

Strengthening Anti-Corruption through Financial Investigations: From FATF Compliance to Operational Effectiveness

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How to cite this paper: Alqarni, A. A. S. (2026). Strengthening Anti-Corruption through Financial Investigations: From FATF Compliance to Operational Effectiveness. *Open Journal of Business and Management*, 14, 3232-3253. <https://doi.org/10.4236/ojbm.2026.146157>

Received: September 3, 2026

Accepted: October 13, 2026

Published: October 16, 2026

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Abstract

Corruption increasingly operates through financial structures that obscure the relationship between illicit conduct, beneficial ownership, criminal proceeds, and recoverable assets. Effective anti-corruption systems therefore depend not only on the criminalisation of bribery, embezzlement, abuse of office, and related offences, but also on the capacity to follow financial flows, identify concealed ownership, convert financial intelligence into legally usable evidence, preserve assets before dissipation, and ultimately confiscate or recover illicit wealth. This article examines financial investigation as an operational link between the legal and institutional architecture associated with the Financial Action Task Force (FATF) standards and concrete anti-corruption outcomes. It adopts a qualitative doctrinal and conceptual synthesis of the FATF Recommendations and assessment methodology, recent FATF reforms on asset recovery and beneficial ownership, United Nations Office on Drugs and Crime (UNODC) guidance, selected country diagnostics, and recent academic literature. Source selection is purposive rather than systematic. The analysis addresses a recurring implementation problem: jurisdictions may possess legally compliant financial intelligence units, investigative powers, confiscation regimes, beneficial ownership mechanisms, and inter-agency structures while still producing weak investigative, prosecutorial, confiscation, or asset-recovery outcomes. To explain this gap, the article develops the Anti-Corruption Financial Investigation Effectiveness Chain (AFIEC), an analytically ordered but operationally iterative framework linking corruption-risk detection, financial intelligence, parallel financial investigation alongside investigation of the corruption predicate offence, beneficial ownership resolution, asset tracing and preservation, evidentiary conversion, confiscation, and realised recovery. Later-stage information may redirect earlier investigative tasks, so AFIEC incorporates feedback rather than assuming a rigid chronology. Timeliness, inter-agency inte-

gration, information accessibility and quality, specialised capability, international connectivity, and rights-compatible legal safeguards operate as cross-cutting enabling conditions. The article concludes by proposing transition and outcome-oriented indicators for evaluating anti-corruption financial-investigation systems beyond the existence of formal powers.

Keywords

Anti-Corruption, Financial Investigations, FATF, Operational Effectiveness, Financial Intelligence, Beneficial Ownership, Asset Tracing, Asset Recovery, Confiscation, Parallel Financial Investigation, Conceptual Framework

1. Introduction

Corruption is simultaneously an abuse-of-power problem and a financial problem. Bribery, embezzlement, procurement manipulation, trading in influence, abuse of office, and diversion of public resources acquire much of their practical significance because they generate or transfer economic benefits. Once generated, those benefits must ordinarily be held, transferred, concealed, invested, converted, or integrated into the legitimate economy. The financial dimension therefore provides investigators with an evidentiary trail that may reveal relationships and assets that are more difficult to identify through conventional witness-based investigation alone.

This relationship is reflected in contemporary international anti-money-laundering architecture. FATF expressly recognises the close relationship between corruption and money laundering, noting that corrupt actors must often launder bribes and misappropriate funds to enjoy the resulting proceeds. The vulnerability becomes particularly acute where lawyers, accountants, corporate service providers, real-estate professionals, financial institutions, nominees, companies, trusts, or other legal structures facilitate the movement or concealment of illicit wealth (Financial Action Task Force, 2024b).

Financial investigation consequently occupies an increasingly critical position at the intersection of anti-money-laundering and anti-corruption enforcement. Under the Interpretive Note to FATF Recommendation 30, a financial investigation is an inquiry into financial affairs connected with criminal activity for the purposes of identifying the extent of criminal networks or criminality, identifying and tracing criminal property, and developing evidence that may be used in criminal or confiscation proceedings. FATF further recognises the concept of the parallel financial investigation, conducted alongside or within a conventional investigation into money laundering, terrorist financing, or predicate offences. Importantly for corruption enforcement, FATF expressly contemplates anti-corruption enforcement authorities being empowered to investigate money laundering arising from offences and to identify, freeze, and seize criminal property (Financial Action Task Force, 2026a).

Yet the existence of such legal powers does not itself demonstrate that an anti-corruption system works. One of the most important developments in FATF's assessment framework has been the explicit distinction between technical compliance and effectiveness. Technical compliance concerns whether the necessary laws, regulations, institutions, and powers are formally established. Effectiveness asks a different question: whether the system produces the intended results and whether authorities make appropriate use of the legal and institutional framework. The FATF 2022 Methodology, as amended in June 2026, places significant emphasis on effectiveness and on whether jurisdictions implement and use the laws, regulations, and policies they have adopted (Financial Action Task Force, 2026b). This distinction is especially important in cases of corruption. A state may criminalise bribery and money laundering, establish a financial intelligence unit, maintain a beneficial ownership register, authorise restraint and confiscation orders, permit mutual legal assistance, and designate an anti-corruption commission. Operational performance may nevertheless remain poor if suspicious transaction reports are not converted into actionable intelligence; intelligence is not communicated promptly to investigators; corruption investigators do not initiate parallel financial investigations; beneficial ownership information is inaccessible or unreliable; investigators lack forensic financial expertise; asset-freezing applications are delayed; agencies do not coordinate; overseas evidence arrives too late; or confiscation is treated as a secondary objective.

Recent international evidence reinforces this concern. FATF reported in 2025 that more than 80% of jurisdictions assessed were operating at low or moderate levels of effectiveness in asset recovery, despite decades of international standard-setting and the widespread adoption of confiscation frameworks. Similarly, recent scholarship questions whether increasingly elaborate AML systems have produced proportionate reductions in money laundering, while nevertheless recognising that financial-control systems can support the enforcement of laws against criminal enterprises (Financial Action Task Force, 2025; Nazzari & Reuter, 2025).

This article asks: How can financial investigations translate legal and institutional capacity into operational capability to detect corruption, develop evidence, trace illicit assets, and achieve recovery outcomes? Three subsidiary questions guide the analysis: What distinguishes technical compliance from operational effectiveness in anti-corruption financial investigations? Which institutional and investigative mechanisms determine whether financial intelligence and financial-investigation powers produce concrete anti-corruption outcomes? How should operational effectiveness be evaluated beyond formal legal and institutional compliance? The article makes two principal contributions. First, it treats financial investigation as an enforcement process whose performance depends on conversion between institutional functions rather than on the mere possession of legal powers. Second, it develops AFIEC as a process-oriented diagnostic framework for locating where information, authority, evidence, and assets cease to move effectively from one enforcement function to the next.

The conceptual gap addressed here lies between existing standards that specify what authorities should be able to do and an operational diagnostic that shows where a corruption-related financial investigation loses effectiveness as it moves between functions. FATF Immediate Outcomes assess broad system-level results, Recommendation 30 establishes the role of financial and parallel financial investigation, and asset-recovery frameworks describe tracing, preservation, confiscation, and recovery. These sources do not, however, provide a corruption-specific framework that treats the transitions between intelligence, investigation, ownership resolution, asset action, evidentiary development, confiscation, and realised recovery as the principal unit of diagnosis. AFIEC therefore does not claim to introduce new investigative powers; its original analytical contribution is to organise established functions around their conversion points and feedback relationships so that the location and nature of operational failure can be identified more precisely.

2. Methodology and Analytical Approach

This article adopts a qualitative doctrinal and conceptual approach. It does not attempt to quantify the effectiveness of individual jurisdictions, nor is it presented as a systematic review. The purpose is narrower: to bring together authoritative standards, operational guidance, selected institutional assessments, and relevant academic work to examine where anti-corruption financial investigations gain or lose operational effectiveness.

The normative foundation is drawn primarily from the current FATF Recommendations, with particular attention to Recommendations 4, 24, 25, 29, 30, 31, 37, 38, and 40. The analysis also considers the FATF assessment methodology, the 2023 amendments concerning asset recovery, the 2024 guidance on beneficial ownership and the horizontal review of gatekeeper compliance in corruption-related settings, as well as the 2025 Asset Recovery Guidance and Best Practices (Financial Action Task Force, 2023a, 2024a, 2024b, 2025, 2026a, 2026b).

These sources are read alongside UNODC guidance for investigators and practitioners dealing with corruption and asset recovery. The 2024 Practical Guide on the Investigation of Corruption Cases is particularly relevant because it addresses the practical expertise needed to trace assets, identify the persons and entities involved, examine financial transactions, establish beneficial ownership, and support the exchange of intelligence and evidence across borders (United Nations Office on Drugs and Crime, 2024). UNODC's 2025 work on beneficial ownership transparency and financial disclosure is used where it bears directly on the identification and recovery of assets (United Nations Office on Drugs and Crime, 2025a).

The academic literature was selected purposively rather than through a systematic search protocol. Selection was based on its relevance to the main operational problems examined here: the use of financial intelligence and parallel financial investigation; beneficial ownership and concealment; asset preservation, confiscation, and recovery; and the institutional conditions that shape effectiveness. Png's

study of FIUs across 55 Asian Development Bank members is especially useful because it examines technical compliance alongside operational performance. Borlini and Rose address developments in asset preservation and confiscation, while Savona and Anastasio show that developed cross-border recovery arrangements may still be used unevenly or operate inefficiently (Borlini & Rose, 2024; Png, 2024; Savona & Anastasio, 2025). Country diagnostics are used only to illustrate implementation problems. They are not treated as a representative sample or as the basis of a comparative country ranking.

The materials were analysed by distinguishing three connected aspects of effectiveness. The first is normative capacity: what the legal and institutional framework allows authorities to do. The second is operational conversion: whether information, powers, institutional arrangements, and specialist expertise are brought together in a usable way. The third concerns enforcement outcomes, including whether relevant actors and assets are identified, evidence is developed, property is preserved and confiscated, and recoverable value is realised.

From this distinction, recurring investigative functions were compared across the sources with particular attention to the points at which one institutional output must become a usable input for another. Those dependencies provide the basis for AFIEC. Cross-cutting conditions that affect several parts of the process are treated separately rather than forced into individual stages. The resulting framework should therefore not be read as a fixed chronology. Financial investigations frequently move backwards as well as forwards: a later ownership discovery, for example, may alter an earlier investigative hypothesis or require additional intelligence work. AFIEC is consequently proposed as a diagnostic and hypothesis-generating framework that remains subject to empirical validation.

The eight AFIEC stages were derived through an iterative analytical grouping of recurring functions identified across the reviewed standards, guidance, diagnostics, and academic literature. Detection, financial-intelligence development, parallel financial investigation, beneficial-ownership resolution, asset tracing and preservation, confiscation, and recovery recur explicitly across FATF and UNODC materials, although terminology and institutional allocation vary by jurisdiction. ‘Evidentiary conversion’ is the author’s analytical label for a recurring operational requirement found across those sources: intelligence or analytical findings must be corroborated through lawful evidence-gathering before they can support prosecution, adjudication, confiscation, or other proceedings. The eight stages therefore combine recurrent guidance-based functions with analytical grouping; they are not presented as eight independently established theoretical constructs.

3. Financial Investigation as an Anti-Corruption Function

3.1. From Predicate Offence Investigation to Financial Reconstruction

A corruption investigation commonly begins with an allegation or irregularity: a questionable procurement decision, an unexplained payment, a whistle-blower

report, an audit finding, misuse of public funds, or an allegation of bribery. At that point, the immediate investigative focus is often the suspected offence itself. Financial investigation adds a different question: what happened to the economic value created or transferred through the corrupt conduct?

That question can change the direction of the investigation. Financial records may expose relationships that are not apparent from witness evidence alone. Accounts and payment records can be linked with corporate interests, real property, nominee arrangements, trusts, invoices, tax and customs information, digital assets, and cross-border transfers. Viewed together, these materials can reveal how a corruption scheme was financed, concealed, or converted into assets.

FATF's definition of financial investigation reflects this broader function. It is concerned not only with locating criminal property but also with understanding the extent or network of criminality and developing evidence. Financial investigation is therefore relevant before a corruption allegation has been fully proved, not simply after the criminal case has reached an advanced stage ([Financial Action Task Force, 2026a](#)).

This matters from an asset-recovery perspective. An investigation may establish that a corrupt decision occurred and still leave the financial consequences unexplored. Following the financial trail can reveal actors and structures that were absent from the original allegation, including intermediaries, companies, politically exposed persons, relatives, nominees, offshore arrangements, or professional facilitators. The financial reconstruction of the conduct may therefore expand both the evidential picture and the range of potentially recoverable assets.

3.2. Parallel Financial Investigations

Parallel financial investigation follows from the same logic. FATF does not treat the financial dimension merely as a search for property after conviction. Recommendation 30 envisages that authorities investigating predicate offences should pursue the associated financial aspects themselves or ensure that another competent authority does so ([Financial Action Task Force, 2026a](#)).

In a significant corruption case, this means that financial questions should enter the investigation early. Investigators may need to establish the suspected financial benefit, identify relevant accounts and instruments, examine both legal and beneficial ownership, and determine whether property represents criminal proceeds or corresponding value. Depending on the case, the enquiry may also extend to domestic or foreign corporate structures, suspicious transaction reporting, tax and customs information, procurement and property records, and the possibility that assets will be transferred or dissipated. At the same time, investigators need to consider what evidence will eventually be required to support restraint, confiscation, or prosecution.

The importance of this approach is timing. If asset tracing is postponed until the predicate case is complete, property may already have been transferred, restructured, or moved beyond effective reach. A parallel investigation instead al-

lows potentially recoverable assets to be identified while the underlying conduct is still under examination.

FATF's 2023 reforms reinforce this approach by treating asset recovery as a domestic and international policy priority and by placing greater emphasis on identifying criminal property at the outset of investigations (Financial Action Task Force, 2023a).

4. The Compliance-Effectiveness Gap

4.1. Why Technical Compliance Remains Necessary

Operational effectiveness cannot exist without a legal and institutional foundation. Criminalisation, investigative powers, access to financial records, financial-intelligence arrangements, beneficial ownership mechanisms, confiscation legislation, and channels for international cooperation all provide authorities with the capacity to act. Technical compliance therefore remains indispensable.

The difficulty begins when the existence of that capacity is treated as evidence that the system is performing effectively. A jurisdiction can have a well-developed legal and institutional framework while still experiencing delays, poor information flows, weak investigative follow-through, or limited confiscation and recovery outcomes. For that reason, technical capability and operational performance need to be examined separately. The more demanding question is whether formal powers are being converted into timely investigative action, usable evidence, effective asset preservation, confiscation, and realised recovery.

4.2. The Problem of Institutional Conversion

The gap between compliance and effectiveness is, in practical terms, a problem of conversion. Various parts of the system produce various kinds of outputs, and progress depends on whether those outputs can be used effectively by the next function.

A suspicious transaction report (STR), for example, may contain information of investigative value, but it normally requires further analysis before it can support action. Financial intelligence may point out investigators in a particular direction without itself being sufficient as admissible evidence. Beneficial ownership information can identify who controls an entity or arrangement, yet that information will not prevent the movement of property unless appropriate asset measures follow. The same problem occurs later in the process: an investigation does not in itself produce confiscation, and a confiscation order may remain symbolic if it is not enforced and converted into realised recovery.

These are not simply legal distinctions. There are points at which institutions must perform specific work. Information must be accessed and communicated; investigative leads must be developed through lawful evidence-gathering; property may need to be located and preserved quickly; and judicial or administrative decisions must eventually be enforced. A weakness at one of these points can interrupt the process even where the surrounding legal framework is formally ade-

quate.

Png's 2024 analysis of national FIUs is useful in this respect because it considers technical compliance and operational effectiveness together. Establishing an FIU, giving it access to information, and authorising it to disseminate intelligence are important institutional steps, but they do not establish how quickly intelligence is produced, how well it is prioritised, whether its analysis is useful, or what investigators actually do with it (Png, 2024).

The problem can be particularly acute in cases of corruption. Suspects may have access to experienced legal and financial advisers, corporate vehicles, foreign connections, or other means of distancing themselves from relevant property. Political influence may also complicate institutional responses. In such circumstances, the time between obtaining information and converting it into investigative or asset-related action can be as important as the formal power to act.

4.3. Scarcity of Outcomes as a Warning Sign

Weak global asset-recovery outcomes provide a strong warning that compliance cannot be the endpoint of analysis. FATF reported in November 2025 that more than 80% of jurisdictions were achieving only low or moderate effectiveness in asset recovery. Its updated guidance accordingly emphasises actual confiscation, the value of assets seized and confiscated, timely action, and recoveries for victims (Financial Action Task Force, 2025).

The distinction is conceptually important because it shifts the evaluative question from whether the law permits confiscation to whether the system can identify, preserve, confiscate, and realise criminal property at a meaningful scale. The same distinction applies to anti-corruption financial investigations.

5. Financial Intelligence: Necessary but Not Sufficient

FIUs occupy a strategic position between the private sector and criminal enforcement. They receive and analyse suspicious transaction information and other financial data and may disseminate intelligence to competent authorities (Financial Action Task Force, 2026a).

In corruption cases, FIU information may help identify unusual payment patterns, rapid movement of funds, networks of connected accounts, use of intermediaries, transactions inconsistent with declared income, international transfers, or relationships with entities linked to public officials. Operational effectiveness depends on three related conversions: reports must become prioritised financial intelligence; intelligence must generate testable investigative hypotheses; and those hypotheses must be developed through underlying records and lawful investigative measures into evidence and, where appropriate, asset action.

A high volume of suspicious transaction reports is therefore a weak standalone measure of effectiveness. More informative measures ask whether priority corruption risks generate useful intelligence, whether disseminations lead to investigative action, whether investigators obtain and evaluate the underlying financial rec-

ords, whether additional suspects or assets are identified, and whether resulting cases progress to restraint, prosecution, confiscation, or recovery. The IMF governance diagnostic concerning Sierra Leone illustrates the institutional dimension. Although an AML legal framework and coordination mechanisms were in place, the report observed that the effectiveness and proper operationalisation of coordination still needed to be demonstrated.

The country's framework involves the Financial Intelligence Agency, Anti-Corruption Commission, prosecutors, police, central bank, and other authorities, highlighting precisely the type of multi-institutional environment in which legal competence must be converted into actual cooperation (International Monetary Fund, 2025).

6. Beneficial Ownership as an Investigative Capability

6.1. Why Legal Ownership Is Insufficient

Corruption proceeds are seldom protected simply by placing them in an account held in the name of the person involved. More elaborate concealment may rely on companies, partnerships, trusts, nominees, relatives, associates, professional intermediaries, or structures extending across several jurisdictions. In that setting, beneficial ownership transparency is more than a preventive regulatory requirement. It becomes part of the investigative process itself.

FATF's strengthened beneficial ownership standards reflect this concern. They are intended to make it more difficult for corrupt actors, money launderers, sanctions evaders, and others to conceal illicit property through shell companies, trusts, and other legal structures. The relevant information must therefore be adequate, accurate, and up to date, and competent authorities must be able to obtain it efficiently (Financial Action Task Force, 2023b, 2024a).

For investigators, the practical question is not simply whether a beneficial ownership register has been established. What matters is whether the information can be obtained and verified in time to be useful. Investigators may need to resolve inconsistencies between records, connect domestic registration data with ownership structures abroad, and move beyond the formal holder of a company or legal arrangement to the natural person who owns or controls it. If that process is slow, the ownership structure—or the assets themselves—may change before effective action can be taken.

6.2. Gatekeepers and Concealment Architecture

The role of gatekeepers adds another layer to this problem. FATF's 2024 horizontal review links corruption risk with the regulation of lawyers, accountants, trust and company service providers, and real-estate professionals. These actors may occupy important positions in the structures through which corrupt proceeds are held, transferred, or concealed (Financial Action Task Force, 2024b).

Financial investigation may therefore require more than reconstructing the movement of money between accounts. In some cases, the more challenging task

is to understand the legal architecture through which ownership or control has been arranged.

That task depends on bringing various sources of information together. Financial intelligence may need to be read alongside company and beneficial ownership records, property information, tax data, and, where lawful access is available, records connected with professional services. Where structures cross borders, these domestic sources must also be linked with mechanisms for international cooperation. The investigative value lies in the connections between these sources rather than in the existence of any single register or database.

7. Asset Tracing, Preservation and Recovery

7.1. Asset Recovery Should Begin with the Investigation

Confiscation has often been treated as something that follows a successful prosecution. Contemporary FATF standards place greater emphasis on identifying and preserving assets much earlier in the investigative process.

The 2023 amendments require jurisdictions to give asset recovery greater domestic and international priority and to strengthen their ability to identify, trace, freeze, seize, and confiscate criminal property. FATF's 2025 guidance develops this further by presenting asset recovery as a process that begins with the identification, tracing, and evaluation of property and continues through freezing, seizure, confiscation, enforcement, management, disposal, return, or sharing (Financial Action Task Force, 2023a, 2025).

For corruption cases, this changes the way an investigation is planned. Asset recovery cannot be left until the criminal case is complete. If potentially recoverable property is to remain available, tracing and preservation need to be considered while the financial investigation is still developing.

7.2. Timeliness

The importance of timing follows from a simple fact: assets can move. Once investigators identify property that may be connected to corrupt conduct, delay can affect whether that property remains available for restraint or eventual recovery.

Funds may pass through several accounts, be converted into another asset class, transferred abroad, spent, placed in the name of a third party, or concealed through changes in ownership. Some forms of property may also become harder to trace once the original transaction trail has been disrupted.

Operational effectiveness therefore depends not only on whether authorities possess the necessary powers, but on how quickly they can use them. Investigators need access to relevant intelligence and evidence, workable communication between institutions, and the ability to seek provisional measures before assets are dissipated or moved beyond effective reach. In this part of the process, delay is not merely an administrative problem; it can determine the practical outcome of the case.

7.3. Confiscation beyond Conviction

The legal mechanisms available for depriving offenders of illicit wealth vary considerably. Depending on the jurisdiction, these may include criminal confiscation, non-conviction-based confiscation, unexplained wealth mechanisms, civil forfeiture, or forms of value-based recovery.

Borlini and Rose argue that international practice relating to asset preservation and confiscation has continued to develop beyond the original parameters of UN-CAC, in part because transnational asset-recovery problems have required more responsive legal approaches (Borlini & Rose, 2024).

Greater flexibility, however, does not remove the need for legal safeguards. Measures that interfere with property rights must remain consistent with due process, proportionality, judicial oversight, and procedural fairness. Operational effectiveness cannot be assessed solely by asking whether assets were restrained or confiscated; the legality of the process remains part of institutional effectiveness. FATF's current guidance similarly recognises the need to improve recovery outcomes while guarding against misuse of powerful confiscation mechanisms (Financial Action Task Force, 2025).

8. Inter-Agency and International Cooperation

Corruption cases frequently extend beyond the jurisdiction or information held by a single institution. Domestically, relevant material may sit with anti-corruption authorities, FIUs, police, prosecutors, tax and customs administrations, financial regulators, procurement bodies, company and property registries, audit institutions, central banks, or specialised asset-recovery units.

No single agency is likely to hold the complete financial picture. The practical challenge is therefore not simply whether each body has a lawful mandate, but whether the information held across the system can be connected and used in time. A state may have several individually capable institutions and still perform poorly if their work remains operationally separate.

FATF's 2023 reforms place particular emphasis on coordination and information sharing in the identification of criminal property. UNODC has similarly drawn attention to the way beneficial ownership transparency and financial disclosure can reinforce one another in asset-recovery work (Financial Action Task Force, 2023a; United Nations Office on Drugs and Crime, 2025a). The value of coordination, however, depends on what it enables investigators to do; formal committees or cooperation arrangements have limited significance if information does not move between the institutions that need it.

The same problem becomes more difficult when assets or evidence are located abroad. Formal mutual legal assistance remains an important part of cross-border investigation, but it may not be sufficient on its own. Investigators can also depend on timely intelligence exchange, cooperation between FIUs, direct law-enforcement contact, asset-recovery networks, joint investigative mechanisms, and procedures for recognising or enforcing foreign restraint and confiscation decisions

(United Nations Office on Drugs and Crime, 2025b).

FATF's work on asset-recovery inter-agency networks reflects the importance of these less formal channels, especially where investigators need information quickly (Financial Action Task Force, 2023c). Savona and Anastasio's 2025 study of the European asset-recovery system points to the same operational problem from another direction: sophisticated cross-border legal arrangements can still be used inconsistently or operate inefficiently in practice (Savona & Anastasio, 2025).

For that reason, international cooperation should not be evaluated simply by counting treaties, formal requests, or available channels. The more relevant questions concern how quickly cooperation occurs, whether the information or assistance obtained is usable, and whether it contributes to investigative, preservation, confiscation, or recovery outcomes.

9. The Anti-Corruption Financial Investigation Effectiveness Chain (AFIEC)

This article proposes the Anti-Corruption Financial Investigation Effectiveness Chain (AFIEC) as a process-oriented framework for examining how legal authority, financial information, investigative activity, evidence, and recoverable assets are converted into operational anti-corruption outcomes.

AFIEC comprises eight analytically ordered stages. The order reflects functional dependency, not a mandatory chronology: stages may overlap, and information generated later in a case may redirect earlier investigative tasks.

For application, the primary unit of analysis is an individual corruption case or case pathway: the framework asks whether the financial-investigation process moved successfully from one function to the next in that case. Case-level findings can then be aggregated to diagnose recurring bottlenecks within an agency, category of serious corruption cases, or jurisdiction-wide system, provided that eligibility criteria, denominators, observation periods, and differences in legal architecture are stated explicitly.

The boundaries between three stages require particular care. Financial intelligence development ends with a prioritised, testable intelligence lead—for example, a pattern of transfers linking a public official to a company not previously associated with the case. Parallel financial investigation begins when investigators use that lead, alongside investigation of the predicate corruption offence, to obtain and analyse underlying account, corporate, property, tax, or related records and to trace persons and assets. Evidentiary conversion occurs when the resulting analytical findings are corroborated through admissible records, witness or expert evidence, lawful compulsory measures, or other procedures sufficient for use in prosecution, adjudication, restraint, confiscation, or civil recovery. These stages may overlap in practice, but their expected outputs differ: an intelligence lead, an investigated financial reconstruction, and legally usable evidential material, respectively.

Stage 1: Corruption Risk or Suspicion Detection

Inputs may arise from suspicious transaction reports, audits, whistle-blowers,

procurement anomalies, asset declarations, law-enforcement intelligence, media information, foreign requests, tax information, or conventional criminal investigations.

Operational test: Does the system identify financially significant corruption risks early enough to investigate them?

Stage 2: Financial Intelligence Development

Raw data are collected, connected, prioritised, and transformed into intelligence capable of supporting investigative hypotheses.

Operational test: Does available financial information generate useful and timely intelligence?

Stage 3: Parallel Financial Investigation

Financial investigation proceeds alongside investigation of the corruption predicate offence.

Operational test: Are investigators following the money from the beginning rather than treating financial inquiry as a later ancillary process?

Stage 4: Beneficial Ownership Resolution

Investigators identify the natural persons who own, control, benefit from, or direct relevant legal persons, legal arrangements, assets, and transactions.

Operational test: Can apparent legal ownership be penetrated rapidly enough to identify the true economic actors?

Stage 5: Asset Tracing and Preservation

Investigators identify property linked to criminal conduct or corresponding value and act to prevent dissipation through freezing, seizure, restraint, or equivalent provisional measures.

Operational test: Are recoverable assets preserved before they disappear?

Stage 6: Evidentiary Conversion

Financial intelligence and analytical findings are corroborated through underlying records and lawful investigative measures so that they can support prosecution, adjudication, civil recovery, confiscation, or other legally available proceedings.

Operational test: Does financial intelligence become legally usable and sufficiently corroborated evidential material?

Stage 7: Confiscation or Forfeiture

The system obtains and enforces appropriate orders against criminal property or corresponding value.

Operational test: Do investigations produce deprivation of illicit wealth?

Stage 8: Recovery, Return and Accountable Disposition

Final confiscation or forfeiture decisions are enforced; property is managed, realised, returned, shared, or otherwise disposed of according to law; and recovered value is directed to victims, the state, or another lawful destination where appropriate.

Operational test: Does a final deprivation order translate into realised, lawful recovery and, where relevant, return, or other accountable disposition?

AFIEC does not assume that every corruption investigation will pass through all eight stages in a single chronological sequence. Information generated during beneficial ownership analysis, asset tracing, international cooperation, or evidentiary development may expose new actors or transactions and require renewed intelligence work or further parallel investigation. The model therefore represents functional dependencies with feedback loops rather than a rigid procedural checklist.

Nor does AFIEC equate asset recovery with criminal accountability. Evidentiary conversion may support prosecution, adjudication, disciplinary action, civil recovery, or confiscation depending on the legal system and the facts of the case. The framework focuses specifically on the financial-investigation pathway and on the deprivation and lawful disposition of illicit value; it does not purport to measure the total effectiveness of an anti-corruption regime.

10. Cross-Cutting Enablers of the AFIEC

The chain is shaped by seven enabling conditions that operate across multiple stages.

10.1. Timeliness as a Cross-Cutting Enabler

Every stage is time sensitive. Delays in intelligence dissemination, account-record access, beneficial ownership verification, restraint applications, or international assistance can break the chain.

10.2. Inter-Agency Integration

Information should move across institutional boundaries according to lawful, secure, and clearly defined mechanisms. Coordination mechanisms that exist on paper but are not routinely used contribute little to effectiveness.

10.3. Specialised Capability

Complex financial investigations require investigators, analysts, prosecutors, accountants, digital-forensics specialists, asset-recovery professionals, and other relevant expertise. UNODC's 2024 investigation guidance reflects the increasingly specialised character of complex corruption investigations ([United Nations Office on Drugs and Crime, 2024](#)).

10.4. Information Accessibility and Quality

Financial intelligence, beneficial ownership information, company data, property information, and other records must be accurate, current, searchable, and legally accessible ([Financial Action Task Force, 2024a](#); [United Nations Office on Drugs and Crime, 2025a](#)).

10.5. International Connectivity

Where money or structures cross borders, domestic effectiveness becomes dependent on foreign cooperation.

10.6. Legal Safeguards and Institutional Legitimacy

Financial-investigation and confiscation powers must be exercised within legal safeguards. Effectiveness that disregards legality is institutionally unstable and normatively unacceptable.

10.7. Political Independence and Institutional Autonomy

Anti-corruption financial investigations also depend on authorities being able to select cases, obtain records, pursue financial leads, seek provisional measures, and enforce final orders without improper political, institutional, or other external influence. Formal independence alone is insufficient; operational autonomy, secure mandates, professional appointment and tenure arrangements, and protection against retaliation or case-specific interference may affect whether the AFIEC functions can be performed consistently. This condition is especially important in corruption cases involving politically exposed or institutionally powerful actors.

11. Measuring Operational Effectiveness

AFIEC treats operational effectiveness as multidimensional and stage dependent. No single indicator can establish whether a financial-investigation system is effective because activity at one stage may coexist with failure at the next.

Traditional activity measures—such as suspicious transaction reports, investigations, requests, prosecutions, convictions, or confiscation orders—remain useful, but they should be interpreted alongside measures of conversion, timeliness, quality, and realised outcomes.

The framework therefore emphasises transition measures: whether high-priority intelligence leads to investigative action; whether serious corruption cases include a financial investigation; how quickly beneficial ownership is resolved and assets are restrained; whether financial analysis is converted into evidential material; and whether confiscation orders are ultimately enforced and realised. **Table 1** provides illustrative measures. These propose analytical indicators rather than validated benchmarks, and their denominators and observation periods should be defined before use.

Table 1. Illustrative AFIEC transition and outcome indicators.

Dimension	Suggested operational indicator	Interpretation/caveat
Intelligence utilisation	Proportion of high-priority corruption-related intelligence disseminations followed by documented investigative action.	Define the observation window and the threshold for “high priority;” conversion does not by itself establish case quality.
Parallel investigation	Proportion of eligible serious corruption cases accompanied by a documented parallel financial investigation.	Eligibility criteria should be defined so that jurisdictions do not inflate performance by excluding difficult cases.

Continued

Financial reconstruction	Proportion of eligible cases in which investigators identify the relevant financial network, associated persons or entities, and an asset map.	Requires a structured quality review; simple case counting may overstate completeness.
Beneficial ownership	Median time required to identify and verify the ultimate beneficial owner or controlling natural person.	Domestic and cross-border ownership structures should be reported separately where possible.
Asset tracing	Value and proportion of potentially recoverable assets identified relative to the value estimated or known in the investigation.	The denominator may be uncertain in concealed-asset cases and should be explained.
Preservation	Median time from identification of potential recoverable assets to provisional restraint, and the proportion of identified value restrained.	Interpret alongside legal thresholds, judicial safeguards, and reasons why restraint was unavailable or inappropriate.
Evidentiary conversion	Proportion of intelligence-led financial cases in which analytical findings are corroborated by underlying records and used in investigative or judicial proceedings.	Distinguished intelligence leads to legally usable evidential material.
Confiscation	Value and proportion of traded or restrained assets are subject to a final confiscation or forfeiture order.	Legal regimes differ; criminal, civil, and non-conviction-based mechanisms should not be conflated.
Recovery	Value enforced, realised, returned, or otherwise disposed of lawfully relative to the value covered by final orders.	Large individual cases can distort aggregate values; report case counts and distributions where possible.
International cooperation	Proportion of cross-border requests that produce usable information or asset action within a defined period, together with median response time.	Separate formal mutual legal assistance, FIU channels, law-enforcement networks, and other mechanisms where feasible.
Coordination	Proportion of serious cases with documented multi-agency contributions linked to an identifiable investigative, evidentiary, or asset outcome.	Meetings or information-sharing events alone should not be treated as evidence of effective coordination.
Sustainability	Specialist caseload, staff continuity, access to analytical technology, multidisciplinary expertise, and continuing training.	These are enabling-capacity measures rather than direct outcome measures and should be interpreted accordingly.

The indicators should not be interpreted mechanically. High confiscation values may be driven by a small number of exceptional cases; a high investigation count may conceal weak case quality; and apparent differences across jurisdictions may reflect legal architecture, risk exposure, case mix, accounting rules, or data availability. Quantitative measures should therefore be read together with qualitative assessment of investigative quality, procedural fairness, institutional coordination, and the reasons for failed transitions.

AFIEC should therefore distinguish an operational failure from an appropriate

case-specific outcome. A transition is not deemed ineffective merely because prosecution, restraint, confiscation, or recovery does not occur. Insufficient admissible evidence, the lawful absence of traceable or recoverable assets, a judicial refusal where the statutory threshold is not met, a decision required by due process, or a foreign authority's justified refusal of assistance may all represent legitimate outcomes. Diagnosis should focus on whether the responsible institutions acted lawfully, competently, and in a timely manner on the information and powers reasonably available to them, and whether any non-progression is documented and explainable. Unsuccessful recovery is evidence of institutional weakness only where the failure is attributable to an avoidable breakdown in information, authority, coordination, capability, timeliness, evidentiary development, or enforcement.

12. Discussion

Within the limits of a conceptual and doctrinal analysis, four conclusions emerge.

First, financial investigation should be treated as a core anti-corruption methodology rather than as an ancillary AML service. Recommendation 30 provides a clear normative basis for this approach, including explicit recognition of anti-corruption enforcement authorities (Financial Action Task Force, 2026a).

Second, asset-recovery considerations should influence investigative design from the beginning of the case. FATF's 2023 and 2025 reforms represent a significant normative shift in this direction (Financial Action Task Force, 2023a, 2025).

Third, a recurrent weakness is not necessarily the absence of legal authority but the failure of institutional conversion. A legally adequate system can still underperform when intelligence is not developed into investigative hypotheses, investigative findings are not converted into legally usable evidence, identified assets are not preserved in time, or final orders are not effectively enforced. AFIEC makes these transition points explicit while allowing later-stage discoveries to redirect earlier investigative work.

Fourth, corruption-specific effectiveness depends on a wider institutional system than the anti-corruption agency alone. FIUs, financial institutions, prosecutors, tax administrations, company and beneficial ownership registries, asset-recovery bodies, international networks, courts, and professional gatekeepers can all affect whether corrupt wealth is detected, traced, preserved, and recovered.

This interpretation is supported by contemporary country diagnostics. OECD's 2025 review of Bulgaria places strategic effectiveness and asset recovery at the centre of strengthening anti-corruption authorities. IMF analysis of Sierra Leone similarly demonstrates that broadly established AML institutions do not remove the need to demonstrate effective operationalisation and coordination (International Monetary Fund, 2025; OECD, 2025). The analysis also aligns with the wider criticism developed by Nazzari and Reuter: increasing the sophistication and regulatory cost of the global AML system does not by itself demonstrate that illicit finance has become more difficult. For anti-corruption evaluation, regulatory den-

sity should therefore be treated as capacity rather than as a substitute for demonstrated enforcement outcomes (Nazzari & Reuter, 2025).

Three cautions qualify for these conclusions. First, high recovery values can be produced by a small number of exceptional cases and should not be treated as a complete measure of system quality. Second, faster information exchange or asset restraint is not inherently better if it compromises legal thresholds, due process, privacy, or judicial safeguards. Third, institutional fragmentation is not always dysfunctional: separate mandates can provide oversight and procedural checks. The relevant question is whether the division of responsibility permits timely, lawful conversion rather than whether all functions are concentrated in a single body. Accordingly, AFIEC should not code every non-recovery outcome as failure; legitimate case-specific reasons for non-progression must be separated from avoidable institutional breakdowns.

13. Theoretical Contribution

AFIEC is proposed as a diagnostic way of thinking about the effectiveness of anti-corruption financial investigations. Its value does not lie in identifying powers that are already familiar within FATF standards or asset-recovery practice. Rather, the framework draws attention to what happens between those powers: whether information, authority, investigative work, evidence, and asset measures are successfully carried from one institutional function into another.

This distinction matters because legal capacity and operational performance are not the same thing. A legal framework may give an institution access to information, investigative authority, or confiscation powers, yet none of those capacities produces an outcome automatically. AFIEC therefore focuses on the point of transfer. The relevant question is whether the result produced at one stage is sufficiently timely, usable, and developed to support what must happen next.

The framework also treats these relationships as dependent without if investigations progress in a straight line. An FIU may produce useful intelligence, but its value diminishes if investigators do not act on it. Beneficial ownership information may identify the person behind a legal structure, but recovery may still fail if the relevant property is not preserved in time. Similarly, a restraint order secures little in practical terms if confiscation or subsequent enforcement does not follow. At the same time, the process can move in the opposite direction. Asset tracing may reveal another company, account, intermediary, or beneficial owner and require the investigative hypothesis to be reconsidered. AFIEC is therefore better understood as a network of operational dependencies organised into stages, rather than as a one-directional procedural sequence.

Its diagnostic value follows from this structure. A general finding that a financial-investigation system is ineffective says little about what has gone wrong. AFIEC instead asks where the process has broken down and what kind of constraint is responsible. In one case the problem may concern legal authority; in another it may be the quality of information, institutional coordination, specialist

capability, delay, or failure to convert an investigative result into an enforceable asset outcome. The framework is intended to make those differences more visible.

14. Policy and Institutional Implications

The analysis points to several implications for the way anti-corruption financial investigations are organised in practice.

One concerns the timing of financial investigation and asset-recovery work. In serious corruption cases, these issues should not be postponed until the predicate offence has been proved. Responsibility for tracing property, establishing beneficial ownership, preserving assets, and developing financial material into evidence needs to be considered while the investigation is still taking shape.

A second implication concerns the way institutions work together. Anti-corruption authorities rarely control all the information or powers needed for a complex financial investigation. FIUs, prosecutors, police, tax bodies, registries, asset-recovery institutions, and international partners may each hold part of the relevant picture. Formal coordination arrangements are useful only insofar as they allow those parts to be connected. In practice, timely lawful access to reliable information, secure exchange mechanisms, multidisciplinary expertise, and continuity of specialist capability may matter more than the mere existence of inter-agency committees or memoranda.

Performance measurement also needs to distinguish institutional activity from operational progress. The number of reports received, meetings held, officers trained, requests submitted, or cases opened can describe workload, but such measures reveal little about whether the enforcement process is moving forward. More informative questions concern whether intelligence leads to investigative action, whether serious corruption cases include a financial investigation, whether assets are located and preserved before they disappear, whether financial analysis is developed into usable evidence, whether confiscation orders are enforced, and whether recoverable value is actually realised. This distinction is consistent with FATF's broader effectiveness methodology, which examines the practical use made of laws, regulations, institutions, and policies rather than their formal existence alone (*Financial Action Task Force, 2026b*).

15. Limitations and Future Research

AFIEC is developed in this article as a conceptual and doctrinal framework. It has not been validated using cross-jurisdictional datasets, detailed case observation, or formal measurement testing. The indicators proposed earlier in the article should therefore be understood as analytical suggestions rather than established thresholds, weights, or validated performance measures.

Further limitation concerns the relationship between FATF effectiveness assessments and corruption-specific enforcement. FATF evaluates the broader AML/CFT/CPF system, and its immediate outcomes are not designed exclusively around corruption. Translating those findings into measures of anti-corruption

financial-investigation performance consequently requires caution.

The same caution applies to asset-recovery data. Jurisdictions differ in legal architecture, definitions, accounting practices, case composition, risk exposure, and the way confiscated or recovered property is recorded. A large confiscation figure may reflect a small number of exceptional cases rather than the routine effectiveness of the system. Quantitative outcomes can also be misleading if they are considered without attention to due process and procedural fairness.

There are limitations within AFIEC itself. Although the stages are analytically ordered, actual investigations may involve several functions at once and may return repeatedly to earlier questions. Informal cooperation, prosecutorial decisions, changes in investigative strategy, or new evidence may alter the direction of a case in ways that a staged framework can only partly represent. The country diagnostics used in this article also serve an illustrative purpose; they do not constitute a systematically selected comparative sample.

These limitations suggest a clear empirical agenda. Cross-jurisdictional research could examine how often cases move successfully between AFIEC stages and whether transition points are associated with weaker investigative or recovery outcomes. Case-file analysis may be especially useful for identifying where the financial dimension of a corruption investigation is lost or delayed. Comparative organisational research could also examine whether forms of multi-agency working improve timeliness, evidence development, asset preservation, or realised recovery. Before AFIEC is used as a formal assessment instrument, the proposed indicators would also need to be tested for reliability, comparability, and practical feasibility.

16. Conclusion

Anti-corruption systems are not strengthened simply by acquiring more financial-investigation powers. The thornier issue is whether those powers can be used together, and in time, to expose financial relationships, develop evidence, preserve property, and recover illicit value.

FATF's distinction between technical compliance and effectiveness provides an important basis for examining this problem. Its current standards connect financial investigation with parallel investigation, beneficial ownership transparency, asset tracing, provisional measures, confiscation, institutional coordination, and international cooperation. Recent reforms have placed still greater emphasis on the practical recovery of criminal assets ([Financial Action Task Force, 2023a, 2025, 2026a, 2026b](#)).

AFIEC brings these elements into a single analytical framework. Its eight stages cover the detection of corruption risk or suspicion, development of financial intelligence, parallel financial investigation, resolution of beneficial ownership, tracing and preservation of assets, evidentiary conversion, confiscation, or forfeiture, and realised recovery or lawful disposition. These stages do not describe a fixed chronology. A financial investigation may advance, return to an earlier problem,

or activate several functions at the same time as current information emerges.

The framework is most useful when it is used to identify the point at which progress stops. A system may have the necessary legal capacity yet fail because intelligence is not acted upon, ownership cannot be resolved quickly, assets are not preserved, evidential requirements are not met, or final orders are not enforced. In that sense, the distinction between compliance and effectiveness is a distinction between possessing institutional capacity and converting that capacity into results.

For evaluators and practitioners, the practical question is therefore not limited to whether the required powers and institutions exist. It is also necessary to ask where the investigative process loses momentum, why that happens, and whether the failure can be identified and measured. AFIEC provides one way of organising that enquiry and of directing reform towards the parts of the financial-investigation process where legal capacity is not yet becoming operational effect.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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