MONEYVAL: Typologies Report on Financial Crime Risks Linked to Conflict-Related Proceeds

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On 12 March 2026, MONEYVAL released a typologies report examining money laundering (ML), terrorist financing (TF), and proliferation financing (PF) risks linked to conflict-related proceeds. Adopted at MONEYVAL's 70th Plenary in December 2025 (→eucrim 4/2025, 289), the report is based on information from 17 MONEYVAL jurisdictions and recent case studies. It identifies key methods by which such proceeds are generated, moved, and concealed.

The report examines how armed conflicts and military aggression create conditions in which illicit proceeds are generated and laundered and may subsequently be used for terrorist or proliferation financing. MONEYVAL highlights that weakened state institutions, disrupted markets, and limited regulatory and law enforcement capacity allow conflict-related criminal economies to take root and spread across borders, thereby perpetuating conflict and instability.

The report's key findings can be summarised as follows:

- **Conflict-related financial flows take many forms and frequently cross borders:** The report identifies corruption, fraud, cybercrime, trafficking of drugs and arms, and the misappropriation of resources as important sources of conflict-related proceeds. These funds are then moved through a combination of formal and informal financial channels, corporate structures, and virtual assets, sometimes involving state-linked actors, mercenaries, or private military companies.
- **Sanctions circumvention is a major conflict-related risk:** MONEYVAL finds that such schemes are becoming increasingly sophisticated and transnational, particularly in the context of proliferation financing. They rely on shell and offshore companies, third-country intermediaries, and virtual assets to conceal ownership and financial flows. The cases examined range from concealed transactions involving military and dual-use goods to attempts to circumvent restrictions on virtual asset services.
- **Conflict-related risks remain insufficiently reflected in national risk assessments (NRAs):** Of the 17 responding jurisdictions, seven had not explicitly addressed conflict-related ML, TF, or PF risks in their latest NRAs, while four were updating them. Even where such risks were considered, key threats such as arms trafficking, cybercrime, and the activities of foreign fighters or private military companies often remained unassessed. Non-profit organisations (NPOs) illustrate this gap: although eight jurisdictions identified NPOs as vulnerable to TF abuse, only three had examined in depth the risks associated with NPOs and crowdfunding platforms in conflict zones.
- **Risk-mitigation measures are expanding, but their implementation remains uneven:** Jurisdictions increasingly use targeted financial sanctions, asset freezes, confiscation, financial intelligence, and cross-border cooperation to disrupt conflict-related financial flows. Yet, their effectiveness is

hampered by weak inter-agency coordination, limited proactive use of financial intelligence, uneven sanctions monitoring, and insufficient private-sector engagement.

MONEYVAL therefore encourages its members to integrate conflict-related risks into national risk assessments, translating the findings into targeted action plans and supervisory indicators. It also calls for closer cooperation among competent authorities, across borders, and with the private sector, alongside the greater use of technological tools to trace financial flows. Ultimately, the report stresses the need to align financial supervision more closely with geopolitical risk analysis.

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