the acts of LMF are attributed to Konoha, whether there is any breach of the due diligence or cooperation obligations by Konoha, whether Sinnoh's activities are in accordance with the law, whether the subsequent financial designation was lawful, and whether the materials available in the file may be used as sources, evidence of sources, subordinate means, or merely as a factual background.

The Parties also acknowledge that none of the facts in this file should be understood as an admission that FATF standards constitute treaties, that the AFSU is a treaty, that social-media postings impose any legal obligations, or that domestic laws are rules of international law.

Both Konoha and Sinnoh are Members of the United Nations and parties to the Statute of the International Court of Justice, the Vienna Convention on the Law of Treaties, the International Convention for the Suppression of the Financing of Terrorism, and the International Covenant on Civil and Political Rights. Neither State has entered a reservation relevant to the present dispute.

## SUBMISSION OF THE PARTIES

**Submissions of the Applicant: Kingdom of Sinnoh**

The Kingdom of Sinnoh respectfully requests the Court to adjudge and declare that:

1. The Court should decline to exercise jurisdiction over the present dispute or, limit the scope of its determination, in light of the consultation and dispute-settlement procedures established under the regional financial-security framework.
2. Konoha failed to discharge its obligations under international law by failing to take reasonable and timely measures against the known financing channels of the LMF.
3. The attacks of 11 March 2026 constituted an armed attack against Sinnoh. The operation subsequently undertaken by Sinnoh was a necessary and proportionate response directed against financial infrastructure that materially enabled the activities of the LMF. The financial designations that followed were lawful non-forcible security measures or, permissible countermeasures.
4. The AFSU, relevant FATF standards, the practice of NAAN and its Member States, measures adopted under domestic law, national judicial decisions, and relevant expert materials may properly be considered in determining the content of Konoha's obligations of due diligence and cooperation and in assessing the legal significance of the Parties' conduct.

5. Statements issued through verified official digital accounts constitute evidence of a State's position on matters of fact and law, and may be considered as evidence of State practice, *opinio juris*, admissions, or the State's legal characterization of its own conduct.

Submissions of the Respondent: Federal Democratic Republic of Konoha

The Federal Democratic Republic of Konoha respectfully requests the Court to adjudge and declare that:

1. The Court is competent to adjudicate the present dispute, which is properly before it and is admissible.
2. Konoha did not breach any obligation under international law as it acted reasonably upon the intelligence available to it, offered to cooperate with Sinnoh, preserved relevant records, and froze identified wallets where permitted by domestic law.
3. By carrying out the drone strike and cyber operation, Sinnoh violated the prohibition on the use of force, Konoha's sovereignty, the principle of non-intervention, and the obligation to settle international disputes by peaceful means. An asserted "right to respond" constitutes no independent legal basis for the use of force and Sinnoh's measures in any event failed to satisfy the requirements of necessity and proportionality.
4. Sinnoh's designation of PCB, its directors, and Konoha's Financial Intelligence Authority as terror-finance enablers was unlawful and coercive. The measures lacked a sufficient basis in international law and impermissibly targeted both a public regulatory authority of Konoha and a private financial institution.
5. FATF materials, NAAN non-papers, statements published through official digital accounts, domestic legislation, national judicial decisions, and scholarly writings do not create binding international obligations for Konoha. Nor may such materials be relied upon to circumvent the requirements governing the identification and determination of rules of international law under Article 38(1) of the Statute of the International Court of Justice.

ANNEXES

## Annex I: Excerpts from the 2012 Arbitration Amendment to Charter of the North Alolan Association of Nations (NAAN)

- Article XI – Cooperation

Members shall cooperate in economic, social, technical, scientific, financial, cultural, and security-related fields, consistent with sovereign equality, territorial integrity, political independence, non-interference, and mutual benefit.

- Article XII-A – North Alolan Arbitration Council

A North Alolan Arbitration Council is established as a regional body to facilitate conciliation and arbitration of disputes arising under NAAN-approved sectoral economic instruments, public-sector contracts, approved regional payment arrangements, and such other disputes as the States concerned may agree to submit.

- Article XII-B – Limits of Regional Adjudication

The North Alolan Arbitration Council shall not decide questions of territorial integrity, use of force, armed attack, state responsibility for terrorism, or other bilateral contentious issues unless the States concerned expressly consent in writing or the Council of Ministers certifies that the dispute is suitable for technical adjudication without prejudice to Article X.

- Article XIII – Peaceful Settlement

Members shall seek to settle regional security differences by negotiation, enquiry, mediation, conciliation, technical cooperation, arbitration by agreement, judicial settlement, or other peaceful means chosen by the States concerned.

- Article XV – Sectoral Instruments

Sectoral instruments adopted under NAAN auspices shall have the legal effect stated in their text. Instruments not expressed to be treaties may guide cooperation among members but shall not override Article X unless the members expressly so provide.

Annex II: Excerpts from the Alolan Financial Security Understanding (AFSU), 2021

- Preamble. The Members, condemning terrorist financing, cyber-enabled payment disruption, virtual assets, financial inclusion, and the importance of secure remittances, commit politically to the following understandings.
- **Paragraph 1.** Each Member will designate and maintain a national contact point for the receipt and handling of urgent financial-intelligence requests relating to terrorist financing, virtual assets, and cross-border payment systems.
- **Paragraph 2.** Members shall endeavour, without prejudice to their domestic law and available capacity, to give effect to the relevant FATF Recommendations, Interpretive Notes, and guidance, including those concerning virtual assets and virtual asset service providers, targeted financial sanctions, beneficial ownership, and financial inclusion.
- **Paragraph 3.** A request designated as "regional security urgent" should be considered promptly and in a spirit of cooperation. The requested Member should, to the extent permitted by its domestic law, preserve relevant records and inform the requesting Member of any legal impediment preventing the freezing or seizure of assets.
- **Paragraph 4.** Nothing in this Understanding shall be construed as authorizing intervention or unilateral enforcement within the territory of another Member. Nor shall it be interpreted as requiring a Member to freeze or seize assets in the absence of a sufficient basis under its domestic law.
- **Paragraph 5.** Members should consult through their designated national contact points where a disagreement arises concerning the technical implementation of this Understanding. If the matter remains unresolved, either Member may place it before the NAAN Counter-Terror Finance Working Group. Referral to the North Alolan Arbitration Council shall require either the consent of the States concerned or certification by the Council of Ministers that the matter is technical in nature and does not fall within the exclusion contained in Article X(2) of the NAAN Charter.
- **Paragraph 6.** This Understanding is not intended to be registered under Article 102 of the Charter of the United Nations. Its legal effect, if any, shall be determined in accordance with its terms, the subsequent practice of the Members, and applicable international law.

## Annex III: Diplomatic Notes and Official Statements - Extracts

- Sinnoh Note Verbale to Konoha, 14 March 2026: "*The Ministry of Foreign Affairs of the Kingdom of Sinnoh requests the Government of the Federal Democratic Republic of Konoha to take immediate steps to freeze all PCB omnibus wallets, seize PCB's compliance servers, preserve all relevant transaction records, and arrest the three Konoha nationals identified in the materials accompanying this Note. Given the gravity and urgency of the present threat to regional security, the Kingdom considers that the ordinary time frames applicable to mutual legal assistance would be inadequate.*"
- Konoha Note Verbale to Sinnoh, 15 March 2026: "*The Ministry of Foreign Affairs of the Federal Democratic Republic of Konoha has the honour to inform the Ministry of Foreign Affairs of the Kingdom of Sinnoh that the Republic is prepared to undertake a joint investigation, provisionally preserve identified records, and convene an emergency meeting between the Parties' financial-intelligence authorities. Konoha is not, however, in a position to order the immediate freezing of PCB's omnibus accounts without judicial authorization, particularly where such action would affect approximately 6.4 million remittance accounts. The Republic therefore requests Sinnoh to transmit the underlying evidence through the channel established under the Mutual Legal Assistance Treaty or, where appropriate, by means of a court-to-court request.*"
- Sinnoh Notification to NAAN Secretary-General, 16 March 2026: "*The Kingdom activates the AFSU consultation pathway and reserves its right to refer this matter to the Alolan Arbitration Council.*"
- Konoha Reply to NAAN Secretary-General, 16 March 2026: "*The allegations concern State responsibility, use of force, and alleged terrorist financing by a non-State actor. They constitute a bilateral and contentious matter excluded from NAAN deliberations by Article X(2).*"
- @MoDSinnoh, 5 April 2026, 22:10: *"[T]he Kingdom has taken recourse to its inherent right to retaliate against the sponsors of murder. It is a precise, necessary and proportional act. Refuges for terror finance will pay for their choice.*"
- @PMSinnoh, 5 April 2026, 22:15: "*No sanctuary for the bankers of terror.*"
- @ForeignKonoha, 6 April 2026, 09:05: "*An attack on a bank is not counter-terrorism. It is force against Konoha's sovereign financial infrastructure.*"

- Sinnoh Letter to the President of the Security Council, 5 April 2026: "*The Kingdom responded to an armed terrorist attack by targeting the financial nodes that made it possible. The measures were necessary, proportionate, and directed at preventing imminent movement of terror funds.*"
- Konoha Letter to the President of the Security Council, 6 April 2026: "*The phrase right to respond has no independent status under the Charter. Sinnoh has used force against Konoha while avoiding the vocabulary and legal constraints of Article 51.*"

## Annex IV: Domestic Legal, Judicial, and Technical Extracts

- Konoha Virtual Assets and Secure Finance Act, 2022, Section 19: Licensed VASPs must comply with such international best practices, including relevant FATF standards, as may be notified by the Financial Intelligence Authority.
- Konoha Virtual Assets and Secure Finance Act, 2022, Section 24: The Financial Intelligence Authority may order a temporary freeze of assets where there is reasonable suspicion that assets are linked to terrorism, provided that judicial confirmation is obtained within 72 hours.
- Konoha Virtual Assets and Secure Finance Act, 2022, Section 41: No person shall incur criminal liability merely by reason of having processed a virtual asset transfer that is subsequently associated, through blockchain analysis, with a listed organization. Criminal liability shall arise only where the prosecution establishes knowledge, recklessness, or wilful blindness in relation to that association.
- Sinnoh Emergency Security and Financial Integrity Ordinance, 2020, Section 8: Where the National Security Council has reasonable grounds to believe that the systems operated or controlled by a foreign person or entity have substantially enabled the financing of terrorism, it may designate that person or entity as a "terror-finance enabler" for the purposes of this Ordinance.
- Konoha Supreme Court, Remittance Users Association v. Financial Intelligence Authority, 15 April 2026: "*FATF standards may serve as relevant interpretive material in the application of Konoha's financial laws. They do not, however, have the force of self-executing law in the absence of the notification or legislation required by the Virtual Assets and Secure Finance Act, 2022. This does not permit domestic courts to disregard either the transnational nature of terrorist financing or the need for reasonable cooperation between States.*"

- InstinctChain Analytics Executive Summary, 12 March 2026: "*Our analysis assesses, with a high degree of confidence, that eighteen wallets are controlled by persons facilitating the activities of the LMF. Three of those wallets may instead be operated by ordinary remittance agents. Certain transaction flows are also consistent with charitable collections undertaken in the aftermath of Cyclone Ravi. Blockchain analysis alone cannot establish the identities of the natural persons controlling these wallets; that determination would require corroborating off-chain information.*"
- Jeju Chair's Non-Paper, 17 March 2026: "*Members are encouraged, as a matter of regional expectation, to operationalize FATF Recommendation 15 and the Travel Rule in relation to virtual assets without delay. Domestic evidentiary requirements should not be applied in a manner that frustrates urgent financial-security cooperation.*" The document bears the watermark: "*THE CHAIR'S NON-PAPER - NOT FOR ADOPTION.*"