

# First Annual Report 2010



TRINIDAD AND TOBAGO

**FIU** Financial  
Intelligence  
Unit  
TRINIDAD AND TOBAGO







## **Vision**

Our vision is for Trinidad and Tobago to have strong and dynamic financial and business sectors free from money laundering, terrorist financing and other financial crimes.

## **Mission**

To effectively detect and deter money laundering and terrorist financing, in collaboration with local law enforcement, regulators and international counterparts, thereby contributing towards a safe and stable financial and social economic environment.

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## GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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**FIU Ref: INF/271/2011**

November 30, 2011

The Honourable Mr. Winston Dookeran  
Minister of Finance  
Ministry of Finance  
Level 8  
Eric Williams Finance Building  
Independence Square  
**PORT OF SPAIN**

Dear Minister,

**RE: LETTER OF TRANSMITTAL.**

I have the honour to submit the First Annual Report on the work of the Financial Intelligence Unit for the period February 9, 2010 to September 30, 2010.

The Annual Report is submitted pursuant to Section 18 of the Financial Intelligence Unit of Trinidad & Tobago Act, 2009.

Yours Sincerely,

Susan S. Francois  
Director

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Level 25, Tower D, International Waterfront Complex, 1A Wrightson Road, Port of Spain, Trinidad and Tobago, West Indies

## ■ PREFACE

This First Annual Report of the Financial Intelligence Unit of Trinidad and Tobago (the “FIUTT”) is intended to provide an overview of the functions and activities of the FIUTT for the period February 9th, 2010 to September 30th, 2010.

In response to international criteria and the standards issued by the Financial Action Task Force (the “FATF”) to combat money laundering and counter terrorist financing, the Financial Intelligence Unit of Trinidad and Tobago Act (the “FIUA”) was enacted and came into effect on February 9, 2010. The FIUA established the FIUTT as a Department of the Ministry of Finance and gave it the necessary enabling authorities to carry out the functions entrusted to it. Since it became operational in February 9th, 2010, the FIUTT has undergone many positive developments.

During the initial stages of the establishment of the FIUTT, the emphasis was placed on setting up the unit’s offices in an appropriate environment, the drafting of the necessary regulations, the recruitment of the requisite personnel, acquisition of an appropriate database (information technology solution), creation of a website, and definition of the relevant concepts and structures. These activities were guided by the consultant who was hired to make recommendations for the effective and efficient establishment of the unit.

The FIUA operates in conjunction with the Proceeds of Crime Act and the Anti-Terrorism Act and Regulations made thereunder. These statutory provisions make the reporting procedure by financial institutions and listed businesses a central feature of the fight against money laundering and terrorist financing. This “subjective” reporting system established by these laws imposes an obligation on reporting entities to report suspicious activities that they believe may be related to the crimes of money laundering and terrorist financing. Thus, an important component of this report concerns the filing of Suspicious Transactions/Activities Reports (“STRs/SARs”), the FIUTT’s analysis and the dissemination of intelligence reports.

Outreach to and training of the reporting sectors were imperative since the personal responsibility imposed on financial institutions mandates a high degree of awareness of money laundering and terrorist financing issues. Detecting and deterring these two types of crimes require different approaches and tools. With money laundering, analysts and investigators essentially need to look through a telescope to detect the movement of large amounts of “dirty” cash and other monetary instruments. With terrorist financing, however, they need to look through the lens of a microscope to examine the movement of funds, often very small amounts of “clean” money, by persons to fund illicit activities.

Undoubtedly, in the next year the FIUTT must continue to build a solid foundation for the sustainable growth as we seek to fulfill our international commitments and to implement our national Anti-Money Laundering and Counter Terrorist Financing (“AML/CFT”) laws. The work of institutional strengthening is expected to continue as Trinidad and Tobago seeks to ensure an effectively functioning financial intelligence unit operating in accordance with international requirements and with our laws.

The FIUTT is publishing this first annual report to indicate its achievements in AML/CFT and to communicate the future path. Hopefully, this review will enhance stakeholders’ understanding of the Unit and will contribute to the development of an effective AML/CFT regime.

In closing, due credit should be given to the small but energetic and enthusiastic team who comprises the permanent staff of the FIUTT and who constitutes its backbone. They certainly deserve to be commended for their dedication in the way they applied themselves to the new and challenging tasks they undertook and for the excellent quality of their analytical work. Their combined efforts were instrumental in producing this report.

**Susan S. Francois**  
Director

## ■ HIGHLIGHTS

### Analysis and Dissemination of Information

- STR/SAR analysed
- STR/SAR disseminated
- Establishment of feedback mechanism

### Compliance Initiatives

- Workshops, seminars and conferences
- Stakeholder training & awareness

### Information Technology

- Commencement of IT infrastructure
- Creation of FIU website
- Establishment of Virtual Private Network

### Co-operation

- Disseminating intelligence and information to law enforcement
- Information sharing with foreign FIUs

### Capacity Building

- Setting up of the FIU

## ■ CHAPTER I - OVERVIEW

### International Perspective

Our world is becoming even more interrelated. Global systems are marked by a large number of links and interconnections between states and societies. Borders are becoming seamless. Then, is it surprising that criminals are also operating globally?

The services available across borders for legitimate users are also utilised by criminals. It allows them to make their most valuable, 'dirty money', clean. 'Dirty money' is of little use to criminals, because it leaves a trace of incriminating evidence and raises the suspicion of law enforcement. To enjoy their ill-gotten gains, criminals attempt to convert their 'dirty money' into 'clean money' - legitimate money. This is money laundering explained in its simplest form.

The effects of money laundering are well known - it is bad for business, bad for development, bad for the economy and bad for the rule of law and democracy. It is also well recognised that complex international financial structures and systems are set up to conceal assets, obtained by criminal means, from law enforcement. In order to detect and unearth these structures and systems, co-operation amongst local and international partners is of crucial importance.

The exchange of intelligence and operational information, knowledge and experience often serves both a national and international purpose in combating money laundering, terrorist financing and related crimes. The Financial Intelligence Unit of Trinidad and Tobago (the "FIUTT") cannot do it alone.

### Strengthening One Another

Co-operation is an excellent starting point in unraveling criminal networks, which exploit vulnerable financial systems and weak compliance regimes in any jurisdiction.

Criminal activities in North America, South America, Europe or any other part of the world can have significant consequences for individuals and communities in our part of the world. The FIUTT's experience over this short time has shown that co-operation with foreign financial intelligence units (FIUs) usually provides new insight into money laundering and terrorist financing activities and thus is part of the regular work process of the FIUTT.

A critical factor within the international perspective is the support of member countries in the Financial Action Task Force (FATF) and the Caribbean Financial Action Task Force (CFATF), which is our regional body. Representatives of the governments of Canada, the Kingdom of the Netherlands, France, the United Kingdom, the United States of America, Spain and Mexico, forms for our region, the "Co-operating and Supporting Nations" (COSUNs) on Money Laundering. COSUNs provide support to CFATF.

### AML/CFT Measures in Trinidad and Tobago

With the enactment of the Dangerous Drugs Act, Ch. 11:25, Trinidad and Tobago began its first step to combatting drug trafficking by providing for the forfeiture of illicit proceeds from criminals convicted of the offence. Trinidad and Tobago further strengthened its legal regime in 2000 with the enactment of the Proceeds of Crime Act Ch.11:27 (the "POCA"), which extended the reach of the law to include not only illicit proceeds from drug trafficking, but from **all** specified offences.

The direct attack on money laundering was instituted in October 2009 with the amendment to the POCA (the "POCAA"). This amendment made money laundering a crime in Trinidad and Tobago. It also provided for the confiscation of property derived from or involved in money laundering. The money laundering offences created in sections 42A to 46 of the POCA are:

- i. Concealing, disposing, disguising, transferring, bringing into Trinidad and Tobago or removing from Trinidad and Tobago any money or other property, knowing or having reasonable grounds to suspect that the money or other property is derived, obtained or realised, directly or indirectly from a specified offence (see Box 1).
- ii. Concealing or disguising own proceeds of crime;
- iii. Concealing or disguising another's proceeds of crime;
- iv. Receiving, possessing or converting another's proceeds of crime.

## ■ CHAPTER I - OVERVIEW (continued)

### BOX 1

#### **SPECIFIED OFFENCE means:**

- a. An indictable offence committed in T&T whether or not the offence is tried summarily;
- b. Any act committed or omitted to be done outside of T&T, which would constitute an indictable offence in T&T; or
- c. An offence specified in the Second Schedule\*.

\* Second Schedule:

- S. 119 of the Income Tax Act
- S. 119 of the Corporation Tax Act
- S. 23, 27(5), 29(6), 38, and 56 of the Value Added Tax Act, 1989
- S. 41 of the Copyright Act, 1997

Trinidad and Tobago enacted the Anti-Terrorism Act (the "ATA") in 2005 and its amendment in 2010. The ATA criminalises the financing of terrorism and provides for the detection, prevention, prosecution, conviction and punishment of terrorist activities and the confiscation, forfeiture and seizure of terrorists' assets and of those involved in the financing of terrorism and for related matters.

It makes the participation in the commission of a terrorist act an indictable offence. The ATA amendment in 2010 created the indictable offence of financing of terrorism such that *"any person who by any means, directly or indirectly, wilfully provides or collects funds, or attempts to do so, with the intention or in the knowledge that such funds are to be used in whole or in part –*

- a. *in order to carry out a terrorist act;*
- b. *by a terrorist; or*
- c. *by a terrorist organisation, commits the offence of financing of terrorism."*

The Financial Obligations Regulations 2010 (the "FOR") made by the Minister of Finance under section 56 of the POCA, came into effect on January 19, 2010. The FOR imposed obligations on reporting entities which are financial institutions, and certain businesses and professionals (the "listed businesses") which are designed to detect and deter money laundering and terrorist financing. These obligations include the development and implementation of a compliance programme which includes policies, procedures and controls such as appointment of a Compliance Officer, reporting suspicious transactions, customer due diligence, retention of records and training for staff.

#### **Who Are Reporting Entities**

Reporting entities include all financial institutions (see Box 2) and listed businesses (see Box 3) in Trinidad and Tobago.

### BOX 2

#### **FINANCIAL INSTITUTION identified in the FOR includes:**

- Financial institutions licensed under the Financial Institutions Act;
- Insurance companies and intermediaries registered under the Insurance Act;
- Exchange bureaus licensed under the Exchange Control Act;
- Cash remitting services in accordance with the Central Bank Act;
- A dealer or investment advisor licensed under the Securities Industry Act; and
- Any other Financial Institution or Listed Business in accordance with the FIUA and the POCAA.

## ■ CHAPTER I - OVERVIEW (continued)

### BOX 3

**LISTED BUSINESSES identified in the First Schedule of the POCAA are:**

- Real Estate;
- Motor Vehicle Sales;
- Money or Value Transfer Services;
- Gaming House;
- Pool Betting;
- National Lotteries On-Line Betting Games;
- Jewellery;
- Private Members' Club;
- Accountant;
- Attorney-at-law or other Independent Legal Professional;
- Art Dealer; and
- Trust and Company Service Provider.

The Supervisory Authorities in Trinidad and Tobago responsible for AML/CFT supervision of financial institutions and listed businesses can be seen in Box 4 below.

### BOX 4

**The POCAA identifies Supervisory Authority as:**

- The competent authority responsible for ensuring compliance by financial institutions and listed business with requirements to combat money laundering.

**Supervisory Authorities:**

- **FIUTT**
- **Central Bank of T&T (CBTT)**
- **T&T Securities & Exchange Commission (TTSEC)**

Under the POCAA (section 34) the following supervisory provisions apply:

**FIUTT:**

- Societies registered under the Co-operative Societies Act, Remittance Services and Postal Services and
- Listed Businesses

**CBTT:**

- Financial Institutions not listed in the above categories.

**TTSEC:**

- Investments and Security Dealers.

## ■ CHAPTER I - OVERVIEW (continued)

### The Financial Intelligence Unit of Trinidad and Tobago

Growing concerns about the threats money laundering posed to the banking and financial sectors led to the establishment of the FATF in 1989 by the G-7 States. Since its creation, the FATF has been the driving force in promoting the adoption and implementation of measures designed to counter the use of the financial system by criminals. In 1990, it established a series of recommendations on anti-money laundering which were revised in 1996 and in 2003. In 2001, the FATF widened its scope to address terrorist financing with nine special recommendations. The FATF's recommendations, now known as the "40+9 Recommendations", provide the international standards for the legislative, institutional and supervisory framework for combating money laundering as well as terrorist financing.

The FATF's Recommendation 26 imposes an obligation on all states to establish a FIU to serve as the information related arm of the AML/CFT legislative framework. Information is needed at all stages of the enforcement process. It is needed for the detection and deterrence of money laundering, to prove the offence and to confiscate the proceeds of the crime. Recommendation 26 addresses this information deficit by requiring states to facilitate the flow of information through the imposition of measures, for obtaining, maintaining and sharing information, on a myriad of financial and non-financial institutions and professionals.

The much needed legislation establishing the FIUTT became effective on February 9, 2010. Together with other relevant legislation, Trinidad and Tobago's enforcement ability became more robust.

The FIUTT was established as a specialised intelligence agency under the Financial Intelligence Unit of Trinidad and Tobago Act, 2009 (the "FIUA"). It was established as an administrative type agency and serves as a "buffer" between the reporting entities and law enforcement. The main role of the FIU is to analyse reports of suspicion of money laundering and terrorist financing and send analysed reports to the authorities in charge of criminal investigations if the suspicion is substantiated after analysis.

The FIUTT was created as a department of the Ministry of Finance headed by a Director, and ably supported by a Deputy Director and other staff necessary for the performance of its functions. It is a technology intensive organisation. The proposed organisational structure is hierarchal with a Director as the Unit's head, a Deputy Director and four main functional divisions (see organisational chart at Appendix A).

The core functions of the FIUTT under the FIUA are:

- a. to collect financial intelligence and information;
- b. to analyse, disseminate, and exchange such financial intelligence and information among law enforcement authorities, financial institutions and listed businesses in Trinidad and Tobago and internationally; and
- c. to receive suspicious transaction and suspicious activity reports ("STRs/ SARs") from financial institutions and listed businesses in accordance with the FIUA.

## ■ CHAPTER I - OVERVIEW

(continued)

In furtherance of those core functions the FIUTT performs such other functions as shown in Box 5.

### BOX 5

- **REQUESTING INFORMATION**

May request financial information from a financial institution or listed business.

- **ANALYSIS OF INFORMATION**

Analyse received information to reveal patterns of transactions suggesting suspicion of money laundering and related crimes;

Evaluate the said information, to determine whether there is sufficient basis to transmit reports for investigation by local or foreign law enforcement.

- **DISSEMINATE INFORMATION**

Disseminate financial intelligence and information to local and foreign authorities and affiliates within the intelligence community. Engage in the exchange of financial intelligence with members of the Egmont Group.

- **CO-ORDINATION**

Facilitate the sharing of information among local financial institutions and listed businesses and prosecutorial authorities.

- **RESEARCH AND ANALYSIS**

Monitor and identify strategic key areas of money laundering trends, typologies and developments, in order to gain investigative leads and identify possible future behaviour;

Provide annual and periodic reports on local and international trends and typologies of money laundering, as well as statistics and any other information that would enhance public awareness.

## ■ CHAPTER II - OPERATIONS

### Collection of Information

The FIUA provides for the collection of financial intelligence as one of the primary functions of the FIUTT. The FIUTT accomplishes this mandate principally through the statutory reporting obligations imposed on the reporting entities, and the power of the FIUTT to request further information from the reporting entities.

The receipt of information is facilitated by section 8(2) of the FIUA which speaks specifically to receipt of STRs/SARs. Section 11 points to the power of the Director to request further information within a specific timeframe from the reporting entities and their obligation to provide it.

### Terrorist Activities

Under the ATA, the FIUTT also receives information from reporting entities of terrorists' assets. A financial institution or listed business who knows or has reasonable grounds to suspect that funds within the institution or business belong to an individual or legal entity involved in terrorist activities or the financing of terrorist activities must report the existence of such funds to the FIUTT. This is another avenue of collection of information by the FIUTT.

### Suspicious Transactions Reporting

Every reporting entity has a statutory obligation to report suspicious transactions and suspicious activities to the FIUTT. The POCA and the ATA stipulate that where a financial institution or listed business knows or has reasonable grounds to suspect that funds being used in a transaction are proceeds of a specified offence, the financial institution or listed business shall make a STR/SAR to the FIUTT.

Generally, decisions on what transactions are suspicious are left to reporting entities to determine on the basis of their skills, experience, knowledge of the customer and of the industry and other relevant factors. However, both the POCA and ATA provide some general indicators which may point to a suspicious transaction such as those reflected in Chart 1.

### CHART 1 GENERAL SUSPICIOUS TRANSACTION INDICATORS

**Business transactions with persons and financial institutions in or from other countries which do not or which insufficiently comply with the recommendations of the FATF.**

**Complex, unusual large transactions or patterns of transactions (large transactions means a transaction of TT\$ 95,000.00 or more).**

**Insignificant but periodic transactions which have not apparent economic or visible lawful purpose.**

It must be noted that the reporting requirement applies to suspicious transactions which are completed as well as those which are attempted.

Suspicious transactions or activities are reported to the FIUTT on a form specified in the Third Schedule to the POCA (see Appendix B).

This report must be made to the FIUTT as soon as possible, but in any event, within 14 days of the date on which the financial institution or listed business knew or had reasonable grounds to suspect that the funds used for a transaction were the proceeds of a specified offence.

## CHAPTER II - OPERATIONS (continued)

### Analysis

For the period February 9, 2010 to September 30, 2010, 111 STRs/SARs were received by the FIUTT. Table 1 and Chart 2 show reports received by Sectors.

**TABLE 1**  
**STRs/SARs RECEIVED BY SECTORS**

SECTOR	NO. OF STRs/SARs
Banking	58
Insurance	1
Credit Unions	2
Investment Companies	19
Mortgage Companies	5
Money Transfer Services (MTS)	25
Securities	1
Listed Businesses	0
<b>TOTAL</b>	<b>111</b>

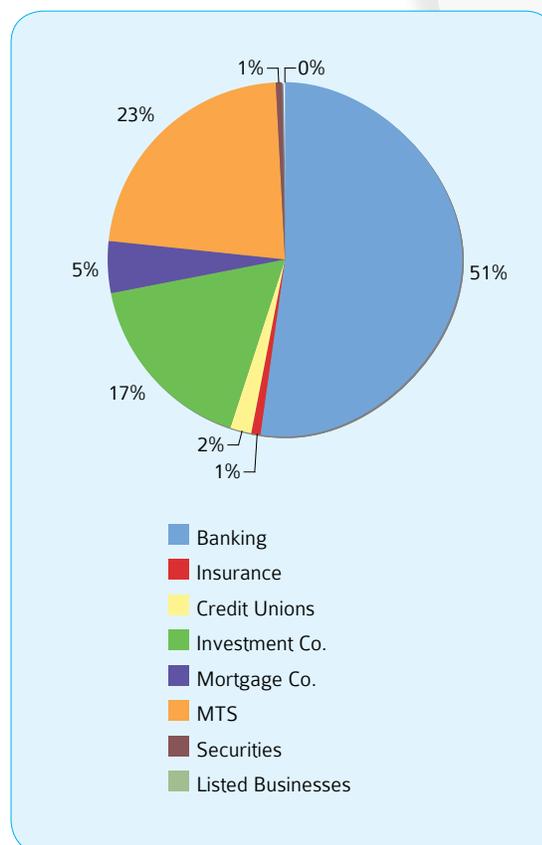
### STRs/SARs: Share per Reporting Sector

The Banking sector has led the way in fulfilling the obligation of suspicious transaction and suspicious activity reporting.

A further break-down of the STR/SAR received from reporting entities for the period in focus, showed a pattern of low reporting from Credit Unions, Insurance Companies, Investment Companies and Listed Businesses. A month by month review of the statistics is shown in Chart 3.

**CHART 2**

**DISTRIBUTION OF STRs/SARs BY %**



Analysing the monetary value of the STR/SAR received, it was observed for the review period that over TT\$ 85 million, US\$ 27 million and £ 50,000 were funds identified by the reporting entities as being related to suspicious transactions or activities. This makes an approximate total value of TT\$ 263 million.

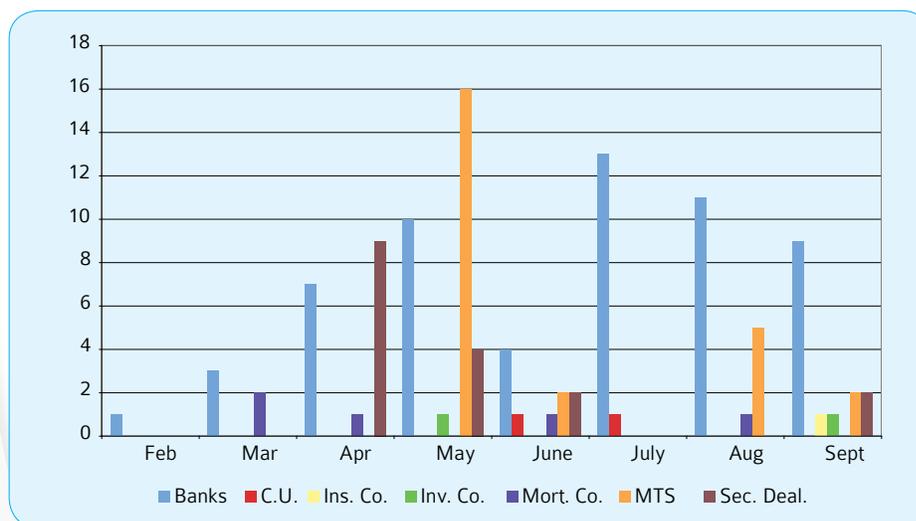
Table 2 and Chart 3 give a depiction of this analysis.

## CHAPTER II - OPERATIONS (continued)

**TABLE 2**  
**MONETARY VALUE OF STRs/SARs BY MONTH**

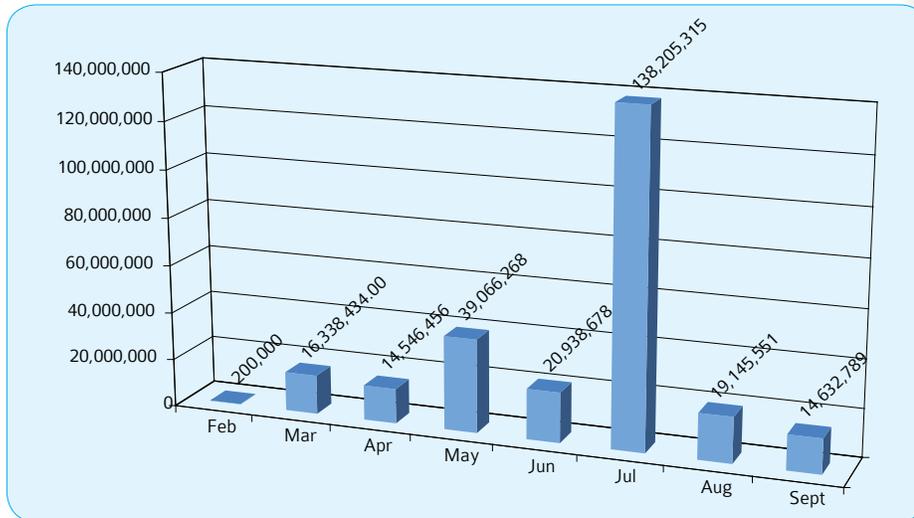
MONTH	TT\$	US\$	£
February	200,000.00	0	0
March	1,802,433.66	2,300,000.00	0
April	8,903,362.42	892,894.50	0
May	25,766,954.77	2,104,321.73	0
June	15,309,272.47	890,728.69	0
July	11,079,400.00	20,114,860.00	0
August	9,718,777.69	1,491,578.00	0
September	12,992,437.21	183,600.00	50,000.00
<b>TOTAL</b>	<b>85,772,638.22</b>	<b>27,977,982.92</b>	<b>50,000.00</b>

**CHART 3**  
**MONTHLY REVIEW OF STRs/SARs**  
**RECEIVED IN 2010**



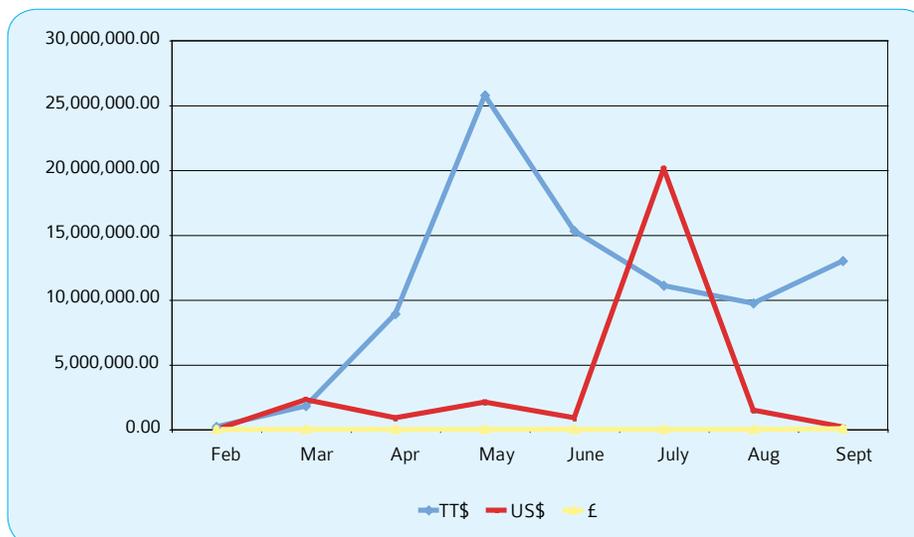
## CHAPTER II - OPERATIONS (continued)

**CHART 4**  
**STRs/SARs IN TT\$ BY MONTH\***



\* The US and UK currencies were converted to TT dollars using Central Bank's annual conversion rate of: US\$1: TT\$6.32 and £1: TT\$9.60.

**CHART 5**  
**MONETARY VALUE OF STRs/SARs BY MONTH (TT\$ IN MILLIONS)**



## ■ CHAPTER II - OPERATIONS (continued)

With the passage of the POCAA, the category of businesses (now known as “listed businesses”) first had to be made aware of the new requirements under the Act. For this reason no reports were filed by listed businesses for the period under review. Awareness and Training sessions were conducted for some of the listed businesses in 2010 and this will be continued in the year 2011, to ensure compliance.

A crucial part of the analysis process is the search engine archetype, used to explore and link additional information, for example, addresses, individuals, accounts, in respect of reports received. Details reported in STR/SARs, must be first analysed thoroughly with other linked information, before an inference can be made.

The analysis process cannot be subjective, and therefore depends on the application of analytical software and other technological tools in making a determination. The result is to provide information and intelligence to Law Enforcement Agencies (“LEAs”) and other FIUs.

### Dissemination

The mandate of the FIUTT includes the dissemination of financial intelligence and information. Section 15(1) of the FIUA provides that after the FIUTT has concluded its analysis or evaluation of a STR/SAR, and where the Director is of the view that the circumstances warrant investigation, a report shall be submitted to the relevant LEAs. The report is submitted for the LEA to determine whether a specified offence has been committed, or whether the proceeds of crime are located in Trinidad and Tobago or elsewhere.

Of the total number of STRs/SARs received under the period in review, three (3) reports were submitted to the Commissioner of Police for further transmission to the Financial Investigations Branch (FIB), and four (4) closed.

Analysis is still being done on the others and it is expected that more will be sent to the Commissioner of Police for investigation. This figure will be reported in the subsequent annual report.

### Trends & Typologies

It is very important to be aware of potential risks and developments in money laundering and terrorist financing techniques. What is happening? Where? By whom? Why in that location? These are vital questions. By analysing genuine cases from STR/SARs received, inferences on methods which are used in money laundering and terrorist financing may be drawn.

Some of the trends observed over the review period are as follows:

## CHART 6

### TRENDS & TYPOLOGIES



The FIUTT wishes to highlight an emerging trend in “Suspected Fraudulent Wire Transfers” as shown in Box 6.

## ■ CHAPTER II - OPERATIONS (continued)

### BOX 6

#### FRAUDULENT WIRE TRANSFER TYPOLOGY

An individual approaches a financial institution to open a new account. Within 2 days of opening the account, it is credited with a wire transfer from a foreign bank. The amount wired is an amount just over \$10,000.00 US. The account is credited.

Almost immediately, the institution is approached by the individual, to have some of the funds withdrawn. The funds are requested to be paid in cash only.

The account is thereafter subject to large and frequent debit Point-Of-Sale (POS) transactions and Automated Teller Machine (ATM) withdrawals conducted simultaneously with the cash withdrawals from the institution.

Among the suspicious indicators identified in this case were:

- Use of false documents to conduct transaction;
- Large and frequent POS transactions;
- Immediate cash and ATM withdrawals;
- Request of lump-sum cash payment.

#### Feedback

In particular cases, suspicious transactions reported to the FIUTT were sanitised and trends were shared in the form of Advisories with reporting entities. This form of feedback is pivotal in safeguarding financial institutions. Communicating in this form will assist all stakeholders in developing a common understanding of suspicious transactions.

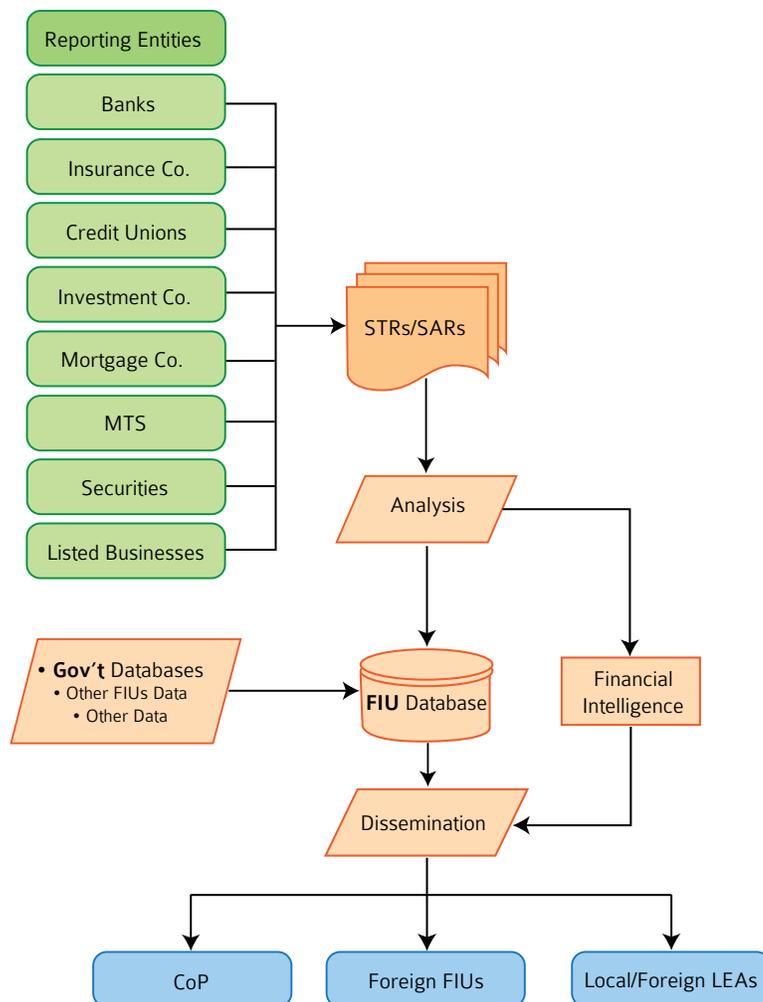
Where the FIUTT receives a STR/SAR or further information from a reporting entity, it provides feedback in writing on the report. In some cases feedback was provided on the quality of the report, correction to reports, and incomplete reports. High-quality reports allow investigations into the involvement (if any) of persons in money laundering or terrorist financing, to be carried out quickly and effectively. The information from feedback is used to improve the quality of the analysis.

In the future, the FIUTT envisages collaboration with other regulators and industry associations to develop uniform industry standards for detection of suspicious transactions. Further communication strategies will be adopted in consultation with representatives of reporting institutions to enhance the quality of the reports. A future expectation of the FIUTT is to evolve a method for receiving feedback from intelligence and LEAs about the usefulness of disseminated information as well as the outcome.

Diagram 1 is a depiction of the Analysis process.

## ■ CHAPTER II - OPERATIONS (continued)

**DIAGRAM 1  
THE ANALYSIS PROCESS**



## CHAPTER III - COMPLIANCE INITIATIVES

### Training & Workshop

Increasing AML/CFT awareness and training of reporting entities have been and will always be a focal point of the FIUTT. During the period under review officers of the FIUTT facilitated financial institutions with their annual staff development/training.

Outreach sessions with listed businesses were also launched to ensure that they too were made aware of their obligations under the legislation and the role of the FIUTT as their Supervisory Authority. During the period under review, 40 such fora were held. A compilation of the training sessions conducted by the FIUTT is shown in Table 3 below.

**TABLE 3**  
**AWARENESS & TRAINING SEMINARS**

SECTOR	NO. OF SESSIONS	NO. OF PERSONS
Bank	1	104
Insurance	26	1,532
Investment Co.	8	135
MTS	2	25
Private Members Clubs (PMCs)	1	33
Real Estate	2	49
<b>TOTAL</b>	<b>40</b>	<b>1,878</b>

### FIUTT Staff Training

To be proficient in the task of implementing the directives of the Acts and Regulations by which they are guided, the FIUTT staff participated in seminars conducted by specialised agencies. Some of the specialised workshops were conducted by the Caribbean Financial Action Task Force (CFATF), International Monetary Fund and others. Table 4 lists the professional training received by personnel of the FIU.

**TABLE 4**  
**PROFESSIONAL TRAINING**

AGENCY BY WHOM TRAINED	TITLE OF PROGRAMME	LOCATION
<b>FINTRAC</b>	Compliance	Barbados
<b>CARTAC in collaboration with US-SEC &amp; TTSEC</b>	Market Oversight in the Caribbean	Trinidad
<b>IMF &amp; CFATF</b>	Pre-Assessment Workshop	El Salvador
<b>GovRISK</b>	Governance, Regulation & Financial Crime Prevention	Trinidad
<b>GovRisk</b>	Computer Fraud & Business Technology	Trinidad
<b>UNODC, OAS/ CICTE</b>	Workshop on Prevention & Fight Against Terrorism Financing	Trinidad
<b>Ministry of the AG &amp; OAS</b>	National Workshop on the Implementation of the Inter-American Convention against Corruption	Trinidad
<b>CFATF; Canada Anti-Crime Capacity Building Programme &amp; The World Bank</b>	Strategic Implementation Planning Framework Workshop	Trinidad

## ■ CHAPTER III - COMPLIANCE INITIATIVES (continued)

### Seminars & Conferences

The FIUTT's representatives also participated in seminars and conferences conducted by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) held in October 2010, and CFATF Conference - Plenary session XXXI in Dominican Republic held in June 2010.

### Stakeholder Consultation

Co-ordination and co-operation among the relevant law enforcement agencies and competent authorities are required to effectively enforce laws. In recognition of this critical factor, the FIUTT initiated and facilitated discussions among the Anti-Money Laundering (AML) Sub-Committee of the Bankers Association of Trinidad and Tobago (BATT) and the Association of Real Estate Agents (AREA).

The FIUTT engaged senior management of the Trinidad and Tobago Police Service (TTPS), Financial Investigations Branch (FIB) of the Special Anti-Crime Unit of Trinidad and Tobago (SAUTT), Registrar General's Department and other government agencies in consultations. These consultations were useful in order to facilitate the beginning of working documents (Memorandum of Understandings [MOUs] and letters of exchange) relating to the procedure for dealing with reports from the FIUTT and the exchange of information.



## CHAPTER IV - CO-OPERATION

### National Co-operation

#### Law Enforcement / Intelligence Agencies

Co-operation requires the stakeholders to rise above self-interest and to seek the common good. It is important that partners in the fight against money laundering and terrorist financing are not afraid to look beyond the limits of their own organisation. The FIUTT in its effort to achieve reciprocity with like-minded agencies, provided information based on specific requests from intelligence/ law enforcement agencies. Sections 8 and 16 of the FIUA guides the FIUTT as it relates to co-operation in the performance of its functions.

The FIUTT received requests from various agencies and when the need arose, the FIUTT requested assistance from law enforcement and intelligence agencies. Table 5 below shows requests made to and by the FIUTT.

**TABLE 5**  
**LOCAL REQUESTS**

TYPE OF AGENCY	INCOMING	OUTGOING
Financial Institutions	10	12
Govt. Departments	0	2
Judiciary	0	1
Law Enforcement	53	9
<b>TOTAL</b>	<b>63</b>	<b>24</b>

A myriad of opportunities for co-operation await stakeholders involved in combating money laundering and terrorist financing. In the years ahead the FIUTT will seek to join all stakeholders in looking for better ways of organising co-operation within the chain more efficiently and professionally.

#### Regulatory Authorities

Supervisory authorities within the AML/CFT legal regime bear specific responsibilities relating to enforcement and supervision of reporting entities. For the period under

review a momentum of interaction has started between the FIUTT and the Central Bank of Trinidad and Tobago (CBTT) and the FIUTT and the Trinidad and Tobago Securities and Exchange Commission (TTSEC). The supervisory authorities entered into consultative discourse and information shared on either side.

These discussions have paved the way for periodic consultations among the supervisory bodies on the way in which regulatory authorities can assist each other in carrying out their supervision of reporting entities to ensure their compliance, and to review and advise on the development of legislation and regulations.

#### AML/CFT Compliance Unit

This Unit was established in the Ministry of National Security by Cabinet in April, 2010 to manage and coordinate the AML/CFT regime. Among the objectives of the Unit are:

- Providing timely advice to the Minister of National Security in his capacity as prime contact to CFATF;
- Advising on the implementation of recommendations emanating from the Mutual Evaluation Report Programme;
- Receiving, analysing and responding to requests and reports from FATF and CFATF; and
- Liaising with key stakeholders with the aim of addressing concerns, providing clarification or accepting suggestions in respect of AML/CFT.

#### National AML/CFT Committee

The National AML/CFT Committee was established to develop, monitor and promote counter money-laundering and terrorist financing. The Committee was reconstituted as the National Anti-Money Laundering and Counter Financing of Terrorism Committee.

The National Committee provides support to the AML/CFT Compliance Unit and by extension, all bodies with responsibility for safeguarding the AML/CFT framework. The National Committee members are to give full effect to Recommendation 31 of FATF 40 + 9 recommendations.

## ■ CHAPTER IV - CO-OPERATION (continued)

The National Committee is chaired by the Director of the AML/CFT Compliance Unit. The committee members comprise the following:

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

Table 6 shows incoming and outgoing requests for the period under review.

**TABLE 6**  
**FOREIGN REQUESTS**

TYPE OF AGENCY	INCOMING	OUTGOING
<b>FIUs</b>	<b>29</b>	<b>5</b>
Bahamas	1	0
Bermuda	1	0
British Virgin Islands	0	1
Grenada	9	0
Guyana	0	1
Montserrat	1	1
St. Kitts	2	0
St. Lucia	4	0
St. Vincent & the Grenadines	11	2
<b>Law Enforcement</b>	<b>5</b>	<b>1</b>
<b>TOTAL</b>	<b>34</b>	<b>6</b>

### International Co-operation

#### Information Sharing With Foreign FIUs

When transactions involve multiple jurisdictions, the ability to share information among other governmental authorities from foreign jurisdictions becomes important. For example, international co-operation is essential for the successful recovery of proceeds or assets that have been transferred to or hidden in foreign jurisdictions. Specifically, it will facilitate the evidence gathering process, the implementation of provisional measures such as asset freezing, and the eventual confiscation of the assets.

Open communication channels are vital for successful sharing with foreign FIUs. Establishing contact points with foreign counterparts can facilitate and address the challenges to the information flow and foster goodwill in the international co-operation process.

The FIUTT has developed strong relationships with our Caribbean counterparts which include Bermuda, Grenada, Jamaica, St. Vincent & the Grenadines, St. Lucia and St. Kitts. Canada, the United Kingdom and the United States of America also share a supportive relationship with FIUTT.

#### Mutual Legal Assistance Treaties (MLATs)

One important avenue to international co-operation is the Mutual Legal Assistance Treaty (the "MLAT"). The Mutual Assistance in Criminal Matters Act Ch.11:24, allows for the conduct of activities such as securing transfer of prisoners, serving documents, tracing property and obtaining restraint orders, between Trinidad and Tobago and countries within the Commonwealth and countries outside the Commonwealth. Through the Central Authority Unit of Trinidad and Tobago these critical processes are fulfilled. For the period under review, three (3) requests under the Mutual Assistance in Criminal Matters Act were satisfied as shown in Table 7.

## CHAPTER IV - COOPERATION (continued)

**TABLE 7**

**MUTUAL LEGAL ASSISTANCE TREATY (MLAT)**

COUNTRIES	NO. FULFILLED
Antigua & Barbuda	1
St. Lucia	2
<b>TOTAL</b>	<b>3</b>

### Egmont Group

The Egmont Group of FIUs was established in 1995 to promote contact, co-operation and the exchange of knowledge and operational information between FIUs. According to its Chair, Boudewijn Verheist Egmont boasts a membership of 120 FIUs.

The FIUTT aspires to become a member of Egmont in 2011. In 2010, the FIUTT was evaluated by its sponsors, Bahamas FIU and the British Virgin Islands Financial Investigation Agency. FIUTT's application for membership will be presented to Egmont Group in October 2010 at the Egmont Working Group (EWG) meeting to be held in Chisinau, Moldova. Our application will be reviewed in July 2011 at the 19th Egmont Group Plenary Meeting.

It is acknowledged that becoming a member of Egmont is a major step in enhancing operational effectiveness and building our institutional capacity. In the area of AML/CFT, international co-operation and mutual information sharing could be linked by analogy to the yeast in a loaf of bread - there is no rising without it. For this reason, the FIUTT seeks to be a member of Egmont.

### Caribbean Financial Action Task Force (CFATF)

The CFATF is the regional support for Caribbean FIUs. CFATF comprises 29 states within the Caribbean Basin and includes some Spanish speaking South and Central American countries. Its main objective is to "achieve effective implementation of and compliance with, its recommendations to prevent and control money laundering and to combat the financing of terrorism".

Trinidad and Tobago submitted reports to CFATF on measures taken to conform to the CFATF follow-up procedures and its recommendations contained in the 2005 third round Mutual Evaluation Report (MER) of Trinidad and Tobago. The MER was produced by the CFATF on-site mission who met with officials and representatives of relevant government agencies and the private sector in conducting its analysis of the Trinidad and Tobago situation. CFATF will submit the third follow-up report on Trinidad and Tobago in October 2010.

### Mutual Evaluation

Between 15th and 26th February, 2010, Mr. Nigel Stoddard of the FIUTT, was chosen as an assessor in the third round mutual evaluation of Montserrat as a law enforcement expert. The visit was co-ordinated by the CFATF.

The team met with the Governor, Financial Secretary, the Attorney General, as well as representatives from other organisations and agencies including law enforcement agencies, government departments, financial services supervisors and the private sector. The draft report will be prepared for review and adoption by CFATF XXXI Plenary meeting in October 2010.

## CHAPTER V - IT INFRASTRUCTURE

The FIUTT functions primarily on a secure database. This can be described as the heart of this technology driven Unit. All details from reports received from the reporting entities are captured into this database. Fundamental to this infrastructure is our Search Engine Prototype (SEP). This facility enables ranked searches of the database on almost any field. It also enables linking of related entities, e.g. addresses, aliases, telephone contacts and individuals. This is of immense benefit to the analytical process.

### Website Development

On April 21st 2010, the FIUTT launched its website. The address is [www.fiu.gov.tt](http://www.fiu.gov.tt).

The need for this form of communication in our globalised world cannot be overstated. Through this medium, reaching a larger section of the reporting entities has been made easier, especially for the listed businesses, who were in some cases unaware of the existence of a unit as the FIUTT. Now at the click of a button, they are exposed to their new obligations under the legislation.

Among the information that can be accessed on the FIUTT's website are, the function and oversight of the unit, its legal framework, publications of the unit, typologies and trend reports, advisories and useful links as it relates to AML/CFT. Regular updates will be paramount for the FIUTT, as it should be viewed as a relevant reference site on all matters related to money laundering and terrorist financing.

### Secure Communication

One goal for 2011 is to create a secure communication facility through which STRs/SARs can be forwarded to the FIUTT. This will entail a Report Preparation Utility for preparation of STRs/SARs in electronic form. This may facilitate easier submission leading to a greater number of reports from financial institutions and listed businesses.

The FIUTT also hopes that through its secure communication link, a Data Validation Utility (DVU) can also be harnessed. Through this process, deficiency in reports can be identified and immediately directed to the institution's Compliance Officer. This will ensure a gradual and steady improvement in the quality of reports from reporting entities.

Much of the success of the FIUTT will be realised only through communication with government and intelligence agencies. It is anticipated that a secure communication infrastructure will be established between relevant agencies and the FIUTT in the future.



## ■ CHAPTER VI - BUILDING CAPACITY

### **Working Environment**

The FIUTT's office is located at Tower D of the International Waterfront Complex, Level 25, occupying a space of approximately 15,000 sq. ft. The facility meets international requirements for FIU offices.

The facility provides adequate space for office chambers, staff workstations, a server room, medium and small capacity conference rooms, library and reception area. The facility is made safe by security monitoring systems to meet the operational and safety standards.

### **Staff Recruitment**

A consultancy team of subject matter experts (SMEs) in the area of FIU infrastructure and establishment was engaged to formulate the best possible composition of the staff at the FIUTT. The present staff at the FIUTT has been in the field for collectively, 17 years and received training locally, regionally and internationally.

Recruitment of staff is critical for the year 2011. Training will also be necessary for the full composition of personnel in new trends in AML/CFT. While each member of staff will possess competence in his/her specific professional field, there must be exposure to international best practices followed by established FIUs.

As the FIUTT becomes fully operational, understanding the processes and systems followed by established FIUs

around the world will help the staff in designing and shaping their respective disciplines, contributing towards making the FIUTT one of the leading FIUs in the world. Visits to foreign FIUs are one avenue which will widen the foresight of the FIUTT staff.

### **Projections for 2011**

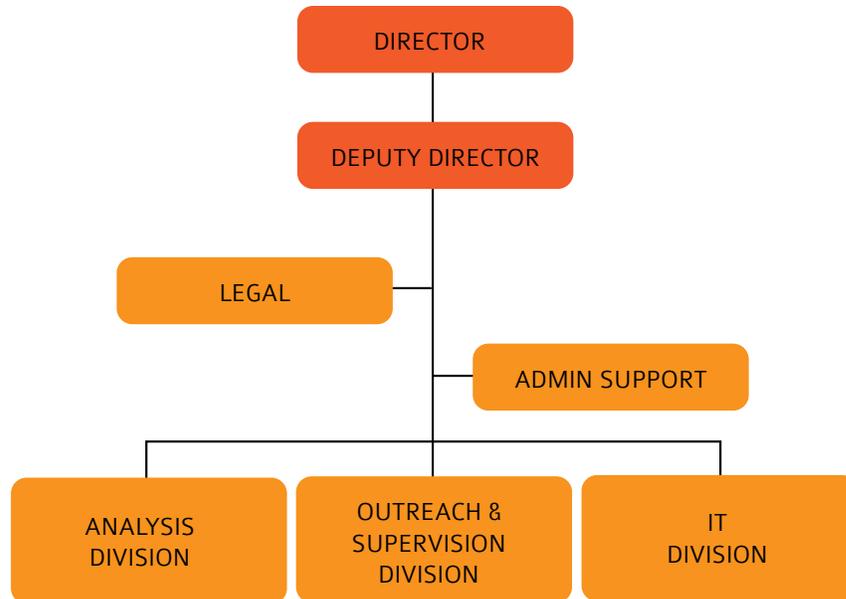
As the FIUTT's odyssey enters a new year, the projections for 2011 seem well within its reach. There is need for Regulations which will give support to the FIUA. With the addition of listed businesses in the AML/CFT infrastructure, there is need for supervision of this new group. As such, amendment to legislation will require the inclusion of this new function of the FIUTT. It is projected that legislative changes to effect this element of supervision will be completed in 2011. Supervision will ensure compliance with the AML/CFT legislation, and assist listed businesses during on-site visits to become compliant with the requirements of AML/CFT regime.

The FIUTT anticipates the introduction of its e-Registration system. This will ensure a timely, efficient and easy method of registering with the FIUTT.

To further build capacity and optimum functioning, the FIUTT looks toward having the opportunity to attain a level of independence by having its own budget within the budget of the Ministry of Finance.

## ■ APPENDIX A PROPOSED ORGANISATIONAL CHART OF THE FIUTT

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## ■ ABBREVIATIONS

<b>AG</b>	Attorney General
<b>AML/CFT</b>	Anti-Money Laundering and Counter Financing of Terrorism
<b>AREA</b>	Association of Real Estate Agents
<b>ATA</b>	Anti-Terrorism Act
<b>ATM</b>	Automated Teller Machine
<b>BATT</b>	Bankers Association of Trinidad and Tobago
<b>CARTAC</b>	Caribbean Regional Technical Assistance Centre
<b>CBTT</b>	Central Bank of Trinidad and Tobago
<b>CFATF</b>	Caribbean Financial Action Task Force
<b>Co.</b>	Company
<b>COSUNs</b>	Co-operating and Supporting Nations
<b>DVU</b>	Data Validation Unit
<b>EWG</b>	Egmont Working Group
<b>FATF</b>	Financial Action Task Force
<b>FC</b>	Fully Compliant
<b>FIB</b>	Financial Investigations Branch
<b>FINTRAC</b>	Financial Transactions Reports Analysis Centre of Canada
<b>FIU</b>	Financial Intelligence Unit
<b>FIUTT</b>	Financial Intelligence Unit of Trinidad and Tobago
<b>FIUA</b>	Financial Intelligence Unit Act
<b>FOR</b>	Financial Obligations Regulations
<b>GovRisk</b>	The International Government and Risk Institute
<b>GOVT</b>	Government
<b>ICATT</b>	Institute of Chartered Accountants of Trinidad and Tobago
<b>IMF</b>	International Monetary Fund
<b>IT</b>	Information Technology

<b>LC</b>	Largely Compliant
<b>MER</b>	Mutual Evaluation Report
<b>MLA</b>	Mutual Legal Assistance in Criminal Matters Act, Ch. 11:25
<b>MLAT</b>	Mutual Legal Assistance Treaty
<b>MOU</b>	Memorandum of Understanding
<b>MTS</b>	Money Transfer Services
<b>NC</b>	Non-Compliant
<b>OAS/CICTE</b>	Organisation of American States/Inter-American Committee Against Terrorism
<b>PC</b>	Partially Compliant
<b>PMCs</b>	Private Members Clubs'
<b>POCA</b>	Proceeds of Crime Act Chapter 11:27
<b>POCAA</b>	Proceeds of Crime Act Amendment, 10 of 2009
<b>POS</b>	Point Of Sale
<b>SAR</b>	Suspicious Activity Report
<b>SAUTT</b>	Special Anti-Crime Unit of Trinidad and Tobago
<b>SEP</b>	Search Engine Protocol
<b>SIP</b>	Strategic Implementation Planning
<b>STR/SAR</b>	Suspicious Transaction Report/ Suspicious Activity Report
<b>T&amp;T</b>	Trinidad and Tobago
<b>TTPS</b>	Trinidad and Tobago Police Service
<b>TTSEC</b>	Trinidad and Tobago Securities and Exchange Commission
<b>UN</b>	United Nations
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>US-SEC</b>	United States Security and Exchange Commission
<b>VPN</b>	Virtual Private Network

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Enquiries relating to this report should be addressed to:

The Director  
Financial Intelligence Unit of Trinidad and Tobago  
Level 25, Tower D  
International Waterfront Complex  
1A Wrightson Road  
Port of Spain

Telephone + (868) 625-8351  
Fax + (868) 627-7018  
e-mail [fiufeedback@gov.tt](mailto:fiufeedback@gov.tt)  
Website [www.fiu.gov.tt](http://www.fiu.gov.tt)