

Summaries

Justitiële verkenningen (Judicial explorations) is published four times a year by the Research and Data Centre of the Dutch Ministry of Justice and Security in cooperation with Boom juridisch. Each issue focuses on a central theme related to judicial policy. The section Summaries contains abstracts of the internationally most relevant articles of each issue. The central theme of this issue (no. 2, 2024) is *The parallel economy*.

The parallel economy. Avoidance of and resistance against the financial and economic system – an introduction

Edwin Kruisbergen and Melvin Soudijn

There are various reasons why people can not or will not function within the formal, financial and economic framework of modern society. They use or create possibilities in a parallel economy. In this article the authors explain the concept of the parallel economy, explore the different activities that take place within the parallel economy, and look into the way the government reacts to those activities.

The illegal economy and national income

Sjoerd Hooijmaaijers and Sander Ijmker

Statistics Netherlands, in compliance with European regulations, includes illegal and informal activities in the national accounts estimates. These estimates are subject to greater uncertainty and different methods and sources are used than for legal activities. Statistics Netherlands chooses to make an elaborate estimate once every five years and to have a simpler estimate in the other years. The reasons for this simpler estimate and the estimate itself are explained. Special attention is paid to synthetic drugs, where the difference between the revenues generated within the national borders and those attributed to the Dutch economy is explained.

Why the wholesale drug trade cannot function without underground bankers

Melvin Soudijn

This article examines the financial management of wholesale drug trafficking. Four characteristics are identified. First, buying on credit is

not uncommon in the wholesale business. The second characteristic is liability. The person who is in possession of the drugs, is also financially responsible for the amount involved. A third characteristic is a high turnover rate. To reduce the risk of liability, the drugs are held for as short a time as possible. Fourthly, the wholesale drug business is still largely a cash flow business. As a result, large amounts of cash have to be moved internationally. However, due to anti-money laundering policies, it is not possible to (regularly) deposit and move large sums of cash within the formal financial system without generating an unusual transaction report to the Financial Intelligence Unit (FIU). Underground bankers capitalize on this by offering drug traffickers a parallel payment structure. Without their services, the wholesale cocaine trade would probably be much less efficient, and therefore smaller.

Beyond money: sovereigns and the financial system

Adriaan van Veldhuizen and Eline Darmont

In May 2023, the General Intelligence and Security Service (AIVD) reported that around 100,000 people in the Netherlands are susceptible to what they called anti-institutional conspiracy theories. Some individuals adopted the idea that one could become ‘sovereign’ and cut all ties with the government. These self-proclaimed sovereigns are actively building parallel structures; not only mentally and institutionally, but also financially. In this article the authors explore some of the financial practices promoted and applied by these sovereigns. Furthermore, they show how their ambitions fit into a much broader range of arrangements offered to those who wish to become financially detached.

Trade-Based Money Laundering: challenges and developments in the Netherlands

Michael Schmitz

Trade-Based Money Laundering (TBML) is a phenomenon in which assets of criminal origin are moved and/or concealed and/or layered through trade transactions. Recently, police organizations and other parties have paid more attention to this issue. As a trading nation, the Netherlands is vulnerable to this form of money laundering. In this article, the author discusses the challenges in detecting TBML. TBML is difficult to detect because it can theoretically involve all goods and

has various manifestations. Relevant information is scattered among various public and private agencies. Third-party payments and the frequent international component of TBML further complicate detection. Exchanging data between Customs and FIOD could contribute to faster detection of TBML activities. Matching customs data at the international level could also lead to earlier detection.

Ideology and criminality in the cryptocurrency ecosystem

Thijmen Verburgh and Jocelyn van Rijs

Cryptocurrencies have been used for a wide range of illegal activities for over a decade, particularly as payment methods and targets for theft and fraud. Some within the crypto community prioritise privacy and financial autonomy as core values, sometimes overlooking the criminal misuse of cryptocurrencies. However, the authors note that financial motives, such as running profitable businesses, often play a larger role than these ideals. The true motivations for using cryptocurrencies are not always clear, and in liability cases, ideological arguments are frequently invoked to justify actions. This article explores the complex relationship between ideology and financial gain in cryptocurrency use.