

## Annex A. INDICATORS OF LAUNDERING THE PROCEEDS OF THE ILLEGAL WILDLIFE TRADE

1. The below risk indicators are intended to be used by financial institutions to assist them in identifying potential suspicious transactions and behaviour patterns that could be indicative of ML linked to the illegal wildlife trade (IWT). The risk indicators identified below have been developed based on country experiences in investigations and cases, open source information as well as information provided by the United for Wildlife (UfW) Financial Taskforce and the Basel Institute.

2. These intelligence-led risk indicators highlight potentially actionable patterns in client profiles (individuals and corporates), transactions and client account activity, but should not be considered in isolation. A risk indicator demonstrates or suggests the likelihood of the occurrence of suspicious activity. However, one risk indicator alone, or without additional information about the client or transaction, is not likely to be sufficient to suggest illicit activity. Financial institutions should be careful when implementing risk indicators into their transaction monitoring systems, as the introduction of stand-alone, generic indicators could lead to the generation of large volumes of alerts that may end-up being false positives. Importantly, these risk indicators should be contextualised with information broader information on client profiles, and information obtained from the public sector.

### A. Client profiles (individuals and corporates)

- Involvement of international trade companies, including import-export, freight forwarding, customs clearance, logistics, or similar types of companies operating in the following commodities long high-risk corridors or ports<sup>82</sup> for IWT supply and demand: raw or squared wooden logs, plastic waste or pellets, frozen food, fish maws, various kinds of beans, stone or quartz blocks.
- Use of common containers, consignees, transporter, clearing agents, or exporters as seen in other cases believed to involve IWT.
- Activity involving PEPs and wealthy businessmen/women, particularly those with environmental, game, or forestry oversight or environmental or wildlife-related businesses
- Involvement of legal wildlife-related entities such as private zoos, breeders, (exotic) pet stores, safari companies, pharmaceutical companies making medicines containing wildlife and wildlife collectors or reserves.
- Individual or beneficial owner(s) of a corporate domiciled in jurisdiction that is a prominent transit or demand country for illegal wildlife.

<sup>82</sup> Ports with reported high volume of illegal wildlife seizures in recent years include Port of Lomé, Port of Dar es Salam, Port of Manila, Port of Mombasa, Port Sihanoukville, Port of Apapa, Matadi Port in the DRC; Haiphong Port in Viet Nam; Tien Sa port of Danang, Viet Nam; Apapa port of Lagos, Nigeria; Hangzhou Port, Zhejiang Province, China. The list is not exhaustive.

## B. Transactions and client account activity

- Large cash deposit by government officials working in wildlife protection agencies, border control or customs and revenue officials.
- Large cash or other deposits, wire transfers, multiple cash deposits and withdrawals, and/or unexplained wealth from government officials working in forestry agencies, wildlife management authorities, zoo and wildlife park employees, or CITES Management Authorities (CMAs).
- Large cash or other deposits, multiple cash deposits and withdrawals, and/or unexplained wealth from government officials from environment or other ministries who have specific management or oversight authority of government stockpiles of seized ivory, rhino horn, timber, or other illegal wildlife products.
- Shipments of legal wildlife (fauna and flora) with anomalous, incomplete, or otherwise suspicious CITES certificates.
- Transactions using names of ingredients or products in the traditional medical trade that refer to CITES species.
- Illogical or anomalous loans between trading or import/export companies in key IWT source or transit countries.
- Switched bills of lading by traders previously implicated in criminal activity involving wildlife trafficking or trade fraud investigations or prosecutions.
- Transactions having discrepancies between the description or value, of the commodity in customs and shipping documents and invoice, relative to the actual goods shipped or quoted price or the actual value in payments made.
- Illogical or anomalous purchases, payments, or other transactions related to gold trading from business accounts of clients. *Payments for wildlife shipping are often masked as payment for gold or to gold trading business.*
- Escrow-type transactions from/to accounts and companies with same beneficial owner in particular for payment of cross-border and transcontinental shipments.
- Transactions from known traffickers to individuals who then pay for couriers or packages via the post.
- Transactions for hired vehicles and domestic accommodation from known members of a trafficking syndicate who are not present in the country or region within a country.
- Third-party wire transfers/cash deposits to, or withdrawals by, known wildlife poachers and traffickers.
- Transaction references using specimen names or veiled speech.
- Transactions between licensed pet shop suppliers/breeders and known wildlife poachers and traffickers.
- Transactions to licenced pet shop suppliers/breeders that originate from overseas, and/or incommensurate with stated business activities.

- Large transactions to licenced pet shop suppliers/breeders where there is significant discrepancies between the animal/product ordered and the value of the good.
- International wire transfers from known wildlife traffickers to a relative's accounts as tuition, allowance, or family support payments.
- Large dollar wire transfers between wildlife farms and firms operating in inconsistent lines of business. *Particular attention should be given to payments with firms that produce goods which may be used as "cover loads" to hide illicit wildlife products (e.g. manufacturers / traders of coffee, tea, beans, or used clothing).*
- Payments between entities operating in disparate lines of business.
- Individuals or companies suspected of being involved, or linked to, IWT networks using bank accounts and addresses located in different countries.
- Middleman transactions – large incoming payments followed by smaller outgoing payments.
- Rental card transactions with two bookings close in time in neighbouring countries.

### C. Other

- Adverse media connected to wildlife or environmental crimes identified in open and available sources on individuals and/or entities involved in reviewed financial transactions.
- Airline passengers traveling on high-risk IWT routes on tickets paid for by a third party or in cash.
- Payments from companies/owners from industries using IWT products (including traditional medicine manufacturers, leather producers, auctioneers of wildlife products, exotic food providers [including butchers, chefs, stall holders wildlife markets and restaurants]) to known wildlife traders or their associates or other entities above that have been identified as involved in IWT.