Proceedings of the 3rd International Conference on Global Politics and Socio-Humanities
DOI: 10.54254/2753-7048/2025.23029

How Can the International Criminal Court (ICC) Address Financial Crimes Such as Money Laundering and Illicit Financial Flows That Are Central to Transnational Crime Networks?

Yizhou Wen

School of Humanities and Social Science, Xi'an Jiaotong-Liverpool University, Suzhou, China
yizhou.wen23@student.xjtlu.edu.cn

Abstract: This paper explores the role of the International Criminal Court (ICC) in addressing transnational financial crimes and the challenges facing it. Because of the acceleration of globalisation, crimes like money laundering, tax evasion, corruption, and terrorist financing have become common tools for global criminals. Since the ICC primarily prosecutes war crimes, genocide, and crimes against humanity, its current legal framework does not extend to financial crimes. By finding the ICC's jurisdictional limitations and real-world case studies, this paper reveals how gaps in international law create openings for financial criminals to act with little fear of prosecution. To bridge these gaps, it proposes key reforms, including expanding the ICC's jurisdiction, improving its technical and investigative capabilities, and stimulating stronger global cooperation. In the end, this paper points out that tackling financial crime worldwide requires a more adaptive and cooperative approach to ensure justice systems can keep pace with the ever-changing tactics of financial criminals.

Keywords: International Criminal Court, Transnational financial crimes, Money laundering, Illicit financial flows, International law.

1. Introduction

In today's globalised world, money laundering and illegal money transfers are now an inseparable part of global crime networks. The criminals no longer need to move cash in suitcases; instead, they use digital transactions, offshore bank accounts, and loose legislation to move illegal funds across borders even without leaving a trace. These financial crimes are not just about numbers on a screen—they fuel drug cartels, terrorism, corruption, and human trafficking. Although countries are trying to crack down on these activities, financial criminals are always one step ahead, quickly evolving with new technologies and legal loopholes faster than enforcement agencies can respond. As a result, the issue arises of how the International Criminal Court (ICC) enters the picture to deal with such financial crimes and what obstacles it encounters in doing so.

It's not just a legal debate to know what the ICC can do to fight financial crimes—it's about keeping communities safe from the bad impact of dirty money. If dirty money flows freely, it will undoubtedly harm economies, destabilise governments, and injure everyday citizens by funding violence and corruption. Historically, the ICC has focused on prosecuting war crimes, genocide, and crimes against humanity offenders. However, as financial crimes more frequently intersect with transnational

© 2026 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

DOI: 10.54254/2753-7048/2025.23029

criminal activities, increasingly more are arguing whether the ICC should expand its jurisdiction to give itself the authority to hold financial criminals accountable on a global scale. My study is aimed at assessing the ICC's existing legal framework, finding its limitations, and seeking possible reforms with which the ICC can play a stronger role in the struggle against those crimes.

To achieve this, the research uses different sources, including scholarly research, government reports, and international organisation publications. It also analyses cases where financial crimes were a key part of criminal activities and compares how different legal systems deal with such issues. Additionally, it looks at current international laws to see if they can help the ICC be more effective in prosecuting financial crimes.

This paper is arranged as follows: it first defines transnational financial crimes and their impact on the world. It then reflects on the ICC's role today and its jurisdictional shortages in dealing with these crimes. Thirdly, the discussion is shifted to financial crimes regarding their connection with ICC jurisdiction, with case studies being applied to indicate challenges accordingly. Following that, the paper examines the ICC's part in fighting international financial crime and how it works with global institutions. Finally, possible solutions for the ICC's improvement are provided and concluded with main points on why international cooperation is necessary to fight financial crime.

2. Definition and impact of transnational financial crimes

Transnational financial crime refers to illegal activities that cross more than one country or region, where criminals try to take advantage of the differences in financial laws between different states. Financial criminals typically engage in complex transactions deliberately designed to escape existing laws and regulations, posing unpredictable risks to global economic stability [1]. Based on their methods and objectives, transnational financial crimes can be broadly sorted into different types: money laundering, tax evasion, financial fraud, bribery and corruption, and terrorist financing.

3. The current role and jurisdictional limitations of the International Criminal Court (ICC)

The International Criminal Court (ICC) was founded on July 1, 2002, under the Rome Statute to adjudicate cases involving individuals that have committed the most serious international crimes, including genocide, crimes against humanity, war crimes, and crimes of aggression [2]. Its mandate does not, however, extend to financial crimes like money laundering or illicit financial transfers. Also, Article 5(1) of the Rome Statute expressly states: "The jurisdiction of the Court shall be limited to the most serious crimes of concern to the international community as a whole," listing only these four crimes, thereby excluding financial crimes within its legal framework [2].

Furthermore, Article 22(1) mentions: "A person shall not be criminally responsible under this Statute unless the conduct in question constitutes, at the time it takes place, a crime within the jurisdiction of the Court," meaning that only clearly listed crimes can be prosecuted, which does not include financial crimes [2]. Additionally, Articles 12 and 13 specify the certain conditions where the ICC can exercise its jurisdiction, for instance, when the crimes occur within a state party, are referred by the UN Security Council, or are initiated by the prosecutor [2]. This limits the ICC's ability to take legal action against illicit financial flows related to war crimes or crimes against humanity unless it is authorised by the Security Council or a consenting state.

At the same time, Article 25(1) provides: "The Court shall have jurisdiction over natural persons," showing that the ICC can only bring charges against individuals rather than states or organisations [2]. However, financial crimes often involve corporations, banks, and even state institutions; this article greatly reduces the applicability of ICC jurisdiction in financial crime cases. In addition, although Article 70 of the Rome Statute criminalises offences against the administration of justice,

DOI: 10.54254/2753-7048/2025.23029

such as giving false testimony, bribing Court officials, and interfering with judicial proceedings, its scope is extremely narrow. It applies only to direct interference with the ICC's own judicial processes and does not cover broader financial crimes [2].

In other words, these provisions are limited to cases where individuals attempt to manipulate ICC proceedings, such as defendants bribing witnesses or judges to influence case outcomes. However, many financial crimes—such as corruption facilitating war crimes, illicit financial flows funding terrorist organisations, or multinational corporations and banks aiding in sanction evasion—fall outside the jurisdiction of the Rome Statute. As a result, even though some financial crimes may indirectly impact international criminal justice, they are not prosecutable within the existing ICC legal framework [2]. Therefore, the current institutional design of the Rome Statute indicates obvious flaws in responding to financial crimes.

4. The link between financial crimes and ICC jurisdiction: a case study analysis

The Case of Victor Bout reveals the gaps in the International Criminal Court's (ICC) ability to tackle transnational financial crimes. Victor Bout, a Russian businessman, ran a global network that trafficked weapons into conflict zones across Africa, Asia, and Latin America, providing armed groups with the military supplies they needed to sustain their activities. These groups, including various militias and terrorist organisations, heavily relied on the arms and resources Bout facilitated. Though he did not directly engage in committing war crimes, his financial and material contributions played a crucial role in enabling atrocities, thus indirectly facilitating war crimes and crimes against humanity [3]. While his actions were undeniably linked to certain financial crimes, international criminal law lacks sufficient provisions to address these indirect activities, leaving the ICC unable to hold him accountable for these financial offences [4].

Bout employed complicated financial means to transfer money across borders, directing funds from different countries into conflict areas. This illegal flow of money did not just keep the violence going but also provided terrorist groups with the resources necessary for their survival and growth [5]. His series of operations were supported by offshore companies and international banks, acting as the financial infrastructure for global violence. However, as mentioned earlier, because of restrictions rooted in the Rome Statute, which focuses primarily on individuals who directly engage in violent acts, the International Criminal Court (ICC) failed to punish him for his financial crimes [6]. This legal gap leaves out those who, like Bout, fund and enable such acts through financial crimes.

5. The role and challenges of mathematical and statistical methods in financial crime investigation

Moreover, the ICC lacks the specialised expertise and legal framework necessary to investigate complex financial transactions, forensic accounting, and digital financial crimes. Financial crimes of this nature require not only a legal basis but also sophisticated mathematical statistics and computational algorithms to uncover illicit financial flows, identify suspicious transactions, and trace digital assets. As it notes, institutions like the Financial Action Task Force (FATF) and INTERPOL have already been equipped with cutting-edge data science tools and techniques, including anomaly detection algorithms, graph-based financial network analysis, and machine learning (ML) models to track complex financial crimes [7].

One of these techniques is the use of random forest algorithms and support vector machines (SVMs) to detect outliers and uncover concealed patterns in financial data [7]. These algorithms can process vast amounts of transactional data to flag potentially illegal activities by learning from historical data on criminal behaviours. FATF also employs predictive analytics to assess potential risks by using regression models and time series analysis to identify trends in terrorist financing and money

DOI: 10.54254/2753-7048/2025.23029

laundering, applying these methods to cross-border financial networks [7]. INTERPOL, similarly, uses blockchain analysis to trace transactions involving cryptocurrencies and digital currencies, which have become increasingly important in modern financial crimes. These tools, when combined with the use of big data analytics and financial data mining, enhance the ability to recognise complex patterns that the traditional legal framework, namely those employed by the ICC, may fail to identify.

By contrast, the ICC's prosecutorial framework is primarily targeted at traditional atrocity crimes that require investigative techniques rooted in witness testimony and tangible evidence. It points out that financial crimes like money laundering, cross-border financial fraud, and digital currency transactions need a sophisticated understanding of quantitative methods, including the use of neural networks for classification tasks and the application of Monte Carlo simulations for forecasting risk and uncertainty in financial transactions [8]. It further highlights the need for network theory and social network analysis (SNA) to model financial networks and pinpoint clandestine terrorist financing activities by identifying the key nodes and edges within a network, methods that are outside the scope of the ICC's existing legal capabilities [9]. Without definite provisions within its statute to independently prosecute financial crimes and with very limited access to the essential computational tools and data science methodologies, the ICC's role in addressing financial crimes remains indirect and insufficient.

6. Conclusion

To combat financial crimes linked to grave international crimes, the Rome Statute should be revised to add a fifth category to Article 5(1), granting the ICC jurisdiction over illicit financial flows, money laundering, and the financing of terrorism when these activities are clearly connected to core international crimes. A complementarity clause should clarify that the ICC may only exercise jurisdiction when national legal systems are unwilling or unable to prosecute such crimes in accordance with international standards. Additionally, Article 25(1) should be revised to extend accountability to legal entities—including corporations, banks, and financial institutions—whose financial conduct directly and intentionally contributes to crimes under ICC jurisdiction, provided domestic systems fail to act.

To support this expanded mandate, the ICC should establish a Financial Crimes and Digital Forensics Unit (FCDFU) within the Office of the Prosecutor. The unit would apply machine learning algorithms, blockchain analytics, and social network analysis to track illicit financial flows and identify digital assets associated with grave international crimes. It would also use anomaly detection models, such as random forest algorithms and neural networks, alongside Monte Carlo simulations to forecast financial risk patterns related to transnational crime and terrorism financing.

Safeguards must ensure respect for national financial confidentiality laws. The ICC should only request financial data when supported by clear evidence and subject to approval by national judicial authorities. Cooperation mechanisms should be based on case-specific Mutual Legal Assistance (MLA) agreements modelled after FATF standards, incorporating strong confidentiality safeguards and secure, encrypted databases for financial intelligence sharing.

To encourage international cooperation, the Rome Statute should also include a State Sovereignty Clause and offer a voluntary opt-in mechanism, allowing states to expand ICC jurisdiction over financial crimes via treaty instruments. An UN-supervised Financial Crimes Tribunal Mechanism (FCTM) could be established as a hybrid body between the ICC and financial regulatory institutions (e.g., FATF, INTERPOL), with limited enforcement powers targeting financial crimes tied to atrocity crimes. This mechanism would leverage diplomatic and economic incentives to foster compliance.

Finally, a multi-level enforcement model should be introduced. Cooperative financial institutions would benefit from favourable international ratings and reduced regulatory pressure, while non-cooperative actors would face reputational damage, financial sanctions, and access restrictions in

DOI: 10.54254/2753-7048/2025.23029

global markets. This framework incentivises both states and corporations to promote financial transparency in alignment with international justice objectives.

References

[1] *United Nations Office on Drugs and Crime (2023) Money Laundering and Transnational Organised Crime: Southeast Asia Assessment. 5-50.*

[2] *United Nations. (1998) Rome Statute of the International Criminal Court (Art. 5(1), Art. 12-13, Art. 22(1), Art. 25(1), Art. 70).*

[3] *International Crimes Database. (2019) The Case of Victor Bout. Retrieved from https://www.internationalcrimesdatabase.org/Case/3243/Bout/*

[4] *Cassese, A. (2008) International Criminal Law (2nd ed., p. 45). Oxford University Press.*

[5] *Romaniuk, S. N., Kaunert, C., & Fabe, A. P. H. (2024) Countering Terrorist and Criminal Financing: Theory and Practice. CRC Press. 63-68.*

[6] *Bosco, D. (2014) Rough Justice: The International Criminal Court in a World of Power Politics (pp. 145-150). Oxford University Press.*

[7] *Gardner, K. L. (2007) Terrorism Defanged: The Financial Action Task Force and International Efforts to Capture Terrorist Finances. In L. H. Hamilton (Ed.), Uniting Against Terror: Cooperative Nonmilitary Responses to the Global Terrorist Threat. MIT Press. 157-186*

[8] *Keatinge, T. (2015) Identifying Foreign Terrorist Fighters: The Role of Public-Private Partnership, Information Sharing, and Financial Intelligence. International Centre for Counter-Terrorism. 110-115.*

[9] *Feiler, G. (2007) The Globalisation of Terror Funding. Begin-Sadat Centre for Strategic Studies. 45-49.*