# Using Hong Kong's AML laws to combat the illegal wildlife trade

**Alex Hofford** explains the importance of information sharing and public-private partnership in achieving a ban on the sale of elephant ivory in Hong Kong

The illegal wildlife trade (IWT) is believed to be one of the largest illegal trades in the world after narcotics trafficking, illicit cigarettes, human trafficking and arms trafficking, and it is often run by the same criminal syndicates involved in these other crimes. Illegal wildlife trafficking is organised, multi-jurisdictional, and on the rise. It's also closely entwined with money laundering, corruption and fraud.

This case study report examines a successful grassroots campaign to ban Hong Kong's infamous ivory trade, led by WildAid, a US-based charity focused on reducing global demand for endangered species. It highlights the scale and complexity of the IWT, some key red flags, and the value of information sharing in combatting this illicit activity.

At the outset of the campaign, in 2013, an alarming 20,000 African elephants a year were being poached, with many of the tusks going to dealers in China, often via Hong Kong. However, after an eight-year battle, and with support from the public, lawmakers, other conservation groups, and hundreds of students from schools across the city, WildAid's campaign led to the sale of elephant ivory in Hong Kong being banned from New Year's Day 2021.

A significant part of the success of the campaign was derived from the strength of a public-private partnership, as resources were made available to financial institutions through third-party database content. This partnership was made possible through a successful collaboration between charities, database providers, regulated financial institutions and several Hong Kong government agencies including Hong Kong's Customs and Excise Department and the Hong Kong Joint Financial Investigation Unit. ►

**Alex Hofford**

AML(Cert), Associate ICA, is an environmental compliance expert and wildlife crime investigator for Cambridge Pacific Limited. He has an impressive track record in organising and leading successful campaigns for change in some of the most challenging parts of the world, as well as helping corporations achieve their environmental goals. Based in Hong Kong for over 20 years, Alex spearheaded a successful campaign to ban the Hong Kong ivory trade, often by disrupting financial flows in the illegal wildlife trade by using anti money laundering laws. Alex is an accomplished and persuasive communicator and a resourceful, strategic and innovative organiser with a global network of top-level contacts. He returned to the United Kingdom in 2019, where he first worked as a wildlife crime consultant for Wild Africa and more recently as a marine wildlife sustainability expert and trustee of Shark Guardian, a UK-based marine conservation charity. He continues to conduct research and write reports on the pressure caused by modern industrial fishing methods on marine wildlife, as well as slavery and human trafficking and in global supply chains.

**Contact: Alex Hofford, ICA Cert(AML)**

**+44 7366 200761**

**alex@cambridgepacific.co.uk**

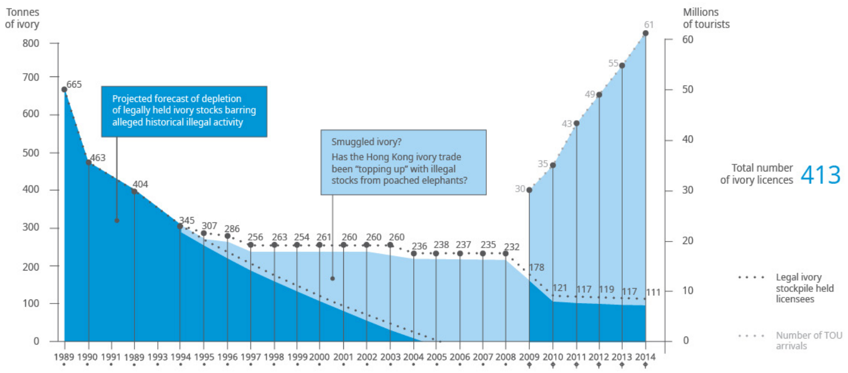
**www.cambridgepacific.co.uk**

**www.linkedin.com/in/alexhofford**

## Part one: A broken system

Achieving the ban involved deploying a wide range of campaigning tools to shine a light on systemic regulatory failings within the Hong Kong government's wildlife department – the Agricultural, Fisheries and Conservation Department (AFCD). The aim was to expose how Hong Kong's legal ivory trade was masking a parallel illegal trade in poached ivory, and how traders were abusing a failed licensing system. Somehow, the city's existing ivory stockpile, which was spread across around seventy licensed traders, never seemed to go down (see **Figure 1**).

### Figure 1: Hong Kong: Legal ivory stockpile held licences and number of tourist arrivals




• The figures for 1989-2008 include some registered ivory for non-commercial purposes and some pre-convention ivory.
♦ The figures for 2009-2014 cover ivory under Licences to Possess for commercial purposes and exclude stock aquired prior to the listing of African elephant CITES Appendix I but held for non-commerical purposes.

Sample Trade Data (November 2014) (Source: WildAid)

WildAid enquiries suggested Hong Kong's legal stocks of raw ivory were being used as a cynical mechanism to launder freshly poached ivory onto the market, and legal enforcement of the permitting system was lax or non-existent (see **Figure 2**). ►

### Figure 2: Many vendors used legal stocks of raw ivory to launder freshly poached ivory


Alarmingly, during the mid-2010s, Hong Kong customs officers were making record-breaking seizures of raw elephant tusks with increasing regularity (Figures 3 and 4). Every couple of months, they would seize another shipment of tonnes of fresh ivory from illegally killed African elephants from countries in which elephant populations were being decimated, such as Kenya, Tanzania, Ivory Coast and Angola. Organised crime groups were smuggling vast quantities of illegally poached ivory into Hong Kong through its Kwai Chung port, or by air into the city's busy international airport. ►

## Figure 3: Ivory seized by Hong Kong Customs, 2014

| PERIOD | CASES | QTY(KG) | LOADING COUNTRIES |
|---|---|---|---|
| Jan-Mar | 18 | 192 | Angola, Côte d'Ivoire, Ethiopia, Kenya, Namibia, Nigeria, South Africa |
| Apr-Jun | 36 | 1,368 | Angola, Côte d'Ivoire, Ethiopia, Malawi, Mozambique, Nigeria, South Africa |
| Jul-Sep | 27 | 337 | Congo, Côte d'Ivoire, Equatorial Guinea, Kenya, Namibia, Nigeria, South Africa |
| Oct-Dec | 25 | 318 | Congo, Côte d'Ivoire, Ethiopia, Kenya,Mozambique, Nigeria, South Africa |
| **Total** | **106** | **2,215** | |

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Figure 4: Customs seizures of illegally poached ivory

This freshly poached ivory was quickly being carved into jewellery, bangles, necklaces, trinkets, or bogus antiques to be sold to tour groups of tourists from mainland China bussed into shops and luxury stores across Hong Kong. Clearly this posed legal and reputational risks for the city.

## Part two: Follow the money

WildAid's public-facing media and social media campaign relied heavily on juxtaposing images of seized raw ivory in Hong Kong with graphic images of slaughtered elephants in the beautiful expanses of Africa (Figure 5). However, one weapon in WildAid's arsenal which was kept firmly out of the public gaze was the leveraging of Hong Kong's anti money laundering (AML) laws.

**Figure 5: Campaigning highlighted the brutality of the ivory trade**


In the words of Peter Knights OBE, CEO Wild Africa: 'The old adage "Follow the money" applies to solving wildlife crime. Freezing of assets derived from the IWT, and money laundering charges are important tools in stopping the extinction of endangered species. Where possible enforcement agencies should use organised crime laws with stiffer penalties and longer sentences to prosecute IWT'.

Going back a decade, financial investigations were rarely used in relation to the IWT. The Royal United Services Institute (RUSI) was the first organisation to systematically highlight this gap, through a UK-government-funded report published in 2017 which highlighted the potential of financial tools to disrupt those facilitating the trade. Cathy Haenlein, Director of Organised Crime and Policing Studies at RUSI notes that 'efforts to follow the money had long been neglected in this thematic area. They hold significant potential to allow investigators to go beyond low-level poachers and identify those directing IWT at a higher level'. She continued, 'Significant investment has been ►

made in the interim to build capacity to follow the financial footprints at a global level. This work is challenging, however, and requires concerted commitment from public and private-sector alike – which has not been forthcoming in all cases'.

To combat the illicit financial flows generated by several known or suspected Hong Kong-based traffickers – who operated with impunity across immense shadowy networks spanning several African countries, as well as China, Vietnam, and Laos – WildAid simply followed the money.

Through a trusted intermediary, WildAid supplied multiple lists of known or suspected illegal wildlife traders to third parties who would make them available to banks and other regulated financial institutions, with the aim of screening – and hopefully matching – them with existing lists from the global AML community. These might have included lists of sanctioned individuals or entities, terrorist financing lists, specially designated individual lists, or other lists of high-risk individuals or entities; lists either held by the banks themselves or by the Financial Action Task Force (FATF), the United Nations Office on Drugs and Crime (UNODC), the European Union, or the United States Office of Foreign Assets Control (OFAC). Indeed, a suspicion has long existed in wildlife conservation circles that there is link between the IWT and terrorist financing.

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The campaign began small. In early 2015, WildAid decided that to properly illustrate the scale of Hong Kong's out-of-control ivory trade, they simply had to map it. Their market survey began in Hong Kong's antique district centred around Hollywood Road. It grew rapidly from there until they had recorded information on every retail outlet selling ivory in the city. In English and Chinese, WildAid consultants recorded company names, individual names, phone numbers, ►

addresses, email addresses, and license numbers (where available), and often took photographic evidence too. From Chinese state-owned high end jewellery stores in gleaming towers of glass and steel to humble hole in the wall operators in Kowloon, WildAid's market survey spreadsheet eventually grew to over a hundred rows.

Throughout 2015, this survey evolved into a full-blown investigation. Securing video evidence to support the case was key. For the larger, more egregious, ivory traders, WildAid used a range of tactics to gain access to premises to obtain intelligence and video footage of ivory stocks which they then fed to the media to support their campaign. Undercover volunteers met with raw elephant ivory tusk traders that they knew were illegally supplying carvers in China, which itself was an illegal cross border multi-jurisdictional activity. Undercover footage included ivory traders boasting that they could place calls to the agents of poachers in Kenya and Tanzania to kill elephants to order. Often these individuals had links to organised crime. Eventually, through a **CNN exclusive**, WildAid blew the lid off the Hong Kong ivory trade.

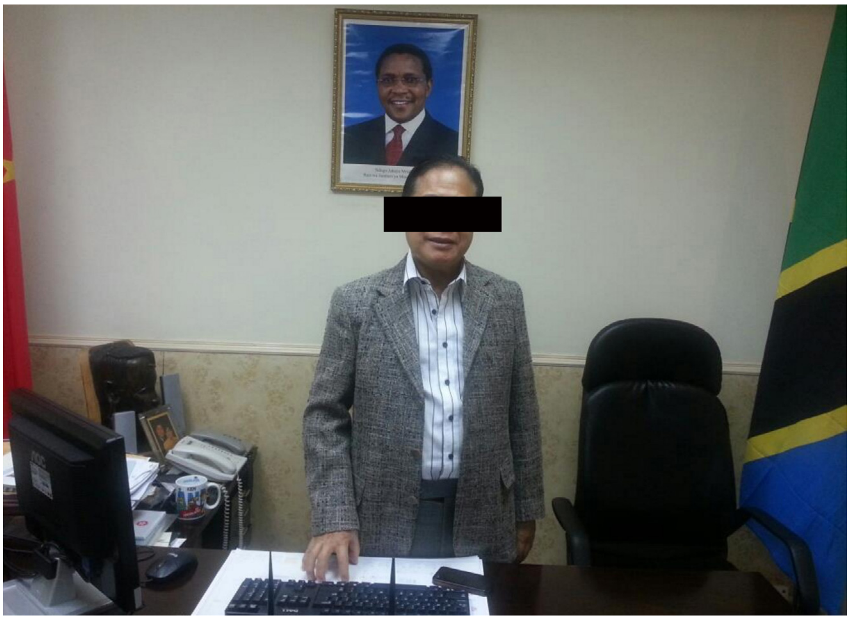
In 2016, Liberty Asia, a charity focused on reducing human trafficking, approached WildAid with an offer to collaborate. Like WildAid, Liberty Asia believed that the best way to tackle human trafficking – and illegal wildlife trafficking – is to follow the money. They believed that a highly effective way to save elephants would be to hit the smugglers in their pockets. WildAid then began to pass its raw data to Liberty Asia in the form of spreadsheets from its market survey of illegal wildlife traders it suspected of selling freshly poached ivory and money laundering. Acting as a safe conduit, Liberty Asia would take WildAid's information, anonymise it, then pass it to LSEG World-Check, LexisNexis WorldCompliance and Dow Jones. These large third-party companies would clean up the data and present it in their own format to a wide range of banks and financial institutions through their global subscription-based databases. For obvious reasons, this was conducted out of the public eye. Of course, due to the black box and one-way direction nature of the information flow, it is impossible to know if any of WildAid's information generated a match for any trader on, for example, an OFAC list of Specially Designated Nationals (SDN) and Blocked persons sanctions list, a terrorist financing list, or any other kind of list, but it is suspected to have done so, which made the efforts all worthwhile.

WildAid found out later that much of the smuggling that fuelled Hong Kong's IWT was facilitated by the South African branch of Taiwan's Bamboo Union Gang as well as Hong Kong's infamous 14K triad gang. ►

## Part three: The PEP Dimension

WildAid also provided Liberty Asia information on politically exposed persons (PEPs) in Hong Kong, including honorary consuls to African countries WildAid suspected of having links to the IWT (**Figure 6**).

**Figure 6: Consular representatives were found to be operating jewellery shops selling poached ivory**



Wealthy Hong Kong businessmen still operate as consular representatives of African countries with spiking rates of elephant poaching. In 2015, a few of these honorary consuls were found to be operating jewellery shops selling carved poached ivory items in Kowloon, one of the main tourist hubs of Hong Kong. Were these PEPs using their diplomatic bags to smuggle ivory tusks buried within large consignments of ►

gemstones mined in East Africa, but carved and polished in Hong Kong factories? It will never be known for sure, but it is strongly suspected to be the case.

Giovanni Broussard, Africa Coordinator, UNODC Environment Team said, 'The illicit trade in natural resources – from ivory and timber to critical minerals – flows from Africa to Asia through complex networks that often rely on front companies to conceal the true beneficiaries. Financial investigations remain the most effective means of exposing beneficial ownership and unravelling the fraudulent and corrupt practices that sustain this trade. Without systematic financial scrutiny, traffickers operate with near impunity, perpetuating environmental destruction and undermining the rule of law.'

One of the Hong Kong honorary consuls WildAid had suspicions about still runs a complex web of over 80 companies, including several offshore companies based in the British Virgin Islands. His companies' main purpose of business is the export of raw materials to China from areas of a large country in central Africa notorious for elephant poaching. These commodities included sand, gravel, gypsum, iron ore, zinc, copper, coal, gold and timber. This honorary consul relied on shipping vast quantities of these commodities within giant bulk carrier vessels with cavernous hulls where anything of size can be easily hidden from prying customs officials. Think, for example, of a crate of ivory tusks or weapons buried beneath thousands of tonnes of sand dredged from a river estuary. Again, it is hard to prove but, over the course of WildAid's investigation, initial concerns hardened into strong suspicions, especially when coupled with evidence of past criminality and insider trading.

## Part four: Advancing the fight

To raise the profile of WildAid's public-facing campaign to ban the Hong Kong ivory trade, their survey data provided the basis for a report – 'The Illusion of Control' – into regulatory failings of the city's legal ivory trade.

With the campaign gaining traction, the broader issue of wildlife crime was also attracting increasing coverage with, for example, Prince William's Royal Foundation led-programme, United for Wildlife, establishing its Transport Taskforce and later its Financial Taskforce to tackle illegal wildlife trafficking. The Foundation brought together representatives from the corporate sector alongside wildlife conservation charities working on anti-poaching in Africa and demand reduction in Asia to protect endangered wildlife. Corporate members of the United for Wildlife Transport Taskforce included airlines, shipping lines, logistics companies, and port operators, while banks and regulated financial institutions made up its Financial Taskforce.

At one of the first meetings of United for Wildlife's Financial Taskforce in Hong Kong, the charity groups and members of ►

the corporate sector were first introduced to the now familiar nomenclature of the AML world, including 'red flags', 'Suspicious Transaction Reports' and 'enhanced due diligence'.

As Robert Campbell, Programme Director of The Royal Foundation led-programme United for Wildlife said: 'The majority of wildlife trafficking, specifically the movement of the illicit goods, was taking place via commercial infrastructures. The transport and financial sectors were unwittingly being targeted by criminal networks to move both physical products and finances around the world. By bringing together groups of private and civil sectors to share trends and analysis, it allowed these corporates to collectively develop red flag indicators and typologies in their sectors, establishing industry guidelines and new regulations, while also bringing their own resources in to combat IWT globally.'

Another significant step forward came a couple of years later, in the form of a further WildAid initiative, an amendment to Hong Kong's wildlife laws enabling them to be added to a schedule of 'predicate offences' under the city's Organised and Serious Crimes Ordinance (OSCO).

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Because of its colonial past, Hong Kong still practices English Common Law and the OSCO has features similar to the United Kingdom's Proceeds of Crime Act 2002 (POCA). Both laws function as omnibus legislation designed to combat organised crime by targeting its financial incentives. In 2017, WildAid drafted a letter on behalf of NGOs to the then Hong Kong leader Leung Chun-ying calling on the territory's government to drastically increase penalties for wildlife crime and add wildlife related offences to the schedule of the OSCO. In 2018, the letter was repurposed with the help of Professor Amanda Whitfort, a legal expert in animal law at the University of Hong Kong. It was then passed to Elizabeth Quat, a supportive Hong Kong lawmaker, for her to send to Hong Kong's Secretary for Security for his consideration. These letters formed the nascent kernel of a WildAid campaign that eventually brought in other wildlife charities and which finally resulted in Ms Quat presenting her Organised and Serious Crimes (Amendment) Bill 2021 to Hong Kong's law making body, the Legislative Council. Eventually, ►

the following offences from Hong Kong's Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) were added to **Schedule One of Hong Kong's OSCO (Cap. 455)** on 18 August 2021:

**Section 5** - Illegal **import** of a specimen of an **Appendix I** species

**Section 6** - Illegal **introduction from the sea** of a specimen of an **Appendix I** species

**Section 7** - Illegal **export** of a specimen of an **Appendix I** species

**Section 8** - Illegal **re-export** of a specimen of an **Appendix I** species

**Section 9** - Illegal **possession or control** of a specimen of an **Appendix I** species

**Section 11** - Illegal **import** of a specimen of an **Appendix II or III** species

**Section 12** - Illegal **introduction from the sea** of a specimen of an **Appendix II** species

**Section 13** - Illegal **export** of a specimen of an **Appendix II or III** species

**Section 14** - Illegal **re-export** of a specimen of an **Appendix II or III** species

**Section 15** - Illegal **possession or control** of a specimen of an **Appendix II** species (*Added 23 of 2021 s. 3*)

The Bill contained the following: -

*'Wildlife trafficking and illegal trade are highly lucrative and attractive to criminal organizations and syndicates. Despite the May 2018 amendment to the Protection of Endangered Species of Animals and Plants Ordinance (PESAPO) (Cap. 586) to increase the maximum penalties of offences under it, wildlife seizures in Hong Kong continued to reach new peaks in 2019 and 2020. In 2019, record seizure of 8.3 metric tonnes (MT) of pangolin along with 2.1 MT of ivory was made in a container from Nigeria. In the same year, the largest seizure of 82.5kg of rhino horn was made from cargo transhipment in the Hong Kong International Airport. April and May 2020 saw two almost identical seizures of 13 MT of shark fins. Even though the maximum penalties of offences under Cap. 586 were increased by 900%, the fact remains that neither the penalties under the Ordinance nor the powers it confers to investigators and enforcers are sufficient to effectively deter criminal organizations.'* ►

Sometimes wildlife conservation victories can take years. In a low-key **press release** issued on 9 July 2025, the Hong Kong authorities announced that two men had been prosecuted with enhanced sentencing under OSCO for illegal possession of an endangered turtle species. For wildlife conservation, this was a landmark moment. Now, under the OSCO, the Hong Kong authorities were finally going after wildlife smugglers with increased powers. They could impose longer jail sentences and higher fines on criminals, as well as seize or confiscate their assets. The law would now also force financial institutions to report wildlife related money laundering offences and suspicious transactions to the Hong Kong's Joint Financial Investigation Unit. Placing Hong Kong's wildlife laws under the OSCO also allowed authorities to use specialised tools for financial investigations of suspected illegal wildlife traffickers, such as restraint orders to freeze assets and production orders to obtain bank records. All of this created a new deterrent effect.

However, Amanda Whitfort, Associate Professor at the Faculty of Law of the University of Hong Kong said, 'While the amendment to OSCO should have been a gamechanger for Hong Kong, it is disappointing that to date there has been very limited use by law enforcement of their new powers.'

Justin Gosling, a law enforcement specialist with the Environmental Investigation Agency, added 'Hong Kong now has powerful legislation, but it's impotent without equally powerful, transnational investigations. The authorities are clearly able to intercept wildlife shipments but should make more effective use of proactive techniques like controlled deliveries to identify, arrest and prosecute members of organised criminal networks who still seem largely undeterred from trafficking wildlife through Hong Kong'.

As its political and legal climate darkens, time will tell if Hong Kong remains a reliable ally in the global battle to save endangered species from extinction.