

STATEMENT BY MINISTER OF FINANCE
on the Annual Report of the Financial Intelligence Unit of
Trinidad and Tobago for the year ended September 30, 2020

Madam Speaker,

I have been authorized by the Cabinet of Trinidad and Tobago to make the following Statement.

Madam Speaker, I would like to thank you for the opportunity to deliver this Statement on the Annual Report of the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) for the year ended September 30, 2020.

In accordance with Section 18 of the Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01, the Director of the FIUTT submitted to the Minister of Finance its Annual Report for the year ended September 30, 2020 to be laid in Parliament. Today, I would like to outline to this Honourable House some of the main highlights of this Report.

In the area of **combatting money laundering and the financing of terrorism**, Madam Speaker, the following legislative actions were undertaken:

- In May 2020, the FIUTT Act, Chap. 72:01 was amended by the Miscellaneous Amendments Act (No. 10 of 2020) to strengthen and improve the operations of the FIUTT;

- The Proceeds of Crime Act, Chap. 11:27 was amended by the Miscellaneous Provisions (Proceeds of Crime and Central Bank) Act, 2019 and the Proceeds of Crime (Large Transactions) Order, 2019 also came into effect;
- Additionally, the Financial Obligations Regulations, 2010 was amended by Legal Notice No. 386, the Financial Obligations (amendment) Regulations, 2019;
- Furthermore, in June 2020, the Real Estate Act, 2020 (Act No. 12 of 2020), was enacted and will, among other things, assist in the detection and prevention of money laundering and terrorist financing through the registration and regulation of real estate agents;
- Moreover, a major development for Trinidad and Tobago's financial sector was achieved in July 2020 with the introduction of the E-money Issuer Order, 2020. In accordance with the order, entities such as Payment Service Providers and E-money Issuers that engage in any of these activities must be licensed by the Central Bank of Trinidad and Tobago and registered with the FIUTT as a Money or Value Transfer Service business; and
- Other legislative actions were taken to bolster the Anti-Money Laundering/ Counter Financing of Terrorism/Counter Proliferation Financing (AML/CFT/CPF) regime including the

assent of the Miscellaneous Provisions (Registrar General, Registration of Deeds, Conveyancing and Law of Property, Real Property, Stamp Duty and Registration of Title to Land) Act (Act No. 17 of 2020).

Madam Speaker, in the area of **fostering a culture of compliance**, during October 2019 to September 30, 2020, the FIUTT adjusted its supervisory activities due to the challenges of COVID-19. The national efforts to reduce the potential impact of the pandemic led to the temporary closure of business in high risk sectors such as Private Members Clubs, Motor Vehicle Sales and Real Estate. Supervisory and monitoring activities continued with the necessary adjustments notwithstanding the challenges faced as a result of the global pandemic.

The FIUTT observed general compliance by individuals, businesses and organisations required to register, thereby bringing them under the FIUTT supervision. For this reporting period, 329 entities registered with the FIUTT, bringing the total number of registrants to 3,337 as at September 30, 2020. This represented a 10.0 percent increase from the previous reporting period.

In terms of terrorist property reports, the FIUTT has observed a continued improvement in compliance by Reporting Entities with their adoption of sanctions screening of their client database. This can be attributed to increased awareness and supervision efforts by the Supervisory Authorities.

Also, with regard to independent testing, tests were conducted by competent professionals to assess the adequacy of the AML/CFT/CPF policies and procedures implemented by Supervised Entities. Though this is a legal obligation, it is also a compliance tool beneficial to both the Supervised Entity and the FIUTT.

Madam Speaker, in the area of **financial intelligence**, during the reporting period and for the first time, the FIUTT received a total of 1,831 Suspicious Transaction Reports/Suspicious Activity Reports, the most it has received throughout its ten years' existence. This represented an 80 percent increase from the previous reporting period.

Also, during the reporting period, the FIUTT noted a 141 percent increase in Suspicious Transaction Reports/Suspicious Activity Reports submissions from Financial Institutions, and an 80 percent increase in the submissions from Listed Businesses, in comparison to the previous year.

The total monetary value of the 1,831 Suspicious Transaction Reports/Suspicious Activity Reports received in the reporting period amounted to approximately \$27 billion. Of the 1,831 Suspicious Transaction Reports/Suspicious Activity Reports received, 1,517 were completed transactions, whilst 314 were attempted transactions.

The number of suspicious transactions stopped by reporting entities therefore rose to 314 in 2020, from 86 in 2019. There was also a

substantial increase in the monetary value of the attempted suspicious transactions when compared with 2019.

Suspected Tax Evasion ranked the highest among the five most common reasons for the submission of Suspicious Transaction Reports/Suspicious Activity Reports to the FIUTT. In this reporting period, the most common suspected criminal conduct were tax evasion (539), money laundering (530), suspicious financial activity (401), fraud (205) and drug trafficking (92). These five suspected criminal conduct accounted for 97 percent of the total number of Suspicious Transaction Reports/Suspicious Activity Reports submitted and 99.89 percent of the total monetary value of all Suspicious Transaction Reports/Suspicious Activity Reports submitted.

With regard to the financing of terrorism, the FIUTT received 12 Suspicious Transaction Reports/Suspicious Activity Reports on suspected Financing of Terrorism compared to 97 in the previous reporting period. This represented an 88 percent decrease of Financing of Terrorism-related Suspicious Transaction Reports/Suspicious Activity Reports and may be attributable to the apparent collapse of the Islamic State of Iraq and Syria.

Madam Speaker, the demonetisation exercise of the old cotton-based TT\$100 currency note resulted in a significant increase in the submissions of Suspicious Transaction Reports/Suspicious Activity Reports by Reporting Entities, with 750 received.

Madam Speaker, in the area of **Strategic alliances: Co-operation and Collaboration**, the FIUTT received 184 requests on 598 subjects from Law Enforcement Authorities, compared to the 221 requests received on 636 subjects during 2019, representing a 17 percent decrease. Cash seizures relating to Money Laundering, which totalled 61, was the highest suspected criminal conduct of the requests received, and represented one-third of the number of requests. This was a 135 percent increase, from the 26 cash seizure requests received in the previous period.

Madam Speaker, in the area of **Resources and Infrastructure**, in November 2019, the FIUTT's staff increased by 22 percent from 49 to 60 positions, following Cabinet's approval of 10 additional Compliance and Outreach Professionals and 1 administrative support staff in the Compliance and Outreach Division. To add, during the period, the Information and Technology Division upgraded its FIUConnect secure online reporting solution, as well as its security environment to protect its webserver and network.

Finally, Madam Speaker, in terms of its **strategic priorities for 2021**, the FIUTT anticipates the introduction of legislative amendments to: the Gambling (Gaming and Betting) Control Bill, 2020; extending the range of sanctions to include administrative fines in the AML/CFT/CPF regime; amendments to the Financial Intelligence Unit of Trinidad and Tobago Regulations; and the regulation, supervision and monitoring of

Fintechs, including Virtual Assets and Virtual Asset Service Providers for AML/CFT/CPF.

Madam Speaker, I thank you.