

PRESENTATION BY

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**DIRECTOR**

**FINANCIAL INTELLIGENCE UNIT**

**“THE BAHAMAS’ SUSPICIOUS TRANSACTION  
REPORTING REGIME – WHAT’S NEW?”**

**2019 AML/CFT RISK MANAGEMENT SEMINAR**

**Hosted by**

**THE GROUP OF FINANCIAL SERVICES REGULATORS**

**THEME:**

**“THE EVOLVING LANDSCAPE OF AML/CFT IN THE BAHAMAS”**

**26<sup>TH</sup> JUNE, 2019**

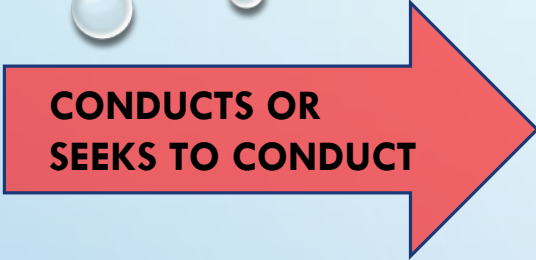
**MELIA NASSAU BEACH HOTEL**



# KEY ELEMENTS OF A SUSPICIOUS TRANSACTION



**A PERSON**



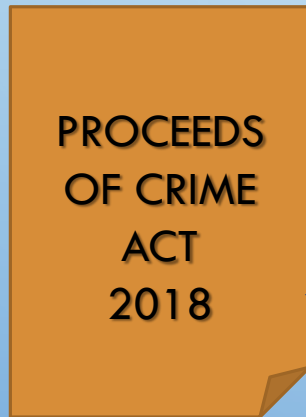
**CONDUCTS OR  
SEEKS TO CONDUCT**



**A FINANCIAL INSTITUTION**



- **KNOWS**
- **SUSPECTS**
- **REASONABLE GROUNDS TO SUSPECT**

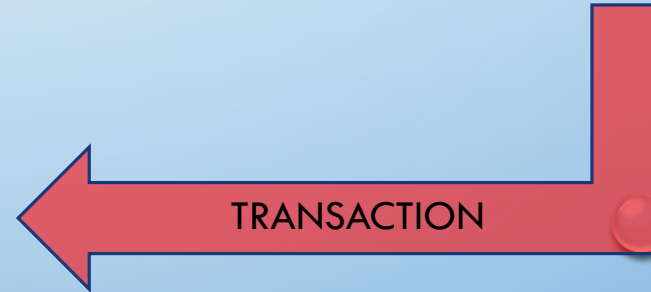


INVOLVES THE  
PROCEEDS OF  
CRIMINAL  
CONDUCT

RELATED TO AN  
OFFENCE

AN ATTEMPT TO  
AVOID  
ENFORCEMENT

IS AN IDENTIFIED  
RISK



**TRANSACTION**



# WHAT IS SUSPICIOUS?



# KEY PLAYERS IN THE SUSPICIOUS TRANSACTION REPORTING REGIME



**FI EMPLOYEE**

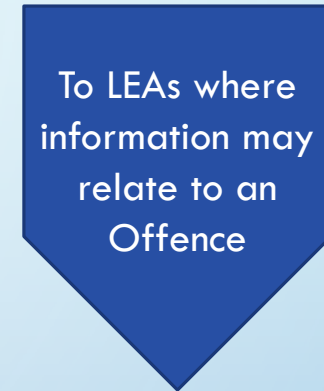
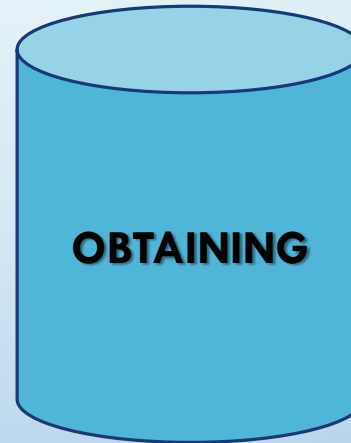
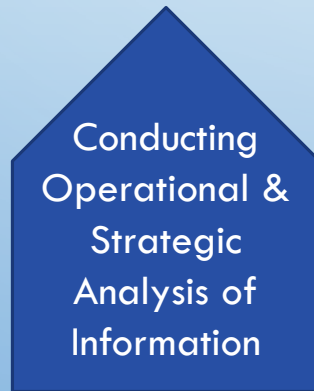
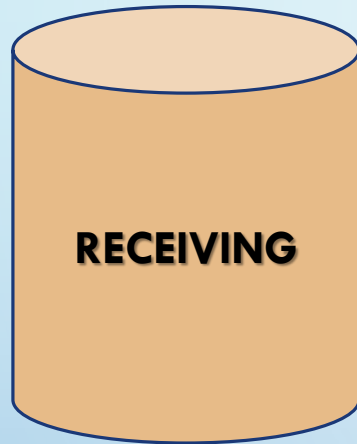


**MLRO**



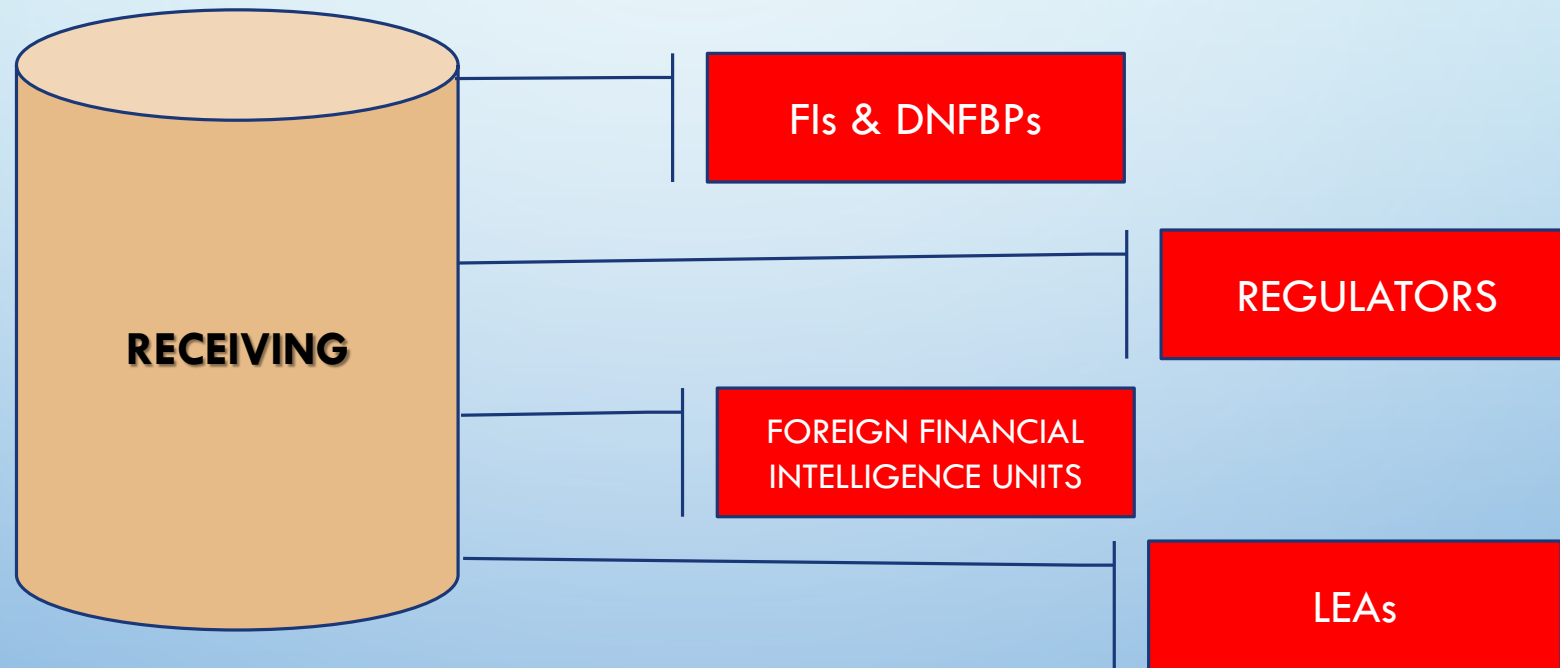


# ROLE OF THE FINANCIAL INTELLIGENCE UNIT



# ROLE OF THE FINANCIAL INTELLIGENCE UNIT

## RECEIPT OF INFORMATION

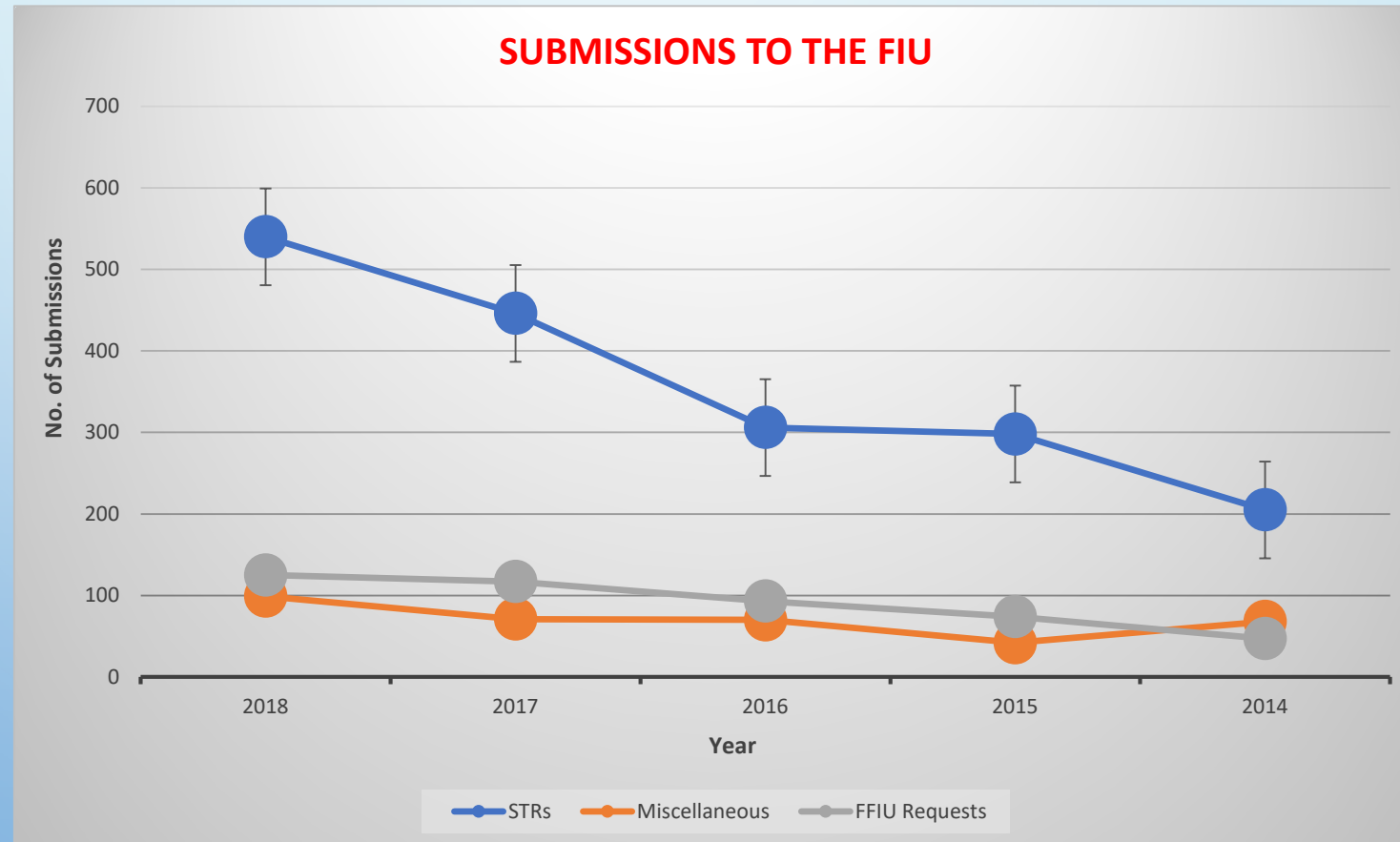


**TABLE I:  
NUMBER OF MATTERS SUBMITTED TO THE FIU BETWEEN 2014 - 2018**

TYPE OF SUBMISSION	YEAR				
	2018	2017	2016	2015	2014
STRs	540	446	306	298	205
Miscellaneous	99	71	70	42	68
FFIU Requests	125	117	93	74	47
<b>TOTAL</b>	<b>764</b>	<b>634</b>	<b>469</b>	<b>414</b>	<b>320</b>



**FIGURE 1:**  
**NUMBER OF MATTERS SUBMITTED TO THE FIU BETWEEN 2014 - 2018**



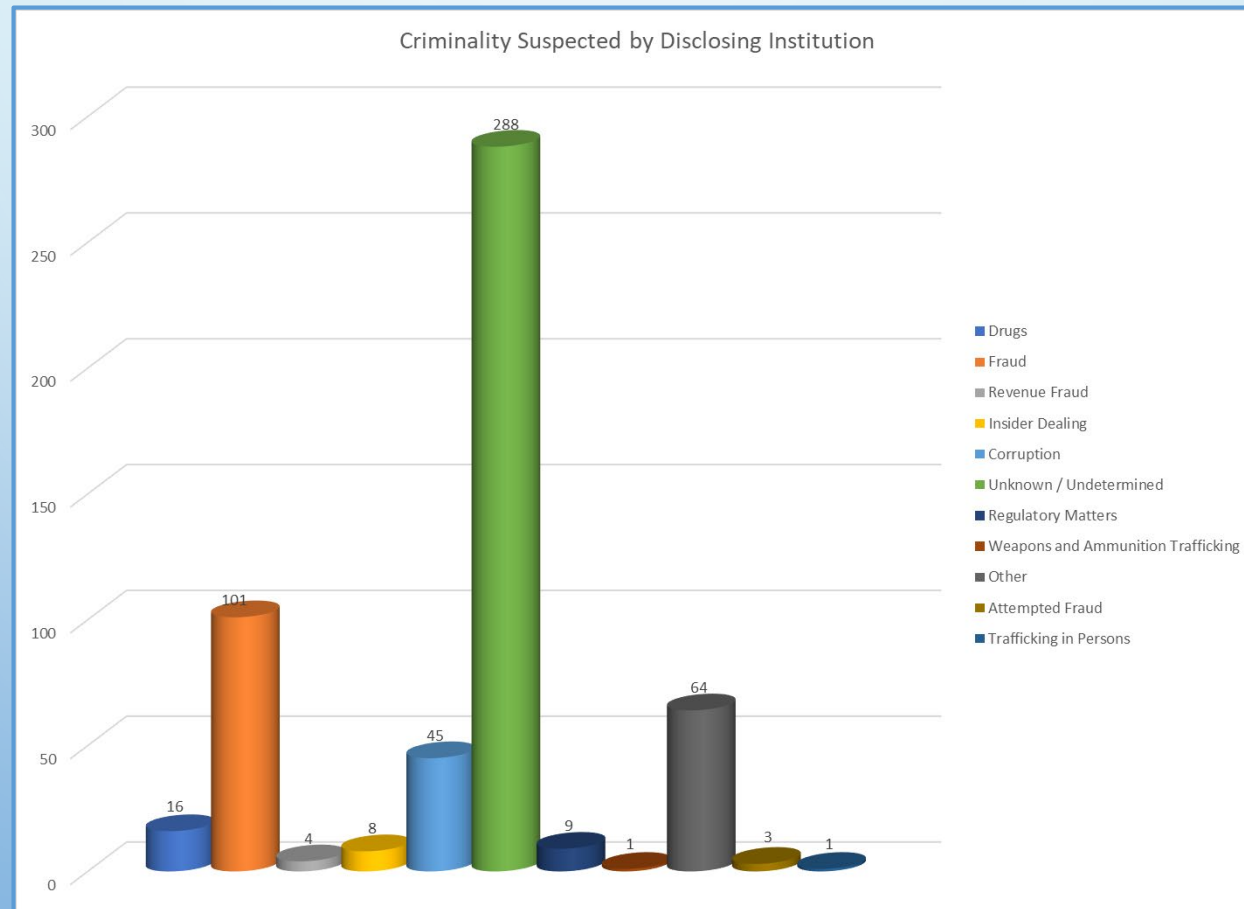


**TABLE 2:  
REASON FOR SUBMISSION OF STRs IN 2018**

REASON FOR SUBMISSION	YEAR 2018	% OF TOTAL SUBMISSIONS
Unknown/Undetermined	288	54%
Fraud	101	19%
Other	64	12%
Corruption	45	9%
Drugs	16	3%
Regulatory Matters	9	2%
Insider Dealing	8	2%
Fraud – Revenue	4	1%
Fraud – Attempted	3	1%
Trafficking in Persons	1	-
Weapons & Ammunition Trafficking	1	-
Illegal Gambling	0	-
Ponzi Schemes and Lotteries	0	-
Tax Evasion	0	-
Terrorism	0	-
<b>TOTAL</b>	<b>540</b>	



**FIGURE 2:**  
**REASON FOR SUBMISSION OF STRs IN 2018**

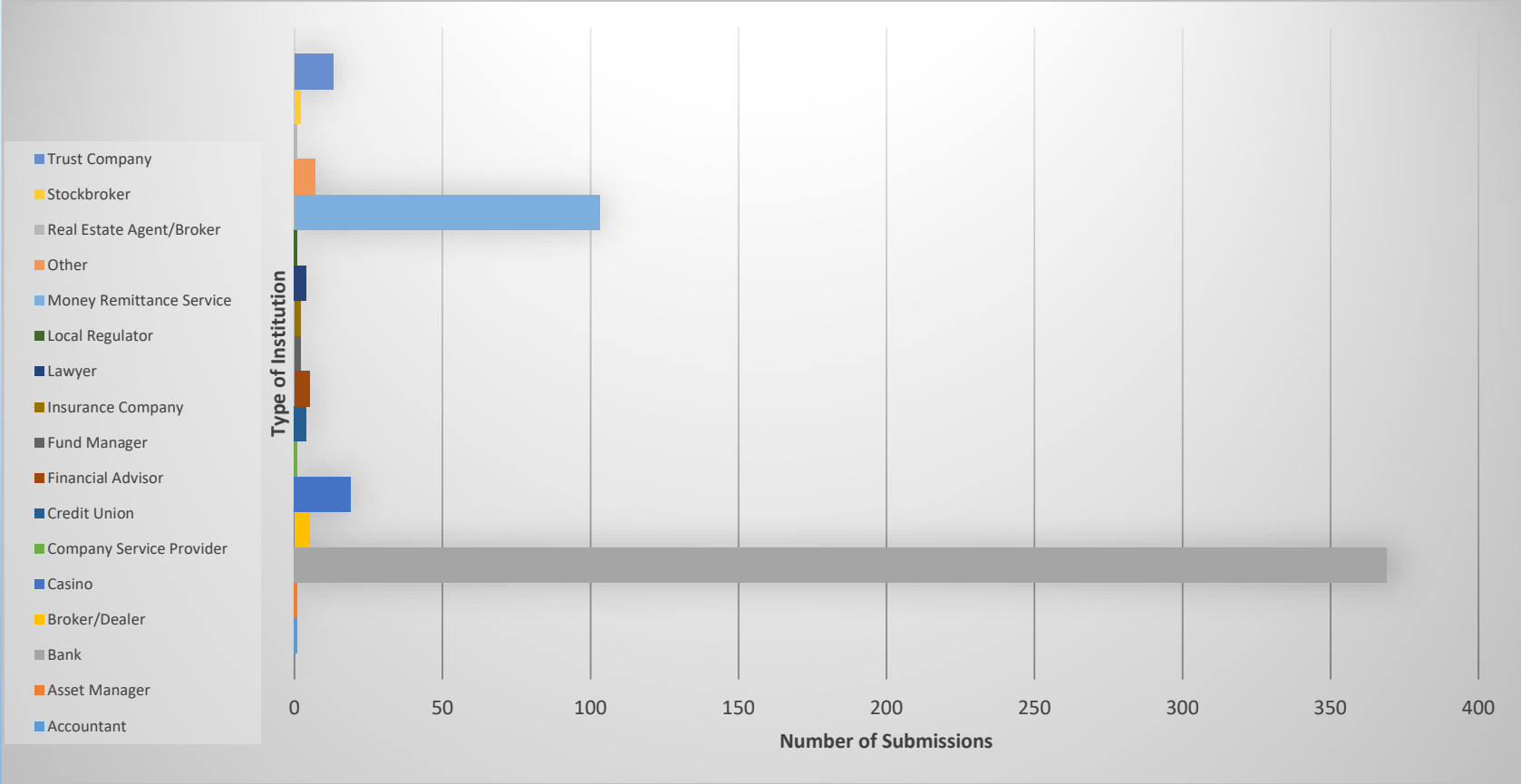


**TABLE 3:  
TYPE OF INSTITUTIONS STRs WERE SUBMITTED FROM**

TYPE OF INSTITUTION	2018	%
Bank	369	68%
Money Remittance Service	103	19%
Casino	19	4%
Trust Company	13	2%
Other	7	1%
Financial Advisor	5	1%
Broker/Dealer	5	1%
Lawyer	4	1%
Credit Union	4	1%
Fund Manager	2	0.4%
Stockbroker	2	0.4%
Insurance Company	2	0.4%
Company Service Provider	1	0.2%
Accountant	1	0.2%
Local Regulator	1	0.2%
Real Estate Agent/Broker	1	0.2%
Asset Manager	1	0.2%
<b>TOTAL</b>	<b>540</b>	



**FIGURE 3:  
SUBMISSION OF STRs IN 2018 BY INSTITUTION TYPE**



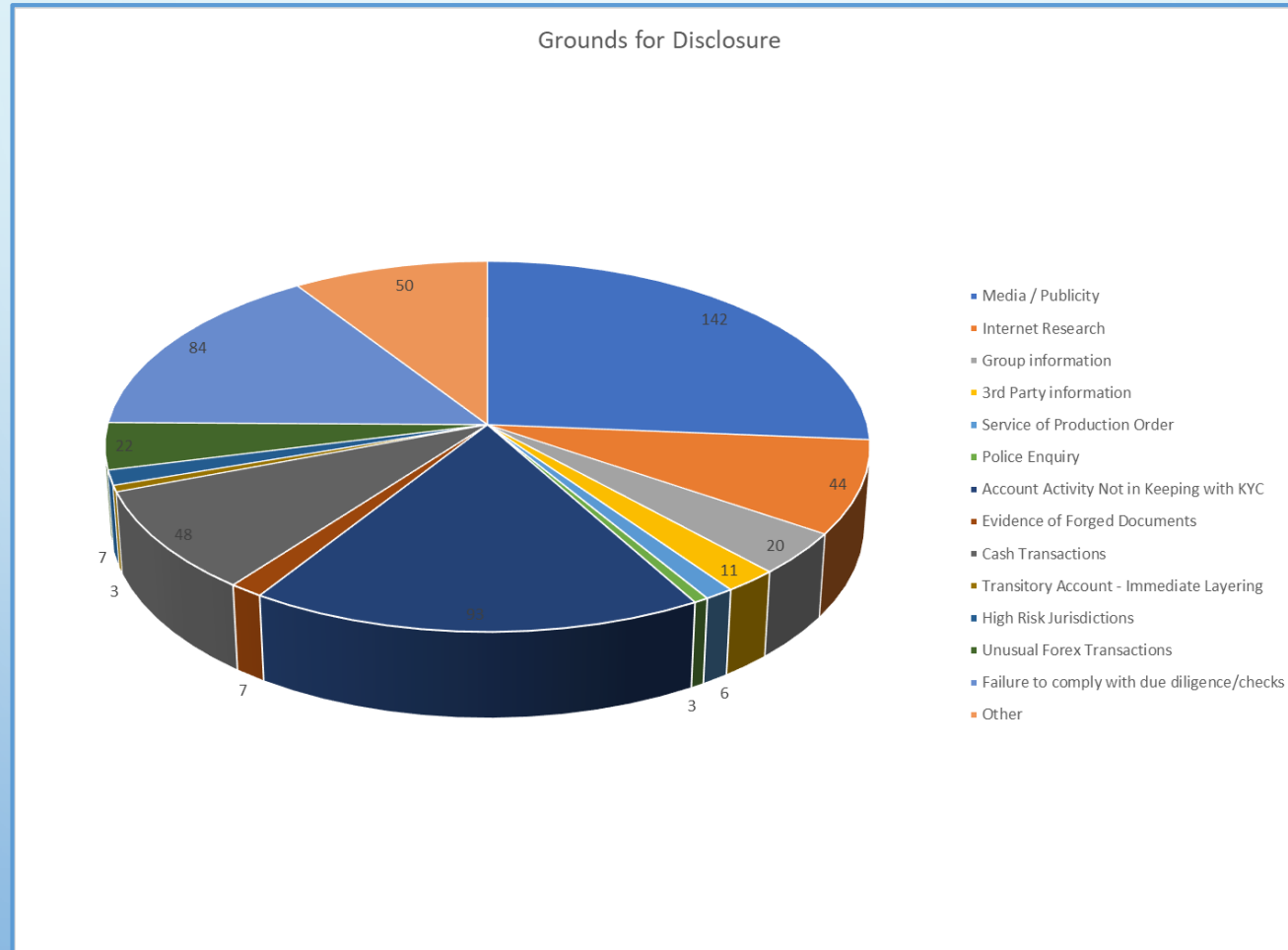
**TABLE 4:**  
**REASON FOR DISCLOSURE OF STRs IN 2018**

REASON	2018	%
Media / Publicity	142	26
Account Activity Not in Keeping with KYC	93	17
Failure to comply with due diligence requirements	84	16
Other	50	9
Cash Transactions	48	9
Internet Research	44	8
Unusual Forex Transactions	22	4
Group information	20	4
3rd Party information	11	2
Evidence of Forged Documents	7	1
High Risk Jurisdictions	7	1
Service of Production Order	6	1
Police Enquiry	3	1
Transitory Account - Immediate Layering	3	1
<b>TOTAL</b>	<b>540</b>	<b>100</b>

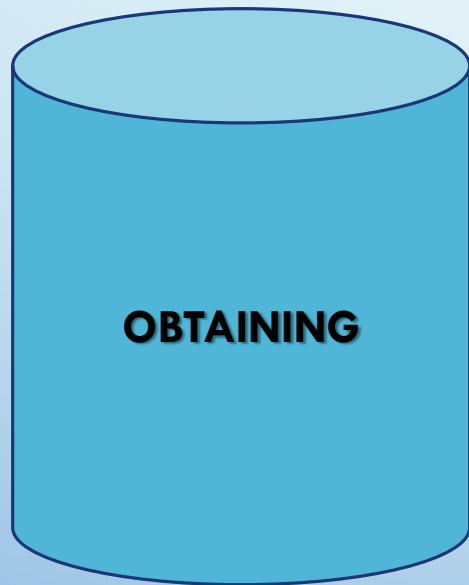




**FIGURE 4:**  
**GROUNDINGS FOR DISCLOSURE OF STRs IN 2018**



# ROLE OF THE FINANCIAL INTELLIGENCE UNIT OBTAINING INFORMATION

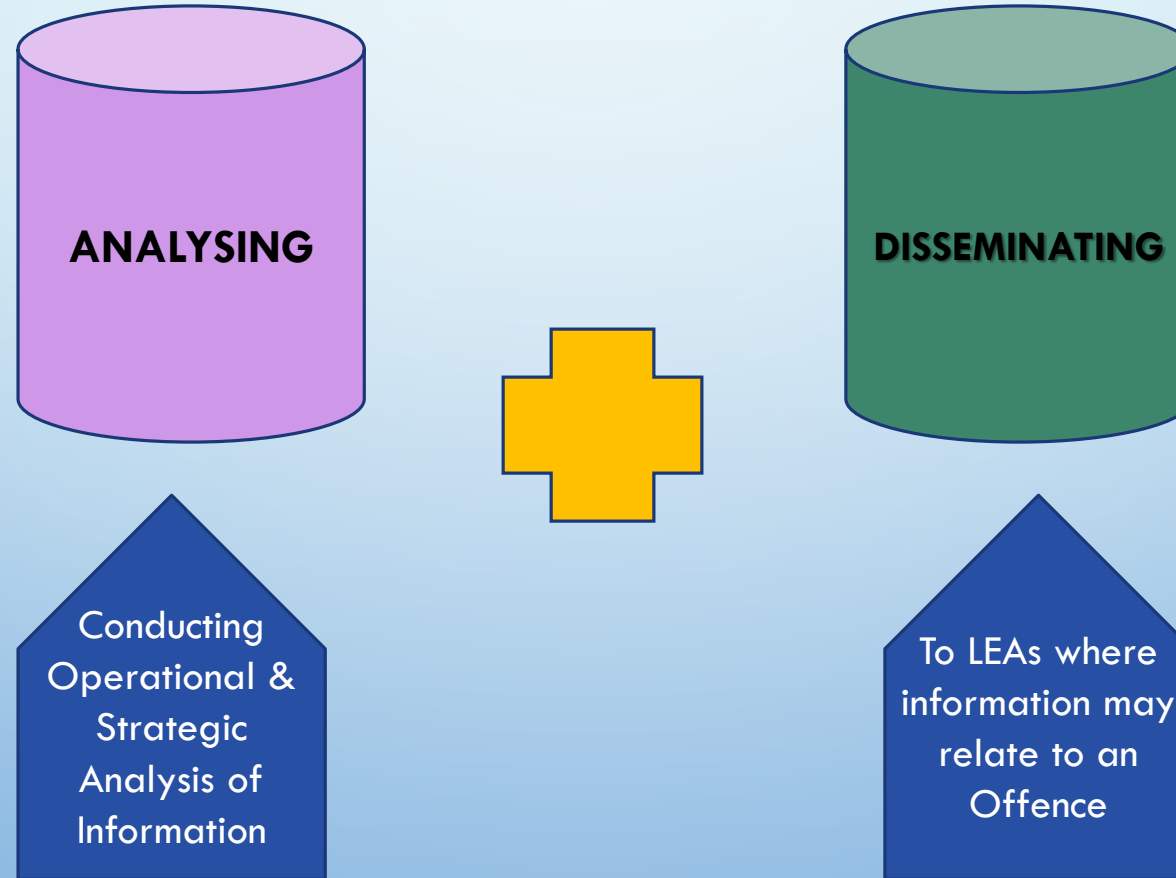


The FIU has the authority by virtue of Section 4(2)(g) of the FIUA to request any agency or institution to provide it with information that may be useful for its analysis. The requests are made through Production Orders.

In 2018 a total of **662** Production Orders (requests to produce information) were served.



# ROLE OF THE FINANCIAL INTELLIGENCE UNIT ANALYSING & DISSEMINATING INFORMATION



**TABLE 5:**  
**STATUS OF STRs SUBMITTED IN 2018**

STATUS	2018 SUBMISSIONS	
	No.	%
Open	376	70%
Closed	110	20%
Referred to LEAs	54	10%
<b>TOTAL</b>	<b>540</b>	<b>100%</b>



**TABLE 6:**  
**TOTAL MATTERS DISPOSED OF IN 2018**

<b>STATUS</b>	<b>MATTERS RECEIVED IN 2018</b>	<b>MATTERS RECEIVED IN PREVIOUS YEARS (BACKLOGGED MATTERS)</b>	<b>TOTAL MATTERS DISPOSED OF IN 2018</b>
Closed	110	325	435
Referred to LEAs	54	29	83
<b>TOTAL</b>	<b>164</b>	<b>354</b>	<b>518</b>





# WHAT'S NEW IN THE FIU?



WHAT'S NEW?

INCREASE IN STAFF

UPGRADE OF IT INFRASTRUCTURE

TRAINING & DEVELOPMENT

E-FILING PLATFORM

RESTRUCTURING OF THE ANALYTICAL DEPARTMENT

CASE MANAGEMENT & ANALYTICAL SOFTWARE

AMENDMENTS TO THE FIU ACT



INCREASE IN STAFF



- HR MANAGER
- LAWYER/ANALYST/POLICE OFFICER
- ANALYST

TRAINING &  
DEVELOPMENT



INCREASED FOCUS ON T&D LOCALLY  
AND INTERNATIONALLY

RESTRUCTURING OF  
THE ANALYTICAL  
DEPARTMENT



CREATION OF A STRATEGIC ANALYSIS  
UNIT



UPGRADE IN IT  
INFRASTRUCTURE



COMPLETE OVERHAUL OF THE  
FIU'S IT PLATFORM  
\$340,000.00

E-FILING PLATFORM



FIUCONNECT  
E-FILING OF STRS

CASE MANAGEMENT  
& ANALYTICAL  
SOFTWARE



i2iBASE & i2 ANALYST'S  
NOTEBOOK





## NOTICE TO USERS

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## Applicants

Applied Filters

Add Applicant

With Selected

Search

<input type="checkbox"/>	Action	ID	First Name	Middle Name	Last Name	ARN	User Email	Applicant Status	Created By
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<input type="checkbox"/>		23	[REDACTED]	[REDACTED]	[REDACTED]	APPL-1558445406	[REDACTED]	Approved	
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IBM i2 iBase

IBM i2 iBase



IBM i2 Analyst's Notebook

## IBM i2 Analyst's Notebook

IBM i2 Analyst's Notebook arms analysts with multidimensional visual analysis capabilities so they can quickly uncover hidden connections and patterns in data.



# **AMENDMENTS TO THE FIU ACT 2000**

- **BRINGING THE ACT CURRENT WITH THE NEW LEGISLATION**
- **IMPOSITION OF A TIME LIMIT FOR THE RETURN OF INFORMATION REQUESTED IN A PRODUCTION ORDER**



# CHANGES YOU CAN EXPECT FROM THE FIU

- **FASTER RESPONSE TIMES TO INQUIRIES ABOUT STRS**
- **FASTER COMPLETION OF MATTERS**
- **BETTER QUALITY OF ANALYTICAL REPORTS**
- **MORE STRATEGIC ANALYSIS**
- **REDUCTION OF THE SIGNIFICANT BACKLOG OF CASES**





# **WHAT WE EXPECT FROM YOU**

- **ENSURE THAT YOUR MLROs REGISTER ON FIUCONNECT**
- **PROVIDE US WITH AS MUCH INFORMATION AS YOU CAN WHEN YOU FILE YOUR STR**
- **FILE YOUR STR AS SOON AS THE SUSPICION IS RAISED**
- **QUICKLY RESPOND TO OUR PRODUCTION ORDERS**



**THANK YOU!**

