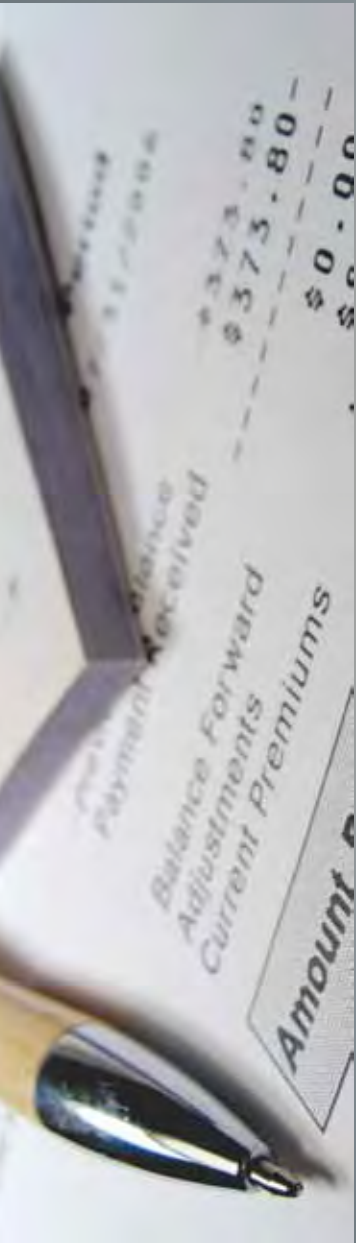




The Republic of Trinidad and Tobago



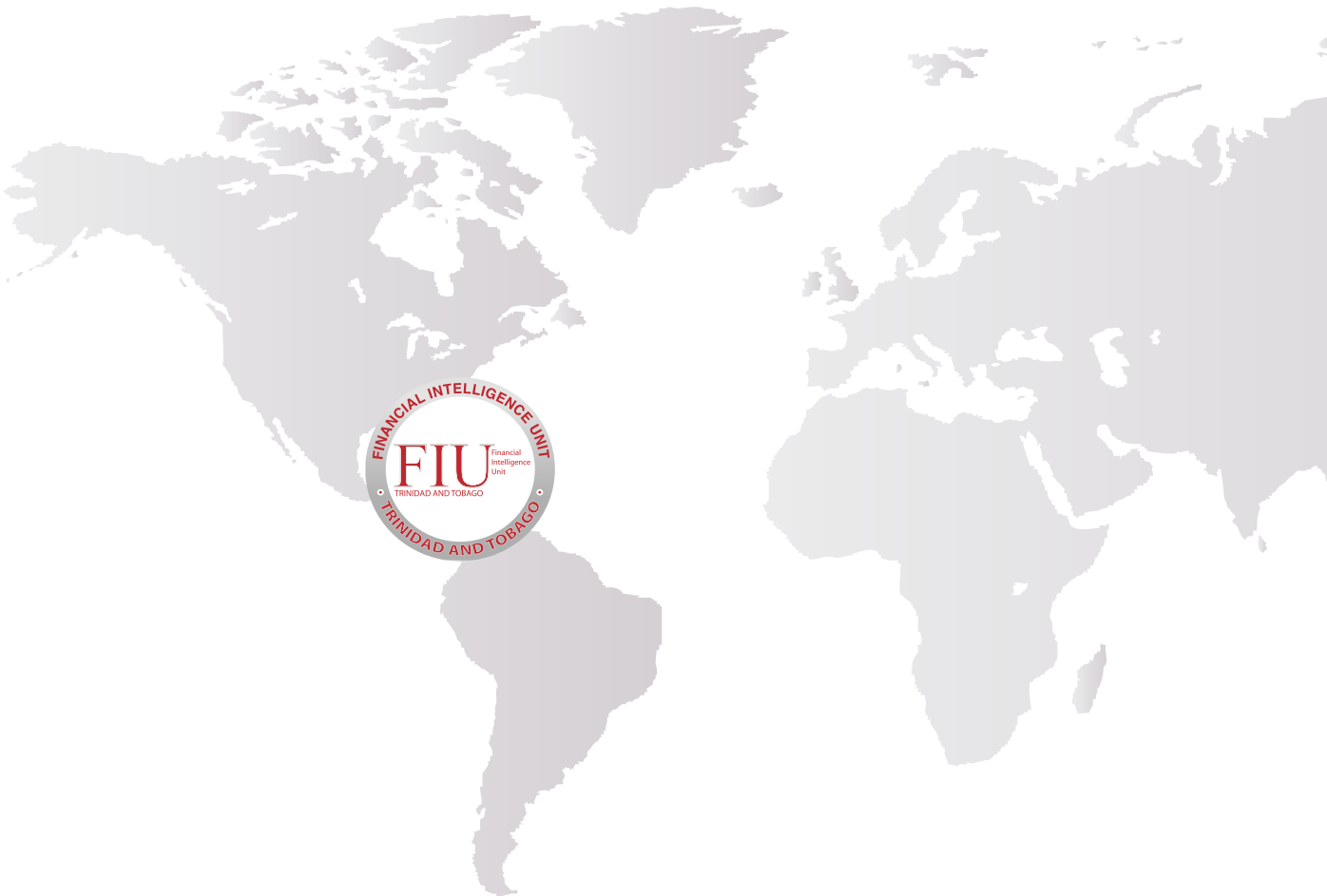
2013

Financial Intelligence Unit of Trinidad and Tobago  
ANNUAL REPORT



**2013**

Financial Intelligence Unit of Trinidad and Tobago  
**ANNUAL REPORT**











*Queen's Hall, the iconic concert hall located in St Ann's, Port of Spain, close to the picturesque Queen's Park Savannah.*

*Credit: Queen's Hall*



## 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.*



**GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO**

**FIU Ref: INF/1111/2013/pg**

November 15, 2013

Senator The Honourable Mr. Larry Howai  
Minister of Finance and the Economy  
Ministry of Finance and the Economy  
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 for the period October 01, 2012 to September 30, 2013.

The Annual Report is submitted in accordance with section 18 of the Financial Intelligence Unit of Trinidad and Tobago Act, No 11 of 2009.

Yours Sincerely,

Susan S. Francois  
Director

Level 25, Tower D, International Waterfront Complex, 1A Wrightson Road, Port of Spain, Trinidad and Tobago, West Indies  
Tel: 1 (868) 625-8351 Fax 1 (868) 624-9819 Email: fiutt@gov.tt Website: www.fiu.gov.tt

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## LIST OF ABBREVIATIONS

<b><i>Abbreviation</i></b>	<b><i>Meaning</i></b>
<b>AAL</b>	Attorney-at-Law
<b>AML/CFT</b>	Anti-Money Laundering/Counter Financing of Terrorism
<b>ATA</b>	Anti-Terrorism Act, Chapter 12:07
<b>BIR</b>	Board of Inland Revenue
<b>CBTT</b>	Central Bank of Trinidad and Tobago
<b>CFATF</b>	Caribbean Financial Action Task Force
<b>CP</b>	Compliance Programme
<b>CULTT</b>	Credit Union League of Trinidad and Tobago
<b>DNFBPs</b>	Designated Non-Financial Businesses and Professionals
<b>EDD</b>	Enhanced Due Diligence
<b>FATF</b>	Financial Action Task Force
<b>FSRB</b>	FATF Style Regional Bodies
<b>ICRG</b>	International Co-operation Review Group
<b>FI</b>	Financial Institution
<b>FIB</b>	Financial Investigations Branch
<b>FT</b>	Financing of Terrorism
<b>FIUA</b>	Financial Intelligence Unit Act, Chapter 72:01
<b>FIUTT</b>	Financial Intelligence Unit of Trinidad and Tobago
<b>FOR</b>	Financial Obligations Regulations, 2010
<b>ICATT</b>	Institute of Chartered Accountants of Trinidad and Tobago
<b>ICT</b>	Information and Communication Technology
<b>IDMS</b>	Intranet and Document Management Solution
<b>IGovTT</b>	National Information and Communication Technology Company Limited



## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Meaning</b>
IT	Information Systems & Technology
LEA	Law Enforcement Authority
LB	Listed Business
LWG	Legal Working Group
ML/ FT	Money Laundering/Financing of Terrorism
MOU	Memorandum of Understanding
MV	Motor Vehicles Dealer
MVTS	Money and Value Transfer Services
NCCT	Non-Cooperative Countries and Territories
NRFI	Non-Regulated Financial Institutions
PEP	Politically Exposed Person
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
SOP	Standard Operating Procedure
STR/ SAR	Suspicious Transaction Report/ Suspicious Activity Report
TFR	Terrorists Funds Report
TTPS/FIB	Trinidad and Tobago Police Service/Financial Investigations Branch
TTSEC	Trinidad and Tobago Securities and Exchange Commission
UN	United Nations
UN 1267	United Nations Security Council List

## Statement from Director

The FIUTT's Fourth Annual Report is skilfully presented in an environment of challenges and successes. This Annual Report provides a detailed review of the FIUTT's operations over the reporting period October 1, 2012 to September 30, 2013. It also offers a futuristic insight into the FIUTT's goals and objectives for the next reporting year.

In the year under review, the FIUTT embarked on a greatly expanded schedule of activities. This was in an effort to become even more fully operational and effective in the fulfilment of its mandate. The year saw an expansion of the FIUTT's range of events with particular reference to its outreach programmes, compliance monitoring, enforcement, and in the dissemination of Intelligence Reports to Law Enforcement Authorities.

In this reporting period, the FIUTT's outreach programmes focussed on improving the quality and level of suspicious transactions/activities (STRs/SARs) submissions. Special attention was paid to Reporting Entities which were not reporting or perceived to be under-reporting. The publication of sector specific Guidance Notes such as AML/CFT Guidance Notes for Attorneys-at-Law, Dealers in Precious Metals and Stones, and Accountants and the Guidance Note on Politically Exposed Persons also assisted in a better understanding of and compliance with their AML/CFT obligations.

The above efforts produced a discernible improvement in the level of STR/SAR reporting. Overall, the reports received contained more detailed information and better identified the reason for the suspicion which warranted a filing of the STR/SAR. An increased awareness of suspicious indicators was evident. While the STR/SAR filings show that the Financial Institutions

remain the most observant entities in the fight against money laundering and financing of terrorism, a definite responsiveness in the Listed Business sectors was observed.

The FIUTT also implemented measures to strengthen its compliance monitoring role within the limits allowed by its resources. The third level of enforcement action was initiated. For the first time the FIUTT issued Notices to the Reporting Entities which informed them of the particulars of their non-compliance with their AML/CFT legal obligations. Entities were then afforded the opportunity to make representations to the Director. The resulting effect was the issuance of directives from the FIUTT. This action resulted in positive steps being taken by the Entities to remedy the breach.

As regards Intelligence Reports disseminated to Law Enforcement Authorities, our Intelligence Reports revealed that analysed cases are becoming increasingly complex. Various complex legal structures, methods aimed at continuously moving assets, splitting transactions, and use of intermediaries are some of the money laundering techniques observed. Analysis of the specified criminal offences in the STRs/SARs revealed increasing financial fraud targeted at the general public. Consequently, the FIUTT responded by extending its education outreach to members of the general populace on the detection of fraud scams such as bogus emails/letters of lottery winnings, inheritance, job offers and invitations to conferences. Several advisories were issued to assist the public with the identification of such criminal activity, to protect them from monetary loss and emotional distress.

In addition, the FIUTT directed its attention to the provision of effective continuous training for its staff. This strategic move enabled staff to be

trained in enforcement, on-site audits and financial investigation and analysis. Training opportunities were also extended to Law Enforcement Authorities and regulators in the AML/CFT regime to further strengthen their organisation's skills.

A landmark development in the FIUTT's history occurred on July 3, 2013 when it was officially welcomed as a member of the Egmont Group. The Egmont Group is the internationally recognised Anti-Money Laundering Forum of Financial Intelligence Units. The FIUTT's membership in this group will bolster this jurisdiction's ability to interact with a global network of FIUs, exchange intelligence and cooperate with each other in the fight against money laundering, financing of terrorism and other serious crime. The FIUTT's inclusion in the Egmont Group sends a clear signal that Trinidad and Tobago is internationally recognised for its commitment to preventing the abuse of its jurisdiction by criminal elements seeking to conceal or launder the proceeds of their crimes or to finance terrorism.

Another important achievement in 2013 was the removal of Trinidad and Tobago from the FATF monitoring process. From February 2010, Trinidad and Tobago was the subject of enhanced monitoring by the Americas Regional Review Group of the FATF. After an on-site assessment in August, 2012, the FATF, at its plenary in October 2012, agreed that Trinidad and Tobago had met its commitments regarding its strategic AML/CFT deficiencies.

Looking forward, Trinidad and Tobago will be up for evaluation in the 4th Round Mutual Evaluation in January 2015. In 2005 Trinidad and Tobago was assessed in the 3rd Round Mutual Evaluation where it was rated partially compliant or non-compliant on 15 of the 16 Core and Key Recommendations and 26 other Recommendations. Great efforts have been made to improve these ratings.

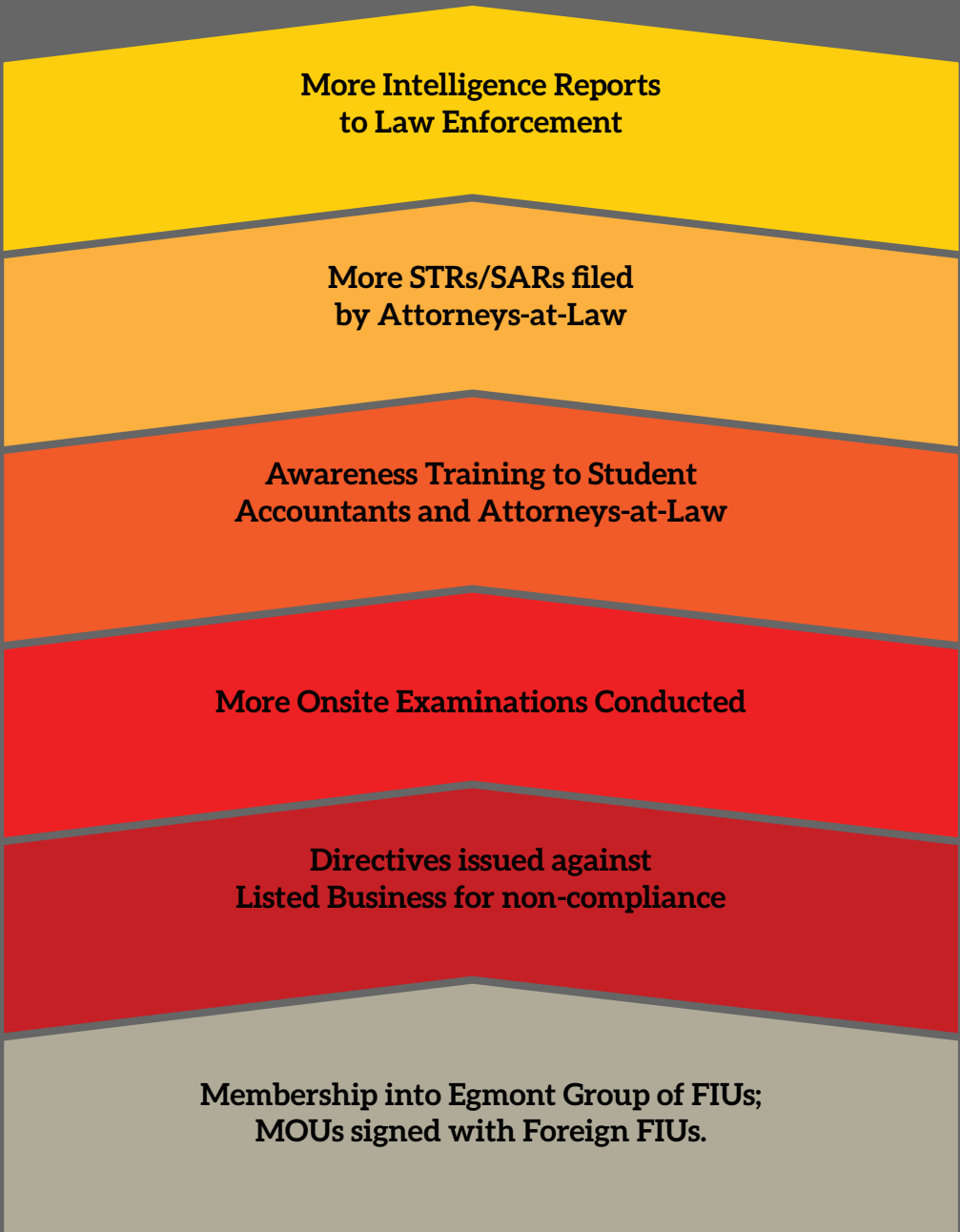
Trinidad and Tobago will be the first in the Caribbean region to be assessed in the 4th Round Mutual Evaluation. The assessment in this Round will focus not only on technical compliance but also, and more critically, on the effectiveness of the country's preventive and law enforcement systems for combating money laundering and financing of terrorism.

In view of the imminent evaluation, it is critical that Trinidad and Tobago conduct its own national risk assessment, and develop with the key stakeholders an action plan for a co-ordinated and effective approach to combat money laundering and financing of terrorism.

Undoubtedly, the abuse of our businesses and financial institutions for the purpose of money laundering and financing of terrorism has serious adverse effects on the social and economic health of our country. The fight to eradicate such abuse is a monumental task which necessitates continuous and relentless vigilance and strategic monitoring. Since its creation in February 2010, the FIUTT has focused on assiduously and diligently applying its best efforts in discharging its responsibilities under the law. The journey may be challenging, but the FIUTT is emboldened in its efforts with a staff committed to achieving greater degrees of effectiveness. In preparation for the challenges which lie ahead the FIUTT will apply its finite resources efficiently to fulfil its diverse responsibilities.

**Susan S. Francois**  
Director

# HIGHLIGHTS





## CHAPTER I

### THE LEGAL FRAMEWORK

#### 1. IMPLEMENTING ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM STANDARDS

Trinidad and Tobago has introduced a comprehensive legislative framework designed to comply with the international Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) standards set by the Financial Action Task Force (FATF).

The domestic laws and regulations are aimed at protecting the financial system from the scourge of Money Laundering (ML) and Financing of Terrorism (FT) by implementing a set of cohesive measures which:-

- (i) criminalise money laundering and financing of terrorism;
- (ii) set up freezing, seizing and confiscation systems;
- (iii) impose mandatory preventive requirements on FIs and certain businesses and professionals;
- (iv) establish a Financial Intelligence Unit;
- (v) create an effective supervisory framework; and
- (vi) set up channels for domestic and international co-operation.

These measures are intended to achieve a range of objectives, which include:-

- (i) confiscating the proceeds of crime;
- (ii) detecting crime by following the money trail;
- (iii) targeting third parties who provide their services to facilitate the retention of illicit earnings by criminals;
- (iv) targeting the upper echelons of criminal organisations whose only connection to the crime is the money trail; and
- (v) protecting the integrity of the financial

system against abuse by criminals.

The current AML/CFT laws of this jurisdiction comprise the following:-

- Proceeds of Crime Act, Chap. 11:27;
- Anti-Terrorism Act, Chap. 12:07;
- Financial Intelligence Unit of Trinidad and Tobago Act, No. 11 of 2009 (as amended);
- Financial Obligations Regulations, 2010;
- Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011;
- Financial Obligations (Financing of Terrorism) Regulations, 2011.

#### *The Proceeds of Crime Act*

The enactment and subsequent proclamation of the Proceeds of Crime Act (**POCA**) in the year 2000 demonstrated Trinidad and Tobago's commitment to combat money laundering. The **POCA** creates the offence of money laundering and establishes the procedure through which the proceeds of drug trafficking and other specified offences may be confiscated.

In an effort to further strengthen the legislation and to widen its scope, the Parliament in 2009 introduced the following changes :-

- Money laundering was made a stand-alone offence;
- the definition of a specified offence was widened to include all indictable offences whether committed in Trinidad and Tobago or elsewhere;
- Law Enforcement and Supervisory Authorities' powers in implementing the AML/CFT regime were strengthened; and
- AML/CFT obligations were extended to certain categories of businesses and professionals known as Listed Business.

## CHAPTER I

### THE LEGAL FRAMEWORK

#### ***The Financial Obligations Regulations, 2010***

The Financial Obligations Regulations, 2010 (FOR) came into effect on January 19, 2010. These regulations detail the AML obligations for Financial Institutions (FIs) and Listed Businesses (LBs). These obligations include the appointment and training of a Compliance Officer, the development and implementation of a Compliance Programme which sets out the Reporting Entity's internal systems and controls to mitigate its vulnerability to money laundering; reporting suspicious transactions or activities related to money laundering to the FIUTT and maintenance of certain records.

#### **i. Anti-Terrorism Act**

The Anti-Terrorism Act (ATA), was brought into force in September, 2005. It criminalises terrorism and makes provision for the detection, prevention, prosecution, conviction and punishment of terrorists' activities and for the confiscation, forfeiture and seizure of terrorists' assets.

By amendments promulgated in 2010, the offence of the financing of terrorism was created. By further amendments in 2011 and 2012, more stringent measures were introduced to enable the early identification of terrorist entities and the immediate freezing of terrorists' assets to prevent the flight and dissipation of the assets used to finance terrorism.

#### ***The Financial Obligations (Financing of Terrorism) Regulations***

Pursuant to the Act, the Financial Obligations (Financing of Terrorism) Regulations came into effect in February 2011 to ensure that the obligations stipulated under the FOR apply mutatis mutandis to an FI or LB, in relation to the financing of terrorism.

#### **ii. The Financial Intelligence Unit Act**

The Financial Intelligence Unit Act (No. 11 of 2009) (FIUA) was proclaimed on February 9, 2010 and established the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) as the primary institution for the collection and receipt of financial intelligence and information. The unit is also mandated to analyse, disseminate, and exchange financial intelligence and information among competent authorities in relation to money laundering.

The FIUTT's remit was expanded by amendment to the FIUA in 2011 to include powers for the monitoring of AML/CFT compliance and to impose administrative sanctions for non-compliance. Further amendments in 2012 clarified that the FIUTT was the only agency vested with the powers to receive and analyse STRs/SARs and that its responsibilities extended not only to anti-money laundering but also to the combatting of the financing of terrorist activities.

#### ***The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011***

The Financial Intelligence Unit of Trinidad and Tobago Regulations were made in 2011 and makes provision for the supervision of LBs and NRFIs (the Supervised Entities). The regulations require Supervised Entities to register with the FIUTT, which is vested with supervisory authority over these entities. All Supervised Entities and FIs (collectively referred to as Reporting Entities) are required to submit their CPs to the FIUTT for approval. The Regulations also define the procedures for collecting, receiving and storing financial information, providing feedback on STRs/SARs, in disseminating financial intelligence and in examining CPs.

CHAPTER I

THE LEGAL FRAMEWORK

The combined effect of the laws and regulations have created a robust AML/CFT regime making it increasingly difficult for criminals to launder the proceeds of their crimes or to finance terrorism.

2. ANTICIPATED LEGISLATIVE DEVELOPMENTS

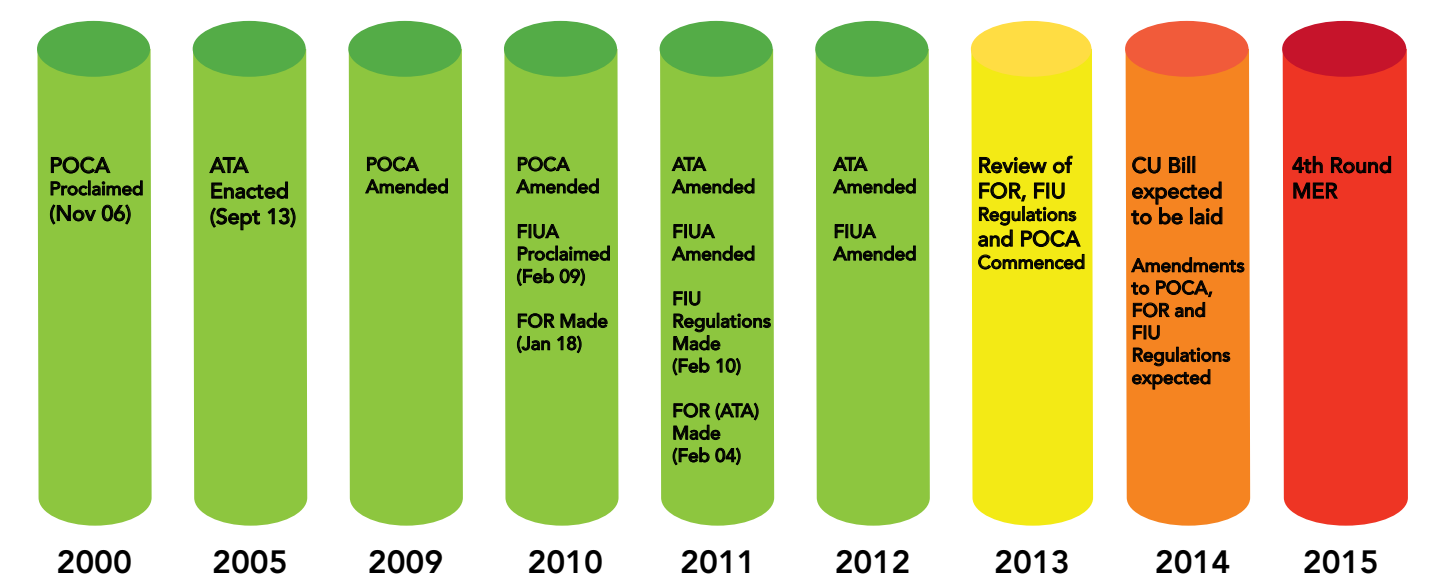
It is to be noted that the Financial Action Task Force international standards continue to evolve as criminals find new and creative ways to adapt their operations and develop new strategies to obfuscate their criminal activities. In February 2013 the FATF approved and published its Methodology for assessing compliance with the FATF Revised 40 Recommendations.

To ensure full compliance with the FATF standards, the AML/CFT Supervisory Authorities reviewed key pieces of legislation. In light of these international developments, Recommendations will be made for legislative change in the coming year in order to strengthen the AML/CFT legal regime in relation to the POCA, the FOR and the Credit Union Bill.

Diagram 1 is a chronology of the enactment of the AML/CFT laws together with the expected developments in the legal framework.

DIAGRAM 1

AML/CFT LEGAL FRAMEWORK TIMELINE



Source: FIUTT

CHAPTER II

THE FIUTT

1. ESTABLISHMENT AND COMPOSITON

The establishment of a Financial Intelligence Unit is required by the FATF’s Recommendation 26 (now Rec. 29 of the FATF’s revised 40 Recommendations). Rec. 26 requires each State to establish a FIU to serve as a national centre for receiving, analysing and disseminating STRs/SARs and other information on suspected ML/FT activities.

The FIUA created the FIUTT as the national agency in Trinidad and Tobago responsible for the collection, analysis and dissemination of financial intelligence and information, and exchange of such financial intelligence and information with local and foreign competent authorities with a view to combating ML/FT.

The FIUTT is a specialised intelligence gathering unit. It is an administrative type FIU with analytical functions which are separate and distinct from the investigative functions carried out by Law Enforcement Authorities.

The FIUTT is a department within the Ministry of Finance and the Economy, with its own offices, resources and staff. The Unit has been operational since February 2010 when it was established by virtue of the proclamation of the FIUA.

The responsibility for the operations of the Unit resides with the Director who is supported by the Deputy Director and other staff necessary for the performance of its functions.

2. STRUCTURE OF THE ORGANISATION

The Director, as the head of the FIUTT, is responsible for the overall supervision of the

department and the implementation of AML/CFT policies in accordance with the AML/CFT laws.

The Director, Deputy Director and other officers on the establishment of the FIUTT, are appointed by the Public Service Commission. However, the Permanent Secretary of the Ministry of Finance and the Economy may appoint (a) other members of staff, after consultation with the Director; and (b) consultants and experts, on the advice of the Director, on a contractual basis. Such appointments must conform to any guidelines for contractual employment issued by the Chief Personnel Officer.

The approved staff establishment comprises 29 officers and for efficiency, the FIUTT is organised into 3 core operational areas. These are:

- i. the Analytical Division, which is at the heart of the FIUTT;
- ii. the International & Domestic Co-operation Division; and
- iii. Compliance & Outreach Division.

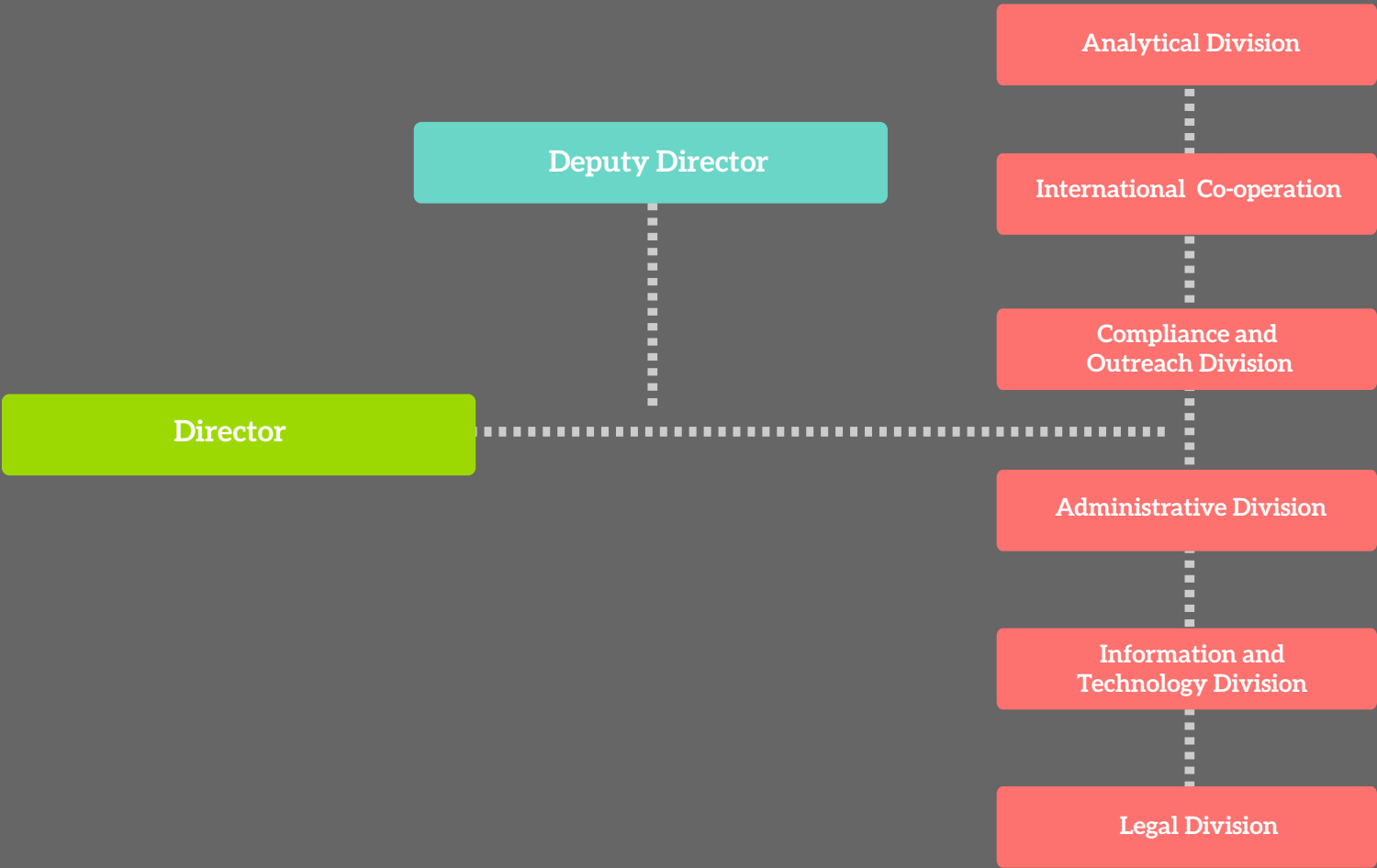
The Financial Analysts are responsible for the analysis of STRs/SARs and preparation of analytical reports. The Intelligence Research Specialist manages the Co-operative function. Compliance Officers ensure that Supervised Entities are compliant with their AML/CFT obligations.

These core functions are supported by the IT, Legal and Administrative staff. Diagram 2 illustrates the FIUTT’s Organisational Structure.



CHAPTER II  
THE FIUTT

DIAGRAM 2  
FIUTT'S ORGANISATIONAL STRUCTURE



Source: FIUTT

## CHAPTER II

### THE FIUTT

#### 3. FUNCTIONS

The functions and responsibilities of the FIUTT are detailed in the FIUA and the FIU Regulations. Its 3 core functions are:

##### ***i. Receipt and Analysis of STRs/SARs and Dissemination of Intelligence Reports***

The FIUTT receives information on suspicious transactions or activities from Reporting Entities i.e. institutions and persons that are subject to the obligations of the AML/CFT laws. Following the receipt of a report, the Analytical Division of the Unit carries out an analysis after which an analytical report is presented to the Director with a recommendation whether an Intelligence Report should be forwarded to the LEAs on the basis of a reasonable suspicion of ML/FT. The analytical function also requires the Unit to obtain information from the Reporting Entity and other persons for the purpose of conducting its analysis.

##### ***ii. The Exchange of Information***

The FIUTT is also required to exchange financial intelligence and information with members of the Egmont Group and with Foreign FIUs, either spontaneously or on the basis of a request for information. As well, the FIUTT is required to co-operate with local and foreign authorities, and affiliates within the intelligence community and LEAs. To facilitate this purpose, the FIUTT may enter into MOUs.

##### ***iii Compliance Monitoring***

Oversight and monitoring for AML/CFT compliance also fall within the remit of the FIUTT. In fulfilling this responsibility the Unit's Compliance and Outreach Division follows internal compliance procedures for on-site examinations, off-site monitoring and enforcement action.

On-site examinations are carried out by the Unit's Compliance Officers. The findings are reported to the Lead Examiner after which a final report is prepared in which the examined entity is informed of any remedial action to be taken within stipulated time frames.

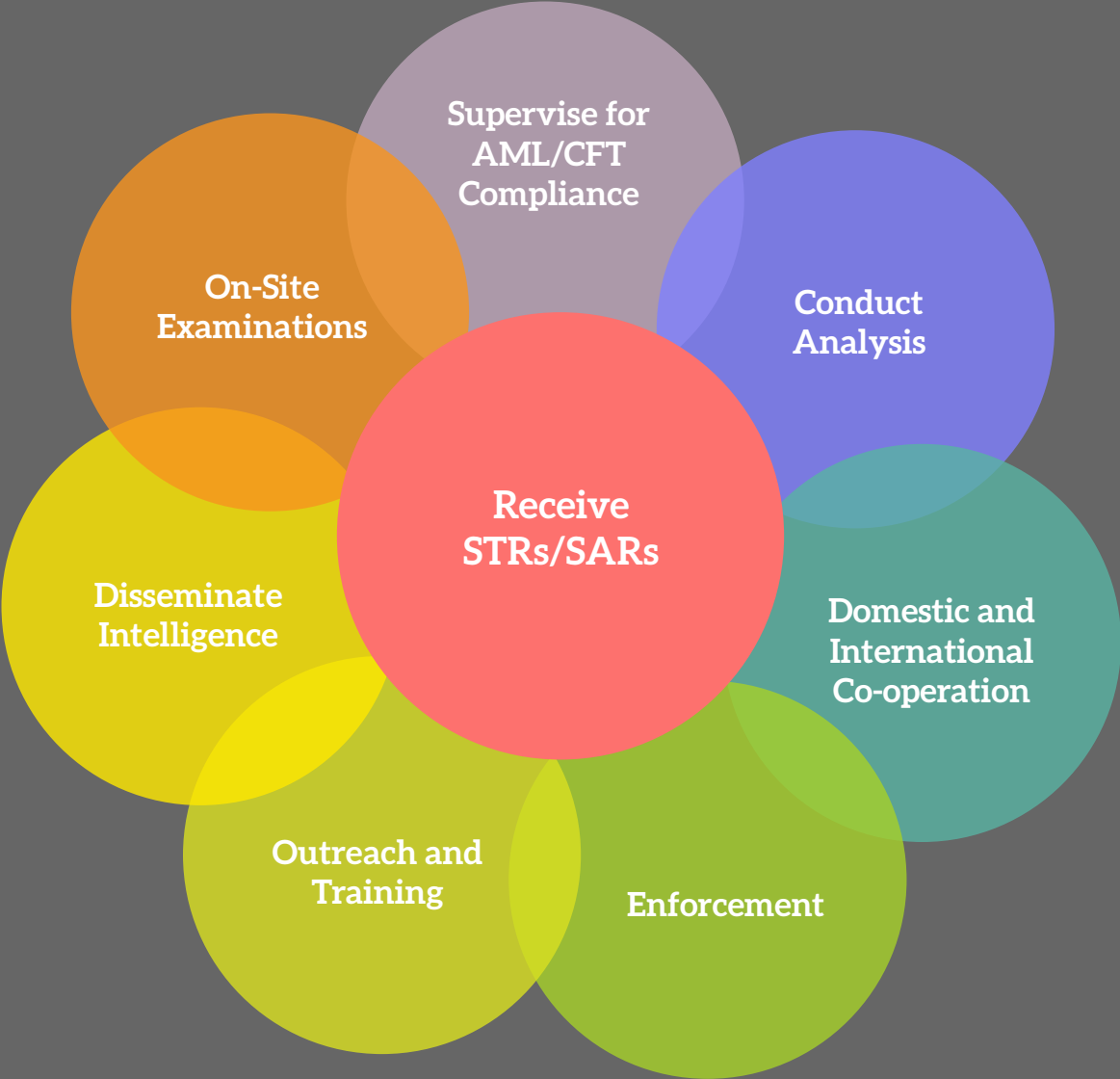
The FIUTT is also empowered to impose administrative sanctions for breaches of AML/CFT obligations. This it does in accordance with internal enforcement procedures.

##### ***Other Responsibilities***

Other areas of responsibility include outreach, training and the provision of guidelines to FIs and LBs so that they understand the mandatory nature of their obligations under the AML/CFT laws. The FIUTT is also involved in monitoring developments in ML/FT techniques, typologies and trends, the issuance of advisories and statistics and provision of feedback to Reporting Entities to assist them in developing and implementing effective AML/CFT programmes.

CHAPTER II  
THE FIUTT

DIAGRAM 3  
MAIN RESPONSIBILITIES OF THE FIUTT



Source: FIUTT

## CHAPTER III

### ANALYTICAL DIVISION

#### 1. ANALYSIS

The main focus of the Analytical Division is analysing the Suspicious Transaction Reports/ Suspicious Activity Reports (STRs/SARs) received by the FIUTT and disseminating Intelligence Reports to LEAs. In performing these functions the Division gives optimal consideration to securing the confidentiality of information and adding value to the information it receives to produce quality intelligence.

The STRs/SARs received from Reporting Entities form the initial input for the Analytical Division. Appendix 1 is a List of Reporting Entities. The Division then evaluates the STR/SAR with information received from both public and non-public sources.

##### **i. Receiving and Evaluating the STR/SAR**

Section 55 (3) of the POCA as amended, provides that:

*"Where a financial institution or listed business knows or has reasonable grounds to suspect that funds being used for the purpose of a transaction to which sub-section (2) refers are the proceeds of a specified offence, the financial institution or listed business shall make a suspicious transactions or a suspicious activity report to the FIU in the form attached as the Third Schedule..."*

It is important to note that a STR/SAR is only a report of suspicious transactional activity and not necessarily criminal behaviour. The FIUTT's analysis confirms whether or not the suspicion is substantiated.

When the FIUTT receives a STR/SAR, internationally recommended criteria are employed to prioritize the STR/SAR. This evaluation process determines which STR/SAR will be subject to a detailed analysis to generate an Intelligence Report and

which ones will be filed for intelligence for use in future analysis.

##### **ii. Analysing the STR/SAR**

The analysis of a STR/SAR requires the Analyst to conduct detailed searches and assessment before producing an Intelligence Report. This examination is carried out in accordance with the FIUTT's Standard Operating Procedures (SOPs). The primary information from the Reporting Entity is supplemented with other relevant information from the FIUTT's database and information from other FIs. Information may also be sought from foreign FIUs and through the Egmont Secure Website, from Egmont FIUs.

At the conclusion of the analysis of the STR/SAR, if the suspicion is confirmed, an Intelligence Report is submitted to the relevant LEA to investigate the case. In addition, if the analysis reveals links to a foreign jurisdiction, a Spontaneous Report would be sent to that jurisdiction's FIU.

The Analytical Division supplements the Intelligence Report with Link Charting, Event Charting, Activity Charting and Financial Profiling.

##### **iii. Disseminating Intelligence Reports**

The FIUTT is mandated under law to disseminate Intelligence Reports to LEAs for investigation to determine whether a Money Laundering offence has been committed, or whether the proceeds of crime are located in Trinidad and Tobago or elsewhere. The LEAs mandated to investigate reports from the FIUTT are the Commissioner of Police, the Comptroller of Customs and Excise, the Chief Immigration Officer and the Chairman of the Board of Inland Revenue.

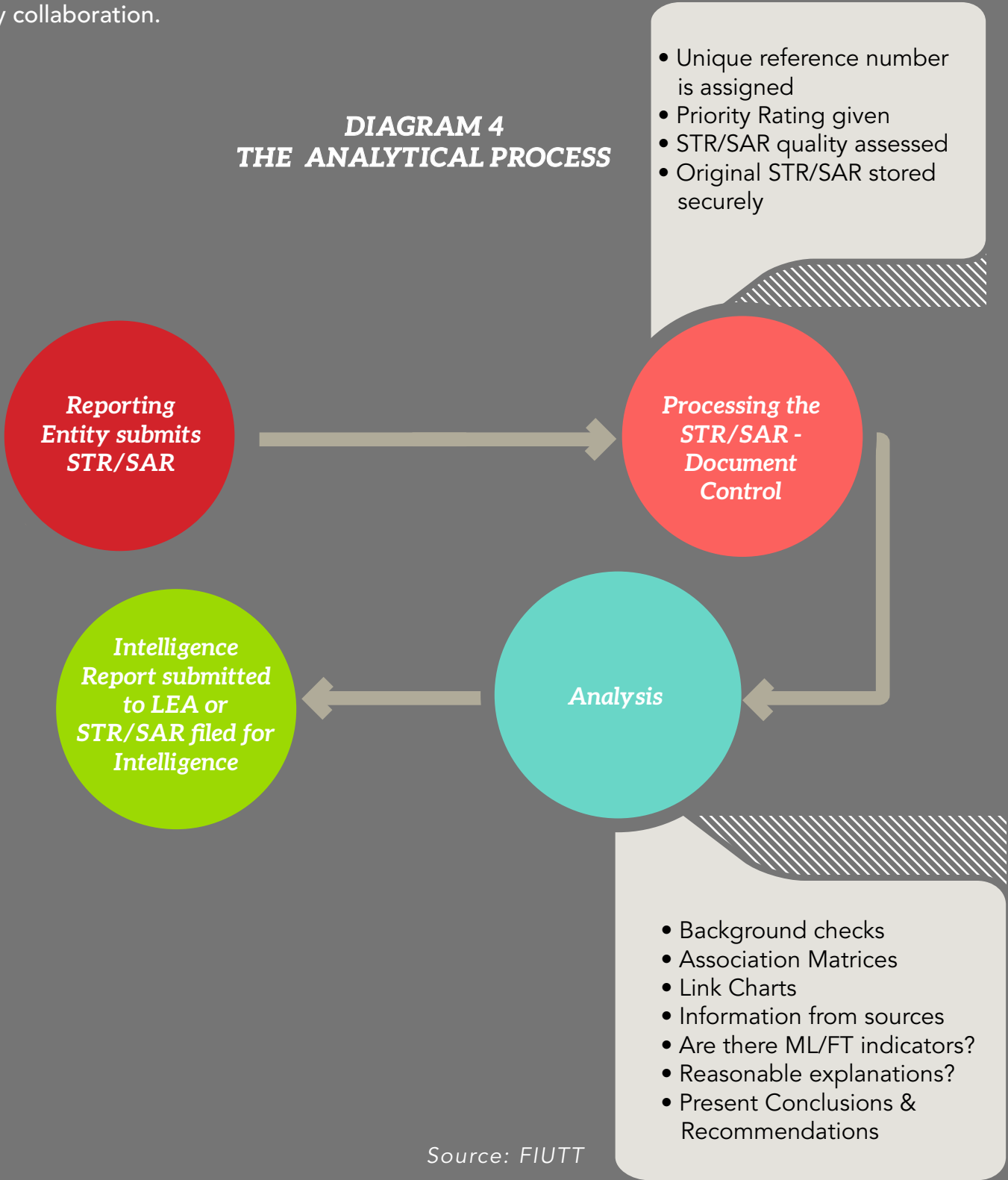
The Intelligence Reports generated by the FIUTT may not only initiate an investigation but may also assist in furthering a current investigation or may be used for intelligence purposes only.



CHAPTER III  
ANALYTICAL DIVISION

Diagram 4 shows the analytical process of the STR/SAR. Diagram 5 illustrates the FIUTT and the LEAs in their cross-agency collaboration.

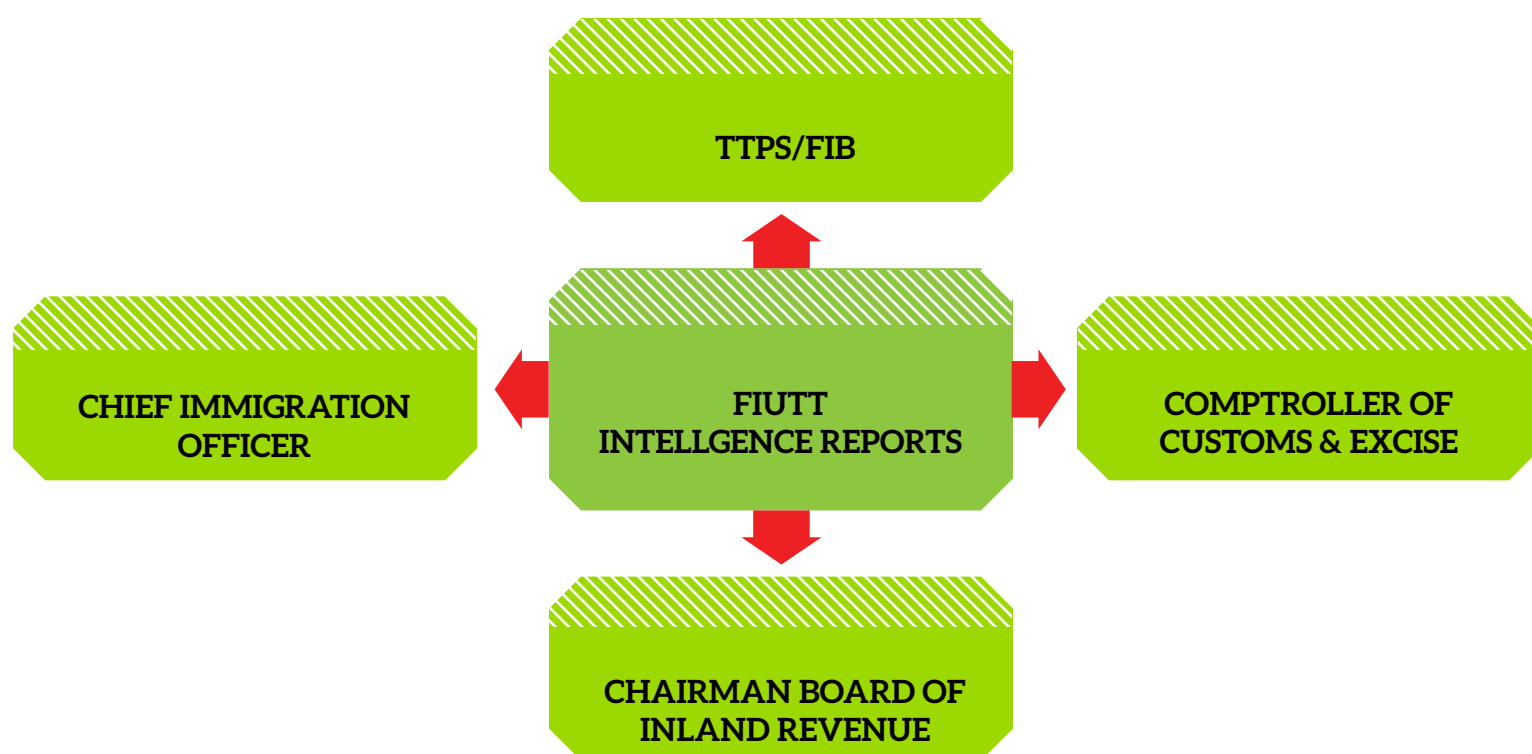
DIAGRAM 4  
THE ANALYTICAL PROCESS



## CHAPTER III

### ANALYTICAL DIVISION

**DIAGRAM 5**  
**FIUTT AND LEAs COLLABORATION**



Source: FIUTT

## 2. STATISTICS

### i. Overview of STRs/SARs Submitted

For the reporting period October 1, 2012 to September 30, 2013, the FIUTT received 554 STRs/SARs. This period saw a 115% increase from the previous year in the total number of STRs/SARs submitted to the FIUTT. The most significant increase occurred in the Money and Value Transfer Services (MVTs) sector which submitted 314 STRs/SARs as compared with 38 in the previous year.

The increase is largely attributed to two MVTs which filed 111 and 200 respectively of the STRs/SARs received. However, although there were a larger number of reports, the dollar value of the

transactions was low, averaging only TT\$200. This indicates the need for more guidance to this sector in analysing suspicion to prepare a better quality STR/SAR. However, the quality of reports received from the FIs continues to be of a high standard.

Two sectors submitted STRs/SARs to the FIUTT for the first time. These were Private Members Clubs and Exchange Bureaux which filed seven and three STRs/SARs respectively.

As well, from the LBs sector significant increases were noted in the number of STRs/SARs filed by Attorneys-at-Law, Co-operative Societies, Motor Vehicle Sales and the Real Estate.

**CHAPTER III****ANALYTICAL DIVISION**

Of the 554 STRs/SARs submitted for the period, 193 were submitted by FIs and 361 were submitted by Supervised Entities (i.e. Non-Regulated Financial Entities and LBs). Of the Supervised Entities, the MVTs sector submitted 314 STRs/SARs which accounted for 57% of the total number of STRs/SARs received by the FIUTT, while from the FIs, the Banking Sector submitted 152, which accounted for 27% while other FIs accounted for 7%. The

Listed Business sector accounted for 9%, of the total number of STRs/SARs received.

Table 1 shows a comparative view of the STRs/SARs received from Reporting Entities for the four-year period, 2010 to 2013.

**TABLE 1**  
**COMPARATIVE VIEW OF STR/SAR SUBMISSIONS**

Reporting Entities	2010	2011	2012	2013
<b>Financial Institutions</b>				
Banking	58	151	154	152
Exchange Bureaux	0	0	0	3
Insurance Co.	1	9	10	3
Mutual Funds	19	28	22	26
Mortgage Co.	5	14	7	5
Security Dealers	1	0	5	4
<b>Supervised Entities</b>				
Attorneys-at-Law	0	2	1	6
Co-operative Societies	2	5	16	20
Jewellers	0	0	1	2
Money/Value Transfers	25	90	38	314
Motor Vehicles Sales	0	1	3	9
Postal Services	0	0	1	0
Real Estate	0	3	0	3
Private Members Club	0	0	0	7
<b>Supervised Entities</b>	<b>111</b>	<b>303</b>	<b>258</b>	<b>554</b>

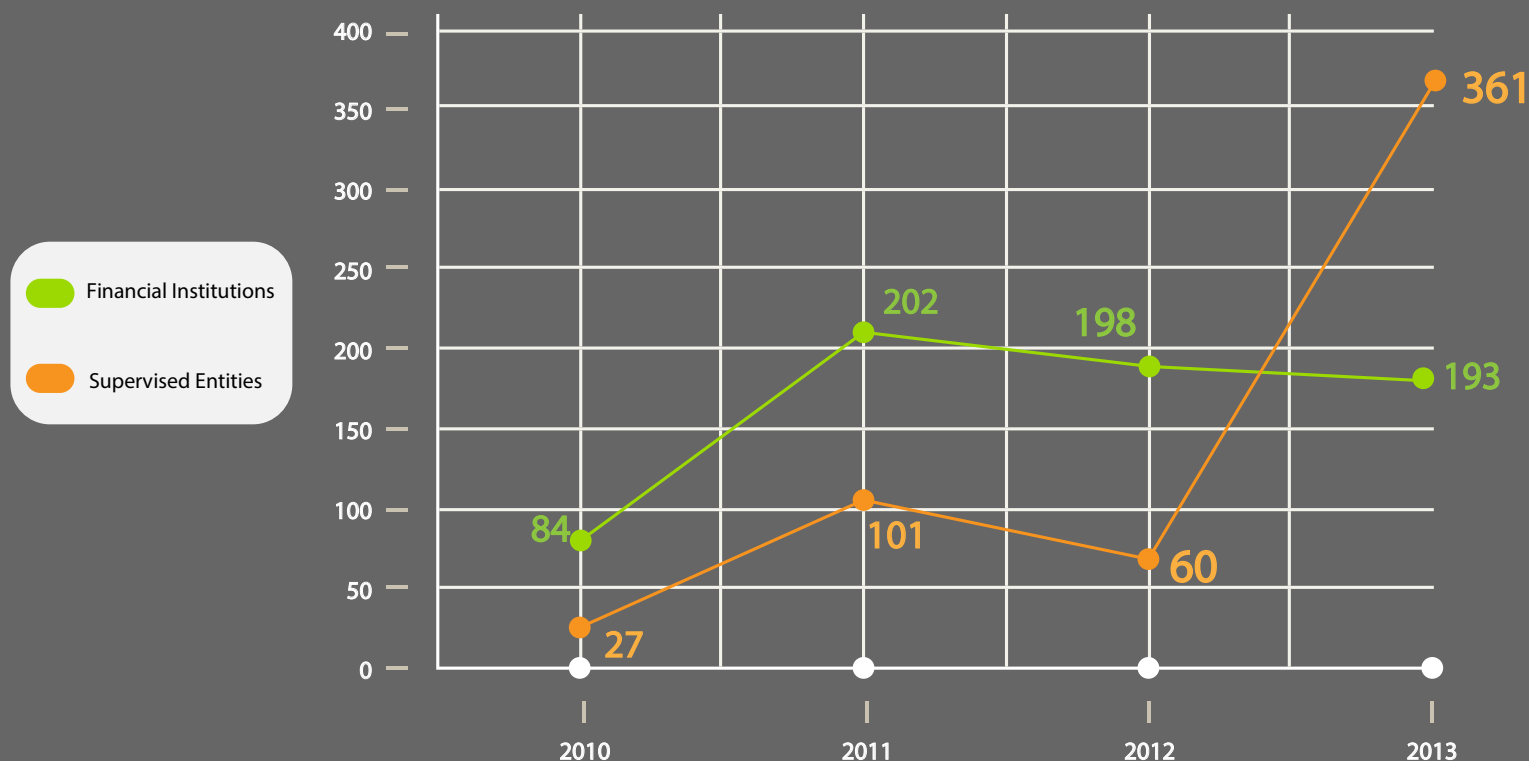
Source: FIUTT

## CHAPTER III

### ANALYTICAL DIVISION

Diagram 6 compares the number of STRs/SARs submitted by FIs and Supervised Entities for the period 2010 to 2013. While the number of STRs/SARs submitted by FIs remained fairly consistent, a sharp increase was noted from the Supervised Entities which is attributed to the MVTs sector.

**DIAGRAM 6**  
**STRs/SARs SUBMISSION FOR FOUR-YEAR PERIOD**



Source: FIUTT

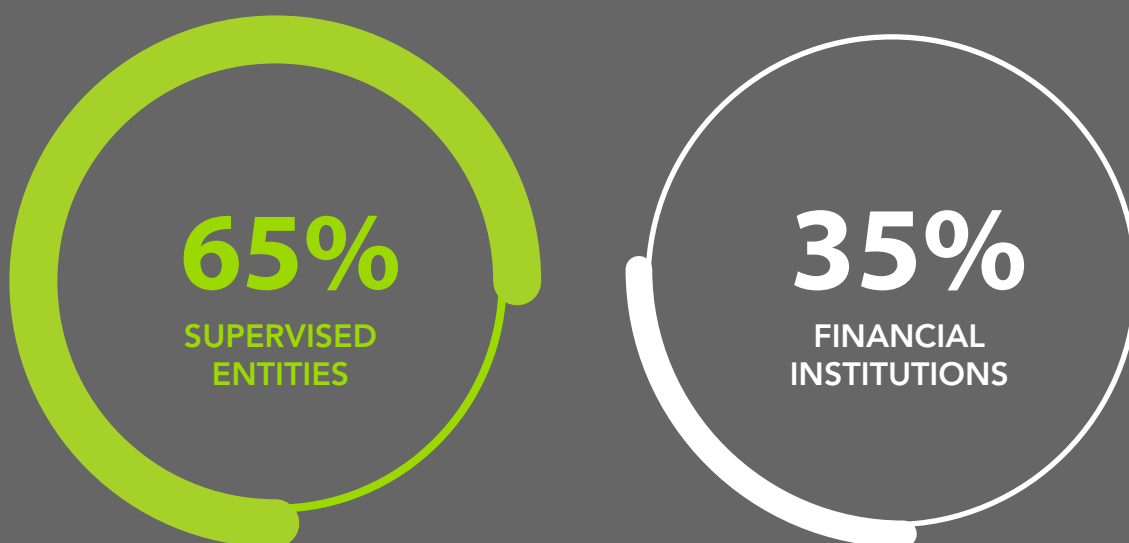


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### ANALYTICAL DIVISION

Supervised Entities submitted 65% of the total number of SARs/STRs received in the reporting year, while the FIs submitted 35% of all SARs/STRs received. Diagram 7 is illustrative.

**DIAGRAM 7**  
**STR/SAR SUBMISSIONS FOR THE YEAR 2013**  
**FINANCIAL INSTITUTIONS VS SUPERVISED ENTITIES**



Source: FIUTT

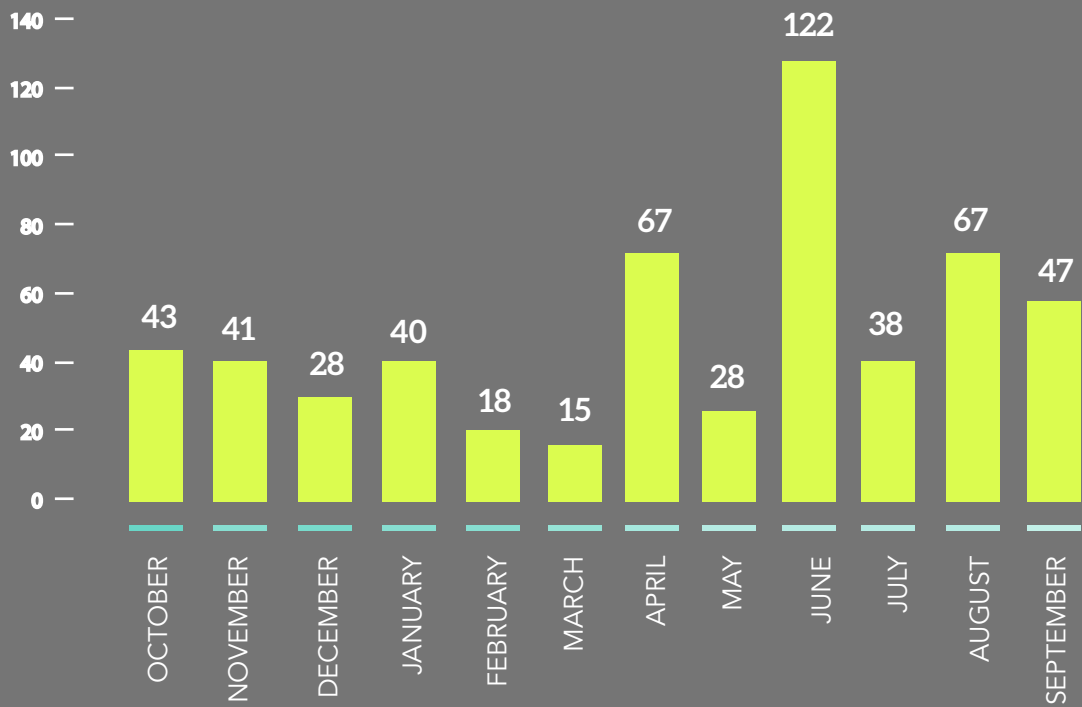
CHAPTER III  
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ii. Comparative Monthly view STRs/SARs  
Received

Diagram 8 shows the number of STRs/SARs received by the FIUTT per month. An average of 46 STRs/SARs per month was received. The month of June showed a significant outlier with 122 STRs/SARs received of which 99 were filed

by the MVTs sector, with one MVTs accounting for 89 of the 99 STRs/SARs filed. Conversely, the month of March showed the lowest submission of STRs/SARs, only 15 were filed. No STRs/SARs were filed by the MVTs sector in March.

DIAGRAM 8  
MONTHLY STRs/SARs SUBMISSIONS FOR 2013



Source: FIUTT

**CHAPTER III****ANALYTICAL DIVISION**

**Table 2** shows the monthly average of STRs/SARs filed by the Reporting Entities. A significant increase in the monthly average of STRs/SARs received from the previous reporting year was observed and attributed to the MVTs sector. As the submission of STRs/SARs increased, there were some dynamics which were noticed.

For example, multiple STRs/SARs produced a single Intelligence Report while in other cases, a single STR/SAR produced multiple Intelligence Reports. In the latter case Intelligence Reports were sent to more than one LEA because of the suspicion of multiple criminal offences.

**TABLE 2**  
**MONTHLY AVERAGE OF STRs/SARs RECEIVED**

YEAR	TOTAL STRs/SARs RECEIVED	MONTHLY AVERAGE
2010	111	9
2011	303	25
2012	258	22
2013	554	46

Source: FIUTT

**iii. STR/SAR submissions by Supervised Entities vs Financial Institutions**

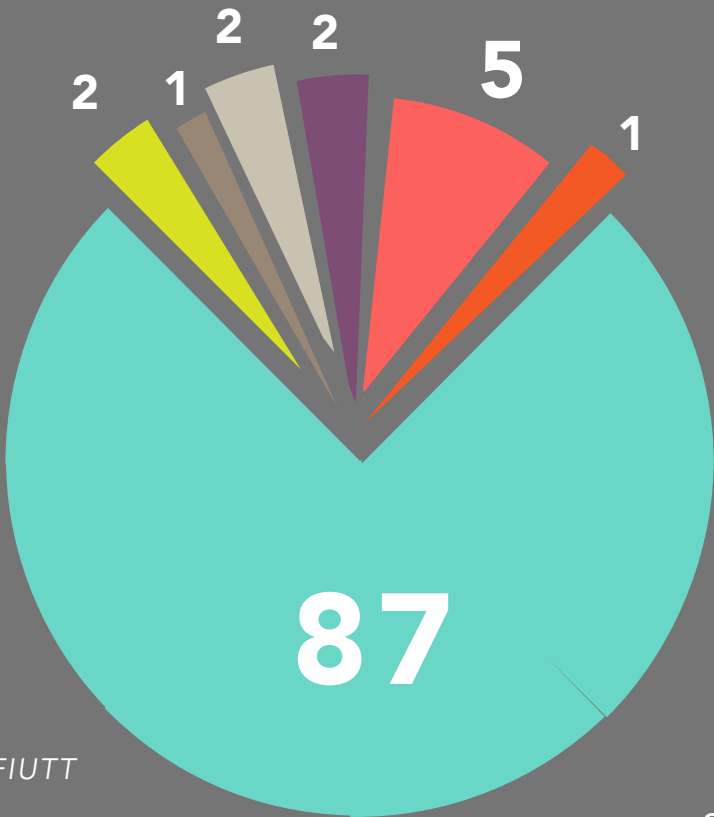
Of the Supervised Entities, the MVTs sector filed 87% of the STRs/SARs for the reporting year. Attorneys-at-Law, Jewellers, Co-operative Societies,

Private Member Clubs, Motor Vehicle Dealers and Real Estate accounted for the remaining 13%. Diagram 9 is illustrative.

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DIAGRAM 9  
SUPERVISED ENTITIES STRs/SARs SUBMISSIONS FOR THE YEAR 2013

Motor Vehicle Sales	2%
Money/Value Transfer	87%
Real Estate	1%
Private Members' Club	2%
Attorneys	2%
Co-operative Societies	5%
Jewellers	1%

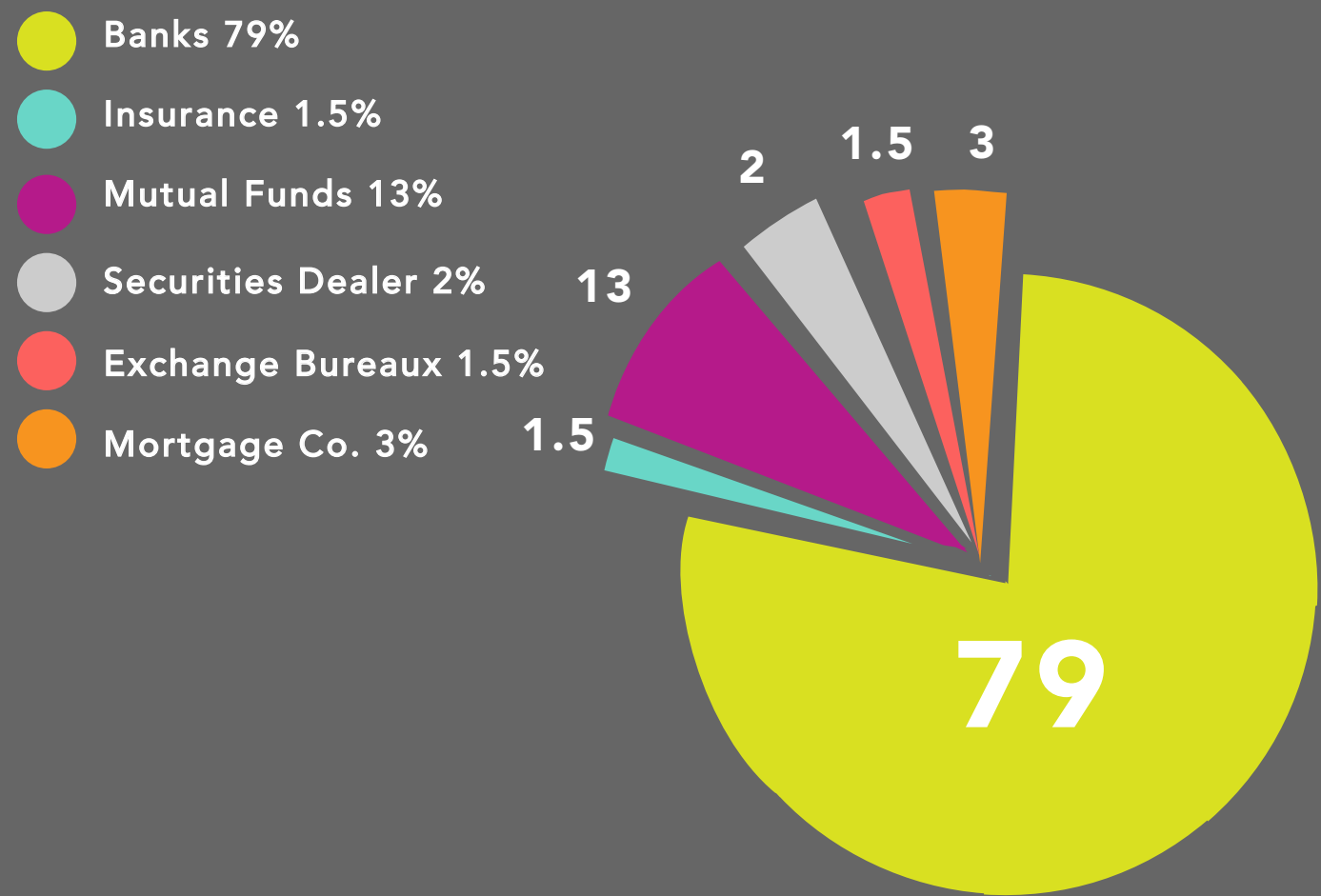


Source: FIUTT

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Upon examination of all the FIs, the banking sector continues to file the largest number of STRs/SARs. This sector accounted for 79% of STRs/SARs submitted by FIs as shown in Diagram 10.

DIAGRAM 10  
FINANCIAL INSTITUTIONS STRs/SARs SUBMISSIONS 2013



Source: FIUTT



**CHAPTER III****ANALYTICAL DIVISION****iv. Monetary Value of STRs/SARs**

The monetary value of STRs/SARs for the period under review was TT\$ 283,820,834. Compared to the previous reporting period, which showed a total monetary value of TT\$ 638,844,310, this period reflected a decline by 56% or TT\$ 355,023,476. The decrease in monetary value was likely caused by the low dollar value of the STRs/SARs filed by the MVTs sector, despite the greater volume of SARs/STRs filed. Overall, there were fewer reported transactions involving large monetary sums.

Attempted transactions with an estimated value of TT\$ 1.12 billion accounted for 29 of the 554 STRs/SARs filed. The fact that attempted transactions were intercepted by Reporting Entities evidences their implementation of due diligence measures to detect and decline these transactions before completion.

Tables 3 and 4 illustrate the monetary value of STRs/SARs received.

**TABLE 3**  
**MONETARY VALUE OF STRs/SARs BY CURRENCY**

Currency	Monetary Value	Total Monetary Value TT\$
TT\$	215,914,541	215,914,542
USD	5,718,379	36,826,361
GBP	1,285,000	13,543,900
Euro	2,031,985	17,536,031
<b>TOTAL TT\$</b>		<b>283,820,834</b>

**1 USD equivalent to TT\$ 6.44**

**1 GBP equivalent to TTD 10.54**

**1 EURO equivalent to TTD 8.63**

Source: FIUTT

**CHAPTER III****ANALYTICAL DIVISION**

**TABLE 4**  
**MONETARY VALUE OF COMPLETED AND ATTEMPTED**  
**TRANSACTIONS 2010 TO 2013**

	2010	2011	2012	2013	2013 Attempted
<b>NUMBER OF STRs/SARs</b>	111	303	358	554	29
<b>TOTAL VALUE (TT\$ MILLION)</b>	236	569	638.8	284	1.12 Billion

Source: FIUTT

CHAPTER III

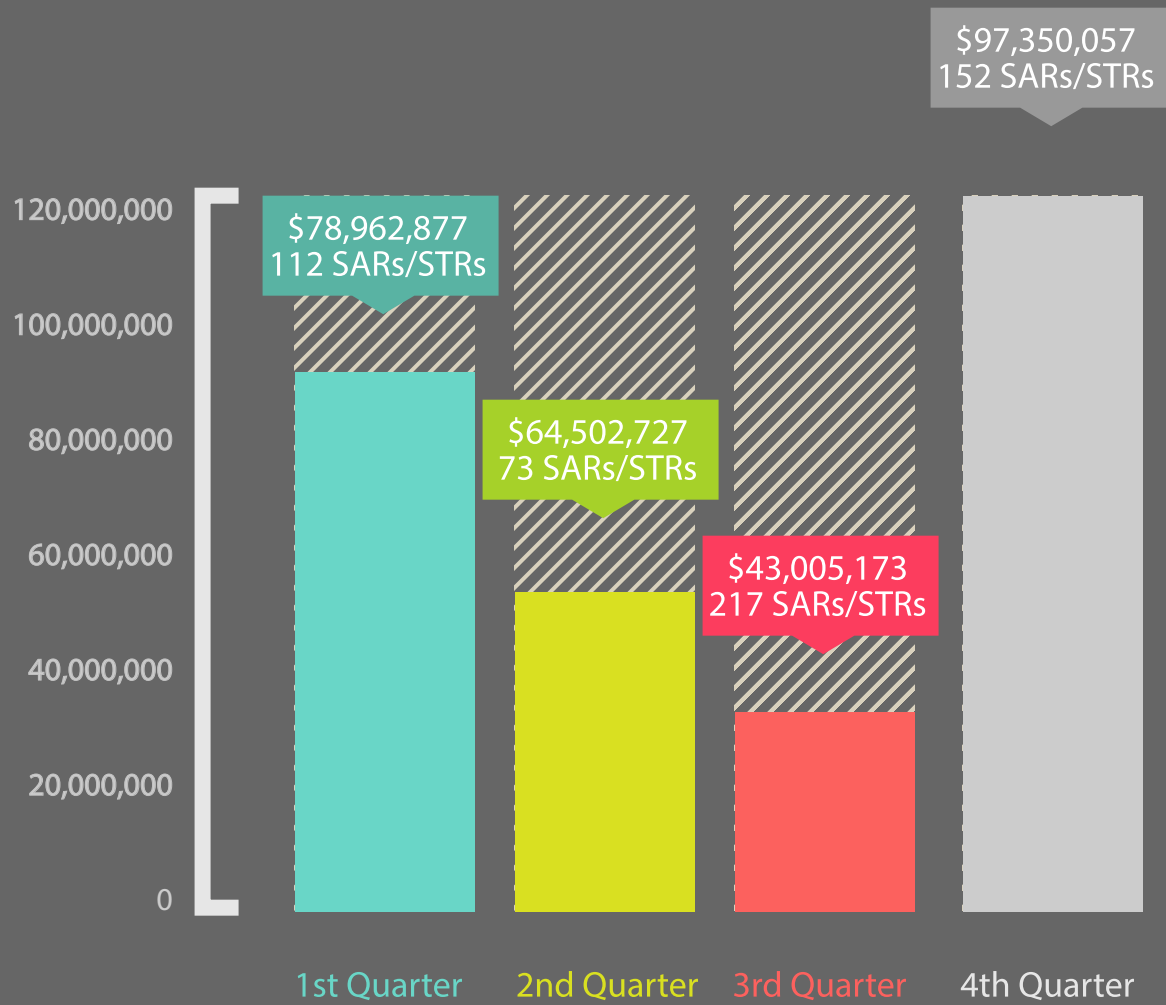
ANALYTICAL DIVISION

The STRs/SARs received in the fourth quarter (July to September 2013) reflected the highest monetary value of TT\$ 97,350,057. The lowest monetary value of TT\$ 43,005,173 but the highest number of STRs/SARs was recorded in the third quarter (April to June 2013). It was noted that during the third quarter, 72% of the STRs/SARs submitted came from the MVTs sector. Diagram 11 illustrates.

DIAGRAM 11

TOTAL MONETARY VALUE OF STRs/SARs FILED BY QUARTER

FOR PERIOD 2012 to 2013



Source: FIUTT

**CHAPTER III****ANALYTICAL DIVISION****3. INTELLIGENCE REPORTS**

For the period under review 506 STRs/SARs were analysed which generated 128 Intelligence Reports. The analysed STRs/SARs included STRs/SARs received during the reporting year as well as STRs/SARs received from previous years.

In-depth analysis was conducted on 166 STRs/SARs which generated 99 Intelligence Reports to local LEAs. Over the three year period (March 2010 to September 30, 2013) a total of 153 Intelligence Reports have been submitted to LEAs.

Of the 99 Intelligence Reports submitted to LEAs in the period under review, 63 were

forwarded to the Commissioner of Police (Financial Investigations Branch (FIB)), 30 to the Chairman of the Board of Inland Revenue (BIR) and 6 to the Chief Immigration Officer.

Of the total STRs/SARs received, 340 or 61% were filed for intelligence purposes after analysis and 52 or 9% are the subject of on-going analysis.

Table 5 illustrates the action taken on STRs/SARs and Table 6 shows the breakdown of reports submitted to LEAs for investigation.

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

<b>ACTION TAKEN</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>TOTAL</b>
<b>Received</b>	<b>303</b>	<b>258</b>	<b>554</b>	<b>1115</b>
<b>On-going Analysis</b>	<b>219</b>	<b>90</b>	<b>52</b>	<b>361</b>
<b>STRs/SARs generating Intelligence Report</b>	<b>13</b>	<b>15</b>	<b>162</b>	<b>190</b>
<b>Filed for intelligence</b>	<b>71</b>	<b>153</b>	<b>340</b>	<b>564</b>

Source: FIUTT

**CHAPTER III****ANALYTICAL DIVISION**

**TABLE 6**  
**COMPARATIVE VIEW OF**  
**INTELLIGENCE REPORTS SUBMITTED TO LEAs**

<b>TOTAL REPORTS SENT</b>		
<b>LEA</b>	<b>2011 TO 2012</b>	<b>2012 TO 2013</b>
<b>TTPS</b>	<b>14</b>	<b>63</b>
<b>BIR</b>	<b>8</b>	<b>30</b>
<b>IMMIGRATION</b>	<b>1</b>	<b>6</b>
<b>CUSTOMS</b>	<b>2</b>	<b>0</b>
<b>TOTAL</b>	<b>25</b>	<b>99</b>

Source: FIUTT



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### ANALYTICAL DIVISION

#### 4. SPONTANEOUS REPORTS

Analysis of STRs/SARs also results in the dissemination of Spontaneous Intelligence Reports to local and International LEAs and foreign FIUs. A total of 29 of such Reports were disseminated to these agencies. Feedback from the receiving agencies indicates that the reports have resulted in positive action.

#### 5. FEEDBACK TO REPORTING ENTITIES

The FIUTT continues to provide feedback to Reporting Entities on the STRs/SARs filed. 'Special Feedback' (SFBs) is given to the Reporting Entities, indicating whether:

- The STR/SAR is filed for intelligence purposes;
- An Intelligence Report was forwarded to the LEA;
- Analysis is being conducted; or
- The Subject/s has been charged with/convicted of a specified offence.

Reporting entities also benefit from 'Feedback' (FB) which indicates the deficiencies in the STR/SAR submitted to the FIUTT and provides guidance for improved reporting.

For the reporting period 174 SFBs and 24 FBs were submitted to Reporting Entities.

#### 6. PRODUCTION OF INFORMATION

Effective STRs/SARs analysis depends on additional information provided on request from the various FIs and Supervised Entities. The FIUTT issued 941 Production of Information requests to these entities in the reporting period, as compared with 224 for the previous year.

#### 7. ANALYSIS OF SUSPECTED SPECIFIED OFFENCES

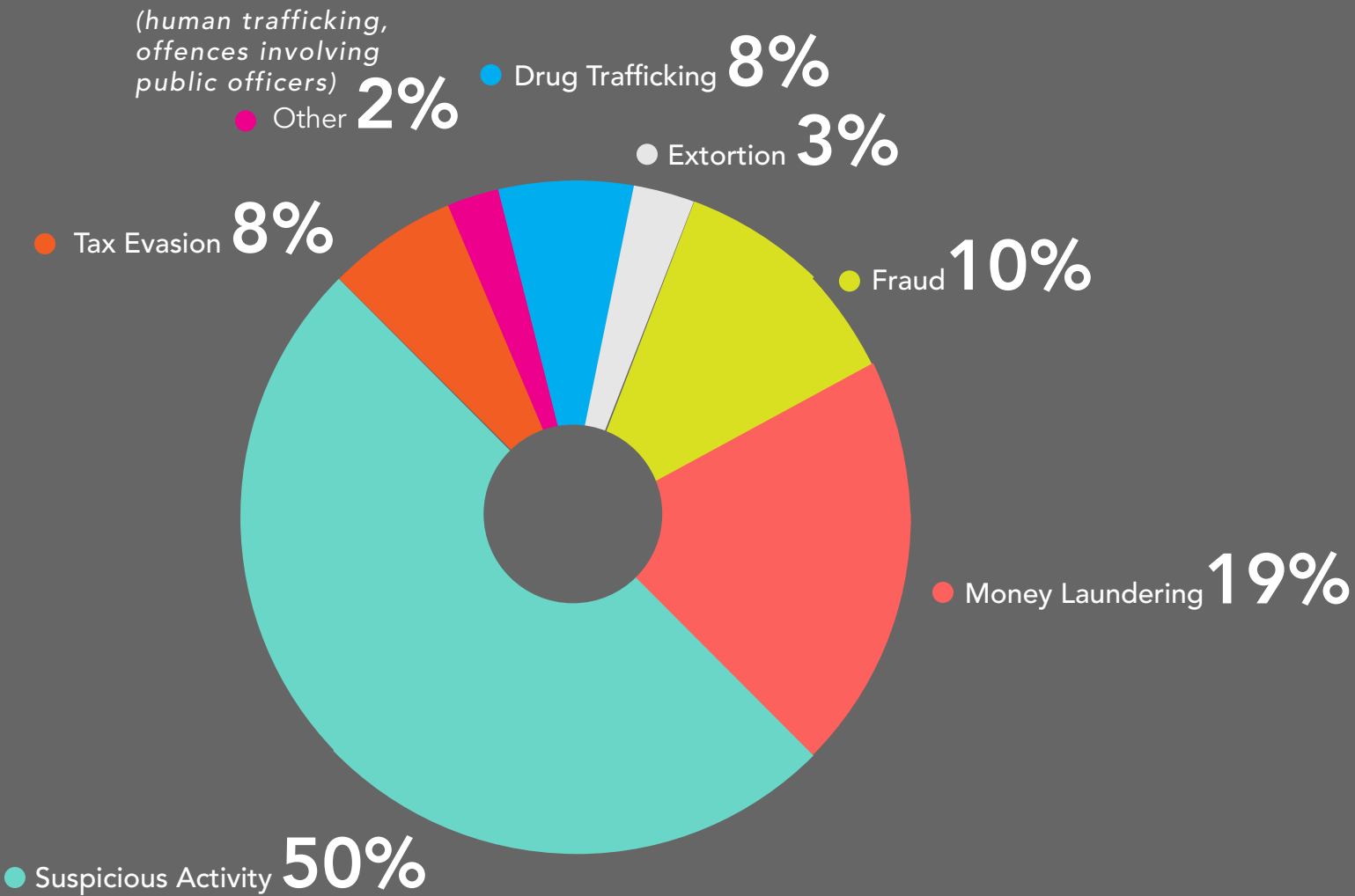
The categories of suspected specified offences identified in the STRs/SARs during the review period include:

- Tax Evasion;
- Drug Trafficking and related offences;
- Human Trafficking;
- Fraud;
- Forgery;
- Extortion;
- Misconduct in Public Office;
- Money Laundering; and
- Financing of Terrorism.

Where there was no clear indication of the commission of a definitive specified offence, the basis for reporting would fall under the classification Suspicious Financial Activities. See Diagram 13 below.

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DIAGRAM 13  
SUSPECTED SPECIFIED OFFENCES



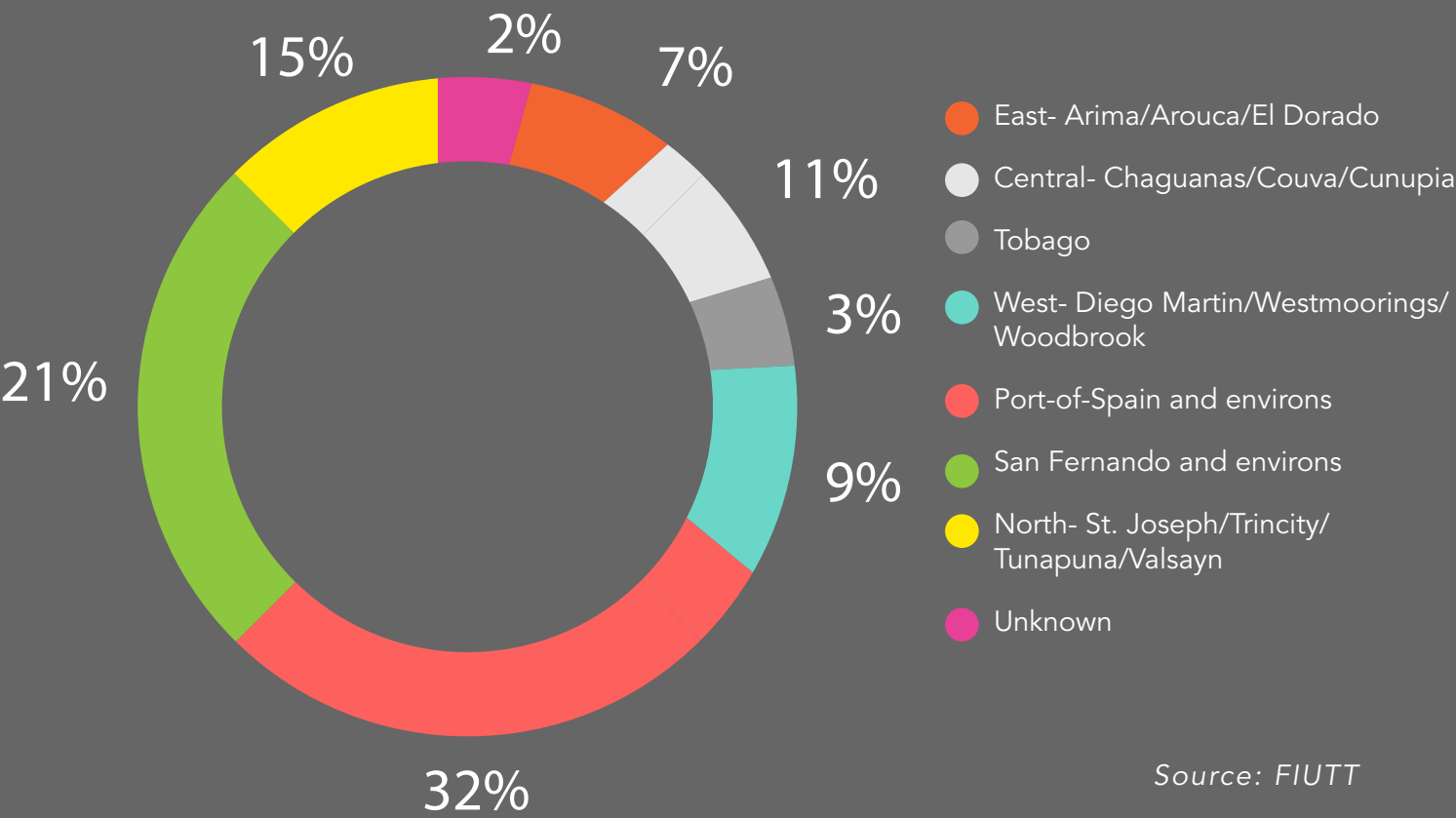
Source: FIUTT

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Location of Suspicious Activity

The largest number of STRs/SARs was submitted from Reporting Entities located in Port of Spain, San Fernando and St. Joseph where the suspected suspicious transaction occurred. See Diagram 14.

DIAGRAM 14  
ANALYSIS OF STRs/SARs BY GEOGRAPHICAL LOCATION



Source: FIUTT

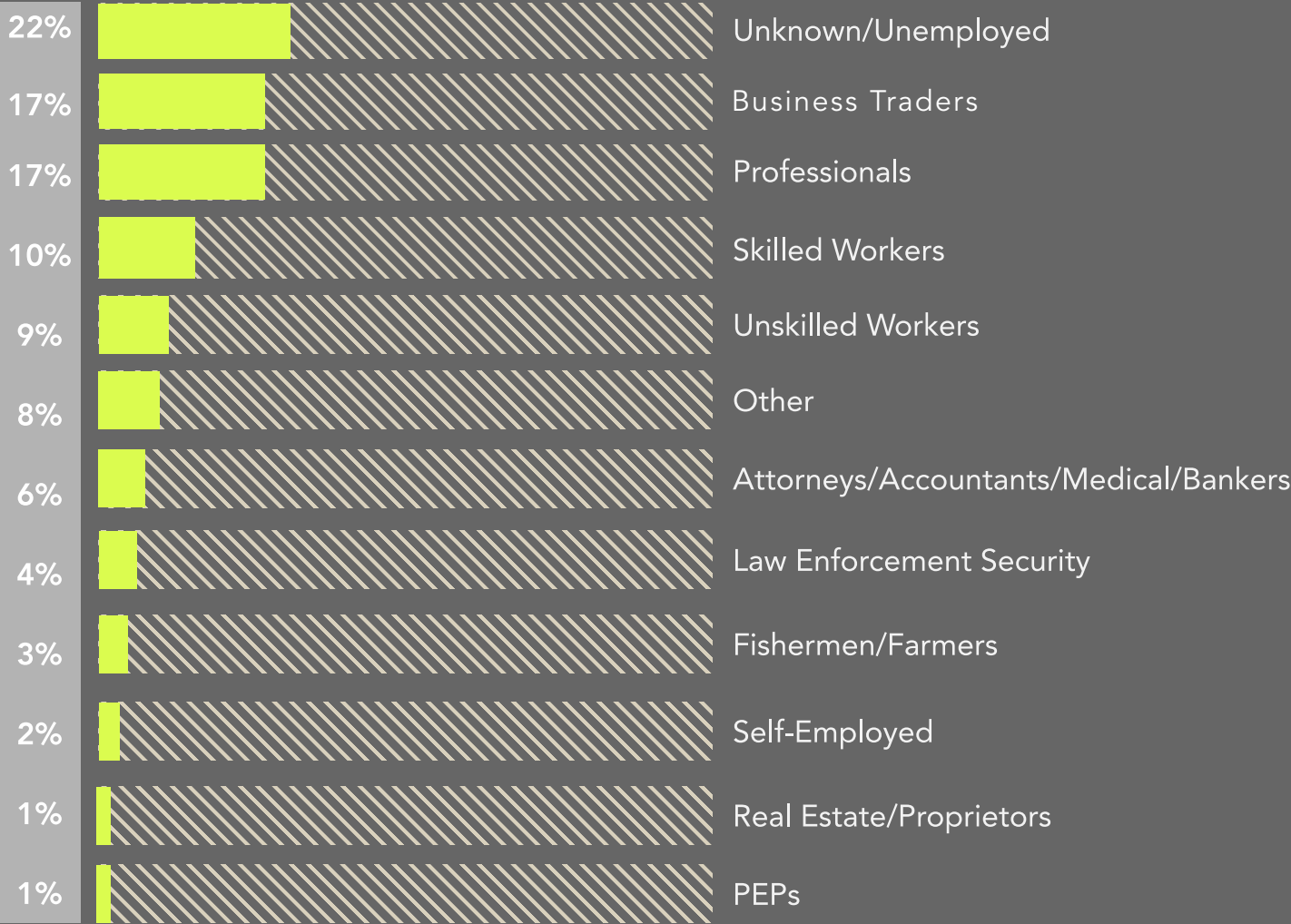
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OCCUPATION/PROFESSION OF  
SUBJECT

Analysis of the STRs/SARs for the review period revealed Consultants, Senior Company Officers and other professionals, both in public and private enterprise represented 17% of persons who were reported for suspected suspicious transactions.

It is notable that 6% of the STRs/SARs reported attorneys, accountants and persons in the medical profession. Bank employees also represented about 2% of persons reported. Of concern is that fact that 22% of suspicious reports do not state the occupation of the suspect. See Diagram 15.

DIAGRAM 15  
ANALYSIS OF STRs/SARs BY OCCUPATION OF SUBJECT



Source: FIUTT

## CHAPTER III

### ANALYTICAL DIVISION

#### 7. TRENDS AND TYPOLOGIES

During the reporting period the analysis process revealed a number of significant ML/FT trends. These include:-

- **Intra-island money transfers –**

An increase in intra-island activity where individuals in close proximity to each other in Trinidad and Tobago are sending money to each other via MVTs.

- **Comingling of Accounts -**

There was a marked increase in the incidence of individuals and private companies comingling accounts and transferring funds overseas.

- **Use of cash –**

Increase in the use of cash for large purchases.

- **Layering –**

Funds moving frequently through Real Property purchases and sales.

#### **Typology**

- **Conference Scam–**

The FIUTT issued an Advisory on Conference Scams, which is a form of the Advance Fee/Fraud Scam. The scam has the potential to be the initial stage in a wider criminal network. See Appendix 3.



## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### 1. SUPERVISORY AUTHORITIES IN AML/CFT COMPLIANCE

Reporting Entities are required to institute policies, procedures and systems to ensure they meet their obligations under the AML/CFT laws. There are three main Supervisory Authorities

responsible for supervising and monitoring FIs and LB's in the AML/CFT regime. Diagram 16 below shows the Supervisory Authorities and the Reporting Entities they supervise for compliance.

**DIAGRAM 16**  
**SUPERVISORY AUTHORITIES AND REPORTING ENTITIES**  
**THEY SUPERVISE**



Source: FIUTT

CHAPTER IV

SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

The FIUTT adopts a proactive approach in ensuring that Reporting Entities fulfil their obligations. Therefore, the FIUTT conducts training and awareness programmes, issues guidelines, takes enforcement action for non-compliance, gives feedback on Compliance Programmes and conducts on-site inspections.

Diagram 17 below lists the main obligations of Reporting Entities.

DIAGRAM 17

OBLIGATIONS OF REPORTING ENTITIES



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### 2. SUPERVISION BY THE FIUTT

The FIUTT has developed an AML/CFT examination procedures manual for the effective supervision of its Supervised Entities. Appendix 4 lists the Supervised Entities as identified in the First Schedule of POCA.

The supervisory process involves both desk based and on-site examinations of Supervised Entities to evaluate the effectiveness of the AML/CFT programmes. Administrative sanctions were imposed on Supervised Entities which failed to comply with their obligations.

The Training and Outreach initiatives in this reporting year sought to inform our stakeholders of their obligations regarding the implementation of AML/CFT systems, policies and procedures. In particular, the objective of the training and outreach initiatives was to foster improved levels of STR/SAR reporting and enhance the bilateral relationships between the FIUTT and the regulated sectors.

The FIUTT supervises 15 categories of entities as shown in Table 7.

The entities are monitored for performance of their obligations to:

- Register with the FIUTT;
- Develop and submit their Compliance Programme for approval by the FIUTT;
- Implement their Compliance Programme;
- Conduct Customer Due Diligence;
- Appoint a Compliance Officer;
- Maintain records;
- Train staff; and
- Submit STRs/SARs, QTRs and TFRs to the FIUTT.

#### 3. REGISTRATION OF SUPERVISED ENTITIES

##### i. Registration

In the reporting year, the Compliance and Outreach Division of the FIUTT registered 123 Supervised Entities.

There was a slight decrease in registrations when compared to the volume of registrations in the previous year. This decrease in registration occurred because most of the Supervised Entities had fulfilled their registration obligations in 2011, in response to the aggressive awareness and outreach programme conducted by the FIUTT.

Table 7 represents the number of registrations by Supervised Entities. Attorneys-at-Law and Real Estate Agents together captured the highest number, comprising 66% of the total registrations.

##### ii. De-registration

A number of de-registrations occurred in 2013, the majority of which were Accountants and Attorneys-at-law. The Registered Entities who requested de-registration were businesses which did not fall within the scope of the POCA.

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**TABLE 7**  
**COMPARATIVE LISTING OF REGISTERED BUSINESSES**  
**AND PROFESSIONALS**

LISTED BUSINESS	2011	2012	2013
ACCOUNTANTS	110	13	7
ART DEALERS	8	0	0
ATTORNEYS AT LAW	527	53	40
BUILDING SOCIETIES	2	0	0
CO-OPERATIVE SOCIETIES	158	6	4
GAMING HOUSES*	4	0	1
JEWELLERS	86	12	12
MONEY OR VALUE TRANSFER SERVICES	4	0	0
MOTOR VEHICLE SALES	99	6	9
NATIONAL LOTTERIES ON-LINE BETTING GAMES	1	0	0
POOL BETTING	8	1	4
POSTAL SERVICES	9	3	0
PRIVATE MEMBERS' CLUBS	42	11	4
REAL ESTATE AGENCIES	330	50	42
TRUST AND COMPANY SERVICES PROVIDERS	17	2	0
<b>TOTAL REGISTRATIONS</b>	<b>1405</b>	<b>157</b>	<b>123</b>

*Source: FIUTT*

\* In 2011 Gaming Houses were registered with the FIUTT, however, they were subsequently re-categorized as Private Members' Clubs due to changes to the nature of the business conducted.

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SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

4. COMPLIANCE

i. Submission of Compliance Programmes

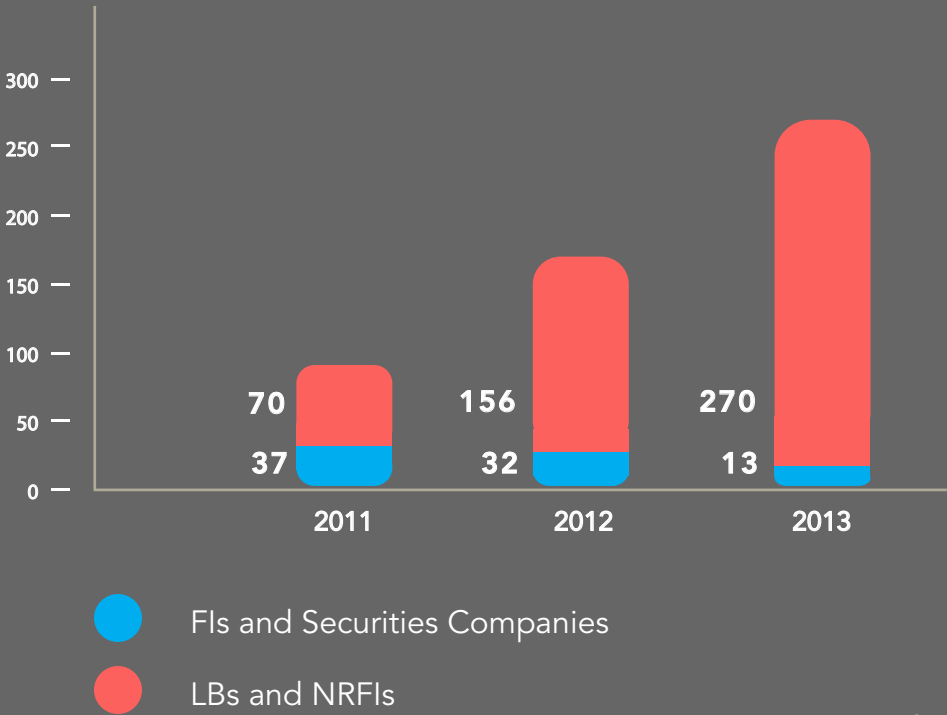
Financial Institutions and Listed Businesses are required to institute systematic procedures guided by their Compliance Programmes to mitigate possible ML/FT risks. In fulfilling their legal obligation under Regulation 31 of the FIU Regulations, 283 entities submitted their Compliance Programmes for examination and approval.

For this reporting period, a 50% increase in the number of Compliance Programmes submitted from the previous year was observed. This increase is attributed to the extensive outreach and awareness sessions conducted by the Compliance and Outreach Division in addition to enforcement action taken against defaulting entities .

Comparatively, there has been a significant increase in Compliance Programmes received.

See Diagrams 18 and 19 below.

DIAGRAM 18  
COMPLIANCE PROGRAMMES RECEIVED BY NUMERICAL VALUE



Source: FIUTT

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SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

DIAGRAM 19  
COMPLIANCE PROGRAMMES RECEIVED BY PERCENTAGE (%)



Source: FIUTT



## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### ii. Compliance Programmes Reviewed

Compliance Programmes submitted to the FIUTT are subject to an examination process to ensure that they include the policies, procedures and controls as required by law before approval is granted. For this reporting period, 266 programmes were reviewed and 132 approved. Diagram 20 illustrates programmes reviewed in 2013 by percentage.

Based on the collaborative approach adopted by the FIUTT, feedback was provided to those entities where deficiencies were identified in their programmes, and stipulated timeframes given to act on recommendations.

In the review process, common deficiencies identified related to:

- Procedures for identifying PEPs;
- Due diligence measures for high risk customers/clients;
- Assessment and ranking of risks faced by the Entity;
- Attachment of Appendices;
- Affixed signatures indicating approval by management.

**DIAGRAM 20**  
**COMPLIANCE PROGRAMMES**  
**REVIEWED IN 2013**



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### iii. ***Approval for appointment of Compliance Officer***

Regulation 4(2) of the FOR requires a FI or LB to seek the approval of the relevant Supervisory Authority for the appointment of the Compliance Officer. The FIUTT has created an approval process to ensure that there is a transparent system for approving persons to act as Compliance Officers and Alternate Compliance Officers.

For the period under review, the FIUTT received 200 'Compliance Officer Fit and Proper Questionnaires' of which 35 were for Alternate Compliance Officers. The FIUTT approved 153 and is awaiting rectification and resubmission of the outstanding applications.

#### iv. ***On-site/Off-site Examinations***

The FIUTT conducts an onsite-examination to observe an Entity's level of implementation of its AML/CFT legal obligations. Entities are selected using a risk-based methodology.

For the period under review, the FIUTT conducted 31 on-site examinations on Entities in the following categories:-

- Accountants;
- Attorneys-at-Law;
- Credit Union;
- Motor Vehicle Sales;
- Private Members Club;
- Jewellers; and
- Money or Value Transfer Services.

This represented an increase of 158% over the previous year and the largest number conducted in a given year to date.

The main deficiencies identified at the on-site examinations related to poor implementation

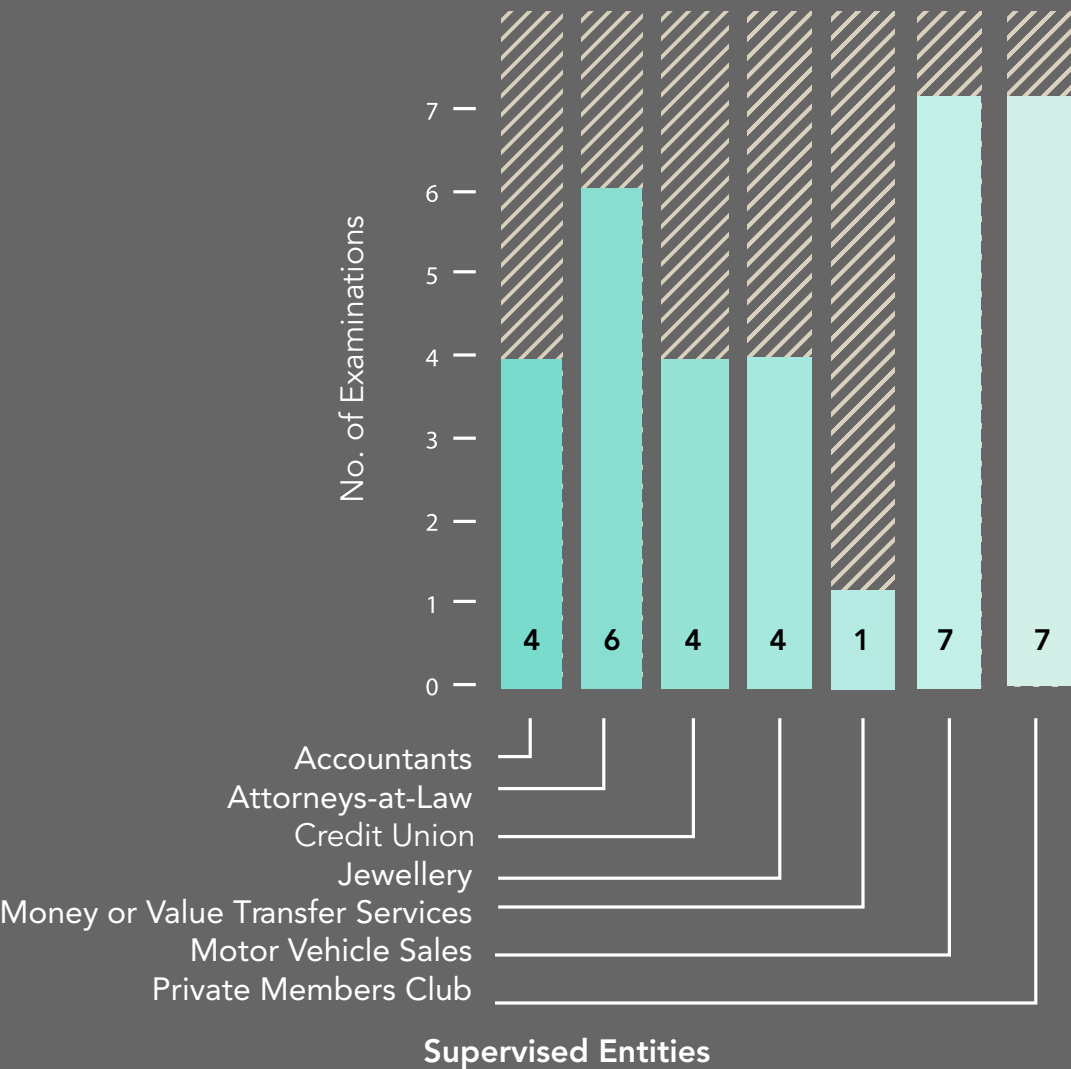
of due diligence measures, inadequate risk assessment and risk management procedures, failure to implement internal reporting procedures and inadequate training of employees in AML/CFT obligations.

Where the FIUTT was not satisfied with the level of implementation, the Entity was given an opportunity to undertake full implementation within specific timelines. Written feedback was given mandating remedial action within a specified timeframe. Failure to comply resulted in enforcement mechanisms being applied. The Entity was also advised of Best Practice measures to mitigate ML/TF risks.

Diagrams 21 and 22 below illustrate the on-site examinations conducted in the various sectors.

CHAPTER IV  
SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

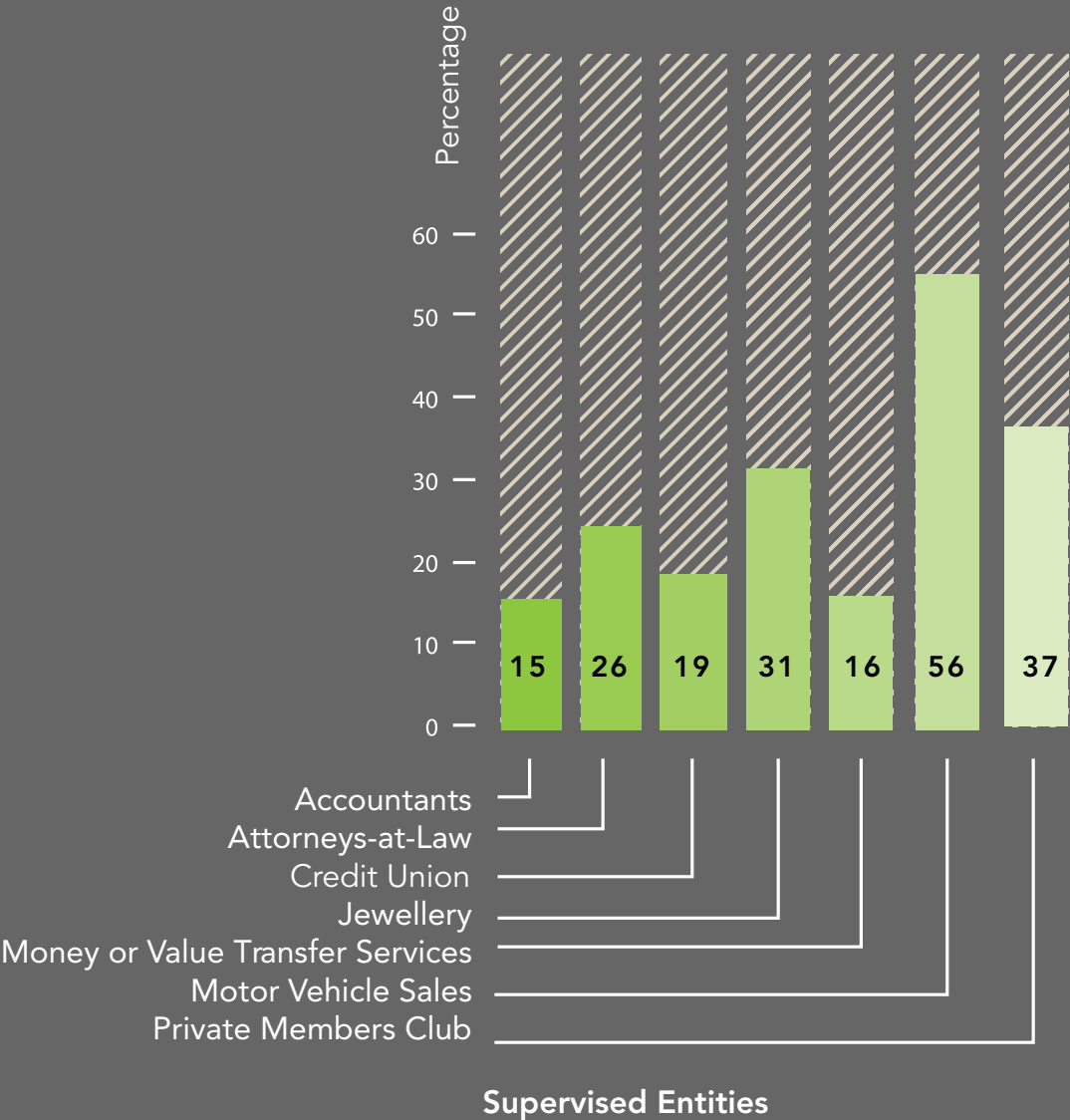
DIAGRAM 21  
ON-SITE SUPERVISION AS AT SEPTEMBER 30, 2013



Source: FIUTT

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SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

DIAGRAM 22  
% OF ON-SITE EXAMINATIONS CONDUCTED BASED ON  
ESTIMATED ANNUAL INCOME



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

**PICTURE 1**



*The FIUTT Compliance Examination Team*

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### 5. CO-OPERATION WITH STAKEHOLDERS

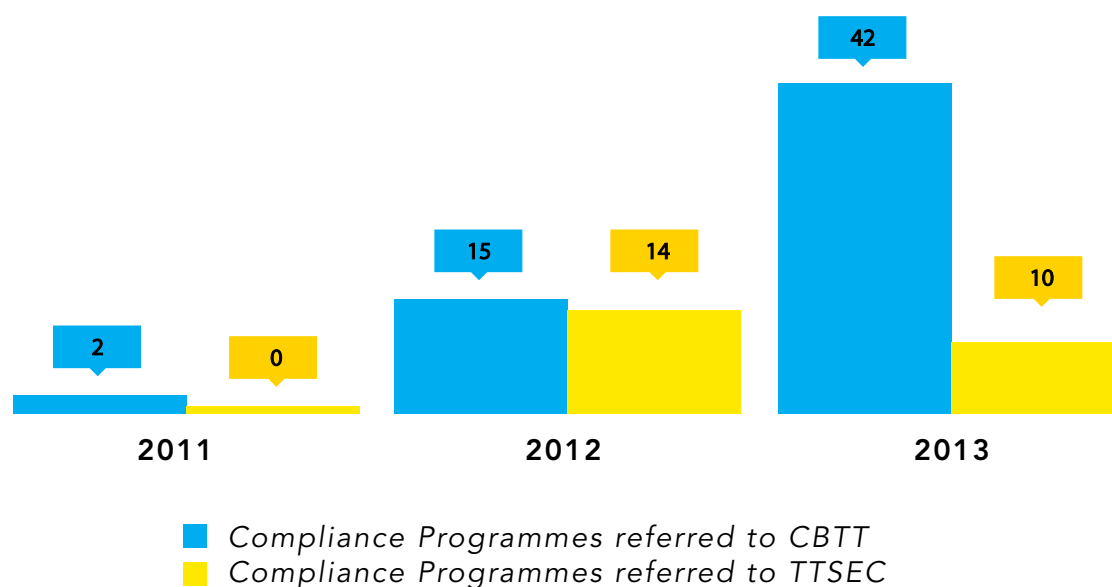
##### i. Co-operation with Supervisory Authorities

- Approval of Compliance Programmes

In accordance with Regulation 33 of the FIU Regulations, FIUTT, CBTT and TTSEC have developed a review process for the approval of Compliance Programmes of FIs.

In 2013, the FIUTT continued consultation with CBTT and TTSEC on approval of Compliance Programmes submitted by FIs. Diagram 23 shows a comparative analysis of CPs reviewed and submitted to these Supervisory Authorities for their feedback prior to granting approval.

**DIAGRAM 23**  
**COMPLIANCE PROGRAMMES REFERRED**  
**TO OTHER SUPERVISORY AUTHORITIES**



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### i. *Quarterly Meetings*

The FIUTT, CBTT and TTSEC continue to collaborate on issues of compliance to adopt a consistent regulatory approach.

Given the knowledge of the sectors that they derive from their oversight responsibilities, the CBTT and TTSEC ensure that the entities placed under their authority comply with their reporting AML/CFT obligations.

As well the FIUTT collaborates with the relevant Supervisory Authority to institute appropriate enforcement measures when it is necessary.

#### ii. *Co-operation with Supervised Entities*

In order to be more effective in our communication with the Supervised Entities and as part of our on-going outreach, the FIUTT held three meetings with the Supervised Entities Working Group in the year in review. The Working Group consists of representatives from each Supervised Entity sector.

These meetings encourage more effective communication channels among these stakeholders, contribute to more effective supervision by the FIUTT and enhance their awareness of AML/CFT obligations.

To this extent, the FIUTT published a number of guidance notes to assist the Supervised Entities in fulfilling their legal obligations. These include:

- a) AML/CFT Guidance for Accountants;
- b) AML/CFT Guidance for Dealers in Precious Metals /Stones;
- c) Model Compliance Programme for Attorneys-at-Law;
- d) Model Compliance Programme for Accountants;

- e) Guidance note on AML/CFT Procedures for Politically Exposed Persons
- f) Conference Scams Advisory Notice to the General Public; and
- g) Fraud/Scams Advisory Notice to the General Public.

#### 6. **ENFORCEMENT**

For the reporting period, the FIUTT continued its enforcement action against Supervised Entities and FIs that fell below the level of compliance and reporting standards required under the AML/CFT laws.

The enforcement measures which may be employed against non-compliant Entities are contained in the FIUA. The FIU's Enforcement Manual, which was finalised during the previous year, outlines the procedures which have been adopted and provides for a graduated administrative sanctioning process as follows:

- a) Issue a first level sanction or a warning informing the entity of the breach and giving it a stipulated timeframe to comply;
- b) Issue a second level sanction or warning by registered post;
- c) If entities fail to comply, the third level of the sanctioning process commences. The FIUTT will issue a notice informing the Supervised Entity of the particulars of the breach and giving it an opportunity to be heard. After hearing the representations of the entity, the FIUTT may issue a directive which may be appealed to the High Court.
- d) At the fourth and final level of compliance, if an entity fails to comply with the FIUTT's directive, the FIUTT may seek an Order of the High Court to compel compliance with its directive.



CHAPTER IV

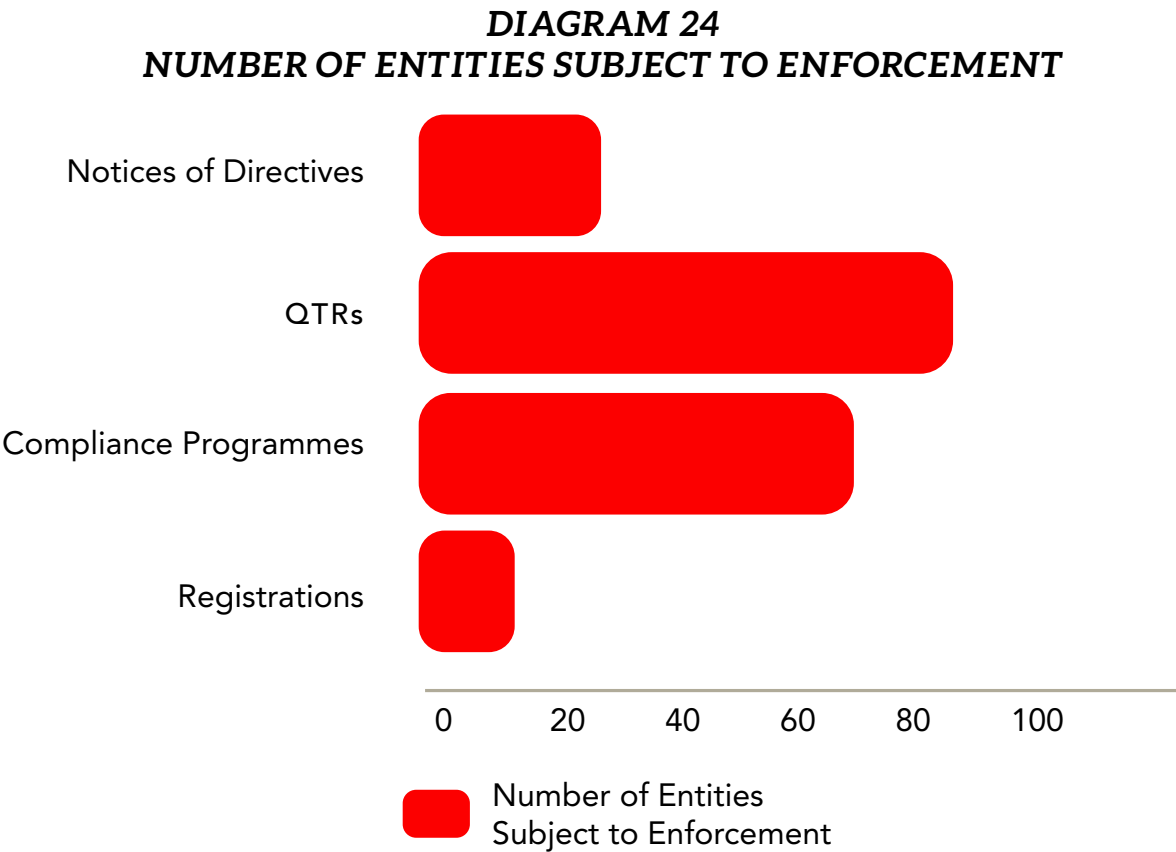
SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

During the reporting year 2012-13, enforcement action focused primarily on the following areas:

- Failure to Register;
- Failure to Submit a Compliance Programme; and
- Non-Submission of QTR's

The FIUTT took enforcement action against a total of 160 entities during the reporting period. This includes 1st and 2nd Warning letters, Notices and Directives in relation to various breaches. Total of 111 entities or 69%, made efforts to comply.

Diagram 24 shows the number of Supervised Entities subject to enforcement action.



Source: FIUTT

CHAPTER IV

SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

In the year under review, enforcement action against non-compliant Entities was escalated to the third level, with Notices and Directives being issued against 24 entities who failed to comply with a second warning letter. 22 entities took steps to comply and the fourth level sanction process has commenced against the two which are still in breach. Third and fourth level sanctions were initiated against entities in the following sectors:-

- Private Members’ Clubs
- Jewellers
- Real Estate Agencies
- Motor Vehicle Sales
- Pool Betting

In order to identify entities which have failed register, the FIUTT obtains assistance from other government departments to identify those entities and individuals who are bound by AML/ CFT legal obligations. Other public sources are also utilised to ensure that persons conducting

activities as a listed business which fall within the supervisory remit of the FIUTT and are effectively monitored.

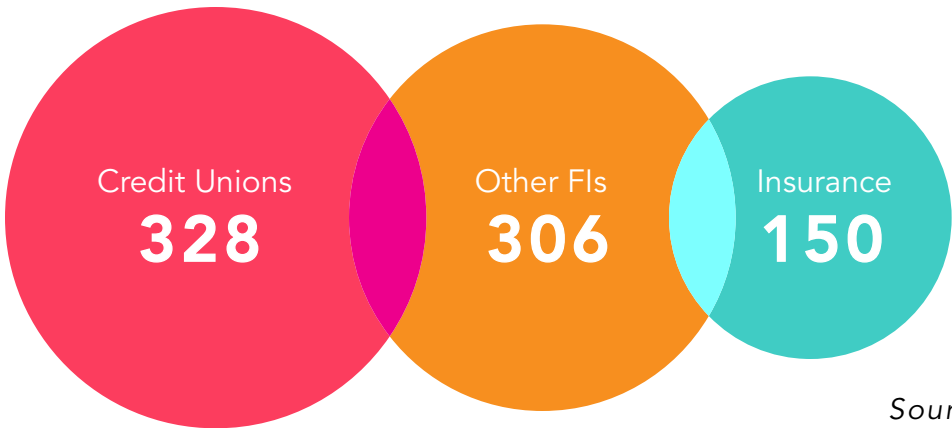
7. QUARTERLY TERRORIST REPORTING

FI’s including non-regulated FI’s, are required to submit Quarterly Terrorist Property Report 1 (QTR1) if they are not in possession of terrorist property and Quarterly Terrorist Property Report 2 (QTR2) if they are in possession of such property.

For the reporting period, 784 QTR1s were reported while no QTR2s were reported as depicted in Diagram 25.

DIAGRAM 25

QTR1 SUBMITTED BY SECTOR



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### 8. AWARENESS AND TRAINING

##### i. Activities

Further to its mandate under section 8(3)(i) of the FIUA to provide assistance to FIs and LBs in connection with their AML/CFT obligations, in the review period, the FIUTT hosted several training seminars for approximately 2200 participants from the Supervised Entities and the general public.

In so doing, the FIUTT has partnered with local and regional bodies. This led to the strengthening of relationships with organisations such as CFATF, ICATT, the Credit Union League, ACCA Caribbean and the Law Association of Trinidad and Tobago.

The thrust of this year's training was "Effective STR/SAR Reporting" which was a seamless sequel to previous years which focused on, "The AML/CFT Obligations", "The Role and Function of the FIUTT" and "Building an Effective Compliance Programme".

In March and May 2013, the FIUTT demonstrated its dedication to awareness and Corporate Social Responsibility by partnering with the Division on Ageing, Ministry of the People and Social Development in conducting two sessions in Trinidad and in Tobago respectively. These sessions enlightened senior citizens on "Financial Crime: Scams".

For the period under review a total of 22 outreach/training seminars were conducted which targeted a significant cross section of Supervised Entities. Table 8 provides a summary of these seminars by sectors.

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### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### **PICTURE 2**

*TRAINING SEMINAR ON "EFFECTIVE STR/SAR REPORTING" AT THE HOTEL NORMANDIE*



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### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### **PICTURE 3**

*CROSS SECTION OF ATTENDEES AT THE AML/CFT SENSITISATION SEMINAR FOR THE MAGISTRACY*





## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### **PICTURE 4**

*CROSS SECTION OF ATTENDEES AT TRAINING SEMINAR ON "EFFECTIVE STR/SAR REPORTING"  
AT MT IRVING HOTEL, TOBAGO*



**CHAPTER IV****SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS**

**TABLE 8**  
**SUMMARY OF SEMINARS BY SECTOR**

<b>SECTORS TRAINED</b>	<b>NUMBER OF OUTREACH SESSIONS</b>
	2013
<b>ATTORNEYS</b>	3
<b>ACCOUNTANTS</b>	3
<b>ALL BUSINESS</b> (CATEGORY INCLUDES): ART DEALERS, GAMING HOUSE/POOL BETTING, JEWELLERS, MONEY & VALUE TRANSFER SERVICES, MOTOR VEHICLE SALES, PRIVATE MEMBERS CLUB, REAL ESTATE, TRUST COMPANY SERVICE PROVIDERS, NATIONAL LOTTERIES CONTROL BOARD, POSTAL SERVICES AND FINANCIAL INSTITUTIONS	9
<b>BANKS</b>	1
<b>CO-OPERATIVE SOCIETIES</b>	2
<b>GOVERNMENT AGENCIES</b>	2
<b>JUDICIARY</b>	1
<b>TOTAL</b>	21

Source: FIUTT

**CHAPTER IV****SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS**

**TABLE 9**  
**OUTREACH AND TRAINING SESSIONS CONDUCTED**  
**FOR THE YEAR IN REVIEW**

<b>NO.</b>	<b>Place and Date</b>	<b>Activity</b>	<b>Important Aspects of the Agenda</b>	<b>Organized by/ Presenter</b>
1	TRINIDAD OCTOBER 2012	TRAINING	OVERVIEW OF LOCAL AML/CFT FRAMEWORK	CITIBANK TRINIDAD & TOBAGO LIMITED/FIUTT
2	TRINIDAD NOVEMBER 2012 HWLS, ST AUGUSTINE	TRAINING & AWARENESS	OVERVIEW OF THE LEGAL FRAMEWORK. AML/CFT OBLIGATIONS AND HOW TO BUILD A COMPLIANCE PROGRAMME	HWLS/FIUTT
3	TRINIDAD DECEMBER 2012 HWLS, ST AUGUSTINE	TRAINING & AWARENESS	OVERVIEW OF THE LEGAL FRAMEWORK. AML/CFT OBLIGATIONS AND HOW TO BUILD A COMPLIANCE PROGRAMME	HWLS/FIUTT
4	TRINIDAD JANUARY 2013 CAPITAL PLAZA	SPEAKING ENGAGEMENT	LAUNCH OF CO-OPERATIVE/ CREDIT UNION LEAGUE OF T&T	CCULTT/FIUTT
5	BARBADOS JANUARY 30- FEBRUARY 1 2013	CFATF 8TH AML/ CFT COMPLIANCE CONFERENCE IN BARBADOS	HOW TO CREATE AN AML/CFT COMPLIANCE PROGRAMME	CFATF/FIUTT
6	TRINIDAD FEBRUARY 2013	MEETING/ AWARENESS	OPERATIONS OF GAMBLING & POOL BETTING SECTOR	BETTING LEVY BOARD/FIUTT
7	TRINIDAD FEBRUARY 2013	ACCA CARIBBEAN AML SEMINAR	TACKLING MONEY LAUNDERING: EXPANDING THE COMPLIANCE REGIME FOR ACCOUNTANTS	ACCA/FIUTT
8	TRINIDAD FEBRUARY 2013	SEMINAR/ AWARENESS	FUNCTIONS & ROLE OF FIU AND OBLIGATIONS OF SUPERVISED ENTITIES	LIONS CLUB OF PORT OF SPAIN/FIUTT



**CHAPTER IV****SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS**

**TABLE 9**  
**OUTREACH AND TRAINING SESSIONS CONDUCTED**  
**FOR THE YEAR IN REVIEW**

<b>NO.</b>	<b>Place and Date</b>	<b>Activity</b>	<b>Important Aspects of the Agenda</b>	<b>Organized by/ Presenter</b>
9	TRINIDAD MARCH 2013	MEETING	COMPONENTS OF A COMPLIANCE PROGRAMME	LATT/FIUTT
10	TRINIDAD MARCH 2013	SPEAKING ENGAGEMENT	COMPLIANCE – WORKING TOGETHER TO SUSTAIN OUR INTEGRITY IN THE YEARS AHEAD	TRINIDAD & TOBAGO POLICE CREDIT COOPERATIVE SOCIETY LIMITED/FIUTT
11	TRINIDAD MARCH 2013	TRAINING	LEGAL OBLIGATIONS OF AND RISKS FACED BY POOL BETTING OPERATORS	FIUTT
12	TRINIDAD MARCH 2013	LECTURE TO DIVISION OF AGEING	FINANCIAL CRIME AND COMMON SCAMS AND FRAUD	DIVISION OF AGEING, MINISTRY OF PEOPLE & SOCIAL DEVELOPMENT /FIUTT
13	TRINIDAD MARCH 2013	TRAINING & AWARENESS	NLCB	FIUTT
14	TOBAGO MAY 2013	LECTURE TO DIVISION OF AGEING	FINANCIAL CRIME AND COMMON SCAMS AND FRAUD	DIVISION OF AGEING, MINISTRY OF PEOPLE & SOCIAL DEVELOPMENT /FIUTT
15	TRINIDAD APRIL 2013	MEETING	COMPONENTS OF A COMPLIANCE PROGRAMME	ICATT /FIUTT
16	TRINIDAD MAY 2013	JUDICIAL SENSITISATION FOR MAGISTRATES	AML/CFT OVERVIEW AND IMPLEMENTING THE AML/CFT LAW	FIUTT

NO.	Place and Date	Activity	Important Aspects of the Agenda	Organized by/ Presenter
17	TOBAGO JUNE 2013	3RD ANNUAL AML/ CFT COMPLIANCE CONFERENCE - TOBAGO	EFFECTIVE STRs & BUILDING A CP	FIUTT
18	TRINIDAD AUGUST 2013	JEWELLERS TRAINING	EFFECTIVE STR/SAR REPORTING/ COMPLIANCE & ENFORCEMENT	FIUTT
19	TRINIDAD AUGUST 2013	MEETING WITH POOL BETTING OPERATORS	LEGAL OBLIGATIONS ON REGISTRATION/ DIRECTIVE	FIUTT
20	TRINIDAD AUGUST 2013	TRAINING FOR COMPLIANCE OFFICERS	EFFECTIVE STR/SAR REPORTING/ COMPLIANCE & ENFORCEMENT	FIUTT
21	TRINIDAD SEPTEMBER 2013	TRAINING FOR ACCOUNTANTS (FINAL YEAR STUDENTS)	LEGAL OBLIGATIONS/ DUTIES OF COMPLIANCE OFFICER	ACCA /FIUTT

Source: FIUTT

## CHAPTER IV

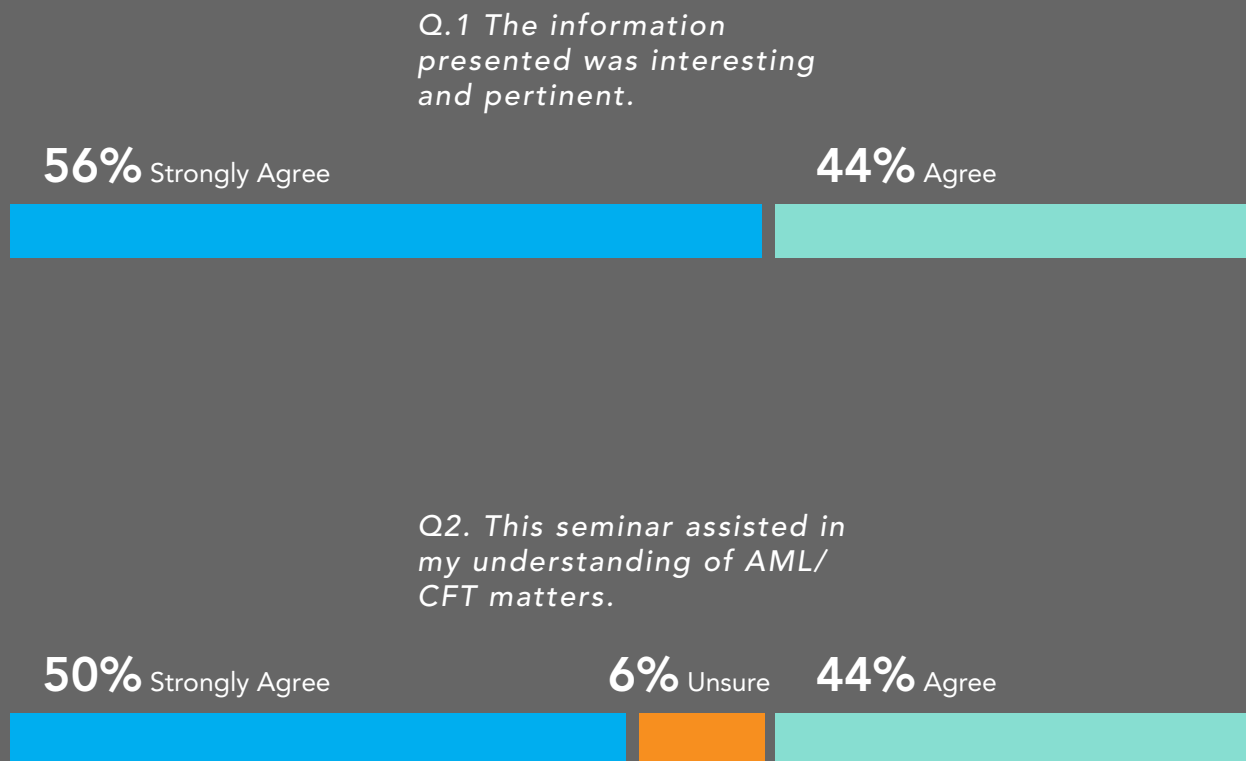
### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### ii. *Feedback on Training*

In June 2013, the FIUTT held its 3rd annual training seminar in Tobago which again targeted all Supervised Entities and the general public. These two day interactive sessions allowed participants to obtain clarification on their AML/CFT concerns.

To assess the effectiveness of this outreach/training programme and ascertain new focal points the FIUTT sought feedback from the participants. Diagram 26 illustrates a sample of responses generated from the FIUTT feedback form.

**DIAGRAM 26**



Source: FIUTT

## CHAPTER IV

### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### 8. *FIUTT Online*

The FIUTT's website (<http://www.fiu.gov.tt>) gained additional recognition during the year 2013 as more of its local and international stakeholders became aware of the invaluable information and learning tool that the site provides. In July 2013, Trinidad and Tobago became a member of the EGMONT Group of FIUs and its website has been added as a link on EGMONT's website (<http://www.egmontgroup.org>), further enhancing its prominence. Additional information and structuring of the website continued in 2013 to include:

- The availability of its ticker tape across all web pages to highlight key local and international events and AML/CFT regulatory obligations;
- A user-friendly means of quickly identifying newly added items to its 'Latest News' and 'Featured' sections on the Home page;
- A Director's profile;
- Additional FIUTT educational publications such as obligations of Supervised Entities, guidelines for Attorneys at Law, Accountants and Jewellers, model CP for Attorneys at Law and Accountants and guidance note for PEPs;
- A 'Compliance Programme Guide' navigation menu that brings together all CP guidance documents inclusive of new guidance publications, such as Sample Table of Contents and CP Checklist;
- An 'FIU Forms' navigation menu that provides a user friendly means of accessing all FIU forms. The Forms menu also accesses an FIU Forms webpage that further categorises these forms;
- An 'Annual Reports' navigation menu for easy access to the last three (3) annual reports. An Annual Reports web page is also accessible via the menu which lists all annual report publications;

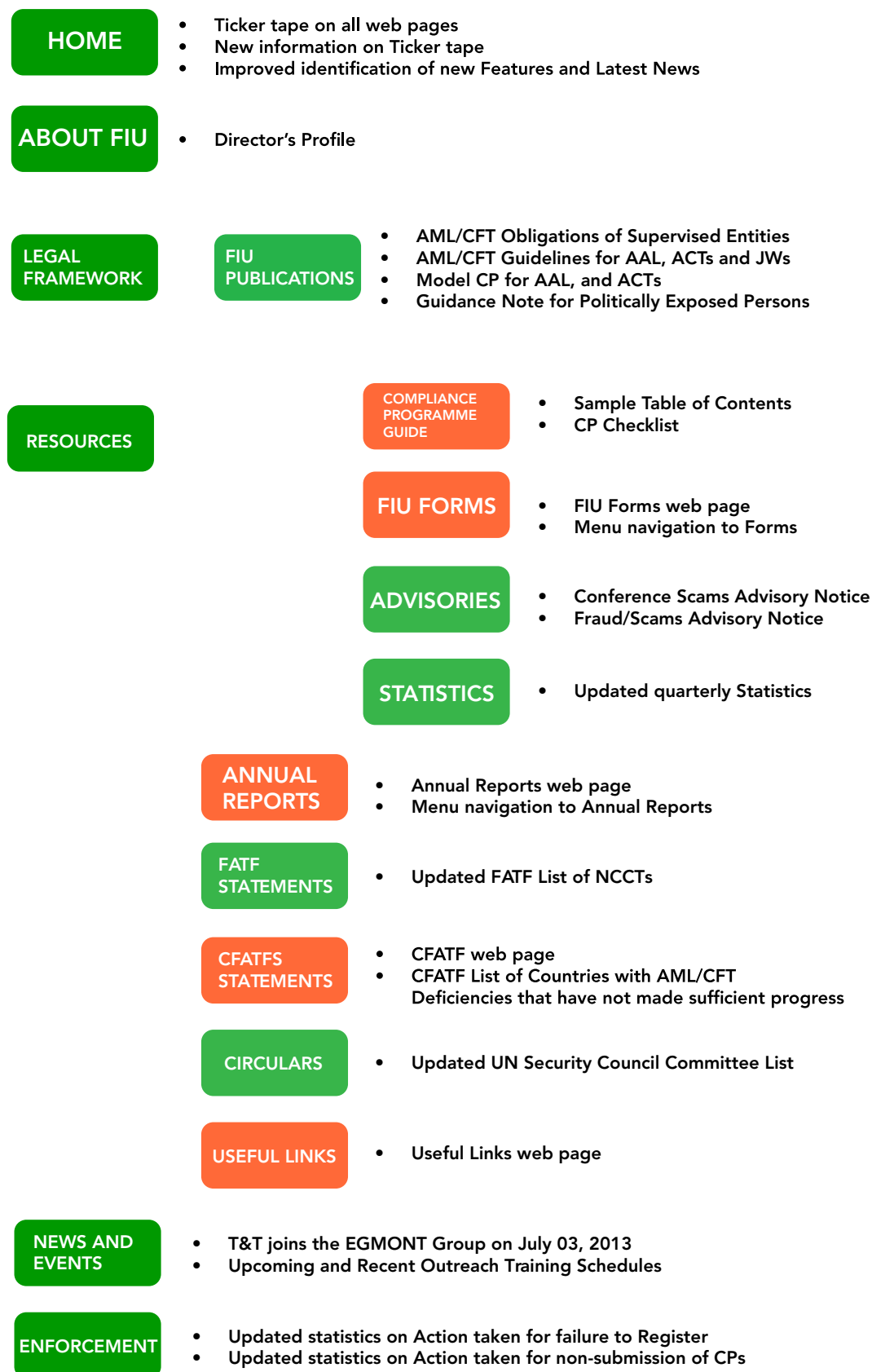
- A 'CFATF Statements' navigation menu for easy access to CFATF's Public Statements
- Updates to important international events such as FATF's list of High Risk and Non-Cooperative Jurisdictions, CFATF's List of Jurisdictions with Strategic AML/CFT Deficiencies and UN Security Council Sanctions List;
- Updated statistics on enforcement initiatives such as First and Second Warning Letters and Directives issued to Supervised Entities;
- Updated quarterly statistics on STRs/SARs;
- A 'Useful Links' navigation menu that access a Useful Links web page containing links to important local and international websites such as FATF, CFATF, EGMONT, foreign FIUs, Ministry of Finance and the Economy of Trinidad and Tobago, and the Ministry of Legal Affairs of Trinidad and Tobago.


Diagram 27 shows the major enhancements and updates to FIUTT's website.

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### SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

#### DIAGRAM 27 FIUTT'S WEBSITE ENHANCEMENTS



 Indicates new menu

## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

#### 1. STRENGTHENING PARTNERSHIPS

A comprehensive structure that facilitates information sharing among competent authorities domestically, regionally and internationally is crucial for investigation and prosecution of persons suspected of ML and FT. Criminals, especially money launderers and terrorist financiers operate across borders using their criminal network to further criminal acts, therefore, information sharing facilitates the achievement of the ultimate objective of combating ML/FT and other related crimes in Trinidad and Tobago.

The FIUTT is the central link between Reporting Entities, Law Enforcement and Intelligence Agencies. To this end, the FIUTT has initiated collaborative processes which go beyond the dissemination of Intelligence Reports. The FIUTT has implemented a system for monitoring the effectiveness of AML/CFT by analysing comprehensive statistics from the LEAs and Intelligence Agencies on reports transmitted to LEAs; investigations and convictions for ML/FT; asset frozen, seized and confiscated and request from both local and international agencies. Feedback from LEAs assists the FIUTT in analysing the value of its Intelligence Reports.

The FIUTT has been meeting on AML/CFT obligations with the following:

- Supervised Entities;
- National AML/CFT Committee;
- LEAs; and
- Supervisory Authorities.

These meetings proved to be very fruitful in yielding a better quantity and quality of reports and further improve the lines of communication between the FIUTT and all its stakeholders. The cooperation between the FIUTT and the other key stakeholders is explained in more detail in this chapter.

#### 2. NATIONAL LEVEL

##### i. LEAs Collaboration

Since July 2011 regular meetings are held with LEAs to create an environment for national cooperation amongst LEAs. For the current reporting period, four LEA meetings were held to share intelligence on suspected ML and FT cases.

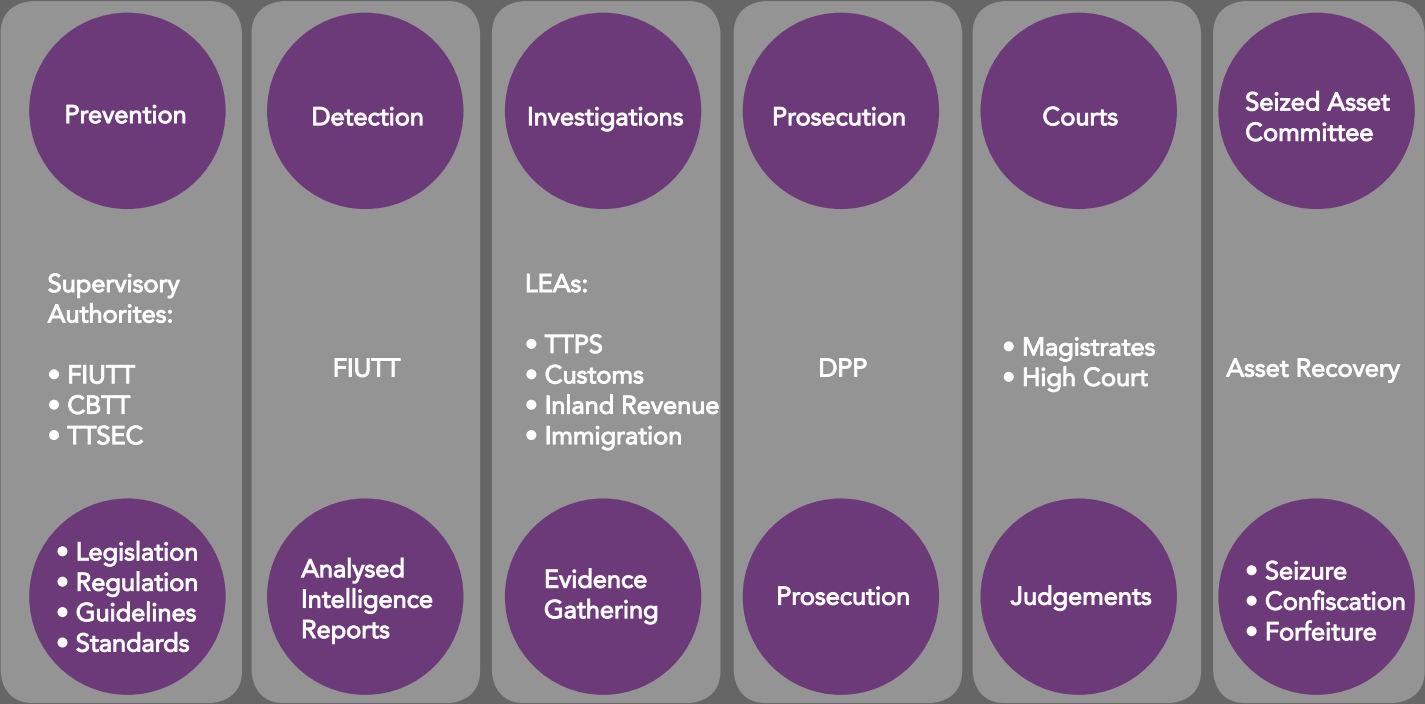
The FIUTT explored other areas of strengthening the knowledge, skills and abilities of the LEA Group through the facilitation of training and workshops in ML/FT investigation, intelligence gathering and analysis of financial information during the reporting period.

As well, in order to establish an avenue for secure information exchange between the FIUTT and its stakeholders, the FIUTT has signed information and exchange agreements with the Registrar General to access property ownership and beneficial owners information, Commissioner of Police, Comptroller of Customs & Excise and the Chairman of the Board of Inland Revenue. Agreements are also being negotiated with the Licensing Authority (Transport Division) as well as other stakeholder agencies.

The AML/CFT Chain of Responsibility is depicted in diagram 28.

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DIAGRAM 28  
THE AML/CFT RESPONSIBILITY CHAIN



Source: FIUTT

**CHAPTER V****NATIONAL AND INTERNATIONAL CO-OPERATION****ii. Requests to the FIUTT for Assistance**

Requests by LEAs are generated when there is need to develop intelligence, as well as, to assist in guiding investigations into ML/FT or other specified offences. The FIUTT also sends requests to the LEAs for information to assist in analysis. Table 10 and Diagram 29 illustrate the number of

requests made and received for the reporting period.

The FIUTT has implemented standard timeframes in which to respond to requests received.

**TABLE 10**  
**REQUESTS FOR ASSISTANCE FROM/TO LEAs**

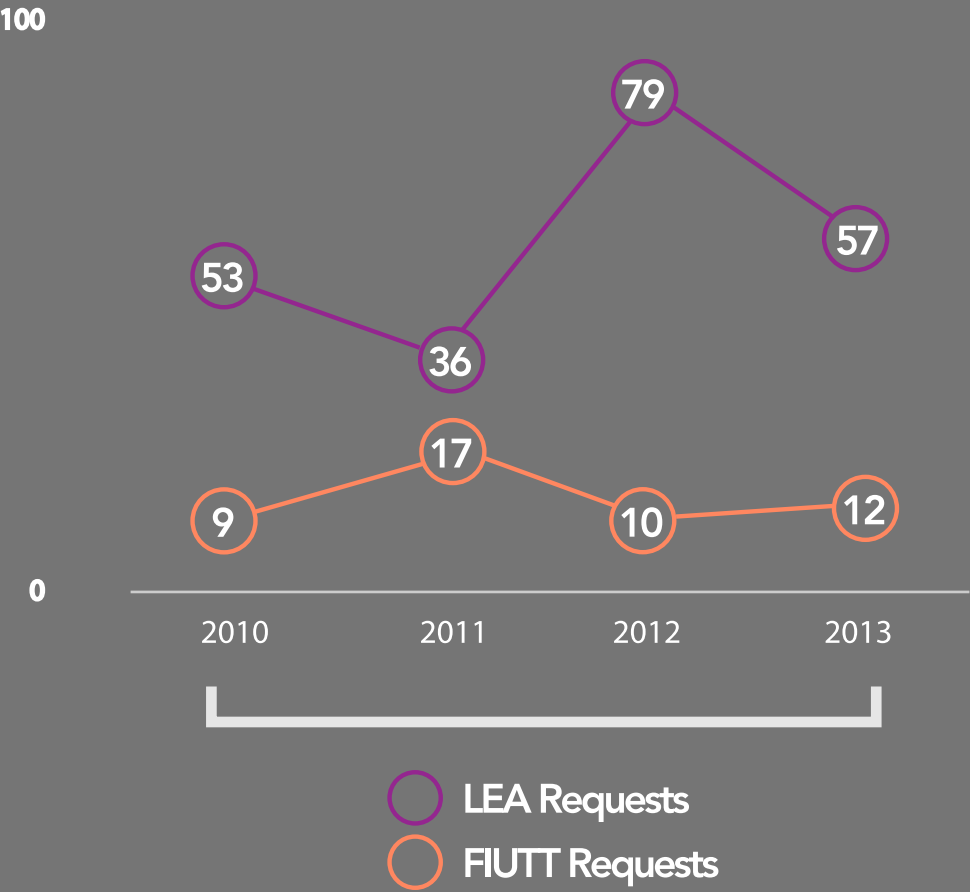
<b>ACTION TAKEN</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
<b>REQUESTS RECEIVED</b>	<b>53</b>	<b>36</b>	<b>79</b>	<b>57</b>	<b>225</b>
<b>REQUESTS SENT</b>	<b>9</b>	<b>17</b>	<b>10</b>	<b>12</b>	<b>48</b>

Source: FIUTT



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DIAGRAM 29  
NATIONAL CO-OPERATION



Source: FIUTT

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Table 11 and Diagram 30 show that during the reporting period the FIUTT responded to 56 of the 57 incoming requests. One request may contain several Subjects, and as such the **57 requests** contained **166 Subjects** and an intelligence report (response) was sent in respect of each. Similarly the FIUTT made twelve requests to LEAs to obtain information to assist foreign LEAs.

TABLE 11

REPLIES TO REQUESTS RECEIVED/SENT TO LEAs IN 2013

REQUESTS RECEIVED		NO. OF SUBJECTS	REPLIES SENT	NO. OF SUBJECTS
LEAs	57	166	56	1

REQUESTS SENT		REPLIES RECEIVED	
FIUTT	12	8	

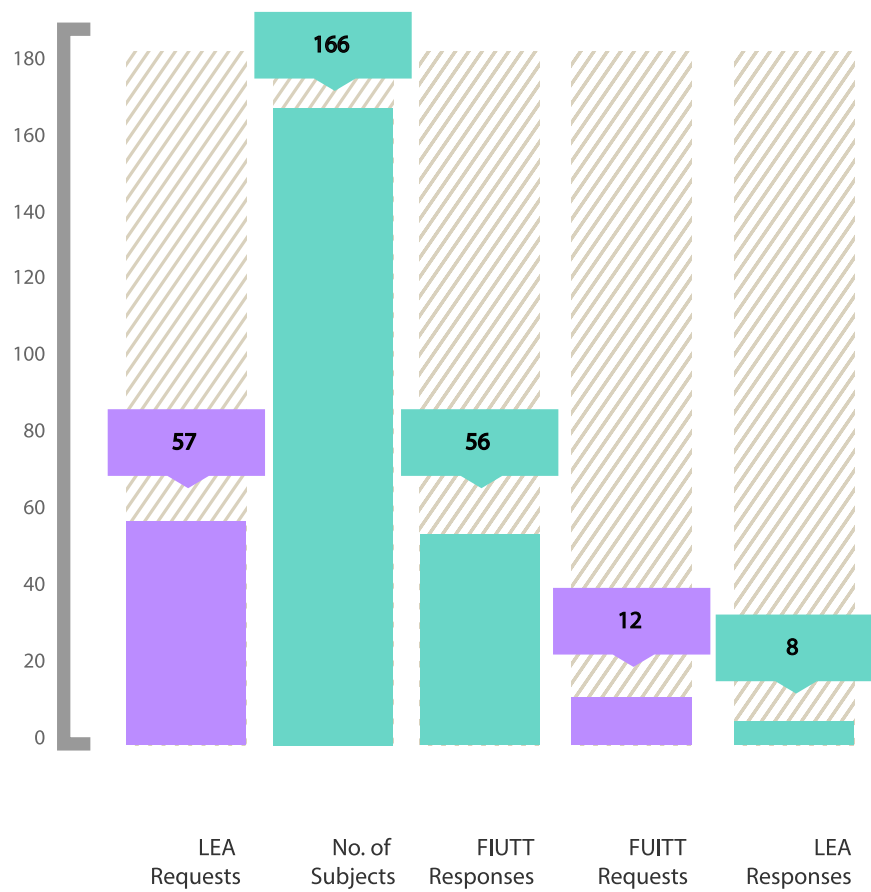
Source: FIUTT

CHAPTER V

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DIAGRAM 30

EFFECTIVE NATIONAL CO-OPERATION



Source: FIUTT

## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

#### iii. *Supervisory Authorities*

The FIUTT continued to develop a close working relationship with the other Supervisory Authorities for the strengthening of the AML/CFT regime.

In order to develop a common understanding of AML/CFT obligations, the FIUTT continued regular meetings with Regulators and industry associations in a concerted effort to improve compliance with AML/CFT standards and reporting obligations under the POCA and ATA. The FIUTT is also working with the other Regulators in identifying legal provisions requiring amendment to be in compliance with the revised FATF 40 Recommendations.

#### iv. *The AML/CFT Compliance Unit*

Established in April 2010 by Cabinet, this Unit resides in the Ministry of National Security. The Prime Contact to FATF and CFATF is the Minister of National Security. The FIUTT is one of the authorities that provides information to aid the Unit in performing its functions. The AML/CFT Compliance Unit is the National Coordinator for AML/CFT matters in Trinidad and Tobago.

Objectives of the Unit include:

- Advising the Prime Contact, and other relevant Ministries of Government on legislative and administrative responses to FATF's recommendations;
- Advising on the implementation of recommendations emanating from the Mutual Evaluation Report Programme;
- Receiving, analysing and responding to requests and reports from FATF and CFATF; and

- Liaising with key stakeholders on AML/CFT issues.

#### v. *The National AML/CFT Committee*

The Committee was established in March 2006 in compliance with FATF's Recommendation 2 (of the revised 40 recommendations) and brings together the various government agencies involved in AML/CFT compliance. The Committee is chaired by the Director of the AML/CFT Compliance Unit.

The committee members include:

- The Central Bank of Trinidad and Tobago;
- Director of the Public Prosecutions;
- Senior Legal Advisor to the Attorney General;
- The Commissioner of Police;
- The Chief Immigration Officer;
- The Financial Intelligence Unit;
- Deputy Permanent Secretary, Ministry of Finance and the Economy;
- The Head of the Financial Investigations Branch;
- The Trinidad and Tobago Securities & Exchange Commission;
- The Head of the Central Authority;
- The Legal Advisor to the Minister of Justice;
- The Legislative Drafting Department; and
- The Comptroller of Customs and Excise.

The Committee's terms of reference include developing strategies to rectify deficiencies identified in the CFATF's Mutual Evaluation Report of 2005 and to engage and consult with stakeholders to strengthen Trinidad and Tobago's AML/CFT regime. The Working Groups of the Committee are the Legislative Working Group, Supervisors & Regulators Working Group and the Law Enforcement Working Group. The Supervisors

## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

& Regulators Working Group has been meeting on a regular basis in order to propose amendments to the FOR that is aligned to the FATF Revised Recommendations.

#### vi. *The Central Authority Unit*

The FIUTT and Central Authority have developed a SOP which details each party's responsibility to immediately freeze terrorist assets without delay. The purpose is to avoid flight or dissipation of terrorists' funds in accordance with the ATA.

### 3. *FIUTT IN PARTNERSHIP*

#### i. *National Drug Council*

The National Drug Council of the Ministry of National Security is charged with demand-reduction, supply-control, prevention, treatment and rehabilitation of addicted persons. They are also tasked with maintaining the National Drug Information System to exchange information on anti-drug related initiatives in Trinidad and Tobago.

As one of its stakeholders, the FIUTT partners with the National Drug Council through meetings and workshops of the National Drug Information System Team. In July 2013, presentations were made on the findings of a survey conducted on a Drug Treatment Programme in Trinidad and Tobago, Barbados and Jamaica.

#### ii. *Consultations*

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

- The Ministry of National Security on Cyber

Crime;

- The Integrity Commission on recommendations for amendment to the Integrity in Public Life Act;
- The Trinidad and Tobago Transparency Institute;
- The Institute of Chartered Accountants of Trinidad and Tobago; and
- The AML Sub-committee of the Bankers Association of Trinidad and Tobago.

### 4. *GLOBAL AML/CFT CO-OPERATION*

#### i. *Foreign FIUs and LEAs*

The FIUTT recognises new threats are posed to our financial systems by the ever evolving ML and FT techniques and therefore places emphasis on cooperation with our foreign counterparts and LEAs to face this global challenge.

The FIU Act provides for exchange of information in relation to all legitimate requests, whilst adhering to the Egmont Group of FIUs best practice for the principles on exchange of information in a safe and secure manner.

During this reporting period, the FIUTT received 26 requests for assistance from Foreign FIUs and LEAs and responded to 24 of those requests. 1 request may contain several Subjects, and as such the 26 request received contained 55 Subjects. Tables 12 and 13 and Diagrams 31 and 32 illustrates this information. 21 of the foreign requests came from agencies within the region, whilst five (5) came from international agencies. This illustrates that the FIUTT is an emerging force in the intelligence community. See Diagram 33

**CHAPTER V****NATIONAL AND INTERNATIONAL CO-OPERATION**

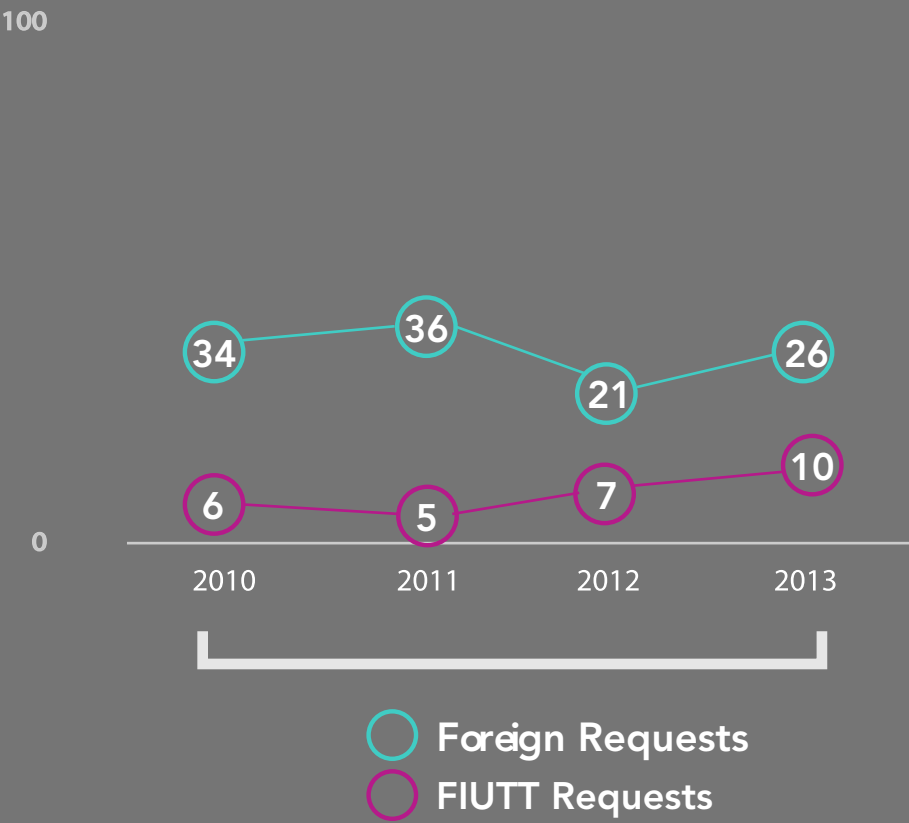
**TABLE 12**  
**INTERNATIONAL CO-OPERATION**

<b>ACTION TAKEN</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
<b>REQUESTS RECEIVED</b>	<b>34</b>	<b>36</b>	<b>21</b>	<b>26</b>	<b>117</b>
<b>REQUESTS SENT</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>10</b>	<b>28</b>

*Source: FIUTT*

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DIAGRAM 31  
INTERNATIONAL CO-OPERATION



Source: FIUTT

**CHAPTER V****NATIONAL AND INTERNATIONAL CO-OPERATION**

**TABLE 13**  
**REPLIES TO REQUESTS**

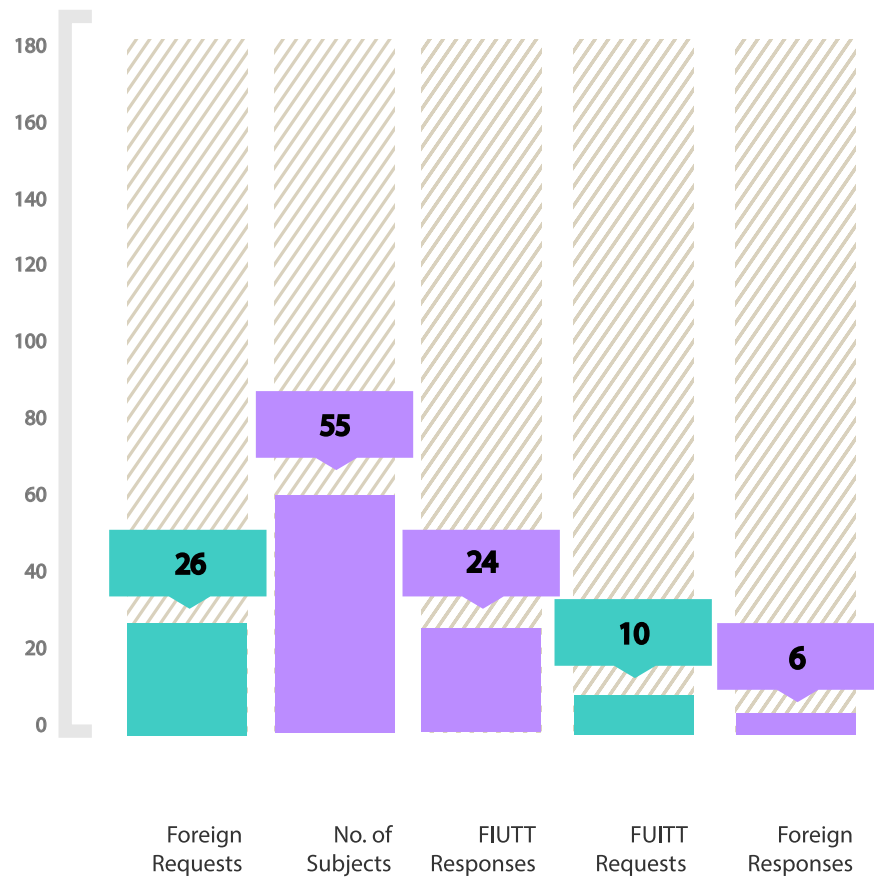
REQUESTS RECEIVED BY FIUTT				REQUESTS MADE BY FIUTT	
NO.	NO. OF SUBJECTS	REPLIES	JURISDICTION	NO.	REPLIES
21	45	19	REGIONAL	8	5
5	10	5	INTERNATIONAL	2	1
26	55	24	TOTAL	10	6

Source: FIUTT



CHAPTER V  
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DIAGRAM 32  
EFFECTIVE INTERNATIONAL CO-OPERATION

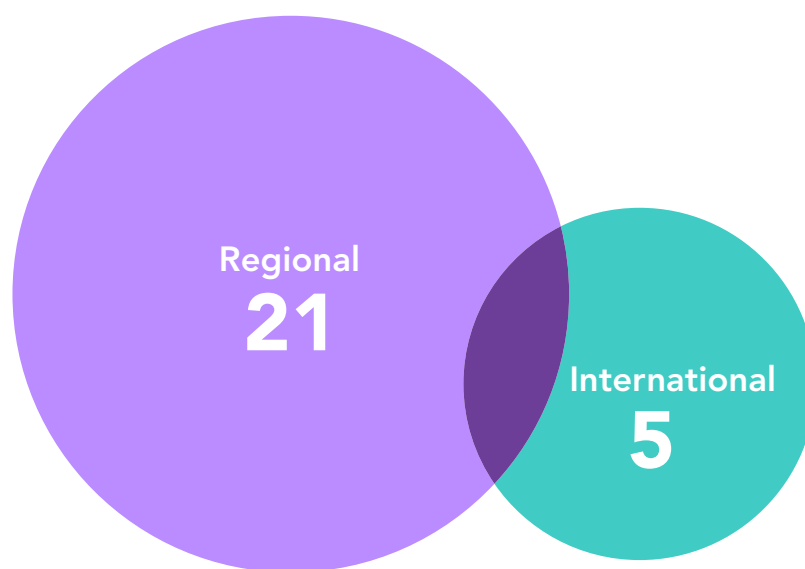


Source: FIUTT

## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

**DIAGRAM 33**  
**INTERNATIONAL CO-OPERATION BY JURISDICTION**



*Source: FIUTT*

## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

The FIUTT in September 2013 hosted members of the British Virgin Island, Financial Investigation Agency ("BVI FIA") on a knowledge exchange visit. The Supervisor Compliance and Outreach of FIUTT provided examples of AML/CFT compliance supervision to LBs (DNFBPs) to Officers in the

Compliance department of BVI FIA. At the end of the knowledge transfer visit the FIUTT presented a copy of FIUTT's compliance manual to the BVI FIA. Picture 5 below shows members of FIUTT and BVI FIA together.

#### **PICTURE 5**

*FIUTT AND BVI FIA OFFICERS*



## CHAPTER V

### NATIONAL AND INTERNATIONAL CO-OPERATION

#### ii. *The Financial Action Task Force*

The FATF is an inter-governmental body established in 1989 to develop standards for combatting ML and FT. The FATF continuously monitors and assesses the progress made by its member countries as it relates to money laundering, financing of terrorism and the proliferation of weapons of mass destruction.

The FIUTT publishes a list of countries identified by FATF as Non-Compliant or not Sufficiently Compliant as stated in the FATF Public Statement. See [www.fiu.gov.tt](http://www.fiu.gov.tt) or [www.fatf-gafi.org](http://www.fatf-gafi.org).

At the FATF Plenary in Paris, France, in October 2012, the FATF agreed that Trinidad and Tobago should be removed from the monitoring process and from the FATF Public Statement "Improving Global AML/CFT Compliance: on-going process."

**In February 2012, FATF adopted the revised 40 Recommendations.** The Revised 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. See [www.fatf-gafi.org](http://www.fatf-gafi.org)

#### iii. *The Caribbean Financial Action Task Force*

The CFATF is one of eight FSRBs in FATF 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 29 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).

#### iv. *Egmont Group of FIUs*

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 foster the implementation of domestic programmes in this field. See [www.egmontgroup.org](http://www.egmontgroup.org)

Trinidad and Tobago was accepted as a member of the Egmont Group of FIUs on July 3, 2013. Membership in the Egmont Group is a further endorsement and recognition of the country's fight against ML/FT and has greatly enhanced information exchange between Trinidad and Tobago and other countries in ML/FT and related investigations. It will also provide training and support opportunities for the FIUTT.

Given the highly sensitive information that is exchanged by FIUs, FIUTT utilises the Egmont Secure Website (ESW), a secure communication network which allows the FIUTT to access financial intelligence from 138 FIUs around the world. The FIUTT's ESW was setup in August 2013 and for the reporting period the FIUTT has received and sent requests using this secure system.

**CHAPTER V****NATIONAL AND INTERNATIONAL CO-OPERATION****5. MOUs WITH FOREIGN FIUs**

The FIU Act provides the FIUTT with the authority to enter into MOUs with local agencies and foreign FIUs. The MOUs allow the FIUTT to exchange information and enhance networking and cooperation with LEAs and foreign FIUs. In the year under review, the FIU has entered into MOUs with four foreign FIUs (Table 14).

Negotiations are ongoing with the FIUs of Suriname, Bermuda, Sint Maarten, Grenada, Bangladesh and Taiwan as well as the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). It is expected that these proposed MOUs will be finalised in the coming year.

**TABLE 14**  
**MOUs WITH FOREIGN COUNTERPART**

<b>NO.</b>	<b>COUNTRY</b>	<b>COUNTERPARTS</b>	<b>DATE OF SIGNING</b>
<b>1</b>	<b>JAMAICA</b>	<b>FINANCIAL INVESTIGATIONS DIVISION</b>	<b>NOVEMBER 13, 2012</b>
<b>2</b>	<b>ST. VINCENT AND THE GRENADINES</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>MAY 22, 2013</b>
<b>3</b>	<b>GUYANA</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>MAY 28, 2013</b>
<b>4</b>	<b>MONTSERRAT</b>	<b>MONTSERRAT REPORTING AUTHORITY</b>	<b>MAY 28, 2013</b>

**PICTURE 6**

*MOU SIGNING AT CFATF XXXVI PLENARY IN BVI*



*From L to R. Mr. Justin Felice, Director, FID Jamaica and Ms. Susan S François, Director, FIUTT*



**PICTURE 7**

*MOU SIGNING AT CFATF XXXVII PLENARY IN NICARAGUA*



*From L to R. Ms. Susan S François, Director, FIUTT and Mr. Paul Geer, Director, FIU Guyana*

**PICTURE 8**

*MOU SIGNING AT CFATF XXXVII PLENARY IN NICARAGUA*



*From L to R. Ms. Susan S François, Director, FIUTT and Ms. Dulcie James, Chair, MRA Montserrat*

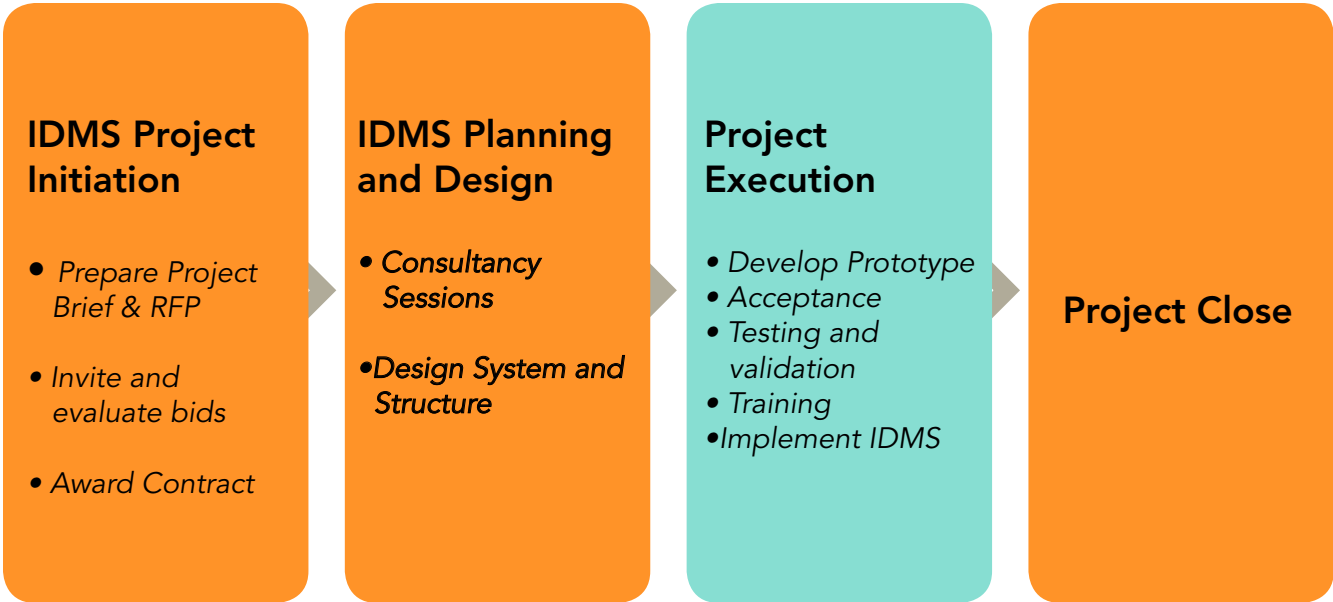


CHAPTER VI

INSTITUTIONAL STRENGTHENING

DIAGRAM 34

IDMS PROJECT MILESTONES



Source: FIUTT

## CHAPTER VI

### INSTITUTIONAL STRENGTHENING

#### 1. **THE WORKING ENVIRONMENT**

The FIUTT has been provided with permanent offices located at the 25th Floor of Tower D, at the International Waterfront Complex, 1A Wrightson Road, Port of Spain. Tower D also houses the Parliament of Trinidad and Tobago as well as other government agencies.

Several levels of security provide 24 hour monitoring, on-site as well as off-site. A security desk and a metal detector are positioned at the entrance of the building and security passes are required to enter the offices of the FIUTT.

The FIUTT's offices are compartmentalized and are secured by locks as well as access cards. This year the FIUTT further enhanced office security measures by introducing measures to further isolate the analytical operations for additional confidentiality. Space is available for expansion.

#### 2. **RESOURCES**

During the period under review, measures were taken to recruit the necessary technical staff which the FIUTT needs to carry out its responsibilities. The Analytical Division was fully staffed in January 2013. A Director, Compliance and Compliance Officers were recruited in the last quarter 2013. A further addition was the recruitment of a Senior Legal Officer to lead the FIUTT's enforcement exercises.

As a result, and evident by the preceding statistics, the FIUTT significantly improved its effectiveness in the areas of analysis, compliance and enforcement. However, although the FIUTT showed a significantly improved supervisory function in the year in review, the number of registrants with the FIUTT (over 1400), and the number of compliance officers on the establishment (7), pose a challenge for

effective supervision of all the FIUTT's registrants. The FIUTT has therefore, made recommendations for further additions to the Compliance Division.

#### 3. **INFORMATION TECHNOLOGY**

The Information Technology (IT) Division has a mission-critical role to support the daily business operations. For the reporting period, the IT team continued to work on building a resilient ICT infrastructure to reshape the existing IT landscape. The following two (2) projects were given priority during the period:

##### i. ***Intranet and Document Management Solution Project***

During the reporting period, several milestones were achieved. The Intranet and Document Management Solution (IDMS) project progressed into the implementation phase with the development of the prototype. Diagram 34 highlights the project stages and milestones achieved.

## CHAPTER VI

### INSTITUTIONAL STRENGTHENING

#### ii. *Data Center Physical Infrastructure*

The IT team embarked on an initiative to upgrade the physical infrastructure of the existing data centre as the first phase of establishing a modern data centre facility. Project milestones for the reporting period include evaluation of bids and approval of a successful bidder.

Participants included representatives from the various LEAs, prosecutors from the DPP's office and FIUTT analysts. This workshop provided a clear understanding of how financial intelligence can be used to create synergies between criminal offences and illicit proceeds and how this information can be used to obtain convictions.

#### 4. **PROFESSIONAL DEVELOPMENT**

The FIUTT is fully cognisant of the value of continuous professional development to improve the performance of its staff. During the reporting period, FIUTT staff members honed their skills by actively participating in training courses, workshops and seminars.

Staff members also engaged in AML/CFT in relation to the obligations of Reporting Entities, Building an Effective Inspection Programme, Risk Based Methodology and Risked Based Inspection and Threat Assessment training.

FIUTT hosted a workshop in Tactical and Strategic Intelligence Training, which included forensic accounting techniques, trade-based money laundering, terrorist financing, typologies, detection and effective intelligence reporting. This was facilitated by the Canadian High Commission.

The IT staff continued to actively enhance their technical skills by participating in the requisite training and workshops. These include Microsoft Operations Framework 4.0, Microsoft Server 2012 Hyper-V and Cisco Certified Network Associate (CCNA) - switching and routing.

## CHAPTER VI

### INSTITUTIONAL STRENGTHENING

**PICTURE 9**

*PARTICIPANTS AT THE TACTICAL AND STRATEGIC ANALYSIS WORKSHOP*



## CHAPTER VI

### INSTITUTIONAL STRENGTHENING

**PICTURE 10**

*GROUP PHOTO OF PARTICIPANTS AT THE TACTICAL AND STRATEGIC ANALYSIS WORKSHOP*



*At the Centre is His Excellency Gérard Latulippe, Canadian High Commissioner to Trinidad and Tobago*

## CHAPTER VI

### INSTITUTIONAL STRENGTHENING

**TABLE 15**  
**EMPLOYEE SKILLS ENHANCEMENT**  
**PROGRAMME 2013**

NO.	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME / COURSE	ORGANISER / PRESENTER	PARTICIPANTS FROM THE FIUTT
1	ALBION PLAZA, POS	THREAT ASSESSMENT TRAINING WORKSHOP	NATIONAL SECURITY COUNCIL SECRETARIAT (NSCS) T&T	DIRECTOR ANALYST
2	FIU BOARDROOM	INTRODUCTION TO FIU (INTERNAL TRAINING)	FIUTT	DIRECTOR ANALYSTS AND ANALYST
3	COURTYARD BY MARRIOTT	WINDOWS IN THE ENTERPRISE: DEVICES, APPS AND THE CLOUD	MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR
4	MUCURAPO ROAD, ST. JAMES	MICROSOFT IT PRO TECH WEEK 2013: SERVER VIRTUALIZATION FOR MICROSOFT AND VMWARE PROFESSIONALS	MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR
5	MUCURAPO ROAD, ST. JAMES	CONFIGURING AND DEPLOYING MICROSOFT'S PRIVATE CLOUD	MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR
6	MUCURAPO ROAD, ST. JAMES	WINDOWS AZURE VIRTUAL MACHINES: IAAS	MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR
7	GASTON COURT, CHAGUANAS	MICROSOFT OPERATIONS FRAMEWORK 4.0	IGOVTT	NETWORK ADMINISTRATOR
8	MUCURAPO ROAD, ST JAMES MAY 2013	DELL AND MICROSOFT: MS SHAREPOINT 2013	DELL AND MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR



## CHAPTER VI

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**TABLE 15**  
**EMPLOYEE SKILLS ENHANCEMENT**  
**PROGRAMME 2013**

NO.	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME / COURSE	ORGANISER / PRESENTER	PARTICIPANTS FROM THE FIUT
9	HYATT HOTEL, TRINIDAD	BENEFITS AND REQUIREMENTS OF DESKTOP VIRTUALIZATION	DELL	NETWORK ADMINISTRATOR AND DATABASE ADMINISTRATOR
10	HILTON, TRINIDAD & MINISTRY OF FOREIGN AFFAIRS	WORKSHOP ON IMPLEMENTING UNITED NATIONAL SECURITY COUNCIL RESOLUTION 1540	MINISTRY OF FOREIGN AFFAIRS	DIRECTOR & TWO ANALYSTS
11	HILTON, TRINIDAD & MINISTRY OF FOREIGN AFFAIRS	WORKSHOP ON IMPLEMENTING UNITED NATIONAL SECURITY COUNCIL RESOLUTION 1541	MINISTRY OF FOREIGN AFFAIRS	ANALYST
12	HILTON, TRINIDAD & MINISTRY OF FOREIGN AFFAIRS	WORKSHOP ON IMPLEMENTING UNITED NATIONAL SECURITY COUNCIL RESOLUTION 1542	MINISTRY OF FOREIGN AFFAIRS	DIRECTOR
13	CAPITAL PLAZA	DEALING WITH DIFFICULT PEOPLE WORKSHOP	STITT FELD HANDY	SUPERVISOR COMPLIANCE AND OUTREACH,
14	BORDERCOM, ST. AUGUSTINE	CISCO CERTIFIED NETWORK ASSOCIATE	BORDERCOM	NETWORK ADMINISTRATOR
15	BELIZE CITY, BELIZE	FINANCIAL CRIME PREVENTION AND SUCCESSFUL CONFISCATION SEMINAR	GOVRISK/ FOREIGN AND COMMONWEALTH OFFICE (SPONSOR)	SENIOR LEGAL OFFICER
16	MUCURAPO ROAD, ST JAMES MAY 2013	WINDOWS SERVER 2012: HYPER-V	IGOVTT & MICROSOFT TRINIDAD	NETWORK ADMINISTRATOR
17	FIU BOARDROOM	TRAINING IN TAX LAWS	BOARD OF INLAND REVENUE	ANALYSTS AND COMPLIANCE OFFICERS

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### INSTITUTIONAL STRENGTHENING

**TABLE 15**  
**EMPLOYEE SKILLS ENHANCEMENT**  
**PROGRAMME 2013**

NO.	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME / COURSE	ORGANISER / PRESENTER	PARTICIPANTS FROM THE FIUTT
18	FIU BOARDROOM	AML/CFT TRAINING	FIUTT	COMPLIANCE OFFICERS
19	NORMANDIE HOTEL	AML/CFT TRAINING	FIUTT	DIRECTOR COMPLIANCE & COMPLIANCE OFFICERS
20	MARRIOTT, TRINIDAD	COMPLIANCE INSPECTIONS TRAINING	TTSEC AND US SEC	COMPLIANCE OFFICERS
21	FIU BOARDROOM	TACTICAL AND STRATEGIC INTELLIGENCE TRAINING PROGRAMME	CANADIAN HIGH COMMISSION AND FIUTT	DIRECTOR, DEPUTY DIRECTOR, SENIOR LEGAL OFFICER, COMPLIANCE OFFICERS, DIRECTOR ANALYST, INTELLIGENCE RESEARCH SPECIALIST AND ANALYSTS
22	POLICE TRAINING ACADEMY, TRINIDAD	TRAFFICKING IN PERSONS SUBJECT MATTER EXPERT EXCHANGE	COUNTER TRAFFICKING UNIT	ONE ANALYST

Source: FIUTT



## CHAPTER VII

### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

Under the rubric of strengthening global AML/CFT efforts, the FIUTT was represented at the following international meetings and conferences within the last year:

#### 1. **EGMONT GROUP OF FIUs**

FIUTT was welcomed as a member of the Egmont Group, the internationally recognised Anti-Money Laundering forum of Financial Intelligence Units, on July 3, 2013. This development will greatly enhance information exchange between Trinidad and Tobago and other countries in anti-money laundering, financing of terrorism, and related investigations.

At the 21st Egmont Group Plenary which was held in Sun City, South Africa, the Heads of FIUs unanimously agreed to FIUTT's admission to the Group.

The Egmont Group membership application process requires sponsorship by a number of Egmont member FIUs and the FIUTT was ably guided by the British Virgin Islands FIA and the Bahamas FIU. The Egmont membership application process required the sponsors to conduct an on-site inspection of the FIUTT and report to the Egmont Outreach Working Group (OWG) and the Legal Working Group (LWG).

The FIUTT satisfied the requirements of the OWG in 2011 and the LWG in February this year, after providing detailed clarification of Trinidad and Tobago's AML/CFT legal regime. Thereafter, the OWG and the LWG recommended the FIUTT for admission to the Heads of FIUs at the Egmont plenary. Seven other FIUs, including the Holy See (Vatican City State), were also endorsed as new members.

In congratulating the new members the Egmont

Chair, Mr. Boudewijn Verhelst noted that the new members will strengthen the global network of information sharing in areas of particular strategic and regional significance. This achievement marks an important milestone in the growth and development of the FIUTT as it now joins 138 other FIUs that comprise the Egmont Group.

The endorsement of FIUTT will strengthen this jurisdiction's ability to interact with a global network of FIUs, exchanging intelligence and co-operating in the fight against money laundering, the financing of terrorism and other serious crime.

It also is a clear signal that Trinidad and Tobago is recognised internationally as being committed to preventing the abuse of its jurisdiction by criminals seeking to conceal or launder the proceeds of their crimes or to finance terrorism.

The FIUTT also intends to actively participate in the various working groups in Egmont: Operational Working Group (Op WG), Legal Working Group (LWG), Training Working Group (TWG) and the IT Working Group (ITWG).

#### 2. **CFATF**

i. A Trinidad and Tobago delegation with officers of the FIUTT, CBTT, TTSEC and the AML/CFT Compliance Unit attended CFATF XXXVI Plenary which was held in Tortola, British Virgin Islands during November 12 – 15, 2012.

The agenda items at the Plenary Meeting included:

- A presentation by the Director to the Heads of FIUs on AML/CFT compliance supervision. See Picture 8.
- The proposal to give accreditation to FIU Officers of CFATF members. This would ensure

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### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

that all Officers are trained to a specific standard in the AML/CFT regime.

- Reports on Research into (1) the cross-border movement of cash and negotiable instruments (2) human trafficking (3) The proliferation of small arms and ammunitions (4) Ponzi/Pyramid and Illegal Lottery Schemes
- The FATF revised 40 Recommendations, the new assessment methodology and the 4th Round of Mutual Evaluations.

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#### PICTURE 11

##### HEADS OF FIUs MEETING



*Director, FIUTT presents to the Heads of FIUs*

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### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

ii. The Deputy Director and the Supervisor of Compliance & Outreach delivered presentations at the CFATF 8th AML/CFT Compliance Conference in Bridgetown, Barbados during January 31 to February 1, 2013. The Conference was supported by key public sector institutions that are pivotal to the establishment and continued development of an effective national AML/CFT regime.

The FIUTT's presentations at the conference focused on:

- The Importance of Sharing Regional Experiences; and

- Building Your AML/CFT Compliance Programme.

The FIUTT's experience in building an AML/CFT compliance programme and technical tools used in supervising the Listed Business in Trinidad and Tobago brought a practical aspect to AML/CFT compliance which was well received by the participants.

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#### **PICTURE 12**

#### *CFATF 8TH AML/CFT COMPLIANCE WORKSHOP*



*L to R: Mrs. Glenda Leben, Supervisor, Compliance & Outreach, FIUTT and Mr. Calvin Wilson, Executive Director, CFATF.*

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### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

iii. A Trinidad and Tobago delegation which included officers of the FIUTT, CBTT, TTSEC and the AML/CFT Compliance Unit attended the CFATF XXXVII Plenary held in Managua, Nicaragua during May 21 – 25, 2013.

The agenda items included:

- Identifying jurisdictions within CFATF that may pose a risk to the regional and international financial system (CFATF Public Statement).

- A presentation by the Director to the Heads of FIUs on the FIUTT's progress on its operations.
- Report by the CFATF Accreditation Working Group on the process of accrediting Officers assigned to FIUs within CFATF membership.



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#### **PICTURE 13**

*FIUTT DELEGATES AT CFATF XXXVII PLENARY*



*From L to R: Mr. Nigel Stoddard, Deputy Director, Ms. Susan S. François, Director and Ms. Jayanti Lutchmedial, Senior Legal Officer*

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### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

iv. A Trinidad and Tobago delegation attended the Special Ministerial Meeting of the CFATF in Miami, Florida, United States of America on August 23, 2013. The Director provided technical assistance to Senator the Honourable Emmanuel George, Minister of National Security who led the delegation.

Matters discussed included The Mutual Evaluation Programme; The CFATF Reform Process; Membership Participations in CFATF Matters; and implementation of the Strategic Plan 2011-2015.

#### 3. THE FATF

i. The Director of the FIUTT and the Director of the AML/CFT Compliance Unit attended the FATF Plenary Meeting, held in Paris, France during the period October 17 – 19, 2012.

A significant outcome of the Plenary Meeting was the removal of Trinidad and Tobago from the FATF enhanced monitoring process.

In noting the AML/CFT Improvements in Trinidad and Tobago the FATF stated in its public document:

*“The FATF welcomes Trinidad and Tobago’s significant progress in improving its AML/CFT regime and notes that Trinidad and Tobago has established the legal and regulatory framework to meet its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified in February 2010. Trinidad and Tobago is therefore no longer subject to FATF’s monitoring process under its on-going global AML/CFT compliance process. Trinidad and Tobago will work with CFATF as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, particularly implementation of the new legislative and regulatory reform in order to more effectively combat illicit finance in*

*Trinidad and Tobago.”*

ii. Although the FIUTT was not represented at the two subsequent FATF Plenary Meeting, in February and June 2013, significant outcomes which impact on AML/CFT Compliance implementation measure included :

- The new Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems.
- The publication of a guidance paper on conducting National Risk Assessments.
- A guidance paper on Recommendations 12 and 22 on PEPS.
- Best Practices Paper on Targeted Financial Sanctions Related to Terrorism and Terrorist Financing.
- International Best Practices on Combating the Abuse of Non-Profit Organisations.
- Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals.

#### 4. 19<sup>th</sup> ANNUAL DRUG COMMANDERS CONFERENCE/PRE- INTERNATIONAL DRUG ENFORCEMENT CONFERENCE

The Deputy Director attended the United States Mission and the Drug Enforcement Agency 19<sup>th</sup> Annual Drug Commanders Conference/Pre International Drug Enforcement Conference (Pre- IDEC), in Oranjestad, Aruba during the period March 3 - 7, 2013. The conference was established as a means of bringing together commanders of the counter-narcotics units throughout the Caribbean region. The main goal of this conference is to promote regional cooperation amongst drug law enforcement units, who have the primary responsibility of conducting criminal investigations into major trafficking organisations operating in the region and FIUs.



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### INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

#### 5. **CONFISCATION SEMINAR**

The Senior Legal Officer attended a seminar sponsored by the United Kingdom Government in conjunction with GovRisk in Belize City, Belize during the period March 25–27, 2013. This seminar focused on successful confiscation and civil asset forfeiture. Practical class exercises focused on specific case law and best practice and procedure in tracing funds, investigations, prosecutions and confiscation of illicit assets.

## CHAPTER VIII

### PROJECTIONS FOR THE YEAR 2013 / 2014

#### 1. HUMAN RESOURCES

A fully operational and effectively functioning FIU depends on a cadre of skilled and committed staff.

As Trinidad and Tobago prepares for the 4<sup>th</sup> Round of Mutual Evaluation scheduled for January 2015 it is obligatory that all its Divisions be fully staffed to enable the FIUTT to carry out its AML/CFT responsibilities. The FIUTT will continue to work with the Ministry of Finance and the Economy to fill its remaining vacancies and recruit new staff for optimum technical capacity.

#### 2. IT PROJECTIONS

The ultimate goal of the IT initiatives at the FIUTT is to lay a resilient foundation to meet the business of the FIUTT and enhance productivity. The new period is anticipated to be dynamic for IT as formative projects are at the execution stage and deliverables continue to materialise, while other initiatives are at the project initiation stage and are now being crystallised. The projections for the new period are as follows:

- The IDMS would be operational within the first half of the new period. The solution would provide the platform to increase productivity, automate workflows and better manage documents throughout its life cycle.
- Deployment of the data center will commence in the last quarter of 2013. With the physical infrastructure in place, the FIUTT will acquire the servers, storage and network infrastructure that is required to meet the evolving needs of the FIUTT.
- Re-design of the FIUTT website was deferred to the year 2014. A significant upgrade to its website is anticipated in order to meet the growing demands

of its stakeholders in a more efficient and user friendly manner.

- Disaster recovery planning will continue for the new period; the groundwork was started and the team will actively work towards implementation.
- ICT Security improvements will be a primary focus for the upcoming period as IT threats continue to evolve and get more sophisticated. A review of the existing ICT security will be undertaken to devise and implement a robust security strategy.
- With the scope of ICT initiatives being undertaken and the vision for IT at the FIUTT the team will continue to engage in relevant training, workshops and certifications courses to increase competency levels.

#### 3. PREPARATION FOR THE 4<sup>TH</sup> ROUND OF MUTUAL EVALUATIONS

Trinidad and Tobago must address the AML/CFT deficiencies identified during the 3rd Round Mutual Evaluations since failure to rectify these deficiencies would adversely affect the ratings in several areas of the upcoming 4<sup>th</sup> Round Mutual Evaluation. It therefore, behoves the stakeholders in the national AML/CFT regime to implement the assessor's recommended measures to address outstanding deficiencies.

To this end the FIUTT's focus this year will be on introducing measures to implement effective suspicious transaction reporting by listed businesses and to implement effective AML/CFT supervision of all listed businesses especially PMCs and credit unions.

## CHAPTER VIII

### PROJECTIONS FOR THE YEAR 2013 / 2014

As well the FIUTT expects to participate meaningfully in Trinidad and Tobago's preparation for the 4th Round Mutual Evaluation. The methodology for 4th Round Mutual Evaluation has two components; Technical Compliance and Effectiveness. The Technical Compliance component reviews a jurisdiction's legislative compliance with the FATF Recommendations (e.g. whether ML or FT is criminalised). The Effectiveness component reviews how well the laws and other measures have been implemented (e.g. the number of ML convictions, the amount of assets restrained or confiscated with regard to ML or TF). Accordingly, the FIUTT's focus would also be on:

i. The conduct of a national AML/CFT risk assessment pursuant to Recommendation I (Rec.1) of the FATF's 40 Recommendations. Rec. 1 requires countries to identify, assess and understand their AML/CFT risks and show that resources are being placed where the greater risk exists. A National Risk Assessment (NRA) will usually facilitate this requirement. The findings of the NRA must be

transmitted to FIs and Listed Business which can then apply resources aimed at mitigating the risks.

ii. Implementation of its responsibilities and the collection and compilation of Statistics and other relevant information and documentation that shows:

- International co-operation requests, investigations, prosecutions and extraditions done on behalf of requesting nations;
- Guidance and training provided by the FIUTT to the Supervised Entities ;
- Examples of compliance failures (sanitised cases);
- Number of STRs reported and the value of associated transactions;
- Types of financial intelligence and other information available;
- Financial intelligence disseminated and exchanged;
- Guidance on the use and reporting of STRs;
- Typologies produced using financial intelligence; speed with which competent authorities (police, FIU, FIB etc.) can obtain or access relevant financial intelligence; and
- Other information required for ML/FT investigations.

## APPENDIX A

### LIST OF REPORTING ENTITIES

The FIUA identifies the entities responsible for reporting suspicious transactions or activities to the FIUTT as Financial Institutions and Listed Business. The list of Financial Institutions is identified under Section 2 (1) of the POCA Ch. 11:27 while Listed Business is identified in the First Schedule.

#### 1. **FINANCIAL INSTITUTIONS**

- a bank licensed under the Financial Institutions Act;
- a financial Institution licensed under the Financial Institutions Act;
- a building society registered under the Building Societies Act;
- a society registered under the Co-operative Societies Act;
- an insurance company registered under the Insurance Act;
- a person licensed under the Exchange Control Act to operate an exchange bureau;
- a person licensed under the Securities Industry Act as a dealer or investment adviser;
- a person who is registered to carry on cash remitting services under the Central Bank Act;
- a person who carries on a postal service;
- an entity providing mutual funds;
- development banks, trust companies, mortgage companies; or
- any other person declared by the Minister by Order, subject to negative resolution of Parliament to be a financial institution for the purpose of this Act;

#### 2. **LISTED BUSINESS**

- Real Estate
- Motor Vehicle Sales
- Money or Value Transfer Services
- Gaming House
- Pool Betting
- National Lotteries On-Line Betting Games
- Jewellers
- Private Members' Clubs
- Accountants, Attorneys-at-law or other Independent Legal Professionals
- Art Dealers
- Trust and Company Service Providers

## APPENDIX B

### **GUIDANCE NOTE AML/CFT PROCEDURES FOR POLITICALLY EXPOSED PERSONS**

#### **PURPOSE AND CONTENTS**

The Financial Intelligence Unit of Trinidad and Tobago (the "FIU") provides this overview of the obligations under the Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) regime of Trinidad and Tobago for Politically Exposed Persons (PEPs).

This Guidance Note is intended to provide a Financial Institution and Listed Business with guidance on the application of customer due diligence requirements to PEPs. It adheres to the Recommendations of the Financial Action Task Force (FATF).

This guidance uses plain language to explain the most common situations under the specific laws and related regulations which impose AML/CFT requirements. It is provided as general information only. It is not legal advice, and not intended to replace the AML/CFT Acts and Regulations.

#### **A. WHO IS A POLITICALLY EXPOSED PERSON?**

A PEP is defined by the FATF as "an individual who is or has been entrusted with a prominent public function." The FATF recognises that, due to their status and influence, many PEPs are in positions that can be platforms for committing money laundering and related predicate offences. These include corrupt practices and bribery, as well as conducting activity related to the financing of terrorism.

Consequently, the FATF Recommendations require the application of additional customer due diligence to business relationships with PEPs due to the potential risk associated with PEPs. It must be emphasised that these measures are preventive in nature. **It is NOT to be inferred that all PEPs are involved in criminal activity or that they have been incriminated in any corruption.**

To address the risks associated with PEPs requires the effective implementation of FATF Recommendations (Rec.) 12 and 22. Rec. 12 sets out Anti-Money Laundering/Counter Terrorism Financing (AML/CTF) measures applicable to financial institutions which engage in or enter into a business relationship with a PEP and Rec. 22 requires the same measures to be applied by Listed Business.

#### **B. CATEGORIES OF PEPs**

The FATF definition of PEPs identifies Foreign PEPs, Domestic PEPs, International Organisations PEPs and Individuals who are closely related to or close associates of a PEP.

**1. Foreign PEPs:** individuals who are or have been entrusted with prominent public 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, important political party officials.

## APPENDIX B

### GUIDANCE NOTE AML/CFT PROCEDURES FOR POLITICALLY EXPOSED PERSONS

**2. Domestic PEPs:** individuals who are or have been entrusted domestically with prominent functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.

The following examples of domestic PEPs are included in the above definition:\*

- i. Head of State – the President of the Republic of Trinidad and Tobago
- ii. Head of Government – the Prime Minister
- iii. Senior Members of the Legislature e.g. The Speaker of the House and the President of the Senate
- iv. Senior Politicians e.g. all Members of Parliament, Government Ministers, Mayors , Leader of the Opposition, Chairman and Chief Secretaries of the Tobago House of Assembly, Parliamentary Secretaries
- v. Senior Government Officials e.g. Permanent Secretaries, Chief Technical Officers, an Ambassador or High Commissioner, Assistant Commissioner of Police or higher rank
- vi. Judicial Officials e.g. Magistrates, Judges of the Supreme Court, Judges of the Industrial Court, Judges of the Caribbean Court of Justice.
- vii. Military Officials – a Lieutenant Colonel or higher rank
- viii. Senior executives of State owned corporations e.g. - Members of the Boards of all Statutory Bodies and State Enterprises including those bodies in which the State has a controlling interest

- ix. Senior political party officials e.g. Chairman, Political Leader and Deputy Political Leader of a political party.

**\* NOTE: these examples are NOT exhaustive.**

**3. International organisation PEPs:** persons who are or have been entrusted with a prominent function by an international organisation, and refers to members of senior management or individuals who have been entrusted with equivalent functions, i.e. directors, deputy directors and members of the board or equivalent functions.

International Organisations include but are not limited to:

- i. United Nations and affiliated international organisations
- ii. Organisation of American States
- iii. Inter-American Development Bank
- iv. International Labour Organisation
- v. Caribbean Financial Action Task Force

**4. Immediate family members** are individuals who are related to a PEP either through birth or marriage. Regulation (Reg.) 20(1) (e) of The Financial Obligations Regulations, 2010 (FORs), defines immediate family member as, "...the spouse, parents, siblings or children" of the PEP and the parents, siblings and additional children of the PEP's spouse."

References to parents, siblings or children include the half and whole blood and relationships through adoption. Spouse includes ex-spouse.

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### GUIDANCE NOTE AML/CFT PROCEDURES FOR POLITICALLY EXPOSED PERSONS

**5. Close associates** are individuals who are closely connected to a PEP, either socially or professionally. Reg. 20 (1) (f), FORs defines a Close associate as ...“any individual publicly known or actually known to the relevant financial institution (or Listed Business vide Rec 22) to be a close personal or professional associate...” of the PEP e.g. a business partner.

#### C. DUE DILIGENCE MEASURES

Due Diligence measures must be applied to each PEP, whether the PEP is a customer or beneficial owner, and to his/her immediate family members and close associates as defined above.

In addition to performing normal customer due diligence measures, a Financial Institutions and Listed Businesses must apply the following enhanced due diligence measures:-

1. Have appropriate risk-management systems to determine whether the customer or the beneficial owner is a PEP, or immediate family member or close associate of a PEP.
2. Obtain senior management approval **BEFORE** establishing (or continuing, for existing customers) the business relationship;
3. Take reasonable measures to determine the source of wealth and source of funds; and
4. Conduct enhanced on-going monitoring of the business relationship.

Reasonable measures should be taken to determine whether a customer or beneficial

owner is a foreign or domestic PEP or a person who is or has been entrusted with a prominent function by an international organisation. The requirements for all types of PEPs should also apply to immediate family members or close associates of such PEPs.

The key to the effective monitoring of a business relationship with a PEP, is for Financial Institutions and Listed Businesses to **apply 'KNOW YOUR CUSTOMER' (KYC) measures.**

#### D. RED FLAGS/ SUSPICIOUS INDICATORS

The FATF has developed a list of red flags / suspicious indicators that can be used to assist in detecting the misuse of the financial systems by PEPs during a customer relationship. This list of red flags/suspicious indicators is intended to assist in the detection of suspicious behaviour among those PEPs who abuse the financial system. It is not intended to stigmatise or 'brand' all PEPs.

##### 1. PEPs ATTEMPTING TO SHIELD THEIR IDENTITY

PEPs are aware that their status as a public figure may facilitate the detection of their illicit activities. PEPs may therefore attempt to shield their identity, to avoid detection. Examples of ways in which this is done are:-

- Use of corporate vehicles (legal entities and legal arrangements) to obscure beneficial ownership. A “beneficial owner means the person who ultimately owns and controls an account, or who exercises ultimate control over



## APPENDIX B

### **GUIDANCE NOTE AML/CFT PROCEDURES FOR POLITICALLY EXPOSED PERSONS**

a legal person or legal arrangement.” Reg. 12 (5) of the FORs.

- Use of corporate vehicles without a valid business reason.
- Use of intermediaries in cases which do not match normal business practice or when this appears to be a means of shielding the identity of a PEP. Pay attention to Reg. 13 of the FOR – Representative applicant.
- Use of family members or close associates as legal owners. The business partner, or child or spouse, for example, may appear in legal documents for the business/company, as the legal owner and not the PEP.

#### **2. THE PEP AND HIS/HER BEHAVIOUR**

Specific behaviour and individual characteristics of PEPs may raise red flags or a suspicion. For example:-

- Use of corporate vehicles (legal entities and legal arrangements) to obscure ownership or business(es)/company(ies) involved.
- Country of nationality/citizenship
- The PEP makes inquiries about the institution’s AML policy or PEP policy.
- The PEP seems generally uncomfortable to provide information about source of wealth or source of funds.
- The information that is provided by the PEP is inconsistent with other (publicly available) information, such as asset declarations and published official salaries.
- The PEP is unable or reluctant to explain the reason for doing business in the country of the financial institution or Listed Business.

- Funds are repeatedly moved to and from countries to which the PEP does not appear to have ties.
- The PEP is or has been denied entry to the country (visa denial).

#### **3. THE PEP’S POSITION OR INVOLVEMENT IN BUSINESSES**

The position that a PEP holds and the manner in which the PEP presents his/her position are important factors to be taken into account.

For example:-

- The PEP has a substantial authority over or access to state assets and funds, policies and operations.
- The PEP has control over regulatory approvals, including the award of licences and concessions.
- The PEP has the direct or indirect control over the mechanisms established to prevent and detect ML/TF.
- The PEP has access to, control or influence over government or corporate accounts.
- The PEP (wholly or partially) owns or controls financial institutions or Listed Businesses, either privately, or ex officio.

#### **4. COUNTRY SPECIFIC RED FLAGS AND SUSPICIOUS INDICATORS**

Country or geographic risk factors may make a customer higher risk but additionally, the following red flags and indicators relating to countries should be taken into account when doing business with a PEP:-



## APPENDIX B

- The foreign or domestic PEP is from a higher risk country (as defined by the FATF in Rec. 19, or the Interpretative Note to Rec. 10).
- Foreign or domestic PEPs from countries identified as having a high risk of corruption.
- Foreign or domestic PEPs from countries reputed to be dependent on the export of illicit goods, such as drugs.
- Foreign or domestic PEPs from countries (including political subdivisions) with political systems that are based on personal rule, autocratic regimes, or countries where a major objective is to enrich those in power and countries with high level of

patronage appointments.

- Foreign or domestic PEPs from countries identified by credible sources as having high levels of (organised) crime.

For guidance on PEPs, please refer to <http://www.fatf-gafi.org/documents/documents/peps-r12-r22.html>.

And for further guidance on AML/CFT guidance you may refer to the following: <http://www.fiu.gov.tt> and [www.fatf-gafi.org](http://www.fatf-gafi.org).

## APPENDIX C

### ADVISORY ON CONFERENCE SCAMS

The Financial Intelligence Unit of Trinidad and Tobago ("the FIUTT") is publishing this advisory in accordance with Section 17(1) (b) of the Financial Intelligence Unit of Trinidad and Tobago Act 11 of 2009.

#### PURPOSE OF THIS ADVISORY

This Advisory is intended to provide the General Public with information on observed trends within our jurisdiction. The FIUTT hopes that this advisory will assist the General Public in identifying the specific criminal activity illustrated and thereby reduce monetary loss and emotional harm.

#### GENERAL INFORMATION

This scam involves bogus emails, inviting recipients to attend a conference, professional workshop, seminar, etc., often times using the names of international or professional organisations such as the United Nations (UN), various Human Rights organisations, Non-governmental Organisations (NGOs), Foundations or other international organisations, or key personnel in these organisations. The scammers may also use the names of organisations that do not exist, but closely resemble well-known organisations.

These invitations are usually sent to a person's email address or through their professional networks such as LinkedIn.

#### HOW THE SCAM WORKS

##### Appeal:

These invitations frequently appeal to a benevolent humanitarian cause such as Human Rights, Global Peace, Human Trafficking, Child

Abuse, Racism, HIV/AIDs Awareness, Climate Change or Economic Development.

##### Logistics:

The email usually states that conference costs, flight and accommodation will be borne by the organizing committee and that only a registration or processing fee is required.

The names of bonafide hotels and conference facilities are often used. Typically these fake conferences are supposed to take place in two countries, the USA and another country (in Canada, Europe, Africa or the Middle East). Visa assistance is offered by contacting the Secretariat at the time of registration. False e-tickets may even be provided.

Telephone, fax and email contacts are usually provided. Contact emails are usually personal email accounts such as hotmail and gmail or appear to be from corporate email accounts. The contact email address is usually different to that from which the invitation is sent.

Persons who sign up for the conference will be told they need to pay the registration fee, hotel or visa fee via Western Union or Money Gram.

The invitation is not addressed to the invitee by name but by a general term, eg "conference invitee", "delegate" or sir/madam. Often the invitation is unprofessionally drafted, with grammatical errors e.g. "united state of america". However, they are usually very detailed on the subject matter and appeal to a selective audience, thus appearing authentic.

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### ADVISORY ON CONFERENCE SCAMS

#### CAUTION TO THE GENERAL PUBLIC

- This scam appears to be Advance Fee Fraud; there is no conference;
- This scam and has the potential for identity theft;
- This scam has the potential to be the initial stage in a wider international criminal network involving kidnapping for ransom and human trafficking;
- Do NOT provide any personal or financial information to persons you only know via the Internet;
- Do NOT send any money by wire transfer services (non-bank services) to pay anyone you only know via the Internet. Never send money by Western Union or MoneyGram to anyone you don't know personally, no exceptions!
- Do not open any attachments in these emails;
- This scam has the hall marks of the Nigerian 419 scam or "Advance Fee Fraud" because the common principle of the scam format is to get the victim to send cash upfront by promising a benefit that they would receive later.

Below is an of an email invitation of this scam.

#### **Fraudulent Conference email invitation**

The following event is fake. It is sent to collect registration fees from would-be participants. The email address is a variation of a legitimate UN address and the alleged signatory is a key employee of the UN. Note grammatical errors such as "call for paper" and "... assist you to obtain a British entry visa so easily."

This email message was purportedly sent on June 25, which seems absurdly late for a major conference taking place on 29-31 July, 2013, with paper submissions. No closing date was given for the submissions or registration.

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### ADVISORY ON CONFERENCE SCAMS

From: UN Department of Economic and Social Affairs [mailto:summit@desa-un.org.uk]

Sent: Tuesday, 25 June 2013 11:40 PM

To: \*\*\*\*\*

Subject: Conference Invitation:

Dear Conference Invitee,

On behalf of United Nations scientific working committee, the UN Department of Economic and Social Affairs (UNDESA) invites you to a Global conference on "Financial and Economic Crisis on Sustainable Development".

This summit is scheduled to take place from 29-31 July, 2013 in London, United Kingdom at the Excel International conference center.

The aim of this conference is to assess the worst global economic melt-down that has struck most countries of the world, and identify areas to mitigate the impact of the crisis and initiate a ground work for future collaborative transformation of the international financial architecture.

Registration is free and strictly for invited individuals and organizations only. As an invited participant, this is your invitation code number [UNDESA/682] always quote your code in all correspondence. UNDESA will provide you with a free round trip flight ticket (to London and from London). You will only be responsible for your accommodation for the four days duration of this event.

Note: If you require an entry visa to London (UK) to attend this meeting, UNDESA will assist you to obtain a British entry visa so easily.

Call for paper:

We welcome paper presentation from any participant that desire to make a presentation during this summit. Paper presentations would be scheduled for 20 minutes each including questions.

For registration, send in your acceptance letter directly to the UNDESA conference secretariat via e-mail: summit@desa-un.org.uk

Quote your invitation code number [UNDESA/682]. For inquiries call +44-70-1291-0530 or +44-70-1291-4192

Yours Sincerely,

Dr. Shamshad Akhtar Detho,  
Assistant Secretary-General.  
(United Nations Department of Economic and Social Affairs)

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## APPENDIX D

### THE CATEGORIES OF SUPERVISED ENTITIES

Supervised Entities are Non-Regulated Financial Institutions and Listed Business which are required to register with the Financial Intelligence Unit of Trinidad and Tobago under Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011. These are:

1. Co-operative Societies
2. Postal Service
3. Building Society
4. Real Estate
5. Motor Vehicle Sales
6. Money or Value Transfer Services
7. Gaming House/Pool Betting
8. National Lotteries On-Line Betting Games
9. Jewellery
10. Private Members' Club
11. Accountant
12. Attorney-at-law
13. Independent Legal Professional
14. Art Dealer
15. Trust and Company Service Provider

**APPENDIX D****NON-REGULATED FINANCIAL INSTITUTIONS**

<b>NO.</b>	<b>Type of Financial Institution</b>	<b>Interpretation</b>	<b>Laws of Trinidad and Tobago</b>
1	Credit Union	Within the meaning of the Co-operative Societies Act.	Chap. 81:03
2	Building Society	Registered under the Building Societies Act.	Chap. 33:04
3	Postal Service	A person who carries on postal service	
4	Provider of cash remitting services	A person who is registered to carry on cash remitting services under the Central Bank Act.	Chap.79:02

**LISTED BUSINESS**

<b>NO.</b>	<b>Type of Listed Business</b>	<b>Interpretation</b>	<b>Laws of Trinidad and Tobago</b>
1	Real Estate	Any natural or legal person, partnership or firm carrying on the business of buying, selling or leasing land and any interest in land or any, buildings thereon and appurtenances thereto.	
2	Motor Vehicle Sales	Any natural or legal person, firm or partnership, carrying on the business of selling or leasing new or used motor vehicles as defined under the Motor Vehicles and Road Traffic Act.	Chap. 48:50
3	Money or Value Transfer Services	A financial service that accepts cash, cheques, other monetary instruments or other stores of value in one location and pays a corresponding sum in cash or other form to a beneficiary in another location by means of a communication, message, transfer or through a clearing network to which the money value service belongs.	

**APPENDIX D****LISTED BUSINESS**

<b>NO.</b>	<b>Type of Listed Business</b>	<b>Interpretation</b>	<b>Laws of Trinidad and Tobago</b>
4	Gaming House	Any such business registered under the Gambling and Betting Act.	Chap. 11:19
5	Pool Betting	do.	Chap. 11:19
6	National Lotteries On-Line Betting Games	The business of lotteries operated in accordance with the National Lotteries Act.	Chap. 21:04
7	Jewellery	A business licensed under the Precious Metals and Precious Stones Act.	Chap. 84:06
8	A Private Members' Club	A club within the meaning of the Registration of Clubs Act.	Chap. 21:01

**APPENDIX D****LISTED BUSINESS**

<b>NO.</b>	<b>Type of Listed Business</b>	<b>Interpretation</b>	<b>Laws of Trinidad and Tobago</b>
9	An Accountant, an Attorney-at-law or other Independent Legal Professional	Such a person is accountable when performing the following functions on behalf of a client: a) buying and selling of real estate; b) managing of client money, securities and other assets; c) management of banking, savings or securities accounts; d) buying or selling of business entities; e) organisation of contributions for the creation, operation or management of companies, legal persons or arrangements.	
10	An Art Dealer	An individual or company that buys and sells works of any category of art.	
11	Trust and Company Service Provider	Any such person when he prepares for and when he carries out transactions for a client in relation to the following activities: a) acting as a formation agent of legal persons; b) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership or a similar position on relation to other legal persons; c) providing a registered office, business address or accommodation, correspondence or administrative address for a company a partnership or any other legal person or arrangement; d) acting as (or arranging for another person to act as) a nominee shareholder for another person."	

*Source: Proceeds of Crime Act Chapter 11:27 (as amended)*



## GLOSSARY

### 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.

### TERRORIST FINANCING

Terrorist financing 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.

### GENERAL ML/FT SUSPICIOUS INDICATORS

- Transactions take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate money laundering activities.
- The client cannot provide satisfactory evidence of identity.
- Situations where the source of funds cannot be easily verified.
- Situations where it is very 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 & between related persons.
- Client wants to re-sell Property shortly after purchase 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 corporate objective is irrelevant to the client's normal profession or activities, without a

## GLOSSARY

reasonable explanation.

- 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 repeatedly changes Attorneys within a short period of time without any reasonable explanation.
- Client purchases property in names of other persons 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 record a lower value on documents, paying the difference “under the table” (inadequate consideration).
- Client’s documents such as identification, income statements or employment are provided by an intermediary 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 no relationship seen between the transaction and the business activity of the buying company, or the company has no business activity (Shell Company).
- Client requests the firm to act as his agents 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).
- Divergence from the type, volume or frequency of transactions expected in the course of the business relationship.



Enquiries relating to this report  
should be addressed to:

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