Statement of Principles for a Multilateral Approach to Combating Illegal Wildlife Trade

Background

Illegal wildlife trade (IWT) is a major transnational organized crime, generating billions of dollars of criminal proceeds annually. It fuels corruption, increases the potential for other illicit activities, threatens biodiversity, and has a negative impact on public health and local economies. As stated by the Financial Action Task Force (FATF) in its landmark 2020 Report, "Money Laundering and the Illegal Wildlife Trade" (the Report), "[t]he vast majority of large-scale illegal wildlife syndicates operate internationally."[1] The Report found that many cases involve "complex criminal enterprises operating in several countries across multiple continents … in order to move wildlife products to profitable markets abroad and to obfuscate their activities and finances." A major finding of the Report was that few countries have pursued regular international co-operation to trace the criminal proceeds of IWT.

Nevertheless, the Report found some positive examples of proactive intelligence exchanges and joint investigations on financial flows relating to IWT. To combat money laundering (ML) from criminal syndicates operating internationally, the Report identified the significant value of ongoing cooperation among jurisdictions that are implicated in the criminal proceeds or products of IWT. Such ongoing cooperation can encourage proactive and timely sharing of information, facilitate productive joint or parallel investigations of IWT syndicates, and lead to high value seizures, forfeitures, and arrests.

Purpose

A multi-jurisdictional response is needed to effectively disrupt the financial activity of major transnational syndicates involved in wildlife crime. Robust domestic coordination mechanisms and input from the domestic financial intelligence units (FIU) can support international coordination, leading to the mapping of widespread criminal networks and further seizures, forfeitures, and arrests.

The signatory nations and intergovernmental organizations to this Statement of Principles believe that strong working relationships with foreign counterparts lead to effective and timely information-sharing (including through established contact points or liaison officers), open and robust dialogues related to threats and trends, and, where applicable, specific operations, thereby producing better results in combating the transnational organized crime of IWT.

In support of these beliefs, the signatories support the following principles intended to prevent, detect, and disrupt financial activity linked to IWT.

Principles

1. Illegal wildlife trade as a predicate offence to money laundering

[1] FATF, Money Laundering and the Illegal Wildlife Trade (June 2020), at para. 78.

Ensuring the application of existing international anti-ML and counter terrorist financing mechanisms to IWT is critical to the detection and disruption of large-scale cross-border financial flows related to IWT. The signatories to this Statement of Principles affirm their efforts to work with and support relevant agencies of their respective governments in their efforts to:

a. take steps within their jurisdiction to ensure that offences connected to IWT are treated as predicate offences for ML, as appropriate.

b. identify and assess the ML risks relating to IWT, particularly in the context of national risks assessments on ML.

c. implement mitigation mechanisms and resources in line with identified ML risks.

2. Intelligence sharing relating to the laundering of proceeds of the illegal wildlife trade

As with any transnational financial crime threat, the effective and timely sharing of information among all relevant public authorities is critical to the prevention, detection, and disruption of financial activity associated with IWT. In order to enable the effective flow of financial intelligence in regard to IWT, the signatories to this Statement of Principles intend to:

a. establish and promote channels within their jurisdiction that allow for meaningful sharing of intelligence on IWT between and among FIUs and relevant law enforcement authorities and other relevant agencies, as appropriate.

b. proactively share financial intelligence on IWT internationally via established FIU-to-FIU channels, in line with the Egmont Group of Financial Intelligence Units Charter.

c. develop, maintain and use a consolidated list of indicators, keywords, and publications from reputable sources.

3. Effective use of public-private partnerships to combat the laundering of the proceeds of the illegal wildlife trade

The effective detection of the laundering of the proceeds of IWT requires strong trust-based relationships between and among FIUs, law enforcement authorities, reporting entities both domestically and internationally, such as regulated financial institutions and other regulated sectors of the economy, and, as appropriate, non-governmental organizations.

The signatories to this Statement of Principles intend to:

a. actively seek to establish, maintain, and enhance AML-focused public-private partnerships that facilitate the sharing of relevant information as appropriate, at the tactical and strategic level, on the laundering of the proceeds of IWT.

b. provide guidance for regulated entities on trends, typologies, and indicators of the laundering of the proceeds of IWT to facilitate the submission of suspicious transaction reports and risk mitigation measures.[2]

[2] Specific existing examples of such guidance includes: AUSTRAC, "Illegal wildlife trafficking financial crime guide" (April 2023); FINTRAC, "Operational alert: Laundering the proceeds of crime from illegal wildlife trade" (January 2023); SAMLIT, "Financial Flows Associated With Illegal Wildlife Trade in South Africa" (November 2021); FinCEN "Notice on Environmental Crimes and Related Activity" (November 2021).

c. participate in a committed effort to raise public awareness of IWT as a financial crime.

Signatories of the Principles:

1. Australia
2. Canada
3. New Zealand
4. Singapore
5. South Africa
6. United Kingdom
7. United States
8. The Egmont Group of Financial Intelligence Units