



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO



FINANCIAL INTELLIGENCE UNIT  
OF TRINIDAD AND TOBAGO

2017 ANNUAL REPORT







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FIU Ref: INF/1198/2017/PAO

November 27, 2017

The Honourable Mr. Colm Imbert  
Minister of Finance  
Ministry of Finance  
Level 8  
Eric Williams Finance Building  
Independence Square  
PORT OF SPAIN


Dear Minister,

**Re: Letter of Transmittal**

I have the honour to submit the Annual Report on the operations of the Financial Intelligence Unit of Trinidad and Tobago for the period October 01, 2016 to September 30, 2017.

The Annual Report is submitted in accordance with section 18 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01.

Yours Sincerely,

  
.....  
Susan S. François  
Director  
Financial Intelligence Unit





MARKET

FINANCE

ENERGY

HEALTHCARE

MARKET

FINANCE

ENERGY

HEALTHCARE

RETAIL



## VISION

Our vision is for Trinidad and Tobago to have strong and dynamic financial and business sectors free from money laundering, financing of terrorism and other financial crimes.

## MISSION

To effectively detect and deter money laundering and financing of terrorism, in collaboration with local law enforcement, regulators and international counterparts, thereby contributing towards a safe and stable financial, social and economic environment.

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# LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ACO	Alternate Compliance Officer
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
ATA	Anti-Terrorism Act, Chapter 12:07
BOD	Board of Directors
CBTT	Central Bank of Trinidad and Tobago
CFATF	Caribbean Financial Action Task Force
CICAD	Inter-American Drug Abuse Control Commission
CO	Compliance Officer
CU	Credit Union
DPP	Director of Public Prosecutions
FATF	Financial Action Task Force
FI	Financial Institution
FIB	Financial Investigations Branch
FIU	Financial Intelligence Unit

ABBREVIATION	MEANING
FIUA	Financial Intelligence Unit of Trinidad and Tobago Act, Chapter 72:01
FIUR	Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011
FIUTT	Financial Intelligence Unit of Trinidad and Tobago
FOR	Financial Obligations Regulations, 2010
FTFs	Foreign Terrorist Fighters
FT	Financing of Terrorism
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ICT	Information and Communication Technology
IDMS	Intranet and Document Management Solution
IRs	Intelligence Reports
ISIL	Islamic State of Iraq and the Levant
IT	Information Systems and Technology
JW	Jewellers

ABBREVIATION	MEANING
LB	Listed Business
LEA	Law Enforcement Authority
LEAWG	Law Enforcement Authority Working Group
MER	Mutual Evaluation Report
ML/FT	Money Laundering/Financing of Terrorism
MOU	Memorandum of Understanding
MVS	Motor Vehicle Sales
MVTS	Money or Value Transfer Services
NAMLC	National AML/CFT Committee
NCCT	Non-Co-operative Countries and Territories
NLOB	National Lotteries Online Betting Games
NRA	National Risk Assessment
NRFI	Non-Regulated Financial Institutions
OAS	Organisation of American States
PEP	Politically Exposed Person

ABBREVIATION	MEANING
POCA	Proceeds of Crime Act, Chapter 11:27
PMC	Private Members' Club
QTR	Quarterly Terrorist Property Report
QTR1	Quarterly Terrorist Property Report 1 – Not in possession/control of terrorist property
QTR2	Quarterly Terrorist Property Report 2- In possession/control of terrorist property
RE	Real Estate
RBA	Risk Based Approach
STR/SAR	Suspicious Transaction Report/ Suspicious Activity Report
TTPS	Trinidad and Tobago Police Service
TTSEC	Trinidad and Tobago Securities and Exchange Commission
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolution

# STATEMENT OF THE DIRECTOR

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This Eighth Annual Report of the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) provides an overview of its operations for the period October 1, 2016 to September 30, 2017.

Following the publication of Trinidad and Tobago's 4<sup>th</sup> Round Mutual Evaluation Report (4<sup>th</sup> MER) in June 2016, the FIUTT developed a strategic action plan to implement recommendations to strengthen our Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) regime. Strategic actions were instituted at the operational, institutional, and legislative levels and are further elaborated in this report.

At the operational level, a key priority for the FIUTT is to provide timely and high quality financial intelligence to local and foreign authorities, in accordance with our AML/CFT laws. Financial intelligence is the product from analysis of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) received from reporting entities. The FIUTT's analytical ability to link seemingly unrelated transactions and add value from other information sources, allows us to make unique intelligence contributions to the investigation of Money Laundering, Financing of Terrorism and related crimes.

In this reporting period, the FIUTT received 877 STRs/SARs, a record number of disclosures, reflecting a significant increase of 19%, from the 739 received in the previous reporting year. Consistently, the Banking and Money Value Transfer Services sectors were the most active Reporting Entities, accounting for 81% of the total STRs/SARs.

The record number of 877 disclosures showed an unprecedented monetary value of over TT\$ 22 billion in suspected proceeds of criminal conduct. This is an unprecedented increase because the cumulative monetary value of suspicious transactions reported for the previous five years of 2011-2016 was only TT\$ 4.5 billion. Of the 877 STRs/SARs, 94% were completed suspicious transactions with a monetary value of TT\$ 8.4 billion while 6% were attempted transactions with a monetary value of TT\$ 13.6 billion.

Notably, while only 6% of the 877 STRs/SARs were attempted transactions, the dollar value of these attempted transactions was 62% of the total value of the STRs/SARs. The fact that these transactions were blocked reflects the robust risk management systems which reporting entities have instituted to monitor large and unusual transactions and to pay attention to customers who may want to use the financial system to launder illicit funds.

The continuing impact of the global terrorism threat was again demonstrated by the significant increase of STRs/SARs related to suspected Financing of Terrorism. Of the 877 STRs/SARs received, 112 related to suspected Financing of Terrorism offences, an increase of 62% from the previous year. To date, the FIUTT's intelligence reveals 251 citizens of Trinidad and Tobago suspected of being involved in the Financing of Terrorism and related offences.

The FIUTT completed analysis on 647 of the 877 new cases received which generated 182 Operational Intelligence reports, of which 136 related to suspected Money Laundering and 46 related to Financing of Terrorism. Of these reports, the FIUTT sent 140 to local law enforcement authorities and 42 to foreign law enforcement authorities and foreign FIUs.

The results of the analysis of the 647 STRs/SARs also contributed to the FIUTT's development of three Strategic Intelligence reports namely, "*Foreign Terrorist Fighters and Their Facilitation Networks in Trinidad and Tobago*", "*Real Property Fraud*" and "*Fraud in the Insurance (motor vehicle) sector*". The Strategic Intelligence reports were shared with law enforcement authorities, foreign FIUs, reporting entities and AML/CFT regulators with the expectation that it would assist in their efforts to deter and detect the identified criminal activities. In particular, the report on "*Foreign Terrorist Fighters and Their Facilitation Networks in Trinidad and Tobago*" recommends action on building intelligence and investigative capacity, execution of prevent radicalisation strategies,

deterrent action such as designations of individuals as terrorists, prosecution and monitoring of suspected returning Foreign Terrorist Fighters (FTFs) and their facilitators.

Effectively combating and preventing financial crime require a multi-disciplined approach, which is often beyond the reach of any single law enforcement or prosecutorial authority. The FIUTT offers a critical avenue for information sharing between financial institutions and law enforcement/prosecutorial authorities, as well as between jurisdictions, in a secure manner. To this end, the FIUTT participated in inter-agency collaboration, inter-ministerial committees and task forces to counter financial crime and provided valuable financial intelligence to local law enforcement authorities to assist in their investigations. In this reporting period, 176 Money Laundering charges were laid against 7 individuals for laundering over TT\$7.2million. The criminal conduct which led to the Money Laundering charges were, illegal gambling, fraud, larceny and drug trafficking.

The FIUTT's intelligence also supported further action by the Attorney General under the Anti-Terrorism Act (ATA). The Attorney General petitioned the High Court of Justice of the Republic of Trinidad and Tobago, under the ATA, to designate several individuals and entities as terrorists and to freeze their assets. The Court designated two Trinidad and Tobago nationals and three persons of Guyanese origin under UNSCR 1373 and 258 individuals and entities under UNSCR 1267. The FIUTT immediately notified the reporting entities to verify if any of those 263 persons had funds their institution and to freeze such funds immediately.

On the regulatory side, the FIUTT conducted 22 AML/CFT training and awareness seminars, in which 1197 compliance professionals participated. The seminars provided guidance on effective reporting of suspicious transactions and on compliance issues identified during its supervisory and analytical functions and in the 4<sup>th</sup> MER.

In addition, the FIUTT escalated its enforcement action for AML/CFT violations. 216 entities were identified for contraventions which included failure to register with the FIUTT and failure to rectify deficiencies observed during compliance audits. Enforcement action comprised warning and deficiency letters, which escalated to directives when the compliance failure continued. The FIUTT issued directives for compliance failures to twelve Supervised Entities.

At the institutional level, the FIUTT was able to increase its complement of staff in the analysis division by five analysts and in the compliance and outreach division by seven compliance officers. However, while the sanctioned staff level is 49, a number of positions are still vacant and it is expected that these will be filled in the forthcoming year.

On the international front, the FIUTT participated in the prestigious "Best Egmont Case Award". The case submitted, which described Money Laundering techniques through corporate entities, has been selected for use in the FATF/Egmont Joint Beneficial Ownership Project.

Looking forward, the FIUTT is a critical agency for Trinidad and Tobago to be able to demonstrate effective implementation of the FATF 40 Recommendations. In the year ahead, therefore, the FIUTT's main priorities will be:

- producing useful intelligence reports in a timely manner;
- actively promoting co-operative relationships with reporting entities;
- providing a resilient learning environment for new staff to ensure that they are fortified for their tasks ahead;
- upgrading the existing Information Technology Infrastructure by implementing a secure electronic communication system with reporting entities;
- participating fully with our local and international partners to combat the threat of terrorism; and
- contributing to the development and implementation of legislation to bring the jurisdiction into compliance with the FATF 40 Recommendations.

I wish to commend the staff for their hard work, commitment and professionalism, which have allowed the FIUTT to achieve notable successes throughout the years. I acknowledge the support of our stakeholders in co-operating with the FIUTT in the delivery of our mandate and look forward to continuing our work together in strengthening our country to combat the scourge of criminality.

**Susan S. François**  
**Director**

# 2017

## AT A GLANCE



\$22 Billion  
in reported  
suspicious  
transactions



More STRs/SARs  
filed on suspected  
terrorist activities



Trends in Real  
Property and  
Motor Vehicle  
Insurance Fraud



More Money  
Laundering  
charges



Sharing expertise  
with foreign FIUs

# PROLOGUE

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A summary of the findings in Trinidad and Tobago's 4<sup>th</sup> Round Mutual Evaluation Report and Enhanced Follow-up Process

The Caribbean Financial Action Task Force (CFATF) selected Trinidad and Tobago as the first of 25 member countries to be evaluated in the Fourth Round Mutual Evaluations for conforming to the FATF's 40 Recommendations for AML/CFT compliance. The Mutual Evaluation process consisted of an assessment of Trinidad and Tobago's compliance with two components: technical compliance – whether the country's AML/CFT legal framework meets the international standard of FATF's 40 Recommendations; and effectiveness - the extent to which eleven Immediate Outcomes (IOs) are achieved.

The Fourth Round Mutual Evaluation Report (4<sup>th</sup> MER) of Trinidad and Tobago was published on June 6<sup>th</sup>, 2016. Based on its findings, Trinidad and Tobago was placed under the Enhanced Follow-up Process (EFP), since it was rated as non-compliant and partially compliant in 15 of the Recommendations and given a low or moderate level of effectiveness for the eleven IOs as shown in the Table A and Table B below. EFP means Trinidad and Tobago must present Follow-up Reports (FUR) at specified intervals to CFATF and FATF on the steps taken to address the deficiencies identified in the 4<sup>th</sup> MER.

Trinidad and Tobago presented its 1<sup>st</sup> FUR to CFATF in May 2017 at the CFATF XLV Plenary. The 1<sup>st</sup> FUR detailed the progress made by Trinidad and Tobago since the 4<sup>th</sup> MER in rectifying the technical deficiencies and achieving greater effectiveness in the eleven IOs.

As part of the EFP, in September 2017, Trinidad and Tobago met with the CFATF and the Joint Group of the FATF International Co-operation Review Group (ICRG), for a face-to-face meeting to afford Trinidad and Tobago the opportunity to demonstrate, verbally and by a written Post-Observation Period Report, that effective progress was made.

The ICRG will present its findings to the FATF at the FATF-GAFILAT Joint Plenary in October 2017\*\*. However, the Post-Observation Follow-up Report showed significant progress made in achieving effectiveness including:

- the completion of the National Risk Assessment, with results being factored into the action plans of the AML/CFT stakeholders;
- an increase in ML investigations and prosecutions by the Law Enforcement Authorities;
- more focused supervision and registration of NRFIs and LBs;
- more guidance to reporting entities provided by FIUTT, TTSEC and CBTT through guidance notes and outreach on STR filings, risk management and customer due diligence ;
- completion, by the FIUTT, of strategic intelligence analysis in ML and FT;
- additional human resources provided to the FIUTT, law enforcement and prosecutorial authorities;
- targeted training for staff of competent authorities to build expertise;
- greater use of financial intelligence in investigations of ML, FT and related criminal activity; and
- legislative measures to address deficiencies in the AML/CFT legal framework.

Trinidad and Tobago AML/CFT stakeholders, in both public and private sectors, have already taken significant strides to implement the priority actions recommended in the 4<sup>th</sup> MER and are committed to building a strong AML/CFT infrastructure.

Trinidad and Tobago's 4<sup>th</sup> MER can be found at [www.cfatf-gafic.org](http://www.cfatf-gafic.org)

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\*\* The FATF-GAFILAT Joint Plenary took place from October 29 to November 3, 2017 which is outside the reporting period of this Annual report. However, the FATF agreed that Trinidad and Tobago showed tangible and positive progress in a number of areas, although strategic deficiencies remain, and endorsed the action plan to address those deficiencies. A high level political commitment was given by Trinidad and Tobago to work with both FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, to address the remaining identified deficiencies in accordance with the action plan.

**TABLE A**  
**TECHNICAL COMPLIANCE RATINGS**

<b>R.1</b> Assessing risks & applying a risk-based approach	<b>R.2</b> National co-operation and co-ordination	<b>R.3</b> Money Laundering offence	<b>R.4</b> Confiscation and provisional measures	<b>R.5</b> Terrorist financing offence	<b>R.6</b> Targeted financial sanctions related to terrorism & terrorist financing
<b>PC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>C</b>	<b>PC</b>
<b>R.7</b> Targeted financial sanctions related to proliferation	<b>R.8</b> Non-profit organisations	<b>R.9</b> Financial institution secrecy laws	<b>R.10</b> Customer due diligence	<b>R.11</b> Record Keeping	<b>R.12</b> Politically exposed persons
<b>NC</b>	<b>NC</b>	<b>C</b>	<b>LC</b>	<b>C</b>	<b>C</b>
<b>R.13</b> Correspondent banking	<b>R.14</b> Money or value transfer services	<b>R.15</b> New technologies	<b>R.16</b> Wire transfers	<b>R.17</b> Reliance on third parties	<b>R.18</b> Internal controls and foreign branches and subsidiaries
<b>C</b>	<b>C</b>	<b>C</b>	<b>LC</b>	<b>C</b>	<b>C</b>
<b>R.19</b> Higher-risk countries	<b>R.20</b> Reporting of suspicious transaction	<b>R.21</b> Tipping-off and confidentiality	<b>R.22</b> DNFBPs: Customer due diligence	<b>R.23</b> DNFBPs: Other measures	<b>R.24</b> Transparency and beneficial ownership of legal persons
<b>PC</b>	<b>C</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>PC</b>



**TABLE A (Continued)**  
**TECHNICAL COMPLIANCE RATINGS**

<b>R.25</b> Transparency and beneficial ownership of legal arrangements	<b>R.26</b> Regulation and supervision of financial institutions	<b>R.27</b> Powers of supervisors	<b>R.28</b> Regulation and supervision of DNFBPs	<b>R.29</b> Financial intelligence units	<b>R.30</b> Responsibilities of law enforcement and investigative authorities
<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>	<b>LC</b>	<b>C</b>
<b>R.31</b> Powers of law enforcement and investigative authorities	<b>R.32</b> Cash couriers	<b>R.33</b> Statistics	<b>R.34</b> Guidance and feedback	<b>R.35</b> Sanctions	<b>R.36</b> International instruments
<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>	<b>PC</b>	<b>LC</b>
<b>R.37</b> Mutual legal assistance	<b>R.38</b> Mutual legal assistance: freezing and confiscation	<b>R.39</b> Extradition	<b>R.40</b> Other forms of international co-operation		
<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>		

**R** = RECOMMENDATION; **C** = COMPLIANT; **LC** = LARGELY COMPLIANT; **PC** = PARTIALLY COMPLIANT; **NC** = NON COMPLIANT

**TABLE B**  
**EFFECTIVENESS LEVEL RATINGS**

<b>IO.1</b> Risk, policy and co-ordination	<b>IO.2</b> International co-operation	<b>IO.3</b> Supervision	<b>IO.4</b> Preventive measures	<b>IO.5</b> Legal persons and arrangements	<b>IO.6</b> Financial intelligence
<b>Mod.</b>	<b>Mod.</b>	<b>Mod.</b>	<b>Mod.</b>	<b>Mod.</b>	<b>Mod.</b>
<b>IO.7</b> ML Investigation and Prosecution	<b>IO.8</b> Confiscation	<b>IO.9</b> FT investigation & prosecution	<b>IO.10</b> FT preventive measures & financial sanctions	<b>IO.11</b> PF financial sanctions	
<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	

**High** = HIGH; **Sub.** = SUBSTANTIAL; **Mod.** = MODERATE; **Low** = LOW

## CHAPTER I -

# COMBATTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

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Money Laundering (ML) and the Financing of Terrorism (FT) have been identified with increasing concern as being a global threat to safety and the economic integrity of countries and the growth of criminality amongst individuals, organisations and societies. As a result, the Financial Action Task Force (FATF) has issued 40 mandatory Recommendations which must be implemented by its member states to foster international co-operation and co-ordination domestically in the fight against ML/FT.

Recommendation 29 of the FATF's 40 Recommendations requires each member state to establish a Financial Intelligence Unit (FIU) as an autonomous independent body to serve as a national centre for the collection, analysis and dissemination of financial intelligence and information. This role of an FIU is thus of central importance in the fight against ML/FT. Trinidad and Tobago has complied by not only establishing the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) but by also implementing a comprehensive legislative framework aimed at protecting the local financial system from the risk of ML/FT.

The FIUTT was established by **The Financial Intelligence Unit of Trinidad and Tobago Act Chap. 72:01 (FIUA)** and its powers and functions are further set out in the subsidiary legislation **The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011, (FIUR)**, as amended by **Legal Notice No. 403 of 2014**.

The FIUTT functions as a specialised intelligence agency for the receipt and, analysis of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) and the dissemination of financial intelligence and information to comply with Recommendation 29. It also acts as a Supervisor to monitor specified Supervised Entities and enforce compliance of Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) obligations. These functions are separate and distinct from investigative action, which is conducted by the Law Enforcement Authorities (LEAs).

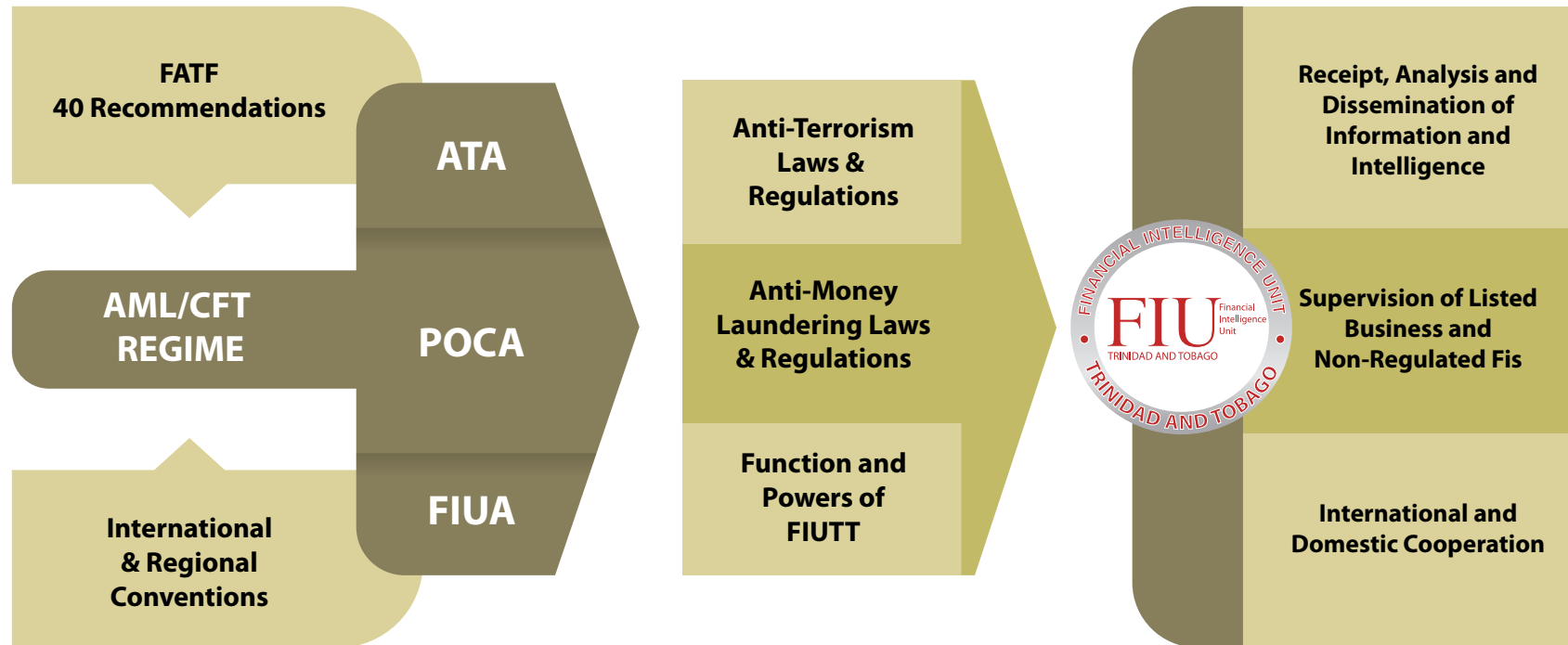
The FIUTT is a division within the Ministry of Finance. The Unit's core operational areas are Analysis, Compliance and Enforcement, Outreach and Domestic and International Co-operation supported by Legal, Information Systems and Technology (IT), and Administrative Divisions.

Apart from the FIUA and the FIUR, the current AML/CFT legislative framework comprises other legislative instruments. **The Proceeds of Crime Act Chap. 11:27 (POCA)** created the offence of "Money Laundering" and established the procedure through which the proceeds of drug trafficking and other serious crimes may be confiscated. Established under section 56 of the POCA, **The Financial Obligations Regulations, 2010 (FOR)** contains the AML/CFT measures and procedures with which Reporting Entities must implement to enable them to deter and detect ML and to report suspicious transactions and activities to the FIUTT.

With regard to counter-financing of terrorism **The Anti-Terrorism Act Chap. 12:07 (ATA)** criminalises terrorism and makes provision for the detection, prevention, prosecution, conviction and punishment of terrorist acts, the financing of terrorism and for the confiscation, forfeiture and seizure of terrorists' assets. The subsidiary legislation **The Financial Obligations (Financing of Terrorism) Regulations 2011** ensure that the obligations stipulated under the FORs for ML apply equally to FT.

Diagram 1 below illustrates the components of the AML/CFT legislative regime and the FIUTT's core functions in relation to its institutional structure.

**DIAGRAM 1**  
**ESTABLISHMENT AND LEGAL FRAMEWORK**



## CHAPTER II -

# FOSTERING A CULTURE OF COMPLIANCE

### 1. COMPLIANCE FOR INTELLIGENCE

Trinidad and Tobago continues to support and participate in the global fight against ML and FT. The FIUTT continues to make significant contributions to national policies and strategies in alignment with FATF's international standards. Moreover, the FIUTT has strengthened its efforts to ensure that Reporting Entities, Financial Institutions (FIs) and Listed Businesses (LBs) are effectively supervised for compliance with the national AML/CFT regime.

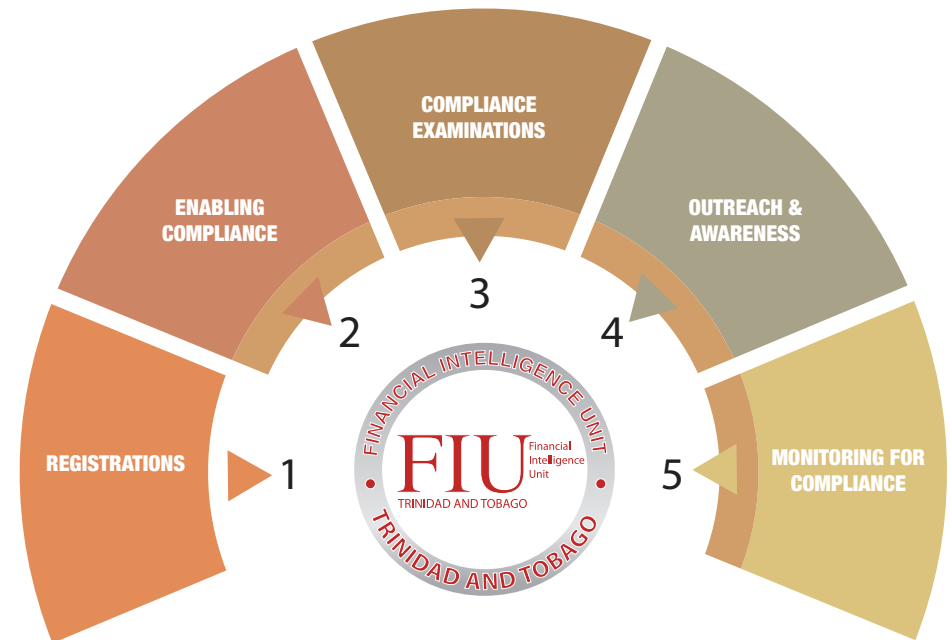
As part of our legal responsibility, the FIUTT supervises 14 sectors, comprising LBs and Non-Regulated Financial Institutions (NRFIs) collectively referred to as Supervised Entities, to ensure effective implementation of their AML/CFT obligations.

As an AML/CFT regulator, the FIUTT has established strategies to evaluate the measures taken by Supervised Entities to mitigate their ML/FT risks. Centered on the "Compliance for Intelligence" concept, the strategies focused on those obligations which most effectively facilitate the production of financial intelligence. The concept recognises that the overall effectiveness of our country's AML/CFT regime depends on our reporting entities submitting to the FIUTT high quality and timely STRs/SARs.

The Compliance & Outreach (C&O) Division of the FIUTT performs a range of supervisory and monitoring activities on LBs and NRFIs, to ensure that they are not unwittingly facilitating ML and FT. Diagram 2 illustrates the supervisory functions of the FIUTT. These functions and the C&O Division's achievements are further detailed in this chapter.

**DIAGRAM 2**

**FUNCTIONS OF THE COMPLIANCE AND OUTREACH DIVISION**



## 2. REGISTRATION OF SUPERVISED ENTITIES

### i. Registrations

Supervised Entities are required to register with the FIUTT within three months of commencing business activity or incorporation as a company, in accordance with Regulation 28 (1) of the FIUA. The FIUTT has observed greater compliance with this obligation based on the annual increase in the number of registrants.

For the reporting period, 267 new registrants were recorded. The Real Estate and Attorney-at-Law sectors continue to account for the highest number of new registrants with 132 and 52 entities respectively. Registrations continue to increase due to consistent efforts by the FIUTT to improve compliance through the following actions:

- continued surveillance for unregistered businesses;
- publication of notices in the media to register with the FIUTT if a business performs the functions listed in the First Schedule of the POCA;
- partnership with government agencies and industry associations; and
- enforcement action for failure to register.

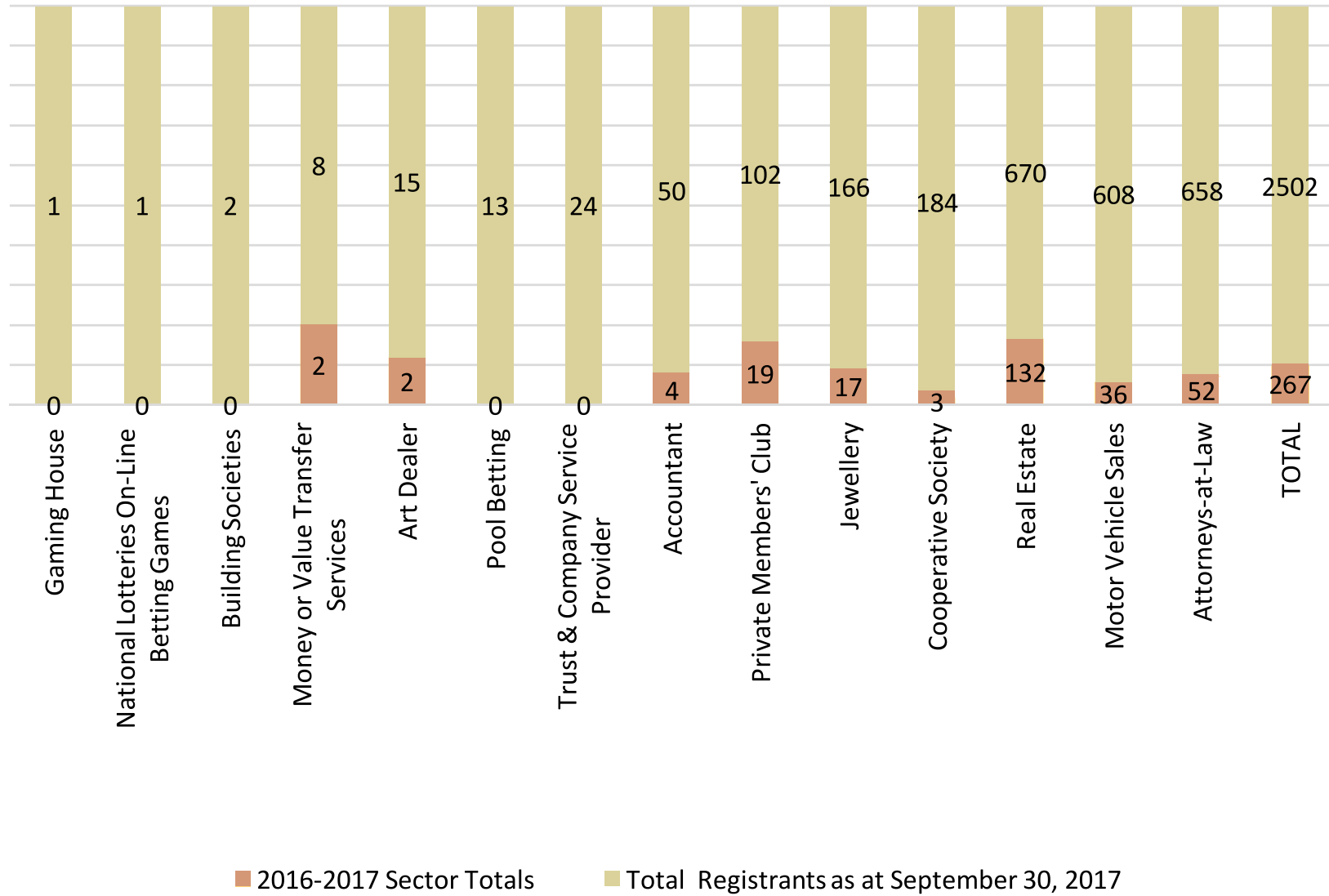
The overall increase of 9.3% from the previous reporting period brought the total number of registrants in the 14 sectors to 2,502 (See Diagram 3). The FIUTT's list of registrants is updated and published quarterly on the FIUTT's website. This list is useful to Reporting Entities and other local and foreign stakeholders in the conduct of due diligence or investigations.

### ii. Enhancing the De-Registration Process

In order to ensure that the list of registrants include only those who perform the specified functions as listed in the First Schedule of POCA, the FIUTT has instituted the de-registration process. In this reporting period, the FIUTT introduced a "De-registration of Listed Business" form (RG2), which includes a legally binding declaration signed by the beneficial owner(s) of the business. An entity that no longer performs the specified functions is required to complete and submit the form to the FIUTT.

Additionally, the FIUTT adopted a new strategy to publish a list of de-registered entities which will assist AML/CFT stakeholders in their due diligence procedures. The list of de-registered entities is published on the FIUTT's website and updated quarterly. For this reporting period a total of 53 entities de-registered.

**DIAGRAM 3**  
**TOTAL NUMBER OF FIUTT REGISTRANTS BY SECTOR**



### 3. ENABLING COMPLIANCE

In addition to registration, Supervised Entities are required to comply with all AML/CFT legal obligations. These include designating a Compliance Officer (CO) and Alternate Compliance Officer (ACO) and consulting the national and international sanction lists.

#### i. Approval of the Compliance and Alternate Compliance Officers

For the period under review, the FIUTT received a total of 286 applications for approval of CO and ACO designated by Supervised Entities. The applications were evaluated to ensure requirements set out in Regulations 3 and 4 of the FORs were met and the candidates were capable of performing the functions of the CO and 233 applicants were approved.

Diagram 4 shows a comparative view of the entities registered and the number of COs and ACOs approved in the high risk sectors. The FIUTT observed the Real Estate, Attorneys-at-Law and Motor Vehicle Sales sectors were largely compliant with this obligation. The following measures adopted by the FIUTT can be attributed to compliance with this obligation:

- increased vigilance in ensuring that CO's and ACO's are appointed when the entity is registered;
- continuous sensitisation of the importance of the role of the CO and ACO at FIUTT's Outreach and Awareness seminars;
- monitoring the entity's compliance with this obligation; and
- taking enforcement action for failure to appoint a CO and ACO.

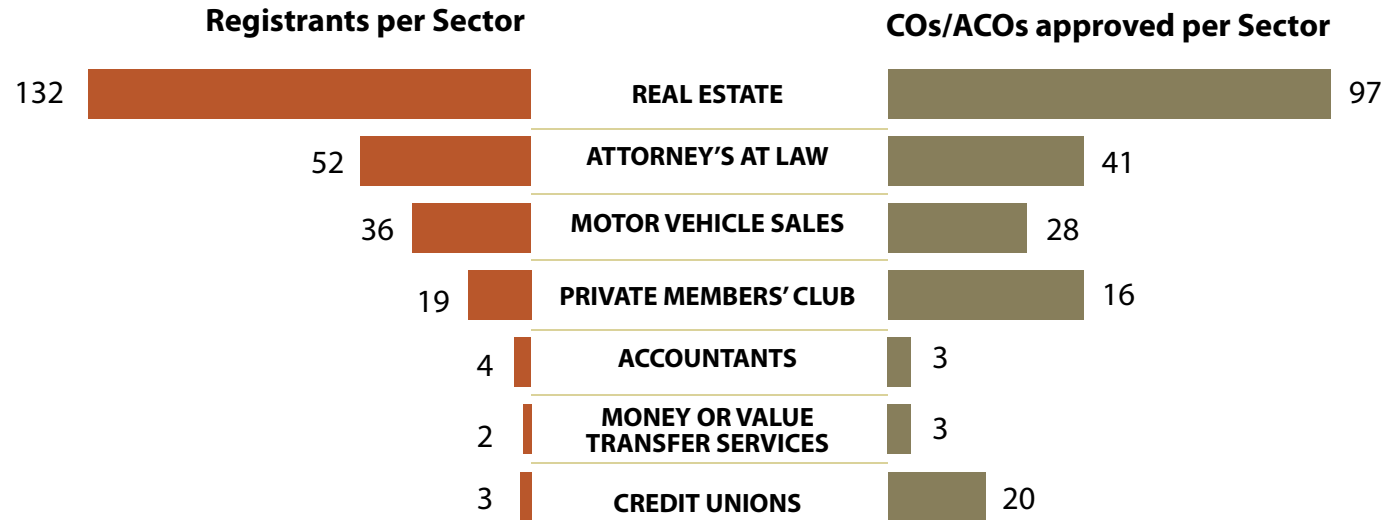
The CO acts as the official liaison between the entity and the FIUTT, and is ultimately responsible for the evaluation of suspicious transactions and activities identified internally. It is therefore, critical that the CO obtains adequate AML/CFT training, understands the nature of the entity's business and understands the sector's ML/FT risks and the AML/CFT obligations. This will enable the CO to provide sound advice to the Board of Directors (BOD)/Senior Management as well as train employees on AML/CFT related matters. The CO should have a decision making role and practice high ethical standards in the conduct of their functions. The CO's responsibilities include:

- implementation of effective AML/CFT policies and procedures;
- ensuring continuous compliance with the AML/CFT laws and regulations;
- receiving, reviewing and reporting suspicious activities to the FIUTT; and
- maintaining records of reports made to the CO and to the FIUTT.

An organisation must build a culture of AML/CFT compliance. It is therefore, imperative that the BOD, senior management and beneficial owners not only have an understanding of the AML/CFT legislative regime but also the importance of CO's role. Therefore, the CO must be granted the autonomy to make decisions without interference. Although the ACO performs the functions only in the absence of the CO, resources must be allocated to ensure that both the CO and ACO continuously receive adequate AML/CFT training to enable them to perform their functions effectively.



**DIAGRAM 4**  
**TOTAL REGISTRANTS AND COs APPROVED IN THE HIGH RISK SECTORS**



**ii. Quarterly Terrorist Reports**

FIs (including NRFIs) are obligated to report quarterly, whether or not they are in possession of terrorist property. FIs are required to consult two mandatory lists, the ISIL (Da'esh) & Al-Qaida Sanctions United Nations Security Council Resolution 2253 List (formerly UN 1267 List) and the Trinidad and Tobago Consolidated List of Court Orders (released in December 2015).

A Quarterly Terrorist Property Report 1 (QTR1) is filed where no customer of the FI is named or linked to any person(s) or organisation(s) listed. Whereas, a QTR2 is filed when the FI has identified a customer who appears on either list.

FIUTT has observed that FIs have extended their due diligence by consulting other sanction lists. This is an indication of the FIs improved awareness of their risk of the financing of terrorism by their voluntary consultation with these lists.

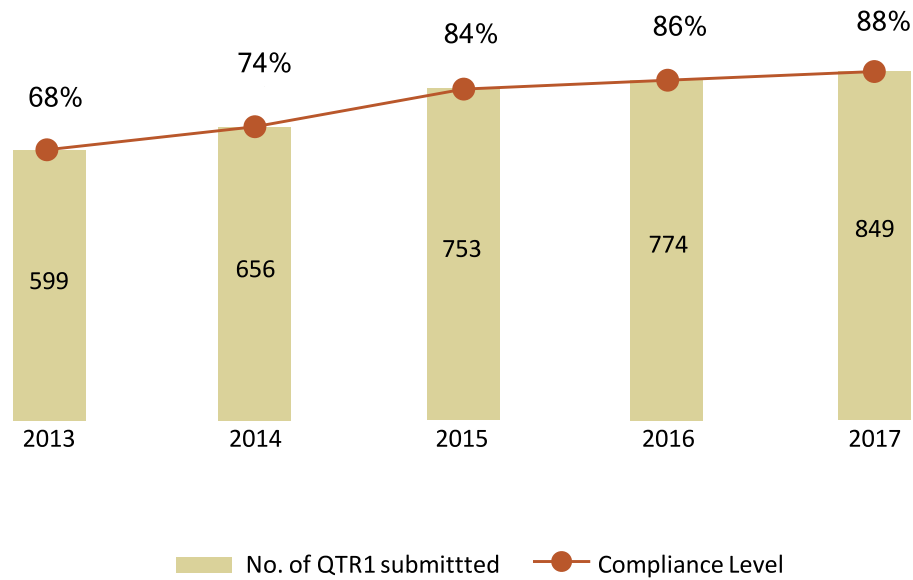
An overall increase in compliance with this obligation was noted during this reporting period, particularly with those FIs that perform Insurance and Banking activities. The improvements were observed following FIUTT's intensified efforts in the following areas:

- enforcement for non-compliance;
- outreach and awareness seminars to FIs and NRFIs; and
- stakeholder engagement.

The FIUTT will continue to take appropriate measures to address all compliance issues among FIs and NRFIs.

Diagram 5 illustrates QTR1 Compliance Levels.

**DIAGRAM 5**  
**QTR1 COMPLIANCE LEVELS**



**4. COMPLIANCE EXAMINATIONS**

One facet of the national AML/CFT systems, which is essential to combat ML and FT, is implementation of our AML/CFT laws by Supervised Entities. Section 18E of the FIUA mandates the FIUTT to monitor Supervised Entities’ effective implementation of these obligations. The FIUTT has adopted a risk-based methodology which allowed for effective supervision, notwithstanding resource challenges.

Supervised Entities are continuously assessed to confirm their level of risk: high, medium or low. The assessed level of risk allows the FIUTT to focus its resources more efficiently and structure supervision based on scope, frequency and intensity. Emphasis is then placed on sectors and entities identified as being most vulnerable to ML/FT or those deemed as high risk.

Compliance examinations, a primary tool utilised by the FIUTT, are conducted to evaluate the level of effectiveness of the AML/CFT systems implemented by Supervised Entities. The scope, frequency and intensity of compliance examinations are influenced by several factors ascertained while assessing the entity’s ML/FT vulnerability, including:

- the nature and size of the entity;
- the type of transactions/services offered;
- regulatory compliance;
- information obtained from the entity (volume of business and cash intensiveness);
- the FIUTT’s databases; and
- public sources.

Diagram 6 illustrates the activities performed by the C&O Division before, during and after a compliance examination on a Supervised Entity.

**DIAGRAM 6**  
COMPLIANCE EXAMINATION ACTIVITIES

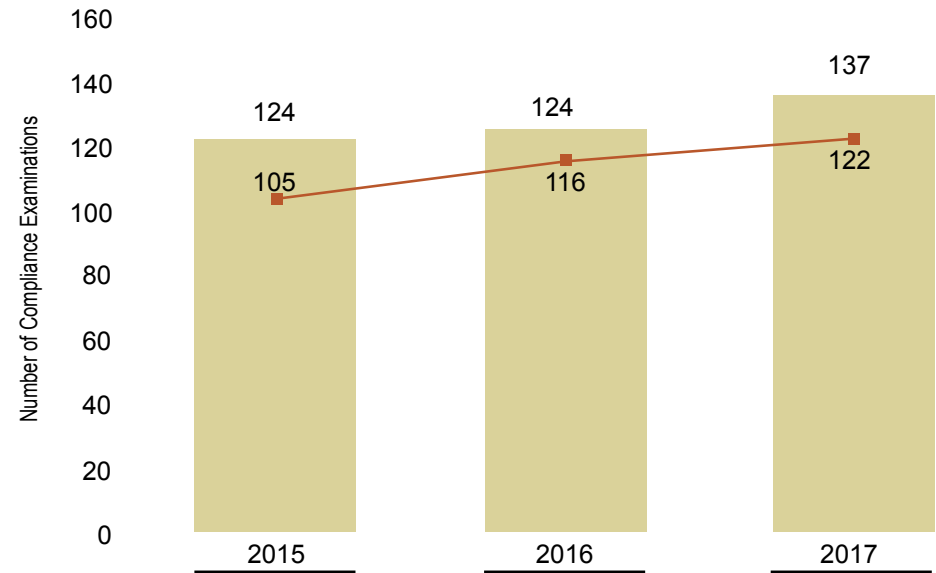


Diagram 7 shows the total number of compliance examinations conducted compared with the number of compliance examinations conducted in high risk sectors from 2015 -2017. For the reporting period, a total of 137 compliance examinations were conducted on entities throughout Trinidad and Tobago, which is a 10% increase from the previous reporting year. 89% were conducted on entities in the high risk sectors (Private Members' Clubs, Real Estate, Motor Vehicle Sales, Attorneys-at-Law, Accountants and Credit Unions). Thus, there was a 74% and 56% increase in compliance examinations conducted on entities in the Real Estate and MVS sectors respectively, from the previous reporting year.

The FIUTT gives feedback to the entity, verbally and in writing, on the entity's AML/CFT compliance measures together with recommendations to rectify weaknesses within specified timeframes. Some of the common weaknesses identified during compliance examinations included:

- non-compliance with obligations relative to Compliance Officers;
- inadequate customer due diligence and enhanced due diligence measures;
- inadequate measures to identify and report suspicions in a timely manner; and
- lack of independent testing for AML/CFT compliance.

**DIAGRAM 7**  
**TOTAL COMPLIANCE EXAMINATIONS CONDUCTED AND COMPLIANCE EXAMINATIONS CONDUCTED IN HIGH RISK SECTORS FROM 2015 -2017**



Total CE	124	124	137
CE in high risk sectors	105	116	122

## 5. OUTREACH AND AWARENESS

Forging partnerships with our stakeholders is crucial to our success.

One primary obligation of the FIUTT is to provide awareness to its Supervised Entities on their AML/CFT obligations aimed at improving and building their compliance systems. To this end, the FIUTT strengthened its outreach initiatives in this reporting period.

The FIUTT collaborated with the relevant stakeholders and facilitated seminars for entities in high risk sectors. These seminars addressed topics which were aligned to the findings, threats and ML/FT trends identified through the FIUTT's supervisory and analytical functions. In addition to topics such as "Financing of Terrorism" and "Effective Suspicious Transaction Reporting", "Proliferation Financing" was introduced.

The FIUTT partnered with public and private stakeholders to widen its audience including the Judiciary of Trinidad and Tobago, Global Forensic Institute, Association of Real Estate Agents, Association of Trinidad and Tobago Insurance Companies, Association of Compliance Professionals of Trinidad and Tobago, Association of Private Members' Clubs, Association of Southern Lawyers and the Hugh Wooding Law School.

Additionally, sector specific seminars were hosted, for entities in the high risk sectors (Attorneys-at-Law, Accountants, Money or Value Transfer Services, Motor Vehicle Sales, Private Members' Clubs, Real Estate and Credit Unions).

For the reporting period, 1197 compliance professionals participated in 22 seminars, which included a workshop component where typologies of ML/FT cases were utilised.

### New Initiatives

- i. Specific sessions were conducted for COs, ACOs and directors of newly registered entities informing them of their role and obligations under the AML/CFT legislative regime.
- ii. Technical sessions were conducted to guide entities in the Credit Union sector with improving their internal systems and taking remedial action to address deficiencies identified through supervisory functions.
- iii. Seminars were conducted on Proliferation Financing which highlighted indicators for this threat and recommended systems to mitigate the risk associated.

Table 1 illustrates 2017 outreach and awareness seminars.

**TABLE 1**  
**2017 OUTREACH AND AWARENESS SEMINARS**

No.	Month	Nature of Seminar	Co-ordinating Agency	Sector	Total Participants
		STR/FT	AREA	Real Estate	59
2	October	STR/RBA	FIUTT	Motor Vehicle Sales	1
3		STR/RBA	FIUTT	Attorneys-At-Law	1
4	November	STR/FT	Hugh Wooding Law School	Law Students	120

**TABLE 1 (Continued)****2017 OUTREACH AND AWARENESS SEMINARS**

No.	Month	Nature of Seminar	Co-ordinating Agency	Sector	Total Participants
5		FT	Association of T&T Insurance Companies	Insurance Sector	45
6	January	STR/RBA	FIUTT	Jeweller	1
7		STR/RBA	FIUTT	Motor Vehicle Sales	32
8		STR/RBA	FIUTT	Attorneys-At-Law	1
9	February	FT	London (UK) Metropolitan Police and Royal Cayman Islands Police Service (RCIPS) Financial Crimes Unit	Law Enforcement	60
10		STR/FT	Massy Motors	Motor Vehicle Sales	42
11	March	STR/FT	FIUTT	All Sectors	77
12			Global Forensic Institute	All Sectors	120
13		FT	NEM Consultants	All Sectors	175
14	May	FT	Massy Group of Companies	Motor Vehicle Sales, Real Estate, Insurance, MVTs	80
15		STR/FT	FIUTT	All Sectors	78
16	June	STR/FT	Association of Southern Lawyers	Attorneys-At-Law	20
17	July	FT	Association of Compliance Professionals of T&T	All Sectors	60
18		STR/RBA	FIUTT	All Sectors	39
19		STR/FT	T&T Private Members' Club Association	PMC and Gaming	44
20	August	FT/RBA	FIUTT	All Sectors	81
21	September	PF/STR	FIUTT	All Sectors	35
22		PF/STR	FIUTT	Credit Unions	26
					1197

## 6. MONITORING FOR COMPLIANCE

The FIUTT monitors Supervised Entities for compliance with their AML/CFT obligations. Subsequent to registration, immediate measures must be taken by entities to implement AML/CFT systems to mitigate their ML/FT risks. Monitoring for compliance includes:

- i. surveillance by FIUTT staff to ensure entities performing the functions of LBs and NRFIs are registered;
- ii. co-operation with government agencies for information on businesses granted licenses to perform the functions of a LB or NRFI;
- iii. liaising with industry stakeholder organisations;
- iv. receiving and analysing information from anonymous sources;
- v. regular desk-based review by assessing the independent external AML/CFT audit reports, remedial measures in response to compliance examination feedback and information accessed via public sources; and
- vi. evaluating the entity's compliance to enforcement action taken by the FIUTT for breaches.

The FIUTT's co-operative approach includes one-on-one sessions to provide guidance in an effort to achieve full compliance. Where an entity is found to be non-compliant with its AML/CFT obligations, the matter is escalated to the Legal Division for further enforcement action by the FIUTT.

## 7. CHALLENGES FOR THE C&O DIVISION

Supervision strategies implemented in this reporting year have borne fruit. The FIUTT observed an improvement in compliance and awareness by entities in the high risk sectors. However, the FIUTT's supervision could be more effective if internal and external challenges are resolved, such as:

- i) high staff turnover (voluntary and involuntary);
- ii) lengthy recruitment processes;
- iii) budgetary constraints affecting public awareness sensitisation and training for NRFIs and LBs; and
- iv) restrictions on entry to premises and limited sanction powers.

The FIUTT's supervisory activities on the 14 sectors have improved in scope and intensity. However, there is need to enhance the frequency of supervisory actions because of the increasing number of entities to be monitored for compliance. Therefore, the C&O Division must be adequately resourced so the FIUTT can improve the effectiveness of supervision.

**NEM LEADERSHIP CONSULTANTS, TECHNICAL ANTI-MONEY LAUNDERING SEMINAR – PORT OF SPAIN**

**NEM LEADERSHIP CONSULTANTS, TECHNICAL ANTI-MONEY LAUNDERING SEMINAR – PORT OF SPAIN**



**Ms. Susan S. François, Director of the FIUTT, delivers her presentation at the NEM Leadership Consultants, Technical Anti-Money Laundering Seminar – Port of Spain**

**Presenters at the NEM Leadership Consultants, Technical Anti-Money Laundering Seminar. L to R Ms. Joan Honore-Paul, Deputy DPP, Mr. Jean Morency, Certified AML Specialist, Mr. Nigel Mathew, Lead Consultant, NEM Leadership Consultants, Mr. Calvin Wilson, Executive Director of CFATF and Ms. Susan S. François, Director, FIUTT.**



## OUTREACH AND AWARENESS SESSION AT CUSTOM HOUSE, PORT OF SPAIN



Participants at a General Outreach and Awareness Session at Custom House, Port of Spain.

## 7<sup>TH</sup> ANNUAL TOBAGO AML/CFT CONFERENCE AT MAGDALENA GRAND, TOBAGO

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Members of the audience at the 7<sup>th</sup> Annual AML/CFT Conference in Tobago held at the Magdalena Grand Hotel.

## IN COLLABORATION WITH THE ASSOCIATION OF REAL ESTATE AGENTS OUTREACH AND AWARENESS SESSION FOR REAL ESTATE SECTOR, QUEEN'S HALL, PORT OF SPAIN

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Representatives of the Real Estate Sector in attendance at a Sector Specific Outreach and Awareness Session.

**IN COLLABORATION WITH THE TRINIDAD AND TOBAGO PRIVATE MEMBERS' CLUB ASSOCIATION AT UNIVERSITY OF TRINIDAD AND TOBAGO, CHAGUANAS CAMPUS**

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**A section of the audience at a Sector Specific Outreach and Awareness session for members of Private Members' Clubs.**

**GENERAL OUTREACH AND AWARENESS SESSION HELD AT GOVERNMENT CAMPUS PLAZA AUDITORIUM, PORT OF SPAIN**

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**Members of the audience in attendance at a general Outreach and Awareness Session.**

# CHAPTER III - FINANCIAL INTELLIGENCE

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## 1. CORE FUNCTIONS

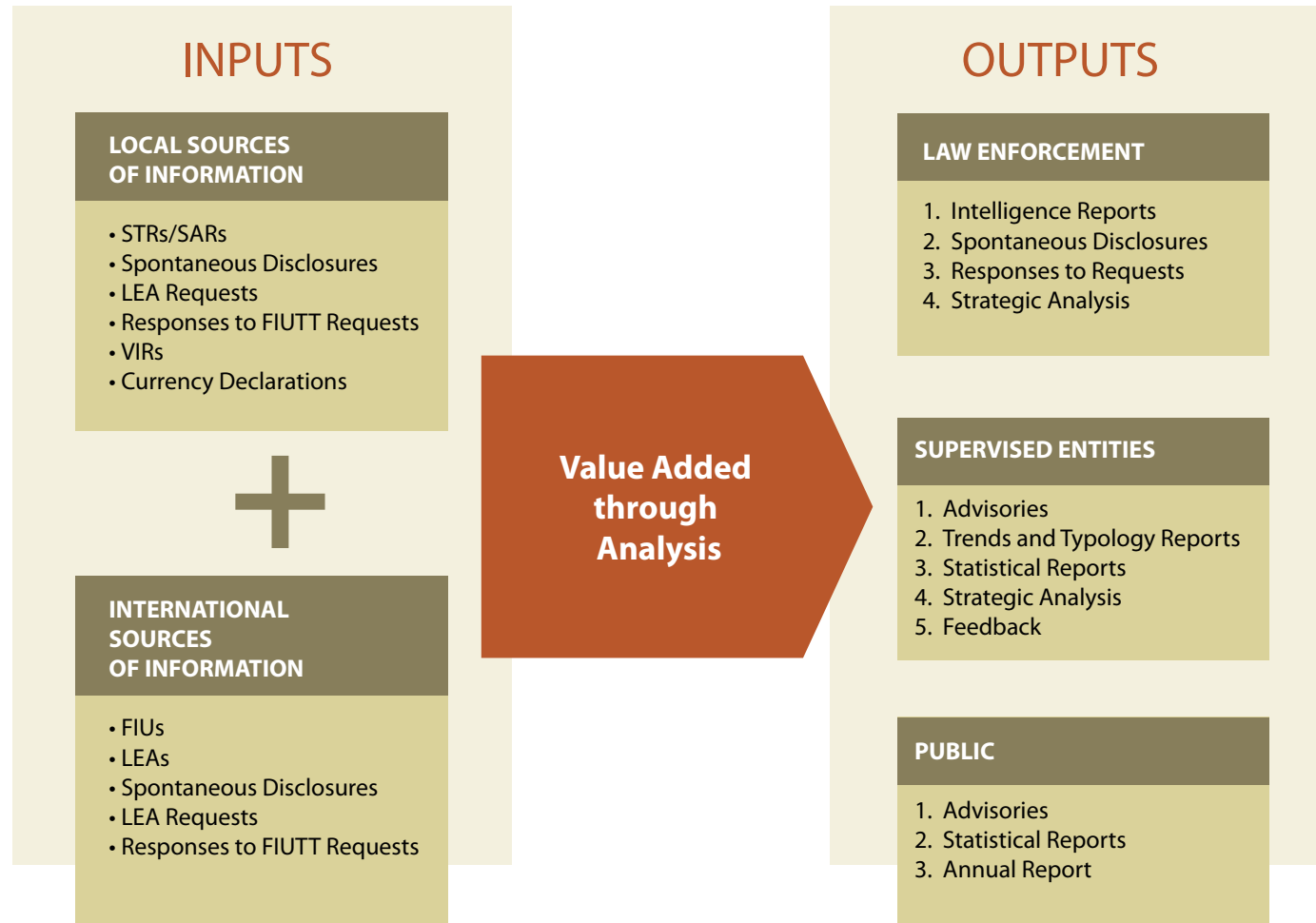
The FIUTT contributes to Trinidad and Tobago's AML/CFT efforts by providing useful financial intelligence and information to support the operations of local and foreign authorities in their investigation and prosecution of ML, FT and related criminal activity. To this end, the FIUTT receives, collects and requests information, conducts analysis and then disseminates the results of the analysis to the authorised local and foreign authorities.

The FIUTT is the only organisation legally mandated to receive information of suspicious transactions and suspicious activities from Reporting Entities required under the law to report these transactions and activities to the FIUTT. The FIUTT has created an STR/SAR form to accommodate the various types of Reporting Entities. In addition to the STRs/SARs, the FIUTT receives information from both local and international sources through Spontaneous Disclosures, Voluntary Information Reports, Cross-border currency declarations and information exchange from foreign FIUs, Law Enforcement Authorities (LEAs) and the intelligence community.

Upon receipt of the information, the FIUTT conducts both operational and strategic analysis. Operational analysis follows the money trail to identify specific targets (persons, assets, criminal networks and associations) linked to ML, FT and related crime. The results of the operational analysis may lead to the dissemination of a report to the relevant LEA recommending an investigation. Strategic analysis on the other hand identifies trends and patterns in ML, FT and related crime which then sets the stage for intelligence-led policing, and the formulation and implementation of policies to combat the criminal activity. Diagram 8 illustrates the input and output of the Analysis Division.

This chapter provides insights on the achievements of the Analysis Division with respect to STRs/SARs received, the action taken by the FIUTT, use of FIUTT's intelligence and support in complex investigations. Further, this chapter provides insights on three completed strategic intelligence products and the challenges faced by the Division in carrying out its functions.

**DIAGRAM 8**  
**THE INPUTS AND OUTPUTS OF THE ANALYSIS DIVISION**



## 2. INTELLIGENCE STATISTICS

### i. Receiving STRs/SARs

In this reporting period, the FIUTT received a total of 877 STRs/SARs. This represented an increase of 19% over the previous reporting period. The Banks and Money Value Transfer Services (MVTs) continued to be the most active reporting entities, accounting for 81% of the total STRs/SARs disclosures.

During the reporting period, submissions from the Banking Sector increased from 284 to 387 or by 36%. Disclosures from the MVTs providers increased by 50%, in comparison to the previous reporting period, from 217 to 325 reports. From discussions with stakeholders in those sectors, the increased disclosures can be attributed largely to improved transaction monitoring.

Noteworthy, there continued to be a decline in disclosures from the Co-operative Societies sector which was 51% less than that observed in the previous reporting period. This decline is significant given that the STRs/SARs submitted by the Co-operative Societies sector decreased from 86 in 2016 to a mere 42 in this reporting

period. Similarly, the STRs/SARs disclosures from Private Members' Clubs (PMCs) showed a significant decrease of 88% from 41 in 2016 to 5 in this reporting period. Table 2 gives a comparative view of STRs/SARs disclosures from 2013 to 2017 which shows sustained increases over the years.

Of the 877 STRs/SARs received, which included both completed and attempted transactions, 765 related to suspected ML and 112 to suspected FT. STRs/SARs relating to suspected FT were 12.8% of the total STRs/SARs submission, as compared to 9.3% for the previous reporting period.

Table 3 shows the STRs/SARs received from October 2016 to September 2017, by the categories of Reporting Entities, by the monetary value of disclosures, by the number of STRs/SARs completed and attempted .

**TABLE 2**  
**A COMPARATIVE VIEW OF THE STRs/SARs DISCLOSURES FROM 2013-2017**

<b>REPORTING ENTITIES</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Financial Institutions</b>					
Banking	152	188	185	284	387
Exchange Bureau	3	13	1	7	6
Finance Co.	0	0	0	4	5
Insurance Co.	3	17	28	31	47
Investment Co.	26	10	21	15	26
Mortgage Co.	5	3	25	20	5
Security Dealers	4	1	1	3	0
<b>Total FI submissions</b>	<b>193</b>	<b>232</b>	<b>261</b>	<b>364</b>	<b>476</b>
<b>Non-Regulated Financial Institutions</b>					
Co-operative Societies	20	127	144	86	42
Money/Value Transfer Services	314	196	123	217	325
<b>Total NRFI submissions</b>	<b>334</b>	<b>323</b>	<b>267</b>	<b>303</b>	<b>367</b>
<b>Listed Business</b>					
Attorneys-at-Law/Accountants	6	9	6	6	13
Jewellers	2	14	6	3	0
Motor Vehicle Sales	9	21	28	9	12
National Lotteries Online Betting Game	0	0	6	6	0
Real Estate	3	1	8	7	4
Private Members' Club	7	17	23	41	5
Gaming House	0	0	4	0	0
<b>Total LB submissions</b>	<b>27</b>	<b>62</b>	<b>81</b>	<b>72</b>	<b>34</b>
<b>TOTAL STRs/SARs submissions</b>	<b>554</b>	<b>617</b>	<b>609</b>	<b>739</b>	<b>877</b>

**TABLE 3**  
**STRs/SARs**  
**SUBMISSIONS FROM**  
**OCT. 2016 - SEPT. 2017**

INDICATOR	CATEGORIES OF REPORTING ENTITIES AND MONETARY VALUES								
	Financial Institutions							Non-Regulated Financial Institutions	
	Banks	Security Dealers	Finance Co.	Mortgage Co.	Exchange Bureau	Insurance Co.	Investment Co.	Co-operative Societies	Money Value Transfer Services
No. of Completed ML STRs/SARs	339	0	4	4	6	45	22	38	230
Value (TTD) of Completed ML STRs/SARs	1,194,338,681	0	377,120	491,650	107,232	7,124,617,739	43,234,750	8,098,009	15,432,947
No. of Completed FT STRs/SARs	8	0	0	1	0	1	2	3	95
Value (TTD) of Completed FT STRs/SARs	2,188,810	0	0	225,000	0	0	1,100,357	12,700	2,841,198
<b>Value of Completed ML &amp; FT STRs/SARs</b>	<b>1,196,527,491</b>	<b>0</b>	<b>377,120</b>	<b>716,650</b>	<b>107,232</b>	<b>7,124,617,739</b>	<b>44,335,107</b>	<b>8,110,709</b>	<b>18,274,145</b>
No. of Attempted ML Transactions	38	0	1	0	0	1	2	1	0
Value of Attempted ML Transactions	13,628,956,395	0	82,769	0	0	500	89,100	4,200,000	0
No. of Attempted FT Transactions	2	0	0	0	0	0	0	0	0
Value of Attempted FT Transactions	668,000	0	0	0	0	0	0	0	0
<b>Value of Attempted ML &amp; FT STRs/SARs</b>	<b>13,629,624,395</b>	<b>0</b>	<b>82,769</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>89,100</b>	<b>4,200,000</b>	<b>0</b>
<b>Total no. of STRs/SARs</b>	<b>387</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>47</b>	<b>26</b>	<b>42</b>	<b>325</b>
<b>Total Value (TTD) of STRs/SARs</b>	<b>14,826,151,886</b>	<b>0</b>	<b>459,889</b>	<b>716,650</b>	<b>107,232</b>	<b>7,124,618,239</b>	<b>44,424,207</b>	<b>12,310,709</b>	<b>18,274,145</b>

1 See explanation on attempted transactions at 2 (ii) "STRs/SARs by Dollar Value"



CATEGORIES OF REPORTING ENTITIES AND MONETARY VALUES

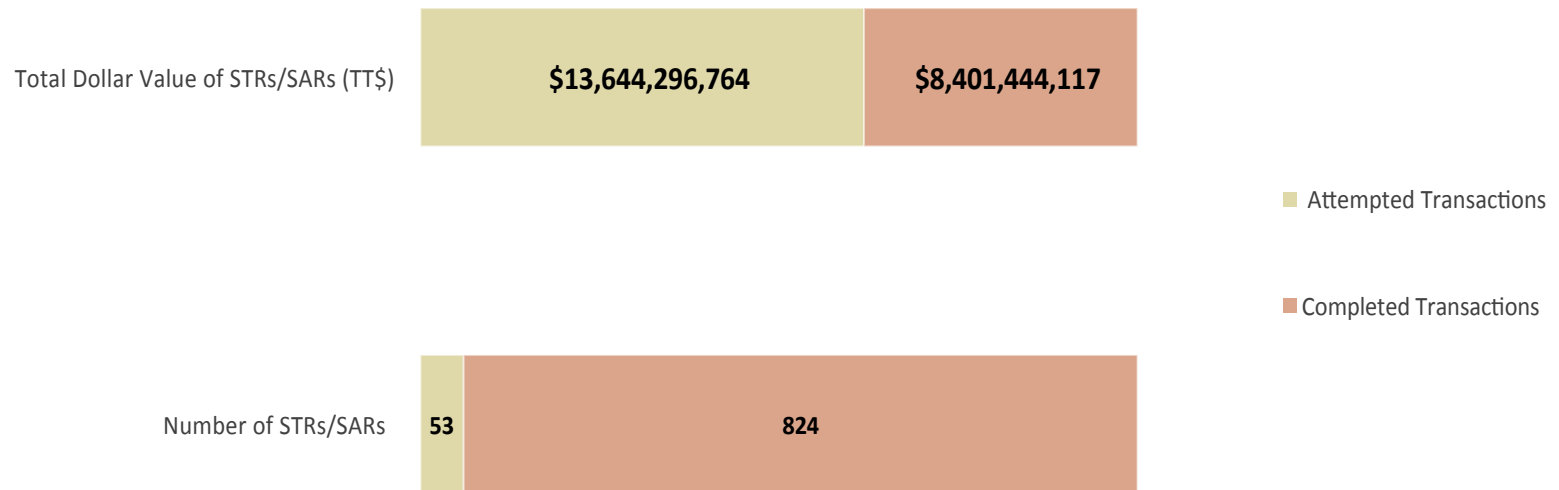
Listed Business								
Attorneys-at-Law	Accountants	Jewellers	Motor Vehicle Sales	National Lotteries Online Betting Games	Real Estate	Private Members' Club	Total Year 2017	Total Year 2016
7	0	0	12	0	2	5	714	617
3,790,000	0	0	1,940,249	0	2,230,000	417,675	8,395,076,052	456,699,626
0	0	0	0	0	0	0	110	68
0	0	0	0	0	0	0	6,368,065	6,827,739
<b>3,790,000</b>	<b>0</b>	<b>0</b>	<b>1,940,249</b>	<b>0</b>	<b>2,230,000</b>	<b>417,675</b>	<b>8,401,444,117</b>	<b>463,527,365</b>
6	0	0	0	0	2	0	51	53
7,200,000	0	0	0	0	3,100,000	0	13,643,628,764 <sup>1</sup>	341,949,895
0	0	0	0	0	0	0	2	1
0	0	0	0	0	0	0	668,000	24,018
<b>7,200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,100,000</b>	<b>0</b>	<b>13,644,296,764</b>	<b>341,973,913</b>
<b>13</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>877</b>	<b>739</b>
10,990,000	0	0	1,940,249	0	5,330,000	417,675	22,045,740,881	805,501,278

## ii. STRs/SARs by Dollar Value

For the period under review, the total monetary value of the 877 STRs/SARs submitted to the FIUTT was TT\$ 22,045,740,881. This is an unprecedented increase because the cumulative monetary value of suspicious transactions reported for the previous five years of 2011-2016 was only TT\$ 4.5 billion. Therefore, the monetary value of the STRs/SARs disclosed in 2017 was over five times the total value disclosed from 2011 to 2016.

Of the 877 STRs/SARs submitted, 824 or 94% were completed transactions with a monetary value of TT\$ 8,401,444,117 and 53 STRs/SARs or 6% were “Attempted Transactions” with a monetary value of TT\$ 13,644,296,764. See Diagram 9.

**DIAGRAM 9**  
**COMPLETED/ATTEMPTED TRANSACTIONS**



In the previous years, the number of STRs/SARs disclosures relating to attempted transactions has been consistent, however in this reporting period, the monetary value of the attempted transactions increased exponentially. The 53 attempted transactions received in this reporting period disclosed a monetary value of TT\$13,644,296,764, compared to the 54 attempted transactions in the previous reporting year which showed a monetary value of TT\$341,973,913.

Strikingly, the number of attempted transactions was only 6% of total STRs/SARs, but their monetary value accounted for 62% of the total monetary value of all the STRs/SARs received. The fact that these transactions were stopped by the Reporting Entities indicates their effective monitoring of large and unusual transactions and attention to customers who may want to use the financial system to launder illicit proceeds.

Attempted transactions disclosed in the STRs/SARs include:

- the use of fraudulent documents to obtain credit;
- attempts to wire funds to high-risk jurisdictions and/or persons;
- attempts to deposit fraudulent company cheques into accounts;
- the cancellation of transactions by customers when asked to provide the necessary “Know Your Customer” (KYC) documents; and
- the refusal by FIs and LBs to continue the transaction when they were not satisfied with the KYC documentation provided by the client.

Table 4 shows the number and value of attempted transactions for 2013 to 2017.

**TABLE 4**  
**NUMBER AND VALUE OF ATTEMPTED TRANSACTIONS FOR 2013 - 2017**

YEAR	NO. OF ATTEMPTED TRANSACTIONS	VALUE OF ATTEMPTED TRANSACTIONS (TT\$)
2017	53	13,644,296,764
2016	54	341,973,913
2015	43	81,620,510
2014	42	133,268,829
2013	29	1,120,181,980

### iii. Analysing STRs/SARs and Dissemination

In this reporting period, the FIUTT completed analysis on 647 out of 877 STRs/SARs received. The 647 STRs/SARs analysed generated 182 Intelligence Reports (IRs) of which 136 related to suspected ML and 46 related to FT. Of the 182 IRs generated, 140 were sent to local LEAs and 42 were Spontaneous Disclosures which were disseminated to foreign LEAs and foreign FIUs.

Additionally, 481 STRs/SARs from a backlog over the period 2011 to 2013 were analysed, which brings the total number of STRs/SARs analysed to 1,128.

In this reporting period, IRs disseminated decreased by 13%: a direct link to the understaffing of the Analysis Division for the major part of this reporting period.

Table 5 illustrates action taken on STRs/SARs.

**TABLE 5**  
**ACTION TAKEN ON STRs/SARs**

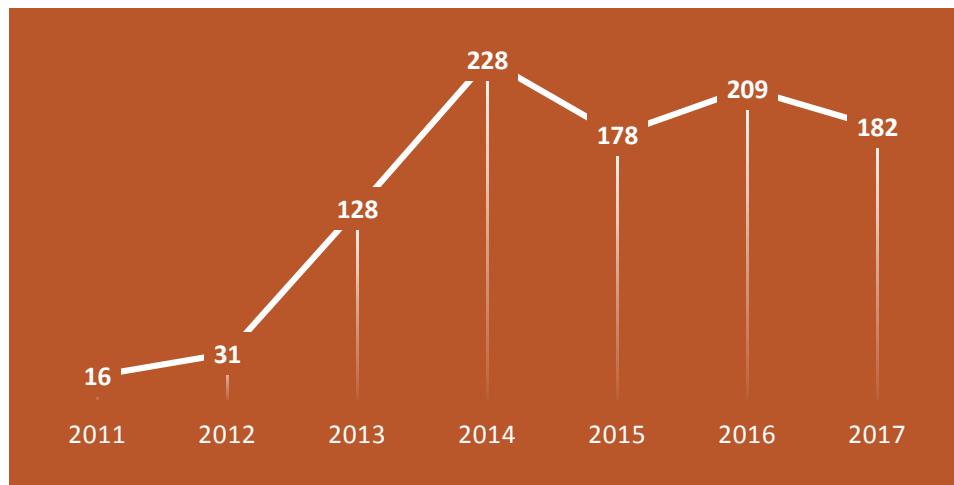
OCT. 1, 2016 - SEPT. 30, 2017					
RECEIVED	ANALYSED	INTELLIGENCE REPORTS DISSEMINATED			TOTAL
			Local	Foreign	
877*	647**	ML	112	24	136
		FT	28	18	46
		<b>TOTAL</b>	<b>140</b>	<b>42</b>	<b>182</b>

\*Includes STRs/SARs on Attempted Transactions.

\*\*Includes STRs/SARs which generated Operational and Strategic Intelligence Reports, Spontaneous Disclosures and STRs/SARs which were filed for intelligence.

Diagram 10 illustrates that for the period October 1, 2011 to September 30, 2017 a combined total of 972 IRs, inclusive of Spontaneous Disclosures, were disseminated. 75% or 729 of these IRs and Spontaneous Disclosures were disseminated to local LEAs and 25% were sent to foreign FIUs and foreign LEAs. Of the Intelligence Reports and Spontaneous Disclosures forwarded to local LEAs, 54% or 394 were sent to the Commissioner of Police for investigation.

**DIAGRAM 10**  
**INTELLIGENCE REPORTS DISSEMINATED 2011- 2017**

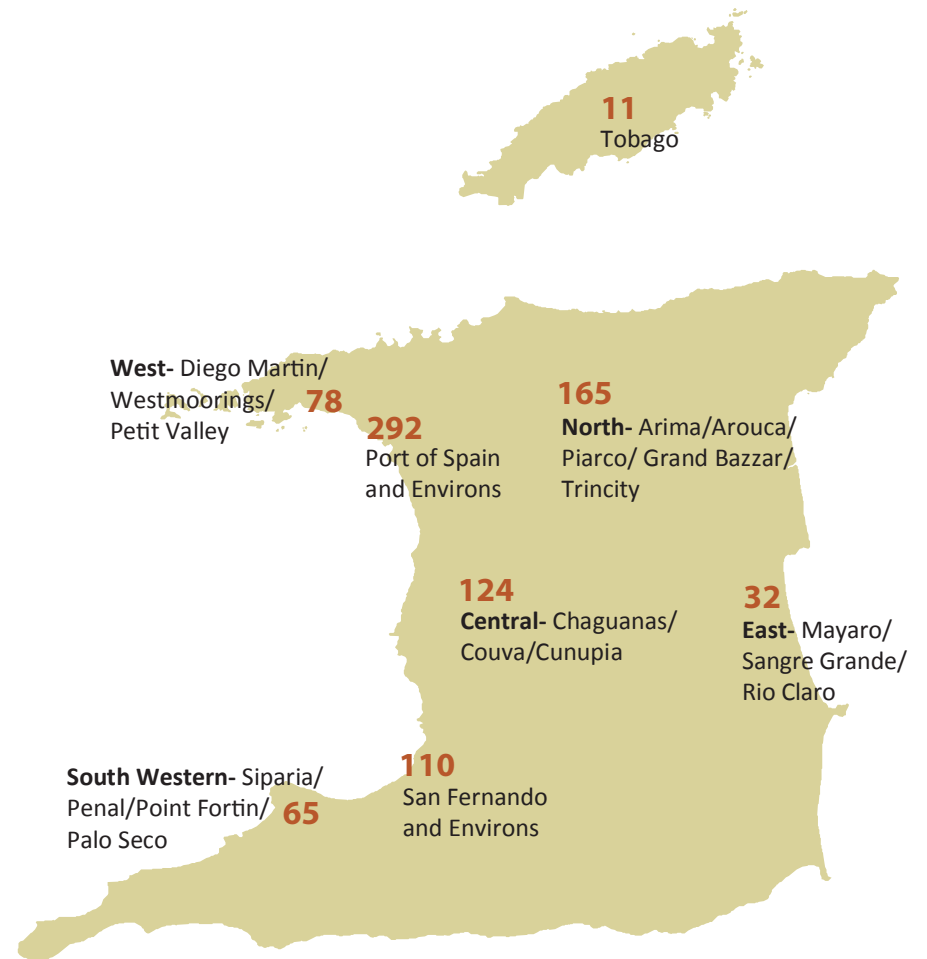


**iv. STRs/SARs Submissions by Geographic Location of Reporting Entities**

In this reporting period 33% of STRs/SARs were submitted by Reporting Entities located in Port of Spain and its environs, a 14% increase when compared to the previous reporting period. This was followed by North Trinidad with 19%, Central Trinidad with 14%, while San Fernando and its environs submitted 13% of STRs/SARs, a 5% reduction when compared to the previous reporting period. 11 STRs/SARs were received from Tobago.

Diagram 11 shows STRs/SARs by geographical location of Reporting Entities.

**DIAGRAM 11**  
**STRs/SARs BY GEOGRAPHICAL LOCATION OF REPORTING ENTITIES**



## v. STRs/SARs Submissions by Occupation/Profession of Subjects

Analysis of STRs/SARs by Occupation/Profession of the subjects reported showed that self-employed individuals were the most widely featured followed by companies. Self-employed individuals accounted for 20% of suspicious transactions followed by Business Traders (Business Owners, Company Directors) who accounted for 15%.

13 Politically Exposed Persons (PEPs) were reported for suspicious transactions, an increase from 8 in the previous reporting year.

38 STRs/SARs were submitted on Law Enforcement/Security personnel which is consistent with that of the previous reporting period.

In 65 STRs/SARs the Reporting Entity failed to provide the occupation of the subjects. This reflects an improvement from the last reporting period when 143 STRs/SARs did not include the occupation of the subject. The improvement may be attributed to the FIUTT's Outreach and Awareness sessions on "Reporting effective STRs/SARs" and the feedback given on the quality of STRs/SARs.

## vi. STRs/SARs Trend Analysis - Suspected Criminal Conduct

The five most common reasons for filing STRs/SARs in the reporting year were suspected:

- money laundering – 179
- fraud and forgery - 171
- drug trafficking – 161
- suspicious financial activity - 143
- financing of terrorism – 112

ML was suspected in 20% or 179 STRs/SARs filed followed by Fraud and Forgery which accounted for 19% or 171 reports and Drug Trafficking with 18% or 161 reports.

With respect to the monetary value of the STRs/SARs received, Fraud and Forgery accounted for over 61% of the total value of STRs/SARs submitted. Included in the value for Fraud is \$10 billion in attempted transactions<sup>2</sup>. Fraud and Forgery and Suspicious

Activity accounted for over 94% of the total monetary value of STRs/SARs submitted during the review period.

### • Money Laundering

Criminals constantly seek new ways to disguise the proceeds of crime so the processes by which criminally obtained funds are laundered are extensive and ever-evolving. While most crimes can be criminal conduct for a ML offence, this category identifies STRs/SARs where the reason for suspicion is the specific act of disguising the original ownership and control of the proceeds of criminal conduct, by making such proceeds appear to have been derived from a legitimate source. These acts include structuring and the movement of funds through apparent legitimate commerce.

### • Fraud and forgery

Included in this category are bank fraud, insurance fraud, internet fraud and other financial scams. Cases about bank fraud generally involved the use of fraudulent documents to obtain loans from a financial institution, or to defraud depositors by fraudulently using their credit or debit cards or false identification or counterfeit cheques. Insurance fraud cases centred on forgery of motor vehicle insurance certificates and internet fraud included advance fee frauds.

### • Drug trafficking

These cases were identified from known patterns and trends and transactions to and from jurisdictions and persons of interest.

### • Suspicious activity

Suspicious Activity accounted for 33% of the total monetary value of STRs/SARs submitted.

Consistent with prior years, a large number of STRs/SARs disclosures were categorised as 'suspicious activity', which meant that after analysis by the FIUTT these reports failed to meet the statutory threshold for reporting and no link to criminal activity was established.

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<sup>2</sup> See explanation on attempted transactions at 2 (ii) "STRs/SARs by Dollar Value"

The reasons for filing include:

- a transaction or activity which lacked an apparent lawful economic basis to support it;
- adverse public information about a person and the subject reported was linked to that person;
- the reporting entity believed that the responses to their continuing due diligence inquiries were deliberately evasive or incomplete;
- transactions inconsistent with established client profile;
- structuring transactions i.e. where there appeared to be attempts to break transactions into smaller amounts to avoid reporting thresholds; and
- general concerns about the source of funds or law enforcement inquiries.

In the above cases, the Reporting Entity could not link the transaction(s) to any particular criminal activity and due to limited available information, the FIUTT could neither confirm nor deny the link to any particular criminal activity.

However, the FIUTT recognises that it is not the function of a Reporting Entity to carry out exhaustive enquiries or investigations and that all of the above are perfectly valid reasons to submit an STR/SAR. As well, these reports form a vital part of intelligence gathering and help build a clearer picture of the ML/FT threat to the country and help safeguard against criminal elements.

#### • **Financing of Terrorism**

The FIUTT continues to provide support to local and foreign LEAs and foreign FIUs through the dissemination of intelligence linked to suspected Foreign Terrorist Fighters (FTFs), FT and Terrorism.

Reporting Entities continued to show heightened awareness of the FT threat through the identification of FT linked transactions and submission of STRs/SARs. During this reporting period, the FIUTT received 112 STRs/SARs disclosures on suspected FT compared to 69 in the previous reporting period. This represents a 62% increase of FT related STRs/SARs.

Analysis was completed on 70 of the disclosures and 46 IRs were disseminated to local and foreign LEAs and foreign FIUs.

To date, the FIUTT's intelligence revealed 251 citizens of Trinidad and Tobago suspected of being involved in the financing of terrorism and/or other terrorism-related activities. Consequently, the FIUTT has prioritised the analysis and dissemination of reports relating to financing of terrorism activities to relevant Law Enforcement and Intelligence Authorities. As well, support in investigating terrorism financing activities was provided to LEAs through the FIUTT's participation in inter-agency collaboration and the issue of confidential advisories. Furthermore, in order to strengthen FT awareness, guidance notes, robust outreach programmes, and confidential advisories on FT indicators, techniques and typologies have been provided to Reporting Entities.

Diagram 12 shows the increase in FT STRs/SARs over the last reporting period.

**DIAGRAM 12**  
**INCREASE IN STRs/SARs RELATING TO SUSPECTED FT**

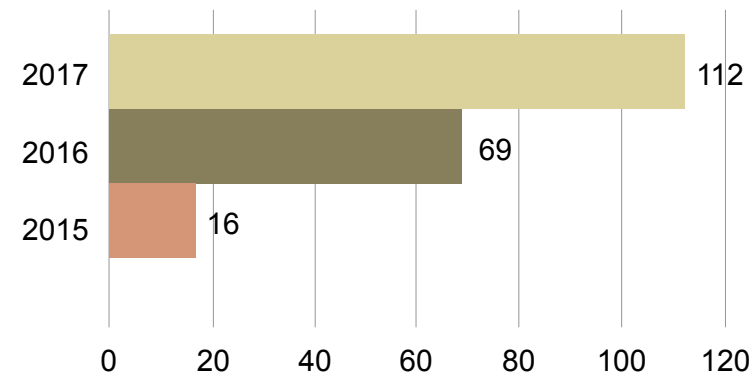


Table 6 below provides a breakdown of the number of STRs/SARs and the dollar values of suspected criminal conduct as disclosed from STRs/SARs analysis for the period.

## vii. Feedback To Reporting Entities and Special Feedback

According to Section 10 of the FIUA, “where the FIU receives a suspicious transaction or suspicious activity report or information from a financial institution or listed business under the Act [POCA], or under the ATA it shall provide *feedback* in writing on the report”. In compliance with this obligation the FIUTT provided feedback to FIs and LBs which can be broadly categorised into the following two areas:

- Special Feedback – states the action taken on the STR/SAR submitted by the Reporting Entity and the outcome of the matter. These actions include: “Report forwarded to LEA”, a directive for “Continued Monitoring” or “Filed for Intelligence”;
- Deficiency Feedback – assists the Reporting Entity in improving the quality or timeliness of its submissions.

The FIUTT provided 396 Special Feedback and 59 Deficiency Feedback, during this reporting period.

**TABLE 6**  
**SUSPECTED CRIMINAL CONDUCT**

SUSPECTED CRIMINAL CONDUCT	NUMBER OF STRs	VALUE OF COMPLETED STRs/SARs (in TT\$)	VALUE OF ATTEMPTED STRs/SARs (in TT\$)	TOTAL DOLLAR VALUE OF STRs/SARs (in TT\$)
Money Laundering	179	664,649,379	3,682,500	668,331,879
Fraud and Forgery	171	86,575,081	13,520,670,806	13,607,245,887
Drug Trafficking	161	11,235,684	15,200,000	26,435,684
*Suspicious Activity	143	7,189,460,952	103,975,458	7,293,436,410
Financing of Terrorism	112	5,960,372	668,000	6,628,372
Tax Evasion	43	163,979,699	0	163,979,699
Breach of Exchange Control	24	127,074,114	100,000	127,174,114
Corruption (Including Misbehaviour in Public Office)	15	132,321,677	0	132,321,677
Human Trafficking	11	9,526,441	0	9,526,441
Extortion	9	379,124	0	379,124
Organised Criminal Gang	3	2,243,852	0	2,243,852
Murder	2	243,249	0	243,249
Firearms Offences	1	10,000	0	10,000
Insider Trading	1	7,200,793	0	7,200,793
Regulatory Breach	1	100,000	0	100,000
Robbery	1	483,700	0	483,700
<b>TOTAL</b>	<b>877</b>	<b>8,401,444,117</b>	<b>13,644,296,764</b>	<b>22,045,740,881</b>

\*See explanation of Suspicious activity at 2 (vi) STRs/SARs Trend Analysis - Suspected Criminal Conduct



### 3. REQUESTS FOR INFORMATION

#### i. Written Information Requests

Section 11 (a) of the FIUA gives the FIUTT the authority to request information from a Reporting Entity and from public authorities under Section 16 (1) of the FIUA. These provisions give the FIUTT power to collect information relevant to analysis of an STR/SAR.

In the reporting period, the FIUTT made over 1,667 Requests for Information to Reporting Entities and Public Authorities for analytical purposes. This is in comparison to the 1,360 requests made during the previous reporting period which represents an approximate increase of 23%. A breakdown of the entities to which Production of Information requests were sent are depicted in Table 7 below.

**TABLE 7**  
**FIUTT REQUEST FOR INFORMATION BY SECTOR**

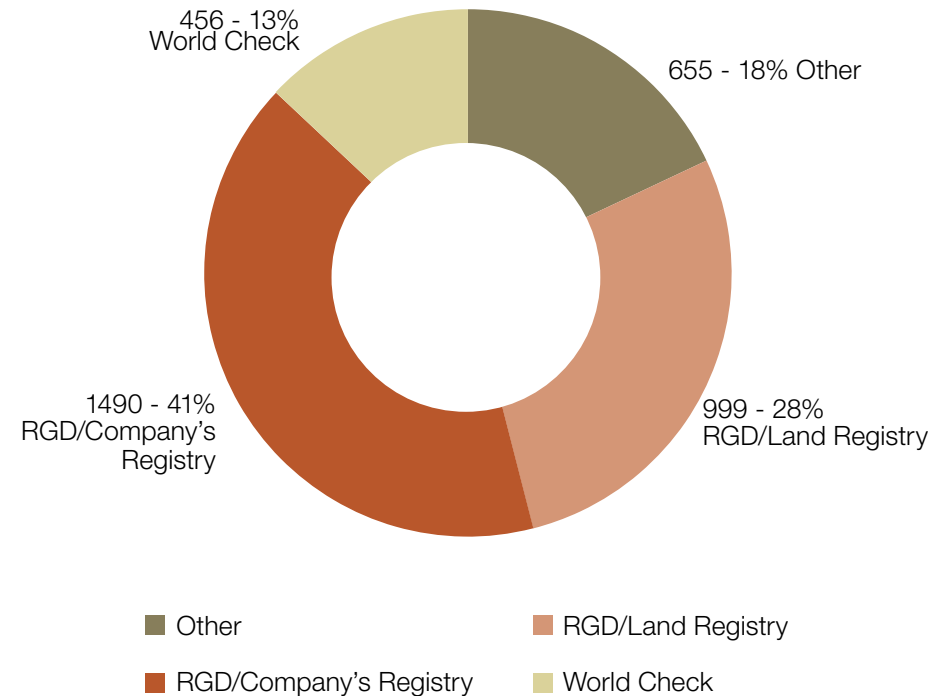
Entity Type	No. of Requests
Banks	1076
Credit Union Sector	254
Insurance Sector	45
Investment Company	1
MVTS Sector	114
Non-Bank Finance Company	5
Other Financial Institution	155
Public Authorities	17
<b>Total</b>	<b>1,667</b>

#### ii. Electronic Access to Information

For the period under review, the FIUTT made approximately 3,600 electronic requests for information held in external databases of Public Authorities. Of this amount, 87% of the enquiries were conducted on databases held by Public Authorities in order to verify beneficial owners, trace assets and identify criminal associations. In relation to accessing information on beneficial ownership, 2,489 or 69% of all electronic access involved a search for beneficial ownership information.

Diagram 13 below shows FIUTT's electronic access to information.

**DIAGRAM 13**  
**ELECTRONIC ACCESS TO INFORMATION**



#### 4. USE OF FIUTT'S INTELLIGENCE

The FIUTT continues to provide valuable support towards the operational needs of local and foreign LEAs and foreign FIUs. This support is focused on providing the intelligence needed for law enforcement to conduct investigations to determine whether an offence has been committed, or whether the proceeds of crime are located in Trinidad and Tobago or elsewhere. In addition, the FIUTT's financial intelligence aids law enforcement in proffering charges, securing convictions, as well as forfeiture and confiscation of criminal proceeds.

- **FIUTT's intelligence in Money Laundering Charges**

In this reporting period, the FIUTT's financial intelligence assisted LEAs in ML investigations which resulted in 176 ML charges being proffered against seven individuals. The criminal proceeds were valued over TT\$7.2million. The criminal conduct which led to the ML charges were, illegal gambling, fraud, larceny and drug trafficking.

- **Permission to Share**

The FIUTT also disseminated intelligence spontaneously<sup>3</sup> to local LEAs and foreign LEAs and foreign FIUs. In 11 cases where FIUTT's intelligence was shared spontaneously, the receiving agency requested 'Permission to Share' the intelligence with other LEAs. This is an indication that the intelligence provided by the FIUTT was of sufficient value to be used for investigative purposes.

The receiving agencies indicated that the FIUTT's intelligence were useful in:

- o providing new information regarding known subjects;
- o providing information on unknown subjects;
- o corroborating information already known;

- o triggering a new investigation; and
- o sharing with another agency.

#### 5. STRATEGIC ANALYSIS

##### i. Strategic Analysis:

The FIUTT continues to lead the Caribbean in the production of strategic intelligence products for its stakeholders. This type of intelligence product is aimed at identifying ML and TF threats and vulnerabilities, informing policy decision makers and providing proactive intelligence for LEAs and intelligence agencies in the AML/CFT regime.

Over the review period the FIUTT was able to benefit from the European Union/ Caribbean Financial Action Task Force analysts accreditation training in strategic and operational analysis, with five analysts receiving the mentioned training. This training has come at a crucial time for capacity building, since new analysts were added to the FIUTT from June 2017.

The recruitment of new analysts enabled the FIUTT to significantly increase its Strategic Analysis output and the following three Strategic Analysis completed:

- the financial activity of FTFs and their facilitation networks – a Trinidad and Tobago perspective;
- fraud in the Insurance Sector; and
- real property fraud.

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<sup>3</sup> **FATF's Recommendation 29.5** states, "The FIU should be able to disseminate, spontaneously and upon request, information and the results of its analysis to relevant competent authorities..." Further in its Rec. 40.1 the FATF states guides, "Countries should ensure that their competent authorities can rapidly provide the widest range of international co-operation in relation to money laundering, associated predicate offences and terrorist financing. Such exchanges of information should be possible both spontaneously and upon request."

From the analysis conducted the FIUTT identified the following indicators, trends and patterns of criminal conduct and produced the typologies summarised below.

- **Indicators of FT**

- o self-funding through sale of personal possessions and real property, consumer loans;
- o broken travel patterns with the ultimate destination being conflict zones;
- o fund transfers to high risk jurisdictions, including cities and adjacent countries close to conflict zones or in countries known to support terrorist activities; and
- o third parties providing material support.

- **Criminal conduct relating to motor vehicle insurance certificates/policies**

- o fraudulently altering the Name of Insured, Policy Number, Vehicle Number and Date of coverage on validly issued certificates of insurance;
- o entirely fabricated certificates and policies purporting to be insurance certificates and policies from registered insurance companies; and
- o insurance certificates and policies issued by someone purporting to be an agent of a registered insurance company.

- **Criminal conduct in the conveyancing of real property**

- o a fraudulent deed (assent/conveyance/mortgage) is purportedly drawn up by an attorney at law, and duly registered in the Land Registry, Registrar General's Department. This deed has every appearance of a legitimate deed except that the signatures of the parties – the vendor, attorney-at-law and witnesses are all forgeries; and

- o an imposter posing as the rightful owner agrees to sell property to X. The imposter presents false identification at each stage of the conveyancing process.

- **Trends**

- o commingling of accounts between individuals and their private company financial accounts for tax evasion;
- o repatriation of funds via wire transfers and money remittances to foreign jurisdictions by non-nationals who are resident in Trinidad and Tobago;
- o use of third parties to transmit funds to foreign jurisdictions;
- o breach of the Foreign Currency Exchange Control Laws;
- o a significant number of transactions, completed as well as attempted, conducted in foreign currencies. Noteworthy, for this reporting period there were 307 suspected ML/FT transactions conducted in United States dollars with a total value US\$ 3,081,815,113.56. Of this, 12 Transactions were attempted transactions with a monetary value of US \$ 2,002,748,000.00; and
- o increasing numbers of foreign nationals of Eastern European countries being featured as subjects of STRs/SARs.

## ii. Typologies

### • Typology of real property fraud

Mr. X, purporting to be the owner of a parcel of land, enters into an agreement for sale of the land with Purchaser 1. As a result of this agreement for sale, Mr. X provides a copy of his deed of ownership to Purchaser 1. This deed reflects Mr. X as the owner of the said land, having purchased the land from Vendor 1.

Purchaser 1 seeks the services of an Attorney-at-law who conducts title searches on the land. The title search revealed several discrepancies including:

- the copy of the deed received from Mr. X, differed from the deed held at the RGD, Land Registry;
- the property description of the deed received from Mr. X differed from the deed at the RGD, Land Registry;
- the signature of the Attorney-at-Law whose name and signature appears as the preparing Attorney on the copy of the deed from Mr X appears unusual;
- the deed to Mr. X from Vendor 1 showed an extensive time lapse between the dates of execution, payment of stamp duty and subsequent registration; and
- in-depth title searches suggest a series of fraudulent deeds prior to the deed to Mr. X.

### Indicators to real property fraud

#### • Attorney's name and signature

The signature of the attorney-at-law who purportedly prepared the deed appears unusual. The fraudulent deed contains the name of an attorney-at-law who purportedly prepared the deed and the name may be missing a letter, e.g. "John Smith" printed as "Jon Smith" (without the 'h').

#### • Stamp Duty

The fraudulent deed was stamped "Adjudged not Chargeable with Any Stamp Duty" instead of an actual amount of stamp duty paid.

#### • Time lapse in relation to the date of the deed and date registered at the Registrar General Department

Extensive time lapse between the execution, stamping and subsequent registration of the Fraudulent deed, e.g. a deed of conveyance for the sale dated December 04, 2012 but registered with RGD in July 2014.

#### • Property description

The description of the property varied from that shown in previous registered deeds.

#### • A series of deeds from the true owner to the purported owner

The title search revealed conflicting deeds of conveyance from the previous owners to the person purporting to be the present owner of the land.

## iii. Typologies of insurance fraud

- Venus produces an insurance policy for motor vehicle PDD XXX issued by Insurance Company A to prove a claim following a motor vehicle (MV) accident. Insurance Company A discovers that the motor vehicle certificate number FX 00000 bearing policy number F1/BC/2017 in the name of Venus for coverage for motor vehicle PDD XXX for the period August 2017 to August 2018 is invalid. Further checks reveal that the certificate number FX 00000 was legitimately issued to another client for a different motor vehicle. Venus informed Insurance Company A that he collected his motor vehicle insurance certificate from Mr. Zeus.
- Uranus, in possession of an insurance policy for motor vehicle PDE XXX issued by Insurance Company B, is stopped during routine road block by the TTPS. Upon verification by the TTPS with Insurance Company B, the motor vehicle insurance certificate GY 00000 and policy G2/CC/2017 number for motor vehicle PDY XXX in the name of Uranus, does not exist.
- Pluto, in possession of an insurance policy for motor vehicle PDF XXX issued by Insurance Company C, is also stopped during routine road block by the TTPS. Upon verification by the TTPS with Insurance Company C, the policy number H3/DC/2017 is valid, however, the name of the insured and the motor vehicle registration number do not match with the company's records.

### Indicators of fraudulent motor vehicle insurance certificates/policies

- the Insurance company has no record of Certificate number/Policy number/ Vehicle Registration Number;
- certificate number/Policy number is a legitimate number but was assigned to another insured person;
- the name on the certificate is not the name of the person insured with the Insurance Company;
- date of insurance coverage has been altered;
- the signature on the certificate/policy is not an authorised signatory for the Insurance Company; and
- the Certificate bears a Stamp with a name similar to the name of a registered Insurance Company. for example, the Insurance company is “Planet Mercury Insurance Company (Trinidad and Tobago) Limited,” but the certificate stamp is “Planet Mercury Insurance Limited”.

Analysis has revealed that criminals hold out themselves as agents of a registered Insurance Company and fabricate documents, (on which the company’s stamp and other company insignias are inscribed) and issue the fabricated documents to unsuspecting customers. In the instances brought to the attention of the FIUTT, the “insured” only finds out of the fraud when he files a claim at the Insurance Company.

Diagram 14 illustrates techniques of issuing false motor vehicle insurance certificates.

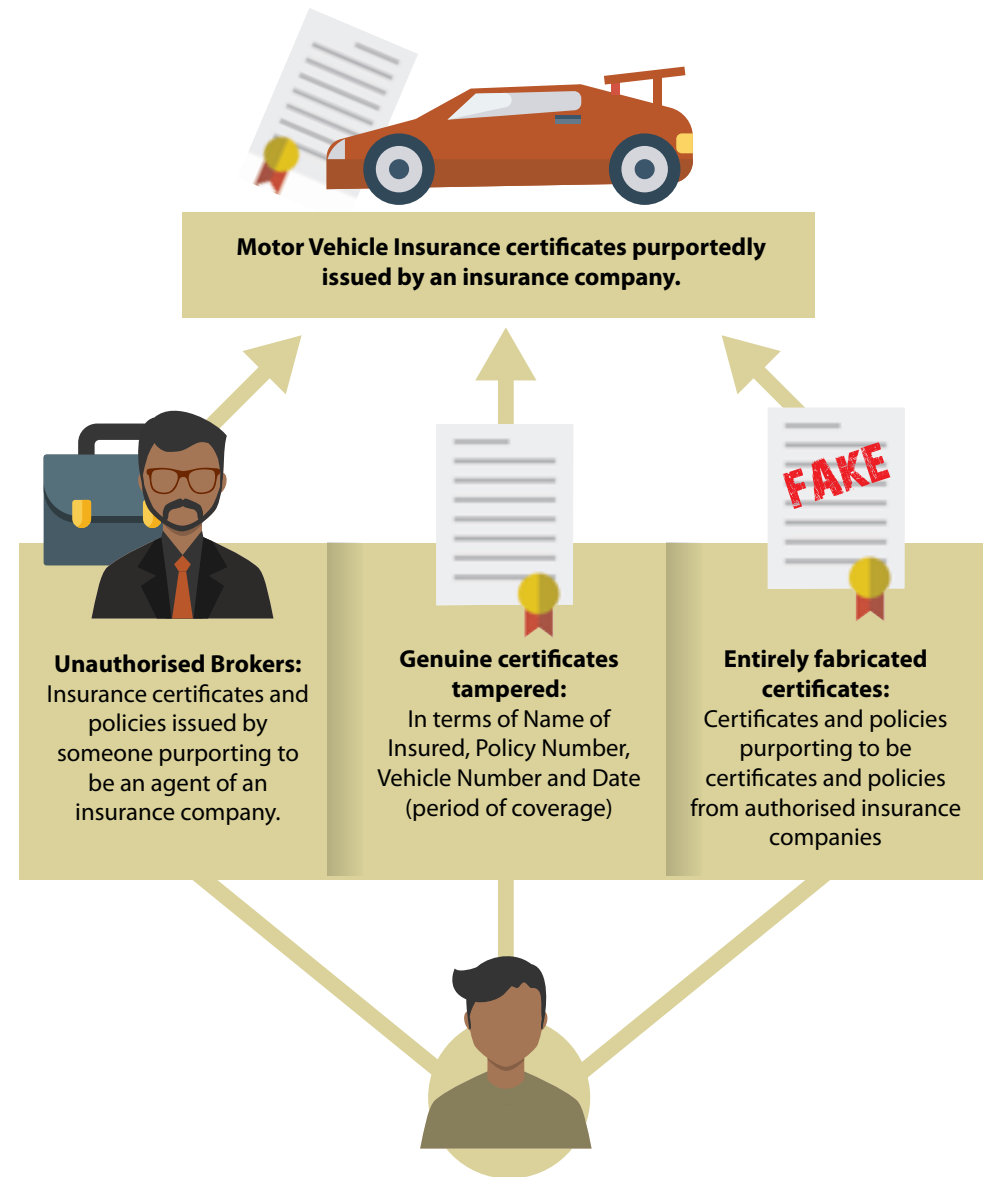
### 6. CHALLENGES FOR ANALYSIS DIVISION

For this reporting period, the work of the Analysis Division was severely impacted by the following:

- crucial shortage of staff for the majority of the year;
- recruitment of staff on three-month contract and significant periods between contract renewals;
- the time-consuming manual processes required in the analytical process and the lack of automated systems; and
- inability to access tax information to add greater value to the FIUTT’s analysis.

### DIAGRAM 14

#### DIAGRAM REFLECTING TECHNIQUES OF ISSUING FALSE MOTOR VEHICLE INSURANCE CERTIFICATES



# CHAPTER IV - ENFORCEMENT

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## 1. FIUTT ACTION

The FIUTT continued apace with its legal mandate to monitor Supervised Entities and to take measures to secure compliance with their AML/CFT obligations. The FIUA gives the FIUTT the power to issue a directive to a Supervised Entity to refrain from committing a violation or to take remedial action to rectify the breach and for the FIUTT to petition the High Court for an Order requiring compliance with its directive. However, while the FIUTT has been able to achieve substantial compliance by these enforcement actions the 4<sup>th</sup> MER highlighted, drew attention to FIUTT's "*limited range of sanctioning power*" and its inability to apply monetary administrative penalties for AML/CFT breaches.

Enforcement action is taken based upon the findings of compliance audits, surveillance, monitoring interventions or enquiries in accordance with the procedure as follows:

- i. notification of the breach and warning to comply;
- ii. if the entity fails to comply with (i) above, a Legal Notice is served on the entity requiring their attendance at a FIUTT hearing following which a Directive may be issued; and
- iii. if the entity fails to comply with the FIUTT's Directive, proceedings are instituted in the High Court.

The above steps are designed to ensure that the non-compliant entity is afforded the opportunity to take remedial action before the matter is escalated to either a FIUTT hearing or the High Court for enforcement.

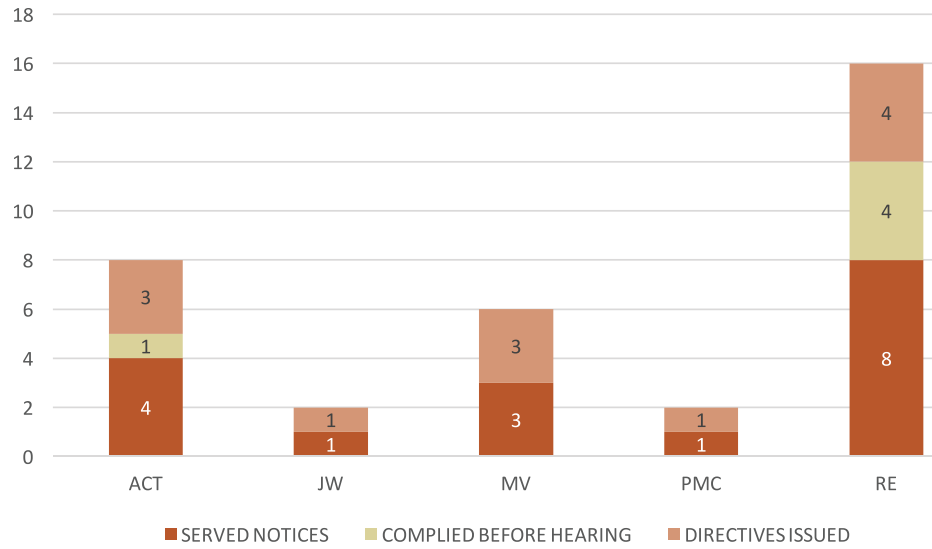
In this reporting period, the FIUTT issued warning letters to 216 entities that were identified for breaches, which included failure to register with the FIUTT and failure to rectify deficiencies observed during compliance audits. Enforcement was instituted against 80 entities for failure to register with the FIUTT; 117 entities for AML/CFT violations identified during compliance audits; 17 NRFIs which failed to file QTRs and two entities for failure to designate a Compliance Officer.

The highest number of warning letters were issued to LBs in the Real Estate sector for failure to register with the FIUTT, numbering 42 or 53% out of a total of 80.

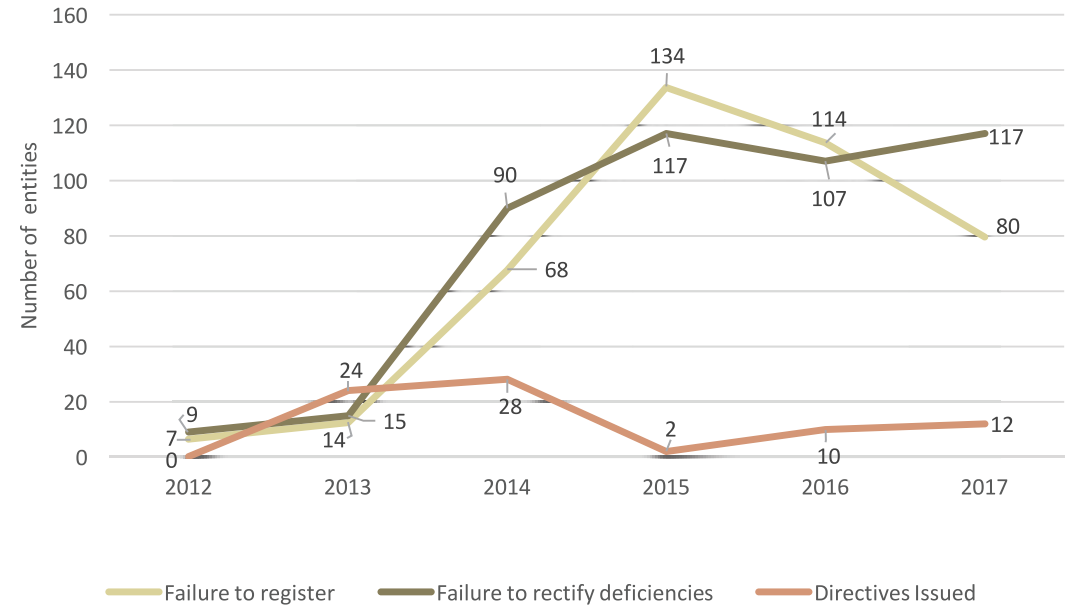
17 entities were identified for 2<sup>nd</sup> level enforcement and served with Notices requesting them to appear before FIUTT. Five complied after service of the Notice and the remaining twelve were subject to an FIUTT hearing where Directives were issued against them. These entities are making progress in rectifying the deficiencies.

Diagram 15 shows 2<sup>nd</sup> level enforcement action taken by sector and Diagram 16 shows FIUTT enforcement action from 2012 to 2017.

**DIAGRAM 15**  
2<sup>nd</sup> LEVEL ENFORCEMENT ACTION



**DIAGRAM 16**  
ENFORCEMENT ACTION FROM 2012 - 2017



## 2. TRINIDAD AND TOBAGO POLICE SERVICE

The FIUTT intensified its efforts to provide LEAs with useful financial intelligence to assist in their investigations. The FIUTT conducted an assessment review of its operational analysis of STRs/SARs and participated in inter-agency collaboration and task forces to ensure that its Intelligence reports and information disseminated support the investigative needs of LEAs. This approach generated more use of the FIUTT's intelligence and supported the laying of 176 ML charges against seven of the nine individuals charged. The criminal conduct which led to the ML charges were, illegal gambling, fraud, larceny and drug trafficking. A total of 24 individuals have been charged with ML offences under the POCA to date.

Table 8 shows ML charges from October 2016 to September 2017.

**TABLE 8**  
**SUMMARY OF ML CHARGES from OCT. 2016 to SEPT. 2017**

NO.	DATED CHARGED	NO. OF PERSONS CHARGED	NO. OF CHARGES	VALUE	CRIMINAL CONDUCT
1.	14/10/2016	1	2	\$421,310.00 TT; \$6,624.00 US;	Illegal Gambling
2.	28/10/2016	1	1	\$390,000.00 TT	Fraud
3.	1/11/2016	2*	1	\$124,841.00 TT; \$17,758.00 US;	Drug Trafficking
4.	10/11/2016	1	2	\$188,408.00 TT \$1,250.00 US	Fraud
5	16/02/2017	1	4	\$437,296.00 TT	Fraud
6	24/06/2017	1	12	\$29,600.00 TT	Fraud
7	03/07/2017	1	40	\$468,293.50 TT	Fraud (Uttering a False Doc)
8	21/08/2017	1	130	\$3,067,785.46TT	Larceny Servant
<b>TOTAL</b>		<b>9</b>	<b>192</b>	<b>TT\$5,127,533.96</b> <b>US\$25,632.00</b>	

\*Represents persons jointly charged

Source: TTPS



## CHAPTER V -

# STRATEGIC ALLIANCES: CO-OPERATION AND COLLABORATION

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### 1. ENHANCING COLLABORATIVE PARTNERSHIPS

There are currently 156 FIUs throughout the world. This is a testament to the strategic and operational importance that FIUs play in a jurisdiction's AML/CFT regime in facilitating information and intelligence exchange among local and foreign authorities and the regulated sectors. This central role FIUs perform is ultimately toward financial security and stability by casting a global intelligence net to counter ML, FT and related crimes.

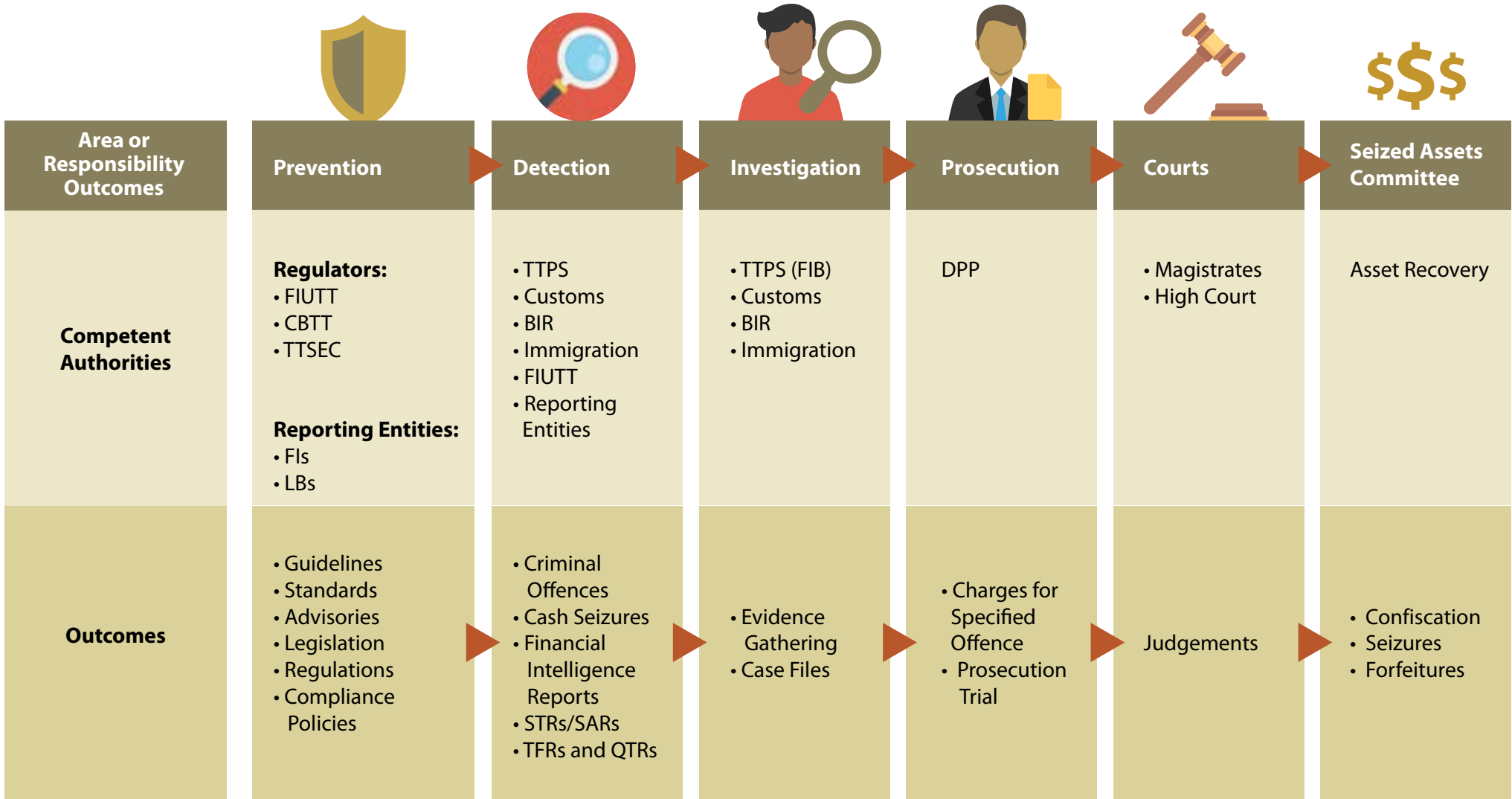
The FIUTT is mandated by law to assist local and foreign authorities in their investigations and prosecutions of ML, FT and related crimes. As well, the FIUTT is required to co-operate with other AML/CFT Supervisors in regulating Reporting Entities and assisting them in connection with their AML/CFT legal obligations. To effectively achieve these

goals, the FIUTT engages in the exchange of information and financial intelligence domestically and internationally, upon request and spontaneously through collaborative mechanisms established with its stakeholders.

Recognising the vital importance of partnerships with its stakeholders both in the public and private sectors, the FIUTT regularly meets with Reporting Entities, Supervisory Authorities, Public Authorities, LEAs, Intelligence Agencies and foreign authorities on matters of mutual interest.

Diagram 17 illustrates the AML/CFT chain of responsibility among the Reporting Entities and competent authorities.

**DIAGRAM 17**  
**THE AML/CFT CHAIN OF RESPONSIBILITY**



## 2. DOMESTIC CO-ORDINATION AND ENGAGEMENT

### i. Law Enforcement Authorities

The LEA Working Group (the LEAWG), which was established by the FIUTT in 2011, seeks to cut across organisational boundaries to allow for more effective co-ordination of ML/FT investigations, sharing of intelligence, evidence gathering and building expertise. In this reporting period, the LEAWG was restructured. The restructuring resulted in the Office of the Director of Public Prosecutions being selected as the new chair and the further expansion of the LEAWG to include Fraud Squad, Special Branch, Organised Crime Intelligence Unit (OCIU) and Anti-Corruption Bureau (ACIB), as well as, the previous members from FIUTT, FIB, Customs and Excise, Immigration and Criminal Tax Investigation Unit .

The LEAWG is a mechanism by which the FIUTT obtains feedback on the usefulness and quality of its IRs and their relevance to the operational needs of the LEAWG.

Apart from the monthly LEAWG mechanism, the FIUTT regularly met on specific cases with agencies responsible for the investigation of criminal conduct that lead to ML and FT, such as: the FIB, OCIU, Fraud Squad, Special Branch, ACIB, INTERPOL Trinidad & Tobago, Homicide Bureau of Investigation, other Police Divisions as well as specialised investigative units such as the Transnational Organised Crime Unit and Counter Trafficking Unit.

### ii. Information Flow between the FIUTT and LEAs

In investigations related to major proceeds-generating offences, LEAs must develop a pro-active parallel financial investigation when pursuing ML, FT and associated criminal conduct. Therefore, LEAs use financial intelligence provided by the FIUTT in pursuing investigative leads, to identify new subjects, gather evidence, trace assets and to identify emerging trend and patterns of criminal activity. The information flow turns in the opposite direction as well, since in the course of conducting analysis and to produce quality IRs, the FIUTT sources information from the LEAs.

In this reporting period, the FIUTT strengthened its internal procedures and mechanisms to ensure more timely dissemination of financial intelligence and information to LEAs. Such measures included:

- significantly increasing the number of analysts in the Analysis Division;
- assigning specific analysts dedicated to cases involving FT, complex ML, human trafficking, drug trafficking and complex fraud;
- prioritising requests from LEAs and foreign authorities; and
- establishing procedures for more efficient communication with Reporting Entities and Public Authorities.

As shown in Table 9 the FIUTT received 121 requests from LEAs, a minimal increase of 4% from the previous reporting period. The six highest categories of suspected criminal conduct were Drug Trafficking (27 or 22%), Fraud (24 or 20%), FT (17 or 14%), Cash Seizure (12 or 10%), ML (8 or 7%) and Corruption (6 or 5%). These requests amounted to 77% of all LEAs requests for financial intelligence and information.

Similarly, the FIUTT made 15 requests to LEAs and 26 to Public Authorities, a total of 41 requests, as compared with 32 requests made in the previous reporting period. This represent a 34% increase in FIUTT requests overall from the last reporting period. While the number of requests to LEAs was consistent with the last reporting period, there was a significant increase by 108% in the number of requests to Public Authorities in this reporting period. The significant increase in requests to Public Authorities may be largely attributed to the complex cases under consideration which require substantial information from Public Authorities.

In accordance with FATF's Recommendation 29, FIUs are required to disseminate financial intelligence spontaneously i.e. without waiting for a request being made to the FIU. In this reporting period, the FIUTT disseminated six Spontaneous Disclosures<sup>4</sup> to local LEAs where the suspected criminal conduct was related

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<sup>4</sup> FATFs Recommendation 29.5 states, "The FIU should be able to disseminate, spontaneously and upon request, information and the results of its analysis to relevant competent authorities..." Further in its Rec. 40.1 the FATF states guides, "Countries should ensure that their competent authorities can rapidly provide the widest range of international co-operation in relation to money laundering, associated predicate offences and terrorist financing. Such exchanges of information should be possible both spontaneously and upon request."

to ML, Drug Trafficking, Tax Evasion and Fraud. In particular, the FIUTT disseminated the results of its Strategic Intelligence Analysis on “Foreign Terrorist Fighters and their Facilitation Networks in Trinidad and Tobago” to LEAs.

Feedback received by the FIUTT from local LEAs, indicated that the intelligence provided new suspects, was used to launch new investigations, identified new assets and was shared with other LEAs.

**TABLE 9**  
**COLLABORATION WITH LEAs AND PUBLIC AUTHORITIES**

	SUSPECTED CRIMINAL CONDUCT CATEGORIES															TOTAL	YEAR	
	Human Trafficking	Drug Trafficking	Money Laundering	Fraud	Trade Based ML	Illegal Gaming	Robbery/Larceny	Financing of Terrorism	Possession of firearms & ammunition	Organised Crime/ Gang Activity	Corruption	Murder	Misbehaviour in Public Office	Tax Crimes	Cash Seizure	Kidnapping for Ransom		
No. of incoming requests from LEAs	4	27	8	24	0	3	4	17	6	1	6	4	0	3	12	3	121	2017
No. of outgoing Requests to LEAs and Public Authorities	1	3	7	9	1	0	0	7	0	0	0	0	2	11	0	0	41	2017

### iii. Supervised Authorities and Supervised Entities

#### • Co-operation with Supervisory Authorities

Together with the FIUTT, the Central Bank of Trinidad and Tobago (CBTT) and the Trinidad and Tobago Securities and Exchange Commission (TTSEC) are the Supervisory Authorities responsible for ensuring that Reporting Entities comply with their AML/CFT obligations. To this end, the FIUTT has established co-operative relationships with CBTT and TTSEC, through MOUs and regular quarterly meetings for co-ordination in applying AML/CFT standards.

In this reporting period the FIUTT worked alongside CBTT and TTSEC in:

- o issuing standards, regulations and guidance notes;
- o in identifying amendments to our AML/CFT laws to conform with the FATF 40 Recommendations;
- o publishing a confidential advisory on FT indicators derived from the FIUTT's strategic analysis intelligence report; and
- o providing information relative to quantity, quality of STRs/SARs and QTRs filings.

#### • Co-operation with Supervised Entities

The FIUTT has established the Supervised Entities Working Group (the SEWG) which comprises representatives from the NRFIs and LBs. The quarterly meetings with the SEWG provide a forum for discussing AML/CFT issues affecting the sectors and updates on the activities of the FIUTT. Some of the following issues were addressed:

- o current ML Trends and typologies;
- o indicators relating to FT from the strategic analysis report completed by the FIUTT;
- o improving the quality and quantity of STRs/SARs to the FIUTT;
- o implementing a Risk Based Approach (RBA) to AML/CFT compliance;
- o updates of both FATF Public Statements and CFATF Public Statements; and
- o Trinidad and Tobago 4<sup>th</sup> MER.

### iv. The National AML/CFT Committee and the AML/CFT Compliance Unit

The National AML/CFT Committee (NAMLC) was established in March 2006 as the national coordinating body for all competent authorities in the AML/CFT regime. Administratively, it falls within the Ministry of National Security since the Minister of National Security is the Prime Contact to FATF and CFATF.

Consistent with FATF's Recommendation 2, the Committee's terms of reference include developing strategies to rectify deficiencies identified in the CFATF's MER of Trinidad and Tobago and to engage with stakeholders to strengthen Trinidad and Tobago's AML/CFT regime. The Director of the AML/CFT Compliance Unit chairs the Committee. NAMLC committee members include the FIUTT, LEAs, the CBTT,

the TTSEC, the Office of the Director of Public Prosecutions, Ministry of Finance, and the Central Authority of the Ministry of the Attorney General.

The AML/CFT Compliance Unit in the Ministry of National Security acts as the secretariat for the NAMLC. The Unit's objectives include:

- advising the Prime Contact, and other relevant Ministries of Government on measures to achieve compliance with the FATF's recommendations and the 4<sup>th</sup> MER;
- formulating responses to requests and reports from FATF and CFATF and other international bodies; and
- liaising with competent authorities on AML/CFT issues.

A key accomplishment, in this reporting period, was the completion of the National Risk Assessment; its results are being factored into action plans of Supervisory Authorities, LEAs, Reporting Entities and other key stakeholders.

### v. FIUTT in Partnership

#### i. National Drug Council

The National Drug Council (NDC) of the Ministry of National Security was established in July 2000. The mandate of the NDC is demand-reduction, supply-control, prevention, treatment and rehabilitation of addicted persons. The NDC is tasked with maintaining the National Drug Information System, to exchange information on anti-drug related

initiatives in Trinidad and Tobago. In 2014, the Director of the FIUTT was appointed as a member of the NDC. In this reporting period, the FIUTT attended five such meetings and workshops hosted by the NDC.

Further information about the NDC can be sourced at [www.nationalsecurity.gov.tt/ndc/](http://www.nationalsecurity.gov.tt/ndc/)

## ii. The Office of the Attorney General

In this reporting period, the FIUTT and Attorney General signed a revised Standard Operating Procedures (SOP). The SOP describes the procedures to be followed by each party in performing their functions and exercising powers in the listing and de-listing of terrorist entities and individuals pursuant to UNSCR 1267 and 1373 and to immediately freeze terrorist assets without delay to avoid flight or dissipation of terrorist's funds.

An Anti-Terrorism Desk has been established in the Ministry of the Attorney General, which leads a Task Force to effectively co-ordinate intelligence gathering and investigations relating to terrorism activities. The Task force includes the FIUTT and other intelligence affiliates, specific agencies of the TTPS and foreign LEAs.

The FIUTT's intelligence and information on FT have contributed significantly to the Task Force successes including:

- identification of and prioritising of persons of interest such as suspected FTFs, financiers, recruiters;
- strategic intelligence which identify travel patterns, trends in recruitments, funding sources;
- building a profile on persons of interest;
- identification of assets; and
- designation of a number of individuals and entities under UNSCR 1267 and UNSCR 1373.

In this reporting period, the Attorney General of Trinidad and Tobago petitioned the High Court of Justice of the Republic of Trinidad and Tobago, under the ATA to designate individuals and entities as terrorists and to freeze their funds. The Court designated two Trinidad and Tobago nationals and three persons of Guyanese origin under UNSCR 1373 and 258 individuals and entities under UNSCR 1267.

The FIUTT immediately notified the Reporting Entities to verify if any of those 263 persons had funds in their institution, to freeze such funds and notify the FIUTT if any such person attempted to enter into a transaction.

The consolidated list of court Orders can be found at [www.fiu.gov.tt](http://www.fiu.gov.tt)

## vi. Public and Private Sector Consultations

The FIUTT participated in consultations with governmental and non-governmental organisations on issues relating to strengthening the AML/CFT regime in Trinidad and Tobago. These include:

- Commissioner for Co-operative Development;
- AML Sub-committee of the Bankers' Association of Trinidad and Tobago;
- Office of Technical Assistance, Department of Treasury, USA;
- CARICOM Implementation Agency for Crime and Security (IMPACS);
- Auditor General's Department;
- MoneyGram International Inc.;
- Insurance Industry;
- Western Union; and
- International Monetary Fund (IMF).

## vii. MOUs with Competent Authorities

The FIUA empowers the Director of the FIUTT to enter into Memoranda of Understanding (MOU) with local authorities to give effect to domestic sharing of information.

During this reporting period, the Director signed two MOUs with the following local authorities:

- a multi-lateral MOU with the Comptroller of Customs and Excise, the Chief Immigration Officer, the Commissioner of Police and the Director, and the FIUTT was signed on 12<sup>th</sup> July, 2017. This Multilateral MOU facilitates co-operation

and co-ordination in cross-border bearer negotiable instruments and cash interdictions related to ML or FT; and

- a bi-lateral MOU between the Commissioner of Co-operative Development of the Ministry of Labour and Small Enterprise Development and the Director and the FIUTT was signed on 17<sup>th</sup> August, 2017. This MOU facilitates information sharing to better regulate Co-operative Societies which are NRFIs under the POCA.

### MOU SIGNING AT CUSTOM HOUSE, TRINIDAD AND TOBAGO

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**From L to R: Mrs. Charmaine Gandhi-Andrews, Chief Immigration Officer; Mr. Harold Phillip, Ag. Commissioner of Police; Mr. Glen Singh, Ag. Comptroller of Customs and Excise and Ms. Susan S. François, Director, FIUTT.**

### MOU SIGNING AT THE MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT, TRINIDAD AND TOBAGO

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**From L to R: Mr. Karyl Adams, Commissioner of Co-operative Development; Ms. Natalie Willis, Ag. Permanent Secretary, Ministry of Labour and Small Enterprise Development and Ms. Susan S. François, Director, FIUTT.**

### 3. INTERNATIONAL ENGAGEMENT AND CO-OPERATION

#### i. Exchange of Information with Foreign Authorities Upon Request

FATF Recommendations 29 and 40 require an FIU to have the power to engage independently with foreign counterparts on the exchange of financial intelligence and information. This standard is met by section 8 of the FIUA which mandates the FIUTT to co-operate with foreign authorities for the prevention and detection of ML/FT. The intelligence shared in this manner can be used only for intelligence purposes.

During this reporting period, foreign authorities made 23 requests on 99 subjects for intelligence. In the majority of cases the suspected criminal conduct was ML or FT.

The FIUTT made 16 requests on 34 subjects to foreign authorities for financial intelligence to assist in the analysis of STRs/SARs and to assist in LEAs investigations. The FIUTT's requests to foreign authorities were related to cases of suspected Fraud and FT.

Table 10 is illustrative of international collaboration in 2017.

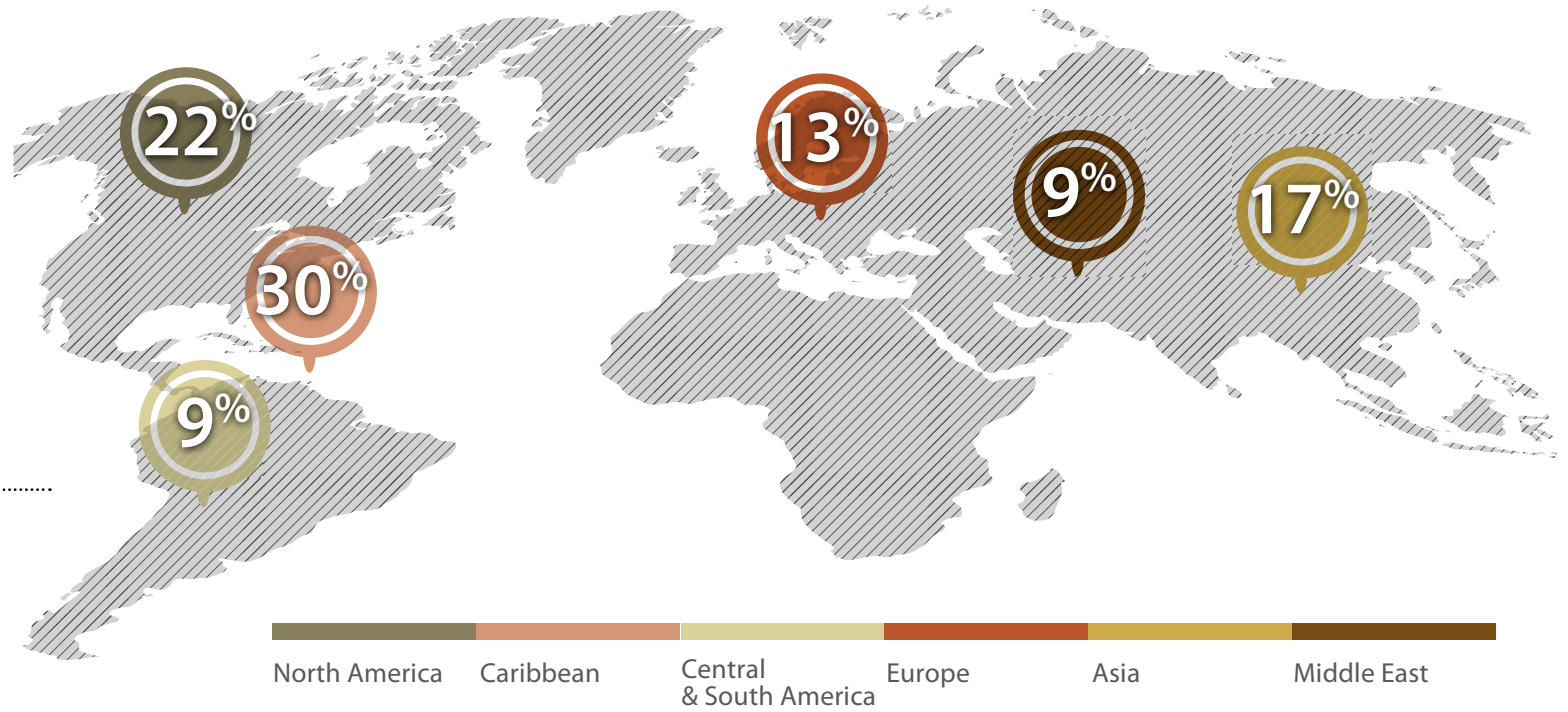
Most of the foreign requests came from foreign LEAs and FIUs in the Caribbean, followed by North America, Asia and Europe. Similarly, the FIUTT sent the majority of requests to foreign authorities in the Caribbean, North America, Central & South America, Middle East and Europe. See Diagram 18.

**TABLE 10**  
**INTERNATIONAL COLLABORATION IN 2017**

Exchange of Information with Foreign Authorities	SUSPECTED CRIMINAL CONDUCT CATEGORIES								TOTAL CRIMINAL CONDUCT ML/FT	YEAR
	Financing of Terrorism	Money Laundering	Drug Trafficking	Corruption	Fraud	Cash Seizure	Larceny	Tax Crimes		
<b>INCOMING REQUESTS TO FIUTT</b>										
No. of incoming requests from Foreign Authorities	7	7	2	1	3	1	1	1	23	2017
<b>OUTGOING REQUESTS FROM FIUTT</b>										
No. of outgoing requests to Foreign Authorities	4	3	1	1	5	1	0	1	16	2017

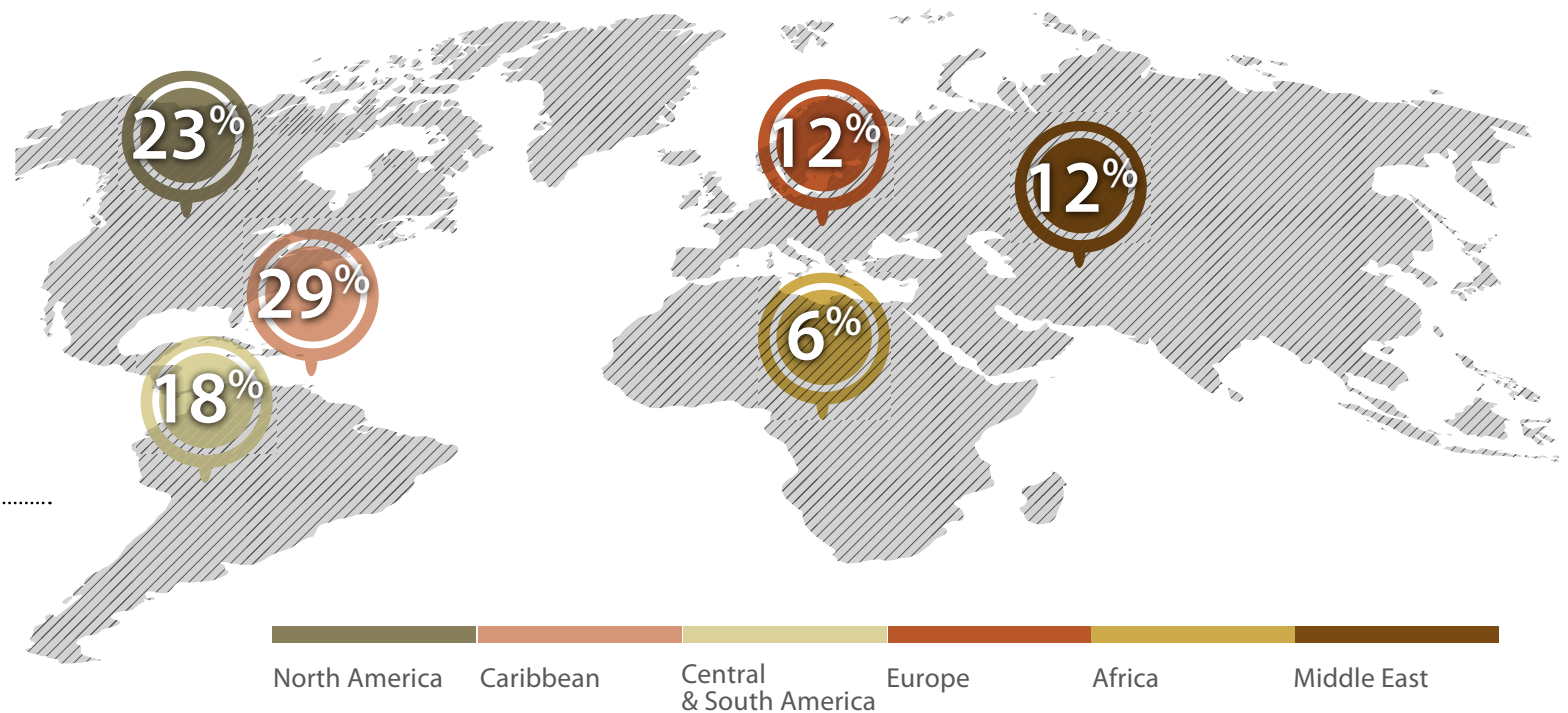


**DIAGRAM 18**  
INTERNATIONAL EXCHANGE  
OF INFORMATION



REQUESTS RECEIVED FROM  
FOREIGN FIUs & LEAs

REQUESTS SENT TO  
FOREIGN FIUs & LEAs



## ii. Spontaneous Disclosures of Information to Foreign Authorities

In addition, to fulfilling requests made for financial intelligence and information, the FIUTT also provides such intelligence and information on its own volition when ML/FT links are identified in another jurisdiction. In so doing, the FIUTT seeks to comply with FATF's Recommendation 29, which require FIUs to disseminate financial intelligence spontaneously that is, outside of a request, if a suspected link to a criminal conduct in another jurisdiction is identified. During this reporting period, the FIUTT disseminated 33 Spontaneous Disclosures to foreign FIUs and LEAs, as compared with 38 in the previous reporting period.

The spontaneous dissemination of intelligence was linked to the suspected criminal conduct related to FT, ML, Fraud, Tax Evasion and Insider Trading. It is to be noted that FT accounted for 46% of the spontaneous intelligence disseminated, while Fraud accounted for 24%.

The FIUTT has received feedback on the usefulness of the spontaneous disclosures which indicated the intelligence was useful for the following:

- providing new information regarding known subjects;

- providing information on unknown subjects;
- identifying previously unknown assets;
- triggering a new investigation; and
- sharing with another agency.

## 4. MOUs SIGNED WITH FOREIGN FIUs

The FIUTT can exchange information with 155 FIUs around the world to support investigation of ML, FT or related crimes. However, some FIUs are required by their domestic legislation to enter into arrangements with other countries to accommodate such exchanges.

In this reporting period, the FIUTT entered into MOUs with six foreign FIUs which brings the total number of MOUs signed to 27. See Table 11 below.

Negotiations are ongoing with the FIUs of Sri Lanka, Cuba and Venezuela. It is expected that these MOUs will be finalised in the next reporting period.

**TABLE 11**  
**MOUs WITH FOREIGN COUNTERPARTS**

NO.	COUNTRY	COUNTERPARTS	DATE OF SIGNING
1.	JAMAICA	FINANCIAL INVESTIGATIONS DIVISION	13/11/2012
2.	ST. VINCENT AND THE GRENADINES	FINANCIAL INTELLIGENCE UNIT	22/05/2013
3.	GUYANA	FINANCIAL INTELLIGENCE UNIT	28/05/2013
4.	MONTserrat	MONTserrat REPORTING AUTHORITY	28/05/2013
5.	SINT MARTEEN	FINANCIAL INTELLIGENCE UNIT	19/11/2013
6.	SURINAME	FINANCIAL INTELLIGENCE UNIT	19/11/2013
7.	BERMUDA	FINANCIAL INTELLIGENCE AGENCY	04/02/2014

**TABLE 11 (continued)**  
**MOUs WITH FOREIGN COUNTERPARTS**

NO.	COUNTRY	COUNTERPARTS	DATE OF SIGNING
8.	CANADA	FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS CENTRE OF CANADA (FINTRAC)	06/02/2014
9.	BANGLADESH	FINANCIAL INTELLIGENCE UNIT	03/06/2014
10.	TAIWAN	ANTI-MONEY LAUNDERING DIVISION, INVESTIGATION BUREAU, MINISTRY OF JUSTICE, REPUBLIC OF CHINA (TAIWAN)	05/06/2014
11.	GRENADA	FINANCIAL INTELLIGENCE UNIT	26/05/2015
12.	DOMINICA	FINANCIAL INTELLIGENCE UNIT	26/05/2015
13.	DOMINICAN REPUBLIC	FINANCIAL ANALYSIS UNIT	26/05/2015
14.	ANTIGUA AND BARBUDA	OFFICE OF NATIONAL DRUG AND MONEY LAUNDERING CONTROL POLICY (ONDCP)	10/06/20 15
15.	TURKS AND CAICOS	FINANCIAL INTELLIGENCE AGENCY	10/06/2015
16.	SOUTH AFRICA	FINANCIAL INTELLIGENCE CENTRE	08/07/2015
17.	BARBADOS	FINANCIAL INTELLIGENCE UNIT	26/11/2015
18.	AUSTRALIA	AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE (AUSTRAC)	18/01/2016
19.	REPUBLIC OF TOGO	FINANCIAL INTELLIGENCE UNIT	29/07/2016
20.	PANAMA	FINANCIAL ANALYSIS UNIT	08/08/2016
21.	COLOMBIA	UNIDAD DE INFORMACION Y ANALISIS FINANCIERO (UIAF)	19/09/2016
22.	LIBERIA	FINANCIAL INTELLIGENCE UNIT	09/12/2016
23.	JAPAN	FINANCIAL INTELLIGENCE CENTRE	02/02/2017
24.	BELIZE	FINANCIAL INTELLIGENCE UNIT	28/05/2017
25.	ZAMBIA	FINANCIAL INTELLIGENCE CENTRE	12/07/2017
26.	LEBANON	SPECIAL INVESTIGATION COMMISSION	02/08/2017
27.	BAHAMAS	FINANCIAL INTELLIGENCE UNIT	04/08/2017

## MOU SIGNING AT FATF XXVIII PLENARY WITH JAPAN



From L to R: Mr. Yohei Shimizu, Assistant Director of JAFIC and Ms. Susan S. François, Director, FIUTT.

## MOU SIGNING AT FIUTT, TRINIDAD AND TOBAGO



From L to R: Ms. Susan S. François, Director, FIUTT and Mr. Alexander Cuffy, Director, FIU Liberia.

## MOU SIGNING AT CFATF PLENARY, TRINIDAD AND TOBAGO



From L to R: Mr. Kent D. Clare, Director, FIU Belize and Ms. Susan S. François, Director, FIUTT.

## 5. PARTICIPATION IN INTERNATIONAL FORA

During this reporting period, the FIUTT continued to actively participate in and contribute to the activities and events of the regional and international bodies tasked with combatting ML/FT.

### i. The Egmont Group of FIUs

The FIUTT joined the Egmont Group of FIUs on July 3, 2013. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve co-operation in the fight against ML/FT and to facilitate the secure exchange of financial intelligence with counterpart FIUs thus fostering global partnerships. The Egmont Group membership now numbers 156 FIUs.

Although the FIUTT has not attended an Egmont Group plenary since 2015, the FIUTT participated in two Egmont Group projects in this reporting year.

The FIUTT submitted a case for the 2016 Best Egmont Case Award (BECA), an initiative of the Egmont Group of FIUs. This submission featured the use of FIUTT's intelligence in an international tax crimes case involving undisclosed beneficial owners. In addition to the use of FIUTT's intelligence, the case also showcased the benefits of international and domestic co-operation and involvement of multi-agencies which ultimately led to a successful conviction.

The FIUTT received high commendation for the quality of the analysis conducted and its BECA submission was requested for use in an FATF/Egmont joint project on ML/FT vulnerabilities linked to beneficial ownership.

Secondly, the FIUTT responded to a 52 page survey from the Egmont Information Exchange Working Group to enable the preparation of a report containing important information on STRs/SARs, combined with recommendations to improve their effectiveness within jurisdictions.

### ii. The Financial Action Task Force

The FATF is an inter-governmental body established in 1989 to develop standards for combatting ML and FT. FATF continuously monitors and assesses the progress made by its member countries as it relates to ML/FT and the proliferation of weapons of mass destruction. In February 2012, FATF adopted the Revised 40 Recommendations.

The Revised 40 Recommendations seek to clarify and strengthen existing measures, as well as, address new and emerging threats. The adoption of the risk-based approach allows countries to utilise their resources more effectively and apply counter measures, which are commensurate with the nature of risks.

Trinidad and Tobago was represented by a contingent including the Director, FIUTT, representatives from the Ministry of the Attorney General and Legal Affairs and the FIB at the FATF Working Groups and Plenary meetings held at the OCDE Paris, France during the period February 13 - 19, 2016. The issue for discussion by the FATF plenary was the concerns raised by FATF members on ratings given by the CFATF Assessors in the Trinidad and Tobago's 4<sup>th</sup> MER. A decision was taken to refer the matter back to the CFATF plenary for amendments and in June 2016, FATF approved the publication of Trinidad and Tobago's 4<sup>th</sup> MER.

The FIUTT complies with its legal mandate to publish the list of countries identified by FATF as being high-risk and non-co-operative jurisdictions with strategic AML/CFT deficiencies. See [www.fiu.gov.tt](http://www.fiu.gov.tt) or [www.fatf-gafi.org](http://www.fatf-gafi.org).

### iii. The Caribbean Financial Action Task Force

The CFATF is one of eight FATF Style Regional Bodies (FSRBs) and is responsible for promoting consistency in the application of the FATF Recommendations within countries of the Caribbean and Central America. The CFATF is an organisation of 25 states of the Caribbean Basin, which have agreed to implement common countermeasures to address the problem of ML/FT. Its main objective is to achieve effective implementation of FATF's Recommendations within the region. The CFATF Secretariat is hosted by the Government of Trinidad and Tobago. See [www.cfatf-gafic.org](http://www.cfatf-gafic.org)

In this reporting period the FIUTT made several contributions to the work of CFATF and significantly in the following manner:

- The Director, Analysis Division, was selected by CFATF to serve as the Law Enforcement Assessor on the CFATF assessment team in 4<sup>th</sup> Mutual Evaluation of Barbados scheduled for December 2016. The CFATF assessment team will be required to attend the November 2017 CFATF Plenary at which time the 4<sup>th</sup> MER of Barbados will be presented; and
- The FIUTT provided the services of a senior analyst to conduct training in tactical and strategic analysis under the CFATF/EU Training and Accreditation Project for

CFATF members. The FIUTT senior analyst has trained Analysts from regional FIUs in three Accreditation Training sessions since the programme began in January 2017.

• **CFATF XLIV and CFATF XLV Plenaries and Working Groups**

- o The XLIV CFATF Plenary was held in November 2016. At this plenary, the term of the Honourable Attorney General and Minister of Legal Affairs, Mr. Faris Al-Rawi of Trinidad and Tobago as CFATF Chair ended. The CFATF Chair was passed to the Turks and Caicos Islands. The term of the Chair of Heads of FIUs passed from the Director of the FIUTT to the Director of the FIU of Turks and Caicos Islands.
- o The CFATF XLV Plenary was held in Trinidad and Tobago in May 2017. The delegation from Trinidad and Tobago was led by the Honourable Attorney General and Minister of Legal Affairs, Mr. Faris Al-Rawi. Trinidad and Tobago's First Follow-up Report showed the progress made in both technical compliance with the Recommendations and effectiveness of the immediate outcomes was presented and accepted at the plenary. Trinidad and Tobago is required to report back with its Second Follow-up report to the CFATF Plenary in May 2018.

**iv. The CICAD**

The Inter-American Drug Abuse Control Commission (CICAD) focuses on strengthening human and institutional capabilities and channelling the collective efforts of its member states to reduce the production, trafficking and use of illegal drugs. CICAD, as the Western Hemisphere's policy forum for dealing with the drug problem, provides technical assistance and training on judicial, law enforcement and financial matters. The sub-committee of CICAD, the Expert Group on the Control of Money Laundering (GELAVEX), is a hemispheric forum to discuss, analyse and draft policies to deal with ML/FT.

In this reporting period, the GELAVEX project "Open Sources of Information" as a tool of development for research of ML/FT became fully operational. This tool will serve as a "virtual campus" for the retrieval of open-source information throughout the Americas providing assistance in the competent authorities' intelligence gathering and investigation capabilities. Trinidad and Tobago's Country Coordinator for the GELVAEX project is based at the FIUTT.

**v. SHARING EXPERIENCES WITH FOREIGN FIUs**

In furtherance of the FIUTT's vision to be regarded as a regional leader and centre of excellence, the FIUTT again hosted officers of foreign FIUs in knowledge exchange visits and also assisted a regional Compliance Commission in developing compliance supervisory programmes.

In December 2016, the FIUTT hosted the Directors and officers of the FIUs of Liberia and Guyana on a knowledge exchange visit.

Over the five-day study visit, the FIUTT provided hands-on training to the participants from the Liberia and Guyana FIUs in the following areas of the FIUTT operations:

- the legal framework within which the FIUTT operates;
- analysis of STRs/SARs to identify suspected criminal conduct and priority rating;
- writing intelligence reports to LEAs and providing useful intelligence;
- conducting tactical and strategic Analysis;
- ML/FT Typologies, Trends and Pattern and Advisories;
- measures to protect security and confidentiality of information; and
- the AML/CFT Supervisory and Outreach procedures (registration, compliance examinations and enforcement).

A senior analyst from Belize FIU attended a week long study visit to gain hands-on experience in the analysis process of STRs/SARs, operational and strategic analysis and the framework for producing useful intelligence reports to LEAs. As well, the analyst from Belize gained experience in the FIUTT's role as a supervisor with respect to the registration process, compliance examinations and enforcement. The FIUTT also assisted the Bahamas Compliance Commission providing guidance and templates relative to the AML/CFT supervision of their Designated Non-Financial Businesses and Professional sector.

At the end of the knowledge exchange visits, the FIUTT provided resource documents that will assist in building capacity in their respective FIUs and Compliance Commission.

## CHAPTER VI -

# RESOURCES AND INFRASTRUCTURE

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### 1. THE WORKING ENVIRONMENT

The FIUTT has been provided with permanent offices in a government building for its operations. The FIUTT occupies the 25<sup>th</sup> Floor of Tower D, at the International Waterfront Complex, 1A Wrightson Road, Port of Spain. Tower D also houses the Parliament of the Republic of Trinidad and Tobago, in addition to, other government ministries.

There is 24 hour security monitoring of Tower D, as well as, the FIUTT offices. Unauthorised persons are denied access to the premises of the FIUTT. Access to the offices and divisions are secured using both physical and electronic means. In particular, the Analysis Division is isolated from the other divisions in the FIUTT; access is restricted to only the Analytical staff. This separation of the Analysis Division ensures that the core functions of the FIUTT i.e. the receipt, analysis and dissemination of intelligence are conducted with an additional level of security and confidentiality.

### 2. RESOURCES

During this reporting period, the FIUTT commenced a recruitment exercise for 21 vacant positions in the analysis, compliance and outreach and administrative divisions.

Particular focus was placed on the Analysis Division, in direct response to the 4<sup>th</sup> MER which highlighted that *“more resources and training need to be afforded to the Analysis Section of the FIUTT.”* Approval was granted in the previous reporting period for the change in the organisational structure in the Analysis Division to increase the staff complement by 100%, or six new positions. These additional positions, will strengthen the Division, to effectively attend to:

- the increase in the number of STRs/SARs received;
- the development and dissemination of effective Intelligence Reports;

- the provision of more timely responses to both local and foreign LEAs; and
- the conduct and dissemination of strategic analysis reports.

In addition, five vacant positions in the C&O Division were filled to improve supervision of the increasing number of registrants. The FIUTT has made recommendations to restructure this Division to increase its human resource capacity, which will lead to more effective fulfilment of its mandate to oversee and monitor the Supervised Entities for AML/CFT compliance.

### 3. INFORMATION SYSTEMS AND TECHNOLOGY

#### i. FIUTT Online

The FIUTT website is a learning resource for Supervised Entities, FIs and the public.

In this reporting period, the following updates were published on the FIUTT's website (<http://www.fiu.gov.tt>):

- list of De-registrants (new initiative);
- updated List of Supervised Entities registered with the FIUTT;
- FIUTT's "De-registration of Listed Business" Form RG2 is now available for download;
- updated list of ML charges laid by LEAs;
- updated Consolidated List of Court Orders issued by the High Court of the Justice of Trinidad and Tobago on terrorist designations;
- notices to Supervised Entities and FIs to freeze Terrorist Funds;

- revised AML/CFT Guidance Notes for Politically Exposed Persons, the Gambling Sector, the Real Estate Sector, the Art Sector and the Trust and Company Service Providers;
- updated quarterly statistics on the number and monetary value of STRs/SARs received and Intelligence Reports sent by the FIUTT to LEAs;
- Legal Notice 189 of 2016 – FIUTT Enhanced Due Diligence Requirements Order 2016;
- Annual Report 2016;
- updates to FATF’s lists of high risk and non-co-operative jurisdictions and improving global AML/CFT compliance, and CFATF’s list of jurisdictions with strategic AML/CFT deficiencies; and
- current outreach and awareness events.

## ii. Information and Communication Technology (ICT) Key Initiatives

In this reporting period, the IT Division focused on the following key initiatives:

### • Modern Data Centre (ICT Security Posture)

The FIUTT focused on enhancing the security posture of its Data Centre which was operationalised in the last reporting period. Improving the FIUTT’s security posture will be an ongoing exercise as cyber security threats continue to evolve.

### • Connectivity to Stakeholders:

The FIUTT has enabled connectivity to a Public Authority to access data to facilitate timely analysis of STRs/SARs. It will become operational in the first quarter of 2018. This initiative aligns with FATF’s Recommendation 29.3 (b) which states that *“the FIU should have access to the widest possible range of financial, administrative and law enforcement information that it requires to properly undertake its functions.”*

### • Acquisition of an Online Secure Reporting System:

The FIUTT needs a secure online reporting system to efficiently manage the collection and dissemination of financial information and intelligence. The acquisition of this system is a strategic initiative to address the volume of work associated with:

- o the annual increase in the number of STRs/SARs received by the FIUTT;
- o the analysis of complex cases including data mining techniques; and
- o the annual increase in the number of registrants.

Two information management solutions utilised by regional FIUs have been introduced to the FIUTT and are being assessed for their viability.

## 4. BUILDING EXPERTISE

The FIUTT considers the development of its human resources through ongoing training as key to meeting new challenges posed by money launderers, financiers of terrorism and organised crime. In this reporting period, FIUTT officers benefitted from training seminars, workshops and conferences held both in and out of the jurisdiction.

Training opportunities encompassed targeted training on the AML/CFT laws and regulations, FATF Standards, IBM i2 for Analysts, proliferation financing, human trafficking, and combatting cash smuggling.

Notably, several analysts received training on operational and strategic analysis and were accredited by the CFATF as Trainers and Intelligence Analysts.

Details of the training are shown in Table 12 below.



**TABLE 12**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/PRESENTER	PARTICIPANTS FROM FIUTT
1	Police Training Academy Trinidad	IBM i2 Designer Training	US Embassy	Information Systems Manager and Database Administrator
2	TTPS Trinidad	US Embassy Dept. of Justice Case Monitoring Workshop	US Embassy	Analyst
3	Port of Spain Trinidad	The Anti-Corruption and Anti-Money Laundering Nexus-Caribbean Region	GovRisk	Director, Deputy Director, Director Legal and Analyst
4	Port of Spain Trinidad	Technical Anti-Money Laundering Seminar	NEM Leadership Consultants	Compliance and Outreach Supervisor, Officers and Legal Officer II
5	Port of Spain Trinidad	Cybersecurity - The Leadership Imperative Seminar	KPMG	Information Systems Manager
6	Port of Spain Trinidad	Combatting Cash Smuggling in Central America and the Caribbean Workshop	United Nations Office on Drugs and Crime (UNODC)	Director, Deputy Director, Director Analysis Division and Analyst
7	Port of Spain Trinidad	IBM i2 Analyst Training	US Embassy	Analysts
8	Port of Spain Trinidad	Caribbean Fraud Conference 2017	Global Forensic Institute	Compliance and Outreach Officer
9	Port of Spain Trinidad	CFATF Accreditation Training	CFATF and European Union (EU)	Analysts
10	Port of Spain Trinidad	T&T 4 <sup>th</sup> Round Mutual Evaluation Report	Trinidad and Tobago Chamber of Industry and Commerce and Association of Compliance Professionals of Trinidad and Tobago (ACPTT)	Compliance and Outreach Director
11	Port of Spain Trinidad	Symantec's Endpoint Best Practice Sharing Session	iGovTT/Ministry of Public Administration and Communication	Network Administrator
12	San Fernando Trinidad	EDP for Senior Public Officers - Module II Strategic Management	Public Service Academy	Network Administrator
13	University of Trinidad and Tobago Trinidad	EDP for Senior Public Officers - Module III Strategic Management	Public Service Academy	Network Administrator

**TABLE 12 (continued)**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/PRESENTER	PARTICIPANTS FROM FIUTT
14	Public Service Academy Trinidad	Coaching and Mentoring	Ministry of Public Administration and Communication	Director Analysis Division and Director Compliance and Outreach Division
15	Custom House Port of Spain Trinidad	Legislative Drafting Workshop on proliferation financing provisions, with specific focus on nuclear, chemical and biological legislations, as well as the implementation of sanctions	United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UNLIREC)	Director Legal
16	Port of Spain Trinidad	Legislative Defining Workshop on proliferation financing provisions, in particular implementation of UNSCR 1540 and co-operation and co-ordination provisions	UNLIREC	Director Legal
17	Port of Spain Trinidad	Caribbean Security Forum 2017	Trinidad and Tobago Coalition of Service Industries/Global Leadership Forum	FIU Director
18	Port of Spain Trinidad	High-Level Seminar for Fostering Co-operation with the International Criminal Court	International Criminal Court and the European Commission	Director FIUTT, Deputy Director and Director Legal Services
19	Police Training Academy Trinidad	Anti-Money Laundering Workshop	US Embassy	Director Legal Services
20	Osti Rome Italy	Illicit Economy and Financial Flows Investigations	Guardia di Finanza / Italian Embassy	Analyst
21	Jamaica	CFATF Analyst/Train the Trainer Course	EU/CFATF	Analyst
22	Barbados	Caribbean Regional Seminar on Countering Transregional-Transnational Threat Networks	US Embassy	Deputy Director
23	Antigua and Barbuda	CFATF Accreditation Training	EU/CFATF	Senior Analysts and Analyst
24	Bridgetown Barbados	Human Trafficking Illicit Financial Flows	International Criminal Police Organisation (INTERPOL)	Senior Analyst

## CHAPTER VII -

# STRATEGIC PRIORITIES 2018: BUILDING ON STRENGTHS

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The FIUTT plays an essential role in this jurisdiction's effort to combat ML, FT, Proliferation Financing (PF) and related criminal activity. It is also a critical agency for Trinidad and Tobago to be able to demonstrate effective implementation of the FATF 40 Recommendations. Our priority actions for the year ahead are largely informed by the findings of the 4<sup>th</sup> MER and will focus on:

### 1. HUMAN RESOURCES

The FIUTT seeks to create a culture of excellence and integrity that inspires exceptional teamwork and performance. The 4<sup>th</sup> MER recognised that sufficient staff with the experience and skills to carry out its statutory functions and responsibilities, is critical to the effective operation of the FIUTT. By developing a cadre of skilled officers who are *au courant* with current and emerging issues in AML/CFT, the FIUTT will be better positioned to deliver high quality intelligence reports, to support the operational needs of the LEAs and to supervise and monitor NRFIs and LBs based on their size, complexity and risk profiles.

To deliver on this priority, the FIUTT will:

- i. fill the vacant positions in the C&O Division and renew its proposal to the relevant authorities to restructure and increase its staff complement;
- ii. provide training opportunities on the regulatory and analysis functions, emerging criminal trends and patterns and proliferation financing; and
- iii. ensure that staff are duly accredited and certified as analysts, compliance professionals and ML/FT experts.

### 2. INFORMATION SYSTEMS AND TECHNOLOGY PROJECTIONS

The current economic environment demands that organisations operate in a more cost effective manner. The use of ICT is an important strategy to enhance the overall operational efficiency and productivity of the FIUTT. ICT can also be used to increase efficiency in the collection, storage, processing and dissemination of financial intelligence and information with relevant stakeholders. As well, protecting information received from Reporting Entities, foreign FIUs and other information sources is a critical function of the FIUTT.

The following initiatives for a more robust IT infrastructure are targeted for the next reporting period:

- i. implementation of a secure online reporting system to provide secure electronic submission and storage of STRs/SARs and QTRs; secure e-communication with Reporting Entities; automatic population of the STR/SAR database; and analytical tools to conduct research and analysis. Completion of a feasibility study for the system is anticipated by January 2018 and the solution operationalised by September 2018;
- ii. further upgrade the FIUTT's Data Centre by replacing outdated ICT equipment and the completion of the first phase of a disaster recovery solution by the third quarter of the next reporting period. Equipment has already been procured for the disaster recovery solution which is currently at the design and implementation phase;
- iii. upgrade the FIUTT's website to make it more user-friendly and easier for users to find website content. Due to resource constraints, this initiative which was

deferred from this reporting period to the second quarter of the next reporting period; and

- iv. training for the IT staff to better support the ICT initiatives being undertaken.

### 3. LEGAL PROJECTIONS

The 4<sup>th</sup> MER, which was formally adopted by the CFATF in June 2016, highlighted technical deficiencies and issues regarding effectiveness of implementation of the FATF Recommendations. AML/CFT stakeholders thereafter, engaged in a review of the POCA, ATA, FIUA and associated Regulations to address deficiencies towards full compliance with the FATF Recommendations. With the necessary Executive support, amendments to these various pieces of legislation as well as the creation of new laws for compliance are a priority. Key features in this legislative reform process include:

- beneficial ownership registration;
- regulation of the gambling sector;
- regulation of credit unions;
- compliance oversight for non-profit organisations;
- the criminalisation of proliferation financing;
- the criminalisation of foreign terrorist fighters;
- stricter time limits on notifications to the FIUTT of changes to key personnel of Supervised Entities;
- review and make dissuasive the entire sanctions regime for AML/CFT ; and
- facilitating the sharing of tax information between the tax authorities and the FIUTT.

Currently, before Parliament is **The Miscellaneous Provisions (MACMA, POCA, FIUTT, Customs & Exchange Control) Bill, 2016** and soon to follow would be the **Income Tax (Amendment) Bill 2017**, the **Anti-Terrorism (Amendment) Bill 2017** and the **Companies (Amendment) Bill, 2017** which addresses several of the key features above.

### 4. PROMOTE CO-OPERATION

Through its analysis of information, the FIUTT develops financial intelligence on specific targets for investigation as well as strategic insights into criminal networks, patterns and trends of financial crime. The ultimate objective is to provide high quality and timely financial intelligence which would assist investigative authorities to follow the money and successfully prosecute and seize assets of convicted criminals.

The quality of financial intelligence disclosures hinges directly on the quality of the STRs/SARs from Reporting Entities and feedback from the LEAs. The FIUTT is committed to establishing co-operative working relationships with all Reporting Entities and LEAs, with a view to enhancing the quality of information it receives and the intelligence it disseminates.

To deliver on this priority the FIUTT will:

- i. engage with Reporting Entities to foster improved quality of STRs/SARs through outreach programmes, advisories, guidance and feedback on filings;
- ii. meet with LEAs regularly and obtain feedback on how the intelligence reports were used;
- iii. periodically assess and improve upon the intelligence reports to ensure that they meet the needs of LEAs; and
- iv. provide reports on existing and emerging trends and patterns of financial crime impacting on the jurisdiction.

# APPENDIX A

## LIST OF SUPERVISED ENTITIES AND REPORTING ENTITIES

The FIUA identifies the entities which fall under the supervisory remit of the FIUTT as Non-Regulated Financial Institutions (NRFIs) and Listed Business (LBs), collectively referred to as Supervised Entities.

The FIUA also identifies the entities responsible for reporting suspicious transactions or activities to the FIUTT as Financial Institutions (FIs) and Listed Business (LBs), collectively referred to as Reporting Entities.

The list of FIs is identified under Section 2 (1) of the POCA, the list of NRFIs is identified at Section 2 (1) of the FIUA and the types of business which are categorised as LB are identified in the First Schedule to the POCA.

The FIUA was amended by the Miscellaneous Provisions (Proceeds of Crime, Anti-Terrorism and Financial Intelligence Unit of Trinidad and Tobago) Act, 2014. Per the amendments, the categories of Supervised and Reporting Entities are as follows:

LISTED BUSINESS (LBs)	SUPERVISED ENTITIES	REPORTING ENTITIES
Real Estate	✓	✓
Motor Vehicle Sales	✓	✓
Gaming House	✓	✓
Pool Betting	✓	✓
National Lotteries On-Line Betting Games	✓	✓
Jewellers	✓	✓
Private Members' Club	✓	✓
Accountants	✓	✓

LISTED BUSINESS (LBs)	SUPERVISED ENTITIES	REPORTING ENTITIES
Attorneys-at-Law or persons performing the functions of an accountant or other independent legal professional. Such persons are accountable when performing the respective functions specified in the first schedule of the POCA.	✓	✓
Art Dealers	✓	✓
Trust and Company Service Providers	✓	✓

FINANCIAL INSTITUTIONS (FIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
A bank licensed under the Financial Institutions Act		✓
A Financial Institution licensed under the Financial Institutions Act		✓
An insurance company, agent or broker registered under the Insurance Act		✓
A person licensed under the exchange control act to operate an exchange bureau		✓
A person licensed under the Securities Act as a broker-dealer, underwriter or investment adviser		✓
Development banks, trust companies, mortgage companies		✓
Any other person declared by the minister by order, subject to negative resolution of parliament to be a Financial Institution for the purpose of the POCA		✓

NON-REGULATED FINANCIAL INSTITUTIONS (NRFIS)	SUPERVISED ENTITIES	REPORTING ENTITIES
A society registered under the Co-Operative Societies Act	✓	✓
A person who carries on money value or transfer services	✓	✓
A building society registered under the Building Societies Act	✓	✓

# APPENDIX B

## GENERAL ML/FT SUSPICIOUS INDICATORS

GENERAL SUSPICIOUS INDICATORS	ML	FT
Transactions take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from countries known or suspected to facilitate money laundering or terrorism activities.	✓	✓
The client cannot provide satisfactory evidence of identity.	✓	✓
Situations where the source of funds cannot be easily verified.	✓	
Situations where it is difficult to verify customer information.	✓	
Frequent change of ownership of same property in unusually short time period with no apparent business, economic or other legitimate reason and between related persons.	✓	
Client wants to <b>re-sell property shortly after purchase</b> at a significantly different purchase price, without corresponding changes in market values in the same area.	✓	✓
Client wishes to form or purchase a company whose <b>corporate objective is irrelevant</b> to the client's normal profession or activities, without a reasonable explanation.	✓	

GENERAL SUSPICIOUS INDICATORS	ML	FT
The client sets up shell companies with nominee shareholders and/or directors.	✓	
The client has companies with capital in the form of bearer shares.		✓
Client <b>repeatedly changes attorneys</b> within a short period of time without any reasonable explanation.	✓	
Client <b>purchases property in names of other persons</b> or uses different names on offers to purchase, closing documents and deposit receipts.	✓	
Client deposits large amount of cash with you to make payments and investments on his behalf.	✓	
Client negotiates a purchase but wants to <b>record a lower value on documents</b> , paying the difference “under the table” (inadequate consideration).	✓	
Client’s documents such as identification, income statements or employment are provided by an <b>intermediary</b> who has no apparent reason to be involved (intermediary may be the real client).	✓	✓
Client gives power of attorney to a non-relative to conduct large transactions (same as above).	✓	✓
Transaction involves legal entities and <b>no relationship seen between the transaction and the business activity</b> of the buying company, or the company has no business activity (Shell Company).	✓	✓
Client <b>requests the firm to act as his agents</b> in obtaining high sum bankers’ drafts, cashiers’ cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from other bank or FIs (anonymity).	✓	
<b>Divergence</b> from the type, volume or frequency of transactions expected in the course of the business relationship.	✓	✓



# GLOSSARY

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## MONEY LAUNDERING

Money Laundering is the process by which illegally obtained funds are given the appearance of having been legitimately obtained. The process may involve one or more of the following methods:

- **Placement**

Illegal funds or assets are first brought into the financial system. This 'placement' makes the funds more liquid using a variety of techniques, which include depositing cash into bank accounts and using cash and other instruments to purchase assets.

- **Layering**

To conceal the illegal origin of the placed funds and thereby make them more useful, the funds must be moved, dispersed, and disguised. The process of distancing the placed funds from their illegal origins is known as 'layering'. These include using multiple banks and accounts, having professionals act as intermediaries and transacting through corporations and trusts. Funds may be shuttled through a web of many accounts, companies and countries in order to disguise their origins.

- **Integration**

Once the funds are layered and distanced from their origins, they are made available to criminals to use and control as apparently legitimate funds. The laundered funds are made available for activities such as investment in legitimate or illegitimate businesses, to fund further criminal activity or spent to enhance the criminal's lifestyle.

At this stage, the illegal money has achieved the appearance of legitimacy.

## FINANCING OF TERRORISM

Financing of Terrorism may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organisations, as well as from criminal sources, such as the drug trade, the smuggling of weapons and other goods, fraud, kidnapping and extortion. Therefore, funds derived from legitimate, as well as illegal activities, can be used for or to facilitate terrorist activities.

## BENEFICIAL OWNER

Beneficial owner refers to the natural person(s) who ultimately<sup>5</sup> owns or controls a customer<sup>6</sup> and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

Source: [Glossary of the FATF Recommendations](#)

## POLITICALLY EXPOSED PERSONS

- Foreign PEPs are individuals who are or have been entrusted with prominent functions by a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations and important political party officials.
- Domestic PEPs are individuals who are or have been entrusted with prominent functions in Trinidad and Tobago, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations and important political party officials.

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<sup>5</sup> Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.

<sup>6</sup> This definition should also apply to beneficial owner of a beneficiary under a life or other investment linked insurance policy.

- iii. Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management such as directors and members of the board or equivalent functions.
- iv. Family members are individuals who are related to either a Foreign or Domestic PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership.
- v. Individuals who are closely connected to or associated with a PEP as defined in i, ii and iii above, either personally or professionally.

- iv. contributes to the commission of terrorist acts or the Financing of Terrorism by a group of persons acting with a common purpose. The contribution is made internationally, with the aim of furthering the terrorist act or the Financing of Terrorism, with the knowledge of the intention of the group to commit the terrorist act or the Financing of Terrorism.

## TERRORIST

The term **terrorist** refers to any natural person who:

- i. commits a terrorist act by any means, directly or indirectly, unlawfully and wilfully;
- ii. participates as an accomplice in terrorist acts or Financing of Terrorism;
- iii. organises or directs others to commit terrorist acts or the Financing of Terrorism;  
or
- iv. contributes to the commission of terrorists' acts or the Financing of Terrorism by a group of persons acting with a common purpose. The contribution is made internationally, with the aim of furthering the terrorist act or the Financing of Terrorism, with the knowledge of the intention of the group to commit the terrorist act or the Financing of Terrorism.

## TERRORIST ORGANISATION

The term **terrorist organisation** means a Legal Entity or group of terrorists that:

- i. commits a terrorist act by any means, directly or indirectly, unlawfully and wilfully;
- ii. participates as an accomplice in terrorist acts or the Financing of Terrorism;
- iii. organises or directs others to commit terrorist acts or the Financing of Terrorism;  
or

## PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND ITS FINANCING

The FATF Recommendation 7 requires Countries should implement targeted financial sanctions to comply with United Nations Security Council resolutions relating to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.

### What is proliferation of weapons of mass destruction?

Proliferation is the manufacture, acquisition, possession, development, export, transshipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations. It includes technology, goods, software, services or expertise.

## TARGETED FINANCIAL SANCTIONS

The term **targeted financial sanctions** means both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated persons and entities.

Source: [Glossary of the FATF Recommendations](#)





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