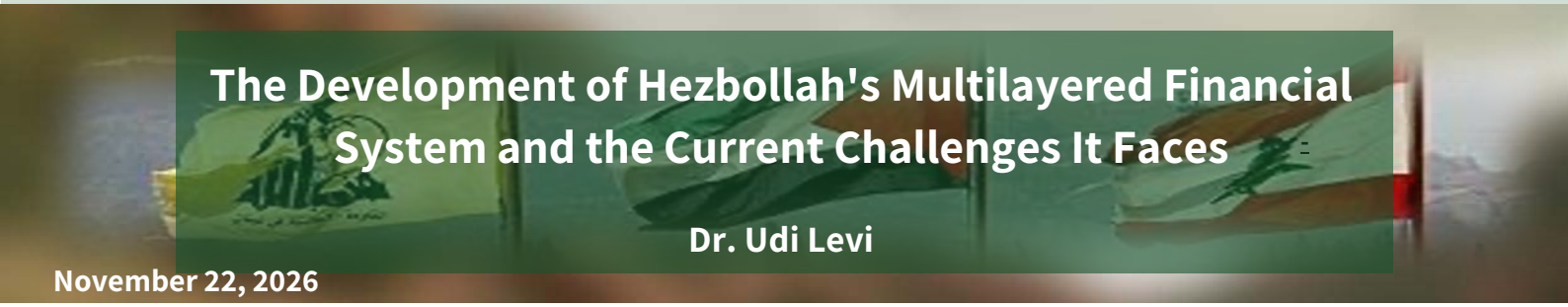
The Amit Terrorism and Intelligence Research Institute
At the Israeli Intelligence Heritage and Commemoration Center



The Development of Hezbollah's Multilayered Financial System and the Current Challenges It Faces

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Overview[1]

► This study analyzes the development of Hezbollah's financial system from a model based primarily on Iranian state funding into an integrated, multilayered criminal economic system (including Iranian involvement) operating simultaneously in state (possibly also interstate), business, community and criminal arenas.[2]

► The central argument is that Hezbollah functions as a terrorist organization, a military militia and a political party, an Iranian proxy and a global criminal corporation. It is capable of generating, concealing, transferring, accumulating and realizing value by combining Iranian funding, access to the Lebanese budget as a political entity and the diversion of state resources through influence over a number of government ministries, alongside cross-border trade, money changing, bank-like institutions, gold, diamonds, art, real estate, cryptocurrency, distribution networks and ostensibly legitimate businesses.

► **We propose an analytical and conceptual framework for understanding the system as a hybrid architecture.** Iran and the Quds Force of the Islamic Revolutionary Guard Corps provide strategic, logistical and budgetary infrastructure, but alongside them, semi-independent mechanisms have developed which provide Hezbollah with flexibility, resilience and the ability to recover after military strikes, economic crises or sanctions. The study examines the development of funding sources, transfer and concealment mechanisms, geographical routes, key figures, the transportation and logistics system, banks and bank-like institutions and the main vulnerabilities.

► The study emphasizes **Hezbollah's effort to restore its financial capabilities** following the blows it sustained during its wars against Israel between October 2023 and November

[1] Click https://www.terrorism-info.org.il/en to subscribe and receive the Amit Institute's daily updates as well as its other publications.

[2] This is the second in a series of studies dealing with terrorist financing. The first analyzed methods of terrorist financing from a historical and developmental perspective and the complexities facing the authorities combating the phenomenon of terrorist financing. For further information, see the August 2026 Amit Institute study **Funding Terrorism – Historical Review and Future Trend**

2024 and beginning in March 2026. Iran continues to be the main source of funding, and after the suspension of flights from Tehran to Beirut and the fall of the al-Assad regime in Syria, Hezbollah has developed alternative methods of transferring funds, primarily through money-changing networks and the smuggling of cash and gold. Hezbollah continues to rely on the Lebanese state budget, at least as long as it does not withdraw from the government, despite the decisions passed against its activity, as well as on criminal enterprises and donations from the Shi'ite community in Lebanon and around the world.

►It would appear that effectively confronting Hezbollah must include its financial system as the main arena of effort rather than a secondary one. As long as the mechanisms for generating income, conversion and liquidity continue to operate, the organization can survive, demonstrate functional continuity, preserve capabilities, rebuild its personnel and infrastructure, finance social services and propaganda and adapt to external pressures. A military campaign unaccompanied by a continuous financial intelligence campaign will achieve only limited results in confronting Hezbollah.

Introduction

►Confronting Hezbollah focuses primarily on the military-security dimension, with occasional diplomatic measures. Most attention is devoted to Hezbollah's military, infrastructural and organizational capabilities, including rockets, missiles, UAVs and drones, underground systems, training, centers of power in the internal Lebanese arena and the organization's strategic ties with Iran. However, Hezbollah's ability to survive over time, recover after rounds of fighting, retain personnel and build a broad social and political system **depends to a great extent on its financial system.** This system does not merely support combat operations, it is a **strategic condition for the organization's survival.** Without the ability to raise money, launder, transport, accumulate and convert it into salaries, procurement, social services, propaganda and infrastructure, the organization will be unable to maintain its strength and build up its capabilities.

► The premise of the study is that Hezbollah is a global criminal financial entity which relies on Iran but is not dependent on it alone. That perception is consistent with patterns of activity emerging from publications by the United States Department of the Treasury, which over the years have described parallel banking mechanisms, money changing, the use of Lebanese banks and the budgets of official Lebanese state institutions, trade in diamonds

and art, networks in Africa, links to drug trafficking, trade in Iranian goods and the use of front companies.[3]

► Thus Hezbollah moved from a linear model, in which Iran transfers money and Hezbollah uses force, to a systemic model in which, in addition to money received from Iran, reliance on and diversion of Lebanese state budgets for its needs, money, goods, gold, diamonds, real estate, digital currencies, communities and ostensibly legitimate businesses are integrated into a single system. The system is not uniform and is not necessarily managed from a single office. It consists of centers of power, intermediaries, business families, social institutions, money changers, merchants, contacts with Iran and Hezbollah's organizational branches.

► The study attempts to answer the question of how Hezbollah's financial system is structured, and what enables it to operate over time despite military pressure, sanctions, the economic crisis in Lebanon and damage to traditional networks. It also attempts to answer three sub questions, namely, what the relationship is between Iranian funding and independent income; how official Lebanese state institutions serve as a source of funding for the organization, and what mechanisms are used to transfer and camouflage value; what the vulnerabilities are which enable enforcement and state responses.

► The study proposes a multidimensional systemic analysis and does not focus solely on individual patterns of activity. Modern terrorist financing is not carried out solely through donations, cash or bank transfers. Large organizations, particularly those with political, social and military components, need a variety of methods to generate income, they need state funding, informal taxation, commercial businesses, illegal trade, charitable institutions, money changing, parallel banking, shell companies and the ability to use the legitimate financial system without being exposed.

Conceptual Framework: Hybrid Economy and Criminal Corporation

► Hezbollah operates as a hybrid economy in which the boundaries between legal and illegal, business, political, organizational, social and military activities are blurred. A company engaged in food, real estate, maritime trade, gold or diamonds can fulfill more

[3] U.S. Department of the Treasury, 2026 National Terrorist Financing Risk Assessment, 2026; U.S. Department of the Treasury, 2024 National Terrorist Financing Risk Assessment, February 2024.

than one function, it can generate income, conceal ownership, store value, provide access to banking, transfer funds or create a legitimate appearance for the movement of goods and money. A money changer can serve as a financial services provider, but also as a reliable center for transferring value outside the banking system. A social institution can provide services to the community, but also serve as a platform for liquidity and organizational loyalty.

► **Its hybrid nature is a source of the organization's strength: It creates flexibility, risk diversification and adaptability.** When a bank is exposed, a money changer can replace it; with a money changer, personal accounts, trading companies or gold can be used; when cash is restricted, goods can be used; and when a trade route is exposed, luxury assets, cryptocurrency accounts or other shipping routes can be used. The system is not static, it is dynamic, adaptive and flexible.

► That is why calling Hezbollah a **"global criminal corporation"** is not merely a metaphor. Hezbollah operates military and political apparatuses, but finances them like an illegal multinational corporation, with diversified sources of income, distribution networks, assets, risk managers, service providers, geographical diversification, concealment mechanisms and the ability to move between markets. **Therefore, the campaign against Hezbollah cannot focus solely on striking weapons depots or military operatives; it must target the mechanism that enables ongoing operations and recovery.**

The Institutional Structure of Hezbollah's Financial System

► Hezbollah's financial system is not structured as a single finance ministry but has a multilayered architecture which includes central budget management; financial institutions masquerading as civilian institutions; money-changing and cash networks; commercial and cover companies; welfare, rehabilitation and construction institutions; and international networks for raising, laundering and transferring value. Its structural advantage lies in its fragmentation: each branch can appear civilian, philanthropic or commercial, while collectively they create an infrastructure for financing, social resilience and the restoration of capabilities.

The Jihad Council[4]

► Hezbollah's Jihad Council is the organization's **supreme military-political leadership and functions as its general staff.** In addition to operational and strategic planning, the council is **the highest authority managing and approving Hezbollah's defense and military buildup budget,** and it is separate from the political-civilian wing. **Hezbollah secretary general Na'im Qassem** heads the council responsible for formulating and approving strategy, including approving major procurement budgets with the government in Tehran and the Iranian military; **Muhammad Haidar (council member and manager of procurement networks)** is a veteran key figure who survived the waves of targeted killings in September-November 2024. He is one of the senior officials responsible for weapons procurement and technological ties abroad; **Ibrahim Ali Taher (Abu Jihad),** head of **Unit 104 (the central financial unit)** is the comptroller general of the military wing, responsible for paying operatives their salaries and coordinating budgets between the special units and the logistics headquarters; **Fuad Shukr** (Hezbollah's chief military commander and manager of the missile project, eliminated in a targeted attack in July 2024) and **Suheil Hussein Husseini** (head of the logistics and financial headquarters, eliminated in a targeted attack in October 2024) managed the enormous budgets of the southern front and the strategic weapons systems.

► **The Jihad Council is responsible for various units involved in Hezbollah's financial structure:**

- **Unit 4400 is responsible for the Iranian oil smuggling and financing route,** the Council's main economic-operational channel. In the past, the unit supervised the transportation of cash from Tehran to Beirut, managed shell companies for the smuggling and sale of Iranian oil and fuel to Syria (under the al-Assad regime) and international markets, with the profits from the commodities converted into cash transferred to the organization's treasury. In October 2024, Muhammad Jafar Qasir, who had headed the unit for 15 years and was close to the senior leadership in Iran

[4] See the October 2026 Amit Institute report, **The Hezbollah Leadership, Two Years after the Elimination of Hassan Nasrallah**

and Syria, was eliminated in a targeted attack in Beirut.[5] Given the severe damage to this unit, the identity of the individuals actually performing its functions is unclear.



Senior Unit 4400 figures killed eliminated the campaign against Hezbollah (IDF spokesperson, November 25, 2024)

- **Unit 910 is responsible for overseas terrorist attacks and global money laundering.** It operates Hezbollah's criminal networks around the world, with an emphasis on **the tri-border area in South America** (Argentina, Brazil, Paraguay) and Africa. The unit manages trade-based money laundering (TBML) mechanisms for international drug cartels and collects hundreds of millions of dollars in commissions which are transferred directly to the military wing.
- **Unit 104 is the central financial unit**, responsible for budgeting, resource allocation, financing operational activity, salaries, procurement, infrastructure rehabilitation and support for the social system. Key figures who operated alongside Ibrahim Ali Taher, the unit's head, included Abdallah Safi al-Din, Hezbollah's representative in Iran and a financial intermediary between Iran and Hezbollah; Ali Qasir, the representative of Hezbollah's office for economic affairs in Tehran, who operates shell companies for the organization; and Muhammad Qassem al-Bazzal, who was linked to trade mechanisms, oil and cover companies (Treasury Department, May 11, 2021; Treasury Department, May 17, 2018).

[5] IDF spokesperson, "Terrorist Muhammad Jafar Qasir, Commander of the Unit for Transferring Weapons from Iran to Hezbollah, Eliminated," October 1, 2024.



US Department of State announcement of a $10 million reward for information about Qasir and al-Bazzal (Rewards for Justice website, October 23, 2020)

Al-Qard al-Hassan[6]

►**The al-Qard al-Hassan Association** is the heart of Hezbollah's internal banking establishment. It is represented as a social-charitable institution which provides interest-free loans, but according to the United States Department of the Treasury, it served as a cover for managing Hezbollah's financial activity and gaining access to the international financial system. Its role is not limited to loans, but it also serves as an internal treasury for the Shi'ite community of Hezbollah supporters, a mechanism for accumulating cash and gold, a system for circumventing banks and an instrument for generating social loyalty (US Treasury Department, May 11, 2021).

► Its importance increased following the banking crisis in Lebanon in 2019. When the public lost confidence in banks and the economy became a cash economy, a bank-like institution holding cash, gold, deposits and loans became a central hub for survival.[7]

[6] For further information, see the May 2019 ITIC (Amit Institute since May 2026) study, **Hezbollah's socioeconomic foundations: Al-Qard al-Hasan, a quasi-bank that provides interest-free loans, mainly to members of the Shiite community**

[7] For further information, see the November 202 ITIC report, **Hezbollah expands its banking services due to US pressure on the Lebanese banking system**





Right: An al-Qard al-Hassan branch next to pictures of Nasrallah (al-Modon, November 29, 2025). Left: The al-Qard al-Hassan ATM, weapons instead of cash (State of Israel Arabic-language X account, March 5, 2026)

Other Financial Bodies

►**Bayt al-Mal and the Yousser Company for Finance and Investment** were part of Hezbollah's historical financial infrastructure. Following sanctions and physical damage to Bayt al-Mal offices, some activity was transferred or concealed through al-Qard al-Hassan, personal accounts, associations, companies and money changers.

►**Tashilat SARL,** according the Treasury Department's Office of Foreign Assets Control (OFAC), is a credit and lending arm linked to Hezbollah's financial system. The company provided loans and mortgages to Shi'ite residents and Hezbollah-affiliated businesses following the Second Lebanon War in 2006 and was an integral component of the activities of al-Qard al-Hassan, Bayt al-Mal and the Yousser Company. The Treasury Department linked ownership and control of the company to Nehmeh Ahmad Jamil, Ahmad Mohamad Yazbeck and Hussein al-Shami. The company is important because it bridges between a quasi-banking institution and credit activity, apparently conducting ordinary commercial activity (Treasury Department, July 3, 2025 and, June 30, 2026).

►**Al-Khobara for Accounting, Auditing, and Studies** represents the accounting and compliance layer of Hezbollah's financial system. According to the Treasury Department, it is controlled by Adel Mohamad Mansour, the CEO of al-Qard al-Hassan, and is located in the al-Qard al-Hassan building, providing the association with accounting services. Hezbollah financial figures assisted its employees in dealing with the Lebanese ministry of finance on tax matters (Treasury Department, December 1, 2022, and May 15, 2026).

Main Sources of Funding

► Hezbollah's extensive financing system is based on a network of different funding channels which operate in parallel and complement one another, although teach has its own degree of influence and importance.

Iranian Funding

► The first and most important layer is **direct and indirect Iranian funding for Hezbollah.** Since its establishment in 1982, Iran has considered Hezbollah its main strategic asset in its network of proxies throughout the Middle East, whose main objectives were to deter Israel from taking direct action against Iran, particularly against its nuclear program, and to promote Iranian subversion in the Middle East.[8] In June 2016, Hezbollah secretary general Hassan Nasrallah declared publicly for the first time that Hezbollah's budget, salaries, money, food, drink, weapons, all of these come from Iran, adding, "As long as there is money in Iran, we will have money" (al-Manar, June 24, 2026).[9]

► Iranian assistance also played a critical role in Hezbollah's rehabilitation following the two most recent wars against Israel (October 8, 2023 to November 27, 2024, and March 2, 2026 to at least the ceasefire in June 2026). In November 2025, the Treasury Department reported it since the beginning of 2025, the Revolutionary Guards' Quds Force had succeeded in transferring nearly $1 billion to Hezbollah.[10] In October 2026, two sources familiar with the details said that Hezbollah had received $200 million from Iran, ostensibly to pay Lebanese residents displaced from their homes by the fighting, a report denied by the American administration (Reuters, October 7, 2026; al-Arabiya, October 8, 2026).

► Iranian funding is not limited to direct financial transfers. It includes the transfer of value through commodities, oil, fuel, procurement, logistics services, smuggling routes, front companies and financial intermediation, reducing exposure which could lead to targeted action and sanctions. Instead of an overt bank transfer from Tehran to Beirut, the value may appear as income from the sale of goods, a brokerage commission, a payment to a shell company or cash converted through a money changer.

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[8] For further information, see the October 2023 ITIC report, **Operation Iron Swords The development of Iranian-Hamas-Hezbollah cooperation**

[9] **Nasrallah's Speech: Hezbollah's Budget Is Entirely Funded by Iran, Including Weapons and Operatives' Salaries Analysis of Significance and Implications**

[10] For further information, see the November 2025 ITIC report, **Iran Assists Hezbollah's Post-Ceasefire Reconstruction**

► In recent years, the Treasury Department has identified Quds Force and Hezbollah networks which generated income from the sale of Iranian commodities, including oil and other products, for the benefit of the Quds Force, the former Syrian regime under Bashar al-Assad and Hezbollah. That meant the creation of an ecosystem which increases Hezbollah's dependence on Iran. A state provides political protection, smuggling infrastructure, trade connections, affiliated companies and the ability to exploit regulatory gaps between countries (Treasury Department, January 31, 2024 and September 11, 2024).

► An example is the network of the Turkish company **Mira Ihracat Ithalat Petrol**, which was exposed by the Treasury Department in January 2024 and placed on the sanctions list. The network was involved in selling Iranian commodities and financing Hezbollah. Its central figure was Ali Qasir, the representative of Hezbollah's office for economic affairs in Tehran, who supervised the company's activities. It purchased commodities from Iran, marketed and sold them to customers abroad, and the profits were ultimately transferred to Hezbollah. The Treasury Department said the broader network generated hundreds of millions of dollars from the sale of Iranian commodities, including to the Syrian government (Treasury Department, January 31, 2024).

Access to Lebanese State Budgets

► Over the years, Hezbollah increasingly transitioned from a terrorist organization into a central political entity in the Lebanese arena. It expanded its activities, first at the local government level and subsequently at the national level, while increasingly consolidating its position as a dominant political player participating in the management of economic activity supported by state budgetary resources.

► The depth of Hezbollah's penetration of Lebanese financial institutions and state budgets was seen in 2020, when in an unprecedented move, the Treasury Department imposed sanctions on Lebanese Finance Minister Ali Hassan Khalil of Amal and Youssef Fenianos, a member of the Free Patriotic Movement, who had served as minister of transport and public works. The Treasury Department exposed how Hezbollah used its associates and allies to divert state budgets to its own use, exploiting the deep corruption and lack of transparency of the Lebanese government bureaucracy (Treasury Department, September 8, 2020).

► American authorities revealed that Hezbollah used Ali Hassan Khalil, who was minister of health between 2011 and 2014 and Lebanese finance minister from 2014 to 2020, to circumvent American sanctions, exempt companies and entities affiliated with the

organization from tax obligations and work with the American administration to ease the sanctions. Hezbollah exploited its influence over Fenianos to gain control over state budgets and steer public tenders worth millions of dollars toward companies it owned.

► Khalil's tenure was an example of the transformation of the Lebanese ministry of health into a tool in Hezbollah's hands. In many of the governments over the past two decades, the ministry was headed by ministers from Hezbollah (or from the Amal Movement, its main ally), who disproportionately directed state funding to Hezbollah-affiliated hospitals. For example, in 2020 that the Rasoul Aazam Hospital alone received government funding of nearly $10 million, an amount similar to the total budget allocated to the country's three leading hospitals combined (al-Arabiya, December 16, 2020).

► That provided a glimpse into one of the main sources of budgetary funding Hezbollah had used for years and was, and in our assessment still is, why Hezbollah is so motivated to appoint its members and allies to as ministers in Lebanese governments.

Criminal Activity

► Hezbollah's third layer of funding is criminal activity, primarily drug trafficking, particularly Captagon, and money laundering of profits from drug sales. The United States Drug Enforcement Administration (DEA) described the business component of Hezbollah's Unit 910 as maintaining ties with South American cartels and laundering drug profits through mechanisms such as the Black Market Peso Exchange (Treasury Department, June 27, 2012; DEA, February 1, 2016). In October 2018, the United States Justice Department designated Hezbollah and four South American cartels international criminal organizations which threatened the security and prosperity of the United States and its allies.[11]

► One of Hezbollah's main arenas of criminal operations was Venezuela, under the regimes of President Hugo Chávez and his successor Nicolás Maduro. Over the years, numerous infrastructures, shell companies and money laundering channels operated by Hezbollah and its associates in Venezuela were exposed, with extensive involvement by regime-linked elements in drug trafficking and laundering profits from drug trafficking which were transferred to Hezbollah's budget.[12]

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[11] For further information, see the November 2018 ITIC report, **The United States recently designated Hezbollah as one of the five leading transnational criminal groups and approved bills intensifying the sanctions imposed on Hezbollah and on those supporting it**

[12] For further information, see the Jabalia 2026 ITIC report, **Hezbollah's Activity in Venezuela and How the Recent American Arrest of Maduro May Affect It**

► The MV *Matthew* affair showed the connections between Hezbollah and Iranian networks in Venezuela and international drug cartels, in this case the Irish Kinahan cartel. In September 2023, Irish authorities intercepted a Panamanian-flagged cargo ship which had arrived from Venezuela off the coast of Ireland carrying 2.25 tons of cocaine worth €157 million, the largest drug seizure in Ireland's history. Eight defendants, including two Iranians, one of whom was the ship's captain, were convicted of drug smuggling and sentenced to 13 to 20 years in prison, although they were believed to have been only lower-ranking participants. According to the prosecution, it [allegedly] emerged that the operation was managed by members of the Kinahan cartel based in Dubai, while Iranian operatives in Venezuela, Iran and other locations involved in raising funds for Hezbollah played a significant role in organizing and financing the shipment. According to the reports, the profits from the drug sales were supposed to be divided among those involved, including Hezbollah. However, no names or identities of Iranian or Hezbollah figures alleged to have been involved in the affair were published (The Journal.ie, July 4, 2025; *The Irish Times*, July 6, 2025).

► Another model of income from drugs, cash, money changing and international trade for Hezbollah's financial system is the network operated by Ayman Joumaa, a Lebanese-born Shi'ite based in Venezuela who was designated a drug trafficker by the American administration in 2011. The Treasury Department said Joumaa's network had laundered money hundreds of millions of dollars a month through cash, money changers and trading companies (Treasury Department, January 26, 2011).



Structure of Joumaa's network (Treasury Department, January 26, 2011)

►Captagon is a primarily source of income for a Hezbollah cross-border industry. Production facilities in Syria (under the al-Assad regime), the transportation of the products through Lebanon and their sale in Middle Eastern markets generated not only direct income, but also the ability to convert drugs into cash, cash into goods, goods into commercial income and commercial income into an organizational budget. Drugs are not merely a source of income, they are a mechanism linking organized crime, the cash economy and terrorist financing.[13]

Activity in Africa

►**Africa is a major Hezbollah arena for generating income, storing value and camouflaging ownership.** Lebanese networks in countries such as Gambia, Sierra Leone, Congo, Angola, Ghana and Ivory Coast operate in the fields of food, real estate, trade and diamonds. The African arena's contribution comes not only from weak oversight in certain

[13] Captagon also became a source of income for other members of the "resistance axis" (Iran, Hezbollah, the Palestinian terrorist organizations, the Houthis in Yemen and the Shi'ite militias in Iraq, whose collective objective is the destruction and elimination of the State of Israe. In June 2025, the police chief of Aden, the capital of the Western-backed Yemeni government, reported the Houthis had established a drug production facility in al-Mahwit Governorate, directly supervised by the Houthi leadership, and the drugs were smuggled into south Yemen, to areas controlled by the Western-backed government and to neighboring countries to finance the military and subversive activities of the Houthi regime (al-Ain news website, June 30, 2025).

countries, but benefits from the existence of Lebanese merchant communities, family ties, cash-intensive markets, complex international trade and products whose value is difficult to verify.

► One example of Hezbollah's economic model in Africa is the network operated by Qassem Taj al-Din. According to the Treasury Department, a Lebanese-African business family operated a network of trading, food, diamond, real estate and import-export companies in Lebanon, Gambia, Sierra Leone, Congo, Angola and the British Virgin Islands, with some of the companies acting as cover companies and sources of income for Hezbollah. Qassem Taj al-Din, who headed the network, was placed on the US sanctions list in May 2009, and the Treasury Department reported he was an important financial contributor to Hezbollah who operated a business network in Lebanon and Africa. He donated tens of millions of dollars to Hezbollah and sent funds to Hezbollah through his brother, a Hezbollah commander in Lebanon. In December 2010, Taj al-Din's two brothers, Ali, a former Hezbollah commander, and Hussein, who operated from Gambia, were placed on the sanctions list for raising funds for Hezbollah (Treasury Department, May 27, 2009, and December 9, 2010).[14]

► The Taj al-Din network did not overtly transfer of funds to Hezbollah, but combined ostensibly legitimate businesses with terrorist financing. Trade in food, diamonds, real estate and import-export made it possible to generate income, conceal ownership, transfer funds through international banks and maintain a commercial presence in countries with supportive communities and logistical infrastructure. The criminal proceedings against Taj al-Din in the United States focused on sanctions violations and money laundering; his affiliation with Hezbollah was based primarily on determinations by OFAC and the Treasury Department (Treasury Department, December 6, 2018).

[14] Qassem Taj al-Din was arrested in Morocco in 2017 while en route to Lebanon and extradited to the United States. He was prosecuted for laundering millions of dollars for Hezbollah and violating sanctions and sentenced to five years in prison following a plea deal. However, in July 2020, he was released after serving only one year of his sentence due to Covid-19 pandemic humanitarian circumstances and deported to Lebanon (*The New York Times* and BBC, July 8, 2020). For further information, see the March 2019 ITIC report, **Hezbollah's Martyrs Foundation: purpose, mode of operation and funding methods**



Taj al-Din (al-Nahar, March 14, 2017)

Use of Portable Assets

► The fifth layer of Hezbollah's financial system consists of **portable assets, such as gold, diamonds, precious stones, art and luxury goods.** Such items are particularly suitable for illicit financing because they can easily be moved, have a high value relative to their volume, are subject to flexible valuation and are sometimes traded through intermediaries and international markets.

► For example, the network of Nazem Said Ahmad, a Lebanese diamond and art dealer designated by the United States as a major Hezbollah financier. According to the American administration, he headed an international network which engaged in money laundering and sanctions evasion, using shell companies, diamond trading, valuable art, real estate and cash in Lebanon, Africa, Dubai, Europe and Hong Kong to move and conceal funds (Treasury Department, April 18, 2023; Department of State Rewards for Justice website, October 15, 2023; Department of Justice, April 23, 2023).



Reward for information about Ahmad (Rewards for Justice website, October 15, 2023)

► Another operating method is the conversion of nontransparent sources of income (not reported to the authorities) into tradable assets. The source of the money may be Iranian support, commodity trading, smuggling, oil transactions, money changing, donations or ostensibly legitimate commercial activity. Instead of transferring money directly through

banks exposed to sanctions, the network converts the value into gold, foreign currency or commodities. Gold serves as a means of storing, transferring and converting value. Treasury Department publications in 2026 indicated the establishment of companies in the gold sector, including Jood SARL, as a way of generating liquidity and concealing the financial activity of al-Qard al-Hassan and Hezbollah (Treasury Department, February 10, 2026).

Hezbollah's Internal Economy

► Hezbollah does not finance only a military wing, it finances an extensive system of social institutions engaged in health, education, finance, welfare and communications, which serve as a support framework for the organization's military infrastructure, and a means of disseminating Hezbollah's ideology and strengthening its position among the Shi'ite community and in the internal Lebanese arena.

► **Hezbollah's system of associations and foundations** is one of the organization's main sources of strength. It enables Hezbollah to operate as a state within a state, cultivate a broad social support base and circumvent the international financial enforcement system to finance its military activity. The system is based on a functional separation but close connection between activity inside Lebanon and activity abroad. Inside Lebanon, Hezbollah operates an extensive network of charitable and welfare associations and foundations which replace the functions of the collapsing Lebanese government and create the Shi'ite population's complete dependence on the organization. Outside Lebanon, Hezbollah cannot operate openly under its own name because of its designation as a terrorist organization, therefore, the system is based on cover associations, shell companies and exploiting the Lebanese diaspora.

► One of Hezbollah's main social organizations is the **Shaheed Foundation**, a branch of an Iranian organization which provides a social and economic framework supporting the families of military wing operatives who were killed, while also cultivating the organization's culture of martyrs and turning them into role models for the younger generation expected to enlist in Hezbollah's ranks. In July 2007, the Treasury Department placed the Iranian Shaheed Foundation and its branches in Lebanon on the sanctions list, noting that senior foundation figures in Lebanon had been involved in war against Israel in July-August 2006 (the Second Lebanon War) and that a senior organization figure had also operated to finance

terrorist cells in the Gaza Strip which cooperated with Hezbollah and the Palestinian Islamic Jihad (PIJ).[15]

► Another arm of Hezbollah's social system is the **Jihad al-Bina Association (Construction Jihad)**, also a branch of an Iranian organization and apparently financed by Iran. It engages in construction and rehabilitation, particularly after military hostilities, and promotes social projects in agriculture, industry, education, health and welfare.[16] The objective of Jihad al-Bina's activities, particularly in rehabilitation, is to consolidate Hezbollah's state within a state and portray state institutions as not doing enough for the Shi'ites in Lebanon. The activities provided to the Shi'ite population are free or offered at subsidized prices and are exploited to make recipients of assistance feel grateful to Hezbollah and support the organization. The association also operated construction companies which carried out projects in Lebanon and even in West Africa, helping Hezbollah cultivate ties with local Shi'ite communities.[17]





Right: An office of the Shaheed Foundation in the Dahiyeh al-Janoubia (al-Manar, February 15, 2025). Left: Jihad al-Bina operatives conducting restoration work after the hostilities against Israel (al-'Ahed, January 8, 2025)

Cryptocurrencies

► The seventh and final layer of Hezbollah's diverse funding sources consists of cryptocurrencies and stable coins.[18] Bitcoin is a risky currency for Hezbollah because its value rises and falls every day. Instead, they use a stable digital currency called **Tether**

[15] For further information, see the March 2019 ITIC report, **Hezbollah's Martyrs Foundation: purpose, mode of operation and funding methods**

[16] For further information, see June 2019 ITIC report, **Jihad al-Bina Association in Lebanon: A Hezbollah social foundation engaged in construction and social projects among the Shiite community, being a major component in Hezbollah's civilian infrastructure**

[17] For further information, see the October 2020 ITIC report, **United States sanctions two of Hezbollah's construction companies. Both are related to Jihad al-Bina, a major association in Hezbollah's civilian infrastructure**

[18] A stable digital currency is always worth exactly one US dollar.

(USDT). It allows the organization to transfer millions of dollars without concern lest the money lose its value along the way. A digital wallet containing cryptocurrencies does not help Hezbollah buy weapons or pay salaries in Lebanon, it needs cash in hand. That is where OTC (Over the Counter) brokers come into the picture. These are **physical money changers (such as currency exchange businesses)** operating in countries such as Turkey, the UAE or Lebanon, who agree to work with Hezbollah in cash and under the radar without asking questions or reporting to any bank in the world.

► The system does not replace the traditional method but complements it. Digital wallets, stable coins and OTC brokers enable the rapid, flexible transfer of value, but still require conversion points, such as cash, banks, money changers, commodities or gold. That makes cryptocurrency an intermediate layer, not a separate world, and the main risk lies in the connection between it and money changing, trade and gold.[19]

Money Transfer Mechanisms

► Money changing and *hawala* (an informal, trust-based money transfer system that moves value across borders or regions through a network of brokers without physically moving cash or using traditional banks) are the heart of Hezbollah's informal financing system. They enable the movement of value outside the supervised banking system while relying on personal trust, family ties, legitimate businesses, cash and shell accounts. In Hezbollah's system, the money changer is not merely a technical service provider; he is an intermediary between sources of money, businesses, community institutions and international networks, based on trust. The advantage of money changing is flexibility, its disadvantage from the organization's perspective is dependence on junctions which can be identified through trade movements and business connections.

► Hezbollah operates networks of money-changing and gold-trading companies which operate in Lebanon, Iran, the UAE, Turkey and other countries. Alongside them are senior Hezbollah coordination and financing figures who connect Iranian money, trading companies, money changers, gold and the organization's payment system. The most prominent are Muhammad Qassem al-Bazzal and Ali Qasir, senior figures in the clandestine

[19] Treasury Department 2024 National Terrorist Financing Risk Assessment, February 2024; FATF, guidance and reports on virtual assets and terrorist financing; Danny Citrinowicz, Shnir Levy and Charlotte Cobb, "Iran and Hezbollah's Illicit Cryptocurrency Activity: The Connection to Venezuela," INSS Insight (No. 2178), *Institute for National Security Studies*, July 30, 2026.

financial networks shared by Hezbollah and the Quds Force, who function as the operational and accounting arm of the oil smuggling and money laundering routes (Treasury Department, September 4, 2019):

- **Muhammad Qassem al-Bazzal is Hezbollah's accountant and shell company manager.** His main role is to manage and balance the complex financial accounting system between Hezbollah and the Quds Force to ensure that aid and oil funds reach their destinations. He is the co-founder and chairman of the board of the Syrian shell company **Talaqi Group.** Through this company and others under his control, such as Hokoul S.A.L. Offshore and Nagham Al Hayat, he coordinated, financed and concealed illegal Iranian oil shipments for the Syrian regime and Hezbollah.
- **Ali Qasir,** the representative of Hezbollah's office for economic affairs in Tehran, is the senior representative on the ground and the network's main logistics figure. He served as general manager of the Talaqi Group under al-Bazzal and as a representative of the Lebanese company Hokoul. He also personally negotiated the sale of steel and iron and coordinated the logistics of crude oil shipments from Iran to Syria.

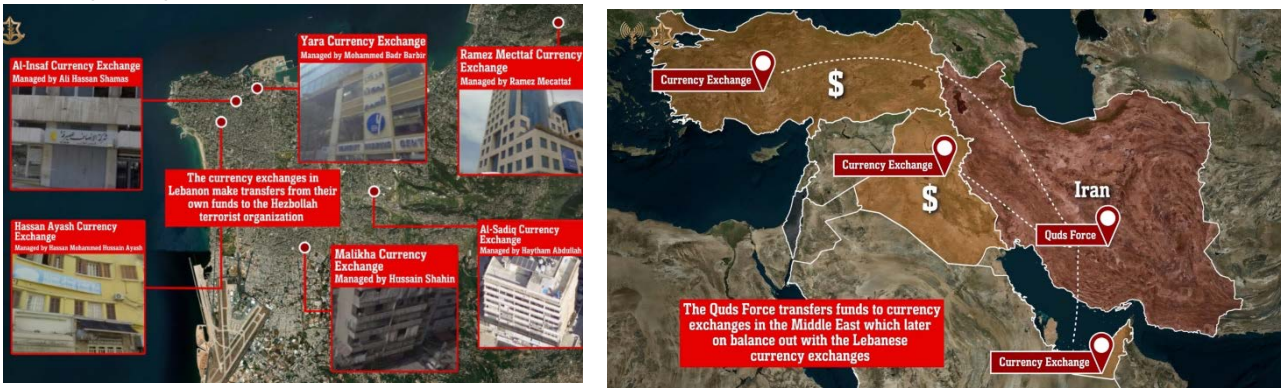
► The central principles are **fragmentation and concealment:** Money originating in Iran from commercial transactions, donations or crime passes through cover companies and money changers, is converted into cash or gold, enters Lebanon and is then distributed through Hezbollah institutions for salaries, infrastructure rehabilitation, social activity, procurement and military activity. The use of money changers makes it possible to circumvent banking supervision, conceal true ownership and operate under sanctions.

► The case of Lebanese money changer Hassan Moukalled and CTEX showed the importance of money changing for Hezbollah's financing. According to a Treasury Department announcement in January 2023, Moukalled worked in coordination with senior Hezbollah financial figures, served as a financial adviser to the organization, and CTEX was established as a financial front company in Beirut which supplied dollars to Hezbollah institutions and recruited money changers loyal to the organization. In this case, the role of the money changer was shown to be an interface between a cash-based economy, a banking system, international capital movements and organizational needs (Treasury Department, January 24, 2023).



Hassan Moukalled (al-Jadeed, January 24, 2023)

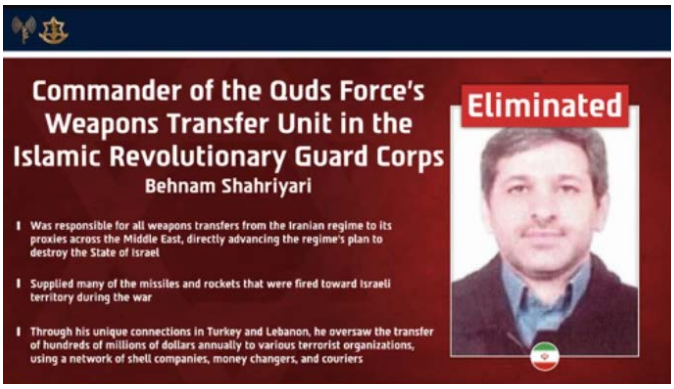
► On June 24, 2025, Haitham Abdallah Bakri, the owner of the al-Sadiq money exchange office in Beirut, was killed in an airstrike in south Lebanon. The IDF spokesperson said he was an asset for storing and transferring funds from the Quds Force to finance Hezbollah's terrorist activity, and knowingly worked with Hezbollah to transfer the funds from Iran. The IDF spokesperson added that the Quds Force transferred funds to money exchange agencies in the Middle East, which subsequently settled accounts with money exchange agencies in Lebanon which transferred the funds to Hezbollah. The IDF also exposed the involvement of the Hassan Ayyash, al-Insaf, Malika, Ramez Maktaf and Yara money exchange agencies (IDF spokesperson, June 25, 2025).



Transfer of funds through money exchange agencies (IDF spokesperson, June 25, 2025)

► In August 2026, the Treasury Department exposed a ten-person network used to transfer enormous sums of cash between Iran, Turkey, the UAE and Lebanon for Hezbollah, with links to the Iranian Quds Force. According to Department, Yunus Alper Yilmaz managed the network and used money exchange houses in Turkey, front companies and bank accounts. Halil Ibrahim Kacmaz and Onder Dede were described as cash collectors, and Vasfi Akyuz as a logistics coordinator and courier. The importance of the exposure lies in presenting a relatively complete value chain: Iranian source or commercial income: company/account/money changer in Turkey cash collection/ commercial courier services/ Lebanon/ Hezbollah (Treasury Department, August 20, 2026).

► The network fits previous patterns attributed to Quds Force financier Behnam Shahriyari, who was killed in an Israeli strike in June 2025. He used oil and petrochemical revenues, Turkish companies, false invoices, gold and cash to convert Iranian income into value that could be transferred outside the banking system. Previous publications also described Sadaf Exchange and Golden Stars as components of networks which transferred cash and gold between Iran and Turkey (Treasury Department, August 20, 2026).



Shahriyari's "ID card" (IDF spokesperson, June 21, 2025)

► **Trade-based money laundering (TBML)** is another key mechanism. The money does not necessarily move through a direct bank transfer, but is absorbed into trade, including invoices, shipping, overpricing, underpricing, import-export, cargo, logistics companies and customs documents. The basic model includes criminal proceeds in cash, conversion through a money changer, investment in a trading company, the creation of an invoice or shipment and the return of the money as ostensibly legitimate business income.[20]

► The advantage of trade-based money laundering is double. First, it is difficult to distinguish between a legitimate commercial transaction and a transaction used to transfer value. Second, trade enables movement across borders even when ordinary banking channels are blocked. Therefore, research into the use of TBML requires a combination of financial intelligence, customs intelligence, logistics analysis, ownership records, shipping documents and corporate analysis.

► Another mechanism is a **layer of concealment** through family members, front men and companies in several countries. For example, a designated individual or Hezbollah financier does not purchase a work of art or diamonds in his own name. Instead, family members, companies in Dubai, Hong Kong, South Africa, Lebanon or Europe, galleries and shipping

[20] FATF–Egmont Group, Trade-Based Money Laundering: Trends and Developments, December 2020; FATF, Trade-Based Money Laundering, 2006.

companies carry out the transaction. One invoice is issued to a diamond company, the payment passes through another company, shipping is handled by a third party and the asset is ostensibly registered to a gallery, commercial company or family member.

► That is facilitated by the **identity and documentation infrastructure.** Various reports have alleged forgery or identity laundering through genuine government documents issued on the basis of manipulated information or procedures. From a financial perspective, such an infrastructure may enable the opening of a company or bank account, the rental of real estate, the purchase of a communications line or registration as a supplier under an identity that is not immediately linked to Hezbollah or the Quds Force.

► **Viewed as a whole, the system consists of five components: a source of value, a substitute asset, intermediaries, a layer of concealment and a point of realization.** The source of value provides the capital; gold, a work of art or a commodity replaces the money; intermediaries carry out the purchase, shipping and sale; the layer of concealment separates Hezbollah and the designated individual from the transaction; and the point of realization converts the value back into liquid funds or operational support. Combating such networks cannot focus solely on banks, it must include money changers, gold dealers, galleries, auction houses, diamond companies, freight forwarders, accountants, front men and family members.

The logistics System

► Over the years, Hezbollah and the Quds Force established an integrated system for smuggling weapons, funds and technologies to Hezbollah, as well as to other Iranian proxy organizations. The smuggling was carried out through land routes passing through Syria and entering Lebanon through undeclared border crossings, sometimes underground; flights from Iran to Syria and Beirut International Airport; and ships passing through the Red Sea and the Gulf of Suez to ports in Syria and Lebanon.[21]

► Such hubs enable the transfer of goods, cash, equipment, fuel and sometimes sensitive materials while obscuring the origin of the cargo and its final destination. The weakness of the Lebanese state, a cash-based economy, political connections and parallel institutions enable indirect control, not necessarily direct ownership of a port or shipping company, but

[21] For further information, see the December 2024 ITIC report, **Captured documents reveal how Iran smuggles weapons via Syria and Jordan**

the use of customs agents, shipping intermediaries, front companies, couriers, warehouses and money changers loyal to Hezbollah at points of entry.

► Shipping provides an infrastructure for creating commercial legitimacy. Ports, freight forwarders, shipping companies, marine insurance and cargo documents enable genuine goods, overpriced goods or goods used as cover for transferring value to move between continents. The logistics system is an integral part of the financial system, it connects Iran, front companies, ports, ships, money changers and global trading networks (Treasury Department, September 4, 2019, January 31, 2024, September 11, 2024 and March 28, 2025).

► The logistics model relies on concealing ownership, changing vessel names, flags of convenience, incomplete or false cargo documents, the use of management companies and agents and sometimes ship-to-ship transfers. The purpose of the mechanism is not merely to transfer goods, but to generate income, conceal the source of funds, finance the organization's activities and preserve its ability to operate in Lebanon and around the world.

► One of the main channels involves oil, petroleum products and liquefied petroleum gas (LPG). According to the United States, networks linked to Hezbollah and the Quds Force operated Lebanese companies and cover companies, tankers and shipping management companies to transport oil and gas, primarily to ports in Syria such as Baniyas. Figures such as Muhammad and Ali Qasir and Muhammad Qassem al-Bazzal were mentioned, along with companies such as Concepto Screen, Yara Offshore, Mira Ihracat Ithalat Petrol and Hydro Company, as well as companies previously linked to oil networks, such as Talaqi Group.

Activity Involving the Banking System

► In addition to the non-banking system, such as al-Qard al-Hassan and Bayt al-Mal, an organization of Hezbollah's size needs points of contact with banks. A bank is not necessarily a source of funding, it provides an infrastructure for concealment, liquidity and access to the international financial system. To that end, one must understand the relationships between customers, accounts, community institutions, commercial transactions and political or organizational officials.

► Since 2019, the collapse of confidence in Lebanese banks and the transition to a cash economy have strengthened Hezbollah's relative advantage. An organization which maintains a network of money changers, gold, bank-like institutions, cash and community-based circles of trust can operate even when official banks are restricted. Therefore, the Hezbollah and the banks have a hybrid relationship. The banks have provide points of

access, laundering and concealment, money changers and cash provide liquidity and al-Qard al-Hassan provides independent internal banking services.

► Over the years, Hezbollah exploited weaknesses in the Lebanese banking system, including banking secrecy, weak supervision, a cash economy, money changers, private accounts and shell companies. Within the formal system, there were past cases such as the Lebanese Canadian Bank, which was identified in 2011 as an institution suspected of primary money laundering linked to the Ayman Joumaa network and Hezbollah (Treasury Department, February 10, 2011).

► The connection to banks is made primarily through shadow accounts, including private accounts belonging to individuals linked to Hezbollah institutions, cover companies or financial intermediaries that actually serve institutional activity. That makes it possible to channel funds without Hezbollah's name officially appearing as the account holder or ultimate beneficiary.[22][3] In 2019, the Treasury Department imposed sanctions on Jammal Trust Bank, alleging that it provided financial services to Hezbollah, the executive council, the Martyrs Foundation and al-Qard al-Hassan, including through the use of accounts disguised as personal accounts.

New Challenges for Hezbollah's Financing

► Since October 2023, a combination of several major developments has placed Hezbollah at its most significant crossroads since its establishment in 1982, including financially. It has to contend with physical damage to infrastructure and assets following the wars against Israel, the instability of the Iranian funding route, the loss of the Syrian corridor, a significant intensification of the American campaign against Hezbollah, the establishment of a new government in Lebanon which is attempting to limit the organization's activities and tighter financial supervision in Lebanon.

The Impact of the Wars against Israel

► On October 8, 2023, Hezbollah launched a campaign against Israel "in support of the Gaza Strip," following the Hamas terrorist and massacre, with its attendant atrocities, the previous day against communities and IDF bases in the Gaza border area and the western Negev. The hostilities between Hezbollah and Israel continued until the ceasefire on November 27, 2024, during which the organization lost its senior leadership, headed by secretary general Hassan

[22] Various Treasury Department designations from 2021 and 2025–2026 concerning al-Qard al-Hassan, shadow accounts, Jood SRL and Hezbollah's cash economy.

Nasrallah and his designated successor Hashem Safi al-Din, along with senior commanders and thousands of operatives, as well as military capabilities and infrastructure. During the hostilities, the IDF also attacked individuals and infrastructure critical to Hezbollah's financial mechanism, such as Unit 4400 commander Muhammad Jafar Qasir, attacked al-Qard al-Hassan branches and struck smuggling routes along the border with Syria.

► On March 2, 2026, Hezbollah launched renewed hostilities against Israel, allegedly in response to the Israeli attacks that had continued since the ceasefire in November 2024 and the targeted elimination of Iranian leader Ali Khamenei. On June 20, 2026, the IDF halted its attacks except for operations against terrorist infrastructure in the security zone in south Lebanon and against immediate threats, and Hezbollah stopped claiming responsibility for further attacks. During the hostilities, senior Hezbollah commanders were eliminated in targeted attacks, along with individuals and infrastructure essential to the financial system, such as liaison officials with the Revolutionary Guards, branches of al-Qard al-Hassan and gas stations belonging to the Amana company, which is owned by the Shaheed Foundation and, according to the IDF, provides Hezbollah with revenues of millions of dollars (IDF spokesperson, March 18 and 24, 2026).



Map of attacks on gas stations (IDF spokesperson, March 24, 2026)

► The severe damage sustained in the two campaigns significantly challenged Hezbollah. It had to simultaneously finance military restoration and buildup, salaries for operatives and families, support for those affected and the reconstruction of neighborhoods and villages which form part of its Shi'ite support base. The task is particularly difficult in view of reports that the organization is suffering from liquidity problems. In June 2026, Hezbollah reportedly reduced cash payments a month earlier and in early June it offered displaced families assistance of approximately $200, according to recipients the first cash assistance of its kind during the war. By themselves the figures do not indicate financial collapse, but they support

the assessment that the organization is required to significantly prioritize its expenditures (Reuters, June 17, 2026).

Damage to the Iranian Funding Route[23]

► Following the ceasefire in November 2024, in response to American pressure and Israeli threats, the Lebanese authorities began tightening supervision at Beirut International Airport, which Hezbollah had used as a major route for smuggling weapons and funds from Iran. The security clearances of dozens of employees affiliated with Hezbollah were reportedly revoked, some of whom had been responsible for loading cargo onto aircraft or had worked in baggage screening and the lost and found department (*al-Sharq al-Awsat*, April 4, 2025). Lebanese Transport Minister Fayez Rasamny said the airport was under the complete control of the state and claimed that no smuggling was taking place through the airport because everything entering or leaving Lebanon was thoroughly inspected (al-Hadath, March 31, 2025).

► Supervision was also increased at the Port of Beirut, which had been under Hezbollah's de facto control through a network of collaborators in the customs authority and supervisory mechanisms operated by the organization's liaison and coordination unit. New scanning devices were installed to increase security surrounding containers entering or leaving Lebanon (al-Modon, November 20, 2025; LBC, November 21, 2025).

► Another significant measure taken by Nawaf Salam's government, which took office in February 2025, was the suspension of all flights between Iran and Lebanon after Israel threatened to attack an Iranian passenger aircraft scheduled to arrive in Beirut. The ban remained in effect despite protests from Iran and Hezbollah, even after Prime Minister Salam met with Iranian President Masoud Pezeshkian on the sidelines of the UN General Assembly in late September 2026 (Lebanese prime minister's X account, September 24, 2026; Iranian president's website, September 25, 2026).

► The two wars against Iran also affected assistance to Hezbollah. During the Iran-Israel War in June 2025, the IDF eliminated Muhammad Saeed Izadi (Hajj Ramadan), head of the "Palestine Branch" of the Revolutionary Guards' Quds Force, who for nearly two decades had been responsible for the Quds Force's relations with Hezbollah, Hamas and the PIJ for

[23] See the November 2026 Amit Institute report, **Iran Assists Hezbollah's Post-Ceasefire Reconstruction**

operations against Israel, as well as their relations with the Iranian leadership.[24] Behnam Shahriyari, commander of Unit 190 of the Quds Force, who was responsible for transferring funds and weapons from Iran to Hezbollah and the other proxy organizations, was eliminated in a targeted attack (IDF spokesperson, June 21, 2025). During the Iran-Israel War (February 28 to June 17, 2026), Daoud Alizadeh, head of the Quds Force's Lebanon Corps, the most senior commander in Iranian activity in Lebanon and the liaison between senior Quds Force officials and Hezbollah's leadership, was killed in an attack in Tehran. Five commanders in the Quds Force's Lebanon Corps and Palestine Corps were eliminated in a targeted attack in Beirut, including Majid Hosseini, who was responsible for transferring funds to the regime's proxies in Lebanon to finance the activities of Hezbollah, Hamas and other terrorist organizations operating from Lebanon, and was also responsible for financing and manufacturing weapons to advance Hezbollah's military activity (IDF spokesperson, March 8, 2026).

►With the hostilities in Iran and the deadlocked United States-Iran negotiations, the American administration tightened economic sanctions on Iran alongside a naval blockade in the Strait of Hormuz. That led to growing economic distress in Iran, disruptions to trade, pressure on oil exports and an intensification of the campaign against shadow banking mechanisms, which reduced Tehran's ability to generate revenues and convert them into hard currency. Therefore, the question of Hezbollah's financing is not only how much Iran is willing to allocate, but how much can actually be converted into usable liquidity in Lebanon. In October 2026, reportedly transferred $200 million to Hezbollah for assistance grants to displaced persons in Lebanon, but the United States State Department denied the report and claimed the American administration's measures against Iran were preventing the transfer of funds (Reuters, October 7; al-Arabiya, October 8, 2026).

Damage to the Smuggling Route from Syria

►In Syria in December 2024, rebel organizations overthrew the regime of President Bashar al-Assad, who had been an ally of Iran and Hezbollah and had allowed them to use his country as a land route for smuggling weapons and funds to Hezbollah in Lebanon. The regime had also been involved in distributing Captagon, a major source of income for Hezbollah. The new regime, headed by President Ahmed al-Sharaa, adopted a firm stance

[24] See the January 2026 ITIC report, **Activities of Saeed Izadi, Head of the Qods Forces' "Palestine Branch," Reflected in Captured Documents**

against Iran and its proxies, especially Hezbollah, which actively supported the Assad regime throughout the years of the civil war. The current regime's security forces work to thwart attempts to smuggle weapons into Lebanon and have exposed large shipments of rockets, anti-tank missiles, UAV components and explosive drones.[25]

► As part of efforts to rehabilitate the Syrian economy and open the country to investment, particularly in view of the lifting of American sanctions, the new administration also promotes a national plan to combat money laundering and terrorist financing in accordance with Financial Action Task Force (FATF) procedures.[26] In early October 2026, a FATF team of experts conducted a field visit to Syria, the first since the outbreak of the civil war in 2011, to examine implementation of the plan ahead of the possibility of removing the country from the international body's list of jurisdictions under increased monitoring (the Gray List), which would make it easier to open the country to investment. Syrian Central Bank Governor Safwat Raslan said they were building a strong system to combat money laundering and terrorist financing as a fundamental part of building a new Syria and restoring international confidence in the country's financial sector (al-Ekhbariya al-Suriya, September 9, 2026; Syria TV, October 2, 2026).

Reforms in the Lebanese Financial Sector

► **The most significant structural change is taking place in the Lebanese financial system.** For years, Hezbollah operated in a situation in which there was a partial separation between formal banking and the cash economy, money changers and institutions affiliated with it. In 2025–2026, the Central Bank of Lebanon began building a clearer legal and regulatory barrier. Basic Circular No. 170 of July 14, 2025 banned banks, financial institutions, payment service providers and supervised money changers from undertaking direct or indirect transactions with unlicensed entities subject to foreign sanctions, including al-Qard al-Hassan and entities associated with it. The measure reflected recognition of the risk that the shadow system posed to the formal financial system (Reuters, July 15, 2025).[27]

[25] See the September 26 Amit Institute report, **Can Ahmed al-Sharaa's Syrian Regime Distance Itself from Terrorism?**

[26] The task force was established in 1989 by the G7 forum (the world's seven leading industrialized countries) to formulate measures for implementation at the national and international levels to combat money laundering. The body publishes recommendations for combating money laundering and terrorist financing and monitors their implementation in practice.

[27] Banque du Liban, Basic Circular No. 170, Decision No. 13735, July 14, 2025.

► The measure did not stand alone. In November 2025, the Central Bank issued a Know Your Customer (KYC) form for cash transactions, as well as a circular expanding the ability of the Central Bank and the Banking Control Commission to request the lifting of banking secrecy.

► Those measures indicate the gradual development of the ability to identify ultimate beneficiaries and the source of funds, even when they enter the formal system after extensive movement through the cash economy.[28]

► International pressure is also forcing Beirut to move in that direction. As of June 2026, Lebanon remained on the FATF list of countries under increased monitoring. The action plan established for it requires improvements in identifying the ultimate beneficial owners of companies, investigating terrorist financing, implementing financial sanctions, identifying cross-border smuggling of cash and precious metals and supervising nonprofit organizations, areas in which Hezbollah's nonbanking financial system is highly exposed.

► In early October 2026, the Lebanese parliament's finance committee approved a proposed amendment to the law combating money laundering and terrorist financing. According to the proposal, the definition of illicit funds and related crimes would be expanded, the range of entities subject to supervision would be broadened to include virtual asset services, criminal liability would be extended to participation in and the provision of advice on money laundering and terrorist financing, and the legislation would also address preventing the financing of weapons of mass destruction (*Nidaa al-Watan*, October 14, 2026).

► In October 2026, Karim Said, the governor of the Central Bank of Lebanon, announced the operating license in the country of Bank Saderat, which is subject to international sanctions, had been revoked; it is one of Iran's largest banks. He said the objective of the repeal was to send a message to the world that Lebanon was determined to protect its banking sector from any entity that might expose it to risks, at a time when Lebanon was attempting to be removed from the Financial Action Task Force's Gray List (Bloomberg, October 15, 2026). Bank Saderat, which operated on a limited scale in Lebanon, had previously been linked to suspicious transfers of funds to elements close to Hezbollah, but no information was published indicating that its license had been revoked because of a specific Hezbollah activity (al-Sharq al-Awsat, October 15, 2026).

The American Campaign to Shift Focus from the Organization to the Money Pipeline

[28] Banque du Liban, Basic Circular No. 171, November 14, 2025, concerning requests to lift banking secrecy; Banque du Liban, KYC Form for Cash Transactions, November 14, 2025.

►During 2025–2026 there was a change in the American approach to the economic campaign against Hezbollah. Rather than merely imposing sanctions on Hezbollah and its leadership, the Treasury Department increasingly focused on the infrastructure which enabled money to reach its destination:

- In May 2025, the State Department offered a reward of up to $10 million for information leading to the disruption of Hezbollah's financial mechanisms in the tri-border area of South America between Brazil, Argentina and Paraguay (Rewards for Justice website, May 19, 2025).



Announcement of the reward for information about Hezbollah's financial activity in South America (Rewards for Justice X account, May 19, 2025)

- In July 2025, sanctions were imposed on senior figures of al-Qard al-Hassan. The Treasury Department claimed association personnel used accounts and identities which appeared legitimate to enable the organization to gain access to the Lebanese banking system (Treasury Department, July 3, 2026).
- In February 2026, the American focus shifted to the gold sector. The Treasury Department imposed sanctions on the gold exchange company Jood SARL, which it said had been established under the supervision of al-Qard al-Hassan to convert gold reserves into liquid funds. The sanctions are important because they indicates that the American campaign is no longer tracking only dollars and accounts, but also alternative assets used as stores of value and sources of liquidity (Treasury Department, February 10, 2026).
- In March 2026, the Treasury Department expanded the campaign to a network of 16 individuals and companies led by Alaa Hassan Hamieh. According to the Americans, under a commercial agreement between Lebanon and Iraq, Hamieh exploited his position as vice president of the Investment Development Authority of Lebanon (IDAL), which he left in December 2025, to obtain millions of dollars for projects linked to

Hezbollah. The Treasury Department described his direct and indirect ownership of companies, using family members and partners to conceal control. His brother, Muhammad Hassan Hamieh, monitored the project funds, and his main partners included Hezbollah financial officials Muhammad al-Bazzal, Rashid al-Bazzal and Ali Qasir. His nephew, Daniel Hamieh, was his partner in Calllync, a company in Poland which transferred hundreds of thousands of dollars to a company affiliated with Hezbollah's financial team (Treasury Department, March 20, 2026 and June 18, 2026).

► In June 2026, the Treasury Department also led the member states of the Terrorist Financing Targeting Center (TFTC)[29] in a coordinated move to impose joint sanctions against key components of Hezbollah's financial infrastructure, including al-Qard al-Hassan and Bayt al-Mal, illustrating their central positions as systemic institutions rather than peripheral elements (Treasury Department, June 30, 2026).

Europe and the West Limit Activity Alongside Regulatory Gaps

► Compared with the United States, the situation in Europe is more complex. Since 2019, the United Kingdom has included Hezbollah under the Terrorism Act 2000. Consequently, membership in the organization and other acts of support are subject to prosecution under the British criminal and financial legal framework (UK Home Office, February 25, 2019).

► In the EU, however, the terrorism list includes the Hezbollah's military wing rather than the entire organization. That is a structural limitation in terms of financial enforcement because the financial system described in this study operates in an environment where the boundaries between a political entity, social institutions, commercial companies and a military apparatus are blurred and do not always correspond to formal legal boundaries.[30] However, in February 2026, the EU listing criteria were expanded so that measures could also be taken against elements linked to listed entities through financing, training or recruitment.[31] The same month, the Iranian Revolutionary Guards were added to the EU terrorism list (Council of the European Union, February 19, 2026). Those developments increase the legal and financial risks for business networks operating in Europe at the intersection of the Revolutionary Guards, Iran and Hezbollah.

[29] United States, Saudi Arabia, the UAE, Bahrain, Kuwait, Qatar and Oman.
[30] For further information, see the November 2020 ITIC report, **More countries have recently declared all of Hezbollah a terrorist organization but some EU countries still refrain from doing so.**
[31] Council of the European Union Decision (CFSP) 2026/455, February 26, 2026.

► For Hezbollah, it means that the use of companies registered in Western countries, front men and family-based trading networks has become more dangerous. European banks are already inclined to engage in de-risking when connections to Lebanon, Iran or an individual subject to American sanctions emerge, because the loss of access to the dollar and the American banking system could be far more serious than the customer's economic value.

► Despite the EU's complexity, there are examples of targeted action against Hezbollah's fundraising capabilities. On April 30, 2020, the German government officially designated Hezbollah as a terrorist organization, banned its activities and determined that all the organization's assets in Germany would be confiscated. Following the announcement, German police raided several religious centers and mosques linked to Hezbollah. In May 2021, three associations were outlawed after evidence was collected of fundraising for Hezbollah, and two years later, two Hezbollah operatives who had been active in Bremen under a local association called al-Mustafa, whose activities had been banned in Germany in 2022, were arrested.[32] On November 17, 2026, the authorities in the state of Berlin outlawed the El-Irschad eV association and three of its subsidiary associations on suspicion of providing financial and organizational support to Hezbollah, and raids were conducted at 28 different locations (Bild and Berlin government website, November 17, 2026).

Limiting Hezbollah's Ability to Operate in Latin America

► Over the past two years, progress has been made in Latin America in confronting Hezbollah, but so far there is no unified regional campaign against its financial system. The main measures combine the expansion of terrorist organization and terrorist operative designations, criminal investigations and international cooperation:

- In early January 2026, American special forces arrested Venezuelan President Nicolás Maduro and transferred him to the United States, where he is charged with conspiring with drug cartels to bring drugs into the United States and with weapons offenses. The American administration declared that Iranian and Hezbollah involvement in Venezuela had come to an end, and Lebanese media outlets assessed that Maduro's overthrow had blocked a significant route used by Hezbollah to finance the organization.[33] A study from July 2026 reported that the change in Venezuela had

[32] For further information, see the November 2024 ITIC report, **Hamas and Hezbollah Activities in Europe: Germany as a Test Case**

[33] For further information, see the January 2026 ITIC report, **Hezbollah's Activity in Venezuela and How the Recent American Arrest of Maduro May Affect It**

weakened ties with Iran and put networks of gold trading, cryptocurrency transfers and clandestine transportation linked to Iran and Hezbollah at risk.[34] However, the American activities in Venezuela did not in themselves demonstrate any specific financial damage to Hezbollah.

- There is evidence of increased intelligence and financial monitoring in the border area between Paraguay, Brazil and Argentina. In March 2026, the Paraguayan authorities reported an expansion of monitoring of financial movements in cooperation with the Financial Intelligence Unit (SEPRELAD), the National Tax and Customs Directorate (DNIT) and the police. The reactivation and expansion of the powers of the trilateral coordination mechanism and cooperation with the US Federal Bureau of Investigation (FBI) were reported (UPI, March 4, 2026).
- In Paraguay, in April 2025, the 2019 terrorist designation was expanded from Hezbollah's military wing to the entire organization, while the Iranian Revolutionary Guards were also designated a terrorist organization (Treasury Department, April 24, 2025). That was important for combating financing because it made it possible to address the organization's activities as a whole without having to distinguish between its various wings. It is particularly relevant to the tri-border area with Brazil and Argentina, a longstanding center of commercial and financial activity linked to Hezbollah financiers.
- In Argentina, efforts to confront Hezbollah are based on a framework for designation and asset freezing established against the organization as early as 2019.[35] In January 2026, the country expanded its measures against the Iranian infrastructure by registering the Quds Force and its personnel in the terrorism registry (RePET), and in April 2026, the Revolutionary Guards were added to the terrorism list (*Jerusalem Post*, April 2, 2026). The measures strengthen the legal framework against elements supporting Hezbollah.
- In Brazil, a *hawala* investigation was revealed in July 2026, during which at least ten arrest warrants were issued and searches were conducted at dozens of locations

[34] Danny Citrinowicz, Shnir Levy and Charlotte Cobb, "Iran and Hezbollah's Illicit Cryptocurrency Activity: The Connection to Venezuela," INSS Insight (Issue 2178), *Institute for National Security Studies*, July 30, 2026.

[35] Unidad de Información Financiera (UIF), UIF Orders the Freezing of Assets of Hezbollah, Its Military Wing and the Organization's Leaders, Argentina.gob.ar, July 18, 2019.

throughout the country, including Rio de Janeiro, São Paulo and Foz do Iguaçu, located in the tri-border area with Argentina and Paraguay. The investigation began following suspicions that a small shop selling mobile phone cases in a Rio de Janeiro favela had allegedly laundered $19 million for Brazil's most powerful criminal organizations, Primeiro Comando da Capital (PCC), Comando Vermelho and Terceiro Comando Puro, and subsequently expanded to possible links with Hezbollah and al-Qaeda financial mechanisms in the tri-border area (La Derecha Diario, July 2026). In May 2026, the American administration also designated Primeiro Comando da Capital and Comando Vermelho as foreign terrorist organizations, partly because of their links to Hezbollah (State De[t, May 28, 2026; Gazeta do Povo, May 29, 2026).

- The Brazilian authorities also continued the investigation into the Trapiche affair, which was exposed in November 2023 and involved suspicions that Hezbollah had recruited Brazilian citizens to carry out terrorist attacks and finance terrorism. In official testimony before parliament in 2026, a mechanism was described in which proceeds from smuggling electronic cigarettes from Paraguay, through shops and front men, were used to finance the recruitment of Brazilians for Hezbollah activity. In September 2026, the Superior Court of Justice reinstated the conviction of one of those involved in carrying out preparations for terrorism, after an appeals court had overturned it because of the defendant's financial motive. The ruling clarified that a financial motive does not negate responsibility for knowingly participating in a terrorist plot (Federal Public Prosecutor's Office, September 17, 2026).

Hezbollah's Response to Economic Pressure

► Hezbollah's financial system is geographically decentralized. Lebanon is a political, social, organizational and symbolic center; Iran is a strategic, financial and logistical center; Syria was a transit and coordination area; Africa is an arena for trade, assets of value and diaspora communities; Latin America connects drugs, cash and trading networks; Europe is a financial, legal and logistical arena; and the Gulf States, Turkey, China and Hong Kong are sometimes commercial, financial and corporate hubs.

► Such a system enables adaptability. When one channel is exposed or blocked, the system changes routes. Sanctions against an individual do not necessarily stop the activity if family members, partners, shell companies or other money changers can continue it. Closing a bank is insufficient if money changers, gold and bank-like institutions are available. Seizing

a shipment is insufficient if alternative ports, other shipping companies and changes of ownership are available. Therefore, isolated successes are insufficient unless the adaptation mechanism itself is disrupted.

► Despite the growing pressure on Hezbollah's financing capabilities, there are no signs that the organization's financial system has collapsed. Hezbollah continues to operate in a decentralized manner and is apparently still capable of financing its core apparatus, but transferring every dollar has become more expensive, riskier and more difficult to conceal.

Continued Iranian Assistance

► Iran remains Hezbollah's most important external source of support, but the method of transferring money has changed, with an increasing shift toward transfers which do not depend on the banking system. Instead of one large pipeline from Iran to Lebanon, a system of numerous small pipelines is developing, involving cash, merchants, money changers, businessmen and couriers. That improves survivability but increases costs and the risks of exposure. The trends do not necessarily halt Iranian assistance to Hezbollah, but they increase its cost and competition for resources within the Iranian system (Reuters, August 29, 2026). For example, a report on the transfer of $200 million from Iran to Hezbollah to assist displaced persons stated that the intermediaries who transferred the funds charged a commission of 20%, four times the usual commission, evidence of the risks involved in working with the organization (Reuters, October 7, 2026).

► In March 2026, the IDF spokesperson in Arabic reported that Lebanese businessman and money changer **Hasan Muhammad Khechen and his Global Gold Company** had transferred hundreds of millions of dollars from Iran to Hezbollah through **Rabih Zein al-Din**, who was reportedly responsible for transferring funds between Iran and Hezbollah (Avichay Adraee's X account, March 3, 2026). On November 18, 2026, the Treasury Department also imposed sanctions on Khechen and his brother, Ibrahim Khechen, for transferring funds from the Quds Force on behalf of Hezbollah. Sanctions were also imposed on Khechen's money exchange agency, which, according to the announcement, was used to transfer funds through several countries to Hezbollah in Lebanon (Treasury Department website, November 18, 2026).

► Because of the suspension of flights between Iran and Lebanon and the blocking of the Syrian route, Hezbollah and Iran were forced to find alternative ways of transferring financial resources into Lebanon:

◆**Smuggling through Turkey:** Israel reportedly complained to the committee overseeing implementation of the ceasefire that Iranian diplomats and Turkish citizens were transferring cash to Hezbollah on flights from Istanbul to Beirut (*The Wall Street Journal*, January 31, 2025). In a complaint submitted to the UN Security Council on February 21, 2025, Israel's ambassador to the UN, Danny Danon, accused Turkey of becoming a route for transferring funds to Hezbollah. According to the document, Turkish entities serve as conduits between Iran and Lebanon (Nordic Monitor, May 5, 2025). In late February 2025, Lebanese security authorities arrested a Lebanese citizen who had arrived on a flight from Turkey carrying $2.5 million intended for Hezbollah. The detainee reportedly admitted receiving the suitcase from an Iranian citizen (*al-Sharq al-Awsat*, February 28, 2025). In November 2026 the Treasury Department stated that Hasan Khechen's network operated couriers who transferred cash between countries, and his brother Ibrahim was linked to a courier apprehended at Beirut airport (Treasury Department website, November 18, 2026).



The suitcase containing cash intended for Hezbollah seized at Beirut airport (Lebanon Debate, February 28, 2025)

◆**Smuggling through Iraq:** According to Lebanese political commentator Ali Hamadeh, Iran transfers large amounts of cash to Lebanon through the pro-Iranian Shi'ite militias in Iraq, with estimates ranging from $20 million to $30 million a month. He said the militias, which maintain extensive financial networks, transfer tens of millions of dollars every month from Iraq or overland through Syria using smuggling gangs which have assisted Hezbollah and Iran for years. Hamadeh noted that another method for smuggling funds is through Lebanese tourists visiting Shi'ite holy sites in Iraq or Iraqi Shi'ite tourists arriving in Beirut to visit Nasrallah's grave (Aram News, October 28, 2025).

- **Gold smuggling:** In May 2025, Lebanese security authorities reportedly thwarted an attempt to smuggle more than 22 kilograms of gold through Beirut International Airport (*The Wall Street Journal*, May 10, 2025). According to Ali Hamadeh, extensive gold smuggling takes place through Turkey, using organized gangs or ordinary citizens from Hezbollah's circle of supporters who bring quantities of industrial gold into Lebanon, where they are converted into gold bars (Aram News, October 28, 2025). The Treasury Department stated that Hasan Khechen also operated Sankari Gold, a company operating from Turkey and affiliated with Hezbollah, which helped Gold Global Company transfer gold bars and cash from Africa to Lebanon (Treasury Department website, November 18, 2026).

Al-Qard al-Hassan

► The al-Qard al-Hassan Association is expected to continue serving as a kind of parallel treasury rather than merely a lending institution. Hezbollah is not expected to readily relinquish an infrastructure enabling it to manage cash, gold, deposits and loans outside the formal banking system. However, the reform and resolution processes in the Lebanese banking system are creating a new area of risk involving influence over appointments, capital owners and asset acquisitions. The possibility of attempts to infiltrate supervisory mechanisms or indirectly take control of assets warrants systematic examination, but it should not be presented as a proven finding without concrete corporate and regulatory evidence.

Creating Alternative Sources of Income

► Beyond independently generating income through businesses and front companies, Hezbollah is also attempting to cope with the situation by reducing its complete dependence on the Iranian budget through commercial assets. It was noted that electronic products and construction materials are being imported into Lebanon for sale to generate funds for Hezbollah's coffers. Another money-laundering method involves purchasing used vehicles which have been involved in accidents in Europe, mainly in Belgium and Germany, for small sums, transferring the vehicles to Lebanon for repair and reselling them at inflated prices (Aram News, October 28, 2025). The information indicates an important change, in that **Hezbollah is not merely receiving money from Iran, but is increasingly attempting to generate money through trade, commodities, companies, investments and international activity.**

Continued Reliance on the Lebanese State Budget

► Hezbollah continues to be an integral part of Lebanon's political system, both in the government and in the Lebanese Parliament. There are currently five Shi'ite ministers in the Lebanese government. They are Health Minister Rakan Nasr al-Din and Labor Minister Muhammad Haidar, who represent Hezbollah, while the Amal Movement, Hezbollah's close ally, has Finance Minister Yassin Jaber Minister of the Environment Tamara al-Zein. The fifth Shi'ite representative, Minister of State for Administrative Development Fadi Makki, is an independent who was appointed with the agreement of Hezbollah and Amal.

► The appointment of Jaber, a former economy minister and telecommunications minister, as finance minister in Nawaf Salam's government, which was formed in early 2025, raised serious concerns among elements in Lebanon lest he exploit his position in the ministry of finance to divert state budgets to serve Hezbollah's interests, at a time when the organization needed essential financial assistance to rehabilitate its assets, treat the wounded and assist Shi'ite refugees who had fled south Lebanon (al-Anbaa, January 29, 2016; Al Jazeera April 7, 2019).

► Under Jaber's leadership of the ministry of finance, a series of incidents was reported indicating that the Lebanese state budget continued to be a significant source of income for Hezbollah. The $6 billion state budget approved in early 2026 included numerous items intended to help Hezbollah repair the damage it had sustained during the war. It also included an exceptional additional allocation of $160 million approved by the Lebanese Parliament, which Hezbollah's rivals strongly opposed, claiming that the funds had been approved illegally and were intended to serve Hezbollah and its allies (*al-Nahar*, February 24, 2026).

► On the eve of the budget's approval, Jaber revealed that the ministry of finance had already transferred funding in 2025 to two government bodies under considerable Hezbollah influence. Approximately $16 million was transferred to the Council of the South and more than $2 million to the Higher Relief Commission to rehabilitate war damage (Ya Sour, August 27, 2025). Figures published in November 2026 showed that the Council of the South had received more than $131 million in government funding during 2025 (This is Beirut, November 12, 2026).

► Subsequently, Democratic Bloc member Bilal Abdallah reported that the 2026 state budget also exempted a long list of associations and bodies affiliated with various political

parties, foremost among them Hezbollah, from taxes, in a manner similar to arrangements previously exposed by the American administration (Lebanon Debate, November 5, 2026).

► Similar reports concerning government benefits for Hezbollah bodies appeared in connection with the Lebanese ministry of health, headed by Rakan Nasr al-Din, who, according to Lebanese media reports, had previously held a position in Hezbollah's Islamic Health Organization (Nidaa al-Watan, February 11, 2025). The Lebanese ministry of health said all Shi'ite refugees who had left south Lebanon were entitled to full coverage of all their medical expenses (al-Markazia, July 3, 2026).

► The minister of health also announced that the state would bear all the treatment costs of those wounded in the war. It was revealed that hospitals operated by Hezbollah received preferential treatment in government funding, with allocations of more than $6.5 million, an amount hundreds of percent higher than that received by other healthcare institutions in the country (This is Beirut, November 12, 2026).

► By diverting state budgets to areas critical to the organization after years of war, especially repairing the physical damage in south Lebanon, treating thousands of the organization's wounded and assisting hundreds of thousands of Shi'ite refugees, Hezbollah translated its political influence and access to state budgets into an important source of funding to meet its needs and ease its direct budgetary burden. In that way the Lebanese state budget became a major source of funding for the organization on the one hand, while enabling Hezbollah to direct its independent budget toward financing the rehabilitation and buildup of its military forces on the other.

► The importance Hezbollah attaches to continued access to government budgets is also reflected in the organization's unwillingness to relinquish its ministerial positions, despite the series of decisions and measures taken by Nawaf Salam's government since its establishment, especially implementing the state monopoly on weapons, outlawing Hezbollah's military wing and opening direct negotiations with Israel.[36]

Criminal Activity

► The overthrow of the Assad regime forced Hezbollah to adapt its methods of producing and distributing Captagon. Cartels linked to the Assad army's 4th Division, under the command of Maher al-Assad, the former president's brother, were forced to transfer their

[36] For further information, see the weekly Amit Institute reports, "Spotlight on Terrorism: Hezbollah and Lebanon."

operations to Hezbollah-controlled areas in the Beqa'a Valley in eastern Lebanon, mainly in the Baalbek-al-Hermel area, and establish drug production laboratories in the region. According to published figures, the Lebanese authorities carried out at least 29 seizures of drug shipments, raided laboratories and arrested traffickers from the beginning of 2025 through October 2026, but estimates indicate production continues (Qalaat Al Mudiq X account, October 10, 2025). Syrian security forces also seized Captagon shipments which had crossed the border on their way toward Jordan for distribution in the Gulf States and other areas. In September 2026, four international drug smuggling networks were exposed and four million Captagon pills were seized, and in October 2026, 250,000 Captagon pills smuggled from Lebanon were reportedly confiscated in the Homs area. According to the Syrian ministry of the interior, since the overthrow of the Assad regime in December 2024, more than 90 international smuggling networks have been exposed and more than 700,000 Captagon pills have been confiscated (Syria TV, October 12, 2026).



Right: A shipment of three million Captagon pills seized on the Syria-Lebanon border (SANA News Agency, June 27, 2025). Left: A shipment of 250,000 Captagon pills seized after being smuggled from Lebanon (SANA News Agency, October 12, 2026)

► Considerable Hezbollah involvement in cryptocurrency fraud can also be identified:

- In July 2026, the Israeli Ministry of Defense announced sanctions against 37 digital wallets containing more than NIS 24 million (more than $7 million), which, according to the findings, had served as an infrastructure for the Revolutionary Guards to transfer funds to Hezbollah and other elements (Money Laundering and Terrorism Financing Prohibition Authority, July 5, 2026).
- An analysis by NOMINIS (a crypto compliance and investigations platform) identified transaction links between wallets involved in the cryptocurrency fraud affair of the

Brazilian investment company **Braiscompany** and services and wallet clusters attributed to Hezbollah and Iran.[37]

- Information published about the investigation of the Trapiche affair in Brazil revealed the use of an illegal trading network to finance the recruitment of local residents for preparations for terrorist attacks. According to published information, the network used Dante Filippini, a cryptocurrency broker from São Paulo who established shell companies. His activity included transferring approximately $658,000 in cryptocurrency to three wallets Israel had identified as linked to financing Hezbollah and the Quds Force.[38]
- Hezbollah's involvement in cryptocurrency fraud was identified in **connections to online gambling**. A journalistic investigation revealed that Hezbollah generated income from illegal online gambling by operating websites through front men or collecting a share of the revenues in exchange for protection. According to sources quoted in the investigation, the activity extends from Lebanon to Africa and other countries and involves payment intermediaries and sometimes digital currencies. The investigation also described gambling as a means of laundering funds and presenting money from illegal sources as gambling revenues (Independent Arabia, March 19, 2026).
- Lebanon's internal security forces **exposed a financial infrastructure for concealing gambling activity.** In September 2026, the security services announced that since July 2026, more than 331 digital wallets had been frozen, nine individuals had been arrested and 44 wanted notices had been issued. According to the security forces, gambling network operators used other people's wallets at money transfer companies to conceal their accounts (Internal Security Forces X account, September 22, 2026).

Reliance on the Shi'ite Community

► Hezbollah continues to operate an entire network of charities and associations which raise funds from Shi'ite communities in Europe and around the world. An investigation published in November 2025 described how associations linked to Hezbollah, including the

[37] Danny Citrinowicz and Charlotte Cobb, "Iran and Hezbollah in Brazil: From Soft Power to a Security Threat," *Institute for National Security Studies*, October 26, 2026.
[38] Lucas Gualtieri, "Hezbollah's Hired Hands in Brazil," *PolicyWatch* 4280, The Washington Institute for Near East Policy, October 14, 2026.

Emdad Association (the Lebanese branch of the Imam Khomeini Relief Foundation) and the Shaheed Foundation, which are subject to American sanctions, directed donors to transfer funds through the Whish Money or OMT payment services in Lebanon or through private individuals. In one case, an Emdad representative instructed a donor to transfer money through Whish using the representative's name and telephone number. A transaction document examined during the investigation showed a dollar transfer from the Democratic Republic of the Congo to the same individual through Ria, Whish's international partner. The donor subsequently received a receipt from Emdad corresponding to the transfer. In another case, a person who wanted to donate more than $20,000 to Emdad was instructed through the association's WhatsApp account to split the donation into smaller transfers to several recipients (*Financial Times*, November 2, 2025). That is another example of how Hezbollah exploits regulated financial services while concealing the ultimate beneficiary.

► For years the Lebanese Wa Ta'awanu Association ("Help One Another"), which is represented as an organization providing assistance with food and housing, has been suspected of helping Hezbollah strengthen its hold in various areas of the country, particularly south Lebanon, and providing civilian cover for the organization's military and logistical infrastructure. Its operatives were also identified in villages in the pilot zones, which Lebanese army forces entered under the June 2026 framework agreement between Lebanon and Israel.[39] The association's founder and chairman, Afif Shouman, claimed that the association relied on donations from Lebanese living abroad (*al-Nahar*, March 22, 2023). It was also reported that the association maintained an account with al-Qard al-Hassan to receive donations, even after its account with the Whish Money service was closed in October 2025 (*Nidaa al-Watan*, October 22, 2025). On November 18, 2026, the Treasury Department imposed sanctions on the association and Shouman, who was said to coordinate its activities according to instructions from Hezbollah. The announcement noted that the association provided emergency assistance to residents of south Lebanon, but also transferred donations from abroad to finance Hezbollah's terrorist activity. It also stated that the association served as a cover for Hezbollah's terrorist activity in the pilot zones (Treasury Department, November 18, 2026).

[39] See the August 2026 Amit Institute report, **Hezbollah in the Pilot Zones Disguised as Civilian Organizations**

►Financial pressures are forcing Hezbollah to reconsider its priorities. Resources are directed first and foremost to the systems that preserve the organization's ability to survive such as the military and security apparatus, operatives' families, rehabilitation of its base areas and social infrastructure. Sources reported that Hezbollah had begun paying for the renewed recruitment of fighters into the organization and for the "Resistance Brigades,"[40] including in Syrian territory (*Nidaa al-Watan*, October 14, 2026). At the same time, the head of Hezbollah's executive council, Ali Damoush, announced an assistance program under which amounts of $12,000 to $14,000 would be paid to displaced persons and residents whose homes had been destroyed or severely damaged, mainly in areas where Hezbollah supporters are concentrated, south Lebanon, the Beqa'a Valley and the Dahiyeh al-Janoubia in Beirut (al-Manar, October 13, 2026).



Distributing dollars to displaced persons and residents under Hezbollah's assistance program (Balagh, November 4, 2026)

Conclusions

►Hezbollah is not facing complete financial strangulation, but its funding environment has fundamentally changed. In the past, the main challenge was transferring money from Iran to Lebanon. Today, the challenge is more complex, it means bringing the money in, safeguarding it, converting it, concealing its source and turning it into salaries, equipment, services and reconstruction without exposing the entire network.

►The main trend in the coming years will most likely be a transition from banking finance to network finance, meaning less dependence on a particular bank and greater dependence on hundreds of small points, companies, merchants, money changers, gold, commodities, family members, contractors and couriers.

[40] An arm of Hezbollah established in 1997 to attract non-Shi'ite operatives to the organization.

► The weakness of the new model is its decentralization. The more intermediaries are required, the greater the number of individuals, companies and transactions that can be identified and cross-referenced. The American sanctions imposed on Hezbollah financing networks during 2026 indicated a transition to a disruption model in which the question is not only who the Hezbollah operative is but who enables him to convert an asset into money and who connects the money to the legitimate economic system.

► Hezbollah is not merely an Iranian proxy receiving money from abroad. The organization has a semi-independent financial system which combines state funding from the Lebanese budget with criminal, business, community and commercial revenues. Iran provides the strategic anchor, but the networks of trade, money changing, gold, real estate, drugs and community support enable the organization to operate even when a particular flow is disrupted. The system operates through the constant conversion of value between different forms, money, commodities, gold, diamonds, invoices, cryptocurrency, real estate and services. That is the heart of the mechanism, not merely raising money, but the ability to change its form, conceal its source, store its value and realize it when necessary.

► For Hezbollah relying on Lebanese government budgets to operate the state within a state apparatus it has built over the years is of extreme importance. That is why the organization is doing its best to remain at the government table despite the unprecedented measures taken against it since the appointment of President Joseph Aoun in January 2025 and the establishment of Nawaf Salam's government a month later.

► The geographic scope of Hezbollah's financial system extends far beyond Lebanon. It includes Iran, Syria, Africa, Europe, Latin America, the Gulf and international trading centers. Each arena contributes a different component, whether funding, transit, laundering, assets of value, drugs, banks, trade or cover companies.

► Al-Qard al-Hassan and the parallel financial institutions are not marginal, but rather structural components of Hezbollah's ability to manage cash, gold, loans, deposits and community trust outside the ordinary banking system. The combination of a community institution, money changing and gold creates an internal liquidity system which strengthens the organization's ability to survive.

► The shipping, ports and logistics system are part of the financial system, not merely the operational system. Ships, freight forwarders, cargo documents, management companies,

flags of convenience and ports make it possible to convert commodities into money and money into commodities while concealing the ultimate beneficiary.

► The exposure in August 2026 of the network transferring enormous sums of cash between Iran, Turkey, the UAE and Lebanon for Hezbollah reinforces the assessment that Turkey is a systemic hub rather than merely a transit area. The combination of money changing businesses, front companies, bank accounts, cash, gold and courier services indicates an intermediary layer capable of connecting Iranian revenues and sources to physical delivery in Lebanon. From the perspective of network research, the important link is not the individual courier but the network manager and the commercial and financial entities that enable him to operate.

► Hezbollah is transitioning from an economy of consolidation to an economy of survival. There is insufficient basis for determining that its sources have dried up, but there are indications of liquidity pressure, rising transfer costs, damage to distribution points and growing reconstruction needs. The situation will probably lead to prioritizing military rehabilitation over welfare, thereby turning the compensation, healthcare and construction systems into a political vulnerability no less than a financial one. Two civilian arenas are expected to be particularly important in the coming years, namely, Lebanon's reconstruction and the restructuring of its banking system. In both, money, ownership and influence intersect. Thus monitoring should also extend to contractors, cement and steel suppliers, importers, tenders, bank investors, ultimate beneficial owners (UBOs), capital injections and regulatory appointments.

► Despite its complexity, Hezbollah's financial system is not immune. The very need to operate in the commercial and financial world creates traces, footprints of companies, invoices, shipments, contracts, accounts, ownership records, customs documents, cash movements, digital wallets, insurance policies, bills of lading and family connections. The main vulnerabilities are the points where value changes form, from cash into commodities, commodities into invoices, invoices into bank transactions, cryptocurrency into gold, gold into cash or community donations into an organizational budget.

► The most important indicator of the organization's true financial condition is not the amount of money Iran transfers to it, but Hezbollah's ability to continue paying operatives on time, compensating families, rebuilding homes and providing services to the Shi'ite population. If a growing gap emerges between rehabilitating the military infrastructure and

civilian reconstruction, it will indicate that financial pressure is beginning to turn from an accounting problem into a strategic problem, the erosion of the social contract through which Hezbollah built its power base in Lebanon over decades.

► Military force is insufficient to significantly damage the organization. As long as the organization's economic system continues to operate and receives support from official elements in the Lebanese state, Hezbollah can rebuild infrastructure, pay salaries, finance social loyalty and restore capabilities. Financing is not a soft arena, it is the heart of the strategy. Although Iranian funding and some financial institutions in Lebanon have been damaged or restricted, a substantial part of the global economic-logistical system was not physically destroyed during the war. Consequently, Hezbollah is likely to continue operating trading networks, money changing businesses, shell companies and service providers outside Lebanon while adapting routes and replacing intermediaries.

► In conclusion, in view of Hezbollah's economic activity, even after the blows it has sustained since October 2023, as an illegal multinational corporation, with diverse sources of income, distribution networks, assets, risk managers, service providers, geographic diversification, concealment mechanisms and the ability to move between markets, the campaign against Hezbollah cannot end with attacks on weapons depots or military operatives; it must directly target the mechanism that enables its ongoing operations and rehabilitation.