

**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, 2023**

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, 2023.

2. 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, 2023, 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, while no laws specific to the domestic Anti-Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing (AML/CFT/CPF) Regime have been passed, proposed amendments to legislation geared towards the improvement of Trinidad and Tobago's compliance with the Financial Action Task Force (FATF) Recommendations 24, 25 and 35 have engaged the FIUTT during 2023. In particular, the FIUTT has provided input into the Miscellaneous Provisions (the Trustees, Proceeds of Crime, Income Tax, Companies, Partnerships, Securities, Tax Information Exchange Agreements, and Mutual Administrative Assistance in Tax Matters) Bill, 2023; and the Miscellaneous Provisions (Proceeds of Crime, Anti-terrorism, Securities, Insurance and Miscellaneous Provisions [FATF Compliance]) Bill, 2023.

4. Madam Speaker, in the area of **robust risk-based supervision for effective AML/CFT/CPF compliance**, the FIUTT has prioritised the digital transformation of its supervisory function to strengthen its operational capabilities, as it continued to utilise the intelligence provided from the analysis of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) to ensure entities' compliance with the AML/CFT/CPF legal obligations.

5. Accordingly Madam Speaker, for this reporting period, 337 new entities were registered with the FIUTT, bringing the total number of registrants to 4,504 as at September 30, 2023. 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, the FIUTT has commenced its implementation of a secure electronic dispatch system for the issuance of Registration Certificates to Supervised Entities. Additionally, in the current reporting period, the FIUTT has expanded the registration criteria for its Supervised Entities and has issued updated registration guidelines for entities categorised as Non-Regulated Financial Institutions (NRFIs) under its supervision.

7. Within the reporting period, The Central Bank of Trinidad and Tobago granted two additional Electronic Money Issuer licenses to entities, which perform and operate Electronic Money Issuer activities. These two entities subsequently registered with the FIUTT.

8. In accordance with the Non-Profit Organisations (NPOs) Act, No. 7 of 2019 (NPO Act), the NPO registration process mandates organisations to complete an AML/CFT/CPF Risk Assessment Questionnaire and submit the same

to the Registrar General Department. During this reporting period, the Registrar General Department forwarded Risk Assessment Questionnaires from 307 NPOs to the FIUTT, and 12 NPOs were on-boarded to the FIUTT's supervision. Currently, a total of 317 NPOs are subject to the FIUTT's monitoring.

9. Madam Speaker, in accordance with Section 18BA (1) of the FIUTT Act, entities and individuals who cease to engage in the activities of a Supervised Entity can initiate the de-registration process by using the De-registration form (RG2). Further, Section 18BA (2) allows the FIUTT on its own motion, to de-register a registrant. Accordingly, during the review period, a total of 25 entities from various sectors were de-registered from the FIUTT and Notices of De-Registration issued. As such, as at September 30, 2023, 4,821 Supervised Entities were operating under the FIUTT's AML/CFT/CPF supervision.

10. Pursuant to Regulation 3 of the Financial Obligations Regulations, Financial Institutions and Listed Businesses registered with the FIUTT are obligated to designate a Compliance Officer and Alternate Compliance Officer and thereafter secure the FIUTT's approval. During the period, the FIUTT received 557 Compliance Officer and Alternate Compliance Officer applications for approval, representing an 8 percent increase compared to the previous period. Letters of approval were also issued in respect to 539 applications, representing a 120 percent increase compared to the previous period.

11. Pursuant to Section 33(3) of the Anti-Terrorism Act (ATA), all Financial Institutions and NRFIs are mandated to consult the **United Nations Security Council Resolution (UNSCR) 1267/1989/2253 Sanctions List** and **United Nations 1988 Sanctions Committee List** (together referred to as the "List of Designated Entities". Madam Speaker, based on the submissions of Quarterly Terrorist Property Report 1s, the FIUTT has observed that there has been an

increase in awareness among Reporting Entities, evidenced through the expansion of their due diligence processes. Also, the FIUTT embarked on the digitalisation of the Quarterly Terrorist Property Report 1 and Quarterly Terrorist Property Report 2 forms to assist Financial Institutions and NRFIs in submitting Quarterly Terrorist Property Reports via the online platform.

12. During the reporting period, the FIUTT utilized three main tools to test whether internal controls were effectively implemented by Supervised Entities. In the area of independent testing, Independent Audits were conducted in higher-risks sectors, including Attorneys-at-Law, Private Members' Clubs, Credit Unions, Motor Vehicle Sales, and Real Estate.

13. Another internal control used as the primary method to evaluate the AML/CFT/CPF was compliance examinations. Fifty-three (53) were conducted in the review period, of which 89 percent were sectors identified as higher risk. As of September 30, 2023, a total of 1,122 AML/CFT/CPF compliance examinations were conducted on Supervised Entities.

14. Madam Speaker, the FIUTT, in monitoring Supervised Entities for compliance with their AML/CFT/CPF obligations, report on entities that are in breach of these obligations. One type of breach identified was the failure by Supervised Entities to appoint a Compliance Officer/Alternate Compliance Officer with a high response level from these entities to warning letters regarding this particular breach. Additionally, the FIUTT identified 41 Credit Unions that were in breach of the obligation to submit Quarterly Terrorist Property Reports within the specified timeframe.

15. The FIUTT's outreach and awareness efforts continued with 29 virtual outreach sessions being conducted, seven of which were specifically for the

purpose of understanding a Risk-Based Approach, to enable Reporting Entities to identify the Money Laundering/Financing of Terrorism//Proliferation Financing (ML/FT/PF) risks and create robust measures to mitigate the risks assessed.

16. Madam Speaker, in the area of **financial analysis**, during the reporting period the FIUTT received a total of 950 Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) which were submitted by Reporting Entities. The Banking Sector continues to record the highest number of STRs/SARs, accounting for 60 percent of the total STRs/SARs received. This was followed by the Money or Value Transfer Services sector and Co-operative Societies, which accounted for 23 percent and 8 percent of the total STRs/SARs received respectively.

17. Also, during the reporting period, the FIUTT noted a 21 percent decrease in STRs/SARs submissions from the Banking Sector and a notable increase from Finance Companies, from 3 to 29 or an 867 percent increase when compared to the previous reporting period. Submissions from the Money or Value Transfer Services sector and Co-operative Societies increased by 113 percent and 55 percent, respectively. Overall, a 93 percent increase was noted in the STRs/SARs submissions by NRFIs. However, a 19 percent decrease was noted in submissions by Financial Institutions and a 17 percent decrease in submissions from Listed Businesses. The FIUTT noted a 250 percent increase in STRs/SARs submissions from Private Members' Clubs and a 25 percent increase in the STRs/SARs submissions from Motor Vehicle Sales.

18. The total monetary value of the 950 STRs/SARs received amounted to TT\$5,954,472,732.00 of which 784 (TT\$1,392,564,730) were completed transactions and represented a 12 percent decrease when compared to the

previous reporting period, whilst 226 were attempted transactions of which the monetary value amounted to TT\$4,561,908,002.00 and represented a significant increase over the previous reporting period. Notably, 7 STRs/SARs contained both completed and attempted transactions.

19. The FIUTT completed analysis on 523 STRs/SARs, generating a total of 60 Intelligence Reports, of which 51 were suspected ML cases and nine suspected FT cases. Of the 60 reports generated and subsequently disseminated, 35 were Spontaneous Disclosures. Of the 35 Spontaneous Disclosures, 26 were submitted to local competent authorities whilst nine were shared with foreign Law Enforcement Authorities and FIUs.

20. Madam Speaker, in the area of **strategic engagements: co-operation and collaboration**, over the past year, the FIUTT sustained its engagements and strategic partnership with other FIUs, Law Enforcement Authorities, Intelligence Agencies and other AML/CFT/CPF Supervisory Authorities, Reporting Entities, Government agencies and other stakeholders on matters of mutual interest. These partnerships allowed the FIUTT to widen its knowledge of domestic and international trends, patterns and typologies in ML/FT/PF.

21. The FIUTT also received 13 requests from foreign authorities during the reporting period which featured 38 subjects. The suspected criminal conduct in the majority of cases was ML related. In conducting its analyses, the FIUTT made 18 requests to foreign authorities for financial intelligence and information. The requests comprised 32 subjects and involved suspected Fraud, ML and other predicate cases. Requests received from foreign authorities originated mainly from the Americas, followed by the Caribbean and Europe.

22. During the reporting period, the FIUTT disseminated 9 Spontaneous Disclosures to foreign FIUs and Law Enforcement Authorities. The spontaneous dissemination of intelligence was linked to the suspected criminal conduct related to ML and FT in foreign jurisdictions. ML accounted for 44 percent of the total number of spontaneous intelligence reports disseminated, while FT accounted for 33 percent. The other suspected criminal conduct amounted to 23 percent.

23. Madam Speaker, in the area of **resources and infrastructure**, during the period, the FIUTT sought to elevate its client services, by enhancing and upgrading its ICT infrastructure and systems. Its primary goal was to bolster its secure online Reporting Solution, enabling the submission of electronic reports. Further, in light of the imminent commencement of Caribbean Financial Action Task Force's (CFATF's) 5th Mutual Evaluation of Trinidad and Tobago, early in 2026, it is imperative that the FIUTT have a full complement of staff on board. Accordingly, the FIUTT proposes to advertise contract vacancies in order to recruit persons in different Divisions, in the next reporting period. In addition, the Ministry of Finance is currently processing recommendations from the FIUTT requesting Cabinet's approval of the retention of twelve contract positions.

24. In the 2023 reporting period, the FIUTT witnessed the completion of three Strategic Analysis products (Romance Scam, Social Engineering Tactics and the Illegal Wildlife Trade) and dissemination to Stakeholders, Reporting Entities and Competent Authorities.

25. Staff retention continued to be a challenge based on the unique nature of AML/CFT/CPF field. Trained staff are poached by international and domestic organisations as they hold vast experience in the field. Also, the sanctioned complement of the staff has increased and consequently, additional

accommodation is necessary to on-board new staff to carry out the core functions of the FIUTT.

26. Additionally, the major ICT initiatives conducted by the FIUTT over the reporting period were the PBX Upgrade and Implementation; Upgrade of Firewall Environment; FIUTT's Sanctions List Application Database; Upgrade of FIUConnect secure online Reporting Solution to caseKonnnect; Implementation of the QTR reporting solution; and Procurement of Video Conferencing Solution.

Madam Speaker, I thank you.