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Financial Intelligence Unit



الهيئة الاتحادية للهوية
والجنسية والجمارك وأمن المنافذ
FEDERAL AUTHORITY FOR IDENTITY,
CITIZENSHIP, CUSTOMS & PORT SECURITY

Environmental Crime Typologies

A Strategic Analysis Report

 UAE Financial Intelligence Unit

 www.uaefiu.gov.ae



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LIST OF ACRONYMS

AML	Anti-Money Laundering
CFT	Combatting the Financing of Terrorism
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
FATF	Financial Action Task Force
ICP	Federal Authority for Identity, Citizenship, Customs and Port Security
LEA	Law Enforcement Authority
LPs	Legal Persons
ML	Money Laundering
MOCCA	Ministry of Climate Change and Environment
MSBs	Money Service Businesses
NPs	Natural Persons
NRA	National Risk Assessment
OCGs	Organized Crime Groups
RFR	Reason for Reporting
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
TBML	Trade-based Money Laundering
UAE	United Arab Emirates
UAEFIU	The Financial Intelligence Unit of the UAE
UNODC	United Nations Office on Drugs and Crime

EXECUTIVE SUMMARY

Environmental crime refers to illegal activities that harm the environment and are undertaken for financial or material benefit through the exploitation, trade, theft, damage, or trafficking of natural resources. As a predicate offense for money laundering, environmental crime encompasses a broad range of activities, including illegal wildlife trade, illegal logging, illegal extraction and trafficking of precious metals and stones, natural resource trafficking, and waste trafficking.

The UAE is a signatory to multiple multilateral environmental agreements and cooperates with various international organizations and authorities to strengthen global legal frameworks and enforcement responses to crimes affecting the environment, and to enable cross-border cooperation and intelligence sharing. According to the UAE's second National Risk Assessment (NRA, 2024), environmental crime is assessed as a medium risk predicate offence for money laundering in the UAE.

The UAE Financial Intelligence Unit (UAEFIU) conducted a comprehensive strategic analysis of environmental crime-related data available within its databases over a six-year period from 2019 to 2025. The analysis included a review of 121 Suspicious Transaction Reports (STRs) and Suspicious Activity Reports (SARs), of which 46 STRs/SARs were assessed as sufficiently reliable and directly related to environmental crime and the laundering of its proceeds. Additional information was also examined, including cases disseminated to/or referred from law enforcement authorities, as well as relevant requests exchanged with counterpart FIUs. This was complemented by information received from the Federal Authority for Identity, Citizenship, Customs & Port Security (ICP), and a survey circulated to financial institutions to explore observed typologies and associated schemes, as well as challenges in detecting and investigating environmental crime. The objective was to identify measures required for effective detection and reporting.

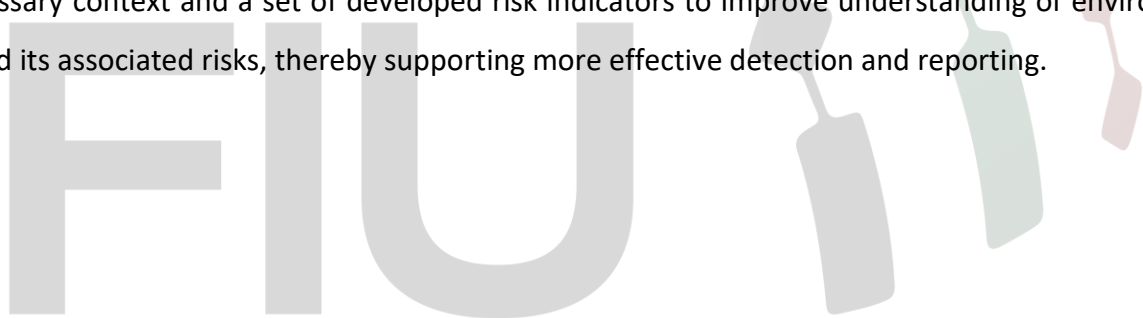
The analysis showed that illegal wildlife trade is the most prevalent environmental crime typology in the examined data, involving illegal wildlife activities related to endangered and exotic species, skins and other animal parts, and wildlife products across multiple jurisdictions. This finding was consistent across different data points, including reported STRs/SARs, UAEFIU survey circulated to reporting entities, customs and law enforcement data, as well as international intelligence. Illegal wildlife trade was followed by concerns reported by ICP related to the illicit trade of smuggled oil and the potential environmental hazard caused

by improper handling, storage, and disposal of oil. The third identified typology was illegal mining abroad, where the proceeds were potentially laundered through multiple jurisdictions, including the UAE.

These typologies illustrate the use of multiple money laundering schemes, including the use of front and shell entities, intermediary and third-party accounts, multi-jurisdiction layering, cross-border transactions, and trade-based financial crime techniques. The data also suggests that the UAE's financial and trade systems are most likely to be misused as a financial hub for environmental crime and related money laundering transactions, or as a potential transit point or destination for illicit goods.

Analysis of 92 responses from the banking sector and money service businesses (MSBs) to the UAEFIU's survey highlighted the need to further develop reporting entities' understanding of environmental crime risks and typologies, and of other financial crimes that are frequently observed alongside environmental crime. Environmental crime is often perceived as lower risk than other financial crimes, and limited understanding of environmental crime typologies and related risk indicators may contribute to detection challenges and underreporting. In some instances, environmental crime is reported under different schemes, such as trade-based money laundering or general suspicious transaction categories.

Accordingly, this report is tailored to provide the UAEFIU's stakeholders, including reporting entities, with the necessary context and a set of developed risk indicators to improve understanding of environmental crime and its associated risks, thereby supporting more effective detection and reporting.



ILLUSTRATIVE SUMMARY: ENVIRONMENTAL CRIME TYPOLOGIES

Utilized data

Covering Period: 2019 – 2025



STRs/SARs



Cases disseminated to/referred from LEA



International intelligence exchanged with counterpart FIUs



Customs Data (ICP)



Survey



Open source

Core Identified Typologies



Illegal Wildlife Trade



Illegal Trade of Smuggled Oil



Illegal Mining

Other Observed Typologies



Pollution-related offences



Fisheries crime



Waste trafficking



Illegal logging

Impacted Sectors



Banks



MSBs



Logistics/shipping /transportation



Trading Sector, Including Import & Export



Energy Sector

1. INTRODUCTION

There is no single standard global definition of environmental crime; however, it broadly refers to unlawful activities that breach environmental or natural resource protection laws, or that pose a significant risk of causing harm to the environment, biodiversity, natural resources, or human health. International organizations such as the United Nations Environment Programme (UNEP) and INTERPOL describe environmental crime as illegal activities that harm the environment and are undertaken for financial or material benefit through the exploitation, trade, theft, damage, or trafficking of natural resources.¹ Similarly, the European Union recognizes environmental crime as acts that violate environmental legislation and create a significant risk to human health and the economy worldwide.²

The global control framework established to address environmental crime includes multiple multilateral environmental agreements, with nations committing to uphold them through their domestic legislation.³ The **Convention on International Trade in Endangered Species of Wild Fauna and Flora** (CITES, 1973) serves as the primary legal instrument for regulating the international trade of protected species through a standardized permit and certification system.⁴ Additionally, the **Montreal Protocol** (1987) aims to phase out over 100 ozone-depleting substances, largely chemicals used as refrigerants, fire extinguishers, and fertilizers.⁵ Moreover, the **UN Convention on the Law of the Sea** (UNCLOS, 1982) provides a framework for protecting ocean biodiversity and regulating fishing practices, including banning illegal fishing of endangered species and the use of illegal fishing methods.⁶

These agreements, created in the 20th century to combat environmental crime in line with the UN's Sustainable Development Goals, are supported by other global efforts led by the United Nations Office on Drugs and Crime (UNODC), INTERPOL, and the World Customs Organization. Collectively, they strengthen

¹ UNEP and INTERPOL (2016) The Rise of Environmental Crime – A Growing Threat to Natural Resources Peace, Development and Security, p.7. Available at: <https://wedocs.unep.org/handle/20.500.11822/7662> .

² European Commission (2024) Environmental Crime Directive. Available at: https://environment.ec.europa.eu/law-and-governance/environmental-compliance-assurance/environmental-crime-directive_en

³ Brack, D. and Grey, K. (2003) Multilateral Environmental Agreements and the WTO. Available at: <https://www.worldtradelaw.net/document.php?id=articles/graymeawto.pdf&mode=download>

⁴ Convention on International Trade in Endangered Species of Wild Fauna and Flora (1973, amended in 1979 & 1983). Available at: <https://cites.org/eng/disc/text.php>

⁵ United Nations Treaty Collections (no date) Montreal Protocol on Substances that Deplete the Ozone Layer (with annex). Concluded at Montreal on 16 September 1987. Available at: <https://treaties.un.org/doc/publication/unts/volume%201522/volume-1522-i-26369-english.pdf>

⁶ United Nations Convention on the Law of the Sea. Available at: https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf .

global legal frameworks and enforcement responses to crimes affecting the environment and facilitate critical cross-border cooperation and intelligence sharing.

Within the anti-money laundering and counter-terrorist financing (AML/CFT) framework, the Financial Action Task Force (FATF) identifies environmental crime as a **predicate offense for money laundering**, encompassing a broad range of activities such as illegal wildlife trade, illegal logging, illegal extraction and trafficking of precious metals and stones, natural resource trafficking, and waste trafficking. These crimes frequently generate substantial illicit proceeds—estimated between USD 110 billion and USD 281 billion annually—and involve organized crime groups (OCGs), corruption, trade-based money laundering (TBML) schemes, and cross-border smuggling activities, thereby linking environmental harm directly to illicit financial flows and money laundering risks.⁷

Similarly, UNODC includes wildlife crime, forestry crime, fisheries-related crime, minerals crime, and waste crime within the category of crimes that affect the environment, and estimates that environmental crimes generate proceeds of between USD 91 billion and USD 259 billion annually.⁸ Wildlife crime, in particular, impacts approximately 4,000 plant and animal species across 162 countries, with law enforcement bodies confiscating 13 million items totaling more than 16,000 tons between 2015 and 2021.⁹

The UAE is a signatory to the aforementioned global conventions. Accordingly, it has adopted various national laws and regulations to protect the environment, including **Federal Law No. 24 of 1999** Concerning the Protection and Development of the Environment, **Federal Law No. 11 of 2002** Regulating and Controlling the International Trade in Endangered Species of Wild Fauna and Flora, and **Federal Law No. 22 of 2016** Regulation of Possession of Dangerous Animals.¹⁰ Within this legal framework, the UAE prohibits the trade and private ownership of all wild animals and domesticated animals deemed dangerous. Only authorized entities—such as zoos, wildlife parks, circuses, breeding facilities, and research centers—are permitted to keep wild or exotic animals. Any person who possesses a dangerous animal for the purpose

⁷ FATF (2021) Money Laundering from Environmental Crimes, pp.5-8. Available at: <https://www.fatf-gafi.org/en/publications/Environmentalcrime/Money-laundering-from-environmental-crime.html>

⁸ UNODC (2024a) Cash in the Trash: The role of corruption, organized crime and money laundering in waste trafficking. Available at: <https://track.unodc.org/track/en/track/resourcehub/2024/cash-in-the-trash.html>

⁹ UNODC (2024b) World Wildlife Crime Report 2024. Available at: <https://www.unodc.org/unodc/en/data-and-analysis/wildlife.html>

¹⁰ Federal Law No. (24) of 1999 Concerning the Protection and Development of the Environment. Available at: <https://uaelegislation.gov.ae/en/legislations/1146> ; Federal Law No. 11 of 2002 Regulating and Controlling the International Trade in Endangered Species of Wild Fauna & Flora. Available at: <https://uaelegislation.gov.ae/en/legislations/1136> ; Federal Law No. (22) of 2016 Regulating the Possession of Dangerous Animals. Available at: <https://uaelegislation.gov.ae/en/legislations/1162> .

of trade is subject to imprisonment and/or a fine between AED 50,000 and AED 500,000 (Federal Law No. 22 of 2016, Article 19).

The Ministry of Climate Change and Environment (MOCCA) is the central regulatory authority overseeing environmental protection, biodiversity, wildlife trade regulation, permitting, enforcement, and implementation of related laws, in coordination with local authorities.¹¹ Within the framework of Federal Law No. 22 of 2016, MOCCA has the power to seize (detain) and dispose of dangerous animal specimens. In parallel, the Federal Authority for Identity, Citizenship, Customs and Port Security (ICP) is responsible for customs control, inspection, and enforcement across ports of entry, including the detection and interdiction of prohibited species.

In addition to national multi-agency cooperation, the Public-Private Partnership Sub-Committee established by the National Anti-Money Laundering and Combatting Financing of Terrorism and Financing of Illegal Organizations Committee formed a dedicated environmental crime working group to facilitate knowledge and best-practice sharing.

Environmental crime has been assessed in the UAE's second National Risk Assessment (NRA, 2024) as a predicate offense with a **medium risk** for money laundering. This report contributes to national efforts to combat environmental crime and the laundering of its proceeds, and further develops the understanding of environmental crime typologies and associated risk indicators. It is intended to support UAEFIU stakeholders, including reporting entities, in detecting and reporting suspicious activities and transactions relevant to environmental crime.

2. OBJECTIVES

As part of the UAEFIU's Strategic Analysis Plan and in alignment with its efforts to identify patterns and typologies of financial crime, and to enhance the ability of the financial and non-financial sectors, as well as domestic stakeholders, to identify, assess, and mitigate money laundering risks associated with environmental crime, this report is provided for the following purposes:

¹¹ MOCCA official website. www.moCCA.gov.ae

- Promoting a common understanding of environmental crime-related financial risks among domestic stakeholders.
- Identifying key typologies of environmental crime and the laundering of its proceeds through the UAE’s financial and trade systems.
- Illustrating potential sectors, business activities, and customer profiles observed in reported suspicious activities and transactions relevant to environmental crime.
- Developing a list of relevant risk indicators to support reporting entities in identifying and reporting suspicious transactions and activities related to environmental crime.

3. METHODOLOGY

This report focuses on environmental crime typologies that generate illicit proceeds which may ultimately be laundered through the UAE. The analysis draws on data from multiple sources covering the period 2019–2025, including:

- STRs and SARs related to environmental crime received through the UAEFIU’s reporting system.
- Environmental crime-related cases disseminated to or referred by law enforcement authorities (LEAs).
- International intelligence exchanged between the UAEFIU and counterpart FIUs, whether spontaneously or upon request.
- Customs-related intelligence reports and additional information received from ICP.
- A survey circulated to financial institutions, particularly international and domestic banks and money service businesses (MSBs).
- Open-source data, available criminal records, and screening results.

4. BACKGROUND

Environmental crime has emerged as a significant global concern due to its scale and profitability. Such activities are increasingly recognized as a form of transnational organized crime, driven by profit and facilitated through cross-border networks that exploit global trade systems, regulatory gaps, and enforcement challenges. Environmental crime is therefore not only a threat to biodiversity and ecosystems,

but also to the broader economy, due to the illicit proceeds it generates that are ultimately moved and laundered through international financial and trade systems.

A common feature across observed environmental crimes is that they are often perceived as presenting low or medium risk, while yielding high profits, making them attractive to organized criminal groups. The operational landscape of environmental crime spans multiple sectors, each associated with distinct forms of natural resource exploitation, environmental harm, and illicit proceeds. These include the following typologies:

4.1. Illegal Wildlife Trade (IWT)

Wildlife trafficking remains a large-scale global criminal market, affecting around 4,000 animal and plant species across 162 countries and territories.¹² It is a significant transnational organized crime that potentially generates between USD 7 billion and USD 23 billion annually and exploits weaknesses in financial systems to move, conceal, and integrate criminal proceeds.¹³

Illegal wildlife trade describes “any commercial or non-commercial activity, including, but not limited to, offering for sale, distribution, brokerage or other forms of intermediary activity, sale, delivery, dispatch, consignment, transport, purchase, possession, donation, exchange, exhibition or employment of any specimen of a wild protected species.”¹⁴ It involves the unlawful capture, trade, transport, or sale of protected animal and plant species, including their parts and derivatives such as ivory, skins, and exotic pets. These activities are typically transnational in nature, involving the movement of commodities across source, transit, and destination countries.¹⁵

Following trafficking, IWT species and products reach consumers who may purchase them for many reasons, including luxury jewelry, fashion, decorations, souvenirs, food, traditional medicine, and exotic pets.¹⁶

¹² UNODC (2024b)

¹³ FATF (2020) Money Laundering and the Illegal Wildlife Trade. Available at: <https://www.fatf-gafi.org/en/publications/Environmentalcrime/Money-laundering-wildlife-trade.html>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Zhou, Z., Johnson, R.N., Newman, C., Buesching, C.D., Macdonald, D.W. and Zhou, Y. (2015) Private possession drives illegal wildlife trade in China. *Frontiers in Ecology and the Environment*, 13: 353-354. Available at: <https://doi.org/10.1890/15.WB.014>

Species most affected include pangolins, elephants (ivory), rhinoceroses (horn), reptile skins, tiger skins, among others. While poaching has declined for some iconic species such as elephants and rhinos, trafficking in lesser-known species—such as rare orchids and succulents—is rising, heavily supported by the adaptability of organized crime groups and their use of online marketplaces.¹⁷ Social media also plays a role in increasing the popularity of trafficked exotic wildlife and their products, with celebrities displaying big cats, endangered birds, reptiles, and fish in private captivity.¹⁸

For example, prices for tigers can range from USD 2,000 for an older tiger to USD 30,000 for a “snow white” cub. Big cats are also trafficked for their bones and skin, which are used in clothing, souvenirs, and even consumed as food and traditional medicine.¹⁹ Traditional medicine and food are major drivers of IWT products, with over 30,000 wildlife species used in medicine and 10,000 for food.²⁰

Corruption is a key enabler of illegal wildlife trade at multiple stages, including permits, inspections, border clearance, and enforcement. Weak governance and enforcement further facilitate the movement of illegal goods.²¹ Illegal products are moved by criminals from the source or transit country to the destination country. The source country is the primary stage, involving access to the resource in the wild or in controlled environments. The transit country often serves as an intermediary, facilitating the movement of illegally obtained animals or goods through concealment, additional processing, bribery, or forged documentation to obscure the trail from the source. The destination country is where the highest socioeconomic demand exists for the illicitly trafficked animals and their products.²² These routes also enable financial movements to be obscured, as cash payments, wire transfers, trade finance instruments, loans, and checks are used in the movement of illicit goods.²³

Organized crime groups play a central role in all stages of the IWT supply chain, including:²⁴

¹⁷ UNODC (2024b)

¹⁸ Ibid.

¹⁹ FATF (2020)

²⁰ UNODC (2024b)

²¹ Ibid.

²² MENA FCCG -UFW (2023) Combatting Illegal Wildlife Trafficking. Available at: <http://menafccg.com/wp-content/uploads/2023/11/Combating-Illegal-Wildlife-Trafficking-Guide-English-1.pdf>

²³ FATF (2020).

²⁴ Basel Institute on Governance (2021) Wildlife crime – understanding risks, avenues for action. Part 1: Illegal wildlife trade and financial crime. Available at: <https://learn.baselgovernance.org/mod/book/tool/print/index.php?id=13135>

1. Poachers/Hunters/Breeders: Low-level members of OCGs who catch, kill, breed, or extract animals and their products at the source.
2. Runners/Brokers: Smugglers who purchase illegal wildlife to be moved from the source to the transit country through intermediaries.
3. Intermediaries and Dealers: Higher-level traffickers who obtain illegal wildlife products and move them from source/transit to destination, including veterinarians or breeders who commingle illicit products with legal items.
4. Exporters/Importers: Often using shell or front companies to facilitate movement through concealment or falsified documentation for illegally trafficked animals or their products.
5. Retail Traders/Wholesalers/Customers: Buyers in the destination country who may use the products as raw materials to create new items.

Illegal wildlife trade schemes typically involve the concealment of IWT products within legitimate trade shipments, misuse of permits and documentation, and the use of intermediaries to facilitate distribution. Proceeds are commonly moved through cash transactions, third-party payments, and cross-border transfers, often supported by front and shell companies operating in import-export or trading sectors. These structures enable the commingling of licit and illicit goods and facilitate the integration of proceeds into the formal financial system.²⁵

4.2. Illegal Logging and Forestry Crime (ILFC)

Illegal logging is one of the primary causes of rapid deforestation in various parts of the world and is considered one of the most profitable forms of environmental crime, accounting for up to 90% of tropical deforestation in some regions. Illegal logging and forestry crime occur across the forestry supply chain, from harvesting to processing to selling. It includes the unlawful harvesting, processing, and trade of timber, as well as illegal land clearing for agricultural or commercial purposes.²⁶

ILFC is primarily driven by global demand for timber and other forest products, which are used to produce items such as furniture, paper, and construction materials. Transnational OCGs operate along the entire

²⁵ FATF (2020).

²⁶ Kingham, T. (2020) Forestry crime: Targeting the most lucrative of environmental crimes, Border Security Report. Available at: <https://www.border-security-report.com/forestry-crime-targeting-the-most-lucrative-of-environmental-crimes/>

timber supply chain, exploiting institutional and legislative weaknesses.²⁷ These activities frequently exploit regulatory gaps and involve falsified documentation to misrepresent the origin, species, or legality of timber products.²⁸

A key characteristic of this typology is the commingling of illegal and legally sourced timber within supply chains, making detection difficult. Financial flows are often disguised through trade transactions supported by manipulated invoices and complex corporate structures. The use of front companies and intermediaries is common to create the appearance of legitimate business activity. Similar to illegal wildlife trade, ILFC is often associated with corruption, including bribery to obtain permits or avoid enforcement, and may intersect with labor exploitation due to the labor-intensive nature of logging activities.²⁹

4.3. Illegal Mining

Illegal mining involves the extraction of precious metals and minerals without approval from the relevant authority or without the necessary licenses or permits for mining, exploration, or transportation. It jeopardizes the environment by causing uncontrolled pollution and harms laborers, who are often exploited. Illegal mining is frequently carried out in informal or weakly regulated environments and relies on intermediaries and cross-border trade channels.³⁰

Extracted materials are typically introduced into legitimate supply chains through traders, refiners, and exporters, making origin verification challenging. These schemes frequently involve the use of shell companies, front businesses, and cross-border transactions, including payments routed through third countries to obscure beneficial ownership and transaction flows.³¹

Illegal mining is also associated with broader environmental and social impacts, including land degradation, pollution, and the use of hazardous substances. These activities may intersect with labor exploitation,

²⁷ INTERPOL (2019) Global Forestry Enforcement: Strengthening law enforcement cooperation against forestry crime. Available at: <https://www.interpol.int/en/Crimes/Environmental-crime/Forestry-crime>

²⁸ FATF (2021)

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

particularly in remote or conflict-affected areas where oversight is limited, and are broadly linked with OCGs and other serious crimes, such as human trafficking, corruption, and money laundering.³²

4.4. Fisheries Crime

Fishing is a critical global food source and is therefore a highly regulated and controlled activity. Fisheries crime refers to illegal, unreported, and unregulated (IUU) fishing and related activities, including unauthorized fishing, underreporting of catch volumes, and non-compliance with regulatory requirements. Examples include fishing during prohibited periods (e.g., breeding seasons) or fishing for endangered species. Such activities can cause significant environmental damage and undermine a critical food source that many communities depend on, leading to ecological instability.³³

Schemes associated with illegal fishing may involve falsification of documentation and the use of complex supply chains, which can obscure the origin of fish products and facilitate their entry into legitimate markets. This creates challenges for traceability and oversight across jurisdictions.

4.5. Waste Trafficking

The global waste market, from collection to recycling, is estimated at approximately USD 410 billion annually.³⁴ Waste trafficking is a form of environmental crime that involves illegal waste management, including the illicit disposal of environmentally damaging materials without government oversight. Improperly managed waste can degrade fertile land, contaminate waterways, and harm air quality. Hazardous materials—such as electronic, medical, chemical, industrial, and plastic waste—dumped in informal landfills can cause severe environmental damage.³⁵

These activities may involve the misclassification of waste or recyclable materials, false declarations, and cross-border shipments that dump waste in countries with less stringent environmental controls. These practices are often driven by cost avoidance and can generate illicit profits while posing significant

³² Ibid.

³³ Ibid.

³⁴ UNEP (2011) Towards a Green Economy: Pathways to Sustainable and Poverty Eradication. Available at: <https://wedocs.unep.org/items/d1e417a9-b21f-4488-8356-31ecaafef8fa>

³⁵ FATF (2021) and The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (1989). Available at: <https://www.basel.int/theconvention/overview/tabid/1271/default.aspx>

environmental and public health risks. Waste trafficking may involve legitimate companies engaging in illegal practices to increase profits, as well as OCGs controlling parts of the waste cycle. For example, following China's ban on the import of plastic waste, OCGs shifted their activities to the ASEAN region for illegal waste shipments, exploiting high import volumes and enforcement gaps.³⁶

Overall, this typology often involves the commingling of licit and illicit activities within the waste management sector, the use of TBML techniques, and is frequently facilitated by corruption, similar to other environmental crimes.³⁷

4.6. Ozone-Depleting Substances (ODS) Smuggling

The UN Montreal Protocol imposes a ban on the use, trade, and sale of many ozone-depleting substances. ODS smuggling involves the unlawful production, trafficking, import, export, or distribution of environmentally regulated substances. Uncontrolled or unregulated ODS can cause significant environmental damage, health issues, and contribute to climate change.³⁸

Within this framework, the smuggling of ozone-depleting refrigerants, pesticides, and fire extinguishing agents composed of banned harmful chemicals constitutes a form of environmental crime, with its proceeds contributing to global money laundering. These schemes may also involve trade misdeclaration and licensing fraud.

³⁶ UNODC (2024a), and UNEP and INTERPOL (2016).

³⁷ FATF (2021).

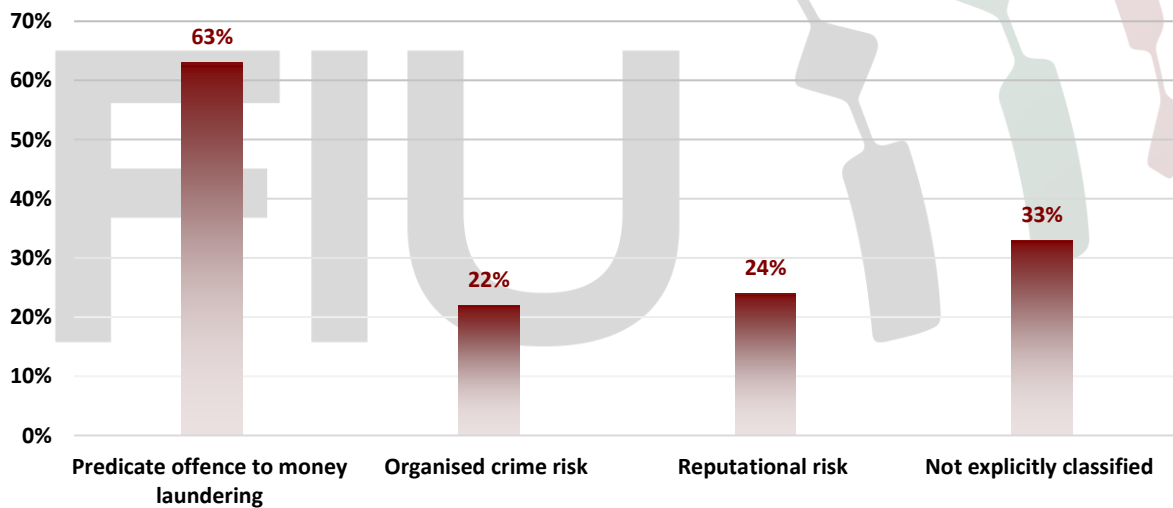
³⁸ Montreal Protocol on Substances that Deplete the Ozone Layer, and World Customs Organization (no date) Environment Programme. Available at: <https://www.wcoomd.org/en/topics/enforcement-and-compliance/activities-and-programmes/environment-programme.aspx>

5. OVERVIEW OF REPORTING ENTITIES' UNDERSTANDING OF ENVIRONMENTAL CRIME

As indicated in the methodology, the UAEFIU circulated a survey in February 2026 to financial institutions to explore reporting entities' understanding of environmental crime typologies and risks, and to identify associated challenges in detecting and investigating environmental crime. The UAEFIU received 92 responses from 48 domestic and international banks and 44 responses from MSBs.

Respondents were asked how they address environmental crime within their institutional risk frameworks. The majority identified environmental crime as a predicate offense to money laundering, while the remaining responses were mixed, as illustrated in Figure 1, noting that some participants selected multiple answers. Overall, the majority of responses were consistent with the explanation provided at the beginning of this report. While environmental crime is often associated with organized crime groups and can lead to reputational risk, it is primarily a predicate offense with a medium money laundering risk according to the UAE's second NRA.

Figure 1: Reporting Entity Perspective of Environmental Crime



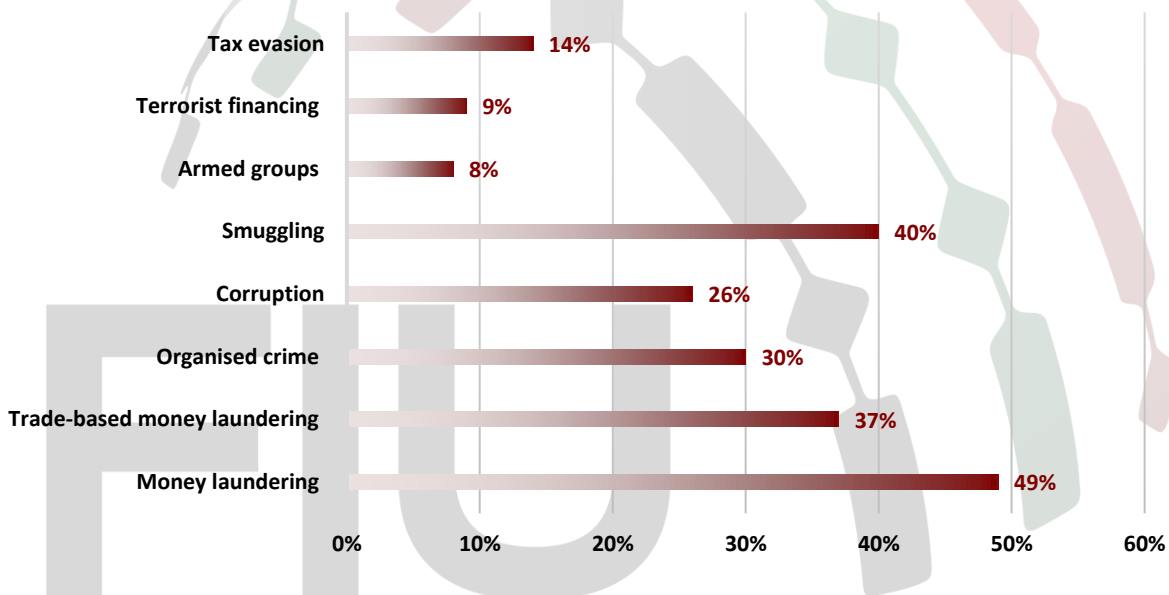
Only 10% of participants indicated that they had identified transactions suspected to be related to environmental crime, and 3% reported that such transactions were under review, while the remainder had not yet identified any related suspicions. This is consistent with the STRs/SARs examined in this report,

where 13 reporting entities submitted one or more STRs/SARs concerning environmental crime or the laundering of its proceeds during the review period.

As a result, 75% of participants did not identify any environmental crime typology or were unable to determine one. Among those who did identify typologies, illegal wildlife trade was the most frequently reported, representing 65% of the confirmed typologies.

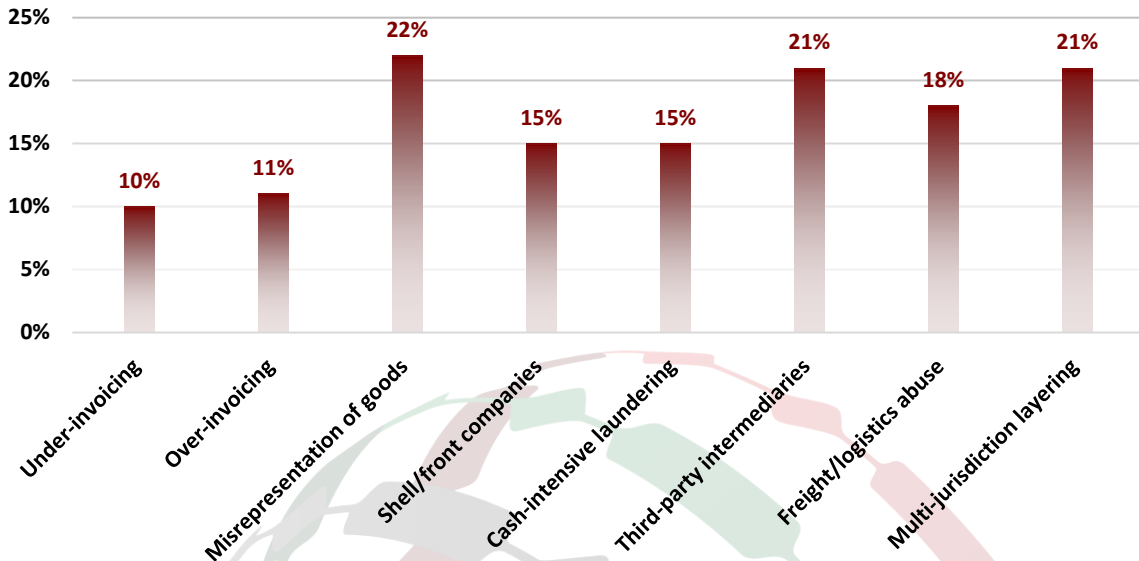
With regard to other illicit acts or crimes associated with potential environmental crime—regardless of whether environmental crime was reported as the main suspicion to the UAEFIU—participants highlighted money laundering as the top associated concern, followed by smuggling and TBML, as indicated in Figure 2.

Figure 2: Associated Crime/Typology with Environmental Crime



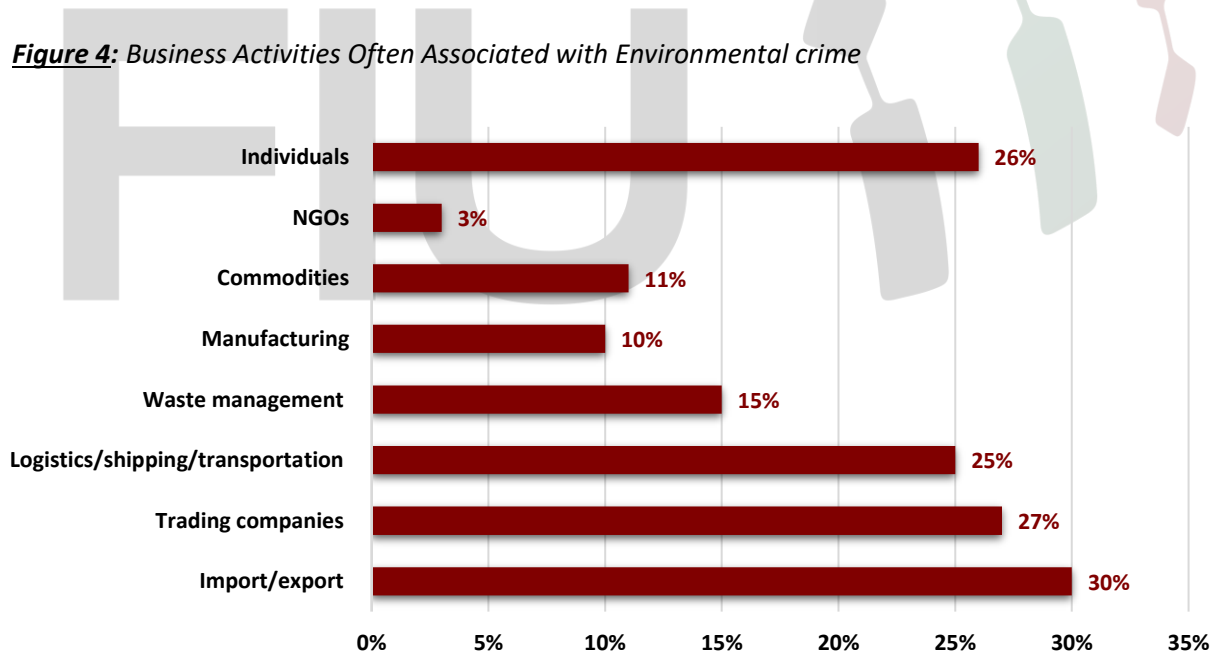
The survey also highlighted potential schemes that may have been observed in environmental crime-related suspicions. Participants’ responses were broadly consistent with the schemes identified in the STRs

Figure 3: Associated Schemes with Environmental Crime



Reporting entities were asked which business activities were observed or could be involved in environmental crime. The majority highlighted the roles of import and export, trading companies, and logistics, in addition to individuals, as shown in Figure 4.

Figure 4: Business Activities Often Associated with Environmental crime



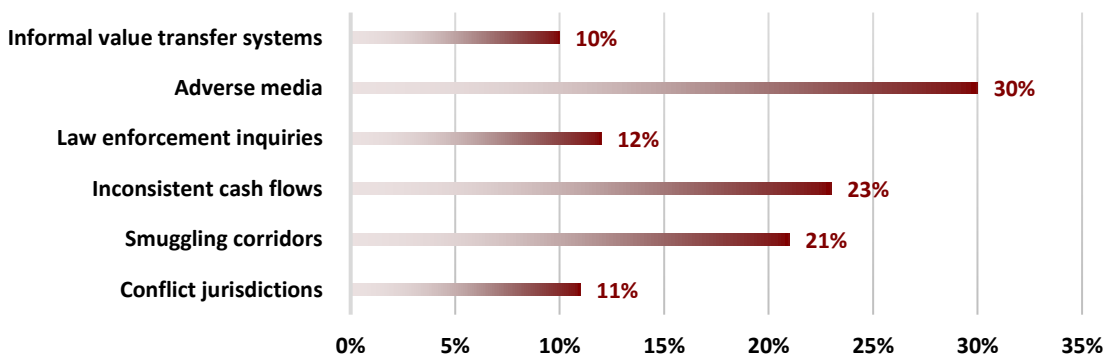
Despite the association between OCGs and environmental crime, as explained earlier in this report, 81% of participants did not clearly observe a link between environmental crime suspicions and OCGs, while 9% rarely observed such a link, and only 10% frequently or occasionally identified it. Similarly, with regard to armed groups, 95% of participants did not observe such a relationship with environmental crime suspicions or were unable to determine one. These responses are consistent with the STRs examined, where explicit references to OCGs and armed groups appeared in only a few reports.

The majority of participants were unable to determine the role of other jurisdictions potentially involved in environmental crime schemes with a nexus to the UAE. Approximately 70% responded that the role was unclear, while 28% of the remainder identified other jurisdictions as source countries, followed by transit (21%), destination (18%), and financial hub (14%).³⁹

Similarly, with regard to the UAE’s role, 71% of participants could not clearly identify the UAE’s role in potential suspicions. However, 24% of the remainder respondents indicated that the UAE could be implicated as a transit jurisdiction, and 20% as a financial hub for suspicious transactions associated with environmental crime. These perceptions are broadly consistent with the analysis of STR/SAR findings, where the UAE’s role was most frequently identified as a financial hub, followed by destination and transit, while other countries were primarily involved as source or transit jurisdictions.

In responding to questions about risk indicators detected in potential environmental crime suspicions, adverse media was the most frequently selected indicator, followed by inconsistent cash flows and smuggling corridors, as indicated in Figure 5.

Figure 5: Frequent Risk Indicators Associated with Environmental Crime



³⁹ Participants were able to choose multiple answers.

Nevertheless, 59% of participants reported that they did not introduce or apply specific measures to address identified suspicions or concerns relevant to environmental crime. The remaining participants confirmed that they had implemented such measures and highlighted the broader role of their monitoring systems, screening systems, identification of UBOs, customer due diligence, adverse media checks, use of relevant keyword searches, and specialized training.

Finally, participants were asked to identify challenges in detecting and reporting suspicions relevant to environmental crime, and measures that would strengthen detection. Limited observed typologies, risk indicators, and intelligence sharing were among the top challenges. Consequently, the need for training, clear risk indicators, and guidance were the top suggested measures. In this context, this report is tailored to provide reporting entities with the information and risk indicators needed to improve understanding of environmental crime and its risks, thereby enhancing detection and reporting.

Figure 6: Key Challenges in Detection and Reporting Activities

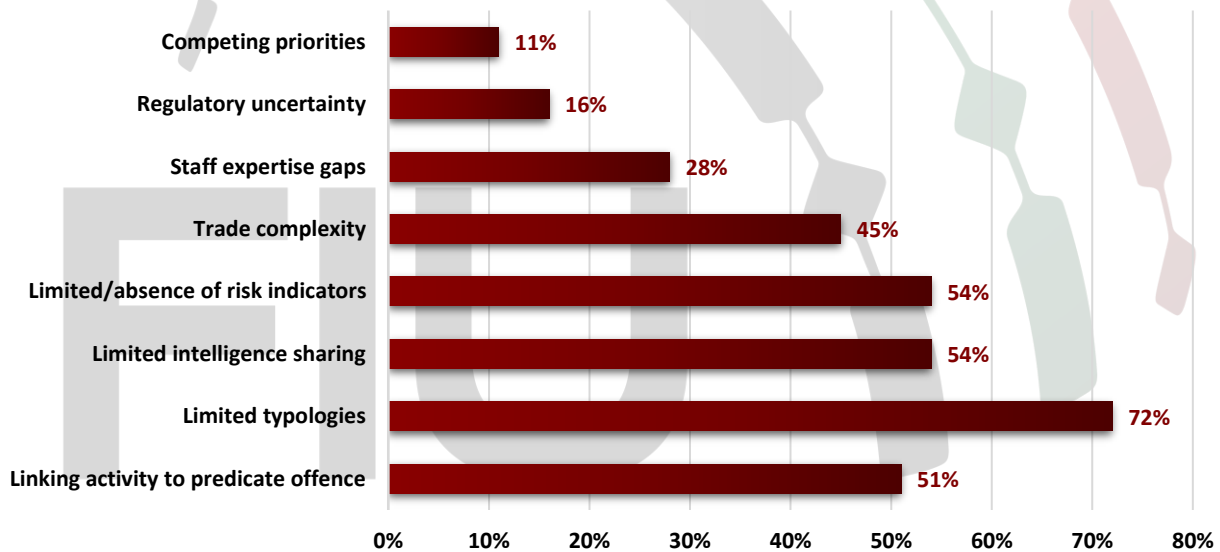
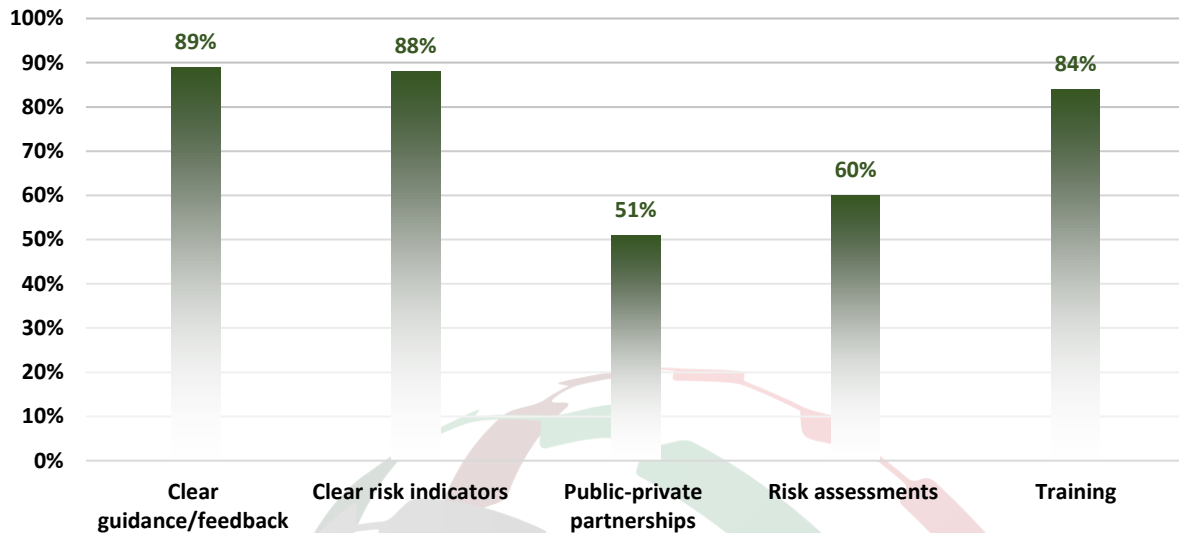


Figure 7: Suggested Measures to Strengthen Detection



6. OVERVIEW OF THE DATA UTILIZED IN THIS REPORT

This section provides an overview of the descriptive analysis of the data used in this report, drawn from the UAEFIU’s databases during the six-year period from 2019 to 2025. The data includes environmental crime-related suspicious and intelligence reports received from reporting entities and competent authorities, cases disseminated to or referred from LEAs, and international intelligence exchanged with counterpart FIUs.

6.1. Analysis of Environmental Crime-Related STRs/SARs

The UAEFIU examined 46 suspicious reports, comprising 27 STRs and 5 SARs (submitted by 29 banks and three MSBs), 12 intelligence reports from ICP, and two additional reports from registrars. These reports involved 28 legal persons (LPs) and 17 natural persons (NPs).

Based on the main concern(s) selected by reporting entities and competent authorities during the submission of suspicious reports, Figure 8 illustrates the ten most frequently used Reasons for Reporting (RFRs).

The analysis further identified the main triggers for reporting, based on textual analysis of the submitted reports, including narrative sections and associated documents. Figure 9 shows that transactional and

behavioral indicators alone accounted for 48% of the examined triggers, while 41% were triggered by adverse media articles or screening tool results, followed by intelligence (7%), such as intelligence from other departments within the reporting entity or from United for Wildlife.⁴⁰

Figure 8: Top 10 Reasons for Reporting (RFRs)

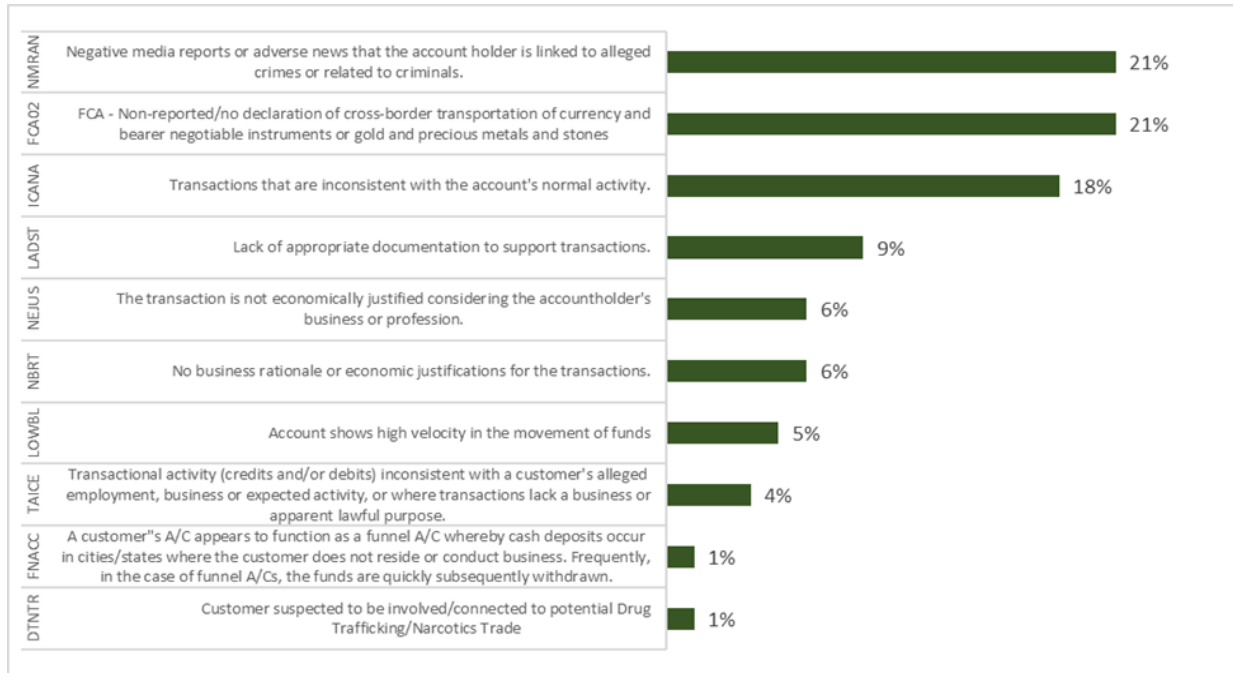
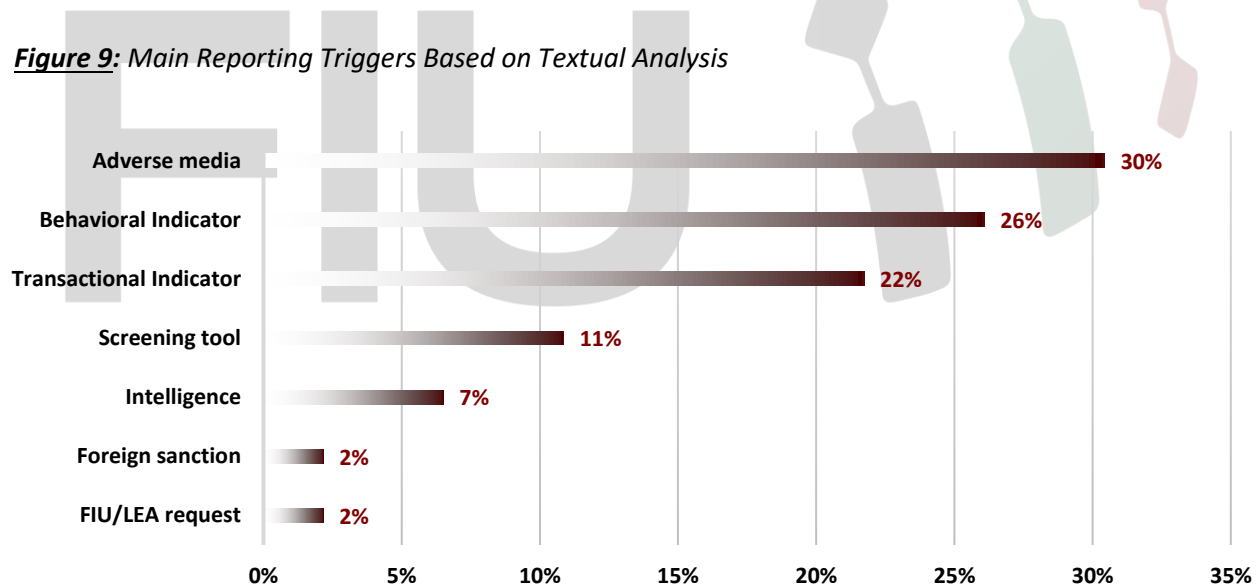


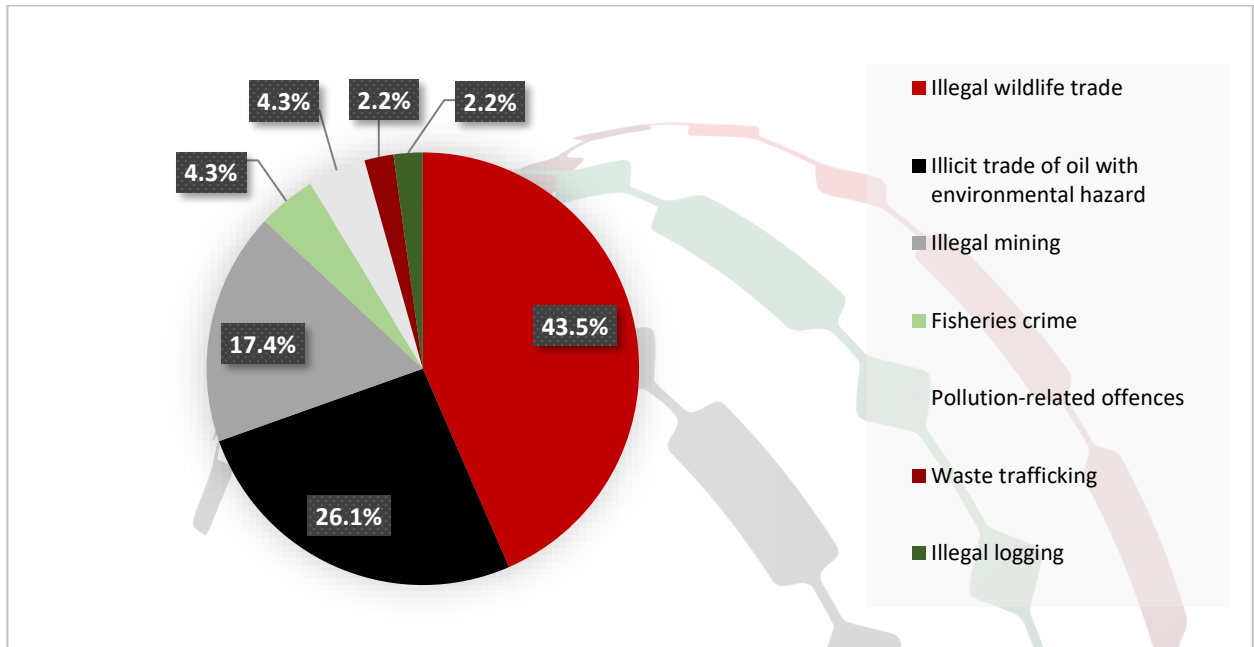
Figure 9: Main Reporting Triggers Based on Textual Analysis



⁴⁰ United for Wildlife operates as a global partnership and digital portal that delivers financial crime typologies and actionable intelligence to map the illicit money trails of wildlife trafficking syndicates, enabling reporting entities within the AML/CFT field to enhance transaction monitoring and disrupt environmental crime networks.

With regard to environmental crime typologies, illegal wildlife trade was the most frequently reported typology (44%) in the examined suspicious reports, followed by smuggling and illicit trade of oil with environmental hazard (26%), and illegal mining (18%). It should be noted that, in some scenarios, the environmental crime did not necessarily occur in the UAE, but its (foreign) proceeds may have been laundered through the UAE.

Figure 10: Volume of Reports by Suspected Typology



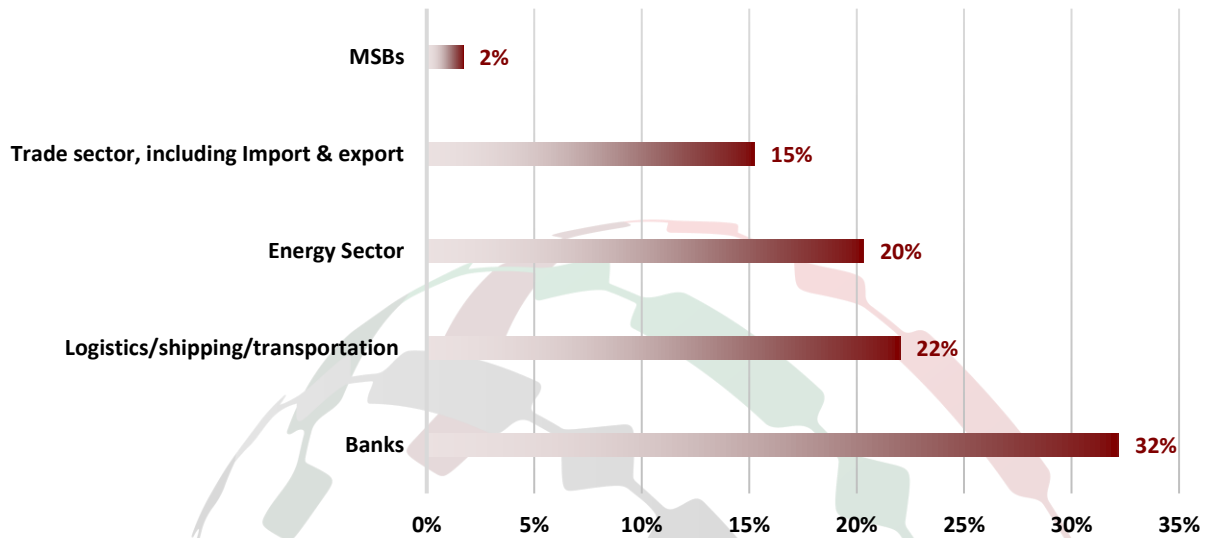
The analysis further identified schemes in the top typologies and associated crimes, as illustrated in Table 1.

Table 1: Involved Schemes in Top Identified Typologies

Typology	Associated Crime Type	Main scheme
Illegal Wildlife Trade	Environmental crime and money laundering	Foreign organized crime; smuggling incidents abroad; illegal possession or sale; third-party intermediaries; multi-jurisdiction layering; shell/front companies; TBML
Illicit Trade of Smuggled Oil	Environmental crime	Smuggling; TBML (misrepresentation of goods)
Illegal Mining	Environmental crime and money laundering	Smuggling incidents abroad; foreign armed group; multi-jurisdiction layering; shell/front companies; TBML (under-invoicing)

The analysis also interpreted the potential misused/impacted sectors in the examined reported concerns according to the typologies described above.

Figure 11: Major Impacted Sectors in the UAE Based on Scenario Interpretation



Overall, these schemes largely involved the use of shell entities, third parties, facilitators, and intermediaries, in addition to suspected perpetrators. In most scenarios, the UAE was used as a financial hub (in 46% of the examined reports), or as a potential destination of goods (30%), or as a transit jurisdiction (6%), while other countries were mostly involved as source or transit jurisdictions.

6.2. Review of request received from LEAs

Analysis of the requests received from domestic law enforcement authorities relating to suspected environmental crime highlighted various concerns, including suspected unlawful acquisition and trade of animals, cases involving endangered, protected, or restricted species, and non-compliance with applicable environmental and wildlife protection regulations. Other cases involved the handling, storage, or disposal of chemical and industrial materials in violation of environmental regulations, as illustrated in Table 2.

Table 2: Main Environmental Crime Concerns Observed in LEAs Requests

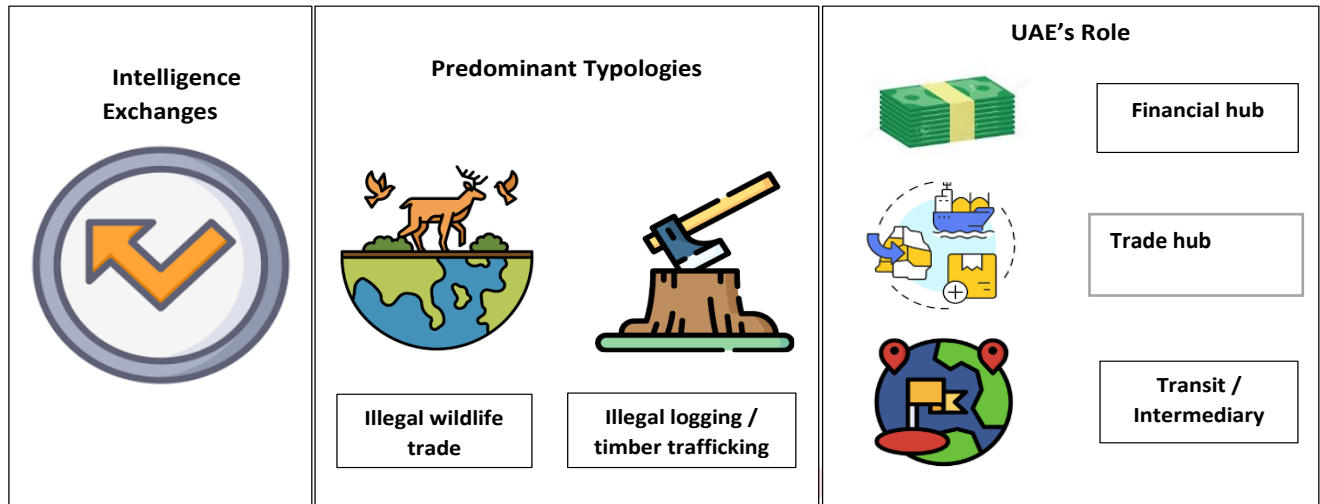
Category	Description	Risk Indicator
Illegal wildlife trade	Illegal possession or trade of endangered, protect, or restricted species	Unlicensed facilities, suspicious trade transactions
Hazardous materials	Improper handling of chemicals	Environmental violations, mismatch with licensed activity
Waste dumping	Illegal disposal or movement of waste	Non-compliant operations, environmental violations, mismatch with licensed activity
Trade and movement of restricted materials	Environmental and sanction violations	Smuggling, cash-intensive activity, use of MSBs

6.3. Review of international intelligence exchanged with counterpart FIUs

The analysis of inward intelligence from counterpart FIUs highlighted cases primarily related to illegal logging and timber trafficking, as well as illegal wildlife trade. Cases relevant to export and sale of timber suspected to be unlawfully harvested in source jurisdictions frequently included indications of irregularities in export documentation, discrepancies between declared and actual goods, and suspected smuggling activities.

Other requests suggested illegal wildlife trade, including cross-border movements involving protected species, supported by financial transactions linked to international trade activities. Additional requests highlighted environmental violations involving regulated substances, including the import or trade of substances with high global warming potential (GWP) without appropriate licensing, permits, or regulatory compliance.

Overall, these requests suggested the use of corporate structures and intermediary entities to facilitate the trade and movement of commodities linked to potential environmental crime, or to act as conduits for suspicious and complex financial flows that may be used to obscure the origin of proceeds. The reviewed requests also illustrated links to money laundering, corruption, smuggling networks, and broader OCG activities.



With regard the outward intelligence sent to counterpart FIUs in relation to environmental crime concerns, these cases mostly involved UAE-based entities and associated individuals conducting transactions inconsistent with their stated business activities. Funds were received through inward remittances and subsequently transferred to multiple counterparties in foreign jurisdictions, indicating potential layering.

7. DATA AND INFORMATION RECEIVED FROM ICP

The ICP serves as a critical first line of defence against environmental crime across land, sea, and air borders in the UAE. These crimes include the smuggling of wildlife and endangered species, as well as the cross-border movement and unlawful disposal of waste, including plastics and solid waste. Such activities are often linked to organized criminal networks and the laundering of illicit proceeds.

In addressing these risks, UAE Customs aligns its efforts with international standards and guidance issued by organizations such as the FATF and UNODC. To effectively detect and prevent such activities, UAE Customs implements an integrated control framework that combines inspection procedures, risk management systems, and advanced data analysis. This framework supports the development of targeting profiles and operational indicators to identify high-risk consignments and passengers.

Moreover, strong emphasis is placed on the verification of documentation and permits related to restricted or prohibited goods. These efforts are carried out in close coordination with MOCCA and other competent

authorities to ensure compliance with national legislation and relevant international conventions. Collectively, these measures demonstrate the commitment of UAE Customs to safeguarding the environment, strengthening border security, and preserving the integrity of trade. They also contribute to broader international efforts to combat environmental crime and the laundering of its proceeds.

According to ICP data, illegal wildlife activities in the UAE exhibit common typologies, including:

- **Misdeclaration and concealment within legitimate shipments:** Wildlife products concealed within declared general cargo or misclassified as low-risk goods. Falsified invoices and packing lists are used to obscure the true nature of the goods, including species, quantities, and country of origin.
- **Personal baggage and courier smuggling:** Wildlife products transported in personal luggage (e.g., musk, skins, small reptiles, and birds), often distributed across multiple couriers. Items are frequently mislabeled as “antiques” or “souvenirs” to disguise prohibited specimens.

8. IDENTIFIED PATTERNS AND KEY FINDINGS

This section presents the main findings of the analysis conducted for this report, focusing on environmental crime typologies identified based on the review of STRs and SARs. The analysis aims to support reporting entities, supervisory and law enforcement authorities, and other relevant stakeholders by providing a comprehensive understanding of how environmental crime-related activities are structured, including associated financial flows, transactional behaviors, and methods used to facilitate and conceal such activities.

8.1. Illegal Wildlife Trade

Illegal wildlife trade was the predominant environmental crime typology in this analysis, representing 43% of the examined suspicious reports and the top reported typology in customs data. The reviewed suspicious reports involved potential illegal wildlife activities related to endangered and exotic species, skins and other animal parts, and wildlife products across multiple jurisdictions.

Transactional patterns showed frequent fund flows involving high-risk jurisdictions or jurisdictions known for wildlife and rare species, with a lack of documentation to support the true nature of the underlying

activities. Several subjects were suspected of receiving or sending substantial cross-border remittances to counterparties involved in wildlife farming, breeding, trading in exotic animals, and trophy hunting activities. Additionally, transactions included airline tickets and hotel bookings in areas located near zoos or wildlife activities abroad, or wire transfers from entities involved in gaming and wildlife hunting in high-risk jurisdictions. Funds were frequently observed to be routed through personal accounts and layered through multiple intermediaries or family members.

Legal persons and beneficial owners' accounts were also frequently misused in this typology, with both consistent and inconsistent licensed business activities, indicating the potential use of front companies to facilitate illegal wildlife trade. In multiple scenarios, beneficial owners' personal accounts received high volumes of funds from multiple sources located in jurisdictions vulnerable to illegal wildlife activities, in addition to transfers from company and own accounts. The movement of funds through local legal persons was often associated with several foreign jurisdictions as the source or destination of illegal wildlife activities, while the economic rationale for the transactions through the UAE accounts remained unclear. Business accounts were also suspected to be used to launder the proceeds of illegal wildlife activities as pass-through accounts.

Trade-based financial crime, including TBML, was common in this typology. For example, MSBs reported several subjects involved in outward remittances to entities in high-risk jurisdictions vulnerable to illegal wildlife activities. Customers submitted documentation indicating that payments were for the import of wild animals to the UAE. Further verification revealed that the importation of such wild animals is only permitted for authorized entities such as zoos, wildlife sanctuaries, research centers, or licensed breeding facilities, and requires specific CITES and MOCCA import permits.

Other reports illustrated similar attempts to bypass CITES permits, references to permits and licenses that could not be verified, and TBML schemes involving falsified documentation, bills of lading, and invoices lacking clear descriptions of species. In some cases, invoices suggested the purchase of wild animals, with transfers involving companies connected to wildlife and game activities. Overall, many scenarios lacked sufficient evidence or supporting documents to clarify the role of the trading party in suspicious payments or trade processes.

With regard to cross-border physical movement of endangered species and wildlife products, several SARs highlighted customers' historical involvement in smuggling schemes and potential illegal possession or sale of wildlife products in or through foreign jurisdictions. However, there were insufficient transactional or behavioral indicators to determine whether the UAE was among the destinations in these schemes, as these suspicious reports were filed solely due to positive screening results.

In a small number of reported cases implying organized illegal wildlife trafficking, with the UAE potentially implicated as a transit point, customers reportedly received large funds from multiple sources, including transfers from personal accounts, associated business entities, and cash deposits, with the ultimate source of funds and economic rationale remaining unclear. Significant outward transfers were made to high-risk counterparties in multiple African and Asian jurisdictions, including individuals directly implicated in wildlife trafficking activities.

Multiple SARs, together with open-source data, highlighted instances where reported subjects and major counterparties had been investigated or convicted abroad for wildlife trafficking, illegal possession or sale of protected species, and other associated offenses including fraud, kidnapping, extortion, and money laundering.

Observed endangered species in these reports included: tortoises and turtles, falcons, Spix's macaw, rare parrots, okapi, animals with antlers and horns (e.g., Deer, Rhino), baby primates, orangutans and gibbons, animal skin and gallbladders (e.g., Sable and Baum Marten), and other unidentified rare reptiles. It is important to note that not all of these species were traded or facilitated through the UAE, as several reports were linked solely to historical adverse media about illegal wildlife trade activities abroad by current resident customers of reporting entities in the UAE.

Core associated crimes/typologies included: trade-based financial crime, smuggling, and the use of front and shell entities (e.g., entities licensed for consultancies and investment management, animals and birds' requisites trading, and other trading companies in foodstuffs and animal supplies).

Case Example 1: Multi Agency Investigation of Wildlife Smuggling and Use of Business Accounts

Customs inspectors identified several consignments arriving at one of the UAE’s airports that were declared as “leather goods” and “decorative items” from high-risk wildlife source countries. Upon inspection, the shipments were found to contain protected wildlife products—including reptile skins and mounted animal parts—concealed within mixed cargo.

ICP subsequently submitted a Customs Intelligence Report (CIR) to the UAEFIU, revealing multiple risk indicators associated with a legal entity (**Subject A**) licensed for import activities. Subject A had been recently established with minimal capital and no employees, lacked any verifiable history of legitimate trading in leather products, and showed payments involving high-risk jurisdictions that were inconsistent with its declared business activities.

Further analysis by the UAEFIU, integrating customs data and details from related STRs, uncovered that Subject A and associated entities and counterparties had received numerous international transfers from individuals and companies previously linked to environmental crime investigations, including wildlife and timber trafficking. The funds were rapidly dispersed through cash withdrawals and outward transfers to third-party accounts across different jurisdictions.

A joint task force comprising the Ministry of Interior, ICP (UAE Customs), and the Public Prosecution executed coordinated search and seizure operations at the company’s warehouses and offices. These actions resulted in the seizure of illegal wildlife products, shipping documentation, and electronic devices. Legal proceedings were initiated for environmental crime, smuggling, and money laundering. The court subsequently ordered the confiscation of the seized wildlife items and all related proceeds

Risk indicators:

- Newly established company with no recorded employees, trading in commodities vulnerable to environmental crime.
- Transactions involving payments to high-risk jurisdictions known for illegal wildlife activities.
- Shipment declarations for products related to animal parts and skins.
- Counterparties previously identified in suspicious transactions relevant to environmental crime or other financial crime types.

Case Example 2: Illegal Wildlife Trade and Laundering its Proceeds

A domestic bank submitted an STR to the UAEFIU concerning a free zone company (**Company A**) and its owner (**Person A**), a foreign national residing in the UAE. Company A was incorporated in late 2024 and licensed for management consultancy, investment in commercial enterprises, and veterinary equipment and instrument trading. Company A's accounts showed high-value incoming and outgoing cross-border transfers that were inconsistent with its recent incorporation and declared business profile. Multiple funds were also transferred from Company A to Person A's personal accounts abroad.

Person A explained to the reporting entity that the funds were related to the sale of live animals from Europe to Southern Africa. However, documentation provided by Company A referenced rare reptile species and other high-value animals, some of which were subject to international conservation frameworks (e.g., CITES, IUCN-listed species).

Further analysis revealed transactional activities involving another free zone entity (**Company B**), in addition to other foreign entities and individuals engaged in the trade of rare and exotic animals, including an overseas reptile center. Company B had been the subject of multiple STRs reported to the UAEFIU from different financial institutions, citing unusual patterns and poor documentation. Substantial funds were then transferred to individuals and entities with potential financial crime concerns, including **Person B**, a foreign national previously reported in connection with high-value luxury watch purchases and suspected wildlife-related illegal activity.

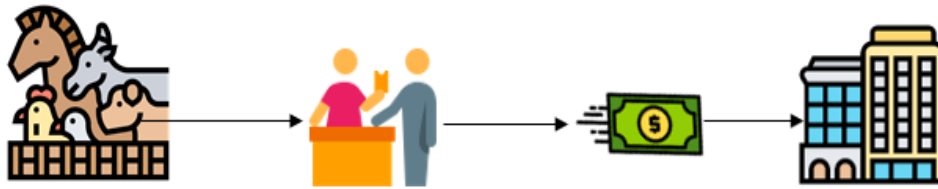
The analysis also identified additional transfers from Company A to a property holding entity in a foreign jurisdiction for the purchase of real estate. Open-source information indicated that the property entity was located in an area associated with wildlife and conservation-sensitive locations.

Company A appeared to act as a channel for payments linked to high-risk wildlife trade and as a conduit to launder proceeds from illegal wildlife trade and associated environmental crime. The UAEFIU disseminated the case to the concerned law enforcement authority for further investigation and initiated a request for information to the relevant foreign counterpart FIU.

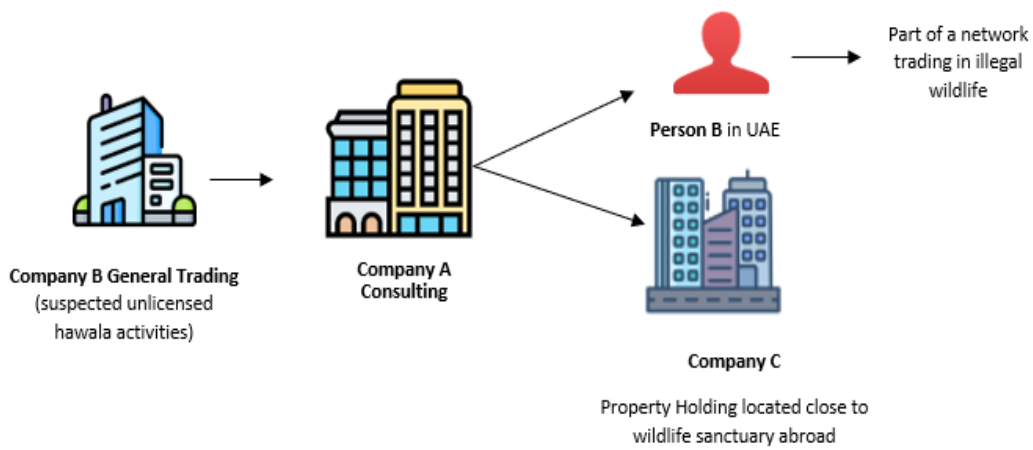
Risk indicators:

- Newly established company with rapid high-value and cross-border transactions.
- Declared business activities not aligned with observed transactional behavior.
- Links to rare/exotic species and conservation-sensitive areas.
- Transactions with entities and individuals subject to prior STRs.
- Inadequate documentation regarding the legality of wildlife trade and the source of funds.

Case Example 2 Illustration



High volume of transfers received by/transferred to company (A)
from multiple local and foreign companies



Funds moved through multiple entities and cross-border transfers to
obscure their illicit origin



8.2. Illicit Trade of Smuggled Oil and the Environmental Hazard

Twenty-six percent of the examined suspicious transactions and activities concerning potential environmental crime were reported to the UAEFIU by ICP. These reports highlighted the relationship between illicit trade in smuggled oil and environmental hazard. The analysis illustrated a network of companies licensed for trading in oil and petroleum products that were suspected of transporting oil from one oil-exporting country to the UAE (also an oil exporter), where the origin of the oil was suspected to be a third jurisdiction.

Some counterparties of these companies were subject to negative open-source findings, including sanctions by foreign authorities. Relevant STRs/SARs from financial institutions underlined incidents of misuse of letters of credit, which were collateralized with a pool of exports, by tampering with restrictive terms. Open-source data indicated that one of these companies issued fake contracts and invoices to banks and finance houses (TBML).

In terms of transactional patterns, the company's account was funded mainly through inward remittances, outward clearing checks, and internal transfers from various entities (potential shell entities). Funds deposited in the account were withdrawn through outward remittances and internal transfers. The customer's account exceeded the annual expected turnover, and the customer claimed to operate as a middleman between buyers and suppliers, sourcing products in bulk from producers and selling them to retailers.

Overall, the analysis illustrated the use of multiple methods in relation to environmental crime and money laundering, including the movement of smuggled fuel via trucks or informal routes (transportation and logistics), unlicensed and unsafe storage facilities in poorly maintained industrial areas (storage and warehousing), potential unlicensed fuel distribution networks, and misuse of legal persons and trade-based schemes (e.g., falsified documentation or misuse of trade finance facilities).

These scenarios highlight an environmental crime dimension represented by improper handling, storage, and disposal of hazardous substances, which can cause soil and groundwater contamination, fire and explosion risks, and air pollution from leakage or burning. The financial crime dimension involves proceeds

generated from smuggling schemes and associated money laundering risks, with environmental harm as a downstream effect.

8.3. Illegal Mining

As previously addressed in the UAEFIU's strategic analysis reports on the misuse of precious metals and stones in financial crime (2022, 2025), precious metals and stones—especially gold and diamonds—originating from conflict zones are recognized globally as a form of currency to finance conflict and are associated with illicit resale, smuggling, and money laundering schemes to disguise their origin. Illegal mining, in the context of environmental crime, describes the extraction, processing, and trade of minerals conducted in violation of national laws, environmental regulations, or international standards.

Seventeen percent of the examined suspicious activities and transactions were reported due to concerns related to unregulated or conflict mineral supply chains (gold and diamonds), raising significant concerns regarding the legitimacy of the supply chain and potential circumvention of international controls. Reports examined within the context of environmental crime illustrated scenarios involving open-source information on potential smuggling schemes from high-risk jurisdictions for conflict minerals, including breaches of gold sourcing rules and the Kimberley Process Certification Scheme (KPCS).⁴¹

Some companies with links to the UAE were suspected of operating within a network of entities licensed for trading jewelry and precious stones, with funds noted to be layered and moved among counterparties. While conflict indicators (e.g., lack of responsible sourcing documentation or non-KPCS diamonds) do not automatically confirm environmental harm, they are strong proxies for weak governance conditions where environmental degradation is highly likely.

Other incidents were reported due to corporate networks owned by the same UBO across multiple jurisdictions suspected of involvement in mining and illegal trafficking of minerals from mines located in high-risk jurisdictions without following responsible sourcing rules. Concerns included dealing with illegal

⁴¹ The Kimberley Process Certification Scheme (KPCS) is an international trade-control framework that mandates participating governments to certify rough diamond shipments as conflict-free, serving as a vital regulatory barrier to prevent the laundering of illicit diamonds into the legitimate supply chain by illicit actors.

shipments of gemstones and the use of bribery to foreign officials, as well as declaring false export values in international markets to evade taxes. The corporate network illustrated suspicious transactions among these local entities.

Similar to illegal wildlife activities, misuse of legal persons often involved trade-based financial crime techniques, such as missing certificates of origin for sourced gold and non-verifiable shipping documents, suggesting possible sourcing from informal or unregulated channels.

Other reports showed cases of smuggling industrial minerals between foreign jurisdictions after being illegally mined, with transactional patterns in associated customers' accounts in the UAE involving major credits from overseas accounts and own account transfers.

Ultimately, cases of illegal mining often involved smuggling, the use of front entities, TBML, and multi-jurisdiction layering by intermediaries and facilitators. The examined suspicious reports did not contain sufficient information to establish environmental harm within the UAE. Nevertheless, the illegal mining typology sits at the intersection of environmental crime, organized crime, and money laundering.

8.4. Pollution-Related Offenses and Waste Trafficking

UAEFIU received two suspicious reports linked to pollution-related offenses and waste-related activities in foreign jurisdictions, primarily triggered by adverse media on customers of reporting entities residing in the UAE. These reports indicated pollution caused by industrial operations, illegal management of special waste, hazardous chemical waste mismanagement, and steel mill activities.

8.5. Illegal Logging and Timber Trafficking

Analysis identified a single report involving a company engaged in potential illegal timber trading and deforestation-related activities abroad. The report indicated significant cross-border financial flows and inward remittances followed by high-value outward transfers to a counterparty located in Africa.

8.6. Fisheries Crime

The UAEFIU received two suspicious reports concerning customers with historical unlicensed fisheries activities abroad. Subjects were reported for fisheries crime involving economic activities conducted through a network of companies engaged in a flourishing fishing business, while illegally extracting aquatic biological resources, which affected the ecosystem in the foreign jurisdiction. Transactional patterns highlighted the use of family businesses and corporate networks abroad, while the UAE account was used for money laundering purposes, with high-value, rapid wire transfers across multiple jurisdictions where the underlying purpose remained ambiguous.

9. DEVELOPED RISK INDICATORS

The UAEFIU developed a list of risk indicators based on the analyzed data, including suspected transactions and observed environmental crime scenarios. These risk indicators are intended to guide UAEFIU stakeholders in detecting, investigating, and reporting suspicious transactions and behaviors relevant to environmental crime or the laundering of its proceeds.

The indicators listed below are not exhaustive and should not be applied in isolation. Criminal activity cannot be concluded based on a single indicator, but rather on a combination of indicators and contextual information. The following risk indicators should also be considered together with other publications and sources referenced in this report (e.g., FATF reports *Money Laundering from Environmental Crime, 2021*; and *Money Laundering and the Illegal Wildlife Trade, 2020*).

9.1. Customer Profile and Behavioral Indicators

1. Screening results link the subject or associated counterparty to environmental crime.
2. Open-source information indicates activities relevant to purchasing or hunting rare species, or visits to high-risk jurisdictions known for illegal wildlife.
3. Adverse media coverage suggests that the customer may have bribed public officials to secure waste management tenders.

4. A customer conducts transactions linked to high-risk commodities for environmental crime (such as wildlife, processed foodstuffs, pet food, timber, minerals, or fuel) without appropriate licensing or demonstrated expertise.
5. Excessive purchase of high-value luxury goods, including animal-based products.
6. A resident customer owns a hunting or animal farm/land, especially in high-risk jurisdictions vulnerable to illegal wildlife activities.
7. An individual is identified as a manager or director of several companies linked to environmental extraction.
8. A customer uses multiple legal persons across jurisdictions without a clear commercial rationale or operational linkage.
9. Excessive turnover of a trading company owned by a subject of adverse media related to illegal wildlife or other environmental crime typologies.
10. Use of suspected shell entities or company networks for circular trade and financial flows.
11. A customer shows limited operational presence (e.g., recently established entity, minimal staffing, no verifiable business footprint) despite significant transaction volumes.
12. A natural or legal person engages in commercial-scale cross-border activity inconsistent with their declared occupation or business model.
13. A customer engages in a high volume of environmental activities inconsistent with their financial or business profile.
14. Use of multiple storage locations not declared in the business profile.
15. A customer appears to act as a financial conduit, transferring funds between external parties without a clear economic purpose.
16. Financial flows are separated from the physical movement of goods, increasing opacity and reducing traceability.
17. Trading activity is conducted without sufficient infrastructure or operational capacity.
18. Limited transparency regarding beneficial ownership, or involvement of nominee shareholders or unrelated parties.
19. A customer is unable or unwilling to provide adequate supporting documentation, including contracts, invoices, permits, or shipping records.

9.2. Transactional Patterns and Account Activity

20. Transactions linked to animals, animal parts, or wildlife-related activity without evidence of required permits or regulatory compliance.
21. Transactions for airline tickets and hotel bookings in areas located near zoos or wildlife activities, particularly when combined with other risk indicators.
22. Payments involving zoos, breeders, or wildlife traders where the legitimacy of the activity or licensing is unclear.
23. A personal account receives a high volume of funds from multiple sources located in high-risk jurisdictions vulnerable to illegal wildlife activities.
24. Financial flows connected to endangered or protected species, with unclear origin or purpose.
25. Transactions between entities or individuals not registered in the mining/logging sector or other trades that could be relevant to environmental crime.
26. Cash payments or transfers to counterparties operating in the timber/mining industry, with no clear business rationale.
27. Transactions involving hazardous materials or regulated substances without supporting documentation or permits.
28. International transfers between a local waste management company and a counterparty in a jurisdiction known as a source for waste trafficking.
29. Payments linked to waste management or industrial activities where environmental compliance is unclear or questionable.
30. Financial activity linked to fuel or subsidized commodities, suggesting cross-border movement to exploit price differentials.
31. Fuel-related businesses with high cash turnover inconsistent with the size or nature of the business.
32. Payments to or from unlicensed fuel traders or unknown intermediaries.
33. Payments linked to remote storage sites or industrial areas.
34. A business account is used to make payments through third-party accounts, intermediaries, or facilitators that are not clearly linked to the underlying activity.

35. Funds are received and rapidly transferred to other beneficiaries, suggesting use of the account as a transit or intermediary account.
36. Trade-related transactions show inconsistencies in values, quantities, or counterparties, suggesting possible misrepresentation of goods or services.

9.3. Geographic Indicators

37. The account shows frequent inward and outward cross-border transfers involving high-risk jurisdictions for environmental crime, without a clear economic rationale.
38. Financial flows show complex routing across jurisdictions, including jurisdictions associated with natural resource extraction or environmental crime risks.
39. Transactions involve multiple jurisdictions forming source–transit–destination patterns, particularly in natural resource supply chains.
40. Financial flows are routed through jurisdictions not logically connected to the trade, indicating possible multi-jurisdictional layering.

9.4. Documentation

41. Violations of export permits or falsification of CITES permits (Convention on International Trade in Endangered Species).
42. Lack of transparency and supporting documentation where transfers involve counterparties or companies connected to wildlife and game activities.
43. Invoices suggesting the purchase of wild animals or animal parts.
44. Transactions involving gold, diamonds, gemstones, or minerals sourced from high-risk jurisdictions, with limited supply-chain transparency.
45. Trade involving timber or wood products from high-risk jurisdictions, without clear evidence of legal sourcing.
46. Links to transport/logistics firms with no clear contracts or commercial justification.
47. Customers operating in fuel trade or other natural resources without proper licensing.
48. Lack of environmental or safety permits, especially for hazardous material storage.

49. Trade involving high-value extracted natural resources or substances from high-risk jurisdictions, without clear evidence of legal sourcing.
50. UAE-based personal or business accounts used as financial hubs, transit points, or commercial nodes within international networks, without a clear or documented economic rationale.
51. Transactions supported by documentation that is inconsistent, vague, or unverifiable, including invoices that do not clearly correspond to the nature of the transaction.
52. Payments made for goods or services where there is no evidence of shipment, delivery, or customs clearance, or where documentation is incomplete.
53. Discrepancies between shipping documents and declared goods, or inconsistencies in export/import documentation.
54. Declared values of natural substances and commodities inconsistent with market norms, indicating possible undervaluation or misrepresentation.
55. Lack of compliance with relevant certification or regulatory requirements.

9.5. Risk indicators related to Customs

56. Shipment of goods that are restricted or prohibited (e.g., hazardous materials or waste).
57. Shipments involving high-risk transit hubs, shipping lanes known for illicit wildlife trafficking, poaching hotspots, conflict zones, or weak governance areas.
58. Altered, expired, or missing permits, or invalid CITES documentation.
59. Shipment declarations for products related to animal parts and skins.
60. Wildlife products declared under incorrect HS codes (e.g., as handicrafts, food products, souvenirs, or synthetic materials) or hidden within furniture, timber shipments, frozen food containers, luggage, and parcel shipments.
61. Traders unable to explain species origin, breeding source, or supply chain.
62. Refiners or dealers unable to evidence OECD due-diligence steps for CAHRAs (conflict-affected and high-risk areas), relying on unverifiable mine-of-origin letters.
63. Invoices inconsistent with market values or lacking validation (e.g., refinery or customs stamps).
64. Gold/diamonds exported from non-producing or low-capacity countries.
65. Traders unable to verify the source of minerals.

66. Complex supply chains with multiple intermediaries.
67. Inconsistent origin/destination where oil is declared from or to unlikely jurisdictions.
68. Fuel transported in non-specialized or unlicensed containers.
69. Repeated use of the same logistics providers, especially those previously flagged or linked to suspicious activity.
70. Companies with no history in trading specific high-risk commodities suddenly importing or exporting such commodities.
71. Newly established entities engaging in high-volume shipments of high-risk commodities shortly after incorporation.
72. Inconsistent trading activities or shipments of a legal entity compared to its declared licensed business activities.
73. High-frequency, low-volume shipments indicating structuring to avoid scrutiny thresholds.
74. Unusual trade routes that include indirect routing through multiple jurisdictions without economic justification.
75. Unexplained changes in routes and destinations associated with higher-risk jurisdictions.
76. Frequent amendments or declarations, including last-minute changes to cargo type, volume, or destination.
77. Permit quantities inconsistent with shipment contents.
78. Use of vague product descriptions to obscure the nature of the shipment.
79. Misclassification of products declared under incorrect HS codes.
80. Irregular shipping documentation, such as missing or inconsistent bills of lading, manifests, or transport permits.
81. Discrepancies between data fields (such as weight, quantity, and description), implausible invoices or pricing, and repeated errors or inconsistencies in customs declarations.
82. Mixed consignments combining different types of goods, or repeated small consignments with similar characteristics.
83. Unusual packaging or concealment methods, or frequent differences in specifications.
84. Missing or invalid permits and authorizations.

85. History of previous seizures, patterns of repeated violations, results of previous inspections, and field observations.
86. Open-source data or negative screening results related to financial crime or customs violations involving the importer, exporter, or customs broker.

10. CONCLUSION

This report highlighted the evolving and complex nature of environmental crime and associated financial flows, which are often embedded within legitimate trade and financial activities. The findings demonstrate that environmental crime typologies are characterized by cross-border transactions, limited transparency, and fragmented information, making detection inherently challenging. While the reviewed cases do not always provide conclusive evidence of underlying environmental offenses, they consistently indicate potential exposure to illicit activities within higher-risk sectors.

The analysis underscored risks within commodities, trading, and financial services, where vulnerabilities arise from opaque supply chains, insufficient trade documentation, and the use of accounts to facilitate high-value movement of funds across multiple jurisdictions, involving several intermediaries and facilitators. The UAE's implication as a financial hub, transit jurisdiction, and commercial intermediary further reinforces its exposure to the risk of environmental crime and the laundering of its proceeds, particularly in relation to cross-border financial and trade activities.

Environmental crime is assessed as presenting a medium risk for money laundering, according to the UAE's second NRA (2024). While reporting entities are encouraged to apply a risk-based approach, this should not be confused with underestimating the potential risk. Institutions should periodically evaluate the scale and evolution of environmental crime risks through internal policies and assessments, as risks may be elevated or associated with specific institutional vulnerabilities.

Enhancing monitoring capabilities and training compliance officers on detecting and reporting environmental crime suspicions are therefore highly recommended, especially since most of the observed scenarios in this report involved multiple schemes and other financial crime typologies, particularly money laundering.

FIUs play a key role in detecting environmental financial crime by analyzing STRs and other financial intelligence. STRs can help identify when environmental crime activities occur, including misuse of

corporate structures and accounts, third-party accounts, complex financial flows, and unexplained revenue linked to potential illegal activities, thereby enabling actionable intelligence and supporting asset freezing where appropriate.⁴² To support this role, this report includes a set of risk indicators developed by the UAEFIU, aimed at assisting reporting entities and domestic stakeholders in monitoring, detecting, and investigating environmental crime-related activities. Reporting entities are urged to integrate these indicators and associated scenarios into their transaction monitoring systems and to apply them within a risk-based approach, as part of their broader financial crime compliance frameworks.

Environmental crime is a multifaceted phenomenon driven by lucrative profits for opportunistic organized crime groups, which exploit gaps in scrutiny and control, causing potentially irreparable environmental damage. The findings of this report emphasize the need for continued engagement between competent authorities and the private sector to:

- Enhance awareness of environmental crime typologies;
- Strengthen detection capabilities; and
- Mitigate the misuse of the financial system for activities linked to environmental harm.



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⁴² FATF (2020) and ECOFEL (2021) Financial Investigations into Wildlife Crime. Available at: [https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL - Financial Investigations into Wildlife Crime.pdf](https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL_-_Financial_Investigations_into_Wildlife_Crime.pdf)