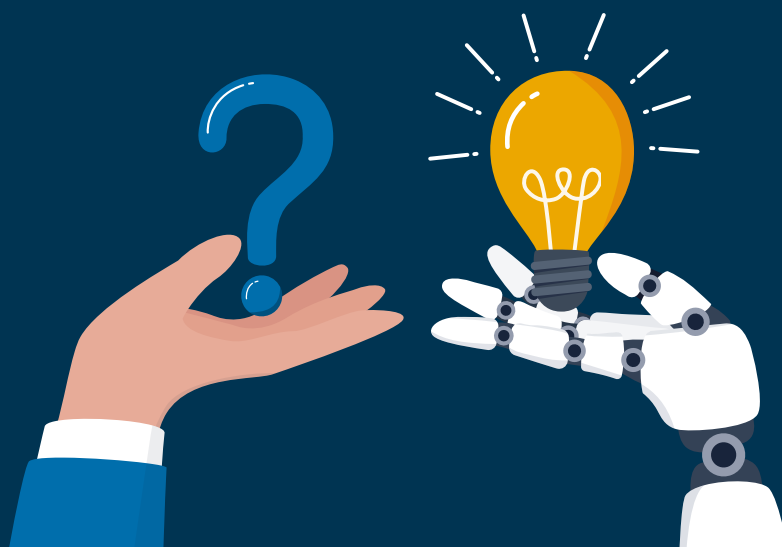


HARNESSING AI FOR ASSET TRACING



A PRACTICAL APPROACH

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Generative artificial intelligence is dramatically reshaping asset tracing around the globe—and the Middle East and North Africa is no exception. AI, with its ability to quickly analyse large amounts of data, is helping lead to recoveries that are faster, larger, and more cost effective. AI-driven investigative tools are particularly well suited to the challenges of asset tracing in the region. At the same time, optimal use of AI depends on properly integrating it with human-led processes. This integration requires an understanding of AI's strengths and limitations, as well as the contours of the investigative workflow. A recent case study helps illustrate these points.



Case Study: A Non-performing Debtor

A bank was faced with a sizable non-performing loan made to a large regional business and personally guaranteed by the business' CEO. We were instructed by the bank to help it assess the recovery possibilities by investigating the state of the business and by identifying the guarantor's assets and physical footprint.

The challenges to this sort of assignment are well known to those involved in asset tracing in the MENA region. There are limited public records and a lack of robust disclosure requirements, and while several countries in the region are making substantial investment in AI infrastructure, on the investigative front lines, information remains largely in analogue form. As a result, investigators must largely rely on what can be gleaned through open-source intelligence and enquiries made to expert legal and financial practitioners, suppliers, business partners, former employees and others. In practice, the

piecing together of such open-source resources is time-consuming—a significant problem in asset tracing, where success depends on speed—and is susceptible to inconsistencies and overlooked connections.

Using AI tools especially developed for due diligence, asset tracing and similar tasks, we were able to quickly construct, for both the business and the guarantor, a timeline of developments related to their current status and activities, established business networks and other background information. This did not tell us everything we needed to know, but it gave us a strong foundation from which to begin making enquiries, conducting site visits and tracking down analogue records. The information we gleaned from those inquiries fuelled subsequent rounds of AI-driven research. We soon discovered that the business was rumoured to be facing restructuring, and numerous banks and suppliers were pursuing litigation over unpaid loans and invoices. We also learned that the personal guarantor had fled to his hometown and sold and/or transferred personal property to his children and proxies. The information

we gathered helped the bank we advised to refine its asset recovery strategy and to place greater emphasis on pursuing the guarantor's assets through targeting family members and proxies, and in other jurisdictions.



Principles for Successful AI Integration

This case study illustrates a fundamental principle underlying the use of AI: It should act as an extension of, rather than a replacement for, the abilities of an expert investigator. The following guidelines provide practical insight to help take that holistic approach.

Use AI Iteratively

AI platforms can provide a rich initial screen on a subject and can be particularly valuable for tasks such as mapping complicated fund flows. But AI really shines when it is used iteratively. After the initial AI-generated profile enabled our investigators to begin gathering more information through enquiries and site visits, we returned to our AI platform with what we had learned to explore hunches and test hypotheses—which would then launch further rounds of on-the-ground investigation and AI refinement.

Think Through The Prompt

The quality of the prompt greatly affects the quality of the output. The more generic the query, the higher the probability of false positives. Further, you can maximise the usefulness of the query by specifying the form of the output. If you need the output as a table or as a narrative written as an investigative reporter might, then specify accordingly. Work backward from the desired result.



Take A Step Back

Before you can optimally integrate AI into your investigative workflow, you need to understand your workflow. This can be harder than it sounds, as processes and procedures naturally evolve over time to reflect accumulated practical knowledge. Leveraging AI can be an occasion for organisations to make a larger, objective examination of how they work, and then from there, how AI can best fit into that picture.

Have A Long-Term Perspective

AI's capabilities will change dramatically in the coming years, as will relevant regulations, best practices and awareness of risks. The larger data landscape, both in the MENA

region and globally, will also evolve. Organisations that embrace AI should ensure that they commit resources not just for the technology itself, but for building a long-term infrastructure for AI governance and management.

AI will continue to transform asset tracing, especially given the recent advancements in Agentic AI solutions with better reasoning and iterating capabilities. But getting the most out of AI's possibilities means more than adopting a new technology—it requires making AI an integral part of the asset tracing process and working with expert asset tracing investigators that have adopted this new technology; and you will still need humans to build relationships with other humans to gather and develop non-public information. Organisations that take a holistic approach to doing so are likely to have a competitive advantage in the race to asset recovery.

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