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Strengthening Anti-Money Laundering Systems Against Environmental Crime:

Comparative Legal and Policy Frameworks in Amazonian Countries

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Introduction

The planet is at a pivotal moment for its sustainability. The climate crisis is advancing at an alarming pace, and the Amazon — the world’s largest tropical biome — is approaching a dangerous tipping point. Recent research indicates that if current trends of deforestation, rising temperatures, and prolonged droughts continue, the biome could collapse by 2050.¹ Reaching this threshold would mean the irreversible transformation of the forest into a degraded ecosystem, with catastrophic consequences for regional biodiversity and global climate stability, given the Amazon’s crucial role in regulating the water cycle and capturing carbon. The loss of 50% to 70% of the Amazon rainforest could release up to 300 billion tons of CO₂ into the atmosphere, further intensifying the global climate crisis.² The severity of this scenario demands concrete and urgent action at the national, regional, and international levels.

The main causes of this degradation are economic activities that, while essential for developing local communities and the economies of Amazonian countries,³ have severely impacted the environment and biodiversity. Addressing this crisis requires confronting the environmental impacts generated along supply chains that sometimes rely on illegal practices. Illegal logging, dumping of hazardous waste, and wildlife trafficking are just a few examples of crimes that harm nature and threaten the planet’s sustainability.⁴

Between 2001 and 2020, the Amazon lost more than 54.2 million hectares of forest — equivalent to nearly 9% of its original cover — an area comparable to the size of France. The Brazilian portion of the Amazon, which accounts for 62% of the entire rainforest, was the most affected, followed by Bolivia, Peru, and Colombia.⁵ In 2020 alone, approximately 76% of all deforestation in the Amazon occurred in Brazil, with most of it being illegal: over 90% of deforestation in the Brazilian Amazon took place without proper authorization between 2023 and 2024.⁶

The primary driver behind Amazon deforestation is the expansion of agriculture and livestock, which accounted for 84% of forest loss during the first two decades of the century.⁷ Forest destruction is also strongly associated with advancing infrastructure, such as roads, waterways, and airstrips, which cut through the forest and facilitate access to remote areas. Other significant contributing factors include illegal logging, illicit crop cultivation, and illegal gold mining.

The harm caused by these illicit activities, on an ever-growing scale, makes a robust and coordinated response by oversight institutions imperative. The seriousness of such criminal conduct should be assessed based on the impact generated, and through the harm inflicted on legally protected interests (protected legal interest). Although, in general, penalties for environmental crimes are relatively low as they typically do not involve violence against individuals, the impacts they produce can be extremely severe, compromising ecosystems and long-term environmental sustainability.

These environmental and natural resource crimes constitute the third-largest illicit economy globally in terms of financial volume, ranking only behind drug trafficking and human trafficking. It is estimated that environmental crimes generate between USD 110 billion and USD 281 billion annually.⁸ These are economically motivated crimes, primarily manifested by introducing illegally obtained natural goods into the formal economy — a process known as “environmental asset laundering.”⁹

The strategies employed to conceal the illicit origin of these resources are varied and sophisticated, encompassing multiple criminal practices aimed at giving a veneer of legality to goods whose origin violates legal frameworks. These practices include fraud and forgery of documents, corruption of public officials, and false statements, among others. In this sense, the crime of money laundering (the act of concealing the illegal origin of assets) also applies to the concealment of the illicit origin of natural resources that are converted into money when introduced into the legal market.

National anti-money laundering systems (AML) are generally structured to contain financial flows from illegal activities. They were initially developed with a focus on combating the illegal drug trade, in line with the 40 Recommendations issued in 1989 by the Financial Action Task Force (FATF) — a transnational network through which various countries and organizations discuss and set global AML guidelines.¹⁰ AML measures have also been incorporated into international conventions, such as the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the 2000 United Nations Convention Against Transnational Organized Crime, and the 2003 United Nations Convention Against Corruption. In addition, the topic is regionally discussed within the framework of the *Grupo de Acción Financiera de Latinoamérica* (Gafilat) a regional body affiliated with the FATF in Latin America. Over time, AML systems have become increasingly complex, gradually expanding to address other predicate offenses to money laundering — including corruption, organized crime, and tax evasion, and more recently, environmental crimes, as noted in FATF's 2021 Money Laundering from Environmental Crime report and in Gafilat's Money Laundering Regional Threats reports.¹¹

However, AML systems often fail to capture the specific dynamics of environmental crime. In these cases, it is essential to focus on preventing the “cleansing” of the environmental asset itself, since once these goods are formally introduced into the market, the financial flows they generate circulate as “clean” resources, already disconnected from their illicit origins. Given this scenario, a critical question emerges: to what extent are the national AML legal frameworks of Amazon Basin countries equipped to identify, address, and respond to environmental and natural resource crimes, particularly those that are often concealed within high-risk supply chains?

This report presents the level of preparedness of AML systems in Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela — six of the eight countries of the Amazon Basin — in the fight against environmental and natural resource crimes, within the context of supply chains that drive illegal deforestation: land grabbing, illegal mining, illegal logging, and agriculture involving illicit practices.¹² The data presented in this study are current as of February 2025 (for details, see the methodology appendix).

According to a previous study by the Igarapé Institute, AML systems can be analyzed across five dimensions: i) strategic planning and preventive measures; ii) supervision and detection; financial intelligence; iii) entities responsible for the reporting suspicious transactions; iv) criminal investigation; and v) law enforcement and sanctions.¹³

Financial Intelligence Units (FIUs) are the agencies responsible for financial intelligence and also take part in strategic planning and preventive measures. These efforts — referring specifically to planning and prevention — may involve other multistakeholder bodies, such as the Anti-Money Laundering/Counter-Terrorism Financing Executive Multisectoral Commission (Contralaf) in Peru and the National Strategy for Combating Corruption and Money Laundering (Enccla) in Brazil. Entities required to report suspicious transactions — including financial institutions, notaries, and others — collect relevant data for FIUs to analyze and detect potential suspicious activity. Criminal investigations are carried out by Public Prosecutors' Offices and Police forces, and countries may establish specialized units or departments to address issues related to money laundering, such as Colombia's Anti-Money Laundering, Asset Forfeiture, Financial Investigation, and Fiscal Crimes Specialized Directorates. Legislation provides for law enforcement action and the application of sanctions in cases of money laundering through the Judiciary. All of these are the key actors that make up the AML systems.

This report focuses on the analysis of dimensions iii) entities responsible for reporting suspicious transactions, and v) law enforcement and sanctions.

Entities responsible for reporting unusual transactions to FIUs occupy a strategic position within the functioning of AML systems. Mandated by national legislation, these entities play a key role in identifying and mitigating risks related to money laundering by applying risk-based methodologies to monitor and report suspicious activities. Whenever there are indications or sufficient grounds to believe that the resources involved in a transaction are linked to illegal activities, these entities are legally obligated to submit a detailed report to the country's FIU. Based on the information received, the FIU can analyze the situation and refer cases to investigative authorities, such as police agencies and public prosecutors, who decide whether a criminal investigation should be initiated. Thus, through the actions of these obligated reporting entities, the AML system is set into motion.

Applying laws and sanctions in combating money laundering is complex because each country defines differently which crimes can generate proceeds that constitute money laundering offenses when disguised or introduced into the formal economy. Money laundering regulations have evolved. Initially, laws focused on proceeds derived specifically from drug trafficking. Later, the scope was expanded to include other specific crimes. More recently, many countries have adopted a broader model, in which any criminal offense can generate assets subject to laundering without needing a closed list of predicate offenses. Thus, regulatory frameworks generally fall into two categories: one that links money laundering to a predefined set of crimes (the “predicate crimes” model) and another that allows for laundering of proceeds obtained from any offense (the “all crimes” model).¹⁴ Identifying which approach is adopted in each country is essential to assess the capacity to address environmental crimes, whose impacts on nature are severe.

This study is organized into two parts: The first part examines whether the activities and professions connected to supply chains most susceptible to environmental and natural resource crimes in the Amazon are required to report suspicious transactions, and whether these activities are regulated in a way that allows for the detection of money laundering associated with such crimes in the six countries analyzed. The second part assesses money laundering laws and asset seizure and forfeiture mechanisms applied to combat environmental and natural resource crimes. The study investigates whether national legal frameworks recognize money laundering as a crime associated with these offenses, and whether they have effective instruments for asset seizure and forfeiture in the context of these illicit activities.

1. Detection of Environmental Asset Laundering in Supply Chains that Drive Deforestation: the Role of Non-Financial Entities Obligated to Report Suspicious Transactions

AML systems are structured to enable the detection of money laundering offenses through continuous monitoring of suspicious operations, carried out with broad territorial and sectoral reach. The FIUs, as key technical bodies within these systems, are responsible for receiving and analyzing information reported by a network comprising various economic and functional sectors, and other government agencies and foreign FIUs. By applying intelligence techniques to the data generated by this network, FIUs aim to substantiate suspicions of money laundering and refer them to competent authorities, such as public prosecutors and law enforcement agencies, for initiating investigations and criminal proceedings.

The FIUs receive a significant amount of information from mandatory reports submitted by professionals or legal entities operating in sectors vulnerable to money laundering. These professionals and entities are legally required to assess money laundering risks within their operations. They must report to the FIUs any transaction considered suspicious, as well as other operations as determined by applicable regulations. Known as “reporting entities” due to their legal obligation to detect and report money laundering risks, these actors play a decisive role in ensuring the effective functioning of AML systems. They contribute directly to the preparations and quality of the information submitted for FIU analysis. Moreover, reporting entities serve as a preventive function by implementing internal controls to safeguard their operations from illicit practices by clients and business partners who might seek to use them for laundering money.

Reporting entities within AML systems may include financial institutions as well as other designated non-financial businesses and professions, referred to as DNFBPs.¹⁵ In the context of environmental and natural resource crimes, the controls implemented by specific DNFBPs can be crucial for both preventing these offenses by deterring undesirable practices and detecting suspicious money laundering transactions and their subsequent reporting to FIUs.




Considering the supply chains that drive illegal deforestation¹⁶ in Amazon Basin countries, a key question is whether the AML systems in these countries classify DNFBPs directly associated with these chains as reporting entities. To answer this question, the laws and regulations governing AML systems in six countries in the region were analyzed to identify how they address DNFBPs linked to supply chains in the mining, timber, and livestock sectors, as well as those related to the land market. The laws and regulations analyzed regarding reporting entities in these countries are listed in **Table 1**.

The analysis of the current regulations in these countries considered three main aspects: (i) whether these DNFBPs are recognized as reporting entities by the AML systems; (ii) whether there are specific regulations for these DNFBPs, with provisions tailored to each sector; and (iii) whether the existing regulations for DNFBPs guide on the implementation of adequate controls for detecting suspicious transactions related to money laundering, including environmental asset laundering.

This last aspect is particularly relevant as it considers the possibility of “double laundering” — the concealment of the money derived from illicit activity and the illegally sourced environmental assets themselves. This is the primary factor distinguishing money laundering associated with environmental and natural

resource crimes from laundering related to other offenses.¹⁷ This characteristic imposes additional challenges on AML system actors, making it more difficult to identify perpetrators who profit from the commercialization of illicitly obtained environmental assets.

Table 1. Legislation analyzed on DNFBPs within the AML systems of the Amazon Basin

Country	Laws	Normative Acts
Bolivia 	<ul style="list-style-type: none"> • Law No. 170/2011 • Law No. 004/2010 	<ul style="list-style-type: none"> • Mining: Administrative Resolution No. UIF/29/2024 • Land Market - Notaries: Administrative Resolution No. UIF/015/2021 • Land Market - Real Estate Agents: Administrative Resolution No. UIF/25/2023
Brazil 	<ul style="list-style-type: none"> • Law No. 9.613/1998 • Law No. 12.683/2012 	<ul style="list-style-type: none"> • Mining: Resolution ANM No. 129/2023; COAF Resolution No. 23/2012 • Land Market - Notaries and Registrars: CNJ Regulation (Normative ACT) No. 161/2024 • Land Market - Real Estate Agents: COFECI Resolution No. 1336/2014
Colombia 	<ul style="list-style-type: none"> • Law No. 599/2000 	<ul style="list-style-type: none"> • Mining: Superintendency of Companies - Chapter X of the Basic Legal Circular (Circular 100-000016/ 2020); UIAF Resolution No. 363/2008 • Land Market - Notaries: Superintendency of Notary and Register - Administrative Instruction No. 17/2016 • Land Market - Real Estate Agents: Superintendency of Companies - Chapter X of the Basic Legal Circular (Circular 100-000016 of December 24, 2020) • Agricultural sector - Livestock investment funds: Superintendency of Companies - Chapter X of the Basic Legal Circular (Circular 100-000016 of December 24, 2020)

Country	Laws	Normative Acts
Ecuador 	<ul style="list-style-type: none"> • Organic Law for the Prevention, Detection, and Eradication of the Crime of Money Laundering and the Financing of Crimes, 2016 • Organic Law for the Prevention, Detection, and Eradication of the Crime of Money Laundering and the Financing of Crimes, 2024 	<ul style="list-style-type: none"> • Mining: Resolution No. UAFE-DG 2021-00167; Resolution No. UAFE-DG-2021-0230 • Specialized Machinery: Resolution No. UAFE-DG-2023-0554 • Land Market - Notaries and Registrars: Resolution No. UAF-DG-2011-0033; Resolution No. UAF-DG-2011-0062 • Land Market - Real Estate Agents: Resolution No. UAFE-DG-SO-2017-0002
Peru 	<ul style="list-style-type: none"> • Law No. 27693/2002 • Law No. 29038 of 2007 • Legislative Decree No. 1249 of 2016 • Supreme Decree No. 020-2017-Jus (Notary) 	<ul style="list-style-type: none"> • Mining: Resolution S.B.S. No. 789/2018 • Specialized Machinery: Resolution S.B.S. No. 789/2018 • Chemical Inputs: Resolution S.B.S. No. 2794/2019; Resolution S.B.S. No. 3949/2019 • Land Market - Real Estate Agents: Resolution S.B.S. No. 789/2018 • Land Market - Notaries: Resolution S.B.S. No. 01754/2024
Venezuela 	<ul style="list-style-type: none"> • Organic Law Against Organized Crime and the Financing of Terrorism (Locdoft), 2012 	<ul style="list-style-type: none"> • Notaries and Registrars: Ministry of People's Power for Internal Relations, Justice, and Peace – Resolution No. 008/2019

1.1. Mining Supply Chain: The Role of Reporting Entities

The legislation analyzed by the Amazon Basin countries includes DNFBPs linked to the mining supply chain as reporting entities within their AML systems. These DNFBPs were generally designated as reporting entities through national laws, except Colombia, which regulates this matter through normative acts. In Bolivia, the law includes transporters of precious metals as reporting entities; in Brazil, Ecuador, and Peru, it includes jewelry, precious stones, and metals dealers. Ecuador also covers *montes de piedad*¹⁸ and pledge loan institutions, while Peru includes mining companies. In Venezuela, the legislation designates those who trade in metals and precious stones as reporting entities. It is important to note that, in Peru, dealers of jewelry and precious metals, as well as mining companies obligated to report, are limited to those that deal with gold.

Except for Venezuela, the FIUs or other AML supervisory bodies in the remaining countries have issued specific regulations for reporting entities within the mining supply chain. In Colombia, a normative act requires companies that trade, import, and export gold, as well as gold smelting facilities (“refineries”), to report all their operations to the Financial Information and Analysis Unit (UIAF).

Additionally, the normative acts establish the obligation to report unusual transactions within the sector, transactions suspected of involving money laundering, or those exceeding stipulated threshold amounts.

- The normative acts of **Bolivia, Brazil, and Ecuador** stipulate that atypical transactions (those incompatible with standard commercial practices in the sector) and transactions suspected of money laundering must be mandatorily reported to the FIUs.
- In **Colombia** and **Peru**, the normative acts establish that reporting entities must analyze transactions identified as atypical. However, it is only required to report them to the FIUs if there are indications of a connection to illicit activities or an absence of economic or legal justification, thereby characterizing them as suspicious transactions.
- Only **Brazil** and **Ecuador** establish transaction value thresholds that must be reported. In Brazil, the normative acts set the following limits: BRL 30,000 for dealers of jewelry, precious stones, and metals within six months, and BRL 50,000 for mining producers of precious stones and metals within one month, in transactions with the same client. In Ecuador, the established limit is USD 10,000 within one month, applicable to both transactions with a single client and transactions carried out by the reporting entity itself.

Normative acts establish guidelines for detecting unusual or suspicious transactions, providing examples of so-called “red flags.”

- The normative acts of **Bolivia**, **Brazil**, and **Colombia** include red flags primarily aimed at detecting money laundering linked to other crimes, without necessarily addressing environmental asset laundering. In **Peru**, a list of red flags is available exclusively to reporting entities through the Portal for the Prevention of Money Laundering and Terrorism Financing (PLAFT).¹⁹
- The normative acts of **Bolivia** and **Brazil** also include red flags that may help identify suspicions of environmental asset laundering in the mining supply chain.

According to Administrative Resolution No. UIF/29/2024 of Bolivia: “...3) Natural or legal persons located in areas of illegal mining activity; 4) Traders unable to justify the origin of the gold or unable to present proof of mineral purchases; 5) Natural or legal persons with frequent and high-volume transactions from or to gold-mining regions near borders with limited state presence.”

According to ANM Resolution No. 129/2023 of Brazil: “...Transactions conducted in municipalities located in mineral extraction regions considered at risk for engaging in activities that are not compliant with current legislation, as well as transactions in which precious stones or metals originate from such regions.”.

DNFBPs in the mining supply chain are classified as reporting entities under the AML laws of Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela. However, in Venezuela, they are not regulated by specific normative acts (See **Table 2** to verify the mining sector entities that are considered reporting entities in each country). Although the normative acts of Bolivia and Brazil detail red flags for detecting the laundering of minerals and precious metals as environmental assets, most red flags across all normative acts focus on identifying suspicious money laundering transactions, without a specific focus on environmental and natural resource crimes.

Box 1. Detection of Environmental Asset Laundering in the supply chain

Ecuador and Peru establish in their normative acts that companies trading machinery and equipment that could be used in illegal mining must report suspicious money laundering transactions to the FIUs (To see the details of the machinery and equipment whose commercialization must be monitored, refer to the normative acts referenced in **Table 1**). Additionally, in Ecuador, these companies are required to report transactions equal to or greater than USD 10,000 by the same client, and multiple transactions that together reach this amount for the same client within one month. They must also report their transactions of USD 10,000 or more.

The normative acts of Ecuador and Peru do not specify red flags for detecting suspicious transactions in this sector. However, Peru provides online red flags with restricted access through the Portal for the Prevention of Money Laundering and Terrorism Financing (PLAFT).

Through a normative act, Peru has also classified as reporting entities the legal persons responsible for distributing, transporting, and commercializing chemical inputs that may be used in illegal mining. The National Superintendency of Customs and Tax Administration (Sunat) supervises and monitors these activities. Companies in this sector must analyze unusual operations and report them to the FIU only when there are indications of a connection with illicit activities or an absence of economic or legal justification, thereby characterizing them as suspicious transactions.

Finally, the new Organic Law for the Prevention, Detection, and Combat of the Crime of Money Laundering and the Financing of Other Crimes of Ecuador, which will enter into force in 2025, establishes that notaries must notify the authorities about signature acknowledgments in vehicle and machinery sales contracts. It also instructs all reporting entities to develop their risk assessment methodologies, considering factors such as client and user profiles, products or services, geographic areas, distribution channels, and transnationality. These entities must report to the Financial and Economic Analysis Unit (UAFE) any suspicious transactions related to money laundering, as well as transactions equal to or greater than USD 100,000, including multiple transactions that reach this amount within one month for a single client.

1.2. Land Market: The Role of Reporting Entities

Notaries or registrars who certify real estate transactions with public faith and validate property rights, as well as other professionals and entities operating in the real estate sector, are considered reporting entities required to report to the FIUs in all six Amazon Basin countries analyzed. This market is widely recognized as vulnerable to money laundering schemes linked to various crimes. Additionally, these DNFBPs play a strategic role in detecting land laundering as an environmental asset,²⁰ as they can identify suspicious situations in which a client acquires land through invasion of public or protected areas (land grabbing), or through threats and coercion against local communities, registering the land as if it had been legitimately obtained — that is, effectively “laundering” the land. These practices are often the first step toward subsequent illicit activities, such as illegal logging, burning, and land conversion for illegal mining, livestock grazing, or illicit crop cultivation.

Notaries or registrars are regulated by normative acts in all countries analyzed. In Peru, notaries must report unusual transactions and other relevant information to the Centralized Body for the Prevention of Money Laundering and Terrorism Financing (OCP LA/FT), which, after analyzing the information received, communicates suspicions to the FIU. In the other countries, normative acts establish that they must report transactions incompatible with sector practices, suspected money laundering operations, or those that exceed certain established thresholds:

- **Ecuador:** requires reporting unusual transactions or those incompatible with standard commercial practices in the sector, and transactions suspected of money laundering.
- **Bolivia, Brazil, Colombia, and Venezuela:** instruct reporting entities to report suspicious transactions — that is, unusual transactions previously analyzed and determined to have indications of a connection with illicit activities or no economic or legal justification.
- **Bolivia, Brazil, and Ecuador** have normative acts that establish the obligation to report transactions involving cash payments above the following thresholds: USD 300,000 in Bolivia, BRL 100,000 in Brazil, and USD 10,000 in Ecuador. In Ecuador, multiple transactions by the same client totaling USD 10,000 within a 30-day period must also be reported.

The normative acts of Bolivia, Brazil, and Colombia provide examples of red flags to assist notaries and registrars in detecting suspicious transactions. However, these red flags do not explicitly emphasize the need to report to the FIU when, in a property registration transaction, there are indications that the property was acquired through invasion or coercion. In general, these red flags are aimed at identifying money laundering through real estate transactions, primarily focusing on concealing the true owner of the asset.

Nevertheless, some red flags present in the normative acts of Bolivia, Brazil, and Colombia can be used to identify land acquisitions through illegitimate means. For example:

- **Bolivia:** “Successive purchases and/or sales of real estate (immediate double purchase and sale) to transfer ownership to different individuals in a short period, without an apparent cause,” as stated in Bolivia’s normative act to characterize money laundering.
- **Brazil:** “Transactions whose economic or legal basis is not verifiable,” or “donations of real estate or real property rights to third parties without an apparent family relationship with the donor, when the assessed municipal value of the property is equal to or greater than BRL 100,000,” according to Brazil’s normative act.
- **Colombia:** “Indications that the buyer will not be the actual owner of the property (‘nominee’ or ‘front person’),” as stated in Colombia’s normative act, indicating the concealment of the true ownership of the asset. It also mentions: “purchase of properties at significantly higher or lower values compared to market prices,” which could indicate land acquisitions through illegitimate means, such as invasion or threat.

In addition to reporting suspicious transactions, which requires immediate submission to the UIAF, in Colombia, all notarial transactions formalized through a Public Deed must be reported quarterly to the UIAF through the Notarial Transactions Report (RON).

Except for Venezuela, real estate professionals and entities are regulated as reporting entities in the normative acts of the Amazon Basin countries analyzed. Bolivia and Colombia restrict this obligation, respectively, to companies considered “large taxpayers” and to those with a minimum annual revenue of 30,000 minimum wages (reduced if the company holds virtual assets).

Normative acts establish that reporting entities in the real estate sector must report suspicious money laundering transactions to the FIUs. In Ecuador, in addition to suspicious transactions, unusual transactions must also be reported. In Brazil and Ecuador, there is an additional requirement to report real estate transactions involving cash payments — starting at BRL 100,000 in Brazil and USD 10,000 in Ecuador. In Ecuador, multiple transactions by the same client totaling USD 10,000 within a month must also be reported.

The normative acts of Bolivia, Brazil, and Colombia include red flags that are not explicitly focused on detecting land laundering as an environmental asset. In Peru, a list of red flags is available exclusively to reporting entities through the Portal for the Prevention of Money Laundering and Terrorism Financing (PLAFT). In Ecuador, reporting entities are responsible for defining parameters to classify transactions as unusual and unjustified.

In summary, DNFBPs related to the land market — notaries, property registrars, and real estate professionals — are classified as reporting entities under the laws of six Amazon Basin countries. The only exception is Venezuela, which does not have specific regulations governing the activities of reporting entities in the real estate sector. Normative acts regulating notaries, property registrars, and the real estate sector in these countries do not directly address the risk of land acquisition through illegitimate means, such as invasion or threat, nor do they classify such actions as offenses related to land laundering as an environmental asset. This regulatory gap increases the vulnerability of these reporting entities to land laundering risks in the Amazon Basin countries.

1.3. Timber and Livestock Sector: The Role of Reporting Entities




Among the six countries analyzed in this study, only Bolivia and Brazil include, within their AML frameworks, DNFBPs that can detect risks associated with the concealment of the illicit origin of illegally harvested timber and agricultural products derived from illegal deforestation. These DNFBPs have the potential to contribute to efforts aimed at combating crimes within key productive chains that exert pressure on deforestation.

In Bolivia, DNFBPs engaged in “activities related to the productive chain of strategic natural resources” are required to report suspicions to the FIU. In Brazil, DNFBPs that “market high-value goods of rural or animal origin or broker their commercialization” are considered reporting entities. However, neither country has adopted specific regulatory instruments governing these activities. The absence of regulation in Bolivia and Brazil indicates that companies such as sawmills, timber businesses, slaughterhouses, processing industries, traders, and exporters of products of rural origin — although they may be formally




classified as reporting entities — still do not report suspicious transactions related to money laundering to their respective FIUs.

Additionally, through a regulatory measure, Colombia has included livestock funds — financial vehicles that support the development of the livestock sector in the country — as reporting entities required to report suspicious transactions. The Superintendence of Companies, the supervisory authority, has established certain red flags for livestock funds and other entities under its supervision, such as movable or immovable assets acquired at prices significantly different from market value, and transactions involving products derived from illegal activities (including, among others, smuggling). Although these red flags may indicate cattle laundering, they are not explicitly designed to address this crime.

Table 2. DNFBPs Directly Related to Productive Chains Driving Illegal Deforestation Included in the AML Systems of Amazon Basin Countries

Country	Land Market	Mining	Livestock	Timber	Specialized machinery and chemical inputs
Bolivia 	<ul style="list-style-type: none"> Public Notaries. Real estate activities: the purchase and sale of real estate. 	<ul style="list-style-type: none"> Legal entities or sole proprietorships engaged in transportation or transfer of money, securities, and precious metals. Natural and/or legal people, whether national or foreign, engaged in the trade of metals and precious stones. 	<ul style="list-style-type: none"> Activities related to the productive chain of strategic natural resources. 	<ul style="list-style-type: none"> Activities related to the productive chain of strategic natural resources. 	×
Brasil 	<ul style="list-style-type: none"> Public Registries. Natural or legal persons engaged in real estate development activities or in the purchase and sale of real estate. 	<ul style="list-style-type: none"> Natural or legal persons engaged in the trade of jewelry, gemstones, and precious metals, including miners (as established in Resolution ANM No. 129/2023). 	<ul style="list-style-type: none"> Natural or legal persons engaged in the trade of high-value goods of rural or animal origin or acting as intermediaries in their commercialization. 	<ul style="list-style-type: none"> Natural or legal persons engaged in the trade of high-value goods of rural or animal origin or acting as intermediaries in their commercialization. 	×
Colombia 	<ul style="list-style-type: none"> Notaries. Real estate agent sector. 	<ul style="list-style-type: none"> Precious metals and gemstones trading sector. Companies engaged in the export and/or import of gold. Gold smelting houses. International Trading Companies that, within their business activities, engage in the commercialization of gold and/or carry out export and/or import operations involving gold. 	<ul style="list-style-type: none"> Livestock investment funds. 	×	×

Continuation

País	Land Market	Mining	Livestock	Timber	Specialized machinery and chemical inputs
Ecuador 	<ul style="list-style-type: none"> Notaries and Property and Commercial Registrars. Natural and legal persons habitually engaged in real estate investment, brokerage, and construction. 	<ul style="list-style-type: none"> Pawnshops and pledge houses; jewelry, metals, and precious stones dealers. 	×	×	<p>Dealers in vehicles and specialized machinery (as detailed in Resolution No. UAEF-DG-2023-0554).</p> <p>Notaries engaged in “certification of signatures on contracts for the purchase and sale of vehicles and machinery.”</p>
Peru 	<ul style="list-style-type: none"> Notaries. Companies or individuals engaged in real estate activities. 	<ul style="list-style-type: none"> Natural and legal persons engaged in the trade of jewelry, metals, and precious stones. In the case of jewelry trade, applicable to gold jewelry valued at USD 1,000 or more. Mining companies that trade gold. 	×	×	<p>Companies that distribute, transport, and/or trade chemical inputs that may be used in illegal mining are under the supervision and control of Sunat.</p> <p>Companies engaged “in the commercialization of machinery and equipment (new or used) classified under National Subheadings No. 84.29, No. 85.02, and No. 87.01 of the National Tariff Classification.”</p>
Venezuela 	<p>Subordinate offices of public registries and public notaries.</p> <p>Reporting entities in “purchase and sale of real estate” activities.</p>	<p>Reporting entities in the “trade of metals and precious stones.”</p>	×	×	×

2. Application of Anti-Money Laundering and Asset Forfeiture and Seizure Laws in Addressing Environmental and Natural Resource Crimes

2.1. The Normative Interrelation Between Money Laundering and Environmental and Natural Resource Crimes

The classification of the crime of money laundering in each country generally follows the concept presented in the United Nations Convention against Transnational Organized Crime — the Palermo Convention of 2000. In simplified terms, this convention defines money laundering as actions to conceal the illicit origin of certain assets, allowing their possession, use, or conversion as if they were lawful, thereby economically benefiting criminals. Additionally, the Palermo Convention requires States Parties to establish the “widest range of predicate offenses” — crimes from which the resources subject to laundering are derived. The convention stipulates that corruption, participation in a criminal group, and obstruction of justice, along with other serious offenses (punishable by deprivation of liberty of at least four years), must necessarily be classified as predicate offenses for money laundering.²¹

All countries in the Amazon Basin ratified the Palermo Convention in the early 2000s and incorporated the crime of money laundering into their national legislation. However, each country retains autonomy to decide whether environmental and natural resource crimes are recognized as predicate money laundering offenses, especially when such crimes are not classified as serious offenses under their respective legal systems.

According to findings from a previous study conducted by the Igarapé Institute,²² AML legislation has evolved over the decades and currently follows two main approaches. One considers that any criminal activity can generate resources subject to money laundering (“all-crimes approach”) while the other adopts a closed list of specific crimes whose illicit proceeds may be subject to laundering (“predicate-offense approach”).

In this study, we analyze the legislation of the six countries of the Amazon Basin to categorize them according to these approaches and to verify whether environmental and natural resource crimes are included as predicate offenses for money laundering.

All-Crimes Approach

The “all-crimes” strategy is adopted by Brazil, Ecuador, Peru, and Venezuela legislation, which do not limit predicate offenses to a specific list. This allows any criminal offense established in their respective national legislation to be considered as conduct susceptible to money laundering.

- In **Brazil**, Law No. 9.613/1998 linked the crime of “laundering or concealment of assets, rights, and values” to specific offenses, such as drug and arms trafficking, corruption, financial crimes, and those committed by criminal organizations. However, this regulation was amended by Law No. 12.683/2012, which allowed money laundering to be connected to any other offense provided for under national legislation (while still requiring proof of intent to conceal assets for the crime to be established). Brazilian jurisprudence has advanced in recognizing money laundering associated with environmental and natural resource crimes, demonstrating that the country’s AML system progressively incorporates this possibility.
- In **Ecuador**, the crime of money laundering (or “asset laundering”) may be connected to any asset of illicit origin, provided that such illegality is duly proven, as established by the Comprehensive Organic Criminal Code (“COIP”).

Due to the traditional focus of AML systems, which prioritize crimes such as drug trafficking and corruption, establishing a connection with environmental and natural resource crimes can be a challenge in Brazil and Ecuador. However, it is broadly acceptable within their legal frameworks. On the other hand, the legislation of Peru and Venezuela highlights the relevance of the relationship between money laundering and certain types of environmental and natural resource-related crimes, facilitating the interpretation by responsible authorities and reinforcing the link between these offenses and the crime of money laundering.

- In **Peru**, this approach applies particularly to illegal mining. Legislative Decree No. 1106/2012 introduced innovations compared to previous legislation, emphasizing illegal mining activities as a predicate offense for money laundering offense, thereby guiding the improvement of control mechanisms to identify this practice. Law No. 27.765/2002 and Legislative Decree No. 986/2007 were revised based on the need to strengthen tools for combating crime and money laundering, recognizing illegal mining not only as a source of illicit proceeds but also as a growing, complex, and harmful criminal phenomenon that undermines the legal and social order. Peru’s FIU has reiterated the relevance of illegal mining as a predicate offense for money laundering and its connection with drug trafficking. It also noted the risks of money laundering in the timber sector in its risk assessments and publications.²³ In addition to illegal mining, Peruvian legislation lists 12 other offenses as potential sources of money laundering, and “any other capable of generating illicit profits.” Nevertheless, proving a predicate offense is not required for a conviction for money laundering in Peru; circumstantial evidence is sufficient, as the legislation treats money laundering as an autonomous offense.
- In **Venezuela**, the crime of “capital legitimization” is included in the chapter on “crimes against the trafficking and illicit trade of strategic resources or materials and metals or precious stones” within the Organic Law against Organized Crime and Terrorism Financing (Locdoft). This structure facilitates the interpretation that environmental and natural resource crimes may be considered predicate offenses for money laundering.

Predicate-Offense Approach

The predicate-offense approach is adopted by the legislation of **Bolivia** and **Colombia**, which restricts predicate offenses to a specific list, although significant differences exist between them. Neither country includes environmental and natural resource crimes as predicate offenses for money laundering:

- In **Bolivia**, Law No. 1798/1997 added to Article 185-Bis of the Penal Code the crime of “legitimization of illicit gains,” establishing as predicate offenses crimes related to the trafficking of controlled substances, crimes committed by public officials in the exercise of their functions, and crimes perpetrated by criminal organizations.
- In **Colombia**, the predicate offenses related to the crime of money laundering (or “asset laundering”) are provided in Article 323 of the Penal Code and include extortion, illicit enrichment, aggravated kidnapping, rebellion, arms trafficking, crimes against the financial system and public administration, drug trafficking, and offenses arising from the practice of “conspiracy to commit a crime” (criminal association as a predicate offense for laundering). Article 323 also identifies as predicate offenses any other crime for which asset forfeiture has been declared.

These legal frameworks can hinder the interpretation by AML system actors regarding the treatment of assets derived from environmental and natural resource crimes as proceeds subject to money laundering controls. This limitation can create obstacles to effectively applying AML mechanisms in such cases.

Nevertheless, environmental and natural resource crimes can be classified and prosecuted in connection with money laundering in these countries. These crimes are often associated with other illicit activities, such as corruption, illicit enrichment, and smuggling, which indirectly facilitates their connection with

money laundering. However, this interpretation depends on the discretion of legal and judicial authorities, who must assess on a case-by-case basis the relationship between environmental crimes and the crime of money laundering. Furthermore, if there is an asset forfeiture decision, environmental and natural resource crimes may be considered predicate offenses in Colombia.

Thus, the legislation of the Amazon Basin countries recognizes that laundering may occur not only with financial resources derived from environmental and natural resource crimes, but also with the environmental assets themselves — such as agricultural products, timber, and minerals — when their illicit origin is intentionally concealed to enable their commercialization. However, in Bolivia and Colombia, this possibility depends on a connection with offenses already established in national legislation, such as corruption, illicit enrichment, or criminal association. Additionally, in Colombia, this connection may be established if the crimes are linked to assets that have been subjected to asset forfeiture.

2.2. Asset Forfeiture and Seizure Associated with Environmental and Natural Resource Crimes

Asset forfeiture and seizure laws can significantly address money laundering associated with environmental and natural resource crimes. In some cases, these laws allow for the forfeiture of assets related to such crimes without a criminal conviction, making it possible for the seizure to occur through a civil procedure, independently of any criminal prosecution or conviction.²⁴ This approach can be strategic both for reducing the economic benefit of these crimes and preventing the forfeited assets from being reinvested in criminal activities, even when the perpetrators have not yet been identified.

The legislation of the countries of the Amazon Basin were analyzed to assess whether it allows for the forfeiture and seizure of assets derived from environmental and natural resource crimes through civil forfeiture. Based on this analysis, the legal frameworks were classified into three categories:

Civil Forfeiture Independent of Criminal Conviction

The legislation of **Colombia**, **Ecuador**, **Peru**, and **Venezuela** on asset forfeiture allows for the forfeiture of assets of illicit or unjustified origin, and those used in the commission of environmental and natural resource crimes, without the need for linkage to a criminal proceeding or conviction. The confiscated assets are transferred to state ownership.

- In **Colombia**, Law No. 1708/2014 regulates asset forfeiture as a civil forfeiture measure applied to assets that are the product or instrument of illicit activities.
- In **Ecuador**, the Organic Law on Asset Forfeiture reinforces the autonomous and independent nature of forfeiture and establishes criteria for its application, including: the existence of assets presumably of illicit or unjustified origin; a causal relationship between such assets and the illicit activity; and the owner's knowledge of the illicit origin or intended use of the assets — unless it is proven that the owner could not have obtained such information.
- In **Peru**, Legislative Decree No. 1104 of 2012 provides for the application of asset forfeiture to objects, instruments, proceeds, or gains derived from crimes that cause harm to the State, including illicit enrichment, environmental crimes, and illegal mining. Legislative Decree No. 1373 of 2018 also regulates this matter of asset forfeiture, having been updated by Law No. 32326 of 2025, which established that the asset forfeiture process does not require a final judgment or award when related to illegal mining, among other specific offenses. However, it does require a judgment or award from any judicial or arbitral proceeding in the case of other offenses, including environmental crimes and money laundering.
- In **Venezuela**, the Organic Law on Asset Forfeiture (Loed) establishes mechanisms for identifying, locating, and recovering assets and patrimonial goods derived from or destined for illicit activities.

Asset Seizure as a Criminal Precautionary Measure

Brazil's Law No. 9.613/1998 allows for the seizure of assets belonging to a suspect, defendant, or third parties upon sufficient evidence of a criminal offense, as a criminal precautionary measure. This seizure can be applied to assets that are instruments, products, or proceeds of crimes, without the need for a prior criminal conviction. However, unlike the asset forfeiture laws mentioned above, this measure does not imply the definitive transfer of the asset to the State. If the lawful origin of the assets is proven, they may be released back to their owner.

Legislative Gap Regarding Civil Forfeiture Independent of Criminal Conviction

Bolivia's Law on Combating the Illicit Trafficking of Controlled Substances provides for the forfeiture of assets that are the product or instrument of crimes linked to the illicit trafficking of controlled substances. However, no other civil forfeiture legislation was identified in Bolivia that allows for asset forfeiture or even the seizure of assets derived from environmental and natural resource crimes. This represents a gap in Bolivian legislation regarding the forfeiture of assets related to these crimes.

In summary, the legislation of Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela allows for framing money laundering associated with environmental and natural resource crimes. However, its application largely depends on the interpretation of judicial system actors, especially in Bolivia and Colombia, where such crimes are excluded from the list of offenses related to money laundering. This scenario can be an obstacle, as AML legislation has a history of application focused on crimes related to drug trafficking and corruption. Additionally, these countries provide for the possibility of asset forfeiture or seizure linked to such crimes without the need for a criminal conviction, which may facilitate the removal of economic gains and disrupt the financing of these crimes even before those involved are held accountable. The exception is Bolivia, where this mechanism is restricted to offenses related to the trafficking of controlled substances.

Box 2. Definitions of money laundering in the legislation of the Amazon basin countries



Bolivia - Law No. 1798 of March 10, 1997, amending Bolivian Penal Code, Article 42

- Article 185 bis of the Penal Code, introduced by Law No. 1798: (Legitimization of Illicit Gains).

Anyone who acquires, converts, or transfers assets, resources, or rights derived from offenses related to the illicit trafficking of controlled substances, crimes committed by public officials in the exercise of their duties, or offenses committed by criminal organizations, to conceal or disguise their nature, origin, location, destination, movement, or true ownership, shall be punished with imprisonment from one to six years and a fine of one hundred to five hundred days.



Brazil - Law No. 9.613/1998, amended by Law No. 12.683/2012

- Article 1. To conceal or disguise nature, origin, location, disposition, movement, or ownership of assets, rights, or values derived, directly or indirectly, from a criminal offense.



Colombia - Article 323 of Law No. 599/2000, amended by article 17 of Law No. 1121/2006

- Article 323. Money Laundering.

Anyone who acquires, safeguards, invests, transports, transforms, keeps, or manages assets that originate, directly or indirectly, from activities such as migrant smuggling, human trafficking, extortion, illicit enrichment, aggravated kidnapping, rebellion, arms trafficking, financing of terrorism and management of resources related to terrorist activities, trafficking of toxic drugs, narcotics, or psychotropic substances, crimes against the financial system, crimes against public administration, or associated with the proceeds of crimes committed under criminal conspiracy, or who gives such assets the appearance of legality or legalizes, hides, or disguises the true nature, origin, location, destination, movement, or ownership of such assets, or performs any other act to conceal or disguise their illicit origin, shall, by that conduct alone, incur imprisonment of eight (8) to twenty-two (22) years and a fine of six hundred fifty (650) to fifty thousand (50,000) current legal minimum wages.

The same penalty shall apply when the aforementioned conduct is carried out with assets that have been subjected to asset forfeiture.

Money laundering shall be punishable even when the activities from which the assets originate, or the acts penalized above, have been carried out, in whole or in part, abroad.

The custodial sentences provided in this article shall be increased by one-third to one-half when the conduct involves foreign exchange or foreign trade operations, or the introduction of goods into national territory.

The aforementioned increase in penalty shall also apply when contraband goods are introduced into national territory.



Ecuador - Article 317 of the Comprehensive Organic Criminal Code (Coip), of February 3, 2014

- Article 317. Money Laundering. A person who, directly or indirectly:
 1. Holds, acquires, transfers, possesses, manages, uses, maintains, safeguards, delivers, transports, converts, or benefits from assets of illicit origin.
 2. Hides, conceals, or prevents the real determination of nature, origin, source, or connection of assets of illicit origin.
 3. Lends their name or that of a company or enterprise in which they are a partner or shareholder for the commission of the crimes typified in this article.
 4. Organizes, manages, advises, participates in, or finances the commission of the crimes typified in this article.
 5. Carries out, either personally or through third parties, financial or economic operations and transactions to give the appearance of legality to money laundering activities.
 6. Brings into or takes out of the country money of illicit origin through border crossings and bridges.
 7. Declares merchandise values higher than their real worth to give the appearance of legality to money laundering activities.



**Peru – Articles 1, 2, and 3 of Legislative Decree No. 1106 of 2012
(Legislative Decree on the effective fight against money laundering
and other crimes related to illegal mining and organized crime)**

- Article 1. Acts of Conversion and Transfer

Anyone who converts or transfers money, goods, effects, or proceeds whose illicit origin they know or should have presumed, to avoid the identification of their origin, seizure, or forfeiture, shall be punished with a custodial sentence of no less than eight and no more than fifteen years, and with a fine of one hundred and twenty to three hundred and fifty days.

- Article 2. Acts of Concealment and Possession

Anyone who acquires, uses, stores, manages, safeguards, receives, conceals, or keeps in their possession money, goods, effects, or proceeds whose illicit origin they know or should have presumed, to avoid the identification of their origin, forfeiture or seizure, shall be punished with a custodial sentence of no less than eight and no more than fifteen years, and with a fine of one hundred and twenty to three hundred and fifty days.

- Article 3. Transport, Transfer, Entry, or Exit of Money or Securities of Illicit Origin Through National Territory

Anyone who transports or transfers within the national territory money or securities whose illicit origin they know or should have presumed, to avoid the identification of their origin, forfeiture, or seizure, or who brings into or takes out of the country such assets with the same purpose, shall be punished with a custodial sentence of no less than eight and no more than fifteen years, and with a fine of one hundred and twenty to three hundred and fifty days.
[...]

- Article 10. Autonomy of the Crime and Circumstantial Evidence

Money laundering is an autonomous crime; therefore, for its investigation and prosecution, it is not necessary that the criminal activities which generated the money, goods, effects, or proceeds have been discovered, are under investigation, are subject to judicial proceedings, or have been previously proven or resulted in a conviction.

The knowledge of the illicit origin by the perpetrator, or that which they should have presumed, refers to criminal activities such as illegal mining, illicit drug trafficking, terrorism, crimes against public administration, kidnapping, procuring, human trafficking, illicit arms trafficking, illicit migrant trafficking, tax crimes, extortion, robbery, customs offenses, or any other capable of generating illegal profits, except the acts contemplated in Article 194 of the Penal Code.

The illicit origin, known or that should have been presumed by the perpetrator, may be inferred from the circumstantial evidence in each case.

The person who executed or participated in the criminal activities that generated the money, goods, effects, or proceeds may also be considered the perpetrator of the crime and, therefore, subject to investigation and prosecution for money laundering.



Venezuela – Article 35 of the Organic Law against Organized Crime and Terrorism Financing of April 30, 2012 (Locdoft)

- Article 35. Anyone who, personally or through an intermediary, is the owner or possessor of capital, assets, funds, holdings, or benefits, knowing that they originate directly or indirectly from an illicit activity, shall be punished with imprisonment from ten to fifteen years and a fine equivalent to the value of the illicitly obtained patrimonial increase. The same penalty shall apply to anyone who, personally or through an intermediary, performs the following activities:

1. The conversion, transfer, or movement by any means of assets, capital, holdings, benefits, or surpluses to conceal or disguise their illicit origin, or of assisting anyone involved in committing such offenses to evade the legal consequences of their actions.
2. The concealment, disguise, or simulation of the nature, origin, location, disposition, destination, movement, or ownership of assets, or the legitimate right to them.
3. The acquisition, possession, or use of assets that are the proceeds of a crime.
4. The safeguarding, investment, transformation, custody, or management of assets or capital derived from illicit activities. The capital, assets, or holdings that are the object of the crime of capital legitimization shall be seized or confiscated.

Conclusions

AML systems, historically developed to address money laundering linked to crimes such as drug trafficking and corruption, have also been recognized as instruments in combating money laundering associated with environmental and natural resource crimes. This report examined the AML systems' level of preparedness in Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela — six of the eight Amazon Basin countries — to deal with these crimes. It analyzed the DNFBPs required to report suspicious transactions, and the application of money laundering laws and asset forfeiture and seizure measures regarding these offenses. The analysis led to the following main conclusions:

1. AML systems rely on professionals and legal entities operating in economic sectors vulnerable to money laundering (“reporting entities”), which are responsible for monitoring their activities to detect laundering risks in their operations and for reporting suspicions to the FIUs. The DNFBPs operating within productive chains associated with deforestation, such as the mining, timber, land, and livestock sectors, play a fundamental role in detecting environmental money laundering, thereby supporting efforts to combat environmental and natural resource crimes. Among the Amazon Basin countries analyzed, regulation of DNFBPs is more advanced in the mining and land market sectors. These regulations, however, are extremely limited concerning the specific treatment of the laundering of environmental assets themselves. Only Brazil and Bolivia have any regulatory provisions addressing this issue, and even then, only for detecting mineral laundering. Moreover, there are significant legislative gaps concerning DNFBPs within the timber and livestock chains across all countries analyzed. Only Bolivia and Brazil include these activities as reporting entities within their AML

systems. Still, they have yet to regulate their implementation to ensure adequate controls and the reporting of suspicions to FIUs. In Colombia, livestock investment funds are regulated as reporting entities, but without a specific focus on the money laundering risk associated with livestock activities.

2. Ecuador and Peru have adopted an innovative approach to detecting money laundering risks in the mining sector by including, as reporting entities, companies that trade machinery and equipment susceptible to use in illegal mining. These companies are responsible for identifying and reporting suspicious money laundering operations to the FIUs. Additionally, Peru has also included, among reporting entities, companies that distribute, transport, and/or trade chemical inputs with potential use in illegal mining. In Ecuador, starting in 2025, notaries will be required to report to the FIU any signature certifications on contracts for the purchase and sale of vehicles and machinery.

3. The AML legislation of the countries analyzed allows for applying regulations to address money laundering associated with environmental and natural resource crimes. However, the enforcement history of these laws, traditionally focused on crimes such as drug trafficking and corruption, may hinder their interpretation by the officials responsible for implementation, particularly regarding laundering derived from environmental and natural resource-related crimes. This challenge is more evident in Bolivia and Colombia, which adopt the “predicate-offense approach” and do not include these crimes in the list of offenses related to money laundering. Nevertheless, it also appears in Brazil and Ecuador, which follow the “all-crimes approach,” but whose legislation does not specify the relationship between environmental crimes and money laundering.





4. The AML laws of Bolivia and Colombia may pose additional challenges for their application to environmental and natural resource crimes, as these offenses are not covered under the “predicate-offense approach” adopted by these countries. However, justice system actors may establish connections between these crimes and the predicate offenses provided for in the legislation, such as corruption, illicit enrichment, and criminal association. Moreover, in Colombia, if such crimes are associated with assets subject to asset forfeiture, they may also be treated as predicate offenses for money laundering.

5. The legislation of Peru and Venezuela, both of which adopt the “all-crimes approach,” emphasize the relationship between money laundering and certain types of environmental and natural resource crimes. In Peru, the legislation highlights illegal mining as a predicate offense. At the same time, in Venezuela, the regulations include the trafficking and illicit trade of strategic resources or materials, as well as metals or precious stones. However, these laws still do not explicitly mention other offenses, such as illegal logging, environmentally harmful livestock farming, and land grabbing.


6. The application of money laundering laws related to environmental and natural resource crimes, and the monitoring of laundering risks by DNFBPs, may face challenges due to the particular nature of these offenses, which involve “double laundering.” This means that, in addition to concealing the illicit origin of the proceeds derived from the crime, there is also a concealment of the origin of the environmental assets, such as minerals, timber, and livestock.

7. The asset forfeiture and seizure laws of most countries analyzed allow for the forfeiture or seizure of assets related to environmental and natural resource crimes without a criminal conviction. This helps to overcome the difficulty of identifying the criminal who benefited from the laundering associated with these offenses. This approach removes the economic benefit of crimes. It prevents reinvesting these assets, which may include financial assets, vehicles, equipment, and others, into the continuation of criminal activities. However, Bolivia restricts civil forfeiture solely to assets derived from crimes related to the trafficking of controlled substances. Additionally, in Brazil, the seizure of assets related to these offenses is only permitted prior to a criminal conviction, without the possibility of asset forfeiture or extinguishment of ownership in favor of the State independent of criminal proceedings, as is the case in the other countries analyzed. In Peru, since 2025, environmental crimes and money laundering offenses require a judgment or award resulting from a judicial or arbitral proceeding to support the application of the asset forfeiture mechanism.

Results Summary Table

Country	Entities Obligated to Report Suspicious Transactions	Application of Money Laundering Laws and Asset Forfeiture and Seizure in Relation to Environmental and Natural Resource Crimes	
	Inclusion and Regulation of DNFBPs Related to Deforestation-Driven Supply Chains	Normative Relationship Between Money Laundering and Other Crimes	Asset Forfeiture and Seizure
Bolivia 	<ul style="list-style-type: none"> Entities in the mining and land chains are obligated to report and are regulated. Entities in the livestock and timber chains are obligated to report but are not regulated. 	<ul style="list-style-type: none"> Predicate-offense approach, which does not include environmental and natural resource crimes. 	<ul style="list-style-type: none"> Does not have an asset forfeiture mechanism or alternative asset seizure mechanisms for these crimes.
Brazil 	<ul style="list-style-type: none"> Entities in the mining and land chains are obligated to report and are regulated. Entities in the livestock and timber chains are obligated to report but are not regulated. 	<ul style="list-style-type: none"> All-crimes approach. 	<ul style="list-style-type: none"> Does not have an asset forfeiture mechanism but does allow for asset seizure as a criminal precautionary measure.
Colombia 	<ul style="list-style-type: none"> Entities in the mining and land chains, in addition to livestock investment funds, are obligated to report and are regulated. Other entities in the livestock and timber chains are not obligated to report and are not regulated. 	<ul style="list-style-type: none"> Predicate-offense approach, which does not include environmental and natural resource crimes. 	<ul style="list-style-type: none"> There is a civil asset forfeiture mechanism in place.
Ecuador 	<ul style="list-style-type: none"> Entities in the mining and land chains are obligated to report and are regulated. Entities in the livestock and timber chains are not obligated to report and are not regulated. Entities that trade vehicles and machinery used in illegal mining, and notaries who certify signatures in these transactions, are obligated to report. 	<ul style="list-style-type: none"> All-crimes approach. 	<ul style="list-style-type: none"> There is a civil asset forfeiture mechanism in place.

Continuation

Country	Entities Obligated to Report Suspicious Transactions	Application of Money Laundering Laws and Asset Forfeiture and Seizure in Relation to Environmental and Natural Resource Crimes	
	Inclusion and Regulation of DNFBPs Related to Deforestation-Driven Supply Chains	Normative Relationship Between Money Laundering and Other Crimes	Asset Forfeiture and Seizure
Peru 	<ul style="list-style-type: none"> Entities in the gold mining and land chains are required to report and are regulated. Entities in agriculture and timber sectors are not required to report and are not regulated. Entities that trade vehicles, machinery, and chemical inputs used in illegal mining are required to report. 	<ul style="list-style-type: none"> The approach covers all crimes, with particular emphasis on illegal mining. 	<ul style="list-style-type: none"> There is a civil asset forfeiture mechanism in place.
Venezuela 	<ul style="list-style-type: none"> Entities in the land chain are required to report and are partially regulated (only notaries and registrars are regulated; other entities in the real estate sector are not). Entities in the mining chain are required to report but are not regulated. Entities in the agriculture and timber chains are neither required to report nor regulated. 	<ul style="list-style-type: none"> The approach covers all crimes, with emphasis on the “trafficking and illicit trade of strategic resources or materials and precious metals or stones.” 	<ul style="list-style-type: none"> There is a civil asset forfeiture mechanism in place.

Recommendations

Based on the main findings, it is evident that the AML systems of these six Amazon Basin countries can be improved by focusing on specific areas to strengthen the response to money laundering linked to environmental and natural resource crimes. Accordingly, the following recommendations are made:

- 1.** Regulate DNFBPs linked to the productive chains that drive deforestation, especially the timber and agricultural chains. This includes implementing controls to detect money laundering and environmental asset laundering risks and requiring the reporting of suspicious transactions to the FIUs.
- 2.** Conduct sectoral assessments of money laundering risks in the productive chains that drive illegal deforestation. Additionally, it is essential to train stakeholders within AML systems — including DNFBPs, financial institutions, FIUs, supervisory bodies, law enforcement agencies, and prosecutors — to recognize red flags related to environmental asset laundering, such as the laundering of minerals, livestock, timber, and land.
- 3.** Analyze the approaches of Ecuador and Peru regarding the inclusion of DNFBPs involved in the trade of vehicles, machinery, and chemical inputs used in illegal mining within their AML systems. This evaluation should assess the effectiveness of these measures in enabling FIUs to identify illegal mining, thus facilitating the adoption of this innovation in the AML systems of the Amazon Basin.
- 4.** Include environmental and natural resource crimes as predicate offenses in the money laundering legislation of Bolivia and Colombia, which apply the “predicate offense approach,” and in Peru and Venezuela, which follow the “all-crimes approach” but currently only mention specific types of offenses. This enhancement would clarify and facilitate the application of AML legislation to these crimes.
- 5.** Raise awareness among prosecutors and judges about the economic nature of environmental and natural resource crimes, highlighting their connection to money laundering and the importance of framing them within this context. Additionally, it is recommended that training on environmental asset laundering – covering minerals, livestock, timber, and land – be promoted to ensure these offenses can be properly prosecuted as money laundering.
- 6.** Raise awareness among prosecutors and judges about the application of civil forfeiture or asset seizure measures for property derived from environmental and natural resource crimes, or instruments used to perpetrate such crimes, as provided for in the legislation of Brazil, Colombia, Ecuador, Peru, and Venezuela.
- 7.** Establish a legal instrument in Bolivia that allows for civil forfeiture, or the seizure of assets related to environmental and natural resource crimes, independent of criminal conviction.

Appendix: Methodology, Respondents, and Questionnaires

Methodology

The research methodology involved collecting and analyzing qualitative data on AML systems in the Amazon Basin countries. The Thomson Reuters Foundation (TRF) sent a questionnaire developed by the Igarapé Institute, consisting of seven questions, to law firms in Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela that are part of TrustLaw.²⁵ Responses were received between October and November 2023.

After an initial analysis of the responses, TRF sent a second set of supplementary questions, formulated by the Igarapé Institute, to the same law firms in January 2025, with responses received by February 2025. The selection of the law firms considered their *pro bono* work with TRF and their expertise in legislation, jurisprudence, and the governance of AML systems in the respective countries where they operate.

The responses provided by the law firms were analyzed comparatively, along with the legislation cited by the respondents and other regulations researched by the Igarapé Institute based on those responses. The participating law firms and questionnaires in the research are listed below:

Respondents

- **C. R. & F. Rojas – Abogados**, in Bolivia;
- **Dentons Paz Horowitz**, in Ecuador;
- **Brigard Urrutia**, in Colombia;
- **Baker & McKenzie LLP**, in Venezuela;
- **GSA Legal**, in Peru; and
- **A pro bono law firm**,²⁶ in Brazil.

Questionnaire (2023)

1. Could you briefly summarize the existing AML regulatory framework, including causes of action, predicate offenses, and the sanctions established by law?
2. Which agency is responsible for investigating and prosecuting these offenses? Are there any government entities in charge of strategic planning and preventive measures? If so, please indicate the entity.
3. Is there a designated FIU responsible for overseeing and detecting money laundering cases? If so, where is it located within the governmental structure?
4. Are there entities responsible for reporting suspicious transactions? If so, please specify which ones.
5. Does the AML framework specifically address environmental crimes in laws or regulations? If so, is there a general reference to environmental crimes, or are specific offenses identified?
6. If there is no specific reference to environmental crimes, could the existing regulatory framework be applied to the context of environmental crimes as currently written? (Particularly in cases of illegal appropriation of public lands, illegal logging, illegal mining, and agriculture and livestock involving environmental crimes within the supply chain).
7. Has the judiciary specifically allowed or rejected the extension of AML to the context of environmental crimes, or in relation to the illegal appropriation of public lands, illegal logging, illegal mining, and agriculture and livestock involving environmental crimes within the supply chain? What was the rationale behind its decision?

Questionnaire (2025)

1. (Question for the offices in **Bolivia and Peru**):

Could you provide details on how natural persons and legal entities can be sanctioned for the crime of money laundering?

2. (Question for the offices in **Ecuador and Peru**):

Could you clarify whether the crime of money laundering requires evidence or conviction of a specific predicate offense to be classified as such? Under the legislation and/or jurisprudence, can environmental crimes be linked to money laundering as the source of the laundered funds, thus allowing convictions for environmental crimes and money laundering?

3. (Question for the offices in **Bolivia, Brazil, Ecuador, and Peru**):

Could you provide details on the procedures available for asset forfeiture/extinction of ownership, or other similar legal procedures, in the context of money laundering/illicit enrichment? In what cases can these procedures be used? Is a criminal conviction required for forfeiture and seizure? Can this procedure be used to seize assets that may be used to commit environmental crimes (e.g., financial assets, heavy machinery, vehicles)?

4. (Question for the offices in **Bolivia, Colombia, Ecuador, and Peru**):

Could you clarify whether an asset of environmental origin (e.g., land, gold, livestock, or timber) can be considered an object of money laundering in your country, in the sense that its illicit origin is concealed to economically benefit those who possess it? Is there any jurisprudence on this matter? (For example, timber from illegal deforestation may be sold in the legal market and benefit those who trade it, since tax or transportation documents can be falsified — either wholly or partially — to create the appearance of a legal origin for the asset).

5. (Question for **all offices**):

Are legal entities within specific supply chains that drive deforestation required to report suspicious transactions to the FIU? If so, are they properly regulated by supervisory authorities to implement a risk-based AML policy for reporting to the FIU? (These entities may include, for example, traders of gold, timber, or animal products, distributors of heavy machinery, and land property registries; banks could also be considered here if their activities related to gold, for instance, are specifically regulated for reporting suspicious transactions...).

Endnotes

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9. Igarape Institute (2022). [The ecosystem of environmental crime in the Amazon: an analysis of illicit rainforest economies in Brazil](#); Igarape Institute (2024). [Follow the Money: Environmental Crimes and Illicit Economic Activities in Brazilian Amazon Production Chains](#)
10. Nance, M. (Ed.). (2018). [Special issue: The regime that FATF built: Analyzing global efforts to counter money laundering](#). Crime, Law and Social Change, 69(2).
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12. Our research was based exclusively on data from each country’s legal framework — including legislation and sub-legal regulations — and approached this information through a comparative lens. Enforcement and regional cooperation were not analyzed as central topics.
13. Igarapé Institute (2023). [Follow the Money: How Environmental Crime Is Handled by Anti-Money Laundering Systems in Brazil, Colombia, and Peru](#)
14. Ibid.
15. Some countries, such as Colombia, require government agencies to monitor money laundering risks and report suspicious transactions to the FIU (see Article 31 of Law No. 2195 of 2022). However, the regulations applicable to government agencies were not the focus of this study, which concentrated on DNFBPs.
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17. Yansura; FACT Coalition (2024). [Environmental Crimes Pose Unique Illicit Finance Challenges and Require Specific Solutions](#)
18. Montes de piedad are a type of pawnshop with a charitable character. Source: Royal Spanish Academy. [Diccionario de la lengua española](#). Ed. 2014.
19. [Portal for the Prevention of Money Laundering and Terrorism Financing \(PLAFT\)](#)
20. In this context, the term “environmental asset” is treated as a valuable asset that is subject to laundering when acquired through illicit means.
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22. Igarapé Institute (2023). [La Ruta del Dinero: cómo se maneja el delito ambiental por los sistemas contra el lavado de dinero en Brasil, Colombia y Perú](#)
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25. TrustLaw, an initiative of the Thomson Reuters Foundation, is the world's largest pro bono legal network. Working with leading law firms and corporate legal teams, they facilitate free legal support, ground-breaking legal research and resources for non-profits and social enterprises in over 190 countries.
26. The law firm from Brazil consulted by the Igarapé Institute preferred not to disclose its name in this article.

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