

# New studies reveal anti-money laundering rules “almost completely ineffective”

Two new studies reveal deep flaws in the effectiveness of anti-money laundering rules, affecting every country surveyed, and globally.

Published in international peer-reviewed journals, the new studies combine money laundering research with outcomes effectiveness analysis.

With surprisingly little research at the intersection of the money laundering and policy effectiveness disciplines, outcomes effectiveness analysis examines the extent to which regulations achieve intended outcomes. This is concerned not only whether rules and regulations exist, if they meet certain standards, or if countries and firms comply with them, but whether they work.

The first study **Uncomfortable truths? ML=BS and AML=BS<sup>2</sup>** reveals anti-money laundering regulations as “almost completely ineffective” in disrupting the proceeds and funding of serious profit-motivated crime.

The research sampled countries’ proceeds of crime estimates and policing data to calculate what the United Nations calls the ‘success rate’ of money laundering controls. The proportion of criminal funds confiscated by authorities helps assess the effectiveness of regulations intended to disrupt serious profit-motivated crime.

Interception rates in sampled countries (Australia, Canada, New Zealand and the UK) - and elsewhere,

including the United States, Europe, and globally - are scarcely a rounding error in the accounts of profit-motivated criminal enterprises.

These findings suggest that the current anti-money laundering model is “almost completely ineffective” in disrupting criminal finances.

Dr Ron Pol, the study’s author, says that, according to some countries’ own data, “every year up to 99.9% of illicit funds remains in criminal hands, together with their accumulated and invested criminal proceeds.”

“This massive pipeline of illicit funds and vast reservoir of criminal wealth protects and supports the continuation and expansion of serious crime. It also perpetuates the social and economic harms from serious profit-motivated crimes like drugs-, arms- and human-trafficking, high-level corruption, fraud and tax evasion.”

The second study **Anti-money laundering effectiveness: Assessing outcomes or ticking boxes?** finds that the new global methodology for evaluating the ‘effectiveness’ of anti-money laundering regimes is itself incapable of assessing effectiveness in terms of the impact on serious crime.

These findings potentially call into question the assessment of 50 countries’ anti-money laundering regimes published since December 2014, and all ongoing and future country-level evaluations.

Full details

Full details

## Full details, for each study & country

### **Uncomfortable truths? ML=BS and AML=BS<sup>2</sup>**

Ronald F Pol, *Journal of Financial Crime* (2018), Vol 25 No 2, pp 294-308

- Full details [here](#). How well do the anti-money laundering regimes in Australia, New Zealand, Canada and the UK work? And how do they compare with Europe, the US, other countries, and globally?

### **Anti-money laundering effectiveness: Assessing outcomes or ticking boxes?**

Ronald F Pol, *Journal of Money Laundering Control* (2018), Vol 21 No 2, pp 215-230

- **Country-specific details** for (50) countries assessed and published since Dec 2014: [Armenia](#), Andorra, [Australia](#), [Austria](#), [Bahamas](#), Bangladesh, [Barbados](#), [Belgium](#), Bhutan, [Botswana](#), Cambodia, [Canada](#), [Costa Rica](#), [Cuba](#), [Denmark](#), Ethiopia, [Fiji](#), Ghana, Guatemala, Honduras, [Hungary](#), Iceland, Ireland, Isle of Man, [Italy](#), [Jamaica](#), Macao, [Malaysia](#), [Mexico](#), Mongolia, Nicaragua, [Norway](#), Panama, [Portugal](#), [Samoa](#), Serbia, [Singapore](#), Slovenia, [Spain](#), [Sri Lanka](#), [Sweden](#), [Switzerland](#), [Thailand](#), [Trinidad & Tobago](#), Tunisia, [Uganda](#), [Ukraine](#), [United States](#), [Vanuatu](#) and [Zimbabwe](#).  
**No link?** [Contact us](#). **Graphic:** ‘Effectiveness’ ratings charts (all 50 countries listed above): [here](#) [PPT]
- **For all other countries** currently undergoing or awaiting FATF assessment (with full list of assessment dates scheduled), [here](#).

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