

Visible Riches, Hidden Flows: Tackling Persistent Illicit Finance in Today's Global Art Market

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Abstract: In 2025, the global art market recorded an estimated US \$59.6 billion in sales (McAndrew, 2026, p. 11). But with its lack of transparency, valuation manipulation, and weak regulation, this market has become a favored channel for illicit financial flows, including money laundering, tax evasion, sanctions evasion, and terrorist financing. This essay acknowledges that such flows have existed for a long time and asks why they continue to endure. It argues that their persistence is rooted in an art market that is structurally designed around opacity. As long as secrecy is treated as a cultural norm and even a competitive advantage, reforms will remain partial. The most effective path forward is to dismantle anonymity through worldwide enforcement of mandatory beneficial ownership disclosure, supported by global provenance standards, international cooperation, and oversight of emerging digital platforms and NFTs. Protecting the art market from illicit financial flows protects cultural heritage, supports fair and transparent commerce, and ensures that art contributes to sustainable development rather than undermining it.

Keywords:

1. Art market
2. Cultural property
3. Illicit financial flows
4. Money laundering
5. NFTs

2026 Journal ASAP

DOI: 10.5281/zenodo.23165088

Received 14 June 2026
Revised 1 October 2026
Accepted 4 October 2026
Available online 5 October 2026

*"Crimes against or affecting cultural heritage
have an impact on our shared sense of humanity
and the daily lives of local populations."*

International Criminal Court, Office of the Prosecutor (2021)

*"Whether we like it or not,
art is used for tax avoidance and evasion.
It can be used for money laundering.
You can buy something for half a million,
not show a passport, and ship it.
Plenty of people are using it for laundering."*

Nouriel Roubini (as cited in Gapper & Aspden, 2015)

1. Introduction

More than a decade has passed since the brutal killing of Khaled al-Asaad. The renowned 83-year-old Syrian archaeologist was executed on August 18, 2015 by the Islamic State (ISIS), following the militant group's capture of the ancient city of Palmyra. Al-Asaad was abducted, interrogated, and ultimately beheaded in a public square, after reportedly refusing to disclose the location of cultural artifacts that had been hidden to protect them from looting (Shaheen & Black, 2015). His murder was a tragedy for both humanity and cultural heritage, but also a stark reminder for the world of finance that the global art market can become an enabler of violence.

Between 2014 and 2017, ISIS occupied large swaths of Iraq and Syria, including some of the world's most culturally significant archaeological sites. Many major historical monuments in ancient cities like Palmyra, Nimrud, and Mosul were destroyed by the terrorist organization for ideological reasons. But ISIS also looted and trafficked smaller antiquities on an industrial scale to generate revenues (Roberts, 2015). Valuable artifacts thousands of years old – including coins, stone, jewelry, cuneiform tablets, and religious relics – were smuggled into the global art market through Turkey and Lebanon (TraCCC, 2019). British newspaper *The Guardian* followed the hidden trail of the loot, and described how the items were then laundered through online sales, antique shops in mainland Europe, or dealers in destinations like Switzerland, Germany, or Italy, who helped create a paper trail before selling the objects on to auction houses in London and New York City (Shabi, 2015).

"ISIS is likely the wealthiest radical terrorist organization in contemporary history", said Amr Al-Azm, associate professor of Middle East history and anthropology, in 2016, at the peak of the organization's activities. Although the precise amount remains unknown, Iraqi, Russian, and U.S. officials estimated that ISIS earned millions of dollars from antiquities sales since mid-2014 (U.S. House Financial Services Committee, 2016). Numbers from the U.S. Treasury and *Bloomberg* suggested that looted antiquities were among ISIS's top monthly revenue sources, next to oil and taxation (Statista, 2015). This hidden flow of money directly supported terrorist operations, including weapons purchases, recruitment, and propaganda efforts.

The ISIS case is not an anomaly but a symptom of deeper structural flaws in the global art market. What made antiquities trafficking such a lucrative revenue stream for ISIS were the market's systemic vulnerabilities: the ease with which looted objects could be laundered through falsified provenance¹, moved discreetly across porous borders, and monetized in Western art hubs with minimal scrutiny. In this sense, ISIS merely exploited channels that have long existed; channels that remain equally accessible to organized crime groups, oligarchs, and tax evaders today. The ISIS case is a poignant example of how today's global art market, estimated at US \$59.6 billion in sales in 2025 (McAndrew, 2026:11), is an increasingly enigmatic industry which enables hidden illicit financial flows (IFFs). As recognized in Sustainable Development Goal (SDG) 16.4, which calls for a significant reduction in illicit financial and arms flows and the recovery and return of stolen assets, IFFs pose a direct threat to sustainable development by undermining state authority and economic equity.

Why do art-related IFFs endure? This essay argues that they persist because the art market is structurally designed around opacity. Anonymity of ownership enables valuation manipulation, cross-border mobility, and exploitation of regulatory gaps. As long as secrecy is treated as a cultural norm and even a competitive advantage, reforms will remain partial. The most effective path forward is to dismantle this anonymity through worldwide enforcement of mandatory beneficial ownership disclosure, supported by global provenance standards, international cooperation, stronger ethics, and oversight of emerging digital platforms and NFTs.

¹ Provenance refers to the ownership history of a valued object, such as an artwork or artifact.

To understand why opacity still defines today's art market, it is first necessary to trace its deeper history. As mentioned, the illicit trade in art and artifacts is not new, but the latest stage in a centuries-long pattern where power, profit, and secrecy converge.

2. From Plunder to Freeports: A Brief History of Illicit Art Trade

For over three millennia, cultural property has been seized, trafficked, and monetized during war, conquest, and colonization (Charney, 2014). What has changed is less the practice itself than the sophistication of the mechanisms used to conceal and profit from it.

Art, Antiquities, and Cultural Property it is important to distinguish between the art market, the antiquities and cultural-property market, and IFFs involving art and cultural property.

The art market generally refers to the overall commercial trade in paintings, sculpture, photography, contemporary art, and other artworks through galleries, dealers, auctions, fairs, private sales, and other transactions.

The antiquities and cultural-property market specifically concerns archaeological objects, heritage objects, and other culturally significant materials whose ownership, export, import, and restitution may be governed by national and international cultural-property laws.

These markets overlap, but they are not legally or commercially identical. IFFs involving art and cultural property can occur across both markets.

In antiquity, looting cultural treasures was a hallmark of empire building. The practice is evident in reliefs like those on the Arch of Titus, which depicts Roman soldiers carrying spoils from the Jewish Temple, Alexander the Great famously seized Persian treasures after the Battle of Issus in 333 BCE, and Napoleon institutionalized such plunder during his European campaigns (1794–1815), exporting masterpieces to France and prompting post-war restitution debates (Gilks, 2013).

Though it wasn't framed as IFFs at the time, this pattern intensified during the colonial period, when European powers extracted sacred and cultural objects from Asia, Africa, and the Americas, frequently under coercive or exploitative circumstances. The 19th century saw the institutionalization of such practices through museum acquisitions and archaeological expeditions, many of which disregarded local laws or sovereignty (Reppas, 2007; Jones, 2009; Reed, 2012; Bowman Proulx, 2013; Jacobs, 2024).

In the early-mid 20th century – from 1933 to 1945 – the Nazi regime orchestrated one of history's most systematic campaigns of art theft, looting over 600,000 artworks and cultural items across Europe (Lerner, 1998). Post-war "displaced art" issues became a precedent for laundering stolen works into private collections. It is a legacy that still fuels restitution claims today (Brook, 2024; Rosovsky, 2025). This period underscored how looted art, once stripped of provenance, could be quietly absorbed into the legal market.

During the Cold War era – from the 1950s to the 1980s – art increasingly functioned as a discreet financial instrument, being used as a payment medium in espionage, arms deals, and sanctions evasion because it can cross borders without obvious paper trails (Nemeth, 2007). Offshore freeports (e.g., Geneva) rose as tax-free storage hubs, enabling secrecy over ownership

and value (Helgadóttir, 2019; Post & Calvão, 2020). By the 1990s and 2000s, these mechanisms became attractive to Russian oligarchs, Latin American cartels, and Middle Eastern elites, who increasingly used high-value art purchases to launder money, move assets discreetly, or dodge sanctions (Purkey, 2010; Shelley, 2024). The boom in contemporary art, with opaque pricing and private sales, made it easier to justify wildly inflated values.

Recent wars in Iraq, Syria, Afghanistan, and Libya have repeated these patterns, with looted antiquities entering Western legal markets through falsified ownership histories (Stone, 2008; Poole, 2008; Stein, 2015; Stephens, 2017; Mugnai, et al., 2017; Brodie, 2022). The ISIS example illustrates how cultural property trafficking can become a revenue stream for armed groups, but similar dynamics operate at lower intensity in other conflict zones. Investigations such as the Panama Papers exposed how shell companies and intermediaries facilitated anonymous art transactions, often involving blue-chip works by Picasso, Basquiat, and Modigliani (Reyburn, 2016; Baranello, 2021). Meanwhile, luxury freeports expanded globally alongside financial hubs and tax havens, in places like Luxembourg, Singapore, Monaco, Delaware, and Beijing, creating new spaces for opaque, tax-free art storage (Helgadóttir, 2023).

The looting of antiquities has become particularly acute in economically poor but culturally rich nations due to a combination of economic instability, weak governance, and high global demand for cultural artifacts (Kirby, 1999; Lane, et al., 2008). In many of these countries, valuable heritage sites are left under-protected, making them easy targets for looters and traffickers.

In sub-Saharan Africa, countries like Mali have seen extensive looting of archaeological sites, including the theft of terracotta figurines from the ancient city of Djenné-Djenno (Cotter, 2012). In Latin America, pre-Columbian artifacts from Peru and Guatemala are routinely smuggled abroad to meet the demand of collectors in wealthier nations (Shedwill, 1992; Boyce, 1997; Agusti, 2009). These acts strip communities of their cultural heritage, finance organized crime, and deprive nations of potential tourism and tax revenue. The loss is often irreversible, contributing to cultural erasure and hindering sustainable national development.

Across centuries, the historical record demonstrates a consistent pattern: art-related IFFs thrive because the market is opaque and art and artifacts are valuable, portable, and difficult to regulate. Each historical phase – from Roman conquests to colonial extraction, from Nazi looting to the emergence of freeports – illustrates how power structures exploit cultural property for financial or political gain. The mechanisms have evolved from plunder and conquest to hidden offshore structures, but the underlying vulnerabilities remain the same.

3. Current Market Practices That Enable Long-Term IFFs

Today's global art market is not a departure from history but its most advanced form. The long history of illicit trade in art underscores a global failure to protect cultural property from exploitation and profit-driven looting. What are the factors that continue to drive this failure? In the current global art market, four structural features create a permissive environment for IFFs that endure: opacity, subjective valuation, high mobility, and regulatory gaps.

While these factors are interconnected, it can be argued that they are not necessarily equal in importance. Opacity of ownership and transactions is a root driver of illicit finance in the art market. Subjective valuation, high mobility, and regulatory gaps are secondary but reinforcing. Subjective pricing would matter less if buyers were transparent; cross-border movement would be less risky if ownership were clear; and regulations would be more enforceable if anonymity were not institutionalized as “confidentiality.” The main enabler of IFFs in the art market is a culture and system that privileges secrecy over accountability.

3.1. Opacity and Anonymity

The art market is widely recognized as one of the opaqueness sectors of the global economy, making it highly susceptible to IFFs (Baranello, 2021; Roth, 2021). Buyers and sellers often remain hidden behind intermediaries – such as dealers, advisors, or auction houses – who are not always legally required to disclose the identities of beneficial owners, especially in jurisdictions lacking stringent anti-money-laundering oversight.

The secrecy is not incidental but systemic. The *Deloitte 2023 Art & Finance Report* highlights transparency as a critical concern across the art market. According to the survey, 74 percent of wealth managers view the lack of transparency as a major factor eroding trust in the market. This concern is echoed by 76 percent of collectors and 80 percent of art professionals, who likewise identify opacity as a central challenge. Among younger collectors, the issue appears even more pronounced: 89 percent of respondents aged 35 and under regard the lack of transparency as a significant problem facing the contemporary art market (Deloitte, 2023).

The use of shell companies, trusts, and freeports – i.e. tax-free storage facilities – extends this opacity. It allows artworks to be bought, sold, or stored with little to no transparency (Worthy, 2020; Krell & Meyer, 2024). Some countries, such as Singapore and Switzerland, have responded with more stringent regulations against freeports introducing new obligations such as customer due diligence and record keeping of goods and their owners (FATF, 2023).

Yet the problem persists because secrecy benefits both wealthy clients and market intermediaries, who profit from high-margin transactions with limited scrutiny. Discretion is defended as tradition, and industry lobbies resist transparency measures despite growing regulatory attention in the EU, UK, and U.S.. The prevailing anonymity not only enables money laundering, tax evasion, and sanctions violations, but also hampers efforts to recover looted or trafficked cultural property (INTERPOL, 2017).

3.2. Valuation Issues

Valuation in the art market is notoriously subjective, inconsistent, and easily manipulated, making it another major vulnerability for IFFs. Unlike traditional financial assets, artworks lack standardized pricing mechanisms and are often appraised based on opaque criteria such as artist reputation, provenance, rarity, and market sentiment (Beckert & Rössel, 2013). This subjectivity enables significant price inflation or deflation, which can be exploited to launder money, by purchasing art at an inflated price or reselling it below market value to transfer wealth discreetly. Because private sales dominate the market and auction results are only partially transparent, there is little oversight or accountability around declared values.

Moreover, appraisals are frequently conducted by individuals or firms with a financial interest in the transaction, creating clear conflicts of interest. In some cases, high-value art is deliberately undervalued for customs or insurance purposes, or overvalued for use as collateral in dubious financial arrangements and to claim tax deductions on gifts. These valuation irregularities undermine regulatory efforts and create ideal conditions for fraud, tax evasion, and capital flight. Most jurisdictions still lack clear legal standards for how artworks should be valued in cross-border transactions or for compliance purposes.

The significance of subjective valuation lies in how it interacts with opacity. The reason that IFFs succeed via subjective valuation, such as laundering schemes through over- and under-invoicing, is because ownership and transaction details remain hidden. Without opacity, valuation irregularities would be easier to challenge.

3.3. High Mobility

The portability of art makes it attractive as a financial instrument. Artworks – ranging from paintings and sculptures to antiquities – are generally compact, durable, and high in value relative to size, making them ideal for discreet cross-border movement. Unlike many other luxury assets, art can be easily transported in private jets, shipping containers, or personal luggage with limited scrutiny, especially when customs declarations are incomplete or misrepresented.

Freeports amplify the circulation of artworks without import or export checks, allowing valuable pieces to change hands multiple times while technically remaining in the same storage unit. These “black holes” of the art trade shield transactions from public view and create blind spots for law enforcement, regulators, and tax authorities (Tanico, 2021). In conflict zones, the rapid trafficking of looted artifacts through porous borders – such as from Syria or Iraq into Turkey or Lebanon – illustrates how mobility is exploited not only by criminals, but also by terrorist groups and smuggling networks.

But unlike subjective valuation, the feature of high mobility alone is not decisive. What distinguishes art is that its mobility is coupled with opacity: authorities cannot easily establish either the object’s true value or its rightful owner.

3.4. Regulatory Gaps

Unlike other high-risk sectors such as real estate or luxury goods, the art market has historically enjoyed significant legal and enforcement gaps that enable IFFs (Baranello, 2021). In the U.S., which accounts for over 40 percent of global art sales at approximately US \$25–\$28 billion, it constitutes “the largest, legal unregulated industry” (U.S. Senate Permanent Subcommittee on Investigations, 2020).

A major problem is that the U.S. federal anti-money laundering framework has long left much of the art market outside comprehensive Bank Secrecy Act obligations. The Anti-Money Laundering Act of 2020 amended the Bank Secrecy Act to include persons engaged in the trade of antiquities within the statutory definition of a financial institution, but made their coverage subject to the U.S. Treasury implementing regulations instead of imposing comprehensive obligations immediately. The Act also required the U.S. Treasury to study money-laundering and terrorist-financing risks in the trade in works of art. The Financial Crimes Enforcement Network (FinCEN) subsequently initiated rulemaking on antiquities dealers in 2021 (FinCEN, 2021), but that process did not result in a final rule. The U.S. Treasury’s subsequent study of the high-value art market found that many art-market participants remained outside comprehensive requirements (U.S. Department of the Treasury, 2022).

Now, the sector-specific Art Market Integrity Act is being proposed by a bipartisan coalition of U.S. Senators (see par. 7.1) to overcome this gap, but its effects will be limited if it is not interoperable across borders. And even where such regulations already exist – such as under the EU’s Fifth Anti-Money Laundering Directive or the UK’s Money Laundering Regulations – compliance is uneven, and enforcement remains weak due to resource constraints and industry resistance (Nizzero, 2023).

International inconsistencies allow traffickers and financial criminals to engage in jurisdictional arbitrage by conducting transactions in jurisdictions with the weakest oversight. Furthermore, provenance documentation – which traces an artwork’s ownership history – frequently remains incomplete, fabricated, or lost, further complicating due diligence (Gerstenblith, 2019). The lack of standardized provenance documentation, loopholes in regulations, and inconsistent enforcement collectively undermine global efforts to combat money laundering and cultural property trafficking.

4. Different Forms of IFFs in the Art Market

The aforementioned vulnerabilities in the art market are not abstract risks but the operating conditions that make IFFs possible. The IFFs manifest in several forms: (trade-based) money laundering, terrorist financing, sanctions evasion, and tax evasion.

These are often treated as distinct problems, but they share a common foundation: anonymity. The ability to conceal ownership enables all four. The key analytical task is therefore to understand how each clusters around secrecy and exploits regulatory blind spots.

4.1. Money Laundering

Money laundering is the primary illicit financial activity in the global art market (Baranello, 2021; Nizzero, 2023). Artworks are unique, subjectively valued, and often traded privately. They offer an ideal medium for obscuring the origins of illicit funds. Criminal actors purchase high-value art using dirty money and later sell or transfer the pieces – sometimes across borders or through intermediaries – to integrate the proceeds into the legitimate economy with minimal scrutiny.

Unlike traditional financial assets, art transactions frequently occur without full disclosure of buyer or seller identities, and provenance records can be forged or incomplete, making it difficult for authorities to trace ownership or verify legality. The use of shell companies, trusts, and anonymous bidding at auctions further conceals the true beneficial owners involved in laundering schemes. In some cases, art is used as collateral for loans without crossing customs borders or appearing in public records.

A specific form of money laundering that often occurs in the art market is trade-based money laundering, i.e. money laundering through trade transactions. It typically involves deliberately misrepresenting the value of an artwork on invoices – either by over-invoicing to justify illicit transfers or under-invoicing to evade taxes and duties. It is a mechanism used by criminals to obscure the origin, movement, and destination of illicit funds. The unique and non-fungible nature of artworks makes it difficult for customs authorities to assess fair market value, and because most cross-border art sales occur privately, there is limited transparency or regulatory oversight.

Example:

Money laundering: A criminal buys a painting with dirty money, sells it later, and claims the profit is from art appreciation.

Trade-based money laundering: The same painting is exported to another country but under-invoiced by 90 percent of its real value. The remaining value (illicit capital) is essentially smuggled via the false paperwork.

Several high-profile cases illustrate how the art market has been used to launder money and hide assets. One of the most notorious examples is the case of Yves Bouvier, a Swiss art dealer and freeport magnate, who allegedly facilitated inflated art transactions for Russian billionaire Dmitry Rybolovlev, marking up artworks by millions of dollars through offshore companies and secretive intermediaries (Kinsella, 2017). While Bouvier denies criminal wrongdoing, the case highlighted how freeports and private sales can obscure true transaction values and ownership. Another major investigation, revealed in the Panama Papers, showed how shell companies were used by wealthy individuals and politically exposed persons to acquire and store art anonymously, including works by Picasso and Basquiat (Reyburn, 2016).

4.2. Terrorist Financing

Terrorist financing through the art market is a particular subset of IFFs in which artworks – especially antiquities – are used to raise, move, or store funds for terrorist organizations (Pauwels, 2016). While money laundering in the art market often involves integrating illicit proceeds into the legitimate economy, terrorist financing effectively operates in reverse: it converts legal or illegal assets into resources for violent activities.

Terrorist groups exploit the aforementioned art market's vulnerabilities – opaque ownership, high-value portability, and weak regulation – to convert cultural objects into cash. This typically occurs in six stages:

- (1) Armed groups seize cultural property from conflict zones, often from archaeological sites, museums, or private collections.
- (2) Looted objects change hands in local black or grey markets through diggers, small-time dealers, and local exporters, and at this stage, items are prepared for sale through crude paperwork or false statements about origin and rudimentary conservation that makes objects more saleable.
- (3) Regional middlemen and cross-border brokers move the objects into neighboring countries with better access to export channels, and here, falsified provenance documents, forged export permits, or staged histories (claims of long private ownership) are manufactured to mask their illicit origins.
- (4) The artifacts are sold via private dealers, auction houses, or informal networks, often through jurisdictions with weak oversight.
- (5) High-value objects may be placed into secure storage or moved through complex shipping routes that exploit customs and free trade zones.
- (6) The final stage is monetization and the use of proceeds to pay terrorist fighters, buy weapons, or fund operations.

Terrorist financing through art is both a heritage crime and a financial crime, destroying cultural memory while channeling value into violent networks. The 2015 UN Security Council Resolution 2199 explicitly recognized this threat, prohibiting the trade in Syrian and Iraqi cultural property (Gurulé, 2017), but enforcement remains inconsistent and global demand continues to fuel the trade. Terrorist financing is possible only because antiquities can be laundered into the legal market through falsified provenance and anonymous sales.

4.3. Sanctions Evasion

Sanctions evasion operates through the same anonymity channels. Sanctioned individuals and entities use shell companies, intermediaries, and freeports to move wealth into art – assets harder to freeze than bank accounts. They buy or sell art through intermediaries (dealers, auction houses) who may be unaware – or willfully blind – to the beneficial owner's identity, especially when transactions occur through private sales or offshore companies. Complex ownership chains mask the connection between the sanctioned person and the artwork, frustrating asset tracing. They then move the artworks to freeports or jurisdictions unlikely to cooperate with enforcement, keeping the assets beyond reach of freezing orders. Artworks can be stored for years and later sold to convert wealth into cash or other movable assets once sanctions pressure eases. This is a form of regulatory exceptionalism: art is treated differently from financial assets, creating a loophole for sanctioned individuals.

In the U.S., a 2020 Senate subcommittee report exposed how Russian oligarchs Arkady and Boris Rotenberg used offshore entities and the U.S. art market to bypass sanctions and launder funds by purchasing high-value art, including works by Renoir and Magritte, through anonymized transactions. Because the art market was not subject to the same anti-money

laundering rules as financial institutions, no obligation existed at the time to identify the true buyers (U.S. Senate Permanent Subcommittee on Investigations, 2020).

In a landmark prosecution under the UK's Terrorism Act 2000, art dealer Oghenochuko Ojiri was sentenced on June 6, 2025, to two and a half years' imprisonment for failing to disclose high-value art transactions conducted with Nazem Ahmad, a diamond and art dealer sanctioned by both the U.S. and the UK as a Hezbollah financier. Between October 2020 and December 2021, Ojiri sold approximately £140,000 worth of artworks despite knowing of Ahmad's ties to terrorism financing and operative sanctions (Pylas, 2025).

4.4. Tax Evasion

Tax evasion represents the most "normalized" form of IFFs in the global art market, exploiting legal loopholes rather than outright criminality. High-value artworks are often purchased through offshore shell companies or trusts, making it difficult for tax authorities to determine true ownership and assess capital gains or inheritance taxes. In some cases, buyers manipulate appraisals to claim charitable deductions or underreport value for estate planning purposes.

Multiple high-profile cases have shed light on how the art market is systematically exploited for tax evasion. Tax deductions for donating art to museums have long existed to support public culture, but have been abused. Examples include fabricated appraisals and inflated valuations by figures like Robert Olson, Jonathan Markell, and the Getty's curator Jiri Frel, resulting in sizable unwarranted tax benefits for donors (Zhivko, 2022). The Panama Papers revealed dozens of art-related offshore holdings, including how a Modigliani painting – looted during World War II – was held in a trust registered in the British Virgin Islands to obscure ownership and avoid inheritance tax (Reyburn, 2016).

Tax breaks and structural loopholes enable art to become an investment tool rather than a shared cultural asset. The blurred line between legal aggressive tax avoidance and illegal tax evasion illustrates the broader challenge: art's opacity allows actors to operate in a financial gray zone where enforcement is nearly impossible. Despite growing recognition, many countries lack specific mechanisms to track and tax art-related wealth, leaving substantial fiscal gaps. The Panama Papers investigation underscores the urgent need for reforms targeting beneficial ownership disclosure and cross-border tax information sharing in the art world.

5. Who Pays the Price?

The costs of art-related illicit finance are mostly borne by societies, not elites. The economic harms of IFFs in the global art market are structural. Estimates of illicit proceeds from the global art market vary, but most fall in the billions annually. According to Global Financial Integrity, the global illicit trade in cultural property is estimated to generate between US \$1.2 billion and US \$1.6 billion in annual revenue (GFI, 2017). The United Nations Office on Drugs and Crime categorizes the "underground" art trade – covering thefts, forgeries, illegal imports, and organized looting – at around US \$6 billion annually, with about half of that (US \$3 billion) tied directly to money laundering (Mashberg, 2019). More recent figures from The Museum Association, UK Metropolitan Police, and INTERPOL estimate approximately US \$3-6 billion per year linked to antiquities trafficking alone (UNESCO, 2023).

While precise quantification remains difficult due to valuation manipulation, lack of transparency, and private transactions, the scale of IFFs through art is substantial. Without clear statistics or enforcement data, there is a serious risk that governments and the public underestimate the scope of the problem. These IFFs are often dismissed as technical or financial crimes, but their consequences reach far beyond balance sheets. More important than the

numbers are the broader harms. Cultural heritage is stolen, states lose resources, institutions lose credibility, and legitimate businesses are disadvantaged.

Of these harms, cultural erasure is the most irreversible, lost tax revenues the most structurally damaging, and market distortion the most pervasive. Together, they show that IFFs in the art market are not “victimless” but redistribute costs to societies at large. Recognizing these harms underscores why reform cannot be delayed: IFFs in the art market simultaneously undermine culture, governance, and commerce.

5.1. Cultural Erasure

IFFs in the global art market represent not only a financial crime but also a serious violation of cultural heritage (Clarke & Szydlo, 2017). The most profound social cost of art-related IFFs is cultural erasure, because it is irreversible. When artworks and antiquities are looted and illegally trafficked, particularly from conflict-affected or economically vulnerable regions, cultural objects are removed from their historical and archaeological contexts and funneled through opaque art market transactions, often involving shell companies, falsified provenance documents, and private sales that obscure their origins.

Looted artifacts stripped from their historical context cannot be replaced. Communities lose heritage that anchors identity, history, and sovereignty, while illicit sales transform culture into fungible capital. The trafficking of Syrian and Iraqi antiquities during ISIS’s occupation, or the theft of Malian terracottas, are not only financial crimes but direct assaults on cultural memory. Unlike lost tax revenues or market distortions, these harms are permanent.

5.2. Lost Tax Revenues

Tax evasion through offshore art holdings and freeports structurally deprives governments of substantial resources. Shell companies and manipulated valuations obscure the true ownership and value of artworks and allow elites to conceal assets and avoid capital gains.

One of the key mechanisms driving these practices is the use of freeports where valuable artworks can be stored, in some cases without the need for public disclosure of the ultimate beneficial owner. Moreover, the registered value of the goods often depends solely on self-declaration. This enables individuals to underreport or entirely avoid taxes on sales, including sales taxes, capital gains taxes, and import duties (European Parliament, 2018).

Secretive sales and donations of high-value artworks, often sold through private transactions or unregulated auctions or donated to non-profit organizations, are also used to conceal illicit wealth or avoid taxation (European Parliament, 2018; Pierson, 2023).

As the European Parliament underscores, the art market’s vulnerability to such practices is exacerbated by its global nature and the anonymity afforded by these transactions, which make it difficult for tax authorities to trace financial flows. As a result, governments lose substantial tax revenues that could otherwise be used for public goods and services. This fiscal gap not only undermines state capacity but also shifts the burden of taxation onto ordinary citizens, reinforcing inequality.

5.3. Weakened Institutional Credibility

Cultural institutions, galleries, auction houses, and museums risk reputational damage when they fail to prevent exploitation by laundering networks or trafficking operations. The art market’s association with IFFs undermines public trust and can have long-term consequences for funding, partnerships, and ethical standing.

In May 2022, Jean-Luc Martinez – who served as president-director of the Musée du Louvre from 2013 to 2021 and later became France’s ambassador for international cultural heritage

cooperation – was indicted by French authorities on charges of complicity in organized fraud and money laundering. These charges arose amid an investigation into antiquities trafficking, specifically relating to the acquisition of several Egyptian artifacts – including a pink granite stele inscribed with Tutankhamun's name – by the Louvre Abu Dhabi in 2016, which investigators allege were accompanied by falsified provenance documents (Klein, 2022).

Such scandals illustrate how elite institutions can be compromised and weaken their moral authority. Martinez was expected to uphold the highest standards of ethical and scholarly oversight. His alleged complicity in the acquisition of looted Egyptian artifacts exposes critical failures in due diligence protocols within some of the world's most prestigious museums. This case not only casts doubt on the integrity of high-profile museum acquisitions but also reveals the vulnerability of institutional systems to manipulation by art market actors with access to forged documentation.

The controversy raises broader concerns about the extent to which museum leadership is held accountable, particularly when international partnerships and national prestige are at stake. While reputational harm may be reversible, its corrosive effect on confidence in cultural institutions is significant.

5.4. Chilling Effects on Legitimate Commerce

IFFs in the global art market create an uneven playing field for collectors and institutions. Inflated prices, opaque provenance, and illicit competition contribute to a "hidden tax", driving up costs and risk for legitimate businesses, particularly small galleries and dealers, which may hinder market diversity and innovation.

The Knoedler Gallery scandal, which came to light in 2011, illustrates how the chilling effect of IFFs extends beyond the transactional level and undermines broader confidence in the global art industry (Fincham, 2019). The Knoedler Gallery, one of New York's most prestigious art dealers, sold a series of fake paintings purportedly by famous artists like Mark Rothko and Jackson Pollock for millions of dollars, which were later discovered to have been forged.

While the primary issue was the forgery itself, the scandal also involved illicit financial transactions through intermediaries in the art market, complicating the authenticity and provenance of the artworks. This eroded public trust in the gallery system, making some collectors hesitant to engage in high-value purchases. In the wake of the scandal, collectors began to question the integrity of the art world. The chilling effect, therefore, was not only financial but also psychological, as the uncertainty about authenticity and provenance became a deterrent for potential buyers and sellers.

6. Persistence of IFFs in the Global Art Market

If the harms are clear, why do IFFs in the global art market persist? At root, the persistence reflects perverse incentives: opacity is profitable. It benefits many powerful actors, from collectors seeking discretion to elite intermediaries reluctant to sacrifice financial gains. Other explanations are weak enforcement, jurisdictional loopholes and new digital avenues.

6.1. Perverse Incentives

Collectors, art dealers, auction houses, and intermediaries, profit directly and indirectly from secrecy. They view regulatory scrutiny as a threat to the artistic and commercial freedom that characterizes the industry (Day, 2013). There is a strong cultural resistance to regulatory intervention. This resistance is deeply embedded in the art market's historical reliance on

informal networks and personal relationships, where trust and secrecy have been central to facilitating high-value transactions (Zarobell, 2017).

Transparency threatens a profitable market and business model built on privacy, confidentiality, and discretion. Driven by financial gain and access to wealthy clients, art dealers, auction houses, and intermediaries may turn a blind eye to questionable transactions or even actively facilitate them to secure lucrative commissions. Their interests are aligned with the concealment and movement of illicit wealth. The market's structural incentives to preserve secrecy and prioritize profitability over integrity sustain IFFs, creating a system where illicit activities are not only tolerated but often actively encouraged.

Additionally, the lack of stringent regulations around the valuation and provenance of art pieces allows for the inflation of prices. The willingness of certain buyers, including politically exposed persons and individuals seeking to shield assets from scrutiny, further fuels this cycle. In an environment where transparency is minimal, the profit margins in art sales offer incentives for market actors to prioritize financial gains over ethical practices or compliance with regulatory standards (Milano, 2019).

As a result, even as IFFs become more prevalent, there is often a reluctance to acknowledge or address the role of the art market in enabling money laundering, tax evasion, and other illicit activities. This cultural resistance creates an environment where actors feel justified in evading regulations, allowing IFFs to persist unchecked.

6.2. Lack of Enforcement Capacity

The hidden and often global nature of art transactions makes detecting and proving illicit activity challenging for law enforcement agencies, both at the national and international level, and complicates efforts to monitor activities. Identifying, tracing, and recovering assets connected to art-related IFFs presents difficulties, as does linking specific offenses to the monetary benefits they generated. Enforcement agencies often lack specialized training and tools to investigate IFFs within the art market (FATF, 2023).

INTERPOL facilitates voluntary cooperation with its international database of stolen cultural property (Hufnagel, 2019). Some countries have dedicated art crime units (e.g., Italy, with the Carabinieri Art Squad, and the U.S., with the FBI's National Art Crime team), but they are rare (Rush & Millington, 2015). The result is largely "symbolic compliance". Laws and regulations aimed at curbing money laundering and other IFFs exist, but the enforcement mechanisms in place are underfunded, fragmented, and inconsistent across jurisdictions. This lack of enforcement capacity creates an environment where IFFs can continue unabated, undermining efforts to ensure transparency and integrity in the global art market.

6.3. Jurisdictional Arbitrage

The fragmented regulatory landscape of the art market allows illicit actors to move assets across borders to the weakest jurisdictions, with minimal risk of detection or legal repercussions against money laundering and financial crime. The absence of a unified international regulatory framework for the art market makes it easier for criminals to manipulate the system, as laws governing the sale, import, and export of art can differ widely among countries.

This arbitrage is systemic: so long as there is no global standard, illicit flows will migrate rather than disappear. Freeports in Switzerland, Luxembourg, or Singapore thrive precisely because of disparities in oversight. Jurisdictional arbitrage creates an environment where IFFs can be hidden in plain sight, making enforcement difficult and undermining global efforts to tackle financial crime within the art market.

6.4. Digital Developments

The rise of online art platforms and non-fungible tokens (NFTs)² has created new avenues for hidden IFFs in the art market (Kaferanis & Turksen, 2022). Online platforms and NFTs replicate the anonymity of shell companies. They enable cross-border sales at scale but often operate with minimal regulatory oversight, allowing anonymous or pseudonymous transactions that make it difficult to establish the identities of buyers and sellers. NFTs also recreate market pricing games. Their values are highly volatile and easily manipulated through wash trading, where the same asset is sold repeatedly between related parties to inflate prices or launder money.

The global and decentralized nature of these digital markets further complicates regulatory oversight, as illicit actors can exploit gaps between jurisdictions to avoid scrutiny. Taken together, these developments extend long-standing challenges of secrecy and opacity in the art trade into the digital sphere, ensuring that IFFs continue to persist despite growing regulatory attention.

7. Pathways to Reform

The persistence of IFFs in the global art market underscores the need for a systematic and coordinated reform agenda. Addressing this challenge requires more than piecemeal interventions. It demands a comprehensive framework of reforms that balances market freedom with accountability on a global level. While the art market has long operated with high levels of discretion and minimal oversight, this opacity now poses systemic risks, particularly in an era of cross-border transactions and digital platforms.

Pathways to reform must therefore target the structural weaknesses that enable secrecy, manipulation, and jurisdictional arbitrage. These include coordinating ownership transparency internationally, harmonizing provenance standards, fostering international cooperation, building greater professionalism, and strengthening oversight of online platforms and NFTs.

7.1. Worldwide Enforcement of Mandatory Public Beneficial Ownership Disclosure

A central pathway for reform in addressing IFFs in the art market is the worldwide enforcement of mandatory public beneficial ownership disclosure. In its 2021 Pandora Papers investigation, the International Consortium of Investigative Journalists (ICIJ) revealed how art assets are frequently traded through offshore companies and trusts that conceal the identities of their true owners. The investigation exposed the widespread use of these opaque structures by politicians, oligarchs, business elites, and criminals to buy and sell art without public scrutiny. According to the leaked documents, over 1,600 artworks by approximately 400 artists were linked to transactions conducted through intermediaries registered in global tax havens (Alecci, 2022). By internationally coordinating the requirement for buyers, sellers, and intermediaries to reveal the ultimate beneficial owner behind transactions, regulators can pierce the veil of shell companies and offshore structures that obscure accountability.

While globally unified beneficial ownership registries for art transactions are not yet in place, the EU has attempted to establish a significant beneficial-ownership transparency framework. The Fifth Anti-Money Laundering Directive (Directive (EU) 2018/843, "AMLD5") required Member States to establish central registers containing adequate, accurate and current information on the beneficial owners of corporate and other legal entities, and expanded access to that information. However, in its judgment of 22 November 2022 in Joined Cases C-37/20,

² NFTs are unique digital assets recorded on a blockchain, often used to represent ownership of digital art and collectibles.

Luxembourg Business Registers, and C-601/20, *Sovim*, the Court of Justice of the European Union held invalid the AMLD5 provision that made beneficial-ownership information accessible in all cases to any member of the general public, finding that such access constituted a disproportionate interference with the rights to privacy and protection of personal data under Articles 7 and 8 of the EU Charter of Fundamental Rights. The current framework therefore distinguishes between access by competent authorities and financial intelligence units, access by obliged entities for customer due-diligence purposes, and access by other persons subject to applicable conditions, instead of providing a general right of public access. The EU's 2024 anti-money-laundering package – particularly Regulation (EU) 2024/1624 (the Anti-Money Laundering Regulation) and Directive (EU) 2024/1640 (the Sixth Anti-Money Laundering Directive) – will further harmonize beneficial-ownership requirements and access rules from 10 July 2027, including a specific regime for persons able to demonstrate a legitimate interest in accessing beneficial-ownership information.

Under the current EU rules, art dealers are also obliged to verify the identity of customers and report suspicious transactions and activities for transactions above EUR 10,000 – regardless of payment method – and perform enhanced due diligence for high-risk items. Similar obligations exist in the UK for art market participants who deal in sales, purchases, or storage of works of art with a value, for a single transaction or a series of linked transactions, of EUR 10,000 or more.

In the U.S., the Corporate Transparency Act (CTA) was enacted in 2021, mandating entities to report beneficial ownership information (BOI) to the FinCEN. The initiative gained practical traction in early 2024 when the U.S. government launched a centralized beneficial ownership registry, accompanied by extensive outreach campaigns, including public service announcements and stakeholder engagement, to ensure broad compliance among reporting entities.

However, on March 2, 2025, the Trump administration announced a significant policy shift: it would suspend enforcement of BOI reporting requirements and penalties for U.S. citizens, domestic reporting companies, and their beneficial owners, even in the face of forthcoming regulatory changes. Instead, the Treasury signaled plans to reorient the CTA's application to foreign reporting companies only (U.S. Department of the Treasury, 2025). This abrupt reversal raises critical questions about the efficacy of U.S. legislation as a tool against money laundering, corruption, and illicit finance.

In July 2025, a bipartisan coalition of U.S. Senators came up with a sector-specific initiative. It introduced the Art Market Integrity Act, a legislative proposal aimed at subjecting the U.S. art market to existing anti-money laundering and counter-terrorism financing regulations (U.S. Senate Committee on the Judiciary, 2025). The Act would expand the Bank Secrecy Act's definition of "financial institution" to include art dealers, galleries, auction houses, consultants, advisors, custodians, and even museums, in order to subject them to a suite of anti-money laundering compliance measures analogous to those imposed on traditional financial institutions: maintaining records, conducting customer due diligence, filing suspicious activity reports, and establishing internal controls, training, anti-money laundering officers, and independent testing mechanisms. Proponents emphasize that this move would align U.S. regulation with existing frameworks in the EU and the UK.

Regulations that expose beneficial ownership, as those being enforced in the EU and proposed in the U.S., reduce opportunities for anonymity and thereby hinder the ability of politically exposed persons and criminal actors to launder money through high-value artworks. Without international enforcement coordination, however, bad actors may simply shift their activity to other unregulated or lightly regulated markets. Mandatory public beneficial

ownership disclosure must be made interoperable across borders to prevent regulatory arbitrage, ensuring that illicit actors cannot simply shift transactions to more opaque markets.

Of all the reforms proposed, this measure is the single most urgent and impactful. Without it, other reforms risk being cosmetic, because anonymity is the foundation on which nearly every art-related IFF rests. Standardized provenance checks, while valuable for addressing looted antiquities, cannot stop laundering if the real owner remains hidden behind a shell company. Likewise, an international art trade treaty would help harmonize enforcement but will take years to negotiate and faces political resistance. In the short term, forcing transparency around beneficial ownership offers the clearest path to dismantling secrecy, reducing jurisdictional arbitrage, and restoring credibility. Other reforms – such as accreditation schemes or NFT regulation – should be viewed as complementary, but they cannot substitute for the systemic change that ownership disclosure represents.

7.2. Global Due Diligence Standards for Provenance

The establishment of global due diligence standards for provenance verification is a second priority. Provenance – the documented ownership history of an artwork – has long been inconsistently recorded, leaving gaps that can conceal illicit origins or facilitate manipulation of value. The ISIS case illustrated how falsified or incomplete histories allow artifacts to cross borders undetected.

Introducing standardized, internationally recognized protocols for provenance checks would strengthen transparency and accountability across the trade. Organizations like Responsible Art Market already advocate for best practices – such as verifying beneficial ownership, screening clients against PEP and sanctions lists, and conducting media checks. Yet, these guidelines remain non-binding and uptake might be uneven across regions and institutions.

Recently, the EU strengthened its legal framework for the import of cultural goods through Regulation (EU) 2019/880 on the introduction and import of cultural goods. The Regulation does not impose a uniform provenance-documentation requirement on all dealers, galleries, auction houses, or other market participants for every cultural object over 200 years old and valued above EUR 18,000. Instead, it establishes different requirements according to the category of cultural good.

In particular, cultural goods falling within Part B of the Regulation's Annex – principally archaeological objects and elements of monuments that are at least 250 years old – are subject to an import-license requirement, with the application supported by documentation or information demonstrating lawful export from the country where the goods were created or discovered. Cultural goods falling within Part C, which include specified categories such as paintings, sculptures, manuscripts, books, coins and ethnographic objects, are subject to an importer statement where they are more than 200 years old and exceed EUR 18,000 in value. The importer statement requires a declaration concerning lawful export and a standardized description sufficient to identify the object and facilitate customs risk analysis and targeted controls.

The Commission's implementing rules, Regulation (EU) 2021/1079, further specify the importer-statement procedure and the supporting information to be held by the declarant, including evidence of due diligence and standardized object information, such as photographs. Accordingly, Regulation 2019/880 is better understood as a category-specific customs and import-control regime, rather than as a blanket EU requirement for dealers, galleries and auction houses to provide detailed provenance records for all older, higher-value cultural objects.

While the regulation marks a significant step forward in regulating cultural property movement, its success will ultimately depend on consistent enforcement across member states and close collaboration with customs authorities and the art trade sector. Requiring dealers, galleries, and auction houses to maintain verifiable digital provenance records could also make a difference. And harmonization at the global level would further ensure that provenance due diligence is not undermined by fragmented national standards. But without beneficial ownership transparency, provenance reform addresses only part of the problem: the object's history, not the owner's identity.

7.3. International Art Trade Treaty or Protocol

Given the globalized nature of the art trade, national reforms alone are insufficient. An international treaty or protocol on the regulation of the art market could provide the necessary multilateral framework to harmonize standards, close jurisdictional loopholes, and establish mechanisms for cross-border cooperation. Modeled on conventions in areas such as anti-corruption or arms control, such an instrument could set minimum requirements for due diligence, beneficial ownership transparency, and enforcement cooperation. By establishing binding obligations, an international treaty would elevate art market reform from a patchwork of domestic initiatives to a coordinated global response to IFFs.

An overarching international treaty specifically to tackle IFFs in the art market remains absent. The closest parallels are conventions that address illicit trafficking in cultural property, such as the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Cultural Property, the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and the 2017 Council of Europe Convention on Offences relating to Cultural Property.

The UNESCO 1970 Convention establishes measures for preventing the illicit import, export and transfer of ownership of cultural property, including through export certificates, controls on the acquisition of illegally exported property by museums and other institutions, and cooperation between States in the recovery and return of cultural property. The 1995 UNIDROIT Convention complements this framework by establishing common private-law rules for the restitution of stolen cultural objects and the return of cultural objects illegally exported from another Contracting State; it also incorporates due-diligence considerations when determining whether a possessor is entitled to compensation. The 2017 Council of Europe Convention takes a more explicitly criminal-law approach: it requires Parties to establish offences relating to, among other things, theft, unlawful excavation, unlawful import and export, illegal acquisition and placing on the market, and falsification of documents, while also providing for investigation, prosecution, preventive measures and international cooperation. The Convention entered into force on 1 April 2022 and is open to accession by States beyond the Council of Europe.

Altogether these treaties address illicit import, export, and transfer of cultural property but they do not focus on financial transparency or anti-money laundering reforms. On the other hand, there are recommendations from the Financial Action Task Force (FATF), which provide a global standard on anti-money laundering policy, but these do not include professionals involved in markets for cultural objects. As such, no binding global protocol governing the broader financial risks of the art trade has yet been adopted.

The negotiations for such a treaty would be slow, and political will is uncertain. Until such a treaty materializes, national reforms must move forward independently, even if imperfect.

7.4. Professional Accreditation and Ethics Enforcement

Strengthening professional standards in the art market through accreditation and ethics enforcement represents a pathway to reform for the industry. At present, participation in the art trade is largely unregulated, with few binding professional obligations. There are industry-led guidelines – e.g., Responsible Art Market's due diligence framework – that encourage ethical conduct, but no widespread, enforceable accreditation systems exist. Formal professional oversight remains largely undeveloped.

Introducing accreditation schemes for dealers, galleries, and intermediaries – backed by enforceable codes of ethics – would professionalize the sector and create accountability mechanisms for misconduct. Independent bodies or professional associations could play a role in monitoring compliance and imposing sanctions for violations. Such measures would not only deter illicit practices but also enhance market confidence by signaling adherence to recognized ethical and legal standards.

7.5. Monitor Online Art Platforms & NFTs

The rapid growth of online art platforms presents both opportunities and risks for illicit finance. Digital platforms enable broader access to art markets but also create new spaces where anonymity and cross-border transactions can facilitate money laundering. This area is emerging but still nascent.

Regulators should require online art platforms to implement the same customer due diligence and anti-money laundering procedures as traditional intermediaries, including transaction monitoring and suspicious activity reporting. Without such oversight, online platforms risk becoming the next frontier for illicit flows in the art market (FATF, 2023). As many platforms remain unregulated, this remains a critical gap.

Another recent phenomenon is the emergence of NFTs. Because each NFT is one-of-a-kind and stored on a public ledger, they can serve as proof of authenticity and provenance. However, NFTs also create risks for IFFs, since they can be traded anonymously, across borders, and at highly variable prices. These features make them attractive for practices such as money laundering and wash trading, where assets are bought and sold repeatedly to inflate value or disguise the source of funds.

Policymakers and regulators have begun to respond. The FATF now advises governments to apply relevant anti-money laundering and counter-terrorist financing measures to virtual asset activities, including customer due diligence and suspicious transaction reporting, where applicable. In Europe, the Markets in Crypto-Assets Regulation (MiCA), which came into effect in late 2024, does not automatically regulate all NFTs: genuinely unique and non-fungible crypto-assets may fall outside its scope, while fractionalized, fungible, or functionally equivalent arrangements may be covered. The applicable anti-money laundering obligations therefore depend on the characteristics and use of the asset, as well as the role and activities of the service provider, with relevant obligations also arising under the broader EU anti-money laundering framework.

Despite recent regulatory advances, major gaps remain in monitoring NFTs as potential channels for IFFs. Regulation is still highly fragmented: while the EU's MiCA now subjects some NFT platforms to anti-money laundering obligations, many jurisdictions – including the U.S. and several Asian markets – lack clear or binding rules, creating space for jurisdictional arbitrage (Aizenman, 2023). Legal uncertainty further complicates oversight, as NFTs often fall between categories of financial assets, commodities, or cultural goods, allowing platforms to argue they are outside existing frameworks. Technical challenges such as detecting wash trading and price manipulation add to the difficulty, while supervisory agencies often lack the resources or

expertise to track complex blockchain-based activity. Finally, oversight remains weak on smaller or decentralized NFT platforms, where transactions can occur without central operators, and in hybrid cases where NFTs are integrated with cryptocurrencies or tokenized real-world assets.

These gaps highlight that, despite growing attention, monitoring NFTs remains partial and uneven, leaving significant vulnerabilities for exploitation.

8. Conclusion

IFFs in the global art market undermine the achievement of the United Nations Sustainable Development Goals by perpetuating global inequalities. They have existed for a long time and are not a series of isolated scandals but the predictable outcome of a system built on secrecy. The art market's opacity, price flexibility, high mobility, and regulatory gaps make it a fertile conduit for (trade-based) money laundering, tax evasion, sanctions evasion, and terrorist financing.

These illicit activities distort cultural and economic institutions, deprive societies of heritage and revenue, and create an uneven level playing field for legitimate art market participants. IFFs persist in the global art market because of perverse incentives (discretion and prestige), a lack of enforcement capacity among regulatory bodies, jurisdictional arbitrage, and digital developments, including online art platforms and NFTs.

Addressing this major challenge demands a coordinated regime of global standards, rigorous national enforcement, and industry-led accountability. Only through this multifaceted strategy can the global art market regain integrity and contribute positively to the United Nations Sustainable Development Goals.

The most urgent priority is the worldwide enforcement of beneficial ownership disclosure, which would dismantle the anonymity on which all other forms of abuse depend. Global provenance standards, international treaties, and accreditation schemes must follow, but without transparency at the point of ownership, these measures risk being symbolic. Digital platforms and NFTs further heighten the stakes, expanding the vulnerabilities of the physical art market into a borderless, unregulated sphere. The reforms must be implemented within a cooperative international framework, given the inherently transnational nature of art transactions and the ease with which illicit actors exploit jurisdictional disparities.

The persistence of IFFs in today's global art market is not inevitable or a matter of fate. It is a product of policy choices, industry practices, and cultural norms that tolerate secrecy over accountability. Allowing this status quo to continue means accepting that cultural heritage will remain vulnerable to looting, that millions in illicit wealth will evade taxation, and that art will serve as a financial refuge for corruption, organized crime, and even terrorism. An alternative is within reach. With the aforementioned proposals for coordinated global reforms, the art market can transform from a vehicle of exploitation into a force for cultural preservation and equitable growth.

In the words of the International Criminal Court, cultural heritage crimes wound our shared humanity. In the words of Nouriel Roubini, opacity also makes art a perfect vehicle for money laundering. Today's global art market will remain compromised until we heed both warnings – and choose transparency over secrecy.

Acknowledgment

This essay was awarded Second Prize in the 2025 Amartya Sen Essay Prize Contest. The author gratefully acknowledges Academics Stand Against Poverty (ASAP) and the Washington-based

think tank Global Financial Integrity (GFI) for jointly funding and administering this initiative. Special recognition and gratitude are extended to Tom Cardamone and Raymond Baker, who founded Global Financial Integrity two decades ago and have since developed it into a formidable force in the global effort against illicit financial flows and inequality. The author is also grateful to Thomas Pogge and Michal Apollo for providing valuable editorial feedback on the initial draft of this essay.

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