



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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2016

ANNUAL REPORT



FINANCIAL INTELLIGENCE UNIT  
OF TRINIDAD AND TOBAGO









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# ENDORSEMENTS

## Barbados Financial Intelligence Unit

*“Over the years the Barbados Financial Intelligence Unit has enjoyed a fruitful relationship with the Financial Intelligence Unit of Trinidad and Tobago. One of the many matters which the Director and staff have learnt from FIUTT is with respect to the FIU’s engagement with the Designated Non-Financial Businesses and Professions (DNFBPs) sectors. The lessons learnt, mistakes made and successes experienced in working towards an improved level of compliance with these sectors in adhering to the international standards against money laundering and terrorist financing.*

*In addition to the discussions with FIUTT personnel on this matter on the margins of conferences and via conference calls, in 2014, at the invitation of the Barbados FIU, the Director, FIUTT graciously agreed to share the FIUTT’s experience and work with the DNFBPs not only with the Barbados FIU but also the Barbadian DNFBP sectors. In general, the information shared with the BFIU has been invaluable as it has assisted the BFIU in its own deliberations with respect to the local DNFBP sectors and the level of engagement required to promote the adherence to the law. Congrats to the Director, FIUTT and to her staff on their hard work in improving the AML/CFT regime in Trinidad and Tobago.”*

**Shelley Nicholls-Hunte**  
**Director**  
**Financial Intelligence Unit of Barbados**

## US Internal Revenue Service – Criminal Investigation, Barbados

*“Internal Revenue Service – Criminal Investigation (IRS-CI), International Operations, thanks the Trinidad and*

*Tobago Financial Intelligence Unit (FIUTT) for being a supportive partner in the fight against global financial crimes. Over the years, the FIUTT has been a vital partner to IRS-CI’s Barbados Post and has worked consistently with IRS-CI, the agency that investigates potential criminal violations of the U.S. Internal Revenue Code, and other related financial crimes, in a manner that fosters confidence in the tax system and compliance with the law. In addition to active investigation cooperation, IRS-CI and FIUTT share leads and work collaboratively to provide Financial Investigative Techniques training to financial investigators in Trinidad and Tobago.”*

**Corinne Kalve**  
**Attaché**  
**US Internal Revenue Service – Criminal Investigation,**  
**U.S. Embassy - Bridgetown, Barbados**

## Financial Transactions and Reports Analysis Centre of Canada

*“FINTRAC was proud to join the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) in delivering a regional Egmont Supervisory Course in April of 2016. The success of this course exemplifies the commitment the FIUTT has taken to improving their capacity as an FIU. We look forward to working with the FIUTT as it continues to establish itself as a leader within the Caribbean region.”*

**Bruce Wallace**  
**Manager of Strategic Policy and Reviews (SPAR)**  
**Financial Transactions and Reports Analysis**  
**Centre of Canada**



*"It was reassuring to see that the overall marks for the course material and delivery were very high. I note the following comment from our FINTRAC representative who was one of the trainers sent to T&T:*

*"To the Egmont team: the course was delivered to participants from T&T, Sint Maarten and Grenada – by T&T and FINTRAC. The feedback is very positive. ... we should maybe think of saluting the work and T&T's initiative and further confirming that the Egmont Supervisory Course is a great product."*

*As mentioned, T&T lead the successful delivery of the ESC in the America's region. FINTRAC greatly appreciated their leadership in this regard."*

**Stephen John**  
International Relationships, Senior Policy Analyst,  
Financial Transactions and Reports Analysis  
Centre of Canada

#### **Financial Intelligence Unit, Sint Maarten (MOT)**

*The MOT Sint Maarten has a very good working relationship with the FIU of Trinidad and Tobago. Through its accumulated knowledge and expertise, the FIU of Trinidad and Tobago shares this wealth of information with its Caribbean counterparts in general and has done so with Sint Maarten in particular by inviting MOT Sint Maarten to participate in the Egmont training for supervisors it hosted in February of 2016.*

*Furthermore, the collaboration that MOT Sint Maarten has with the FIU of Trinidad and Tobago in the fight against ML/FT is based on an open communication, and is on point, with a fast turnaround time where it concerns information sharing."*

**Ligia M.I. Stella**  
Director  
Financial Intelligence Unit Sint Maarten

#### **British Virgin Islands Financial Investigation Agency**

*"The British Virgin Islands Financial Investigation Agency has enjoyed a cordial, professional and fruitful working relationship with FIUTT since its inception. This relationship has been of great benefit to the work of the FIA. We are particularly grateful to FIUTT for its hospitality in hosting three of our Compliance Examiners who were able to use the knowledge and experience acquired during their attachment to help develop and strengthen our own internal AML/CFT Supervisory Framework. We look forward to continuing in a spirit of cooperation and collaboration with FIUTT in the fights against money laundering, the financing of Terrorism and other serious crimes throughout the hemisphere."*

**Errol George**  
Director  
BVI Financial Investigation Agency





## GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**FIU Ref: INF/3155/2016/PAO**

November 28, 2016

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

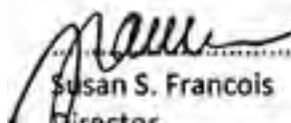
Dear Minister,

**Re: Letter of Transmittal**

I have the honour to submit the Annual Report on the operations of the Financial Intelligence Unit of Trinidad and Tobago for the period October 01, 2015 to September 30, 2016.

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

Yours Sincerely,

  
Susan S. Francois  
Director  
Financial Intelligence Unit





## 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.**









# CONTENTS

<b>LIST OF ABBREVIATIONS</b>	<b>8</b>
<b>STATEMENT OF THE DIRECTOR</b>	<b>10</b>
<b>2016 AT A GLANCE</b>	<b>13</b>
<b>PROLOGUE</b>	<b>14</b>
 <b>CHAPTER I – COMBATTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM</b>	 <b>19</b>
 <b>CHAPTER II – FOSTERING A CULTURE OF COMPLIANCE</b>	 <b>21</b>
<i>Compliance for Intelligence</i>	21
<i>Registration of Supervised Entities</i>	22
<i>Compliance</i>	23
<i>Outreach and Awareness</i>	28
<i>New Initiatives - Community Outreach</i>	28
<i>FIUTT Online</i>	28
<i>Challenges for the C&amp;O Division</i>	29
 <b>CHAPTER III – FINANCIAL INTELLIGENCE</b>	 <b>34</b>
<i>Core Operations</i>	34
<i>Intelligence Statistics</i>	34
<i>Use of FIUTT's Intelligence</i>	49
<i>Trends and Typologies</i>	49
<i>Achievements and Challenges</i>	50
 <b>CHAPTER IV – ENFORCEMENT</b>	 <b>52</b>
<i>FIUTT Action</i>	52
<i>Trinidad and Tobago Police Service</i>	55



<b>CHAPTER V – STRATEGIC ALLIANCES: CO-OPERATION AND COLLABORATION</b>	<b>56</b>
<i>Enhancing Collaborative Partnerships</i>	56
<i>Domestic Co-ordination and Engagement</i>	57
<i>International Engagement and Co-operation</i>	63
<i>MOUs Signed with Foreign FIUs</i>	67
<i>Participation in International Fora</i>	70
<b>CHAPTER VI - RESOURCES AND INFRASTRUCTURE</b>	<b>73</b>
<i>Resources</i>	73
<i>Information Systems and Technology</i>	73
<i>Professional Growth</i>	74
<i>The Working Environment</i>	74
<b>CHAPTER VII – 2017 AND BEYOND</b>	<b>78</b>
<i>Human Resources</i>	78
<i>Information Systems and Technology Projections</i>	78
<i>Legal Projections</i>	79
<b>APPENDIX A: LIST OF SUPERVISED AND REPORTING ENTITIES</b>	<b>80</b>
<b>APPENDIX B: SCAM ADVISORY</b>	<b>82</b>
<b>APPENDIX C: INSURANCE FRAUD TYPOLOGY</b>	<b>83</b>
<b>APPENDIX D: HUMAN TRAFFICKING TYPOLOGY</b>	<b>85</b>
<b>GLOSSARY</b>	<b>87</b>





## LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ACO	Alternate Compliance Officer
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
ATA	Anti-Terrorism Act, Chapter 12:07
CBTT	Central Bank of Trinidad and Tobago
CFATF	Caribbean Financial Action Task Force
CICAD	Inter-American Drug Abuse Control Commission
CO	Compliance Officer
CU	Credit Union
DNFBPs	Designated Non-Financial Businesses and Professionals
DPP	Director of Public Prosecutions
ESW	Egmont Secure Website
FATF	Financial Action Task Force
FSRB	FATF Style Regional Bodies
FI	Financial Institution
FIB	Financial Investigations Branch
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
FIUA	Financial Intelligence Unit of Trinidad and Tobago Act, Chapter 72:01
FIUR	Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011
FIUTT	Financial Intelligence Unit of Trinidad and Tobago
FOR	Financial Obligations Regulations, 2010
FT	Financing of Terrorism
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ICT	Information and Communication Technology
IDMS	Intranet and Document Management Solution
IRs	Intelligence Reports



# LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ISIL	Islamic State of Iraq and the Levant
IT	Information Systems and Technology
JW	Jewellers
LEA	Law Enforcement Authority
LB	Listed Business
MER	Mutual Evaluation Report
ML/FT	Money Laundering/Financing of Terrorism
MOU	Memorandum of Understanding
MV	Motor Vehicle Sales
MVTS	Money or Value Transfer Services
NAMLC	National AML/CFT Committee
NRA	National Risk Assessment
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
RBA	Risk Based Approach
STR/SAR	Suspicious Transaction Report/ Suspicious Activity Report
TTPS/FIB	Trinidad and Tobago Police Service/Financial Investigations Branch
TTSEC	Trinidad and Tobago Securities and Exchange Commission
UNSCR	United Nations Security Council Resolution



# STATEMENT OF THE DIRECTOR

The year 2016 was marked by the publication by the CFATF of its Report on the 4<sup>th</sup> Round Mutual Evaluation of the AML/CFT systems of Trinidad and Tobago. This 4<sup>th</sup> Round Mutual Evaluation Report (4<sup>th</sup> MER) provides an in-depth insight on the measures taken by Trinidad and Tobago to comply with the FATF's 40 Recommendations as well as an assessment of the effectiveness of the measures implemented to counter the threats of money laundering and financing of terrorism.

From the perspective of the FIUTT and its compliance with Recommendation 29, the rating of "largely compliant" given by the CFATF and supported by the FATF, is a remarkable achievement which recognises the efforts of the FIUTT to produce quality financial intelligence. The 4<sup>th</sup> MER also highlighted the role of the FIUTT in contributing domestically and internationally in effective AML/CFT measures.

However, the 4<sup>th</sup> MER identified persisting constraints on the FIUTT's operations. These include the need for more resources and training for the Analytical Section of the FIUTT arising from new tasks such as detailed strategic analysis specifically linked to Financing of Terrorism, from the increasing number of suspicious transaction reports (SARs/SARs) received by the FIUTT and a backlog in analysis.

With respect to the FIUTT's supervisory role, the 4<sup>th</sup> MER recognised that the supervisory regime of the FIUTT shows the potential for becoming an effective oversight to monitor the Listed Business sector for compliance with AML/CFT obligations. However, it concluded that the scope of entities to be supervised exceeded the capacity of the FIUTT which did not appear to have sufficient resources to properly carry out the regulatory and monitoring functions. It is to be noted that the number of entities to be supervised by the FIUTT increased from 1600 at the time of the evaluation to 2288 in this reporting period.

Legal constraints on the FIUTT's supervisory powers were also identified such as the legal requirement for the FIUTT to obtain prior consent from the owner or occupier of a business to the AML/CFT on-site inspection and FIUTT's limited range of sanctioning power for non-compliance, notably, the inability to impose pecuniary penalties.

The FIUTT's remedial action to resolve the identified weaknesses included recommendations for Legislative amendments and for increase in the staffing capacity of its Analytical and Compliance & Outreach Divisions.

At the operational level, the FIUTT received more STRs/SARs in this reporting year, indeed the most it has received throughout its existence. The increase in STRs/SARs submissions is linked to the increase in the number of terrorism related STRs/SARs. 69 STRs/SARs were received which were related to suspected terrorism offences compared to 16 in 2015. This significant increase of 331% of terrorism related STRs/SARs evidences the local impact of the global terrorist threat.

As regards dissemination of intelligence, the FIUTT has prioritised the analysis and dissemination of reports relating to terrorist activities to the relevant law enforcement and intelligence authorities although it remains at the mercy of constraints such as quick access to information and insufficient human resources.

The global terrorist threat has continued to evolve rapidly becoming increasingly decentralised and diffuse. In 2015 to 2016 ISIL and ISIL aligned groups launched external attacks such as in France, Lebanon, Turkey, Brussels, Pakistan, clearly demonstrating the groups' capability to carry out deadly plots beyond Iraq and Syria. The intelligence gathered by the FIUTT suggests a continued flow of young nationals to conflict zones in Syria and Iraq through recruitment and facilitation. The



threat posed by returning foreign terrorist fighters, who have become radicalised to violence, who have gained operational knowledge or experience in terrorist attacks and the consequent risk of committing or promoting violence, of providing operational expertise, or serving as recruiters and facilitators in their home or third countries, needs to be assessed as a national security issue.

In recognition of its critical role within the AML/CFT framework for detection of such criminal activities, the FIUTT intensified its efforts to provide support to local and foreign competent authorities through terrorism focused training, increased dissemination of intelligence and participation in inter-agency and inter-ministerial committees and task forces to counter terrorism.

In this vein, FIUTT intelligence supported the first invocation of the Anti-Terrorism Act by the Attorney General. In December 2015, the Attorney General successfully listed Kareem Ibrahim also known as “Amir Kareem” and also known as “Winston Kingston” as a terrorist and froze his assets. Ibrahim was convicted in 2011 by a USA federal court of conspiring to commit a terrorist act in the JFK airport. Thereafter, the FIUTT provided intelligence to successfully list 77 other individuals and entities as terrorists and to freeze their assets including the group known as AL-QAIDA IN IRAQ also known as ISLAMIC STATE IN IRAQ AND THE LEVANT. The FIUTT, thereupon, issued 8 notices to Reporting Entities to verify whether any of those 77 persons had funds in their institution and to notify the FIUTT

immediately if any such person attempts to enter into a transaction.

Another successful use of the FIUTT’s intelligence was in the case of United States of America v Trenton S. Somerville. The FIUTT provided intelligence to the United States Internal Revenue Service-Criminal Investigation which led to the conviction of a Florida resident for tax evasion and wire fraud. The agencies involved in this case were: the US-Internal Revenue Service-Criminal Investigation, the US-Federal Bureau of Investigation, the Financial Intelligence Unit of Trinidad and Tobago, and the Florida Office of Financial Regulation.

As well, in this reporting period, the FIUTT granted ‘Permission to Share’ to foreign FIUs and foreign Competent Authorities in 38 instances. A request for ‘Permission to Share’ intelligence by the receiving agency is an indication that the intelligence provided by the FIUTT was of sufficient value to be used by other competent authorities.

On the Supervisory side, successful enforcement action under the FIUA was initiated by and with intelligence provided by the FIUTT. The FIUTT initiated and successfully argued a civil action against one entity for failure to comply with FIUTT’s directive to remedy deficiencies in its AML/CFT regime. Costs were awarded to the FIUTT.

As the FIUTT moved forward in 2016, new objectives and tasks emerged. Under the revised FATF methodology,



FIUs are now required to conduct Strategic Analysis. Such analysis uses information and data from a wide variety of sources to identify money laundering and terrorist financing related trends, patterns and vulnerabilities. Strategic analysis supports the world wide move towards intelligence-led policing which prioritises a prevention and disruption approach to crime control.

But the FIUTT's ability to effectively undertake existing and new responsibilities can be affected by budgetary constraints. While the FIUTT's budgetary allocation from the Central Government has increased over the years, the funds allocated to the FIUTT is usually less than what was budgeted by the Unit. The new responsibilities being undertaken by the FIUTT, its supervision of a large and ever-increasing number of reporting entities, the increased requests for timely information on terrorist activities through domestic and international cooperation coupled with its core functions of analysis of STRs/SARs indicate that there are insufficient resources for the FIUTT to operate at its maximum levels of efficiency. To this end the authorities need to provide the FIUTT with sufficient resources to

ensure that it undertakes its functions adequately and within a reasonable period of time.

As Director of the FIUTT for the last 5 years I am well positioned to assess the contribution of the FIUTT's staff in the difficult combat against money laundering and financing of terrorism. A number of staff, past and present, have given their heart and soul in the development of the FIUTT which is often seen as a central institution in efforts to make Trinidad and Tobago a hostile environment for money laundering and terrorist financing. I take this opportunity to express appreciation for their efforts. I am also grateful to the Ministry of Finance for their support and to our international partners who continue to look upon the FIUTT as a leader in the region.

**Susan S. François**  
**Director**



# 2016

## AT A GLANCE



**MORE STRs/SARs FILED RELATING TO  
SUSPECTED TERRORIST ACTIVITIES**



**MORE FINANCING OF TERRORISM  
INTELLIGENCE REPORTS DISSIMENATED**



**COMMENCEMENT OF COMMUNITY  
OUTREACH PROGRAMMES**



**MORE NATIONAL AND  
INTERNATIONAL COLLABORATION**



# PROLOGUE

The Caribbean Financial Action Task Force (the CFATF) selected Trinidad and Tobago as its first member country to be evaluated in the Fourth Round Mutual Evaluations (the 4<sup>th</sup> MER) for AML/CFT compliance. The Mutual Evaluation process consisted of an assessment of Trinidad and Tobago's compliance with two components:

- technical compliance – whether the country's AML/CFT legal framework meets the international standard of FATF's 40 Recommendations; and
- the extent to which eleven Immediate Outcomes (IOs) are achieved.

Trinidad and Tobago's 4<sup>th</sup> MER was adopted and published at the CFATF XLIII Plenary held in June 2016. The 4<sup>th</sup> MER revealed that on the technical compliance with the FATF's 40 Recommendations component, Trinidad and Tobago was compliant with twelve, largely compliant with 13, partially compliant with 13 and non-compliant with two. On the effectiveness of the eleven immediate outcomes Trinidad and Tobago obtained ratings of moderate in six and low in five.

It is noteworthy that the FIUTT was rated as largely compliant with FATF's Recommendation 29 which assesses whether a country has established an operationally independent and autonomous FIU with the core mandate and functions required of a financial intelligence unit. However, on the effective use of Financial Intelligence, IO 6, Trinidad and Tobago was rated as moderate.

Table A and Table B show the technical ratings for FATF's 40 Recommendations and eleven IOs respectively received. The Trinidad and Tobago's 4<sup>th</sup> MER is available at [www.cfatf-gafic.org](http://www.cfatf-gafic.org)

Key findings of the 4<sup>th</sup> MER include:

- Trinidad and Tobago should complete the National Risk Assessment which would assist in identifying, assessing and mitigating the risk posed by Money Laundering (ML) and Financing of Terrorism (FT);
- The investigation of ML is not properly prioritised by Law Enforcement Authorities (LEAs);
- Trinidad and Tobago does not have any confiscation proceedings pertaining to ML, FT or any predicate offence;
- There are inadequate resources to effectively investigate and prosecute FT;
- Non Profit Organisations are not included in the AML/CFT system;
- Significant gaps exist between Financial Institutions and Listed Business in understanding risk and applying AML/CFT measures based on risk; and
- Limitations exist in providing or obtaining information from foreign counterparts and in the Mutual Legal Assistance Act that may affect the provision of information.

Several priority actions were recommended which include:

- LEAs need to prioritise the offence of ML with focus on high threat areas such as organised crime, fraud, tax evasion and drug trafficking;
- There should be an increase in resources and training for investigation and prosecution of ML and confiscation proceedings; and



- Greater emphasis on the ties between corruption and AML/CFT needs to be made and a definitive plan of action relating to this area should be incorporated within the national AML/CFT policy.

Priority actions impacting on the FIUTT include:

- The FIUTT to review its operational analysis of STRs/SARs to ensure that its analysis is in keeping with the operational needs of LEAs;
- The FIUTT to conduct detailed strategic analysis on an on-going basis on the ML/FT trends and typologies that are being observed within the jurisdiction. Strategic analysis should also be linked to FT;
- More resources and training need to be afforded to the Analytical Section of the FIUTT to ensure that its primary function of analysing STRs/SARs, preparing proper Intelligence Reports and disseminating to law enforcement is achieved. This recommendation is made as a result of the increase of STRs/SARs received by the FIUTT and a backlog in analysis;

- The ability for LBs to refuse entry to the FIUTT should be addressed; and
- The entire sanctions regime for AML/CFT must be reviewed and made dissuasive and a policy on how these sanctions will apply, must be implemented.

Consequent upon the findings of the 4<sup>th</sup> MER, Trinidad and Tobago was placed in the CFATF enhanced follow up process because of the technical and effectiveness deficiencies identified and is required to report to the CFATF regularly on the steps taken to address the deficiencies. The first of such report is due in March 2017.

The AML/CFT public sector stakeholders have already taken strides in addressing the priority actions recommended and have formed various sub-committees to address different issues. The FIUTT has submitted its proposals for legislative changes and institutional strengthening.



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

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



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

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

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



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

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

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



## CHAPTER I –

# COMBATting MONEY LAUNDERING AND THE FINANCING OF TERRORISM

Money Laundering (ML) and the Financing of Terrorism (FT) pose a global threat to individuals, organisations and societies. As a result, the Financial Action Task Force (FATF) has issued 40 mandatory Recommendations to foster international action against ML/FT. Recommendation 29 of the FATF's 40 Recommendations requires each member state to establish an FIU to serve as a national centre for the collection, analysis and dissemination of financial intelligence and information. This is one of the most crucial steps in the fight against ML/FT and, as such, Trinidad and Tobago has complied by not only establishing the FIUTT but by also implementing a comprehensive legislative framework aimed at protecting the local financial system from the risk of ML/FT.

The Financial Intelligence Unit of Trinidad and Tobago (FIUTT) evolved from **The Financial Intelligence Unit of Trinidad and Tobago Act Chap. 72:01 (the FIUA) (as amended)** and the subsidiary legislation **The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011, (FIUR), as amended by Legal Notice No. 403 of 2014**. The FIUTT functions as a specialised intelligence agency for the receipt and, analysis of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) and the dissemination of financial intelligence and information to comply with Recommendation 29. But additional responsibility was subsequently given to the FIUTT to monitor and enforce compliance of Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) obligations. These functions are separate and distinct from investigative action, which is conducted by the Law Enforcement Authorities (LEAs).

Through the FIUA, the FIUTT operates independently within the Ministry of Finance. The Unit's core operational areas are Analysis, Compliance and Enforcement, Outreach and Domestic and International Cooperation supported by the Information Systems and Technology (IT), Legal and Administrative divisions.

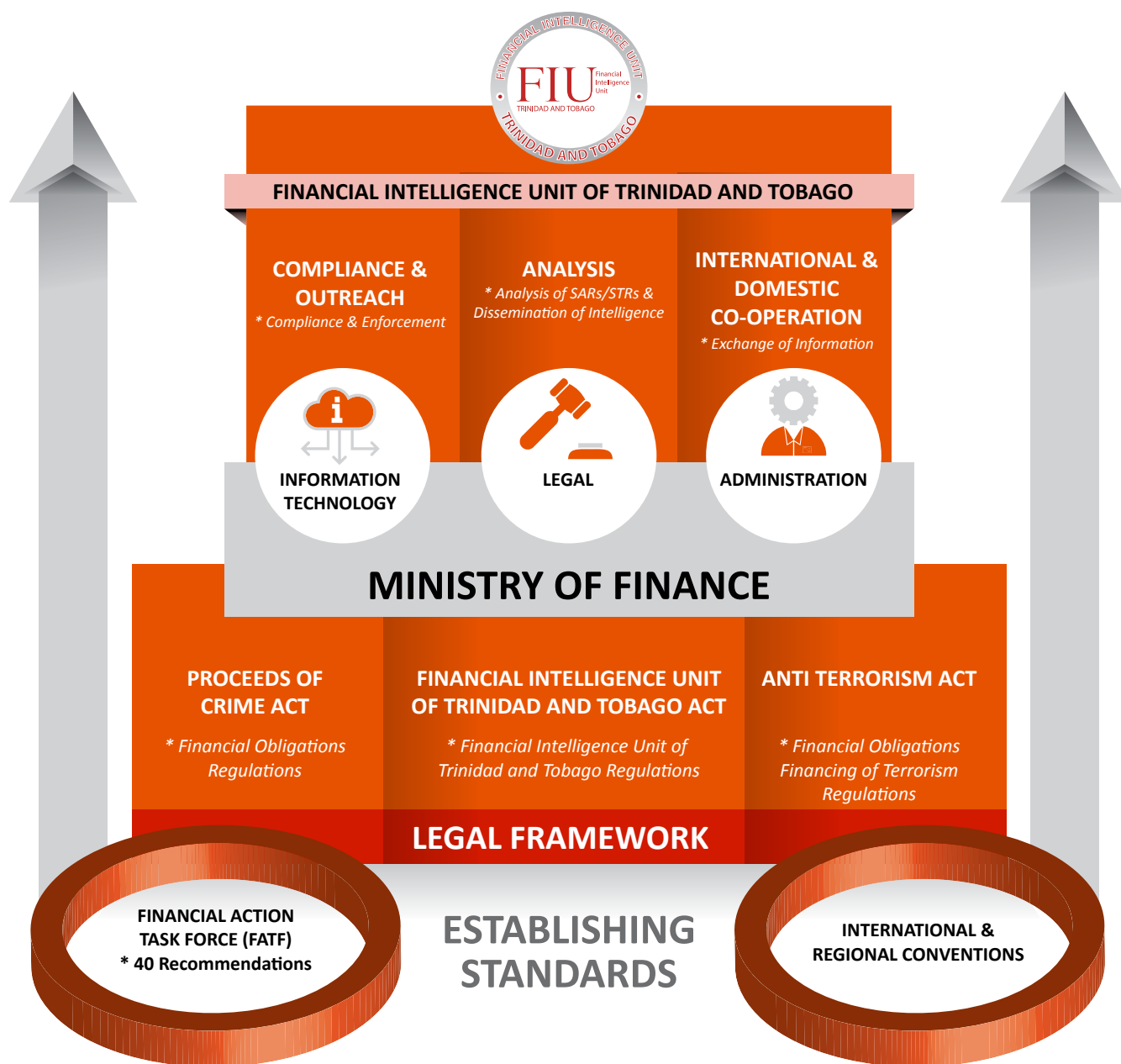
Apart from the FIUA and the FIUR, the current AML/CFT legislative framework comprises other legislative instruments. **The Proceeds of Crime Act Chap. 11:27 (POCA) (as amended)** created the offence of "Money Laundering" and established the procedure through which the proceeds of drug trafficking and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

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

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



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





## CHAPTER II -

# FOSTERING A CULTURE OF COMPLIANCE

### 1. COMPLIANCE FOR INTELLIGENCE

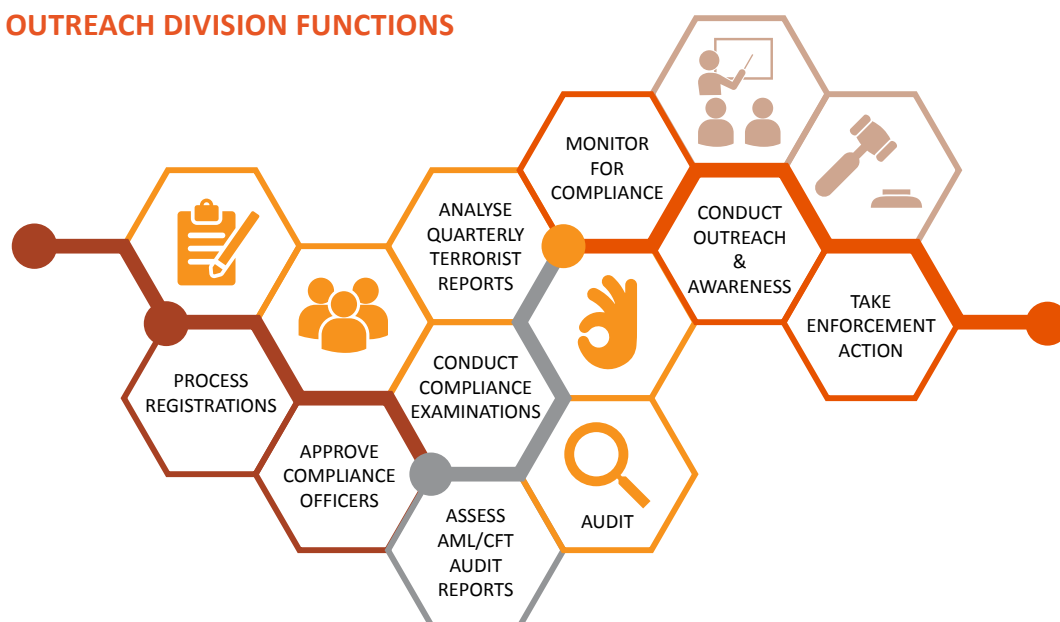
FATF's AML/CFT international standards are being implemented globally. Countries and AML/CFT regulated entities are required to be compliant with these standards and the FIUTT has adopted strategies to ensure that entities comply with their obligations. Centered on the "compliance for intelligence" concept, the strategies focus on those obligations which most effectively facilitate the production of financial intelligence. This concept recognises that the overall effectiveness of our jurisdiction's AML/CFT regime depends on our regulated entities submitting to the FIUTT high quality and timely STRs/SARs.

The FIUTT is legally responsible for supervising the Listed Business (LB) and Non-Regulated Financial

Institutions (NRFI) sectors, collectively referred to as Supervised Entities, to ensure compliance with their AML/CFT obligations. The FIUTT's Compliance & Outreach ("C&O") Division performs a range of supervisory activities designed to ensure businesses are not unwittingly facilitating ML and FT. Diagram 2 illustrates the supervisory activities of the FIUTT, which are geared towards ensuring all entities implement robust systems.

AML/CFT systems are not only judged by the laws and regulations a country has in place, but also by the effective implementation of these laws aimed at reducing the ML and FT threats and vulnerabilities to the financial system. These systems are also intended to effectively detect ML and FT when they occur which should transcend into effective reporting to the FIUTT.

**DIAGRAM 2**  
**COMPLIANCE AND OUTREACH DIVISION FUNCTIONS**





## 2. REGISTRATION OF SUPERVISED ENTITIES

### i. Registrations

Supervised Entities continue to register with the FIUTT as required under Regulation 28 (1) of the FIUA. A total of 264 new registrants and 75 de-registrations were recorded for the reporting period which brings the total number of registrants to 2288. This represents a 12.5% increase from the previous reporting year's total of 2099. Diagram 3 illustrates the total number of registrants in the 14 sectors.

Supervised Entities that are no longer performing the functions as specified in the First Schedule of POCA must de-register by submitting a written declaration to the FIUTT. A total of 74 entities in the various sectors have requested de-registration. It was noted that entities in the Attorneys-at Law (AAL) and Real Estate (RE) sectors accounted for 40% and 25% respectively of total de-registrations to date.

Registrations continue to increase due to the consistent and ongoing efforts of the FIUTT such as:

- continued surveillance by the FIUTT for unregistered businesses;

- publication of notices in the media to register with the FIU if a business performs the functions listed in the First Schedule of the POCA;
- partnership with government agencies, stakeholder industry associations and other sources; and
- enforcement action for failure to register.

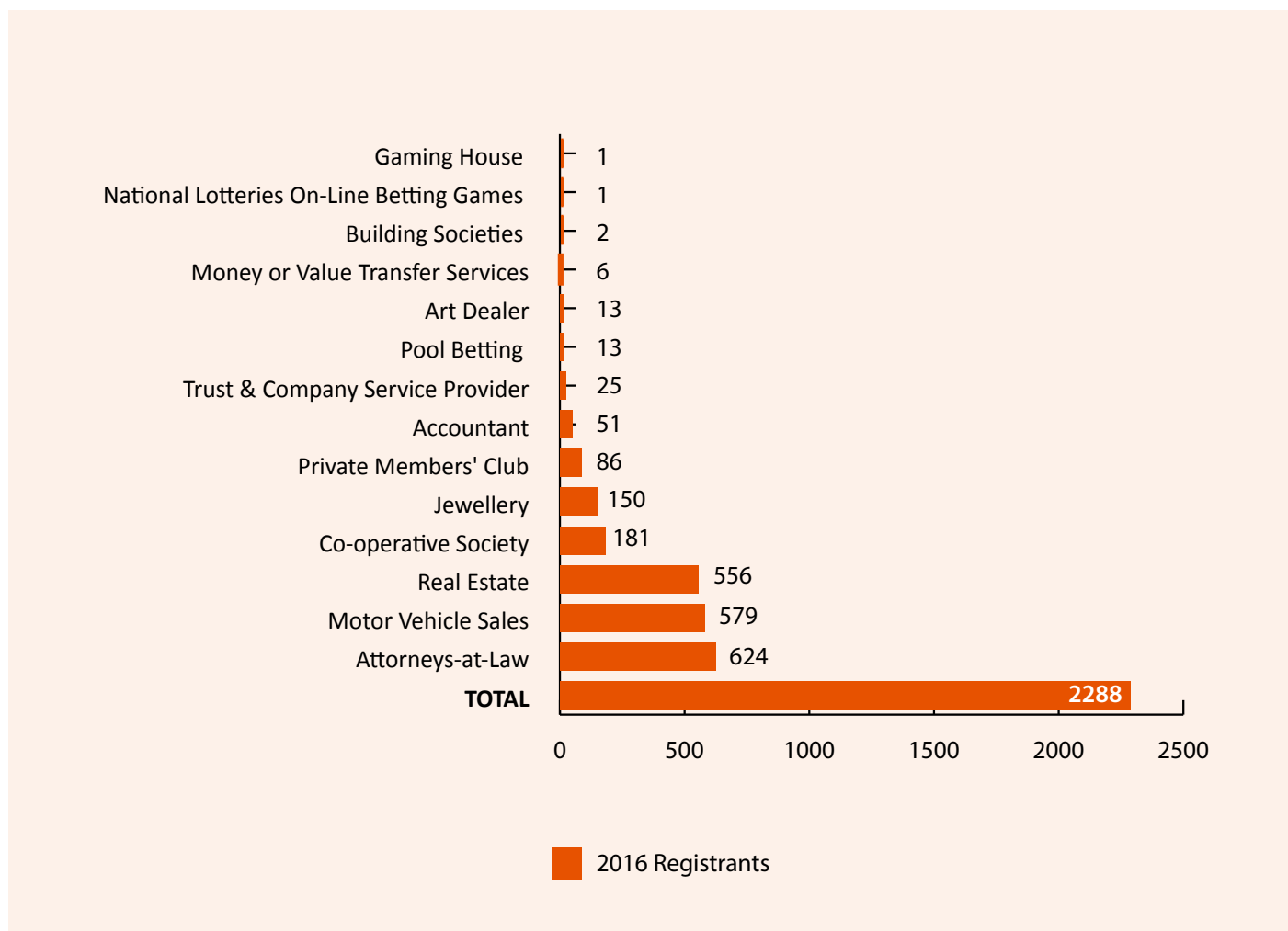
For this reporting period, significant increases were identified in registrations in the following sectors: RE, Motor Vehicle Sales (MVS), AAL and Private Members' Club (PMCs).

### ii. Publication of registrants

Section 18C of the FIUA mandates the FIUTT to maintain a list of all its Supervised Entities registered with the FIUTT. This list is published on the FIUTT's website and updated on a quarterly basis. The publication of this list assists AML/CFT stakeholders when conducting their due diligence checks.



**DIAGRAM 3**  
**TOTAL NUMBER OF REGISTRANTS PER SECTOR**



### 3. COMPLIANCE

Under the POCA, Supervised Entities are required to develop and implement written policies and procedures designed to ensure compliance with the AML/CFT laws in Trinidad and Tobago. Section 18E of the FIUA mandates the FIUTT to effectively monitor Supervised Entities for compliance in this accord.

The FIUTT has adopted a risk-based methodology to supervision whereby the sectors and entities are continuously assessed according to their level of risk: high, medium or low. The sectorial assessment considers drivers such as FATF publications, FIUTT analysis (trends and typologies) and public sources of information.



This Risk Based Approach (RBA) to supervision allows the FIUTT to focus its resources more effectively and tailor its supervision based on scope, frequency, intensity by placing emphasis on supervision of the sectors and entities that the methodology has identified as most vulnerable to ML/FT. The FIUTT focused its supervisory efforts on those sectors and entities which the FIUTT using the RBA identified as more vulnerable to ML/FT.

### i. Compliance Examinations

One of the primary tools utilised by the FIUTT to assess and improve compliance with the AML/CFT legislation is compliance examinations. Compliance examinations are conducted to evaluate the level of effectiveness of the AML/CFT measures implemented by Supervised Entities. As demonstrated in Diagram 4, there has been a steady increase in the number of compliance examinations since 2011. For the reporting period, a total of 124 compliance examinations were conducted on entities throughout Trinidad and Tobago.

The FIUTT's compliance examinations methodology focuses on entities in the high risk sectors identified through our risk assessment. As a result, the number of compliance examinations conducted on AAL and Credit Unions (CU) increased by 49% and 21% respectively. The scope, frequency and intensity of compliance examinations are influenced by the outcome of the risk-based assessment, which considers several factors including:

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

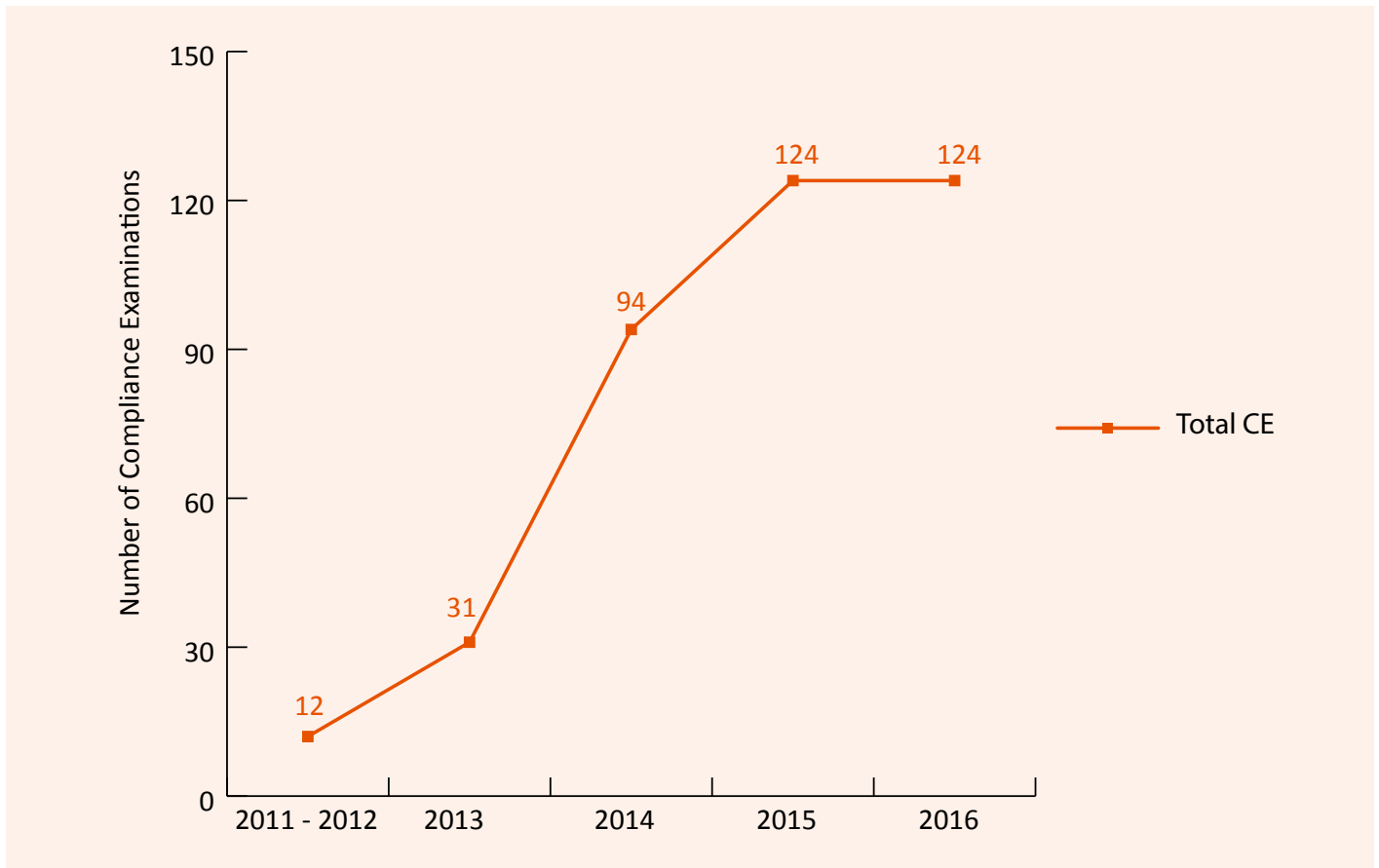
Findings are communicated to the entity as well as recommendations to rectify deficiencies within stipulated timeframes. The major deficiencies identified amongst examined entities include:

- inadequate performance of the CO;
- lack of training for COs, staff, and senior management;
- inadequate Customer Due Diligence (CDD) and transaction records; and
- no independent testing for compliance.

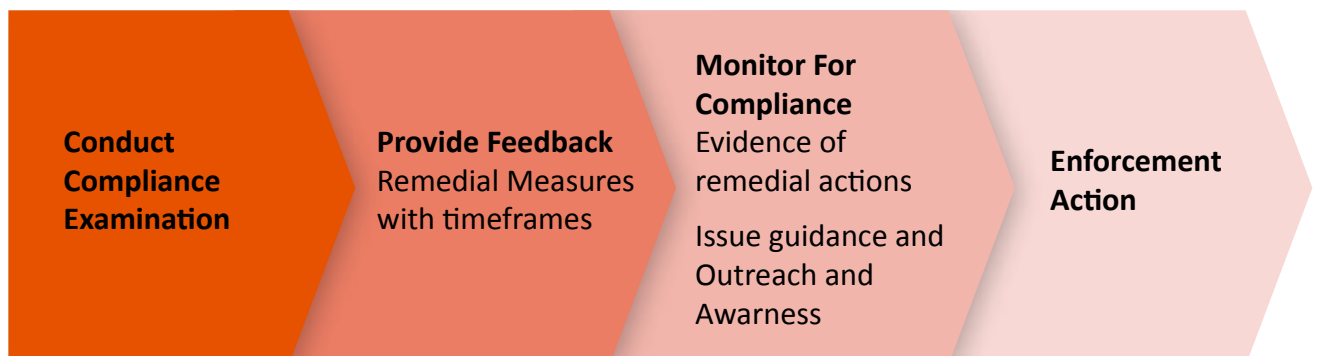
*Diagram 5 illustrates the stages of the compliance examination process.*



**DIAGRAM 4**  
**COMPLIANCE EXAMINATIONS CONDUCTED FROM 2012**



**DIAGRAM 5**  
**STAGES OF THE COMPLIANCE EXAMINATION PROCESS**





## ii. Approving Compliance Officers and Alternate Compliance Officers

Supervised Entities must designate a Compliance Officer (CO) and an Alternate Compliance Officer (ACO) in accordance with Regulation 3 of the FORs. The CO acts as the official liaison between the entity and the FIUTT while the ACO performs the functions in their absence. The FORs requires that the CO and ACO for LBs be employed in a senior managerial position or be a Competent Professional. However, the CO and ACO for NRFIs must be employees in a senior managerial position. This is primarily due to the critical function and confidentiality nature of their role, which includes but is not limited to the following responsibilities:

- implementation of proper AML/CFT policies and procedures;
- ensuring continuous compliance with the laws and regulations;
- receiving, reviewing and reporting suspicious activities to the FIUTT; and

- maintaining records of reports made to the CO and to the FIUTT.

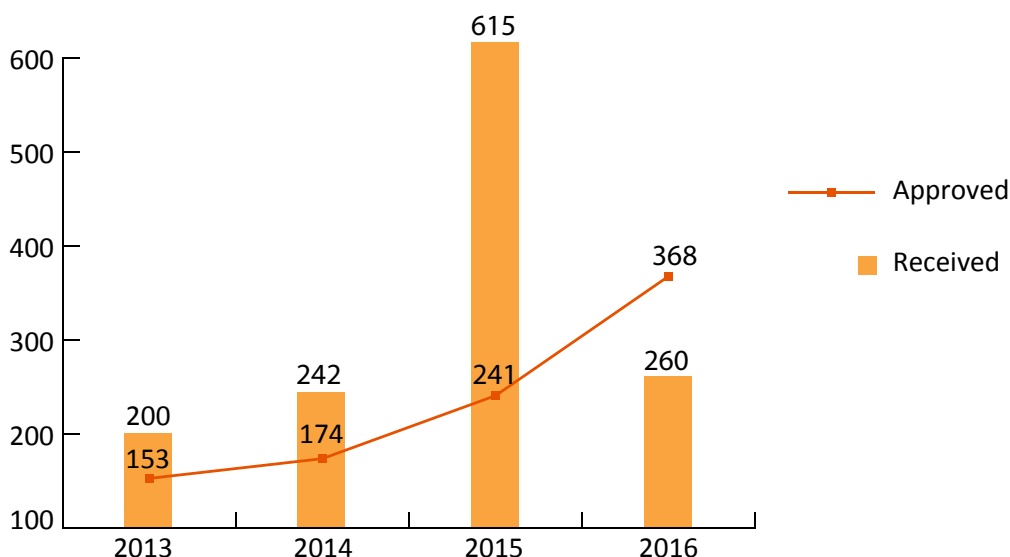
The Board of Directors/Senior Management is ultimately responsible for ensuring that the CO and ACO receive AML/CFT training to enable them to perform their functions effectively.

The designated CO and ACO must be approved by the FIUTT. To verify the technical capacity and integrity of the individual, the FIUTT reviews all applications and conducts extensive background checks on all applicants designated and entrusted with the responsibility.

In this reporting period, the FIUTT evaluated and approved 414 COs and ACOs which represented a 72% increase from the previous period. Of these, 44% were applicants from the MVS sector.

*Diagram 6 illustrates the increase in the number of COs and ACOs approved by the FIUTT from 2013 to 2016.*

**DIAGRAM 6**  
**COMPLIANCE OFFICER APPLICATIONS RECEIVED AND APPROVED**





### iii. Quarterly Terrorist Reports

FIs, including NRFIs, are obligated to report quarterly whether or not they are in possession of terrorist property in accordance with Section 33 (3) of the ATA. The FIUTT noted an increase in Quarterly Terrorist Reports 1 (QTR1) which showed that the FIs or NRFIs was not in possession of terrorist property.

The increase in submissions denotes that these institutions are monitoring their customer database against published designated terrorist lists. Currently, there are two mandatory lists all FIs and NRFIs must consult quarterly: the ISIL (Da'esh) & Al-Qaida Sanctions UN 2253 List (formerly UN 1267 List) and the Trinidad and Tobago Consolidated List of Court Orders (released in December 2015). Notwithstanding, the FIUTT has observed FIs and NRFIs have extended their search by using other authorised lists. This demonstrates an improved understanding by FIs and NRFIs of the severity of the risk to financing of terrorism.

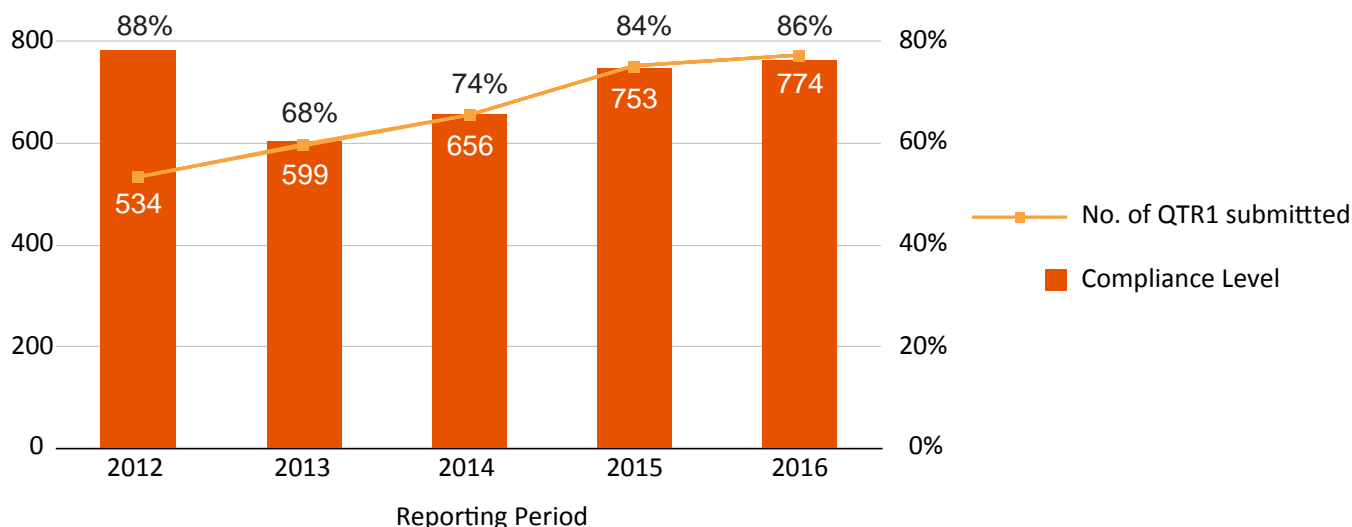
Additionally, there was an improvement in the quality of the QTR1s submitted. The Insurance and Banking sectors were observed to have the highest level of compliance in this regard. The improvements can be attributed to the FIUTT's intensified efforts in the following areas:

- outreach and awareness sessions;
- stakeholder engagement; and
- publication of guidelines.

It was noted that the Credit Unions and Investment Advisers sectors were the least compliant and, as such, the FIUTT will continue to take appropriate measures to address all compliance issues among FIs and NRFIs.

*Diagram 7 illustrates QTR1 Compliance Levels.*

**DIAGRAM 7**  
**QTR1 COMPLIANCE LEVELS**





#### 4. OUTREACH AND AWARENESS

The FIUTT recognises that Supervised Entities as well as FIs require guidance as they attempt to become compliant with the AML/CFT legislative requirements and improve the quality of STR/SAR submissions. As part of our mandate to provide assistance and guidance, the FIUTT conducts outreach and awareness seminars for the benefit of Supervised Entities. This was also extended to FIs supervised by CBTT and TTSEC. However, this does not absolve entities of their obligation to provide training for their senior management and staff, as well as to implement appropriate AML/CFT measures. For this reporting period, the content of the seminars was influenced by global and domestic trends and patterns identified by the FIUTT's supervisory and analytical functions. Consequently, focused sessions included:

- i. Financing of Terrorism;
- ii. Foreign Terrorist Fighters;
- iii. Effective Suspicious Transaction/Activity Reporting; and
- iv. Adoption of a Risk-Based Approach.

The FIUTT entered into strategic partnerships with key stakeholder organisations both in the public and private sectors to strengthen/extend its outreach programme. These stakeholder organisations included the Cooperative Development Division Ministry of Labour and Co-operative Development, The Integrity Commission, Customs and Excise Division Ministry of National Security, Unit Trust Corporation, Grace Kennedy (Trinidad and Tobago) Limited and Massy Group of Companies. A total of 36 seminars were conducted and facilitated by the FIUTT where 1280 participants benefitted from the interactive sessions.

*Refer to Table 1.*

#### 5. NEW INITIATIVES - COMMUNITY OUTREACH

The outreach and awareness programme was expanded during this reporting period to include seminars geared towards members of the general public known as "Community Based Outreach." For the first time, outreach seminars were conducted in Mayaro and Penal communities to enhance the public's awareness of the ML and FT risks they face. Additionally, the FIUTT enlightened the participants of the RHAND Credit Union 2016 Internship Programme on the Role of the FIUTT and measures adopted by Trinidad and Tobago to combat ML and FT.

Based on the overwhelming positive feedback from the community organisations, the FIUTT intends to include community outreach as an important component in its outreach programme.

*Pictures 1 to 4 show participants at the various outreach sessions.*

#### 6. FIUTT ONLINE

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

For the reporting period, FIUTT's website (<http://www.fiu.gov.tt>) continued to provide updated content to its stakeholders. The following updates to its website have been published:

- enforcement by LEAs:
  - o ML charges laid by Local LEAs;
  - o charges by Foreign LEAs supported by financial intelligence from the FIUTT;
  - o updates to Publication of High Court Orders obtained for Supervised Entities that failed to comply with the FIUTT regulations;



- updated Consolidated List of Court Orders issued by the High Court of the Justice of Trinidad and Tobago;
- notices to FIs and LBs for freezing Terrorist Funds;
- updated quarterly statistics on STRs/SARs;
- updated List of Non-Regulated FIs and LBs registered with the FIU;
- Trinidad and Tobago's 4<sup>th</sup> MER;
- Annual Report 2015;
- updates to important international events such as:
  - o FATF's high risk and non-cooperative jurisdictions;
  - o improving global AML/CFT compliance, on-going process;
  - o CFATF's list of jurisdictions with strategic AML/CFT deficiencies; and
- updated FIUTT outreach and awareness events.

## 7. CHALLENGES FOR THE C&O DIVISION

Effective supervision of Supervised Entities remains a challenge given the limited resources. As the number of registrants continue to increase annually, especially in the sectors most vulnerable to ML and FT, and the requirement for an intensified supervisory regime, the FIUTT has had to realign its resources and reschedule or curtail planned activities. The Compliance and Outreach division was hampered in executing its planned activities due to reduction in staff and the fact that allocated funds were not released.

As recommended in the 4<sup>th</sup> MER, additional resources should be allotted to the supervisory function of the FIUTT. While, adopting an RBA allows the FIUTT to channel its resources to high risk sectors and entities, the resources assigned still proved inadequate to allow the FIUTT to achieve its goal.



**TABLE 1**  
**2016 OUTREACH AND AWARENESS SEMINARS**

No.	MONTH	NATURE OF SEMINAR	CO-ORDINATING AGENCY	SECTOR	TOTAL PARTICIPANTS
1	October	STR/RBA	Cooperative Development Division	Credit Unions	36
2		STR/RBA	FIUTT	Motor Vehicle Sales	33
3		STR/RBA	FIUTT	Real Estate	
4		ML & FT	Unit Trust Corporation	UTC Staff	45
5	November	STR/RBA	FIUTT	General (All Sectors)	32
6		STR/RBA	FIUTT	Attorney-at-Law	34
7		STR/RBA	FIUTT	Accountants	
8	December	STR/RBA	FIUTT	General (All Sectors)	41
9	January	ML & FT	FIUTT	Private Members' Club	1
10		STR/RBA	FIUTT	Real Estate	1
11		STR/RBA	FIUTT	General (All Sectors)	36
12	February	FT	FIUTT	Financial Institutions	38
13		FT	FIUTT	SE Working Group	
14	March	ML/FT/STR	NEM Consultants	General (All Sectors)	100
15		STR	Integrity Commission of T&T	IC Staff	20
16		STR/RBA	FIUTT	Motor Vehicle Sales	33
17		STR/RBA	FIUTT	Real Estate	
18		STR/RBA	FIUTT	Jewellers	
19		ML & FT	University of the West Indies (Law Faculty)	LLM, LLB Students	35
20		FT	Compliance Aid	Regulators, Compliance Officers, FIs	100
21		ML & FT	Customs and Excise Division	Customs Brokers	10
22		RBA	Global Forensic	Global Forensic	30



**TABLE 1 (Continued)**  
**2016 OUTREACH AND AWARENESS SEMINARS**

No.	MONTH	NATURE OF SEMINAR	CO-ORDINATING AGENCY	SECTOR	TOTAL PARTICIPANTS
23	April	ML & FT	FIUTT	Community Outreach	23
24		FT	Bankers Association of Trinidad & Tobago	Financial Institutions	20
25		FT	FIUTT	Financial Institutions	35
26		CDD	FIUTT	Financial Institution	1
27	May	FT/STR	FIUTT	General (All Sectors)	85
28		FT	FIUTT	Massy Group of Companies	80
29	Jun	STR/RBA	FIUTT	Private Members' Club	62
30		STR/RBA	FIUTT	Motor Vehicle Sales	
31		STR	Unit Trust Corporation of T&T	UTC Staff	60
32		STR/RBA	FIUTT	Credit Unions	31
33	July	FT/STR	ICATT	Accountants	50
34		STR/RBA	FIUTT	General (All Sectors)	45
35	August	ML & FT	FIUTT	Community Outreach	15
36		STR	Grace Kennedy Trinidad & Tobago Ltd	Money Value Transfer Services	148
Total					1280



**PICTURE 1**  
**2016 6<sup>TH</sup> ANNUAL TOBAGO AML/CFT CONFERENCE**



*A section of the audience in session at the 6th Annual Tobago AML/CFT Conference at the Magdalena, Grand Hotel*

**PICTURE 2**  
**CHAGUANAS OUTREACH FOR PRIVATE MEMBERS'S CLUB AND  
MOTOR VEHICLE SALES**



*Participants in attendance at the Chaguanas outreach session.*



**PICTURE 3**  
**PORT OF SPAIN OUTREACH SESSION FOR**  
**ATTORNEYS-at-LAW AND ACCOUNTANTS**



*Attorneys-at-Law and Accountants attending the Port-of-Spain Outreach session.*

**PICTURE 4**  
**INTERNS FROM RHAND CREDIT UNION**



*Interns of the Rhand Credit Union in attendance at an Introduction to the work and function of the FIU outreach programme.*



## CHAPTER III –

# FINANCIAL INTELLIGENCE

### 1. CORE OPERATIONS

The FIUTT has a central role in, a country's AML/CFT operational network. It provides support to the work of other competent authorities through the provision of financial intelligence which contributes to the investigation of ML/FT and related criminal conduct.

The FIUTT produces financial intelligence from both Operational analysis and Strategic analysis. Operational analysis identifies specific targets (e.g. persons, assets, criminal networks and associations), to follow the trail of particular transactions and to determine links between those targets and possible proceeds of crime, money laundering, predicate offences or terrorist financing. Strategic analysis identifies money laundering and terrorist financing related trends and patterns.

Through the work of the Analysis Division the FIUTT's supportive role includes:

- sharing financial intelligence with foreign FIUs, Law Enforcement and competent authorities;
- co-operating with local and international stakeholders;
- assisting Reporting Entities on STR/SAR quality; and
- exchanging information with the other AML/CFT regulators.

This report will provide insight on STRs/ SARs received, the action taken by the FIUTT, the use of the intelligence output and achievements of and challenges in the Analysis Division.

### 2. INTELLIGENCE STATISTICS

#### i. STRs/SARs Submitted

For this reporting period, the FIUTT received a total of 739 STRs/SARs. This represented an increase of 21% over the previous reporting period. The two sectors which submitted the highest number of STRs/SARs were Banking and Money Value Transfer Services (MVTs) .

During the reporting period, submissions from Banking sector increased from 185 to 284 or by 54%. Submissions from the MVTs and PMCs increased by 76% and 78% respectively in comparison to previous reporting period. Although there was a decrease of 40% in submission by the Co-operative Societies sector, the quality of the STRs/SARs improved over previous years. This can largely be attributed to the FIUTT providing feedback on the quality of the STRs/SARs as well as the continued outreach and sensitisation sessions in identifying suspicious transactions. Table 2 gives a comparative view of STR/SAR submissions from 2011 to 2016 showing significant increases over the years.

Of the 739 STRs/SARs received, which included both completed and attempted transactions, 670 related to suspected ML and 69 to suspected FT. This is a significant increase of 331% of FT STRs/SARs from the previous reporting period.

*Table 3 shows the STR/SAR submission by ML/FT completed and attempted transactions as well as the dollar value of these transactions.*



**TABLE 2**  
**A COMPARATIVE VIEW OF THE STR/SAR SUBMISSIONS FROM 2011 - 2016**

Reporting Entities	2011	2012	2013	2014	2015	2016
<b>Financial Institutions</b>						
Banking	151	154	152	188	185	284
Exchange Bureau	0	0	3	13	1	7
Finance Co.	0	0	0	0	0	4
Insurance Co.	9	10	3	17	28	31
Investment Co.	28	22	26	10	21	15
Mortgage Co.	14	7	5	3	25	20
Security Dealers	0	5	4	1	1	3
<b>Total FI submissions</b>	<b>202</b>	<b>198</b>	<b>193</b>	<b>232</b>	<b>261</b>	<b>364</b>
<b>Non-Regulated Financial Institutions</b>						
Co-operative Societies	5	16	20	127	144	86
Money/Value Transfer	90	38	314	196	123	217
Postal Services	0	1	0	0	0	0
<b>Total NRFI submissions</b>	<b>95</b>	<b>55</b>	<b>334</b>	<b>323</b>	<b>267</b>	<b>303</b>
<b>Listed Business</b>						
Attorneys-at-Law/Accountants	2	1	6	9	6	6
Jewellers	0	1	2	14	6	3
Motor Vehicle Sales	1	3	9	21	28	9
National Lotteries Online Betting Game	0	0	0	0	6	6
Real Estate	3	0	3	1	8	7
Private Members' Club	0	0	7	17	23	41
Gaming House	0	0	0	0	4	0
<b>Total LB submissions</b>	<b>6</b>	<b>5</b>	<b>27</b>	<b>62</b>	<b>81</b>	<b>72</b>
<b>TOTAL STR/SAR submissions</b>	<b>303</b>	<b>258</b>	<b>554</b>	<b>617</b>	<b>609</b>	<b>739</b>



**TABLE 3**  
**STR/SAR SUBMISSIONS FROM OCT. 2015 - SEPT. 2016**

Indicator	Categories of Reporting Entities							
	Financial Institutions							Non-Regulated Institutions
	Banks	Security Dealers	Finance Co.	Mortgage Co.	Exchange Bureau	Insurance Co.	Investment Co.	Co-operative Societies
No. of Completed ML STRs/SARs	198	2	4	19	7	27	14	85
Value (TTD) of Completed ML STRs/SARs	336,160,971	25,671,563	147,499	9,006,305	2,938,369	4,338,879	11,012,719	11,612,716
No. of Completed FT STRs/SARs	43	0	0	0	0	3	1	0
Value (TTD) of Completed FT STRs/SARs	6,086,967	0	0	0	0	53,049	0	0
<b>Value of Completed ML &amp; FT STRs/SARs</b>	<b>342,247,938</b>	<b>25,671,563</b>	<b>147,499</b>	<b>9,006,305</b>	<b>2,938,369</b>	<b>4,391,928</b>	<b>11,012,719</b>	<b>11,612,716</b>
No. of Attempted ML Transactions	42	1	0	1	0	1	0	1
Value of Attempted ML Transactions	219,735,484	120,299,200	0	805,191	0	0	0	0
No. of Attempted FT Transactions	1	0	0	0	0	0	0	0
Value of Attempted FT Transactions	24,018	0	0	0	0	0	0	0
<b>Value of Attempted ML &amp; FT STRs/SARs</b>	<b>219,759,502</b>	<b>120,299,200</b>	<b>0</b>	<b>805,191</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total no. of STRs/SARs</b>	<b>284</b>	<b>3</b>	<b>4</b>	<b>20</b>	<b>7</b>	<b>31</b>	<b>15</b>	<b>86</b>
<b>Total Value (TTD) of STRs/SARs</b>	<b>562,007,440</b>	<b>145,970,763</b>	<b>147,499</b>	<b>9,811,496</b>	<b>2,938,369</b>	<b>4,391,928</b>	<b>11,012,719</b>	<b>11,612,716</b>



**TABLE 3**  
**STR/SAR SUBMISSIONS FROM OCT. 2015 - SEPT. 2016**

Categories of Reporting Entities									
ed Financial utions	Listed Business								
Money Value Transfers	Attorneys- at-Law	Accountants	Jewellers	Motor Vehicle Sales	National Lotteries	Real Estate	Private Members' Club	Total Year 2016	Total Year 2015
196	4	1	3	7	6	6	38	617	551
26,803,312	2,514,323	4,508,000	74,102	1,916,356	3,949,810	15,852,000	192,702	456,699,626	269,390,407
21	0	0	0	0	0	0	0	68	15
687,723	0	0	0	0	0	0	0	6,827,739	3,412,146
<b>27,491,035</b>	<b>2,514,323</b>	<b>4,508,000</b>	<b>74,102</b>	<b>1,916,356</b>	<b>3,949,810</b>	<b>15,852,000</b>	<b>192,702</b>	<b>463,527,365</b>	<b>272,802,553</b>
0	1	0	0	2	0	1	3	53	42
0	0	0	0	1,105,000	0	0	5020	341,949,895	81,620,510
0	0	0	0	0	0	0	0	1	1
0	0	0	0	0	0	0	0	24,018	48,469
0	0	0	0	1,105,000	0	0	5,020	341,973,913	81,668,979
<b>217</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>41</b>	739	609
<b>27,491,035</b>	<b>2,514,323</b>	<b>4,508,000</b>	<b>74,102</b>	<b>3,021,356</b>	<b>3,949,810</b>	<b>15,852,000</b>	<b>197,722</b>	<b>805,501,278</b>	<b>354,471,532</b>



## ii. Action Taken on STRs/SARs

For this reporting period, the FIUTT completed analysis on 533 STRs/SARs of which 490 were related to suspected ML activities and 43 were related to suspected FT.

The analysis of the 533 STRs/SARs generated 209 Intelligence Reports (IRs), an increase of 31 or 17% over the previous reporting period. Of the 209 IRs, 178 related to suspected ML and 31 related to FT. 150 IRs were sent to local LEAs and 59 were Spontaneous

Disclosures<sup>1</sup>, which were disseminated to foreign LEAs, foreign FIUs and local Competent Authorities. It should be noted that one IR could be generated from the analysis of several STRs/SARs.

*Table 4 illustrates Action Taken on STRs/SARs and Diagram 8 illustrates that in the five year period from October 1, 2011 to September 30, 2016, a combined total of 790 IRs were disseminated to competent authorities.*

**TABLE 4**  
**ACTION TAKEN ON STRs/SARs**

Oct. 1, 2015 TO SEPT. 30, 2016					Total
Received	Analysed	Intelligence Reports Disseminated			
739*	533**		Local	Foreign	
		ML	124	54	
		FT	26	5	31
		TOTAL	150	59	209

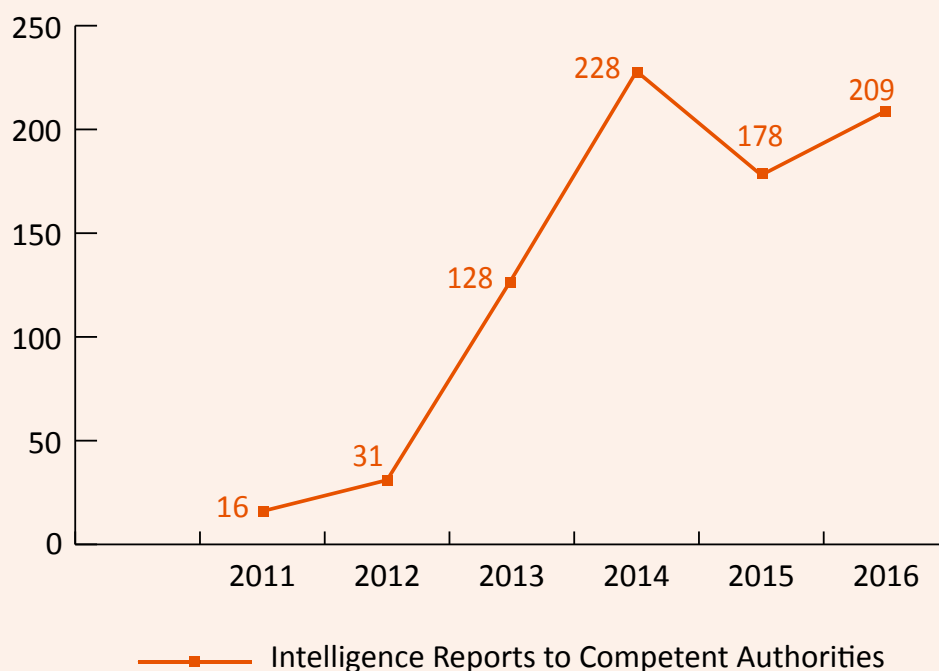
\* Includes STRs/SARs on Attempted Transactions

\*\* Includes STRs/SARs which generated Intelligence Reports, Spontaneous Reports and STRs/SARs which were filed

<sup>1</sup> FATFs Recommendation 29.5 states, "The FIU should be able to disseminate, spontaneously and upon request, information and the results of its analysis to relevant competent authorities..." Further in its Rec. 40.1, the FATF states, "Countries should ensure that their competent authorities can rapidly provide the widest range of international co-operation in relation to money laundering, associated predicate offences and terrorist financing. Such exchanges of information should be possible both spontaneously and upon request."



**DIAGRAM 8**  
**INTELLIGENCE REPORTS DISSEMINATED 2011- 2016**



### iii. Financing of Terrorism

The global landscape of terrorism and its financing continues to evolve with the phenomenon of Foreign Terrorist Fighters (FTFs), particularly, drawing greater attention domestically and internationally. The FIUTT, in recognising its critical role within the CFT framework for detection, disruption and deterrence of such criminal activities, intensified its efforts to provide support to LEAs and other local and foreign competent authorities through increased dissemination of intelligence reports and participation in inter-agency and inter-ministerial committees and task forces to counter terrorism.

During this reporting period, the local impact of the FTF phenomenon was evident in the significant increase of

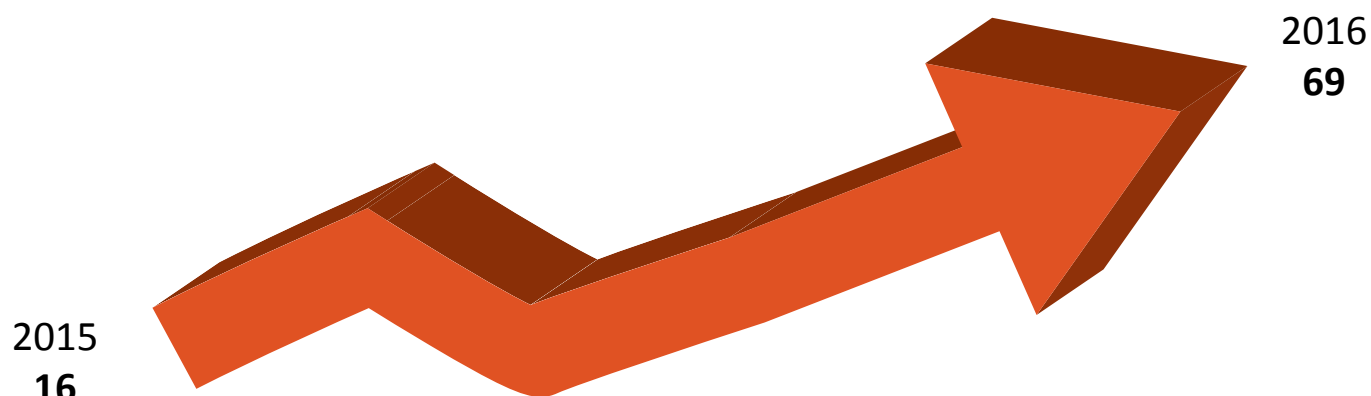
331% in STRs/SARs received by the FIUTT in relation to suspected FT. In this reporting period, the FIUTT received 69 STRs/SARs relating to FT as compared to 16 submissions in the previous reporting period.

This dramatic increase in reporting suspected FT transactions may be attributed to the FIUTT's intensifying its guidance to Reporting Entities on identifying terrorist activities, techniques and indicators related to FT.

*Diagram 9 shows the dramatic increase in FT STRs/SARs over the last reporting period.*



**DIAGRAM 9**  
**INCREASE IN STRs/SARs RELATING TO SUSPECTED FT**



Of the 69 STRs/SARs received on FT, analysis was completed on 43 STRs/SARs at the end of this reporting period, which generated 31 IRs to LEAs and foreign competent authorities.

The FIUTT also exchanged information with other local and international sources on persons suspected of participating in terrorist activities. As at the end of this reporting period, the FIUTT's intelligence revealed 182 citizens of Trinidad and Tobago suspected of being involved in terrorist activities. The FIUTT has prioritised the analysis and dissemination of reports relating to terrorist activities to the relevant law enforcement and intelligence authorities. On completion of the analysis, Intelligence reports generated from these sources were submitted to the relevant competent authorities<sup>2</sup>.

#### **iv. STRs/SARs by Dollar Value**

For the period under review, the total monetary value of the 739 STRs/SARs submitted to the FIUTT was **TT\$ 805,501,278**, a 127% increase over 2015.

However, not included in this figure were three unusual reports received from Financial Institutions which could neither be classified as completed nor attempted transactions, but as mere enquiries of a frivolous nature. For example, enquiries made by a person with no known abode, having no business relationship with the bank and no financial standing was expected to receive a large transaction from entities unknown to the person. The total monetary value involved in these reports was approximately **TT\$ 47 billion** or **TT\$ 47,185,000,000**.

Of the **739** STRs/SARs submitted, 685 or 93% were completed transactions with a monetary value of **TT\$ 463,527,365** and 54 STRs/SARs or 7% were "Attempted Transactions" with a monetary value of **TT\$ 341,973,913**.

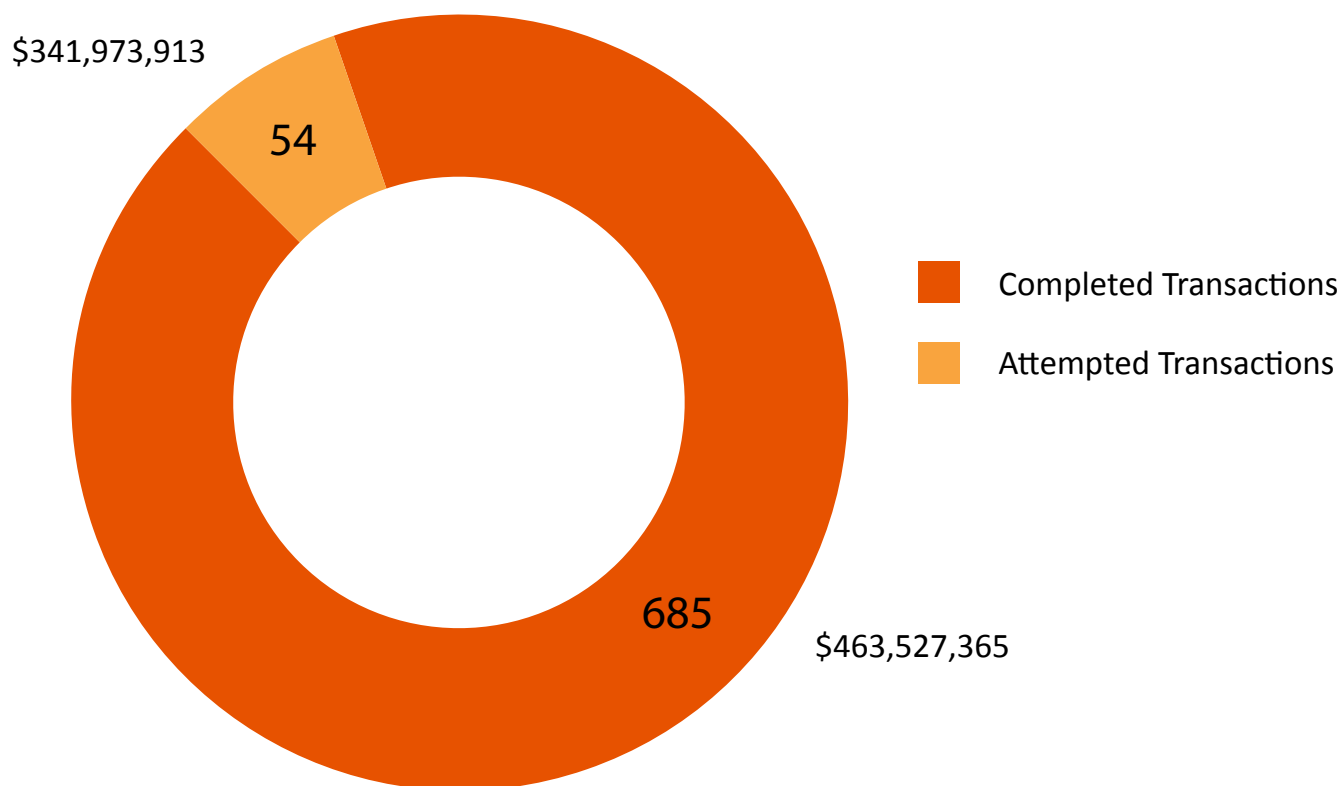
*See Diagram 10.*

The total monetary value of suspicious transactions reported for the period **2011-2016** was approximately **TT\$ 4.5 billion**, or **TT\$ 4,470,700,404**.

<sup>2</sup> See Tables 8 and 9



**DIAGRAM 10**  
**COMPLETED/ATTEMPTED TRANSACTIONS**



#### **v. Analysis of STRs/SARs by Dollar Value**

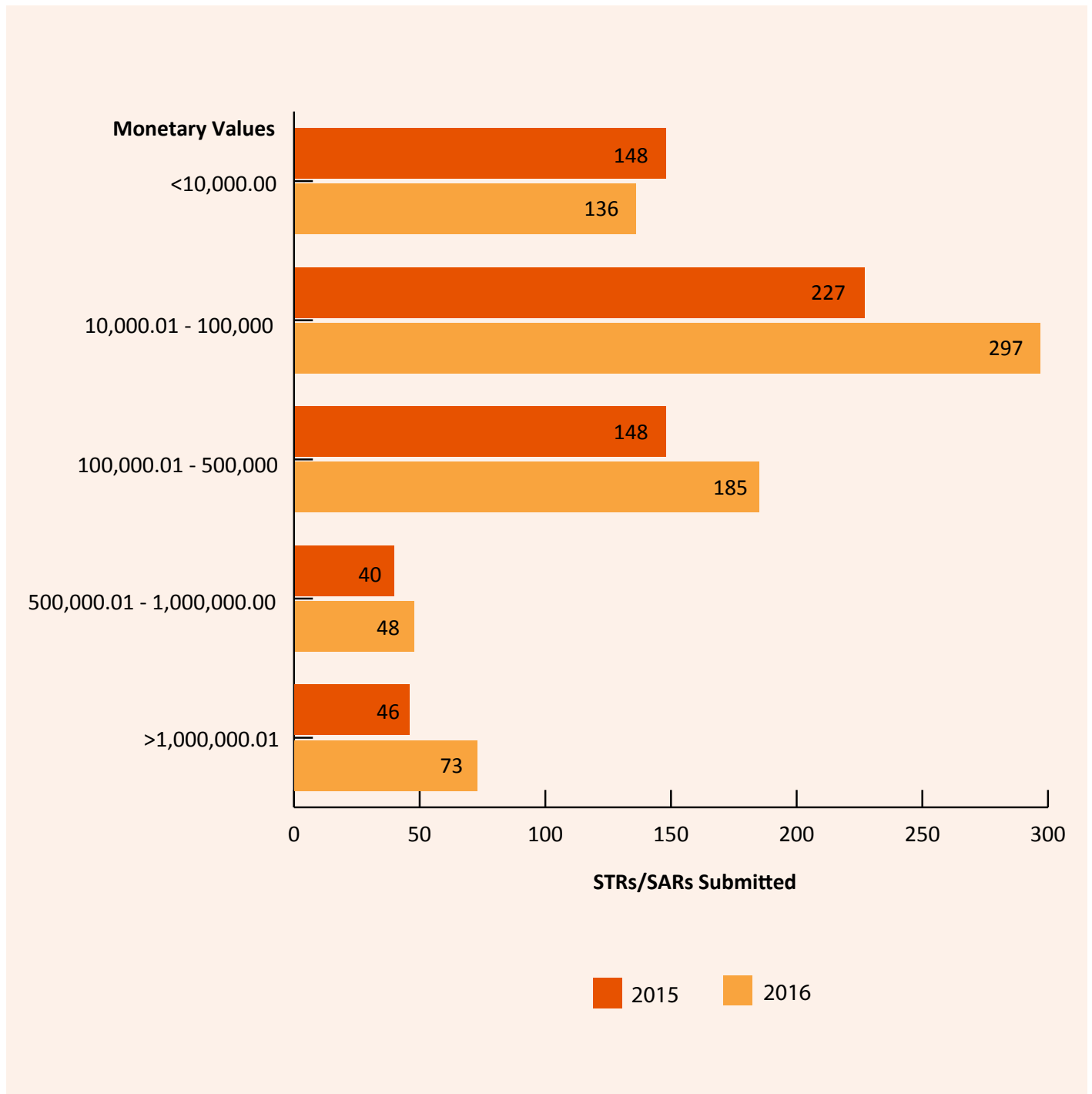
This increase in monetary value of STRs/SARs noted in this reporting period could be attributed to the FIUTT's efforts to address the issues of: (i) the under-reporting of monetary amounts involved in the suspicious transactions or activities and (ii) the accuracy of the monetary values reflected in the STRs/SARs. The FIUTT provided face to face guidance and feedback to Reporting entities, especially to Financial Institutions to address these issues.

As a consequence, in the current reporting period the FIUTT noted an increase in the submission of STRs/SARs of higher dollar values, notably STRs/SARs with a monetary value over TT\$1,000,000.00 and a decrease in the submission of STRs/SARs with a monetary value of TT\$ 10,000.00 or less.

*See Diagram 11.*



**DIAGRAM 11**  
**DOLLAR VALUE OF STRs/SARs**





## vi. Attempted Transactions

The FIUTT has noted a steady increase in the number of attempted transactions reported over the period 2013 to 2016. In this reporting period, although the number of attempted transactions accounted for only 7% of total STRs/SARs, the dollar value accounted for almost 43% of the total value of STRs/SARs submitted. This may be on account of Reporting Entities being more cognisant of the legislative requirements to monitor large and unusual transactions and to pay attention to customers who may want to use the financial system to launder illicit proceeds.

Examples of attempted transactions identified in this period include:

- the use of fraudulent documents to obtain credit;
- attempts to wire transfer funds to suspicious foreign accounts/beneficiaries;
- attempts to deposit fraudulent company cheques into accounts; and
- the cancellation of transactions by customers when asked to provide the necessary “Know Your Client” documents.

*Table 5 shows the number and value of attempted transactions for 2013 to 2016*

**TABLE 5**  
**NUMBER AND VALUE OF ATTEMPTED TRANSACTIONS FOR 2013 TO 2016**

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



### vii. STRs/SARs by Foreign Currency

The FIUTT has noted that although the majority of STRs/SARs submitted involved transactions conducted in Trinidad and Tobago dollars, a significant number of transactions, completed as well as attempted, were conducted in foreign currencies. Noteworthy, for this reporting period there were 147 suspected ML/FT transactions conducted in United States dollars with a total value of USD 79,481,472. Of this, 10 transactions

were attempted transactions with a monetary value of USD 60,550,581.

These transactions were conducted mainly through the Banking and MVTs sectors.

*Table 6 is illustrative.*

**TABLE 6**  
**STRs/SARs BY FOREIGN CURRENCY**

CURRENCY	NO. OF TRANSACTIONS CONDUCTED	TOTAL VALUE OF TRANSACTIONS (COMPLETED & ATTEMPTED)	VALUE OF ATTEMPTED TRANSACTIONS
USD	147	US\$ 79,481,472	US\$ 60,550,581
GBP	2	GBP 155,000	GBP 100,000
EUR	3	EUR 207,977	
CDN	1	-	CDN 8,000
XCD	1	XCD 960,000	-



### **viii. Prevalence of Cash in STRs/SARs Submissions**

The types of financial instruments mostly reported in the STRs/SARs for the present reporting period are:

- Cash (foreign and local currencies)
- Cheques (bank cheques/drafts, personal and company cheques);
- Wire transfers/remittances; and
- Other instruments (account-to-account transfers, credit cards, prepaid cards)

The FIUTT has noted that cash continues to be a leading payment instrument identified in suspicious transactions/activities. Of the 739 STRs/SARs received in the current reporting period, 360 or 49% involved cash transactions with a monetary value of TTD 114,075,056 or 14.2% of the total monetary value of STRs/SARs submitted. These cash transactions were conducted in TTD and USD.

### **ix. STRs/SARs Submissions by Occupation/Profession of Suspects**

Analysis of STRs/SARs submitted by Occupation/Profession showed that transactions conducted by Business Traders (Business Owners, Company Directors) continued to account for the majority of suspicious transactions reported. For the reporting period, Business Traders accounted for 145 or 20% of suspicious transactions.

Noteworthy, this reporting period showed an increase in the number of STRs / SARs involving law enforcement and security personnel. 37 law enforcement/security persons were reported in this period as compared to 32 in the previous reporting period.

The number of Politically Exposed Persons who were reported for suspicious transactions also increased to 8 compared to 5 in the previous reporting period.

143 STRs/SARs or 19.3% of the STRs/SARs received indicated either that the Occupation/Profession of the subject was unknown or failed to identify an occupation. The occupation or profession of the subject of an STR is critical in conducting analysis to determine the legality of the source of funds and thus such omissions by reporting entities impact negatively on the analytical function.

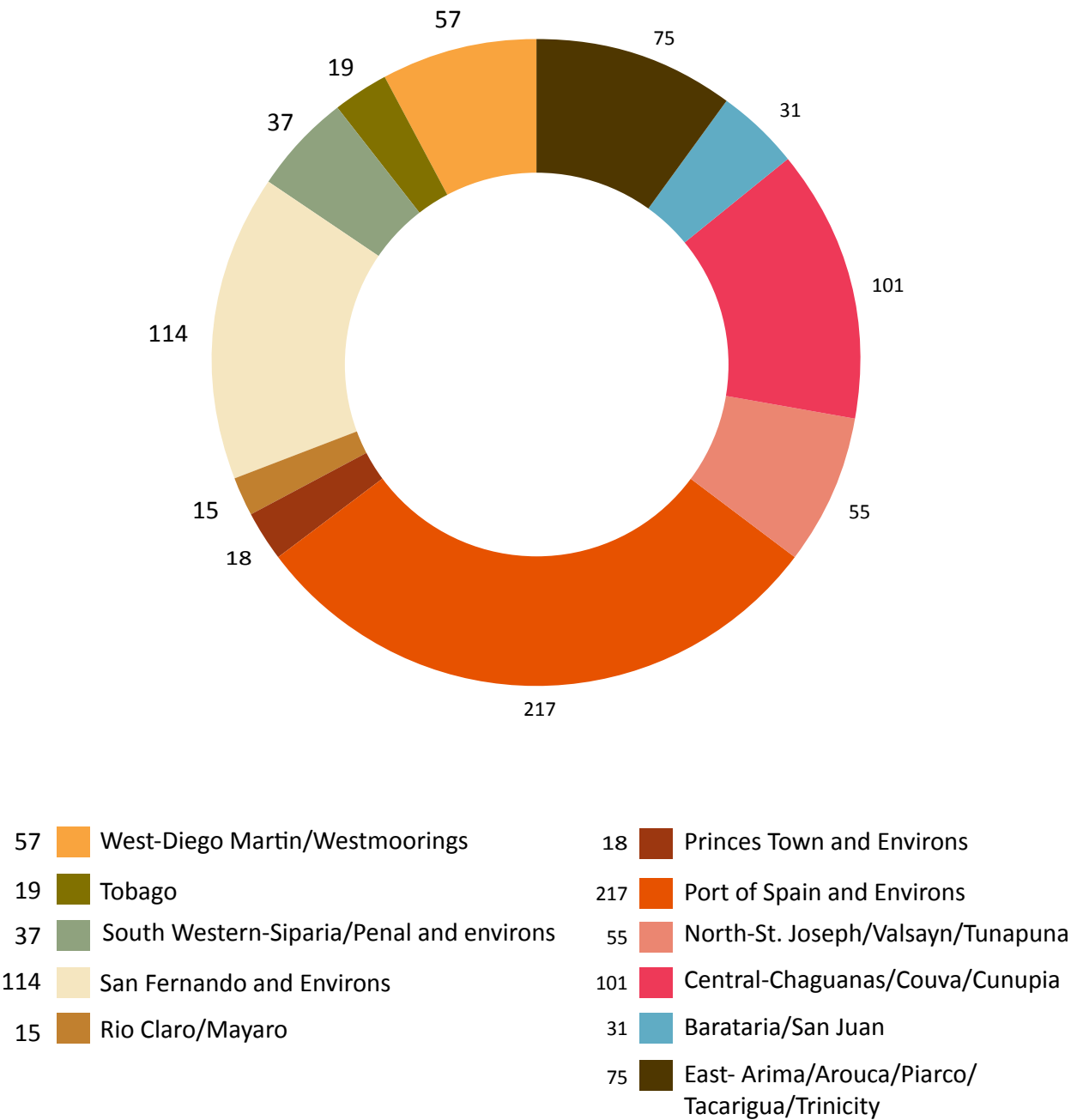
### **x. STRs/SARs Submissions by Geographic Location of Reporting Entities**

Reporting entities submit STRs/SARs from locations throughout Trinidad and Tobago. In this reporting period, the highest number of STR/SAR submissions was submitted from Reporting Entities within the two cities. 217 or 29% came from Port of Spain and environs followed by 114 submissions or 15% from San Fernando and environs. 101 submissions or 14% were received from Central Trinidad while Eastern Trinidad submitted 75 STRs/SARs or 10%. These statistics are in keeping with the trend observed in the previous reporting period.

*Diagram 12 illustrates STRs/SARs by geographic location of Reporting Entities.*



DIAGRAM 12  
STRs/SARs BY GEOGRAPHICAL LOCATION OF REPORTING ENTITIES





### xi. Analysis of STRs/SARs by Suspected Criminal Conduct

For this reporting period, ML was the highest suspected criminal activity representing 23% or 174 STRs/SARs. This was followed by Fraud which accounted for 19% or 142 reports and Suspicious Activity with 17% or 126 reports. Drug Trafficking accounted for 16% or 116 reports.

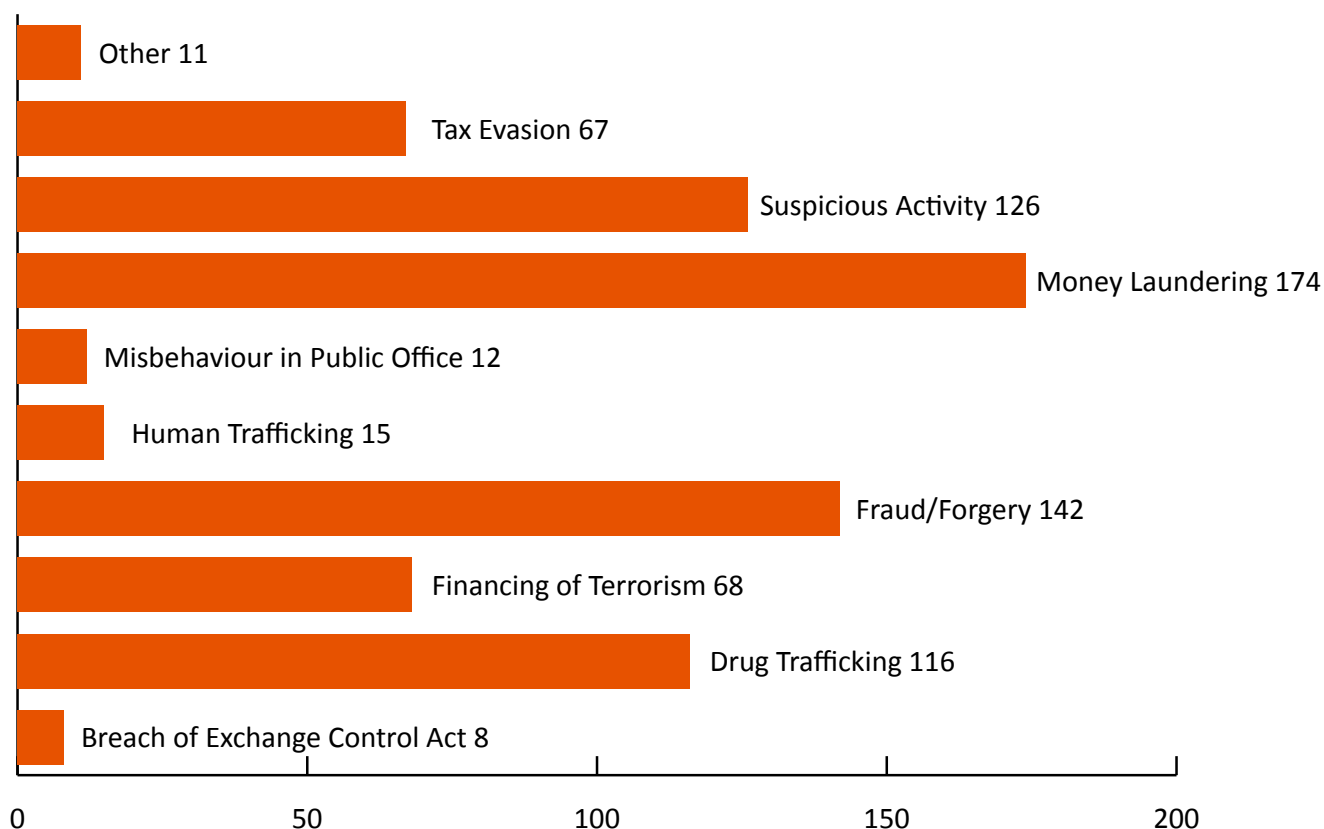
The FIUTT received 69 STRs/SARs on the FT which were more than 4 times that of the previous reporting period. Significant increases over the previous reporting period were also noted for ML (160%), Misbehavior in Public Office (100%), Fraud (75%) and Drug Trafficking (50%).

There was a notable decrease of 69% in Tax Evasion as the suspected criminal activity, possibly attributable to the tax amnesty during the reporting period.

The FIUTT also identified an increase of Human Trafficking reports. For the current reporting period, Human Trafficking was the suspected offence in 15 STRs/SARs.

*Diagram 13 provides a breakdown of suspected criminal activity disclosed from STRs/SARs analysis for the same period.*

**DIAGRAM 13**  
**SUSPECTED CRIMINAL CONDUCT**







## xii. Requests for information

Section 11 (a) of the FIUA gives the FIUTT the authority to request information from a Reporting Entity within a specified time. The FIUTT can also request information from public authorities under Section 16 (1) of the FIUA. These provisions are to facilitate a comprehensive analysis of an STR/SAR where the Director is of the view that further information may disclose that the

proceeds of crime are located in Trinidad and Tobago or elsewhere.

In the reporting period, the FIUTT made over 1360 Requests for Information to Reporting Entities and Government Agencies for analytical purposes.



### 3. USE OF FIUTT'S INTELLIGENCE

The FIUTT has provided support to its domestic and foreign partners by analysing data and providing intelligence which proved to be useful in supporting investigations and securing charges and convictions. In June 2016, a United States national was sentenced to 51 months imprisonment for wire fraud and tax evasion in a Florida Court. The release from the Department of Justice, U.S. Attorney's Office Northern District of Florida stated "This case resulted from an investigation by the Internal Revenue Service – Criminal Investigation, Federal Bureau of Investigation, the Financial Intelligence Unit of Trinidad and Tobago, and the Florida Office of Financial Regulation."

The FIUTT also disseminated intelligence spontaneously to foreign FIUS, local and foreign LEAs. Upon reviewing the intelligence, the receiving agency may make a request for 'Permission to Share' the intelligence with other stakeholders. This is an indication that the intelligence provided by the FIUTT was of sufficient value to be used by other competent authorities. For this period, the FIUTT granted 38 'Permission to Share' requests to foreign FIUs and foreign Competent Authorities.

The receiving agencies have indicated that the FIUTT's intelligence has been useful in:

- providing new information regarding known subjects;
- providing information on unknown subjects;
- corroborating information already known;
- triggering a new investigation; and
- sharing with another agency.

In July 2016, the FIUTT shared with the Trinidad and Tobago Prison Service the intelligence gathered from

a strategic analysis conducted on a specified criminal activity. The intelligence is expected to assist in the formulation of policy and procedures for the Prison Service in ensuring the safety and security of prisoners, prison officers and the general public.

### 4. TRENDS AND TYPOLOGIES

#### i. Strategic Analysis

Under the revised FATF methodology, FIUs are now required to conduct Strategic analysis. Such analysis uses obtainable information and data from a wide variety of sources to identify money laundering and terrorist financing related trends and patterns. This analysis then aids in determining money laundering and terrorist financing related threats and vulnerabilities. Strategic analysis may then help establish policies and goals for the FIUTT, or more broadly for other entities within the AML/CFT regime.

Strategic analysis supports the world wide move towards intelligence-led policing. Intelligence-led policing represents a proactive risk management strategy where crime data analysis data provides objective crime intelligence that allows decision-makers to adopt a more preventative rather than reactive approach to crime control.

In this reporting year, the FIUTT embarked on its 3rd Strategic Analysis project in partnership with a foreign non- English speaking jurisdiction. The suspected cross-border criminal activity (drug trafficking) involves a network of over 150 persons.

The FIUTT issued several advisories, including confidential advisories, to Reporting Entities on observed trends



and patterns in criminal activity including financing of terrorism.

Appendices C and D contain the Insurance Fraud and Human Trafficking typologies which were observed in this reporting period.

In addition, the following trends were observed:

### ii. Emerging Trends

Wire transfers to jurisdictions suspected of involvement in human trafficking activities; and

The use of fraudulent certificates of insurance and false documentations to support claims arising from motor vehicle accidents.

### iii. Continuing Trends

Use of bank accounts for lottery fraud or employment fraud. The victims were asked to deposit money in a bank account; the money was then immediately withdrawn and sent to other jurisdictions via money remittance:

- frequent and small intra-island money transfers;
- advanced fee fraud/scams using unsolicited e-mails and posts;
- repatriation of funds via wire transfers and money remittances to foreign jurisdictions by non-nationals and expats;
- use of forged documents (IDs, job letters, payslips, utility bills and financial statements) for obtaining loans from multiple financial institutions; and

- commingling of Accounts between individuals and their private company financial accounts for tax avoidance.

## 5. ACHIEVEMENTS AND CHALLENGES

### i. Achievements

The Trinidad and Tobago 4<sup>th</sup> MER recognised the value of the analytical work conducted by the FIUTT with the rating of “Largely Compliant” given with respect to FATF Recommendation 29. Despite the staffing and resource constraints, the Analysis Division successfully achieved the following in this current reporting period:

- a 17.4% increase in the number of IRs disseminated, including FT reports which quadrupled in the current reporting period;
- providing valuable financial intelligence on FT to inter-Ministerial committees and inter-agency task forces;
- an increase in completed Requests for Information from local and foreign authorities;
- completion of two Strategic Analysis projects;
- contribution to a successful international prosecution; and
- two confidential advisories disseminated to reporting entities and one public advisory.

*The public advisory is attached as Appendix B.*





## ii. Challenges

In the current reporting period, the three-year contracts of all members of the Analysis Division ended and three-month contracts were awarded as an interim measure to ensure the continuity of work in the Division. However, extensive delays in the renewal of these contracts and the need for mandatory breaks between contracts led to significant loss of analytical time and consequently limited the output of the Division.

The 4<sup>th</sup> MER also recognised challenges which negatively impacted the work of the Analysis Division which included:

- understaffing of the Division which has limited the number of IRs disseminated and the number of strategic analysis projects undertaken;
- no access to tax information which prevents the FIUTT from accessing relevant tax information to assist in analysis; and
- lack of continuous training relating specifically to operational and strategic analysis.

A new challenge which the FIUTT is now experiencing as it exchanges information more frequently outside of the jurisdiction is the foreign language barrier. The FIUTT has made an increasing number of requests to non-English speaking jurisdictions and received an increasing number of international requests for information and reports from non-English speaking jurisdictions. The FIUTT proposes language skills training for key staff in Spanish, French, Mandarin and Arabic.



## CHAPTER IV – ENFORCEMENT

### 1. FIUTT ACTION

In this reporting year, the FIUTT took 4<sup>th</sup> level enforcement action against an entity for breaches of its obligations under the FORs and successfully obtained a Court Order to compel compliance. Costs were awarded to the FIUTT. This was the first time the FIUTT instituted legal action in the High Court for non-compliance with the FORs.

The entity had been the subject of an onsite examination during which several contraventions of the FORs were identified. The FIUTT initiated its enforcement process set out under section 18H of the FIUA and served the entity with warning letters. Upon the failure of the entity to comply, a Hearing was held and the FIUTT issued a Directive under section 18H (4) of the FIUA. It was upon the failure of the entity to comply with the FIUTT's directive that the civil proceedings were instituted at the High Court.

This was a particularly egregious case of non-compliance by an entity since the FIUTT has found that generally, there is a high rate of compliance amongst defaulting entities subsequent to feedback, warning letters or an FIUTT Directive.

The FIUTT has a legal mandate to take the necessary measures to secure compliance by Supervised Entities with their AML/CFT obligations. Generally, enforcement action for non-compliance with AML/CFT obligations arises as a result of FIUTT surveillance, monitoring interventions or enquiries. The FIUTT's enforcement process was re-designed consequent upon the 4<sup>th</sup> MER as follows:

- i. notification of the breach and warning to comply;
- ii. if the entity fails to comply with (i) above, a Notice affording the entity the opportunity to be heard is

served following which a Directive may be issued ; and

- iii. if the entity fails to comply with the FIUTT's Directive, proceedings are instituted in the High Court.

The above steps are designed to ensure that the defaulting entity is afforded the opportunity to take remedial action before the matter is escalated to the High Court for enforcement.

In this reporting period, the FIUTT took enforcement action against 114 entities who failed to comply with their obligation to register with the FIUTT and 107 entities for failure to implement AML/CFT legal obligations.

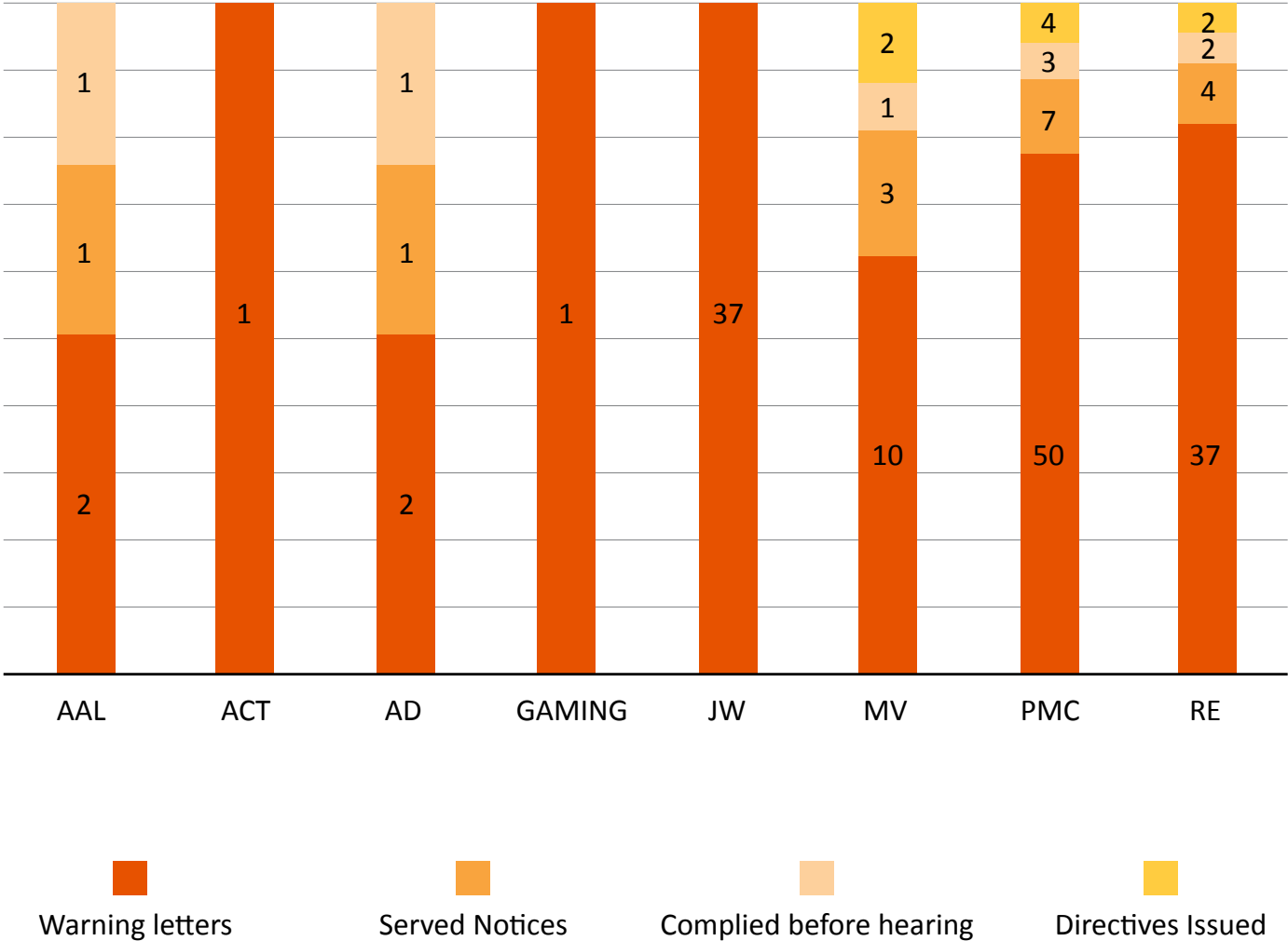
The highest number of warning letters were issued to Jewellers (JW) i.e. businesses licensed under the Licensing of Dealers (Precious Metals and Stones) Act, for failure to register with the FIUTT, numbering 37 out of a total of 114. Collectively, entities and individuals in the PMC and the RE sectors were subject to 64 warning letters.

16 entities were targeted for 3rd level enforcement and served with Notices requesting them to appear before FIUTT. Eight complied after service of the Notice and the remainder were subject to an FIUTT Hearing where Directives were issued against them. Five of those against whom an FIUTT Directive was issued have complied.

*Diagram 14 shows enforcement action taken for failure to register by sector.*



DIAGRAM 14  
ENFORCEMENT ACTION TAKEN FOR FAILURE TO REGISTER BY SECTOR



The enforcement process was also invoked against 107 entities for deficiencies identified at compliance examinations. Of these, two entities were subject to 3rd level enforcement action which resulted in the issuance of two Directives. Both entities are making progress in rectifying the deficiencies with the support from the

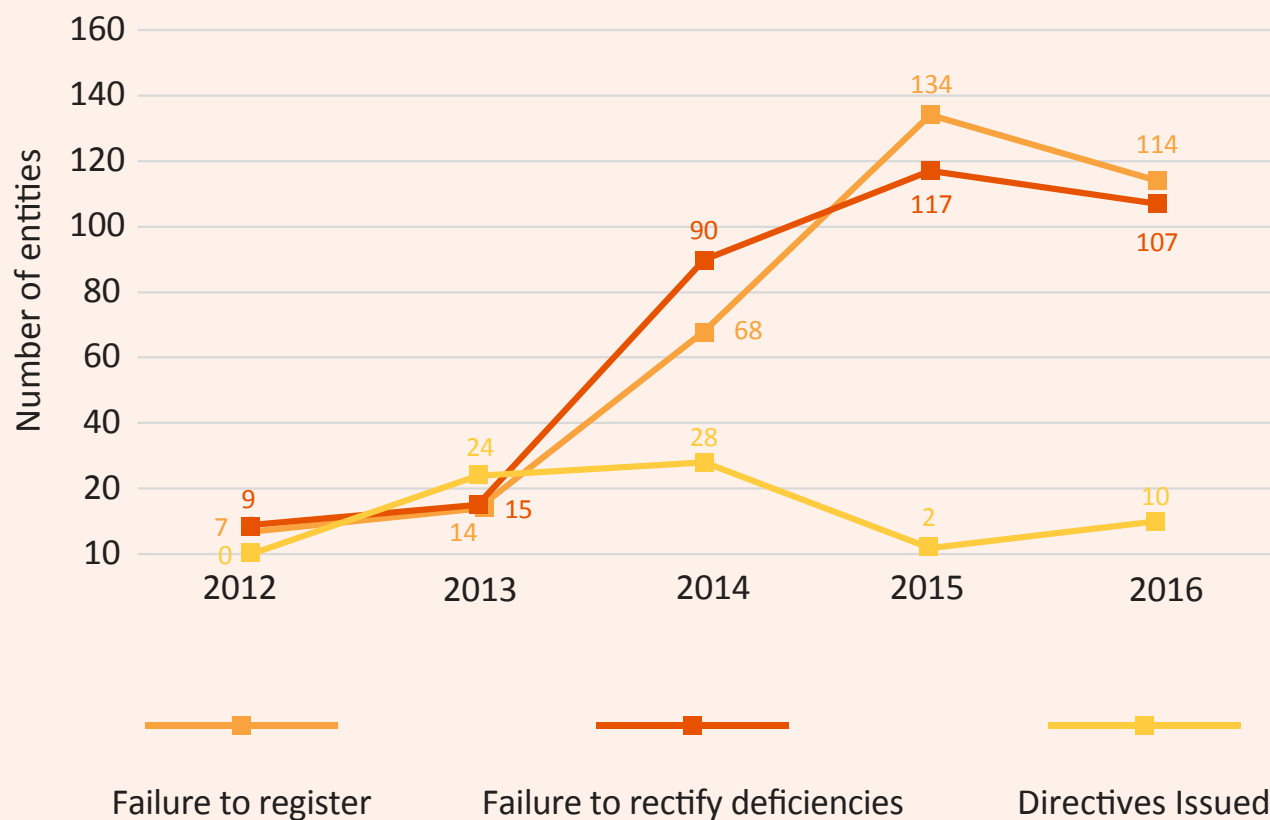
Compliance and Outreach Division. In this reporting period, 15 entities which failed to file quarterly terrorist reports (QTRs) were also issued warning letters.

Diagram 15 shows FIUTT enforcement action over the years.





DIAGRAM 15  
FIUTT ENFORCEMENT OVER THE YEARS





## 2. TRINIDAD AND TOBAGO POLICE SERVICE

The FIUTT continues to provide financial intelligence that would assist and guide the LEAs in their investigations into ML/FT and other criminal activity. During this reporting period, the Trinidad and Tobago Police Service preferred the most ML charges in any one year. Seven persons were charged for ML; single or

joint charges were preferred. This brings to a total 16 persons charged with ML offences under the POCA from 2012 to date.

*Table 7 shows that direct stand-alone ML was the most prevalent charge in this reporting period.*

**TABLE 7**  
**MONEY LAUNDERING CHARGES**

NO.	DATED CHARGED	NO. OF PERSONS CHARGED	NO. OF CHARGES	SUSPECTED CRIMINAL ACTIVITY	NATURE OF CHARGE
1.	31-Oct-2015	3*	1	ML	ML
2.	19-Jan-2016	1	1	ML	ML
3.	06-Apr-2016	1	1	Illegal Gambling	ML
4.	23-Jun-2016	2*	1	ML	ML
TOTAL		7	4		

\* Represents persons jointly charged  
Source: TTPS



# CHAPTER V – STRATEGIC ALLIANCES: CO-OPERATION AND COLLABORATION

## 1. ENHANCING COLLABORATIVE PARTNERSHIPS

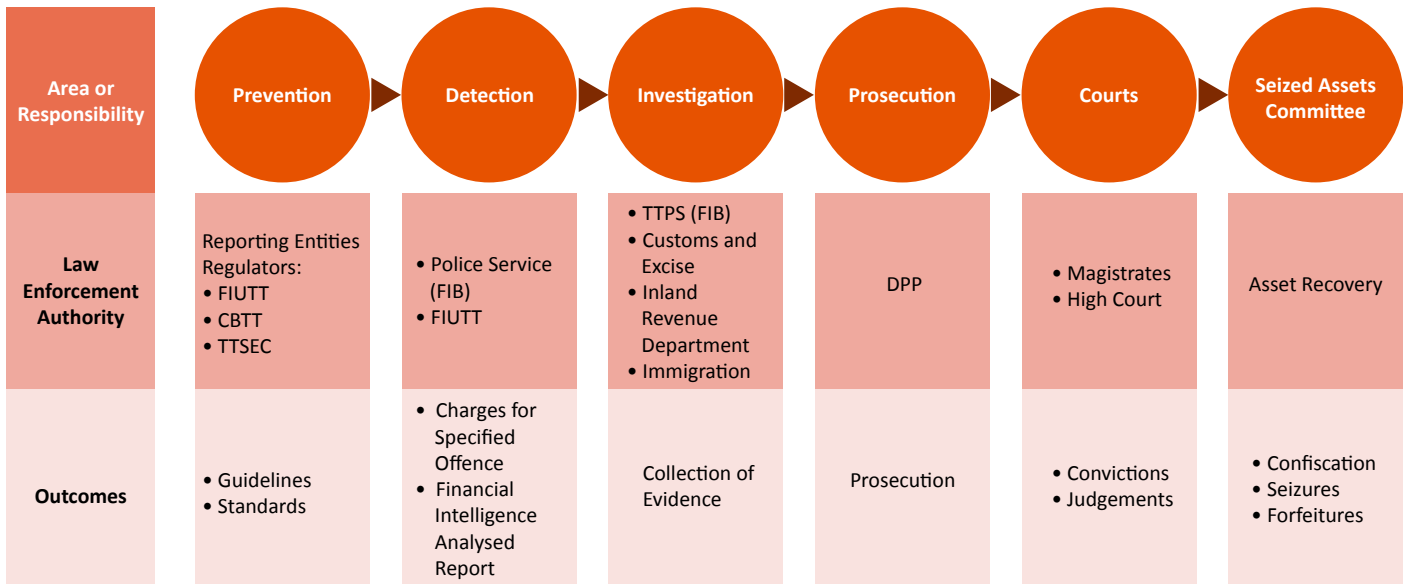
FIUs are recognised as one of the key competent authorities playing a central role in the AML/CFT regime globally. Through the exchanging information and financial intelligence with competent authorities both domestically and internationally FIUs facilitate the investigation and prosecution of persons suspected of committing and participating in ML/FT and related crimes.

The FIUTT has formed strategic alliances with other FIUs, the LEAs and Intelligence Agencies both local and foreign, Prosecutorial Authorities, the National AML/CFT Committee and other AML/CFT Supervisory Authorities in effectively addressing ML/FT and other related crimes.

As well through building of partnerships with Reporting Entities, Government agencies and other stakeholders the FIUTT collaborates to perform our tasks effectively.

*Diagram 16 illustrates the AML/CFT chain of responsibility among the domestic stakeholders.*

DIAGRAM 16  
THE AML/CFT CHAIN OF RESPONSIBILITY





## 2. DOMESTIC CO-ORDINATION AND ENGAGEMENT

### i. Law Enforcement Authorities

The FIUTT maintains a close working relationship with the LEAs in Trinidad and Tobago who are Customs and Excise Division, Immigration Division, the Board of Inland Revenue and TTPS including the divisions of FIB, Special Branch, Organised Crime Narcotics Firearms Bureau (OCNFB), Fraud Squad, Anti-corruption Investigations Bureau (ACIB), Homicide Bureau and the Criminal Gang Intelligence Unit. Co-operation between these groups extends beyond dissemination and receipt of IRs.

For example, a strong LEA-FIUTT relationship with regular feedback and review processes ensures the timely dissemination of useful financial intelligence. Poor or completely absent feedback processes adversely affect the whole of the intelligence cycle with ill- focused research and analysis, inappropriate reporting content and format and minimal interest in the use of the intelligence product. Therefore, it is important for the analysts to understand the utility of their intelligence product to the LEAs' priorities and objectives and for the LEA to understand the capability of the product. LEA feedback is also valuable to the Reporting Entities who, guided by the LEA crime priorities, can then strengthen their suspicious transaction monitoring systems and procedures accordingly. Regular feedback and review processes ultimately lead to improvement in the quality of the intelligence product and help identify priorities that shape an appropriate risk-based approach.

The FIUTT has established the following mechanisms to enhance collaboration and co-operation:

- the FIUTT convened strategic meetings with the LEA Working Group (*FIB, Customs & Excise, Immigration, Criminal Tax Investigations Unit and the Office of the*

*Director of Public Prosecutions*) to operationalise ML/FT cases and establish policies for cooperation;

- caucus meetings with OCNFB, Fraud Squad, Special Branch, ACIB and Trans-National Organised Crime (TNOC), taskforce and adhoc meeting to assist with financial intelligence on cases relating to ML/FT; and
- the sharing of trends and typologies, data collection procedures, feedback, statistics, and training.

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

During this reporting period, the FIUTT instituted new mechanisms to improve efficient and timely dissemination of financial intelligence and information to LEAs. These measures include designating dedicated analysts to analysing money laundering cases, receiving and responding to requests from domestic LEAs, the creation of a framework to make it easier for LEAs to request information from the FIUTT and establishing regular communication with third party stakeholders (for example, Reporting Entities and Government agencies) toward improving the provision of information and data.

A critical proactive mechanism involves creating new channels of communication to treat with the increasing terrorism threat. The FIUTT has enhanced its operations with respect to suspected terrorism cases by prioritising the analysis of such cases and by designating a dedicated Analyst to analyse such cases and to respond to requests promptly from competent agencies who investigate terrorist activity.



*Table 8 illustrates the number of requests identified by the suspected predicate offence category that was received from LEAs, as well as the number of requests made by the FIUTT to LEAs in the course of carrying out its analytical functions.*

The highest number of LEA requests involved the suspected predicate offences of ML, Fraud, Drug Trafficking and FT which were also consistent with the FIUTT requests to the LEAs. However, LEAs have made requests in new categories such as: Illegal gaming, Possession of firearms and ammunition, Organised crime/gang activity, Misbehaviour in public office, tax crimes and Smuggling of wildlife.

*Diagram 17 illustrates the number of requests made by LEAs to the FIUTT and FIUTT requests to LEAs and Government agencies for the period 2010 to 2016. In this reporting period, the FIUTT received 117 LEA requests*

for intelligence which is the most received in the six year period. Significantly, LEA requests increased by 38 requests or 48% from the previous reporting year which evidences the use by the LEAs of financial intelligence from the FIUTT in their investigations. Likewise, the FIUTT made 19 requests to LEAs and 13 to Government agencies, a total of 32 as compared with 72 made in the previous reporting period. The noticeable increase in FIUTT requests in 2015 as compared with 2016 may be largely attributed to the complex cases which the FIUTT was analysing which required substantial information from Government agencies.

This represents not only further strengthening of the relationship between the FIUTT and domestic LEAs but also the ever increasing usefulness the FIUTT's financial intelligence in their investigations.

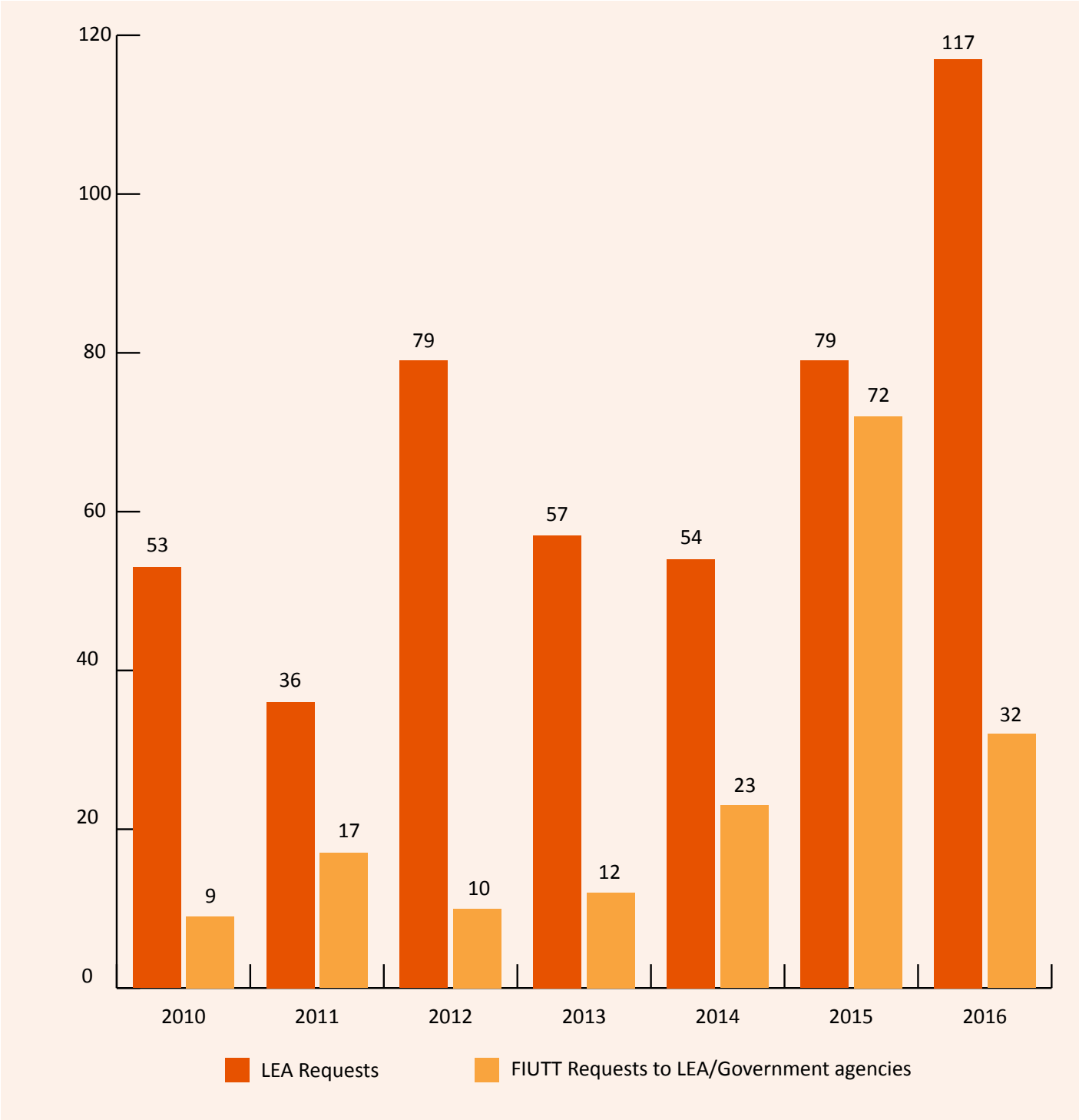


**TABLE 8**  
**COLLABORATION WITH DOMESTIC LEAs**

		SUSPECTED PREDICATE OFFENCE CATEGORIES															TOTAL	YEAR
		Human Trafficking	Drug Trafficking	Money Laundering	Fraud	Insider Trading	Illegal Gaming	Robbery/Theft	Financing of Terrorism	Possession of firearms & ammunition	Organised Crime/ Gang Activity	Corruption	Murder	Misbehaviour in Public Office	Tax Crimes	Smuggling of wildlife		
Exchange of Information with Domestic LEAs	No. of incoming requests from Domestic LEAs	2	23	30	14	0	5	1	20	5	2	3	4	5	2	1	117	2016
	No. of FIUTT Requests to Domestic LEAs	2	4	13	4	2	0	0	6	0	0	0	0	0	1	0	32	2016



DIAGRAM 17  
DOMESTIC CO-OPERATION





### iii. Supervisory Authorities and Supervised Entities

#### • Co-operation with Supervisory Authorities

The three AML/CFT Supervisory Authorities are the FIUTT, the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Central Bank of Trinidad and Tobago (CBTT). They are vested with the responsibility to effectively monitor the implementation of the AML/CFT framework in Trinidad and Tobago. The Supervisory Authorities dialogue on a quarterly basis, through the formation of a working group (SWG), on information sharing, new ML/FT trends and typologies, training opportunities, and formulating recommendations to address legislative deficiencies identified.

Recent discussions amongst the Supervisory Authorities centered on the following:-

- i. The development of a regulatory framework for Money Remitters
- ii. The creation of an AML/CFT work-plan which includes:
  - o a supervisory ladder of intervention for AML/CFT breaches;
  - o an AML/CFT risk-based supervisory guideline; and
  - o joint compliance examinations of NRFIs.

In April 2016, the FIUTT co-facilitated an Egmont Supervisory Course (ESC), for Compliance Officers of FIUs with the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC). Invitations were extended to TTSEC and CBTT examiners in the spirit of fostering collaboration with the Supervisory Authorities in building expertise and the exchange of information.

#### • Co-operation with Supervised Entities

The FIUTT has convened a Working Group of Supervised Entities (SEWG), which meets quarterly to discuss AML/CFT related matters affecting the respective sectors. The forum discussions in this reporting period addressed the following issues:

- ML/FT Trends and typologies;
- Confidential Advisories issued by the FIUTT;
- General deficiencies with SAR/STR submissions;
- Status of the National Risk Assessment;
- Trinidad and Tobago Mutual Evaluation Report;
- FATF Public Statements; and
- Outreach and Awareness conducted by the FIUTT.

During this reporting period, the FIUTT issued the first publication of the Trinidad and Tobago Consolidated List of Court Orders for Freezing Terrorist Funds. The sectors were guided on their obligations under Section 22AB of the ATA to verify and report on Terrorist Funds within their organisation.

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

The AML/CFT Compliance Unit was established by Cabinet in April, 2010 and resides in the Ministry of National Security. The Unit acts as the Secretariat for the National AML/CFT Committee (NAMLC), which is the national co-ordinator for AML/CFT matters in Trinidad and Tobago. The Minister of National Security is the Prime Contact to FATF and CFATF.

NAMLC was established in March 2006, as the national AML/CFT co-ordinating body for the public sector. The



Director of the AML/CFT Compliance Unit chairs the Committee. NAMLC members include the FIUTT, the other AML/CFT Supervisory Authorities, LEAs and the DPP.

NAMLC terms of reference include developing strategies to rectify deficiencies identified in the Mutual Evaluation Reports (MERs), recommending policies on legislative and institutional reform, reviewing draft legislation concerning the AML/CFT environment and to engage and consult with stakeholders to strengthen Trinidad and Tobago's AML/CFT regime. The Committee accomplishes its work through various Working Groups.

#### **v. National Risk Assessment**

In March 2014, Trinidad and Tobago commenced its first National Risk Assessment (NRA) with a view to understanding its ML/FT risks. An NRA is a requirement of Recommendation 1 of the revised FATF 40 Recommendations. The NRA will assist in the identification of ML/FT vulnerabilities and threats to guide the country in applying mitigating steps to minimise the risks posed.

The AML/CFT Compliance Unit, as the national co-ordinator on AML/CFT matters, was charged with the responsibility of co-ordinating the NRA which was facilitated by the World Bank with the provision of their NRA template. The World Bank model is conducted in three phases with seven Working Groups. The Working Groups consist of members from the LEAs, Supervisory Authorities and the industry associations (financial and non-financial) assessing the risk in each sector. The FIUTT chaired the Seventh Working Group which conducted the risk assessment of the LB sectors in Trinidad and Tobago.

The final phase, conducted in May 2016 involved analysing data to arrive at verifiable conclusions and preparing the final report. An outcome of the final phase was the development of action plans by the key

Stakeholders. The final reports and the seven working groups' action plans were submitted to the AML/CFT Compliance Unit for the necessary approvals before publication.

#### **vi. FIUTT in Partnership**

##### **• National Drug Council**

The National Drug Council (NDC) of the Ministry of National Security was established in July 2000. The mandate of the NDC is demand-reduction, supply-control, prevention, treatment and rehabilitation of addicted persons. They are also tasked with maintaining the National Drug Information System, to exchange information on anti-drug related initiatives in Trinidad and Tobago. In 2014, the Director of the FIUTT was appointed as a member of the NDC.

The NDC is chaired by a Non-Executive Chairman and currently consists of thirteen members:

- o Trinidad and Tobago Police;
- o Customs & Excise Division;
- o National Security Council Secretariat;
- o Office of the Director of Public Prosecutions;
- o Strategic Services Agency;
- o Ministry of Foreign and CARICOM Affairs;
- o Tobago House of Assembly;
- o Rebirth House;
- o Ministry of Social Development & Family Services;
- o National Alcohol and Drug Abuse Prevention Programme;



- o National Council on Alcohol and other Addictions; and
- o Chamber of Industry and Commerce.

In this reporting period, the FIUTT attended five such meetings and workshops hosted by the NDC.

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

### vii. Consultations

During this reporting period, the FIUTT participated in consultations with governmental and non-governmental organisations on policy issues relating to the AML/CFT regime in Trinidad and Tobago. These included:

- The Trinidad and Tobago Transparency Institute;
- The Trinidad and Tobago Chamber of Commerce;
- The Police Compliant Authority;
- The Trinidad and Tobago Prison Service;
- Ministry of Works and Transport;
- Ministry of Public Administration;
- The Institute of Chartered Accountants of Trinidad and Tobago; and
- The AML Sub-committee of the Bankers Association of Trinidad and Tobago.

## 3. INTERNATIONAL ENGAGEMENT AND CO-OPERATION

### i. Foreign FIUs and Foreign Competent Authorities

In the global fight against ML/FT and other related crimes, international co-operation is the single most critical factor. FATF Recommendations 29 and 40

mandate an FIU to engage independently with foreign counterparts on the exchange of financial intelligence and information. This information is provided both upon request from and to foreign counterparts, or spontaneously when in the course of analysis of ML/FT links to other jurisdictions are identified.

Section 8 of the FIUA gives the FIUTT power to engage in the exchange of financial intelligence and information with foreign FIUs and LEAs. In this reporting period, requests for intelligence by foreign FIUs and foreign LEAs increased significantly to 42 or 68% over the previous reporting period from 25 requests. The increased requests involved the suspected specified offences of ML, FT, Murder, Corruption and Fraud. Drug trafficking requests decreased by 50% or three from the last reporting period.

The FIUTT made 39 requests to foreign competent authorities for financial intelligence, maintaining the consistency with the number of requests made in the previous year. The difference lies in the suspected offences involved in the requests. The analysis shows an increase in the number of requests related to ML, Drug Trafficking and Human Trafficking which is indicative of crime trends which show international connections.

*Table 9 and Diagram 18 are illustrative.*

Of the foreign requests received by the FIUTT three requests for Information came from the Internal Revenue Service (IRS). The information provided by the FIUTT assisted in securing the conviction of one person in Florida, USA. The individual, who embezzled funds from investors within the USA for ventures he controlled in several countries, including Trinidad and Tobago, was arrested, prosecuted and sentenced to 51 months in prison for tax evasion and wire fraud.

The most requests were made to North America, followed by the Caribbean and Europe, which further evinces the growth of the FIUTT as an evolving force in the intelligence community. See Diagram 19.



**TABLE 9**  
**INTERNATIONAL COLLABORATION**

		SUSPECTED PREDICATE OFFENCE CATEGORIES									TOTAL PREDICATE OFFENCES ML/FT	YEAR
		Terrorism	Human Trafficking	Money Laundering	Drug Trafficking	Corruption	Fraud	Suspicious Activity	Murder	Tax Crimes		
Exchange of Information with foreign FIUs and LEAs	INCOMING REQUESTS TO FIUTT											
	Incoming requests from foreign FIUs	3	0	12	3	3	2	1	1	1	26	2016
	Incoming requests from foreign LEAs	5	0	0	0	1	6	0	3	1	16	2016
	Total No. of incoming requests from Foreign FIUs & Foreign LEAs	8	0	12	3	4	8	1	4	2	42	2016
	OUTGOING REQUESTS FROM FIUTT											
	Outgoing requests to foreign FIUs	4	4	12	13	2	1	0	0	0	36	2016
	Outgoing requests to foreign LEAs	0	0	3	0	0	0	0	0	0	3	2016
Total No. of outgoing requests to foreign FIUs & foreign LEAs	4	4	15	13	2	1	0	0	0	39	2016	



**DIAGRAM 18**  
**INTERATIONAL COLLABORATION**

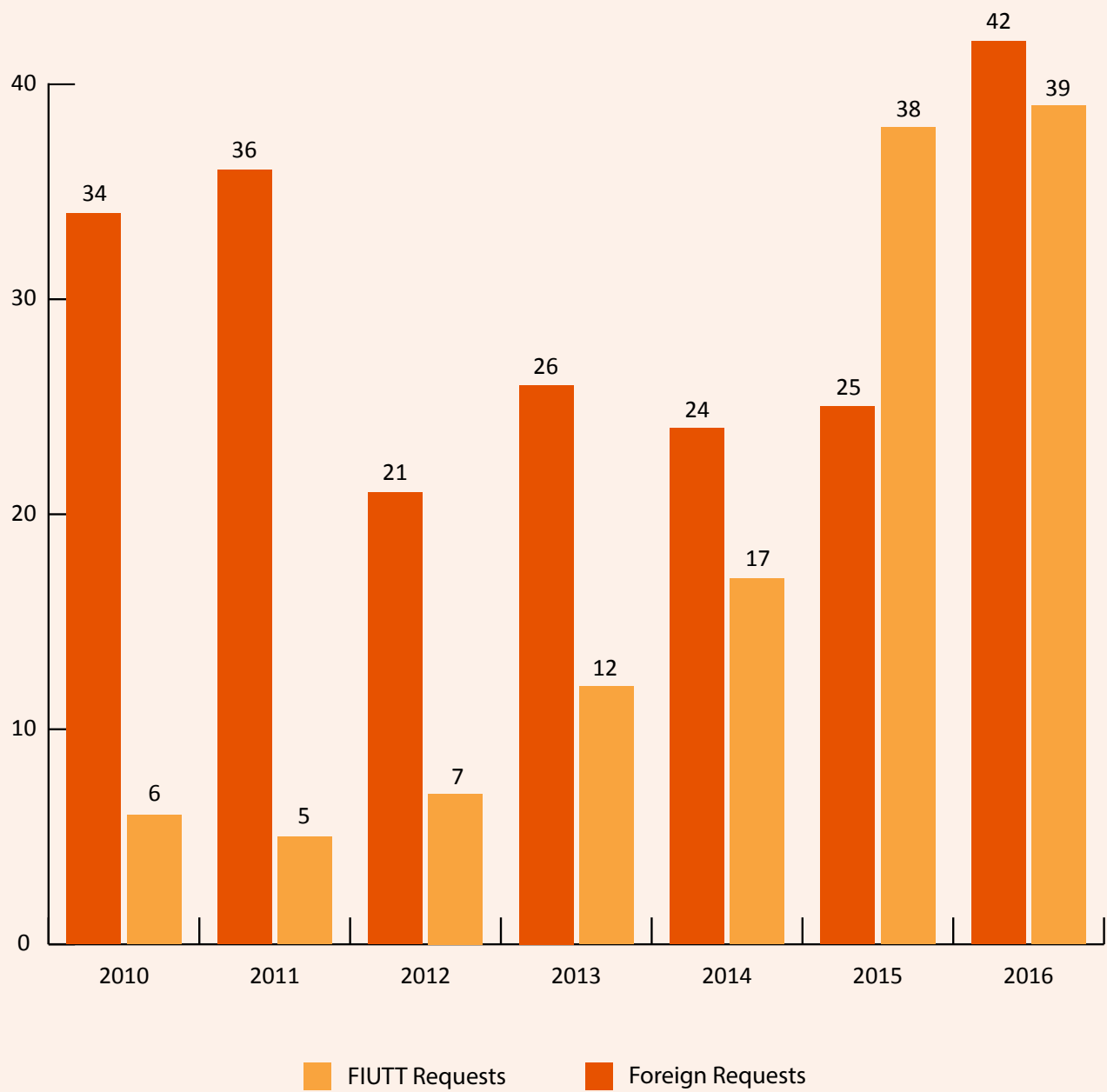
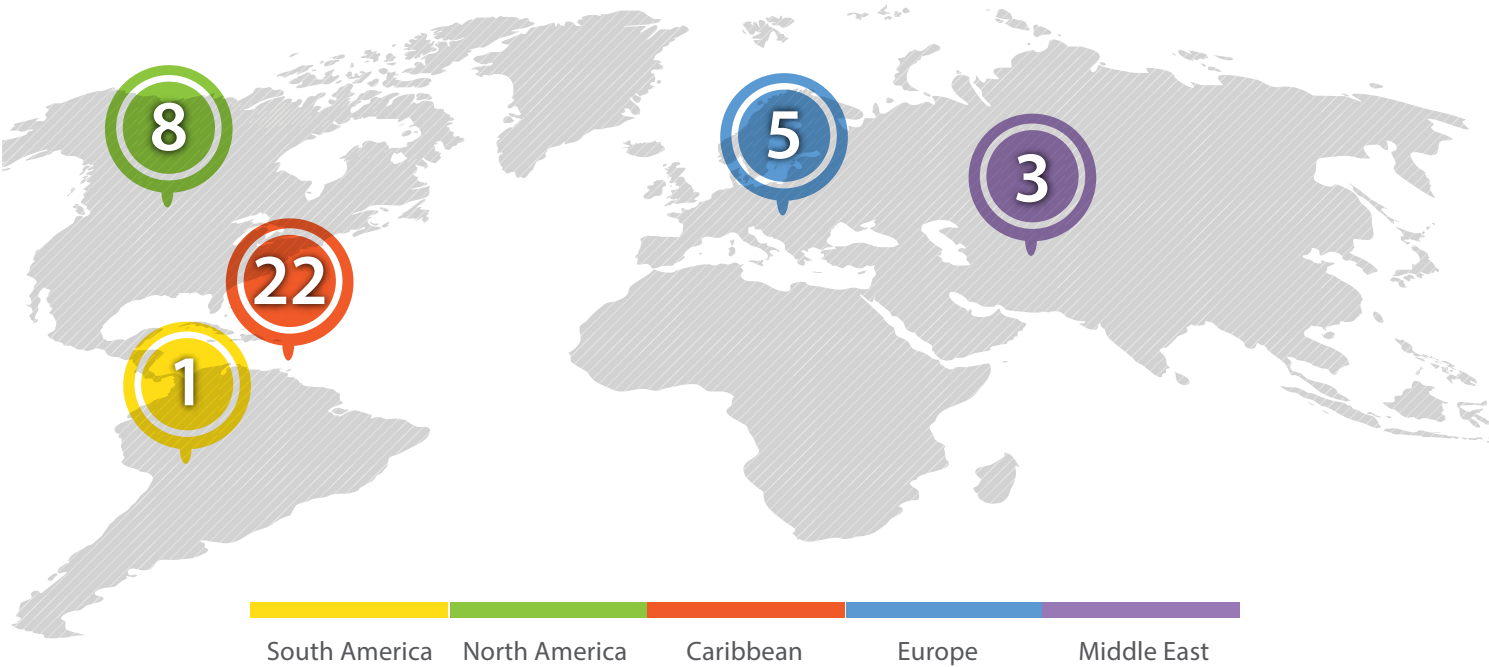


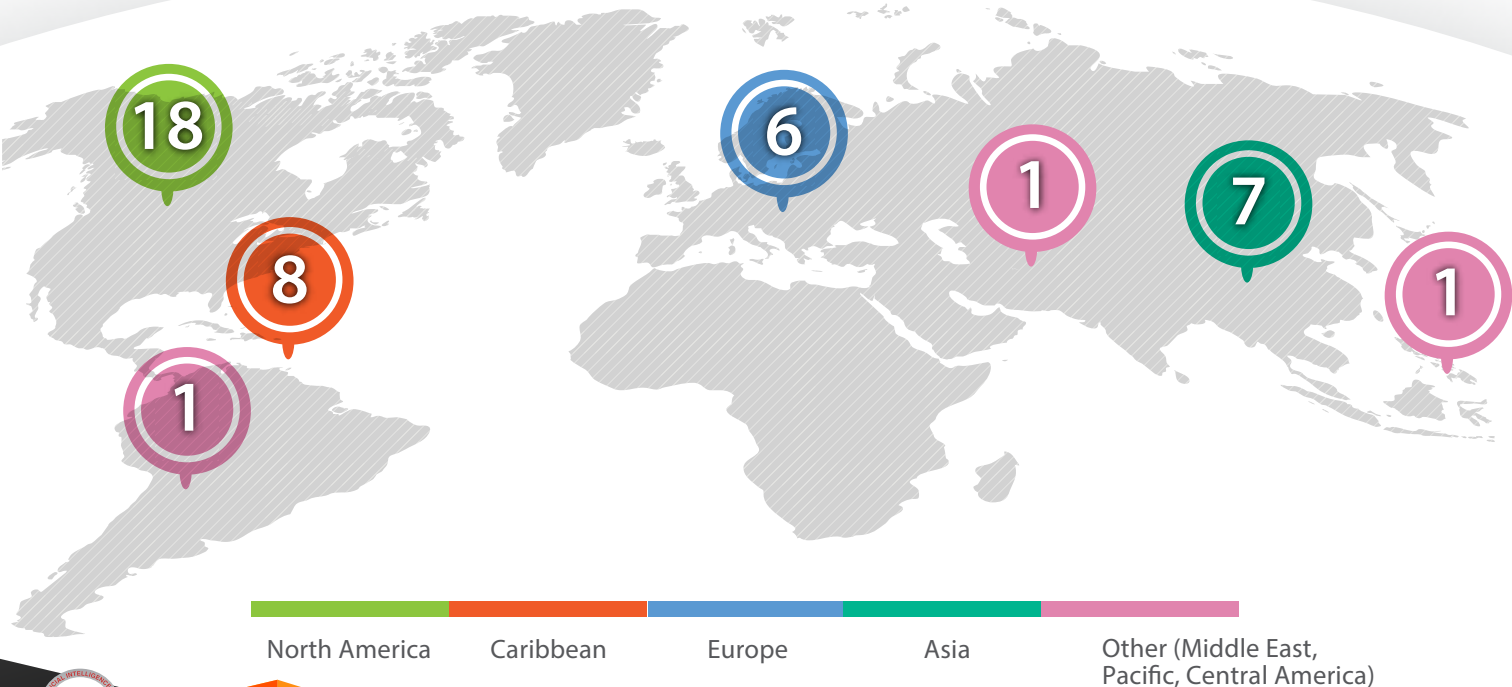


DIAGRAM 19  
INTERNATIONAL EXCHANGE OF INFORMATION

REQUESTS SENT TO FOREIGN FIUs & LEAs



REQUESTS RECEIVED FROM FOREIGN FIUs & LEAs





#### 4. MOUs SIGNED WITH FOREIGN FIUs

The FIUTT is authorised to exchange information with foreign counterparts freely without the necessity of having MOUs or formal agreements in place. Nonetheless, since an MOU may be a pre-requisite for the exchange of information in other jurisdictions, the

FIUTT has over the years signed 16 MOUs with foreign FIUs. During this reporting period, the FIUTT has signed MOUs with five countries namely; Australia, Barbados, Colombia, Panama and the Republic of Togo. An MOU with the Japan FIU is being negotiated.

*See Table 10.*

**TABLE 10**  
**MOUs WITH FOREIGN COUNTERPARTS**

NO.	COUNTRY	COUNTERPARTS	DATE OF SIGNING
1.	JAMAICA	FINANCIAL INVESTIGATIONS DIVISION	13/11/2012
2.	ST. VINCENT AND THE GRENADINES	FINANCIAL INTELLIGENCE UNIT	22/05/2013
3.	GUYANA	FINANCIAL INTELLIGENCE UNIT	28/05/2013
4.	MONTSERRAT	MONTSERRAT REPORTING AUTHORITY	28/05/2013
5.	SINT MARTEEN	FINANCIAL INTELLIGENCE UNIT	19/11/2013
6.	SURINAME	FINANCIAL INTELLIGENCE UNIT	19/11/2013
7.	BERMUDA	FINANCIAL INTELLIGENCE AGENCY	04/02/2014
8.	CANADA	FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS CENTRE OF CANADA (FINTRAC)	06/02/2014



**TABLE 10 (Continued)**  
**MOUs WITH FOREIGN COUNTERPARTS**

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



**PICTURE 5**  
**MOU SIGNING AT CFATF XLII PLENARY**  
**IN TRINIDAD AND TOBAGO**



*From L to R. Ms. Susan S. François, Director, FIUTT and Ms. Shelley Nicholls-Hunte, Director of FIU Barbados*



## 5. PARTICIPATION IN INTERNATIONAL FORA

In this reporting period, the FIUTT was represented at the following conferences, meeting and workshops in its continued effort to strengthen global AML/CFT efforts.

### i. The Financial Action Task Force

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

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

Trinidad and Tobago was represented by a contingent led by the Honourable Attorney General, Mr. Farris Al Rawi and included the Director, FIUTT, representatives from the Ministry of the Attorney General and Legal Affairs and the FIB at the FATF Working Groups meetings and plenary held at the OCDE Paris, France during the period February 13 - 19, 2016. The issue for discussion by the FATF Plenary was the concerns raised by FATF members on certain rating given by the CFATF Assessors in the 4<sup>th</sup> MER. A decision was taken to refer the matter back to the CFATF Plenary which subsequently made amendments and received FATF's approval for the publication of Trinidad and Tobago's 4<sup>th</sup> MER.

The FIUTT publishes a list of countries identified by FATF as being high-risk and non-co-operative jurisdictions with strategic AML/CFT deficiencies, 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).

### ii. The Caribbean Financial Action Task Force

The CFATF is one of eight FATF Style Regional Bodies (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 26 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)

### CFATF XLII and CFATF XLIII Plenaries

The XLII CFATF Plenary was held in Port of Spain, Trinidad and Tobago in November 2015. At this plenary the Honourable Attorney General, Mr. Farris Al Rawi of Trinidad and Tobago was accepted the role of CFATF Chairman for the next year. Also present at the plenary was FATF President Mr. Je Yoon Shin, who noted the discussion of the 4<sup>th</sup> MER and commended the commitment of Trinidad and Tobago for the work done during this process.

The CFATF held its XLIII Plenary in Montego Bay, Jamaica, over the period June 6-9, 2016. The delegation from Trinidad and Tobago was led by the Honourable Attorney General, Mr. Farris Al Rawi.

At the Heads of FIUs meeting the Director of the FIUTT delivered a presentation on Terrorism and its financing. Some of the topics focused of the funding of terrorists, identifying and tracing the terrorist financial footprint, identification of suspected Foreign Terrorist Fighters in the region and red flags to identify Foreign Terrorist Fighters and financial transactions. This presentation was considered both timely and very informative by the Heads of FIUs in attendance.



### CFATF 4<sup>th</sup> Round Assessor Training

The new FATF methodology of assessments presents a full analysis of the extent to which the country is compliant with FATF Standards and how successful it is in maintaining a robust AML/CFT regime.

The Caribbean Financial Action Task Force (CFATF), through Assessment Teams, comprising of experts in financial, law enforcement and legal fields from member countries, conducts the Mutual Evaluation Programme which monitors the progress made by member countries in implementing the FATF Recommendations.

CFATF has conducted 4<sup>th</sup> Round Assessor Training on this new methodology in the British Virgin Islands and in Trinidad and Tobago in 2016. Four representatives from the FIUTT participated in both training sessions. This training will afford the FIUTT officers the opportunity to join assessment teams for future 4<sup>th</sup> Round Mutual Evaluations when requested by CFATF.

As a member of the CFATF, the Government of Trinidad and Tobago has committed itself to providing assessors for the upcoming 4<sup>th</sup> Round of Mutual Evaluations and, subsequently, an FIUTT representative who completed the Assessor Training was requested by CFATF to join the Mutual Evaluation Team as a Law Enforcement Assessor for the Mutual Evaluation of Barbados, scheduled for December, 2016.

### iii. Egmont Group of FIUs

The FIUTT was admitted as a member of the Egmont Group at the 21st Plenary in July 2013.

The Egmont Group is a network of FIUs around the world which was established in 1995 as an international informal network of FIUs for international co-operation. The Egmont Group recognises the value of information exchange on an international level and that the FIU is the forum to exchange financial information that may be helpful in following the financial trail in law enforcement investigations, including those related to

terrorism and uncovering criminal assets. The Egmont Group also helps FIUs increase their effectiveness through training opportunities, fostering better and secure communication among FIUs via the Egmont Secure Web (ESW).

The FIUTT benefitted from Training opportunities offered by the Egmont Group in this reporting period. The FIUTT participated in a Train the Trainer Course hosted by the Financial Information Processing Unit of Morocco. The course was attended by a delegation of 23 highly qualified strategic analysts from 19 Egmont FIUs. The goal of the course was to generate qualified trainers that would be equipped to deliver the Egmont Strategic Analysis Course in the future and subsequently, the FIUTT's representative co-facilitate the Egmont Strategic Analysis Course, which was held in February 2016, in Paris, France.

In April 2016, the FIUTT hosted a four (4) day Egmont Supervisory Course for Regional FIUs. The FIUTT joined FINTRAC as a co-facilitator. The course was developed to assist FIUs in establishing an AML/CFT Supervisory program and was designed based on FATF Recommendations. The course participants, which included Compliance Officers of Sint Maarten and Grenada FIUs and FIUTT, gained supervisory skills, knowledge and tools specifically designed for the AML/CFT supervisor of regulated entities. See [www.egmontgroup.org](http://www.egmontgroup.org)

### iv. The CICAD

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



to discuss, analyse and draft policies to deal with money laundering and the financing of terrorism.

A delegation of representatives from the FIUTT, FIB, Central Authority Unit and Customs and Excise attended the XLIII Meeting of the GELAVEX which was held in Punta Cana, Dominican Republic from September 27-29, 2016. The FIUTT's representative is the Trinidad and Tobago Country Co-ordinator for the GELAVEX project "Open Sources of Information" as a tool of development for research of ML/FT. This tool will serve as a "virtual campus" for the retrieval of open-source information throughout the Americas providing assistance in the competent authorities' intelligence gathering capabilities.

#### **v. Inter-American Committee against Terrorism of the Organisation of American States**

The FIUTT was represented at the Inter-Regional Specialised Workshop on Illicit Finance and Criminal Terrorist networks organised by the Secretariat of the Inter-American Committee against Terrorism and the Organisation of American States (OAS) during the period April 5-7, 2016.

The Workshop built upon the outcomes of the previous Workshop convened in Miami, Florida in August, 2015. The primary objective of this Workshop was to bring together operational level officials working in the areas that involve preventing and confronting threats related to AML/CFT, in order to discuss on-going challenges faced by officials and to establish a transnational network among those officials.

#### **vi. International Law Enforcement Agency**

An International Law Enforcement Agency (ILEA) Public Corruption and Ethics Course which was sponsored by the United States of America Embassy and facilitated by the Chile Public Ministry, FIU Chile and Chilean Federal Law Enforcement, was delivered from September 26 to September 30, 2016 in San Salvador, El Salvador. The

course focused mainly on the Chilean experience in combating corruption crimes.

A delegation of four persons from Trinidad and Tobago, which included a representative from the FIUTT, attended this five day training course. The course included items on co-operation between intelligence and investigative agencies towards aggressively addressing public corruption and ethics among public office holders. Activities included group presentations, active discussions and several case studies aimed at operationalising the theory as it relates to managing investigations into public corruption and related offences (money Laundering, bribery, embezzlement).

#### **vii. Caribbean and Americas Gaming Regulation Forum**

A representative from the FIUTT attended the 3<sup>rd</sup> Caribbean and Americas Gaming Regulation Forum 2015 held in Miami, Florida, USA in November 2015, where ideas were shared and information exchanged with key stakeholders of the gaming industry while at the same time insight was gained into the experiences of regulating and monitoring this high risk sector for AML/CFT.

This annual event brings together all the stakeholders in the Casino and Gaming industry such as: regulators, operators, suppliers, FIUs, law enforcement, tax and revenue authorities, banks, auditors, legislators and judiciary from countries across the region to discuss regulatory changes in a dynamic and ever-evolving sector.



## CHAPTER VI -

# RESOURCES AND INFRASTRUCTURE

### 1. RESOURCES

In June 2016, Trinidad and Tobago's 4<sup>th</sup> MER was published by the CFATF. The 4<sup>th</sup> MER recognised that *"more resources and training need to be afforded to the Analytical Section of the FIUTT"* to execute its primary function of analysing STRs/SARs, which have increased in numbers and complexity and to address a backlog of analysis as well as to conduct the new task of strategic analysis. Cabinet's approval was sought and obtained for six additional positions in the Analysis Division, during this reporting period to satisfy the deficiencies identified.

The FIUTT's ongoing AML/CFT supervision involves ensuring adequate tools for assessing the quality of controls monitoring, assessing entities risks, compliance examinations, in addition to outreach seminars, publication of guidance notes and other entity assistance. These responsibilities which FIUTT must carry out under law pose challenges for the existing resource capabilities. For example, the ever increasing number of entities which must be supervised by the FIUTT which now numbers 2,288 - an increase of 264 in this reporting period.

As such, the FIUTT has made recommendations to increase the staffing capacity of the C&O Division.

### 2. INFORMATION SYSTEMS AND TECHNOLOGY

The FIUTT's Information Technology (IT) Division plays a critical role in supporting the daily business operations of the Unit. In this reporting period, the IT team continuously worked on maintaining and building a resilient ICT infrastructure to redesign the existing IT landscape. The IT Division focused on the following key initiatives:

#### i. Modern Data Centre:

FIUTT's Data Centre was effectively operationalised with new and existing cabling and ICT equipment being relocated to the new Data Centre. The Data Centre now provides the following benefits, inter alia:

- an uninterruptible power supply in the event of utility power failure;
- efficient cooling system to protect servers and other ICT equipment;
- enhanced security of servers and ICT equipment via remote monitoring and alerts; and
- the ability to expand in the future additional ICT hardware because of built-in support for higher power consumption and cooling requirements.

#### ii. Intranet and Document Management Solution (IDMS):

- The Intranet module of FIUTT's IDMS was rolled out as FIUTT's collaboration platform to foster greater teamwork and co-operation.

#### iii. Development of an online secure reporting system:

- A feasibility study and high-level requirements for an online secure reporting system have been completed. The online secure reporting system will provide an integrated intelligence system with enhanced management and security of data in the collection, analysis, dissemination of intelligence/information, monitoring and feedback. With initial funding the FIUTT is exploring carrying out the project on a phased basis.



### 3. PROFESSIONAL GROWTH

Like any other organisation, the FIUTT's staff is its most valuable asset. Effective training is required for the staff in order for them to perform their required tasks and legal responsibilities efficiently.

In this reporting period, staff of the FIUTT benefitted from training designed specifically to meet their needs. Benefits from staff training and development include:

- new skills to meet new tasks and responsibilities;
- best international practices to enhance operational efficiency;
- certification in specific AML/CFT areas; and
- increase efficiency and effectiveness.

*Table 11 illustrates training provided to the FIUTT staff in this reporting period.*

### 4. THE WORKING ENVIRONMENT

The FIUTT occupies a very modern and spacious building comprising approximately 25,000 sq. ft. located at Level 25, Tower D, of 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 departments.

The environment created is conducive to productivity and security. There are several levels of security deployed at Tower D. There is 24-hour security monitoring by both physical and electronic security measures. The FIUTT office has comfortable working spaces which include public and non-public areas such as a server room, a security room. Access to the offices and divisions are secured using both physical and electronic means. Further, access to the Analysis Division is restricted to only the Analysts, as this division is physically separated from the other divisions within the FIUTT and accessible only to authorised personnel.

**TABLE 11**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
1	POLICE TRAINING ACADEMY, TRINIDAD	MANAGEMENT OF TERRORIST INVESTIGATIONS	US DIPLOMATIC SECURITY SERVICES (DSS) UNDER THE OFFICE OF THE ANTI-TERRORISM ASSISTANCE PROGRAM	INTELLIGENCE ANALYSTS
2	RABAT, MOROCCO	TRAIN-THE-TRAINER COURSE ON STRATEGIC ANALYSIS	EGMONT/MOROCCO FIU	DIRECTOR ANALYTICAL DIVISION
3	TRACFIN, FRANCE	STRATEGIC ANALYSIS COURSE	THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS	DIRECTOR ANALYTICAL DIVISION



**TABLE 11 (Continued)**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
4	LOS ANGELES, USA	INTER-REGIONAL SPECIALISED WORKSHOP ON ILLICIT FINANCE AND CRIMINAL AND TERRORIST NETWORKS	EXECUTIVE SECRETARIAT OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD) OF THE OAS	INTELLIGENCE ANALYST
5	TRINIDAD AND TOBAGO POLICE ACADEMY, TRINIDAD	MONEY LAUNDERING/ CONFISCATIONS/CASH SEIZURES WORKSHOP	CRIMINAL JUSTICE DEPARTMENT	DIRECTOR LEGAL, LEGAL OFFICER II
6	MINISTRY OF NATIONAL SECURITY, TRINIDAD	UNLIREC WORKSHOP AND DRAFTING ON PROLIFERATION FINANCING	UNLIREC MISSION (UNITED NATIONS CENTRE OF PEACE, DISARMAMENT AND DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN)	DIRECTOR LEGAL
7	CUSTOMS HOUSE, TRINIDAD	EGMONT INTERNATIONAL AML/ CFT SUPERVISORY COURSE	THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS	COMPLIANCE & OUTREACH SUPERVISORS & COMPLIANCE OFFICERS
8	BRITISH VIRGIN ISLANDS	ASSESSOR TRAINING	CFATF	DIRECTOR LEGAL, DIRECTOR ANALYTICAL DIVISION
9	HILTON HOTEL, TRINIDAD	ASSESSOR TRAINING	CFATF	DEPUTY DIRECTOR, SUPERVISOR, COMPLIANCE & OUTREACH
10	MINISTRY OF FOREIGN AND CARICOM AFFAIRS, TRINIDAD	UNSCR1540	CARICOM	DIRECTOR LEGAL
11	CUSTOMS AND EXCISE, TRINIDAD	IN-HOUSE TRAINING SESSION ON THE "EQUAL OPPORTUNITY COMMISSION LEGISLATION"	EQUAL OPPORTUNITY COMMISSION	LEGAL OFFICER II



**TABLE 11 (Continued)**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
12	HILTON HOTEL, TRINIDAD	EXPLORING INNOVATION IN TRANSACTIONS AND FINANCING IN THE CARIBBEAN	INTERNATIONAL TELECOMMUNICATION UNION	LEGAL OFFICER II, ANALYST, COMPLIANCE OFFICER
13	MOVIE TOWNE BANQUET AND CONFERENCE ROOM, TRINIDAD	CAPITAL MARKET DEVELOPMENT AND OVERSIGHT	UNITED STATES SECURITY EXCHANGE COMMISSION/ TRINIDAD AND TOBAGO SECURITY EXCHANGE COMMISSION (USSEC/ TTSEC)	COMPLIANCE OFFICERS
14	COURTYARD MARRIOTT HOTEL, TRINIDAD	CONSUMER PROTECTION	CARICOM SECRETARIAT	ADMINISTRATIVE OFFICERS
15	EL SALVADOR	PUBLIC CORRUPTION AND ETHICS	LEA INTERNATIONAL LAW ENFORCEMENT TRAINING AGENCY, USA (EL SALVADOR)	INTELLIGENCE ANALYST
16	FIUTT	FIREWALL TRAINING	ADISTEC	IT DIVISION
17	HILTON HOTEL, TRINIDAD	DIGITAL TRANSFORMATION EVENT	CISCO	INFORMATION SYSTEMS MANAGER & NETWORK ADMINISTRATOR
18	HYATT HOTEL, TRINIDAD	CONFERENCE FOR DATA CENTRES, INFRASTRUCTURE & FACILITIES OPERATIONS MANAGEMENT	INFORMATICS ENGINEERING SERVICES LIMITED	IT DIVISION
19	MICROSOFT, TRINIDAD	MICROSOFT WORKSHOP - SHAREPOINT 2013: ADMINISTRATION	MICROSOFT TRINIDAD AND TOBAGO LIMITED	NETWORK ADMINISTRATOR
20	HYATT HOTEL, TRINIDAD	HYBRID INFRASTRUCTURE AND HPE STORAGE SOLUTIONS SEMINAR	HEWLETT PACKARD	INFORMATION SYSTEMS MANAGER, NETWORK ADMINISTRATOR & DATABASE ADMINISTRATOR



**TABLE 11 (Continued)**  
**STAFF TRAINING**

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/ PROGRAMME	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
21	MICROSOFT, TRINIDAD	SQL SERVER 2012 COMMON TASKS AND SOLUTIONS FOR NON- SQL ADMINISTRATORS	MICROSOFT TRINIDAD AND TOBAGO LIMITED	IT OFFICER
22	MICROSOFT, TRINIDAD	ALWAYS ON HIGH AVAILABILITY AND DISASTER RECOVERY SOLUTIONS	MICROSOFT TRINIDAD AND TOBAGO LIMITED	DATABASE ADMINISTRATOR

**PICTURE 6**  
**GROUP PHOTO OF PARTICIPANTS AT THE EGMONT SUPERVISORY COURSE**



*Participants attending the EGMONT Supervisory Course. Front row: 2nd from left Mr. Nigel Stoddard, Deputy Director FIUTT, next to him Mr. Mark Lalonde of FINTRAC, centre is High Commissioner of Canada, His Excellency Mr. Gérard Latulippe and next to him is the Director FIUTT, Ms. Susan François.*



## CHAPTER VII -

# 2017 AND BEYOND

### 1. HUMAN RESOURCES

For the FIUTT to be an effective operational Unit performing all functions mandated under the FIUA, the FIUTT must have and depend on committed and skilled staff. The present staff complement of the Analysis Division proved insufficient to cope with the steady increase in the number and complexity of STRs/SARs received and the new FATF requirement for Intelligence at the Strategic Level to assist in law enforcement decision making. To this end, approval was granted to increase the staff complement of the Analysis Division by six positions. The recruitment exercise is expected to be completed in early 2017.

As well, the existing staff of the Compliance Division of the FIUTT has had to supervise and monitor for AML/CFT compliance an ever increasing number of entities. The CFATF assessors in the 4<sup>th</sup> MER concluded that *“the scope of entities to be supervised exceeds the capacity of the FIUTT which did not appear to have sufficient resources to properly carry out their regulatory and monitoring functions”*. It is to be noted that the number of entities to be supervised by the FIUTT increased from 1600 at the time of the evaluation to 2288 in this reporting period. Consequently the FIUTT has submitted a proposal for the creation of additional compliance officers.

### 2. INFORMATION SYSTEMS AND TECHNOLOGY PROJECTIONS

Today, organisations are increasingly being required to operate more efficiently and to maximise productivity. For the FIUTT, Information and Communication Technology (ICT) can play a significant role in the collection of financial intelligence, its analysis and dissemination through secure electronic collection and storage of financial data, data

processing, workflow automation and information exchange with relevant stakeholders, resulting in overall improved efficiency and productivity.

The following ICT initiatives are targeted for the next reporting period:

- i. continue with the transformation of FIUTT’s Data Centre into a modern, resilient and secure Data Centre. The first phase disaster recovery solution is at the design and implementation phase and is projected for completion in the second quarter of the next reporting period;
- ii. leverage the Data Centre’s infrastructure to implement a high availability environment for the IDMS. This will facilitate a seamless failover of services in the event that any ICT issues arise. Originally, the high availability environment for the IDMS was estimated for completion in June 2016. However, the Data Centre was only operationalised in June 2016. This initiative is anticipated for completion in the last quarter of the next reporting period;
- iii. pursue the implementation of a secure online reporting solution to provide an efficient system for the collection, retrieval, storage and exchange of information with FIUTT stakeholders. The initiation phase commenced in July 2015 with the completion of a project brief and high level requirements. Conditional upon funding approval the FIUTT estimates completion of the initiation phase by the third quarter, thereby, cementing the outsourcing of development of the solution. This initiative has an expected duration of two (2) years from completion of the initiation phase;



- iv. upgrade FIUTT's website to make it more user-friendly and easier for users to find website content. Initially, this initiative was envisaged to be a complete redesign of FIUTT's website but has now been adjusted to an upgrade of FIUTT's website. This initiative is expected to be completed in the third quarter of the next reporting period; and
  - v. continue to enhance the knowledge and skills of the IT staff to better support the IT initiatives being undertaken.
- the criminalisation of proliferation financing;
  - the criminalisation of foreign terrorist fighters;
  - to widen the powers of the Director of the FIUTT to initiate summary proceedings against entities in breach of FIUA;
  - implementing stricter time limits on notifications to the FIUTT of changes to key personnel; and
  - the implementation of a civil asset forfeiture regime.

### 3. LEGAL PROJECTIONS

The legislative framework on AML/CFT and its effective implementation are an evolving area of law and policy as criminal elements find new and creative ways to adapt their operations and utilise innovative tactics to disguise the movement of illicit funds. The international community has also seen a continued emergence in terrorist acts and criminal organisations bent on destabilising communities and causing loss of life - activities which are likely to have a global impact around the world, including the Caribbean.

Following the 4<sup>th</sup> MER, AML/CFT stakeholders engaged in a review of the POCA, ATA, FIUA and associated Regulations to remedy technical compliance deficiencies towards full compliance with the FATF Recommendations. This legal reform process in AML/CFT commenced almost immediately following the 4<sup>th</sup> MER. With the necessary Executive support, amendments to these various pieces of legislation as well as the creation of new laws for compliance are a priority. Key features in this legislative reform process include:

- beneficial ownership registration;
- compliance oversight for non-profit organisations;

The creation of new laws to address Proliferation Financing and foreign terrorist fighters are critical international obligations in anti-terrorism measures which must be implemented by each United Nations member states.

The commitment to introduce a civil asset forfeiture regime, to undertake a review of the AML/CFT financial obligations framework and to implement a dissuasive sanction regime remain high on the agenda. Likewise, research into the feasibility of reducing cash transactions such as re-issuing high denomination cash notes, the introduction of threshold-based cash transaction reports, or introduction of a cash ceiling in transactions for goods and services are also engaging the attention of relevant stakeholders.

Collectively, these measures will go a long way to strengthen the AML/CFT legal regime, improve operational efficiency and effectiveness of the FIUTT and promote national security, crime detection and prevention in Trinidad and Tobago.



# APPENDIX A

## LIST OF SUPERVISED ENTITIES AND REPORTING ENTITIES

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

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

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

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

	SUPERVISED ENTITIES	REPORTING ENTITIES
LISTED BUSINESS (LBs)		
REAL ESTATE	✓	✓
MOTOR VEHICLE SALES	✓	✓
GAMING HOUSE	✓	✓
POOL BETTING	✓	✓
NATIONAL LOTTERIES ON-LINE BETTING GAMES	✓	✓
JEWELLERS	✓	✓
PRIVATE MEMBERS' CLUB	✓	✓
ACCOUNTANTS	✓	✓



# APPENDIX A (CONTINUED)

LISTED BUSINESS (LBs)		
ATTORNEYS-AT-LAW OR PERSONS PERFORMING THE FUNCTIONS OF AN ACCOUNTANT OR OTHER INDEPENDENT LEGAL PROFESSIONAL. SUCH PERSONS ARE ACCOUNTABLE WHEN PERFORMING THE RESPECTIVE FUNCTIONS SPECIFIED IN THE FIRST SCHEDULE OF THE POCA	✓	✓
ART DEALERS	✓	✓
TRUST AND COMPANY SERVICE PROVIDERS	✓	✓
FINANCIAL INSTITUTIONS (FIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
A BANK LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT;		✓
A FINANCIAL INSTITUTION LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT;		✓
AN INSURANCE COMPANY, AGENT OR BROKER REGISTERED UNDER THE INSURANCE ACT;		✓
A PERSON LICENSED UNDER THE EXCHANGE CONTROL ACT TO OPERATE AN EXCHANGE BUREAU;		✓
A PERSON LICENSED UNDER THE SECURITIES ACT AS A BROKER-DEALER, UNDERWRITER OR INVESTMENT ADVISER;		✓
DEVELOPMENT BANKS, TRUST COMPANIES, MORTGAGE COMPANIES;		✓
ANY OTHER PERSON DECLARED BY THE MINISTER BY ORDER, SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT TO BE A FINANCIAL INSTITUTION FOR THE PURPOSE OF THE POCA.		✓
NON-REGULATED FINANCIAL INSTITUTIONS (NRFIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT;	✓	✓
A PERSON WHO CARRIES ON MONEY VALUE OR TRANSFER SERVICES;	✓	✓
A BUILDING SOCIETY REGISTERED UNDER THE BUILDING SOCIETIES ACT.	✓	✓



# APPENDIX B



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**FINANCIAL INTELLIGENCE UNIT**  
MINISTRY OF FINANCE



## FIU ISSUES SCAM ALERT!!

The Financial Intelligence Unit of Trinidad and Tobago alerts the public of a continuing trend in 'scams' initiated primarily through the Internet. Scam techniques change constantly but retain one common feature – victims are led to believe that they have a chance to obtain a large financial benefit in return for a small up-front payment.

Some scams observed involve **FAKE lottery winnings, conferences, inherited wealth, business opportunities, internet romances, work permit assistance and job offers.**

Citizens of Trinidad and Tobago including senior citizens have fallen victims to these scams and have lost considerable sums.

## S.T.O.P...!!



STOP **SENDING** funds to persons you **DO NOT KNOW**.



STOP **TRANSFERRING** your 'hard earned funds' to persons you **DO NOT KNOW** located in countries abroad based on an email, a letter, a text message, a telephone call or social media contact.



Do not **OFFER** or give your bank account details to persons you do not know. This could be an attempt to use your account for illegal purposes.



**PREVENT** Money Laundering and Financing of Terrorism. **SAY NO** to persons promising 'free' money. It could be an attempt to steal your money, or to use you to launder money by **FRAUD** or **TRICKERY!!**

## Be wise....S.T.O.P!!

Anyone who is aware of fraudulent scams should report it immediately to:

- The Trinidad and Tobago Police Service, Fraud Squad at **Telephone:** 1(868) 625-2310; 1(868) 623-2644 and 1 (868)652-8594 or **Email:** [fraud@tpps.gov.tt](mailto:fraud@tpps.gov.tt).

Dated this 3rd May, 2016

Susan S. François

Director Financial Intelligence Unit





# APPENDIX C

## INSURANCE FRAUD TYPOLOGY

Mr. X has an insurance policy issued for his motor vehicle, TDI 1234, from Company A. Mr. X then proceeds to obtain additional insurance policies on the same vehicle from Company B and Company C. These three insurance policies are all “fully-comprehensive” and all are insured for the same period.

Mr. X. subsequently produces a claim to Company A for his vehicle which was purportedly involved in a motor vehicular accident. Photographs are provided to show the extent of damage to the vehicle and are submitted along with a copy of the Police Report and an estimate for repairs from an auto-body shop. Company A deems the vehicle unrepairable and as such categorised as being “written-off” and proceeds to make a cheque payment to Mr. X.

Mr. X then proceeds to file the identical claim to Company B and Company C with the same accompanying documents. Both Company B and Company C also deem the vehicle unrepairable and “written-off” and both proceed to make payments to Mr. X via cheques.

Further investigations reveal that Mr. X is in collusion with other parties including the auto-body shop where the repair estimates were issued and the valuation provided by the auto-body shop was also deemed to be overestimated. The chart below illustrates the technique.

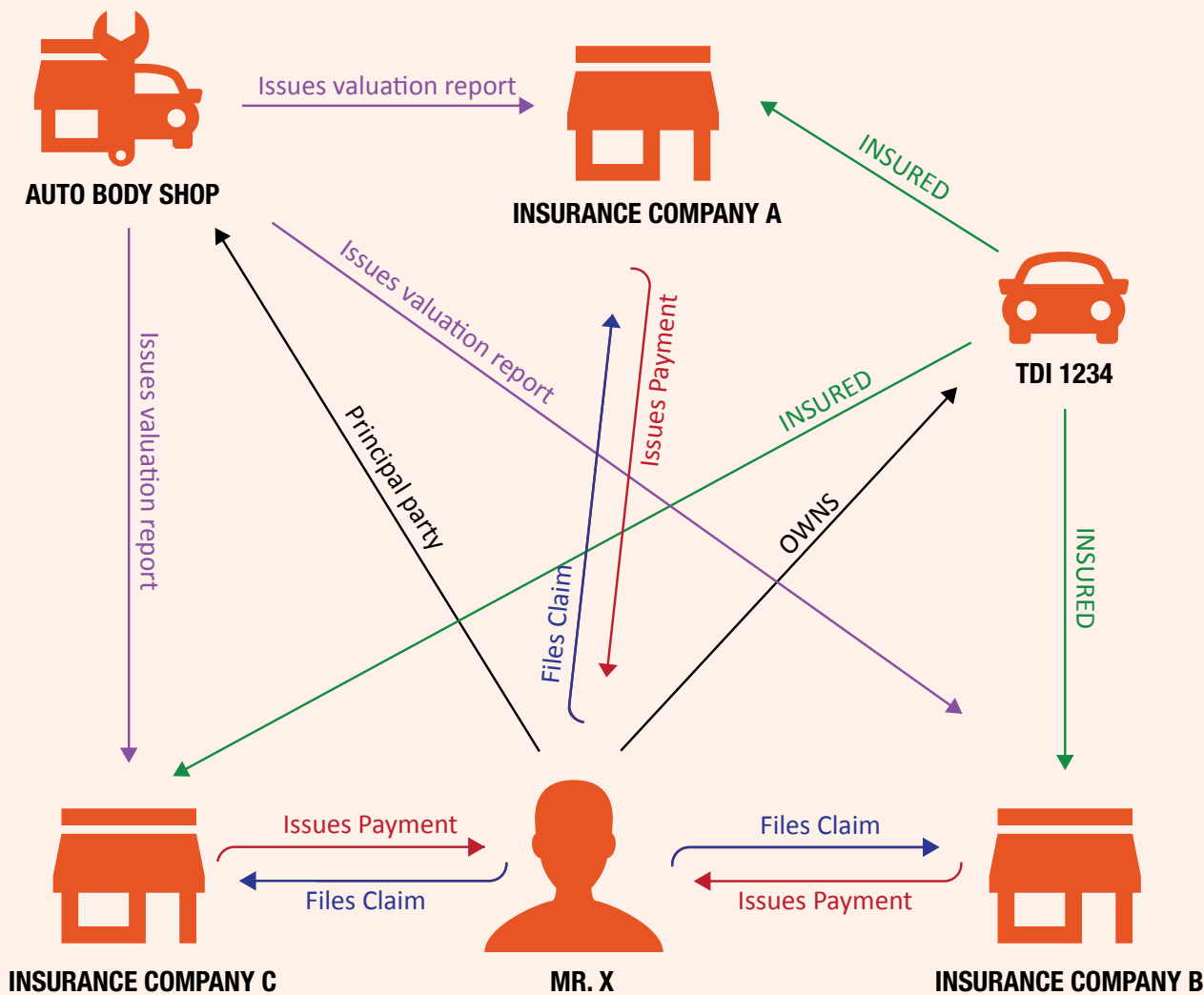
### INDICATORS

- Three insurance policies taken out from different companies on the same vehicle
- Claims submitted to the three different companies for damages to the vehicle arising from the same accident
- Three cheques received from the three companies



# APPENDIX C (CONTINUED)

ILLUSTRATION OF INSURANCE FRAUD TYPOLOGY





# APPENDIX D

## HUMAN TRAFFICKING TYPOLOGY

John's employment record indicates that he is a low income earner and has a personal account at Bank A, which regularly maintains a very small minimum balance. He has multiple addresses and has started a business described as a 'guesthouse and bar'.

John approaches another bank, Bank B, with relevant supporting documents to establish a business relationship and open a business account. However, Bank B denies John's attempt to establish a business relationship due to enhanced customer due diligence measures implemented by Bank B, which took into account several risk factors including the nature of the business activities.

Within a two year period, John frequently deposited large amounts of cash in excess of 1.7 million dollars into his personal account at Bank A. This amount represented an increase in cash deposits into that account of 485%. John is unable to give a reasonable explanation for the large volumes of cash deposited into his personal account and, as a result, Bank A flagged this activity as suspicious. The account balance has been reduced by frequent outgoing wire transfers to a female individual in another jurisdiction and by expenditure on personal items.

John appears to be using his purported "business" as a cover for his nefarious criminal activities. He also attempts to use it to integrate his criminal funds into the legitimate financial system. John was arrested and charged for human trafficking. This technique is illustrated in the chart below.

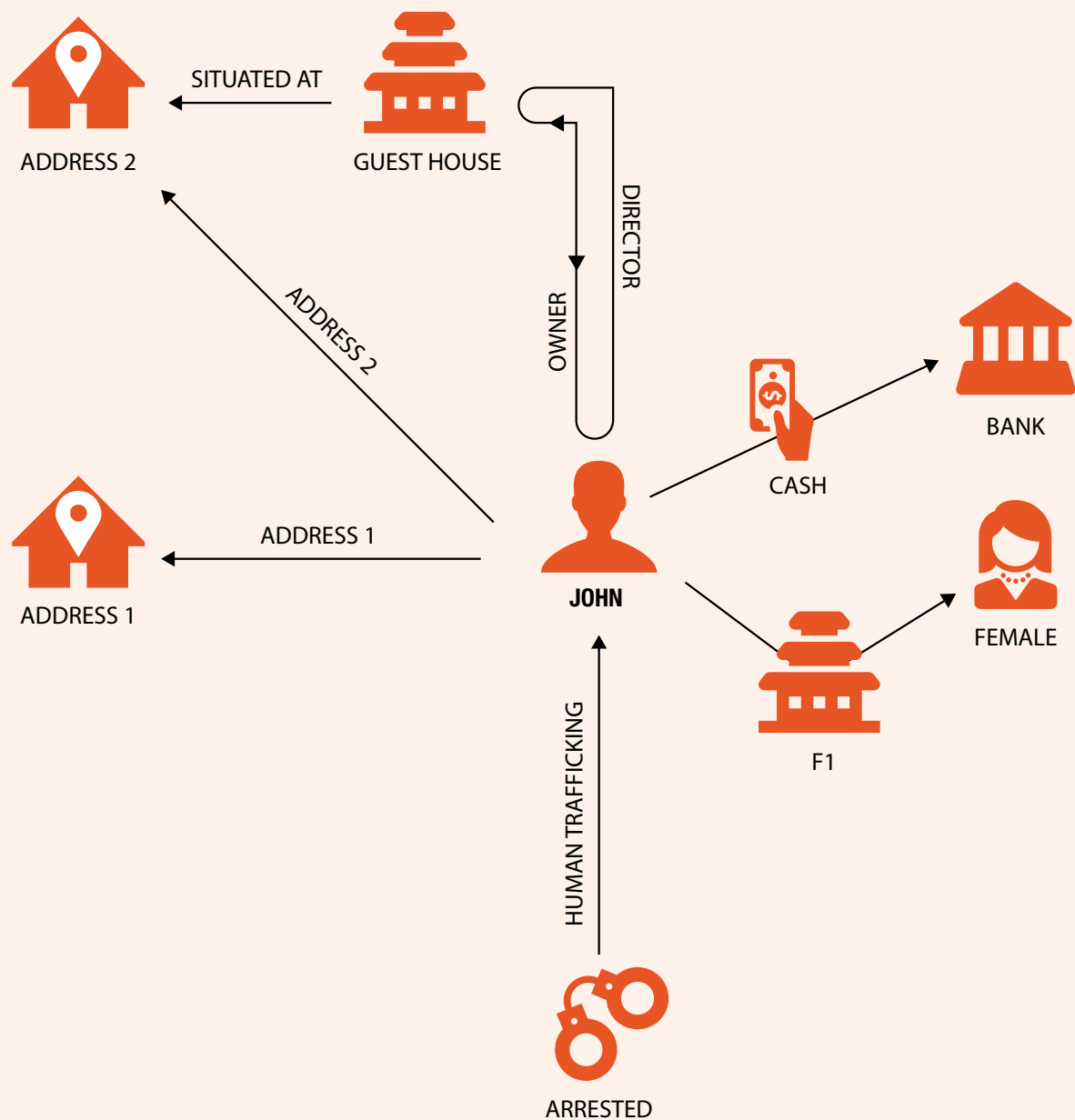
### INDICATORS

- Subject has multiple addresses
- Establishment of a cash-intensive business
- Bank B's refusal to engage in a business relationship with subject on completing its due diligence checks
- Large and frequent deposits of cash in personal account at Bank A which normally maintained a minimum balance
- Frequent outgoing wire transfers to an unrelated female individual in another jurisdiction



APPENDIX D (CONTINUED)

ILLUSTRATION OF HUMAN TRAFFICKING TYPOLOGY





# 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.*

## FINANCING OF TERRORISM

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

## GENERAL ML/FT SUSPICIOUS INDICATORS

GENERAL SUSPICIOUS INDICATORS	ML	FT
Transactions take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate money laundering activities.	✓	✓
The client cannot provide satisfactory evidence of identity.	✓	✓



# GLOSSARY (CONTINUED)

GENERAL SUSPICIOUS INDICATORS	ML	FT
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 <b><u>re-sell property shortly after purchase</u></b> at a significantly different purchase price, without corresponding changes in market values in the same area.	✓	✓
Client wishes to form or purchase a company whose <b><u>corporate objective is irrelevant</u></b> to the client's normal profession or activities, without a 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 <b><u>repeatedly changes attorneys</u></b> within a short period of time without any reasonable explanation.	✓	
Client <b><u>purchases property in names of other persons</u></b> or uses different names on offers to purchase, closing documents and deposit receipts.	✓	
Client deposits large amount of cash with you to make payments and investments on his behalf.	✓	
Client negotiates a purchase but wants to <b><u>record a lower value on documents</u></b> , paying the difference "under the table" (inadequate consideration).	✓	
Client's documents such as identification, income statements or employment are provided by <b><u>an intermediary</u></b> who has no apparent reason to be involved, (intermediary may be the real client).	✓	✓
Client gives power of attorney to a non-relative to conduct large transactions (same as above).	✓	✓
Transaction involves legal entities and <b><u>no relationship seen between the transaction and the business activity</u></b> of the buying company, or the company has no business activity (shell company).	✓	✓



# GLOSSARY (CONTINUED)

GENERAL SUSPICIOUS INDICATORS	ML	FT
Client <b>requests the firm to act as his agents</b> in obtaining high sum bankers' drafts, cashiers' cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from other bank or FIs (anonymity).	✓	
<b>Divergence</b> from the type, volume or frequency of transactions expected in the course of the business relationship.	✓	✓

## BENEFICIAL OWNER

Beneficial owner refers to the natural person(s) who ultimately<sup>3</sup> owns or controls a customer<sup>4</sup> and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

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

## POLITICALLY EXPOSED PERSONS

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

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

## TERRORIST

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

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

<sup>3</sup> Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.

<sup>4</sup> This definition should also apply to beneficial owner of a beneficiary under a life or other investment linked insurance policy.



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

### TERRORIST ORGANISATION

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

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

### PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND ITS FINANCING

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

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

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

### TARGETED FINANCIAL SANCTIONS

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

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









## FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO

Enquiries relating to this report should be addressed to:

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