

My name is Cathy Haenlein, I am Director of Organised Crime and Policing research at the Royal United Services Institute (RUSI). Thank you for allowing me to speak to you today.

My statement concerns the potential use of targeted financial sanctions to address the economic dimension of crime. This is an area where RUSI is conducting significant research. I want to share briefly first, why we see this as a significant issue when considering the economic dimension of crime, and secondly what we have learned in our research so far.

Firstly, on the significance of the topic, we believe it is crucial to look at the actual evidence of effectiveness of financial sanctions to disrupt crime. Currently, a number of countries are looking to expand the use of targeted sanctions to tackle a wider range of security threats. This includes threats linked to organised crime. As countries grapple with these options – and embark on policy decisions around new sanctions regimes – they need a clear evidence base to draw on.

On what we have learned, secondly, we see that evidence in this area is extremely limited. Key questions around the potential role of sanctions remain unanswered. What place should sanctions hold in relation to traditional law-enforcement tools? How can we ensure sanctions do not impede these tools or convictions? What purpose can sanctions serve in this framework – disruptive, punitive or something else? We examine these questions through two case studies, with findings published in spring 2022. Until then, it is crucial to bear in mind that financial sanctions are not a silver bullet, their use is not as simple as it might sound, and we must evaluate carefully what evidence does exist on what they can – and cannot – achieve in practice.