# Global Attractive Index for Money laundering using Walker's Gravity Model: An Approach to Determine the Preferred Destinations

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## Abstract

*This study develops a Money Laundering Attractiveness Index (MLAI) for the countries that are preferred for money laundering. The study first discussed the concept of money laundering and the size and volume of money laundered. Walker's Gravity Model has been used to determine the preferred destinations. The model was developed by John Walker to estimate the illegal funds flow globally. The model consists of two segments, including attractiveness and distance. Data from 2002 to 2022 has been collected and analyzed across approximately 150 countries. The study examined the flow of illegal funds from the source country to the preferred destination among all income groups classified by the World Bank. The results show that countries with stable economic conditions and a higher standard of living hold the top positions in the money laundering attractiveness index. The study underscores the need for coordinated global action and recommends revisiting current anti-money laundering strategies. The proposed index offers a valuable tool for intergovernmental bodies and policymakers to develop more targeted and effective responses against organized crimes like money laundering.*

*Keywords: Illegal Funds Flow, Money Laundering, Money Laundering Attractiveness Index, Organized Crime, Walker's Gravity Model, World Bank*

## Introduction

Money laundering is a global financial crime that helps wrongdoers secure their illegal wealth, worth trillions of dollars. It is a crime that makes other criminal activities fruitful, as it aids in utilizing such funds without getting caught.

Money laundering is a crime traced back to 13 Century BC.[1]. It has become so sophisticated and developed that it helps the criminal elements to wash their dirty money, amounting to trillions of dollars generated through corruption, public fraud, kickbacks, embezzlement of funds, trafficking of arms, drugs or humans, smuggling of goods, extortion, and other organized crimes. According to the United Nations Office on Drugs and Crime estimated amount of money laundered each year is 2% to 5%[2], if calculated on the higher side, it will be more than USD$ 5 trillion. The quantum of the amount involved in the crime of money laundering solely explains the need to address the issue.

The dynamic and ambiguous nature of the money laundering process, along with the significant amount involved, makes it challenging to estimate the total funds involved in money laundering. Gerbrands et al (2022) also suggest the same. The concept of money laundering is not new, and for centuries the people and businesses have been using such techniques. The term money laundering came into existence when mafias in the United States started to use public laundry businesses to convert their illegal funds due to cash cash-based nature of their business (Korejo, 2021). The laws and regulations related to money laundering have been available for decades. However, it was after the 9/11 terrorist attacks on American soil that revived the anti-money laundering regimes.

There is also a lack of a single, mutually agreed-upon definition of money laundering. Different intergovernmental bodies define money laundering differently, which creates discrepancies in laws and regulations implemented in various jurisdictions. However, in general, it is mutually agreed that money laundering is the set of complex transactions that consists of three stages. Placement, at this stage, illicit funds are introduced into the legitimate financial system. In the second stage of Layering, the origin of the money is concealed through complex transactions to obscure its source. The third and final stage of Integration is when laundered money is reintroduced into the economy as apparently legitimate assets or funds. Below are some of the available definitions:

United Nations

"The conversion or transfer of property, knowing that such property is derived from any offense(s), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in such offense(s) to evade the legal consequences of his actions".

FATF

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[1] IBA Money Laundering Forum

[2] The IMF and World Bank estimate that 3%-5% of global GDP (https://2009-2017.state.gov/j/inl/c/crime/c44634.htm)

"Money laundering" is the act by which the proceeds of crime are made to appear legitimate.

EU

Money laundering is the process by which criminals conceal the illegal origin of their property or income.

Anti-money laundering (AML) regulations enforced around the world generally focus on countries with weak governance, endemic corruption, and strong criminal ties, usually less developed or developing nations. These countries are subjected to a large resource drain resulting from illegal financial outflows with negative consequences for poverty reduction, education, health, infrastructure and economic growth. When the UN office on drugs and crime published  an analysis of 11,000 cases of money laundering in 2019, the data showed that the vast majority of the money gets sent to offshore jurisdictions where, as George Staple, a retired spy, points out, it cannot be seized (Mugarura, 2020; Sharman, 2020). Early theories posited that much of the laundered money would have gone back to the country to fund other criminal activities, but the laundering trail suggests that criminals feel more secure if they keep their wealth offshore and are thus insulated from getting shut down by authorities who go after fleeced victims. This is a fact that undermines the current world approach to anti-money laundering (AML), because that approach is more concerned with the source and first port of call rather than the journey to shelter for stolen money. USD 3.7 billion in corruption-related assets were identified in richer countries by Transparency International  to illustrate this problem. Christensen (2011)  claims that a political unwillingness is creating barriers to action on implementation. As such, reliable estimates of the flows of money through the  system and preferred laundering sectors become paramount, where Walker's Gravity Model becomes an invaluable framework in the analysis of movement and risk.

Money laundering presents significant economic and social threats globally, as it aids criminal activity and denies wealth to nations that is rightfully theirs. Although researchers have focused more on the concept of money laundering, its definition, the effects and other theoretical aspects of the phenomenon (e.g., Quirk, 1997; Walker, 2002). A review of several studies highlights that there is still a large  gap concerning the attractive destinations where dirty money is laundered. For example, most studies only analyze single countries, i.e., the Netherlands (Unger et al., 2006), Romania-Turkey (Ene, 2014), or Russia or Indonesia  (Romana et al., 2023; Ariesiyani & Alham, 2023), providing incomplete answers. The Basel AML  Index is a good effort so far, but it focuses mainly on source jurisdictions, not destination countries. There are no global rankings that point out the best or worst places  to stash laundered money. This paper seeks to address the gap by being the first to create a worldwide index of desirable places  to launder money.

Money laundering causes widespread economic, social, and political harm by fueling crime, distorting markets, weakening institutions, and reducing public resources. It undermines democracy, increases inequality, and damages international reputation, leading to sanctions and reduced global cooperation. Ultimately, it threatens national security and long-term development stability.

## Review of Related Literature

The previous literature in this section addresses multiple aspects of money laundering, measures and its socio-economic effects. It offers a window into techniques employed to quantify proceeds of crime and assesses money laundering impacts on development, stability and governance.

Unger et al. (2006), by using Walker's Gravity Model, stated that some USD 30 billion is laundered annually in the Netherlands. The research also underlined the importance of accurate information to strengthen AML frameworks. Schneider (2010) also employed the MIMIC model, and estimated that the turnover in organized crime in 20 OECD countries amounted to a considerable USD 2.013 trillion. These analyses emphasize the difficulties around data availability and the changing styles of laundering methods.

Gjoni et al. (2015) linked globalization and technological innovation to rising money laundering, particularly affecting nations with weak AML laws. Mugarura (2020) echoed that less-developed countries bear an unfair AML burden. Korejo et al. (2021) criticized the evolving FATF framework for weak political commitment. Shah and Aish (2021) tied laundering to macroeconomic instability in South Asia. Gilmour (2022) emphasized evolving laundering methods via digital tools. Studies by UNODC (2011), Ene (2014), Ardizzi et al. (2014), Chong and Silanes (2015), Alouk and Bagheri (2012), Otusanya (2011), Ali (2022), and Harris et al. (2009) explored laundering's institutional, developmental, and economic consequences.

Recent studies on money laundering show a strong shift toward using advanced technologies like artificial intelligence to detect and prevent illegal financial activities. For example, Deprez et al. (2024) found that graph-based models, especially graph neural networks, are much better at uncovering suspicious connections between transactions than traditional methods. In a follow-up study, they emphasized how important it is for these systems to keep learning and adapting over time to stay ahead of new laundering tactics (Deprez et al., 2025). Likewise, Fan et al. (2025) developed a deep learning framework specifically for mobile money transactions, helping systems detect unusual patterns while also protecting user privacy. Jensen and Iosifidis (2022) added that while machine learning offers powerful tools, it's just as important to ensure these systems are transparent, fair, and built on reliable data. Together, these efforts point to a future where smart, adaptable technologies play a central role in fighting financial crime.

Alongside these tech-focused approaches, researchers are also exploring the broader economic and political impacts of money laundering. Khelil et al. (2024) show how laundering contributes to serious problems like rising inflation, tax avoidance, and weaker financial accountability. In Malta, Mintoff and Vella (2024) reveal how laundering networks often operate with political protection, making it even harder to enforce the law. On a more global scale, Ahuja et al. (2023) trace how academic interest in AML has grown over the years, especially after 2012, as concerns around cryptocurrency and digital finance expanded. Al Naqbi et al. (2025) confirm this trend, highlighting the need for blockchain-based tools and AI to respond to the growing risks of crypto-related financial crime. Altogether, these studies reflect how the fight against money laundering

requires not just better technology, but also stronger institutions and smarter, more targeted policies.

In general, the literature highlights financial crime as being a key factor undermining national economies, governance and development, with a need for concerted international cooperation, accurate information and flexible policy responses to address the fast-evolving dimensions of this growing problem.

## Methodology and Data

The previous sections highlight the need for quantification of the amount involved in money laundering to counter such activities. In order to implement more effective and fruitful laws and regulations policy policymakers require the exact areas and jurisdictions to focus on. Therefore, to determine the most favorite destinations for laundering of ill-gotten wealth, a suitable approach is required, the Walker Gravity Model best fits the said purpose.

### Sample Size

Data has been collected across approximately 150 countries to determine of most favorable destinations for money laundering through Walker's Gravity Model, due to the unavailability of data number of countries varies from year to year. The list of countries is mentioned in Table 1. Data collection to establish the Money Laundering Attractiveness Index involves various observations and stats from year 2002 to 2022 for each country and includes economic and financial data like GDP per capita, financial deposit (FD). Perception indicators consist of government attitude (GA), banking secrecy (BS), conflict (CF), and corruption (C). SWIFT and the Egmont group are also taking part. The variables are briefly discussed in Table 2.

The second part of the study aims to determine the preferred destination for money laundering purposes from countries bifurcated in income classification based on GNI per capita by the World Bank. The said list comprises of 218 countries distributed as high-income countries (> 13,845), upper middle countries (4,466 - 13,845), lower middle countries (1,136 - 4,465), and low-income countries (<= 1,135).

Table 1
List of 154 total countries used for Estimations

| | | | |
|---|---|---|---|
| Afghanistan | Cyprus | Kuwait | Russia |
| Albania | Czech Republic | Kyrgyzstan | Samoa |
| Algeria | Denmark | Laos | Saudi Arabia |
| Argentina | Dominica | Latvia | Senegal |
| Armenia | Dominican Republic | Lebanon | Serbia |
| Australia | East Timor | Lesotho | Seychelles |
| Austria | Ecuador | Liberia | Sierra Leone |
| Azerbaijan | Egypt | Libya | Singapore |
| Bahamas, The | El Salvador | Lithuania | Slovakia |
| Bahrain | Fiji | Luxembourg | Slovenia |
| Bangladesh | Finland | Macau | Solomon Islands |

| | | | |
|---|---|---|---|
| Belarus | France | Macedonia | South Africa |
| Belgium | Gambia, The | Madagascar | Spain |
| Belize | Georgia | Malawi | Sri Lanka |
| Benin | Germany | Malaysia | Sudan |
| Bhutan | Ghana | Maldives | Suriname |
| Bolivia | Greece | Mali | Swaziland |
| Bosnia & Herzegovina | Grenada | Malta | Sweden |
| Botswana | Guinea | Mauritania | Switzerland |
| Brazil | Guinea-Bissau | Mauritius | Tajikistan |
| Brunei | Guyana | Mexico | Tanzania |
| Bulgaria | Haiti | Moldova | Thailand |
| Burkina Faso | Honduras | Mongolia | Togo |
| Burundi | Hong Kong | Nepal | Trinidad & Tobago |
| Cambodia | Hungary | Netherlands | Tunisia |
| Cameroon | Iceland | Nicaragua | Turkey |
| Canada | India | Niger | Uganda |
| Cape Verde | Indonesia | Nigeria | Ukraine |
| Central African Rep. | Iran | Oman | United Arab Emirates |
| Chad | Iraq | Pakistan | United Kingdom |
| Chile | Ireland | Panama | United States |
| China | Israel | Papua New Guinea | Uruguay |
| Colombia | Italy | Paraguay | Vanuatu |
| Comoros | Jamaica | Peru | Venezuela |
| Congo, Dem. Rep. | Japan | Philippines | Vietnam |
| Congo, Repub. of the | Jordan | Poland | Yemen |
| Costa Rica | Kazakhstan | Portugal | Zambia |
| Cote d'Ivoire | Kenya | Qatar | |
| Croatia | Korea, South | Romania | |

**Walker's Gravity Model**

Walker's Gravity Model originated from Newton's Gravity model, proposed by Isaac Newton in 1687, same was later transformed by Nobel Prize winner Jan Tinbergen for bilateral trade estimations. Unlike other techniques, Walker's formula does not only rely on official statistics, thus, estimates are not based only on published or officially provided data, which, in the case of money laundering and organized crime is built on estimates and detected cases, and never shows the actual picture. This formula has better country coverage and only considers the amount when it enters in a country for the purpose of laundering.

$$P(X, y_i) = \frac{1}{\sum_{i=1}^{n} \left[\frac{ATTRACTIVENESS(y_i)}{dist(X, y_i)}\right]} \times \frac{attractiveness(y_i)}{dist(X, y_i)}$$

Where P is the proportion of money flowing from country X to country $y_i$

In our case, X is a specific country, $y_i$ that is another country i

i= 1………n for all countries of the world.

To apply the Gravity Model, attractiveness has to be calculated for all destination countries relative to the source country. Only then you can calculate how the money from the source country X is distributed all over the world (dividing by the sum of the attractiveness of all countries makes sure that the total is 100%). (Khan et al. 2018)

Walker's Gravity Model further disseminates as follows:

$$Attractivenes = GPD * (3 * BS + GA + SWIFT + FD - 3 * CF - CR - EG + 10)$$

$$Distance = language + trade + colonial\ background + physical\ distance$$

Table 2
Gravity Model Variables – Definition, Justification & Data Source[3]

| Variable | Definition & Justification | Data Source & Link |
|---|---|---|
| GDP per capita | Reflects economic development and laundering opportunities. Higher GDP attracts more illicit funds due to complex financial systems. | World Bank Data Bank |
| Banking Secrecy | Scale 1–4 based on legal secrecy. Strong secrecy jurisdictions attract launderers seeking anonymity. | Financial Secrecy Index |
| Government Attitude | Score 0–4 based on FATF membership. Indicates AML commitment; lax enforcement signals tolerance toward laundering. | FATF |
| SWIFT Membership | 0 = non-member, 1 = member. Shows global financial integration; higher connectivity may facilitate illicit transfers. | SWIFT |
| Financial Deposits | Deposit-to-GDP ratio; higher figures suggest deeper financial systems that can be misused for laundering. | World Bank Data Bank |
| Conflict | Score 0–4 based on current/past conflict status. Unstable nations may deter or attract laundering, depending on risk. | UCDP Conflict Data |
| Corruption | Scale 1–5; high corruption may attract collusive laundering but increases uncertainty. | Transparency International – CPI |
| Egmont Group | 0 = not a member, 1 = member. Membership indicates strong AML institutions and cooperation, reducing laundering risk. | Egmont Group |
| Language | 0 = same, 1 = different. Shared language eases illicit financial coordination. | CIA World Factbook - Languages |

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[3] For full details of variables, refer to Unger et al. (2006) and Khan et al. (2018)

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| Colonial Background | 0 = same, 1 = different. Shared history fosters legal and institutional similarities, enabling illicit ties. | CIA World Factbook - Background |
| Trade | 0 = similar partners, 1 = different. Closer trade ties may mask laundering via misinvoicing. | Exports / Imports |
| Distance | Real capital-to-capital distance in km; proximity encourages flows (licit or illicit). | DistanceFromTo |

## Data Analysis and Results

With the aim of establishing an index for the most preferred destination for money laundering, data have been collected with respect to 139 countries. The period covered is from year 2002 to 2022, and data have been collected for more than 150 countries. The enclosed Tables 03 to 06 show the top twenty.[4] The most preferred jurisdictions for the purpose of money laundering, whereas Table # 03 shows the most common countries in the entire index. The count column reflects the number of times a country appeared in a year in the attractiveness table of any country, and the sum is the total attractiveness score of a country in a year. Further, the score is averaged out by dividing it by the total count.

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[4] Due to publication space limitations, only the top 20 countries are listed. The complete index is available upon request from the author and may be used for future research with proper acknowledgment.

Table 3
Money Laundering Attractiveness Index

| 2022 Country | Count | Sum | Average | 2021 Country | Count | Sum | Average | 2020 Country | Count | Sum | Average | 2019 Country | Count | Sum | Average | 2018 Country | Count | Sum | Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Luxembourg | 135 | 2,551.24 | 18.90 | Switzerland | 138 | 820.24 | 5.94 | Switzerland | 138 | 845.52 | 6.13 | Switzerland | 138 | 878.21 | 6.36 | Switzerland | 138 | 958.52 | 6.95 |
| Switzerland | 135 | 797.30 | 5.91 | Luxembourg | 137 | 2,808.77 | 20.50 | Luxembourg | 137 | 2,701.42 | 19.72 | Luxembourg | 137 | 2,668.63 | 19.48 | Luxembourg | 137 | 899.43 | 6.57 |
| Hong Kong | 135 | 702.42 | 5.20 | Hong Kong | 135 | 731.71 | 5.42 | Hong Kong | 136 | 777.09 | 5.71 | Hong Kong | 136 | 773.23 | 5.69 | Sweden | 137 | 488.74 | 3.57 |
| Qatar | 135 | 471.45 | 3.49 | Netherlands | 135 | 338.83 | 2.51 | Austria | 135 | 348.82 | 2.58 | Austria | 135 | 338.12 | 2.50 | Denmark | 137 | 682.62 | 4.98 |
| Austria | 135 | 321.69 | 2.38 | Austria | 135 | 336.52 | 2.49 | Netherlands | 135 | 334.54 | 2.48 | Netherlands | 135 | 325.39 | 2.41 | Netherlands | 135 | 442.04 | 3.27 |
| Ireland | 135 | 317.86 | 2.35 | Ireland | 135 | 329.45 | 2.44 | Ireland | 135 | 320.24 | 2.37 | Ireland | 135 | 296.96 | 2.20 | Austria | 134 | 379.90 | 2.84 |
| Netherlands | 135 | 316.67 | 2.35 | Denmark | 135 | 237.14 | 1.76 | Denmark | 135 | 245.49 | 1.82 | Denmark | 135 | 238.29 | 1.77 | Iceland | 134 | 246.50 | 1.84 |
| Sweden | 134 | 240.41 | 1.79 | United Kingdom | 134 | 312.07 | 2.33 | Sweden | 134 | 257.32 | 1.92 | United Kingdom | 134 | 338.14 | 2.52 | Finland | 133 | 288.63 | 2.17 |
| United Kingdom | 133 | 297.80 | 2.24 | Sweden | 134 | 269.18 | 2.01 | United Kingdom | 133 | 299.40 | 2.25 | Sweden | 134 | 233.64 | 1.74 | France | 133 | 322.43 | 2.42 |
| Germany | 130 | 254.58 | 1.96 | Germany | 131 | 275.22 | 2.10 | Qatar | 132 | 393.82 | 2.98 | Qatar | 133 | 409.26 | 3.08 | United Kingdom | 132 | 397.38 | 3.01 |
| Iceland | 129 | 198.78 | 1.54 | Finland | 127 | 191.79 | 1.51 | Germany | 132 | 287.46 | 2.18 | Germany | 133 | 280.80 | 2.11 | Qatar | 128 | 398.11 | 3.11 |
| Israel | 128 | 313.88 | 2.45 | Iceland | 127 | 188.23 | 1.48 | Finland | 131 | 203.54 | 1.55 | Iceland | 130 | 205.13 | 1.58 | Cyprus | 126 | 341.81 | 2.71 |
| Denmark | 127 | 218.11 | 1.72 | Qatar | 126 | 373.93 | 2.97 | France | 129 | 244.49 | 1.90 | Cyprus | 124 | 285.85 | 2.31 | Germany | 125 | 298.91 | 2.39 |
| Belgium | 122 | 309.82 | 2.54 | France | 126 | 234.09 | 1.86 | Belgium | 122 | 340.14 | 2.79 | Belgium | 122 | 334.59 | 2.74 | Hong Kong | 115 | 442.30 | 3.85 |
| France | 117 | 204.71 | 1.75 | Israel | 124 | 298.81 | 2.41 | Japan | 116 | 302.22 | 2.61 | France | 118 | 210.38 | 1.78 | United States | 115 | 376.82 | 3.28 |
| Singapore | 115 | 490.69 | 4.27 | Belgium | 122 | 330.70 | 2.71 | Cyprus | 114 | 248.16 | 2.18 | Finland | 116 | 171.43 | 1.48 | Japan | 110 | 282.93 | 2.57 |
| Cyprus | 111 | 240.55 | 2.17 | Cyprus | 114 | 256.62 | 2.25 | Israel | 112 | 258.96 | 2.31 | Japan | 115 | 291.16 | 2.53 | Belgium | 103 | 232.57 | 2.26 |
| Finland | 110 | 158.63 | 1.44 | Singapore | 113 | 454.73 | 4.02 | Iceland | 110 | 161.34 | 1.47 | Singapore | 108 | 374.51 | 3.47 | Singapore | 97 | 354.97 | 3.66 |
| United Arab Emirates | 101 | 271.76 | 2.69 | Japan | 110 | 271.08 | 2.46 | Singapore | 108 | 392.46 | 3.63 | Israel | 91 | 202.76 | 2.23 | Canada | 90 | 208.24 | 2.31 |
| Japan | 88 | 201.23 | 2.29 | Italy | 95 | 178.12 | 1.87 | Italy | 93 | 172.52 | 1.86 | Italy | 83 | 153.79 | 1.85 | Macau | 87 | 353.64 | 4.06 |

Table 4
**Money Laundering Attractiveness Index**

| 2017 Country | Count | Sum | Average | 2016 Country | Count | Sum | Average | 2015 Country | Count | Sum | Average | 2014 Country | Count | Sum | Average | Count |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Switzerland | 138 | 934.27 | 6.77 | Switzerland | 138 | 934.27 | 6.77 | Switzerland | 138 | 935.61 | 6.78 | Switzerland | 138 | 922.129422 | 6.68209729 | Switze |
| Luxembourg | 137 | 862.49 | 6.30 | Luxembourg | 137 | 862.49 | 6.30 | Luxembourg | 137 | 846.58 | 6.18 | Cyprus | 137 | 547.431265 | 3.99584865 | Luxen |
| Sweden | 137 | 480.18 | 3.50 | Sweden | 137 | 480.18 | 3.50 | Sweden | 137 | 470.79 | 3.44 | Denmark | 137 | 692.511114 | 5.05482565 | Denm |
| Denmark | 137 | 670.31 | 4.89 | Denmark | 137 | 670.31 | 4.89 | Denmark | 137 | 680.56 | 4.97 | Sweden | 137 | 464.274113 | 3.38886214 | Swede |
| Netherlands | 135 | 447.87 | 3.32 | Netherlands | 135 | 447.87 | 3.32 | Qatar | 135 | 447.63 | 3.32 | Luxembourg | 136 | 737.84 | 5.43 | Cypru |
| Cyprus | 134 | 456.03 | 3.40 | Cyprus | 134 | 456.03 | 3.40 | Cyprus | 135 | 493.05 | 3.65 | Netherlands | 135 | 453.09 | 3.36 | Nethe |
| Austria | 134 | 362.32 | 2.70 | Austria | 134 | 362.32 | 2.70 | Netherlands | 135 | 454.00 | 3.36 | Finland | 135 | 277.12 | 2.05 | Irelan |

| Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Finland | 134 | 283.55 | 2.70 | Finland | 134 | 283.55 | 2.12 | Austria | 134 | 364.22 | 2.72 | Austria | 134 | 381.71 | 2.85 | Austri |
| United Kingdom | 132 | 389.26 | 2.95 | United Kingdom | 132 | 389.26 | 2.95 | Finland | 134 | 279.57 | 2.09 | Greece | 134 | 447.98 | 3.34 | Finlan |
| France | 132 | 305.48 | 2.31 | France | 132 | 305.48 | 2.31 | United Kingdom | 132 | 384.06 | 2.91 | Ireland | 134 | 284.31 | 2.12 | Icelan |
| Qatar | 131 | 426.31 | 2.25 | Qatar | 131 | 426.31 | 3.25 | France | 132 | 291.24 | 2.21 | United Kingdom | 132 | 388.36 | 2.94 | United |
| Germany | 127 | 292.34 | 2.30 | Germany | 127 | 292.34 | 2.30 | Germany | 127 | 287.36 | 2.26 | Germany | 125 | 286.30 | 2.29 | France |
| Iceland | 125 | 219.40 | 1.76 | Iceland | 125 | 219.40 | 1.76 | Iceland | 117 | 200.64 | 1.71 | France | 125 | 275.96 | 2.21 | Germa |
| United States | 119 | 390.26 | 3.28 | United States | 119 | 390.26 | 3.28 | Hong Kong | 112 | 411.44 | 3.67 | Hong Kong | 118 | 440.23 | 3.73 | Spain |
| Hong Kong | 115 | 433.74 | 3.77 | Hong Kong | 115 | 433.74 | 3.77 | United States | 112 | 366.91 | 3.28 | Iceland | 115 | 200.20 | 1.74 | Hong |
| Japan | 108 | 276.81 | 2.56 | Japan | 108 | 276.81 | 2.56 | Ireland | 103 | 198.96 | 1.93 | United States | 114 | 369.04 | 3.24 | United |
| Ireland | 106 | 208.35 | 1.97 | Ireland | 106 | 208.35 | 1.97 | Kuwait | 102 | 249.85 | 2.45 | Japan | 107 | 267.67 | 2.50 | Japan |
| Singapore | 91 | 339.40 | 3.73 | Singapore | 91 | 339.40 | 3.73 | Japan | 101 | 257.59 | 2.55 | Singapore | 101 | 354.07 | 3.51 | Italy |
| Kuwait | 86 | 202.18 | 2.35 | Kuwait | 86 | 202.18 | 2.35 | Singapore | 91 | 334.76 | 3.68 | Spain | 99 | 195.52 | 1.97 | Singap |
| Spain | 85 | 155.15 | 1.83 | Spain | 85 | 155.15 | 1.83 | Spain | 90 | 167.69 | 1.86 | Qatar | 95 | 280.89 | 2.96 | Qatar |

Table 5

Money Laundering Attractiveness Index

| 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average |
| Switzerland | 138 | 923.40 | 6.69 | Switzerland | 137 | 868.72 | 6.34 | Switzerland | 137 | 859.70 | 6.28 | Switzerland | 137 | 853.29 | 6.23 | Switzerland | 173 | 1,078.44 | 6.23 |
| Luxembourg | 137 | 751.22 | 5.48 | Cyprus | 136 | 606.30 | 4.46 | Luxembourg | 136 | 774.91 | 5.70 | Luxembourg | 136 | 866.26 | 6.37 | Luxembourg | 169 | 1,128.83 | 6.68 |
| Cyprus | 137 | 596.36 | 4.35 | Luxembourg | 136 | 741.36 | 5.45 | Cyprus | 136 | 590.04 | 4.34 | Cyprus | 136 | 582.84 | 4.29 | Denmark | 151 | 896.78 | 5.94 |
| Denmark | 137 | 737.72 | 5.38 | Denmark | 136 | 732.87 | 5.39 | Denmark | 136 | 758.38 | 5.58 | Denmark | 136 | 782.67 | 5.75 | Cyprus | 136 | 604.01 | 4.44 |
| Sweden | 137 | 467.53 | 3.41 | Sweden | 136 | 449.28 | 3.30 | Sweden | 136 | 437.66 | 3.22 | United Kingdom | 136 | 526.51 | 3.87 | Ireland | 136 | 525.26 | 3.86 |
| Netherlands | 136 | 469.21 | 3.45 | Netherlands | 136 | 456.53 | 3.36 | Ireland | 136 | 415.10 | 3.05 | Ireland | 136 | 506.55 | 3.72 | Finland | 135 | 277.27 | 2.05 |
| Ireland | 136 | 357.61 | 2.63 | Austria | 135 | 407.93 | 3.02 | Netherlands | 136 | 450.82 | 3.31 | Sweden | 136 | 424.31 | 3.12 | Sweden | 132 | 417.33 | 3.16 |
| United Kingdom | 135 | 455.09 | 3.37 | United Kingdom | 135 | 466.37 | 3.45 | Iceland | 136 | 352.90 | 2.59 | Netherlands | 136 | 461.91 | 3.40 | France | 130 | 276.03 | 2.12 |
| Finland | 135 | 289.10 | 2.14 | Ireland | 135 | 362.85 | 2.69 | United Kingdom | 135 | 502.49 | 3.72 | Iceland | 136 | 390.49 | 2.87 | Iceland | 129 | 446.29 | 3.46 |
| Iceland | 135 | 275.99 | 2.04 | Iceland | 135 | 306.23 | 2.27 | Finland | 134 | 274.59 | 2.05 | Austria | 135 | 416.45 | 3.08 | United Kingdom | 128 | 546.47 | 4.27 |
| Austria | 134 | 421.75 | 3.15 | Finland | 134 | 281.12 | 2.10 | Spain | 132 | 319.17 | 2.42 | Finland | 135 | 265.29 | 1.97 | Netherlands | 128 | 433.89 | 3.39 |
| Germany | 130 | 308.88 | 2.38 | Spain | 131 | 304.10 | 2.32 | France | 129 | 283.35 | 2.20 | Spain | 132 | 324.37 | 2.46 | Spain | 128 | 320.11 | 2.50 |
| Spain | 129 | 282.95 | 2.19 | France | 128 | 288.71 | 2.26 | Germany | 128 | 297.21 | 2.32 | Germany | 129 | 319.08 | 2.47 | Germany | 128 | 326.64 | 2.55 |
| Italy | 122 | 260.40 | 2.13 | Germany | 127 | 303.95 | 2.39 | Austria | 123 | 480.43 | 3.91 | France | 128 | 277.57 | 2.17 | Italy | 128 | 250.07 | 1.95 |
| Hong Kong | 112 | 392.28 | 3.50 | Italy | 120 | 261.69 | 2.18 | Italy | 118 | 255.48 | 2.17 | Italy | 118 | 243.72 | 2.07 | Japan | 120 | 315.27 | 2.63 |
| United States | 109 | 350.15 | 3.21 | Hong Kong | 108 | 385.17 | 3.57 | Greece | 112 | 228.45 | 2.04 | Qatar | 114 | 327.34 | 2.87 | United States | 116 | 342.78 | 2.95 |
| Japan | 105 | 268.32 | 2.56 | United States | 103 | 334.01 | 3.24 | United States | 108 | 363.13 | 3.36 | United States | 114 | 367.88 | 3.23 | Greece | 112 | 203.18 | 1.81 |
| Canada | 91 | 211.37 | 2.32 | Japan | 100 | 252.74 | 2.53 | Japan | 106 | 269.31 | 2.54 | Kuwait | 110 | 253.27 | 2.30 | Portugal | 110 | 198.26 | 1.80 |
| Qatar | 88 | 256.62 | 2.92 | Greece | 86 | 185.43 | 2.16 | Qatar | 104 | 301.12 | 2.90 | Japan | 107 | 269.14 | 2.52 | Qatar | 105 | 289.37 | 2.76 |
| Portugal | 83 | 159.83 | 1.93 | Qatar | 85 | 251.68 | 2.96 | Hong Kong | 94 | 342.82 | 3.65 | Portugal | 92 | 183.49 | 1.99 | Kuwait | 103 | 238.24 | 2.31 |

Table 6

Money Laundering Attractiveness Index

| 2007 | | | | 2006 | | | | 2005 | | | | 2004 | | | | 2003 | | | | 2002 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average | Country | Count | Sum | Average |
| Switzerland | 136 | 896.57 | 6.59 | Switzerland | 137 | 907.32 | 6.62 | Switzerland | 137 | 879.99 | 6.42 | Switzerland | 137 | 923.66 | 6.74 | Luxembourg | 135 | 789.99 | 5.85 | Luxembourg | 135 | 2,945.69 | 21.82 |
| Luxembourg | 135 | 812.28 | 6.02 | Canada | 137 | 373.08 | 2.72 | Luxembourg | 136 | 703.34 | 5.17 | Luxembourg | 136 | 714.13 | 5.25 | Japan | 135 | 409.94 | 3.04 | Japan | 134 | 394.66 | 2.95 |
| United States | 135 | 467.30 | 3.46 | Luxembourg | 136 | 735.27 | 5.41 | Denmark | 136 | 731.09 | 5.38 | United Kingdom | 136 | 485.54 | 3.57 | Austria | 135 | 487.60 | 3.61 | Switzerland | 134 | 720.56 | 5.38 |
| Denmark | 135 | 800.38 | 5.93 | Denmark | 136 | 789.09 | 5.80 | Ireland | 136 | 472.37 | 3.47 | Denmark | 136 | 728.53 | 5.36 | Switzerland | 135 | 965.30 | 7.15 | Austria | 134 | 331.76 | 2.48 |
| United Kingdom | 135 | 527.14 | 3.90 | Ireland | 136 | 531.98 | 3.91 | Netherlands | 136 | 502.00 | 3.69 | Netherlands | 136 | 526.40 | 3.87 | United Kingdom | 135 | 490.89 | 3.64 | Canada | 134 | 313.37 | 2.34 |
| Ireland | 135 | 547.52 | 4.06 | United Kingdom | 136 | 496.11 | 3.65 | Iceland | 136 | 587.96 | 4.32 | Sweden | 136 | 394.42 | 2.90 | Denmark | 135 | 745.99 | 5.53 | Netherlands | 134 | 381.79 | 2.85 |
| Sweden | 135 | 422.47 | 3.13 | Netherlands | 136 | 489.42 | 3.60 | Cyprus | 135 | 463.97 | 3.44 | Ireland | 136 | 432.69 | 3.18 | Netherlands | 135 | 544.45 | 4.03 | Ireland | 134 | 293.53 | 2.19 |
| Netherlands | 135 | 472.47 | 3.50 | Iceland | 136 | 736.65 | 5.42 | United Kingdom | 135 | 467.38 | 3.46 | Germany | 136 | 421.58 | 3.10 | Sweden | 135 | 406.15 | 3.01 | Denmark | 134 | 293.29 | 2.19 |
| Iceland | 135 | 607.32 | 4.50 | Austria | 135 | 445.12 | 3.30 | Sweden | 135 | 393.02 | 2.91 | Iceland | 136 | 416.42 | 3.06 | Germany | 135 | 462.28 | 3.42 | Cyprus | 133 | 317.98 | 2.39 |
| Cyprus | 134 | 496.08 | 3.70 | Finland | 135 | 272.25 | 2.02 | Austria | 134 | 443.56 | 3.31 | Cyprus | 135 | 465.86 | 3.45 | Ireland | 135 | 377.57 | 2.80 | United Kingdom | 133 | 438.48 | 3.30 |
| Austria | 134 | 422.29 | 3.15 | Sweden | 134 | 406.16 | 3.03 | Germany | 132 | 378.77 | 2.87 | Austria | 135 | 456.42 | 3.38 | Iceland | 135 | 341.63 | 2.53 | Qatar | 132 | 459.28 | 3.48 |
| Finland | 134 | 265.66 | 1.98 | United States | 133 | 445.93 | 3.35 | Canada | 130 | 340.78 | 2.62 | Moldova | 134 | 439.84 | 3.28 | Cyprus | 134 | 489.11 | 3.65 | Germany | 128 | 264.36 | 2.07 |
| Spain | 133 | 343.04 | 2.58 | Germany | 132 | 372.18 | 2.82 | Mongolia | 130 | 320.01 | 2.46 | United States | 134 | 459.62 | 3.43 | United States | 134 | 465.48 | 3.47 | Belgium | 121 | 341.98 | 2.83 |
| Germany | 127 | 323.21 | 2.54 | Spain | 131 | 330.34 | 2.52 | United States | 127 | 438.53 | 3.45 | Canada | 130 | 342.59 | 2.64 | Canada | 132 | 356.35 | 2.70 | France | 119 | 228.11 | 1.92 |
| France | 124 | 264.65 | 2.13 | France | 129 | 280.20 | 2.17 | Spain | 125 | 287.55 | 2.30 | Japan | 125 | 367.99 | 2.94 | France | 127 | 300.01 | 2.36 | Kuwait | 117 | 282.73 | 2.42 |
| Japan | 117 | 295.78 | 2.53 | Italy | 119 | 254.77 | 2.14 | Finland | 122 | 231.50 | 1.90 | France | 118 | 272.66 | 2.31 | Finland | 121 | 230.48 | 1.90 | Hong Kong | 111 | 382.61 | 3.45 |
| Kuwait | 111 | 245.86 | 2.21 | Japan | 115 | 318.38 | 2.77 | Japan | 117 | 322.97 | 2.76 | Finland | 116 | 221.79 | 1.91 | Spain | 112 | 248.65 | 2.22 | Finland | 109 | 167.10 | 1.53 |
| Italy | 109 | 226.00 | 2.07 | Qatar | 102 | 286.68 | 2.81 | France | 115 | 252.46 | 2.20 | Spain | 113 | 250.95 | 2.22 | Kuwait | 109 | 265.08 | 2.43 | Sweden | 104 | 170.92 | 1.64 |
| Canada | 99 | 226.33 | 2.29 | Kuwait | 94 | 216.84 | 2.31 | Italy | 100 | 222.04 | 2.22 | Kuwait | 103 | 248.57 | 2.41 | Italy | 109 | 259.49 | 2.38 | Italy | 103 | 207.14 | 2.01 |
| Qatar | 95 | 264.52 | 2.78 | Portugal | 87 | 163.19 | 1.88 | Kuwait | 87 | 208.74 | 2.40 | Italy | 101 | 233.84 | 2.32 | United Arab Emirates | 95 | 247.68 | 2.61 | Israel | 101 | 218.57 | 2.16 |

The Index indicates that between 2002 and 2022, the most prosperous and most developed nations have consistently placed among the top locations for laundering money. Countries such as Luxembourg, Switzerland, Hong Kong, Qatar, Austria, Sweden, Denmark, Cyprus, as well as the UK, USA, Canada and Japan provide the type of finance infrastructure that criminals want, stable economies, modern banks, as well as the convenience of moving money without examination.

Luxembourg is long regarded as an important financial center and has been the subject of numerous concerns in FATF assessments (2009, 2023) due to its extensive insurance and finance sectors with weak enforcement, as well as the risk of being a target for foreign criminals. In the same way, Switzerland's banking secrecy is still a major draw for money laundering gangs, despite changes. In the year 2020, Swiss authorities confiscated $10 million worth of illegal gold tied to international networks.

Large financial centers like Japan, Hong Kong, the US and the UK can also attract illicit funds. The influx of foreign direct investment (FDI) can be used as a cover to facilitate laundering, and financial institutions gain from the flow of low-cost deposits. Even stable economies such as Sweden or Denmark. In addition, Austria attracts such activity because of its low tax rates, the strength of its service industries, and its proximity to trafficking routes.

Qatar is under scrutiny for terror financing and money laundering dangers. Additionally, offshore havens such as Cyprus and Panama have a plethora of appeal due to loosen regulations and fast company formations. The open system of immigration in Canada has brought up similar issues.

This global phenomenon, in which dirty money derived from weak governance systems in the developing world gets deposited in more developed economies, has been well-documented (Levi and Reuter, 2006, and Quirk, 1997). Many countries that are thought to be secure, such as Sweden and Finland, have now been exposed to money laundering risk, which underscores the need for greater international oversight and cooperation to combat money laundering.

Table 7

List of Countries with Number of Times Appeared from 2002 to 2022

| Countries | No. of Times | Score Total | Average | Countries | No. of Times | Score Total | Average | Countries | No. of Times | Score Total | Average | Countries | No. of Times | Score Total | Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Switzerland** | 2937 | 18,883.30 | 6.43 | Korea, South | 599 | 1,572.26 | 2.62 | Bulgaria | 61 | 86.12 | 1.41 | Bhutan | 4 | 6.64 | 1.66 |
| **Luxembourg** | 2917 | 26,794.59 | 9.19 | Malta | 576 | 1,062.69 | 1.84 | Libya | 61 | 104.30 | 1.71 | Azerbaijan | 3 | 7.29 | 2.43 |
| **Denmark** | 2891 | 13,101.94 | 4.53 | Czech Republic | 561 | 817.57 | 1.46 | Mauritius | 55 | 116.08 | 2.11 | Belarus | 3 | 3.32 | 1.11 |
| **Netherlands** | 2878 | 9,246.20 | 3.21 | Bahamas, The | 478 | 1,703.44 | 3.56 | Honduras | 45 | 41.90 | 0.93 | Iran | 2 | 2.43 | 1.21 |
| **Sweden** | 2846 | 8,278.46 | 2.91 | Brunei | 407 | 1,177.63 | 2.89 | China | 41 | 50.94 | 1.24 | Peru | 2 | 2.46 | 1.23 |
| **United Kingdom** | 2843 | 9,058.92 | 3.19 | Bahrain | 387 | 1,342.03 | 3.47 | Turkey | 39 | 56.55 | 1.45 | Senegal | 2 | 2.27 | 1.14 |
| **Germany** | 2761 | 6,655.58 | 2.41 | Slovakia | 358 | 526.78 | 1.47 | Belize | 33 | 64.26 | 1.95 | Ecuador | 1 | 1.12 | 1.12 |
| **Austria** | 2758 | 8,127.96 | 2.95 | Hungary | 308 | 432.92 | 1.41 | Jordan | 31 | 75.42 | 2.43 | Haiti | 1 | 1,55 | 1.55 |
| **Finland** | 2755 | 5,228.29 | 1.90 | Panama | 271 | 609.06 | 2.25 | Romania | 30 | 48.72 | 1.62 | Indonesia | 1 | 1.25 | 1.25 |
| **Ireland** | 2742 | 7,536.51 | 2.75 | Trinidad & Tobago | 258 | 829.85 | 3.22 | Dominican Republic | 24 | 66.66 | 2.78 | Mexico | 1 | 1.33 | 1.33 |
| **Cyprus** | 2741 | 9,401.20 | 3.43 | Croatia | 249 | 418.82 | 1.68 | Bosnia & Herzegovina | 23 | 19.08 | 0.83 | Nicaragua | 1 | 1.18 | 1.18 |
| **Iceland** | 2676 | 6,639.70 | 2.48 | Malaysia | 224 | 536.69 | 2.40 | Colombia | 23 | 35.13 | 1.53 | Papua New Guinea | 1 | 1.63 | 1.63 |
| **France** | 2574 | 5,421.64 | 2.11 | Poland | 221 | 236.97 | 1.07 | Suriname | 22 | 61.78 | 2.81 | Philippines | 1 | 1.32 | 1.32 |
| **Japan** | 2406 | 6,369.92 | 2.65 | Grenada | 190 | 659.58 | 3.47 | Argentina | 20 | 36.51 | 1.83 | Russia | 1 | 1.37 | 1.37 |
| **Qatar** | 2369 | 7,150.58 | 3.02 | Oman | 148 | 326.76 | 2.21 | Albania | 19 | 28.93 | 1.52 | Solomon Islands | 1 | 1.37 | 1.83 |
| **United States** | 2262 | 7,134.88 | 3.15 | Moldova | 136 | 444.15 | 3.27 | Fiji | 19 | 34.49 | 1.82 | Vietnam | 1 | 1.16 | 1.16 |
| **Spain** | 2201 | 4,641.92 | 2.11 | Mongolia | 135 | 343.47 | 2.54 | Jamaica | 17 | 24.31 | 1.43 | | | | |
| **Italy** | 2100 | 4,404.80 | 2.10 | Costa Rica | 133 | 291.15 | 2.19 | Botswana | 16 | 23.80 | 1.49 | | | | |
| **Hong Kong** | 2031 | 8,929.35 | 4.40 | South Africa | 128 | 1,649.37 | 12.89 | Seychelles | 16 | 25.10 | 1.57 | | | | |
| **Canada** | 1880 | 4,360.16 | 2.32 | Saudi Arabia | 123 | 226.69 | 1.84 | Armenia | 15 | 23.24 | 1.55 | | | | |
| **Kuwait** | 1763 | 4,096.02 | 2.32 | Chile | 118 | 427.00 | 3.62 | El Salvador | 15 | 23.35 | 1.56 | | | | |
| **Singapore** | 1676 | 6,312.02 | 3.77 | Uruguay | 111 | 287.28 | 2.59 | Macedonia | 15 | 21.06 | 1.40 | | | | |
| **Belgium** | 1602 | 4,053.14 | 2.53 | Thailand | 105 | 161.34 | 1.54 | Georgia | 13 | 24.08 | 1.85 | | | | |
| **Greece** | 1507 | 3,113.34 | 2.07 | Lebanon | 91 | 197.20 | 2.17 | Guyana | 13 | 23.87 | 1.84 | | | | |
| **United Arab Emirates** | 1497 | 3,890.41 | 2.60 | Lithuania | 87 | 141.06 | 1.62 | Samoa | 11 | 16.77 | 1.52 | | | | |
| **Israel** | 1386 | 3,293.40 | 2.38 | Dominica | 84 | 190.28 | 2.27 | Tunisia | 10 | 14.05 | 1.40 | | | | |
| **Portugal** | 1369 | 2,523.86 | 1.84 | Venezuela | 83 | 141.73 | 1.71 | Sierra Leone | 8 | 14.62 | 1.83 | | | | |
| **Australia** | 1299 | 3,706.75 | 2.85 | Latvia | 82 | 136.58 | 1.67 | Vanuatu | 7 | 9.93 | 1.42 | | | | |
| **Macau** | 735 | 3,461.78 | 4.71 | Serbia | 82 | 137.80 | 1.68 | Maldives | 5 | 7.82 | 1.56 | | | | |
| **Slovenia** | 671 | 1,356.64 | 2.02 | Brazil | 66 | 145.72 | 2.21 | Togo | 5 | 9.42 | 1.88 | | | | |

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Table 08 presents countries that are not highly ranked as preferred destinations for money laundering for a number of reasons  summarized here. Nations and regions under conflict, political instability, and economic strife are typically shunned by investors in search of a safe  haven for their money. The same would hold for criminals as they keep  their dirty money out of regions that are politically unstable and thus put their funds at risk. These areas lack the requisite stability and infrastructure for a secure environment in which to preserve wealth, and thus, are generally unattractive markets for money launderers. This issue is  more frequent in less-developed countries than in developed countries. Developing countries lost USD 7.8 trillion between 2004-2013, transferred to developed countries with USD $1.1 trillion in 2013 alone (Global Financial Integrity, 2015). There is also less access to banking and financial  services in these areas, which poses challenges for criminals attempting to launder money as they can't easily locate legitimate-seeming outlets for these funds. Small economies are also a source of challenges — fewer transactions and financial activity make illicit money harder  to hide. Hand-rich-shoulder-deep-pocket-few-pockets  with guano, there aren't as many places to hide ill-gotten booty and therefore a greater chance of detection. This combination of conflict and instability, small economic size and few financial services makes it unattractive to money launderers, who would  rather seek out jurisdictions that are stable and developed. This conclusion is  also shared by researchers such as Head (2003) and Unger et al. (2006), and Khan et al. (2018).

**Table 08**
**List of Countries with Zero Appearance from 2002 to 2022**

| | |
|---|---|
| **Afghanistan** | Kazakhstan |
| **Algeria** | Kenya |
| **Bangladesh** | Kyrgyzstan |
| **Benin** | Laos |
| **Bolivia** | Lesotho |
| **Burkina Faso** | Liberia |
| **Burundi** | Madagascar |
| **Cambodia** | Malawi |
| **Cameroon** | Mali |
| **Cape Verde** | Mauritania |
| **Central African Rep.** | Nepal |
| **Chad** | Niger |
| **Comoros** | Nigeria |

| | |
|---|---|
| **Congo, Dem. Rep.** | Pakistan |
| **Congo, Repub. of the** | Paraguay |
| **Cote d'Ivoire** | Sri Lanka |
| **East Timor** | Sudan |
| **Egypt** | Swaziland |
| **Gambia, The** | Tajikistan |
| **Ghana** | Tanzania |
| **Guinea** | Uganda |
| **Guinea-Bissau** | Ukraine |
| **India** | Yemen |
| **Iraq** | Zambia |

Below is a trend analysis, for the purpose of this analysis, we have listed down the top 10 countries from each year from 2002 to 2022, and the list comprises of nineteen common countries, which are sorted by average of count. In order to make the graph simpler and presentable, the list has been divided into two sections[5]. The first section consists of ten countries where whereas the latter part comprises of nine countries. The first section with more preferred destinations shows a rather consistent trend, as shown in Graph 1. However, Graph 2 shows that countries in the second section have a mixed and erratic trend. This breakdown identifies that for almost two decades, preferred destinations for money laundering have remained the same.

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[5] List attached in Appendix

*Figure 1*
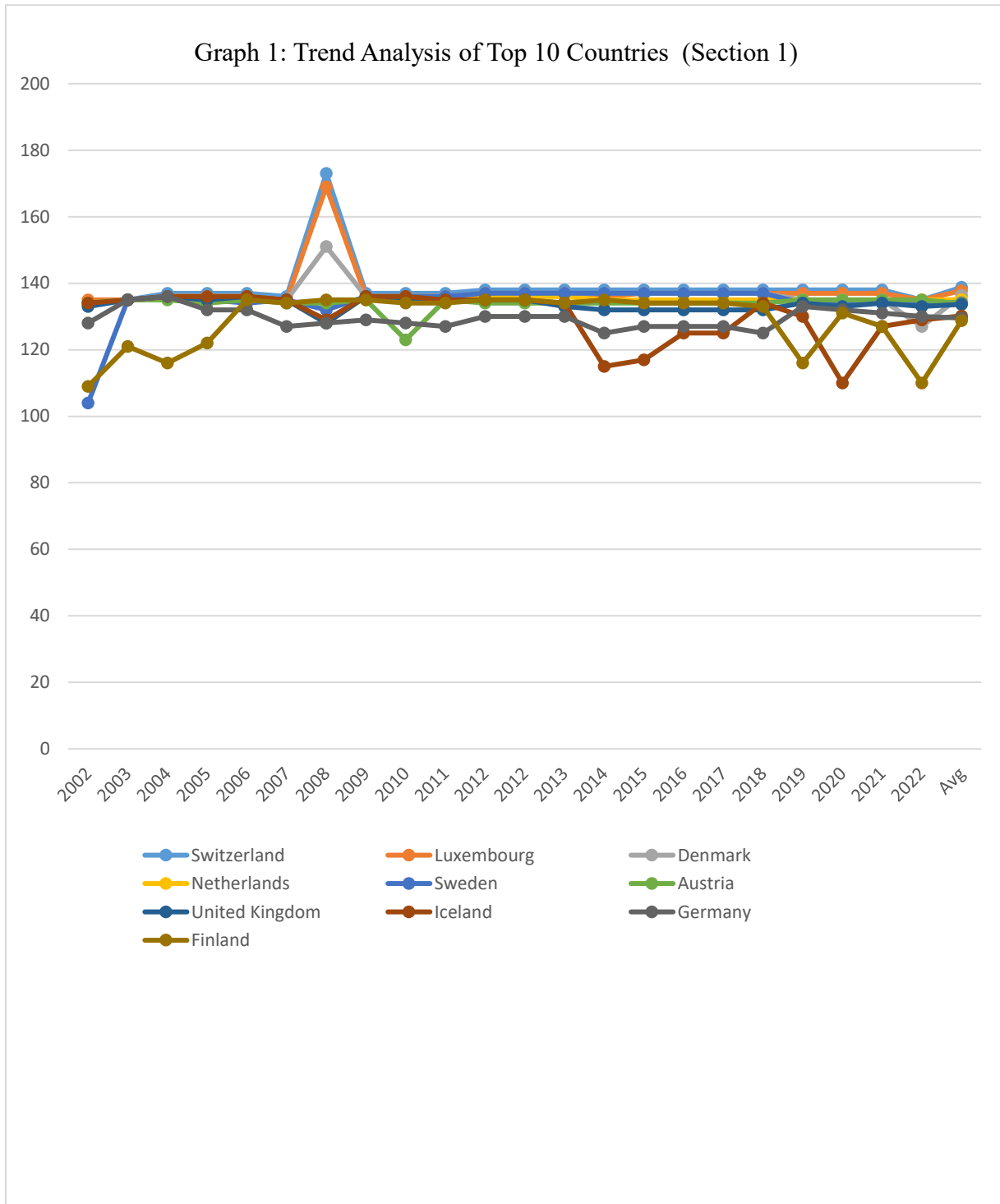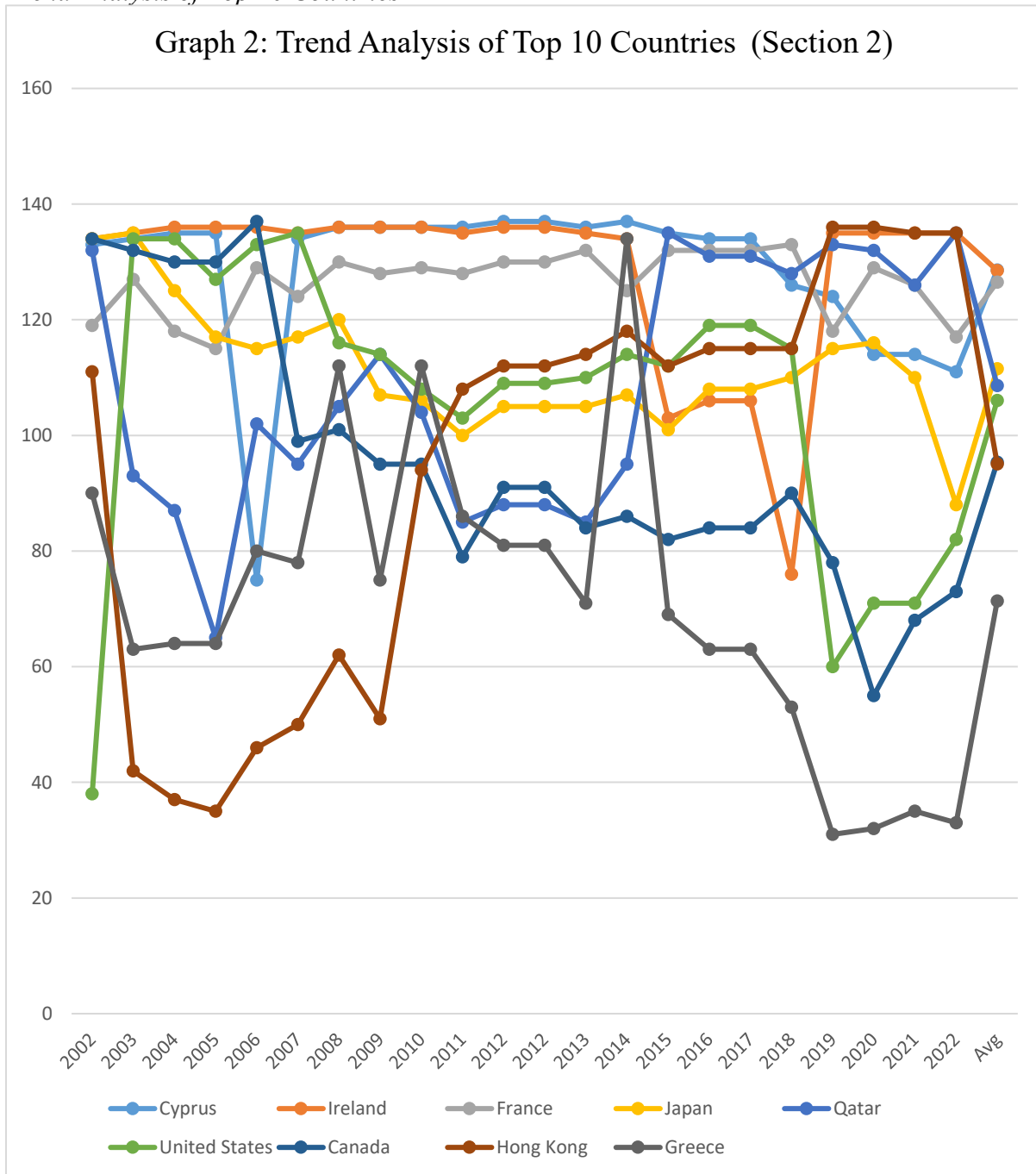
*Trend Analysis of Top 10 Countries*



Graph 1: Trend Analysis of Top 10 Countries  (Section 1)

*Figure 2*
*Trend Analysis of Top 10 Countries*



Graph 2: Trend Analysis of Top 10 Countries  (Section 2)

**Results based on the Countries classification**

The World Bank's income-based classification of 2022, that is, low, lower-middle, upper-middle, and high income, is utilized in this paper to examine money laundering dynamics  by development level on the basis of GNI per capita. GNI is a  valid indicator for the economic potential and growth opportunities of a country, consistent with earlier studies that have highlighted the importance of income as a driver of human development (Sen, 1999; Nielsen, 2011). When we segment countries in this way, we identify 31 distinct jurisdictions (among  the 25 top laundering destinations for each group of countries). The uppermost of the list is topped by high-income countries  such as Luxembourg, Switzerland and Denmark. High-risk financial services and cross-border transactions are provided in Luxembourg with continued  non-financial risks despite the measures taken in the area of AML. Switzerland's banking history continues to be buoyant, despite recent scandals such as  those involving Credit Suisse that highlight enduring risks. Financially, Denmark is stable, but it is also high risk for money laundering given that  its economy is relatively open and it is strategically located. This classification based on GNI is not only

**Table 9**

**List of 31 Common Favorite Destinations for Money Laundering from each Classification Group**

| High Income Countries (> 13,845) | | | | Upper Middle Countries (4,466 - 13,845) | | | | Lower Middle Countries (1,136 - 4,465) | | | | Low Income Countries (<= 1,135) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Country | No. of Times | Score Total | Average | Country | No. of Times | Score Total | Average | Country | No. of Times | Score Total | Average | Country | No. of Times | Score Total | Average |
| Luxembourg | 1014 | 10902.32 | 10.75 | Luxembourg | 786 | 6293.37 | 8.01 | Luxembourg | 822 | 7004.47 | 8.52 | Luxembourg | 295 | 2594.43 | 8.79 |
| Switzerland | 1030 | 7300.96 | 7.09 | Switzerland | 784 | 4669.19 | 5.96 | Switzerland | 821 | 4917.99 | 5.99 | Switzerland | 302 | 1995.16 | 6.61 |
| Denmark | 1004 | 5440.35 | 5.42 | Denmark | 773 | 3105.99 | 4.02 | Denmark | 819 | 3255.99 | 3.98 | Denmark | 295 | 1299.61 | 4.41 |
| Netherlands | 1002 | 4049.82 | 4.04 | United States | 601 | 3006.58 | 5.00 | Cyprus | 781 | 3201.06 | 4.10 | Cyprus | 291 | 1029.64 | 3.54 |
| United Kingdom | 979 | 3670.49 | 3.75 | Cyprus | 702 | 2591.21 | 3.69 | Hong Kong | 674 | 3128.29 | 4.64 | South Africa | 50 | 974.11 | 19.48 |
| Austria | 967 | 3641.27 | 3.77 | Singapore | 457 | 2288.28 | 5.01 | United Kingdom | 811 | 2433.70 | 3.00 | Netherlands | 293 | 935.07 | 3.19 |
| Sweden | 990 | 3324.82 | 3.36 | Hong Kong | 559 | 2065.33 | 3.69 | Japan | 749 | 2356.57 | 3.15 | United Kingdom | 292 | 890.21 | 3.05 |
| Hong Kong | 592 | 3232.45 | 5.46 | United Kingdom | 761 | 2064.52 | 2.71 | Singapore | 624 | 2330.84 | 3.74 | Ireland | 284 | 886.05 | 3.12 |
| Germany | 978 | 2887.08 | 2.95 | Netherlands | 770 | 2048.81 | 2.66 | Netherlands | 813 | 2212.50 | 2.72 | Sweden | 290 | 796.71 | 2.75 |
| Ireland | 961 | 2882.38 | 3.00 | Sweden | 763 | 2031.06 | 2.66 | Qatar | 767 | 2193.09 | 2.86 | Austria | 279 | 741.13 | 2.66 |
| Qatar | 748 | 2875.30 | 3.84 | Austria | 738 | 1934.43 | 2.62 | Sweden | 803 | 2125.87 | 2.65 | Iceland | 273 | 736.87 | 2.70 |
| Cyprus | 967 | 2579.29 | 2.67 | Iceland | 718 | 1873.29 | 2.61 | Ireland | 755 | 1903.12 | 2.52 | Qatar | 285 | 733.24 | 2.57 |
| Belgium | 681 | 2317.94 | 3.40 | Ireland | 742 | 1864.96 | 2.51 | Iceland | 748 | 1828.37 | 2.44 | Spain | 261 | 697.43 | 2.67 |
| Iceland | 937 | 2201.17 | 2.35 | Japan | 678 | 1803.18 | 2.66 | Austria | 774 | 1811.12 | 2.34 | France | 279 | 668.64 | 2.40 |
| France | 911 | 2076.43 | 2.28 | Canada | 541 | 1609.49 | 2.98 | Australia | 477 | 1718.97 | 3.60 | United States | 265 | 601.97 | 2.27 |
| Finland | 986 | 2013.03 | 2.04 | Germany | 744 | 1583.83 | 2.13 | United States | 663 | 1682.15 | 2.54 | Italy | 278 | 587.90 | 2.11 |
| United States | 733 | 1844.18 | 2.52 | Qatar | 569 | 1348.95 | 2.37 | Germany | 773 | 1628.78 | 2.11 | Germany | 266 | 555.90 | 2.09 |
| Japan | 703 | 1706.49 | 2.43 | Finland | 726 | 1325.95 | 1.83 | Kuwait | 626 | 1457.35 | 2.33 | Japan | 276 | 503.67 | 1.82 |
| Italy | 814 | 1677.51 | 2.06 | France | 698 | 1295.16 | 1.86 | Israel | 435 | 1449.94 | 3.33 | Hong Kong | 206 | 503.27 | 2.44 |
| Macau | 200 | 1669.82 | 8.35 | Australia | 443 | 1123.98 | 2.54 | Finland | 765 | 1389.77 | 1.82 | Finland | 278 | 499.55 | 1.80 |
| Spain | 814 | 1634.49 | 2.01 | Spain | 573 | 1111.03 | 1.94 | France | 686 | 1381.41 | 2.01 | Kuwait | 238 | 478.12 | 2.01 |
| UAE | 401 | 1443.46 | 3.60 | Bahamas, The | 294 | 1100.23 | 3.74 | UAE | 574 | 1322.47 | 2.30 | Portugal | 209 | 477.19 | 2.28 |
| Canada | 608 | 1279.98 | 2.11 | Italy | 491 | 1041.59 | 2.12 | Spain | 553 | 1198.96 | 2.17 | Singapore | 203 | 439.92 | 2.17 |
| Singapore | 392 | 1252.97 | 3.20 | Kuwait | 380 | 944.33 | 2.49 | Canada | 537 | 1106.69 | 2.06 | UAE | 186 | 393.57 | 2.12 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Kuwait** | 519 | 1216.21 | 2.34 | **Greece** | 316 | 935.49 | 2.96 | **Italy** | 517 | 1097.80 | 2.12 | **Israel** | 193 | 384.98 | 1.99 |
| **Greece** | 639 | 1054.70 | 1.65 | **Belgium** | 416 | 763.14 | 1.83 | **Macau** | 296 | 1082.17 | 3.66 | **Greece** | 199 | 380.88 | 1.91 |
| **Portugal** | 547 | 858.83 | 1.57 | **UAE** | 336 | 730.91 | 2.18 | **Greece** | 353 | 742.27 | 2.10 | **Canada** | 194 | 363.99 | 1.88 |
| **Israel** | 463 | 799.55 | 1.73 | **Israel** | 295 | 658.92 | 2.23 | **Belgium** | 358 | 660.21 | 1.84 | **Belgium** | 147 | 311.85 | 2.12 |
| **Australia** | 272 | 652.90 | 2.40 | **Macau** | 194 | 613.67 | 3.16 | **Portugal** | 292 | 649.50 | 2.22 | **Australia** | 107 | 210.90 | 1.97 |
| **Bahamas, The** | 119 | 385.74 | 3.24 | **Portugal** | 321 | 538.34 | 1.68 | **South Africa** | 54 | 418.48 | 7.75 | **Macau** | 45 | 96.11 | 2.14 |
| **South Africa** | 0 | 0.00 | 0.00 | **South Africa** | 24 | 256.78 | 10.70 | **Bahamas, The** | 65 | 217.47 | 3.35 | **Bahamas, The** | 0 | 0.00 | 0.00 |

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The rest of the list consists of countries which deemed as global and regional financial hubs providing services mainly to foreign clientele through facilitation and ease in establishing offshore companies, zero or low-cost movement of funds across borders. Countries establish the list constitutes jurisdictions that are the major recipients of foreign direct investments in the world. It is suggested that 20% of foreign direct investment motives are illegal outflow of funds, and FDI is used as a tool for money laundering (Perez & Drabek, 2012). The table below shows the list of the top 25 countries with the highest net inflow of FDI out of 25 countries; 17 countries are common with the 31 countries mentioned table.

Table 10
List of Countries that received the Highest FDI

| | | |
|---|---|---|
| **United States** | **Canada** | Malta |
| **China** | British Virgin Islands | **Japan** |
| **Netherlands** | **Spain** | **Cyprus** |
| **United Kingdom** | **Australia** | **Luxembourg** |
| **Hong Kong** | **Belgium** | **Sweden** |
| **Germany** | India | |
| **Singapore** | Mexico | |
| **Brazil** | Russian Federation | |
| **Ireland** | **Italy** | |
| **France** | Hungary | |

*World Bank Data 2002 to 2021 (Average)*

Furthermore, countries with a strong financial sector and a better standard of living also attract criminals and corrupt public office holders for laundering and placement of funds for future use. At present many wrong doers do not particularly follow the money laundering process to bring back the illegal money to their source countries to avoid the risk of confiscation rather they keep such funds abroad by making up such funds look legitimate through complex set of transactions and off shore companies, in many jurisdictions there are various service providers including financial accountants and legal consultants which remain available to assist criminals. Walker & Unger (2009) state that countries with a robust services industry, including financial services and other services, are some of the preferred destinations. The study suggests the triangulation of estimations from Walker's formula with services export statistics. Below mentioned list in table, validates that the countries with strong services sectors, including financial services, tourism, and gambling, are more attractive for money laundering. List is comprising of top thirty-one countries from above estimations and shows strong services sector

in composition to their respective GDP in all cases except those where the country is major oil producing nation, from finding it can easily be said that strong services sector and especially financial services sector show capacity to support money laundering which is an important part of attractiveness.

According to Know Your Country, 780,000 tourists visit Iceland, services sector, including tourism, is also making the country attractive to money launderers. The casino industry, which is an integral part of Iceland's economy, is also used by money launderers to make their black money white. Due to the cash-based nature of the business, it is not easy to trace back the source of proceeds. According Crime and Misconduct Commission (2005) chips are bought through cash and whether in gambling places or not, and chips are cash back possibly through cheques favoring a third party, even chips are also used to purchase valuable goods. Cyprus is an eastern Mediterranean island which has dominated by the services industry, with a composition 87.1% of GDP according to the CIA World Factbook. Mainly, banking business relies on business introducers called Administrative Service Provider (ASP), and the normally beneficial owner does not meet with bank authorities directly and in person, which construct major chances of financial sector inclusion in money laundering activities and also a violation of international regulatory requirements.

**Table 11**
**Services Industry composition of GDP in Percentage from top 31 Countries[6]**

| | | | |
|---|---|---|---|
| Hong Kong | 91.00% | Greece | 67.60% |
| Macau | 90.10% | Portugal | 67.00% |
| Bahamas, the | 80.80% | Denmark | 66.10% |
| Luxembourg | 80.60% | Sweden | 65.30% |
| United States | 76.70% | Italy | 64.90% |
| Cyprus | 74.00% | Iceland | 64.60% |
| United Kingdom | 72.80% | Australia | 64.20% |
| Singapore | 72.40% | South Africa | 63.00% |
| Israel | 72.40% | Germany | 62.60% |
| Switzerland | 71.90% | Austria | 62.30% |
| Japan | 71.40% | Finland | 60.70% |
| Belgium | 70.70% | Ireland | 56.60% |
| Canada | 69.60% | UAE | 47.70% |
| Netherlands | 69.30% | Kuwait | 43.60% |

[6] Data collected from CIA Factbook

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| France | 69.20% | **Qatar** | 38.50% |
|---|---|---|---|
| **Spain** | 68.50% | | |

In short, the list provided in Tables 03 to 06 consists of countries that are proven to be attractive due to several reasons, including a favorable environment for moving funds into and out of the country, or jurisdictions with a strong and vast financial sector, major FDI flows, and lax tax regulations. The developed part of Europe is also concentrated in the list, which shows that wrongdoers prefer such developed parts of the world. Transparency International's report suggests that US$ 3.7 billion in corruption links were found hidden in wealthy nations in a complex web of offshore accounts, real estate, and shell companies.

## Conclusion and Discussion

Money laundering is the lifeblood of organized crime; it is how criminals wash dirty money and reap the profits while looking clean. It is also closely associated with terrorism financing and proliferation financing and  is considered to be a significant global issue. Underdeveloped, poor nations suffer from weak governance, insufficient resources, and frail institutions, thereby increasing their exposure to such crimes. Stealing and looting valuable national resources through corruption, fraud and extortion, and taking them elsewhere is the goal of such wrongdoers. This wealth is typically laundered in the context of sophisticated financial systems and is ultimately placed in developed countries, where it  becomes legal, protected from seizure and available for use in the future.

The issue endures, despite efforts over the years, ranging from research to laws and anti-money laundering (AML) regimes. Criminals are also advancing and finding new ways to avoid global surveillance. Ironically, the implications are aimed at weaker nations that are the source of money launderers. But this research confirms a different reality: instead of benefactors, these nations are losers. The money flees these countries, worsening challenges such as poverty, debt, slow  growth, and underfinanced education and health systems.

While  developed nations preach AML, they often act as the end recipients of dirty money. Their highly developed financial sectors, excellent quality of life, and legal protections are a draw for criminals who want a safe place and a veneer of legitimacy for their money. Poor international cooperation, absence of bilateral arrangements and gaps, such as anonymous shell companies, continue to give impetus to this phenomenon. This unequal enforcement of

AML rules has created an imbalance on a global scale; poor countries are subjected to great scrutiny, while rich ones too frequently aid the laundering they pretend to abhor.

This article introduces a new yardstick for gauging the most appealing spots for laundered money, a powerful tool for policymakers to gain insight into where the money is going. If aggregated efforts to fight money laundering are to be meaningful, the world needs an independent, empowered global institution with investigative and regulatory authority. Such an entity should also operate internationally, question suspicious wealth even when it looks legal, and ensure that regulatory standards are enforced wherever you are.

At its core, money laundering is not simply a financial crime, it is a global plague. It sustains terrorist networks and drug- and human-smuggling operations, and it destroys faith in institutions everywhere. Without a comprehensive, transparent and enforceable global response, attempts to combat it are bound to fail. The study also urges a united, comprehensive global coalition to close the loopholes, repatriate stolen assets, and bring the financial criminals to justice wherever in the world they may be holding.

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