

'Why porous land borders add another layer of complexity in the fight against money laundering and predicate crimes?'

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The term “money laundering” has a broad definition, which includes predicate crimes (crimes which generate criminal proceeds) such as participation in organized criminal groups and racketeering; terrorism, (including financing of

terrorism); trafficking in human beings and illegal migrant smuggling; sexual exploitation (including sexual exploitation of children); illicit trafficking in narcotic drugs and psychotropic substances; illicit arms trafficking; illicit trafficking in stolen and other goods; corruption and bribery; fraud; currency counterfeiting; counterfeiting and piracy of products; environmental crimes; murder or grievous bodily injury, kidnappings, illegal and hostage taking; robbery or theft; smuggling; extortion; forgery; piracy; cattle rustling, timber trafficking, illegal mineral products trade, and market manipulation and the list goes on. Most, if not all anti-money laundering model laws give states powers to prescribe which crimes to include or exclude in the definition of predicate offences and crimes to leave out. The alleged failure of a country to fight money laundering and other predicate crimes undermines states not least by tainting integrity of financial institutions; erosion of investor confidence; reduction of competitiveness; investment instability; the unpredictability and volatility of international capital flows and exchange rates; the loss of control of sound economic policy; and the undermining of growth, development, innovation, and the integrity of financial institutions and markets. As a matter of fact, when a country is blacklisted for not doing enough to fight against money laundering and predicate offences, it will not present that country in a good image abroad but also sideline its economic development goals.

In this article, we demystify the myth that in the liberal trade market system, borders are less relevant to safeguard against cross border crimes. Far from it cross-border crimes have been exploited to smuggle goods or other assets into or outside a country or goods into or out of a country. It must be noted that fighting cross border crimes is a constitutional requirement and is therefore in exclusive domain of states to be franchised to non-state actors. Porous land borders work as a pull factor for money launderers, drug traffickers and other forms of illicit activities a cross jurisdictions. Data from

Interpol Office, Kampala Office (2019) indicate that drug trafficking in the Sub-region is fueled by porous land borders, corruption and increasing levels of poverty.

Some proponents of the global market system argue that unilateral state measures such as imposition of border restrictions alone cannot secure countries, besides global crises transcend individual countries to be controlled at the border. The philosophy that we live in a borderless global village where physical land borders have lost relevance, let us not get carried away, borders are still here and as relevant as they have always been.

There is need for states to tighten loose ends through harmonization of laws for states to know how to adjudicate cross border matters, the laws they would follow and to reject since they would be catered for in harmonized legal frameworks. A good example of tax harmonization is the adoption of a common external tariff (CET) by different States within the same region. This involves adjustment of tax structure or rate of States in the course or process of economic integration. The main purpose is to counteract or compensate for any distortions caused by the tax disparities in application of different regimes by States. While integration of economies is not as easy as it sounds given the hostility of some East African Member Countries to restrict goods and services from other EAC member countries, it is a harbinger that getting different countries to co-exist on varied overlapping matters is complex and not easy to achieve.

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