Money laundering as a transnational business phenomenon: a systematic review and future agenda

Emilia A. Isolauri and Irfan Ameer
Department of Marketing and International Business,
University of Turku, Turku, Finland

Abstract

Purpose – Money laundering continues to emerge as a transnational phenomenon that has harmful consequences for the global economy and society. Despite the theoretical and practical magnitude of money laundering, international business (IB) research on the topic is scarce and scattered across multiple disciplines. Accordingly, this study aims to advance an integrated understanding of money laundering from the IB perspective.

Design/methodology/approach – The authors conduct a systematic review of relevant literature and qualitatively analyze the content of 57 studies published on the topic during the past two decades.

Findings – The authors identify five streams (5Cs) of research on money laundering in the IB context: the concept, characteristics, causes, consequences and controls. The analysis further indicates six theoretical approaches used in the past research. Notably, normative standards and business and economics theories are dominant in the extant research.

Research limitations/implications – The authors review the literature on an under-researched but practically significant phenomenon and found potential for advancing its theoretical foundations. Hence, the authors propose a 5Cs framework and a future agenda for research and practice by introducing 21 future research questions and two plausible theories to help study the phenomenon more effectively in the future.

Practical implications – In practical terms, the study extends the understanding of the money laundering phenomenon and subsequently helps mitigating the problem of money laundering in the IB environment, along with its harmful economic and societal impacts.

Originality/value – The authors offer an integrative view on money laundering in the IB context. Additionally, the authors emphasize wider discussions on money laundering as a form of mega-corruption.

Keywords International business, Money laundering, Systematic review, International mega-corruption, Cross-border payments, Unethical business practices

Paper type Literature review
1. Introduction

In October 2021, the Pandora Paper leaks disclosed millions of documents that revealed influential individuals such as politicians using offshore business arrangements and companies to hide their wealth. Based on these documents, indications of plausible tax avoidance and money laundering have been discovered on a global level (BBC, 2021).

Money laundering is a transnational phenomenon that has attracted increasing amounts of attention during the past two decades. The Financial Action Task Force (FATF) defines money laundering as the processing of criminal proceeds to disguise their illegal origin (FATF, 2022). Usually, funds from illicit sources are disguised by using legitimate means such as complex business arrangements or cross-border transactions to legitimize the black money. Apart from criminal organizations and individuals, legal firms, institutions and their officials may directly or indirectly manipulate legislation or systems to facilitate the process of money laundering (Ahen, 2022). Consequently, money laundering has become a severe and complex challenge for the development of global business and society (Buchanan, 2004; Cuervo-Cazurra et al., 2021; Dierksmeier and Seele, 2018).

From an academic perspective, international business (IB) literature has advanced its understanding of cross-border commerce over the past 50 years, yet the international and parallel gray economy has been largely neglected in research (Enderwick, 2019). Money laundering is well represented in studies on international mega-corruption. International mega-corruption diminishes the amount of available resources for education, infrastructure, public health and so on, which ultimately affects populations across the world (Ahen, 2022). The United Nations Office on Drugs and Crime (UNODC) has estimated that 2%–5% of global gross domestic product (US$800bn–2tn) is laundered annually (UNODC, 2022). Due to the larger impact on business and society, money laundering is an important form of mega-corruption at the global level that requires immediate attention. This well demonstrates the transnational nature of the wicked problem of money laundering, as the vast illicit financial flows (IFBs) shift wealth from high-tax nations and emerging countries to lower-tax jurisdictions, thereby threatening the long-term development of the global economy (Contractor, 2016). In terms of wicked problems, there are no infinite solutions; instead, these problems can be mitigated (Rittel and Webber, 1973). In emerging countries, the origin of corrupted and illicit money is often obscured by conducting international transactions and offshore arrangements. On the flip side, developed countries suffer from loss of tax revenues as a result of international tax competition and tax avoidance conducted by multinational companies (MNCs) and wealthy individuals (Ahen, 2022). To date, the wicked problem of money laundering has been largely neglected by IB scholars (Buchanan, 2004; Clarke, 2021) and hence, we are focusing on the phenomenon of money laundering.

Overall, research on money laundering in an IB context is scarce and largely fragmented across the various business (e.g. international banking, finance, investment, taxation, corporate governance, business ethics) and nonbusiness (e.g. law, criminology, IT, social sciences) disciplines (Canhoto, 2021; Van Duyne et al., 2018). Consequently, there is considerable conceptual confusion in understanding money laundering from an IB perspective. Moreover, the scope and boundaries of money laundering are not clearly defined in the IB research. Such challenges restrict the ability of researchers to present policy and practical implications to better understand and combat money laundering. Therefore, a common and integrative understanding of money laundering in the IB context is required.

In the absence of a unified view, theoretical and practical understanding of money laundering as an IB phenomenon is a challenging task (Canhoto, 2021; Van Duyne et al., 2018). The diverse conceptualizations of money laundering result in different
operationalizations of key concepts and variables. However, rather than focusing on the assumption of money laundering as a grand challenge (UNESCO, 2010), we examine it as a wicked problem. To clarify the situation and set a foundation for future research, the objective of our study is to advance an integrated understanding of money laundering and evince the noteworthiness of the research phenomenon for the discipline of IB. More specifically, we focus on three key questions to meet our study’s objective:

Q1. How has the extant research addressed money laundering as an IB phenomenon?
Q2. What are the key theoretical approaches used in the extant research?
Q3. What new avenues can be suggested for future research and practice?

To meet our study’s objective, we conducted a systematic literature review, which is well suited to offer an integrated understanding (Soundararajan et al., 2018). We used a qualitative content analysis method to analyze the data extracted from 57 studies (Booth et al., 2012). We argue that the discipline of IB would benefit from future research on money laundering in the aim of broadening understandings about the dark sides of IB (Cooke et al., 2020).

Our study contributes to the literature by positioning money laundering as a transnational business phenomenon and encourages IB researchers to investigate the proposed five key streams (5Cs) of money laundering, which we label as concept, characteristics, causes, consequences and controls. The 5Cs enable a critical assessment of the money laundering phenomenon and allow suggestions for how to study the topic. We also suggest a future agenda and propose two relatively new theories to extend future research and practice.

Our study is divided into five main sections. After the introduction, we present the methodology in Section 2 used in this study. Section 3 shows our key findings. Section 4 proposes directions for future research and practice with the help of 21 research questions and two novel theoretical approaches. The final section concludes the study by showing its implications for research and practice.

2. Methodology

We conducted a systematic review of published research to meet our study’s objective (Soundararajan et al., 2018). The extant literature reviews on the topic explore various aspects of money laundering. Table 1 presents an overview of past money laundering reviews, along with their aims, methods, key findings and the main differences between past reviews and our present review.

Mostly, the data sources for past reviews were policy documents and reports related to money laundering. Moreover, past reviews tended to focus on the role of machine learning and artificial intelligence in mitigating money laundering (Alsuwailem and Saudagar, 2020; Chen et al., 2018; Han et al., 2020), bibliometric characteristics of publications (Mei et al., 2014) and the role of nonprofit organizations (Omar et al., 2014) or shell companies (Tiwari et al., 2020) in laundering money. Alternatively, we distinguish our study by emphasizing the money laundering aspects relevant to IB. Our systematic review follows a process that includes the steps for data collection, data categorization and data analysis (Booth et al., 2012). Figure 1 explains the step-by-step process of our review.

2.1 Data collection

For data collection, we selected relevant databases to search the published material related to money laundering. We used Web of Science and EBSCO databases to enable a thorough
| Reviews                        | Aim of the review                                                                 | Method                                         | Key findings                                                                 | Differences from our present review                                                                 |
|-------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Alsuwailem and Saudagar (2020)| To review AML systems and their effectiveness                                      | Systematic literature review (2015 to 2020; 27 documents) | Characterization of new AML frameworks and solutions based on machine learning | Focuses on a narrower set of literature on controls of money laundering and geographical distribution of AML research |
| Chen et al. (2018)            | To provide state-of-the-art knowledge on machine learning to detect money laundering | Selected literature review                     | Six methods to detect suspicious transactions: AML typologies, link analysis, behavioral modeling, risk scoring, detection and geographic capability | Focuses on narrower aspect: controls of money laundering, especially on machine learning use in AML. Does not seek to integrate money laundering literature |
| Han et al. (2020)             | To provide knowledge on artificial intelligence methods for AML and framework to facilitate new AML technologies | Selected literature review of AML policies and studies | Six solutions for detecting money laundering: AML industry, network analysis for AML, link analysis, detection, risk classification, graph learning | Focuses on a narrower aspect: controls of money laundering, especially on artificial intelligence use in AML |
| Mei et al. (2014)             | To visualize keywords, cited journals and distribution of countries, organizations and authors researching AML | Bibliometric review (1993 to 2013; 557 documents) | Leading countries, authors and journals in publishing AML research are presented. Three topics including studies on predicate crimes, AML legislation and risks of money laundering in Germany are cited the most within the AML research | Focuses on statistics of money laundering research instead of the main contents. Does not seek to integrate money laundering literature |
| Omar et al. (2014)            | To review how various countries comply with Special Recommendation 8 of FATF regarding nonprofit firms and their misuse for crime | Selected review (evaluation reports of 40 countries) | Out of the 40 inspected countries, only USA was compliant with Special Recommendation VIII as a third of inspected countries did not comply and the rest complied partially | Focuses on a narrower aspect: causes of money laundering, especially on the misuse of nonprofit organizations. Does not seek to integrate money laundering literature |

Table 1. Overview of past reviews on money laundering

(continued)
| Reviews               | Aim of the review                                           | Method            | Key findings                                                                 | Differences from our present review                                                                 |
|----------------------|-------------------------------------------------------------|-------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Tiwari et al. (2020) | To categorize areas of money laundering and identify research gaps | Systematic review | Six areas of money laundering: AML frameworks, noneconomic effects, importance and role of actors, magnitude of money laundering, detection of money laundering and new opportunities for money laundering | Focuses on a narrower aspect: controls of money laundering, especially in terms of detecting money laundering via shell companies. Does not consider the ethical aspects and only focuses on legislative aspects |
Next, we defined the scope of the research by adopting appropriate search criteria (Rojon et al., 2021). Our search criteria are shown in Table 2.

The search line 2 in Table 2 uses keywords related to the IB context (e.g. “International” OR “Global” OR “Across the border” OR “Cross the border”). Given the fact that publications related to money laundering frequently appear not only in business but also in information technology, social sciences and law outlets, we searched all the publications in business, IT, social sciences and law outlets focusing on money laundering in IB context. In this way, we can offer an integrative view on money laundering from the IB perspective.

To find the relevant studies in the databases, we used Boolean logic by applying various combinations of relevant search keywords and finding those search combinations in the title, abstract and keywords of each study (Hjørland, 2015). The combinations of words were based on search criteria used in recent reviews on money laundering and IB (see systematic reviews of Bahoo et al., 2020; Mei et al., 2014). This helped us to identify the maximum number of studies that dealt with money laundering from the IB perspective. We further refined the search by using type, language and subject area filters. We searched all published research on the topic from the period of 2000 to 2020 since the current century pays special attention to the money laundering research (Cuervo-Cazurra et al., 2021). Money laundering research frequently appears in business and nonbusiness publication outlets, such as journals emphasizing international aspects of banking, finance, management, economics, law, social sciences, IT and so on (Canhoto, 2021). Consequently, we included all peer-reviewed material published in business, management, economics, social sciences, law, computer science and IT categories of databases. We selected peer-reviewed journal articles and book chapters in our review since they provide a credible overview of published research (Bahoo et al., 2020). As an outcome, we found 126 publications.

Next, we excluded the duplicate entries and read the abstracts of the articles to remove irrelevant entries (Rojon et al., 2021). Several articles were not germane at this stage because their focus was not directly relevant to money laundering from an IB perspective. As a result, we ended up with 46 studies. Because search keywords might miss some important studies, we further looked at the reference lists of 46 studies and found seven more relevant articles (Petticrew and Roberts, 2006). Additionally, large international agencies such as the
| Combinations of exact search keywords in the title, abstract and keywords | Search line 1: “money launder*” OR “anti-money launder*” AND Search line 2: “International” OR “Global” OR “Across the border” OR “Cross the border” |
|---|---|
| Filters applied | Duration 2000–2020 724 entries found | Topic Search in title, abstract or keywords 631 entries found |
| | Type Peer-reviewed articles/book chapters 489 entries found | Language Only English 432 entries found |
| | Subject Business, management, economics, social sciences, law, computer science and IT 126 entries found | |
| | Duplication Remove duplicate entries in databases 81 entries found | Relevancy Read the abstracts to find relevancy 46 entries found |
| | Additional criteria to Looking at the reference list of review articles on money laundering 7 more entries found | look for more publications Credible reports of international agencies, e.g. the EU and the UN 4 more entries found |
| | Total sample for review 46 entries + 7 entries + 4 entries 57 entries found for final review |

**Notes:** *Denotes any possible extension of the search keyword in databases. For instance, “launder*” will also search laundering and launderers.

Table 2. Search criteria for data collection and scope of research.
United Nations, the FATF and the European Union publish money laundering related reports. As reviewing a large number of reports was not possible, we included four selective but highly credible and recent reports on money laundering in our sample (European Commission, 2019; FATF, 2018; Transparency International, 2017; UNODC, 2022). The reports helped us to further improve the credibility and reliability of our review by providing supplementary specialist information that was not available in academic sources (Adams et al., 2017). As a result, we ultimately found 57 publications for content analysis. Regarding the selected studies, we read them throughout to conduct in-depth analyses.

Of these 57 studies, eight were published in the *Journal of Money Laundering Control* – the only specialist journal dedicated to this phenomenon. Despite the importance and relevance of money laundering, this phenomenon was largely ignored by the top mainstream business and management journals. The few exceptions were the *Journal of Business Ethics* (Geo-Jala and Mangum, 2000) and *Business and Society* (Maggetti, 2014). Also, *Critical Perspectives on International Business* has addressed related important topics (Ahen, 2022). Given the problematic nature and scale of the phenomenon, it is surprising that the topic was under-acknowledged in top business journals.

### 2.2 Data categorization

We read the selected 57 studies to conduct in-depth analyses. We paid special attention to three aspects: key findings or insights; theoretical approaches; and future directions proposed by each study. We then transferred our findings into a tabular form (see Appendix) for a systematic inspection and treatment of the data (Cloutier and Ravasi, 2021). Hence, data categorization based on the three aspects guided us in our content analysis.

### 2.3 Data analysis

In our study, we synthesized the findings by combining forms of integration and interpretation (Rousseau et al., 2008). Accordingly, we predetermined our review questions and criteria for selecting the studies. Eventually, we assembled findings from individual studies into a patchwork. That is, we combined elements from a meta-ethnographic approach by identifying subcategories arising from the predetermined 5Cs; elements from a realist approach by emphasizing objectivism while accepting that reality is not independent from the researchers’ perceptions; and elements from a meta-narrative approach by focusing on central themes, methods and theories (Jones and Gatrell, 2014). As noted by Denyer et al. (2008), combining elements from different approaches may help to grasp multidisciplinary and fragmented literature – in our case, literature on money laundering. To avoid bias and establish a coherent framework for analyzing each study, we used a data-extraction table (Tranfield et al., 2003).

Aligned with the qualitative content analysis method, we performed the analysis based on an iterative process (Ryan and Bernard, 2000). The key streams (5Cs) emerged from the qualitative analysis of the data. We reviewed the data table several times and analyzed the new key insights, theoretical approaches and future research areas presented in the existing literature (Gaur and Kumar, 2018). By looking at the similarities and differences, we found the key themes and subthemes in the data. In sum, the systematic inspection and treatment of the data helped us to identify five streams of research in money laundering, future research directions related to each stream and the theories used in the extant research (Bahoo et al., 2020; Rojon et al., 2021).
3. Findings
3.1 The 5Cs of money laundering

Our review reveals five streams of research on money laundering in the IB context. We call them the 5Cs of money laundering, namely, the concept, characteristics, causes, consequences and controls of money laundering (see Figure 2).

3.1.1 Concept of money laundering. By synthesizing the reviewed studies, we found that the concept of money laundering has been explored in the extant research mostly by introducing the phases of money laundering processes and the role of various actors in executing them. Money laundering can be defined as an illicit process involving various actors and as an extension to crime in most countries (Wechsler, 2001). The ultimate aim of money launderers is to integrate illicit funds into the global economy (Maggetti, 2014). The illegality of money laundering as a process delimits the concept in many of the reviewed studies, yet its role as an unethical arrangement used in processing funds from criminal activities such as despotism or corruption through legal business arrangements (Maggetti, 2014) is also ignored in many of the studies. Table 3 illustrates the key definitions used in the reviewed studies.

On one level, part of the international movements of money consists of illicit and detrimental transnational financial flows. These IFFs, varying between transnational money laundering arrangements and tax evasion, are considered illicit by nature due to their origin, the way of transferring or the destination of funds (Collin, 2020). On another level, transnational organized crime (TOC) serves as an initiator to money laundering. Profits generated from criminal activities such as drug trafficking or smuggling luxury items (Charles, 2001) need to be laundered into seemingly legal and usable funds. Based on this, TOC represents the demand side of the problem of money laundering. On the flip side, powerful actors and professional money launderers (e.g. third-party professionals) supply the means for money laundering and IFFs via offshore and company arrangements.

There are some differences between the definitions used in relation to the illicit versus the unethical nature of the money laundering phenomenon. Multiple studies highlight the processual nature of money laundering (Drezner, 2005; Sadeghi et al., 2018; Windsor, 2013). Some definitions, such as that of the United Nations (“placement, layering, integration”),

![Figure 2. 5Cs of money laundering in the IB context](image-url)
| Source of definition                                      | Definition of money laundering                                                                 | Count | Exemplary studies                                                                 |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------|-----------------------------------------------------------------------------------|
| Definition of Jordan’s Central Bank Instruction No. 10 (2001) | Hiding, disguising, using, owning or providing false information about the source of illegal funds | 1     | Abu Olaim and Rahman, 2016                                                        |
|               | A process which incorporates three phases: placement, layering and integration                | 26    | Ahmed (2017), Clarke (2021), Demetis (2018), Drezer (2005), Friedrich and Quick (2019), Gaughan and Javalgi (2018), Grabosky (2009), Hameiri (2020), Hameiri and Jones (2016), Hameiri et al. (2018), Hulsse (2009), Hulsse and Kerwer (2007), Ley (2020), Lord and Levi (2017), Lord et al. (2018), Muggetti (2014), Mugarura (2017), Perez et al. (2012), Rahimi (2020), Sadeghi et al. (2018), Scheau and Zaharie (2017), Sica (2000), Varese (2012), Warde (2007), Wechsler (2001), Windsor (2013) |
| United Nations’ definition                               |                                                                                                 |       |                                                                                   |
| Criminal Justice Act 1990 (UK)                           | Hiding or transferring proceeds of drug trafficking became a crime                               | 1     | Alldridge (2008)                                                                  |
| European Union (IFFs)                                    | Financial activities are hidden from sight ranging from tax evasion and money laundering to illegal capital flight | 8     | Collin (2020), European Commission (2019), Naheem (2015), Naheem (2016), Sadeghi et al. (2018), Sharman (2008), Transparency International (2017), Warde (2007) |
| FATF                                                     | Processing illegal profits originating from various types of activities such as drug trafficking  | 4     | Charles (2001), Cobb (2009), FATF (2018), Ozinga and Mowat (2012)                 |
| Russian Criminal Code and the Federal Law on Combatting Money Laundering | Laundering of proceeds of crime                                                                | 1     | Defossez (2017)                                                                  |
| Vienna Convention                                        | A criminal act                                                                                    | 2     | Gaughan and Javalgi (2018), UNODC (2022)                                         |
| USA Patriot Act                                          | Process that enables concealing the origin, nature, control or ownership of illegal funds        | 1     | Gnutzmann et al. (2010)                                                          |
| Foreign Corrupt Practices Act, USA                       | Corrupt corporate practices                                                                       | 1     | Geo-Jala and Mangum (2000)                                                        |
| Australian Transaction Reports and Analysis Centre (AUSTRAC) | Concealing and integrating illicit funds into the legitimate economy, e.g. through real estate purchases | 1     | Ley (2020)                                                                      |
| Proceeds of Crime Act 2002 (POCA), UK                    | An unlawful activity, use of illegal money                                                        | 1     | Singh and Lin (2020)                                                             |

Table 3. Definitions of money laundering used in the existing literature
incline toward viewing money laundering as a demand problem and emphasize TOC as the initiator of the process. From this viewpoint, money laundering can be seen as a global value chain for illicit funds. Other definitions, such as the Australian Transaction Reports and Analysis Centre’s definition of IFFs, are vaguer in defining which stage of the money laundering process illegal or unethical activity takes place. As mentioned by Collin (2020), IFFs may vary between money laundering for the purpose of laundering criminally acquired profits or money laundering for evading taxes from legitimate business activities.

Existing literature highlights the importance of transnational organizations and their leading role in defining money laundering (see Table 3). To demonstrate, most global economies follow the definitions, guidelines and regulative structures of institutions such as the FATF, the UNODC and the European Union which define money laundering as a process that helps criminals to disguise illegal profits without compromising the criminals’ benefits from the proceeds. The literature also indicates country-level definitions of money laundering. For instance, the UK and the USA definitions were used.

3.1.2 Characteristics of money laundering. The key characteristics of money laundering include the aspects of illegality and concealment. On the one hand, revenues as the object of laundering are generated via illegal activities. On the other hand, legal funds may be used for illicit purposes. Consequently, the aim of money laundering is to conceal the actual origin or owner of funds. The European Commission (2019) has identified sectors and products that are potentially vulnerable to money laundering risk. These include cash, the financial sector, the gambling sector, the nonfinancial sector and products, transfers of funds through nonprofit organizations and some new products and sectors. In the following section, we have analyzed how money laundering is characterized in these contexts.

In regard to the financial sector, modern technology and rapid communications have increased the level of money laundering and simultaneously put pressure on banks to detect it (Canhoto, 2021). In addition to traditional wire transfers, financial institutions offer cash-related products and have adopted new technologies (including Fintech), thereby increasing the level of anonymity and exposure to the risk of money laundering (European Commission, 2019). Thus, weak banking systems may lead to unsuccessful attempts to mitigate money laundering (Defossez, 2017).

Professionals in nonfinancial industries such as IT, law, manufacturing, gaming, distribution and accounting might deliberately or unintentionally help criminals to facilitate money laundering. For instance, registration to online gambling platforms offers increased anonymity for criminals who wish to transfer large amounts of money (Wechsler, 2001). Also, the European Commission (2019) considers collecting and transferring funds through nonprofit organizations as risky in terms of money laundering. This is due to the possibility of criminals and terrorist organizations penetrating into the operations of nonprofit organizations. This would allow criminals to hide their beneficial ownership and make it difficult for authorities to trace the origin of the funds. In their (2020) study, Singh and Lin examined how charitable organizations and fundraising may be used in money laundering. Namely, charities may enable criminals to conduct fake payments, lend funds to finance specific projects, make anonymous donations or avoid taxes.

Following the trends in money laundering, the European Commission (2019) has also identified new products and sectors that are vulnerable to the risk of money laundering. These include investor residence and citizenship schemes, professional football and free ports. In a (2002) study, Wechsler pointed out that some countries are offering economic citizenship to wealthy foreign individuals based on their notable investments. However, granting residence permits or citizenship based on investments increases the risks surrounding money laundering, corruption, tax evasion and national security (European Commission, 2019).
Another concerning money laundering trend relates to professional football. For instance, May (2019) described how a businessman from Hong Kong took over an English football club and was finally arrested for laundering money. Also, in regard to the use of free ports in money laundering, there is a risk of counterfeiting due to the possibility of reexporting goods without the interference of customs officials (European Commission, 2019). This makes it problematic to detect the origin of products and enables future laundering of revenues generated through counterfeiting. In relation to using ports in general, Burns (2019) studied how criminals aim to enter through busy ports to conduct illegitimate business transactions and trade. The risks these sectors and products pose make them vulnerable to money laundering.

In relation to geographic characteristics of the phenomenon, money laundering was mainly considered as an issue of the developed world until the 21st century. As a result of globally heterogenous standards for mitigating money laundering, criminals would shift their profits to jurisdictions with lacking anti-money laundering (AML) regulation. Nowadays, regions such as South, East and West Africa have their own regional bodies that supervise the implementation of AML policies within these districts (Sharman, 2008).

Money laundering in the advanced global economy necessitates carefully planned processes and networks. These enable connected transactions to be conducted within informal transnational systems that make it difficult to distinguish between illicit and legitimate activities. Often, these networks consist of wealthy individuals, MNCs, offshore financial centers, brokers, advisors, third-party professionals and financial institutions (Cooley and Sharman, 2015). In terms of payment transactions and money laundering techniques, it is also worth noting that wire transfers are often preferred in organization for economic co-operation and development (OECD) jurisdictions. In contrast, emerging countries tend to rely on cash as a payment method (Sharman, 2008).

3.1.3 Causes of money laundering. Our analysis displays three main levels in the causes of money laundering presented in the existing literature (see Table 4). These causes can be divided into micro- (individual level), meso- (country level) and macro- level (global) causes.

On an individual level, perceptions about ethics and what is right and wrong (Gaughan and Javalgi, 2018) influence the likelihood of a person conducting or being involved in money laundering. Related to this, the deliberate assistance of third-party professionals within the fields of law, accounting and finance facilitate international transactions, the aim of which is to hide the criminal origin of funds (Lord et al., 2018). In addition to such intended assistance, employees of MNCs may unintentionally help their customers to conduct international monetary arrangements with money laundering aims.

Country-level causes often stem from a lack of resources or political will to mitigate money laundering (Ahmed, 2017). Furthermore, the political climate within a country affects the tolerance and occurrence of crime. Weak AML structures, regulation and supervision, invite criminals to move capital into these countries (Clarke, 2021; Hameiri and Jones, 2016; Perez et al., 2012). One major country-level enabler of money laundering stems from variance in the efficiency of AML mechanisms between different countries. Additionally, low levels of engagement in cooperation between countries to resolve the wicked problem of money laundering enable launderers to benefit from regulatory arbitrage. Varying state regulations might provide institutional voids for criminals to take advantage of while laundering money (Hameiri et al., 2018). Researchers have also recognized state-level corruption as one of the main country-level causes (Ahmed, 2017; Bojnec and Fertő, 2018; Halliday, 2018; Marat, 2015), as this generates a need for laundering corrupted funds. Furthermore, national interests (Gaughan and Javalgi, 2018) related to receiving laundered funds into the country’s
Table 4. Causes of money laundering

| Individual                  | Country                                                                 | Global                                                   |
|-----------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|
| Ethics                      | Lack of resources and political will to mitigate money laundering       | Globalization                                             |
| Third-party assistance from professionals within the field of law, accounting, and finance | Organized crime                                                      | Crypto currencies                                      |
| Unintentional assistance of launderers | Corruption and other crimes such as tax evasion                     | International mobility of capital                           |
| Power (elite, financial and nonfinancial advisors) | Weak AML structures and supervision                                     | Offshore financial centers                                |
|                             | Nonfinancial sector                                                      | Lack of transparency and information exchange              |
|                             | National interests                                                       | Informal transnational networks                           |
|                             | Sociocultural elements                                                   | Power (MNCs, transnational groups of regulators)           |
|                             | Power (government bureaucrats)                                           |                                                           |
economy (Alldridge, 2008), as well as sociocultural elements (Lord and Levi, 2017), shape domestic legal standards and affect the tolerance of corruption.

Societal phenomena such as TOC affect the occurrence of money laundering (Charles, 2001). Money laundering processes are generated by other crimes such as drug offenses, fraud, smuggling, counterfeiting, human trafficking and tax evasion (Abu Olaim and Rahman, 2016; Warde, 2007), the proceeds of which become the object of laundering. In some cases, informal fund transfer networks have been used in money laundering. Namely, as a consequence of increased regulation of formal financial flows, transfers of illegally obtained funds have been partly pushed underground by using informal transaction networks, especially in developing countries (Warde, 2007).

Global developments related to networks, monetary transactions and international mobility of capital have an impact on the frequency of money laundering. Many of the analyzed articles identify globalization as one of the main moderators for money laundering (Alldridge, 2008; Defossez, 2017; Estellita and Bastos, 2015). Moreover, globalization accelerates the evolution of new techniques used in money laundering by providing possibilities for rapid and international capital movements. By using cryptocurrencies, for instance, criminals are guaranteed enhanced anonymity and speed, raising the odds of not being caught (Kaygin et al., 2019). As a result, legitimate forms of monetary transactions may be used for unethical purposes related to hiding the origin of financial benefits received by committing crimes. International mobility of capital (Grabosky, 2009), offshore financial centers (Mugarura, 2017; Sadeghi et al., 2018), lack of transparency (Hülsse, 2009) and insufficient information exchange make it more difficult for authorities to trace the proceeds of crime, detect suspicious transactions and determine the parties involved in laundering. Consequently, mitigating the problem becomes highly challenging.

When considering the causes of money laundering, the power aspect cannot be ignored. Wealthy individuals, non-governmental organizations, MNCs, government bureaucrats and other powerful actors may act as facilitators of money laundering. Aggressive wealth optimization – even when the origin of funds is legal – may sometimes end up in a conflicting gray area and finally veer toward tax evasion. Establishment and misuse of legitimate companies or other corporate vehicles and directing funds to offshore financial jurisdictions are quite common when the aim is to maintain clandestine assets (Lord et al., 2018). In addition, criminals aim to conceal profits generated through illegal activities by using these arrangements. These operations are often enabled by third-party professionals such as financial and nonfinancial advisors or consultancies who have a significant role in assisting powerful actors in transferring funds to the West (Sharman, 2008). For instance, private banking services that provide options for offshore investments, international transactions and discrete dealings with customers are prone to money laundering risk (Maggetti, 2014).

3.1.4 Consequences of money laundering. In relation to the consequences of money laundering, our review identifies five main categories, which are summarized in Figure 3.

These include political, economic, social, security-based and AML-based consequences. From an economic perspective, money laundering may cause capital flight (Sica, 2000). This results from investors’ cautiousness as they weigh the risks while considering where to invest (Mugarura, 2017). As the lack of money laundering controls causes economic instability (Ahmed, 2017) and poses risks to bank soundness, this also has negative effects on lawful financial transactions, exchange rates and international capital flows (Alldridge, 2008). Indeed, money laundering creates an unjust commercial advantage for criminals and weakens the position of legal businesses (Clarke, 2021). Therefore, money laundering acts as
an impediment to the growth and prosperous development of local economies (Cooley and Sharman, 2015).

In regard to the social dimension, the consequences of money laundering reflect on the well-being of citizens (Burns, 2019), the public’s trust in the financial system (Sadeghi et al., 2018) and the reputation of a jurisdiction. For instance, countries with a reputation for inadequate regulatory standards do not appear lucrative in the eyes of most prospective investors (Hameiri, 2020). In the bigger picture, it can only take a single country to destroy the accountability of the international financial system by providing a safe haven for criminals due to a lack of supervision (Gnutzmann et al., 2010). Furthermore, international strategic interests may be compromised as a result of money laundering (Wechsler, 2001).

In terms of security-based consequences, money laundering poses a threat to national and global security and increases the level of crime (Demetis, 2018). National borders often become entry points where legitimate trade becomes mixed with illegal trade. As money laundering is used as a tool to enable criminals’ further usage of illicit funds, it may guarantee continuity of operations for terrorists, drug cartels and illegal loggers to name a few groups (Burns, 2019; Ozinga and Mowat, 2012).

In regard to political consequences, tolerance for illegally obtained money to be laundered into a country’s economy weakens the level of democracy and rewards corrupt and criminal actors (Alldridge, 2008). Additionally, money laundering can erode diplomatic relations (Wechsler, 2001). Consequently, money laundering causes political tensions among jurisdictions in terms of regulating the phenomenon (Cobb, 2009). Perceptions about money laundering vary in different countries. Therefore, politicians and governments, especially in emerging markets, may not be as enthusiastic about supporting AML or participating in international initiatives to mitigate the problem as in some more developed countries.

The rapidly growing phenomenon of money laundering has provoked AML as an array of combined efforts to mitigate the problem. Country-specific laws and intergovernmental codes of conduct have been established as a consequence of money laundering. These are touched upon in multiple studies in the scope of our systematic review. As an example, the FATF is focused on enforcing international standards to mitigate actions against money laundering (Alldridge, 2008). Also, industry- and firm-specific investigation units and
policies for detecting and investigating money laundering have been established (Maggetti, 2014; Naheem, 2015).

Based on our findings, the social problem of money laundering affects a country’s society, local economies, government and citizens, and creates an overall sense of insecurity. One of the most fundamental consequences of money laundering is the establishment of international AML regimes that set a foundation for mitigating the problem worldwide. Next, we will inspect more closely the controls of money laundering.

3.1.5 Controls of money laundering. Our analysis discloses six control dimensions that help mitigate money laundering ex ante and can become important for further development of controls in ex post situations. These include education and training, international cooperation, power, politics, supervision and reporting, along with the use of technology (see Figure 4).

In international organizations, educating employees about the “red flags” of money laundering is important for raising awareness (Ahmed, 2017). Referring to the causes of money laundering (see Table 4), this can help individual employees on microlevel to detect and, consequently, intervene to stop suspicious business activities from continuing. Additionally, cooperation across national borders in terms of advancing learning between countries supports the spread of awareness. Especially in the case of developing countries, adopting regulation and prevention practices that have proven to be effective in other countries could be more cost-effective than coercion-based policy transfers that have taken place in many of these countries (Sharman, 2008). Additionally, the vulnerability of MNCs to criminal exploitation has been widely acknowledged. Criminals use both financial and nonfinancial companies to launder money due to the companies’ cross-border operations (Lord et al., 2018). Therefore, while conducting risk analyses of international markets, organizations and institutions should increase their allocation of resources toward the supervision of risky transactions (Naheem, 2015, 2016). This could result in continuous improvement of controls and amendments in possible compliance gaps (Friedrich and Quick, 2019).
Mitigating country-level causes of money laundering, such as lack of resources or weak AML structures, calls for international cooperation and the harmonization of processes between various stakeholders (Burns, 2019; Transparency International, 2017) on mesolevel. International treaties, agreements and conventions set a good foundation for systematically mitigating the problem of money laundering (Estellita and Bastos, 2015). For instance, AML recommendations presented by the FATF advance legal and operational mitigative measures. Additionally, the United Nations Convention against Corruption provisions highlight the importance of international cooperation and information exchange in terms of mutual legal assistance and the extradition of criminal proceeds (Clarke, 2021; Collin, 2020). Intergovernmental bodies such as these support global AML and play a key role in recommending actions for national legislators to undertake. Intensifying international cooperation in terms of enforcement may lead to the future establishment of a global AML regime (Clarke, 2021; Gaughan and Javalgi, 2018).

All in all, efficient international information exchange between authorities and organizations helps in detecting money laundering and in adopting a more proactive approach toward its control. Here, the role of financial intelligence units as government agencies becomes important in cooperating with actors from the private sector and with law enforcement agencies. In addition, the cooperation and information exchange between financial intelligence units of different countries supports international AML (Bellomarini et al., 2020).

A transparent (Bojnec and Fertő, 2018) and democratic (Charles, 2001) environment provides fewer opportunities for money laundering. As mentioned by Windsor (2013), democracy and the competitiveness of markets could be enhanced by adopting a strong sense of business ethics within organizations, their stakeholders and governmental institutions. As a result, tolerance toward and the level of money laundering in a country may decrease. Powerful actors such as the European Union, the United Nations, the FATF and Transparency International emphasize the significance of adopting a risk-based approach in mitigating money laundering and distinguishing between legitimate and illicit transactions. The political role of influential states and intergovernmental institutions is also important in terms of controlling money laundering. For instance, if a member country does not comply with the AML standards set by the FATF, its jurisdiction could be “blacklisted” (Sharman, 2008). Blacklisting negatively affects the reputation of a country and, consequently, economic cooperation with other countries may become more difficult. From a regulative aspect, central actors for preventing money laundering include national regulators, government officials and transnational organizations focusing on AML. In the existing literature, country-level controls and domestic compliance are frequently mentioned as key means of mitigating money laundering (Transparency International, 2017). As money laundering is an international issue, national regulators ought to systematically implement efficient mechanisms to constrain laundering (Abu Olaim and Rahman, 2016; Defossez, 2017; Halliday, 2018) and to aid tackle global causes and consider accelerating factors of money laundering (see Table 4) on macrolevel.

Being transparent and discovering the beneficial owners at the background of corporate vehicles have been highlighted as important controls in the existing money laundering literature. In relation to the financial sector, improving the sufficiency of regulation within offshore financial centers has aroused debate among scholars as many see offshore financial centers being separated from crucial regulating entities (Cobb, 2009). To detect the actors behind money laundering operations and trace illicit transactions, such initiatives become strategically important (Lord and Levi, 2017). As weak domestic money laundering controls
may lure criminals, they simultaneously harm the efficiency, trustworthiness and stability of the international financial system.

Financial institutions play a key role in blocking criminal transactions; hence, supervising and reporting suspicious activities are necessary to increase transparency and detect criminal operations. Many countries have established financial intelligence units that investigate and analyze information on suspected money laundering and cooperate with competent local and foreign authorities to solve these cases (Defossez, 2017). Money launderers continuously devise new techniques and channels to conduct international transactions (Demetis, 2018) and as a result, new software that helps authorities to raise red flags and detect possible money laundering cases (Naheem, 2016) has been and should continue to be developed.

3.2 Employed theoretical approaches

Our analysis highlights that the money laundering phenomenon has been addressed in research from six main theoretical perspectives (see Table 5). The six categories for theoretical perspectives include normative standards, business and economics, law and governance, regional development, information technology and others. Some studies referred to multiple theories or concepts.

Our results show that the money laundering literature is rich in borrowing theories from several disciplines, including business, economics, law, regional development and many others. Our results also indicate that out of the 57 studies, 22 used normative frameworks to explore the money laundering phenomenon. For instance, dominant in explaining the concept of money laundering, along with its characteristics and controls, were normative frameworks proposed by the FATF; domestic AML legislations; international treaties and conventions (see Table 5).

Business and economics theories and related concepts were also popular in the extant research. Altogether, 16 studies used business and economics theories, as shown in Table 5. For example, Windsor (2013) studied the corporate social responsibilities of MNCs in terms of controlling money laundering. Gnutzmann et al. (2010) adopted the beggar-thy-neighbor theory to point out vulnerabilities some countries generate in terms of money laundering prevention by providing a safe haven for criminals. Alternatively, Naheem (2015, 2016) used agency theory to investigate how AML could be carried out more effectively within international organizations. Notably, some of the theories have their origins in other disciplines, but they have established dominance in business and economics. For instance, institutional theory and agency theory have their roots in sociology but are dominant in organization studies.

Law and governance-related theories and concepts were used in five studies (see Table 5). As an example, Sharman (2008) used policy diffusion to explain the introduction and implementation of globally homogenous AML laws and policies under different circumstances. Likewise, Grabosky (2009) used routine activity theory to explain why transnational crimes take place, whereas Halliday (2018) applied plausible folk theories in assessing the validity and effectiveness of AML regulations.

Six of the 57 studies were related to regional development theories and associated concepts. Understanding and controlling money laundering is important from the perspective of sustainable development; consequently, state transformation theory was used in three studies to explain the governance and control of money laundering (see Table 5). The extant research shows that state transformation is shaped by local sociopolitical forces (Hameiri and Jones, 2016). As another example, Hameiri et al. (2018) were of the view that
| Discipline category          | Theory and related concepts used                                                                 | Count | Authors                                                                 |
|-----------------------------|--------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------|
| 1. Normative standards      | AML Directives, FATF guidelines, Federal Corruption Practices Act, Narcotics Drugs and Psychotropic Substances Act, OECD Convention, UN Convention against Corruption, US Department of Homeland Security’s missions | 22    | Abu Olaim and Rahman (2016), Ahmed (2017), Aldridge (2008), Burns (2019), Charles (2001), Clarke (2021), Cobb (2009), Cooley and Sharman (2015), Defossez (2017), Estellita and Bastos (2015), Geojala and Mangum (2000), Hülsse and Kerwer (2007), Lord and Levi (2017), Mugarura (2017), Ozanga and Mowat (2012), Scheau and Zalabie (2017), Sica (2000), Wechsler (2001) |
| 2. Business and economics   | Agency theory                                                                                   | 2     | Naheem (2015, 2016)                                                     |
|                             | Corporate responsibility theory                                                                 | 2     | Maggetti (2014), Windsor (2013)                                        |
|                             | Business ethics                                                                                 | 2     | Gaughan and Javalgi (2018), Perez et al. (2011)                         |
|                             | Institutional theory                                                                           | 2     | Maggetti (2014), Rahimi (2020)                                         |
|                             | Knowledge-capital model                                                                        | 2     | Bojnoe and Fertö (2018), Perez et al. (2012)                            |
|                             | Network theory                                                                                 | 1     | Varese (2012)                                                          |
|                             | Resource-dependency                                                                           | 1     | Maggetti (2014)                                                        |
|                             | Theory of multinational corporation                                                             | 1     | Perez et al. (2012)                                                    |
|                             | Beggar-thy-neighbor policy                                                                     | 1     | Gnutzmann et al. (2010)                                                |
|                             | Game theory                                                                                    | 1     | Dreznov (2005)                                                         |
|                             | New interdependence approach                                                                  | 1     | Hameiri (2020)                                                         |
| 3. Law and governance       | Regulation theory                                                                               | 1     | Sadeghi et al. (2018)                                                  |
|                             | Regulatory state                                                                               | 1     | Sica (2000)                                                            |
|                             | Policy diffusion                                                                               | 1     | Sharman (2008)                                                         |
|                             | Plausible folk theories                                                                         | 1     | Halliday (2018)                                                        |
|                             | Routine-activity theory                                                                        | 1     | Grabosky (2009)                                                        |
| 4. Regional development     | State transformation approach                                                                   | 3     | Hameiri (2020), Hameiri et al. (2018), Hameiri and Jones (2016)         |
|                             | Dimensions of global flows                                                                     | 1     | May (2019)                                                             |
|                             | Urban theory                                                                                  | 1     | Ley (2020)                                                             |
|                             | Market/security fundamentalism                                                                  | 1     | Warde (2007)                                                           |
| 5. Information technology   | Machine learning                                                                              | 2     | Canhoto (2021), Singh and Lin (2020)                                   |
|                             | Information security                                                                           | 1     | Sun et al. (2008)                                                      |
|                             | Semi-Markov Decision Process                                                                   | 1     | Hong et al. (2017)                                                     |
|                             | System theory                                                                                 | 1     | Demetis (2018)                                                         |
|                             | Decision support systems                                                                       | 1     | Gao and Xu (2009)                                                      |
| 6. Others                   | Grounded theory                                                                                | 1     | Friedrich and Quick (2019)                                             |
|                             | Metaphors                                                                                      | 1     | Hülsse (2009)                                                          |
international controls of money laundering should be implemented through transforming domestic institutions.

Six studies used IT-related theories or concepts (see Table 5). For instance, Singh and Lin (2020) focused on IT concepts in explaining how artificial intelligence could be used to detect and prevent money laundering in charitable organizations. Finally, two studies adopted other theories or related concepts that were not linked to the rest of the five categories. Among these, Hülsse (2009) studied the impact of metaphors on the reputation and attractiveness of jurisdictions as financial centers or destinations where money could be laundered.

4. Future agenda and theoretical approaches
Our review highlights that several aspects of money laundering as a transnational business phenomenon are still underexplored. By synthesizing the future research areas proposed in the extant research (Bahoo et al., 2020), we propose an agenda for future research and practice (see Table 6). The proposed research questions help to understand the five identified streams of money laundering research in the IB context.

We further advocate for greater use of two theoretical approaches relatively seldom used in money laundering research, namely, an institutional view and a network view. Both theoretical views are important to explore the concept, characteristics, causes, consequences and controls of money laundering. They serve as powerful analytical tools to uncover formal and informal assumptions, complexities and contingencies around money laundering and to explore the suggested future research questions.

4.1 Institutional approach
The institutional approach as a theoretical lens enables an understanding of the money laundering phenomenon based on informal as well as formal institutions. This view emphasizes the broader and more resilient aspects of social structures (Di Maggio and Powell, 1983). Institutions denote collectivism that shapes and reshapes the values and norms of society through three pillars, namely, regulative, normative and cognitive pillars (Scott, 2001). Hence, an institutional approach could be used to explore the nature of pressure arising from institutionalized money laundering practices and organizational responses toward such pressure (Oliver, 1991). For instance, the institutional pillar framework (Scott, 2001) helps to explore how regulative, normative and cognitive aspects affect microlevel money laundering practices of a society or country. This could enable investigation into how IFFs are defined (Collin, 2020; Sharman, 2008) and how sociopolitical aspects facilitate money laundering (Charles, 2001), which may be perceived as “business as usual” rather than as an illegal activity in a specific country context.

Our review reveals that two conceptual studies (Naheem, 2015, 2016) have introduced agency theory – a strand within the institutional approach – to control money laundering. However, no empirical evidence has been provided in the extant research. This approach could also be powerful in explaining the causes and consequences, along with the controls, of money laundering. For instance, investigating the roles of different actors – including individuals, organizations, regulators and enforcement authorities – in creating, maintaining or disrupting institutions (Cooley and Sharman, 2015; Lawrence and Suddaby, 2006) could help in understanding why or how money laundering is socially performed or controlled. Furthermore, investigating the money laundering facilitation practices of offshore financial institutions (such as generating unfair taxation and providing opportunities for money laundering) from the institutional perspective could offer valuable theoretical and practical insights (Cobb, 2009).
| Future research questions | Proposed by |
|---------------------------|-------------|
| **Concept:**              |             |
| 1. How are illicit financial flows defined and how can they be estimated? | Collin (2020), Sharman (2008) |
| 2. What kind of corporate entities and arrangements are used in the management of illicit funds? | Lord *et al.* (2018) |
| 3. What are the key actors and what is their role in evolution or spread of money laundering? | Cooley and Sharman (2015) |
| **Characteristics:**      |             |
| 4. What are key concealment and layering practices of money launderers? | Wechsler (2001), European Commission (2019) |
| 5. How and to what extent do financial and nonfinancial sectors detect money laundering? | Ozinga and Mowat (2012), Transparency International (2017) |
| **Causes:**               |             |
| 6. How does the sociopolitical climate facilitate international money laundering? | Bojnec and Fertő (2018), Charles (2001) |
| 7. How does offshore finance generate unfair taxation in e-commerce and enable money laundering? | Cobb (2009) |
| 8. How does legislation challenge detecting international money laundering and why? | Varese (2012) |
| 9. How does the war on terror affect shadow economies and the spread of money laundering across countries and institutions? | Warde (2007) |
| 10. How do professional third-parties enable complex money laundering? | FATF (2018) |
| **Consequences:**         |             |
| 11. How does money laundering in home and host countries influence outward Foreign direct investments in different countries? | Bojnec and Fertő (2018), Perez *et al.* (2012) |
| 12. How are cryptocurrencies used in money laundering and how does this affect the global society? | Kaygin *et al.* (2019) |
| 13. How do export controls affect money laundering? | Sadeghi *et al.* (2018) |
| 14. Why do significant outflows of illicit capital take place and what does this mean to local economies? | Demetis (2018), Perez *et al.* (2012) |
| **Controls:**             |             |
| 15. What are the costs and advantages of global AML frameworks? | Clarke (2021), Sica (2000) |
| 16. How should global regulatory standards for money laundering be promoted and implemented? | Drezner (2005), Hameiri and Jones (2016) |
| 17. How can the effectiveness of international AML be improved with economic incentives? | Gautzmann *et al.* (2010) |
| 18. How do microlevel mechanisms lead to participation in AML? | Maggetti (2014) |
| 19. How could technology and artificial intelligence be used and developed to detect and prevent suspicious transactions? | Canhoto (2021), Singh and Lin (2020) |
| 20. How can MNCs detect or prevent money laundering? | Naheem (2015, 2016) |
| 21. How to intervene with the misuse of power facilitating distortion in institutions which enables money laundering? | FATF (2018) |
4.2 Network approach
The network approach assumes markets as a web of interdependent relationships where actors, their activities and resources are the key elements (Ford and Håkansson, 2006; Håkansson, 1992). This approach is powerful in explaining the diffusion or spread of money laundering practices via interactive relationships. Our review shows that only one study (Varese, 2012) used a network approach in explaining how criminals operate across territories for mutually beneficial money laundering interests.

We argue that the network approach could also be used in defining the concept and structures of money laundering networks and the positions of the actors involved, along with their resources (Håkansson et al., 2009). Based on the identification of the aforementioned relationships and networks, it could be possible to examine group outcomes and controls. For instance, under what kind of circumstances do businesses engage in money laundering and what are the roles of powerful actors in spreading and controlling money laundering processes (Cooley and Sharman, 2015). Furthermore, it could be useful to investigate how and why money laundering spreads or evolves in the global context (Lord et al., 2018; Varese, 2012).

5. Conclusions
Our study achieved its objective by offering an integrative view on money laundering as a transnational business phenomenon and by proposing a future agenda and two relatively new theoretical approaches to advance the field. Along with the legal aspects, money laundering poses a moral dilemma relevant for wider discussions of international mega-corruption (Ahen, 2022) and unethical business practices (Apel and Paternoster, 2009) in IB. Besides criminal activity, money launderers infiltrate into otherwise legitimate business transactions in the aim to continue criminal and unethical practices at the background of these business activities (Christensen, 2011). Our review offers four important implications for research and practice.

First, we integrate the extant knowledge on money laundering that is scattered across multiple disciplines (Canhoto, 2021; Van Duyne et al., 2018) and position this phenomenon into the IB literature. By definition, money laundering is a transnational phenomenon and a form of mega-corruption in IB. However, mega-corruption in IB literature mainly focuses on offenses such as corruption and neglects money laundering as a form of international mega-corruption (Ahen, 2022; Bahoo et al., 2020). Alternatively, our study positions money laundering as a practically significant IB phenomenon that requires immediate attention from academics and practitioners.

Second, our review introduces five key streams of money laundering literature in the IB context. The 5Cs integrate money laundering literature and draw connections among common and distinct elements of the phenomenon. This 5C categorization ameliorates the largely fragmented conceptions on money laundering and will facilitate future comparison and integration that may help advance future IB research and practice. As shown by our review, money laundering has various definitions, along with complex micro-, meso- and macro-level contexts and dimensions for the development of this field. Regarding this, integration of past research is important (Palmatier et al., 2018). This is particularly true in the case of money laundering literature, which is scattered and fragmented across various disciplines (Canhoto, 2021; Van Duyne et al., 2018). The 5C dimensions proposed in our study will facilitate the development and generalization of money laundering research by speaking the same language and by clearly outlining the key aspects of the wicked money laundering problem.
Third, money laundering has harmful effects on global business and society. Therefore, we offer a future agenda for the advancement of this area that will help to understand and subsequently mitigate money laundering in the global business environment (see Table 6). Our agenda may help IB scholars to study the wicked problem of money laundering in the future. Wicked problems have numerous causes, which no unambiguous solution can solve. However, these problems can be tamed by careful planning, deep understanding and effective remedies (Camillus, 2008). In relation to this, our future agenda points out some important questions that need to be addressed. The areas of future research suggested provide a platform for building propositional inventories and hypotheses to advance scholarship on money laundering in IB. We also suggest two plausible and useful theories (namely, institutional and network approaches) for future studies on money laundering in the IB context.

Finally, from a practical perspective, our study is equally important for local as well as global organizations, regulators, law enforcement authorities and society. The 5Cs view on money laundering helps draw the phenomenon together with different angles to explain the collection of practices used in transforming illicit funds into legal ones. This could help practitioners to design and apply more effective means to mitigate the causes and consequences of money laundering and subsequently assist them in effective remediation of money laundering in IB environments. Nevertheless, with the help of the 5Cs framework, we illustrate that solving some aspects of money laundering creates issues elsewhere. Consequently, this wicked problem needs to be addressed in a holistic manner.

References
Publications included in our systematic review are indicated with an asterisk.

*Abu Olaim, A. and Rahman, A. (2016), “Recent development of anti-money laundering law in Jordan”, Journal of Money Laundering Control, Vol. 19 No. 4, pp. 316-328, doi: 10.1108/JMLC-07-2015-0027.

Adams, R., Smart, P. and Huff, A.S. (2017), “Shades of grey: guidelines for working with the grey literature in systematic reviews for management and organizational studies”, International Journal of Management Reviews, Vol. 19 No. 4, pp. 432-454, doi: 10.1111/ijmr.12102.

Ahen, F. (2022), “International mega-corruption inc.: the structural violence against sustainable development”, Critical Perspectives on International Business, Vol. 18 No. 2, pp. 178-200, doi: 10.1108/cpoib-04-2018-0035.

*Ahmed, S.A. (2017), “Practical application of anti-money laundering requirements in Bangladesh an insight into the disparity between anti-money laundering methods and their effectiveness based on resources and infrastructure”, Journal of Money Laundering Control, Vol. 20 No. 4, pp. 428-450, doi: 10.1108/JMLC-09-2016-0042.

*Alldridge, P. (2008), “Money laundering and globalization”, Journal of Law and Society, Vol. 35 No. 4, pp. 437-463, doi: 10.1111/j.1467-6478.2008.00446.x.

Alsuailem, A. and Saudagar, A. (2020), “Anti-money laundering systems: a systematic literature review”, Journal of Money Laundering Control, Vol. 23 No. 4, pp. 833-848, doi: 10.1108/JMLC-02-2020-0018.

Apel, R. and Paternoster, R. (2009), "Understanding 'criminogenic' corporate culture", Simpson, S.S. and Weisburd, D. (Eds), The Criminology of White-Collar Crime, Springer, New York, NY, pp. 15-33.

Bahoo, S., Alon, I. and Paltrinieri, A. (2020), “Corruption in international business: a review and research agenda”, International Business Review, Article 101660, Vol. 29 No. 4, doi: 10.1016/j.ibusrev.2019.101660.

BBC (2021), “Pandora papers: secret wealth and dealings of world leaders exposed”, available at: www.bbc.com/news/world-58780465 (accessed 16 October 2021).
Bellomarini, L., Laurenza, E. and Sallinger, E. (2020), “Rule-based anti-money laundering in financial intelligence units: experience and vision”, in 4th International Joint Conference on Rules and Reasoning (29 June–1 July 2020 virtual), pp. 1-12.

*Bojnec, S. and Ferto†, I. (2018), “Globalization and outward foreign direct investment”, Emerging Markets Finance and Trade, Vol. 54 No. 1, pp. 88-99, doi: 10.1080/1540496X.2016.1234372.

Booth, A., Papaioannou, D. and Sutton, A. (2012), Systematic Approaches to a Successful Literature Review, Sage, London.

Buchanan, B. (2004), “Money laundering – a global obstacle”, Research in International Business and Finance, Vol. 18 No. 1, pp. 115-127, doi:10.1016/j.ribaf.2004.02.001.

*Burns, M. (2019), “Containerized cargo security at the US–Mexico border: how supply chain vulnerabilities impact processing times at land ports of entry”, Journal of Transportation Security, Vol. 12 Nos 1/2, pp. 57-71, doi:10.1007/s12198-019-0200-1.

Camillus, J. (2008), “Strategy as a wicked problem”, Harvard Business Review, Vol. 86, pp. 99-106.

*Canhoto, A.I. (2021), “Leveraging machine learning in the global fight against money laundering and terrorism financing: an affordances perspective”, Journal of Business Research, Vol. 131, pp. 441-452, doi:10.1016/j.jbusres.2020.10.012.

*Charles, M. (2001), “The growth and activities of organised crime in Bombay”, International Social Science Journal, Vol. 53 No. 169, pp. 359-367, doi:10.1111/1468-2451.00323.

*Chen, Z., Van Khoa, L.D., Teoh, E.N., Nazir, A., Karuppiiah, E.K. and Lam, K.S. (2018), “Machine learning techniques for anti-money laundering (AML) solutions in suspicious transaction detection: a review”, Knowledge and Information Systems, Vol. 57 No. 2, pp. 245-285, doi:10.1007/s10115-017-1144-z.

Christensen, J. (2011), “The looting continues: tax havens and corruption”, Critical Perspectives on International Business, Vol. 7 No. 2, pp. 177-196, doi:10.1108/17422041111128249.

*Clarke, A.E. (2021), “Is there a commendable regime for combatting money laundering in international business transactions?”, Journal of Money Laundering Control, Vol. 24 No. 1, pp. 163-176, doi:10.1108/JMLC-05-2020-0057.

*Cobb, S.C. (2009), “Redefining ‘offshore’ in Latin America”, Growth and Change, Vol. 40 No. 2, pp. 332-356, doi: 10.1111/j.1468-2257.2009.00478.x.

*Collin, M. (2020), “Illicit financial flows: concepts, measurement, and evidence”, The World Bank Research Observer, Vol. 35 No. 1, pp. 44-86, doi:10.1093/wbro/lkz007.

Contractor, F.J. (2016), “Tax avoidance by multinational companies: methods, policies, and ethics”, AIB Insights, Vol. 16 No. 2, pp. 10-13.

*Cooley, A. and Sharman, J. (2015), “Blurring the line between licit and illicit: transnational corruption networks in Central Asia and beyond”, Central Asian Survey, Vol. 34 No. 1, pp. 11-28, doi:10.1080/02634937.2015.1010799.

Cloutier, C. and Ravasi, D. (2021), “Using tables to enhance trustworthiness in qualitative research”, Strategic Organization, Vol. 19 No. 1, pp. 113-133, doi: 10.1177%2F1476127020979329.

Cooke, D.K., DuBois, F., Sawant, R.J., Sprott, D.E. and Treviño, L.J. (2020), “Bringing the dark side of international business into the classroom”, AIB Insights, Vol. 20 No. 1, doi: 10.4697/001c.13441.

Cuervo-Cazurra, A., Dieleman, M., Hirsch, P., Rodrigues, S. and Zyglidopoulos, S. (2021), “Multinationals’ misbehavior”, Journal of World Business, Vol. 56 No. 5, p. 101244, doi: 10.1016/j.jwb.2021.101244.

*Defossez, D. (2017), “The current challenges of money laundering law in Russia”, Journal of Money Laundering Control, Vol. 20 No. 4, pp. 367-385, doi:10.1108/JMLC-09-2016-0041.

*Demetis, D.S. (2018), “Fighting money laundering with technology: a case study of bank X in the UK”, Decision Support Systems, Vol. 105, pp. 96-107, doi: 10.1016/j.dss.2017.11.005.

Denyer, D., Tranfield, D. and Ernst Van Aken, J. (2008), “Developing design propositions through research synthesis”, Organization Studies, Vol. 29 No. 3, pp. 393-414, doi: 10.1177/0178016807088020.
Hameiri, S. and Jones, L. (2016), “Global governance as state transformation”, Political Studies, Vol. 64 No. 4, pp. 793-810, doi: 10.1111/1467-9248.12225.

Hameiri, S., Jones, L. and Sandor, A. (2018), “Security governance and the politics of state transformation: moving from description to explanation”, Journal of Global Security Studies, Vol. 3 No. 4, pp. 463-482, doi: 10.1093/jogss/ogy024.

Han, J., Huang, Y., Liu, S. and Towey, K. (2020), “Artificial intelligence for anti-money laundering: a review and extension”, Digital Finance, Vol. 2 Nos 3/4, pp. 211-239, doi:10.1007/s42521-020-00023-1.

*Hong, X., Liang, H., Gao, Z. and Li, H. (2017), “An adaptive resource allocation model in anti-money laundering system”, Peer-to-Peer Networking and Applications, Vol. 10 No. 2, pp. 315-331, doi:10.1007/s12083-016-0430-y.

Hjørland, B. (2015), “Classical databases and knowledge organization: a case for boolean retrieval and human decision-making during searches”, Journal of the Association for Information Science and Technology, Vol. 66 No. 8, pp. 1559-1575, doi: 10.1002/asi.23250.

Hákansson, H. (1992), “Evolution processes industrial networks”, in Axelsson, B. and Easton, G. (Eds), Industrial Networks. A New View of Reality, Routledge, London, pp. 129-143.

Hákansson, H., Ford, D., Gadde, L.-E., Snehota, I. and Waluszewski, A. (2009), Business in Networks, John Wiley and Sons, Chichester.

*Hülsse, R. (2009), “From paradise to brand Liechtenstein’s metaphorical struggle with globalization”, Journal of Language and Politics, Vol. 8 No. 1, pp. 112-135, doi: 10.1075/jlp.8.1.07hul.

*Hülsse, R. and Kerwer, D. (2007), “Global standards in action: insights from anti-money laundering regulation”, Organization, Vol. 14 No. 5, pp. 625-642, doi: 10.1177/1350508407080311.

Jones, O. and Gatrell, C. (2014), “The future of writing and reviewing for IJMR”, International Journal of Management Reviews, Vol. 16 No. 3, pp. 249-264, doi: 10.1111/ijmr.12038.

*Maggetti, M. (2014), “Promoting corporate responsibility in private banking: necessary and sufficient conditions for joining the Wolfsberg initiative against money laundering”, Business and Society, Vol. 53 No. 6, pp. 787-819, doi:10.1177/0007650312439448.

*Marat, E. (2015), “Global money laundering and its domestic political consequences in Kyrgyzstan”, Central Asian Survey, Vol. 34 No. 1, pp. 46-56, doi: 10.1080/02634937.2015.1010854.

*May, A. (2019), “Football and the ‘mysterious nature of global capital’: a case study of Birmingham city FC and Birmingham international holdings”, International Review for the Sociology of Sport, Vol. 54 No. 8, pp. 957-970, doi:10.1177/1012690218755051.

Mei, D., Ye, Y. and Gao, Z. (2014), “Literature review of international anti-money laundering research: a scientometrical perspective”, Open Journal of Social Sciences, Vol. 02 No. 12, pp. 111-120, doi: 10.4236/jss.2014.212016.
*Mugarura, N. (2017), “The use of anti-money laundering tools to regulate Ponzi and other fraudulent investment schemes”, *Journal of Money Laundering Control*, Vol. 20 No. 3, pp. 231-246, doi: 10.1108/JMLC-01.2016-0005.

*Naheem, M.A. (2015), “HSBC swiss bank accounts-AML compliance and money laundering implications”, *Journal of Financial Regulation and Compliance*, Vol. 23 No. 3, pp. 285-306, doi: 10.1108/JFRC-03-2015-0016.

*Naheem, M.A. (2016), “Internal audit function and AML compliance: the globalisation of the internal audit function”, *Journal of Money Laundering Control*, Vol. 19 No. 4, pp. 459-469, doi: 10.1108/JMLC-05-2015-0020.

Oliver, C. (1991), “Strategic responses to institutional processes”, *The Academy of Management Review*, Vol. 16 No. 1, pp. 145-179, doi: 10.5465/amr.1991.4279002.

Omar, N., Johari, Z.A. and Arshad, R. (2014), “Money laundering – FATF special recommendation VIII: a review of evaluation reports”, *Procedia – Social and Behavioral Sciences*, Vol. 145, pp. 211-225, doi: 10.1016/j.sbspro.2014.06.029.

*Ozinga, S. and Mowat, H. (2012), “Strategies to prevent illegal logging”, in Wijen, F., Zoeteman, K., Pieters, J. and van Seters, P. (Eds), *A Handbook of Globalization and Environmental Policy*, 2nd ed., Edward Elgar Publishing Ltd, Cheltenham, Glos, pp. 179-208.

Palmatier, R.W., Houston, M.B. and Hulland, J. (2018), “Review articles: purpose, process, and structure”, *Journal of the Academy of Marketing Science*, Vol. 46 No. 1, pp. 1-5, doi: 10.1007/s11747-017-0563-4.

*Perez, M.F., Brada, J.C. and Drabek, Z. (2012), “Illicit money flows as motives for FDI”, *Journal of Comparative Economics*, Vol. 40 No. 1, pp. 108-126, doi: 10.1016/j.jce.2011.03.007.

*Pérezts, M., Bouilloud, J.P. and de Gaulejac, V. (2011), “Serving two masters: the contradictory organization as an ethical challenge for managerial responsibility”, *Journal of Business Ethics*, Vol. 101 No. 1, pp. 33-44, doi: 10.1007/s10551-011-1176-3.

Petticrew, M. and Roberts, H. (2006), *Systematic Reviews in the Social Sciences: A Practical Guide*, Wiley-Blackwell, Malden.

*Rahimi, H. (2020), “Hawala as credit: recognizing how hawala supports the business climate in Afghanistan”, *Journal of Money Laundering Control*, Vol. 23 No. 1, pp. 224-244, doi: 10.1108/JMLC-07-2019-0053.

Rittel, H.W.J. and Webber, M.M. (1973), “Dilemmas in a general theory of planning”, *Policy Sciences*, Vol. 4 No. 2, pp. 155-169, doi: 10.1007/BF01405730.

Rojon, C., Okupe, A. and McDowall, A. (2021), “Utilization and development of systematic reviews in management research: what do we know and where do we go from here?”, *International Journal of Management Reviews*, Vol. 23 No. 2, pp. 191-223, doi: 10.1111/ijmr.12245.

Rousseau, D.M., Manning, J. and Denyer, D. (2008), “11 Evidence in management and organizational science: assembling the field’s full weight of scientific knowledge through syntheses”, *Academy of Management Annals*, Vol. 2 No. 1, pp. 475-515, doi: 10.5465/19416520802211651.

Ryan, G. and Bernard, H. (2000), “Data management and analysis methods”, in Denzin, N. and Lincoln, Y. (Eds), *Handbook of Qualitative Research*, 2nd ed., Sage, Thousand Oaks, CA, pp. 769-802.

*Sadeghi, V.J., Biancone, P.P., Giacoma, C. and Secinaro, S. (2018), “How does export compliance influence the internationalization of firms: is it a thread or an opportunity?”, *Journal of Global Entrepreneurship Research*, Vol. 8 No. 1, pp. 1-15, doi: 10.1186/s40497-018-0089-3.

*Schau, M.C. and Zaharie, S.P. (2017), “Methods of laundering money resulted from cyber-crime”, *Economic Computation and Economic Cybernetics Studies and Research*, Vol. 51 No. 3, pp. 299-314.

Scott, W.R. (2001), *Institutions and Organizations*, Sage, Thousand Oaks.
Sharman, J.C. (2008), “Power and discourse in policy diffusion: anti-money laundering in developing states”, *International Studies Quarterly*, Vol. 52 No. 3, pp. 635-656, doi: 10.1111/j.1468-2478.2008.00518.x.

Short, J. (2009), “The art of writing a review article”, *Journal of Management*, Vol. 35 No. 6, pp. 1312-1317, doi: 10.1177/0149206309337489.

*Sica, V. (2000), “Cleaning the laundry: states and the monitoring of the financial system”, *Millennium: Journal of International Studies*, Vol. 29 No. 1, pp. 47-72, doi: 10.1177/03058298000290010801.

Singh, C. and Lin, W. (2020), “Can artificial intelligence, RegTech and CharityTech provide effective solutions for anti-money laundering and counter-terror financing initiatives in charitable fundraising”, *Journal of Money Laundering Control*, Vol. 24 No. 3, pp. 464-482, doi: 10.1108/JMLC-09-2020-0100.

Soundararajan, V., Jamali, D. and Spence, L.J. (2018), “Small business social responsibility: a critical multilevel review, synthesis and research agenda”, *International Journal of Management Reviews*, Vol. 20 No. 4, pp. 934-956, doi: 10.1111/ijmr.12171.

*Sun, H.W., Lam, K.Y., Gollmann, D., Chung, S.L., Li, J.B. and Sun, J.G. (2008), “Efficient fingercode classification”, *IEICE Transactions on Information and Systems*, Vol. E91-D No. 5, pp. 1252-1260, doi: 10.1093/ietisy/e91-d.5.1252.

Tiwari, M., Gepp, A. and Kumar, K. (2020), “A review of money laundering literature: the state of research in key areas”, *Pacific Accounting Review*, Vol. 32 No. 2, pp. 271-303, doi: 10.1108/PAR-06-2019-0065.

Tranfield, D., Denyer, D. and Smart, P. (2003), “Towards a methodology for developing evidence-informed management knowledge by means of systematic review”, *British Journal of Management*, Vol. 14 No. 3, pp. 207-222, doi: 10.1111/1467-8551.00375.

*Transparency International (2017), “International support to anti-money laundering and asset recovery: success stories”, available at: https://knowledgehub.transparency.org/assets/uploads/helpdesk/Money-laundering-and-asset-recovery-success-stories.pdf (accessed 5 April 2022).

UNESCO (2010), “Engineering: issues, challenges and opportunities for development”, available at: https://unesdoc.unesco.org/ark:/48223/pf0000189753 (accessed 11 April 2022).

*UNODC (2022), “Money laundering”, available at: www.unodc.org/unodc/en/money-laundering/overview.html (accessed 4 April 2022).

Van Duyne, P.C., Harvey, J.H. and Gelemerova, L.Y. (2018), *The Critical Handbook of Money Laundering: Policy, Analysis and Myths*, Springer, London.

*Varese, F. (2012), “How mafias take advantage of globalization: the Russian mafia in Italy”, *British Journal of Criminology*, Vol. 52 No. 2, pp. 235-253, doi: 10.1093/bjc/azr077.

*Warde, I. (2007), “The war on terror, crime and the shadow economy in the MENA countries”, *Mediterranean Politics*, Vol. 12 No. 2, pp. 233-248, doi: 10.1080/136293990701398033.

*Wechsler, W.F. (2001), “Follow the money”, *Foreign Affairs*, Vol. 80 No. 4, pp. 40-57, doi: 10.2307/20050225.

*Windsor, D. (2013), “International business, corruption, and bribery”, *International Business Sustainability and Corporate Social Responsibility*, Vol. 11, pp. 65-95, doi: 10.1108/S2051-5030(2013)0000011008.
### Table A1. Overview of published research on money laundering

| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Identified future research areas |
|-----------|------------------|--------------|-----------------------------|-----------------------|---------------------------------|
| Abu Olaim and Rahman (2016) | Jordan | Conceptual | Jordanian laws, international treaties | Extension of other crimes such as tax evasion and drug offences, criminalized as a different crime nowadays | Security-based |
| Ahmed (2017) | Bangladesh | Conceptual | FATF recommendations 2012, international conventions, domestic anti-money laundering initiatives | Corruption, lack of resources and political will to combat money laundering | Economic |
| Alldridge (2008) | UK | Conceptual | Anti-money laundering laws, FATF recommendations, international conventions, criminal laws | Any dealing with property/possession that is produced by crime | Economic, political |
| Bojneć and Ferić (2018) | OECD countries and Turkey | Empirical, quantitative | Knowledge-capital model | Globalization and the level of corruption, money laundering and tax evasion in home and host countries | Economic, social, political |

(continued)
| Author(s)          | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Causes | Consequences | Controls | Identified future research areas |
|-------------------|------------------|--------------|-----------------------------|-----------------------|--------|--------------|----------|---------------------------------|
| Burns (2019)      | USA and Mexico borders | Empirical, qualitative | US Department of Homeland Security’s missions | Busy ports of entry, busy entry times and supply chain vulnerabilities enabling illegal trade | Security-based, economic, social | Visibility and harmonization of standards in terms of security procedures within industry stakeholders | – | – |
| Canhoto (2021)    | Global           | Empirical, qualitative | Machine learning algorithms | Advancements in technology, financial products and, e.g., online strategies for trading | The rise in criminality (security-based) | Machine learning can help in detecting and tracking suspicious money laundering transactions | How technology should be used and how algorithms should be developed to detect suspicious transactions? Multidisciplinary research about organized crime within its social and political context |
| Charles (2001)    | Bombay, India    | Empirical, qualitative | Narcotics Drugs and Psychotropic Substances (NDPS) Act | Money can be laundered by utilizing and smuggling luxury goods (gold, diamonds) | Organized crime, political patronage and corruption, globalization | Economic, social, political | Democracy and transparency, regulation |
| Chen et al. (2018) | Banking          | Conceptual    | Machine learning and artificial intelligence | – | – | – | – |
| Clarke (2021)     | Global           | Conceptual    | United Nations Convention against Corruption, FATF recommendations | Concealing the origin of illicit funds through financial institutions and transactions | Weak anti-money laundering structures | Economic, security-based | Criminalization, international cooperation/ frameworks and legal assistance |

(continued)
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights Concept | Causes | Consequences | Controls | Identified future research areas |
|----------|-----------------|--------------|----------------------------|--------------------------------|--------|--------------|----------|----------------------------------|
| Cobb (2009) Latin America (Global) | Empirical, qualitative | UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, FATF recommendations, US State Department’s International Narcotics Control Strategy Report | Hiding illicit origin of criminal funds | Insufficient financial regulation, supervision and compliance, internet | Political, economic, social | Anti-money laundering policies for offshore financial centers | Statistical modeling of the relationships between offshore financial centers. Further research on offshore and onshore tensions and their influence on taxation and e-commerce |
| Collin (2020) Global | Conceptual | – | Money that has illicit origins is moved through illicit channels or is used for illegal purposes | Insufficient institutions, corruption and low capacity to detect money laundering | Economic, social | Global initiatives for countering, better domestic compliance, AML within the financial sector, international information exchange | Uncovering data with better quality, validating estimates and utilizing methods from areas such as informal economy to estimate illicit financial flows |
| Cooley and Sharman (2015) Central Asia | Conceptual | Global anti-corruption regimes | – | Informal transnational networks | Economic, political | Transparency, distancing public and private interests, supervision of offshore vehicles and destination havens | Investigating the role of IB actors and public and financial sector actors in money laundering |
| Defossez (2017) Russia | Conceptual | Russian law on money laundering, FATF recommendations | Transactions related to property/funds obtained by criminal means to make the funds, their source and purpose seem legitimate | Globalization, the weak banking system in Russia, insufficient regulatory compliance | Economic, political instability | Regulation, supervision and reporting by financial institutions, establishing financial intelligence units | – |
| Demetis (2018) International banking | Empirical, qualitative | System theory (structural coupling) | Process of disguising proceeds of crime. This process is | – | Economic | System theory serves as a path toward the improvement of money laundering detection | How to effectively apply structural coupling of computer/human profiling in detecting money laundering |

(continued)
| Author(s)                  | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Identified future research areas |
|---------------------------|------------------|--------------|----------------------------|-----------------------|--------------------------------|
| Drezner (2005)           | Global           | Conceptual   | Game theory                | Globalization, weak national regulation | Designed as its form of crime |
|                           |                  |              |                            | Economic, political   | Process in which criminally obtained funds are converted into seemingly legal ones |
|                           |                  |              |                            |                       |                              |
| Estellita and Bastos (2015) | Brazil          | Conceptual   | Brazilian legal frameworks (and international conventions) | Globalization, lack of internationally coordinated action | Designed as its form of crime |
|                          |                  |              |                            | Political, economic   | Process in which criminally obtained funds are converted into seemingly legal ones |
|                          |                  |              |                            |                       |                              |
| European Commission      | EU               | Report       | 4th and 5th AML Directive  | –                     | Designed as its form of crime |
| (2019)                   |                  |              |                            |                       | Process in which criminally obtained funds are converted into seemingly legal ones |
|                          |                  |              |                            |                       |                              |
| FATF (2018)              | Professional money laundering | Report | FATF | Laundering is not limited to only proceeds of crime | Designed as its form of crime |
|                          |                  |              |                            | Third parties (who receive a commission) | Process in which criminally obtained funds are converted into seemingly legal ones |
|                          |                  |              |                            |                       |                              |
| Friedrich and Quick (2019)| German           | Empirical, qualitative | Grounded theory | Compliance gaps, nonfinancial sector | Designed as its form of crime |
|                          | nonfinancial sector |              | Transnational issue and a business procedure of organized crime | Economic | Process in which criminally obtained funds are converted into seemingly legal ones |
|                          |                  |              |                            |                       |                              |
| (continued)              |                  |              |                            |                       |                              |
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Identified future research areas |
|-----------|-----------------|--------------|-----------------------------|-----------------------|---------------------------------|
| Gao and Xu (2009) | Banking | Conceptual | IT decision support systems | – – | Study proposes AML conceptual model that is based on IT. IT experts should focus on advanced architecture which can provide intelligent, and flexible solution to control money laundering in banking. |
| Gaughan and Javalgi (2018) | Global | Conceptual | Business and legal ethics | Using financial vehicles to hide criminal origins of funds and funding illicit purposes | Globalization, national interests and their impact on law and ethics | International coordination and enforcement and transparency. |
| Geo-Jala and Mangum (2000) | USA and Nigeria | Empirical, mixed-methods | Foreign Corrupt Practices Act (FCPA) | Cultural context | Socioeconomic | Investigating various aspects of socioeconomic and political impacts of FCPA on global trade. |
| Gnutzmann et al. (2010) | Global | Conceptual | Beggar-thy-neighbor policy | Process of disguising the origin of illicit funds for consuming | Globalization, tolerance of some countries toward money laundering | Social, economic, security-based, political | Investigating countries that invite capital by guaranteeing secrecy. Studying the economics of money laundering empirically. |
| Grabosky (2009) | Global | Conceptual | Routine activity theory | Process in which illicit origin of funds is concealed and transformed into “clean money” | Globalization, mobility of international capital, motivation for the crime, insufficient supervision and compliance | Economic, political, social (decreasing trust) | International cooperation of public, private and nonprofit institutions in controlling transnational white-collar crime. |

(continued)
| Author(s)          | Context of study | Contribution                  | Theory or concepts employed | Key findings/insights | Causes                                                                 | Consequences                                      | Controls                                                                 | Identified future research areas |
|-------------------|------------------|-------------------------------|-----------------------------|-----------------------|----------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------|---------------------------------|
| Halliday (2018)   | Global           | Conceptual                    | Plausible folk theories     | –                     | Ignorance in governance, weak criminal laws, insufficient penalties,  | Economic, social, political                       | Global governance, criminal law, regulation, combining varying national interests into a mutual one through plausible folk theories | –                               |
| Hameiri (2020)    | Global           | Conceptual                    | New Interdependence Approach and State Transformation Approach | A process in which illegally earned funds are made to look legal and can be hence used | Globalization, weak regulation and international mobility of capital | Economic, social and political                     | Domestic regulation, international recommendations (such as FATF’s), financial transparency | –                               |
| Hameiri and Jones (2016) | Global           | Conceptual                    | State transformation        | Disguising criminal origins of funds to use them openly | Weak implementation of domestic anti-money laundering mechanisms | Economic, political, social                        | Improving local governance and implementation of compliance rules (state transformation) | Investigating the impact of local socio-political forces on implementation of global governance regimes |
| Hameiri et al. (2018) | Global           | Conceptual                    | State transformation        | Recycling criminal proceeds within the financial system | Lacking anti-money laundering mechanisms in some countries, institutional weakness as a result of power relations | Economic, political, social                        | Security governance              | Applying the proposed security governance approach in action |
| Hong et al. (2017) | Banking          | Empirical, quantitative       | Semi–Markov decision process | –                     | –                                                                        | –                                                | The model is more effective compared to other traditional models that are based on the greedy resource allocation algorithms | –                               |

Table A1.

(continued)
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Concept | Causes | Consequences | Controls | Identified future research areas |
|-----------|-----------------|--------------|----------------------------|----------------------|---------|--------|-------------|---------|----------------------------------|
| Hülsse (2009) | Liechtenstein | Empirical, mixed-methods | Metaphors | The process used by international criminals | Globalization, lack of transparency and international tax competition, under-regulated financial sectors | Political, reputational, economic | Implementation of anti-money laundering regulation, international cooperation | – |
| Hülsse and Kerwer (2007) | Global | Conceptual | Global AML regulations and standards | A task of converting illegally obtained funds into legal and usable funds | Global AML regulations comprise voluntary best practice standards. However, they cannot be highly adopted by organizations under certain conditions | Economic, policy-based | Conclusive rules | How can global AML regulations be adopted in different contexts? |
| Kaygin et al. (2019) | Crypto-monetary system | Conceptual | – | – | Globalization, internet and information technologies, lack of supervision, high volume of money transfers and difficulties in tracing funds | Ethical, political, social, economic | – | Investigating the scale of use of the Bitcoin system and its expenses on society |
| Ley (2020) | Canada | Conceptual | Urban theory | Concealing illicit funds into the legitimate economy | Globalization, deregulation of private institutions and lack of supervision resources in public agencies | Political, economic | Implementing regulation, increasing monitoring, transparency, reporting and auditing capacity | Investigating resistance toward urban politics, which aims at promoting growth and development via deregulation |
| Lord and Levi (2017) | UK | Conceptual | Transnational corporate bribery | Concealing funds originating from illicit actions and using them | Sociocultural elements, institutional vulnerabilities, lack of supervision | Social, economic, political | Recognizing beneficial owners, global harmonization of anti-money laundering efforts and controls | Empirical evaluation of prevention strategies |

(continued)
| Author(s)          | Context of study                                      | Contribution | Theory or concepts employed | Key findings/Insights | Causes                                                                 | Consequences | Controls                                                                 | Identified future research areas                  |
|--------------------|-------------------------------------------------------|--------------|-----------------------------|-----------------------|------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------|---------------------------------------------------|
| Lord *et al.* (2018) | International business (the UK and The Netherlands)   | Empirical, qualitative | –                           | Concealing funds generated for/from illicit activities and converting them to look “legal” | Misuse of organizational structures and entities, globalization, anonymity, third party assistance in illicit finances | Economic, political, social                        | Increasing transparency (public registers) supervision and intervention with unethical third-party accountants and lawyers | Further empirical research into corporate financial crimes |
| Maggetti (2014)    | Global, private banking                               | Empirical, mixed-methods | Corporate responsibility, the Wolfsberg initiative, resource-dependency, institutional theory | Illicit process of converting proceeds of crime into seemingly legal funds | Insufficient managerial supervision of risky customers in banks, insufficient information about beneficial owners | Economic, social, political                        | Bank policies, due diligence, know your customer principles, monitoring, training, risk-based approach, multistakeholder agreements, blacklisting | Investigating microlevel mechanisms that guide firm behavior in international multistakeholder areas |
| Marat (2015)       | Kyrgyzstan                                            | Empirical, qualitative | –                           | –                      | Accessibility to global financial institutions, availability of offshore markets, corruption at the state level, weak state | Economic, political                                 | –                                                        |                                                   |
| May (2019)         | English football club Birmingham City FC             | Conceptual    | Appadurai’s five dimensions of global flows | –                      | Globalization, economic transnationalism, international investments, foreign ownership, offshoring and misusing business structures | Economic, social                                   | Understanding the development and complexity of the global economy | Further empirical qualitative research and interviews in terms of investigating globalization in sports and foreign ownership of football clubs |
| Mugarura (2017)    | Global                                                | Conceptual    | Anti-money laundering regulatory tools | Process of transferring criminal proceeds into the financial system | Globalization, development of information technology and financial infrastructure, offshore financial centers | Economic, social                                   | Transparency, enhanced due diligence in banks, goodwill of internal management systems, harmonization of anti-money laundering practices between countries | –                                                   |

(continued)
| Author(s)          | Context of study             | Contribution     | Theory or concepts employed | Key findings/insights                                                                 | Concept | Causes                                                                 | Consequences                                                                 | Controls                                                                                           | Identified future research areas                                                                 |
|-------------------|------------------------------|------------------|----------------------------|-------------------------------------------------------------------------------------|---------|----------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Naheem (2015)     | International banking        | Conceptual       | Agency theory              | Employees in financial institutions may facilitate laundering, assistance from the government | Concept | Causes                                                                 | Consequences                                                                 | Controls                                                                                           | How should organizations change internal reporting and whistleblowing approaches to support AML compliance? |
| Naheem (2016)     | Global, internal audit function | Conceptual       | Agency theory              | Linked to international organized crime                                               | Concept | Causes                                                                 | Consequences                                                                 | Controls                                                                                           | Considering the role of internal audit function within globalized banking services               |
| Ozinga and Mowat (2012) | Illegal logging             | Conceptual       | OECD Convention on Bribery, legislation against money laundering, financial sector regulation, the Convention on International Trade in Endangered Species and Forest Certification, etc | Processing proceeds of crime to hide their illegal origins                           | Concept | Causes                                                                 | Consequences                                                                 | Controls                                                                                           | Investigating global resource consumption and distribution                                      |

(continued)
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Concept | Causes | Consequences | Controls | Identified future research areas |
|----------|------------------|--------------|-----------------------------|----------------------|---------|--------|--------------|----------|----------------------------------|
| Pérez et al. (2012) | Transition economies | Empirical, quantitative | Theory of multinational corporation, knowledge-capital model | Funds that are earned for or used for illegal activity or transferred across borders illegally | Globalization, possibilities for international capital movements and offshoring, the existence of “money laundering center” countries, use of shell companies, weak regulatory systems, lacking transparency/corruption | Economic, political | Compliance, regulatory frameworks, international cooperation, democracy, transparency, political stability | - | Analyzing illicit capital flows of non-transition economies, investigating characteristics that lead to significant illicit capital outflows in different countries |
| Pérez et al. (2011) | French investment bank | Empirical, qualitative ethnography | Contradiction; managerial ethics | - | - | Social and strategic | - | How should investment managers deal with ethical dilemmas (such as ensuring AML compliance and, at the same time, serving the suspicious investors involved in money laundering)? |
| Rahimi (2020) | Afghanistan | Empirical, qualitative | Institutional approach | Process of moving funds to hide their origin and relation to illegal activities | Globalization, shortcomings in formal institutions, corruption, lack of supervision in informal financial institutions | Economic, political | Hawala regulations, increased transparency | - | |
| Sadeghi et al. (2018) | Iran | Conceptual | Regulation theory | Hiding origin of illegal profits in the aim to use these funds (placement, layering, integration) | Globalization, use of offshore financial centers | Economic, political, social | Export compliance programs, avoiding cooperation with sanctioned or blacklisted entities, international regulation | - | How do export control systems influence international entrepreneurship? |

(continued)
| Author(s)                  | Context of study | Theory or concepts employed | Key findings/insights | Concept | Causes                                                                 | Consequences                          | Controls                                                                 | Identified future research areas |
|---------------------------|------------------|-----------------------------|-----------------------|---------|------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------|----------------------------------|
| Scheau and Zaharie (2017) | Global           | Conceptual                  | Placement of illegally obtained funds into the financial system, circulating them and investing them | FATF recommendations, sanctions and international standards | Globalization, internet vulnerabilities and anonymity, virtual currencies | Economic, political, reputational, security-based | International cooperation in supervision, increasing understanding of new technologies, more effective sanctions and freezing of funds | –                                |
| Sharman (2008)            | Developing states | Empirical, mixed-methods    | Concealing the origin of illegal funds gained by committing the crime | “sameness amid diversity” | Globalization, development of international trade and finance          | Political, social, economic           | Learning between countries and adopting regulation and due diligence practices which have proven to be effective in other countries, international coordination | How to measure money laundering? |
| Sica (2000)               | Global           | Conceptual                  | Converting illicit funds into another asset to hide the criminal origin and true ownership and to make the fund’s seem legal | The regulatory state, international AML initiatives | Financial secrecy, liberal and international capital markets | Political, economic, territorial, social | International anti-money laundering cooperation, domestic criminalization of money laundering, territorial regulation, monitoring and reporting by financial intermediaries | What are the benefits of AML policies from the global aspect? |
| Singh and Lin (2020)      | International banking | Conceptual                  | Use of illegally obtained funds in seemingly legitimate ways | Information technology | – | Economic, security-based | Technology provides solutions to combat money laundering concealed through charities | How could technology platforms (such as advanced mathematical modeling, automation, real-time data aggregation and voice analytics) help to track money laundering? |

(continued)
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Consequences | Controls | Identified future research areas |
|-----------|-----------------|--------------|-----------------------------|----------------------|--------------|---------|-------------------------------|
| Sun et al. (2008) | e-governance and e-finance | Empirical, quantitative | Information security/ fingerprint identification | Study enhances algorithm related to finger-code based approach for the prevention of money laundering | Economic, social | Tracing, freezing, confiscating and returning assets. Developing international cooperation and standards | How to succeed in asset recovery (governments and nongovernmental actors)? |
| Transparency International (2017) | Global Report | FATF recommendations | Process of hiding the origin of funds to make them seem legitimate | Lacking AML mechanisms and resources | Economic, social | – | – |
| UNODC (2022) | Overview | Vienna Convention | Concealing or assisting to conceal the origin of illegal funds or property to avoid legal consequences | – | Economic | – | – |
| Varese (2012) | Italy and Russia | Empirical, quantitative | Network theory | Process of hiding illegally obtained funds | Globalization, using international alliances, networking with locals | Political, security-based, economic | National policies for anti-money laundering (fighting money laundering abroad does not necessarily prevent criminals from operating in their original territory), increased transparency | What kind of laws make it difficult to detect international money laundering and why? |

(continued)
| Author(s) | Context of study | Contribution | Theory or concepts employed | Key findings/insights | Identified future research areas |
|----------|-----------------|--------------|-----------------------------|-----------------------|---------------------------------|
| Warde (2007) | The Middle East and North Africa | Conceptual | Market fundamentalism, national security fundamentalism | Transforming funds with illicit origins into seemingly legit money | Economic, political, security-based, social |
| Wechsler (2001) | Global (USA) | Conceptual | Multilateral counter measures | The criminal process of making illicit funds seem to originate from legitimate business operations | Economic, diplomatic, strategic, social |

(continued)
| Author(s)       | Context of study | Contribution | Theory or concepts employed                                                                 | Key findings/insights                                                                 | Causes                                                                                                                                  | Consequences                                                                 | Controls                                                                 | Identified future research areas |
|-----------------|------------------|--------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------|
| Windsor (2013)  | Global           | Conceptual   | Corporate social responsibility                                                            | Concealing the illicit origin of dirty money and layering the funds through the financial system to make them seem legal | Political instability, weak institutions, and insufficient legal compliance                                                              | Economic, political, social                                                                                                           | Governmental institutions, business ethics, stakeholder activism, definition and adoption of anti-corruption norms within businesses, external reporting by businesses about their experiences to help share information and develop successful practices, collective actions within stakeholders and industries | –                                |
About the authors

Emilia A. Isolauri, MSc, is a Doctoral Researcher of International Business at the Turku School of Economics at the University of Turku, Finland. Her major research interests focus on social problems and business ethics through phenomena such as money laundering and white-collar crime. Emilia A. Isolauri is the corresponding author and can be contacted at: emalis@utu.fi

Dr Irfan Ameer is working as a Lecturer in International Business at the University of Plymouth, UK. He is also associated with the University of Turku, Finland as a Post Doctoral Researcher in the Department of Marketing and International Business. His areas of interest include CSR, sustainability, and governance-related issues in marketing and international business.