



The Republic of Trinidad and Tobago

ANALYSIS
Keep Records
NAMLC
EGMONT GROUP
COMPLIANCE
Anti-Terrorism Act

CFATF
Outreach

FIU

On-site Examination

Quarterly Terrorist Reports

Non-Proliferation of Weapons of Mass Destruction

Anti-Money Laundering

Transaction Monitoring FINANCIAL INSTITUTION INTELLIGENCE GATHERING

FINANCIAL OBLIGATIONS REGULATIONS 2010 AML/CFT LEGAL FRAMEWORK

Suspicious Activity Report LISTED BUSINESS Customer Due Diligence

Combatting Financing Of Terrorism

LAW ENFORCEMENT AUTHORITIES Proceeds of Crime Act

NATIONAL RISK ASSESSMENT ENHANCED DUE DILIGENCE

Politically Exposed Persons **FATE** Enforcement

MOUs UN1267

Detect
Deter
EDUCATE STAFF
Compliance Programme

FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO

2014 ANNUAL REPORT





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1,853.90	1,989.09	3,210.78
3,900.22	5,108.03	8,700.78
6,308.73	9,920.88	1,781.97
8,887.93	5,091.99	8,302.04
600.28	5,000.21	8,822.11
1,338.99	8,398.91	2,981.98
5,073.06	3,890.00	9,090.28
3,890.31	1,881.93	1,883.03
268.13	390.13	3,107.00
109.38	8,798.89	498.91
19.88	956.48	9,934.93
97	1,890.99	3,470.37
98	6,701.38	2,430.18
8	3,881.03	6,940.83
	3,440.38	1,703.08
	3,377.41	7,983.83
	8,867.80	5,418.73
	2,319.89	8,081.93
	25	1,638.99
		3,920.09
		7,833.93
		7,551.71
		8,909.88





GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

FIU Ref: INF/1380/2014/pg

October 30, 2014

Senator the Honourable Mr. Larry Howai
Minister of Finance and the Economy
Ministry of Finance and the Economy
Level 8
Eric Williams Finance Building
Independence Square
PORT OF SPAIN

Dear Minister,

Re: Letter of Transmittal

I have the honour to submit the Annual Report on the operations of the Financial Intelligence Unit for the period October 01, 2013 to September 30, 2014.

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

Yours Sincerely,

Susan S. Francois
Director



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

List of Abbreviations	6	CHAPTER V - INSTITUTIONAL STRENGTHENING	54
Statement of the Director	8	Resources	54
Highlights	10	Information Systems & Technology	54
		Professional Development	54
CHAPTER I - ESTABLISHMENT AND LEGAL FRAMEWORK	11	CHAPTER VI - INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT	57
Implementing Anti-Money Laundering/Counter Financing of Terrorism Standards	11	Egmont Group of FIUs	57
The Financial Intelligence Unit of Trinidad and Tobago	11	CFATF	57
The Supporting Legal Framework	13	FATF	57
The Changing Legal Environment	14	CICAD	58
		Jamaica Bankers' Association	
CHAPTER II - ANALYTICAL DIVISION	15	2 nd Annual AML/CFT Conference	58
Core Functions	15	Barbados AML/CFT Training and Outreach Session	58
Statistics	15	CHAPTER VII - PROJECTIONS FOR THE YEAR 2014/2015	59
Requests for Information	24	Human Resources	59
Feedback to the Reporting Entities	25	IT Projections	59
Trends and Typologies	25	Strategic Analysis	59
		The 4 th Round Mutual Evaluation	60
CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS	28	APPENDIX A	61
AML/CFT Obligations	28	APPENDIX B	63
Registration of Supervised Entities	28	APPENDIX C	65
Compliance	30	GLOSSARY	66
Co-operation with Stakeholders	32		
Enforcement	34		
Awareness and Training	35		
FIUTT Online	40		
CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION	42		
Building Partnerships	42		
Domestic Co-Operation	42		
FIUTT In Partnership	47		
International AML/CFT Co-Operation	48		
MOUs with Foreign FIUs	51		

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
AAL	Attorney-at-Law
ACT	Accountant
AD	Art Dealer
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
ATA	Anti-Terrorism Act, Chapter 12:07
BIR	Board of Inland Revenue
CBTT	Central Bank of Trinidad and Tobago
CFATF	Caribbean Financial Action Task Force
CICAD	Inter-American Drug Abuse Control Commission
CP	Compliance Programme
CCULTT	Co-operative Credit Union League of Trinidad and Tobago
CU	Credit Union
DNFBPs	Designated Non-Financial Businesses and Professionals
FATF	Financial Action Task Force
FSRB	FATF Style Regional Bodies
ICRG	International Co-operation Review Group
FI	Financial Institution
FIB	Financial Investigations Branch
FT	Financing of Terrorism
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
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ICT	Information and Communication Technology
IDMS	Intranet and Document Management Solution
IT	Information Systems & Technology
LEA	Law Enforcement Authority
LB	Listed Business

LIST OF ABBREVIATIONS (CONTINUED)

ABBREVIATION	MEANING
MER	Mutual Evaluation Report
ML/FT	Money Laundering/Financing of Terrorism
MNS	Ministry of National Security
MOU	Memorandum of Understanding
MV	Motor Vehicle Sales
MVTS	Money or Value Transfer Services
NCCT	Non-Cooperative Countries and Territories
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
STR/SAR	Suspicious Transaction Report/ Suspicious Activity Report
TCSP	Trust and Company Service Providers
TFR	Terrorists Funds Report
TTPS/FIB	Trinidad and Tobago Police Service/Financial Investigations Branch
TTSEC	Trinidad and Tobago Securities and Exchange Commission
UN	United Nations
UN 1267	United Nations Security Council List
UNSCR	United Nations Security Council Resolution

STATEMENT OF THE DIRECTOR

This is the FIUTT's Fifth Annual Report. This report describes the operations of the FIUTT as a major actor in the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) regime for the period commencing October 1, 2013 to September 30, 2014.

While other major actors in the AML/CFT regime operate through deterrence and detection, investigation, prosecution and assets recovery, the FIUTT operates from Suspicious Transaction/Activity Reports and voluntary disclosures. Its operating environment is therefore different and is based on a culture of discretion enshrined in legislation, practices and procedures. The FIUTT has a duty to protect the information it acquires and so information exchange and the sharing of intelligence are conducted within defined parameters.

During this reporting period, the FIUTT consciously expanded its programme of activities in order to propel further growth in the fulfilment of its legal mandate. The FIUTT heightened its compliance monitoring and enforcement activities and increased the number of outreach and awareness sessions. More cases were referred to Law Enforcement Authorities for investigation in keeping with the FIUTT's policy to share intelligence in a timely manner.

Outreach and awareness sessions were again focused on improving the quality and quantity of Suspicious Transaction/Activity Reports. Special attention was paid to Reporting Entities which were not reporting or perceived to be under-reporting. As well, sector specific Guidance Notes were published for Non-Regulated Financial Institutions, the Gambling Sector, the Art Sector and Trust and Company Service Providers. With these publications the FIUTT has now provided all 15 sectors it supervises with written guidance to support more effective compliance with their AML/CFT obligations.

The above efforts generated noticeable successes. A definite responsiveness in Suspicious Transaction/Activity Report filings from the Listed Business and Credit Union sectors was observed. The quality of the Suspicious Transaction/Activity Reports improved and a greater awareness of suspicious indicators was

evident as the reports better identified the reason for the suspicion which warranted the filing.

The FIUTT continued to pursue enforcement action against Supervised Entities which failed to meet the required compliance and reporting standards. While the mere initiation of enforcement action against an entity usually results in a positive compliance effect, in this reporting period, the FIUTT escalated its enforcement action against two entities which had failed to comply with its directives. Court Orders were successfully obtained to compel compliance.

More Intelligence Reports were submitted to the Law Enforcement Authorities for investigation in this reporting period. The cases analysed clearly show an increasing complexity in Money Laundering methods. Various complex organisational structures operating across borders; methods aimed at continuously moving assets; splitting transactions; the use of repository accounts whereby withdrawals immediately follow deposits and the use of intermediaries were some of the Money Laundering techniques observed.

The FIUTT contributes to global AML/CFT efforts through systems that allow for the rapid exchange of information and intelligence mainly through its participation in the activities of the Egmont Group of Financial Intelligence Units, having been admitted as a member on July 3, 2013. To further its international co-operation efforts, the FIUTT has signed six Memoranda of Understanding with foreign Financial Intelligence Units. As well, the FIUTT entered into Memoranda of Understanding with the domestic Supervisory Authorities, the Central Bank of Trinidad and Tobago and the Trinidad and Tobago Securities and Exchange Commission, to further intensify its working relationships with these agencies which have important AML/CFT compliance functions enshrined in legislation. These Memoranda of Understanding will facilitate the exchange of information and intelligence on a reciprocal basis to assist in investigation, prosecution or in compliance supervision.

Combatting Money Laundering, Financing of Terrorism and other serious crimes inevitably poses challenges to authorities worldwide, more so since



STATEMENT OF THE DIRECTOR (CONTINUED)

the perpetrators of such crimes seek to exploit weaknesses in the legislative and institutional framework. In this reporting period, significant progress was made to our AML/CFT landscape with amendments to the principal AML/CFT laws. Critical amendments included redefining the offence of Money Laundering to make it easier to prove; widening the pool of criminal activity for which assets can be confiscated and cash seized; providing for the creation and management of a Seized Assets Fund; increasing the penalties for Financing of Terrorism and lightening the administrative burden on the FIUTT with respect to approving compliance programmes. These amendments set the stage for more effective implementation of our AML/CFT laws in accordance with international requirements.

The effective implementation of the FIUTT's AML/CFT mandate relies strongly on the capacity and capability of the resources supporting the Unit. Staff equipped with the necessary skill sets can better perform their responsibilities. Therefore, the provision of adequate funding for training opportunities directly affects the performance of the Unit's responsibilities under its legal mandate. However, with its limited financial resources, efforts were made to train staff to perform at even higher levels of competency. In this reporting period training events included advanced financial investigation, intelligence gathering techniques, strategic analysis, Financial Action Task Force (FATF) standards training and the World Bank facilitated National Risk Assessment.

At the regional level, the FIUTT has been actively assisting its counterparts in practical AML/CFT compliance training. The FIUTT hosted compliance staff from the British Virgin Islands Financial Investigation Agency on two-week secondment periods. The FIUTT's Director participated in round-table discussions at the Jamaica Bankers' Association 2nd Annual AML/CFT Conference and assisted the Barbados FIU at outreach sessions for Attorneys-at-law and Jewellers. These developments demonstrate the increasing regard that the regional bodies have for the work being done by the FIUTT.

Looking ahead, the FIUTT, as with other AML/CFT stakeholders, is preparing for the FATF Fourth Round Mutual Evaluation. Trinidad and Tobago will be the first Caribbean territory to be subject to assessment in this Fourth Round which is scheduled for January 2015. In this Fourth Round of evaluations, much emphasis will be placed on how well the jurisdiction implemented the FATF Revised 40 Recommendations. The effectiveness of every component of AML/CFT measures such as the laws, prevention and detection measures, financial intelligence, investigations and prosecutions, as well as domestic and international co-operation, will be assessed based on results. Consequently, Trinidad and Tobago with the assistance of the World Bank commenced a National Risk Assessment of its Money Laundering and Financing of Terrorism threats and vulnerabilities.

This National Risk Assessment calls for the participation, contribution and co-operation of all stakeholders in the private and public sectors. The concerted efforts and commitment of all stakeholders to the risk assessment is very critical in ensuring that the results are truly reflective of the Money Laundering and Financing of Terrorism risks faced and for the development of the appropriate mitigating strategies. The National Risk Assessment project is in the data collection and review phase, with an expected completion date of early next year.

The adverse effects of Money Laundering and the Financing of Terrorism on the social and economic fabric of a country cannot be denied. Given the fact that these crimes are intrinsically linked to the commission of other serious and often violent crimes, it is imperative that the relevant authorities give increased focus to investigations and expedite overall enforcement actions. The FIUTT will remain vigilant on the level of compliance by the Reporting Entities with the AML/CFT laws and measures.

Susan S. Francois
Director

HIGHLIGHTS





CHAPTER I - ESTABLISHMENT AND LEGAL FRAMEWORK

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

In an effort to achieve compliance with the international Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) standards set by the Financial Action Task Force (FATF), Trinidad and Tobago has assiduously worked towards establishing and implementing a comprehensive legislative framework aimed at protecting the financial system from the scourge of Money Laundering and Financing of Terrorism (ML/FT).

This has been achieved by implementing a set of cohesive measures which collectively work toward:

- the criminalisation of ML/FT;
- setting up freezing, seizing and confiscation mechanisms;
- imposing mandatory requirements on Financial Institutions (FIs) and certain businesses and professionals aimed at preventing their abuse by criminals;
- the establishment of the Financial Intelligence Unit of Trinidad and Tobago (FIUTT);
- creating an effective supervisory framework; and
- establishing channels for domestic and international co-operation.

2. THE FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO

i. Establishment and Composition

One of the most important components in the fight against ML/FT is the establishment of a Financial Intelligence Unit as required by Recommendation 29 of FATF's Revised 40 Recommendations (previously Recommendation 26 under the 40+9 Recommendations). Recommendation 29 requires each Member State to establish an FIU to serve as a national centre for the receipt, analysis and

dissemination of Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs) and other information and intelligence related to suspected ML/FT activities.

Created by statute in 2009, the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) is the national agency in Trinidad and Tobago responsible for the collection, analysis and dissemination of financial intelligence and information. Additionally, the FIUTT facilitates the exchange of such financial intelligence and information between local and foreign competent authorities. The FIUTT is also the Supervisory Authority for Non-Regulated Financial Institutions (NRFIs) and Listed Business (LB) (collectively referred to as the Supervised Entities) and must therefore ensure that these entities comply with the AML/CFT legal and regulatory requirements.

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

The FIUTT is a department within the Ministry of Finance and the Economy, with its own offices, resources and staff. The Unit became operational in February 2010 upon the proclamation of the Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01 (FIUA).

ii. Structure of the Organisation

The Director, who is the Head of the FIUTT, is responsible for the overall supervision of the department and the implementation of policies with respect to ML/FT in accordance with the FIUA and any other law. The Director, Deputy Director and other officers on the establishment of the FIUTT are appointed by the Public Service Commission. However, the Permanent Secretary of the Ministry of Finance and the Economy may appoint:

CHAPTER I - ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

- other members of staff, after consultation with the Director; and
- consultants and experts, on the advice of the Director, on a contractual basis.

Such appointments must conform to the guidelines for contractual employment issued by the Chief Personnel Officer.

The approved staff establishment comprises 29 officers. For efficiency, the FIUTT is organised into the following three core operational areas:

- Analytical;
- International & Domestic Co-operation; and
- Compliance & Outreach.

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

These core functions are supported by the Information Systems and Technology (IT), Legal and Administrative units.

iii. Functions

The functions and responsibilities of the FIUTT are detailed in the FIUA and the FIUR. Its three core functions are:

- *Receipt and Analysis of STRs/SARs and Dissemination of Intelligence Reports*

The FIUTT receives information on suspicious transactions or activities from Reporting Entities in the form of an STR/SAR. Following the receipt of an STR/SAR, the Analytical Division carries out an analysis after which an analytical report is presented to the Director with a recommendation whether such report should be forwarded to the LEAs on the basis of a reasonable suspicion of ML/FT.

- *The Exchange of Information*

The FIUTT is also required to exchange financial intelligence and information with members of the Egmont Group of FIUs and with foreign FIUs, either spontaneously or on the basis of a request for information. Additionally, the FIUTT is required to co-operate with local and foreign authorities, and affiliates within the intelligence community. To facilitate this purpose, the FIUTT may enter into Memoranda of Understanding (MOUs) which establish the procedures to be followed when information and intelligence is exchanged.

- *Compliance*

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

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

Other areas of responsibility include outreach, training and the provision of guidelines to Reporting Entities so that they understand their obligations under the AML/CFT laws. The FIUTT is also involved in monitoring developments in ML/FT techniques, typologies and trends. Advisories, statistics and feedback also provide assistance to Reporting Entities in developing and implementing effective AML/CFT measures.

iv. The Enabling Legislation

- *Financial Intelligence Unit of Trinidad and Tobago Act*

The FIUA established the FIUTT as the primary institution for the collection and receipt of financial intelligence and information. With a clear mandate to implement the Anti-Money Laundering policies of the FATF, the Unit is also expected to analyse, disseminate, and exchange financial intelligence and information among competent authorities in relation to ML/FT.



CHAPTER I - ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

The FIUTT's remit was expanded in 2011 to include supervisory and monitoring powers for AML/CFT compliance by Supervised Entities. The Unit was also vested with the power to impose administrative sanctions for non-compliance. Further amendments in 2012 clarified that the FIUTT was the sole agency responsible for the receipt and analysis of STRs/SARs and that its responsibilities extended not only to Anti-Money Laundering but also to the combatting of Financing of Terrorism.

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

The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 (FIUR) make provision for the supervision of Supervised Entities. Among other things, the FIUR requires Supervised Entities to register with the FIUTT. All Supervised Entities and FIs (collectively referred to as Reporting Entities) are required to submit STRs/SARs to the FIUTT in accordance with the procedures defined in the FIUR.

3. THE SUPPORTING LEGAL FRAMEWORK

Apart from the FIUA and FIUR, the current AML/CFT legislative framework comprises:

- the Proceeds of Crime Act, Chap. 11:27;
- the Anti-Terrorism Act, Chap. 12:07;
- the Financial Obligations Regulations, 2010;
- the Financial Obligations (Financing of Terrorism) Regulations, 2011.

Each legislative instrument is designed to achieve a range of objectives which are summarised below:

i. The Proceeds of Crime Act Chap. 11:27

The provisions of the Proceeds of Crime Act Chap. 11:27 (POCA) clearly demonstrate Trinidad and Tobago's commitment to combat Money Laundering. The POCA creates the offence of Money Laundering and establishes the procedure through which the proceeds of drug trafficking and other serious crimes may

be confiscated. The ambit of the legislation was further widened and strengthened in 2009 when the following changes were introduced:

- the definition of a specified offence was widened to include all indictable offences whether committed in Trinidad and Tobago or elsewhere;
- Law Enforcement and Supervisory Authorities' powers were strengthened; and
- AML/CFT obligations were extended to LBs.

ii. The Financial Obligations Regulations, 2010

The Financial Obligations Regulations (FOR) came into effect in 2010. The FOR contains the Anti-Money Laundering obligations of Reporting Entities. These obligations include:

- the appointment and training of a Compliance Officer;
- the development and implementation of a Compliance Programme to mitigate Anti-Money Laundering risks;
- the reporting of suspicious transactions or activities related to Money Laundering to the FIUTT; and
- the maintenance of transaction and customer information records.

iii. The Anti-Terrorism Act Chap. 12:07

The Anti-Terrorism Act Chap. 12:07 (ATA) is another critical legislative initiative which was passed in 2005. The Act criminalises terrorism and makes provision for the detection, prevention, prosecution, conviction and punishment of terrorists' activities and for the confiscation, forfeiture and seizure of terrorists' assets. By amendments effected in 2010, 2011 and 2012, the offence of Financing of Terrorism was created and more stringent measures were introduced. These measures, among other things, enable the early identification and freezing of terrorists' assets to prevent the flight and dissipation of the assets used to finance

CHAPTER I - ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

terrorism.

iv. The Financial Obligations (Financing of Terrorism) Regulations 2011

The Financial Obligations (Financing of Terrorism) Regulations took effect in February 2011 to ensure that the obligations stipulated under the FOR apply *mutatis mutandis* to a Reporting Entity in relation to the Financing of Terrorism.

The combined effect of the Acts and the subsidiary legislation is a robust AML/CFT regime designed to deter and detect ML/FT activities through the financial and business sectors in Trinidad and Tobago.

4. THE CHANGING LEGAL ENVIRONMENT

Effectively implemented AML/CFT regimes are essential to protect the integrity and stability of the financial system. As countries around the world seek to mitigate the factors that facilitate financial abuse and criminal economic activity, it has become apparent that international standards and the ensuing domestic legislative frameworks have to be revised in order to remain relevant in the fight against ML/FT.

The Recommendations of the FATF continue to evolve as criminal elements find new and creative ways to adapt their operations and utilise innovative tactics to disguise the movement of illicit funds. In response, the FATF published Revised Recommendations in February 2012.

AML/CFT stakeholders in Trinidad and Tobago engaged in a review of the POCA, ATA, FIUA and Regulations and proposed legislative amendments to ensure full compliance with

the revised FATF Recommendations. The Miscellaneous Provisions (Proceeds of Crime, Anti-Terrorism, Financial Intelligence Unit of Trinidad and Tobago) (No. 2) Bill, 2014 which was passed during the reporting period, will strengthen the AML/CFT legal regime and improve operational efficiency and effectiveness.

Some of the key features of the Bill include:

- the creation of a “stand alone” Money Laundering offence;
- a widened definition of “specified offence”;
- the shifting of focus away from written compliance programmes reviews toward increased compliance examinations.

Amendments to the FOR and FIUR would be laid upon assent of the Bill. One key feature of the proposed revised FOR is the introduction of the concept of the “risk-based approach”. This approach allows Reporting Entities to allocate their finite resources toward those persons or activities which present the highest risk of ML/FT. The intention is to ensure that in spite of limited resources, ML/FT risks are adequately addressed.

CHAPTER II - ANALYTICAL DIVISION

1. CORE FUNCTIONS

The core function of the Analytical Division is to receive STRs/SARs, analyse these reports, and disseminate the financial intelligence to LEAs and other FIUs. The FIUTT is the only authority in Trinidad and Tobago that is authorised under law to receive reports of suspicious financial transactions/activities from Reporting Entities.

It needs to be clarified that the FIUTT conducts financial examinations on the STRs/SARs and other disclosures it receives. The FIUTT therefore collects, assesses and analyses the information it receives from domestic sources including the Reporting Entities and international sources. The analytical report which the FIUTT produces reconstructs the suspected financial crime, explains the laundering techniques used and identifies the movement of the suspicious funds. The analysis is submitted as an Intelligence Report which recommends that the matter be investigated by the relevant LEA.

2. STATISTICS

i. STRs/SARs Submitted

The FIUTT has received 617 STRs/SARs in this reporting period. This was an 11% increase over the 554 STRs/SARs submitted to the FIUTT in the previous reporting period. Significant increases in STR/SAR submissions were noted from FIs in the Banking, Exchange Bureaux and Insurance sectors.

Amongst the NRFIs, the most significant increase was seen in the Co-operative Societies sector which submitted 127 STRs/SARs compared to 20 in the previous reporting year. The Money or Value Transfer Services (MVTs) sector showed a decline in the number of STRs/SARs submitted, from 314 in the previous reporting period to 196 in this reporting period, but the dollar value of the STRs/SARs submitted was higher.

The FIUTT recognised that guidance to MVTs sector was necessary and in this reporting year conducted rigorous awareness/training seminars with specific emphasis on the identification of suspicious transaction/activity and suspicious indicators. The outreach efforts resulted in an improved ability to identify suspicious transactions as well as a better quality of STR/SAR submissions.

With respect to the LB sector, there was a major increase in STR/SAR submissions. 62 STRs/SARs were submitted as compared to 27 in the previous reporting period. Significant increases in STR/SAR filings were observed from Private Members' Clubs (PMCs), Motor Vehicle Sales (MV) and Jewellers. This increase is attributed to training and outreach sessions, increased on-site examinations and deficiency letters issued to the sectors. Table 1 provides a comparative view of STR/SAR submissions from 2010 to the current reporting period.

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

TABLE 1
A COMPARATIVE VIEW OF STR/SAR SUBMISSIONS

REPORTING ENTITIES	2010	2011	2012	2013	2014
Financial Institutions					
Banking	58	151	154	152	188
Exchange Bureaux	0	0	0	3	13
Insurance Co.	1	9	10	3	17
Mutual Funds	19	28	22	26	10
Mortgage Co.	5	14	7	5	3
Security Dealers	1	0	5	4	1
Total FI submissions	84	202	198	193	232
Non-Regulated Financial Institutions					
Co-operative Societies	2	5	16	20	127
Money Value Transfer Service	25	90	38	314	196
Postal Services	0	0	1	0	0
Total NRFI submissions	27	95	55	334	323
Listed Business					
Attorneys-at-Law	0	2	1	6	9
Jewellers	0	0	1	2	14
Motor Vehicle Sales	0	1	3	9	21
Real Estate	0	3	0	3	1
Private Members' Clubs	0	0	0	7	17
Total LB submissions	0	6	5	27	62
TOTAL STR/SAR SUBMISSIONS	111	303	258	554	617

ii. Listed Business STR/SAR Submissions

In 2010, no STRs/SARs were received from the LB sector, but thereafter there was a gradual increase up to the present reporting period, when STRs/SARs from the LB sector accounted for 10% of the total number of STRs/SARs filed. The increase is largely attributed to three sectors - PMCs, MV and Jewellers. It is also clear that MV has shown a consistent increase in their STR/SAR submissions from 2010 to the period

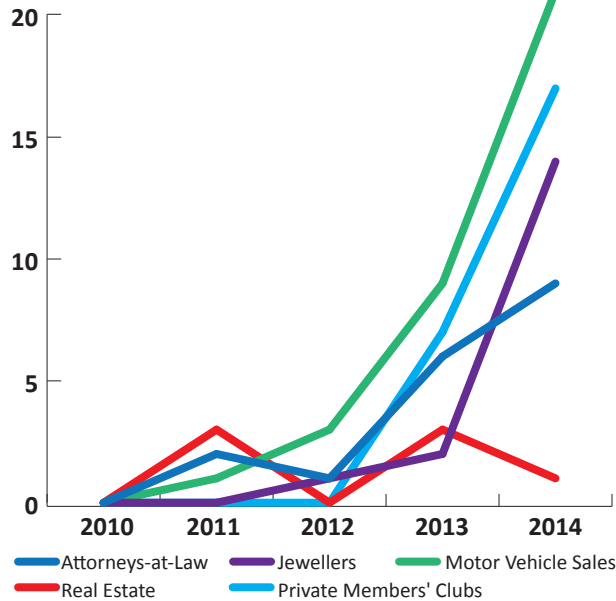
under review. However, the Real Estate (RE) sector needs to improve its submissions as there are 413 RE entities registered with the FIUTT but only one STR/SAR has been submitted.

The efforts by the FIUTT in meeting and engaging the LB sector resulted in their increased STR/SAR submissions. Diagram 1 illustrates STR/SAR submissions by the LB Sector from 2010 to the present reporting period.



CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

**DIAGRAM 1
STR/SAR SUBMISSIONS BY THE LISTED
BUSINESS SECTOR**



iii. Action Taken on STRs/SARs and Reports Disseminated

For the reporting period, 617 STRs/SARs were received, of which 102 are subject to ongoing analysis.

Analysis has been completed on 515 STRs/SARs, which comprise 513 Money Laundering STRs/SARs and two Financing of Terrorism STRs/SARs. Of the 515 analysed, 323 have been filed for intelligence purposes and in-depth analysis was conducted on the remaining 192 STRs/SARs, which generated 131 Intelligence Reports to LEAs.

The FIUTT received five STRs/SARs relating to Financing of Terrorism. Analysis was completed on two Financing of Terrorism STRs/SARs which were forwarded to the Commissioner of Police and ongoing analysis is being completed on the remaining three.

Of significance is the number of Intelligence Reports disseminated to LEAs. For this reporting period, 131 reports were forwarded to LEAs, 32 more than in the previous reporting period.

In analysing STRs/SARs, the FIUTT identifies intelligence which may be of value to local or foreign LEAs or other FIUs, in combatting ML/FT and other serious criminal activity. Such information is disseminated by the FIUTT as Spontaneous Reports which included both ML and FT cases. The FIUTT disseminated a total of 97 Spontaneous Reports, with 45 reports being forwarded to local LEAs and 52 to foreign LEAs and FIUs.

Table 2 shows the number of STRs/SARs received, the action taken and the reports disseminated by the FIUTT.

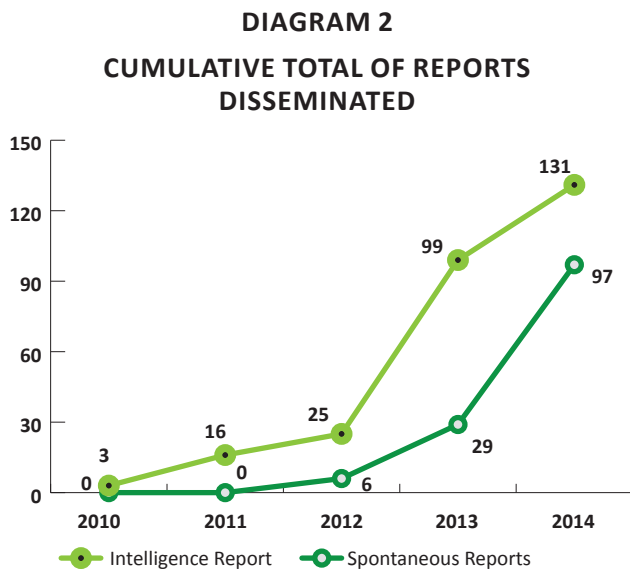
**TABLE 2
ACTION TAKEN ON STRs/SARs RECEIVED**

OCT 1, 2013 TO SEPT 30, 2014												
Action Taken on STRs/SARs				Intelligence Reports to Local LEAs					Spontaneous Reports			
Received	Ongoing Analysis	STR/SAR Analysed	Filed for Intelligence	Suspected Offence	TTPS/FIB	BIR	CUSTOMS	IMM	Local LEA	Foreign LEAs	FIUs	
				ML	78	49	1	1	45	26	26	
				FT	2	0	0	0				
				Total Reports to LEA	80	49	1	1				
617*	102	515	323	131					97			

* Includes Attempted Transactions as discussed in "Analysis of STRs/SARs by Dollar Value."

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

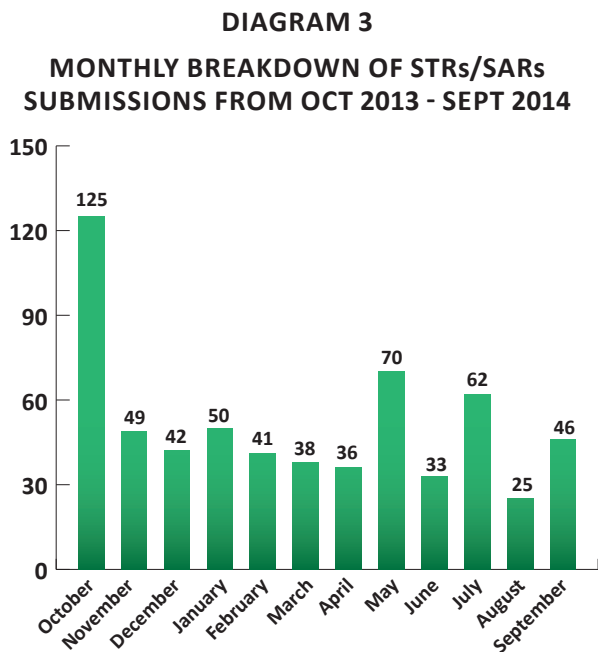
From 2010 to the current reporting period, a collective total of 406 Intelligence Reports including Spontaneous Reports were disseminated to the relevant LEA or foreign FIU. Diagram 2 represents the cumulative total of reports disseminated to date.



iv. Monthly STR/SAR Submissions

In the reporting period, the average number of submissions per month was 51 STRs/SARs. The month of October showed a significant outlier with 125 STRs/SARs received. Of these 125 STRs/SARs, 86 were submitted by the MVTs sector. Conversely, the month of August showed the lowest submission of STRs/SARs with only 25 being submitted.

It is important to note that although an STR/SAR was received in a given month, the suspicious transaction/activity may not have occurred in the month of submission. For example, an activity may have occurred in a particular month which triggered the monitoring of a transaction/activity. In light of this, retrospective due diligence may have then been initiated for previous months which confirmed the suspicion. Upon confirmation, an STR/SAR would then be submitted. Diagram 3 shows the monthly breakdown of STR/SAR submissions from October 2013 to the present reporting period.





CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

v. Analysis of STRs/SARs by Dollar Value

Reporting Entities are required to report suspicious transactions which are completed as well as transactions which are not completed. Transactions which are not completed are called **attempted transactions**.

In the period under review, 617 STRs/SARs were submitted with a total monetary value of TTD 698 million. This value includes both completed and attempted transactions.

Of the 617 STRs/SARs submitted, 577 were completed transactions. The monetary value of these 577 STRs/SARs was TTD 565 million. This shows an increase of TTD 281 million from the previous reporting period.

In this reporting period, 41 STRs/SARs were submitted on attempted transactions. The monetary value of the attempted transactions was TTD 133 million. In the previous reporting period, the monetary value for attempted transactions was TTD 1.12 billion.

Table 3 provides a breakdown of STR/SAR submissions and their monetary value by categories of Reporting Entities.

Table 4 takes a look at the monetary value of suspicious transactions by currency type.

These dollar values are rounded to the nearest million.

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

TABLE 3
STR/SAR SUBMISSIONS - OCT 2013 TO SEPT 2014

Indicator	Financial Institutions					
	Banks	Security Dealers	Mortgage Co.	Exchange Bureaux	Insurance Co.	Mutual Funds
No. of Completed ML STRs/SARs	171	1	3	13	13	8
Value (TTD) of Completed ML STRs/SARs	506,105,478	6,400,000	3,035,000	1,808,913	686,490	990,568
No. of Completed FT STRs/SARs	1	0	0	0	0	0
Value (TTD) of Completed FT STRs/SARs	159,440	0	0	0	0	0
No. of Attempted ML STRs/SARs	15	0	0	0	4	2
Value of Attempted ML STRs/SARs	105,938,171	0	0	0	2,420,107	19,000
No. of Attempted FT STRs/SARs	1	0	0	0	0	0
Value of Attempted FT STRs/SARs	0	0	0	0	0	0
Value of Attempted ML & FT STRs/SARs	105,938,171	0	0	0	2,420,107	19,000
Total No. of STRs/SARs	188	1	3	13	17	10
Total Value (TTD) of STRs/SARs	612,203,089	6,400,000	3,035,000	1,808,913	3,106,597	1,009,568

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

TABLE 3
STR/SAR SUBMISSIONS - OCT 2013 TO SEPT 2014

Categories of Reporting Entities									
Non-Regulated Financial Institutions		Listed Business							
Co-operative Societies	Money Value Transfer Service	Attorneys-at-Law	Jewellers	Motor Vehicle Sales	Real Estate	Private Members' Clubs	TOTAL YEAR 2014	TOTAL YEAR 2013	
119	193	8	10	21	0	11	571	551	
17,646,906	18,997,429	1,986,199	112,064	4,379,025	0	2,521,082	564,669,154	284 M	
0	3	0	0	0	0	0	4	2	
0	168,030	0	0	0	0	0	327,470	2,441,000	
8	0	1	4	0	1	6	41	29	
860,451	0	18,625,610	54,490	0	5,350,000	1,000	133,268,829	1.12 B	
0	0	0	0	0	0	0	1	1	
0	0	0	0	0	0	0	0	0	
860,451	0	18,625,610	54,490	0	5,350,000	1000	133,268,829	1.12B	
127	196	9	14	21	1	17	617	554	
18,507,357	19,165,459	20,611,809	166,554	4,379,025	5,350,000	2,522,082	698,265,453	1.674 B	

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

TABLE 4
MONETARY VALUE OF STRs/SARs BY CURRENCY TYPE

Reporting Entities	Monetary Value							Total Monetary Value TTD (Million)
	TTD (Million)	CAD	USD	BDS	EUR	GBP	JPY	
Financial Institutions	331,286,613	0	45,052,858	1,200,000	345,000	0	1,256,439	628
Non-Regulated Financial Institutions	37,049,640	23,250	111,380	0	0	1300	0	38
Listed Business	29,902,462	0	478,600	0	0	0	0	32
Total Value By Currency	398,238,715	23,250	45,642,838	1,200,000	345,000	1300	1,256,439	698

1 CAD equivalent to TTD 5.66

1 USD equivalent to TTD 6.42

1 BDS equivalent to TTD 3.30

1 EUR equivalent to TTD 8.69

1 GBP equivalent to TTD 10.13

1 JPY equivalent to TTD 0.063

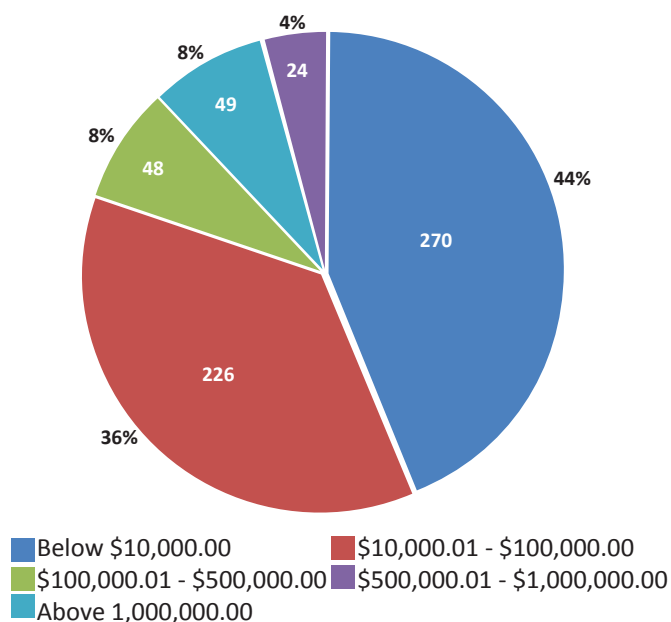
vi. Low Dollar Value of STRs/SARs

Trinidad and Tobago's laws require suspicious transactions/activities to be reported to the FIUTT regardless of the value of the transaction. Trends indicate that suspicious transactions do not always involve high-dollar values. In some sectors small to medium dollar value transactions are carried out more frequently than high-value transactions. Also, Financing of Terrorism activities usually involve numerous small transactions.

High dollar value transactions over TTD 1 million accounted for only 8% of the total STRs/SARs submitted. Conversely, 80% or 496 of the 617 STRs/SARs submitted, carried dollar values of TTD100,000.00 and less. Diagram 4 is an analysis of the dollar value of STRs/SARs submitted.

DIAGRAM 4

ANALYSIS OF STRs/SARs BY DOLLAR VALUE





CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

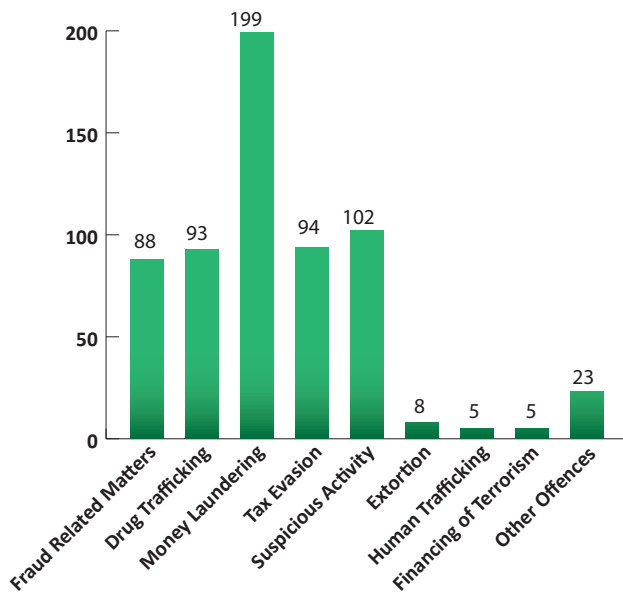
vii. Suspected Offences, Geographical Location and Occupation/Profession

- *Analysis of STRs/SARs by Suspected Specified Offences*

In analysing an STR/SAR, the suspected specified offence is identified. During the review period Money Laundering was identified as the suspected specified offence for 199 of the STRs/SARs analysed. Suspicious Activity accounted for 102 of the submissions. A Suspicious Activity is an activity for which a clear specified offence cannot be identified from the analysis of the STR/SAR. Tax Evasion and Drug Trafficking were suspected in 94 and 93 of the STRs/SARs analysed respectively. Diagram 5 gives the breakdown of suspected specified offences identified for this review period.

DIAGRAM 5

BREAKDOWN OF STRs/SARs BY SUSPECTED SPECIFIED OFFENCES



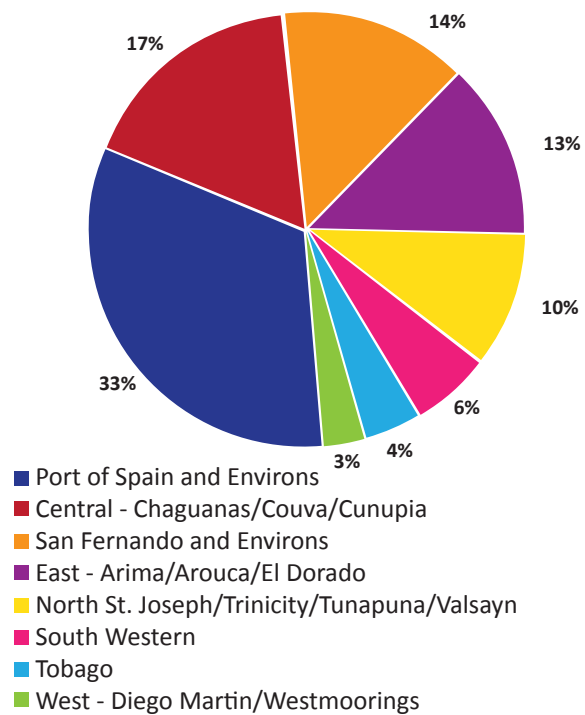
- *Analysis of STRs/SARs by Geographical Location*

The FIUTT receives STRs/SARs from various FIs and LBs throughout Trinidad and Tobago. The most STR/SAR submissions were received from Reporting Entities located in Port of Spain and environs which accounted for 33%. 17% of the

STR/SAR submissions were from Central Trinidad, while 14% were from San Fernando and environs. It is noteworthy that there was a significant increase in the submission of STRs/SARs from East Trinidad - 13% in the period under review, compared to 7% in 2013. See Diagram 6.

DIAGRAM 6

ANALYSIS OF STRs/SARs BY GEOGRAPHICAL LOCATION

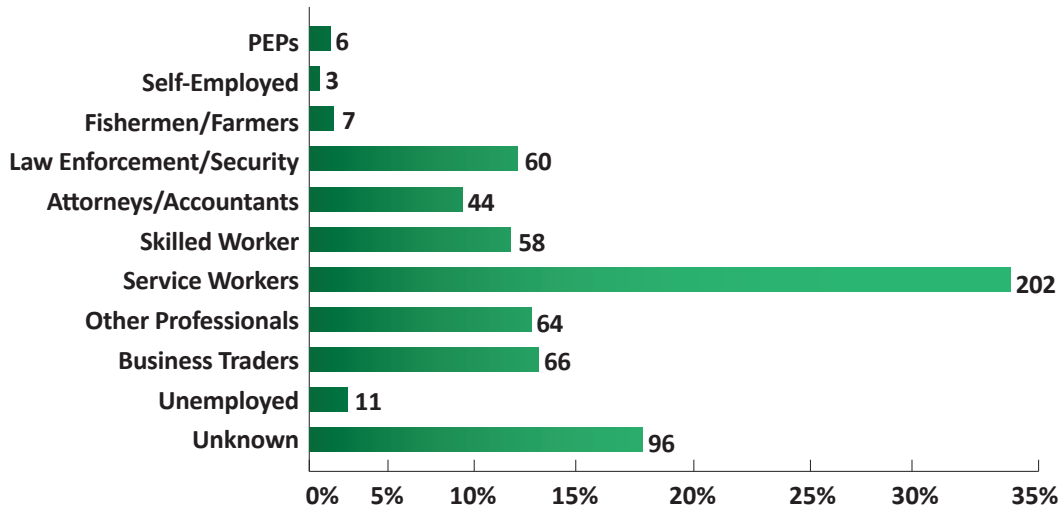


- *Analysis of STRs/SARs by Occupation/Profession*

Analysis of STRs/SARs by occupation/profession showed that Service Workers (Domestics/Hairdressers/Barbers/Customer Service Representatives) accounted for the largest percent, that is 33% or 202 persons, who were reported for suspected suspicious transactions. Attorneys-at-Law/Accountants accounted for 8% or 44 persons. Other professionals (Bankers/Teachers/Senior Company Officials/Consultants) accounted for 11% or 64 persons who were reported. It is to be noted that Law Enforcement/Security accounted for 10% or 60 persons and Politically Exposed Persons (PEPs) accounted for 1% or six persons who were reported for suspected suspicious transactions. See Diagram 7.

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

DIAGRAM 7
ANALYSIS OF STRs/SARs BY OCCUPATION/PROFESSION



3. REQUESTS FOR INFORMATION

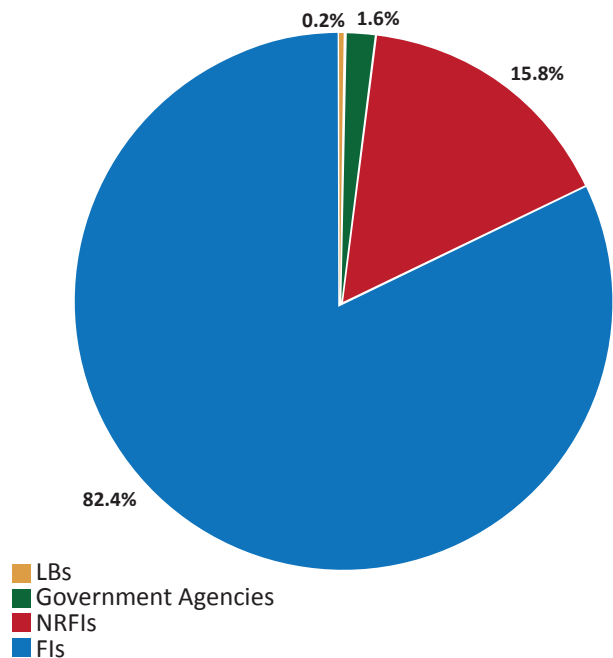
The powers granted to the FIUTT facilitate the gathering of information from FIs and LBs, as well as information from the Central Bank of Trinidad and Tobago (CBTT), any public authority and any authority specified by or under a treaty for co-operation provided for under the FIUA.

In this reporting period, a total of 1071 requests for information were made by the FIUTT. Of these requests, 883 or 82.4% were made to FIs, 170 or 5.8% were made to NRFIs and one was made to LB.

The FIUTT also sent 17 requests for information to Government Agencies relating to specified categories of offences.

Diagram 8 below illustrates the requests made by the FIUTT.

DIAGRAM 8
REQUESTS FOR INFORMATION





CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

4. FEEDBACK TO THE REPORTING ENTITIES

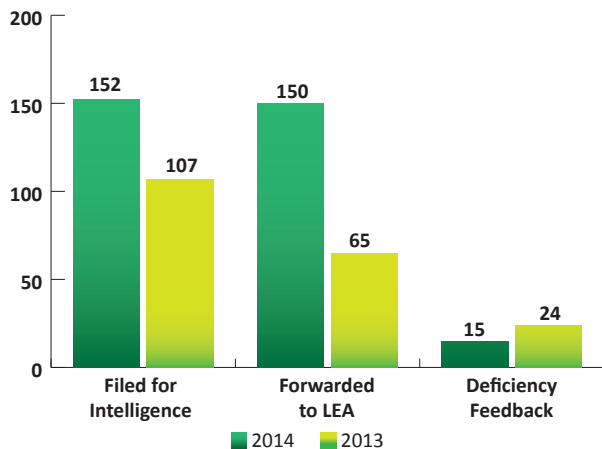
The FIUTT gives feedback to an entity which has reported an STR/SAR. The nature of the feedback provided can be broadly categorised into the following two areas:

- i. Special Feedback - states the action taken on the STRs/SARs submitted by the Reporting Entity and the outcome of the matter. These actions include “Filed for Intelligence”, “Forwarded to LEA” or a directive for “Continued Monitoring”; and
- ii. Deficiency Feedback - attempts to assist the Reporting Entity in improving the quality of its submissions and/or compliance with their regulatory obligations.

The FIUTT issued 302 Special Feedback letters and 15 Deficiency Feedback letters. Diagram 9 below shows a comparative view of feedback sent to Reporting Entities for the reporting period ending in 2013 and the period under review.

DIAGRAM 9

COMPARATIVE VIEW OF FEEDBACK SENT TO REPORTING ENTITIES



5. TRENDS AND TYPOLOGIES

The FIUTT has observed the following trends and patterns of Money Laundering activities:

i. Emerging Trends

The FIUTT has observed increased indicators of identity fraud and identity theft. Individuals are being solicited via email and text messages to use their bank accounts to receive and send funds to persons who are not known to them. Persons who are soliciting the funds appear to be in countries in Europe and Africa.

ii. Continuing Trends

- *Repatriation of funds*

Non-nationals, who are resident in Trinidad and Tobago, are sending frequent and large amounts of money to their home countries by wire transfers to both family and non-family members. The funds are being wired through FIs and MVTs providers.

- *Real Estate Purchases*

There has been an increase in the number of persons, both local and foreign, purchasing real estate with cash. In some instances, the purchaser may be acting on behalf of a third party.

- *Intra-island Money Transfers*

Intra-island money transfers continued with an expanding network of senders across the country transferring funds via MVTs to individuals in close proximity to the senders’ location. The funds remitted are usually under TTD 500.

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

iii. Typology

- *Cheque-Kiting*

The FIUTT has observed an increase in an activity identified as Cheque-Kiting over this reporting period. FIs appear most vulnerable to this type of fraud, but this activity may also involve LBs. As with other fraudulent schemes, entities can suffer extensive losses if the activity is not detected early.

Cheque-kiting is a method of illegally obtaining funds, usually from FIs, by taking advantage of the window of time or “float time” for cheques or other financial instruments to be cleared. The kiter (the person engaged in cheque-kiting) may open chequing accounts at different FIs or at different branches of the same FI, or several accounts at different FIs.

The kiter issues a cheque for an amount that is higher than the funds in his account and deposits it into another account. During the “float time”, he issues a second cheque from the account in which the deposit was made and deposits this cheque, either to the first account or another account. By carefully timing deposits and the issuing of cheques, and taking advantage of the time needed for cheques to be cleared, he

creates the impression of having a real balance in each of the accounts. The kiter is thus able to gain access to deposited funds before they are collected by the institution on which they are drawn.

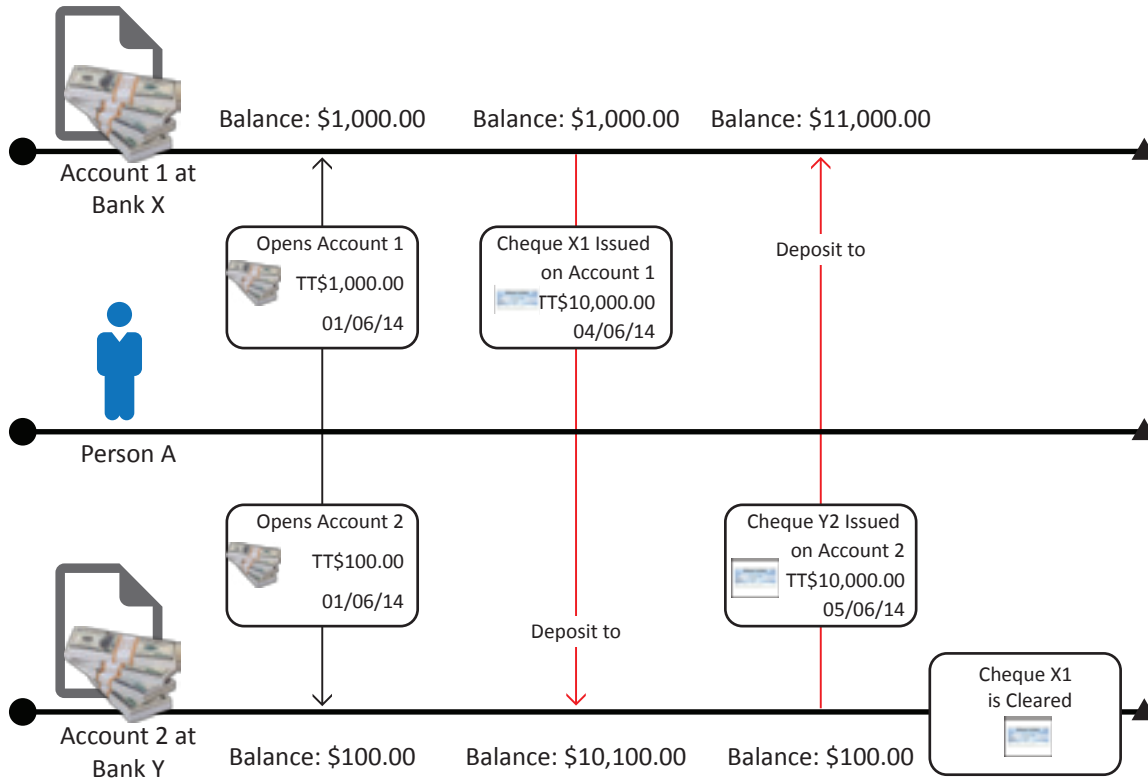
Below is an example of how cheque-kiting works. However, the scheme may be more elaborate involving several FIs and may involve mixing legitimate and fraudulent cheques, which makes the fraud more difficult to detect.

- i. The Customer opens chequing accounts at **Bank X** and **Bank Y**, usually with very small amounts of money.
- ii. The Customer then issues a large cheque against account at **Bank X** and deposits it in **Bank Y**.
- iii. Before the cheque is cleared in **Bank Y**, the Customer issues a cheque of the same amount from **Bank Y** and deposits it into **Bank X**.
- iv. **Bank X** gives the Customer the credit on his account before **Bank Y** clears the Customer’s first cheque.

Diagram 10 is an illustration of cheque-kiting.

CHAPTER II - ANALYTICAL DIVISION (CONTINUED)

**DIAGRAM 10
CHEQUE-KITING ACTIVITY**



CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

1. AML/CFT OBLIGATIONS

Reporting Entities are required to implement policies, procedures and systems to meet their obligations under the AML/CFT legal regime. There are three Supervisory Authorities responsible for supervising and monitoring FIs and LBs in the AML/CFT regime: the FIUTT, CBTT,

Trinidad and Tobago Securities and Exchange Commission (TTSEC). The FIUTT supervises LBs and NRFIs (collectively referred to as 'Supervised Entities') and provides training as well as guidance and feedback on their AML/CFT obligations. Diagram 11 outlines the AML/CFT obligations of all Reporting Entities.

DIAGRAM 11
AML/CFT OBLIGATIONS OF REPORTING ENTITIES



2. REGISTRATION OF SUPERVISED ENTITIES

LBs and NRFIs are required to register with the FIUTT for the purpose of identifying themselves as Supervised Entities. For the year in review, 108 new Supervised Entities registered with the FIUTT, bringing the total number of registrants to date to 1615.

The FIUTT actively pursues those entities which perform the functions of an LB or NRFI but have failed to register with the FIUTT. The measures which the FIUTT adopts include collaborating with other regulatory bodies, sourcing public information and conducting awareness and

outreach programmes to encourage registration. In addition, publication of information on the FIUTT's website and on various media, as well as enforcement action contributed to the number of new registrations.

The RE and MV sectors show the highest number of new registrants at 28% and 24% respectively.

The FIUTT continues to receive requests for de-registration from Supervised Entities which have discontinued operations which brought them within the ambit of the POCA. To date, 139 entities have de-registered from the FIUTT.

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

Table 5 illustrates the number of Supervised Entities that are registered with the FIUTT up to the reporting period.

TABLE 5
NUMBER OF SUPERVISED ENTITIES REGISTERED

		Registration Year			
		2014	2011-2013	TOTAL	
Categories of Supervised Entities	Listed Business	Accountants	1		
		Art Dealers	1		
		Attorneys-at-Law	20		
		Gaming House and Pool Betting	0		
		Jewellers	11		
		Motor Vehicle Sales	26		
		National Lotteries On-Line Betting Games	0		
		Private Members' Clubs	12		
		Real Estate Agents	30		
		Trust and Company Service Provider	3		
		Total Listed Business	104		
	Non-Regulated Financial Institutions	Building Societies	0		
		Co-operative Societies	3		
		Money or Value Transfer Services	1		
		Postal Services	0		
		Total Non-Regulated FIs	4		
		SUB-TOTAL	108	1646	1754
		DE-REGISTRATIONS	-57	-82	-139
		REGISTRANTS TO DATE			1615

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

3. COMPLIANCE

i. Compliance Programmes

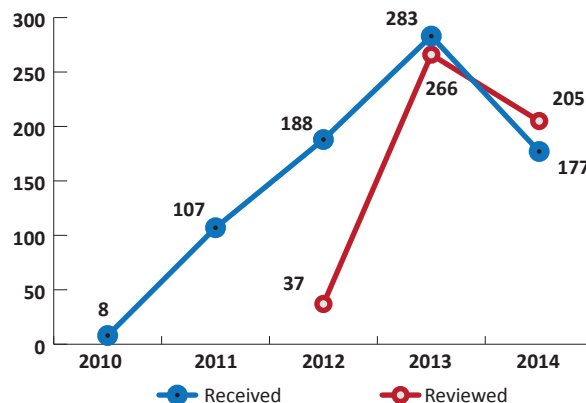
Regulation 31 of the FIUR requires FIs and LBs to develop, implement and submit a Compliance Programme (CP) to the FIUTT for approval in accordance with section 55 (5) of the POCA. However, the existing law has been amended for FIUTT’s approval to be replaced with the entity’s senior management approval. This benefits Supervised Entities by enabling them to be better poised to develop a CP, specific to the risks which they face. The FIUTT can now utilise its resources more effectively to focus on compliance examinations which better assess the effectiveness of the entity’s measures to mitigate ML/FT risks.

For the reporting period, the FIUTT received 177 CPs which brings the total number of CPs received to date to 749. Of this total, 582 CPs were submitted by the LB sectors which represent 77% of the total CPs received.

The FIUTT contributed to the increase in CP submissions through the development of model CPs for use by several sectors. Increased outreach and awareness initiatives as well as enforcement action against entities have also contributed to the steady increase in the number of CPs submitted to the FIUTT. During the reporting period, 205 CPs were reviewed.

Diagram 12 illustrates the comparison between CPs received and reviewed over the period 2010 to the current reporting period.

DIAGRAM 12
COMPARISON BETWEEN CPs RECEIVED AND REVIEWED



ii. Compliance Examinations

The number of compliance examinations conducted by the FIUTT dramatically increased in this reporting period. Through its compliance examinations, the FIUTT ensures that the entities perform their AML/CFT obligations, namely:

- to register with the FIUTT;
- to develop, submit and implement a Compliance Programme;
- to obtain Customer Due Diligence;
- to designate a Compliance Officer;
- to maintain records;
- to train staff; and
- to submit STRs/SARs, QTRs and TFRs to the FIUTT.



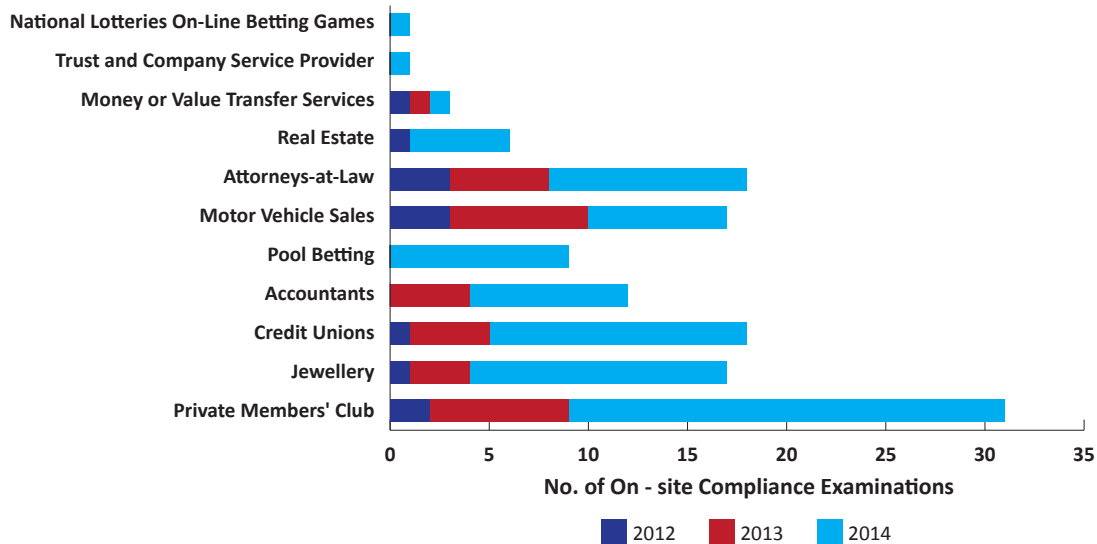
CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

Using a risk based approach, entities are selected for either on-site or off-site compliance examinations dependent on the FIUTT’s assessment. For the year in review, on-site compliance examinations conducted on both high-risk and low-risk entities, increased by 190% - 90 examinations were conducted compared to 31 in the previous reporting period. To date, on-site compliance examinations have been conducted on 52% or 31 of the 60 PMCs registered with the FIUTT.

The FIUTT commenced off-site compliance examinations on entities that are considered low risk. At present, 24 entities have been earmarked for off-site examinations.

Diagram 13 presents a comparative view of the on-site compliance examinations conducted in different sectors over the last three reporting periods.

DIAGRAM 13
COMPARISON OF ON-SITE COMPLIANCE EXAMINATIONS



iii. Approval of Designated Compliance Officer

The Compliance Officer functions as the official liaison between the FIUTT and the entity for which he/she is appointed. Regulation 4(2) of the FOR requires a Supervised Entity to obtain the FIUTT’s approval for the designated Compliance Officer. As a result, a Compliance Officer Fit and Proper Questionnaire must be completed and submitted together with other relevant documents, on which the FIUTT will assess the application.

For the period under review, the FIUTT received 242 Compliance Officer applications and approved 174; the outstanding applications are under review.

iv. Quarterly Terrorist Reporting

In accordance with Section 33 (3) of the ATA every FI shall report every three months to the FIUTT:

- a. If it is not in possession or control of terrorist property, that it is not in possession of control of such property (QTR1); or

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

- b. If it is in possession or control of terrorist property, that it is in possession or control of such property, and the particulars relating to the person, accounts and transactions involved and the total value of the property (QTR2).

FIs are required to assess their customer database against the UN 1267 list. A Quarterly Terrorists Property Reports (QTR1) will be completed where no customer of the FI is named or linked to any person(s) or organisations listed on the UN 1267 list. A QTR 2 form will be completed when the FI has identified a customer on the UN 1267 list.

Banks, Non-Bank FIs, Mortgage Companies and Insurance Companies have been fully compliant with the QTR 1 reporting obligation. The FIUTT will continue to work with the Supervisory Authorities to ensure there is a greater level of compliance by Investment Advisers, Exchange Bureaux and MVTS.

For the period under review, Diagram 14 illustrates the level of compliance by FIs with the QTR1 reporting obligation.

4. CO-OPERATION WITH STAKEHOLDERS

i. Co-operation with Supervisory Authorities

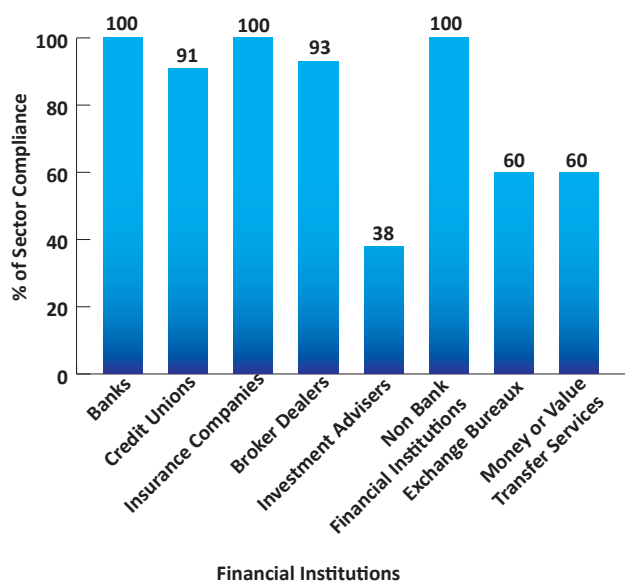
The FIUTT, CBTT and TTSEC are the three Supervisory Authorities with the responsibility for AML/CFT compliance in Trinidad and Tobago. Diagram 15 illustrates each Supervisory Authority and the sectors/entities they supervise.

A major development in supervision is the coordination between the FIUTT and CBTT in the conduct of AML/CFT on-site compliance examinations on the Credit Union sector. Further, during the period under review, the FIUTT consulted with CBTT on the approval process for 32 CPs.

The FIUTT, CBTT and TTSEC continue to collaborate to ensure a strong AML/CFT infrastructure in Trinidad and Tobago. MOUs signed with these authorities in the year under review have formalised the existing collaborative relationship. The FIUTT sees this domestic co-operation as a strengthening of regulatory oversight within the financial industry; a key component in the building of confidence in the financial system and a reinforcement of economic stability.

DIAGRAM 14

QTR1 REPORTING BY FIs





CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

DIAGRAM 15
SUPERVISORY AUTHORITIES AND REPORTING ENTITIES THEY SUPERVISE



CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

ii. Co-operation with Supervised Entities

For the year in review, the FIUTT completed the publication of guidance notes to all sectors under its supervision. Four new guidance notes were published to assist the following sectors:

- Art Dealer;
- Gambling Sector (specific to National Lotteries Control Board, PMCs and Pool Betting);
- Trust and Company Service Providers; and
- Non-Regulated Financial Institutions.

To ensure continued effective communication and co-operation with Supervised Entities, the FIUTT held quarterly working group meetings with representatives of the Supervised Entities.

At the working group meetings the FIUTT was able to address concerns which may affect effective implementation of the Supervised Entities' AML/CFT obligations and provide updates on regional and international developments.

5. ENFORCEMENT

Having achieved positive results in previous reporting periods, the FIUTT continued to pursue enforcement action against Supervised Entities which failed to meet compliance and reporting standards required under the AML/CFT legislative framework.

This reporting period was the first time the FIUTT escalated its enforcement action to the fourth tier. Court Orders were successfully obtained against two entities which had previously been served with directives.

Enforcement action at the first three tiers was initiated against a total of 211 entities during this period. 149 entities or 71% made efforts to comply after the second warning letter. The FIUTT's action was spread across various categories of Supervised Entities including Attorneys-at-Law (AALs), Accountants (ACTs), RE and PMCs.

In the year under review, third level sanctions were applied to 28 Entities who failed to comply with a second warning letter. ACTs, Art Dealer (AD), AALs, Gaming and Pool Betting businesses, PMCs and MVs were among the 28 entities which were directed to take corrective action.

Of these 28 Notices and Directives, 26 were issued as a result of the entities' failure to submit a CP, while the remaining two were issued as a result of both a failure to submit a CP and a failure to register with the FIUTT.

The FIUTT's enforcement action is progressed via a graduated four-tier process consisting of the following steps:

- i. notification of the breach and warning to comply;
- ii. a second notification if the entity fails to respond;
- iii. a notice of hearing is issued if the entity fails to comply. After considering any representations from the entity in breach, the FIUTT may issue a directive instructing the entity to address any identified breach. This directive may be appealed to the High Court; and
- iv. at the fourth and final stage of enforcement action, should the entity fail to comply with the FIUTT's directive, an Order of the High Court may be sought to compel compliance.

Diagram 16 shows the number of entities which were sanctioned by sector and the nature of the breach. Diagram 17 illustrates the number of entities which were subject to the different tiers of enforcement action.

To date, each sector of Supervised Entities has been subject to enforcement action with focus being placed on those entities which pose the highest risk.



CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

DIAGRAM 16

ENFORCEMENT ACTION TAKEN BY SECTOR

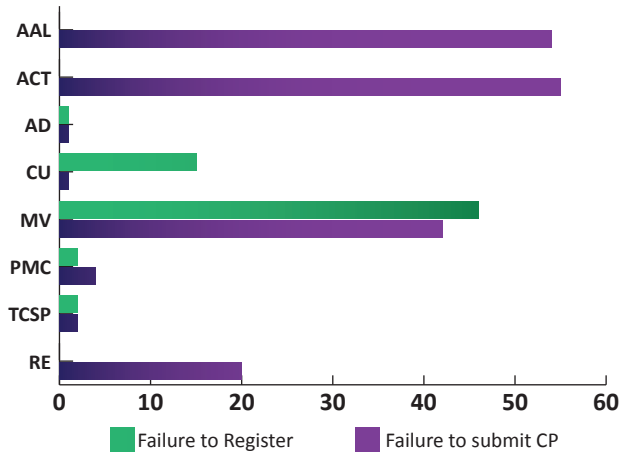
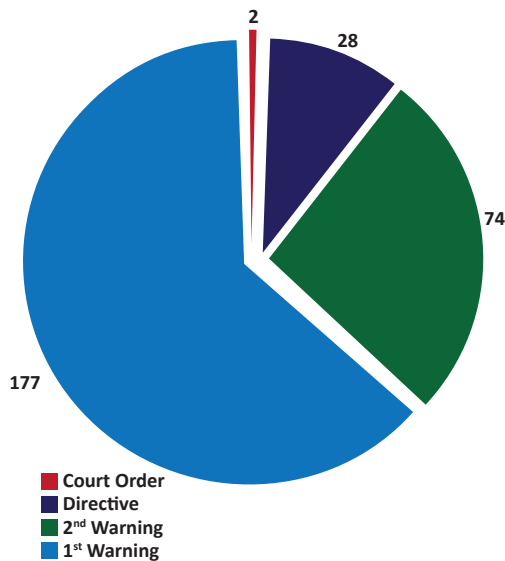


DIAGRAM 17

TYPE OF ENFORCEMENT ACTION UNDERTAKEN



6. AWARENESS AND TRAINING

i. Activities

The FIUTT continues to focus its awareness training and outreach programmes on “Effective STR/SAR Reporting”. This has impacted on the quality and quantity of STRs/SARs submitted by the LB sectors as demonstrated in Chapter II of this report.

In an effort to reach a larger number of participants the FIUTT partnered with representatives of the various Reporting Entities. As a result, 35 AML/CFT awareness training and outreach programmes were conducted with approximately 960 participants from various Reporting Entities. These sessions placed emphasis on the risks associated with each sector. Table 6 illustrates the training and outreach sessions conducted.

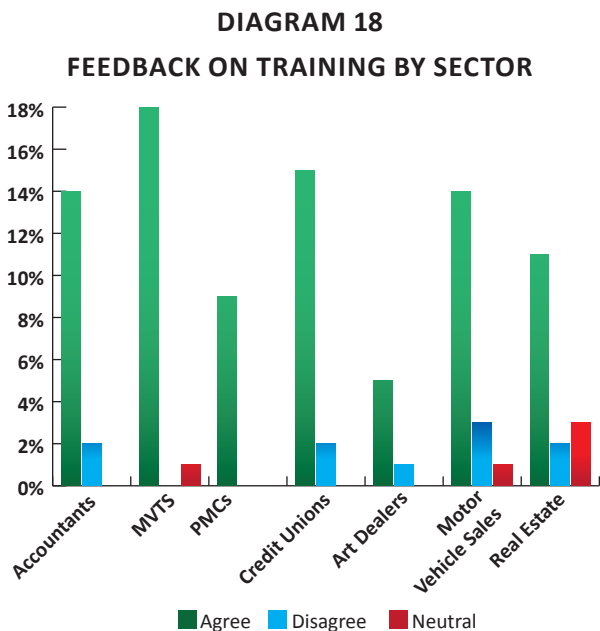
The 4th Annual AML/CFT Compliance Conference was conducted in Tobago on May 19, 2014. There was an overwhelming response which demonstrates a keen interest by Reporting Entities and the general public to understand the AML/CFT obligations. The Tobago House of Assembly and the LB sectors in Tobago continue to partner with the FIUTT to provide an overview of what AML/CFT means to Tobago.

For the period under review, the FIUTT also extended its outreach to the general public by hosting sessions with the Rotary Clubs of Diego Martin and Maraval and the San Juan Business Owners Association. In these sessions, the FIUTT provided general information on AML/CFT awareness.

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

ii. Feedback on Training

The FIUTT receives feedback from participants to determine the effectiveness of programmes conducted. Participants who attended the training sessions provided feedback as to whether the training assisted in their understanding of their role in the AML/CFT regime. 85% of the respondents indicated that the training assisted them in understanding their AML/CFT obligations. Diagram 18 illustrates the results of this feedback according to sectors.



CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

TABLE 6
OUTREACH AND TRAINING SESSIONS CONDUCTED

No.	PLACE AND DATE	ACTIVITY	KEY AREAS OF THE AGENDA	ORGANISED BY/ PRESENTER
1	TRINIDAD October 4, 2013	Awareness - MVTS	STR Reporting	FIUTT
2	TRINIDAD October 25, 2013	Awareness - Exchange Bureaux	STR Reporting	FIUTT
3	JAMAICA October 28, 2013	Speaking Engagement at the 2nd Annual AML/CFT Conference of Jamaica Bankers Association and Jamaica Institute of Financial Services	FIU Roundtable on Prevalent and Emerging Risks	JBA/JIFS/FIUTT
4	TRINIDAD November 8, 2013	Training & Awareness - Hugh Wooding Law School	The Role of Attorneys-at-Law in the AML/CFT Regime	HWLS/FIUTT
5	TRINIDAD November 15, 2013	Training & Awareness -MVTS	Effective STR Reporting	FIUTT
6	TRINIDAD December 2, 2013	Presentation at CFATF 9th AML/CFT Compliance Conference	Risk Based LB Supervision	CFATF/FIUTT
7	TRINIDAD December 3, 2013	Presentation at CFATF 9th AML/CFT Compliance Conference	The Compliance Programme Audit	CFATF/FIUTT
8	TRINIDAD December 4, 2013	Meeting - Financial Institution	Effective STR Reporting	FIUTT
9	TRINIDAD December 11, 2013	Presentation to Financial Institution	Protecting your Company's Assets	FIUTT
10	TRINIDAD January 16, 2014	Awareness - MVTS	STR Reporting/ Compliance Feedback	FIUTT
11	TRINIDAD January 29, 2014	Training and Awareness - Real Estate Sector	Effective STR Reporting	AREA/FIUTT
12	TRINIDAD February 5, 2014	Speaking Engagement -San Juan Business Association	How AML/CFT laws can protect your business	San Juan Business Association/FIUTT

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

No.	PLACE AND DATE	ACTIVITY	KEY AREAS OF THE AGENDA	ORGANISED BY/ PRESENTER
13	TRINIDAD February 24, 2014	Training and Awareness - Motor Vehicle Dealers	Effective STR Reporting	Automotive Dealers Association of Trinidad and Tobago (ADATT)/ Trinidad and Tobago Automotive Dealers Association (TTADA)/ FIUTT
14	TRINIDAD February 26, 2014	Meeting - National Lotteries On-Line Betting Games	Effective STR Reporting/Compliance	FIUTT
15	BARBADOS March 19, 2014	Presentation to Jewellers and Attorneys-at-Law, Barbados	AML/CFT Session for DNFBBPs	Barbados FIU/FIUTT
16	TRINIDAD April 02, 2014	Training and Awareness - The Art Society of Trinidad and Tobago	Role and Function of the FIUTT & Effective STR Reporting	The Art Society of T&T / FIUTT
17	TRINIDAD April 9, 2014	Training & Awareness - CCULTT	Effective STR Reporting	CCULTT/FIUTT
18	TRINIDAD April 14, 2014	Training & Awareness - Rotary Clubs of Diego Martin and Maraval	AML/CFT Compliance	Rotary Club of Diego Martin and Maraval/FIUTT
19	TRINIDAD April 30, 2014	Awareness - Postal Services	AML/CFT Obligations	FIUTT
20	TRINIDAD April 30, 2014	Awareness - Postal Services	AML/CFT Obligations	FIUTT
21	TRINIDAD May 2, 2014	Training & Awareness - Central Finance Facility Co-Operative Society of Trinidad and Tobago Limited	Effective STR Reporting	CFF/FIUTT
22	TOBAGO May 19, 2014	Training & Awareness - Reporting Entities & General Public	Effective STR Reporting	FIUTT
23	TRINIDAD May 22, 2014	Training & Awareness - Private Members' Clubs	Effective STR Reporting	Trinidad and Tobago Members' Club Association/FIUTT

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

No.	PLACE AND DATE	ACTIVITY	KEY AREAS OF THE AGENDA	ORGANISED BY/ PRESENTER
24	TRINIDAD June 11, 2014	Meeting - CCULTT	Compliance Programme Development	CCULTT/FIUTT
25	TRINIDAD June 13, 2014	Meeting- Commissioner of Co-operatives	AML/CFT Compliance - Onsite Examinations	FIUTT
26	TRINIDAD June 16, 2014	Awareness - Postal Services	AML/CFT Obligations	FIUTT
27	TRINIDAD June 21, 2014	Presentation at Anointed Professionals Exhibiting Excellence Conference	Role and Function of the FIUTT & Effective STR Reporting	APEX/FIUTT
28	TRINIDAD July 16, 2014	Training & Awareness - MVTS	Role and Function of the FIUTT & Effective STR Reporting	MVTS/FIUTT
29	TRINIDAD July 19, 2014	Training & Awareness – Central Finance Facility Co-Operative Society of Trinidad and Tobago Limited	4 th Round Mutual Evaluation/ Effective SAR Reporting	CFF/FIUTT
30	TRINIDAD July 21, 2014	Training & Awareness -Accountants & Auditors	Role and Function of the FIUTT & Effective STR Reporting	ICATT/FIUTT
31	TRINIDAD August 4, 2014	Awareness - Attorneys-at-Law	AML/CFT Obligations	FIUTT
32	TRINIDAD August 5, 2014	Awareness - Jewellers	AML/CFT Obligations	FIUTT
33	TRINIDAD September 19, 2014	Presentation at CCULTT Conference	4 th Round Mutual Evaluation	CCULTT/FIUTT
34	TRINIDAD September 22, 2014	Training & Awareness - Private Members' Clubs	Effective STR Reporting	Trinidad and Tobago Members Club Association/FIUTT
35	TRINIDAD September 22, 2014	Awareness - Motor Vehicle Dealer	AML/CFT Obligations	FIUTT

CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

PICTURE 1

TOBAGO 4TH ANNUAL AML/CFT COMPLIANCE CONFERENCE



Photographer: Clement Williams

Section of the audience attending the Tobago 4th Annual AML/CFT Compliance Conference.

PICTURE 2

TOBAGO 4TH ANNUAL AML/CFT COMPLIANCE CONFERENCE



Photographer: Clement Williams

Mr. Raye Sandy, Chief Administrator of the Tobago House of Assembly, addresses the Tobago 4th Annual AML/CFT Compliance Conference.

7. FIUTT ONLINE

During the reporting period, the FIUTT's website (www.fiu.gov.tt) continued to provide updated information to its local and international stakeholders. Several changes were made to improve user navigation through the addition of new menu items. Highlights of updated information include:

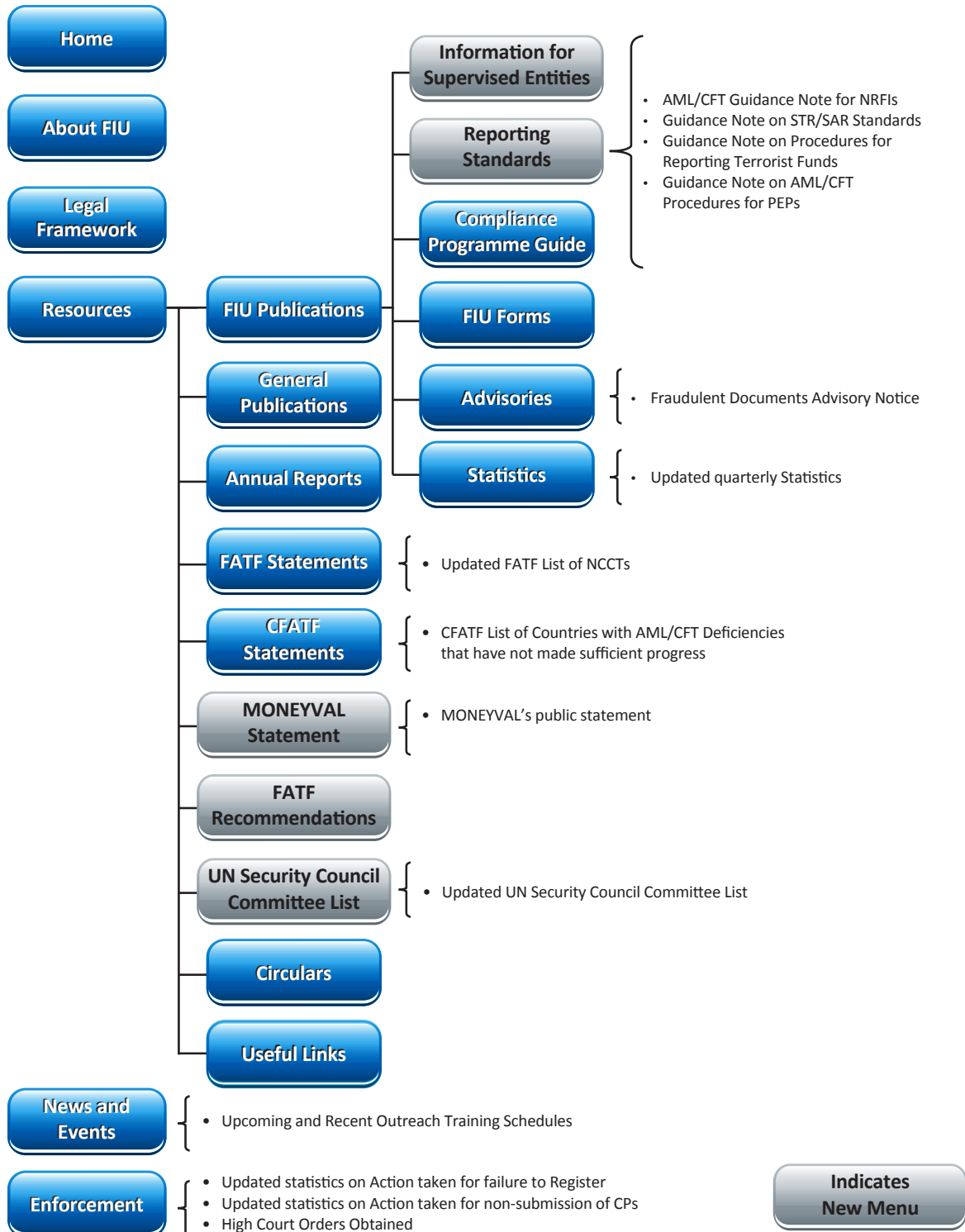
- publication of High Court Orders obtained for Supervised Entities that failed to comply with the FIUTT regulations;
- publication of an advisory notice on the use of fraudulent documents;
- an 'Information for Supervised Entities' navigation menu for easy access to various AML/CFT guidance notes and obligations for Supervised Entities;
- a 'Reporting Standards' navigation menu for quick and easy access to reporting standards such as: *AML/CFT Guidance Note for Non-Regulated Financial Institutions*, *Guidance Note for Suspicious Transaction/Activity Reporting Standards* and *Guidance Note on procedures for reporting Terrorists' Funds*;
- updates to important international notices such as:
 - FATF's List of High Risk and Non-Cooperative Jurisdictions;
 - CFATF's List of Jurisdictions with Strategic AML/CFT Deficiencies;
 - Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) of the Council of Europe public statement; and
 - UN Security Council Sanctions List;
- updates to enforcement initiatives; and
- updated quarterly statistics on STRs/SARs.

Diagram 19 shows the major enhancements and updates to FIUTT's website.



CHAPTER III - SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

**DIAGRAM 19
FIUTT's WEBSITE ENHANCEMENTS**



CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION

1. BUILDING PARTNERSHIPS

The global impact of ML/FT has brought the national and international community together for the exchange of information and the development of expertise on AML/CFT issues. This has resulted in the establishment of AML/CFT committees, units or taskforces by governments nationally and internationally in the fight against money launderers and terrorist financiers.

Accordingly, the FIUTT has established partnerships with various domestic and international agencies for the sharing of financial intelligence which facilitates investigation and prosecution of persons suspected of ML/FT. This synergy is mutually beneficial to LEAs and foreign FIUs in achieving their objectives.

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

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

These meetings proved to be very fruitful in yielding a better quantity and quality of reports and continue to improve the lines of communication between the FIUTT and all its stakeholders.

2. DOMESTIC CO-OPERATION

i. Law Enforcement Authorities

The FIUTT is committed to supporting the efforts of LEAs in combatting ML/FT, through timely dissemination of Intelligence and Spontaneous Reports based on analysis of SARs/STRs. The FIUTT also makes available information in its databases on request.

In order to enhance the operational relationships with the LEAs, in 2011 the FIUTT established a forum to discuss the exchange of intelligence, existing procedures and future approaches necessary to successfully prosecute ML/FT matters. The LEA group comprised officers from the FIUTT, the Financial Investigations Branch (FIB), the Customs & Excise Division, the Immigration Division, the Criminal Tax Investigation Unit (CTIU) and the Office of the Director of Public Prosecution (DPP). Subsequently, a mandate was created to structure the interactions, enhance the quality of information shared amongst the members and to sensitise them about the manner in which FIUTT information is to be handled.

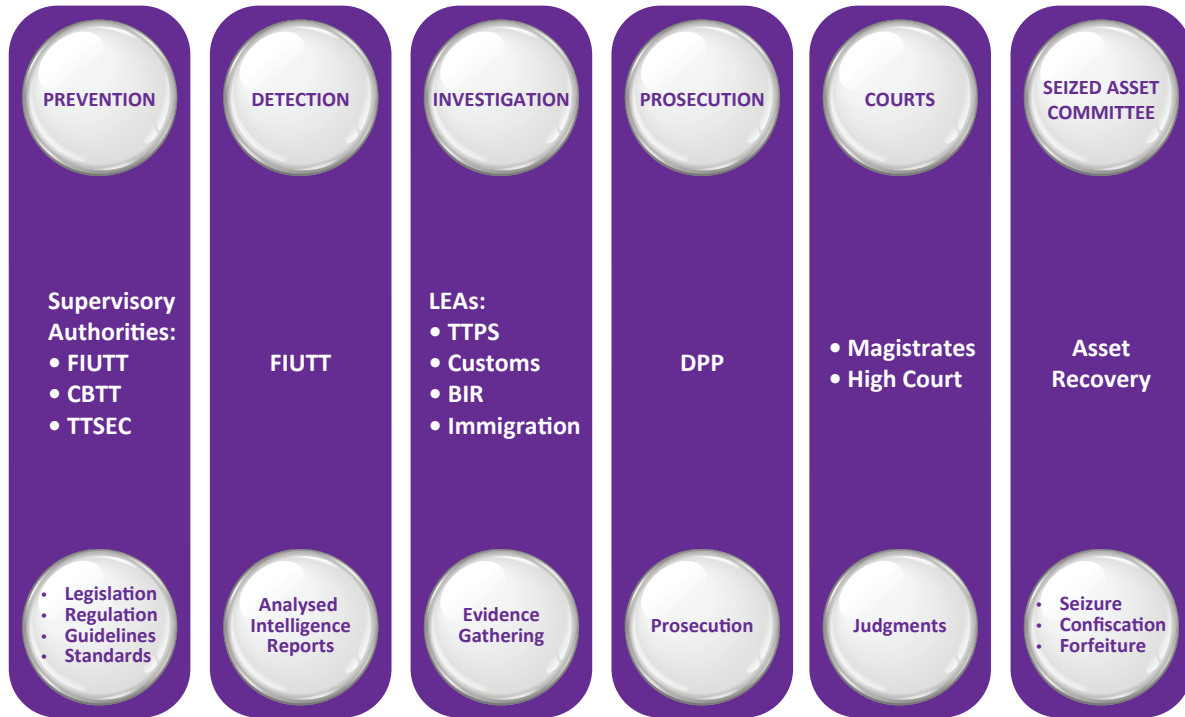
Three meetings were held in the reporting period and the following matters were raised:

- the sharing of intelligence on suspected ML/FT cases;
- new and emerging trends relating to ML/FT matters;
- the collection and analysis of information for the NRA; and
- training opportunities in ML/FT matters.

The AML/CFT Chain of Responsibility is depicted in Diagram 20.

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

**DIAGRAM 20
THE AML/CFT RESPONSIBILITY CHAIN**



ii. Exchange of Information

LEAs require financial intelligence in the course of conducting their investigation into ML/FT or other specified offences. The intelligence provided by the FIUTT assists the LEAs in developing investigative leads to gather evidence to identify new and emerging trends and patterns of criminal activity.

The FIUTT requests LEAs to provide information when analysing STRs/SARs. 23 requests were made to LEAs during the reporting period.

The FIUTT received a total of 54 requests for information from LEAs and responded to 52 requests during the reporting period. The average response time for providing feedback to the LEAs is one month. However, where the request is categorised as urgent the FIUTT provides feedback within three weeks.

Table 7 illustrates the number of requests made and received for the reporting period based on the categories of offences identified. Diagram 21 shows the total number of requests received and sent by the FIUTT from 2010 to the current reporting period.

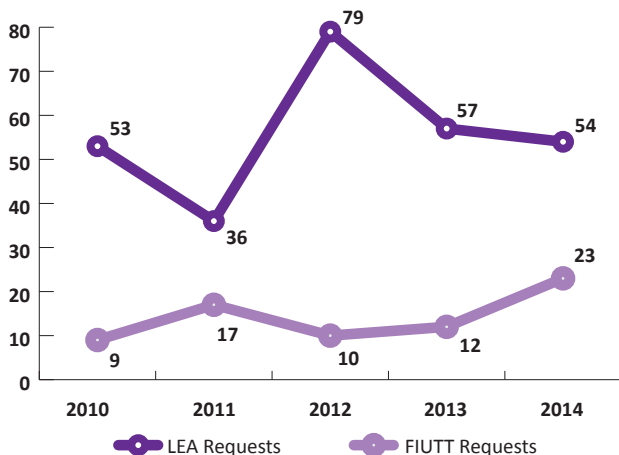
CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)
**TABLE 7
DOMESTIC EXCHANGE OF INFORMATION**

		Predicate Offences Categories										TOTAL PREDICATE OFFENCE ML/FT
		Human Trafficking	Drug Trafficking	Money Laundering	Fraud	Suspicious Activity	Gang Related Activity	Robbery/Theft	Tax crimes	Insider trading and market manipulation	Illegal Quarrying	
Exchange of Information with LEAs	No. of incoming requests received from LEAs	5	17	11	13	0	3	1	0	1	3	54
	No. of incoming requests from LEAs pending	0	2	0	0	0	0	0	0	0	0	2
	No. of Responses sent to LEAs	5	15	11	13	0	3	1	0	1	3	52
	No. of Requests sent to LEAs	0	8	8	0	1	0	1	5	0	0	23
	No. of Responses received from LEAs	0	4	7	0	1	0	1	3	0	0	16



CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

**DIAGRAM 21
DOMESTIC INFORMATION EXCHANGE
2010 - 2014**



iii. Supervisory Authorities

The FIUTT fosters a close relationship with the other Supervisory Authorities that regulate the financial sector for AML/CFT compliance.

In order to develop and strengthen the national AML/CFT regime the three Regulators (FIUTT,

CBTT and TTSEC) have been meeting quarterly during this reporting period. This is in a concerted effort to have common understanding of AML/CFT obligations by ensuring standards in guidelines and industry associations in their reporting obligations under POCA and ATA. The FIUTT has partnered with the CBTT in conducting joint on-site inspections of the Credit Union sector to ensure implementation of their AML/CFT obligations.

On May 21, 2014 the FIUTT signed MOUs with the other AML/CFT Regulators, TTSEC and CBTT, formalising an agreement concerning co-operation and confidentiality of information shared for AML/CFT matters. In her remarks, Director of the FIUTT, Susan François, stated that, *“The signing of these MOUs, therefore, is an acknowledgement of the significance of maintaining and improving regulator to regulator communication and will ultimately improve across the board, exchange of information, thereby enhancing regulatory oversight of all supervised entities in Trinidad and Tobago.”*

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

PICTURE 3 MOU SIGNING BETWEEN FIUTT, CBTT AND TTSEC



Photographer: Andrea De Silva

From L to R. Ms. Susan S François, Director, FIUTT, Mr. Jwala Rambarran, Governor, CBTT and Mr. Patrick Watson, Chairman, TTSEC

iv. The AML/CFT Compliance Unit

Established in April 2010 by Cabinet, the AML/CFT Compliance Unit resides in the Ministry of National Security (MNS) and acts as the secretariat for the National AML/CFT Committee (NAMLC). The Prime Contact to FATF and CFATF is the Minister of National Security. The AML/CFT Compliance Unit is the National Coordinator for AML/CFT matters in Trinidad and Tobago. The FIUTT is one of the committee members of NAMLC.

The Unit's objectives include:

- Advising the Prime Contact, and other relevant Ministries of Government on legislative and administrative responses to FATF's recommendations;
- Advising on the implementation of recommendations emanating from the Mutual Evaluation Report;
- Receiving, analysing and responding to requests and reports from FATF and CFATF; and
- Liaising with key stakeholders on AML/CFT issues.

v. National Risk Assessment

The AML/CFT Compliance Unit is coordinating Trinidad and Tobago's first NRA, which is expected to be finalised in 2015. This exercise is being facilitated by the World Bank and is a requirement of Recommendation 1 of the Revised FATF 40 Recommendations.

The NRA process will take approximately one year and will be carried out in three phases.

- **Phase I:** Training in the use of the NRA tools provided by the World Bank.
- **Phase II:** Completion of the NRA templates and verification of the results.
- **Phase III:** Preparation of the strategic and action plan and national implementation.

The NRA is a comprehensive exercise with a view to understanding ML/FT risks posed to a particular jurisdiction. This requires understanding the criminal activities which generate the most proceeds, the vulnerability of economic and financial sectors to Money Laundering, the weaknesses in the criminal justice and preventative systems, among others. The NRA evaluates whether current AML/CFT laws are sufficiently addressing new threats and whether existing supervision and enforcement methods are adequate.

The NRA will benefit all the AML/CFT stakeholders in Trinidad and Tobago inclusive of public sector agencies, FIs and LBs that are subject to AML/CFT requirements and the wider public, through a clearer articulation of ML/FT risks in Trinidad and Tobago.

vi. The National AML/CFT Committee

The Committee was established in March 2006 and brings together the various government agencies involved in AML/CFT compliance. The Committee is chaired by the Director of the AML/CFT Compliance Unit.



CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

The other committee members include:

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

The Committee's terms of reference include developing strategies to rectify deficiencies identified in the CFATF's MER of 2005 and to engage and consult with stakeholders to strengthen Trinidad and Tobago's AML/CFT regime. The Working Groups of the Committee are the Legislative Working Group, Supervisors & Regulators Working Group and the Law Enforcement Working Group. The Supervisors & Regulators Working Group has been meeting on a monthly basis on AML/CFT policy aligned to the FATF Revised Recommendations.

3. FIUTT IN PARTNERSHIP

i. National Drug Council

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

In April 2014, the Director of the FIUTT was appointed to the NDC as one of its members. The FIUTT partners with the NDC through meetings and workshops of the National Drug Information System Team. In the period under review the FIUTT attended four such meetings and workshops by the NDC.

ii. Consultations

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

- the Commissioner of Co-operatives;
- the Registrar of Companies;
- the Trinidad and Tobago Chamber of Commerce;
- the Police Complaints Authority;
- the Co-operative Credit Union League of Trinidad and Tobago;
- the Association of Co-operative Credit Union Presidents of Trinidad and Tobago;
- the Institute of Chartered Accountants of Trinidad and Tobago; and
- the AML Sub-committee of the Bankers Association of Trinidad and Tobago.

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

4. INTERNATIONAL AML/CFT CO-OPERATION

i. Foreign FIUs and LEAs

The FIUTT recognises new threats posed to our financial systems by the ever evolving ML/FT techniques and therefore places emphasis on co-operation with our foreign counterparts and LEAs.

The FIUA provides for exchange of information in relation to all legitimate requests, whilst adhering to the Egmont Group of FIUs best practices on exchange of information in a safe and secure manner. During this reporting

period, the FIUTT received a total of 24 requests for assistance from Foreign FIUs and LEAs and responded to 22 (or 92%) of those requests. In analysing information, the FIUTT made 17 requests for information to foreign FIUs and LEAs.

The FIUTT's response time varies from seven days, if the request is urgent, to an average of six weeks.

Table 8 represents of the exchange of information with the FIUTT and foreign FIUs and LEAs. Diagram 22 illustrates the exchange of information for the period 2010 to 2014.

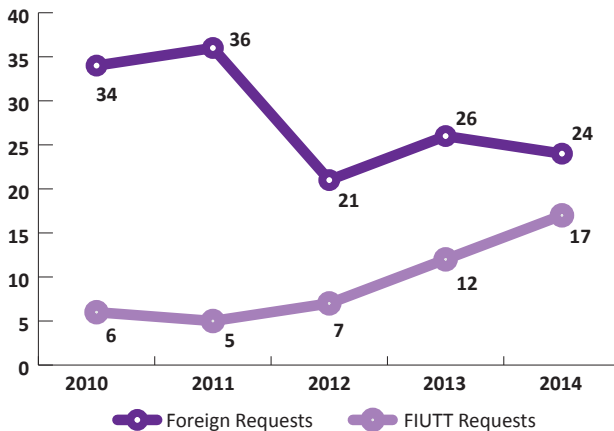
CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

TABLE 8
INTERNATIONAL EXCHANGE OF INFORMATION

	Predicate Offences Categories							TOTAL PREDICATE OFFENCE ML/FT	
	Terrorism	Money Laundering	Drug Trafficking	Corruption/ bribery	Fraud	Suspicious Activity	Tax Crimes		
	Incoming Requests								
Exchange of Information with foreign FIUs and LEAs	Incoming requests from foreign FIUs	1	14	3	1	1	1	0	21
	Incoming requests from foreign FIUs pending	0	1	0	0	0	0	0	1
	Incoming requests from foreign LEAs	0	0	0	0	0	0	3	3
	Incoming requests from foreign LEAs pending	0	0	0	0	0	0	1	1
	Total No. of Requests from Foreign FIUs & foreign LEAs	1	14	3	1	1	1	3	24
	Responses sent to foreign FIUs & LEAs	1	13	3	1	1	1	2	22
		Outgoing Requests							
	Outgoing requests to foreign FIUs	0	5	9	0	1	0	0	15
	Outgoing requests to foreign FIUs pending	0	1	5	0	0	0	0	6
	Outgoing requests to foreign LEAs	0	0	1	0	0	1	0	2
	Outgoing requests to foreign LEAs pending	0	0	1	0	0	0	0	1
	Total No. of outgoing requests to foreign FIUs & foreign LEAs	0	5	10	0	1	1	0	17
	Responses received from foreign FIUs & foreign LEAs	0	4	4	0	1	1	0	10

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

DIAGRAM 22
INTERNATIONAL EXCHANGE OF INFORMATION 2010 - 2014



ii. The Financial Action Task Force

The FATF is an inter-governmental body established in 1989 to develop standards for combatting ML/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 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.

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

iii. 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 29 states of the Caribbean Basin, which have agreed to implement common countermeasures to address the problem of ML/FT. Its main objective is to achieve effective implementation of FATF's Recommendations within the region. The CFATF Secretariat is hosted by the Government of Trinidad & Tobago. See www.cfatf-qafic.org

iv. Egmont Group of FIUs

The goal of the Egmont Group is to provide a forum for FIUs around the world to improve co-operation in the fight against ML/FT and to foster the implementation of domestic programs in this field. See www.egmontgroup.org

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

Given the highly sensitive information that is exchanged by FIUs, FIUTT utilises the Egmont Secure Website (ESW), a secure communication network which allows the FIUTT to access financial intelligence from 146 FIUs around the world. For the reporting period, the FIUTT has received and sent requests using this ESW secure system. (Table 9)

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

TABLE 9
ESW INFORMATION EXCHANGE
WITH OTHER FIUS

	2013	2014
Number of Requests made to FIUTT	4	21
Number of Requests made by FIUTT	2	14

5. MOUS WITH FOREIGN FIUS

The FIUTT may enter into written agreements (MOUs) with foreign FIUs for the exchange of information on a reciprocal basis relative to assisting in an investigation or prosecution of an ML/FT or any other predicate offence. The MOU enhances networking and co-operation with foreign FIUs and LEAs.

In the year under review, the FIUTT signed MOUs with six foreign FIUs namely Bangladesh, Bermuda, Canada, Sint Maarten, Suriname and Taiwan. The FIUTT has signed MOUs with 10 foreign FIUs to date (Table 10).

Negotiations are ongoing with the FIUs of Grenada, South Africa, Australia and Sri Lanka. It is expected that these and other MOUs will be finalised in the next reporting period.

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
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

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

PICTURE 4

MOU SIGNING AT CFATF XXXVIII PLENARY IN BAHAMAS



From L to R. Ms. Susan S François, Director, FIUTT and Ms. Ligia M.I. Stella, Director, FIUSXM

PICTURE 5

MOU SIGNING AT CFATF XXXVIII PLENARY IN BAHAMAS



From L to R. Ms. Susan S François, Director, FIUTT and Ms. Martha M. Creeburg-Monkou, Acting Director, FIU Suriname

CHAPTER IV - NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

PICTURE 6

MOU SIGNING AT CFATF XXXVIII PLENARY IN BAHAMAS



From L to R. Ms. Susan S François, Director, FIUTT and Mr. Sinclair White, Director, FIA Bermuda

PICTURE 7

MOU SIGNING AT EGMONT 22ND PLENARY IN PERU



From L to R. Mr. Abu Hena Mohd. Razee Hassan, Deputy Governor & Head, FIU Bangladesh and Mr. Nigel Stoddard, Deputy Director, FIUTT

PICTURE 8

MOU SIGNING AT EGMONT 22ND PLENARY IN PERU



From L to R. Mr. Nigel Stoddard, Deputy Director, FIUTT and Ms. Su-Hua (Pam) Feng, Acting Director, AMLD Taiwan

CHAPTER V - INSTITUTIONAL STRENGTHENING

1. RESOURCES

While the FIUTT's Analytical Division was fully staffed in the last reporting period, the Compliance and Outreach Division is still to be effectively resourced. This deficiency is highlighted in the statements of the CFATF in Trinidad and Tobago's Follow-Up Reports. The CFATF latest report stated *that while some measures have been put in place, "some of them are problematic, such as the supervisory function of the FIU which from the start has posed an enormous challenge given resources and the number of listed businesses."*

The FIUTT proposals for increased staffing were not implemented due to budget deficiencies and delays in obtaining certain approvals. Staff in the IT Division was particularly depleted and this delayed the commissioning of the IDMS and Data Centre among other IT-related activities.

2. INFORMATION SYSTEMS & TECHNOLOGY

For the reporting year, the IT Division's Information and Communication Technology (ICT) initiatives were focused mainly on two (2) key projects; its Intranet and Document Management Solution (IDMS) and the development of a modern Data Centre. Additionally, ground work began on an initiative to enhance security of FIUTT's information assets.

When operational, the IDMS will facilitate efficient document management, improve

search and retrieval of documents, generate statistics and foster collaboration among staff. This project is in its testing phase and should be operational in the next reporting year.

The Data Centre will also be commissioned in the next reporting period, as the servers and other IT equipment have already been acquired. This infrastructure will also support an efficient and effective disaster recovery solution.

3. PROFESSIONAL DEVELOPMENT

The FIUTT continues to enhance its effectiveness by adopting initiatives to strengthen its skill base. Staff in each of its divisions i.e. Analytical, IT, Legal, Administrative and Compliance and Outreach, were afforded training opportunities.

Training was provided in the following areas:

- Advanced Financial Investigative Techniques;
- Strategic Analysis;
- Intelligence Gathering and Analysis;
- Cabinet Note Preparation;
- MER Assessors' Training;
- Conflict Resolution;
- Risks in the Banking Sector;
- Collaboration and Co-operation among LEAs;
- FATF Standards Training; and
- New Payment Methods and Financing of Terrorism.

Details are provided in Table 11.

CHAPTER V - INSTITUTIONAL STRENGTHENING (CONTINUED)**TABLE 11
STAFF TRAINING**

NO	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME/COURSE	ORGANISER/PRESENTER	PARTICIPANTS FROM THE FIUTT
1	Freeport, Bahamas	Implementation Of UN Security Council Resolution 1374	Commonwealth Secretariat/UN Counter-Terrorism Committee Executive Directorate (CTED)	Director & Senior Legal Officer
2	Hyatt Hotel, Trinidad and Tobago	CFATF's 9th Annual AML/CFT Conference	CFATF	Deputy Director, Director, Compliance & Compliance Outreach Division & Compliance Officers
3	REDTRAC, Jamaica	Intelligence Gathering and Analysis	Caribbean Regional Drug Law Enforcement Training Centre (REDTRAC)	Analysts
4	Crowne Plaza, USA	Strategic Analysis	The Egmont Group of FIUs	Director & Director, Analytical Division
5	Hyatt Hotel, Trinidad and Tobago	National Risk Assessment Workshop	MNS	Director, Deputy Director, Heads of Divisions & Compliance Officers
6	Capital Plaza, Trinidad and Tobago	CFATF's Pre-Assessment Training - 4th Round ME	CFATF/MNS	Director, Deputy Director, Heads of Divisions, Compliance Officer, Analysts & Administrative Officer
7	FIUTT	Banking Risks	Bankers Association of Trinidad and Tobago/ FIUTT	Director Analytical Division, Analysts & Compliance Officers
8.	General Secretariat of the Organisation of American States, U.S.A.	XXXVIII Group of Experts for the Control of Money Laundering	Inter-American Drug Abuse Commission (CICAD)	Analyst

CHAPTER V - INSTITUTIONAL STRENGTHENING (CONTINUED)

NO	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME/COURSE	ORGANISER/PRESENTER	PARTICIPANTS FROM THE FIUTT
9	CRMC, Trinidad and Tobago	Mediation Training Skills Workshop	Conflict Resolution and Mediation Centre of Trinidad and Tobago	Director, Compliance and Outreach
10	Institute of International Relations UWI, Trinidad and Tobago	Intelligence, Statecraft and Multi-Dimensional Security in the Caribbean	UWI	Director, Analytical Division
11	Police Academy, Trinidad and Tobago	Advanced Financial Investigation Techniques	U.S. Treasury Office of Technical Assistance	Analysts
12	Cascadia Hotel, Trinidad and Tobago	FATF Standards Training	CFATF	Compliance Officers
13	FIUTT	International and Local Perspective on ML/FT	FIUTT/LEA	Director, Deputy Director, Analysts and Compliance Officers
14	Lima, Peru	22 nd Egmont Plenary	Secretariat of the Egmont Group of FIUs	Deputy Director, Analyst

PICTURE 9

TRAINING IN ADVANCED FINANCIAL INVESTIGATION TECHNIQUES HOSTED BY U.S.A. TREASURY - OFFICE OF TECHNICAL ASSISTANCE PORT OF SPAIN, TRINIDAD SEPTEMBER 2014



From L to R. Facilitator, Gerard Dupczak; Acting DCM, U.S. Embassy, Keith Gilges and Facilitator Robert Nied among the participants.



CHAPTER VI - INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT

The international effort in AML/CFT issues could only be addressed effectively on a multilateral basis. The FIUTT was represented at the following international meetings and conferences during the period under review:

1. EGMONT GROUP OF FIUS

The FIUTT joined the Egmont Group, the internationally recognised Association of FIUs on July 3, 2013. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve co-operation in the fight against ML/FT and to facilitate the secure exchange of financial intelligence with counterpart FIUs thus fostering global partnerships.

The FIUTT participated at the 22nd Egmont Group's 2014 Annual Plenary Meeting which was held in Lima, Peru during June 1 - 6 2014. The Plenary was attended by approximately 320 participants who comprised 115 FIUs for various jurisdictions and 15 International Organisations. The Egmont Group of FIUs currently has 146 members, inclusive of the eight new FIUs that were accepted as members. Furthermore, 60 bilateral co-operation agreements were signed between Egmont members during the week, a clear signal of an ever-increasing willingness for Egmont members to work together across borders in the exchange of information.

The FIUTT was also an active participant at the Plenary by attending various Working Groups and Committee Meetings. This participation allowed for the FIUTT to create working synergies with other FIUs from around the world.

2. CFATF

i. **CFATF XXXVIII** Plenary was held in Freeport, Bahamas during November 17 - 23, 2013. **CFATF XXXIX** Plenary was held in Miami, United States of America during May 25 - 29, 2014. The

delegations which were led by the Honourable Attorney General of Trinidad and Tobago and included staff of the FIUTT, AML/CFT Compliance Unit of the the Ministry of National Security and staff of the CBTT and TTSEC.

The FIUTT participated in the following Working Groups and Meetings:

- Accreditation Working Group;
- Typologies Working Group;
- Working Group on FATF Issues;
- CFATF International Corporation Review Group (ICRG) Working Group;
- Sub-Working Group on CFTAF 4th Round Mutual Evaluation;
- Heads of FIUs Meetings; and
- Plenary Meetings.

3. FATF

FATF Plenary Meeting was held in Paris, France during the period October 16 - 18, 2013. The delegation included staff of the FIUTT and staff of the AML/CFT Compliance Unit of the the Ministry of National Security.

The FIUTT participated in the following Working Groups and Meetings:

- Policy and Development Group;
- Evaluation and Compliance Group; and
- Plenary Meetings.

The outcome is a greater understanding of the issues and guidance being discussed at the different working groups. This information would significantly assist the FIUTT and by extension Trinidad and Tobago in complying with the FATFs' Revised Recommendations.

CHAPTER VI - INTERNATIONAL FORA - STRENGTHENING THE AML/CFT EFFORT (CONTINUED)

4. CICAD

The XXXVIII Meeting of the Group of Experts for the Control of Money Laundering was held in Washington D.C., during the period May 22 - 23, 2014 staff of the delegation comprised FIUTT, DPP, Customs & Excise, AML/CFT Compliance Unit and the FIB. The CICAD Group of Experts for the Control of Money Laundering is the hemispheric forum to debate, analyse and provide conclusions regarding the fight against ML/FT.

5. JAMAICA BANKERS' ASSOCIATION 2ND ANNUAL AML/CFT CONFERENCE

The Director, FIUTT presented at a conference sponsored by the Jamaica Bankers Association in Kingston, Jamaica during the period October 28 - 29, 2013. This conference was an important initiative geared at enhancing the skills-set and expertise of participants in order to appropriately equip them in the fight against ML/FT. Further, the discussions identified emerging Money Laundering trends and typologies; shared information and best practices and forged new, and reaffirmed existing partnerships with AML/CFT stakeholders.

6. BARBADOS AML/CFT TRAINING AND OUTREACH SESSION

In the spirit of regional co-operation, the Director, FIUTT presented at the training session sponsored by the Barbados FIU in Bridgetown, Barbados during the period March 19 - 20, 2014. The presentation focused on the implementation of AML/CFT obligations by both the Attorneys-at-law and the Jewellers in conducting business transactions. This training was an important initiative geared at identifying suspicious indicators (red flags) and emerging Money Laundering trends relevant to the both sectors.

CHAPTER VII - PROJECTIONS FOR THE YEAR 2014/2015

1. HUMAN RESOURCES

In 2011, the FIUTT was given the additional responsibility to supervise NRFIs and LBs for AML/CFT compliance. This supervisory function was added to its core responsibilities of receiving and analysing information and disseminating intelligence. In order for the FIUTT to perform each of its functions effectively, the type and level of resources provided must be adequate.

To this end, approval was granted to increase the staff complement by 14 positions across the Compliance and Outreach, Legal and Administrative Divisions. With such increased resources and capacity the FIUTT will be better positioned to increase the frequency, scope and intensity of its supervision in the next reporting year.

Upon completion of the NRA in 2015, it is expected that the FIUTT will conduct an evaluation of its operational strategies and if required, realign its resources to address the risks identified. The results of this evaluation as well as the findings of the ME to be conducted in January 2015 may have an impact on the future resource and capacity needs of the FIUTT.

2. IT PROJECTIONS

ICT plays a pivotal role in supporting the daily operations of the FIUTT. The following ICT activities are envisioned for the next reporting year:

- to fully operationalise the FIUTT's IDMS after data migration of all existing data and files are completed. This will improve collaboration amongst staff for greater efficiency in daily operations;
- the development of a resilient Data Centre that can adequately support the growing demands on the FIUTT. This will involve procurement of additional hardware and software to provide a secure, efficient and effective disaster recovery solution;

- the enhancement of the security of the FIUTT's information asset. In this process the FIUTT expects to receive guidance from FINTRAC - the Financial Transactions and Reports Analysis Centre of Canada - which will send two experts to the FIUTT in January 2015;
- to redesign of FIUTT's website to provide a more user-friendly and attractive site that will encourage use by a wide cross-section of local and international stakeholders;
- the development of relevant technology related skills to support the changing IT landscape of FIUTT;
- to complete the feasibility study on acquiring for the FIUTT the United Nations GoAML information system. GoAML is an integrated database and intelligent analysis system intended for use by FIUs. This software provides support for FIU functions of receiving, analysing and disseminating information in accordance with FATF and Egmont standards. GoAML facilitates the work of the FIUs of Jamaica and Bermuda.

3. STRATEGIC ANALYSIS

The FATF's Revised Recommendation 29 requires countries to conduct strategic analysis as well as operational analysis. In January 2014, the FIUTT, together with other CFATF members, was the recipient of Egmont-driven strategic analysis training which led to the development of two projects. The first strategic analysis project will be completed in early 2015.

Strategic analysis uses available and accessible information, including data that may be provided by other competent authorities, to identify ML/FT related trends and patterns.

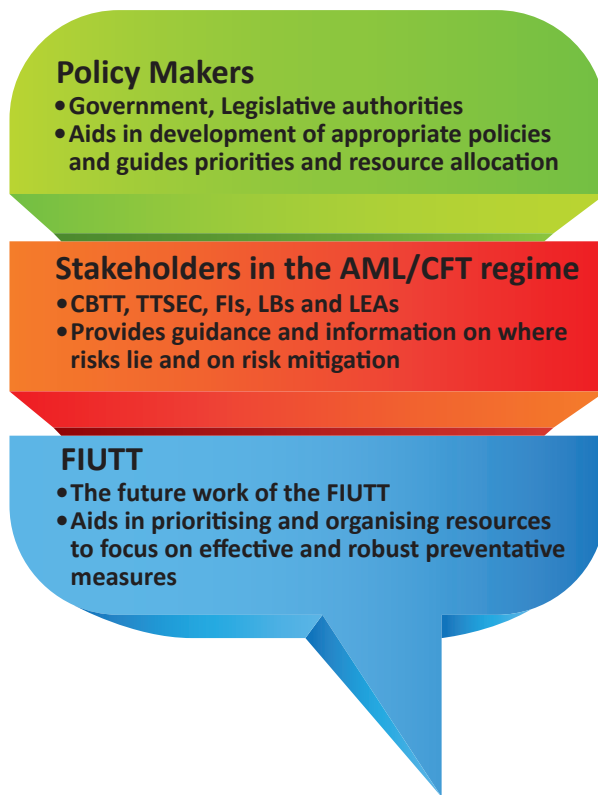
The analysis conducted using the data/information at the disposal of the FIUTT, can generate results that will provide a clear view of the activities, behaviours and environments of interest that are being analysed.

CHAPTER VII - PROJECTIONS FOR THE YEAR 2014/2015 (CONTINUED)

This information may then be used by the FIUTT or other state agencies in order to determine ML/FT related threats and vulnerabilities. Strategic analysis may also help establish policies and goals for the FIUTT, or more broadly for other entities within the AML/CFT regime.

The beneficiaries of strategic analysis therefore include policy makers, AML/CFT stakeholders such as the FIs and LBs and the FIUTT. Diagram 23 illustrates the beneficiaries of strategic analysis.

DIAGRAM 23
BENEFICIARIES OF STRATEGIC ANALYSIS



4. THE 4th ROUND MUTUAL EVALUATION

Trinidad and Tobago will be the first member of CFATF to face the 4th Round Mutual Evaluation process. This process will analyse the country's level of compliance with the FATF's Revised 40 Recommendations, the effectiveness of its AML/CFT system and will provide recommendations on how the system could be strengthened.

In preparation for the 4th Round Mutual Evaluation, CFATF conducted a three day pre-assessment training workshop with national stakeholders from March 24-26, 2014 in Port of Spain. The evaluation process takes 1 year, commencing 6 months before CFATF's on-site assessment which is scheduled for January 2015. The process of information gathering and identification of key issues and risks by the assessors commenced in June 2014. The final report is to be submitted to the CFATF plenary six months after the on-site assessment.

The evaluation method involves assessment on two inter-related components; technical compliance and effectiveness. The technical compliance component will assess whether the necessary laws, regulations or other required measures are in force, and whether the supporting AML/CFT institutional framework is in place. The effectiveness component will assess whether the AML/CFT systems are working and the extent to which the country is achieving the defined set of eleven effectiveness outcomes.

The FIUTT contributed to the 1st drafts of both technical compliance and effectiveness questionnaires that were submitted to CFATF in June and September 2014. The FIUTT is preparing assiduously for the 4th Round Mutual Evaluation.

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:

1. SUPERVISED ENTITIES

i. Non-regulated Financial Institutions (NRFIs):

- 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.

ii. Listed Business (LB):

- Real Estate
- Motor Vehicle Sales
- Gaming House
- Pool Betting
- National Lotteries On-Line Betting Games

- Jewellers
- Private Members' Clubs
- Accountants, 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

2. REPORTING ENTITIES

i. Financial Institutions (FIs):

- a bank licensed under the Financial Institutions Act;
- a financial Institution licensed under the Financial Institutions Act;
- a building society registered under the Building Societies Act;
- a society registered under the Co-operative Societies Act;
- an insurance company, 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 dealer or investment adviser;
- a person who carries on money or value transfer services;
- a person or entity managing a collective investment scheme under the Securities Act;
- development banks, trust companies, mortgage companies; or
- any other person declared by the Minister by Order, subject to negative resolution of Parliament to be a financial institution for the purpose of the POCA.

APPENDIX A (CONTINUED)

ii. Listed Business (same as listed above):

- Real Estate
- Motor Vehicle Sales
- Gaming House
- Pool Betting
- National Lotteries On-Line Betting Games
- Jewellers
- Private Members' Clubs
- Accountants, 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

APPENDIX B

ADVISORY ON FRAUDULENT DOCUMENTATIONS

The Financial Intelligence Unit of Trinidad and Tobago (“the **FIUTT**”) is publishing this Advisory in accordance with Section 17(1) (b) of the Financial Intelligence Unit of Trinidad and Tobago Act.

Purpose of This Advisory

This Advisory is intended to provide Financial Institutions (FIs) with information on the use of fraudulent documents to support credit applications. The FIUTT hopes that this Advisory will assist FIs in identifying the specific criminal activity illustrated and thereby take the appropriate steps to detect and deter such activity. The potential loss to FIs is great should these fraudulent activities go undetected.

General Information

The FIUTT has noted increased Suspicious Transaction/Activity Reports involving the provision of fraudulent documents in order to obtain credit such as loans or credit cards. The applicant may not be a customer of the FI, may be new customer or a long-serving customer.

The fraudulent documents may purport to come from existing and/or well-known organisations; or the names of non-existent organisations, with unverifiable contact information, may be used.

How the Fraud Works

- The fraudulent documents provided are usually **job letters, pay slips, bank statements, utility bills, certified copies of vehicles, company incorporation documents, sale agreements, and other property ownership documents.**
- These documents are produced on what appear to be genuine letterheads of organisations, but with forged signatures.
- Genuine letterheads may also be used, having been obtained through collusion with an employee or stolen from the Organisation.
- Salary, position in the organisation and other employment details are usually misstated.
- Genuine documents such as job letters or bank statements are altered so that they can be used repeatedly at later dates and at other institutions.
- Repeated offenders may produce professional documents that appear genuine.
- Typically the first payment on the loan is made and then the applicant defaults on the loan thereafter.

Indicators of a Fraudulent Document

Red flags which can alert the FI to the possibility that documents may be fraudulent include, but are not limited to:

- Absence of a date on the job letter;
- The date, signature or other content appear to be altered;
- Signatures appear to be different on other bonafide records held at the FI;
- The format and content of the document may be unprofessional and contain spelling errors e.g. in names, addresses etc.;
- Handwritten or type-written job letters and pay slips from an organisation that would normally produce computer-generated documents, *eg. A Government Ministry*;
- Utility bills or bank statements are not in the name of the applicant;
- There are variances with the same information provided on different documents, *e.g. the name of an authorised person is spelt differently*;
- Contact information about the organisation is not verifiable;
- Authorised personnel is unaware of the person or the document produced from the organisation;
- Account balances are misstated or altered on bank statements.

APPENDIX B (CONTINUED)

Caution to Financial Institutions

The FIUTT urges FIs to exercise extreme vigilance in their scrutiny of documents provided to support credit applications.

- Conduct **Customer Due Diligence or Enhanced Due Diligence, if in doubt;**
- **Scrutinize documents** thoroughly for any errors, missing information and alterations;
- **Verify the names, signatures and contact information** of authorized signatories ;
- **Verify certified copies with the issuing Organisation;**
- **Check for** previous credit applications by the applicant;
- FIs must **be reminded** that an employee of an organisation may collude with others to

produce false documents in order to obtain credit;

- The FI should **report to the FIUTT** any suspicious transaction/activity involving the use of fraudulent documents;
- **REPORT TO THE FRAUD SQUAD OF THE TRINIDAD AND TOBAGO POLICE SERVICE (TTPS)** any transaction/activity involving the use of fraudulent documents.

Below is a Typology of a loan application using false documentation. This case identifies some of the documents that may be used to obtain credit. It also shows possible collusion with insiders in organisations/companies and bank personnel to produce false documents.

Customer X has been a client of **Bank 1** since March 2013. There has been little activity on his account, except in the last two months of two cheque deposits of \$10,945.74 from a Government Ministry. On 30 October 2013, **Customer X** approached his Branch of **Bank 1** to secure a loan of \$200,000 to purchase a vehicle. **Customer X** provided the following documents in support of his application:

- A job letter addressed to **Bank 1** which states that he is an employee of the Government Ministry as a Supervisor for the last 5 years and earns a salary of \$13,000 per month. The Job letter was signed by one **Ms. A. Hall** on the Ministry's official letterhead.
- A type-written pay-slip dated October 23, 2013, from the Ministry which states that the Customer's Net Salary is \$10,975.74.
- A statement from **Bank 2** that he has a balance of \$43,675.66.
- A signed letter from a **Mr. John Brown** that he is the present owner of vehicle, with Chasis No. 123456 which is being sold to **Customer X** for \$220,000.
- A receipt signed by **Mr. John Brown** for \$20,000 as a down payment for the vehicle to **Customer X**.
- A certified copy of vehicle, Chasis No. 752113, which shows **Mr. John Brown** as the owner.

On conducting due diligence at Bank 1 the following was revealed:

- **Customer X** is not an employee of the said Government Ministry; he provided contract services to the Ministry in August and September 2013.
- **Ms. A. Hall** was employed as a Clerk 1 in the Ministry and not authorised to sign a job letter.
- The pay-slip provided was not an authentic payslip from the Ministry.
- The date on the job letter appeared altered.
- Although the certified copy of the vehicle appeared authentic, the Chasis No. of the vehicle was different to that on the Sale Agreement.
- Checks with **Bank 2** revealed that the balance on the statement was altered.

APPENDIX C

AML/CFT SUSPICIOUS INDICATORS FOR THE GAMBLING SECTOR

Gambling at gaming venues — casinos, pubs, clubs, racing and sports betting facilities— is a traditional channel for the placement (moving, dispersing or disguising funds) and layering (reinvesting funds) phases of the Money Laundering cycle.

Money launderers exploit this high cash turnover and the large volume of transactions to camouflage illegitimate transactions among legitimate gambling activity.

The following circumstances may indicate a risk of ML/FT occurring:

- Betting activity is inconsistent with the financial situation and/or known occupation of the person gambling;
- Purchase of winning tickets from other punters (gamblers);
- Substantial cash redemptions of negotiable gaming chips despite the absence of, or minimal, gaming activity;
- Frequent deposits of personal bank cheques exchanged for chip purchase vouchers but limited gambling activity undertaken;
- Frequent deposits of gambling cheques followed by immediate withdrawal of funds with cash or cheques;
- Filling a gambling machine with credits and collecting the pay-outs with little gambling activity (this occurs particularly in VIP sections of gaming venues where there is no limit on credits);
- Gambling chips handed to a third party for the purposes of redemption;
- Multiple chip redemptions on the same day;
- Buying casino chips and cashing them in with no or little gaming activity;
- A client depositing with either a book-maker or a casino, substantial amounts of cash for gambling purposes, but requesting cheque for repayment of funds not used;
- Suspicious identification documentation presented for gambling purposes when opening an account.
- Putting money into slot machines and claiming the accumulated credits as a jackpot win;
- Playing games with low returns but high chances of winning, such as Baccarat;
- Sports betting and the purchasing of winning jackpot;
- Exchanging large amounts of small denomination bank notes for larger denominations without gambling;
- Wiring funds to a casino account followed by a withdrawal by casino issued cheque;
- Inserting significant numbers of bank notes into a slot machine and collecting payment of the built up credits by way of a casino issued cheque;
- Loaning funds for gambling to legitimate businessmen with repayment of the funds being a discounted amount;
- Frequent claims for winning jackpots;
- Customers watching/hanging around jackpots sites but not participating in gambling;
- Betting against associates/intentional losses: This occurs in games which provide money launderers the option to bet against an associate so that in most cases one party will win. These are “intentional losses” where money launderers are intentionally losing to one of their party, who is able to receive a cheque or wire transfer of “legitimate” winnings;
- VIP rooms and high-stakes gambling: VIP rooms offer exclusive access to high-stakes gaming tables to players. VIP members can place high-value bets in these rooms. High-stakes gaming is vulnerable to abuse because it is common for players to gamble with large volumes of cash, the source and ultimate ownership of which may not be readily discernible. In compliance with AML regulatory obligations, you must closely monitor and track VIP and high-stakes gaming activity.

Please note that this is not an exhaustive list of suspicious indicators.

GLOSSARY

MONEY LAUNDERING

Money Laundering is the process by which illegally obtained funds are given the appearance of having been legitimately obtained. The process may involve one or more of the following methods:

- **Placement**

Illegal funds or assets are first brought into the financial system. This 'placement' makes the funds more liquid using a variety of techniques, which include depositing cash into bank accounts and using cash and other instruments to purchase assets.

- **Layering**

To conceal the illegal origin of the placed funds and thereby make them more useful, the funds must be moved, dispersed and disguised. The process of distancing the placed funds from their illegal origins is known as 'layering'. These include using multiple banks and accounts, having professionals act as intermediaries and transacting through corporations and trusts. Funds may be shuttled through a web of many accounts, companies and countries in order to disguise their origins.

- **Integration**

Once the funds are layered and distanced from their origins, they are made available to criminals to use and control as apparently legitimate funds. The laundered funds are made available for activities such as investment in legitimate or illegitimate businesses, to fund further criminal activity or spent to enhance the criminal's lifestyle.

At this stage, the illegal money has achieved the appearance of legitimacy.

TERRORIST FINANCING

Terrorist financing may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organisations, as well as from criminal sources, such as the drug trade, the smuggling of weapons and other goods, fraud, kidnapping and extortion. Therefore funds derived from legitimate as well

as illegal activities can be used for or to facilitate terrorist activities.

GENERAL ML/FT SUSPICIOUS INDICATORS

- Transactions take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate Money Laundering activities.
- The client cannot provide satisfactory evidence of identity.
- Situations where the source of funds cannot be easily verified.
- Situations where it is very difficult to verify customer information.
- Frequent change of ownership of same property in unusually short time period with no apparent business, economic or other legitimate reason & between related persons.
- Client wants to **re-sell property shortly after purchase** at a significantly different purchase price, without corresponding changes in market values in the same area.
- Client wishes to form or purchase a company whose **corporate objective is irrelevant** to the client's normal profession or activities, without a reasonable explanation.
- The client sets up shell companies with nominee shareholders and/or directors
- The client has companies with capital in the form of bearer shares.
- Client **repeatedly changes Attorneys** within a short period of time without any reasonable explanation.
- Client **purchases property in names of other persons** or uses different names on Offers to Purchase, closing documents and deposit receipts.
- Client deposits large amount of cash with you to make payments and investments on his behalf.
- Client negotiates a purchase but wants



GLOSSARY (CONTINUED)

to **record a lower value on documents**, paying the difference “under the table” (inadequate consideration).

- Client’s documents such as identification, income statements or employment are provided by **an intermediary** who has no apparent reason to be involved, (intermediary may be the real client).
- Client gives power of attorney to a non-relative to conduct large transactions (same as above).
- Transaction involves legal entities and **no relationship seen between the transaction and the business activity** of the buying company, or the company has no business activity (Shell Company).
- Client **requests the firm to act as his agents** in obtaining high sum bankers’ drafts, cashiers’ cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from other bank or FIs (anonymity).
- **Divergence** from the type, volume or frequency of transactions expected in the course of the business relationship.

BENEFICIAL OWNER

Beneficial owner refers to the natural person(s) who ultimately¹ owns or controls a customer² 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

- *Foreign PEPs are individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State or of government, senior*

¹ 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.

² This definition should also apply to beneficial owner of a beneficiary under a life or other investment linked insurance policy.

politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.

- *Domestic PEPs are individuals who are or have been entrusted domestically with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.*
- *Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management, i.e. directors, deputy directors and members of the board or equivalent functions.*
- *International organisation PEPs: persons who are or have been entrusted with a prominent function by an international organisation, refers to members of senior management or individuals who have been entrusted with equivalent functions, i.e. directors, deputy directors and members of the board or equivalent functions.*
- *Family members are individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership.*
- *Close associates are individuals who are closely connected to a PEP, either socially or professionally.*

The definition of PEPs is not intended to cover middle ranking or more junior individuals in the foregoing categories.

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

TERRORIST

The term **terrorist** refers to any natural person who: (i) commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and wilfully; (ii) participates as an accomplice in terrorist acts ; (iii) organises or directs others to commit terrorist acts ; or (iv) contributes to the commission of terrorist acts by a group of

GLOSSARY (CONTINUED)

persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

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

TERRORIST ORGANISATION

The term **terrorist organisation** refers to any group of terrorists that: (i) commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and wilfully; (ii) participates as an accomplice in terrorist acts; (iii) organises or directs others to commit terrorist acts; or (iv)

contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

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

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](#)



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