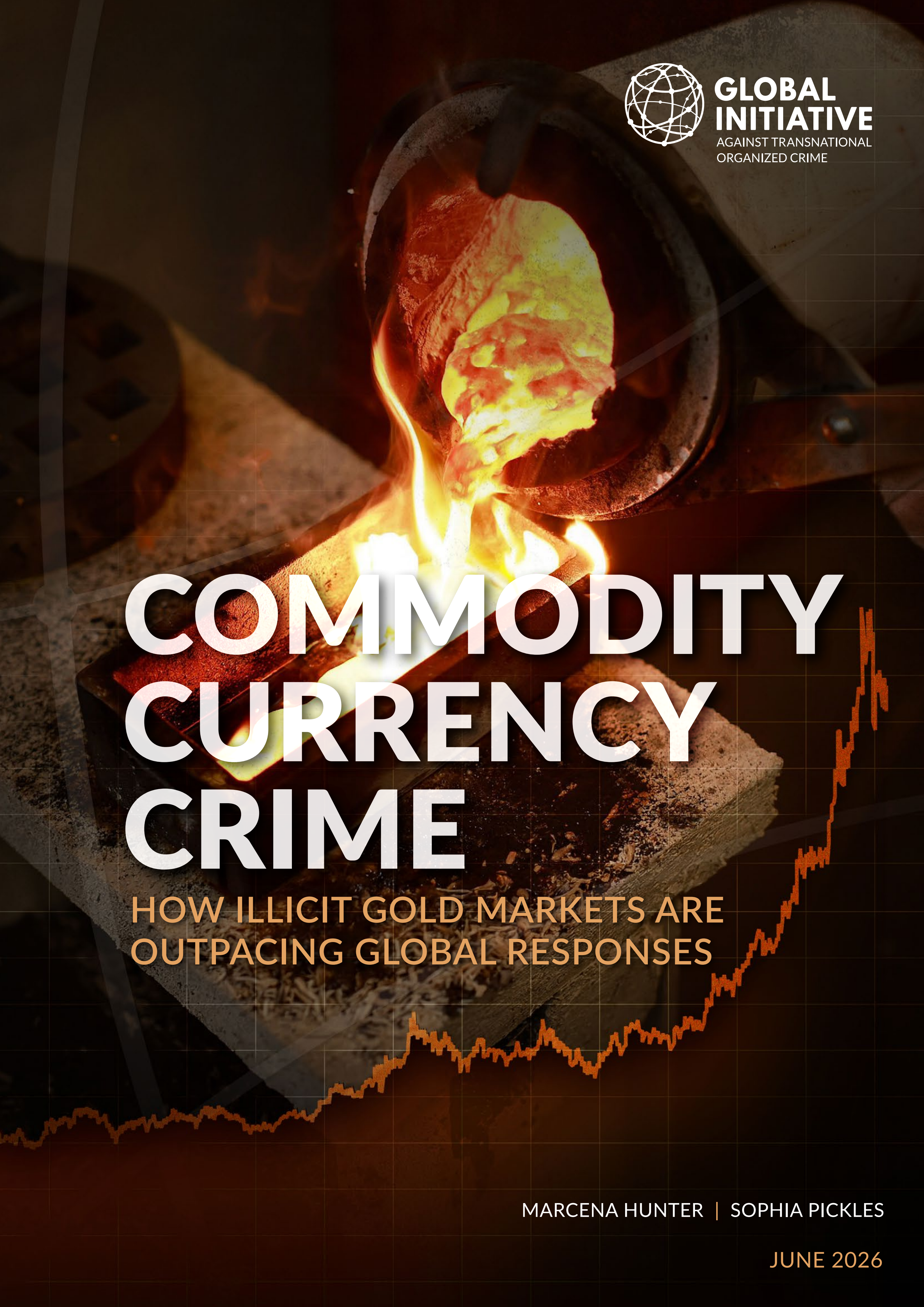

GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME

COMMODITY CURRENCY CRIME

HOW ILLICIT GOLD MARKETS ARE OUTPACING GLOBAL RESPONSES

MARCENA HUNTER | SOPHIA PICKLES

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Note: This publication reports on issues occurring both within the formal gold industry and illicit gold sectors, and identifies areas of risk with regard to supply chains. The mention of any person or entity within this report should not be directly or indirectly construed as a statement to the effect that they are involved in any illicit activity or negative conduct.

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CONTENTS

ACRONYMS AND ABBREVIATIONS

AML	Anti-money laundering
ASGM	Artisanal and small-scale gold mining
CAHRA	Conflict-affected and high-risk area
CAR	Central African Republic
CCCMC	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
COMEX	Commodity Exchange Inc, part of the New York Mercantile Exchange
DMCC	Dubai Multi Commodities Centre
DPMS	Dealers in precious metals and stones
DRC	Democratic Republic of the Congo
ETF	Exchange-traded fund
EU	European Union
FATF	Financial Action Task Force
FIU	Financial intelligence unit
FTZ	Free trade zone
GI-TOC	Global Initiative Against Transnational Organized Crime
IBC	International bullion centre
IMF	International Monetary Fund
JNIM	Jama'at Nasr al-Islam wal Muslimin
KSMH	Kaloti Suriname Mint House
LBMA	London Bullion Market Association
LPMCL	London Precious Metals Clearing Limited
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
OTC	Over-the-counter
RGG	Responsible Gold Guidance (of the LBMA)
RJC	Responsible Jewellery Council
RSF	Rapid Support Forces (Sudan)
SAF	Sudanese Armed Forces
UAE	United Arab Emirates
UK	United Kingdom
US	United States of America
USDT	Tether (stablecoin pegged to the US dollar)
WGC	World Gold Council

EXECUTIVE SUMMARY

Illicit gold is one of the most consequential criminal markets in the world and a pre-eminent accelerant economy,[1] amplifying and sustaining broader criminal economies.[2] The term 'illicit gold' applies to a wide range of activities and gold products, including gold illicitly mined, processed or traded, and legally procured gold used for illicit purposes. It finances sanctioned regimes, fuels environmental crime, and funds conflict, while moving through the same refineries, trading desks and financial institutions as those used by legitimate gold markets, connected by systemic vulnerabilities that criminals exploit. Driven in part by the dramatic rise in the gold price since 2023,[3] criminals increasingly control whole supply chains, including processing plants and logistics networks, and undertake ever more sophisticated trades and financial transactions, making what they do more difficult to detect.

Organized crime is increasingly controlling illicit gold markets, with devastating consequences. Illicit gold provides a financial backbone to criminal economies worldwide, making the world less safe, less resilient and more difficult to govern. It funds the corruption that hollows out communities and amplifies the environmental harms of gold mining, including deforestation, mercury poisoning and the sedimentation that diverts rivers, while opening up frontiers for illicit timber and wildlife trafficking. It bankrolls violent conflicts and regimes that abuse human rights, enables sanctions evasion, weakens state legitimacy, drives demand for arms and drugs, and sits behind forced labour, human trafficking and sex trafficking. Proceeds are also invested in illicit cattle ranching, which destroys protected land.

While illicit gold now features on the international agenda,[4] its prevailing framing – centred on artisanal and small-scale gold mining (ASGM) and conflict and high-risk areas (CAHRAs) – is not keeping pace with the scale and nature of the threat. Illicit gold is a problem across all types of mining and throughout the gold ecosystem: the systemic vulnerabilities that enable its circulation span physical and financial supply chains. For example, foreign financing has driven the industrialization of illicit mining operations across Africa, Latin America and Asia. Criminal abuse of recycled and scrap gold and gold concentrate and the proliferation of opaque refineries allow illicit gold to be concealed and laundered into formal markets. Central bank purchases, gold derivatives, stablecoins and the activities of commodity traders and financial institutions present under-analyzed vectors for illicit flows. Consequently, until the understanding and framing of illicit gold is expanded to encompass the full scale of illicit threats, responses will continue to fall short.

FIGURE 1 The gold price in US dollars, 2006–2026.

SOURCE: Gold Price, goldprice.org

The opacity of the sector allows illicit markets to thrive and means the full scale of illicit gold markets is underestimated and restrains global responses. Illicit actors systematically exploit the structural opacity caused by unreliable and missing production or export data, mismatches between partner country trade statistics and non-standardized information capture,[5] and limited customs oversight.[6] Complicated and under-regulated trades on commodity and financial markets creates additional murkiness. Global data gaps stretch from producer countries such as Venezuela[7] and Somalia[8] to international bullion centres (IBCs)[9] and global financial hubs where gold trades and gold-backed investments are under-scrutinized. In many cases it is impossible to know the provenance or trading circumstances of gold circulating in global supply chains, and this is central to the problem, enabling illicit gold markets to outpace global responses.

There has been a sustained push for greater transparency in the gold sector for decades. But the threat has evolved faster than the response. The Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Due Diligence Guidance), established in 2011 with a supplement on gold added in 2012, created unprecedented consensus between governments, the private sector and civil society on supply chain due diligence. Fifteen years on, however, the standard is voluntary in many countries or weakly enforced and poorly applied where it has been fully or partly translated into regulations or state guidelines.[10]

Recognizing the severity of the threat and the urgent need for action that reflects the current state and full scope of illicit gold markets, the Global Initiative Against Transnational Organized Crime (GI-TOC) has assessed global illicit gold markets, identifying the greatest threats and emerging trends. This report draws on more than a decade of GI-TOC investigations into criminality in the gold sector, spanning dozens of publications, as well as a robust literature review, interviews and inputs from experts in the field, and fieldwork.

Key findings

Illicit gold is an underestimated threat requiring new framing

- Criminal convergence is deepening. Illicit gold increasingly intersects with a broad range of criminal markets, from drug trafficking and arms dealing to human trafficking and sanctions evasion, and involves a full spectrum of criminal actor types, including state-embedded actors and private sector enablers.
- Gold's role in conflict goes beyond revenue mobilization and is increasingly subject to foreign influence. Gold plays a critical role in armed groups' efforts to build legitimacy, exemplified in West Africa. Foreign actors increasingly shape African conflicts through financing and gold sourcing arrangements.
- Gold is being weaponized as a tool of statecraft. Gold is used to fund conflict, evade sanctions and sustain regimes that would otherwise be financially isolated. 'Geocriminality' – the instrumentalization of illicit networks by states for geopolitical objectives – is an increasing risk in the gold sector, though it is often difficult to differentiate it from policy and the selective enforcement of regulations and laws.
- IBCs are a major blind spot. IBCs such as the United Kingdom (UK), United Arab Emirates (UAE), Switzerland and China handle most global gold trade but their markets exhibit limited transparency and oversight of bullion activities, leaving them exposed to sophisticated criminal operations and illicit gold flows.

Systemic vulnerabilities enable illicit gold flows

- Opacity defines the sector, itself a profound systemic vulnerability. Information deficits make it impossible to know with certainty what gold is circulating in global supply chains. These are not incidental shortcomings: they are features of a market that has never been required to be transparent and which is systematically exploited by criminal actors.
- Gaps in global supply chain standards leave significant space for criminal exploitation of the gold sector. Standards focused primarily on ASGM and CAHRAs fail to capture the full spectrum of criminal vulnerabilities across physical and financial supply chains.
- Weak governance and corruption underpin the persistence of illicit gold mining, with powerful actors – especially politically exposed persons – increasingly capturing regulatory systems, mining rights and state entities for illicit personal gain.
- Junior miners are a critically under-scrutinized stakeholder group, as unintentional enablers, perpetrators and victims, especially as they often create a bridge between Western finance and high-risk mining frontiers.
- Criminal mining operations are increasingly industrialized and growing in scale, defying ASGM definitions and responses aimed at combating criminality and supporting responsible development in the ASGM sector. Foreign financing is a driver of this industrialization across Africa, Latin America and Asia.
- Criminal networks increasingly control and derive revenue from whole supply chains through financing arrangements and control of key chokepoints, such as processing facilities and logistics networks.
- 'Recycled gold' is a significant loophole and a persistent threat that enables the laundering of illicit gold into formal gold markets.[11]

- Gold concentrate is poorly regulated and is exploited by criminal networks to move value across borders with minimal oversight.
- The use of cryptocurrency and gold-backed stablecoins in illicit gold trading networks is expanding, creating new financial paths outside anti-money laundering (AML) frameworks. This is in addition to other monetary vehicles and systems that persist, including cash, informal value transfer systems and poorly regulated banking transactions through correspondent banks.

The financial sector, including bullion banks and central banks, are highly exposed to illicit gold

- Bullion banks do not routinely treat gold supply chain due diligence as a core compliance obligation. As such, they inherit the provenance risks embedded upstream in supply chains and rely on inadequate third-party certification to mitigate against these.
- Gold investment vehicles, including physically backed exchange-traded funds (ETFs), derivatives, unallocated accounts and gold-backed tokens, are increasingly exposed to illicit gold risks through vulnerabilities in upstream sourcing, refining, custody and broader market structures.
- Central banks are among the least scrutinized participants in the gold market. Domestic purchasing programmes in several producer countries are at risk of absorbing illegally mined material, and central bank gold swaps introduce additional provenance risks.

Recommendations

The main thematic points are summarized here, with a full set of recommendations provided at the end of the report.

- **Reframe the threat:** Analytical frameworks, including the Financial Action Task Force (FATF) 2015 thematic review on gold,[12] must be updated to reflect the full spectrum of illicit gold risks across physical and financial supply chains, not only those in ASGM and CAHRA contexts.
- **Improve data:** Governments and international bodies must address gaps in trade statistics, customs reporting and production data that lead to the opacity on which illicit gold markets depend.
- **Make standards binding:** Fifteen years of voluntary frameworks and certification schemes have proven they are not strong enough to tackle illicit gold and harmful business. Governments must move towards mandatory, legally enforceable due diligence and know-your-customer requirements that apply across the full gold supply chain, including IBCs and financial markets. The third-party assurance model underpinning responsible sourcing certification is structurally compromised and must be replaced by independent, mandatory investigative auditing with enforcement consequences.
- **Reform auditing practices and standards:** Independent, investigative and mandatory auditing with enforcement consequences must replace the compliance-based system. This should include making audit reports public, enhanced mandatory reporting on recycled and scrap gold by traders and refiners, and looking beyond the first tier of supply (direct partner) to assess the full circumstances of supply chains. It is not enough to assess and assure company processes alone.
- **Scrutinize IBCs:** IBCs handle large volumes of the global gold trade but are one of the sector's greatest blind spots. The FATF should rate IBCs on their AML controls and exposure to precious metals laundering risks, commensurate with their systemic importance.

- **Close financial sector gaps:** Banks, bullion banks and commodity traders must treat gold supply chain due diligence as a core compliance obligation and must not rely on certifications or third parties to undertake checks on the circumstances of gold they buy or trade.
- **Support a responsible, resilient ASGM sector:** Experience and research has shown that the greatest bulwark against criminal exploitation of ASGM is establishing and supporting a sector that is responsible, sustainable and has access to formal financing and markets.

Small-scale gold mining in Sierra Leone. Resilient, responsible ASGM sectors are one of the strongest bulwarks against criminal capture and illicit gold. *Photo: GI-TOC*

WHAT IS ILLICIT GOLD?

Gold occupies a unique position in the global economy. It is simultaneously a commodity, a financial instrument, and increasingly a weapon of war and geopolitics. These overlapping functions create complexity, obscurity and systemic vulnerabilities that criminals, corrupt states and complicit private sector actors are exploiting with increasing sophistication. This fuels global 'illicit gold' markets, which encompass a wide range of activities (mining, processing and trade) and gold products, including legally procured gold used for illicit purposes.

Since 2015, when the GI-TOC began investigating and tracking crime risks in the gold sector,[13] criminal threats have only increased. Not all illicit gold is the work of organized crime, but organized crime is increasingly involved in and controls illicit gold markets, with devastating consequences. Illicit gold provides a financial backbone to criminal economies worldwide, but it does more than enrich criminals. It underpins many of the conditions that make the world less safe, less resilient and more difficult to govern equitably and transparently. Illicit gold generates extraordinary profits for organized crime and funds the corruption that hollows out communities and infrastructure.

The environmental harms of informal mining are sharply amplified by organized crime. Beyond deforestation, mining causes immense destruction to waterways through mercury poisoning and the sedimentation that diverts rivers from their courses. Illegal mining also opens frontiers for other environmental crime, providing the infrastructure and financial channels that make illicit timber and wildlife trafficking more accessible. Profits can also be re-invested in illicit cattle ranching, which is destroying large swathes of protected land in Latin America.

Illicit gold funds some of the world's most violent conflicts and bolsters regimes that do not respect human rights, including through sanctions evasion. It undermines security and governance, weakening state legitimacy and shaping conflict dynamics, as seen across Africa. Furthermore, it drives demand for other illicit markets, including arms and the drugs that miners use to manage pain and fatigue during long shifts. And it sits behind serious human rights abuses, including forced labour, human trafficking and sex trafficking.

The breadth of those involved, from armed groups and criminal networks to state-embedded actors and professional enablers, reflects a gold market that has developed faster than the frameworks designed to govern it and in which the pursuit of wealth accumulation and power at every level of the supply chain has consistently outpaced the political will to impose accountability.

Consequently, there is an urgent need to reframe illicit gold threats. Frameworks designed to tackle gold flows from CAHRAs, or to support or reform ASGM, were aimed at specific threats and risks. While they remain applicable and appropriate in many situations, they must be expanded to encompass the full breadth of activities, actors, gold supply chains and financial flows that comprise illicit gold, especially in relation to organized crime.

Recognizing this need, a new risk framework was developed based on scores from the Global Organized Crime Index,[14] gold production estimates and gold import volumes (using UN Comtrade data).[15] While there are limitations to these datasets, they are indicative proxies of the risk of illicit influence on global gold markets.

The evidence presented in this report demonstrates that illicit gold is now a factor across the full breadth of physical and financial supply chains – from investment driving the industrialization of illicit mining and processing operations, to the systematic abuse of recycled gold categories, to the emergence of gold-backed stablecoins as a laundering vector, to the exploitation of gold bullion trades and financial transactions and investment vehicles backed by gold. Critically, this includes jurisdictions and markets long assumed to be low risk. IBCs, which handle a huge volume of global gold trade, remain a worrying blind spot: heavily exposed, lightly scrutinized and often resistant to transparency.

The geopolitical dimension of illicit gold has deepened in recent years. As states and industry actors jockey for gold stock, market share and profits, fear – specifically loss aversion[16] – can push stakeholders to resist increasingly stringent transparency and due diligence requirements, which they fear will drive gold flows elsewhere. This is especially pertinent in a period of geopolitical uncertainty and shifting gold markets: while UK and United States (US) markets have historically dominated global gold trading, markets are increasingly shifting to Asia and the Middle East.[17]

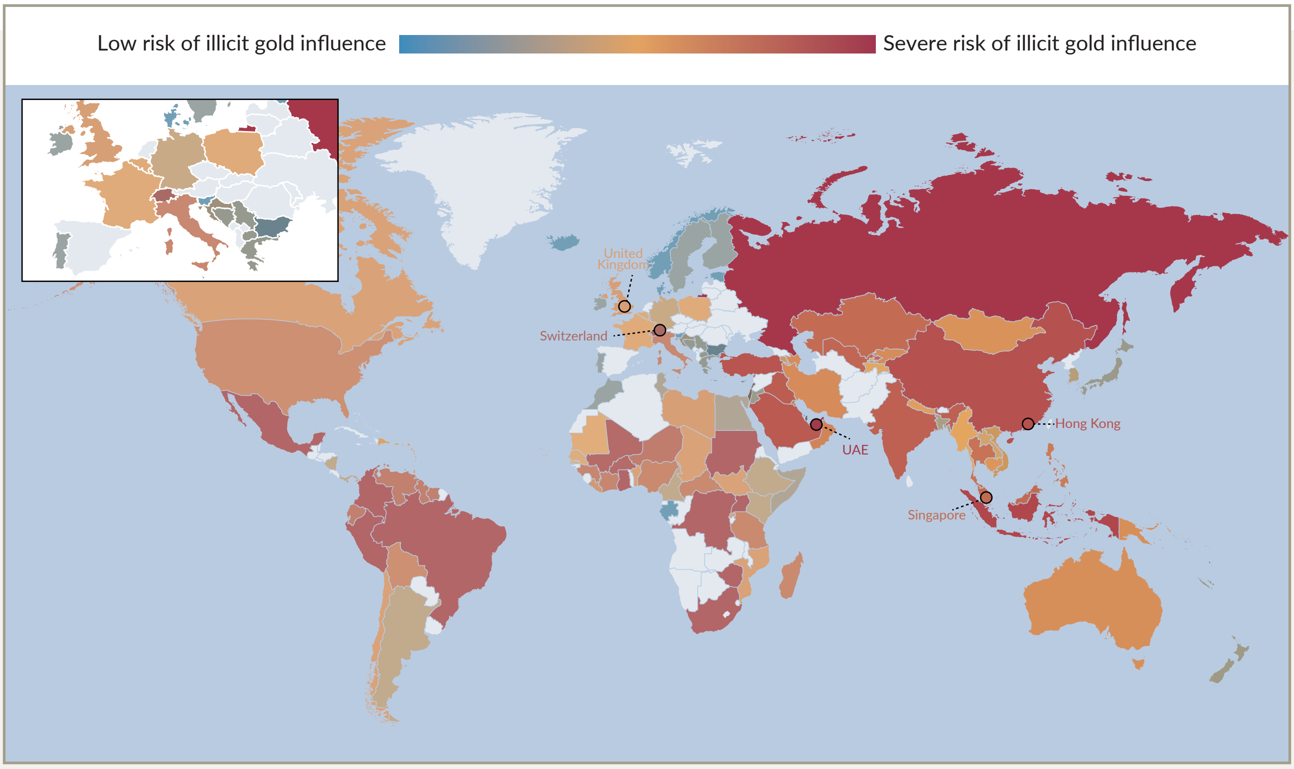

FIGURE 2 Mapping the risk of illicit gold influence, showing main gold trading hubs.

SOURCE: Based on GI-TOC Global Organized Crime Index scores (https://ocindex.net/), UN Comtrade and Metals Focus

The development of infrastructure for mining operations opens up new territory for other environmental crimes, such as illegal logging, exacerbating environmental destruction. *Photo: GI-TOC*

At the same time, gold is increasingly being weaponized as a tool of statecraft. Russia, Iran, Venezuela and Sudan have each demonstrated, in different ways and with different instruments, that gold can be used to fund conflict, evade sanctions and sustain regimes that may otherwise be financially isolated. This can reach the level of geocriminality when illicit gold networks are instrumentalized by states for geopolitical objectives.[18] State-governed gold production or trade underpinned by opaque deals and illicit activity also raise questions.[19] For example, the legality of the 2026 US agreement to source gold from Venezuela has been questioned by the Senate Committee on Finance.[20]

However, in practice, it can be difficult to differentiate between policy, selective enforcement of regulations and laws, and geocriminality. For example, although Chinese private sector entities have been implicated in the expansion of illicit gold mining in Ghana,[21] Beijing has repeatedly denied involvement or support for illicit operations. In June 2025, the Chinese ambassador to Ghana asserted that it was a 'significant injustice' to blame Beijing for the spread of illegal gold mining.[22]

Across the case studies and systemic vulnerabilities identified in the report, the same gold supply chains, refineries, trading companies and financial institutions exploited for illicit gold also service legitimate gold markets. As a result, in many markets the separation between licit and illicit gold that underpins the architecture of responsible sourcing is a fiction. At the same time, the lack of harmonized standards and regulations is a barrier to responsible investment in the gold sector, a critical factor in development and responsible sourcing interventions. These same efforts inhibit efforts to establish and grow a responsible, sustainable ASGM sector that benefits source communities and countries.

Yet none of this is irreversible. The recommendations set out in this report reflect a conviction that the gold market is governable, but only if the actors with the greatest systemic influence accept that their interests are better served by a more transparent, rules-based market. That requires states to move beyond voluntary frameworks and give regulators genuine enforcement powers; it requires IBCs to accept scrutiny commensurate with their market dominance; it requires financial institutions to treat gold supply chain due diligence as a core compliance obligation rather than a reputational afterthought; and it requires the international community to invest in the analytical frameworks and enforcement infrastructure needed to understand and counter an underestimated threat. By taking these actions, it is possible to reverse the trend of increasing criminalization and illicit gold threats, and support the sector to realize its full development and economic potential.

REFRAMING GOLD AS A STRATEGIC CRIMINAL ASSET

Gold's unique combination of high-value density, ease of obscuring its origins and universal acceptance as a financial instrument makes it a powerful vehicle for criminal diversification and money laundering. A 2016 GI-TOC study documented how organized crime groups across Latin America were embedding themselves in the gold sector to launder drug proceeds and finance operations.[23] A decade on, the convergence has deepened significantly. Gold now plays a central role in fortifying the scale, geographic reach and resilience of global criminal economies, funding conflict, terrorism and organized crime, and enabling malign activities, including money laundering and sanctions evasion.

This trend towards increasing criminality calls for an updated framing of threats to the integrity of gold. Framing of illicit gold risks often over-focuses on gold produced by ASGM, a term used to describe non-industrialized mining operations and gold from countries considered to be affected by conflict or high risk, commonly referred to as CAHRAs. While these focuses are relevant in many cases,[24] they ignore the full spectrum of criminal vulnerabilities across physical and financial supply chains in the gold sector. In fact, the illicit mining operations that pose the greatest threats to governance, security, the environment and human rights are often semi-industrial or medium-scale, falling outside ASGM definitions.

In parallel, it is critical to recognize that development responses which build a more resilient ASGM sector are key to combating criminality in gold mining. The push to formalize the sector has in many contexts led to increased legislation without accompanying development or support pathways, propelling miners further into criminal networks rather than out of them.[25] Most ASGM miners operate informally not because they choose criminality but because viable formalization pathways do not exist. This policy gap is itself a systemic vulnerability, creating conditions for armed groups, criminal networks and corrupt officials to capture revenue, while undermining stability.[26]

Moreover, illicit gold and financial flows do not stay in CAHRAs and may not even originate there. This has become an opportunity for geographic arbitrage as criminal networks exploit low-risk jurisdictions to launder gold into formal markets. These risks extend to IBCs, which are highly exposed to illicit gold through upstream transactions and opaque market structures.

Thus, building on and harmonizing existing work, the framing of illicit gold must be more comprehensive, capturing the full breadth of gold supply networks and financial markets. This is critical to protecting the integrity of gold and informing responses that support a more transparent, responsible and accountable gold sector.

Criminal convergence

Criminal convergence is increasingly a central feature of organized crime operations in gold-rich regions. Illicit gold draws in and connects the full spectrum of criminal actor typologies identified in the GI-TOC's Global Organized Crime Index: from mafia-style groups, to criminal networks, to state-embedded and private sector actors, often operating simultaneously and in partnership within the same supply chains.[27] Across markets, criminal groups are also increasingly engaging in poly-criminality; illicit gold flows intersect with human trafficking, extortion, flora and fauna crimes, the cocaine trade and financial crimes, among other illicit markets. There is also increasing geographic convergence in extraction areas and trade hubs. In Indonesia, for example, wildlife trafficking, illegal logging, illegal fishing and illegal gold mining frequently overlap geographically and at key transit points.[28]

Illicit gold operations also drive demand for other illicit markets. In South Africa, for example, the same syndicates that control illegal mining operations are linked to human trafficking, with miners recruited under false pretences or coerced into working in lethal conditions, as the 2024 Stilfontein mine standoff revealed.[29] The syndicates are also connected to arms trafficking and Lesotho organized crime groups with political links.[30] A secondary informal economy has emerged around the mines, with syndicates supplying food, liquor, drugs and sex workers to underground operations, compounding the human exploitation.[31] Consequently, illegal gold mining in South Africa anchors an entire criminal ecosystem.

Criminal convergence is also rampant across the Amazon Basin. The expansion of illegal mining across the Amazon has driven infrastructure development and urbanization in remote areas, opening previously inaccessible geographies to further criminal exploitation, including illegal logging, wildlife trafficking and land-grabbing for cattle ranching,[32] which is itself used to launder gold profits in parts of Brazil and Colombia. In Peru, the Amazon's biggest gold producer, Madre de Dios has long been the epicentre of illegal mining, but operations have expanded to other areas. Criminal structures now extend into broader organized crime networks, with drug-trafficking groups sharing infrastructure with cocaine and gold operations.[33] Criminal organizations in Colombia, including a Fuerzas Armadas Revolucionarias de Colombia (FARC) dissident faction, the Ejército de Liberación Nacional (ELN), and Brazil's Comando Vermelho (CV) and Primeiro Comando da Capital (PCC), have expanded from drug trafficking into gold mining, using narcotics revenues to finance mining operations and gold revenues to launder drug profits.[34] The GI-TOC has also documented sex trafficking and labour trafficking linked to illicit gold mining in Latin America.

In Mexico, organized crime groups, including the Jalisco New Generation Cartel (JNGC), which was designated a foreign terrorist organization by the US in 2025,[35] have expanded into mercury mining and trafficking.[36] (Mercury is a toxic chemical commonly used to extract gold from ore mined by ASGM.) In 2025, the Environmental Investigation Agency reported that it had documented about 200 tonnes of illegal mercury trafficked from Mexico to Bolivia, Colombia and Peru between 2019 and 2025, the largest flow of illegal mercury reported globally.[37] The diversification of Mexican cartels into capturing the inputs into illicit mining reflects the broader capture of gold supply chains by criminal networks.

Conflict financing: the tip of the iceberg

Links between gold and conflict have been well documented[38] and are the focus of a multitude of regulatory instruments.[39] While gold can be an important source of revenue for armed groups, a focus on conflict financing and restrictive application of terms such as 'conflict mineral' often produces a narrow view centred on non-state armed group revenues. This obscures understanding of the broader political economy of gold and the state and other actors embedded within it, while overlooking the root causes of conflict and the more nuanced roles gold plays in conflict.[40] For example, efforts to cut off conflict financing can have the effect of building the legitimacy of non-state armed groups among local populations. Securing livelihoods and other forms of service delivery has long been a tactic of organized crime groups to undermine state legitimacy while building their own.[41]

Such is the case in West Africa, where ASGM is a major economic driver and a critical source of livelihoods.[42] Armed groups are most likely to generate legitimacy through engagement in and protection of economies that are key to community livelihoods, particularly where these have been criminalized by the state, and ASGM is a pre-eminent option.[43] Jama'at Nasr al-Islam wal Muslimin (JNIM), the most powerful violent extremist organization in the Sahel, primarily profits from gold through taxation of mining sites and transport routes,[44] and has engaged in gold-for-weapons barter exchanges.[45] By defending miners' access to sites against state crackdowns, JNIM also builds legitimacy with local populations.[46] Heavy-handed state security responses, including the targeting of mine sites,[47] have compounded the security challenge. When state actors use violence against mining communities, they bolster the political legitimacy of militant groups and fuel recruitment, compounding the feedback loop between security strategy failure and illicit gold expansion.

Across West Africa, armed groups have expanded their territorial hold and influence, which often overlaps with gold mining areas. JNIM has expanded its presence into gold-producing zones in western and southern Mali, increasing operational risks for industrial gold operations. For example, in January 2026, suspected jihadists attacked the Morila gold mine in southern Mali.[48] In a major escalation of the conflict, JNIM and allied Tuareg separatists mounted a coordinated, multi-front offensive in April, seizing several regional capitals.[49] In the Liptako-Gourma borderlands, Islamic State Sahel Province and JNIM are extracting revenue from the gold sector, including by controlling gold mines.[50] Islamic State Sahel Province has established a corridor linking Mali and Niger to Nigerian bandit-controlled trading networks.[51] Since 2023, bandits in north-west Nigeria have shifted from attacking artisanal gold miners to controlling and taxing mining operations across Zamfara, Katsina and Kaduna states.[52] Bandit leader Kachalla Mati boasted of extracting gold worth 300 million naira (US$196 000) weekly and using the money to procure firearms.[53] The result is a vast territory stretching across West Africa where many conflict groups and theatres and illicit gold flows interlink.

Gold mining areas can also be targeted as strategic recruitment hubs for armed groups, including rebel groups, mercenary groups and conflict actors. In northern Chad, the country's largest goldfield, Kouri Bougoudi, has experienced instability and security threats.[54] As the gold mining area lies largely beyond the control of the Chadian government, state efforts to control the sector have often taken the form of strict interdictions on northbound travel and surveillance of routes. Kouri Bougoudi also functions as a node linking illicit flows – such as arms, drugs and fuel – between Chad, Libya and Sudan, including those fuelling and extracted from conflict.[55] In 2025, Chatham House reported that Libya had become a key hub for gold trafficking across the Chad–Libya border, with smugglers, including senior commanders of the Libyan Arab Armed Forces, flying gold to Istanbul and Dubai.[56] Kouri Bougoudi has also served as key hub for recruitment and fundraising for Chadian rebel groups.[57]

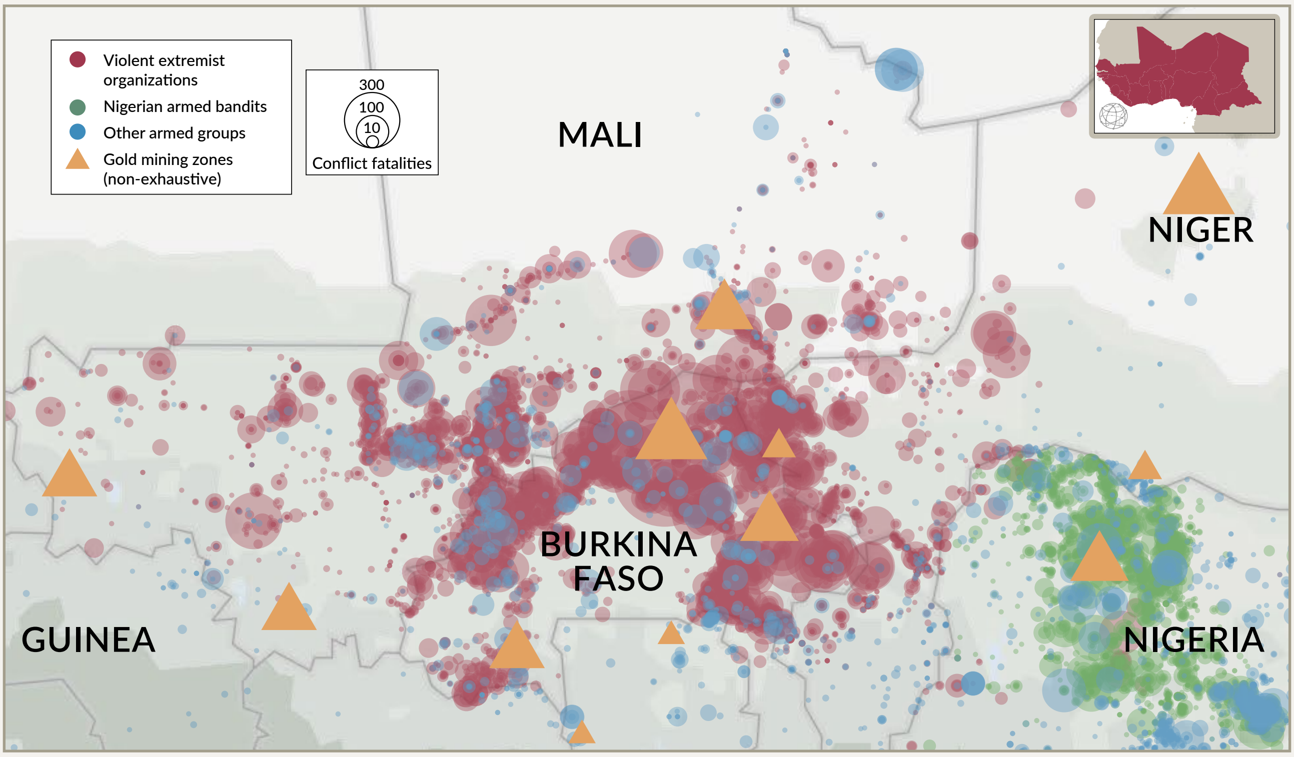

FIGURE 3 Gold mining sites and armed groups in the Sahel.

SOURCE: GI-TOC and ACLED

Beyond conflict-affected and high-risk areas

Theatres in which conflict and gold extraction overlap may be the most visible dimension of illicit gold, but an over-reliance on geographic risk indicators means that much of the wider illicit gold market escapes meaningful scrutiny. Although the OECD Due Diligence Guidance (see the executive summary) recommends that companies should identify, prevent or mitigate any risks of adverse impacts associated with mineral extraction and the relationships of suppliers,[58] interpretation of the guidance – including where it has been translated into law – often over-focuses on whether minerals originate from or transit through CAHRAs. Consequently, licit and illicit gold from non-CAHRA jurisdictions can be absorbed into supply chains with significantly less scrutiny. This has resulted in a system that incentivizes geographic arbitrage, with countries considered not to be CAHRAs increasingly becoming key points where gold is laundered into global supply chains. As one European Union (EU) customs official reflected, importers have 'a restrictive vision' of CAHRAs and 'often just see it as Congo', not taking into account transit countries.[59]

These ostensible safe havens that launder gold linked to conflict and criminality often border conflict zones or countries with significant illicit gold markets. This proximity, often paired with elite involvement in opaque gold sectors in these jurisdictions, facilitates gold laundering. This allows gold refineries or registered export companies to easily integrate illicit gold into global markets. Their licit domestic production, however limited, can be used to justify issuing export licences, certificates of origin and customs declarations that make their gold acceptable to international buyers. Once gold is refined or re-exported, its high-risk origins are erased. Even jurisdictions with relatively small gold flows are not immune.

Rwanda is a case in point. While often not considered a CAHRA jurisdiction, it has long been identified as a route to market for smuggled Congolese gold linked to conflict financing[60] and has exhibited signs of geocriminality.[61] Rwanda's gold production has been estimated at fewer than 3 tonnes annually[62] but its gold exports were almost 14 tonnes in 2023 and topped 19 tonnes in 2024, raising red flags.[63] In March 2025, Gasabo Gold Refinery was sanctioned by the EU for 'exploiting the armed conflict, instability or insecurity in the Democratic Republic of the Congo (DRC), including through the illicit exploitation or trading of natural resources'.[64] Although Rwanda's gold exports dropped to just over 6 tonnes in 2025,[65] Congolese gold continues to be smuggled to buyers in Kigali,[66] raising questions about onward smuggling, stockpiling and gold swaps. Yet, despite these circumstances, gold exported from Rwanda is often not subject to enhanced due diligence because it is not classed as a CAHRA.

Other jurisdictions that have acted as laundering hubs for illicit gold include Bolivia,[67] Cameroon,[68] Egypt,[69] Guyana,[70] Kenya[71] and Uganda.[72]

Gold and geopolitical leverage

The influence of external jurisdictions is not confined to absorbing illicit gold downstream; foreign actors and international market structures actively shape conflict dynamics through the gold sector, creating influence, funding proxies, evading sanctions and exerting geopolitical leverage.[73] Foreign engagement can reach the level of geocriminality. The internationalization of markets and the erosion of boundaries to the flow of capital (core features of global gold markets) enable the seamless blending of money laundering, state influence operations and personal enrichment,[74] while allowing states to maintain arm's-length distance and plausible deniability of engaging or supporting illicit activity.[75]

The most well-documented case of foreign influence in African conflict is Russia, whose military or paramilitary forces have provided regime security in exchange for privileged access to gold resources.[76] However, other foreign actors are increasingly entering the fray, using increasingly sophisticated financing and supply chain mechanisms to access gold. In Sudan, the UAE is supporting the Rapid Support Forces, while Saudi Arabia is backing the Sudanese Armed Forces (SAF) – prolonging a conflict in which gold revenues and external support sustain both sides.[77] Additionally, in March 2025 SAF-aligned authorities and Qatari officials announced a new gold-backed investment entity, including a refinery in Doha for Sudanese gold.[78]

Foreign influence in African conflict

Russia: In 2018, the deployment in the Central African Republic (CAR) of Russian trainers from the Wagner Group, a private military company, secured access to gold and diamonds in exchange for supporting President Faustin-Archange Touadéra against rebel forces, marking the beginning of a sustained relationship.[79] Also in 2018, in Sudan, the Wagner-linked Meroe Gold was awarded mining concessions in collaboration with the Sudanese military's Defence Industries System.[80] In Mali, which also has a Russian security presence,[81] authorities in June 2025 announced the the construction of a new gold refinery in partnership with Russian backers and a Swiss investment firm.[82]

UAE: The RSF built its economic empire around control of Darfur's gold mines, channelling revenues through UAE banks and trading firms.[83] GI-TOC analysis identified probable conduits for material support from the UAE. They offer logistics corridors for trafficking military supplies and smuggling gold, including in Chad and eastern Libya.[84] Gold from Darfur is trafficked north through Libyan territory to the UAE, while arms flow south through the same corridors to the RSF.

The DRC presents another case of UAE engagement. The UAE–DRC joint venture, Primera Gold, created in 2022 under a slogan of combating gold smuggling from eastern Congo, saw the UAE scale up its military assistance to the DRC as part of cementing access to mineral rights.[85] Yet gold traded as part of the deal came from supply chains taxed by armed groups and linked to child labour and illegal dredging in a forest reserve.[86] The venture was handled on the DRC side by a presidential adviser simultaneously involved in facilitating UAE military assistance and backed on the UAE side by a business linked to the most senior ruling figures.[87] The deal collapsed in mid-2024.

Rwanda: The most recent capture of territory in eastern DRC by the Alliance Fleuve Congo/March 23 Movement, backed by Rwandan Defence Force troops, is the newest iteration of a system of parallel criminal governance, smuggling minerals, including gold, into neighbouring Rwanda and extracting off-budget value.[88] Companies in the UAE have also been major importers of gold from Rwanda, seeming to indicate UAE interests have played an opportunistic game of working with both sides of the DRC–Rwanda conflict to access gold.

International bullion centres: high-risk jurisdictions

While IBCs are central to the global gold trade, they are also one of its most significant blind spots. IBCs connect physical gold flows to global financial markets, hosting over-the-counter (OTC) trading, clearing and vaulting, concentrating liquidity and determining global gold prices. In 2025, gold worth US$361 billion on average was traded daily by IBCs, equivalent to 3 000 tonnes changing hands.[89]

Despite the volume and velocity of gold flowing through them, IBCs have largely escaped the scrutiny warranted by their level of exposure to illicit gold. The breadth of the activities undertaken in IBCs and the market infrastructure for bullion trading they offer leave them vulnerable to criminal exploitation and downstream introduction of illicit gold.[90] This can have a negative domino effect on all entities and institutions connected to them, including financial institutions, refiners, investors, mints, and jewellery and electronics companies. The UAE has been recognized as a high-risk jurisdiction by its own financial intelligence unit (FIU) and FATF assessments,[91] but IBCs as a group remain structurally underregulated and systemic vulnerabilities leave them heavily exposed to illicit gold risks.

Major IBCs include the UK (London), China, Hong Kong special administrative region (SAR), India, Japan, Russia, Singapore, South Africa, Switzerland, Türkiye, the UAE and the US.[92] London is the dominant commercial bullion hub, with more than US$160 billion in daily OTC volumes,[93] while the fast-growing UAE is the second largest.[94]

The UAE, specifically Dubai, plays a prominent role in receiving gold flows produced by ASGM in Africa, including illicit flows.[95] There are also cases of illicit flows from Latin America. In 2024, a Dubai

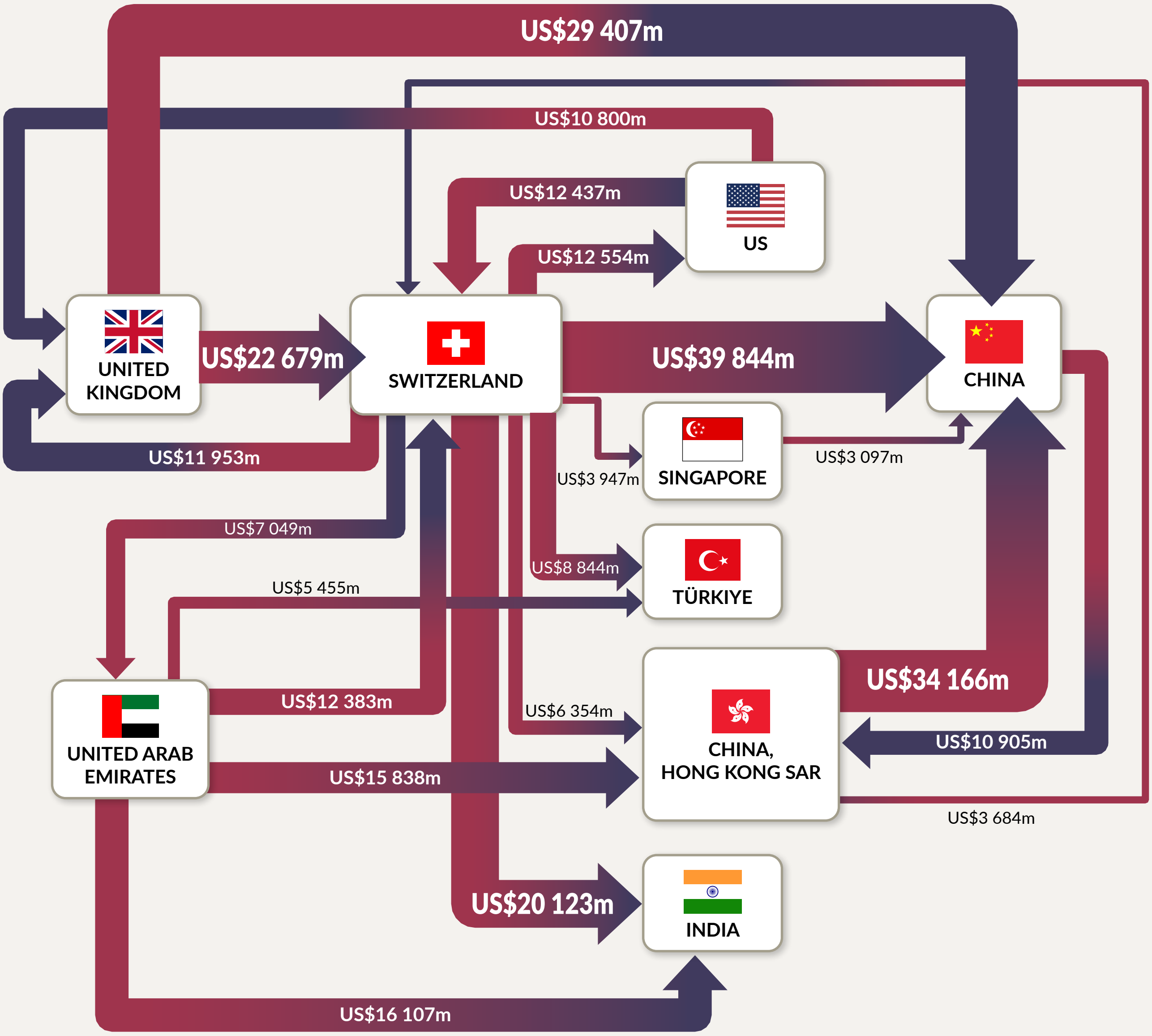

FIGURE 4 Values of gold trade between international bullion centres (2024, HS Code 7108).

SOURCE: UN Comtrade data

gold trader bought from several Guyanese sources, including members of a criminal network. This gold was commingled with gold from other sources during the refining process, and the refined gold doré was given a Dubai Good Delivery stamp and the 99.5% bars were sold to bullion banks and wholesale traders in the UAE. The refiner stopped buying from the Guyana supplier when notified by a whistle-blower, reflecting good practices. The case illustrates the challenge of attempting to source from ASGM, which is a necessary component of supporting the sector, while maintaining high due-diligence standards.[96]

The UAE introduced Due Diligence Regulations for Responsible Sourcing of Gold, which came into force in January 2023, in line with international standards.[97] But continued importation of illicit gold – including from known conflict regions, such as Sudan[98] – suggests that implementation is lacking. This was evidenced in March 2026 when there were major disruptions in gold pricing and gold flows in West Africa and the Sahel – including a large portion of illicit gold mining and trade – which was attributed to flight disruptions between the Emirate and the region.[99] Moreover, the regulations do not require trading companies, which are among the UAE's main importers of precious metals, to undergo third-party audits, providing a loophole for illicit gold to enter the jurisdiction unscrutinized.

A considerable portion of global gold trade occurs between IBCs. UN Comtrade data from 2024 (see Figure 4) shows substantial flows between Switzerland, China, the UK and other IBCs.[100] Switzerland – the world's largest physical gold importer[101] and home to five refineries certified by the London Bullion Market Association (LBMA) – imports considerable quantities of gold each year from Dubai (420 tonnes in 2025, according to Swiss customs data).[102] Switzerland adopted a revised Precious Metals Control Act in June 2025 but implementation is pending.[103] In the meantime, Swiss customs' competence to conduct checks and require information from precious metals importers remains limited and does not enable them to efficiently prevent illicit gold from entering the country, according to individuals familiar with the matter.[104]

Reflecting broader shifts in global gold markets, illicit gold flows appear to be diversifying somewhat among IBCs. In the last year, there have been increased reports of exports to Türkiye from Burkina Faso and Chad, while gold traders from these countries and the DRC have reported that they sell directly to traders in Hong Kong SAR.[105] In 2024, although the UAE retained the lion's share of the market, 13% of Uganda's official gold exports (almost 40 tonnes) went to Hong Kong SAR and 13% to India, an impressive figure considering Uganda produced less than 1 tonne of gold in 2023 (no figures for 2024 gold production are available).[106]

A new risk assessment framework

Reflecting this full spectrum of risks and the severity of threats across supply chains, the GI-TOC developed an updated global risk assessment of illicit gold influence (see Figure 5). The country-specific assessment of illicit gold influence was developed through a composite risk framework combining indicators related to the scale of the gold sector and the prevalence of gold-related criminal activity. The methodology is designed to identify countries where large gold flows intersect with elevated exposure to organized criminal activity linked to non-renewable resources. For each country, the assessment plots:

- **Likelihood of criminal influence** (Figure 5 horizontal axis). This is based on non-renewable resource crime scores from the 2025 Global Organized Crime Index.[107] This metric captures illicit extraction, smuggling, mingling and mining of natural resources (not limited to gold) and related trade activities such as misinvoicing by market value and societal reach.
- **Potential impact on global gold markets.** To capture the scale of the gold sector, two quantitative sub-indicators were used. The first is the volume of gold production, reflecting the domestic extraction and supply of gold. This is based on gold production data sourced from Metals Focus, supplied by the World Gold Council (WGC) (left y-axis).[108] The second indicator is the volume of gold imports, reflecting the role of a country within international gold trade and transit networks, which is sourced from UN Comtrade (right y-axis).[109] Recognizing the limitations to both data sets, together these are proxy indicators for the potential scale of consequences across gold supply chains, not just in producing states.

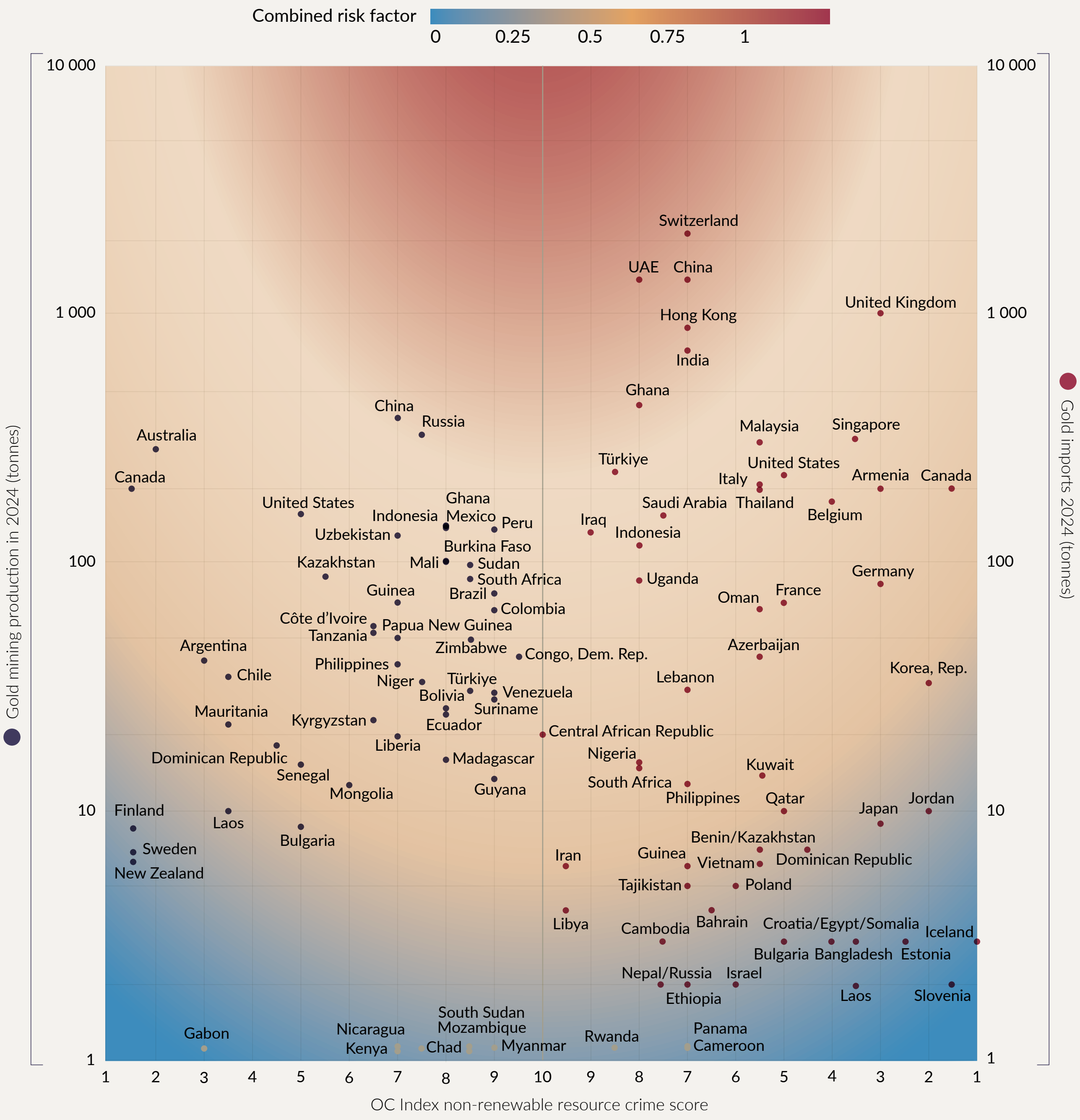

FIGURE 5 The GI-TOC's global risk assessment of illicit gold influence.

NOTE: The colours correspond with the level of risk a country faces of illicit gold influence, with red being the highest risk and blue the lowest. The exception is countries shown along the bottom of the table in grey, which are gold producers and transit hubs but have minimal reporting. It is thought this is due to illicit flows extensive enough that they escape official statistics.

SOURCE: Based on data from the Global Organized Crime Index, UN Comtrade and Metals Focus

Combining the data, the risk assessment accounts for the value, reach and potential impact on global illicit gold markets.[110] The greatest combined risk is in the upper centre of the chart, where major producers and major hubs with significant criminal influence converge.

The assessment reveals four distinct clusters of risk:

- **High-production, high-criminality producer countries.** Russia, China, Ghana, Indonesia, Peru, Mexico, Sudan, Mali, Burkina Faso, Colombia, Brazil, South Africa, Venezuela and the DRC produce substantial volumes of gold under conditions of significant criminal influence.[111] Several other countries are closely clustered in this group, reflecting the visibility and reach of non-renewable criminal influence in gold-producing states.
- **High-import, high-criminality hubs.** The UAE, Switzerland, China, Hong Kong SAR, Türkiye and India sit at the top centre of the chart, where large refining and trading volumes meet high resource-crime exposure.
- **High-impact destination markets with moderate criminal influence.** The UK, the US and Singapore sit further to the right of the chart, lower on the criminal influence axis but with import volumes large enough that any illicit gold entering these markets has outsized downstream consequences. Countries on the fringe can also play a key role as transit or laundering hubs, flying under the radar of CAHRA-focused due diligence efforts. Conventional risk frameworks systematically miss this cluster. For example, Armenia was reported to be key to Russian sanctions evasion, importing billions of dollars' worth of Russian gold in 2023 and 2024, with at least one company exporting it as Armenian gold.[112]
- **High-criminality jurisdictions with low recorded flows.** The scoring also accounts for countries where high organized crime scores coincide with low recorded gold production and import volumes. The absence of recorded volumes is not evidence of low risk but its opposite: criminality is extensive enough for substantial illicit flows to escape official statistics. For example, known gold producers and transit hubs Myanmar, South Sudan, Rwanda, Chad and Cameroon sit at the bottom of the chart.

Measuring risk in this way provides an alternative framing to conventional approaches that focus on ASGM production volumes or CAHRA designations, systematically underestimating risk in mid- and downstream jurisdictions where IBCs sit. The assessment shows that a country need not have high domestic criminal influence to carry significant illicit gold risk; large markets with weak controls are exposed regardless of local conditions. Consequently, this framing better reflects vulnerabilities that extend across the entire supply chain, from extraction to bullion markets.

SYSTEMIC VULNERABILITIES

Systemic vulnerabilities across the gold ecosystem, rooted in the way gold is mined, processed, traded, financed and regulated across jurisdictions and in the structural gaps between each of these domains, are key to criminal exploitation of the sector and perpetuate illicit gold risks. Taken together, these vulnerabilities form an interconnected architecture of risk. This section explores these risks, from mining rights and corruption, to the industrialization of the sector and the criminal capture of whole supply chains.

Gaps in global supply chain standards

The lack of harmonized, globally applied and enforced laws, standards or frameworks that address the financial integrity, transparency, responsible sourcing – including mandatory due diligence – of gold is a major barrier to combating illicit gold. Private sector gold market participants, including in the UK, China and the UAE, have noted the need for a globally agreed standard.[113] Support for stronger management of minerals and metals has also been reflected in recent UN resolutions.[114]

In groundbreaking work in 2011, responsible-sourcing standards were established in the form of the OECD Due Diligence Guidance.[115] The guidance, which includes a supplement on gold, created unprecedented consensus between governments, the private sector and civil society on supply chain due diligence. Fifteen years on, however, the standard remains voluntary in many jurisdictions. Where it has been translated into law or state guidelines, they are weakly enforced or poorly applied (such as in the US[116] and EU regulations[117]). Several industry programmes and initiatives have helped orient some companies towards more responsible trading and sourcing of gold, but these programmes are usually membership-based, self-governing and voluntary,[118] as well as exhibiting systematic, content-related and methodological shortcomings[119] that have resulted in relatively limited impact.

The LBMA, for example, is considered the standard-setting organization that defines how precious metals are refined and traded around the world.[120] Gold refiners can apply to be members of the Good Delivery List and are accredited by the LBMA if they adhere to its Responsible Gold Guidance. This requires refiners to comply with a due diligence and annual audit process. Many parts of the gold sector (such as central banks or bullion banks) say they rely exclusively on LBMA certifications for reassurance that gold has been sourced responsibly.[121] However, the LBMA does not provide a guarantee that illicit gold is not present in supply chains, only guidance and assurances on the process its members follow.[122]

This risk of relying solely on process checks without also considering other credible reporting is exemplified by a case currently going through the UK courts. The case alleges that the LBMA breached its duty of care by wrongly certifying gold from a Tanzanian mine as being free from serious human rights abuses, despite reports of systemic human rights abuses over many years. The claimants allege that the company refining the gold from the mine should have been suspended or removed from the LBMA's Good Delivery List if the LBMA had properly enforced its own responsible sourcing programme.[123] The LBMA claims the lawsuit is based on a fundamental mischaracterization of its role in the global precious metals market. LBMA-accredited members are required to report on their compliance with the guidance, and the LBMA relies on third-party audit assurance on their compliance. The LBMA argues that it is not responsible for the quality of that process, as it is not in a position to undertake its own audits.[124] Thus, the case turns on whether process-based certification creates liability for harmful outcomes and whether control over market access creates causal responsibility, and whether characterizing violence as a law and order problem rather than a human rights abuse affects that responsibility. These legal questions examine what duty of care and third-party liability certification schemes bear, and highlight the need for clear external communication about what certification schemes do and do not provide for.

Irrespective of the case outcome, shortfalls in the effectiveness and reliability of process-based certification is an ongoing sector-wide risk that can enable illicit gold to be certified by regulatory bodies and absorbed into global supply chains. This emphasizes that sole reliance on industry certifications by private entities is insufficient to combat illicit gold and the consequent harms. More rigorous due diligence (and improved response and remedy) is therefore needed throughout the sector.[125]

In another example, in its most recent LBMA responsible gold compliance document (published in March 2025), LBMA-accredited Zijin Mining Group Gold Smelting Co. Ltd. states that in 2024 it received no reports related to forced labour.[126] However, the company is a subsidiary of Zijin Mining Group, which reportedly had gold mining interests in the Xinjiang Uyghur Autonomous Region in China[127] and, in January 2025, was added to the US government's Uyghur Forced Labor Prevention Act Entity List for sourcing material from Xinjiang or participating in labour transfers of ethnic minorities.[128] Zijin Mining Group denied these allegations, and issued a response to the listing, stating that

> the Company's Xinjiang-based subsidiaries strictly adhere to the laws and regulations of the People's Republic of China (the 'PRC'), as well as fundamental international labour and human rights standards, including the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, resolutely oppose all forms of forced labour and other violations against employees' rights and interests.[129]

While gold produced by Zijin Mining Group does not necessarily route through Zijin Mining Group Gold Smelting, the corporate structure makes it difficult for external observers to track gold flows and verify claims, and raises important questions about the limitations of self-reported compliance documentation as a basis for responsible sourcing assurance.

Gaps in the existence and implementation of supply chain due diligence extend to other IBCs. In fact, the LBMA's Responsible Gold Guidance is generally considered the strongest delivery standard used among refiners in IBCs. As discussed, the UAE and Switzerland have introduced due diligence regulations aligned with OECD guidance, but implementation is pending in Switzerland and lacking in the UAE.[130]

In 2014, the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) launched its Guidelines for Social Responsibility Outbound Mining Investment to strengthen 'responsibility throughout the extractive industries value chain'.[131] While aligned with the OECD Guidance, the Chinese guidance has been criticized because of the self-policing nature of guidance and limited pressure on companies to comply.[132] In April 2026, China's State Council issued two new regulations aimed at supply chain management, including restrictions on supply chain data collection.[133]

Audits form the bedrock of many due diligence schemes and the basis of certification decisions, but lack of quality and transparency is a significant systemic weakness. This applies to certifications for mines, smelters, refiners and gold traders.[134] Important information such as the extent of due diligence measures taken by a company, whether any grievances were filed, and if non-compliances were identified and addressed (and what these were) all goes unpublished.[135]

Years of independent reporting on industry programmes have also shown that a sustained over-reliance on third-party auditing[136] of supply chains without allocating sufficient resources to ensure audits are robust – accompanied by a lack of internal auditing (first-party) and audits of suppliers (second-party) – severely undermine due diligence efforts.[137] In particular, a focus on document checks rather than processes and outcomes has consistently been highlighted as a weakness of audits.[138] GI-TOC interviews with auditors and assurance providers in the gold sector highlight sustained and inherent weaknesses in the reliance on third-party audits: auditors say they are under time or budget constraints, may not adequately understand the mechanics of the gold sector to be able to assess and report on risks, or are under pressure to 'pass' a client with whom they have an ongoing business relationship.[139]

Weaknesses in audit processes have also held back LBMA attempts to have its responsible sourcing guidance certified under the EU Conflict Minerals Regulation, with the European Commission noting in its February 2025 assessment that 'significant gaps were identified in the work undertaken by auditors, materially impacting the application of the documented standards of the LBMA's Responsible Gold Guidance to the due diligence practices of refiners' and that 'what should have been seen as major non-conformances with the LBMA system were not identified as such and did not result in any consequences. The observed deviations from the LBMA's requirements did not, in the end, have any material consequences for either the refiners or audit firms involved.'[140] In seeking to gain full alignment with the EU regulation, the LBMA has said it is working to enhance assurance provider performance globally.[141]

The GI-TOC contacted the LBMA about the information contained in this report. The LBMA said its role is to advance standards in precious metals refining and to promote good trading practices for banks and traders operating in the global precious metals industry. It added that Good Delivery List accreditation is not solely based on adherence to its Responsible Gold Guidance, but also on the LBMA's technical, production, quality, governance and responsible sourcing criteria, including minimum throughput (at least 10 tonnes per annum), as well as obtaining an unmodified independent third-party assurance against Responsible Gold Guidance (RGG) compliance.

The LBMA said that it was unable to comment on what third parties may or may not have said about reliance on the RGG, which it clarified is a risk-based due diligence framework, and not a guarantee that illicit gold can never be present in any supply chain. It added that no due diligence, assurance or certification scheme can provide an absolute guarantee and that market participants should therefore not treat LBMA accreditation as a substitute for their own legal, regulatory or counterparty due diligence obligations. It said that RGG is a significant assurance mechanism, but it is not a replacement for responsible risk management by every actor in the chain. Regarding Zijin Mining Group, the LBMA said that it does not certify mines.

Further responses received from the LBMA can be found in notes 122, 124, 139, 141, 253 and 370.

In a new iteration of voluntary industry efforts, the Consolidated Mining Standard Initiative (CMSI) brings together four existing standards,[142] aimed at creating a set of responsible practices for mining companies of all sizes, across all locations and commodities.[143] Harmonization is a positive step from a private sector point of view, although the CMSI has been criticized by non-governmental organizations (NGOs) on several fronts, and in particular around concerns that another voluntary certification scheme that relies on the same system of flawed audits to verify compliance is unlikely to yield real change.[144] The CMSI has an opportunity to develop a different approach to third-party checks that goes beyond compliance checks by an external party by introducing an investigative, transparent and detailed approach to audits and audit reporting.

Gaps and outdated guidance also extend to the financial sector. As experts have noted, although the FATF's 2015 thematic review on gold acknowledged that it 'is a form of global currency and acts as a medium for exchange in criminal transactions',[145] this has not been translated into the FATF's formal glossary or recommendations,[146] which continue to treat gold primarily as a commodity under Recommendation 32 on designated non-financial businesses and professions. Furthermore, the review has not been updated since 2015 and does not reflect current illicit gold threats.[147]

The conclusion from a decade of independent analysis of industry efforts is that membership of an industry programme or initiative does not provide a guarantee of crime – or conflict-free gold, or responsible sourcing.

Weak governance and corruption

Corruption and abuse of power create a downward spiral that reinforces systemic vulnerabilities and entrenches powerful actors whose authority depends on weak governance and opacity. Yet, corruption (recognized as a criminal act[148]) and criminality can go undetected, especially when not accompanied by violence. Stable, low-violence environments of entrenched criminal control are most likely to escape scrutiny. Although the OECD definition of CAHRAs explicitly includes areas characterized by weak governance, systematic corruption and human rights abuses, even in the absence of armed conflict, a narrower, conflict-focused interpretation is often applied. Thus, countries with deeply corrupted or criminalized gold sectors may escape the CAHRA classification and the enhanced due diligence that comes with it. In Ecuador, for example, years of stability masked weak state management and corruption, leaving the gold sector vulnerable to exploitation that organized crime groups later seized upon.[149] Similarly, low levels of violence in Ghana mask high levels of corruption fuelling illicit gold mining.[150]

Excavator at a gold mine site in South Sudan. *Photo: GI-TOC*

While petty corruption is rampant in many states, grand corruption – where senior officials serve as gatekeepers controlling criminal rents or dictate national policies for personal gain – is more harmful and nearly impossible to address through supply chain due diligence alone.[151] Control over land and mineral resources is one of the most effective mechanisms through which powerful corrupt actors capture the gold sector. When these systems are corrupted, they generate seemingly legitimate operations grounded in criminal capture. Three mechanisms of abuse dominate: land-grabbing through corruption, force or fraud; the corrupt allocation of mining permits or concessions and other mining rights; and engaging in illegal activities on mining concessions (such as extracting ore on exploration-only mining permits).

In Uganda, for example, a 2021 assessment of illicit gold markets in east and southern Africa found that mining licences were reported as predominantly owned by political elites who deployed the police Minerals Protection Unit against competing mining operations.[152] In Zimbabwe and Kenya, the absence of an effective cadastre system was widely cited as an enabler of criminal capture of the gold sector.[153] Jurisdictional conflicts between national and local authorities can compound the challenge, with local government issuing mining licences in contravention of federal regulations or licensing procedures. These tensions have been documented in South Sudan[154] and Ecuador.[155]

Nicaragua exemplifies the abuse of mining rights systems. Through successive legal reforms,[156] the Daniel Ortega and Rosario Murillo regime enabled concession transfers without public bidding or environmental review,[157] turning mining rights systems into an instrument of patronage. This resulted in a surge in mining concession allocations,[158] with concessions affecting indigenous and Afro-descendant territories reportedly fast-tracked through 'express consultations'.[159] In April 2026, the US Treasury claimed the Minister of Energy and Mines, Salvador Mansell Castrillo, was one of two people who managed a scheme that restructured the mining sector into a complex network of front companies and frontmen designed to generate foreign currency, launder sanctioned assets and reinforce political control for their own benefit.[160]

Junior miners: an under-examined high-risk group

Junior miners face unique exposure to illicit gold risks yet are one of the most underexamined vulnerabilities in the gold sector. A junior mining company typically focuses on the early stages of a mine's creation (prospecting, exploration and resource definition) and is usually considered a high-risk venture.[161] For many junior miners, the goal is to hit upon a deposit attractive enough for a major to acquire.[162] Because majors have largely withdrawn from grassroots exploration,[163] juniors absorb the geological, financial and reputational risk of frontier operations, regularly in contexts where state presence is thin, land tenure contested, and informal artisanal mining communities already embedded. This exposes junior miners to illicit gold mining risks on several fronts, as potential perpetrators or enablers of illicit activity and as victims.

Artisanal miners may already be working ground secured by a junior, with their presence used to identify deposits.[164] Juniors can also be the means by which major large-scale miners are insulated from predatory acquisition behaviour: assets secured through corruption, community displacement or strong-arm tactics by a junior are effectively cleansed when a major later acquires the project, with the original conduct subsumed into a corporate history the major did not directly create. In other cases, juniors enter offtake or doré purchase arrangements with local traders to generate cash flow and goodwill; due diligence is often superficial, providing cover for illicitly mined or traded gold. Some juniors operating in conflict zones also enter security arrangements with private militias or armed actors, indirectly financing the very groups responsible for illicit mining and violence. Juniors are equally victims of theft and illegal mining on their tenements. Yet, because there is little oversight of the sector, there are significant data gaps around juniors' illicit gold exposure, as perpetrators, enablers and victims alike.

Financing arrangements compound these illicit gold risks. Private placements (the sale of stock directly to chosen investors and institutions instead of on the open market) are the dominant financing vehicle for juniors. Because it is fast, flexible and minimally regulated, beneficial ownership is often opaque, exposing juniors to illicit capital. Many junior gold miners are listed on the Toronto Stock Venture Exchange, with the Australian Securities Exchange also hosting a sizeable number.[165] Critically, listing on a Western exchange confers an unwarranted veneer of legitimacy: listing requirements focus on disclosure, not on the provenance of capital or the nature of field relationships.

The intersection of customary land rights and formal state licensing also creates opportunity for criminal exploitation. Traditional authorities may be active participants and beneficiaries of illicit gold, and their authority confers a legitimacy that state enforcement cannot easily challenge. This challenge is widespread in West Africa: in Ghana, chiefs are custodians of up to 80% of land and have profited from unlicensed operations;[166] in Liberia, some chiefs have invoked 'traditional areas' to block state inspectors;[167] and in Sierra Leone, bribery of traditional and government officials operates in tandem.[168]

Criminality can also take the form of state entities ostensibly responsible for regulating or managing gold extraction being co-opted to serve the financial interests of politically connected actors, depriving the state of revenues and embedding organized crime in state institutions. This often occurs in oligarchies, where a small group can abuse formal state institutions and enterprises for personal and political enrichment.[169] Examples include:

- Venezuela's state gold mining company, Minerven (CVG Compañía General de Minería de Venezuela), which reportedly does relatively little mining,[170] instead sourcing gold from small-scale mines, including those that may be controlled by Venezuelan criminal syndicates and Colombian guerrilla groups,[171] and through opaque deals with politically connected individuals and military officials.[172] Venezuelan armed forces have reportedly co-opted this system, operating as predatory gatekeepers at every stage of the supply chain.[173] For these reasons, the 2026 deal between Minerven and international commodities trader Trafigura has attracted scrutiny.[174]
- In Suriname, gatekeeping by deceased former president Desi Bouterse and former vice president Ronnie Brunswijk reshaped gold export governance.[175] To legally export gold, it must be assayed by Kaloti Suriname Mint House (KSMH) or the Central Bank, making KSMH a critical chokepoint.[176] KSMH is a joint venture (signed under Bouterse) between the Surinamese state, Dubai-based Kaloti Precious Metals and Andes Venture Capital.[177] In 2020–2021, in addition to profit shares, Kaloti and Andes received US$1.89 million in unexplained bonuses.[178] The KSMH ownership structure and reported finances raise concerns reflected in Suriname's 2020 National Risk Assessment, which advised the government to revise the contract.[179]

Investments driving illicit industrialization

Over the past decade, significant technological, financial and logistical investment has created an illicit mining sector that is more mechanized, professionalized and sophisticated than ASGM governance frameworks were designed to address. Across the Amazon, Africa and Asia, operations using heavy excavators and industrial machinery extract gold at scale over vast areas, employing advanced mining and chemical processing techniques. These operations defy the descriptions 'artisanal' or 'small-scale'.

Chinese nationals and Chinese-financed syndicates have played a particularly prominent role in this transformation across continents. In Ghana, Chinese nationals have introduced excavators, bulldozers and *changfa* dredging machines, including to illicit mining operations, that have irreversibly transformed the gold mining sector.[180] In Sierra Leone, Chinese nationals were among the foreign investors providing capital and processing technology to the ASGM sector in 2017, leveraging their financial resources and business networks to influence supply chains.[181] In Indonesia, Chinese syndicates established near industrial-scale operations, deploying crushers, excavators and cyanide-leaching facilities.[182] Chinese nationals have also established shops selling and maintaining mining equipment and chemicals, creating parallel service economies that are integral to local illicit mining economies.[183] For example, forthcoming GI-TOC research documents patterns of Chinese financing and service provision in Suriname.[184]

The industrialization of the sector has been driven by capital injection, often from foreign sources, and at times the profits from other illicit activities. In West Africa, for example, informal financing is the dominant funding model for gold miners and traders,[185] a systemic vulnerability perpetuating illicit gold flows.

In particular, cyanide leaching is reshaping the economics and structure of illicit gold supply chains.[186] The technique has higher gold recovery rates than mercury amalgamation, making it more profitable. But capital requirements put it beyond the reach of most small-scale miners while offering lucrative investment opportunities for cash-rich criminals. In addition to processing raw ore, the reprocessing of tailings using cyanide creates a significant revenue stream. Crushing, grinding and mercury amalgamation leave behind large amounts of gold that cyanide leaching can profitably recover. The GI-TOC has documented cases of illicit processors offering to collect tailings from miners at no charge, exploiting information asymmetry as miners are unaware of how much gold is left in the ore. The disparity concentrates economic power in the hands of domestic and foreign criminal investors while increasingly marginalizing small-scale miners. Furthermore, the combination of whole-ore amalgamation with mercury followed by cyanide leaching of the tailings is perhaps the most environmentally dangerous processing sequence in ASGM.[187]

Criminal actors finance processing inputs such as mercury, shown here, to control gold trades.
Photo: GI-TOC

The provision of financing is a key mechanism used by criminal actors to capture gold supply chains and profits.[188] Illicit actors commonly finance mining operations rather than directly running operations or mining themselves. Financing can take the form of cash, equipment (including heavy equipment such as excavators, crushers or dredgers) or essential inputs such as fuel and mercury. The provision of equipment to mines engaged in criminality can extend to large-scale operations, with equipment manufacturers supplying projects that are known for human rights abuses and environmental destruction.[189] This investment allows criminal actors to secure supply chains and maximize rents while insulating themselves from the risks of mining, shifting that burden onto informal miners, the most vulnerable actors in the value chain.[190]

FIGURE 6 From mine to market: Gold processing supply chains.

NOTE: Key processing and refining points where criminals exercise control are shown in the red boxes.
SOURCE: Marcena Hunter and Gideon Ofosu-Peasah, Mapping Ghana's expanding gold sector, GI-TOC, June 2025, https://globalinitiative.net/analysis/mapping-ghanas-expanding-gold-sector/; World Gold Council 2021

Financing is frequently subject to sales agreements ensuring that the financier retains control over mining inputs and subsequent gold supply chains. For example, financing agreements may be predicated on the investor receiving a share of the gold at a pre-determined price, or having the first right of refusal. These arrangements can create cycles of debt dependency, tying miners and gold traders to illicit networks, especially when miners are required to sell their gold at below-market prices.

Criminal abuse and manipulation of supply chains

Licit and illicit gold often moves through the same channels, is often processed by the same facilities and traded by the same firms. This permeability is largely the result of systemic vulnerabilities across supply chains that are exploited by criminal actors. Criminal networks are increasingly moving beyond opportunistic exploitation of individual supply chain weaknesses to exercize systematic control over key chokepoints. By investing directly in processing and refining capacity and establishing their own transport logistics, criminals can capture and profit from entire gold supply chains, from producer nations to trading and refining hubs.

Together, these investments enable criminal networks to build vertically integrated supply chains that facilitate gold laundering by controlling physical gold flows and commingling licit and illicit gold, obscuring the metal's origins before it enters formal channels.[191] Persistent regulatory challenges on recycled, scrap and jewellery gold, as well as growing recognition of gold concentrate risks, increase the opportunity for criminal abuse and manipulation of supply chains. These vulnerabilities converge with, and are amplified by, broader geopolitical dynamics. The same structural opacity that allows a criminal syndicate to launder gold also allows a sanctioned state to move it through permissive trading hubs.

Data gaps, non-standardized information capture and weak customs oversight results in information grey zones that criminals can exploit in producing countries such as Venezuela[192] and Somalia,[193] as well as IBCs such as the UAE[194] and Switzerland.[195] Missing production data,[196] mismatches between partner country trade statistics[197] and limited customs oversight[198] result in structural opacity that enables criminals to easily launder illicit gold, with the deliberate mislabelling of exports and imports a common method. Data gaps extend to financial markets, where gold derivative trades and the underlying physical gold are under-scrutinized. These information gaps make it more difficult to know the accurate production and trading circumstances of gold circulating in global supply chains.

The scale of the problem is illustrated by the ease with which red flags are ignored. Analysis of Ecuadorian export documents[199] (see box) demonstrates how gold can easily move through transnational supply chains, even when there are major red flags about its origin. Calls for more granular Harmonized System codes,[200] such as separate codes for refined and semi-refined gold, could provide additional clarity, but stronger customs oversight is required in many countries for these measures to be effective.[201]

Ecuador to US gold flows

In 2023, a legally registered non-ferrous scrap dealer in New York reported importing more than 580 kilograms of 'gold bullion bars' from four companies in Ecuador and sending them to addresses in Miami.[202] The gold was labelled as bullion in trade data but had a per gram value of less than US$30. As an indication, at the time, bullion of 999.5 purity was priced at US$56–US$67 per gram, suggesting that the gold shipments were of much lower purity. The gold was bought from a mining company in the Portovelo area, two gold traders in Machala and a wholesaler in Cuenca that was set up in 2005 but dormant until 2023.

There are several red flags in these transactions, including pricing anomalies and sellers with questionable profiles. This is unlikely to be a singular occurrence: between 2022 and April 2024, more than 1.7 tonnes of gold scrap were exported by plane from Ecuador to the US,[203] and the example is representative of cases regularly encountered during investigations into illicit gold. ■

Gold smuggling: key methods and emerging threats

Gold is moved in numerous ways; its transportability and ease of disguise are part of what makes it attractive to criminal actors. Organized crime can appropriate legitimate transport infrastructure and exploit regulatory blind spots to move gold around the world with minimal scrutiny. In parallel, criminal groups are establishing logistics companies and taking greater control of supply chains.[204] When these networks stretch downstream to refiners and commodity traders, they create closed, vertically integrated supply networks through which illicit gold can easily flow.

The use of private aircraft and clandestine airstrips to move illicit gold represents one of the most significant logistical threats in the global gold sector. Clandestine airstrips near mining zones have been extensively documented in the Amazon Basin, as has the role of the Brazilian city of Boa Vista in regional supply chains.[205] Gold from other parts of Brazil, as well as neighbouring Guyana, transits through Boa Vista (often transported by private aircraft) before being transported to Venezuela.[206] In Brazil, 1 269 unregistered airstrips that appeared in active use were mapped in 2021, and at least 362 were within 19 kilometres of illicit mining areas.[207] In the Yanomami Indigenous Territory alone, Brazilian authorities seized 111 aircraft used to supply illegal mining operations.[208] In Peru, 67 clandestine airstrips were detected in Amazon regions, 30 of which were within Indigenous communities.[209] Reflecting increasing criminal convergence in the region, organized crime groups are using the same infrastructure to move cocaine and gold.[210]

Private aviation is also increasingly being used in Africa to transport gold. In 2023, in Kenya, private charter flights were used to move gold from the DRC and South Sudan to Nairobi, for onward export to Dubai.[211] In Sudan, the SAF and RSF use aviation infrastructure to move gold out of conflict zones, with military-controlled airfields functioning as logistics nodes for combat operations and illicit resource extraction.[212] And in Zimbabwe, private airstrips have been identified as a channel for gold smuggling.[213]

Hand-carried gold on commercial flights remains a prominent smuggling method. The smuggling of hand-carried gold from Africa to Dubai has been well-documented.[214] In Ghana, one of Africa's largest gold producers, research found gold was being smuggled out of the country by hand through airports,[215] with bribery a key facilitating factor.[216] Gold from the Milxo area of Somalia was almost exclusively carried by couriers on commercial flights to Dubai.[217] Recognizing the risk, the Dubai Multi Commodities Centre (DMCC) has threatened to ban hand-carried gold imports.[218]

India is another prominent gold smuggling destination,[219] and record high prices in recent months have resulted in countries with no history of gold smuggling, such as Japan, seeing record levels of hand-carried gold being smuggled.[220] In March 2026, Hong Kong SAR customs made its largest precious metals seizure, approximately HK$230 million (US$30 million) in gold and silver concealed in machines bound for Japan.[221] And in May 2026, a seizure at Port Moresby International Airport in Papua New Guinea intercepted gold bars worth millions of dollars destined for Hong Kong SAR.[222]

Membership of an industry programme or initiative does not provide a guarantee of crime- or conflict-free gold.

Commodity traders: a high-risk sector

Commodity traders are key actors in moving various forms of gold from producer countries, including high-risk contexts, into global markets.[223] The commodity trading sector is routinely criticized for its secrecy,[224] opacity[225] and heightened risks of corruption,[226] against a backdrop of insufficient oversight and regulation.[227] Traders have routinely pushed back on using other transparency frameworks, such as Extractive Industries Transparency Initiative reporting,[228] or on including transparency measures in offtake and other contracts,[229] which are focused instead on establishing flows of minerals and 'squeezing out value'.[230]

Commodity traders are increasingly entering into precious metals trading.[231] Trafigura, one of the world's largest commodity traders, recently hired precious metals traders and signed gold deals that observers have warned are at risk of absorbing illicit gold in Venezuela,[232] and a second deal in Ghana where there are also serious concerns about management of the gold sector.[233] In early 2026, the US issued a licence enabling Trafigura to purchase gold from Venezuela's state mining firm, Minerven, which the US had sanctioned in 2019 for financing terrorist organizations and sustaining the regime of President Nicolás Maduro. The deal, and recent Venezuelan legislation,[234] have been criticized by civil society as providing a veneer of legality for a 'criminalized mining sector'.[235] In April 2026, US Senate Finance Committee ranking member Ron Wyden wrote to Trafigura demanding answers on due diligence and sanctions compliance to ensure the company was complying with US sanctions prohibiting the sale of gold from mines controlled by terrorist organizations.[236] Although Trafigura does not appear to have responded publicly to the Senator's letter, the company has publicly stated elsewhere that it will work with Venezuela's state gold miner to develop a responsible sourcing programme in compliance with labour laws and other regulations,[237] and the company told the Organized Crime and Corruption Reporting Project (OCCRP) in March 2026 the agreement 'complies with a licence issued by the Office of Foreign Assets Control of the US Department of the Treasury'.[238] Senator Wyden has since issued a second letter jointly with US Senate Banking Committee ranking member Elizabeth Warren, addressed to US Treasury Secretary Scott Bessent, reiterating concerns about the deal, and raising further concerns about a lack of due diligence on gold purchased by the US Mint.[239]

Traders routinely note that the rapidity of arbitrage, decision making and spot trading makes supply chain checks impossible.[240] As of 2024, the GI-TOC had identified only one international commodity trader that publicly reports on supply chain due diligence checks of physical metal that it trades, although this reporting was limited.[241] Public reporting makes clear that a lack of transparency allows illicit gold to enter legal supply chains that commodity traders work along.[242]

Further contributing to the opacity, most of the world's largest commodity trading houses are privately held and thus subject to even less scrutiny than listed companies. Glencore, listed on the London and Johannesburg stock exchanges, is the sole publicly listed major commodity trader, although this has not prevented findings of corruption.[243] Other major trading houses (all headquartered in or operating from Geneva) are privately held.[244] A number of traders are also funded by private wealth managers, making them increasingly influential but at the same time increasingly unregulated.[245] ■

Recycled and scrap gold

Because recycled and scrap gold can be melted, recast and reenter the market without reliable provenance checks, it provides an ideal way to obscure the criminal origins of illicit gold and convert it into seemingly legitimate material.[246] Reprocessed gold also falls under the recycled gold umbrella.[247]

Gold can be reclassified as scrap or recycled almost anywhere along the supply chain. As one trade expert noted, 'you can call anything scrap gold'.[248] Recycled and scrap gold circulates through closed-loop systems, toll refining and informal networks where origin verification is minimal or absent, and where material may be mislabelled or misdeclared when it is shipped across borders and resold, making the resulting profits 'clean'.[249]

Lax oversight of scrap and recycled gold extends to IBCs. For example, individuals working in UAE's gold sector describe how once raw gold has passed through UAE customs, it is sold to souk jewellers who melt it with scrap gold and sell it on to refiners.[250] In addition, many trading companies are deliberately short-lived, allowing owners to export and evade scrutiny because ex-post checks by law enforcement are too slow to catch up.[251]

Scrap gold has been subject to less due diligence, creating a loophole through which illicit mined gold enters the international market. This risk was noted by the European Commission, which identified recycled gold as a significant risk in LBMA gold supplies.[252] The LBMA updated its requirements on recycled gold in 2021.[253]

Recycling or reprocessing loopholes can also be used to launder and disguise the origin or previous ownership of investment-grade gold (already refined, pure gold).[254] Once melted down, serial numbers, refinery marks and associated documentation can be broken apart, allowing the material to be recombined, re-assayed and reissued as new bullion with a different chain of custody, obscuring ownership, source of funds and origin of the gold.[255] This was flagged as a major risk by EU customs officials who described a case where gold imports for refining were labelled as scrap but were investment-grade gold bars from London vaults; the bars had been modified and reclassified as recycled to evade scrutiny under the 2017 EU due diligence regulation, which does not apply to recycled metal.[256]

Inter-refinery trading compounds the risk.[257] Trades between refineries, which occur for a variety of legitimate commercial reasons, can obscure – sometime deliberately – the provenance of gold.[258] For example, if a refiner in Switzerland receives gold from a refiner in Singapore, the Swiss refiner may record the gold's origin as Singapore; however, the refinery in Singapore may have received the gold from a source with known illicit risks. Yet, gold refiners typically do not look beyond the immediate supply chain transactions. According to gold industry insiders, gold sourced with limited to no due diligence can be sold at a discounted price in some IBCs.[259] Gold from 'dirty' sources has 'no pricing floor', according to an interviewee in the international gold sector.[260]

Carousel loops, which illegally move refined scrap gold or investment bars across several international or regional borders to exploit tax laws and claim false value-added tax refunds, can further obscure the illicit origins and finances of gold.[261] There can be legitimate reasons for this practice; for example, an Indonesian gold trader said Swiss refined gold can be sold for a higher price than domestically refined gold, with the carousel loop a legitimate, profitable venture.[262] However, it is also highly vulnerable to criminal exploitation for gold and money laundering purposes. An EU customs official described how gold labelled as recycled entered the EU for refining[263] and was sent back to the supplier once refined in a closed loop, making it impossible to know the origin, source of funds and circumstances of the gold traded.[264]

Gold bullion for sale in Indonesia. Gold prices in Indonesia are often above the London spot price, meaning that a large portion of illicit gold produced in the country is consumed domestically. *Photo: GI-TOC*

The proliferation of refinery capacity across sub-Saharan Africa and the Gulf, as well as recent investments in refining in South America, have significantly increased risks around recycled gold. Over the past two decades, new facilities have been in established in at least Uganda,[265] Tanzania,[266] Kenya,[267] Rwanda[268] and Ethiopia,[269] and refineries are proposed or under construction in Burkina Faso and Ghana.[270] Investment in refineries has also become a vehicle for exercizing foreign influence over African gold supply chains, Examples include the construction of a Mali refinery with Russian backing[271] and the Qatari refinery for Sudanese gold, discussed above.

While proponents of local refining argue that it increases in-country value addition and reduces smuggling risks, there is often a weak business case for the establishment of multiple refineries. Gold refining is a high-volume, low-margin business.[272] Individuals involved in the trade describe how in high-risk sourcing regions, traders and refineries often develop long-term relationships in which risk premiums are effectively shared, rewarding those able to secure and move gold.[273] These pressures may incentivize refineries to overlook the source of gold stocks, increasing illicit gold risks.[274] Since refineries aggregate gold from many sources, commingling it to produce high purity bullion, this presents a ripe opportunity to launder illicit gold into global markets. The risks are heightened in jurisdictions with limited regulatory oversight, weak AML frameworks and poor beneficial ownership transparency.

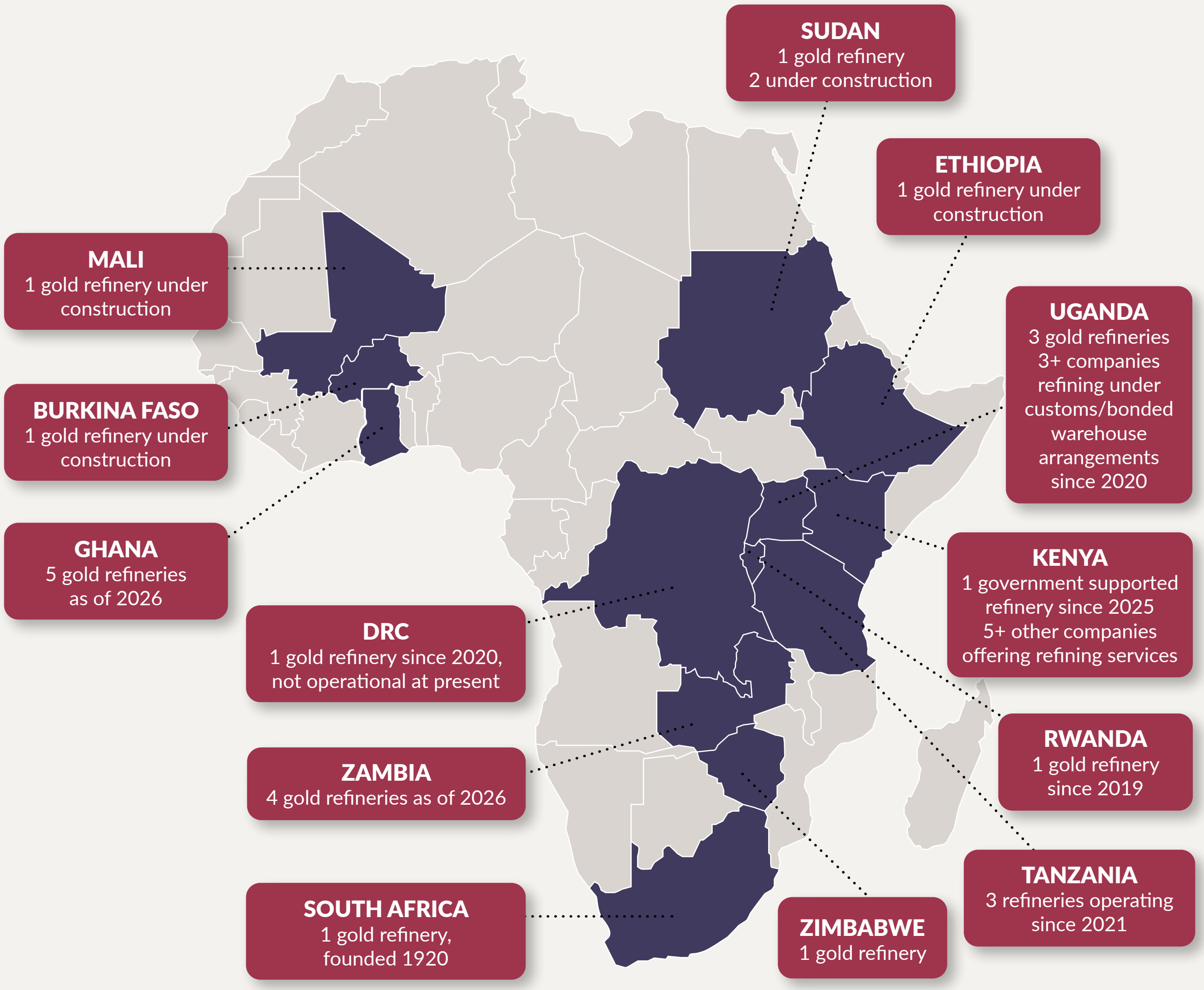

FIGURE 7 Gold refineries in Africa.

SOURCE: GI-TOC, Swissaid and corporate reporting

Sanctions evasion and geocriminality

Increasingly, gold is being used as a monetary instrument, acting as a sanctions-resilient, state-usable value-transfer system. Iran and Venezuela have previously exploited gold to evade sanctions. In 2019, US prosecutors charged Halkbank, a Turkish state-owned bank, with allowing Iran to covertly use the revenue from oil sales to buy gold. This was converted into cash, helping Iran launder US$20 billion to evade sanctions.[275] Also in 2019, 7.4 tonnes of Venezuelan gold (worth about US$300 million) arrived in Uganda on two Russian charter flights. It was destined for African Gold Refinery (since sanctioned by the US and now defunct) to be processed and re-exported to Türkiye in an effort to circumvent US sanctions on Venezuela.[276]

Since the invasion of Ukraine, gold has become a vital source of liquidity for Russia,[277] which is using it to bypass international financial restrictions.[278] Russia has used physical gold in state-to-state payments, and to obtain cash and weapons.[279] It has used gold to buy Shahed 136 drones from Iran,[280] and to buy goods from China in contravention of US sanctions (Russia buys gold, moves it to Hong Kong SAR, sells it there and deposits the proceeds in a local bank account).[281] Russia has also developed new financial instruments backed by gold and is using gold to sanction-proof its economy, including attempts to create a gold-based coin with Iran[282] and several Russian banks' efforts to tokenize gold.[283]

This is jurisdictional arbitrage: Russia moves gold to permissive hubs where it can immediately be used in a monetized way. The UAE and Türkiye (both IBCs) have been instrumental in Russian banks obtaining hard currencies such as dollar banknotes in exchange for the sale and minting of gold.[284] Armenia processed and laundered billions of dollars of Russian gold until 2024.[285] Kazakhstan is another suspected laundering corridor,[286] but because it is not historically considered a CAHRA, scrutiny of trade in its physical gold sector has remained relatively low.

Russia's engagement in Africa through the Wagner Group and later Africa Corps in the CAR, Libya, Sudan, Mali, Mozambique, Madagascar and elsewhere established access to natural resources, including gold.[287] In addition to acquiring gold mines, Russia's aligned networks are attempting to build a full independent gold supply chain. Activities range from lobbying[288] on local regulations to building refining facilities[289] to reduce complicated export operations. ■

Jewellery

Gold classified as jewellery offers similar laundering opportunities, buttressed by the fact that jewellery accounts for a major portion of overall gold demand. Gold from any source can easily be converted into jewellery and moved around, including by couriers.[290] It is not uncommon for freshly mined gold to be made into bangles or simple necklaces that can be worn when crossing borders, a practice documented across Africa, Latin America and elsewhere. Because gold scrap and jewellery are not usually treated as currency,[291] imports worth more than US$10 000 can be brought into countries such as the US unscrutinized.[292] In some cases, criminals tariff-shift between scrap gold and jewellery, and the location of tariff-shifting becomes the labelled origin of the gold.[293] In turn, jewellery offers a convenient vehicle for money laundering.

For example, a well-known Suriname gold shop whose owner has established links to criminal networks does not have a licence to export freshly mined gold but but does have a licence to import and export scrap and finished jewellery.[294] At a gold shop linked to the jewellery shop, the GI-TOC witnessed staff buying gold from 15 miners in less than an hour, with one staff member stating, 'We do not check where it comes from.'[295] These observations raise concerns that the gold could be exported as scrap by the jewellery shop, enabling illicit gold to be laundered into international markets.

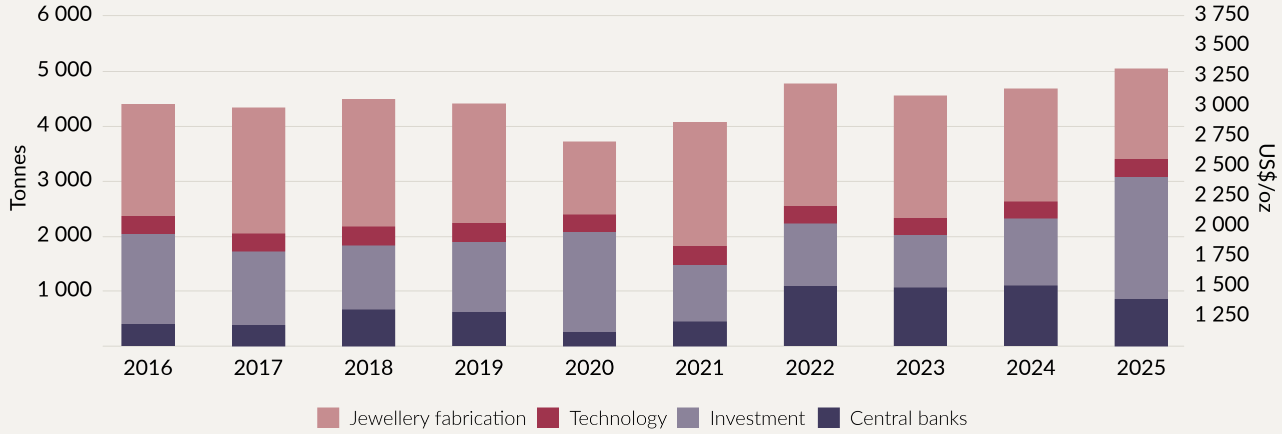

FIGURE 8 Global annual gold demand by sector, 2016–2025.

SOURCE: World Gold Council, April 2026

In another case, companies within a criminal network in a non-producer country moved gold from a high-risk gold producer country to a third country to be made into jewellery. The same criminal network then bought the jewellery in the third country using illicit funds and exported it to a fourth country where it was remelted and exported to Switzerland as scrap material for refining.[296]

Gold concentrate

Gold concentrate falls under Harmonized System code HS 2616.90, a lightly tracked category that is difficult to price and easily misinvoiced or misdeclared without attracting the scrutiny applied to refined gold, as explained by the OECD.[297] Historically mostly produced by large- and medium-scale mining, gold concentrate is increasingly produced by ASGM as operations mechanize. According to Metals Focus, more than 15% of world primary gold production in 2024 was shipped as concentrate,[298] primarily in maritime containers. However, actual volumes may be considerably higher: the divergence between import and export records for HS 2616.90 grew from US$873 million in 2020 to US$4.31 billion in 2024. Even accounting for aggregation, transshipment and varying concentrate grades, these discrepancies raise serious questions about illicit gold flows.[299] The lack of oversight of maritime shipment of gold (in concentrate as well as other forms) is a major blind spot in global supply chains.

The Port of Durban, South Africa. Weak oversight of gold cargoes leaves a major gap in global supply chain security. *Photo: GI-TOC*

Ecuador exemplifies these risks. Flotation, a process used to produce gold concentrate, is increasingly common, and gold concentrate export volumes have spiked since 2021, with more than 115 000 tonnes shipped from the Port of Guayaquil to China in 2023 and 2024. Yet, without reliable customs checks or assaying, the origin and gold content of the exported concentrate is mostly unknown.[300]

Concentrate containing gold primarily flows to copper smelters and roasters, escaping the scrutiny applied to direct flows to refiners.[301] Key purchasers of gold concentrates are Chinese copper smelters, which buy directly from miners or through traders. Roasting plants also buy and process concentrate.[302] After processing, gold continues to refineries.

Traders play an important role, buying and selling concentrate; some operate blending facilities, purchasing various concentrates to meet buyers' specifications. Blending material with insufficient or fraudulent documentation enables the laundering of illegally sourced gold. Smelting also alters gold's form, enabling tariff shifts that allow the processor country to become the origin country of record, disguising the gold's original source.[303] Furthermore, there are no price benchmarks for gold concentrates, leaving prices to be agreed for each transaction.[304] The lack of standardized pricing means there is no way for external observers to calculate the relationship between unit price and gold content, adding further opacity.

High-value minerals extracted alongside gold are easily concealed in the concentrate, as well as raw ore, which is also a significant critical minerals risk. 'Phantom gold' presents additional risk: shipments exist only as document trails, with empty containers or bags of sand used to provide the rationale for a financial flow.[305] These factors facilitate misdeclaration and smuggling of gold concentrate, especially as few authorities, including customs personnel, know how to identify concentrate or have equipment to assay it.[306] This is in addition to authorities' limited capacity to oversee the sheer magnitude of containerized and bulk shipping transiting global oceans and ports.[307]

Zones of vulnerability

Free trade zones (FTZs) and, to a lesser extent, special economic zones are a significant structural trade vulnerability. Gold entering an FTZ can be stored, refined, blended, re-exported or sold without standard customs oversight. This opacity, paired with weak customs oversight, allows for misinvoicing, fictitious transactions and round-tripping. Gold can enter FTZs with minimal documentation and after processing or commingling it can exit as a legitimate commodity with a new paper trail.[308] Examples of this global vulnerability include:

- In an Eswatini special economic zone, two gold refineries – neither of which appear to have engaged in any genuine refining activity – were used to channel millions of dollars through the financial system and onward to the gold markets of Dubai. The same network was subsequently exposed in a 2023 investigation that documented syndicates linked to heads of state across southern Africa moving billions of dollars in illicit gold and laundered cash.[309]
- The OECD reports that in Colombia, illegally mined or smuggled gold is blended with legitimate production, with FTZs playing a significant role in the export process; in Panama, the Colón FTZ is a node in gold laundering networks connecting South American source countries to international markets; and the Dominican Republic functions as both producer and transit hub, with gold passing through its FTZs in various forms.[310]
- UAE, China, Hong Kong SAR, Türkiye and Singapore FTZs have also been linked to illicit flows, including gold.[311] In particular, Dubai's DMCC zone, which hosts the gold souk and hundreds of gold trading firms, has been repeatedly identified as a gold laundering hub.[312] ■

INTERNATIONAL FINANCIAL SYSTEMS

Beyond physical supply chains and risks linked to gold production and trade, illicit gold poses a serious risk to global financial systems. Capital markets provide the listing infrastructure, institutional investment, diplomatic access and reputational legitimacy that, when poorly or insufficiently regulated, allow those producing or trading illicit gold to extract wealth while suppressing accountability. This risk has grown with the dramatic rise in gold prices,[313] increasing the already immense amount of wealth to be extracted. According to the WGC, investable gold, mostly in bullion form, amounts to a value of more than US$15 trillion worldwide. It comprises:

- US$9 trillion in physical bars, coins, gold ETFs and OTC holdings by private investors.
- US$5 trillion managed by central banks and other official institutions.
- Nearly US$1.5 trillion held in derivatives (financial contracts between parties whose value is derived from an underlying asset, in this case gold).[314]

Yet illicit gold risks in the financial sector receive little attention, limiting action to prevent and address them. For example, a 2026 study found that nearly 40% of financial institutions surveyed do not assess illegal mining risks as part of their due diligence processes, even though most operate in sectors with elevated exposure to illicit trade and supply chain crime. Additionally, an expert and former gold trader told the GI-TOC that many banks in the UAE are 'naive in terms of suspicious activity and don't know how to deal with it'.[315]

Payments and illicit gold

Payments for and with illicit gold span a wide range of financial vehicles, including cash, informal value transfer systems, the banking sector, including through correspondent banks, and – an emerging risk – cryptocurrency.

Gold and cash are frequently used together, and research indicates that most illicitly mined gold is paid for in cash. For example, the FATF described a case of an armed group in Colombia selling gold it illegally produced to legal businesses through cash transactions to conceal provenance. The profits were then used to buy equipment, munitions, medicines and other supplies needed to continue the group's activities.[316] A common method is to channel proceeds into property investments, as documented across West Africa.[317]

Gold may also be used to launder cash proceeds generated from other predicate offences. Cash derived from drug trafficking, fraud or other criminal activities can be used to buy gold to consolidate value, reduce bulk and obscure the origin of funds. This occurs in both producer countries and destination markets. For example, in the UK between 2014 and 2016, four men laundered about £200 million by channelling criminal cash through jewellery businesses. They bought gold that was then exported to Dubai, using the appearance of legitimate trade to obscure the origin of funds.[318]

Gold buying shop in Ghana. *Photo: GI-TOC*

Gold and informal value transfer systems, particularly *hawala*, also have a symbiotic relationship.[319] They reinforce each other's opacity, facilitating transnational financial transactions that avoid formal banking systems, leave no trace and create significant opportunities for criminal exploitation. Yet, it is important to note that gold and informal value transfer systems also fulfil critical legitimate functions for millions of people excluded from or distrustful of formal financial systems. In many gold-producing regions, communities that lack banking access rely on gold for livelihoods, a medium of exchange and essential remittance services.[320]

Examples of crossover between gold and *hawala* include:

- In Ghana, the Gold Board identified *hawala* networks as central to a 120 million cedi (US$10.6 million) gold smuggling syndicate dismantled in 2025.[321]
- In India, tax authorities have repeatedly uncovered gold smuggling operations intertwined with *hawala* transfers.[322]
- A criminal network was found to have smuggled about 75 tonnes of gold from Germany to Türkiye using *hawala* in 2021.[323]
- In Italy, Eurojust coordinated the dismantling of a Syrian- and Egyptian-led network that bought and exchanged gold bars to conceal at least €30 million in drug trafficking proceeds, using *hawala* to settle transactions across borders.[324]

Correspondent banks, which provide the US dollar clearing and payment infrastructure that underlies some gold transactions, are also exposed to risks associated with illicit gold flows. They may process payments connected to illicit gold trades without full visibility of the underlying transaction or the provenance of the metal involved. GI-TOC research in central Africa has identified one correspondent bank, which dominates US dollar clearing in mineral trades from the Great Lakes Region, acting as the principal correspondent institution for several local banks.[325] The bank appears to perform minimal due diligence on the transactions it clears, including those potentially linked to conflict financing or corruption. The central role correspondent banks play in global dollar-clearing systems means enhanced due diligence or refusal to process high-risk transactions could significantly constrain the ability of illicit gold exports to enter formal international markets.

Cryptocurrencies are increasingly used by criminals operating in the gold sector.[326] Recent research found direct links between the Guyanese illicit gold trade and cryptocurrency payments, highlighted in the case study below. This relationship can also extend to criminal exploitation of national cryptocurrency schemes and the tokenization of national resources, including gold, as the GI-TOC found to be the case in the CAR.[327] Globally, cryptocurrency regulations are struggling to keep pace with illicit risks, increasing existing illicit gold threats.

Cryptocurrency Tether being used to buy gold in Latin America

GI-TOC investigations found that Tether (USDT), a US stable coin pegged at 1:1 to the US dollar, was used to pay for Guyanese gold smuggled to Venezuela, using decentralized wallets.[328] Once received by traders, the USDT was sold to Chinese traders in Guyana who pay out in cash in Guyanese dollars, usually for more than the going exchange rate.[329] Two gold traders noted that Brazilian traders who sell Guyanese gold in Boa Vista use the same mechanism and are paid out in Brazilian reals. A Colombian former mining official described how Tether was also used in the Colombian gold sector by criminal networks that pay miners in cryptocurrency to avoid detection, allowing miners to keep official banking channels 'clean' if checked by authorities.[330]

Authorities around the world have long raised concerns about the role of crypto in illicit finance. Owned by Tether, USDT is the biggest stablecoin in the world with a market capitalization of more than US$100 billion.[331] The increasing use of US stablecoins for international payments[332] was flagged as a risk in a March 2026 FATF report that notes illicit finance risks linked to criminal misuse of stablecoins, particularly through peer-to-peer transactions using unhosted wallets.[333] In February 2026 Tether told Reuters that it has frozen about US$4.2 billion of its crypto tokens over links to 'illicit activity', mostly in the past three years, as authorities around the world try to crack down on crypto-related crime.[334]

Tether also offers investment products in gold. In 2020, Tether launched Tether Gold (XAU₮), which converts fiat currency into gold-backed tokens,[335] and at the end of September 2025 Tether held 116 tonnes of gold in its reserves, making it the largest gold holder in the world outside central banks, according to *Financial Times* reporting.[336] According to online reports, neither Tether nor its gold reserves have been independently audited, though in April 2026 the company reportedly engaged KPMG to undertake the task.[337] The GI-TOC contacted Tether about the information contained in this report and had not received a response by the time of publication. ■

Bullion markets

Once gold enters the bullion banking system, it assumes a hybrid form: simultaneously existing as physical bullion and as the basis for unallocated accounts and other paper claims. It may never physically move again, even as ownership repeatedly changes through trading, including location (loco) swaps.

Falling under the bullion market umbrella, OTC markets are among the deepest and most liquid financial markets globally but are often less transparent than exchange-traded markets because transactions are negotiated bilaterally rather than executed on centralized exchanges.[338] According to the WGC, the OTC model provides market participants with a high degree of flexibility and enables large gold trades to be executed anonymously. However, OTC markets typically lack high levels of transparency and expose market participants to credit counterparty risks.[339]

Where physical gold delivery does occur, the integrity of the underlying metal often rests on responsible sourcing certifications that are limited in effectiveness due to the systemic vulnerabilities described throughout this report.[340] This opacity enables criminals to layer illicit proceeds through customized, high-value trades that mimic legitimate hedging or investment strategies, making it difficult for regulators to identify suspicious patterns or trace beneficial ownership.

Gold swaps are also vulnerable to criminal exploitation, as ownership can change without physical movement or without inspection of the underlying metal, including due diligence on the physical gold.[341]

Key gold market terms

- **Bullion bank:** A specialized financial institution operating in the wholesale precious metals market. Bullion banks are one of the engines of the global gold market: they hold gold, lend it, trade it and set prices, connecting physical vaults to financial markets. They also manage allocated gold (specific bars held in custody) and unallocated gold (a credit on the bank's books) accounts, and may lend money, including short-term financing, to support gold shipments or purchases.[342]
- **Bullion market:** A marketplace where buyers and sellers trade gold and other precious metals. Major international bullion markets are referred to as IBCs. The bullion clearing system is highly concentrated. London Precious Metals Clearing Limited (LPMCL), which facilitates international trade on the London OTC market,[343] is owned and operated by only four banks: HSBC,[344] ICBC Standard Bank,[345] JPMorgan and UBS.[346] The LBMA provides administrative services for LPMCL.[347]
- **Exchanges:** Regulated platforms that centralize and intermediate transactions between market participants.[348] The Shanghai Gold Exchange is the largest physical gold spot exchange. The Commodity Exchange Inc. (COMEX), which is part of the New York Mercantile Exchange, is a futures and options exchange where participants trade contracts for gold and other metals.
- **Gold-backed ETFs:** Gold-backed ETFs are physically backed by bullion held on behalf of the investor in the vaults of a custodian, enabling gold to function as a liquid financial asset within investment portfolios.[349] In most cases, however, investors do not own specific bars of gold; instead they own shares in a fund linked to a pooled allocation of gold. In some instances, the ETF manager is permitted to lend gold assigned to the ETF to other investors, adding another layer of opacity. Their credibility depends on the integrity of underlying storage, auditing and verification systems.
- **Loco London:** Gold and silver bullion that is physically held in London vaults to underpin trading activity in the market.[350]
- **Loco swap:** Two parties agree to exchange (swap) gold they have in different locations (locos) with each other, without the gold necessarily changing physical location.[351] Loco swaps are predominantly executed in OTC markets, particularly the London bullion market.[352] They are highly attractive as gold is costly to transport, insure and secure, making it more efficient for ownership to transfer more frequently than the underlying bars.
- **OTC trade:** A way of carrying out spot trades, with market participants trading directly with each other. The London OTC market is the largest.
- **Spot trade:** The purchase or sale of gold at the current market price for immediate delivery.

Bullion banks and financial institutions are also increasingly exposed through the gold-backed financial products and custody structures they underwrite and administer. Reliance on custodial and verification mechanisms creates vulnerabilities in less regulated or opaque investment vehicles, such as gold-backed ETFs. Thus, the underlying gold may be linked to or part of illicit flows or transactions. While a tiny percentage of gold derivative trades are settled in physical gold, due to the scale of the trade, there are illicit gold risks.

Fraud is also a risk to gold-backed ETFs. The case of Swiss Gold Treuhand, based in Zug, illustrates this: between roughly 2020 and 2024 the firm raised about CHF80 million from investors linked to an estimated 1.5 tonnes of gold that is now unaccounted for, with the company having falsely claimed that the holdings were audited. The case led to intervention by the Swiss Financial Market Supervisory Authority and ongoing criminal investigations.[353]

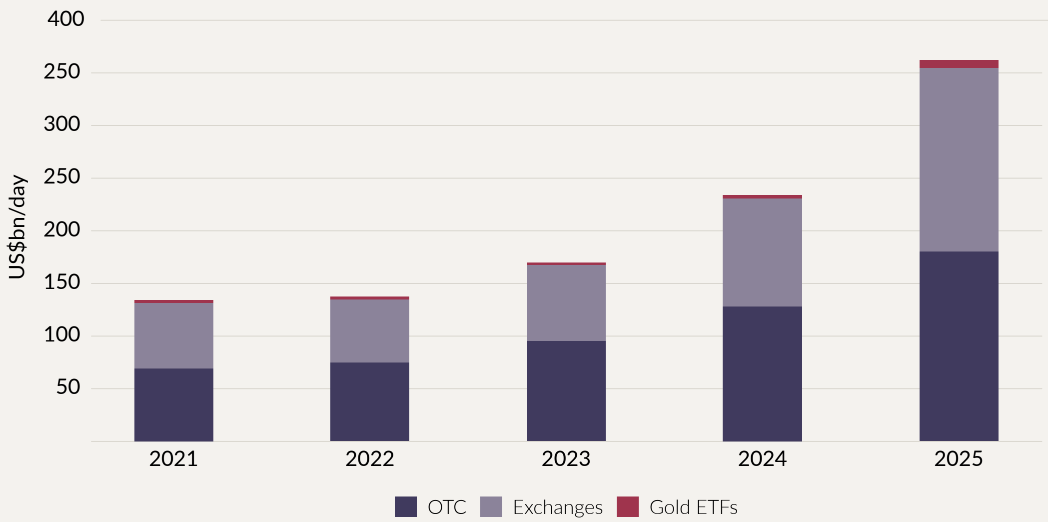

FIGURE 9 Average daily gold trading volumes (in billions of US dollars), 2021–2025.
SOURCE: World Gold Council

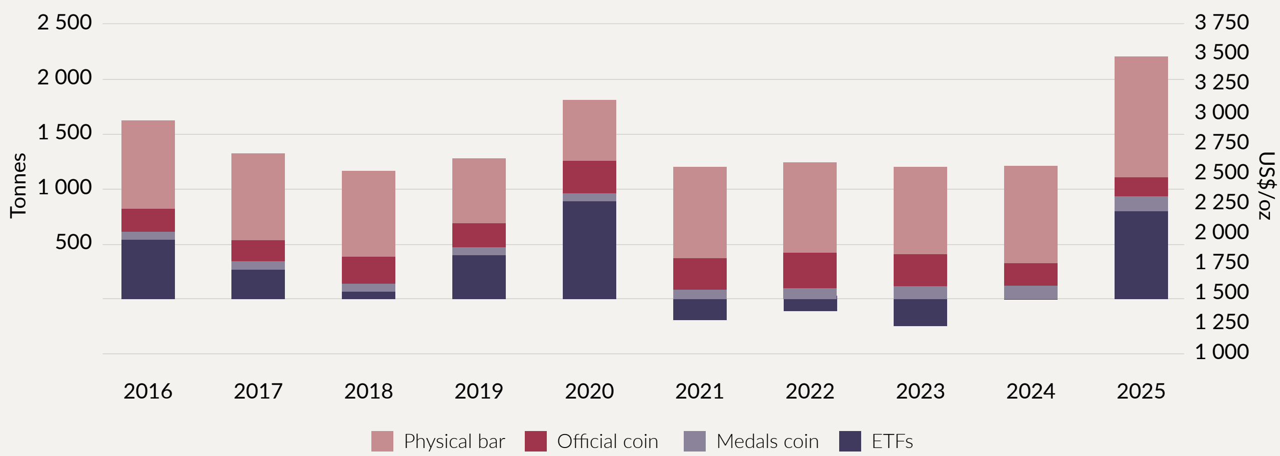

FIGURE 10 Global annual demand by investor type, 2016–2025.
SOURCE: World Gold Council

Where gold is held in pooled form and no participant owns specific bars, it becomes difficult to apply due diligence models designed to trace and verify discrete physical assets. What due diligence does exist is not gold specific or does not seem to be robust. For example, gold industry experts interviewed by the GI-TOC noted examples where LBMA refiners bought gold products through the Shanghai Gold Exchange based on one-page audit reports issued by other industry schemes, even when those reports noted partial non-compliance and did not provide information about the source or circumstances of the gold.[354]

Within this system, physical gold functions less like a commodity and more like cash within a banking system. As a result, the relevant due diligence framework increasingly resembles prudential and institutional oversight in banking rather than traditional minerals trade verification. Just as bank depositors are not expected to conduct physical due diligence on the specific banknotes underlying their deposits, participants in the bullion banking system generally have no claim over, or visibility into, specific underlying bars. Some commodity exchanges subject trading members to varying AML obligations focused on counterparty identity, beneficial ownership and transaction monitoring; however, these are standard financial crime controls not specifically calibrated to the risks of gold-based money laundering.[355]

Consequently, in many cases bullion banks are unaware of the circumstances or provenance of gold[356] and rely on industry programmes or third-party auditors to undertake checks on gold or counterparties. As discussed in relation to gaps in supply chain standards, this exposes them to significant risk.

Central banks

Central bank gold buying, an important component of monetary policy, has increased significantly since 2018, and analysts attribute this to rising geopolitical tensions and de-dollarization.[357] Central banks buy or take delivery of gold either on the OTC market from bullion banks and gold refineries,[358] through the Bank for International Settlements,[359] or directly from domestic gold production.[360] They report their holdings to the International Monetary Fund (IMF). Government entities and sovereign wealth funds may hold gold but are not required to report in the same way.[361] Over the past five years, buying was concentrated among emerging and non-Western economies such as China, India and Türkiye. In 2025, central banks including Poland (the largest recorded buyer for the year), Kazakhstan, Brazil, Azerbaijan, Türkiye, China and the Czech Republic increased their gold reserves through substantial net purchases.[362]

While central banks are major gold buyers, their buying is relatively weakly regulated. No binding international framework governs due diligence or AML controls on gold held by central banks or other government entities.[363] Some central banks are covered by domestic laws but many typically rely on counterparties within bullion or gold markets to meet responsible sourcing standards.[364] In one recent example, it was reported that the US Mint, which provides the US Federal Reserve with coins for reserve banks to distribute throughout the US,[365] received gold from a Colombian drug cartel mine and other illicit sources and had not undertaken any supply chain audits or checks to ask its suppliers where their gold came from for over two decades.[366] Central banks may also receive money repatriated from illicit gold sales.[367]

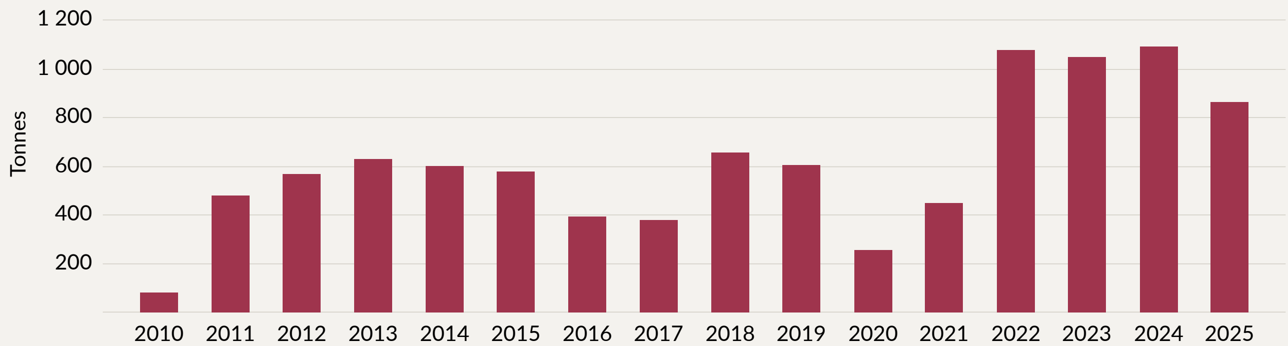

FIGURE 11 Central bank demand for gold, 2010–2025.

SOURCES: Metals Focus; Refinitiv GFMS; World Gold Council

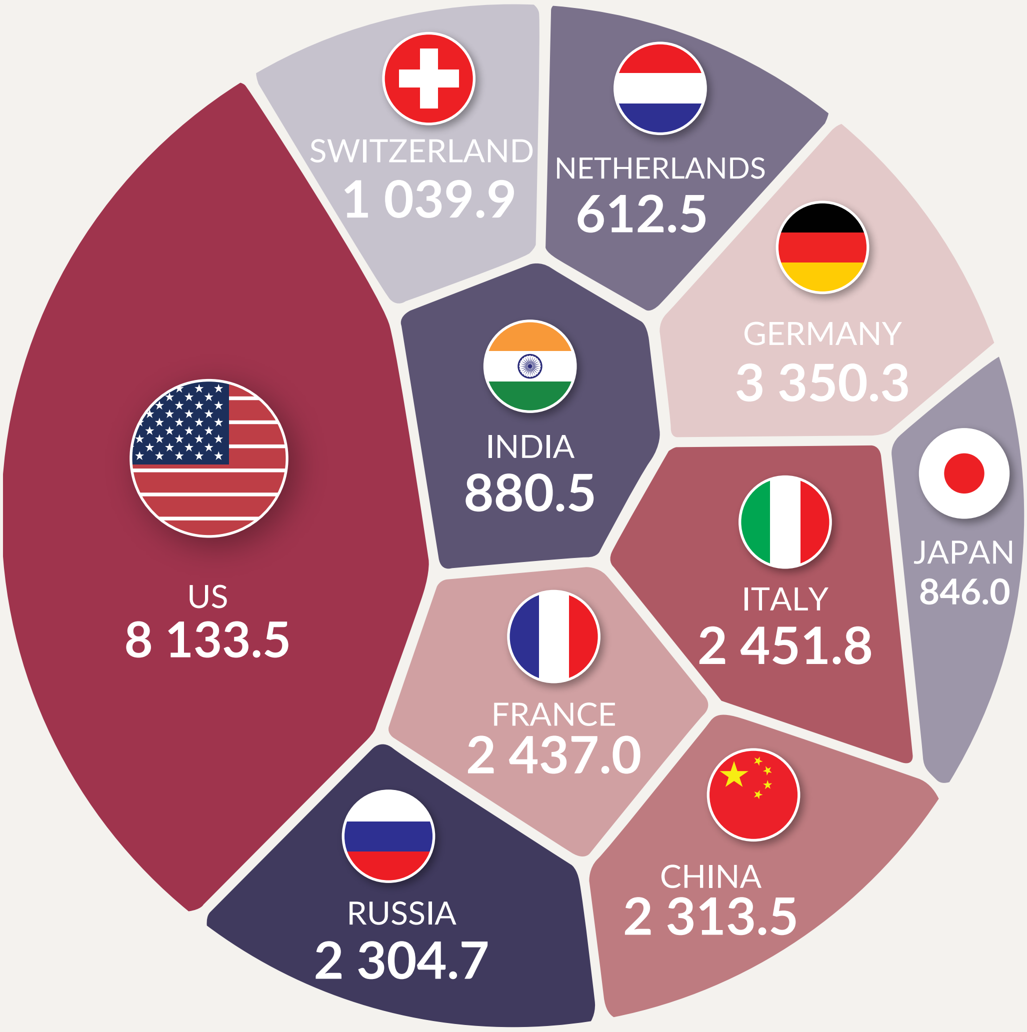

FIGURE 12 Central Bank Gold Holdings in US$ billions.

SOURCE: Data from the World Gold Council

In some jurisdictions, including Ecuador, the Philippines, Sudan, Ghana, Tanzania, Madagascar and Bolivia, central banks have introduced programmes to purchase domestically mined gold directly from local supply chains.[368] While this has the potential to establish responsible ASGM supply chains and support sustainable development, it carries risks of sourcing illicit gold.[369] Thus, sourcing gold from ASGM, often a positive intervention, must be carried out with care and accompanied by strong due diligence procedures.

Gold swaps between central banks holding LBMA bars and gold traders trading non-LBMA gold, or vice versa, can also enable gold of unknown origin and circumstance to enter formal gold markets.[370] Central banks may buy gold to participate in gold swap, deposit and lending operations, after which gold is placed in a pool which may then be traded onwards: the gold returned to the central bank will be of equivalent quantity and quality of standardized bullion but may not be the same physical bars.

CONCLUSION

Illicit gold is not a peripheral integrity problem for an otherwise functioning market: it is the consequence of a market in which structural opacity has never been seriously challenged. And, as this report shows, it has metastasized into a systemic threat touching every link of the global gold supply chain. Conditions are converging in ways that favour criminal actors, and criminal networks have moved beyond exploiting the margins of the sector. The dramatic rise in the gold price since 2023 has supercharged these trends, transforming the economics of illicit gold. As market power shifts eastward and regulatory arbitrage grows, the need for action increases; but these shifts also increase the risk of loss aversion – the fear that stricter standards will push flows elsewhere – which can be a powerful force in protecting the status quo in the jurisdictions best placed to act. Geopolitics complicate the challenge, with gold increasingly being used as an instrument of statecraft and rising geocriminality.

Yet failure to act will compound the devastating consequences already unfolding globally – for the environment, human rights, governance, security and development.

The path forward is feasible but demanding. Responses must reflect the full breadth of the risk: mandatory, enforceable due diligence that goes beyond voluntary frameworks is overdue; third-party assurance schemes must be improved upon with robust internal due diligence processes and auditing with real consequences; IBCs must be scrutinized in proportion to their systemic role; and structural data gaps that sustain the sector's opacity must be closed. None of this is beyond reach, but it demands that states, industry and the financial sector confront systemic vulnerabilities with greater transparency and accountability.

Gold processing in Indonesia, an example of a country where gold extraction overlaps with other criminal economies. *Photo: GI-TOC*

Reflecting the findings of the report and this call to action, the recommendations below combine immediate, medium-term and transformational actions. Many recommendations are interdependent and must be adopted in parallel. Critically, supply chain disruptions imposed without parallel development support can harm vulnerable groups, undermine state legitimacy and empower criminal actors. Thus, in addition to stronger due diligence and enforcement action, inclusive, development-focused responses are needed, particularly those securing buy-in from ASGM miners, traders and affected communities.[371]

Recommendations

For additional recommendations, see the GI-TOC publications 'Combating illicit gold markets in eastern and southern Africa'[372] and 'Civil society policy recommendations on illicit gold',[373] both of which are globally relevant.

Regulatory and standard-setting bodies

A binding, globally harmonized standard, grounded in international human rights, environmental and criminal law, would create a level playing field, eliminate compliance arbitrage, and give banks, investors, traders and exchanges an unambiguous benchmark for assessing gold, counterparties and supply chains.

To multilateral bodies

- Adopt updated interpretations and implementation of existing frameworks, including the OECD Guidance, that move beyond CAHRAs to capture criminal vulnerabilities across IBCs and financial markets. These frameworks should recognize the role of state-adjacent actors and increase focus on large- and medium-scale mining, in addition to recognizing environmental harm and crime as critical threats.
- Establish internationally binding rules to be applied to the entire gold (and other minerals) supply chain, to create a shared global responsible trading and reporting standard, aligned with the OECD Guidance. This should be predicated upon robust disclosure requirements, including beneficial ownership and director disclosure reporting. Ensure standards and responses cover all mining scales and are not restricted to ASGM.
- Conduct research and monitoring of illicit gold markets to ensure policy and enforcement guidance are evidence-based and attuned to current threats, including working groups on emerging threats, i.e. intersection of cryptocurrency and gold, and gold concentrate and maritime trafficking routes. This recommendation is also directed at states.
- Strengthen capacity to track gold concentrate and raw ore flows. Update Harmonized System codes to provide finer-grained classifications for gold concentrate and support efforts to build oversight and regulatory capacity at maritime ports over concentrate and raw ore exports.

To the Financial Action Task Force

- Update the 2015 thematic review on gold to reflect the new threats to the sector, including those identified in this report.
- Develop a framework for assessing regulatory compliance and effectiveness against performance indicators relating to gold.
- Update the FATF glossary to recognize gold as a monetary instrument as well as a commodity.
- Reassess regulatory requirements for designated non-financial businesspersons (DNFBPs) and dealers in precious metals and stones (DPMSs), extending these to include enhanced due diligence over all parts of supply chains and linked financial flows related to gold.
- Include assessment of illegal gold mining in national risk assessments and mutual evaluations.
- In Recommendation 33, include statistics on mirror trade gap analysis to identify smuggled gold.

To the World Bank, International Monetary Fund and development finance institutions

- Support producer countries to build revenue accountability, including a national wealth traceability standard that digitally tracks gold revenue from extraction to investment, in order to ensure revenue collected from gold mining and export benefit the country's population.
- Deploy de-risking tools such as guarantees, blended finance and concessional lending to draw responsible private investment into the ASGM sector.

Financial sector

To financial institutions and financial regulators

- Require supply chain due diligence reporting for all physical gold held or traded by clients, at account opening and annually thereafter, including information on risk assessment and mitigation. Apply equivalent due diligence to swap arrangements as to physical gold trades, with disclosure of swap counterparties and the provenance of swapped gold across all locations.
- Treat gold-backed ETFs and other gold-backed financial instruments as carrying provenance risk equivalent to physical gold. ETF custodians and authorized participants should publish quarterly bar-level inventories and certify provenance of gold transferred in or out of custodial holdings.
- Maintain publicly available whistleblowing and grievance mechanisms, accessible to affected communities, transparent in process, and designed to protect complainants and witnesses from retaliation.
- Implement procedures to mitigate the risks of financing illegal mining and its inputs, including chemicals, machinery and explosives.
- Issue investor guidance on illicit gold risks specific to junior mining investments.
- Require enhanced disclosure from listed junior miners on permits and concessions, beneficial ownership of partners, exposure to high-risk jurisdictions and allegations of human rights abuses or illegal mining linked to their operations.
- Strengthen AML and counterterrorism financing procedures to account for gold-based money laundering.
- Adopt dedicated investment screening and due diligence policies for gold sector clients that comply with relevant money laundering and proceeds of crime regimes.
- Adopt 'lean-in' due diligence approaches that support responsible ASGM, including sourcing of gold, and avoid financial exclusion of the sector. This requires thoughtful risk assessment and management with ASGM, rather than categorical exclusion.
- Engage with environmental, social and governance (ESG) ratings agencies to recognize that responsible engagement with ASGM can be ESG-positive, rather than treating the sector as categorically high-risk.

To central banks

- Report publicly on the due diligence findings for gold, and on gold stocks and movements.
- Ensure robust due diligence systems are in place for gold purchases.

Governments and state enforcement bodies

- All countries – producer, transit and destination markets – are encouraged to support global efforts to create harmonized, mandatory global rules to address illicit gold, including where it contributes to environmental crime. This should include mandatory reporting and disclosure for all gold trades, including OTC trades and movements through intermediary jurisdictions.

To national financial intelligence units

- Strengthen international cooperation, including improved cross-border information-sharing, to combat illicit gold flows and linked illicit finance. This can include working with the Egmont Group, a body of 182 FIUs, which provides a platform to securely exchange expertise and financial intelligence,[374] to strengthen regional and international cooperation between FIUs, especially between producer countries and IBCs.

To trade and customs authorities

- Standardize declaration forms and procedures for hand-carried gold, including scrap gold and jewellery, and consider all types of gold as monetary instruments for declaration purposes.
- Bolster declaration requirements for travellers carrying gold, aligning them with cross-border declarations of cash.
- Establish cooperative data-exchange relationships between exporting and importing country customs agencies, and provide capacity-building assistance for customs agencies, especially in producer countries and major transit hubs.
- Build communities of practice working with agreed transparency, due diligence and know-your-customer standards, and monitor them to ensure they are not captured by elite actors.

To producer-country governments

- Establish and maintain publicly accessible electronic cadastres.
- Build horizontal, vertical and diagonal coordination across mining, environment, trade, finance, law enforcement, customs and health authorities and with ASGM miners, traders, civil society and the media. This should extend to including gold miners and traders in policy development discussions.
- Adopt development-focused ASGM policy. This should include addressing financial exclusion of the sector, reducing bureaucratic hurdles and streamlining and minimizing fiscal regimes where possible.
- Integrate the gold sector into security strategies, peace operations and disarmament, demobilization and reintegration processes in conflict-affected areas.
- Require all mined gold exports to go through an assay process and be accompanied by evidence of valid mining permits and environmental impact assessments having been carried out.
- Publish all production and trade data (import, export and re-export) – from all types of mining – at a national level, either as part of domestic Extractive Industries Transparency Initiative reporting or to the same standard.
- Design state gold-buying programmes informed by local context, with competitive pricing to reduce smuggling incentives, decentralized buying locations, sufficient liquidity for prompt payment, due diligence calibrated to capacity, transparent and independently audited purchasing systems and enforceable community benefit-sharing arrangements.[375]

To international bullion centres and destination country governments

- Prohibit the import, export, transport, sale, receipt, acquisition and purchase of gold produced or traded in violation of the laws of exporting countries. Also, introduce supply chain due diligence reporting requirements for all gold imports and exports by entities operating within IBCs that align with the OECD guidance.
- Negotiate multistakeholder partnerships with priority producer countries to address governance gaps, traceability and ASGM poverty.
- Make illicit gold mining, transport and trade – at home and overseas – a predicate offence for money laundering.
- Issue updated, specific guidance to the financial sector on the illicit finance risks posed by illicit gold, including typologies, red-flag indicators and expectations for suspicious activity reporting linked to gold supply chains.
- Strengthen beneficial ownership reporting requirements, including the adoption of accessible, open registers and mandatory identity verification for directors and people of significant control.

- Require companies and financial institutions to disclose material exposure to illicit gold risks when raising equity or issuing securities, including severe human rights abuses, sanctions evasion and money laundering.
- Commit to supporting independent monitoring of the gold sector by communities, human rights defenders and NGOs.
- Review existing anti-SLAPP (strategic lawsuit against public participation) legislation to extend protections beyond economic crime and ensure local communities and NGOs that may wish to seek legal recourse against criminal activity by entities, including governments and those involved in large-scale mining, are protected.

To regional economic communities and bodies

- Develop regional strategies to address cross-border smuggling (such as differences in tax and repatriation schemes) and to build regional competitiveness in the gold sector.
- Coordinate customs and trade policy across borders, including adopting joint definitions, equivalence of technical regulations and mutual recognition of trade measures to support regional value chains.
- Assess the role of regional refineries in gold supply chains and implement oversight measures, including beneficial ownership disclosure, to prevent these facilities being used to launder illicit gold.

To major industry groups and market authorities

The following recommendations are directed at the LBMA, as one of the largest and most influential private sector bodies in the gold market. However, they are also intended for other industry and market standard-setting bodies and certification schemes, including the DMCC and CCCMC.

- Require all members and affiliate members to disclose full supply chain due diligence reports, including for all gold traded or received through swaps and gold used to settle other financial transactions.
- Go beyond assurance that is focused only on process. Develop standardized methodologies, checklists and risk-assessment templates that are investigative in nature for members' first-party (self) and second-party (supplier) audits. Complement this by providing training and continuing professional development for in-house compliance and audit teams; set minimum competency standards for individuals conducting first-party and second-party audits, with periodic recertification. Require members to disclose audit methodologies and key findings.
- Coordinate joint supplier audits among members to reduce duplication, improve coverage and pool intelligence, particularly for shared upstream suppliers in high-risk jurisdictions.
- Publish meaningful summaries of adverse findings, corrective actions, enhanced due diligence measures and the basis for any decision to continue, suspend or terminate sourcing relationships.
- Require enhanced due diligence, with mandatory public reporting on outcomes, where affected communities, NGOs or other information sources have made credible allegations of illicit gold with links to severe human rights abuses or other serious misconduct.
- Require enhanced due diligence reporting on recycled and scrap gold by traders and refiners, going beyond the first tier to more fully describe the circumstances of supply chains.
- Improve transparency of refiner data and increase the independence, rigour and transparency of audit processes and reports. Auditors must take an investigative approach to auditing, rather than a box-ticking, compliance approach.
- Acknowledge and counter the structural incentives, including loss aversion, that have historically driven resistance to increased transparency and stronger due diligence requirements, and commit to reform that prioritizes systemic integrity over market share.

To the Responsible Jewellery Council

- Enhance transparency across Responsible Jewellery Council (RJC) standards and assurance processes by requiring RJC members to disclose suppliers, especially those from locations considered as higher risk (taking into account the broader framing proposed in this report), reinforcing OECD alignment and strengthening confidence in RJC certification; and ensure consistency with emerging best practices among leading industry initiatives.

To the Consolidated Mining Standard Initiative

- Adopt an investigative approach to auditing that provides for longer time frames, individual checks and comprehensive reporting of risks, including public audit reports (and not only public statements of compliance). Require auditors to go beyond checking company processes and to verify the content and outcome of internal checks, mitigation and remediation. Complement this by providing training and continuing professional development for in-house compliance and audit teams.
- Require explicit audit coverage of the interface between ASGM and large-scale mining, where present, including land conflicts, tailings access and the conditions of any tributary or cooperative arrangements.
- Require public reporting of audit results to ensure transparency. At a minimum, reporting should include company disclosure of any allegations of corruption risks, human rights abuses, environmental harm or links to organized crime made against the mine or its parent company.
- Ensure audit findings are accessible to and usable by downstream buyers as part of their own due diligence, while making it explicit that downstream actors cannot treat CMSI certification as a substitute for their own enquiry.

Illicit gold is not a peripheral integrity problem for an otherwise functioning market: it is the consequence of a market in which structural opacity has never been seriously challenged.

NOTES

1 The term 'accelerant market' has also been used to describe illicit economies identified as playing a particularly prominent role in fuelling conflict and violence, specifically in the West African context. See: GI-TOC, Key trends in illicit economies and conflict in 2022, Risk Bulletin of Illicit Economies in West Africa, Issue 6, January 2023, https://riskbulletins.globalinitiative.net/wea-obs-006/01-key-trends-in-illicit-economies-and-conflict-in-2022.html.

2 See GI-TOC regional assessments; for example: Livia Wagner, Organized crime and illegally mined gold in Latin America, GI-TOC, March 2016, https://globalinitiative.net/analysis/organized-crime-and-illegally-mined-gold-in-latin-america; Marcena Hunter, Beyond blood: Gold, conflict and criminality in West Africa, GI-TOC, November 2022, https://globalinitiative.net/analysis/gold-conflict-criminality-west-africa; Marcena Hunter et al, Illicit gold markets in East and Southern Africa, GI-TOC, May 2021, https://globalinitiative.net/analysis/illicit-gold-east-southern-africa.

3 It would be a mistake to assume that illicit gold threats correlate with gold price. Following the rise and fall in gold prices during 2012–2013, although not as dramatic as the recent spike, GI-TOC research showed that criminal networks who established themselves in the gold sector did not depart with a drop in gold prices. Thus, we do not expect criminal entrants driven by the gold prices to leave the sector if prices drop in the future.

4 For example, ECOSOC Resolution 2019/23 (2019); UN Security Council Resolution 1533 (2004) – DRC; UN Security Council Resolution 1591 (2005) – Sudan/Darfur; UN Security Council Resolution 2127 (2013) – CAR; UN Security Council Resolution 2374 (2017) – Mali; UN Security Council Resolution 1970 (2011) – Libya. Gold is also one of three priority issues to be covered in a UK illicit finance summit originally planned for June 2026 and now postponed to December 2026. See Foreign, Commonwealth and Development Office and the Rt Hon Yvette Cooper MP, Illicit Finance Summit to build international coalition against dirty money, Gov.uk, 7 December 2025, https://www.gov.uk/government/news/illicit-finance-summit-to-build-international-coalition-against-dirty-money. The private sector has also acknowledged the issue: the WGC has recognized illicit gold threats in its publications (see, for example: WGC, New report uncovers scale of exploitation of artisanal gold miners to fund war, terrorism and organised crime, 18 November 2024, https://www.gold.org/news-and-events/press-releases/new-report-uncovers-scale-exploitation-artisanal-gold-miners-fund) and is working with industry bodies such as the LBMA and DMCC on illicit gold issues (see: LBMA/WGC Sustainability & Responsible Sourcing Summit 2026, https://www.lbma.org.uk/events/lbma-wgc-sustainability-responsible-sourcing-summit-2026; WGC, World Gold Council (WGC) and Dubai Multi Commodities Centre (DMCC) collaborate to combat illicit hand-carried gold trade, 23 November 2023, https://www.gold.org/news-and-events/press-releases/world-gold-council-and-dubai-multi-commodities-centre-dmcc).

5 See for example: Marc Ummel and Yvan Schulz, On the trail of African gold: Quantifying production and trade to combat illicit flows, Swissaid, May 2024, https://www.swissaid.ch/en/articles/on-the-trail-of-african-gold.

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African gold sector has shown how buying houses in gold trading hubs, for example, in Kamapala (Uganda) or Goma (DRC), will pre-finance in-country buyers, who go on to pay the diggers themselves. In other cases, an international financier, for example, in Dubai (UAE), will provide the financing for the trading houses, who in turn disperse the money to the in-country buyers. Interviews with seven gold buyers, DRC and Uganda, 2020–2025; interview with a gold trader, Kampala, Uganda, October 2025; interview with an individual working in international gold sector, March 2026. See also: UN Security Council, Group of Experts on the Democratic Republic of Congo, S/2020/482, para. 87.

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