Session Report

Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.

Session Title: How to Engage the Finance Industry in the Fight Against Cross-Border Corruption: Tackling Money Laundering in the Wildlife Crime Setting

Date & Time: Wednesday, 07.12.2022, 5.30pm–7:00pm GMT -5

Report prepared by: Gabriel Sipos, Anti-corruption coordinator, TRAFFIC

Moderated by: Gabriel Sipos, Anti-corruption coordinator, TRAFFIC

Panellists:

- **Xolisile Khanyile – Head, South Africa's Financial Intelligence Centre (FIC)**
- **Stephen Dennison - Financial Crime Analysis and Compliance Manager, HSBC**
- **Ben Brock - Wildlife Crime Analyst, TRAFFIC**

Share the thematic focus of the session, it's purpose and corruption risks?

This workshop explored the huge potential that cooperation with financial institutions may bring to the anti-corruption movement in the context of the wildlife crime setting. The discussion focused on three questions:

1. What are the most fruitful forms of cooperation currently and how can they be improved?
2. What impact has such cooperation had so far?
3. What are the biggest risks of such engagement and what are the best practice rules of collaboration?

There are numerous corruption risks along the wildlife trade supply chains, from

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bribery on trade or hunting/harvesting permit level, export/import licencing, trading on insider information about the animals location as well as on law enforcement level when seeking impunity.

Summary of panellists' contributions & discussion points (please be as detailed as possible)

Xolisile Khanyile – Head, South Africa's Financial Intelligence Centre (FIC): stressed the importance of following the money approach in uncovering environmental (and other) crimes. In 2019, the Financial Intelligence Centre in South Africa set up SAMLIT, a money-laundering task force which includes public officials and the finance industry as well, which she said improved the quality of suspicious activity reports from the banks and consequently the law enforcement's ability to solve the crimes. She also stressed the positive experience of working with FATF, which pushes government leaders into making counter-money-laundering policies a priority.

Stephen Dennison - Financial Crime Analysis and Compliance Manager, HSBC: HSBC takes the fight against money-laundering seriously, has a dedicated unit analyzing the data. But given the large scope of transactions, it is very hard to detect illicit schemes behind them. They welcome cooperation with both public and non-governmental actors, which helps them create typologies and patterns of criminals. Their risk assessment relies on official information but also on media reports about potentially illegal or suspicious actors.

Ben Brock - Wildlife Crime Analyst, TRAFFIC: TRAFFIC finds it important to engage both the finance industry and financial intelligence units by highlighting the severity of the problem and describing the patterns of crime. It is important to speak their technical language to get them interested. In TRAFFIC's experience, there is a big interest from the side of the financial industry to learn about corruption and wildlife crime given their duties and reputation risks in handling potentially criminal transactions. TRAFFIC's and WWF's Tackling Natural Resources Corruption project offers numerous resources describing the linkages of corruption and money laundering to illegal wildlife trade, see https://www.worldwildlife.org/pages/tnrc-knowledge-hub

Main outcomes of session (include quotes/highlights and interesting questions from the floor)

Khanyile – Cooperation with the finance industry brings results – since setting up the SAMLIT task force focused on discussing money-laundering intelligence, they have made 332 arrests with a 98% conviction rate.

Dennison: HSBC records 1.1 billion transactions every month and makes around 5600 suspicious activity reports per year. They would welcome more feedback from law enforcement about which reports led to further action so they could improve their analysis in the future. Currently, they get feedback on 10-15% of their reports only.

Brock: Almost all illegal wildlife trade is in some way connected with corruption and money-laundering crimes, so tackling the latter may often help solve the former.

Audience questions:
1. We'll need to think through how to work with cryptocurrency actors
2. Need to engage non-financial actors into suspicious activity reporting (currently, almost none happens outside of finance actors, even though anybody can file them in principle)
3. The finance industry would appreciate more feedback from financial intelligence reports they're filing

Key recommendations for the future and concrete follow-up actions

Public-private-NGO cooperation needs to be strengthened and more formalized to make better progress in using the follow-the-money approach in the fight against corruption

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

- Building more awareness about money-laundering links to corruption and environmental crimes (by NGOs, public institutions)
- Facilitating cooperation with both public and private actors on crime typologies, crime impact and best practices around the world in fighting the corruption and related crimes (by NGOs, finance industry associations, environmental crimes private sector coalitions such as United for Wildlife)
- Reporting on the success/performance of cooperation institutions such as South Africa's SAMLIT (by NGOs, media)

Is there a specific call to action to key stakeholders, such as governments, businesses, funders, civil society, young people, journalists or any other stakeholder that should be noted? Please specify if relevant.

Together with WWF, Basel Institute and TI, **we jointly launched a practitioners' forum**, an informal network to discuss tools, challenges and ideas on environmental corruption. We encourage the interested to sign up at https://www.worldwildlife.org/pages/tnrc-about-the-counterin...

Rapporteur's name and date submitted
Gabriel Sipos, 17.12.2022