TRUST IS THE COIN PAPERS

JULY 2026

No. 1

Demystifying Hawala

What banks, investigators and courts still get wrong — and what the field evidence shows

U.S. HOUSE FINANCIAL SERVICES COMMITTEE
ACCEPTED FOR INCLUSION IN THE OFFICIAL RECORD ·
OVERSIGHT HEARING ON FINCEN · 21 JULY 2026

Edwina A. Thompson

Author, *Trust is the Coin of the Realm* (Oxford University Press, 2011; Archive Edition, 2026) · Founder & CEO, Amanacard Group

WOMBAT HOUSE
PUBLISHING
Books that carry the record further

Demystifying Hawala

What banks, investigators and courts still get wrong — and what the field evidence shows

Edwina A. Thompson

Author, *Trust is the Coin of the Realm* (Oxford University Press, 2011; Archive Edition, 2026) · Founder & CEO, Amanacard Group

PROVENANCE

Accepted for inclusion in the official record of the U.S. House Financial Services Committee's 21 July 2026 oversight hearing on FinCEN, as one of three white papers supporting a statement for the record. Published here as accepted. Not testimony; no endorsement by the Committee is implied.

July 2026 · Wombat House Publishing · DOI 10.5281/zenodo.22941707

Why this paper

FinCEN's April 2026 proposed AML/CFT-program rule asks whether financial institutions are concentrating resources on higher-risk activity and producing effective outcomes. Congress is reviewing the effectiveness of the Bank Secrecy Act in that light. The question cannot be answered by looking at formal-sector reporting alone. A substantial share of the value moving into and out of fragile economies passes through channels outside the direct line of sight of U.S. authorities, including corridors exploited for terrorist financing, sanctions evasion, human smuggling and narcotics trafficking. Too often, illicit transfers that authorities cannot see or explain are simply labelled 'hawala', whether or not hawala is involved. That conflates a value-transfer system with its abuse — and makes the real risks harder to identify.[1,2,3]

Twenty-five years after 9/11 put the word into Western policy vocabulary, hawala remains poorly understood in the institutions that most need to understand it. Compliance teams may de-risk what they cannot read; investigators may pursue a caricature; courts sometimes hear propositions repeated more often than demonstrated. Where the caricature drives policy, the result is not less money movement but less visible money movement — the opposite of what the Bank Secrecy Act exists to achieve.

> "Where the caricature drives policy, the result is not less money movement but less visible money movement — the opposite of what the Bank Secrecy Act exists to achieve."

© Edwina A. Thompson 2026 · trustisthecoin.com

The evidence in this paper begins with my doctoral fieldwork inside the money markets of Afghanistan, Pakistan and the Gulf. Its quantitative findings on narcotics finance were first published jointly by UNODC and the World Bank in 2006; its historical and legal analysis followed in two peer-reviewed international-law publications in 2007 and 2008; and the fuller research appeared as an Oxford University Press monograph in 2011. In August 2013, with Aimen Dean and Tom Keatinge, I published a wider assessment of whether the global counter-terrorism financing regime was working.[4] The U.K. Government-commissioned *Safer Corridors* study followed the next month, converting that diagnosis into an operational framework[3]; a United Nations-funded Syria assessment then applied and extended it in a live conflict and sanctions environment[5]. In *Safer Corridors*, we used the politically available Somalia case as a gateway to build a reusable framework for high-risk corridors; Somalia was not its analytical limit. A decade of operating auditable humanitarian payment corridors in Afghanistan, Syria, Yemen and Iraq has enriched and tested that evidence.[6]

What hawala is

Hawala is the transfer of value through the delegation of debt. In the classical transaction, no money travels between the sending and receiving locations. A customer pays a merchant in one location; the merchant instructs a counterpart at the destination; the recipient collects locally, usually quickly and often in local currency, including in territory no bank reaches.[7]

Behind that simple front end sits a multi-nodal settlement network. Each merchant stands in a constantly shifting position of debit and credit with counterparties. Flows run in both directions and largely net off; residual balances settle periodically through trade in goods, telegraphic transfer and ordinary bank accounts, particularly in South-East Asia and the Gulf. Commission can be small: before the U.S. withdrawal, one aid agency recorded competing rates of 1.8% and 0.9% for bulk delivery to remote Afghan locations, with the more reliable merchant winning the business at the lower rate.[2,7]

The 2026 Archive Edition of the original study adds a five-diagram appendix that sets these field findings against later developments in correspondent banking and digital money. Figure A1, adapted at Annex A for this submission, isolates the point most relevant here: hawala and correspondent banking both rebalance bilateral debit-and-credit positions across a network; what differs is the notation and institutional framework.[6,7]

The system is governed from within. A merchant's reputation is his licence: merchants may indemnify customers when a counterpart lacks liquidity; difficult disputes may be referred to respected wakils, senior merchants who act as arbitrators; and the market's flat structure means that no headquarters or single leader is 'in charge'. That combination — internal accountability without a central command — explains much of the regulatory frustration of the past two decades.[8]

> *"I just pick up the phone and tell a man I need my money somewhere and it arrives. I have no idea how it works." — Head of the Herat Chamber of Commerce, in Trust is the Coin of the Realm*[8]

© Edwina A. Thompson 2026 · trustisthecoin.com

Five things "everyone knows" that are wrong

1 **"Hawala is an Islamic invention."** The term is Arabic and the practice was codified in Islamic law, but transferring debt across distance predates Islam by millennia: evidence includes Babylonian credit arrangements, payment orders in ancient India and China's 'flying money', first attested in an edict of 811 banning merchants' remittance-exchange of cash and legalised the following year when the state took the business over itself. In Afghanistan, money transfer was long associated with Hindu and Sikh merchant families before their displacement in the early 1990s. Hawala is a technology of long-distance commerce, not a religious artefact.[8]

2 **"It is paperless and untraceable."** The opposite. The practice grew from a long tradition of careful recording, and working merchants keep systematic books: a day book for transactions, then client-by-client records used in settlement. What outsiders read as invisibility may be concealment of business records from competitors and authorities, not their absence. For an investigator, that distinction is critical: the records exist, and cases turn on reaching and reading them.[8]

3 **"It is a banking system built for terrorism."** That phrase came from a 2001 magazine headline and survived as recurring shorthand in later discourse; the principal policy framework instead came through FATF Special Recommendation VI, USA PATRIOT Act section 359 and the 2002 Abu Dhabi Declaration. The 9/11 Commission reported that al-Qaeda frequently moved money by hawala, while associated hawaladars, fundraisers and operatives outside Afghanistan also used banks. Its *Terrorist Financing Staff Monograph* made that formal-informal junction explicit. Hawala can be abused — like any value-transfer mechanism, including banks — but 'hawala' is not a synonym for terrorist finance or for financial activity that investigators have not yet explained.[9]

4 **"It is inherently criminal."** In economies where most activity is outside formal state regulation and banks have collapsed, hawala may be the functioning financial system. During the Afghan war, merchants moved humanitarian and reconstruction funds for UN agencies, NGOs, election logistics, demobilisation and the currency changeover. Across my original Afghan research and later fieldwork in Syria, the overwhelming majority of humanitarian agencies gave the same two primary reasons for selecting a merchant: whether the merchant could deliver—and whether they were the cheapest. The same networks could also carry criminal value — which is precisely why blanket criminalisation fails and segmentation matters.[2]

5 **"It is separate from the banking system."** Hawala frequently settles through banks. Merchants use accounts in major financial centres; free-trade-zone regimes provide a platform in the global economy; and bank managers in some regions describe knowingly banking merchants to meet deposit targets. The formal/informal boundary is therefore porous in practice. The compliance exposure sits at the junctions — in accounts, trade, foreign exchange and correspondent settlement — not only in the bazaar.[10]

What the field data showed — and why it still matters

The doctoral research produced quantitative estimates of the relationship between drug trafficking and hawala, partly funded by UNODC and first published in a 2006 World Bank volume. The figures are from 2004-05 and should be treated as historical, indicative estimates: aggregate hawala flows through Afghanistan of roughly USD 5.6-6.1 billion a year; estimated annual inflows of USD 138 million in Faizabad, materially larger than Badakhshan's USD 96.9 million opium farm-gate value; a Herat market estimated at USD 1.356 billion, where only three to four merchants were said to

© Edwina A. Thompson 2026 · trustisthecoin.com

specialise exclusively in laundering; and merchant estimates that 80-85% of hawaladars in Helmand and 90% in Kandahar handled drug funds. This data shows segmentation and entanglement. It does not support treating every merchant, transaction or unexplained payment as criminal.[2,6]

The more durable finding for policymakers is the symbiosis between formal and informal finance. Hawaladars expanded their capacity through international banks, offshore free zones and global trade. The same commercial chains can carry legitimate imports, remittances, humanitarian value and criminal proceeds; trade-based money laundering may look outwardly like ordinary trade settled for an unbanked market. The two sectors cannot be neatly disentangled by applying a label to one end of the transaction. Banks are not bystanders: they are critical settlement nodes, and often the points at which parties, value, purpose and corresponding trade can still be recovered. The oversight problem is therefore global, not a hunt confined to the bazaar.[10]

> *"It is impossible to view the system in isolation from the formal banking sector." — Trust is the Coin of the Realm*[10]

De-risking: when requirements outrun capacity, flows go dark

With Aimen Dean and Tom Keatinge, I raised the effectiveness problem publicly in August 2013. We argued that risk-driven account closures and rising compliance costs could push legitimate users towards unregulated channels, while rapidly expanding suspicious-activity reporting risked overwhelming authorities with volume rather than producing usable intelligence. We called for explicit goals and benchmarks, risk-based reform, financial inclusion and safe corridors: compliance activity was not an end in itself.[4]

In 2013 I led the U.K. Government-commissioned *Safer Corridors Rapid Assessment* as major banks withdrew accounts from money service businesses serving Somalia. We used Somalia as the gateway to a wider typology — crisis-affected, restricted and post-conflict — and a reusable action-planning model organised by stage (first mile, clearance and last mile), geography, risk and time horizon. It expressly encompassed Syria and Afghanistan. Fieldwork included Minnesota, home to the then largest concentration of the Somali diaspora in the United States. The Financial Conduct Authority's capital return reported USD 39,764,006 of U.K.-Somalia transactions for 2012; transaction data supplied by registered providers indicated that regulated flows were more likely to be in the order of USD 380 million. The report explained the discrepancy: only one of three capital-calculation methods required providers to report total payment volume. The gap was not evidence of missing money but of missing visibility. It warned prospectively that loss of banking access could push legitimate payments underground, making clean funds harder to distinguish from criminal or terrorist finance.[3]

> "The gap was not evidence of missing money but of missing visibility."

The framework did not stop at Somalia. In 2015 I led and authored *Technical Assessment: Humanitarian Use of Hawala in Syria*, a United Nations-funded follow-up prepared by Beechwood International for aid agencies conducting cross-border operations. It used the same first-mile, clearance and last-mile lens, but added primary field evidence from Syrian merchants, businesses, civilians, officials and aid actors to develop a practical risk-management

framework for a live conflict corridor. Its recommendations distinguished retail, wholesale and corporate hawaladars; treated providers as partners rather than opaque suppliers; and required aid agencies to understand the trading and banking relationships through which balances settled.[5]

The report also proposed pooled donor funding for a central Know Your Supplier/Know Your Customer (KYS/KYC) processor able to screen remitter and recipient data against sanctions lists and deeper law-enforcement sources; documented due-diligence assurance for banks; shared risk management through donor and UN coordination; and contingency planning across agencies. Those were published recommendations in July 2015. The analysis then fed into Chatham House policy work. Its September 2015 roundtable summary placed poor understanding of financial supply chains and flows, sanctions-driven payment constraints and options for engaging banks at the centre of the discussion. Because the meeting was held under the Chatham House Rule, its public summary records the policy agenda rather than attributing individual contributions.[5,11]

Congress recognised this dynamic in Section 6215 of the Anti-Money Laundering Act of 2020, which required Treasury to develop a strategy on de-risking. Treasury's review subsequently identified profitability as the predominant driver, influenced by transaction volume, compliance cost and the perceived risk of penalties, alongside reputational risk, risk appetite, unclear expectations and sanctions burdens. Whatever the driver in a particular case, the effectiveness issue remains the same: a reporting regime is not more effective because more is filed, but because more of what matters can be seen and used.[12]

> "A reporting regime is not more effective because more is filed, but because more of what matters can be seen and used."

What this means in practice

- **For supervisors and FinCEN:** "Hawala-linked" is an analytical lead, not a verdict. A risk-based framework should ask which segment of a market a counterparty occupies; who the parties are; what value and purpose are involved; how residuals settle; and where the chain meets banks, foreign exchange or trade. Those are answerable questions if examiners know what the records look like.
- **For investigators:** the books exist, and settlement leaves traces in trade flows, telegraphic transfers and bank accounts. Treating the system as unknowable forfeits evidence that may be recoverable and readable.
- **For prosecutors and courts:** expert evidence about hawala sometimes rests on propositions repeated more often than demonstrated. It should be tested against primary field evidence and the actual settlement chain, not against other summaries of the same received wisdom.
- **For policymakers and standard-setters:** do not make "digital hawala" another catch-all. FATF and Europol already use the term, and FATF's June 2026 plenary approved a report, for publication in September 2026, on underground banking, hawala and similar service providers and how those risks have evolved alongside technological change. How that report frames the term will shape supervisory practice for years. A 2014 U.K. Army AGILE WARRIOR threat-finance seminar I facilitated anticipated that criminal and terrorist financiers would add electronic payments and cryptocurrencies to their repertoire while retaining traditional methods. That is what has since happened.

© Edwina A. Thompson 2026 · trustisthecoin.com

Today legitimate and criminal financiers alike select from expanding payment and settlement rails. A cryptocurrency transfer can be one of those rails in hawala; it does not create a distinct system or alter the underlying delegation of debt.[13]

- **For Congress:** In lower-capacity remittance corridors, the Recommendation 16 question is whether proportionate information requirements keep payments inside the regulated perimeter. FATF revised Recommendation 16 in June 2025 and is now consulting on implementation guidance. U.S. engagement should draw on evidence from lower-capacity corridors, where proportionate requirements may determine whether payments become more transparent or leave the regulated perimeter.[1,14]

From primary framework to later policy uptake

The evidentiary hierarchy matters. The doctoral work supplied primary field evidence; *Safer Corridors* converted it into a cross-corridor framework, using Somalia as the political gateway rather than the analytical boundary; and the UN-funded Syria assessment applied and extended that framework in a live humanitarian corridor. Later studies are valuable corroboration and evidence of uptake. The evidence therefore combines published scholarship, policy framing and sustained operational practice.[3,5,6,15]

Basis of expertise

Dr Edwina A. Thompson has studied trust-based financial networks for more than twenty years. Her doctoral research, published in 2011 by Oxford University Press as *Trust is the Coin of the Realm*, drew on fieldwork inside the money markets of Afghanistan, Pakistan and the Gulf, with parallel work in Peshawar, Dubai, Sharjah and Australia, triangulated with users, bankers and regulators including Da Afghanistan Bank, the U.S. Drug Enforcement Administration and U.K. financial-crime officials. In 2016, she founded Amanacard, which for a decade has operated humanitarian payment corridors in some of the most challenging environments.[6]

She welcomes questions on informal value transfer, money laundering and terrorist financing. Contact via trustisthecoin.com.

Sources and notes

1 U.S. House Committee on Financial Services, Committee Majority Staff, hearing memorandum, “Oversight of the Financial Crimes Enforcement Network” (July 16, 2026), official memorandum; FinCEN, “FinCEN Proposes Rule to Fundamentally Reform Financial Institution Programs Designed to Fight Illicit Finance” (April 7, 2026), official release.

2 Edwina A. Thompson, *Trust is the Coin of the Realm: Lessons from the Money Men in Afghanistan* (Oxford University Press, 2011; Archive Edition, Wombat House Publishing, 2026), pp. 220-221, 225, 228-231 and 270 (aggregate flows; Faizabad; Herat; Helmand and Kandahar; humanitarian rates and merchant selection). Page references are to the Archive Edition; short-form citations to this work below refer to it.

3 Beechwood International, *Safer Corridors Rapid Assessment*: Case Study: Somalia and U.K. Banking (September 2013), pp. 7-9 and 50-51 (typology and cross-corridor action-planning model); pp. 21-22, 37 and 40 (Somalia flow data and de-risking), public copy.

4 Aimen Dean, Edwina Thompson and Tom Keatinge, "Draining the Ocean to Catch One Type of Fish: Evaluating the Effectiveness of the Global Counter-Terrorism Financing Regime," *Perspectives on Terrorism* 7, no. 4 (August 2013), pp. 62-78, especially pp. 66 and 70-74 (account closures, reporting volume, financial inclusion, safe corridors and effectiveness benchmarks), journal article.

5 Edwina A. Thompson, Beechwood International, *Technical Assessment: Humanitarian Use of Hawala in Syria*: Prepared for Aid Agencies Conducting Cross-Border Operations (31 July 2015), p. ii (author), pp. 1-8 (aim and method) and pp. 32-44, especially p. 43 (risk framework, pooled KYS/KYC, bank assurance and donor/UN coordination). A copy can be supplied. The engagement was funded by the United Nations; Beechwood's contracting and payment records are available on request. Independent accounts also identify it as the UN-funded follow-up to Safer Corridors: Sue E. Eckert, Jacob Kurtzer and Sierra Ballard, *Mitigating Financial Access Challenges* (CSIS, 2022), p. 40 n.9, CSIS report; Erica Moret, *Use of Money or Value Transfer Services by Non-Governmental Organisations* (NRC, 2023), p. 17 n.6, NRC report.

6 Edwina A. Thompson, "The Nexus of Drug Trafficking and Hawala in Afghanistan," in Doris Buddenberg and William A. Byrd, eds., *Afghanistan's Drug Industry: Structure, Functioning, Dynamics and Implications for Counter-Narcotics Policy* (UNODC and World Bank, 2006), pp. 155-188, World Bank volume; Edwina A. Thompson, "Misplaced Blame: Islam, Terrorism and the Origins of Hawala," *Max Planck Yearbook of United Nations Law* 11 (2007), pp. 279-305, Max Planck record; Edwina A. Thompson, "An Introduction to the Concept and Origins of Hawala," *Journal of the History of International Law* 10, no. 1 (2008), pp. 83-118, journal article. The fuller research appeared as *Trust is the Coin of the Realm* (n. 2 above), p. 18 (sample and method). The 2026 Archive Edition preserves the original text and adds a five-diagram appendix placing the findings alongside correspondent banking, blockchain, de-risking and stablecoins.

7 Thompson, *Trust is the Coin of the Realm*, pp. 89-90 and 94 (delegation of debt and the multi-nodal debit/credit network).

8 Thompson, *Trust is the Coin of the Realm*, pp. 96-102, 130, 160, 170 and 172-173 (historical antecedents, recording, internal governance, the Herat quotation and market structure).

9 National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report* (2004), p. 171; National Commission on Terrorist Attacks Upon the United States, *Terrorist Financing Staff Monograph* (2004), pp. 25-26; Meenakshi Ganguly, "A Banking System Built for Terrorism," Time (October 5, 2001). The principal policy instruments were FATF Special Recommendation VI: Alternative Remittance (October 2001); USA PATRIOT Act section 359 and Treasury's Report to Congress under Section 359 of the USA PATRIOT Act (November 2002); and the Abu Dhabi Declaration on Hawala (May 16, 2002).

10 Thompson, *Trust is the Coin of the Realm*, pp. 199 and 202-209, especially pp. 203-206; see also pp. 228-230 (trade, banks, offshore settlement and the porous licit/illicit boundary).

11 The analysis fed into Chatham House's Syria and its Neighbours Policy Initiative, launched in 2014, and a sustained engagement from 2015 to 2019 across its work on humanitarian finance, counter-terrorist financing and illicit financial flows. Two documents mark the link. Chatham House, Middle East and North Africa Programme, *Supporting Syrians without Supporting the War Economy: Roundtable Summary* (30 September 2015), records the policy agenda at pp. 2, 6 and 8 — sanctions and the movement of cash, area-based policies for financial supply chains, and options for engaging the banking sector; it was the first in a series convened to establish a Syria Humanitarian Policy Working Group. The Initiative then convened Hawala and Humanitarian Aid in Istanbul on 14-15 December 2015, expressly implementing a recommendation of the 31 July 2015 technical assessment at n. 5 above; I co-facilitated it, and Beechwood International produced the participants' report. Both were issued under the Chatham House Rule and neither is currently posted on the Chatham House website; copies are held on file and can be supplied on request. Shannon Doocy et al., "Are cash-based interventions a feasible approach for expanding humanitarian assistance in Syria?", *Journal of International Humanitarian Action* 1, 13 (2016), records Beechwood International, "Hawala and Humanitarian Aid: Risks, Mitigation, and Options in Syria", prepared for a Chatham House workshop in Istanbul, journal article.

12 U.S. Department of the Treasury, *The Department of the Treasury's De-Risking Strategy* (April 2023), pp. 1-2 and 15-21 (printed pagination; the PDF runs two pages ahead), official report.

13 FATF, Comprehensive Update on Terrorist Financing Risks (July 2025), paras. 149-150, pp. 43-44; Europol, EU TE-SAT 2025, pp. 8, 12. On the forthcoming standard-setting work, FATF, Outcomes FATF Plenary, 17-19 June 2026, approving a report for publication in September 2026 on underground banking, hawala and similar service providers. On the seminar, AGILE WARRIOR — *Strategic Seminar on Threat Finance: Transcript* (12 September 2014), executive summary and pp. iv-vi. The transcript was not published; no view is attributed here to any other participant, and a copy can be provided on request. On the programme itself, see Mark Phillips, *Exercise Agile Warrior and the Future Development of UK Land Forces*, RUSI Occasional Paper (Royal United Services Institute, March 2011), p. 1, which describes it as the British Army's annual process of experimentation and operational analysis, convening participants drawn from across Whitehall, academia, industry and international partners.

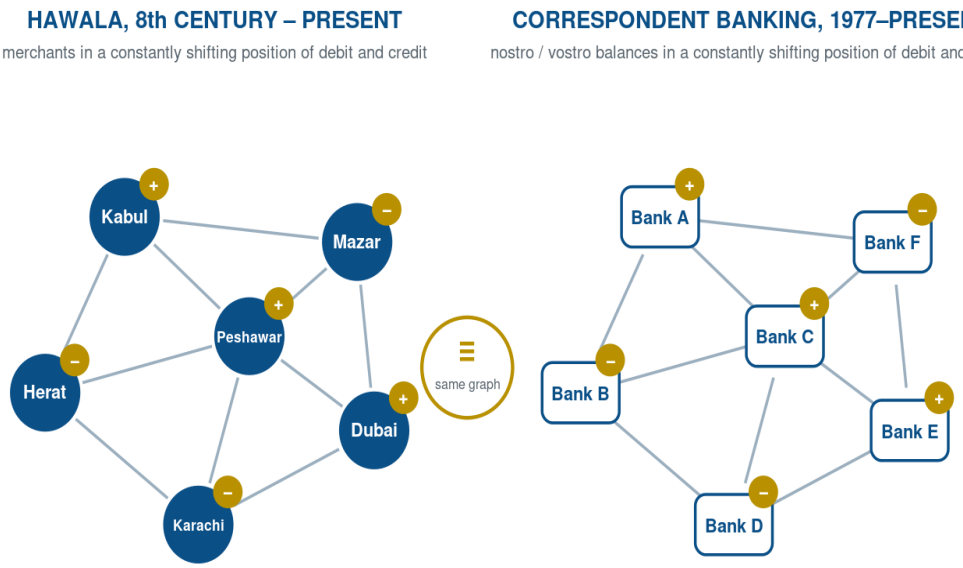
14 Financial Action Task Force, revised Recommendation 16 (agreed June 2025) and public consultation on implementation guidance (June 24-August 21, 2026), revision; consultation.

15 See, as later corroboration, Justine Walker, Study on Humanitarian Impact of Syria-Related Unilateral Restrictive Measures, for UN ESCWA under the National Agenda for the Future of Syria (16 May 2016), section “Lack of Viable Formal Banking Corridors into Syria”, nn. 32, 33 and 36 (refer to the OHCHR Library record and the copy published by The Intercept); Sue E. Eckert with Kay Guinane and Andrea Hall, Financial Access for U.S. Nonprofits (2017); and Justine Walker, Risk Management Principles Guide for Sending Humanitarian Funds into Syria and Similar High-Risk Jurisdictions (Graduate Institute, Geneva, 2020).

© Edwina A. Thompson 2026 · trustisthecoin.com

ANNEX A

Networked settlement in hawala and correspondent banking



Each participant stands in a shifting position of debit and credit with its counterparties. Flows net off; residual balances settle later.

The bazaar wrote it in client books. Banking writes it in nostro accounts. The underlying logic is the same — only the notation and institutional framework differ.

From Trust is the Coin of the Realm (OUP, 2011), ch. 3–6: hawala as multi-nodal value transmission — the same primitive that underlies correspondent settlement.

Adapted from the new appendix to Edwina A. Thompson, Trust is the Coin of the Realm: Lessons from the Money Men in Afghanistan, 2026 Archive Edition (published 2026).

TRUST IS THE COIN PAPERS NO. 1

TITLE	Demystifying Hawala *What banks, investigators and courts still get wrong — and what the field evidence shows*
AUTHOR	Edwina A. Thompson
SERIES	Trust is the Coin Papers, No. 1
PUBLISHED	Wombat House Publishing, The Melburnian, 250 St Kilda Road, Southbank VIC 3006, Australia · First published in electronic form, 2026
PROVENANCE	Accepted for inclusion in the official record of the U.S. House Financial Services Committee's 21 July 2026 oversight hearing on FinCEN. The text is published as accepted; no endorsement by the Committee is implied.
DOI	https://doi.org/10.5281/zenodo.22941707
LEGAL DEPOSIT	Deposited with the National Library of Australia (National edeposit) under the *Copyright Act 1968* (Cth), and held in the national collection.
CITE AS	Thompson, Edwina A., 'Demystifying Hawala: What Banks, Investigators and Courts Still Get Wrong — and What the Field Evidence Shows', *Trust is the Coin Papers* No. 1 (Wombat House Publishing, 2026). https://doi.org/10.5281/zenodo.22941707
COPYRIGHT	© Edwina A. Thompson, 2026. All rights reserved. This paper may subsequently be published or co-published with a partner institution; in that event this edition remains the version of record.
NOTE	The author is Founder & CEO of the Amanacard Group. The views expressed are her own. Enquiries to Wombat House Publishing via trustisthecoin.com.
SERIES	No. 1 Demystifying Hawala · No. 2 Payments Infrastructure Is a Front Line · No. 3 Verified Delivery · No. 4 The First, Middle and Last Mile · trustisthecoin.com/series

WOMBAT HOUSE
PUBLISHING
Books that carry the record further

TRUSTISTHECOIN.COM

TRUST IS THE COIN PAPERS

Twenty-five years after 9/11 brought hawala into Western policy vocabulary, these papers return to the primary evidence: what the field record shows about informal finance, what is lost when regulated infrastructure withdraws, how delivery can be proved at the last mile, and how a payment can be made intelligible from its first mile to its last.

NOS. 1 – 3 *Accepted for inclusion in the official record of the U.S. House Financial Services Committee's 21 July 2026 oversight hearing on FinCEN*

No. 1 · Demystifying Hawala
What banks, investigators and courts still get wrong.

No. 2 · Payments Infrastructure Is a Front Line
Grey-listing, de-risking and strategic competition in the Pacific.

No. 3 · Verified Delivery
Field evidence that anti-diversion controls can work.

NO. 4 *Drawn from the response submitted in confidence to the FATF public consultation on the draft Recommendation 16 Guidance, 24 August 2026*

No. 4 · The First, Middle and Last Mile
Making payment transparency work where systems fail.

About the series. Published by Wombat House Publishing as the version of record. Each paper is dated, unaltered after publication, and carries the provenance of any body it was submitted to. Each paper carries a DOI and is deposited with the National Library of Australia · trustisthecoin.com/series

Cite as: Thompson, Edwina A., 'Demystifying Hawala: What Banks, Investigators and Courts Still Get Wrong — and What the Field Evidence Shows', *Trust is the Coin Papers* No. 1 (Wombat House Publishing, 2026). https://doi.org/10.5281/zenodo.22941707

