

**Statement by the Honourable Minister of Finance on the Annual
Report of the Financial Intelligence Unit of Trinidad and Tobago
for the year ended September 30, 2022**

Madam Speaker, I have been authorized by Cabinet to make the following Statement. I therefore 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, 2022.

2. In accordance with Section 18 of the Financial Intelligence Unit of Trinidad and Tobago Act (FIUTTA), Chap. 72:01, the Director of the FIUTT submitted to the Minister of Finance its Annual Report for the year ended September 30, 2022, which has been laid in Parliament. Today, I would like to outline to this Honourable House some of the main highlights of this Report.

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

- i. The assent of the Trinidad and Tobago Special Economic Zones Act, No. 1 of 2022 on January 31, 2022, which provides for the designation, development, operation and management of Special

Economic Zones, the establishment of the Special Economic Zones Authority, repeals the Free Zones Act, Chap. 81:07, regulates the Special Economic Zones and matters related thereto; and

- ii. The assent of the Cannabis Control Act, No. 10 of 2022 on June 17, 2022, which provides for the regulatory control of the handling of cannabis for certain purposes, the establishment of the Trinidad and Tobago Cannabis Licensing Authority and connected matters.

4. Madam Speaker, in the area of **promoting a culture of compliance and enforcement**, the FIUTT continued to utilise the intelligence provided from the analysis of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) to ensure entities' compliance with the Anti-Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing (AML/CFT/CPF) legal obligations.

5. Accordingly Madam Speaker, for this reporting period, 457 new entities were registered with the FIUTT, bringing the total number of registrants to 4,193 as at September 30, 2022. Of this number, the Real Estate and Attorney-at-Law sectors continue to lead the way with the highest number of new registrants.

6. In its drive towards digitalization, apart from allowing the electronic submission of registration documents, the FIUTT also implemented a secure

electronic dispatch system for the issuance of Registration Certificates to Supervised Entities. Additionally, the FIUTT introduced an appointment scheduling system for the collection of registration certificates, upon the entity's request.

7. Within the reporting period, Trinidad and Tobago saw the first Electronic Money Issuer (EMI) to be licenced by the Central Bank to operate and perform EMI activities. Consequently, the FIUTT's AML/CFT/CPF supervisory mandate for EMIs was enacted.

8. In taking a cooperative approach and to effectively supervise the Non-Profit Organisation (NPO) sector, the FIUTT also continued to receive, review and analyse Risk Assessment Questionnaires (RAQ) from the Registrar General's Department (RGD) in accordance with the NPO Act, No. 7 of 2019. Of the 504 NPOs RAQs received during the reporting period, 17 NPOs fell under the FIUTT's supervision. The FIUTT's assessment of the NPO sector was ongoing as NPOs continued to register with the RGD to meet the extended registration deadline of December 2, 2022.

9. Madam Speaker, in accordance with Section 18BA(1) of the FIUTTA, businesses and individuals that no longer perform the functions of a Supervised Entity may apply for de-registration with the FIUTT. Also in accordance with

Section 18BA(2) of the Act, the FIUTT is allowed to de-register a registrant on its own motion. Accordingly, during the review period, 30 entities within various sectors were de-registered from the FIUTT and Notices of De-Registration were issued. As such, as at September 30, 2022, 4,503 entities were operating under the FIUTT's AML/CFT/CPF supervision.

10. With respect to Supervised Entities' obligation to appoint suitably qualified candidates to perform the roles of Compliance Officer and Alternate Compliance Officer, the FIUTT received 518 Compliance Officer Fit and Proper Questionnaires from Supervised Entities which marked a 65 percent increase in submissions when compared to the previous reporting period. Of these, 244 of the submitted applications were approved.

11. In terms of terrorist property reports, procedures to facilitate the secure electronic submission of Quarterly Property Terrorist Reports (QTRs) continued to be implemented during the period. Whilst Financial Institutions (FIs) are generally compliant with this obligation, based on a compliance analysis of QTR submissions, there is a need for improved compliance by the Credit Union sector.

12. With regard to internal controls, independent testing was conducted as it served to assess the adequacy of the AML/CFT/CPF policies and procedures implemented by Supervised Entities. As such, the FIUTT published a "Guide to

Structuring an AML/CFT Compliance Programme for Supervised Entities” on its website to assist entities in initiating the independent review process.

13. Another internal control used as the primary method to evaluate the AML/CFT/CPF was compliance examinations, of which 104 were conducted in the review period. A total of 1,145 AML/CFT/CPF compliance examinations were conducted on 1,069 Supervised Entities as of September 30, 2022. Moreover, 88 percent of the Non-Regulated Financial Institutions, which includes Credit Unions, Building Societies and Money of Value Transfer Services (MVTs) registered with the FIUTT, were tested for compliance.

14. Madam Speaker, the FIUTT noted the high level of compliance by entities on receipt of their warning letters and this is attributed to the measures implemented by the FIUTT in the conduct of monitoring and surveillance of Supervised Entities for compliance with their obligation. Conversely, the level of response by the Credit Union sector regarding failure to submit QTRs requires a more focused approach.

15. The FIUTT’s outreach and awareness efforts to Reporting Entities and to the NPO sector also continued as 33 and 17 virtual sessions were conducted respectively, during the period.

16. Madam Speaker, in the area of **financial analysis**, during the reporting period the FIUTT received 958 STRs/SARs, representing a decrease of 42 percent when compared with the same period one year prior. The banking sector submitted 76 percent of the STRs/SARs received, followed by the MVTS sector and Co-operative Societies, accounting for 11 percent and 5 percent, respectively, of the total received.

17. Also, during the reporting period, submissions from the Co-operative Societies, Investment Companies, Mortgage Companies, MVTS, Motor Vehicle Sales, Real Estate and Private Members' Clubs sectors, all decreased due to the pandemic restrictions. Overall, a 44 percent decrease was noted in STRs/SARs submissions by FIs and a 21 percent decrease in submissions from Listed Business (LBs). The FIUTT noted an 83 percent increase in submissions from Jewellers, the only LB to record a significant increase in STRs/SARs submissions in the reporting period.

18. Madam Speaker, the total monetary value of the 958 STRs/SARs received amounted to TT\$1,937,211,057, of which 844 (TT\$1,586,346,802) were completed transactions and 195 (TT\$350,864,255) were attempted transactions. This represented a 24 percent decrease in completed transactions and a 68 percent decrease in attempted transactions when compared to the previous reporting

period. Of note, 16 STRs/SARs contained both completed and attempted transactions.

19. Suspicious Activity ranked the highest among the five most common reasons for the submission of STRs/SARs to the FIUTT, representing 301 persons. This was followed by tax evasion (211 persons), Fraud (196 persons), Money Laundering (155 persons) and Drug Trafficking (35 persons). These accounted for 94 percent of the total STRs/SARs received and 60 percent of the total monetary value of all STRs/SARs submitted.

20. During the reporting period, the FIUTT completed analysis of 212 STRs/SARs generating a total of 69 intelligence reports (65 suspected ML cases and 4 suspected FT cases), of which 45 were Spontaneous Disclosures. Of these, 33 were submitted to local competent authorities whilst 12 were shared with foreign Law Enforcement Agencies (LEAs) and Financial Intelligence Units (FIUs).

21. Madam Speaker, in the area of **strategic engagements: co-operation and collaboration**, the FIUTT received 16 requests from foreign authorities during the reporting period, representing a 45 percent increase when compared to the previous reporting period. These requests featured a total of 85 subjects in contrast to the 26 recorded in the previous year. The suspected criminal conduct

in the majority of cases was financing of terrorism related, with 4 of the requests seeking intelligence on 34 subjects.

22. The FIUTT also made 23 requests comprising of 45 subjects to foreign authorities for financial intelligence and information. The requests made to foreign authorities involved 11 cases of suspected Fraud and 5 cases of Drug Trafficking. Requests received from foreign authorities originated mainly from the Caribbean, the Middle East and Europe. Similarly, the FIUTT sent the majority of requests to foreign authorities in the Caribbean, the Americas and Asia.

23. During the reporting period, the FIUTT disseminated 12 Spontaneous Disclosures to foreign FIUs and LEAs compared to 6 in the previous year. The spontaneous dissemination of intelligence was linked to the suspected criminal conduct related to Fraud and ML, accounting for 83 percent and 17 percent of the total number of spontaneous intelligence reports disseminated, respectively. The FIUTT also signed a Memorandum of Understanding with the Superintendency of Banks through the Special Verification Intendancy (IVE) of the Republic of Guatemala. The total number of MOUs signed between the FIUTT and foreign FIUs is now 36.

24. Madam Speaker, in the area of **resources and infrastructure**, during the period, the FIUTT conducted 3 recruitment exercises, utilising both virtual and in-person interviews. The Compliance and Outreach Division was strengthened through the employment of a Director, Compliance and Outreach and in March 2022, an Administrative Officer IV (Ag.) was assigned to the office of Administrative Officer V, FIUTT. The FIUTT also welcomed 7 new employees; 4 Compliance and Outreach Officers were re-employed; and 2 employees exited the organisation. Short-term employment and On-the-Job Trainees were also utilised to support some of the critical human resource gaps in the FIUTT.

25. There are 19 vacant positions to be filled in the FIUTT, 14 of which are within the core areas of the Analysis and Compliance and Outreach Divisions. The major obstacle to the recruitment of persons in these vacancies is the non-allocation of additional accommodation to the FIUTT.

26. Additionally, the major ICT initiatives conducted by the FIUTT over the reporting period were the PBX Upgrade and Implementation, the Upgrade of Firewall Environment, the Upgrade of FIUConnect® secure online Reporting Solution and the Procurement of Video Conferencing Solution.

27. In terms of its **strategic priorities for 2023**, the FIUTT will continue the implementation of strategic and innovative measures that would nurture a

professional, supportive working environment to enhance staff morale and ensure the achievement of the FIUTT's mandate. Additionally, with certain milestones achieved in digitalisation initiatives in 2022, the FIUTT can now transition from planning and procurement to implementation of FIUConnect® and Infrastructure Refresh.

28. Moreover, further legislative amendments will be introduced in areas such as the extension of the range of sanctions to include administrative fines in the AML/CFT/CPF regime; the introduction of AML/CFT/CPF Regulations formulated specifically for NPOs; further amendments to the FIUTTA; legislative developments to include the regulation, supervision and monitoring of Virtual Assets and Virtual Assets Service Providers for both AML/CFT/CPF and prudential measures; and the introduction of a Currency Threshold Reporting regime for Reporting Entities.

29. Finally, Madam Speaker, the FIUTT will place priority on matters relating to increasing the number of intelligence products to a wider section of stakeholders; leveraging the expertise and experiences of other FIUs to ensure the continued excellent quality of its analysis products; forging multilateral exchanges to bring greater effectiveness in the quality of its analysis products; strengthening the unique skills of its staff to better adapt to the novel techniques in the AML/CFT/CPF environment; reinforcing collaboration with key private

sector stakeholders; continuing robust pursuit of AML/CFT/CPF awareness to the Supervised Entities, NPOs and EMIs sectors; intensifying the enforcement process; and furthering its digital transformation initiative.

Madam Speaker, I thank you.