



Public-private partnerships for financial intelligence sharing



Simon Marsh

Head, Eastern and Southern Africa,
International Centre for Asset Recovery,
Basel Institute on Governance

Financial intelligence is the staple food of investigations into corruption, money laundering and other financial crimes.

Much financial intelligence is held by private-sector institutions such as banks and other financial service providers. How does that get into the hands of law enforcement, where it can trigger or inform investigations? And how can we improve the system?

This quick guide gives a brief introduction to public-private partnerships or platforms for financial intelligence sharing. It sets out how they work in practice, and how they can improve the sharing of targeted, useful information between law enforcement and financial institutions.

What's the problem?

Traditionally, when financial institutions come across suspicious behaviour that may be linked to financial crimes, they send suspicious transaction reports (STRs) to the jurisdiction's financial intelligence unit (FIU) for further analysis and actioning.

It's a one-way system. Most FIUs are under-resourced and overwhelmed by reports that they struggle to prioritise and analyse. In the UK, for example, the FIU receives around half a million reports per year, of which only around a few percent are actioned.

Anti-money laundering regulations incentivise financial institutions to submit reports defensively – to be able to defend their position in case they are accused of not detecting or alerting the authorities about illicit financial flows.

Most experts agree: we don't need *more* STRs, we need better quality financial intelligence.

How can a public-private partnership help?

The aim of establishing a public-private partnership or platform for financial intelligence sharing is to vastly increase the flow of targeted, useful information back and forth between law enforcement and financial institutions such as banks, cryptocurrency exchanges, money transfer services and other financial service providers.

First, through this gateway, law enforcement agencies can **brief a limited set of representatives of financial institutions on their priority investigations**. These individuals can then go back to their institutions and check whether they have information relevant to the investigation. Where they do, they can quickly collect and send back the actionable intelligence to law enforcement, typically via the FIU.

Second, the partnerships provide a feedback loop, so **financial institutions can better understand whether the information they provided through STRs was useful** and how to improve them for the future. In essence, this turns the one-way flow of STRs into a two-way street.

Third, they serve as a platform for **dialogue on trends and typologies in financial crime**. This can serve to sharpen information and intelligence on both sides. For example, if law enforcement agencies are seeing significant increases in wildlife trafficking or corruption related to the mining sector, say, financial

institutions can intensify and prioritise their anti-money laundering processes relating to new and existing customer relationships in this sphere.

Who's involved?

Public-private partnerships take many different forms and can be adapted to different jurisdictional or regional needs. Typically, participants included:

- **Financial institutions**, including banks, foreign exchange bureaux, mobile money providers, money transfer services and increasingly crypto asset service providers. These typically designate one person to lead the relationship, often with a law enforcement background and following a vetting process.
- **Law enforcement bodies**, typically investigative agencies or prosecutors where these are involved in investigations. Tax or border control agencies may also be involved.
- **The FIU**, which may serve as the Secretariat and facilitate meetings.
- **Observer members** may be invited to attend, typically from international organisations with relevant expertise in countering financial crime.

In general, meetings take place once a month, in person or virtually. Larger or regional partnerships like the Europol-led European Financial Intelligence Public Private Partnership (EFIPPP) may have thematic working groups with specialists that meet more regularly or separately from the main sessions.

What are the benefits?

- **For financial institutions**, such partnerships complement their open-source research and help them to mitigate their financial crime-related risks more efficiently and effectively.
- **Law enforcement** benefits from greater access to intelligence.
- **FIUs** are also better able to prioritise reports and give feedback to reporting institutions to improve the quality of STRs.

Establishing such a partnership is also a way for **governments** to demonstrate a proactive approach to tackling money laundering.

Examples and success stories

The UK set up the **Joint Money Laundering Intelligence Taskforce (JMLIT)** in 2015. Now housed by the National Economic Crime Centre, the taskforce consists of over 40 financial institutions, the Financial Conduct Authority, the fraud prevention body Cifas and five UK law enforcement agencies. According to the National Crime Agency in 2024, JMLIT has supported over 950 investigations and contributed to over 280 arrests and the seizure or restraint of more than GBP 86 million. The taskforce's private-sector members have identified more than 7,400 accounts suspected of being linked to money laundering activity and started internal investigations in over 6,000 cases.

Similar to JMLIT, **South Africa established the South African Anti-Money Laundering Integrated Taskforce (SAMLIT)** to bring the Financial Intelligence Centre and Prudential Authority of the South African Reserve Bank together with private banks and banking industry representatives.

Such partnerships can also cross borders. The Europol Financial Intelligence Public Private Partnership (EFIPPP), established in 2017, now brings together more than 80 institutions from over 20 EU and non-EU countries and operates several working groups.

Practical considerations

A few tips from specialists at our International Centre for Asset Recovery, which works with and alongside such intelligence-sharing initiatives as part of our hands-on assistance to government partners on financial crime investigations:

1. When seeking to set up a financial intelligence-sharing partnership, **take time to explore the different models**. Seek advice from practitioners with experience in other countries and contexts.
2. Understand **data privacy regulations and concerns**. Try to structure the partnership so as to reassure all participants that there is minimal risk of information being leaked or laws being violated.
3. **Map stakeholders who should be approached**, seeking a balance between law enforcement agencies, other public authorities and different representatives of the private sector.

4. Hold **sensitisation meetings to get all stakeholders' buy-in**, respond to concerns and explore the different options and models.
5. **Legislation** will likely be needed. This requires a structured process for drafting the legislation, sending it for consultation and getting it passed by parliament. Patience, persistence and legal expertise are needed, along with high-level political will.
6. **Funding** may come from the government in high-income countries. In jurisdictions with fewer financial resources, international donors could provide vital support.

Read more

See *[Boosting Co-operation in Asset Recovery: Exploring the Potential of Private Sector Engagement and Public-Private Collaboration](#)*, summarising the outcomes of the 11th Lausanne Seminar organised by the Swiss Federal Department of Foreign Affairs, Basel Institute on Governance and Stolen Asset Recovery Initiative with the support of the Royal United Services Institute.

Published on 25 November 2024.

This publication is part of the Basel Institute on Governance Quick Guide series, ISSN 2673-5229. It may be freely shared under a [CC BY-NC-ND 4.0 licence](#).

Suggested citation: Marsh, Simon. 2024. 'Public-private partnerships for financial intelligence sharing.' Quick Guide 34, Basel Institute on Governance. Available at: baselgovernance.org/qg34.

It is a publication of the International Centre for Asset Recovery (ICAR) at the Basel Institute on Governance. ICAR receives core funding from the Governments of Jersey, Liechtenstein, Norway, Switzerland and the UK.

This publication is intended for general informational purposes and does not constitute or substitute legal or other professional advice. The contents do not necessarily reflect the views or the official position of the Basel Institute on Governance, its donors and partners, or the University of Basel.

