

CREDIBLE EVIDENCE BASED ON PRIMARY SOURCE DATA

Credible evidence depends on the findings of independent research, as well as reports by those who have expected to find a problem but have admitted that they have not.

The World Customs Organisation Illicit Trade Reports

The WCO has targeted Cultural Heritage as a risk category in its annual illicit trade reports since 2015 and has published detailed data about it since 2017. The WCO 2017 to 2021^[23] Illicit Trade Reports clearly show that cultural goods barely register on the scale by whichever of the four measures are used: number of cases being investigated, number of seizures, volume of material seized, or value of material seized.

The WCO has argued that low levels of reporting at national level hide the true figures – and the WCO only includes figures reported through its Central Enforcement Network – but the gap between cultural property trafficking and all other sectors of trafficking is so great that it could not come anywhere close to them. For example, the WCO notes that revenues lost from illegal logging alone accounted for an estimated \$15 billion in 2019 under the Revenue risk category. It should also be remembered that cultural heritage category is not limited to art and antiques but also encompasses household goods and other items, so the relevant figures applying to the art market are even smaller than those shown. (See *Appendix 6*)

Rand Report 2020

Specifically, regarding the claim linking terrorism financing to artefacts, most data is anecdotal. In May 2020, a new report appeared from the RAND Corporation, arguably the leading independent research organisation within the United States, with a 75-year history of ground-breaking studies. Titled ***Tracking and Disrupting the Illicit Antiquities Trade with Open Source Data***^[24], it concluded that most widely held assumptions and current theories are wrong about antiquities trafficking. The report argued that this has led to poor policy in tackling the problem as “effective policy responses are hindered by the lack of data and evidence on two fronts: the size of the market and the network structure of participants.” The authors asserted:

– “Despite the growing public outcry about the scale of looting in the conflict zones of the Middle East and the growing policy interest in the use of antiquities looting as a source of terrorism finance, there is little concrete information available about the size of this illicit trade. Moreover, there are not even comprehensive statistics that describe the legal portion of the global antiquities trade. However, this lack of data has not diminished the spread of wildly varying estimates about the size of the market for looted antiquities.”

(See *Measuring the international trade in antiquities*, page 69)

– “Simply put, while we cannot claim to measure the size of the illicit market, we can show that observable market channels are too small to act as conduits for a billion-dollar-a-year illicit trade.” (See *Measuring the international trade in antiquities*, page 70)

– “While researchers have often assumed that looting is feeding an unmet demand for antiquities on the open market, this view is inconsistent with the auctions data that we collected. Rather than finding that antiquities are “highly prized as investments and status items [for which] demand exceeds the modest legal supply,” we found instead a market in which sellers struggled to find buyers.” (See *Online auction markets*, page 73)

– “...our analysis suggests that it is unlikely that large volumes of looted antiquities are being sold through observable channels in Europe or the Americas.” (See *Summary*, page 85)

In the report the authors proposed more effective ways forward for developing policies intended to disrupt illicit networks which CINOA actively encourages policy makers to consider.

The situation in Germany

Germany has pioneered cultural property legislation and research dedicated to eradicating what it has claimed is a substantial trafficking problem in Europe and within its own borders. To this end it introduced the Cultural Property Act on August 6, 2016 and financed the ILLICID project (2015-2018).

By August 2021, evidence was negligible. The only reliable data had come from the German government itself. In **official answers to parliamentary questions on March 2, 2021**, it stated that from the introduction of the Cultural Property Act on August 6, 2016 until the end of June 2020, Germany had made a total of 61 cultural property seizures on suspicion of import or export violations – 15 a year on average across the whole of Germany’s 16 states. It did not report any case of terrorism financing. Neither did ILLICID.

The 2020 UK Government National Risk Assessment Report

The report^[25] addresses risks of money terrorism financing via the art market on pages 138-9 as follows: “Consistent with the findings of previous NRAs, there remains no evidence of HVDs being abused by terrorists. HVDs and AMPs [Art Market Participants] are not assessed to present an attractive option for moving terrorist funds. Therefore, this NRA assesses that the risk of terrorist financing through HVDs and AMPs is low.”

Other reports that have also debunked substantial claims of trafficking and terrorism financing through the EU include and elsewhere include, but are not limited to:

– ***Caliphate in Decline: An estimate of Islamic State’s Financial Fortunes*** (2017)^[26]. The International Centre for the Study of Radicalisation and Political Violence, King’s College, London: “...revenues from the sale of antiquities and kidnap for ransom, while difficult to quantify, are unlikely to have been major sources of income.” (See *Key Findings*)

– ***Cultural Property, War crimes and Islamic State*** (2016)^[27]. Commissioned by the War Crimes Unit of the Dutch National Police: “Media reports are barely based on primary sources but rather copy each other’s headlines, leading to over exaggeration and unfounded estimates of IS revenues. Despite the lack of evidence for a large-scale illegal trade network

benefitting IS, governments stress the importance of fighting this assumed vital source of income for IS. Evidence for large-scale operations is not found.” (See *Executive Summary*, page 6)

Footnotes

[23] WCO 2021 Illicit Trade Report (AND graphs and table in the appendix to this report): <http://www.wcoomd.org/en/media/newsroom/2022/june/the-wco-issues-its-2021-illicit-trade-report.aspx>

[24] Matthew Sargent, James V. Marrone, Alexandra T. Evans, Bilyana Lilly, Erik Nemeth, Stephen Dalzell, *Tracking and disrupting the illicit antiquities trade with open source data*, The Rand Corporation, 2020 https://www.rand.org/pubs/research_reports/RR2706.html

[25] HM Treasury, *National risk assessment of money laundering and terrorist financing 2020* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf

[26] See <https://icsr.info/2017/02/17/icsrey-report-caliphate-decline-estimate-islamic-states-financial-fortunes/>

[27] See <https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:51f3d6c7-13db-4d17-992b-cbc3f76a7e78>