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FOLLOW THE MONEY:

how environmental crime is handled by anti-money laundering systems in Brazil, Colombia, and Peru

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EXECUTIVE SUMMARY

Following the ratification of anti-money laundering statutes over the past two decades, as well as the rise of environmental crime as the world's third most-lucrative illicit economy (after drug trafficking and smuggling), the global community still needs to strengthen the strategic nexus between anti-money laundering and environmental crime legal frameworks and the role of institutions in combating these crimes.¹

Most anti-money laundering regulatory frameworks focus on safeguarding the formal financial system from drug and weapons trafficking and terrorist financing. Even as the rising plunder of natural resources across the Amazon region (illegal gold mining in Peru, deforestation in Colombia, and commodity-driven land clearing in Brazil) exacerbates the climate crisis; anti-money laundering agencies, legal frameworks, and government agencies typically devote less attention to currency smuggling or the international trade of illicit forest commodities.² Countries must change course and build capacity to address the laundering of proceeds from environmental crime in the Amazon.

Member states of the Financial Action Task Force of Latin America (GAFILAT) currently rely on standards, risk assessments, regulatory frameworks, consultations with the private and financial sectors, and official policies to define priorities for anti-money laundering governance, strategic planning, and policy. Money laundering represents a grave risk for countries with ineffective use of sectoral risk assessments, weak enforcement of rule of law, poor coordination across institutions, insufficient financial intelligence and limited access to technology, and inefficient cooperation with other countries in the region.

The presence of a permissive legal system, limited transparency regarding beneficial ownership information, corruption networks, lack of strategic priorities, and inadequate operational capacity to monitor the Amazon Basin all contribute to the perception of environmental crime as a low-risk/high-reward opportunity for criminal networks. However, this situation could also be an opportunity in disguise. Implementing strong anti-money laundering laws could have a transformative impact by increasing both the actual and perceived risks of committing environmental crimes.

Although international trade represents one of the most complicated methods for laundering the proceeds of environmental crime, Amazon countries encounter considerable difficulty in detecting Trade-Based Money Laundering (TBML), and customs agencies continue to focus primarily on physical inspection.

Amazon countries must move from awareness to comprehension to action. One step in the right direction would be to incorporate money laundering from environmental crime into strategic national intelligence plans that standardize the approach to gathering, coordinating, and producing intelligence for high-level decision-making.

The sharing of intelligence between agencies can be hindered by systemic factors such as differences in technical capacity, trust, staffing, compartmentalization, and civilian authority. In addition to Financial Intelligence Units, a thorough approach to combating risks should involve coordinating and integrating strategic, financial, and operational intelligence and investigative capabilities, including reporting entities involved in suspicious transactions. To achieve this, it is crucial to allocate adequate resources for the development of specialized human, technical, and technological capacities. Furthermore, obstacles such as inadequate intelligence sharing and limited technical expertise in targeting and detecting environmental crime should also be addressed.

It is crucial to integrate individual initiatives into a comprehensive strategy that addresses both anti-money laundering and environmental crime across the Amazon region. Adopting an all-government approach is vital in connecting environmental and anti-money laundering agencies and fostering stronger regional cooperation to prevent, supervise, and detect criminal activities. By taking these measures, countries can better mitigate the existential threats posed by the climate crisis.

NOTE ON METHODOLOGY

The descriptive analysis in this paper is the result of a bibliographical desk review, as well as virtual interviews conducted with key stakeholders from Brazil, Peru, and Colombia. The paper's focus is placed on comprehensively understanding money laundering and its ties to environmental crime. The article intentionally excludes discussions of approaches to address terrorist financing, which typically go together with money laundering frameworks.

The desk review included a literature review of general and specialized research on money laundering and its connections to environmental crime published between 2016 and 2022. The review incorporated global sources such as reports from esteemed organizations including the Financial Action Task Force (FATF), the Organization for Economic Co-operation and Development (OECD), the World Bank, the UN Office for Drugs and Crime (UNODC), the Global Initiative Against Transnational Organized Crime (GITOC), INTERPOL in partnership with the UN Environment Program (UNEP), as well as contributions by civil society organizations like Transparency International.

Political and technical surveys, assessments, and agreements were sourced from various organizations and think tanks at both hemispheric and regional levels. These include the Organization of American States (OAS), the Financial Action Task Force for Latin America (GAFILAT), the Amazon Treaty Cooperation Organization (ATCO), and Global Financial Integrity (GFI). The Igarapé Institute's specialized research on the ecosystem of environmental crime in the Amazon Basin also served as a fundamental foundation for analyzing this complex criminal nexus.

Finally, the review examined specialized reports on the selected Amazon countries. These reports featured official information on mutual evaluations, sectoral risk assessments, typologies, warning signs, anti-money laundering plans and policies, and regulatory frameworks.

To complement this information, virtual workshops and remote interviews were organized with prominent regional anti-money laundering bodies. These engagements were further enhanced through consultations with financial crimes enforcement agencies, operational officers, and analysts from Financial Intelligence Units (FIUs), environmental crimes prosecutors, as well as anti-money laundering experts hailing from Brazil, Colombia, and Peru.

INTRODUCTION

Notwithstanding anti-money laundering statutes having become the rule within the last two decades and environmental crimes representing the world's third most lucrative illicit economy –just after drug trafficking and smuggling–, the strategic nexus between anti-money laundering and environmental crime legal frameworks and the role of institutions in combating these crimes needs to be strengthened.³

This becomes particularly crucial due to the escalating exploitation of natural resources in the Amazon region, including the illegal gold trade in Peru, the alarming deforestation rates in Colombia, and the clearing of land driven by commodity activities in Brazil. These activities not only contribute to the climate crisis but also underscore the need for anti-money laundering agencies, legal frameworks, and governance capacities to address these pressing issues. However, global attention has largely focused on drug trafficking, primarily associated with illicit gold, as well as arms trafficking.⁴

A country's susceptibility to money laundering is intricately tied to various shortcomings, including limited traditional approaches to conducting sectoral risk assessments, weaknesses in upholding the rule of law and implementing effective measures, inadequate inter-institutional collaboration, insufficient financial intelligence capabilities, restricted access to technology, and difficulties in establishing robust regional cooperation.

As per the Financial Action Task Force Standards, policymakers, financial intelligence units, law enforcement agencies, and other pertinent authorities are obligated to establish and maintain effective mechanisms for cooperation, coordination, and information sharing in order to prevent and disrupt money laundering networks.

A permissive legal system, along with opaque beneficial ownership information, corruption networks, a lack of strategic priorities, and weak operational capacity to monitor the Amazon region combine to amplify the risks associated with criminal networks benefiting from environmental crime, which is often seen as "low-risk/high-reward". However, this situation presents an opportunity in disguise, as the implementation of robust anti-money laundering laws has the potential to increase both the actual and perceived risks associated with environmental crime.

In order to better understand the connections between anti-money laundering governance capacity and environmental crime in the Amazon, the Igarapé Institute proposes an analytical approach that assesses the level of attention and priority that each stage of a particular country's anti-money laundering system gives to environmental crime.

This paper examines anti-money laundering capabilities across five dimensions: 1) strategic planning and preventive measures, 2) supervision and detection/Financial Intelligence Units, 3) reporting entities responsible for informing suspicious transactions, 4) criminal investigation and 5) law enforcement and sanctions. The analysis focuses on three key countries in the Amazon basin: Brazil, Colombia and Peru.

Figure 1. Anti-Money Laundering Cycle of Action



This paper is organized into two sections, the first one analyzes the anti-money laundering governance capacity in each country, with a focus on the dimensions outlined in the proposed analytical framework. The second section presents a series of recommendations aimed at enhancing regional cooperation and improving strategic and operational aspects of anti-money laundering frameworks. The paper ends with final considerations on the regional perspective.

This strategic paper represents the second installment in a series of studies⁵ that aim to explore, analyze, and propose holistic strategies for strengthening the critical relationship between money laundering and environmental crime frameworks. The overarching goal is to expand the repertoire of innovative tools to disrupt environmental crimes and prevent humanity from reaching a point of no return.

AN ANALYSIS ON ANTI-MONEY LAUNDERING CAPABILITIES TO TACKLE ENVIRONMENTAL CRIME

1.1. Strategic Planning and Preventive Measures

In accordance with FATF standards, states utilize risk assessments, regulatory frameworks, consultations with the private and financial sectors, as well as political decisions to establish priorities for strategic planning and policy development around anti-money laundering. The objective is to identify strategic goals, devise preventive measures across key sectors, update the list of reporting entities, enhance the work of reporting entities responsible for reporting suspicious transactions, and propose legal, technical, compliance, and regulatory reforms. These efforts collectively aim to effectively prevent, detect, investigate, and impose sanctions on illegal activity.

PERU

Peru's Anti-Money Laundering/Terrorist Financing National (AML/FT) Plan and Policy⁶, along with the Anti-Money Laundering/Financing Terrorism Executive Multisectoral Commission (CONTRALAF) and GAFILAT's 2019 Mutual Evaluation Report guide high-level decision-making in the country's fight against money laundering.

The National Plan and Policy guides efforts to "prevent, detect, investigate and sanction money laundering effectively and articulately to contribute to economic, political, and social stability in Peru".⁷ The plan encompasses the identification of money laundering risks, the application of regulations, supervision, and sanctions via the AML/FT prevention system (SPLATF), and the timely communication of suspicious transactions to Peru's Financial Intelligence Unit.

In 2021, Peru's National Money Laundering and Financing Terrorism Risk Assessment identified five major threats and 43 vulnerabilities.⁸ In

addition to the traditional threats of drug trafficking, terrorist organizations, and corruption, the assessment highlighted illegal mining as a risk predicate crime for money laundering.⁹ However, other environmental crimes, such as illegal logging and wildlife trafficking, were considered low threat level to money laundering.¹⁰

As the correlation between money laundering from mining deepened, 16 typologies or red flags were identified, such as the use of illegal gold in bribery payments, the simulation of gold production using small and medium-sized mining ventures, and the simulation of gold production through an inactive area.¹¹

While these assessments represent a step towards addressing the intersectoral dynamics of money laundering tied to illegal mining, it is important to acknowledge that other illicit economies that contribute to environmental crimes and exacerbate the climate crisis are subject to less investigation and scrutiny.

COLOMBIA

As recommended by FATF, in 2004 Colombia established the Inter-Institutional Coordination Commission for the Control of Assets Laundering (CCICLA). The primary role of the CCICLA is to facilitate the formulation of anti-money laundering plans and policies and promote coordination among various governing institutions to disrupt money laundering activities, combat illicit enrichment, and prevent the financing of criminal and terrorist organizations.¹²

Colombia's National Policy and Economic Council (CONPES) later established CONPES 4042-2021 in accordance with FATF recommendations, the National Development Plan, and National Risk Assessments. The policy aims to enhance the effectiveness of the country's anti-money laundering and terrorist financing efforts, with a focus on preventing, detecting, investigating, and prosecuting illicit activities.¹³

In 2019, the National Risk Assessment identified the highest-risk predicate crimes for money laundering: crimes against public administration, illicit enrichment, drug trafficking, and the use of frontperson.¹⁴ Additionally, in 2021, it also recognized illegal mining and trading of gold as high-risk crimes for money laundering.¹⁵ Similar to Peru, Colombia's anti-money laundering priorities revolve predominantly around drug trafficking, illegal gold trade, extortion, and corruption of public officials.¹⁶

Despite substantial efforts to identify and assess money laundering risks, GAFILAT's 2018 Mutual Evaluation Report of Colombia recommended expanding the scope and approach of the risk assessment to conduct a more comprehensive analysis of threats and vulnerabilities, including tax evasion, foreign threats, and cross-border financial flows.¹⁷

More recently, Law N° 2155 of 2021¹⁸ provided a clear definition of beneficial ownership - people who control, own or are in charge of companies - and established a Unique Registry administered by the Directorate of Taxes and Customs (DIAN).¹⁹ The implementation of this registry is expected to enhance the effectiveness of anti-money laundering measures, including prevention, detection, and control efforts, once one of the challenges faced was precisely the identification of these actors who form part of companies that may be involved in money laundering and corruption crimes. Furthermore, the reform has the potential to strengthen financial intelligence and investigations targeting legal entities involved in high-risk sectors such as gold mining,²⁰ encompassing both domestic and foreign companies, as well as trusts and non-profit organizations.

BRAZIL

Brazil's anti-money laundering capacity can be analyzed across different levels. At the federal level, the Ministry of Justice and Public Security (MJSP) plays a central role in planning and implementing public policies aimed at combating money laundering and corruption. Important initiatives include the management of the National Strategy to Fight Corruption and Money Laundering (ENCCLA), the National Program for Capacity Building and Training to Fight Corruption and Money Laundering (PNLD), and the National Network of Technology Laboratories against Money Laundering (REDE-LAB-LD). These initiatives highlight the government's commitment to addressing the challenges posed by money laundering and promoting effective measures to combat this crime.

ENCCLA, established in 2003, has been instrumental in coordinating the efforts of over 80 institutions to formulate and implement policies to combat corruption and money laundering. ENCCLA's activities encompass

prevention, training, information dissemination, and law enforcement, fostering collaboration and effective response to these issues across various sectors.

Each year, ENCCLA members prepare and agree upon Actions, which guide their collaborative work. These Actions involve the creation of working groups comprising diverse bodies and institutions that seek to deliver predefined products such as studies, legal-normative diagnoses, databases, legislative proposals, assessments of registration systems and relevant IT solutions, and strategies for enhanced statistical analysis.²¹

ENCCLA, in alignment with FATF recommendations, was responsible for implementing Action 10/2021, which addresses money laundering from environmental crime, and Action 03/2021, which focuses on money laundering in the gold supply chain.²² The following year, Action 03/2022 strengthened anti-money laundering supervision in the mining sector and trading of precious metals and stones, while Action 10/2022 enhanced the understanding of the linkages between environmental crime, corruption, fraud, and money laundering.²³ However, it is important to note that these recent actions do not specifically target the Amazon Basin as a strategic region and do not extensively address other forms of environmental crime.

In comparison to other Amazon countries, Brazil has established innovative institutions that focus on training, developing specialized capacities, and incorporating technology into anti-money laundering regulatory frameworks. One such institution is the PNLD, which involves capacity-building and training for public officials and provides guidance to society while promoting a culture of prevention in the fight against corruption and money laundering. Additionally, REDE-LAB-LD processes large volumes of information and publishes studies on best practices. Since its

inception in 2014, REDE-LAB-LD has analyzed 17,186 cases and published approximately 150,000 reports that identify R\$538 billion in assets with signs of illegality.²⁴

1.2. Supervision and Detection - Financial Intelligence Units

The GAFILAT Mutual Evaluations carried out by Member States serve as a crucial tool for assessing compliance with FATF anti-money laundering standards. Member States ratify legislative initiatives and sectoral regulations to implement the recommendations on technical compliance and regulatory frameworks. The objective behind these measures is to address weaknesses and establish robust mechanisms for the prevention, detection, investigation and sanctioning of money laundering networks.

The primary domestic supervisory institution responsible for implementing GAFILAT's standards is the Financial Intelligence Unit (FIU).²⁵ FIUs receive, process, analyze, and disseminate financial data and information reported by relevant entities, with a focus on detecting suspicious transactions.

The effectiveness of anti-money laundering efforts relies heavily on the quality of financial and economic intelligence produced through comprehensive data analysis, in turn made possible by specialized training, access to sufficient information, and advanced technology. However, interviews revealed that relevant institutions continue to encounter fundamental structural challenges, including limited progress on digitalization, inadequate data interconnection capabilities, underdeveloped network analytics, reliance on analog transcription of field reports, and a lack of geospatial monitoring tools. Insufficient intelligence sharing and insufficient technical expertise in targeting and detecting environmental crime further complicate the situation.

PERU

Peru's FIU plays a critical role in leveraging reliable data in a timely manner while maintaining confidentiality.²⁶ It is responsible for detecting and reporting money laundering, processing cases, and providing the appropriate authorities with evidence to substantiate criminal prosecution. Additionally, they are tasked with enhancing control measures throughout the country and along borders to identify illegal activities that contribute to money laundering and notify the relevant authorities about such activities.²⁷

Peru's FIU, regarding the technical aspect, leads the country's National System against Money Laundering and Terrorist Financing (SNLAFT) and Anti-Money Laundering and Terrorist Financing Prevention System (SPLAFT) and develops the multi-year AML/TF Plan. The FIU is responsible for receiving, analyzing, and disseminating financial intelligence. Notably, as per Article 2 of the Political Constitution of Peru, amended by Law 31507 of 2022, the FIU has the authority to access information protected by bank secrecy and tax reserve on the basis of reasoned decision, exclusively for the purpose of financial intelligence activities.²⁸

Although Peru has made significant efforts in combating money laundering, there are areas that still require attention. For example, strengthening inter-agency coordination to facilitate the sharing of reports by the FIU beyond the Public Prosecutor's Office of Peru and enhancing the authority of the Superintendence of Banks, Insurances, and Pension Funds Administrators (SBS) to impose disciplinary actions and impose fines for noncompliance.²⁹ The FIU works closely with the National Superintendence of Customs and Tax Administration (SUNAT), which enforces compliance with customs policies and detects illicit trafficking of goods.

Once the FIU detects suspicious transactions that may be related to a tax crime, when carrying out the analysis related to the offense of money laundering, it assigns the SUNAT liaison officer to explain the typology and its connection with this type of crime, whether tax or customs. Afterwards, if both institutions agree with the preliminary hypothesis made, they initiate a joint investigation and, once completed, the FIU sends the Financial Intelligence Report (FIF) to SUNAT.³⁰

Peruvian money laundering experts stress the importance of collaboration between the Financial Intelligence Unit (FIU) and environmental inspection bodies like the Agency for the Supervision of Forest Resources and Wildlife (OSINFOR) and the National Forest and Wildlife Service (SERFOR), which grant environmental permits. However, these same entities have faced scrutiny and allegations of irregularities and corruption, and often fail to effectively share information between themselves.³¹

COLOMBIA

Financial supervision and detection in Colombia are entrusted to the Financial Analysis and Information Unit (UIAF). Operating under the Ministry of Finance and Public Credit, it serves as the country's anti-money laundering coordinator with a mandate to "centralize and analyze information to prevent and detect suspicious operations", based on information sent by entities required to report and other open data.³²

As per Laws 526 of 1999 and 1121 of 2006, the UIAF is responsible for state intervention in all sectors of the national economy to detect practices associated with money laundering.³³ Upon request, the UIAF can define reporting sectors and entities based on an analysis of money laundering risks and enforce sanctions for non-compliance that range from warning letters to administrative actions, depending on the severity of the violation.

BRAZIL

In Colombia's anti-money laundering framework, similar to Peru, the Financial Analysis and Information Unit (UIAF) collaborates with the Office of the Attorney General in providing strategic information. It is up to the Office of the General Prosecutor to open investigation orders, after judicial approval. The UIAF also works in partnership with other intelligence authorities, such as the army and the National Intelligence Agency and the Colombian National Police.³⁴ However, unlike Peru's Financial Intelligence Unit, Colombian enforcement agencies do not have direct access to the reports generated by the UIAF. This restriction creates a barrier that slows down investigations and adds additional obstacles to an already burdened judicial process.³⁵

In a recent development, the Financial Analysis and Information Unit (UIAF) has incorporated the gold sector into its protocols for Designated Non-Financial Businesses and Professions (DNFBPs). This expansion now includes various entities involved in gold-related activities such as exporters/importers of gold, gold refineries, international trade companies engaged in gold trading, as well as securities transport companies, private security and surveillance companies involved in securities transport, and armored vehicle companies for securities transportation.³⁶ Furthermore, since 2008, companies engaged in the sale of gold and precious stones in Colombia have been required to implement a self-regulation, control, and management system. These measures play a crucial role in mitigating the comprehensive risks associated with money laundering through compliance with annual supervision and due diligence.

Challenges persist despite these advancements, including the availability of organized public information and the capacity for virtual interconnection, as well as the exchange of information to identify criminal networks.

The Financial Activities Control Council (COAF) serves as Brazil's FIU, and aims to prevent, supervise, and detect money laundering activities. COAF plays a vital role in systematizing information and generating financial intelligence analyses and reports on potentially suspicious transactions, which are then shared with relevant authorities such as the Public Prosecutor's Office, Federal Police, Civil Police, and Internal Revenue Auditors.³⁷ Additionally, COAF can exchange information with other FIUs that belong to the Egmont Group.³⁸ It's important to note that due to its administrative nature, COAF is not authorized to initiate precautionary measures, breach confidentiality, or enforce criminal proceedings.

One of COAF's main objective is to supervise and impose administrative penalties on entities that fail to cooperate. It plays a crucial role in receiving, examining, and identifying suspicious transactions in accordance with the Anti-Money Laundering Law. However, it's important to note that COAF's responsibilities are always complementary to those of other entities involved in combating money laundering. Additionally, COAF is responsible for developing regulations that guide companies on how to properly record customer information and report suspicious transactions.

In addition to its supervisory role, COAF plays a significant part in the fight against money laundering in Brazil by conducting strategic analyses and assessments of money laundering, as well as developing strategies to combat illicit activities, and managing relevant data.³⁹

The Brazilian Central Bank (BACEN) is another key institution involved in establishing anti-money laundering prevention policies in the country. BACEN ensures that financial institutions with reporting obligations have internal policies, rules, and procedures in place to identify and report suspicious transactions to COAF.⁴⁰ Furthermore, BACEN has taken specific measures to enhance the prevention system – in 2020, it devised a list of typologies that could constitute money laundering, with specific mention situations that may be related to environmental crime, by listing atypical situations in municipalities located in border areas and mineral extraction regions.⁴¹

COAF faces significant challenges when it comes to exchanging information with other institutions, both domestically and internationally. At the national level, COAF's administrative role allows it to request additional data from reporting entities to gain a clearer understanding of suspicious transactions. However, it is limited to this specific scope and is not authorized to request additional information about other financial transactions or the activities of individuals or businesses.

On the international front, COAF encounters difficulties in exchanging information due to legal barriers and a lack of standardization in financial reports. While there are bilateral cooperation agreements in place with countries like Colombia, differences in legislation and varying procedures, terminologies, and formats used by different FIUs pose challenges for efficient information exchange. This disparity can complicate and prolong the analysis of information.

1.3. Reporting Entities Responsible for Informing Suspicious Transactions

Reporting entities, as defined in relevant national legislation, play a vital role in the detection and prevention of money laundering by employing a risk-based approach to identify and report suspicious transactions. If a reporting entity suspects or has reasonable grounds to believe that the funds involved in a transaction are derived from criminal activity, they are legally obligated to submit a detailed report to the national FIU.⁴²

PERU

Law No. 29038 of 2002 and Supreme Decree No. 020-2017-JUS clearly identify the entities that must report suspicious transactions to Peru's FIU and adhere to the Anti-Money Laundering Prevention Plan (SPLATF).⁴³ The Supreme Decree issued by the Ministry of Justice and Human Rights has the authority to expand the list of reporting entities that are required to provide information to the FIU. Conversely, the Superintendence of Banks, Insurance, and Pension Funds Administrators has the power to reduce the list of reporting entities through their own resolution ([Annex 1](#)).

Reporting entities in Peru have the responsibility of implementing an anti-money laundering preventive system. This involves establishing policies and regulations on money laundering, designating a compliance officer, and ensuring compliance with relevant actions. They are also tasked with carrying out, communicating, and maintaining records of operations, as well as preventing, detecting, and reporting suspicious transactions to the FIU of Peru. Furthermore, they must respond promptly to information requests from the FIU and maintain the confidentiality of the provided information.⁴⁴

However, some entities fail to report suspicious transactions to Peruvian FIU, which highlights weaknesses in control and transparency mechanisms.⁴⁵ Additionally, all reporting entities are obligated to regularly notify the FIU about operations recorded in the Registry of Operations that exceed a specified threshold.

Peru has made progress in addressing environmental crimes by shifting in the list of entities obliged to report, notary offices, mining companies, companies that are dedicated to the sale of jewelry, metals and precious stones, in addition to companies that distribute, transport and/or sell chemical products that can be used as inputs for the practice of illegal mining.⁴⁶ However, no other specific sectors related to environmental crime are currently designated as reporting entities.

COLOMBIA

In Colombia, supervisors are organized into three categories that pertain to different levels of responsibility.⁴⁷ These categories involve competent authorities assigned to oversee compliance by reporting entities in three key sectors: financial, real,⁴⁸ and designated non-financial businesses and professions (DNFBPs).⁴⁹ These authorities are responsible for preventing and detecting money laundering, among other functions. Additionally, Colombia has identified virtual asset service providers (VASPs) as a fourth priority level without a dedicated supervisor.⁵⁰

Within these three categories of supervisors, the UIAF has identified 17 distinct competent authorities that are responsible for supervising and reporting suspicious transactions. Each reporting sector ([Annex 2](#)) operates under specific regulations and technical procedures to provide information to the UIAF. Collectively, these reporting sectors oversee more than 25,000 reporting entities.⁵¹

In contrast to Peru, Colombia does not have a specific regulatory framework that explicitly lists reporting entities. The UIAF has the authority

to request information from any public entity, except for the Public Prosecutor's Office of the Nation, as necessary for its activities. Over the years, the UIAF has enacted various agreements and resolutions to define new reporting sectors and reporting entities that are required to supervise and report suspicious transactions. The UIAF has the power to modify the reporting conditions as deemed necessary and appropriate.

Reporting entities in Colombia, both natural and legal persons, are subject to the obligations set forth in anti-money laundering regulations. These obligations include implementing preventive and supervisory measures such as customer identification and due diligence, establishing internal anti-money laundering policies, and registering and reporting suspicious transactions to the UIAF.⁵² However, similar to Peru, challenges remain regarding supervisor control and transparency mechanisms.

In Colombia, suspicious transactions have four key characteristics: they are classified information, they are not considered criminal complaints, they lack certainty of crime, and they do not generate any responsibility for the reporting entity.⁵³ These transactions serve as indicators of atypical behaviors and methods used by criminal actors for money laundering. The UIAF is responsible for evaluating and determining the relevance of sending intelligence reports to the Public Prosecutor's Office, other competent authorities, and legitimate entities for the purpose of pursuing extinction of the domain actions.

In 2008, specific obligations were imposed on gold exporting and/or importing companies, gold smelters, and international companies engaged in gold trade and/or gold export/import operations as part of their economic activities to report suspicious transactions to the UIAF of Colombia. The importers and exporters of gold are considered a significant reporting sector, encompassing more than 1,031 reporting entities.⁵⁴

BRAZIL

In 2012, Law 12.683 introduced reforms to the money laundering prevention system in Brazil. These reforms expanded the scope of predicate offenses and included an extensive list of reporting entities under the oversight of COAF ([Annex 3](#)). Brazil now has two interconnected subsystems: one focused on the supervision and prevention of money laundering, and another focused on the evaluation and repression of money laundering. The law imposes obligations on professionals and private sector companies, failure to comply with which can result in administrative and criminal consequences.

Any transaction involving values exceeding the legal limit or any suspicious transaction must be reported accordingly. Law No. 9,613/98, specifically Article 9, outlines 28 individuals and legal entities subject to preventive money laundering obligations ([Annex 3](#)). Additionally, there are 14 administrative authorities tasked with regulating and supervising markets that are vulnerable to money laundering. The COAF's regulatory and enforcement authority applies to sectors not regulated by these entities, such as factoring companies, jewelry, precious metals, stones, art objects, and antiques, as these sectors have their own regulations in place.⁵⁵

Regardless of whether reporting entities in sensitive sectors⁵⁶ have their own regulatory bodies, they are obligated to comply with COAF's requests for information in the specified frequency, format, and conditions. Furthermore, it is their responsibility to maintain the confidentiality of the information provided, as stipulated by the law.

Compliance programs play a crucial role in preventing money laundering. They involve various responsibilities, such as customer identification and record-keeping, as well as the implementation of policies, procedures, and internal controls to ensure compliance with legal and regulatory standards. These programs focus on proactive measures to detect and prevent illegal activities, including educating employees on identifying suspicious transactions. While primarily administrative in nature, these obligations also have implications in the criminal sphere.⁵⁷

Similar to Colombia and to a lesser extent Peru, Brazil's list of reporting entities prioritizes the fight against drug trafficking, organized crime, and corruption. However, the strict controls in certain sectors have led to the shifting of money laundering activities to less supervised areas.⁵⁸ This observation is supported by the FATF's Report, which reveals that many countries, including Brazil, have not adequately assessed the money laundering risks associated with environmental crimes, including those occurring abroad.

In Brazil, although there is a lack of money laundering risk assessments specifically focused on environmental crimes, some reporting entities involved in activities that could be associated with environmental illegalities or negative environmental impacts may already be subject to stricter regulations regarding suspicious transactions. These entities include those involved in the purchase and sale of gold as a financial asset or "bargain currency," individuals or legal entities engaged in the sale of jewelry, stones, and precious metals, and individuals or legal entities involved in the sale of high-value goods of rural or animal origin, as well as notary's office.⁵⁹

1.4. Criminal Investigation

Strengthening the judicial administration system, particularly in criminal investigation and prosecution, is vital to address the impunity of individuals and entities involved in money laundering. This entails enhancing the operational and managerial capabilities of law enforcement and prosecution agencies in tackling financial crimes, with a specific focus on money laundering from environmental crimes.

The overall objective of these efforts should be to ensure the payment of civil redress, as well as the initiation of administrative and criminal prosecutions that lead to the recovery of ill-gotten assets. In order to achieve this, it is crucial to promote regulatory improvements that facilitate the proper administration, execution, and distribution of redress.

PERU

In Peru, the investigation of various types of crimes, such as money laundering, corruption, organized crime, and fiscal and environmental crimes, are conducted by specialized public prosecutors within the Public Ministry. The Peruvian Public Ministry created a specialized prosecutor's office in the seizure of assets and hired more than 80 accountants for its technical expertise unit, to further strengthen its ability to combat money laundering.⁶⁰

The National Police of Peru support the Public Ministry's Office by carrying out investigations, making arrests and facilitating the seizure of illegal assets.⁶¹ In addition, the Peruvian army collaborates with the National Police in operations to seize illegal goods on the river routes of the Peruvian Amazon, especially related to mining and illegal logging.

Nevertheless, Peru faces persistent challenges regarding technology and human resources. The absence of a reliable and

integrated information system that enables seamless information exchange and efficient case management remains a critical issue. Additionally, there is a need for highly skilled personnel with expertise in conducting complex investigations into money laundering, including economic, financial, and beneficial ownership aspects.⁶² Furthermore, the National Police lacks sufficient specialized knowledge, as well as technological capabilities for conducting field research, which hampers the effectiveness of intelligence gathering and criminal investigations.⁶³

Peru has recently emerged as a leader among Amazon countries in addressing the challenges posed by money laundering related to environmental crimes. Recognizing the limitations of traditional anti-money laundering approaches, Peru has taken significant steps to foster strategic collaboration among various agencies in combating money laundering associated with environmental crime.

In December 2021, Peru took a significant step in addressing environmental crimes by establishing the Specialized Supra Provincial Public Prosecutor's Office for Environmental Matters. This office has jurisdiction throughout the country and is specifically focused on prosecuting environmental organized crime. The establishment of this office was made possible through an international cooperation agreement with the European Union. At the same time, Peru also launched the Specialized Multidisciplinary Team (EME), a permanent structure aimed at improving information exchange and coordination to effectively combat illegal mining and logging.⁶⁴ The EME initially consists of the Environmental Police Directorate, the Financial Intelligence Unit of Peru, and the Specialized Prosecutor Office in Environmental Matters (FEMAs). These initiatives highlight Peru's commitment to tackling environmental crimes and strengthening collaboration among relevant agencies.

COLOMBIA

The Public Prosecutor's Office of Colombia, specifically the Anti-Money Laundering, Extinction Domain, Financial Investigation, and Fiscal Crimes Specialized Directorates, takes the lead in criminal investigations related to money laundering. The office delegates these initiatives to specialized directorates and the Technical Investigation Body (CTI), which collaborates with the National Police, including the Environmental Protection and Rural Security Police Department (DICAR), as well as the Army. Colombian and U.S. authorities maintain close cooperation on money laundering and non-conviction-based asset forfeiture investigations.⁶⁵

The Colombian Special Assets Entity is responsible for managing and disposing of forfeited assets once criminals and organizations have been prosecuted. However, the agency has faced challenges in managing its inventory due to the country's complex judicial process. Colombia has a limited number of asset forfeiture judges, with only 12 judges and one forfeiture appellate court. As a result, some asset forfeiture cases can take up to 30 years to be adjudicated.⁶⁶

According to interviews with investigators from the prosecutor's office, two common methods of tracing are employed in money laundering investigations related to environmental crimes. The first method focuses on the environment, tracing the flow of goods from the extraction site to the final buyers or sellers. The second method takes a financial approach, tracing the flow of funds from the buyers or sellers back to the extraction site. In relation to the first method, environmental supervising institutions such as the National Environmental Licensing Authority (ANLA), Regional Autonomous Corporations (CARs), and the National System of Protected Areas play a crucial role by alerting the Prosecutor's Specialized Directorate on Human Rights, which will later become the Specialized Directorate on Environmental Crimes, to potential environmental crimes.⁶⁷

Despite the significant efforts made in anti-money laundering decision-making procedures, cooperation among Colombian agencies remains inadequate. Similar to Peru's SUNAT, the DIAN has the highest access to databases, but its capacity to share information is limited. Enhancements can be made in interdisciplinary task forces involving agencies such as DICAR, Specialized Directorate on Environmental Crimes, UAIF, and DIAN, among others, to strengthen collaboration and information exchange.

Furthermore, like other Amazon countries, the connection between money laundering and environmental crime investigations is not yet a prioritized area. Law enforcement agencies, prosecutors, and environmental bodies require additional technical and technological resources, as well as specialized training, to effectively address the intricate nexus between these financial crimes. DICAR has taken a leading role in developing specialized capacities, surpassing its counterparts in other Amazon countries, with a focus on intelligence and criminal investigations related to environmental crimes. However, there is room for improvement in efforts to dismantle money laundering from environmental crimes networks through the establishment of multidisciplinary teams dedicated to prosecuting significant cases.

BRAZIL

Criminal investigations related to money laundering in connection with environmental crimes in Brazil are carried out either at the federal or state level. The Federal Police (PF), Police of the state level, the Prosecutor's Office (MPF/MP)⁶⁸ are the entities responsible for conducting investigations, initiating new cases, and submitting complaints to the Judiciary, with the technical support of the LAB-LD.

In this regard, both the Federal Police and the Federal Public Prosecutor's Office use, as important strategies, the application of both administrative sanctions (provided for in the Environmental Law) and economic precautionary measures and the request to

the judiciary to apply financial sanctions in the conviction sentences with the objective of decapitalizing the criminal group.

The Federal Police in Brazil has recently initiated two targeted initiatives to combat money laundering stemming from environmental crimes. Firstly, the Gold Target Program develops expert examination methods and enhances the technical-scientific understanding of illegal gold seized during law enforcement operations related to offenses such as misuse, slave labor, environmental crimes, and money laundering.⁶⁹ It also aims to provide financial support to Federal Police investigation teams targeting illegal gold chains, with a particular focus on the borders and Amazon regions.

Secondly, The division of Repression of Crimes against the Environment and Cultural Heritage seeks to include evidence of money laundering and participation of criminal organizations in the investigation of crimes against the environment, since the penalties provided for these crimes are higher than for environmental crimes. The federal police is also investing efforts with the objective of decapitalizing the criminal organizations that act in environmental crimes in the Amazon. This is accomplished through two main analyses: a) identification of irregularities in the gold trade, analyzing the Mining Permits, suspicious productivity levels, flaws in gold transportation logistics, and cross-referencing this data with the polygons identified through the Brazil M.A.I.S program⁷⁰ and; b) verification of suspicious banking transactions in the region analyzed based on risky behaviors associated with money laundering, such as the use of figureheads and shell companies, the presence of mining operators and logistical support in banking transactions (jewelers, transporters, mining associations), and the conversion of funds into real estate, leading to significant real estate speculation in areas with a higher presence of illegal mining.

Despite recent efforts by the federal police, strategies to combat money laundering and environmental crimes are still very fragile.

These crimes are complex and require a multidisciplinary approach, involving the collaboration of different government agencies. However, the structure of the Federal Police often does not have the necessary specialized resources, such as environmental experts and financial analysts, which are essential to track and identify the flow of illegal money from these criminal activities, especially in supply chains of the Amazon region, does not frequently trigger the support of the LAB-LD.

The Federal Prosecutor's Office has focused on combating money laundering associated with environmental crimes. The establishment of the Amazon Task Force in 2020 resulted in the publication of operating manuals and studies highlighting the vulnerabilities of the gold chain in Brazil and its connection to various crimes, particularly the laundering of this environmental asset.⁷¹ However, the investigation and operational efforts of the Federal Prosecutor's Office are still limited when it comes to addressing the nexus between environmental crimes and money laundering. The office is divided into seven specialized chambers⁷² that handle specific types of crimes. Unfortunately, the chamber responsible for investigating environmental crimes is separated from the chamber dedicated to crimes involving money laundering crimes, and there is a lack of systematic information exchange between these chambers within the Federal Prosecutor's Office.

Both federal and state police agencies, along with federal and state public prosecutors, have the authority to investigate and prosecute crimes, with the jurisdiction to adjudicate resting with the state or federal judiciary.

Efforts to combat money laundering in Brazil are hindered by the absence of a reliable centralized database for tracking criminal groups involved in money laundering or environmental crimes, as well as incomplete statistics that restrict access to up-to-date information.⁷³ On the other hand, the Judiciary Branch utilizes SISBAJUD (formerly known as BacenJud), a system unique to Brazil and not utilized in other Amazon countries, to facilitate

communication between the judiciary and financial institutions, including the Central Bank of Brazil (BACEN).⁷⁴

The coordination between specialized departments combating money laundering and those addressing environmental crimes in the Federal Police and the Public Prosecutor's Office, similar to other Amazonian countries, remains insufficient to effectively strengthen prevention and combat money laundering resulting from environmental crimes. In Brazil, like in Peru and Colombia, there is still a deficiency in operations that connect environmental crimes with money laundering. This absence creates a favorable cost-benefit relationship for criminal groups engaging in money laundering associated with environmental crimes.

1.5. Law-Enforcement and Sanctions

Globally, anti-money laundering legislation has evolved over the course of several generations. The first generation primarily targeted drug trafficking, while the second expanded the list of predicate offenses to include specific crimes, as seen in the initial Brazilian law of 1998, as well as in laws in Peru and Colombia in the early 2000s. Recognizing the need to strengthen sanctions for various criminal practices beyond drug trafficking, these laws broadened the scope of money laundering offenses. In the third generation, there has been a further expansion, where any crime or criminal offense can serve as a predicate offense for money laundering.

Anti-money laundering regulatory systems can thus be divided into two main frameworks. The first approach involves a closed list of specific criminal offenses that can be targeted for money laundering investigations (“predicate offense”). The second approach encompasses all crimes, considering that the proceeds of any criminal activity can be subject to money laundering (“all-crimes”).

In Brazil, the legislation follows the all-crimes approach, treating any crime, including environmental crimes, as a potential predicate offense for money laundering. This means that authorities are responsible for preventing prosecuting the concealment, disguise, and reintroduction of assets derived from any criminal activity, including environmental crimes, into the formal economy.

The predicate offense approach, in turn, imposes limitations on the crimes covered by anti-money laundering statutes, either through explicit lists or other restrictive elements. This creates challenges as environmental crimes are not specifically included in the anti-money laundering laws of Colombia and Peru, except for illegal gold mining, which is addressed under Peruvian law.

Despite ongoing efforts, challenges remain in the enforcement of anti-money laundering sanctions. These challenges include weaknesses in the civil and administrative sanction system related to reporting entities, as well as deficiencies in the system for criminal sanctions. Insufficient resources within the Judiciary hinder the timely prosecution and thorough investigation of cases, leading to deficiencies in addressing money laundering offenses and delays in judicial processes.

PERU

Although Peru has a robust anti-money laundering regulatory framework,⁷⁵ the nexus with environmental crimes remains weak. The country's Law 27.765/2022, criminalizes money laundering and extends to predicate offenses like drug trafficking, terrorism, slave trade, offenses against the public administration, and migrant trafficking, among others. However, there is no explicit inclusion of environmental crimes as predicate offenses in the legislation. Penalties for these predicate offenses range from 8 to 15 years of imprisonment, accompanied by fines ranging from 120 to 350 days of the current legal minimum wages.⁷⁶

In 2012, Legislative Decree N° 1106 in Peru acknowledged illicit gold mining as a predicate offense for money laundering.⁷⁷ Other environmental crimes were not specifically incorporated into the national framework in the list of predicate offenses to money laundering. Therefore, activities such as deforestation and land grabbing are not considered environmental crimes or predicate crimes for money laundering.

In compliance with international regulations, Law No. 27693 and Resolution No. 3862-2016 issued by the Superintendence of Banks, Insurances,⁷⁸ and AFP in Peru provides the Financial Intelligence Unit with the authority to freeze the assets and funds of individuals involved in money laundering, terrorism, the proliferation of weapons of mass destruction, and their financing, as identified within the framework of UN Security Council Resolutions.

In 2016, Legislative Decree 1249 introduced measures to strengthen the prevention, detection, and sanctioning system of money laundering, including illegal mining, which had already been recognized as a predicate offense since 2012.⁷⁹ The amendments to the criminal legislation expanded the autonomy of the money laundering offense to include investigation, processing, and sanction. It also revised the criminal definition by incorporating the term "concealing and possession acts", the expression "possessing" and eliminating the mention of "purpose".⁸⁰ These changes enhance the anti-money laundering legislation, but its focus on environmental crimes remains limited to mining activities.

In 2017, Legislative Decree 1352 was enacted, establishing the independent liability of legal entities involved in money laundering cases and introducing measures to impose direct sanctions, such as dissolution or fines.⁸¹ The decree also allows the judiciary to suspend liability applied to legal entities that fully repair the damage and implement effective prevention programs.⁸²

In 2018, Decree N°. 1373 made significant changes to Peruvian domain extinction legislation. The decree began to admit seizure and expropriation derived from criminal activities, including resources from illegal activities against the environment and money laundering, in addition to illegal mining.⁸³ This measure aimed to deter criminals by making it difficult for them to enjoy assets acquired through environmental crimes, transferring ownership to public authorities. However, challenges remain in effectively applying regulations related to asset confiscation and utilization, as these are often dependent on the outcome of criminal proceedings. The Public Prosecutor's Office of Peru registers only 5% of confiscated asset cases and fails to communicate these measures to the National Seized Property Program (PRONABI).⁸⁴

In accordance with Law N° 31507 of 2022,⁸⁵ the Financial Intelligence Unit of Peru can directly access information protected by bank secrecy and tax reserves for financial intelligence purposes, as stipulated in Article 2 of the Political Constitution of Peru. This decision plays a vital role in enhancing financial intelligence analysis, particularly in relation to money laundering associated with illegal gold mining and other environmental crimes.

By expanding the list of predicate offenses to include environmental crimes, particularly those related to deforestation in the Amazon region, the current legal framework in Peru would enable the prosecution of money laundering cases arising from these activities. This enhancement would contribute to a stronger fight against illegal deforestation and serve as an additional tool for the conservation of the Amazon rainforest.

COLOMBIA

In Colombia, like Peru, the relationship between money laundering and environmental crime legal frameworks was initially limited. However, starting in 2021, the connection between these two areas has become clearer with the introduction of sanctions against deforestation, land grabbing, illicit crops, and illegal infrastructure,⁸⁶ which now allows the domain extinction law to be applied to those activities. Article 323 of the Colombian Penal Code typifies money laundering and includes, in addition to the closed list of crimes expressly mentioned, those in which there has been declared extinction of domain.⁸⁷ Therefore, the possibility is opened for the anti-money laundering system to act in the environmental crimes incorporated in the 2021 legislation, through the declaration of the extinction of the domain.⁸⁸

The inclusion of money laundering in Colombia's Criminal Code in 2000 was a response to the "War on Drugs". The amendment expanded the list of predicate offenses for money laundering to include extortion, illicit enrichment, rebellion, arms trafficking, and crimes against the financial system. However, environmental crimes were not specifically identified as predicate offenses, despite their growing importance. In Colombia, the penalties for money laundering range from 10 to 30 years of imprisonment, fine of 1,000 to 50,000 monthly minimum wages.⁸⁹

Subsequently, Colombia introduced Laws N° 793 (2002) and N° 1708 (2014) to regulate asset forfeiture processes carried out by the Public Prosecutor's Office. Similar to Peru, the Financial Analysis and Information Unit (UIAF) in Colombia is responsible for sharing relevant information in the fight against money laundering, terrorism financing, and activities subject to domain extinction. The declaration of domain extinction, which results in the transfer of property to the government, applies to both movable and immovable assets acquired directly or indirectly from environmental crimes.

In 2019, Colombia enacted Law N° 2010, which categorized tax evasion and crimes against public administration as predicate offenses for money laundering. This expansion of predicate offenses provides a means to address illicit financial flows associated with environmental crimes, including cases involving tax evasion, fraud, and corruption. Given the interconnected nature of environmental crimes with other offenses, the inclusion of these predicate offenses has the potential to bolster efforts to combat deforestation and protect the forest.⁹⁰

Recently, Colombia made significant progress in environmental legislation within the Amazon basin, although attempts to include environmental crimes as money laundering predicate offenses were unsuccessful. But environmental cases in which the declaration of domain has been declared may be prosecuted as money laundering.

In 2021, Colombia made significant amendments to its Criminal Code to prosecute and impose stricter penalties for deforestation, land grabbing, illicit crops, and illegal infrastructure. These acts are now recognized as aggravated offenses in the context of environmental crimes.⁹¹ This development paves the way for further advancements in legislation to combat illegal activities with environmental consequences and to reform the anti-money laundering laws by including these activities as predicate offenses. However, similar to other Amazon countries, the main challenge lies in effectively enforcing anti-money laundering laws, not just limited to environmental crimes.

Including environmental crimes as predicate offenses would be a significant step towards combating crimes against the environment, as it would not depend on a conclusion in the previous process of declaration of domain extinction to have unlawful conduct related to environmental crimes included in the attention of the anti-money laundering system. However, it is crucial for Colombia to undertake further structural reforms in its anti-money laundering legislation and law enforcement.⁹² This includes recognizing the reports generated by the UIAF

as admissible evidence in criminal proceedings, while also safeguarding and supporting reporting entities. Additionally, specific protocols should be established to allow access to bank and tax secrecy when necessary.

While the current legislation in Colombia includes provisions for civil and administrative prosecutions of reporting entities regarding suspicious transactions, as well as the power to freeze assets and funds related to terrorism and the proliferation of mass destruction weapons, there is room for expansion of administrative and preventive measures to include environmental offenses, similar to other countries in the Amazon region.

BRAZIL

In 1998, Brazil, along with Colombia and Peru, became an early adopter of anti-money laundering legislation specifically targeted at the Amazon region. The Law No. 9,613/98, served multiple purposes. Firstly, it introduced a new criminal offense called "laundering or concealment of assets, rights, and values." Then, it aimed to prevent the national financial system from being exploited for illegal activities. Additionally, the law sought to safeguard the integrity of the financial system by establishing a financial intelligence unit (COAF) to oversee financial activities susceptible to money laundering.

Initially, Law No. 9,613/98 incorporated second-generation criteria for anti-money laundering systems by identifying and listing seven crimes that could potentially lead to money laundering. These crimes encompassed drug trafficking, terrorism and its financing, trafficking of arms and ammunition, kidnapping for extortion, offenses against public administration, crimes against the financial system, and criminal organization.

Following the FATF's evaluation of Brazil in 2010,⁹³ Law No. 12.683/2012 was introduced to enhance the prevention and prosecution of money laundering crimes. This law marked Brazil's adoption of third-generation criteria, and it brought about significant changes, including the elimination of an exhaustive list of precedent offenses in the Money Laundering Law. Instead, Brazil began to adopt an *all-crimes approach*, which meant that money laundering would be characterized when there is concealment of the nature, origin, location, disposition, movement, or ownership of goods, rights, or values resulting from a criminal offense, directly or indirectly.⁹⁴

The law reform of 2012 had a second key objective, which was to enhance administrative measures within the Money Laundering Law to prevent criminal acts and improve the efficiency of criminal prosecution. Additionally, the law broadened the scope of protective measures to facilitate successful asset confiscation from criminal activities. It introduced the concept of seizing assets held under the names of intermediaries, commonly referred to as "oranges," to ensure the confiscation of assets or values derived from crime.

Active participants in environmental crime also commit money laundering by converting illicit assets, rights, or values into legal ones to hide or mask their use; engaging in activities such as acquiring, receiving, exchanging, negotiating, giving, or receiving assets as collateral; as well as importing or exporting goods with misrepresented values.⁹⁵

Even if an individual has not directly committed the environmental crime, they can still be held accountable for the offense of money laundering if they utilize assets, rights, or values derived from the environmental crime in their economic or financial activities. This provision ensures that those who benefit from the proceeds of environmental crimes through their involvement in economic or financial transactions are also subject to indictment.

In 2013, Brazil further addressed the criminal aspects related to organized crime, including associated offenses and the criminal investigation process. The law aimed to define the criminal dimensions of criminal organizations and strengthen measures to combat them. Notably, Brazilian law intensifies the suppression of criminal organizations by establishing penalties for individuals who knowingly participate in a group, association, or entity that engages in activities primarily or secondarily linked to criminal activities.⁹⁶

In the Brazilian Criminal Code, there are two automatic consequences that accompany a criminal conviction, apart from the imprisonment sentence: 1) the obligation to compensate for the damage caused, and 2) the forfeiture of goods derived from illegal activities.⁹⁷ In cases of money laundering, the prescribed penalty is imprisonment ranging from 3 to 10 years, along with a monetary fine.⁹⁸

Therefore, in the sentencing decision, the judge is required to determine not only the term of imprisonment but also the minimum amount of compensation for the damages incurred and the confiscation of goods, instruments, proceeds, or profits resulting from the crime. The confiscated assets are to be forfeited to the state, with the exception of the rights of the victim and third parties who acted in good faith. This general rule applies to all crimes.

The Brazilian anti-money laundering system goes beyond the general provisions of the Criminal Code by establishing specific mechanisms to facilitate the reparation of damages and the forfeiture of assets even before the final conviction. These mechanisms aim to expedite the process and ensure that the necessary values are available to fulfill the effects of the conviction.

Precautionary measures can be implemented at various stages, starting from the police investigation up to the criminal proceedings. In cases where the proceeds or profits from the crime cannot be located or are held abroad, the measure of confiscation by equivalence may be employed. This entails seizing other assets or values that are proportionate to the value of the laundered proceeds or profits. Furthermore, the anti-money laundering law allows for the sale of the secured asset during the precautionary measure phase to preserve its value, a process known as "advance disposal." Additionally, the law enables the seizure of assets registered in the name of third parties that are owned by the accused.⁹⁹

The Brazilian legal system applies the principle of double imputation. This means that both the proceeds or profits from the precedent offenses related to environmental crimes and the proceeds or profits from money laundering can be subject to forfeiture. In cases where these crimes are committed by the same individual, the concept of "self-laundering" makes them liable for both the environmental crime itself and the act of money laundering associated with it.¹⁰⁰

The Brazilian legal system demonstrates alignment with international cooperation instruments in identifying sectors and areas susceptible to money laundering in economic activities. However, there is a notable discrepancy in the regulatory authorities' efforts concerning the identification of money laundering risks specifically related to environmental crimes, particularly within the financial sector.

RECOMMENDATIONS FOR IMPROVING THE EFFECTIVENESS OF ANTI-MONEY LAUNDERING SYSTEMS IN TACKLING ENVIRONMENTAL CRIME

2.1. Financial Intelligence and Criminal Investigations

To effectively address the link between money laundering and environmental crimes, it is crucial for the Amazon countries to establish clear and coherent legal frameworks. This can be achieved by explicitly classifying environmental crimes as predicate offenses for money laundering and by reinforcing law enforcement efforts.

Move from awareness to comprehension, and from comprehension to action. Amazon countries should integrate the risks of money laundering from environmental crimes into their strategic national intelligence plans. This will involve adopting a standardized framework that facilitates the gathering, coordination, and production of intelligence for informed decision-making at the highest levels.

To overcome potential intelligence silos and address varying levels of technical capacity, trust, staffing, compartmentalization, and civilian authority, it is essential for the Amazon countries to establish clear policies and actions in their strategic and operational intelligence plans. Defining and organizing priorities within these plans will play a critical role in ensuring effective coordination and integration of intelligence efforts. In addition to Financial Intelligence Units, a comprehensive approach based on sectoral risk assessments should include mechanisms to coordinate and integrate strategic, financial, and operational intelligence, as well as investigative capacities. To support these efforts, it is necessary to allocate accurate resources towards the development of specialized human, technical, and technological capacities.

To tackle the operational challenges in intelligence and investigations, the Amazon countries should embrace certain measures. Firstly, they should implement digital reporting and tracking methods to enhance efficiency and accuracy. By digitizing these processes, they can streamline information collection and analysis. Secondly, it is crucial to integrate secure digital access to key information sources, encompassing environmental data such as credit reports, bank transactions, tax and customs registries, land use and ownership records, trade information, beneficial ownership registries, alerts, and monitoring results. Lastly, the utilization of machine learning tools for data processing can significantly improve intelligence and investigations. By employing these tools, the countries can analyze large volumes of data efficiently, identify patterns, and extract relevant insights to aid in the detection and disruption of money laundering activities stemming from environmental crimes, going beyond illegal mining.

Intelligence and criminal investigative units should prioritize strategic data gathering and analytics to enhance their effectiveness. This includes promoting digital gathering and processing of intelligence scenarios and crime trends, such as the number of offenses, volume of damages, and conviction rates. It is crucial to obtain better data on import-export financial flows of commodities from the Amazon Basin and conduct systematic analysis of domestic production, consumption, and international trade. Analyzing data on supply chain actors, especially at critical points such as transport companies, processing facilities, trade hubs, refineries, and mills, can provide valuable insights. Incorporating

requirements for proving the legal origin of natural goods, particularly wood and minerals, is essential. Clear criteria, such as digital invoices, should be established, and non-compliance with these standards should have consequences. All requirements for proving the legality of natural resources must be digitized and integrated into traceability, tax, and similar systems to enable effective verification.

Strengthen the institutional capacity of Financial Intelligence Units (FIUs) by updating risk assessments and informing reporting entities about suspicious transactions related to illicit economies that harm the environment. Additionally, it is crucial for the Amazon countries to establish permanent, efficient, and specialized multi-agency teams between financial, tax, customs, international trade, environmental, and law enforcement agencies. In their capacity as advisory bodies for public and corporate policies, these teams should adhere to the principle of compartmentalization and facilitate a secure exchange of data, information, and expertise.

The current anti-money laundering capacities in the Amazon countries underestimate the threats posed by environmental crimes and hinder criminal investigations. To address this, inter-agency collaboration should be improved to enhance specialized financial investigations. Efforts should focus on establishing clear requirements for the origin of natural assets, implementing administrative sanctions, identifying typologies, raising alerts, profiling actors, conducting network analysis, confiscating assets, and understanding the role of each country in money laundering risks and the environmental crime supply chain. This comprehensive approach should also consider the links to corruption, tax fraud, and international trade risks.

Ensure access to quality, verified, and public information. Due to information gaps in Customer Due Diligence for Amazon-related supply chains, the private sector encounters obstacles in preventing, monitoring, and detecting money laundering risks related to environmental crimes. Inaccurate or

inadequate information on land ownership or environmental licensing creates challenges for banks to verify customer-provided information, especially in rural and sparsely populated areas of the Amazon Basin. Public registries in these jurisdictions may require manual verification (even for banks) and lack sufficient risk-based checks. As a result, private sector entities struggle to assess risks due to unreliable registries and rely on publicly available information, reference checks from trusted sources, geographic analysis, and other forms of information to evaluate whether investments, credits, or other financial products present criminal risks.

2.2. Human, Technical and Technological Capacity-Building

The global anti-money laundering regulatory framework has primarily focused on protecting the formal financial system from drug trafficking and terrorist financing, with limited attention given to combating currency smuggling or illicit trade of forest commodities. However, there is a need for a shift in approach to prioritize capacity-building and address money laundering risks related to environmental crimes in the Amazon.

International trade is one of the most sophisticated mechanisms for laundering money from environmental crimes in the Amazon Basin, with Trade-Based Money Laundering (TBML) schemes being particularly challenging to detect. Information asymmetry and discrepancies between customs departments and shipping corporations contribute to the difficulty in identifying the true value and volume of goods declared in the country of origin or destination. Additionally, customs agencies in the Amazon countries tend to prioritize physical inspections rather than producing intelligence related to trade-based money laundering. This is further compounded by a lack of technical and operational expertise among customs officials and prosecutors.

Inter-agency coordination is a critical area of improvement for Amazon countries in tackling money laundering schemes involving international trade. Effective collaboration between law enforcement agencies, Financial Intelligence Units, judiciary, customs, and tax agencies are essential. The use of paper-based investigations poses additional challenges, particularly when agencies are working together across borders.

Financial Intelligence Units (FIUs), law enforcement agencies and other stakeholders in the Amazon countries have yet to sufficiently strengthen risk assessments, typologies, alerts, training, and analysis tools for detecting financial activities related to environmental crimes. Limited information on typologies and risk factors, as well as inaccurate and manipulated data, hinder understanding of the role of shadow money and gold in illicit supply chains. Improving data quality and implementing effective mechanisms to track and identify these financial activities in the Amazon region are essential tasks for FIUs and other relevant actors.

Enhance access to formal banking and financial services to strengthen anti-money laundering efforts. Many resource-rich jurisdictions, including those in the Amazon region, face challenges in providing adequate banking services, resulting in a significant portion of the population being unbanked. These underserved communities often become involved in informal cash-based economic activities, creating an environment conducive to environmental crimes. To address this issue, the Amazon countries should prioritize the development of comprehensive public and corporate policies aimed at closing the financial gap and reducing the size of the informal economy, particularly in sectors and areas associated with environmental crimes.

Anti-money laundering experts sometimes prioritize pursuing illicit enrichment or tax fraud cases due to the lower burden of proof, overlooking money laundering cases. While seizing criminal assets is crucial, conducting comprehensive financial investigations requires greater diligence. The Amazon countries need to develop permanent human resources capacities, improve specialized training, implement anti-corruption policies, and minimize turnover of trained officials to effectively combat money laundering.

Provide specialized training for compliance officers in the Amazon countries to improve their ability to supervise and report suspicious transactions. This training should adopt a systemic approach, providing analytical tools to understand phenomena and strategic trends related to money laundering networks connected to environmental crimes. It should go beyond basic-operational situational analysis and equip officers with comprehensive knowledge and skills.

Enhance international and regional specialized training programs to foster comprehensive understanding and effective action against the connection between money laundering and environmental crime. Notable initiatives include the UNODC's Global Anti-Money Laundering Programme, which provides training for authorities, and GAFILAT's virtual platform that offers specialized training for Financial Intelligence Units. Furthermore, agreements between the United States and some Amazon countries contribute to capacity-building, training, and information exchange. Additional initiatives are necessary to further strengthen regional understanding and governance capacities to address the anti-money laundering dynamics related to environmental crimes in the Amazon Basin.

2.3 Final Considerations

An integrated Amazon-wide strategy is vital to connect anti-money laundering and environmental crime agencies, fostering regional cooperation and effective actions against money laundering related to environmental crimes. This comprehensive approach involves all levels of government and ensures collaboration and coordination for prevention, supervision, detection, and enforcement.

Regional cooperation at both strategic and operational levels is essential to effectively address illicit financial flows associated with environmental crimes. This requires the integration of various agencies and stakeholders, including Ministers of the Environment, specialized environmental inspection and control bodies, law enforcement agencies such as INTERPOL and the Jaguar Network, the Public Prosecutor's Office, Financial Intelligence Units, and Treasury and Customs Departments.

The regional meeting "Overcoming Environmental Crimes in the Amazon," organized by the Igarapé Institute in the beginning of 2023 and the Ibero-American Association of Public Prosecutors (AIAMP), and supported by Interpol, led to the establishment of the Amazon Working Group. This group operates within the Jaguar Network,¹⁰¹ an initiative by El Pacto that brings together environmental police departments from Latin America and the European Union to address environmental crimes. The medium-term goal is to connect the Amazon Working Group with the Environmental Protection Group, which comprises prosecutors specialized in environmental matters from the AIAMP, to plan and execute joint operations in the Amazon region in the medium term. During the regional meeting in Manaus, the financial intelligence directors of Brazil, Colombia, and Peru emphasized the crucial role of

Financial Intelligence Units in providing advice and technical support for transnational investigations within the Working Group on the Amazon.

The South American Tripartite Command,¹⁰² established in 1996, serves as a regional learning experience that can be adapted and replicated. It is a structure of cooperation and coordination between the police of Brazil, Argentina, and Paraguay. The Tripartite Command facilitates interaction and strengthening between intelligence agencies, enabling the improvement of joint investigation techniques, information sharing, and closer collaboration among the police agencies of the three countries.

In the coming months, environmental crimes are set to become a regional priority, with the high-level summit of presidents of the Amazon countries led by Brazil and Colombia, scheduled to take place in August. The aim is to strengthen strategic and operational priorities for regional cooperation in combating environmental crimes in the Amazon. This will involve planning and coordinating holistic regional action, with a focus on the effective implementation of the Amazon Cooperation Treaty (ATO) through, among others, the strengthening of the Amazon Cooperation Treaty Organization (ACTO).

Integrating initiatives into an Amazon-wide strategy that addresses both anti-money laundering and environmental crimes is crucial. An all-government approach, connecting environmental and anti-money laundering agencies, and strengthening regional cooperation is more critical than ever. By focusing on prevention, supervision, detection, and enforcement actions, we can effectively tackle these challenges. This comprehensive strategy is essential in the face of the existential threats posed by the climate crisis. Together, we can protect the Amazon and ensure a sustainable future for generations to come.

2.4 Summary table

In this table we present the main institutions and agencies that operate in the five dimensions of the cycle of combating money laundering associated with environmental crimes, in Peru, Colombia and Brazil, as listed in the article.

	BRAZIL	COLOMBIA	PERU
Strategic planning and preventive measures	<ul style="list-style-type: none"> - ENCCLA - PNLD - REDE-LAB-LD 	<ul style="list-style-type: none"> - Coordinating Commission Against Money Laundering (CCICLA) - Council of Economic and Social Policy (CONPES) - National Tax and Customs Directorate (DIAN) 	<ul style="list-style-type: none"> - Multisectoral Executive Commission against Money Laundering and the Financing of Terrorism (CONTRALAFI) - National Customs and Tax Administration Superintendence (SUNAT)
Supervision and Detection - Financial Intelligence Unit	<p>COAF</p> <p>The COAF (Conselho de Controle de Atividades Financeiras) does not have investigative powers. The information organization system at COAF relies on reports submitted by obligated institutions when they detect suspicious money laundering activities by their clients or third parties. The agency simply receives such reports and is not allowed to take any initiative or play a leading role in investigating individuals or institutions. Its role is solely to manage intelligence data rather than engage in prosecution. After analysis, if strong indications of suspicious operations are found, COAF may request the opening of investigations by the competent authorities (Federal Police and Federal Public Prosecutor's Office).</p> <p>COAF has the authority to request banking and financial registration information from Public Administration Bodies concerning individuals involved in suspicious activities;</p> <p>COAF has the power to impose administrative sanctions if obligated institutions fail to report as required. These sanctions can include warnings, monetary fines, temporary disqualification, and even revocation or suspension of authorization to operate or function.</p>	<p>UIAF Colômbia</p> <ul style="list-style-type: none"> - COAF is authorized to request information from all sectors of the national economy in order to detect practices associated with money laundering. - In 2023, the Ministry of Environment and Sustainable Development (MMA) of Colombia established a strategic alliance with the Financial Information and Analysis Unit (UIAF) through the creation of the Strategic Analysis Group and Financial Information against Environmental Crimes. 	<p>UIF Peru</p> <ul style="list-style-type: none"> - The UIF (Financial Intelligence Unit) is responsible for receiving, analyzing, processing, evaluating, and transmitting information for the detection of money laundering. - It is responsible for establishing and coordinating with supervisory bodies the regulations on the prevention of money laundering and terrorist financing, including offenses and administrative sanctions (such as the freezing of funds in domestic cases related to money laundering and terrorist financing crimes, as well as individuals and entities under investigation). - COAF has the authority to directly access information protected by banking secrecy and fiscal confidentiality, based on well-founded decisions, solely for the purpose of financial intelligence activities. - In the National Risk Assessment associated with Money Laundering in 2021, the UIF identified illegal mining as one of the main threats of money laundering. However, other environmental crimes such as illegal logging and trafficking of fauna and flora were considered to have a very low level of threat.¹

	BRAZIL	COLOMBIA	PERU
Entities Required to Report Suspicious Transactions ²	<p>Individuals or legal entities engaged in the commercialization of gold, jewelry, gemstones, and other precious metals.</p> <p>Individuals or legal entities engaged in the commercialization of high-value goods of rural or animal origin.</p> <p>Notaries (Cartórios).</p>	<p>- In Colombia, there is no specific regulatory framework that explicitly lists the entities required to report to the UIF (Financial Intelligence Unit). However, in cases of suspicious transactions, the UIF has the authority to request information from any entity.</p> <p>- Regarding companies working with gold, the legislation does establish specific obligations. These companies are subject to specific regulations aimed at preventing and combating money laundering and the financing of terrorism related to the trade of this precious metal.</p>	<p>Mining companies</p> <p>Individuals or legal entities involved in the trading of gold and precious metals</p> <p>Customs agencies</p> <p>Import and export operations agents</p> <p>Lawyers</p> <p>Public notaries</p> <p>Real estate brokers</p>
Criminal Investigations	<p>-The Federal Public Prosecutor's Office is divided into 7 specialized chambers that handle specific types of crimes. However, the chamber responsible for investigating environmental crimes often shares limited information regarding money laundering offenses with the competent chamber.</p> <p>The Federal Police also has specialized divisions to combat both environmental crimes and money laundering offenses. However, there is limited collaboration between these divisions.</p> <p>Currently, the division responsible for combating environmental crimes, particularly illegal mining, is seeking to include indications of money laundering and the involvement of criminal organizations in investigations of environmental crimes. This is due to the higher penalties associated with money laundering and criminal organization charges compared to those for environmental offenses.</p>	<p>The Public Prosecutor's Office in Colombia, through the Specialized Directorates for the Fight against Money Laundering, Asset Forfeiture, Financial Investigations, and Tax Crimes, is responsible for criminal investigations related to money laundering.</p> <p>The Public Prosecutor's Office can also delegate investigations to the Technical Investigation Corps (CTI), which collaborates with the National Police, including its Department of Environmental Protection and Rural Policing (DICAR), as well as with the Army.</p> <p>With the creation of the Strategic Analysis and Financial Information Group, the National Intelligence Directorate of the Armed Forces under the Ministry of Defense will also strengthen the management of information related to criminal investigations of environmental crimes.</p> <p>The National Directorate of Taxes and Customs (DIAN) has the widest access to entities' databases, but its capacity to share information with other government agencies is limited.</p>	<p>The Public Prosecutor's Office is responsible for investigating and prosecuting money laundering crimes and environmental crimes.</p> <p>The Peruvian National Police provides support to the Public Prosecutor's Office by conducting investigations, making arrests, and facilitating the seizure of illegal assets.</p> <p>The Peruvian Army collaborates with the National Police in operations to seize illegal assets along the river routes of the Peruvian Amazon, particularly those associated with illegal mining and logging.</p> <p>In 2021, Peru established the Supraprovincial Specialized Public Prosecution Office for Environmental Affairs. This body has jurisdiction nationwide and specifically focuses on environmental organized crime.</p> <p>Peru also created the Specialized Multidisciplinary Team (EME), a permanent structure aimed at improving information exchange and coordination to effectively combat illegal mining and logging.</p>

	BRAZIL	COLOMBIA	PERU
Law Enforcement and Sanctions	<p>All crimes are approached with penalties ranging from 3 to 10 years of imprisonment and fines.</p> <p>Confiscation of assets held in the name of "straw men" (front men).</p> <p>Confiscated assets are turned over to the State.</p> <p>Confiscation by equivalence.</p> <p>Principle of dual attribution, meaning that both resources and values from predicate offenses as well as those from money laundering can be seized.</p> <p>Penalties for environmental crimes range from 3 months to 1 year of imprisonment, fines, or a combination of both.</p>	<p>It has a list of predicate crimes for money laundering.</p> <p>In 2019, it added tax evasion and crimes against public administration as predicate offenses.</p> <p>In 2021, it introduced criminal sanctions against deforestation, land grabbing, illicit crops, and illegal infrastructure.</p> <p>Penalties for money laundering range from 10 to 30 years of imprisonment.</p> <p>Penalties for environmental crimes range from 60 to 144 months of imprisonment, with fines ranging from 134 to 50,000 national minimum wage.</p>	<p>-It has a list of predicate crimes, and specifically mentions Illegal Gold Mining as one of the environmental crimes.</p> <p>In 2018, it started allowing the seizure and expropriation of assets derived from criminal activities, including resources from "illicit activities against the environment and money laundering."</p> <p>Penalties for money laundering range from 8 to 15 years of imprisonment, accompanied by fines ranging from 120 to 350 days of the current legal minimum wage.</p> <p>Penalties for environmental crimes range from 2 to 4 years of imprisonment, with fines ranging from 180 to 365 days of fines.</p>

1. <https://www.sbs.gob.pe/Portals/5/fer/ESTUDIO-ANALISIS-RIESGO/ENR%202021.pdf>
2. relacionadas a prácticas que podem conter ilícitos ambientais

APPENDIX

Annex 1: Entities required to report, classified by the formal sectors of the Peruvian economy.

REPORTING ENTITIES	
Supervisor	Financial Sector
Currency exchange offices	Casinos and slot machines
Insurance brokers	Real estate agents
CAC	Construction and real estate
Remittance services and/or postal services for sending checks.	Sellers of jewelry, precious metals, and gemstones
Loan and pawn companies with collateral	Public notaries
	Lawyers
	Provision of legal services
	Provision of accounting services
Investment funds and mutual fund management companies	Remote sports betting and gambling
Securities brokers and/or intermediary companies	Mining companies
Insurance and reinsurance companies	Customs agents
Banks	Non-profit organizations
Municipal Savings and Loan Associations	Certified public accountants
Credit companies	Travel agencies
Financial companies	Trade of machinery and equipment, national sub-items No. 84.29, No. 85.02, and No. 87.01
Non-profit organizations that provide loans	Gold sellers
Securitization companies	Accommodation facilities
Rural Savings and Loan Associations	Laboratories and companies that produce and/or market chemicals and audited goods
Collective fund management companies	Art trade
Fund transfer companies	Companies that distribute, transport, and/or trade chemicals that tend to be used in illegal mining, under the control and surveillance of SUNAT.
Pension fund administrators	Purchase and sale or import of weapons and ammunition
Trust service companies	Property managers, companies, and consortia
Electronic money issuing companies	Antique shops
	Professional football clubs
Credit and/or debit card processing companies	Currency trading
Mortgage management companies	Lottery games and similar activities
Financial leasing companies	Manufacturing and/or trade of explosives
Investment banks	Real estate brokers
	Collective or collaborative financing through virtual platforms
Stock exchange and other centralized trading mechanisms	Racecourses
Municipal Association of Popular Credit	Managers of interests in public administration according to Law 28024

REPORTING ENTITIES	PUBLIC ADMINISTRATIONS ENTITIES
Supervisor	National Jury of Elections (JNE)
Virtual currency exchange houses	National Office of Electoral Processes (ONPE)
Authorized credit unions to accept public deposits	Supervisory Body for State Contracting (OSCE)
Fund companies	Central Public Procurement (Peru Compras)
Credit and/or debit card issuers	National Government
Guarantee and surety companies	Provincial Municipalities
Factoring companies	
Currency exchange service companies	
Cash transportation, custody, and management companies	
Securities clearing and settlement entities	

Source: Igarapé Institute based on Informing Entities. Superintendency of Banks and Insurance of Peru.

Appendix 2: Entities required to report, classified by formal sector of the Colombian economy.

SUPERVISOR	SECTOR
COLJUEGOS	Localized, innovative games of chance and betting on sports events, cockfighting, dog racing, and similar activities authorized by COLJUEGOS (Colombian Gaming Authority).
CNJSA - CONSEJO NACIONAL DE JUEGOS DE SUERTE Y AZAR	National Council of Games of Chance and Gambling - Operators of traditional lottery games or tickets, permanent or chance betting games, horse racing betting, and other games operated by territorial entities.
DIAN	Foreign trade - Responsible for customs.
DIAN	Professional money changers.
MINTIC	Postal payment operators - Official postal operator.
COLDEPORTES	Clubs with professional athletes.
COLDEPORTES	Non-profit sports organizations - ESAL.
SUPERINTENDENCIA DE NOTARIADO Y REGISTRO	Notaries.
SUPERINTENDENCIA DE PUERTOS Y TRANSPORTES	Transport companies of land cargo vehicles.
SUPERSOCIEDADES	Tax auditors.
SUPERSOCIEDADES	Dealers of new and used vehicles.
SUPERSOCIEDADES	Real sector of the economy - Gold.
SUPERSOCIEDADES	Supervised commercial companies.
SUPERFINANCIERA	Financial sector.
SUPERSOLIDARIA	Financial and non-financial cooperatives.
SUPERVIGILANCIA	Cash transport companies.
SUPERVIGILANCIA	Armored vehicle companies.
SUPERVIGILANCIA	Private security and surveillance companies.
SUPERVIGILANCIA	Armored vehicle rental companies.
ALCALDIA MAYOR DE BOGOTA	Non-profit entities - ESAL (Bogota D.C.).
SUPERSALUD	Health sector.

Source: Igarapé Institute based on UIAF (2019). [Guía de Normatividad ALA/CFT](#). Bogotá.

Appendix 3: Reporting Entities classified by Regulatory and Supervisory Bodies in Brazil

SECTOR	REPORTING ENTITIES
National Agency for Supplementary Health (ANS)	Health insurance companies
Central Bank of Brazil (BACEN)	Financial institutions
	Private banks
	Credit, finance, and investment companies (SCFI)
	Mortgage company
	Savings and loan association (APE)
	Leasing company (SAM)
	Financing agency
	Credit society for microentrepreneurs and small businesses (SCMEPP)
Securities and Exchange Commission (CVM)	Real estate credit society (SCI)
	Stock exchanges, commodities and futures exchanges, and organized over-the-counter markets
Financial Activities Control Council (Coaf)	Individuals who have, permanently or occasionally, as their main or secondary activity, cumulatively or not, custody, issuance, distribution, settlement, trading, intermediation, consultancy, or administration of securities, as well as independent auditing in the scope of the securities market.
	Joint-stock companies (S/A)
Federal Council of Real Estate Brokers (COFECI)	Trading of jewelry, gemstones, and precious metals
	Trading of luxury goods and high-value items
	Factoring
	Alienation or acquisition of rights of athletes and artists
Federal Council of Accounting (CFC)	Individuals and legal entities engaged in real estate promotion or buying and selling of properties, permanently or occasionally, as their main or secondary activity.
Federal Council of Economics (Cofecon)	Accounting professionals and organizations, when performing their functions
National Council of Justice (CNJ)	Individuals and legal entities providing economic and financial services
Department of Business Registration and Integration (DREI)	Notaries and registrars
Federal Police (PF)	Commercial boards
National Institute of Historic and Artistic Heritage (IPHAN)	Transportation and security companies
Secretariat of Evaluation, Planning, Energy, and Lottery (SECAP)	Sale of antiques and/or works of art of any nature
Superintendence of Private Insurance (SUSEP)	Lotteries and commercial promotions by drawing or similar methods
National Superintendence of Complementary Pension (Previc)	Insurance companies and capitalization companies, local and admitted reinsurers, open supplementary pension entities
	Closed Supplementary Pension Entities

Source: Instituto Igarapé based on Article 9 of [Law No. 9,613/98](#).

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45. Certain reporting entities in Peru, such as money and currency changers, pawn and lending services, laboratories, manufacturers and sellers of chemical inputs, non-profit organizations, mail services, antique dealers, and even mining companies, among others, either fail to report suspicious transactions to the FIU of Peru or do so inconsistently. This is concerning considering that many of these entities are associated with high-risk activities involving cash payments or the use of anonymity. See [National Policy and Plan Against Money Laundering and Terrorist Financing](#).
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91. Colombia has the capacity to investigate and prosecute various types of money laundering cases, including those involving foreign predicate offenses, third-party laundering, self-laundering, and stand-alone offenses. However, it is notable that between 2016-2017, the majority of money laundering convictions were related to the illicit enrichment of individuals, which does not require a conviction for the underlying illicit activity that contributed to the accused's increased wealth. Furthermore, a significant number of convictions were obtained through plea bargain agreements, with only two convictions in the past three years based on foreign predicate offenses. It is important to note that despite the likelihood of illegal proceeds from international drug trafficking being repatriated and laundered in Colombia, these specific flows were not detected in the analyzed cases. See [Mutual Evaluation Report of the Republic of Colombia \(2018\)](#), GAFILAT.
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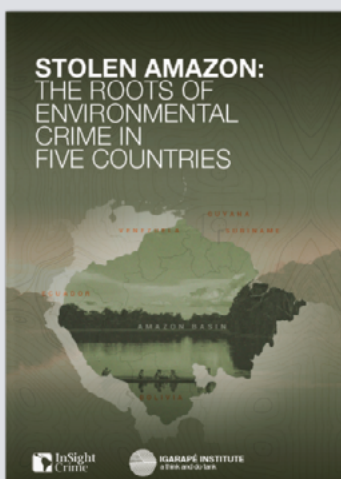
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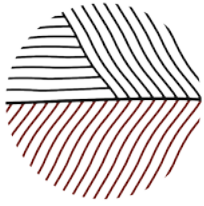
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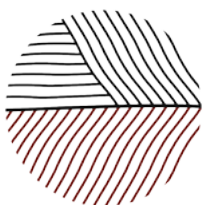
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