TAX JUSTICE NETWORK

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1. Introduction

Attempts to empirically estimate international illicit financial stocks and flows have traditionally had to rely primarily on official datasets of macro-level international trade and investment. However, datasets of company ownership and financial data, such as Orbis, have increasingly brought into the realm of possibility a more ambitious approach to the large-scale bottom-up assessment of illicit financial risks at the micro-level. Here we draw on a novel micro-level dataset of FDI in economies representing 75% of world GDP, to map and analyze the illicit financial risks and architectures surrounding all significant identifiable international investments from 19 countries with weak rule of law—Afghanistan, Angola, Belarus, Bolivia, Cameroon, Djibouti, Guatemala, Honduras, Iran, Iraq, Lebanon, Liberia, Libya, Russia, Sudan, Tajikistan, Venezuela, Yemen, and Zimbabwe. This investigation seeks to answer the following questions:

1) Who are the specific actors responsible for investment from countries with weak rule of law?
2) What specific categories of illicit financial risk are associated with these actors, and what total sums of investment under their control fall into various risk categories?
3) What is the geographic structure of investment, at the host and intermediary jurisdiction levels, of investment by actors in different risk categories, and how has the geography of this investment evolved over the past few decades?
4) What is the architecture of the broader global financial and business service provider networks that support the international operations of high-risk actors from countries with low rule of law?

The analysis here sheds new light on the scale and organization of the illicit financial networks and risks linked to actors from countries with weak rule of law. The results show

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that illicit financial risks do not simply exist at the margins of how many developing countries engage with the global financial system. These risks rather appear to be, for many countries, a central feature of their global financial engagement, with almost 90% of all investment identified from the countries examined here linked to actors who are either subject to international sanctions, otherwise demonstrably engaged in illicit activity, or assessed to present a high risk of involvement in such activity. We also find that ultimate responsibility for these illicit financial risks is remarkably concentrated at both a geographic and an actor level—with seven Russian individuals controlling nearly half of the entire identified stock of high-risk investment belonging to all actors in the 19 countries examined. Meanwhile, Lebanese actors control almost half of the high-risk investment structures owned by actors from countries in this group other than Russia.

The results also reveal the architecture of the global financial networks employed by actors from countries with weak rule of law, showing that the key functions in these networks are geographically centralized in a small number of financial centers, and in particular the UK. The UK appears to be the single largest host for investment from the countries examined, with three jurisdictions—the UK, US, and UAE—hosting more than half of their total identified investment stock. Meanwhile, Cyprus, together with the UK, intermediate more than half of all investment undertaken from these countries via indirect jurisdictional structures. More broadly, the UK is the leading overall provider of business and financial services supporting high-risk investment from countries with low rule of law. However, we also find that geopolitical shocks are dramatically reshaping the global financial networks employed by actors from these countries, with the position of traditionally dominant nodes in these networks currently in a state of flux. Most importantly, the analysis indicates that a large-scale movement of Russian international business is currently underway from western financial centers to the “Dubai-Kong” axis (Haberly 2025), and above all to the UAE. This relocation, notably, extends just as strongly to non-sanctioned as to sanctioned Russian business groups.

The results also highlight specific points of concern surrounding the organization and regulation of illicit financial networks. The often-overlooked accountancy sector is found to play a key professional enabler role for the international financial operations of high-risk clients from countries with low rule of law, with the provision of these services dominated by leading British multinational accountancy firms. Meanwhile, financial and business service providers, and in particular law firms, are found to not only play a key role in crafting the secrecy structures used by high-risk clients, but to also make widespread use of front companies—or *shell enablers*—to obscure their own dealings with such clients. Some of the financial and business service providers acting on behalf of high-risk clients, including

banks, are also found to be ultimately owned or otherwise controlled by these same clients, potentially short-circuiting the basic logic of the AML compliance process.

More broadly, we find that the international landscape of beneficial ownership secrecy is characterized by a functional and geographic divide—with structures created to hide international asset ownership concentrated in offshore secrecy jurisdictions, while fraudulent structures created to facilitate illicit transactions are largely registered in financial centers affording the greatest speed and convenience of company formation, regardless of transparency. Indeed, the UK, with one of the most transparent but also frictionless company registration regimes in the world, is found to host an exceptionally large number of latter type of company, even while apparently hosting few companies established to hide long-term asset ownership. Conversely, the British Virgin Islands, which is assessed to have the highest level of observed beneficial ownership secrecy of any major intermediary jurisdiction in this dataset (based on the share of companies with untraceable ownership), is found to play a central role in hosting opaque asset holding structures used by Russian actors, in particular.

The remainder of this paper is divided into five sections. In the following section, we provide an overview of the challenges surrounding the large-scale micro-level mapping of illicit financial flows and networks, before introducing the dataset and methodology used here. This is followed by the presentation of key findings regarding the scale, nature and distribution of illicit financial risks linked to investment by actors from countries with low rule of law, with the next two sections mapping the geographic architecture and historical evolution of, and the broader global financial enabler networks that support, international investment by actors in different regions and illicit finance risk categories. We conclude with a discussion of the implications of our findings for efforts to combat illicit finance, and in particular for a strategic global financial network-oriented approach to beneficial ownership and broader transparency reform.

2. Mapping illicit financial architectures and risks

2.1. The challenge of combining scale and granularity

As described in Haberly, Palansky and Tuinsma (2026), empirical methodologies for studying illicit financial flows confront a trade-off between analytical scope and scale, on the one hand, and detail and precision on the other. Prioritizing scope and scale are methodologies that estimate aggregate illicit financial flow volumes by analyzing balance of payments or international trade and investment anomalies. In contrast, detail and

precision are prioritized in forensic micro-study-based approaches centered on the construction and analysis of large-scale granular datasets of illicit financial networks.[3]

Despite this methodological trade-off, forensic micro-studies of illicit financial networks and activities have in some cases been able to achieve substantial scale. Haberly (2025) and Haberly, Garrod and Barrington (2024), for example, map the geographic and functional architecture and historical evolution of all US-sanctioned and Foreign Corruption Practices Act (PCPA) case-implicated international financial networks. Meanwhile, Chang, Harrington and Rockmore (2023 and 2025) use leaked data from the Panama, Paradise, and Pandora papers to map the financial networks used by Russian oligarchs and political elites, while Alstadsæter, et al. (2019) and (2022; 2024) make use of large-scale leaked datasets to examine Scandinavian tax evasion and foreign real-estate purchases in Dubai, respectively. A number of ambitious forensic studies of illicit financial networks and activities have also been conducted by investigative journalists and civil society organizations (particularly by the International Consortium of Investigative Journalists in connection with the Panama, Paradise and Pandora Papers and other data leaks, as well as multiple investigations by Transparency International, e.g. as recently undertaken on Russian sanctions-evasion-facilitating networks in Netyaev 2026)

These large-scale forensic micro-studies have shed substantial light onto the detailed organization and operation of illicit financial networks. However, they also have limitations. The maps of illicit financial network architecture that they produce are often difficult to translate into estimates of illicit financial stock or flow values. Such studies also tend to be targeted based on the availability of particular data sources (official governmental, leaked, etc.), which do not necessarily provide a representative view of illicit financial activities more broadly. Indeed, the pictures painted by even large-scale forensic micro-studies of illicit financial networks tend to exist in something of an interpretative contextual vacuum, shedding detailed light on particular types of illicit financial networks, but not how these compare to or intersect with broader global financial architectures. Obtaining such a contextually situated understanding of illicit financial networks is particularly important to designing as well as assessing illicit-finance-targeted policy interventions.

What is needed, from this standpoint, is not simply the mapping of illicit financial networks, but rather the systematical flagging of high-risk structures within a more comprehensive mapping of global financial networks. As highlighted by studies such as Garcia-Bernardo et. al. (2017), Haberly (2024), Haberly and Lawrie (2026), Haberly and Wojcik (2017), Hurst and Sutherland (2025), Palan et al. (2021), and Wei and Palan (2023),

[3] For a broad review of empirical methodologies for studying illicit financial flows see Brandt (2023), Cobham and Jansky (2020), and Collin (2020).

the availability of datasets such as Orbis—which provides detailed information on the financials, directors, service providers, and ownership ties (current and historical) of more than 400 million companies worldwide—has increasingly made such a study feasible from a source data availability standpoint. The principal bottleneck to the large-scale mapping of illicit financial networks, within their broader global financial network context, is rather the time and effort needed to process, augment, and interpret these underlying source datasets.

Crucially, such an effort is more feasible than it might appear, provided that it is undertaken in an efficiently designed and targeted manner. As shown in Haberly and Lawrie (2026), one approach to the large-scale analysis of global financial network architectures is to focus on the controlling shareholders—or Group Ultimate Owners (GUOs) (as described in Orbis)—that sit at the apex of complex international ownership chains. While the total number of companies involved in these chains is often extremely large, a relatively small number of such structures, operating under the ultimate control of an even smaller number of GUOs, typically account for the bulk of all international investment in any given context. As a result, it is in practice usually possible to conduct a detailed, micro-level analysis of who is actually behind the majority of such investment.

Haberly and Lawrie (2026), building on the methodology and dataset in (Haberly, 2024), employ such an approach to systematically identify the true ultimate origin of FDI in 18 host economies representing 75% of world GDP—with a focus on identifying the origin of the roughly half of all investment that enters via offshore jurisdictions, or in other words via jurisdictions that principally intermediate FDI from third countries. While the complete Orbis-based micro-dataset of FDI in these 18 hosts constructed in Haberly and Lawrie (2026) encompasses roughly 440,000 foreign-invested subsidiaries, it is found that the true nationality of control of the vast majority of offshore-mediated FDI can be determined by researching the beneficial ownership of 12,000 offshore-resident Group Ultimate Owners (GUOs) with total investment in the 18 hosts above a $10-50 million threshold (depending on total investment volume any given context). Crucially, while Orbis itself frequently does not reveal the true ultimate owners who exercise underlying control over these offshore-resident GUOs, this can nearly always be determined (at least at a likely actor nationality level) by analyzing Orbis data in conjunction with broader searches of web sources (e.g. news articles, regulatory filings, national company registers, etc.).

In Haberly and Lawrie (2026), the goal of this offshore GUO “census” is to estimate, in conjunction with official IMF and OECD bilateral FDI data, an aggregate bilateral inward FDI matrix for each host economy examined that shows the true ultimate origin of investment—i.e. at the level of responsible actor nationalities—in conjunction with the immediate

pathways through which investment enters any particular host. However, this FDI dataset, as well as the underlying micro-data compiled to generate it, can also be applied to the mapping of illicit financial network architectures and risks.

At the macro-level, Haberly, Palansky and Tuinsma (2026) use the FDI dataset generated in Haberly and Lawrie (2026), in conjunction with the large-scale datasets of sanctioned and corruption- linked global financial networks from Haberly (2025) and Haberly, Garrod and Barrington (2024), to estimate non-tax-related illicit financial stock and flow "risk envelopes" for 10 major economies comprising just over half of global GDP. These estimates are, in contrast to previous macro-level IFF estimates and risk assessments, geographically disaggregated at not only at the level of the proximate trade and investment relationships through which illicit financial risks are mediated, but at the level of the nationalities of the actors responsible for these risks.

A key finding of Haberly, Palansky and Tuinsma (2026) is that the intensity of non-tax-related illicit financial risks is conditioned in a highly non-linear manner (i.e. on a scale of more than two orders of magnitude) by actor home country institutional and political risk.[4] As a result, the geography of where international illicit financial risks are likely to be generated, at the actor nationality level, is found to be skewed towards the very highest risk countries to an extent that is highly disproportionate their weight in the global economy. Indeed, actors from the 40 countries with the world's lowest levels of rule of law (i.e. a 2023 WGI rule of law score <-1)—which together only account for 3.5% of world GDP—are estimated to drive 29% of total IFF risks across the 10 major economies examined in the study (excluding risks generated by actors for their own home countries). This group of countries with weak rule of law includes Russia, which is estimated to generate 13% of total non-tax IFF risks across the sample of other countries examined—or only slightly less than the 15% of risks generated by actors from China, which has a GDP an order of magnitude larger—as well as Venezuela, Iran, Iraq, Lebanon, and Angola, all of which are estimated to make outsized contributions to total international illicit financial stock and flow risks (see Haberly, Palansky and Tuinsma 2026).

[4] This is based on the empirical calibration of illicit financial risk intensity functions, using the large-scale datasets of documented illicit financial networks from Haberly (2025) and Haberly, Garrod and Barrington (2024). As described in Haberly, Palansky and Tuinsma (2026), the impact of actor home country rule of law on illicit financial risk intensity (in relation to total international trade and investment) is estimated, in sensitivity analysis, to operate over a scale of more than two orders of magnitude even for the shallowest slope function falling within the 95% confidence interval of the mean estimated function.

2.2. A comprehensive approach to the micro-level mapping of illicit financial risks

While the analysis in Haberly, Palansky and Tuinsma (2026) is conducted at an aggregate, macro-level, the finding that global illicit financial risks are likely so disproportionately driven by actors from a relatively small group of countries,[5] comprising an even smaller fraction of world GDP, suggests the potential for a more ambitious large-scale micro-level mapping of illicit financial networks and risks. Indeed, among the 440,000 foreign-controlled subsidiaries in the micro-level dataset of FDI across 75% of the world economy from Haberly and Lawrie (2026), only 1,090 subsidiaries (above the designated size threshold) are controlled by actors from the 40 countries with a 2023 WGI rule of law score <-1.[6] These 1,090 companies are in-turn controlled by only 450 nominal group ultimate owners (GUOs), who are themselves controlled by an even smaller number of underlying actors (see table 1). Crucially, due to the comprehensive census type-approach employed in Haberly and Lawrie (2026) to the backward-tracing of all significant offshore-mediated investments—combined with the systematic researching of all significant offshore Group Ultimate Owners (GUOs) sitting at the apex of these ownership chains—this total includes hidden offshore-mediated investments by actors in countries with low rule of law, which would otherwise often be difficult (or impossible) to link these countries purely based on Orbis data itself (much less based on official bilateral FDI data). As shown in Haberly and Lawrie (2026), such hidden offshore structures intermediate the majority of all FDI from most developing countries.

The collection and analysis of ownership chain data in Haberly and Lawrie (2026) took a necessarily limited form dictated by the goal of generating the most comprehensive possible picture of FDI across major economies.[7] This encompassed the following data points:

1) Basic financial and company structure data (shareholder funds, assets, revenue, and subsidiary count) for a) the immediate foreign shareholders (i.e. ISHs) of these subsidiaries, and b) the group ultimate owners (GUOs) recorded, in Orbis itself, as sitting at the top of international ownership chains, and c) subsidiaries themselves, as either reported directly, or estimated based on group financial data and/or subsidiary sector
2) Industry sector (4-digit NAICS) codes for subsidiaries

[5] As described in Haberly, Palansky and Tuinsma (2026), this finding is broadly consistent with prior international IFF scale estimates derived via other methodologies such as Kar and Spanjers (2015).
[6] This includes subsidiaries owned in actors' own home economies controlled via "round-trip" international investment structures.
[7] For methodological details see Appendix B in Haberly and Lawrie (2026).

3) The assessed true ultimate nationality of all GUOs, with total investments above a $10-50 million size threshold (dependent on total FDI in a particular context), that are registered in a designated list of "offshore" jurisdictions.

Here we conduct additional data collection to flesh out this skeletal picture of global investment networks by comprehensively researching actor-level illicit financial risks for all significant identifiable investments linked to actors from countries with low rule of law, as well as the broader global financial and service provider enabler networks that support international illicit financial activities linked to actors in these countries. This has entailed the compilation of data in the following additional areas:

1) The identification of the specific actors in countries with weak low rule of law who exercise ultimate ownership or control over all significant identifiable international investments linked to these countries
2) The demonstrable or potential connection of all of these actors and investments to multiple specific categories of illicit financial risk.
3) The year of formation of all interventional investment structures assessed to be controlled by actors in countries with low rule of law.
4) The supporting international financial and business service providers linked to all international investment structures controlled by actors in countries with rule of law, including a) directors, b) legal and secretarial services, c) accounting, and d) banking and other financial services.

Table 1 provides an overview of the dataset constructed here, through the augmentation of the FDI dataset from Haberly and Lawrie (2026). The dataset constructed here encompasses all international investments by GUOs with total controlled investments above the (context-dependent total FDI stock-based) $10-50 million size threshold in the 18 FDI host economies examined in Haberly and Lawrie (2026), plus Iran (i.e. 19 hosts in total), which are assessed as likely to be ultimately controlled by actors from all 40 countries with a 2023 WGI rule of law score <-1. Of these 40 investment source countries with weak rule of law, actors from 19 were found to have investments (collectively totaling more than the sample inclusion threshold) in the host economies examined. These 19 investment source countries are sorted in table 1 by total combined outward and round-trip[8] FDI stock, as estimated based on Orbis micro-data (column A). Column F shows the total estimated outward and round-trip FDI stock estimated for each of these countries in the Monte Carlo analysis in Haberly and Lawrie (2026) (i.e. based on the combination of micro-level Orbis data and official bilateral FDI data). The ratio of Orbis micro-data

[8] In other words, investment which is held by actors in their own home countries via international holding structures.

estimated FDI to Monte Carlo-estimated FDI (column F / column A) is shown in column H, which can be viewed as a rough indication of the likely completeness of micro-data coverage of total outward and round trip FDI from each country. As can be seen, the mean micro-data coverage fraction of FDI from the countries examined is 40%, and exceeds 30% for all countries with more than 2 billion in total estimated FDI stock. Importantly, even complete coverage of investment structures would tend to yield an estimated micro-level FDI stock somewhat lower than the Monte Carlo-based FDI estimate.[9]

As can be seen, the composition of investment from countries with weak rule of law is dominated by actors from a handful of countries within this group. Most importantly, Russians are estimated in both the Orbis micro-data and Monte Carlo-based FDI estimates to account for more than 80% of all FDI from countries with weak rule of law. This percentage is somewhat inflated by the fact that Russia, unlike the other FDI source countries examined (apart from Iran), is also one of the investment host economies in the dataset. This means that Russian FDI here includes the round-trip ownership of Russian subsidiaries by Russian actors through offshore holding structures, which in practice account for more than half of all Russian FDI.[10] Even excluding this round-tripping, however, Russians still account for almost two thirds (62%) of all investment from countries with weak rule of law. Meanwhile, actors from just two additional countries, Iran and Lebanon, are estimated to account for more than half of the total remaining stock of international investment from this group of countries—with Iranian investment estimated to be slightly larger based on the micro-data, while Lebanese FDI is estimated to be slightly larger in the Monte Carlo analysis. Nearly all of the remaining estimated FDI stock originating from countries with weak rule of law is attributable to actors from Libya, Venezuela, Zimbabwe, Iraq, and Belarus.

[9] This is due to the fact that the micro-data-based FDI totals are only directly estimated for equity-based positions, whereas total FDI (as estimated in the Monte Carlo) also include debt-based positions. Notably, estimation error, company incorporation fraud, and the presence of negative net bilateral official FDI positions, can in some cases also produce micro-data-based FDI estimates that are larger than estimated total FDI, as seen for e.g. Libya or Zimbabwe.

[10] As shown in Haberly and Lawrie (2026), while FDI round-tripping is a pervasive international phenomenon, the proclivity for this behavior appears to be exceptionally high in countries with a history of communist rule. For a more in-depth discussion of Russian FDI round-tripping specifically see Ledyaeva et al. (2015), Nougayrede (2013), and Sharafutinova and Dawisha (2017).

Table 1. Coverage of dataset of international investment by actors from countries with low rule of law (2023 WGI rule of law score < -1).

	A	B	C	D	E	F	G	H
Actor Home Country	Orbis-est. outward FDI*	% of Orbis-est. FDI	# investments	# GUOs** (Orbis)	Adjusted # groups***	Monte Carlo est. FDI**** (mean)	% of Monte Carlo est. FDI	Orbis / Monte Carlo-based est.
Russia	112,743	81.1%	731	293	219	284,552	81.2%	39.6%
Iran	6,889	5.0%	59	28	30	19,207	5.5%	35.9%
Lebanon	6,493	4.7%	134	59	46	21,498	6.1%	30.2%
Libya	3,960	2.8%	23	3	7	2,705	0.8%	146.4%
Venezuela	3,661	2.6%	26	8	8	8,090	2.3%	45.3%
Zimbabwe	1,710	1.2%	22	8	5	676	0.2%	252.7%
Iraq	1,402	1.0%	17	12	12	4,575	1.3%	30.6%
Belarus	830	0.60%	55	22	30	2,197	0.63%	37.8%
Sudan	338	0.24%	3	3	3	1,475	0.42%	22.9%
Angola	207	0.15%	6	2	2	424	0.12%	48.7%
Honduras	161	0.12%	1	1	1	24	0.01%	658.0%
Tajikistan	142	0.10%	1	1	1	894	0.25%	15.9%
Liberia	137	0.10%	1	1	1	393	0.11%	34.9%
Yemen	108	0.08%	2	1	1	949	0.27%	11.4%
Guatemala	80	0.06%	3	2	1	564	0.16%	14.3%
Bolivia	39	0.03%	3	3	3	374	0.11%	10.4%
Djibouti	22	0.02%	1	1	1	922	0.26%	2.4%
Afghanistan	18	0.01%	1	1	1	662	0.19%	2.7%
Cameroon	10	0.01%	1	1	1	334	0.10%	3.1%
Total	138,952		1090	450	373	350,516		39.6%

*Total equity-based FDI stock (million USD) in 18 major host economies originating from groups ultimately controlled by actors in country, as estimated based on Orbis (micro-level) financial data. Includes round-trip FDI stock held in actor home countries via international structures.

**Group Ultimate Owners as defined in Orbis

***Groups as reclassified here, based on disaggregation of multiple state-owned enterprises owned by government GUOs, and aggregation of other GUOs assessed here to be likely controlled by same true ultimate owner.

****Mean estimated total equity and debt-based outward FDI stock (million USD) ultimately originating from country in 18 major host economies, based on Monte Carlo analysis integrating Orbis and official FDI data in Haberly and Lawrie (2026). Includes round-trip FDI stock held in actor home countries via international structures.

Column C shows the total number of international subsidiaries (among the 18 hosts examined by Haberly and Lawrie 2026, plus Iran) owned by actors in countries with weak rule of law, with column D showing the total number of Group Ultimate Owners (GUOs) in each of the latter countries exercising control over these subsidiaries (based on the Orbis GUO definition wherein control at each successive level, in ownership chains, is defined at

the >50% level). As can be seen, nearly three quarters of the subsidiaries, and two thirds of the GUOs in this dataset, are Russian-controlled, with Lebanese actors controlling roughly half of the remaining subsidiaries and GUOs. Meanwhile, for seven of the actor home countries—Honduras, Tajikistan, Liberia, Yemen, Djibouti, Afghanistan and Cameroon—only a single GUO is identified with investments above the designated size threshold.[11]

As described in section 2.1, the Group Ultimate Owner designations in Orbis do not necessarily capture the true ultimate owning and/or controlling actor for any given group/investment chain. In many cases, this is due to actors exercising effective control via ownership percentages below the 50% threshold for Orbis GUO designation. In other cases, it is due to the incompleteness of Orbis ownership data itself (particularly for so-called offshore "sink" jurisdictions as described in Garcia-Bernardo et al. 2017), and in some cases the deliberate misreporting and/or obfuscation of company beneficial ownership by actors/groups (see discussion below).

In Haberly and Lawrie (2026), all offshore-resident GUOs with investments above the designated (i.e. total FDI stock-dependent $10-50 million) size threshold were researched with the principal goal of identifying only the true *nationality* of these groups (and/or of the actors assessed to be ultimately controlling them). In the analysis here, however, we have gone beyond this by attempting to identify the specific actors controlling all of the GUOs (and thus investment) in this dataset. This has entailed not only additional follow-up research on the offshore-resident GUOs reclassified by true ultimate nationality in Haberly and Lawrie (2026), but also on all GUOs that resident in countries with low rule of law that have a total estimated outward and round trip FDI stock above the designated threshold ($10 million here). While we have nearly always been able to identify the ultimate beneficial owners and/or controlling actors behind investment structures, at least at a strongly suspected level, there are cases where this has not been possible. In section 4.2, we exploit the resulting map of beneficial ownership identification *failure* rates, across key jurisdictions, to empirically assess their actually-existing secrecy levels.

[11]As shown in table 1, the dataset here appears to provide less complete coverage of investment from these single-group countries than of investment from countries with larger total FDI stocks, with Tajikistan, Yemen, Djibouti, Afghanistan and Cameroon all having estimated coverage ratios that are less than half of the mean for the whole sample of countries. This is likely due to the $10 million minimum group investment threshold for dataset inclusion, which will tend to disproportionately exclude investment from countries with extremely small total quantities of investment.

3. Illicit financial risks linked to actors from countries with low rule of law

As shown in table 1 (column E), the reclassification of groups based on common true ultimate underlying control reduces the total number of groups in this dataset from 450 to 373. For each of these 373 reclassified groups, we have systematically researched illicit financial risks across multiple key categories, through a combination of intensive web and sanctions database-searches (at the whole-group / group owner as well as individual subsidiary/company levels), and our own assessment of risks on the basis of Orbis data itself in conjunction these other sources (particularly in relation to beneficial ownership and/or balance sheet reporting fraud; see discussion below).[12] The risk categorizations here are defined at the level of whole groups, i.e. the companies under common control with which each subsidiary is affiliated, rather than at the individual investment/subsidiary level. Within this categorization, risks impacting any part of a group—at the subsidiary, parent or ultimate controlling actor level—are applied in the classifications here to the entire group. For example, if either a subsidiary within a group or the controlling shareholder of that group is subject to sanctions, the entire group would be treated as high risk from the standpoint of sanctions-related illicit financial risks.

For each group, assessed illicit financial risks are coded across multiple risk categories. These frequently overlap in practice, and we have attempted to capture many of these overlaps within the underlying dataset that we have compiled. For the sake of clarity here, however, as well as the avoidance of investment double-counting, risk classifications are presented in this paper on a mutually exclusive, hierarchical basis. In other words, all investments from each business group are classified as falling into the highest priority risk category found to apply to that group, based on the following order of prioritization:

1) Demonstrably or likely (i.e. in the event that control by a sanctioned actor is strongly suspected) subject to US, EU, or UK sanctions.

[12] The key source used here for the identification of sanctions-related risks is Open Sanctions, with supports the simultaneous querying of names (including all recorded alternative entity and individual names in multiple languages and scripts) across all international sanctions lists, with additional information on the relational linkages between sanctioned individuals and entities (and in many cases other related individuals and entities not actually subject to sanctions themselves). News articles and other investigations (e.g. reports, journal articles) and official documents (e.g. records of legal proceedings) are the most important sources used to assess other categories of illicit financial risk, with Google Translate (combined with our own linguistic skills across several languages) used to support reviews of material across multiple languages (with an emphasis on actor home country language material). Orbis itself also red-flags individuals and companies in query results based on cross-referencing with the LexisNexis risk database for factors including political exposure, and links to sanctions or other illicit activities (although we have not relied on this as the principal basis for our own designations). Importantly, as our analytical goal is to provide detailed micro-level risk assessments of investment from particular *countries*, rather than to definitively pinpoint individual cases of malfeasance, we have in many cases assigned risk classifications on the basis of alleged and/or suspected involvement in illicit activity that has not necessarily been conclusively proven.

2) Demonstrably or likely subject to sanctions from allies of the US, EU and UK. In practice, this primarily encompasses Russian and Belarusian groups sanctioned by Ukraine.
3) Potentially (in the event that control by a sanctioned actor is suspected but highly uncertain) affiliated with sanctioned groups, and/or allegedly/potentially engaged in sanctions evasions directly or indirectly on behalf of sanctioned groups.
4) Demonstrated, alleged, and/or suspected involvement in corruption.
5) Ownership of UK-registered subsidiaries which are likely fraudulent with respect to beneficial ownership and balance sheet reporting.[13]
6) Demonstrated, alleged, suspected, and or/high risk of involvement in other categories of illicit activity, including, for example, fraud, organized crime, smuggling, or money laundering. This risk category also includes highly secretive investments/groups for which we were able to determine the probable nationality, but not the likely specific identity, of the ultimate owner.
7) Control by politically exposed persons (PEPS) who are not demonstrably/allegedly/suspected to be involved in illicit activity, including politically highly influential families, and close associates of politicians and government officials.

Figure 1 shows the total estimated FDI stock, disaggregated by risk category, that is ultimately controlled by actors from the 19 countries with weak rule of law examined here. As can be seen, the vast majority (88%) of all investment from these countries appears to be controlled by groups falling into one or more illicit financial high-risk categories. Even excluding investment by PEP-linked groups not directly suspected of illicit activity, more than half of all investment from 12 of the 19 countries examined is categorized as high risk, with more than 90% of all investment categorized as high risk for six of the countries. This latter group includes the largest investment source country, Russia, with 94% of all Russian investment attributed to groups in at least one high-risk category.

[13] See discussion below of the apparently unique scale and nature of the UK's role as an incorporation jurisdiction for fraudulent companies.

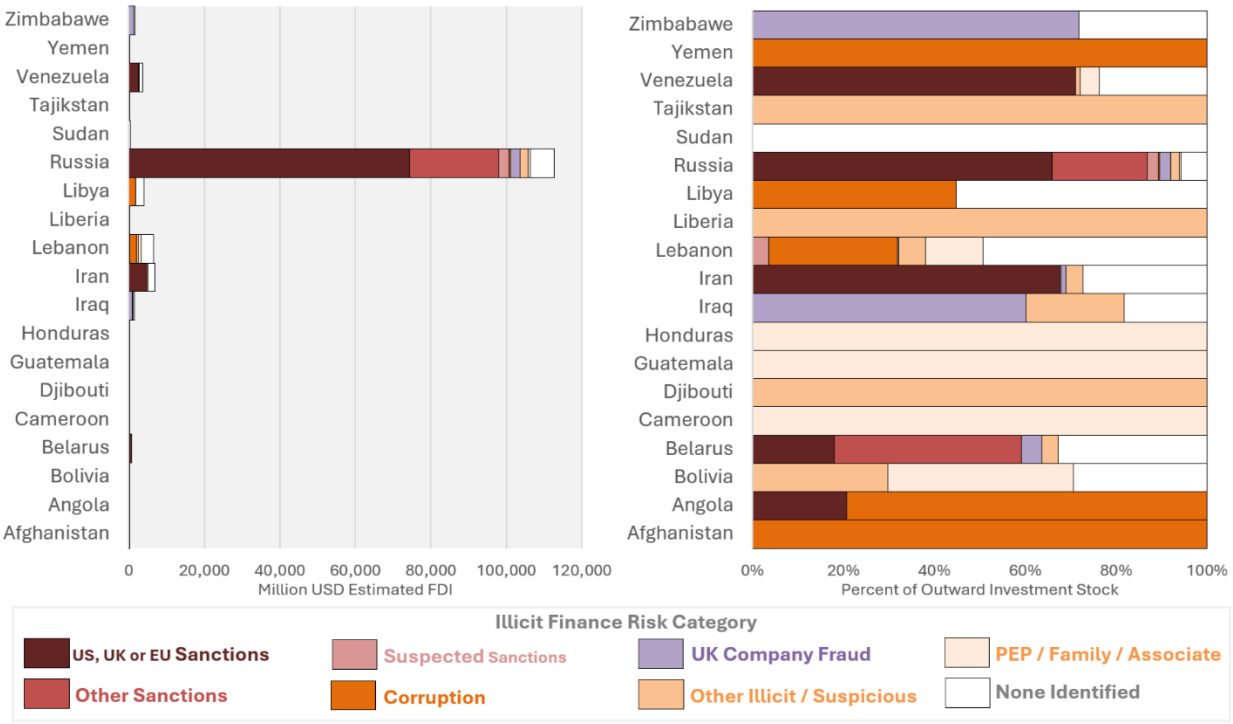


Figure 1. Assessed Illicit Finance Risks for Outward and Round-Trip Investment from Countries with Low Rule of Law (2025)

At a more detailed level, the analysis highlights substantial variation in illicit financial risks across the countries examined. For four countries, Venezuela, Russia, Iran and Belarus, these risks are assessed to be predominantly sanctions-related. However, the detailed nature of the sanctions-related as well as other illicit financial risks linked to these countries differs substantially for Russia, in comparison to these other three countries. For Venezuela, Iran and Belarus, the key sanctioned groups in this dataset are state-owned enterprises—with the Venezuelan sanctioned group investments here entirely linked to PdVSA, while the Iranian and Belarusian investments originate from a more diverse mixture of state-owned industrial, mining, oil and gas, and shipping groups. Meanwhile, the non-sanctions-linked Venezuelan, Iranian and Belarusian investment in this dataset—or, in other words, the bulk of *private* sector investment from these countries—is mostly controlled by groups assessed to be low-risk. In contrast, the majority of Russian sanctioned group investment is attributable to Oligarch-controlled companies, with just seven individuals, all of whom are subject to some form of sanctions, assessed to exercise effective control over more than half of Russia's entire identified international investment stock. Due to Russia's dominant position in high-risk investment from countries with weak rule of law, these seven people control 46% of all identified high-risk investment from the

countries examined.[14] The Russian investment networks in this dataset, moreover, are much more strongly permeated by non-sanctions-related illicit financial risks than the Iranian, Venezuelan and Belarusian investments. Indeed, more than half (54%) of the non-sanctions-linked Russian investment is found to fall into at least one other high-risk category—with Russian groups in general subject to an exceptionally diverse and pervasive array of (frequently overlapping) illicit financial risks including corruption, fraud, organized crime, smuggling and money laundering.

Following sanctions, the second most internationally prevalent illicit financial risk category in this dataset is corruption (i.e. where not already captured in the sanctioned group category). Corruption dominates the illicit financial risk profile of five of the countries examined—Afghanistan, Angola, Lebanon, Libya, and Yemen—with the total scale of non-sanctioned corruption-linked investment from Russia also very high in absolute terms (e.g. larger than corruption-linked investment from Angola and Afghanistan). Meanwhile, risks for four additional countries, Honduras, Guatemala, Cameroon, and Bolivia, are found to be primarily attributable to PEP-linked business groups that cannot be directly linked to proven or alleged illicit activity.

The nature of the corruption-related risks across this group of countries appears to principally vary on the basis of oil and gas exporting status. In the non-oil-exporting countries (i.e. Afghanistan, Yemen, and Lebanon, Honduras, Guatemala, Cameroon and Bolivia), corruption-related risks primarily center, at least in this dataset, on family-controlled business groups which simultaneously occupy central positions of influence (both directly and via family networks) within national economic and political systems. Among these countries, Lebanon has by far the largest total stock of investment assessed to be at high risk for corruption, with nearly all of this associated with family-controlled business groups and banks.[15] These are linked to well-documented corruption scandals in both Lebanon itself (including a major scandal at the Lebanese central bank), and a number of other countries (including Algeria, Angola, Mozambique and the UK)—with some Lebanese groups in this dataset acting as key multinational corruption intermediaries between actors in multiple other countries. Some of these same business groups and

[14] For a more comprehensive and detailed mapping of sanctioned international financial networks linked to actors in these countries see Haberly (2025).

[15] For a review of corruption in Lebanon, situated within the context of the Lebanese multi-confessional spoils-based political system, see Cortés and Kéchichian (2020), Leenders (2012) and Merhej (2021). As described in all three, the international banking sector is a key nexus of private and public-sector corruption in Lebanon, with 18 out of Lebanon's major commercial banks found by Chaaban (2019) to have major shareholders linked to political elites, while 43% of assets in the sector are found to be attributable to "political control." Crucially, the secrecy laws surrounding Lebanon's status as an offshore banking center appear to have played, prior to their 2025 repeal (see Noureddeen 2025), a key role in directly enabling the abuse of Lebanese banks in the context of domestic corruption (Chaaban (2019).

actors have also been implicated in other illicit activities including smuggling, fraud, and money laundering, both in Lebanon itself and abroad (e.g. France), with some (as well as a number of the other Lebanese groups examined here) also controlled by members of families currently or formerly holding positions of political authority within the Lebanese state (including prime minster). In all, more than 40% of all Lebanese international investment, in this dataset, is attributable to corruption and/or PEP-linked business groups, with a further 10% of Lebanese investment attributable to groups falling into other illicit finance high risk categories.

In contrast to the family business group-centered corruption-risk pattern in non-oil-exporting countries, in the two oil-exporters with predominantly corruption-focused illicit financial risks, Libya and Angola, these risks are found to center more directly on firms and actors internal to the state itself.[16] This includes risks associated with state-owned national oil companies—with both Sonangol and the Libyan National Oil Corporation linked to major corruption scandals—as well as, in the case of Libya, multiple other state-owned enterprises implicated in corruption scandals including the Libyan Investment Authority and Libyan Foreign Bank[17]. Angolan investments classified as high risk for corruption also include the Brazilian subsidiary of Banco BIC. This is controlled by the daughter of former president José Eduardo dos Santos, Isabel dos Santos, who has been sanctioned by both the US and UK for involvement in corruption (ultimately forcing the 2024 divestment by dos Santos and other Angolan shareholders of their controlling shareholding in the Portugal-based European affiliate of Banco BIC; CEDESA 2024). As described in investigations surrounding the so-called Luanda leaks, Banco BIC was previously employed by dos Santos as a key captive financial conduit to bypass her effective blacklisting by other major international banks (Freedberg et al. 2020).

Rather surprisingly, the third key category of illicit financial risk found in this analysis—which at face value is actually larger in total scale than corruption-related risk—is UK company registration fraud. This typically operates at the levels of both beneficial ownership and balance sheet reporting fraud, with the latter frequently pushed to the point of absurdity. Indeed, fraudulent UK-registered companies tend to be extremely easy to identify due to their combination of a) nominally massive (i.e. hundreds of millions to billions GBP) balance sheets, b) unheard of company names, and in most cases lack of web presence (other than in Companies House; although there are exceptions to this, see Neidle 2025a), and c) ostensible beneficial ownership (i.e. as recorded in Companies House) by unheard-of individuals (usually also with no identifiable web presence), who are

[16] This is broadly in accordance with the oil and gas "rentier state" political economic model as described in e.g. Beblawi (1987).
[17] See e.g. Hamilton (2024) and Soares de Oliveira (2015).

often supposedly resident in various low and middle income countries. As highlighted in investigations into this topic by Dan Neidle, these obviously fraudulent companies include what are ostensibly the very largest firms in the British economy, with one such company supposedly holding 100 trillion GBP in assets (Neidle, 2025b), while another previously claimed to have 150,000 employees (Neidle 2025a). Many of these enormous and obviously fraudulent UK companies are registered as banks (Neidle 2025a; 2025c).

The analysis underpinning Haberly and Lawrie (2026) indicates that the scale of such UK company registration fraud is so large as to be potentially macroeconomic in nature—with single companies supposedly owned by unheard-of individuals sometimes amounting, on paper, to a larger total implied value of direct investment in the UK from particular countries (on an immediate basis) than their entire reported FDI stock. This includes, Zimbabwe and Iraq, from which a majority of all identified worldwide investment in this dataset is, on paper, in fraudulent UK companies. In total terms, we have found an even larger stock of investment in fraudulent UK companies recorded for Russian owners. Such a pervasive pattern of simultaneously enormous and obvious company registration fraud was not found in the analysis either here or in Haberly and Lawrie (2026) for foreign investment in any country other than the UK (although as discussed in the conclusion, this frequency of discovery is itself potentially a sign of the *success* of UK beneficial ownership transparency; also see Neidle's testimony in House of Commons 2025).

We have not been able to identify, in any such cases, either the likely true scale, true ultimate ownership, or function of such companies, or indeed even whether they have any actual connection to the reported countries of their supposed beneficial owners (although the investigation in Neidle 2025a does suggests at least some substantive link between some such companies and Zimbabwe[18]). However, it is likely that the actual value of investment associated with these companies is orders of magnitude smaller than what is officially reported. Indeed, the balance sheets of such fraudulent companies are removed in the analysis of aggregate FDI in Haberly and Lawrie (2026), based on the finding that this substantially improves the overall goodness of fit between Orbis micro-data-based estimated UK inward bilateral FDI, and officially reported UK inward bilateral FDI. This improvement in statistical goodness of fit following the removal of fraudulent companies indicates that most of the investment reported in them does not actually exist. The most likely explanation for this behavior, particularly in light of the number of such companies that classify themselves as "banks," is that these enormous balance sheet misstatements

[18] This involves a potential connection between a network of fraudulent UK-based companies, and apparently simultaneous and related efforts to register a fraudulent bank in Zimbabwe (Neidle 2025a). Notably, however, the overseas owners of these fraudulent UK-based companies (as also contained in our own micro-level dataset of UK inward investment) are recorded as being resident in Austria, not Zimbabwe.

are used to facilitate and/or disguise much smaller (although in absolute terms still potentially quite large) illicit payment streams (likely principally related to money laundering and/or the defrauding of investors; see House of Commons 2025 and Neidle 2025a; 2025b; 2025c). Notably, our own broader investigations of fraudulent UK-registered companies (using Orbis) have found that many of these are embedded in exceedingly complex global networks of reported ownership and directorship ties, involving individuals and firms supposedly located in large numbers of other countries. Our analysis also suggests that such companies may employ fictitious and/or captive (or otherwise compromised) service providers in key areas such as accounting (also see broader discussion of "Potemkin service providers" in section 5).

Finally, several countries have a pattern of observed illicit finance risks that do not fall strongly into any of the three categories above. These include Bolivia (illegal deforestation), Djibouti (organized crime and smuggling / arms trafficking), Liberia (fraud), and Tajikistan (inability to determine ultimate ownership of investment, which may be linked to e.g. Russian sanctions evasion). For the latter three of these cases, this is the result of the sole multinational group identified from a given country falling into a particular risk category.

4: The geography and historical evolution of investment from countries with low rule of law

4.1. Mapping international investment from countries with low rule of law by host and intermediary jurisdiction

Figure 2 shows the geographic breakdown of the ultimate destinations for investment from countries with weak rule of law (excluding round-trip in actors' home countries; figure 2 top), as well as the intermediary jurisdictions through which this investment passes (including intermediaries used to support round-trip investment; figure 2 bottom). The hosts for investment shown in the top panel of figure 2 are limited to the 18 FDI hosts examined in Haberly and Lawrie (2026), plus Iran, with the intermediary jurisdiction investment totals in the bottom panel of figure 2 reconstructed through the upstream tracing of chains of investment in these 19 hosts. As described in Haberly and Lawrie (2026), this group of host economies encompasses three quarters of the world economy.

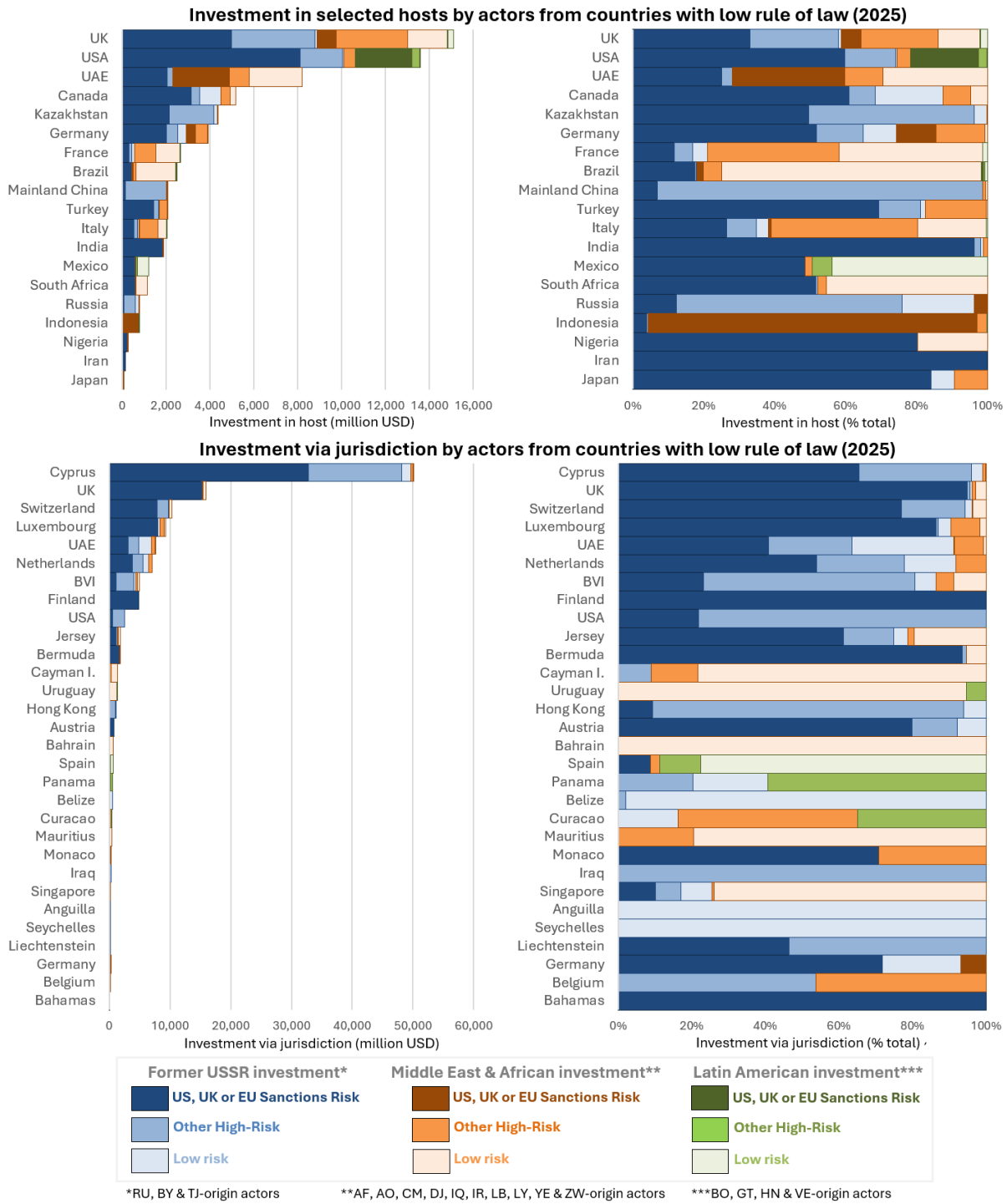


Figure 2. Ultimate destinations and intermediary jurisdictions for investment by actors from countries with low rule of law, 2025

As can be seen, more than half of all investment from countries with weak rule of law is hosted by three countries home to leading international financial centers: the UK, US, and UAE. By far the two most important hosts for this investment are the UK and US, with the UK hosting a slightly larger total stock of investment from countries with weak rule of law,

while the US hosts a larger stock of investment actually classified as high risk. Russian groups account for more than half of all investment from all countries with weak rule of law in both the US and UK. Meanwhile, Latin America is the second largest regional source of investment in the US in this dataset, with the US hosting 75% of all investment from Latin American countries with weak rule of law. The vast majority of this investment is from Venezuelan groups (including PdVSA).[19] In contrast, countries in Africa and the Middle East are collectively, after Russia, the second largest source of investment in the UK from countries with weak rule of law. Notably, while the UK hosts a larger total stock of investment from African and Middle Eastern countries with weak rule of law than the UAE, the latter is more important as an investment host for particular countries in these regions. This includes Iran—with 58% of all identified Iranian investment hosted by the UAE—as well as Afghanistan, Sudan, and Djibouti, with the UAE hosting all of the identified investment from the latter three countries. The UAE, moreover, hosts a larger total stock of investment from African and Middle Eastern countries with weak rule of law than the UK if suspected fraudulent investments in the latter are excluded.[20] The UAE is also a major host for Russian investment, although this appears to be less important than its role as a Russian offshore investment intermediary jurisdiction (see discussion below).[21]

Broader geographically variegated patterns of investment can also be seen across the countries examined, largely reflecting historical political ties as well as geographic and cultural proximity. As has been discussed in detail elsewhere (e.g. Fichtner 2016; Haberly 2025; Haberly and Wojcik 2022; Palan et al. 2010), the legacy of the British empire, with respect to both the role of the UK/London itself, and of its broader network of currently and

[19] This concentration of Venezuelan investment in the US is also found in the dataset of sanctioned entity networks in Haberly (2025), which includes large numbers of US (and in particular Florida)-incorporated shell companies linked to corrupt Venezuelan regime figures and drug traffickers More broadly, the illicit financial risk envelope analysis in Haberly, Palansky and Tuinsma (2026) indicates that Venezuela, on an actor nationality basis, is likely one of the leading sources of illicit financial flow as well as stock risks for the US.

[20] 40% of all identified investment in the UK from African and Middle Eastern countries with weak rule of law is in companies suspected of being fraudulent.

[21] Importantly, the analysis of international investment and illicit financial risks in the UAE here (as in Haberly and Lawrie 2026 and Haberly, Palansky and Tuinsma 2026) must be treated with some caution. This is due to the fact that 40% of all FDI in the UAE (or more than $100 billion) is reported in official IMF data as entering from Hungary, from which we were able to identify virtually no investment in the UAE based on Orbis micro-data. No other gap of this magnitude and totality, between macro-level bilateral official FDI data on the one hand, and the micro-level investment data as recorded in Orbis on the other, was found for any other major international investment position. Notably, the $100 billion investment from Hungary into the UAE appears to have materialized abruptly (based on IMF data) within the space of a single year (2019-2020), suggesting it may be driven by a very small number of actors (or potentially even a single actor with an enormous balance sheet). More broadly, the fact that the UAE itself does not report any official bilateral FDI data to the IMF, which must rather be reconstructed based on the combination of counterparty country-reported data, and available company structure data in Orbis, complicates the analysis of investment in the UAE (making it impossible to e.g. further examine the Hungary->UAE investment link from a mirror data perspective).

historically ruled offshore jurisdictions (e.g. the UAE, Cyprus, and Overseas Territories and Crown Dependencies), has played by far the most important role, in this respect, in shaping the architecture of the global financial system. However, the influence of other historical colonial legacies is also clearly visible. Former French colonies, for example, account for two thirds of all investment hosted by France in this dataset, with France the single largest host for Lebanese investment, ahead of the UAE, and the sole host for Cameroonian investment. Similarly, 39% of the investment hosted by Italy originates from Libya, while more than 80% of all Angolan investment is hosted by Brazil, with the latter reflecting the lateral as well as vertical influence of Portuguese former colonial and cultural ties on the financial relationships of Lusophone countries[22] (also see Cohen and Soares de Oliverira 2022, Soares de Oliveria 2022, and Shaxson 2011).

The bottom panel of figure 2 shows the geography of the intermediary jurisdiction structures used to facilitate (and in some cases hide) international investment from countries with low rule of law. In contrast to the breakdown of investment by host economy at the top of the figure 2, which excludes round-trip investment by actors in their own home countries, the intermediary structures at the bottom of figure 2 include those used to hold round-trip investments. As can be seen, the most striking aspect of these intermediary structures is the relative overrepresentation of Russian groups in this context. These control 92% of all indirectly intermediated international investment in this dataset, as compared to 81% of all investment. This is likely due to the fact the majority of all Russian international investment entails the round-trip holding of assets in Russia itself, which by definition by definition entails the use of intermediary structures (usually in offshore jurisdictions; see discussion in section).[23] Meanwhile, Lebanese groups account for 40% of all indirectly intermediated international investment by actors from countries with weak rule of law other than Russia, and 42% of all such investment categorized as high risk.[24]

What this means is that the geography of intermediary jurisdiction investment structures at the bottom of figure 2 is to a large extent driven by the exceptional scale and complexity of

[22] As highlighted by cases such as Banco BIC, which prior to dos Santos's divestment of EuroBic operated across Angola, Brazil, Portugal and Cape Verde (see Alecci 2020; Freedberg 2020), these types of relationships also often involve complex triangular linkages between among former colonizers and colonies, with functional differentiation often observable between onshore and offshore jurisdictions among each (as seen for e.g. Cape Verde and Maderia in Lusophone offshore networks).

[23] See e.g. Haberly and Lawrie (2026), Ledyaeva et al. (2015), Nougayrede (2013), and Sharafutinova and Dawisha (2017). Notably, Russia's outward investment actually appears to have undergone a degree of de-offshorization over the past decade, with the percentage of Russia's *non-round-trip* investment passing through offshore structures dropping from more than 60% in 2015, to less than half in 2023 (based on the comparison of results from Haberly 2024 and Haberly and Lawrie 2025).

[24]The extremely high fraction of all offshore structures linked to countries with low rule of law controlled by Lebanese groups notably mirrors the results of the investigation by ICIJ partner Daraj (2021), which found Lebanese elites to be enormously overrepresented among offshore structures in the Pandora Papers.

Russian and Lebanese investment specifically. Reflecting this, the traditionally dominant Russian offshore incorporation jurisdiction of Cyprus intermediates by far the largest total share (39%) of investment from all countries with low rule of law. Meanwhile, the UK, followed by Switzerland, and Luxembourg, are the second, third and fourth-ranked intermediary jurisdictions in this context, with actors from all regions examined here making significant use of each, even while Russian actors dominate the total composition of investment. Next in overall importance as an intermediary jurisdiction is the UAE (and more specifically Dubai), which notably shows a much stronger connection in this dataset to Russia as opposed to Africa and the Middle East in an offshore intermediary as opposed to investment host jurisdiction capacity. As shown in the analysis in section 4.3 below, the majority of all new offshore intermediary companies formed by Russian actors since 2022 appear to be registered in the UAE.

Also playing a key role as offshore intermediaries for investment from Russia, as well as from countries across Africa the Middle East, are the British Overseas Territories and Crown Dependencies (OTs and CDs). The British Virgin Islands (BVI) is roughly as important in this context as all other OTs and CDs combined, intermediating 49% of all OT and CD investment, and 56% of high-risk OT and CD investment, from actors in the countries examined. As discussed in more detail in section 4.3 below, there is significant variation in the geographic composition as well as risk profile of investment in the main OTs and CDs in this dataset. On the one hand, most of the investment through the Cayman Islands appears to be driven by relatively low-risk African and Middle Eastern multinationals. Conversely, the investment though BVI, Jersey and Bermuda is dominated by high-risk Russian groups, albeit with nature of risks attached to these groups varying across these three jurisdictions. In Jersey and Bermuda, the total value of Russian investment, and associated illicit financial risks, is dominated by the parent holding companies of a handful of large Russian multinationals controlled by sanctioned oligarchs, most of which are either currently or formerly listed on the LSE and/or NYSE. In contrast, Russian investment through BVI is divided between a much larger number of smaller and more opaque offshore companies, which are primarily assessed to be high-risk for reasons other than demonstrable association with sanctioned Russian oligarchs (or other sanctioned groups). These include links to Russian actors known or alleged to be involved in activities including money laundering, fraud, embezzlement, organized crime, smuggling, illegal gambling and cybercrime. Notably, however, as discussed below, BVI is also home to a large number of apparently Russian-controlled companies that are assessed to be high-risk due to our inability to identify a specific likely beneficial owner, which could in some cases potentially be linked to sanctioned actors and/or used for sanctions evasion (as detailed in Netyaev 2026).

4.2. Assessing jurisdiction-level beneficial ownership secrecy in international investment networks linked to actors in countries with low rule of law

Table 2. Foreign-controlled companies in jurisdiction* with unidentifiable and low confidence beneficial ownership (BO) classification

Incorporation Jurisdiction	Companies w. unknown BO		Companies w. unknown & low confidence BO		Intermediary** companies w. unknown BO		Intermediary** companies w. unknown & low confidence BO		Total intermediary** companies in jurisdiction
	#	% total companies w. unknown BO	#	% total companies w. unknown & low confidence BO	#	% intermediary companies in jurisdiction***	#	% intermediary companies in jurisdiction***	
UK	13	35%	14	24%	0	0%	0	0%	22
Cyprus	6	16%	19	33%	6	4%	19	12%	157
BVI	6	16%	7	12%	6	18%	7	21%	33
Russia	4	11%	4	7%					0
UAE	3	8%	7	12%	3	8%	5	13%	38
Switz.	1	3%	2	3%	1	5%	2	9%	22
Germany	1	3%	1	2%					6
Gibraltar	1	3%	1	2%	1		1		1
Kyrgyz.	1	3%	1	2%	1		1		2
Liech.	1	3%	1	2%	1		1		3
France			1	2%			1		3
UK+ OTs & CDs	20	54%	22	38%	7	9%	8	10%	78
All	37		58		19		24		287

*Highest level of companies in ownership chains, where formed in jurisdiction other than that of assessed likely nationality of ultimate owner.

**Companies controlled by ultimate owners in other jurisdictions which also have subsidiaries in other jurisdictions (within this dataset).

***Percentages calculated here only for jurisdictions hosting more than 20 intermediary companies in total.

The fact that our analysis has not always been able to identify the likely beneficial owners of companies, makes it possible to use the resulting identification failure-rate data to assess the observed level of beneficial ownership secrecy across jurisdictions (as opposed to simply the nominal stringency of the beneficial ownership reporting regulatory framework as scored by e.g. Haberly, Gullo, Shipley, Boukal, Palansky, and Barrington, 2024, or the Tax Justice Network's Financial Secrecy Index). This international landscape of observed beneficial ownership secrecy is shown in table 2, which shows the number of entities incorporated in jurisdictions other than the home country of their assessed likely beneficial owner, for which the specific beneficial owner could either not be identified either at all, or at more than a low level of confidence. The totals here only include entities sitting at the highest level of ownership chains as shown in Orbis (below that of controlling

individuals or governments themselves),[25] including entities in both ultimate host and intermediary jurisdictions.

As can be seen, the geography of beneficial ownership secrecy provision to clients from countries with weak rule of law is extremely concentrated, with just five jurisdictions hosting 86% of all entities in this dataset with untraceable ultimate ownership (and the same share of entities for which ownership could only be identified at low confidence). Playing by far the most important role as secrecy jurisdictions are the UK and its Overseas Territories and Crown Dependencies, which together host 54% of all entities for which we were unable to identify even likely ultimate ownership. Reflecting the massive scale of UK company incorporation fraud, the UK itself appears to be the leading formation jurisdiction for companies with wholly untraceable ownership—hosting 35% of all such entities—with most of these UK-registered companies also appearing to have fraudulently-reported balance sheets. Meanwhile, BVI is tied with Cyprus as the leading jurisdiction for the incorporation of untraceable *intermediary* companies (i.e. companies which hold subsidiaries in other countries), with these two jurisdictions also the second largest hosts, after the UK, for untraceable companies in general. Among the remaining jurisdictions, Russia hosts the fourth largest overall number of untraceable companies (excluding those owned by Russians), while the UAE and Switzerland are the third and fourth most important jurisdictions respectively for the incorporation of untraceable *intermediary* companies.

Normalizing the number of untraceable intermediary companies in each jurisdiction, by the total number of intermediary companies in each jurisdiction (for jurisdictions hosting >10 intermediary companies), suggests that the British Virgin Islands is the most secretive major intermediary jurisdiction in this context—with our analysis unable to identify even a likely ultimate owner for nearly one fifth (18%) of all BVI-based companies (rising to 21% including companies with low confidence suspected beneficial ownership). Meanwhile, the second most secretive intermediary jurisdiction is the UAE (with 8% and 13% of companies having unidentifiable and low confidence suspected ownership respectively), followed by Switzerland (5% / 9%) and Cyprus (4% / 12%).

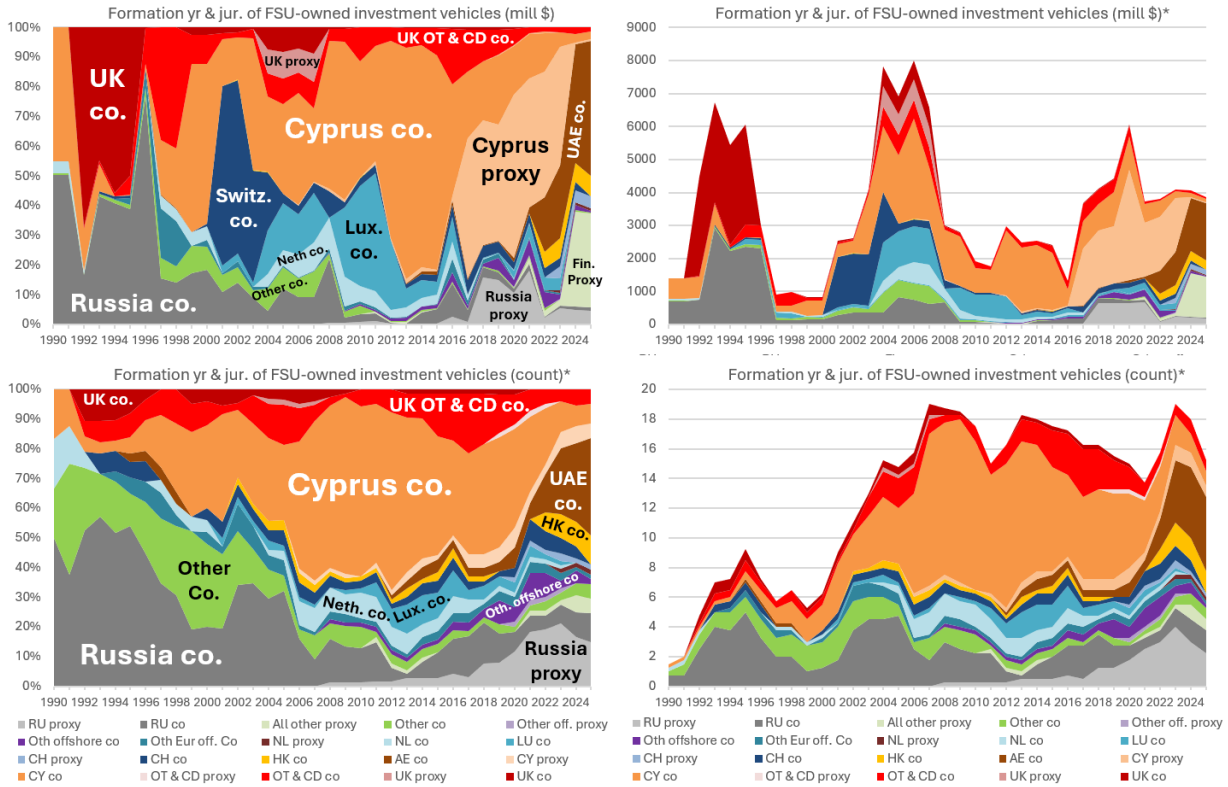
Strikingly absent from the ranks of highly-secretive *intermediary* jurisdictions is the jurisdiction hosting the single largest total number of untraceable companies—namely the UK. This suggests that the enormous numbers of apparently fraudulent UK companies found in this context are, unlike the untraceable companies in the other major offshore jurisdictions here, mostly not used to provide a veil of secrecy for the ownership of assets elsewhere. This reinforces the assessment in section 3 that they likely perform other (i.e.

[25] I.e. excluding the subsidiaries of entities with unknown or low confidence suspected ultimate ownership, whose ownership is thus by extension also unknown or uncertain.

non-asset-holding-related) illicit functions within the UK and/or international financial system connected to the fraudulent nature of their balance sheets (e.g. international money laundering and/or various forms of fraud itself).

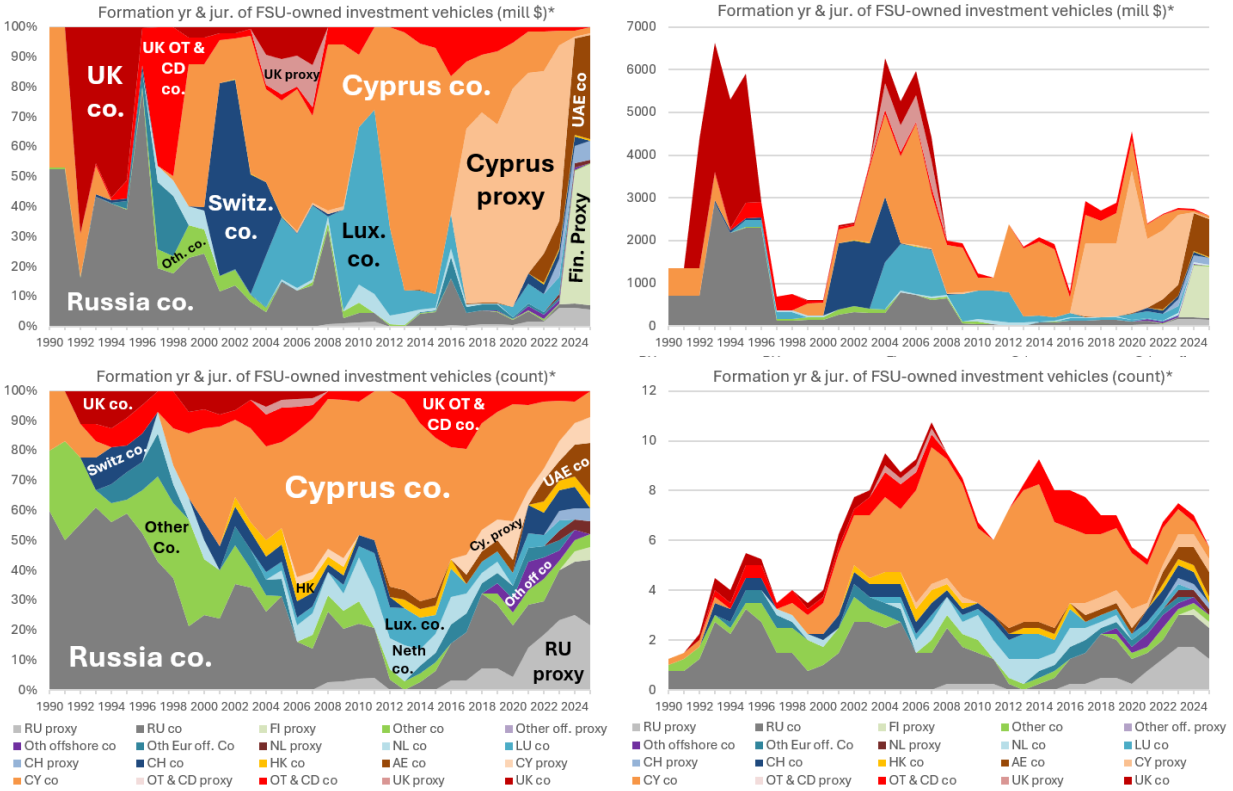
4.3. The historical evolution of investment from countries with weak rule of law

Figures 3-7, 8-12, and 13-14 provide a more detailed breakdown of the historical evolution, since the early-1990s, of the geography of international investment structures employed by actors from countries with low rule of law in the former USSR, Africa and the Middle East, and Latin America respectively. As we have been unable to fully reconstruct the changing historical architecture of international investment throughout this period, the figures show, as a second-best alternative, the year in which currently existing (as of early-mid 2025) companies/structures, comprising a given amount of present-day investment, were formed historically. In most cases this is based on company formation dates as recorded in Orbis. In cases where the latter is not directly available, we have used as a substitute the earliest year in which a company is reported as a shareholder in any subsidiary (meaning that we can be certain that a particular company was not formed later than this, but cannot always be certain that it was not formed earlier). The year of establishment of ownership ties, rather than year of company formation, is also recorded as the year of formation for human or service provider proxy-based investment structures. The historical trends in investment structure formation are further disaggregated, for each group of countries in figures 3-14, by the illicit financial risk categorizations of groups linked to these actors (with actor-level classifications remaining constant throughout the time series).



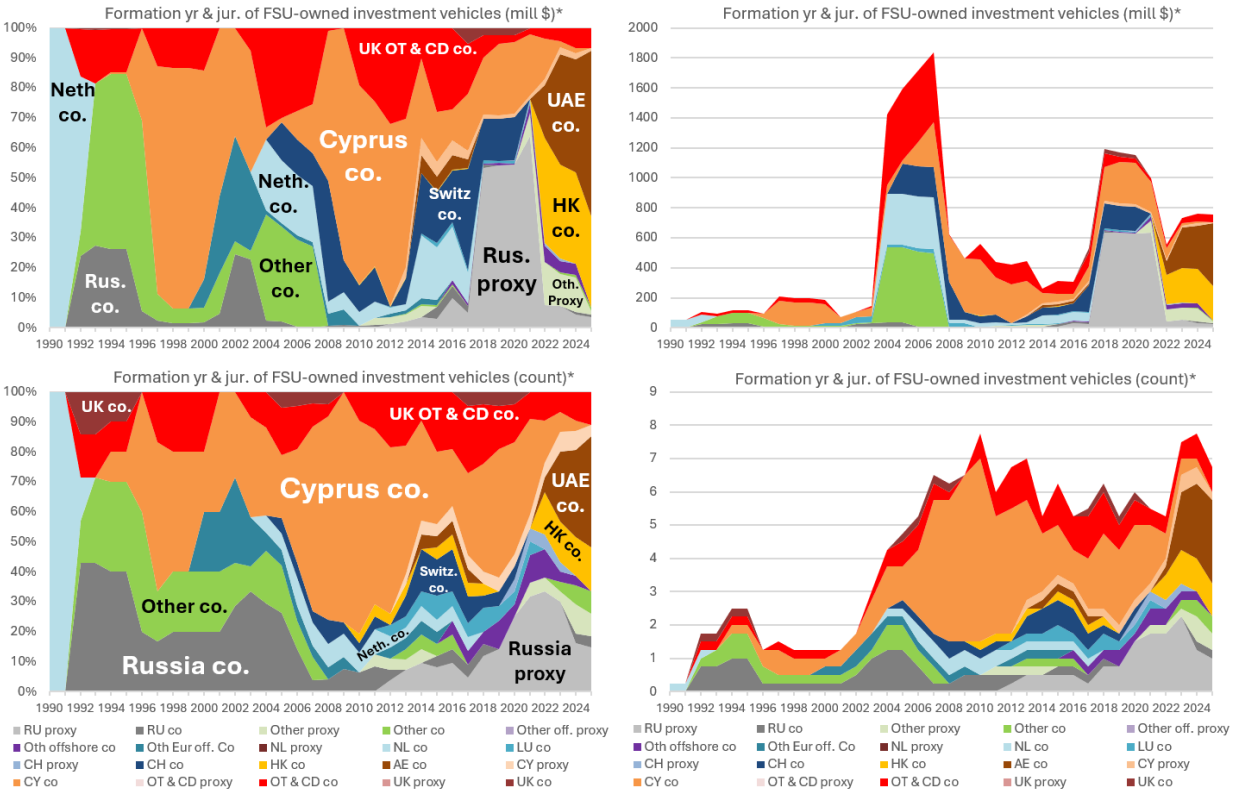
*Previous 4-year running average of vehicles owned by RU, BY & TJ-origin actors, with investments in 19 countries (vehicle count or estimated FDI)

Figure 3. Formation of ex-USSR actor owned investment vehicles (all risk categories)



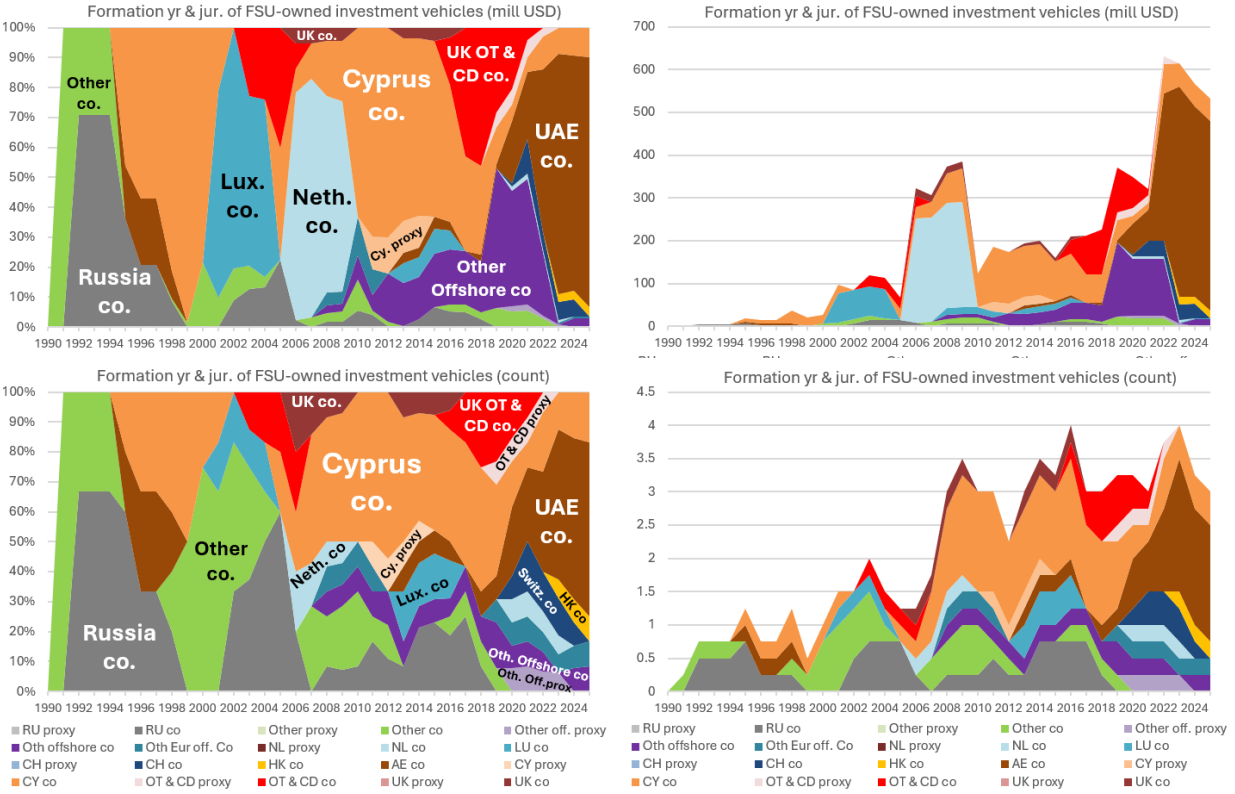
*Previous 4-year running average of vehicles owned by RU, BY & TJ-origin actors, with investments in 19 countries (vehicle count or estimated FDI)

Figure 4. Formation of ex-USSR actor owned investment vehicles (US/UK/EU-sanc.)



*Previous 4-year running average of vehicles owned by RU, BY & TJ-origin actors, with investments in 19 countries (vehicle count or estimated FDI)

Figure 5. Formation of ex-USSR actor owned investment vehicles (other high-risk)



*Previous 4-year running average of vehicles owned by RU, BY & TJ-origin actors, with investments in 19 countries (vehicle count or estimated FDI)

Figure 6. Formation of ex-USSR actor owned investment vehicles (low-risk)

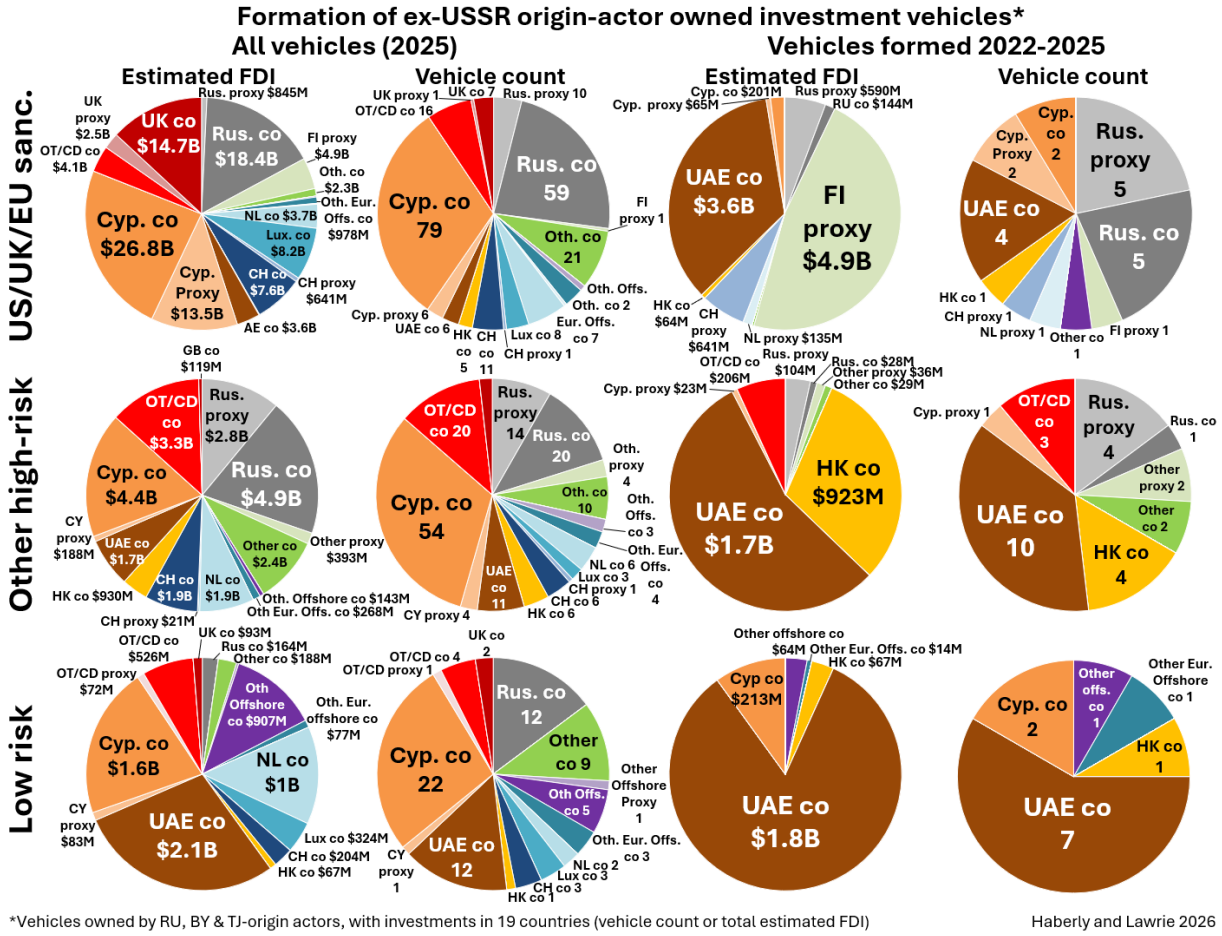


Figure 7. Formation of ex-USSR actor owned investment vehicles by risk category

The historical evolution of international investment structures used by actors from former Soviet republics with low rule of law is shown in figures 4-7. In practice, virtually all (99%) of this investment is Russian. As can be seen, the geography of Russian investment shows two major recent discontinuities associated with the escalation of the conflict in Ukraine. The first occurred after 2014-2015, apparently following the initial Russian annexation of Crimea and the Donbas, and associated initial imposition of western sanctions, and saw a major wave of proxy ownership structure formation by sanctioned, and to a lesser extent other high-risk Russian groups (figures 5 and 6). Notably, this first major reorganization of sanctioned and high-risk group ownership structures did not entail a *geographic* shift in Russian investment, with the new proxy-based ownership structures formed almost entirely in either Russia itself, or in the traditional Russian offshore incorporation center of

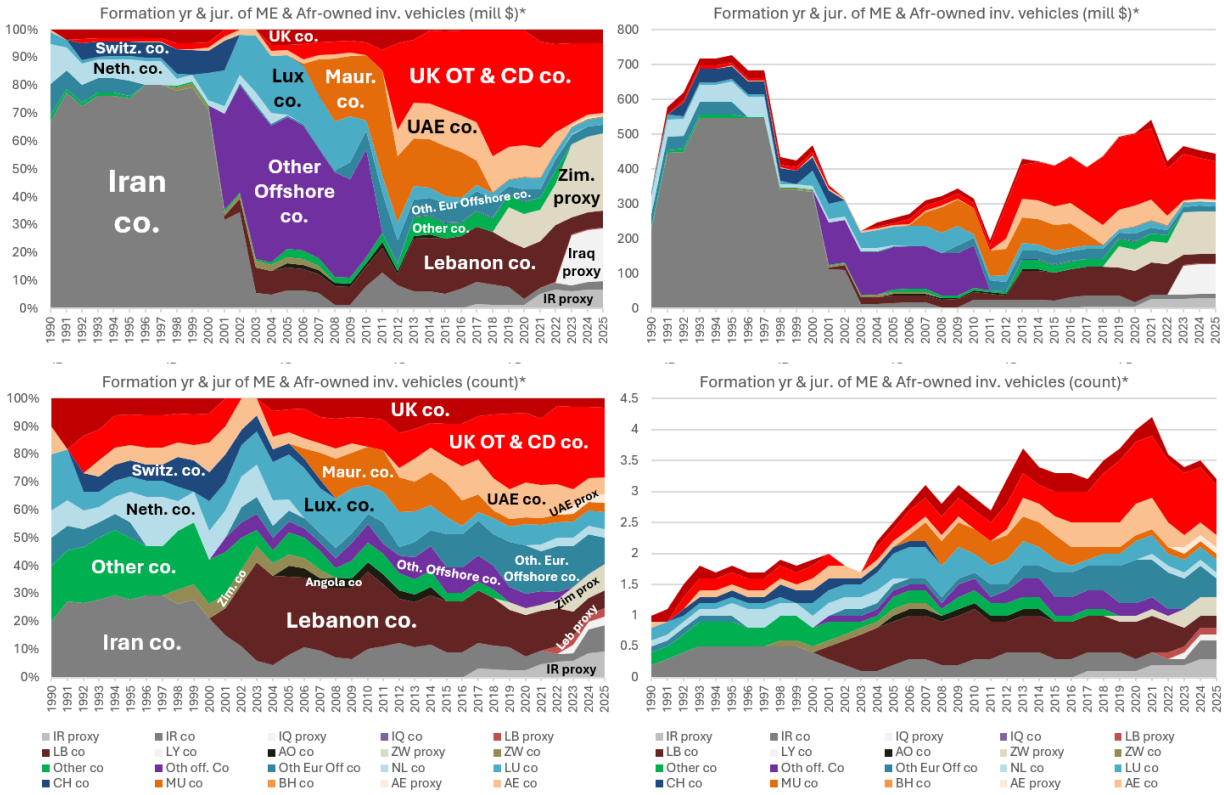
Cyprus under the administration of local service providers.[26] New offshore companies also continued to be established by all risk categories of Russian groups in traditionally leading Russian offshore incorporation centers, and in particular Cyprus and BVI. Indeed, the latter shows a notable post-2014 spike in new Russian company formation, with BVI almost entirely responsible for the post-2014 uptick in Russian company in the OTs and CDs visible in figures 3-6. Meanwhile, Russian companies in the other OTs and CDs (most importantly Bermuda and Jersey) usually appear to be older and larger than Russian BVI companies. This reflects the differing jurisdictional specializations in this context described in section 4.2, wherein Bermuda and Jersey principally host the London and New York-listed parent companies of major oligarch-controlled Russian business groups, while BVI principally supports the mass production of opaque investment vehicles linked to a profusion of different illicit financial risk categories.

The second key shift in Russian investment visible in figures 3-7 occurred following the full-scale Russian invasion of Ukraine in 2022, and associated escalation of Western sanctions. In contrast to the 2014-2015 post-Crimea/Donbas *organizational* shift in Russian investment within established geographic patterns, the start of the Ukraine war in 2022 triggered an immediate *geographic* shift in Russian investment. Most importantly, while European offshore jurisdictions (including the OTs and CDs) have continued to intermediate the largest outstanding stock of Russian investment, new Russian company formation in these jurisdictions appears to have all-but ceased after 2022[27] (see figure 7). Meanwhile, new Russian offshore company formation appears to have shifted almost entirely to the UAE, and to a lesser extent Hong Kong. Notably, this geographic shift in company formation is not limited to sanctioned Russian groups, but rather extends to all risk categories of Russian groups, with the lowest-risk groups actually the most likely to establish UAE companies in relation to the value of their own investment (although sanctioned groups still control more than half of all identified Russian investment through the UAE). This indicates that the rise of the "Dubai-Kong" axis in Russian sanctioned entity networks, as identified in Haberly (2025), cannot simply be seen as a narrow mechanism for the circumvention of western sanctions, but is rather situated within a sweeping geographic reconfiguration of Russian international business in general. [28] In particular, the analysis here indicates that the UAE, and more specifically Dubai, is increasingly

[26] Also see Alecci (2022) for in investigation of very early post-2014 Russian sanctions circumvention efforts in Cyprus and the UK.
[27] Notably, while the investigation in Netyaev (2026) found numerous cases of BVI companies being used to support Russian sanctions evasion during the current Ukraine war, these were mostly concentrated in the early stages of the war in 2022, reinforcing the impression that Russian use of BVI is likely in decline.
[28] Also see Malit and Alexander (2025) for a more in-depth discussion of interconnected Russian capital flight, corporate and financial restructuring, and migration to Dubai post-2022, and Alstadsaeter et al. (2024) for empirical evidence post-2022 Russian real estate purchases in Dubai.

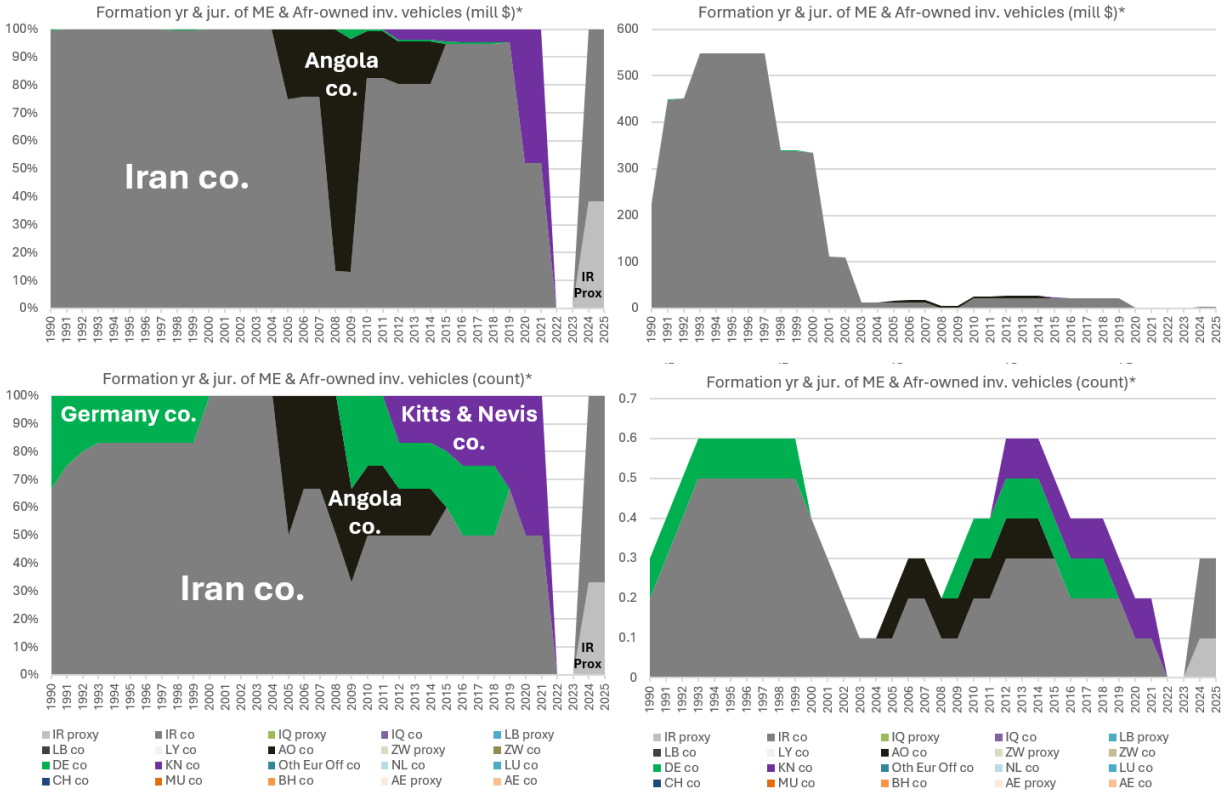
supplanting Cyprus as the key site for the registration of the offshore holding companies of Russian business groups controlled via round-trip structures.

Notably, the distinguishing feature of post-2022 ownership restructuring by *sanctioned* Russian groups specifically, appears to be, as in the initial 2014-2022 ownership restructuring wave, the shifting of ostensible company ownership into the hands of proxy shareholders—with such behavior observed (or suspected) for oligarch-controlled groups, as well as the overseas subsidiaries of state owned enterprises and companies with suspected links to high-level Russian regime figures. This includes the post-2022 restructuring of the ostensible beneficial ownership of many pre-war offshore holding companies that have continued to exist in Cyprus and other western offshore jurisdictions, presumably to avoid these companies falling within the scope of sanctions. In contrast to the post-2014/2015 wave of proxy ownership structure establishment by Russian sanctioned groups, the creation of *new* Cyprus-based proxy structures appears to have mostly ceased in this post-2022 reconfiguration. This post-2022 reconfiguration has rather mostly entailed the nominal shifting of ownership to beneficial owner associates and service providers in Russia itself, and neighboring countries. Notably, however (and as further underscored by the analysis in section 5 below), the influence of Cypriot service providers often does not appear to have actually disappeared in this context. Many of the Cypriot proxy structures created in the 2014-2022 period have continued to exist post-2022. Moreover, the apparent rise of Finland-based proxy structures in figure 7 is entirely attributable to the nominal shifting of ownership of a single large oligarch-controlled group to a Finland-resident individual, who our analysis suggests is most likely a Cypriot-origin financial professional (with additional links to Luxembourg).



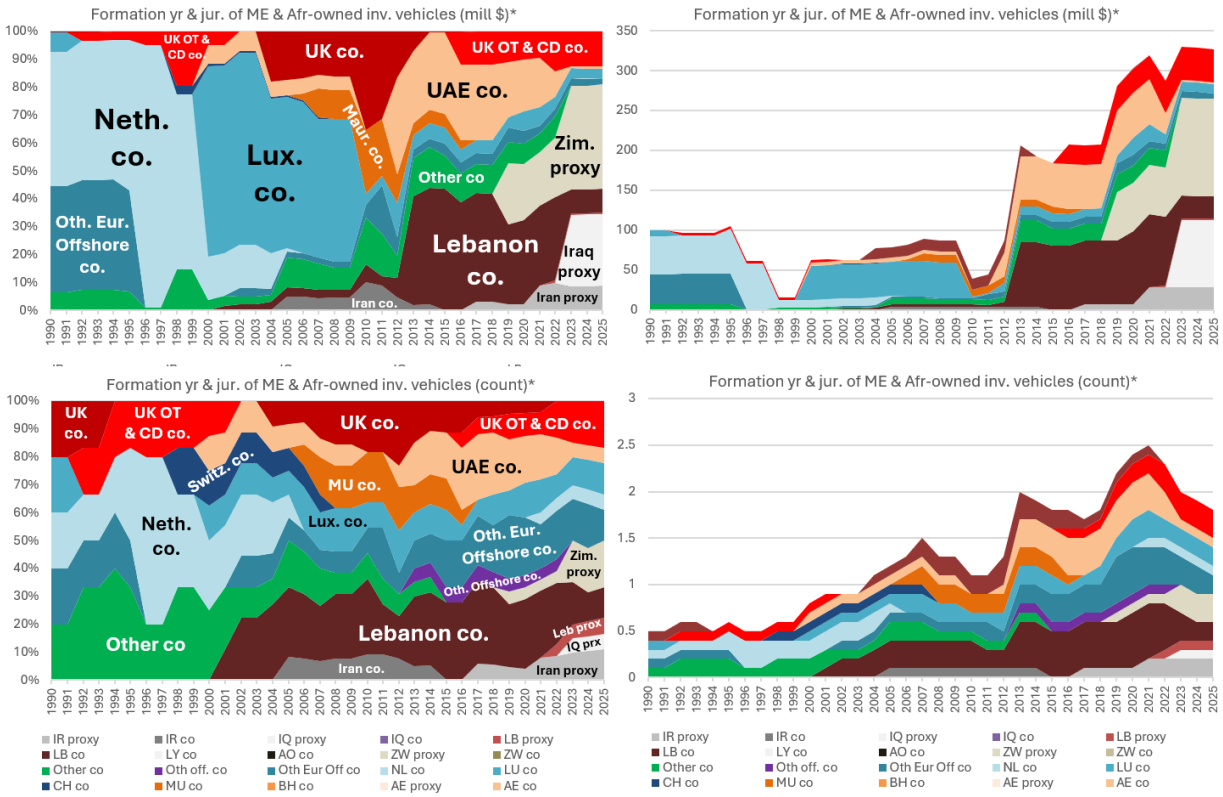
*Previous 10-year running average of vehicles owned by AF, AO, CM, DJ, IQ, IR, LB, LY, YE & ZW-origin actors, w. inv. in 19 countries (count or estimated FDI)

Figure 8. Formation of Mid-East & African-owned inv. vehicles (all risk categories)



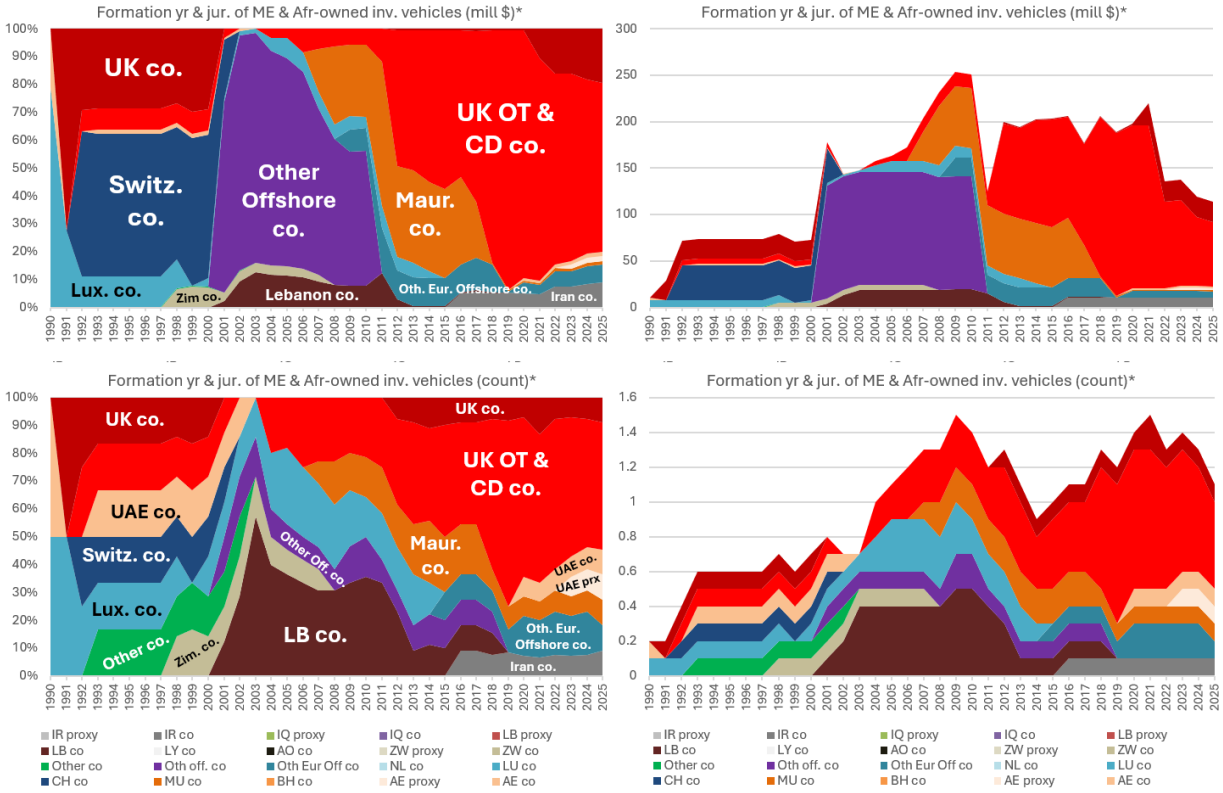
*Previous 10-year running average of vehicles owned by AF, AO, CM, DJ, IQ, IR, LB, LY, YE & ZW-origin actors, w. inv. in 19 countries (count or estimated FDI)

Figure 9. Formation of Mid-East & African-owned inv. vehicles (US/UK/EU-sanctioned)



*Previous 10-year running average of vehicles owned by AF, AO, CM, DJ, IQ, IR, LB, LY, YE & ZW-origin actors, w. inv. in 19 countries (count or estimated FDI)

Figure 10. Formation of Mid-East & African-owned inv. vehicles (other high-risk)



*Previous 10-year running average of vehicles owned by AF, AO, CM, DJ, IQ, IR, LB, LY, YE & ZW-origin actors, w. inv. in 19 countries (count or estimated FDI)

Figure 11. Formation of Mid-East & African-owned inv. vehicles (low-risk)

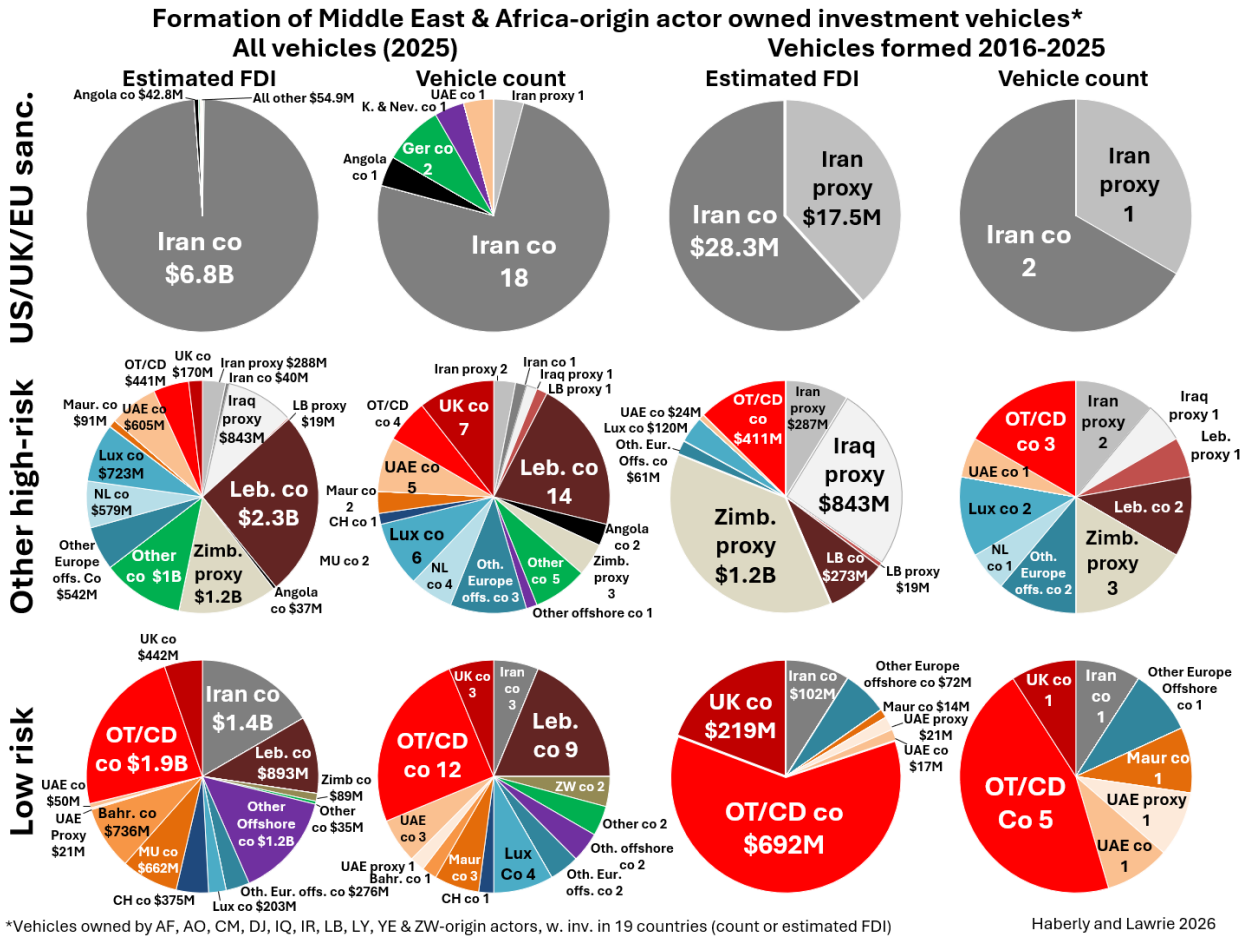


Figure 12. Formation of Mid-East & African-owned inv. vehicles by risk category

In comparison to Russian international investment, the analysis of investment by clients from Middle Eastern and African countries with weak rule of law is complicated by the more diverse geographic composition of this investment. However, several striking features of this investment can nevertheless be seen in figures 8-12.

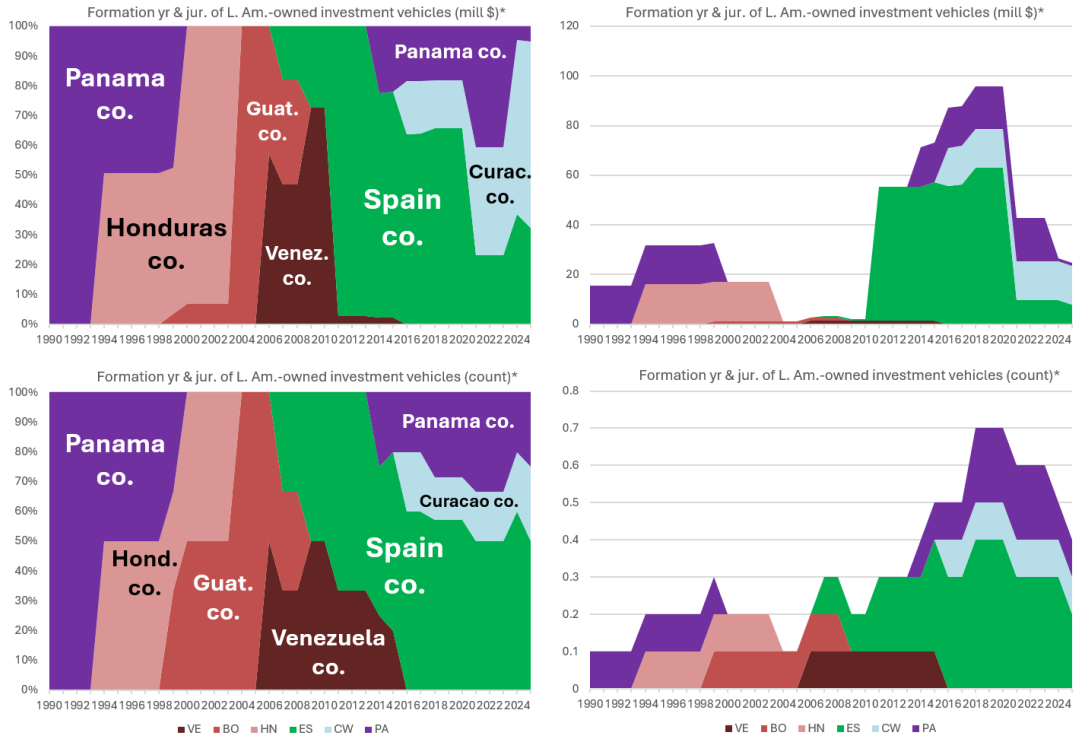
The first is the persistently central role of the British Overseas Territories and Crown Dependencies in the international investment structures used by actors from countries with weak rule of law throughout Africa and the Middle East. Indeed, while Russia appears to be far more important than the African and the Middle Eastern countries here as a source of investment in the OTs and CDs, the OTs and CDs appear to be substantially more important for actors from the latter countries than they are for Russians. Notably, in contrast to Russian investment in the OTs and CDs, the *lowest* risk African and Middle Eastern groups appear to be more likely than high risk African and Middle Eastern groups (in relation to the total value of their own investment) to use UK OT and CD-based companies. Indeed, while more than 90% of all Russian investment in the OTs and CDs is categorized here as high risk, high-risk groups only account for slightly less than half of all

investment in the OTs and CDs by actors from African and Middle Eastern countries with low rule of law. Looking at this from another direction, the OTs and CDs appear to have, intermediated more than half of all identifiable international investment undertaken over the past 10 years by all *low risk* groups from Middle Eastern and African countries with weak rule of law (figure 11). This (relatively) lower average risk profile of Middle Eastern and African group investment in the OTs and CDs is also associated with a different geographic distribution of investment among the OTs and CDs. More specifically, the Middle Eastern and African investment here is less strongly oriented towards BVI than Russian investment, and rather predominantly concentrated in less secretive securities market-focused jurisdictions—with the Cayman Islands the single largest site for African and Middle Eastern OT and CD investment in this dataset. Also playing key roles in the investment structures of both high and low-risk Middle Eastern and African business groups are the UK itself, as well as the UAE and Mauritius, with Francophone offshore jurisdictions, and most importantly Luxembourg, also featuring prominently in Lebanese offshore structures.

As for Russian high-risk groups, a large share of high-risk Middle Eastern and African investment is controlled through proxy-owner structures, with proxies based in Zimbabwe and Iraq ostensibly playing the largest role. However, in contrast to Russian sanctioned group proxy structures, which appear to be mostly used to conceal international asset ownership, the Middle Eastern and African group proxy-structures here are almost entirely linked to fraudulent UK companies. As discussed in sections 3 and 4.2, these do not seem to be widely used to hold actual assets, but to rather play other roles in the facilitation and/or obfuscation of illicit payments (related to money laundering, fraud, etc.). Importantly, the apparent scale of misstatement of the balance sheets of these companies makes the actual value of investment through them uncertain, with no clear evidence being found, moreover, as to whether their supposed beneficial owners are actually located in the countries reported (see section 3). Given that fraudulent UK-based companies ostensibly dominate the total stock of international investment from Zimbabwe and Iraq, the actual scale of investment from these two countries in highly uncertain.

Notably, the investments in this dataset that can be directly linked to sanctioned Middle Eastern and African groups—which are in practice almost entirely Iranian—appear to be mostly conducted through simple structures, usually involving the direct ownership by Iranian companies of overseas subsidiaries. Indeed, only a handful of Iranian intermediary jurisdiction investment structures, based in the UAE, St. Kitts and Nevis, and Germany, are identified here. On the one hand, the fact that the identified investments of Iranian sanctioned groups are nearly all oriented towards the UAE on an ultimate *host* basis—which is also found to be the leading jurisdiction for the registration of new Russian offshore companies—broadly reinforces the finding in Haberly (2025) of a Ruso-Iranian

geographic convergence on the "Dubai-Kong" international financial axis. However, the much greater simplicity of the Iranian sanctioned group investment structures in this dataset, as compared to the Russian sanctioned group structures (as well as in comparison to the Iranian sanctioned networks mapped in Haberly 2025), also presents something of a puzzle. Ultimately, this discrepancy is likely to be related to the differing natures and goals of Russian versus Iranian sanctioned groups in this context, with the former largely centered on Oligarchs seeking to organize (and hide) their ownership of international assets, while the priorities of the latter revolve almost entirely around the evasion of trade sanctions and related financial payments. Broadly speaking, the methodology here (i.e. tracing ownership chains backwards from host economies) is likely to be more effective at capturing the former types of sanctioned-actor-linked structures, while the direct mapping of sanctioned entity networks in Haberly (2025) is likely to provide a better picture of the latter.



*Previous 10-year running average of vehicles owned by BO, GT, HN & VE-origin actors, w. inv. in 19 countries (count or estimated FDI)

Figure 13. Formation of Latin American-owned inv. vehicles (all risk categories)

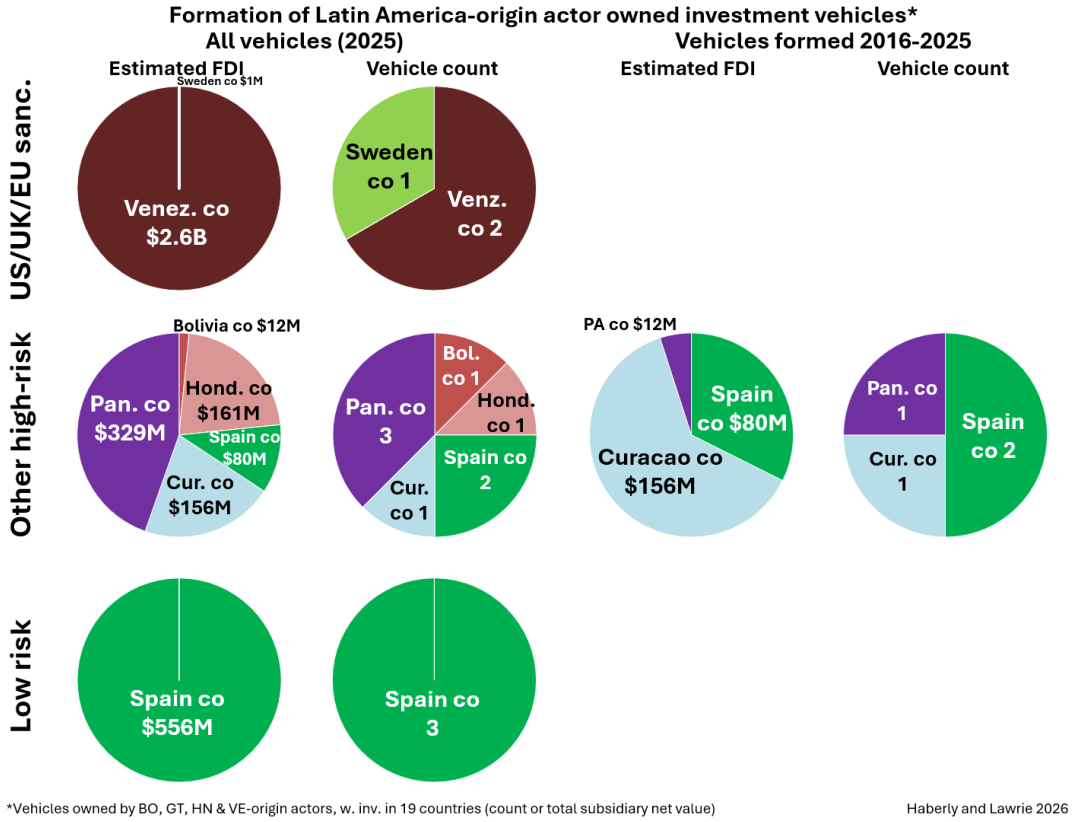


Figure 14. Formation of Latin American-owned investment vehicles by risk category

Finally, as shown in figures 13-14, the analysis of historical change in high-risk Latin American country investment structures is complicated by the much smaller number of such structures uncovered here, as compared to the other regions examined. This limits the extent to which historical trends in investment geography can be meaningfully disaggregated by actor risk category for Latin American groups. However, the overall pattern for the sanctioned groups—i.e. in practice Venezuelan state-owned groups—is similar to that observed for Iranian sanctioned groups, with the structures *detected* primarily entailing the direct ownership of subsidiaries by parents registered in Venezuela (with the difference that the Venezuela subsidiaries here are mostly located in the US, rather than the UAE). Meanwhile, although the small sample size makes interpretation difficult, there appears to be a general divergence in the investment structures employed by other (i.e. non-sanctions-linked) high-risk as opposed to low-risk Latin American groups—with high-risk groups apparently more likely to employ structures in offshore jurisdictions, and in particular in Panama, while lower risk groups chiefly appear to use

Spain-based investment structures (although the latter are also quite prevalent among high-risk Latin American groups).[29]

5. The architecture of international financial and business service provider networks serving high-risk clients from countries with low rule of law

The investment structures revealed in the previous two sections are embedded within a much broader and more complex supporting global financial network architecture. Playing the central role in crafting and operating this architecture are what can be broadly described as Financial and Business Services (FABS) firms (Haberly and Wojcik 2022), including the so-called "enablers" who facilitate the global financial operations of actors involved in various illicit activities (see Bullough 2022; Christensen et al 2022; Cooley et al. 2018; Findley et al. 2014; Levi 2021; 2022; Vogl 2021; Korkea-aho 2025).

In addition to company ownership data, Orbis contains a wealth of information on the financial and business service providers, as well as directors and officers, who are linked to companies. By compiling this information, it is possible to construct a detailed (even if not always complete) picture of the professional enabler networks facilitating international investment by high-risk actors. The geographies of these enabler networks are mapped in figures 15 and 16, for service providers linked to high-risk groups in Russia and Africa and the Middle East respectively. Within the figures, circle sizes show the total number of locally incorporated intermediary companies, directors and officers, and services providers in each jurisdiction that are linked to high-risk groups in this dataset, while arrows show ownership, directorship ties, and service provision ties between jurisdictions. The jurisdiction of incorporation of the intermediary companies directly owned by high-risk actors is shown in red, with ownership ties between multiple levels of intermediary companies indicated by the red arrows. Meanwhile, the light-teal-colored wedges indicate the residence of directors and officers of intermediary company, with arrows running from jurisdictions of director and officer residence to jurisdictions of company incorporation. Finally, the turquoise, dark green, and yellow wedges show the ultimate parent jurisdictions of the legal and secretarial, accountancy, and financial service provider firms serving

[29] As described earlier, this highlights the central role of historical colonial relationships in shaping contemporary international investment structures. Notably, the fact that that Spain is not included as a host economy in the dataset here (following Haberly and Lawrie 2026), is likely to, given its centrality as a Latin American investment hub, result in a somewhat poorer level of coverage of this investment here as compared to investment from developing countries in other regions. Unfortunately, the sample size here is too small to determine whether investment by high-risk actors from Latin American countries with weak rule of law has moved away from Panama following the 2016 release of the Panama Papers, as was apparently observed for the US sanctioned Latin American drug trafficking and money laundering networks mapped in Haberly (2025).

intermediary companies controlled by high-risk clients—with arrows running from service provider group parent jurisdictions to the jurisdiction of incorporation of the companies they serve. The ultimate controlling owners/groups (and parent jurisdictions) of these service providers have been systematically researched and classified in the same manner as all other companies examined in this dataset, with a particular focus on piercing structures used by service providers to obscure their own identities (see discussion below).

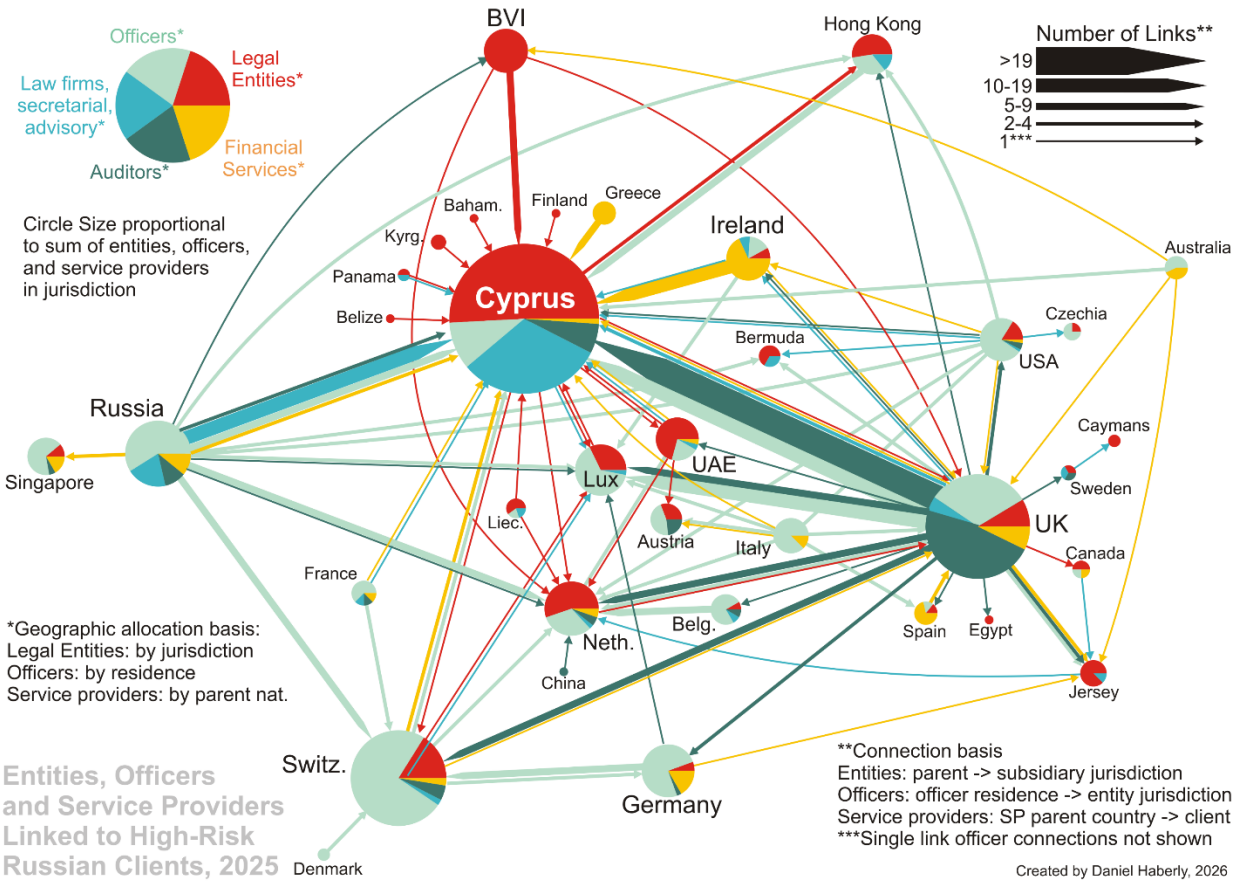


Figure 15. Investment vehicles, officers and service providers linked to high-risk Russian groups, 2025

As shown in figure 15, the global financial networks of high-risk Russian groups—including the international investment structures, as well as broader networks of directors and service providers linked to these groups—are above-all centered on a triangular structure linking Cyprus to the UK and Switzerland. A clear division of labor can be seen in the roles of these jurisdictions. Playing the most important overall role in high-risk Russian financial networks is Cyprus, which acts as the leading host for offshore companies used by high-risk Russian groups (red), as well as the central hub for the provision of legal and other company administration services to these groups (turquoise). By far the most important

Cypriot service providers found in this context are law firms.[30] Notably, our analysis suggests that these Cypriot law firms seldom provide services to high-risk Russian clients directly under their own names, but rather via what can be dubbed *shell enablers*—or in other words, essentially fictitious service providers that are created as front companies to serve particular clients. In the most typical such arrangement, the service providers officially linked to high-risk Russian clients are described (e.g. in company registers) as "secretarial" firms. On closer examination, however, most of these so-called secretarial firms appear to have no actual substance (as indicated by e.g. web presence), and are moreover nearly always ultimately owned (according to Orbis) by partners or other employees of Cypriot law firms in an ostensibly personal capacity. This lack of any apparent official connection between these so-called secretarial firms and the law firms which appear to actually control them, combined with the fact that the names of these secretarial firms typically bear no resemblance to that of their apparently controlling law firms, suggests that this is, at least in part, a strategy by the latter to hide their provision of services to clients.[31] Notably, while Cypriot law firms appear to be the most widespread actors behind these shell enablers, we have also found multiple cases where the so-called secretarial firms providing services to companies linked to sanctioned Russian oligarchs or state-owned enterprises seem to be directly controlled by these oligarchs (and family members) or state-owned enterprises themselves. These represent a distinct category of shell enablers that could be dubbed *Potemkin service providers*. There are also linkages between the Cypriot offshore services sector and politics, with the founder of one of the major law firms providing services to companies linked to sanctioned Russian oligarchs serving as the president of Cyprus for several years (see Starkman 2023).

Playing the second most important overall role in the global financial networks of high-risk Russian groups is the UK. In contrast to Cyprus's principal role as an entity registration and legal and administrative service provision center, the most important specialization of the UK here appears to be the provision of auditing services by British accounting firms. Playing the central role are the so-called "Big-4" UK-headquartered multinational accounting networks, who appear be to in total terms among the most prolific professional enablers serving high-risk Russian groups (being rivaled in this respect only by a few Cypriot law firms and the Bank of Cyprus)[32]. As for legal and company administration service providers,

[30] See Elias Neocleous & Co LLC (2025), Ellefson (2025), FM (2023), Starkman 2023 for a more detailed discussions and investigations of the role of Cypriot law firms in this context, as well as post-2022 efforts by the Cypriot government to address this role. Also see Nougayrede (2013) and Sharafutinova and Dawisha (2017) for a broader discussion of the systemic offshoring of post-Soviet Russian law to Cyprus and other English common-law-based jurisdictions.

[31] Although additional motivations such as liability compartmentalization may also operate here.

[32] See Woodman and Weinberg (2023) for a more detailed investigation of the role of major UK accountancy firms in providing services to sanctioned Russian oligarchs, as well as Rosca (2023) for a discussion of the

the location of these multinational accounting networks is shown in figure 15 at the group parent level, with the arrows indicating the provision of services to companies registered in particular jurisdictions. As can be seen, by far the largest such arrow runs from the UK to Cyprus. Importantly, however, the direct role of UK-based accounting professionals in serving high-risk Russian clients is uncertain due the decentralized structures of the major accounting networks, which are compartmentalized into distinct partnerships operating in each jurisdiction[33]. Indeed, several Cyprus-based companies controlled by high-risk Russian actors now receive auditing services from the Russia-based ex-affiliates of two of the "Big-4" London-based accounting networks (as indicated by the dark green arrow running from Russia to Cyprus in figure 15), who broke away from these networks following the start of the 2022 Ukraine war.

Switzerland, meanwhile, shows a third pattern of specialization in Russian high-risk global financial networks that chiefly revolves around its role as a director residence location—with Switzerland home to nearly twice as many directors in this context as the UK (which is the second largest residence jurisdiction for directors linked to high-risk Russian companies, ahead of Cyprus). Notably, however, the Swiss director total is also somewhat inflated by the fact that two major Swiss multinational corporations (operating in the chemicals and medical instruments sectors) are controlled by a single sanctioned Russian oligarch (in both cases via < 50% shareholdings, meaning that these two oligarch-controlled Swiss multinationals are not themselves directly subject to sanctions). Aside from these two large oligarch-controlled multinational groups, Switzerland is also home to Russian-controlled commodities trading firms, as well multiple holding companies for Russian business groups controlled via round-trip structures. As can be seen in the figure, Swiss banks are also significant providers of financial services to high-risk Russian-controlled companies in other jurisdictions, particularly Cyprus.

Other notable patterns of geographic specialization and interconnectivity can also be seen in figure 15. After Cyprus, BVI is the second most important registration jurisdiction for international investment vehicles controlled by high-risk Russian groups (by entity count), with these BVI companies often acting as the parent holding entities for Cypriot companies (indicated by the large red arrow in figure 15 running from BVI to Cyprus). Meanwhile, Ireland is the most important home country for banks serving high-risk Russian clients, due to its status as the jurisdiction of incorporation of the Bank of Cyprus. This is not only the

role played by former employees of these firms in founding other Cyprus-based firms providing services to sanctioned oligarchs. Also see Stausholm et al. (2025) and Murphy and Stausholm (2017) for a more detailed discussion of the role of major accountancy firms in establishing and administering offshore structures more broadly.

[33] See discussions in Woodman and Weinberg (2023) and Hallman et al. (2020).

most prolific provider of international banking services to high-risk Russian groups, but also appears to still have a sanctioned Russian oligarch as its largest shareholder (albeit via a frozen shareholding; see Starkman 2023). Playing the second largest role in providing financial services to high-risk Russian groups are British banks (and other British financial services firms), with Greece also featuring prominently in this capacity due to the ownership of a major Cypriot bank by a Greek parent. As can be seen, banks from Russia itself are also significant providers of financial services to high-risk Russian groups operating in Cyprus.

Importantly, while figure 15 shows the geographic distribution of directors and service providers that can be linked to *currently-existing* high-risk Russian investment structures, (i.e. as of Orbis data available in early-mid 2025), these geographies mostly represent the accumulated legacy of historical behavior, and do not necessarily correspond to the most active sites of current Russian international financial operations. What is particularly important, in this respect, is the fact that the principal jurisdiction for new Russian international business incorporations—i.e. the UAE/Dubai—provides far less detailed and complete data on directors and service providers than the European offshore jurisdictions traditionally used by Russian groups. What this means is that the financial and business service enabler networks linked to Russian actors are in many cases disappearing from view, as a direct consequence of the relocation of Russian international business from Europe to the UAE.

As described in section 4.3, the analysis of financial networks linked to high-risk Middle Eastern and African groups in this dataset is complicated by the much smaller total number of complex investment structures linked to such actors, as compared to Russian high-risk groups, as well as the enormous overrepresentation of Lebanese groups in this context. The latter is highlighted in figure 16, which shows the international investment vehicle networks linked to all high-risk Middle Eastern and African groups in this dataset, as well as all identifiable directors and service providers linked to these vehicles—with Lebanese investment vehicles shown in red, while those belonging to actors from all other African and Middle Eastern countries with weak rule of law are shown in brown. As can be seen, Lebanese groups control 70% of all entities in complex (i.e. indirectly intermediated) investment structures identified as belonging to all high-risk groups from countries with weak rule of law in Africa and the Middle East.[34]

[34] Again, this corroborates the finding in Daraj (2021) that Lebanese actors are exceptionally prolific users of offshore structures.

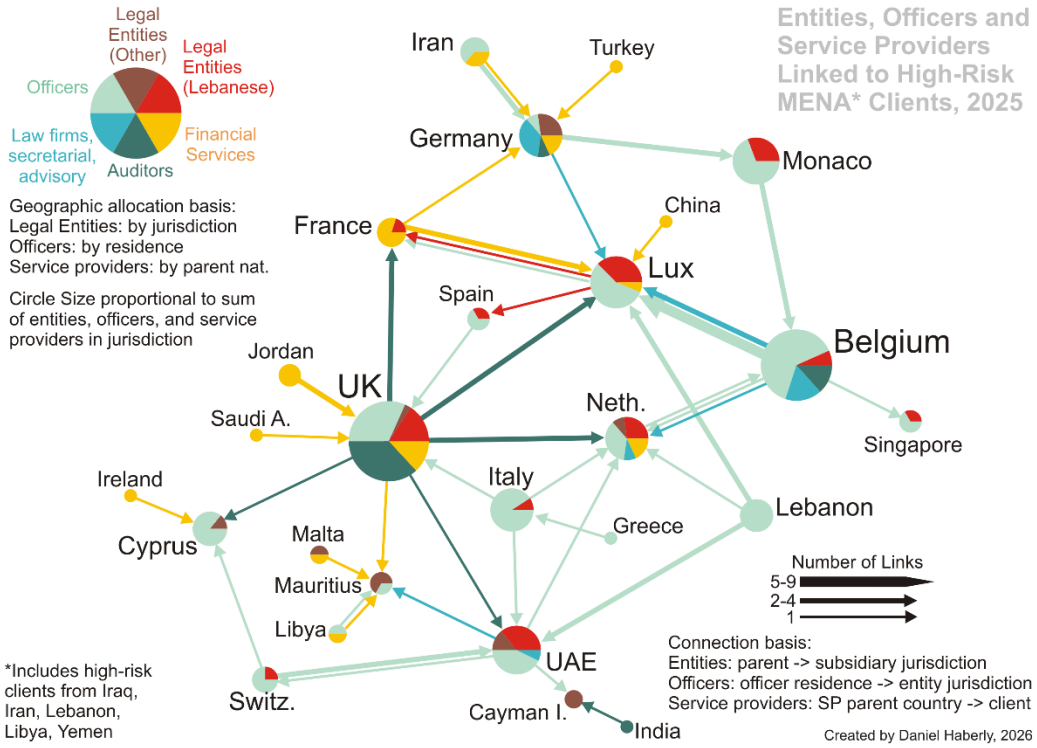


Figure 16. Investment vehicles, officers and service providers linked to high-risk Middle Eastern & African groups, 2025

From this standpoint, the financial architectures in figure 16 are to a substantial extent synonymous with the geographies of high-risk Lebanese financial networks. Perhaps most striking in the architecture of these Lebanese financial networks is the importance of Francophone jurisdictions. In contrast to the geography of Lebanese investment by ultimate host economy (see figure 2), which is most strongly oriented towards France, the key nodes in the broader Lebanese financial networks in figure 15 are the major Francophone offshore jurisdictions, and most importantly Belgium, Luxembourg, and Monaco (in that order). Within this Francophone offshore triangle, Luxembourg acts as the leading hub for offshore company formation, while Belgium appears to specialize in the provision of legal, accounting and director services, and Monaco serves as an offshore residential jurisdiction for ultimate controlling owners. Meanwhile, apart from its role as an investment host (which is omitted in figure 15), France itself appears to specialize in providing banking services to Luxembourg-based Lebanese offshore companies.

These Lebanese Francophone offshore networks are, importantly, entangled with rather than distinct from the broader of architecture of Benelux as well as offshore “Anglosphere” global financial network ties, as chiefly centered in this context on the Netherlands, and the UK and UAE respectively. Indeed, the UK is the single largest overall financial node in figure 15, and is tied with Luxembourg and the UAE as the largest company incorporation

jurisdiction for Lebanese and broader African and Middle Eastern high-risk investment networks respectively. As seen in relation to high-risk Russian groups, the UK's most prominent area of service provision to high-risk Middle Eastern and African groups is auditing/accounting.[35] However, British firms are also the largest providers of banking and other financial services to high-risk Middle Eastern and African groups, with London moreover acting as a key geographic base for the provision of financial services to these groups by Middle Eastern-owned multinational banks. Looking more broadly in figure 15, other key nodes within the broader offshore financial Anglosphere also feature prominently in the financial networks of high-risk African and Middle Eastern groups—with Mauritius, Malta, the Cayman Islands, and Cyprus all serving as particularly important sites for offshore company incorporation for groups from countries other than Lebanon (also see Haberly 2025 and Haberly and Wojcik 2022). Finally, Germany appears to act as a key node in high-risk Iranian financial networks, with strong connections in this context between Germany-based Iranian-controlled companies, and Iranian as well as Turkish banks.

6. Conclusion

The results in this paper have important implications for our understanding of the scale, architecture, regulation and policing of illicit global financial networks. From a broad standpoint, the dataset constructed here shows that the world of illicit finance in countries with weak rule of law is remarkably small. As highlighted in Haberly and Lawrie (2026), the macro-level composition of international investment generally tends to be driven, to a much higher degree than would be intuitively expected, by relatively small numbers of influential actors. What the analysis here shows is that this micro-level concentration of macro-level investment is especially pronounced for countries with high levels of domestic institutional and political risk. Indeed, more than half of all international investment identified from each of the countries examined is ultimately controlled by a single-digit number of actors, with only a few hundred actors controlling *all* significant identifiable investments from these countries. This extraordinary concentration of international financial influence is what has ultimately made it feasible to conduct a comprehensive, census-type assessment of illicit financial risks across all significant identifiable international investment networks linked to actors in these countries.

By far the most striking finding of this assessment is that bulk of all international investment from countries with low rule of law appears to come from actors/groups who have either been directly implicated in illicit financial activities, or who otherwise present a

[35] The Big-4 UK accountancy firms, for example, feature prominently in the provision of services to companies linked to Isabel Dos Santos in the Luanda leaks (see Hallman et al. 2020 and Garside and Inman 2020).

high-risk of involvement in such activities. In other words, international business and financial activity from high-risk countries appears to be directly dominated by high-risk actors, with groups assessed to be at high-risk for illicit finance controlling almost 90% of the total identified international investment stock from the countries examined. This, notably, lends weight the conclusion of Haberly, Palansky and Tuinsma (2026) that the actual global incidence of illicit financial activity is likely close to its maximum theoretically possible value—wherein this is defined as the hypothetical point at which the very highest risk portions of the global financial system, based on the intersection of actor home country institutional and political risks and intermediary jurisdiction regulatory risks, become composed entirely of illicit activities.

The results here also reinforce the finding of Haberly, Palansky and Tuinsma (2026) that illicit financial risks are driven, to a highly disproportionate degree, by actors from a handful of particularly high-risk countries. Companies linked to a mere seven Russian oligarchs account for almost half of the entire identified worldwide stock of high-risk investment from all countries with weak rule of law. More broadly, Russians account for 62%-86% (depending on the treatment of investment round-tripping) of the total identified stock of high-risk investment from this group of countries—with 94% of all Russian investment falling into one or more illicit finance high risk categories. Lebanon, with 0.02% of world GDP, appears to be even more disproportionately influential in the world of illicit finance, with Lebanese actors controlling roughly half of the companies in this dataset that are not controlled by Russians.

Importantly, while the global financial networks constructed by individual actors from countries with weak rule of law tend to be highly complex geographically, these networks collectively exhibit high levels of geographic concentration. Most central in this context is the UK's role as a multidimensional global financial node, particularly when the broader role of the British Overseas Territories and Crown Dependencies is taken into account. The UK itself is the largest host for investment from countries with weak rule of law, as well as the second largest intermediary jurisdiction, behind Cyprus, for investment from these countries. Even more importantly, the UK is the largest overall hub for functions other than company incorporation within the high-risk client-linked financial networks identified here,[36] performing an exceptionally diverse array of financial and business services within these networks. Notably, the frequently overlooked accountancy sector appears to be where the UK features most prominently in this context, with the leading British accounting firms found to be the dominant providers of auditing services to high-risk groups operating

[36] Based on the total sum of directors and service providers involved in these networks

in jurisdictions around the world.[37] More broadly, London as a financial center, as well as British banks and other financial firms operating outside of the UK, play central roles in providing banking and other financial services to high-risk clients from countries with low rule of law. Meanwhile, the British OTs and CDs are collectively the fourth largest intermediaries (following Cyprus, the UK and Switzerland) for investment from countries with low rule of law. BVI plays by far the most important role in this respect, intermediating 49% of total investment, and 56% of high-risk investment in the OTs and CDs from this group of countries. What is particularly striking is the level of complexity and opacity of BVI-based investment structures, with BVI hosting the second largest number of high-risk intermediary vehicles by *count* as opposed to investment value (after Cyprus), and nearly two thirds of all high-risk vehicles in the OTs and CDs.

Notwithstanding the central role of the UK and other western financial centers in the global landscape of illicit financial risks mapped here, however, our analysis also shows that this landscape is currently undergoing major geographic and organizational changes. These have above all been driven by the impact of the Ukraine war, and associated western sanctions, on the Russian financial networks which account for the bulk of all investment from countries with weak rule of law. Indeed, while traditionally leading Russian offshore jurisdictions such as Cyprus, Switzerland, BVI and the UK continue to intermediate the largest outstanding stock of investment from Russia (and thus from all countries with weak rule of law), very few new Russian companies appear to have been formed in these jurisdictions since 2022. New Russian offshore company formation rather appears to have shifted almost entirely to the "Dubai-Kong" axis (Haberly 2025), and above all to the UAE.

As described in Haberly (2025), the UAE's increasingly central role in Russian financial networks is clearly at least partially related to illicit financial regulatory, and in particular transparency shortcomings in comparison to other major financial centers. Indeed, the analysis in Haberly, Palansky and Tuinsma (2026) indicates that the concentration of sanctioned entities in jurisdictions with high levels of financial secrecy is more than an order of magnitude higher, in relation to the total investment volume, than in highly transparent jurisdictions. At the same time, however, the results here broadly reinforce the conclusion of Haberly (2025) that the rise of "Dubai-Kong" among Russian and other western-targeted (e.g. Iranian) financial networks has been principally driven by the intersection of geopolitics on the one hand, with the fundamentally path-dependent and inertia-based logic of financial geographic change on the other. In this respect, the shift of Russian (as well as Iranian) financial networks to the UAE and Hong Kong, from previous

[37] As Hallman et al. (2020) put it: "because of their subsidiary role in the financial system and a regulatory burden that is less stringent than those of banks and other players, the accountants, for the most part, have managed to escape public notice" in relation to the enabling of illicit financial activities.

hubs such as London, Cyprus, and the UK OTs and CDs, can be viewed as a path-of-least resistance reconfiguration of the global financial operations of actors from western-antagonistic countries *within* the broader architecture of the global financial "Anglosphere." This path-of-least-resistance reconfiguration allows for continued access to key entrenched financial institutional and relational structures, even while avoiding direct Western jurisdictional reach.

Notably, in this respect, our results show that low-risk Russian business groups have been just as likely as sanctioned groups to relocate their international financial operations to the UAE and Hong Kong, indicating that this relocation is driven by broader geopolitical considerations beyond simply the circumvention of western sanctions. Even more importantly, our analysis indicates that the actually-observed level of financial secrecy in the UAE, at least with respect to beneficial ownership, is actually lower than in some of the western jurisdictions from which Russian networks are relocating—with the British Virgin Islands found to have the single highest level of secrecy of any major offshore incorporation jurisdiction in this dataset, with nearly twice the untraceable company share of the UAE (which has the second highest level of observed beneficial ownership secrecy among leading intermediary jurisdictions). Indeed, we do not find any evidence of a flight away from western offshore or other financial centers on the part of high-risk actors from countries with weak rule of law that are *not* the focus of western geopolitical tensions. The UK OTs and CDs, in particular, appear to retained a central role in the financial operations of both low and high-risk groups alike from Middle Eastern and African countries with weak rule of law (apart from countries that are the target of western sanctions), even as the UAE has also become increasingly important as a financial and business center for actors from these regions (also see Haberly 2025 and Soares de Oliveira 2026).

At same time, however, our results do provide some evidence for the effectiveness of financial transparency reforms, particularly in the area of beneficial ownership transparency, at deterring and/or exposing illicit financial activity. Perhaps most importantly, while geopolitics appears to have played a central role in driving the geographic reconfiguration of Russian financial networks *among* highly secretive jurisdictions, we find that jurisdictions with high beneficial ownership transparency are much less likely to attract certain types of high-risk company formation linked to these networks. Most notable in this respect is the fact that the UK, which has an exceptionally transparent beneficial ownership reporting regime, is not found to host a single company with untraceable true ownership in this dataset used for the purposes of hiding international asset ownership. What makes this particularly striking is that the fact that the UK is not only the second largest registration jurisdiction (after Cyprus) for investment intermediary companies in this dataset, but the fact that it seems to have maintained—at

least prior to the 2023 Economic Crime and Corporate Transparency Act—an exceptionally lax approach to AML compliance and enforcement in relation to company formation.[38]

This, in effect, represents a natural experiment suggesting that it is likely beneficial ownership transparency itself that is the key regulatory variable deterring the formation of illicit international *asset holding* structures. Indeed, while our investigation has found that public transparency does not necessarily eliminate the misreporting of beneficial ownership data, such transparency crucially forces those forming companies into a three-pronged choice between a) correctly reporting beneficial ownership, b) reporting beneficial ownership as residing in the hands of an associate, in which case the true ultimate owner is usually easily identifiable, or c) reporting arbitrary or nonsensical beneficial ownership information, in which case a company can usually be red flagged as suspicious (at least when above a certain size). In other words, the mere existence of mandatory beneficial ownership transparency in a jurisdiction forces actors to construct a publicly accessible paper trail that is likely to facilitate, in one way or another, the exposure of illicit activity.

Beyond the deterrence and/or exposure of the use of illicit international asset holding structures, our analysis also indicates a second, often overlooked key role of beneficial ownership transparency, particularly in offshore jurisdictions. This is ensuring the integrity of the financial and business service providers that should in theory act as the lynchpins of AML compliance, but in practice often appear to be rife with hidden ownership linkages and potential conflicts of interest. Indeed, offshore service providers themselves appear to be among the most prolific users of beneficial ownership secrecy, with many operating through what can be dubbed "shell enablers" in an apparent effort to obscure their dealings with high-risk clients. This behavior appears to be particularly pervasive among Cypriot law firms serving high-risk Russian groups. Perhaps even more importantly, our analysis indicates that many of the service providers serving high-risk clients are in fact ultimately owned or otherwise controlled by these same clients. In addition to what can be dubbed "Potemkin service providers" that have little apparent substance, these captive service providers include some of the leading banks providing financial services to high-risk clients—with a sanctioned Russian oligarch, for example, the largest shareholder of the Cypriot bank found to be the largest provider of international financial services to high-

[38]This assessment is based on the exceptionally obvious and pervasive nature of UK company incorporation fraud, as well as the digitalized procedures surrounding the UK company formation process itself. Indeed, the AML compliance procedures surrounding company formation are clearly more intensive in BVI than in the UK (notwithstanding the former's recent FATF grey-listing), reflecting the broader emerging disparity documented in Haberly, Gullo, Shipley, Boukal, Palansky, and Barrington (2024) between the geography of AML procedural compliance on the one hand, and financial transparency on the other (also see Findley et al. 2024).

risk Russian clients, while the internationally-operating Banco BIC is controlled by the sanctioned daughter of the former leader of Angola. As highlighted in the Luanda leaks surrounding the latter case (see Freedberg et al. 2020), the ability of powerful actors to create or otherwise establish control over such captive service providers can potentially short-circuit the entire AML compliance process, which is predicated on the basic assumption of service provider independence from clients. Crucially, financial secrecy also poses severe dangers for the governance of offshore jurisdictions themselves. This is underscored by what be seen as the cautionary tale of Lebanon, wherein the international banking sector, shielded from scrutiny by secrecy laws (at least prior to their 2025 repeal; see Noureddeen 2025), has become a core element of the country's own exceptionally venal domestic kleptocratic political economy.

However, our analysis also underscores the limits of what beneficial ownership transparency can achieve, by itself. Indeed, the paradox of the UK is that it is the leading jurisdiction in our dataset for the formation of companies with untraceable ownership that *are not* used to hold international assets, with the scale of combined beneficial ownership and balance sheet reporting fraud surrounding UK company incorporation appearing to be without international parallel. This more broadly makes the UK, in spite of its exceptionally transparent beneficial ownership reporting regime, by far the largest overall host for untraceable companies in this dataset, with these companies often embedded (based on our broader investigation surrounding Haberly and Lawrie 2026) in exceedingly complex webs of multijurisdictional company directorship and ownership ties (even while apparently not being widely used as international holding companies themselves).

Importantly, this finding is likely to be, at least in part, a reflection of the *success* of UK beneficial ownership transparency at facilitating the detection of fraudulent company formation, thus potentially leading to its overrepresentation in this dataset here.[39] However, the larger issue here seems to be the inherently uneven effectiveness of beneficial ownership transparency, in and of itself, as a tool for combatting specific types of illicit company formation. More specifically, while our analysis suggests that beneficial ownership transparency is likely to be a powerful tool for combatting illicit asset holding structures, it also indicates that this is less likely to be the case for structures created to facilitate illicit transactions—which appears to be principal function of fraudulent UK-registered companies. Most importantly, such companies do not necessarily need to exist

[39] As Dan Neidle put this in his 2025 Parliamentary testimony on UK company incorporation fraud: "I think quite often people look at the reports on Companies House produced by Ray, me and others and say, "Companies House is a disaster. We are the worst in the world," and that is almost certainly not true. I bet the French and German registers are full of problems. Companies House is unusually transparent, and its technology is unusually good and unusually open, so we can see these problems. So I do not want to be too mean about Companies House" (House of Commons 2025).

for a particularly long period of time before being shut down and replaced. Indeed, most of the fraudulent UK companies identified here appear to have either already been shut down and/or abandoned, or to be in the process of being shut down. What matters most is thus likely to be the speed and convenience with which companies can be established in a jurisdiction on a potentially disposable basis, combined with ease and anonymity with which they can engage with the global financial system from a jurisdiction.

In this respect, as noted by Dan Neidle, the UK seems to have become a "victim of its own success" at implementing "one of the best platforms in the world" for online company formation, which has ultimately "enabled very large-scale fraud by people across the world" (House of Commons 2025). As Neidle observes, this underscores, in part, the need for the greater resourcing of the state agencies charged with company registration information verification, with the almost absurdly obvious nature of UK company fraud suggesting that this should be an area of low-hanging-fruit in relation to the tightened policing of IFFs. Also important to achieving a broader deterrence effect, however, is the implementation of a more aggressive approach to prosecuting the instances of malfeasance that are detected. In this respect, a key specific reform advocated by Neidle (2025) is the requirement that all UK-incorporated companies have at least one director with a verifiable physical presence in to UK, who could potentially be held accountable in the event of malfeasance.

Ultimately, what the analysis in this paper underscores more than anything is the need for a strategic network-oriented approach to the combatting of illicit finance at the international level (see Farrell and Newman 2019). Sitting at the center of such an approach should, we would argue, be a focus on two key aspects of global financial network architecture and regulation. The first is the inherently centralizing, "sticky" logic of global financial network geography and evolution (Haberly and Wojcik 2022). In this respect, while certain functions within global financial network architectures may be geographically dispersed and/or footloose, and thus present a challenging target for regulation and/or enforcement, there are invariably other elements which will not only tend to remain concentrated in a handful of key global financial nodes, but also tend to be extremely difficult to relocate—with the options for such relocation, moreover, when it is for one reason or another forced to occur (e.g. in the case of Russian financial networks), typically being highly limited themselves to a handful of major financial centers with close relational and institutional affinities, anchored in deep historical roots, to currently-used financial hubs (see Haberly 2025).[40]

[40] Moreover, as discussed in Chang, Harrington and Rockmore (2023), there is often an even more acute combination of concentration as well as relative immobility at the level of the specific key enablers serving high-risk clients, given the extent to which these are rooted in difficult-to-replicate relationships of trust.

Crucially, this centralization of key elements of global financial network architecture, in a handful of leading nodes, represents an inherently double-edged sword from the standpoint of combatting illicit finance. More specifically, depending on the details of how regulatory and enforcement frameworks are designed and implemented, the centralized network independencies of global finance can either render these frameworks susceptible to global obstruction by key illicit financial regulatory and enforcement laggards, or amenable to global projection from key illicit financial regulatory and enforcement leaders. With this in mind, we would argue that the second key element, of a strategic global financial network-oriented approach to combatting illicit finance, is to design policies in a manner that maximizes the latter logic of contagious reform projection, while minimizing the former logic of contagious reform obstruction.

To date, the US deployment of the "dollar weapon" as a globalized extraterritorial tool of sanctions and other illicit financial surveillance and enforcement probably represents the most powerful application of such an approach (Farrell and Newman 2019). Seen from a broader standpoint, however, the implementation of a financial-transparency-prioritizing approach to combatting illicit finance, within key global financial nodal jurisdictions, arguably has a similar logic of global extraterritorial regulatory and enforcement contagion—which can moreover be exercised without being backed by the weight of hegemonic geoeconomic power. Underscoring this is the fact that the public register of UK company ownership maintained by Companies House has been probably the single most useful adjunct to Orbis in our researching of company ownership *around the world*. This is due to the fact that the presence of even a single UK-based subsidiary within a multinational group / ownership network causes the beneficial ownership of the *entire* global network to be swept up into the scope of UK public beneficial ownership reporting.

What this means is that it is in practice the transparency reform leaders, among the jurisdictions occupying a central position in the global financial system, that act as the de facto global financial transparency rule-makers in this context, while transparency reform laggards are automatically pushed into the position of being rule-takers. Crucially, this also means that there are strong incentives for unilateral transparency reform on the part of key global financial nodal jurisdictions. To a large extent, these unilateral reform incentives apply regardless of the regulatory situation elsewhere; however, they become even stronger to the extent that other key nodal jurisdictions have already begun to implement transparency-enhancing reforms. In this respect, an argument can be made that the UK's implementation of a particularly high level of beneficial ownership transparency has modified the logical calculus of reform elsewhere. In particular, there appears to be a powerful argument for extending the window of transparency that the UK has opened into heart of the global financial system to the UK's own Overseas Territories and Crown

Dependencies. These, together with the UK itself, directly account for roughly 28% of the world's entire FDI stock (on a combined inward and outward basis), with the analysis in Haberly and Lawrie (2026) more broadly indicating that the vast majority of world FDI is undertaken by groups which have at least some presence in one or more of these jurisdictions (and would thus be swept up into the scope of any comprehensive UK + OTs and CDs public beneficial ownership reporting framework).

In fact, the existing embeddedness of the UK OTs and CDs within the extraterritorial scope of securities regulatory requirements—as defined by a handful of leading securities market hubs such as the US, UK and Hong Kong—means that a high proportion of the business operating in these jurisdictions is *already* subject to externally-imposed beneficial ownership transparency requirements. Indeed, the paradox of BVI's apparent position as the single most secretive major incorporation jurisdiction (at least in the dataset and analysis here), is that the bulk of locally hosted FDI seems to be intermediated through the affiliated holding companies and subsidiaries of listed emerging market (and above all Chinese) multinationals that already report the beneficial ownership of these affiliated companies in public exchange filings. Seen from this standpoint, there is not only a clear argument for enhancing beneficial ownership transparency in BVI (and the other OTs and CDs) to help curtail its demonstrably central role in illicit financial activities (as also shown in e.g. Haberly, Garrod and Barrington 2024 and Netyaev 2026), but also a clear argument that this should not entail any significant *additional* regulatory burden (i.e. beyond existing securities-regulatory requirements) for its core clientele.

Ultimately, the effective operation of global financial markets and centers rests on a triangular foundation of information, trust, and reputation. While there are clearly niches that can be carved out by jurisdictions via the provision of secrecy facilities to bad actors, the hosting of such activities, and the facilities which support them, at some point sabotages this deeper underlying logic of international financial center development and operation. Indeed, as highlighted by Sharman (2005) and (2009), international financial centers that have failed to sufficiently keep pace with the progress of global illicit financial regulatory standards have tended to be driven towards extinction. Conversely, examples such as the historical development of financial services in Delaware, show that offshore incorporation centers that were initially established as sites for overt tax and regulatory arbitrage, can adapt to and indeed thrive as hubs for the structuring of business activity (rooted in e.g. specialized local financial and business law regimes) even in the wake of externally-imposed reforms that stamp out most of their previous scope for arbitrage (see Haberly and Wojcik 2022). Indeed, as shown in the long-term historical analysis of the global financial system in Haberly and Wojcik (2022), what can be broadly described as offshore jurisdictions appear to have been a central feature of Europe's financial

architecture since the Middle Ages[41], due largely the functional *need* of this architecture interjurisdictional legal and financial interlocutor points. Ultimately, it seems highly unlikely that this foundational role within the global financial architecture will be seriously undermined by either enhancements to financial transparency, or reforms to the international regulatory and fiscal environment more broadly.

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[41] Geneva's origins as an offshore financial center, for example, can be traced back to the legalization of usury in the original 1387 town charter, which attracted the international clearing and settlement operations of major Italian merchant banks (Haberly and Wojcik 2022).

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