

EXECUTIVE SUMMARY

1. The illegal wildlife trade (IWT) is a major transnational organised crime, which generates billions of criminal proceeds each year. IWT fuels corruption, threatens biodiversity, and can have a significant negative impact on public health and the economy. To move, hide and launder their proceeds¹, wildlife traffickers exploit weaknesses in the financial and non-financial sectors, enabling further wildlife crimes and damaging financial integrity. Despite this, jurisdictions² rarely investigate the financial trail left by this crime.

2. The Financial Action Task Force (FATF), as the global standard setter on anti-money laundering (AML), countering the financing of terrorism (CFT) and countering proliferation financing (CPF), is concerned about the lack of focus on the financial aspects of this crime, and has conducted this study to support jurisdictions to combat related money laundering. The FATF Standards (i.e. 40 Recommendations³) provide a useful framework for jurisdictions to address these threats by strengthening their national laws, policies, and co-operation at the domestic and international level.

The FATF is concerned about the lack of financial focus on the illegal wildlife trade.

3. This is the FATF's first global report on IWT. It builds on previous studies by two of the FATF-Style Regional Bodies (FSRBs), work by other international bodies and recent initiatives by the private sector. This study by the FATF makes a unique contribution by assessing the money laundering (ML) aspects of wildlife crimes, and by demonstrating how jurisdictions should apply the FATF standards to combat IWT. The findings in this report are based on inputs from around 50 jurisdictions across the FATF Global Network⁴, as well as expertise from the private sector and civil society.

4. This study highlights that jurisdictions should view the proceeds generated by IWT as a global threat, rather than as a problem only for those jurisdictions where wildlife is illegally harvested, transited, or sold. In particular, criminals are frequently misusing the legitimate wildlife trade, as well as other import-export type businesses, as a front to move and hide illegal proceeds from wildlife crimes. They also rely regularly on corruption, complex fraud and tax evasion. Another key theme of this study is the growing role of online marketplaces and mobile and social media-based payments to facilitate movement of proceeds from wildlife crimes. These trends highlight the increasing importance of a coordinated response from public authorities, the private sector and civil society to identify and disrupt financial flows from IWT.

5. As in prior studies, the FATF has found that despite IWT's global impact, public and private sectors in many jurisdictions have to date not prioritised combatting the financial flows connected to IWT in line with risk. Jurisdictions often do not have the knowledge, legislative basis, and resources required to assess and combat the threat

¹ Proceeds refers to any property derived from or obtained, directly or indirectly, through the commission of an offence.

² As in the FATF Recommendations, the terms country and jurisdiction are used interchangeably throughout this report.

³ The [FATF Recommendations](#) are the internationally endorsed global standards against money laundering and terrorist financing; they increase transparency and enable countries to successfully take action against illicit use of their financial system. The FATF assesses countries against the 40 FATF recommendations as part of the FATF mutual evaluation process.

⁴ The FATF Global Network is comprised of 205 jurisdictions around the world that have committed to implementing the FATF standards.

posed by these funds. This limited focus on the financial side of IWT has largely prevented jurisdictions from being able to identify and sanction IWT networks.

6. To address these challenges, jurisdictions should consider implementing the following good practices that were observed during the study:

- Prioritise combatting the financial flows associated with IWT proportionate to risk.
- Provide all relevant agencies with the necessary mandate and tools to conduct successful financial investigations into IWT.
- Improve co-ordination between authorities responsible for combatting wildlife crimes and those responsible for conducting financial investigations to ensure authorities more regularly exchange information and follow the financial trail.
- Cooperate with other jurisdictions, relevant international organisations and the private sector to combat IWT.

It is essential that jurisdictions maintain their focus on illegal wildlife trade financial flows.

7. A comprehensive list of proposed actions to strengthen measures to tackle the financial flows associated with IWT is included on pages 58 to 60 of this report.

8. This study greatly improves the FATF Global Network's understanding of the financial flows from IWT, including through presenting IWT risk indicators on pages 60 to 62 relevant for public authorities and the private sector. However, there is still work to be done. This report shows the need to further improve the FATF Global Network's collective understanding of the risk relating to IWT, including work on the role of non-financial entities in combatting IWT financial flows, greater understanding of the differing geographic supply chains, and good practices to address unique challenges in managing assets recovered during wildlife crime investigations.

9. It is essential that jurisdictions maintain their focus on IWT financial flows to achieve meaningful progress in addressing the challenges identified in this study.