



Government of the Republic of
Trinidad and Tobago

Financial Intelligence Unit of Trinidad and Tobago

Annual Report 2015





**Government of the Republic of
Trinidad and Tobago**



Financial Intelligence Unit of Trinidad and Tobago

Annual Report 2015



1,853.80	1,988.09	3,210.78
3,900.22	5,108.03	3,700.78
6,308.73	9,920.88	1,781.97
8,887.93	6,091.99	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	955.48	9,934.93
1.97	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
	2,319.88	8,081.93
	25	1,638.99
		3,920.09
		7,833.93
		7,551.71
		8,909.88
		4,908

1,890.99
1,989.09
5,108.03
920.88



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

FIU Ref: INF/1714/2015/PAO

November 23, 2015

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

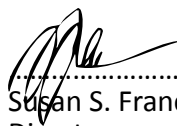
Dear Minister,

Re: Letter of Transmittal

I have the honour to submit the Annual Report on the operations of the Financial Intelligence Unit for the period October 1st, 2014 to September 30th, 2015.

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
Financial Intelligence Unit





Vision

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

Mission

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

Contents

LIST OF ABBREVIATIONS	6		
STATEMENT OF THE DIRECTOR	8		
HIGHLIGHTS	10		
CHAPTER I-ESTABLISHMENT AND LEGAL FRAMEWORK	11	CHAPTER V – INSTITUTIONAL STRENGTHENING	48
Establishing Standards To Combat Money Laundering and Financing of Terrorism	11	Resources	48
The Financial Intelligence Unit of Trinidad and Tobago	11	Information Systems and Technology	48
The Supporting Legal Framework	12	Professional Development	48
The Changing Legal Environment	14		
 		CHAPTER VI-PARTICIPATION IN INTERNATIONAL FORA	51
CHAPTER II-ANALYTICAL DIVISION	15	EGMONT Group of FIUs	51
Core Functions	15	The CFATF	51
Statistics	16	The FATF	52
Strategic Analysis	22	The CICAD	52
Trends and Typologies	23	Inter-American Committee Against Terrorism of the Organisation of American States	53
 		CFATF 10 th AML/CFT Compliance Conference	53
CHAPTER III-SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS	24	The First Caribbean AML/CFT Board of Directors Conference	53
Responsibilities To Supervise, Monitor and Enforce AML/CFT Laws	24		
Registration of Supervised Entities	25	CHAPTER VII-PROJECTIONS FOR THE YEAR 2015/2016	54
Compliance	26	Human Resources	54
Co-operation with Stakeholders	29	IT Projections	54
Enforcement	30	Legal Projections	54
Outreach and Awareness	31		
FIUTT Online	35	APPENDIX A	56
 		APPENDIX B	58
CHAPTER IV-NATIONAL AND INTERNATIONAL CO-OPERATION	36	GLOSSARY	60
Building Partnerships	36		
Domestic Co-operation	36		
FIUTT in Partnership	41		
International Co-operation	41		
MOUs with foreign FIUs	44		

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
AAL	Attorneys-at-Law
ACT	Accountant
AD	Art Dealer
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
ATA	Anti-Terrorism Act, Chapter 12:07
BI	Business Intelligence
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
CICTE	Inter-American Committee Against Terrorism
CP	Compliance Programme
CCULTT	Co-operative Credit Union League of Trinidad and Tobago
CU	Credit Union
DNFBPs	Designated Non-Financial Businesses and Professionals
DPP	Director of Public Prosecutions
ESW	Egmont Secure Website
FATF	Financial Action Task Force
FSRB	FATF Style Regional Bodies
ICRG	International Co-operation Review Group
FI	Financial Institution
FIB	Financial Investigations Branch
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
FININT	Financial Intelligence
FIUA	Financial Intelligence Unit of Trinidad and Tobago Act, Chapter 72:01
FIUR	Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011
FIUTT	Financial Intelligence Unit of Trinidad and Tobago
FOR	Financial Obligations Regulations, 2010
FT	Financing of Terrorism
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ICT	Information and Communication Technology
IDMS	Intranet and Document Management Solution
iGovTT	National Information and Communication Technology Company Limited
IRs	Intelligence Reports
IRS USA	Internal Revenue Service-USA

LIST OF ABBREVIATIONS (CONTINUED)

ABBREVIATION	MEANING
ISIL	Islamic State of Iraq and the Levant
IT	Information Systems and Technology
JW	Jewellers
LEA	Law Enforcement Authority
LB	Listed Business
MER	Mutual Evaluation Report
ML/FT	Money Laundering/Financing of Terrorism
MNS	Ministry of National Security
MOU	Memorandum of Understanding
MV	Motor Vehicle Sales
MVTS	Money or Value Transfer Services
NAMLC	National AML/CFT Committee
NCCT	Non-Co-operative Countries and Territories
NLOB	National Lotteries Online Betting Games
NRA	National Risk Assessment
NRFI	Non-Regulated Financial Institutions
OAS	Organisation of American States
OTA	Office of Technical Assistance
PB	Pool Betting
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
RCMP	Royal Canadian Mounted Police
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
UNSCR	United Nations Security Council Resolution

STATEMENT OF THE DIRECTOR

This Sixth Annual Report of the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) covers its operations for the reporting period from October 1, 2014 to September 30, 2015.

During this reporting period, the FIUTT achieved several significant milestones. These include:

- participation in the 4th Round of Mutual Evaluation of Trinidad and Tobago's Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) regime conducted by the Caribbean Financial Action Task Force (CFATF);
- contribution to amendments to the AML/CFT legal framework;
- completion of the FIUTT's first Strategic Analysis;
- participation in its first Egmont Group ISIL project; and
- increased compliance and outreach efforts to Supervised Entities which have AML/CFT obligations.

CFATF selected Trinidad and Tobago as the first member country to be evaluated under the 4th Round of Mutual Evaluations. The evaluation commenced in August 2014, with an assessment of Trinidad and Tobago's AML/CFT legislative regime followed by an on-site examination during the period January 12-23, 2015 of the effectiveness of implementation of AML/CFT obligations and measures. The evaluation involved both public and private sector stakeholders, included the FIUTT, the Judiciary, Law Enforcement and Prosecutorial Authorities, the National Anti-Money Laundering Committee, and the Financial Institutions and Listed Business Sectors. The 4th Round Mutual Evaluation Report will be published after the CFATF Plenary to be held in November 2015.

In this reporting period, the AML/CFT laws were amended to strengthen Trinidad and Tobago's technical compliance with international AML/CFT standards. The Proceeds of Crime Act, the Anti-Terrorism Act, the FIUTT Act and related Regulations were amended effective October 13, 2014. These amendments have also set the stage for more effective implementation of our AML/CFT laws.

The FIUTT maintained a high the level of dissemination of Intelligence Reports. These Intelligence Reports were developed from reports of Suspicious Transactions/Activities (STRs/SARs) submitted by the Reporting Entities, as well as from Voluntary Information Reports from the Public, from Information Requests from both local and foreign competent authorities and from Spontaneous Disclosures for foreign FIUs.

Analysis revealed that the number of reports of financial transactions suspected of being linked to terrorism has tripled over the past year. During this reporting period the number of terrorism-related STRs/SARs jumped from 5 in 2013/2014 to 16 in 2014/2015. However, although there were 16 reports, the number of suspects identified in these reports (i.e. suspected terrorists and their financiers) exceeded that amount. But STRs/SARs are only one source of information. The FIUTT has received and analysed information from other local and international sources, on over 100 persons who are suspected of participating in terrorist activities.

Based on the analysis of the reports linked to suspected terrorist activity, the FIUTT contributed to the Egmont Group ISIL¹ project on the Western Hemisphere Regional Financial Intelligence Profile of ISIL Foreign Terrorist Fighters. Once disclosure is authorised, the FIUTT will share the regional profiles and un-redacted global assessment with domestic government partners.

Recent events have underscored extremist groups' desire to expand the reach of their terror. Such terrorist organisations are bent on destabilising communities and causing loss of life; activities which are likely to have a global impact around the world, including in the Caribbean. The relevant authorities should be mindful of Trinidad and Tobago's robust Anti-Terrorism legislation, which makes it an offence to participate in the commission of a terrorist act whether committed in or outside of Trinidad and Tobago and to finance terrorism. Financing of Terrorism not only funds terrorist

¹ Islamic State in Iraq and the Levant listed as AL-QAEDA IN IRAQ on the List established and maintained by the 1267/1989 Committee of the United Nations Security Council

STATEMENT OF THE DIRECTOR (CONTINUED)

attacks but also helps to maintain terrorist groups and to support their operations through the provision of living expenses, travel, training, recruitment activities and the like.

With respect to STRs/SARs, the FIUTT has noted that the monetary value of the reported suspicious transactions or activities was considerably less in this reporting period; a dramatic decline from TTD 698,265,453 in 2013/2014 to TTD 354,471,532 in 2014/2015. A concern is the possible under-reporting of the actual dollar amount of the suspected transaction or activity, and accordingly, the FIUTT has initiated steps to verify the actual monetary value involved in the suspicious transaction or activity recorded in the STR/SAR, and if required will instruct on the corrective action to be taken.

In this reporting period, the FIUTT prioritised compliance monitoring and enforcement. More resources were deployed to increase the number of compliance examinations, to test Supervised Entities' implementation of their AML/CFT obligations. As well, directives were issued to several entities for failure to rectify AML/CFT deficiencies identified at the compliance examination.

Through Outreach and Awareness sessions, assistance was provided to Supervised Entities on developing a Risk Based Approach to compliance and on improving the quality and quantity of STRs/SARs. These efforts led to a significant increase in STRs/SARs submissions from the Listed Business sector.

Since Money Laundering and Financing of Terrorism are transnational crimes, information sharing with foreign counterparts is a critical component of the FIUTT's operations. During this reporting period, the FIUTT responded to many requests for information from foreign counterparts. As well, the FIUTT executed Memoranda of Understanding with six foreign Financial Intelligence Units to facilitate information exchange and agreed on information sharing procedures with Turkey.

The effective implementation of the FIUTT's AML/CFT mandate relies strongly on the capacity and capability of the resources, which support it. This translates into the provision of sufficient human resources and relevant training to develop and strengthen staff skills. To this end, the FIUTT successfully recruited additional Compliance Officers in April 2015 and made proposals to increase the number of Analysts on the establishment. The need to strengthen the analytical resources is consequent upon the increasing complexity of money laundering cases and new time-consuming responsibilities placed on the Analysts pursuant to the legislative amendments in October 2014.

Looking ahead, the FIUTT will be focusing on implementing the recommendations emanating from the 4th Round Mutual Evaluation Report. It is expected that such recommendations will include both legislative and institutional strengthening measures. Due to the dynamic nature of Money Laundering and Financing of Terrorism, risk assessments are on-going processes, therefore, the legislative climate, of necessity, must evolve in keeping with the assessment of risks.

To this end, the FIUTT will support a re-examination of its legal structure, to ensure that this structure not only satisfies international requirements of autonomy and independence but also best serves the needs of the country at this time.

It is commonly acknowledged that cash is the mainstay of criminal transactions. Therefore, cash-intensive environments, which foster a lack of transparency in transactions, facilitate criminal activities. Thus, the FIUTT will also recommend that the authorities give serious consideration to instituting limits to the use of cash for the purchase of goods and services, as well as, in the collection of revenue at government offices.

Susan S. François
Director

HIGHLIGHTS



CHAPTER I-ESTABLISHMENT AND LEGAL FRAMEWORK

1. ESTABLISHING STANDARDS TO COMBAT MONEY LAUNDERING AND FINANCING OF TERRORISM

In an effort to achieve compliance with the international Anti-Money Laundering and Combatting the 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 towards:

- the establishment of a Financial Intelligence Unit (FIUTT);
- 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;
- creating an effective supervisory framework; and
- establishing channels for domestic and international co-operation.

2. THE FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO

i. The Enabling Legislation

- ***The Financial Intelligence Unit of Trinidad and Tobago Act as amended by Miscellaneous Provisions Act, No. 15 of 2014***

The Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01 (FIUA) was proclaimed on February 9, 2010. The FIUA established the FIUTT as the institution responsible for the collection and analysis and dissemination of financial intelligence and information. With a clear mandate to implement the AML/CFT policies of the FATF, the Unit is expected to receive and analyse suspicious transactions and activities reports

(STRs/SARs), and to disseminate and exchange financial intelligence and information among law enforcement authorities, financial institutions and listed business in Trinidad and Tobago and internationally.

The FIUTT's remit was expanded in 2011 to include supervisory and monitoring powers for compliance by Non-Regulated Financial Institutions (NRFIs) and Listed Business (LB) (collectively referred to as the Supervised Entities) to ensure that these entities comply with their AML/CFT legal and regulatory obligations.

- ***The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 as amended by Legal Notice No. 403 of 2014***

The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 (FIUR) came into effect on February 10, 2011. The FIUR makes provision for matters necessary for carrying out the FIUA such as processes for registration with the FIUTT, for making requests and responding to requests for financial information, for receiving STRs/SARs, for the protection, storage and dissemination of financial intelligence and information and for information exchange.

ii. Establishment of the FIUTT

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. Recommendation 29 requires each Member State to establish an FIU to serve as a national centre for the receipt and analysis of: (a) suspicious transaction reports; and (b) other information relevant to money laundering, associated predicate offences and terrorist financing, and for the dissemination of the results of that analysis.

Therefore, the FIUTT was created by the FIUA as the national agency in Trinidad and Tobago responsible for the collection, analysis and dissemination of financial intelligence and information to comply with Recommendation 29. It is a specialised intelligence gathering unit and an administrative type FIU with analytical functions. These functions are separate and distinct from investigative action, which is conducted by the Law Enforcement Authorities (LEAs).

CHAPTER I-ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

The FIUTT operates as a department within the Ministry of Finance and the Economy, with its own budgetary allocation, offices, resources and staff. The Unit became operational in February 2010 upon the proclamation of the FIUA.

iii. Structure of the Organisation

The Director, who is the Head of the FIUTT, is responsible for the overall supervision of the FIUTT and the implementation of policies with respect to ML/FT in accordance with the FIUA and any other law. The Public Service Commission appoints the Director, Deputy Director and other officers on the establishment of the FIUTT. However, the Permanent Secretary of the Ministry of Finance and the Economy may appoint other members of staff including consultants and experts after consultation with the Director on a contractual basis.

Such appointments must conform to the guidelines for contractual employment issued by the Chief Personnel Officer. The approved number of staff positions in the FIUTT is 42 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, preparation of analytical reports and the co-operation function. The Compliance Officers ensure that Supervised Entities are aware of and compliant with their AML/CFT obligations.

The Information Systems and Technology (IT), Legal and Administrative divisions support these core operational areas.

iv. Functions

The functions and responsibilities of the FIUTT are detailed in the FIUA and 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 FIUTT conducts analysis and disseminates an intelligence report to LEAs for investigation to determine whether an AML/CTF offence has been committed and whether the proceeds of crime are located here or elsewhere.

- ***The Exchange of Information***

The FIUTT is required to exchange financial intelligence and information with members of the Egmont Group of FIUs and with foreign FIUs spontaneously or based on 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 and Enforcement***

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

The FIUTT is also empowered to impose administrative sanctions to enforce compliance by Supervised Entities with their AML/CFT obligations.

Other areas of responsibility include outreach, training and the provision of sector and general guidelines, advisories and feedback, which assist Reporting Entities in developing and implementing effective AML/CFT measures.

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 as amended by the Miscellaneous Provisions Act, No. 15 of 2014;
- the Anti-Terrorism Act, Chap. 12:07 as amended by the Miscellaneous Provisions Act, No. 15 of 2014;
- the Financial Obligations Regulations, 2010 as amended by Legal Notice No. 392 of 2014; and
- the Financial Obligations (Financing of Terrorism) Regulations, 2011

CHAPTER I-ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

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

i. The Proceeds of Crime Act Chap. 11:27 (as amended)

The provisions of the Proceeds of Crime Act Chap. 11:27 (POCA) clearly demonstrate Trinidad and Tobago's commitment to combat ML. 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 POCA was the subject of recent legislative amendments aimed at strengthening Trinidad and Tobago's fight against ML and FT thereby making it *"less attractive to criminal elements seeking to launder their illicit gains or to transmit funds to terrorist organisations."*²

Some important features of the amended POCA, which came into effect on October 13, 2014, are:

- the introduction of the concept of "criminal conduct" which means conduct which constitutes an offence in Trinidad and Tobago or would constitute an offence if committed in Trinidad and Tobago;
- the introduction of the concept of "criminal property" which is defined as any property which constitutes a benefit, in whole or in part, directly or indirectly, from criminal conduct; and
- there is a Seized Assets Funds regime from which confiscated or forfeited assets will be utilised to provide funds for law enforcement and social programmes such as drug abuse treatment and rehabilitation projects or community development.

ii. The Financial Obligations Regulations, 2010 (as amended)

The Financial Obligations Regulations (FOR), which came into effect on January 19, 2010, were made under section 56 of the POCA. The FOR contains the AML/CFT, measures and procedures with which Reporting Entities must comply to enable them to deter and detect ML and to report suspicious transactions and activities.

Significant amendments were introduced to the FOR on December 11, 2014, which include:

- the introduction of the concept of the risk-based approach, which allows Reporting Entities to allocate their finite resources in the prevention or mitigation of AML/CTF risks proportionate to the risks perceived;
- the requirement to designate an Alternate Compliance Officer;
- an expansion of the definition of Politically Exposed Persons (PEPs) to include domestic PEPs and "important party officials", "senior executive of State owned corporations", "senior politicians" and "senior government officials";
- the requirement that any person who carries on money or value transfer services is obliged to maintain a list of all of its sub-agents to be made available upon request by a supervisory authority;
- expanded customer due diligence requirements for domestic and cross border wire transfers.

iii. The Anti-Terrorism Act Chap. 12:07 (as amended)

The Anti-Terrorism Act Chap. 12:07 (ATA) criminalises terrorism and makes provision for the detection, prevention, prosecution, conviction and punishment of terrorist acts, the financing of terrorism and for the confiscation, forfeiture and seizure of terrorists' assets. Additional measures were introduced in a series of amendments to the ATA, which included:

- the maintenance and circulation of Security Council of the United Nations lists of designated entities (groups, persons identified as terrorists);
- remedial action required by Reporting Entities which enable the early identification of terrorist assets; and
- the provision for the listing of terrorist entities by the State, which allows for the freezing of terrorists' assets to prevent the flight and dissipation of the assets used to finance terrorism.

² The Hon. Minister Larry Howai, Minister of Finance and the Economy – Hansard 19 Sep 2014

CHAPTER I-ESTABLISHMENT AND LEGAL FRAMEWORK (CONTINUED)

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

The Financial Obligations (Financing of Terrorism) Regulations took effect on February 4, 2011 to ensure that the obligations stipulated under the FOR apply *mutatis mutandis* to a Reporting Entity in relation to the Financing of Terrorism (FT). A significant feature is the requirement that a Reporting Entity produces Quarterly Terrorist Reports (QTRs) attesting to whether it is or not in possession or control of terrorist property and details of same if applies.

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

In 2014, AML/CFT stakeholders in Trinidad and Tobago engaged in a review of the POCA, ATA, FIUA and associated Regulations to meet the standards of the revised FATF Recommendations. The Miscellaneous Provisions (Proceeds of Crime, Anti-Terrorism, Financial Intelligence Unit of Trinidad and Tobago) (No. 2) Act, 2014 as well as the amendments to the various Regulations have gone a long way to strengthen the AML/CFT legal regime and improve operational efficiency and effectiveness.

However, the AML/CFT legislative framework must continuously evolve to keep pace with new and creative techniques and innovative tactics that criminals adopt to disguise the source and movement of illicit funds.

CHAPTER II-ANALYTICAL DIVISION

1. CORE FUNCTIONS

Financial analysis of suspicious transactions/activities and the dissemination of Financial Intelligence (FININT) in relation to ML, FT and related crimes, is the primary output of the Analytical Division of the FIUTT. Financial analysis brings together multiple pieces of data to identify and follow the trail of criminal proceeds. Therefore, FININT provides local and foreign LEAs, foreign FIUs, and other competent authorities, with information, which *inter alia*:

- confirms information already known;
- triggers new leads for investigation;
- identifies ML/FT techniques, methods, trends and typologies; and
- identifies vulnerabilities in the FI, NRFI and LB sectors and makes recommendations to address such vulnerabilities

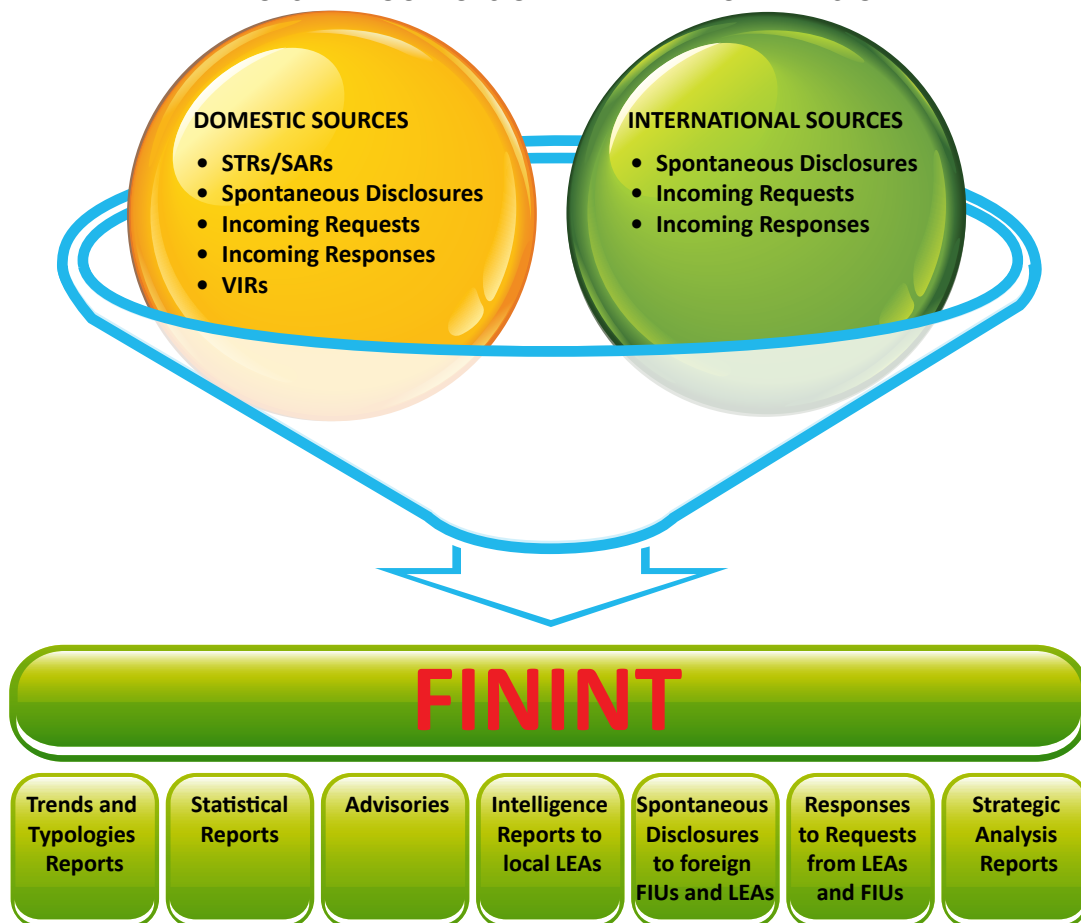
Sources of information utilised by the Analytical Division include:

- STRs/SARs;
- Voluntary Information Reports (VIRs) from the public;
- Spontaneous Disclosures;
- incoming requests for information/intelligence;
- information exchange between regulators;
- incoming responses to FIUTT’s requests for information; and
- open and closed source databases

The FININT provided by the FIUTT enables our Law Enforcement partners, (both locally and internationally), to investigate ML/FT activities and related crimes.

Diagram 1 illustrates the inputs and outputs of the Analytical Division.

**DIAGRAM 1
INPUTS AND OUTPUTS OF THE ANALYTICAL DIVISION**



CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

2. STATISTICS

i. STRs/SARs Submitted

The FIUTT received **609** STRs/SARs in the current reporting period. This is consistent with the STRs/SARs submissions of the previous reporting period.

Table 1 gives a comparative view of the STRs/SARs submissions from 2011 to 2015.

Significant increases in STRs/SARs submissions were noted from the LB sector, which continued a trend observed in the last reporting period. In this reporting period, the number of STRs/SARs submitted by the LB

sector was the highest number when compared to the previous years, (from six in 2011 to 81 in 2015). The Motor Vehicle Sales (MV) and Real Estate (RE) sectors showed a noticeable increase in their STRs/SARs submission.

The Banks consistently submit the highest number of STRs/SARs in the regulated financial sector, while in the NRFIs sector, the Co-operative Societies submitted the highest number of STRs/SARs in this reporting period.

**TABLE 1
A COMPARATIVE VIEW OF THE STR/SAR SUBMISSIONS FROM 2011 -2015**

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

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

ii. Action Taken on STRs/SARs

In this reporting period, analysis was completed on 512 STRs/SARs, of which 498 were related to suspected ML activities and 14 in relation to suspected FT.

The analysis of these STRs/SARs generated 178 Intelligence Reports (IRs) of which 168 related to suspected ML and 10 related to FT. Of the 178 IRs generated, 139 were sent to local LEAs and 39 were Spontaneous Disclosures³, which were disseminated to foreign LEAs and foreign FIUs.

These Spontaneous Disclosures are proactive IRs shared by the FIUTT, which did not result from a request for information from the foreign LEAs and foreign FIUs.

Compared to the 228 IRs disseminated in the previous reporting period, the 178 reports disseminated in this reporting period represents a decline of 22% attributable to several factors namely:

- the critical involvement of the Analytical Division in the 4th Round Mutual Evaluation of Trinidad and Tobago;
- the conduct, completion and dissemination of the FIUTT’s first Strategic Analysis Project, which was highly demanding in terms of research, collation and presentation of data; and
- the increasing complexity of STRs/SARs cases which required significant analytical time and effort

Table 2 illustrates Action Taken on STRs/SARs. Diagram 2 illustrates that in the last 4 years (from October 1, 2011 to September 30, 2015) a combined 581 IRs were disseminated to competent authorities.

iii. Financing of Terrorism

Combatting Terrorism and the Financing of Terrorism activities continue to be a global challenge. The FIUTT contributes to the disruption of terrorist activity through the receipt, analysis and dissemination of intelligence linked to suspected FT.

During this reporting period, the FIUTT received 16 STRs/SARs of suspected FT. This represented an increase of 220% in the number of STRs/SARs relating to FT, when compared to the five submissions in the previous reporting period. Fourteen STRs/SARs were analyses which generated 10 IRs, out of which nine were disseminated to local LEAs and one to a foreign competent authority.

In this reporting period, the FIUTT also received information from other local sources as well as international sources, on over 100 persons suspected of participating in terrorist activities. On completion of the analysis, Intelligence reports generated from these sources were submitted to the relevant competent authorities.⁴

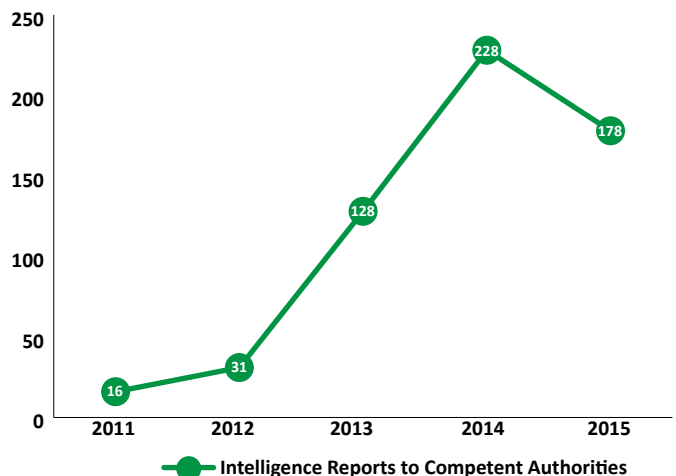
**TABLE 2
ACTION TAKEN ON STRS/SARS**

Oct. 1, 2014 TO SEPT. 30, 2015					
Received	Analysed	Suspected offence			Total
			Local	Foreign	
609*	512**	ML	130	38	168
		FT	9	1	10
		TOTAL INTELLIGENCE REPORTS DISSEMINATED	139	39	178

* Includes STRs/SARs on Attempted Transactions

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

**DIAGRAM 2
INTELLIGENCE REPORTS DISSEMINATED TO
COMPETENT AUTHORITIES**



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

4 See Tables 6 and 7

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

iv. Analysis of STRs/SARs by Dollar Value

The total monetary value of suspicious transactions disclosed by the Reporting Entities in the STRs/SARs submissions for this reporting period is **TTD 354,471,532**. This amount is a marked decline of 49.2% or less than half the value reported in the previous year.

STRs/SARs submitted to the FIUTT also include "Attempted Transactions"⁵. Of the 609 STRs/SARs submitted 566 were completed transactions with a monetary value of **TTD 272,802,553** and 43 were attempted transactions with a monetary value of **TTD 81,668,979**.

Table 3 (pages 20-21) provides a breakdown of STRs/SARs submissions and monetary value by categories of Reporting Entities.

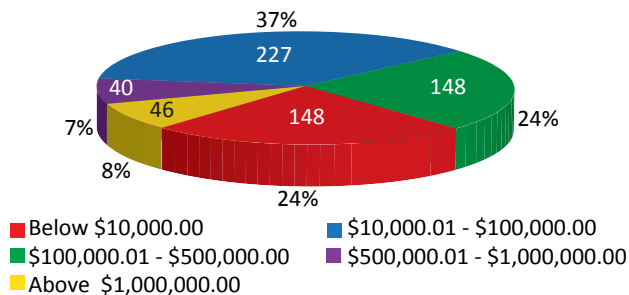
v. Dollar Value of STRs/SARs

Over the period, 2011 to 2015, the total monetary value of transactions reported as suspicious was approximately 3.7 Billion, i.e. **TTD 3,665,199,126**.

In this reporting period, the total monetary value in the STRs/SARs was **TTD 354,471,532**. Arising from the FIUTT's analysis, there is a concern regarding under-reporting of the monetary amounts involved in the suspicious transactions or activities. The FIUTT has commenced an assessment to determine whether the monetary value was accurately reflected when the suspicion relates to a series of transactions.

Over 50% of the STRs/SARs received in this reporting period disclosed a monetary value of **TTD 100,000** and less. The extremely low monetary values of the STRs/SARs submissions continue to be of great concern to the FIUTT. Diagram 3 shows the Low Dollar Value of STRs/SARs.

**DIAGRAM 3
LOW DOLLAR VALUE OF STRs/SARs**



vi. Prevalence of Cash in STRs/SARs Submissions

Cash is the fuel that drives the criminal economy as reflected in the STRs/SARs submissions to the FIUTT. Of the 609 STRs/SARs reported in this period, 335 or 55% involved cash transactions. Cash accounted for **TTD 60,587,711** or 17.1% of the monetary value of all STRs/SARs submitted.

The type of financial instruments reported in the STRs/SARs include:

- cash (both local and foreign currencies);
- remittances;
- cheques (bank cheques/drafts, personal and company cheques); and
- other instruments (account-to-account transfers, credit cards, pre-paid cards)

The FIUTT notes a gradual increase in remittances through the MVTs sector and use of pre-paid cards.

vii. Suspected offences

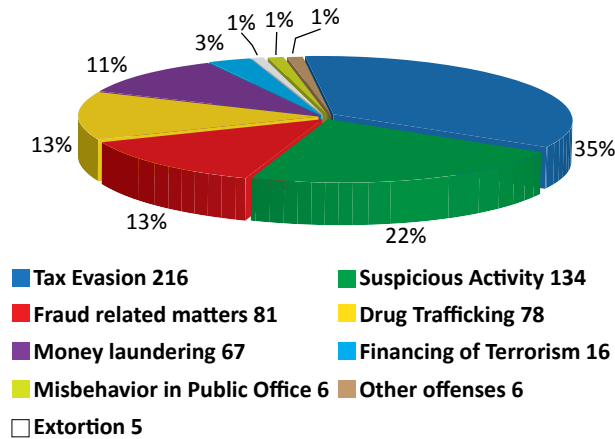
In this reporting period, Money Laundering was again the suspected offence in the majority of STRs/SARs received.

Diagram 4 provides a breakdown of suspected specified offences disclosed from STRs/SARs analysis for this reporting period.

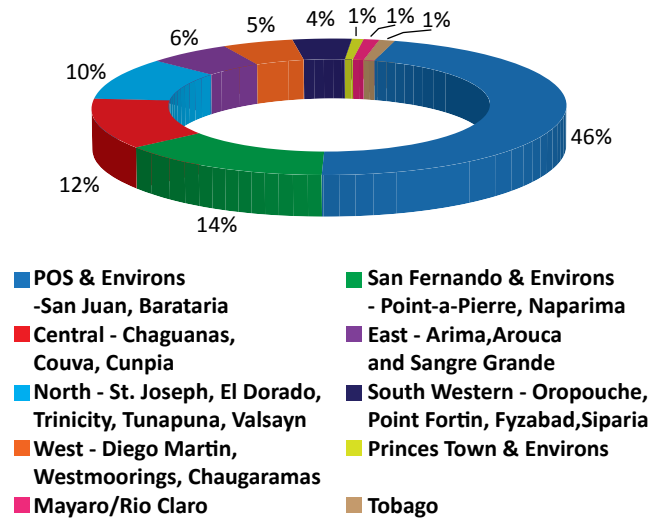
⁵ An Attempted Transaction is a transaction, which is not completed.

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

**DIAGRAM 4
SUSPECTED SPECIFIED OFFENCES**



**DIAGRAM 5
STRs/SARs BY GEOGRAPHICAL LOCATION OF REPORTING ENTITIES**



viii. STRs/SARs Submissions by Geographical Location of Reporting Entities

STRs/SARs are submitted by various FIs, NRFIs and LBs located throughout Trinidad and Tobago. In this reporting period, nearly 50% of STRs/SARs came from Reporting Entities located in Port of Spain and its environs. The next highest STR/SAR submissions came from San Fernando and its environs with 14 per cent followed by Central and North Trinidad with 12 and 10 per cent respectively.

Diagram 5 illustrates STRs/SARs by geographical location of Reporting Entities.

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

Analysis of STRs/SARs by Occupation/Profession showed that Professionals (Bankers, Teachers, Senior Company Officials, Consultants) accounted for the largest percent, i.e, 21% or 126 persons, who were reported for suspicious transactions. Next largest were Business Traders who accounted for 14% or 82 persons. Unskilled Workers (Labourers, Domestic Workers) accounted for 10% or 63 persons, while Politically Exposed Persons (PEPs) accounted for 1% or 5 persons, who were reported for suspicious transactions.

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

TABLE 3
STR/SAR SUBMISSIONS FROM OCT. 2014-SEPT. 2015

Indicator	Financial Institutions					
	Banks	Security Dealers	Mortgage Co.	Exchange Bureau	Insurance Co.	Investment Co.
No. of Completed ML STRs/SARs	152	1	24	1	22	20
Value (TTD) of Completed ML STRs/SARs	191,813,131	539,289	4,392,951	7,460	1,032,375	16,612,946
No. of Completed FT STRs/SARs	12	0	0	0	0	0
Value (TTD) of Completed FT STRs/SARs	3,392,919	0	0	0	0	0
Value of Completed ML & FT STRs/SARs	195,206,050	539,289	4,392,951	7,460	1,032,375	16,612,946
No. of Attempted ML Transactions	20	0	1	0	6	1
Value of Attempted ML Transactions	76,704,684	0	126,075	0	0	110,000
No. of Attempted FT Transactions	1	0	0	0	0	0
Value of Attempted FT Transactions	48,469	0	0	0	0	0
Value of Attempted ML & FT STRs/SARs	76,753,153	0	126,075	0	0	110,000
Total no. of STRs/SARs	185	1	25	1	28	21
Total Value (TTD) of STRs/SARs	271,959,203	539,289	4,519,026	7,460	1,032,375	16,722,946

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

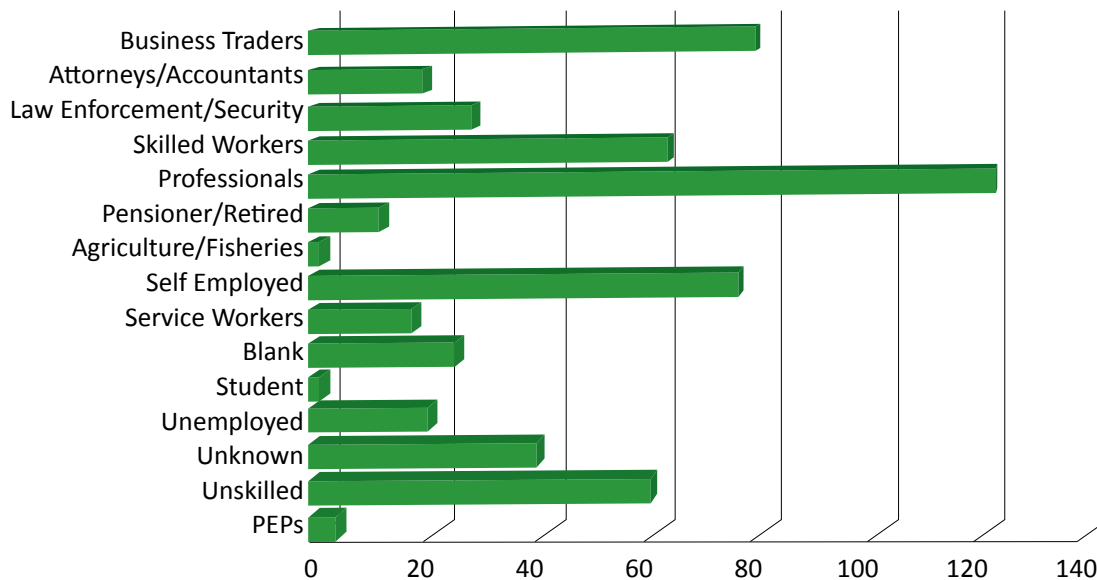
Categories of Reporting Entities										
Non-Regulated Financial Institutions		Listed Business								
Co-operative Societies	Money Value Transfers	Attorneys-at-Law	Jewellers	Motor Vehicle Sales	National Lotteries	Real Estate	Private Members Club	Gaming House	Total Year 2015	Total Year 2014
140	120	5	6	27	6	7	16	4	551	571
10,677,992	13,884,906	9,970,000	174,808	8,779,729	5,503,285	5,776,350	215,185	10,000	269,390,407	564,669,154
0	3	0	0	0	0	0	0	0	15	4
0	19,227	0	0	0	0	0	0	0	3,412,146	327,470
10,677,992	13,904,133	9,970,000	174,808	8,779,729	5,503,285	5,776,350	215,185	10,000	272,802,553	564,996,624
4	0	1	0	1	0	1	7	0	42	41
158,000	0	750,000	0	1,461,751	0	2,290,000	20,000	0	81,620,510	133,268,829
0	0	0	0	0	0	0	0	0	1	1
0	0	0	0	0	0	0	0	0	48,469	0
158,000	0	750,000	0	1,461,751	0	2,290,000	20,000	0	81,668,979	133,268,829
144	123	6	6	28	6	8	23	4	609	617
10,835,992	13,904,133	10,720,000	174,808	10,241,480	5,503,285	8,066,350	235,185	10,000	354,471,532	698,265,453

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

The FIUTT noted that 11% of STRs/SARs submitted contained a blank Occupation/Profession field or a description 'unknown' for the Occupation/Profession. Since Occupation/Profession is critical in the STR/SAR analysis, the FIUTT has taken steps to have this addressed by the Reporting Entities.

Diagram 6 illustrates STRs/SARs submissions by Occupation/Profession.

DIAGRAM 6
STRs/SARs SUBMISSIONS BY OCCUPATION/PROFESSION



x. Requests for information

The FIUTT has the power under the FIUA to request financial information from any Reporting Entity and any public authority to conduct analysis.

In this reporting period, a total of 1095 requests for information were made by the FIUTT. of these requests 841 or 76.8% were made to FIs, 193 or 17.6% were made to NFRIs, 3 or 0.3% were made to LB and 58 or 5.3% were made to public authorities. This number does not include requests made and fulfilled through direct access to public authorities electronic databases.

3. STRATEGIC ANALYSIS

The Analytical Division of the FIUTT produced its first Strategic Analysis product in 2015. This is in fulfilment of the FATFs Recommendation 29.4 (b) that *“all FIUs must conduct Strategic Analysis in an effort to alleviate AML/CFT issues that may pose serious consequences for its jurisdiction and other jurisdictions.”*

Strategic Analysis identifies ML and FT and related trends, in order to determine ML and FT threats and vulnerabilities to the social, economic and financial environments. The Strategic Analysis product also makes recommendations for policy makers to address the vulnerabilities identified.

CHAPTER II-ANALYTICAL DIVISION (CONTINUED)

i. FIUTT's Strategic Analysis Projects

FIUTT completed its first Strategic Analysis project in June 2015. The FININT in this Strategic Analysis project provided recommendations to guide LEAs in their investigations and made recommendations to minimise the exploitation of legitimate financial systems in Trinidad and Tobago.

The FIUTT has commenced a second Strategic Analysis project in collaboration with other FIUs in the Western Hemisphere to examine a mutual phenomenon. The project will examine the most common financial activities from multiple geographic regions. It will also identify vulnerabilities, risks, trends, financial modus operandi and the financial infrastructure supporting the phenomenon.

4. TRENDS AND TYPOLOGIES

The FIUTT issues advisories to Reporting Entities on observed trends in suspicious transactions and activities in the financial system. The following trends were observed in the STR/SAR submissions:

- frequent and small value-intra-island money transfers;
- persons being solicited via email to send money to persons they do not know; and
- the use of fraudulent certificates of insurance and false documentation to make claims arising from accidents

The following typology was issued in this reporting period.

Typology

Mr. X, a member of a Credit Union persuades an elderly person to apply for membership in the Credit Union. Upon enrollment, Mr. X states that he would make the deposits to the accounts. The accounts included an Indemnity Plan, Life Insurance policy and other investment products. Mr. X was described as relative and/or friend of the applicant and was placed as the beneficiary on the accounts.

Upon the death of the elderly member, Mr. X provides the Credit Union with a copy of the death certificate and claims the death benefit. Family members of the deceased were unaware of their relative's membership in the Credit Union.

It would appear that Mr. X resided in close proximity to the elderly person and may have been well known to him/her.

Mr. X then accompanied several other applicants for membership, all of whom were elderly, infirm or otherwise vulnerable persons *, and who named him as beneficiary on their accounts.

Key points in this Typology

- Mr. X accompanies the vulnerable person to the Credit Union and enrolls them as new members;
- Mr. X agrees to pay the indemnity or insurance premium payments on their behalf;
- on the death of the vulnerable person, Mr. X provides the Credit Union with a copy of the death certificate and collects the death benefit; and
- the relatives of the elderly and/or infirmed persons are unaware of his/her membership in a Credit Union

* Vulnerable person: an individual who is at risk of abuse or harm due to life circumstances—e.g., frail and elderly, underage, homeless, mentally ill or differently abled.

CHAPTER III-SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS

1. RESPONSIBILITIES TO SUPERVISE, MONITOR AND ENFORCE AML/CFT LAWS

The FIUTT is mandated to supervise LBs and NRFIs ('collectively called Supervised Entities') for compliance with their AML/CFT legal obligations. Consequently, the FIUTT must:

- register Supervised Entities;
- approve designated Compliance and Alternate Compliance Officers;
- conduct compliance examinations to assess the implementation of the AML/CFT obligations;

- review AML/CFT audit reports;
- receive QTRs on whether an entity is in possession or not in possession of terrorist property;
- conduct sector specific outreach and awareness sessions; and
- impose administrative sanctions for breaches of AML/CFT obligations

Diagram 7 shows the FIUTT's AML/CFT responsibilities.

**DIAGRAM 7
FIUTT'S AML/CFT RESPONSIBILITIES**



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

2. REGISTRATION OF SUPERVISED ENTITIES

i. Registrations

Supervised Entities have a legal obligation to register with the FIUTT in accordance with Regulation 28 (1) of the FIUA. Amendments to the FIUR mandate that Supervised Entities register within three months of commencing business activity or incorporation as a company under the laws of Trinidad and Tobago, whichever is the earlier. Notwithstanding, the FIUTT has adopted a proactive approach to ensure that Supervised Entities comply with this obligation by:

- issuing registration advisories; and
- acting on information received from internal referrals, general staff surveillance and co-operation with Government Agencies

The FIUTT saw a 398% increase in the number of registrants from 108 in the last reporting period, as compared to 538 in this reporting period. This can be attributed to the FIUTT's ongoing collaboration with other regulatory bodies and government ministries, such as the Ministry of Trade and the Judiciary. The number of Motor Vehicle registrants significantly increased by over 1,000%, from 26 in the last reporting period to 380 in this reporting period. To date the sectors with the most registrants are Attorneys-at-Law (AAL), RE, MV and Co-operative Societies.

The total number of registrants as at September 30, 2015 is 2099. Table 4 shows the total number of Supervised Entities registered with the FIUTT from 2013 to 2015. Diagram 8 illustrates the total registrants for each sector.

The FIUTT continues to receive requests for de-registration from Supervised Entities that no longer perform the activities or functions described in the First Schedule of the POCA. As well, the POCA was amended to remove Postal Services as NRFIs. Within this reporting period, 193 entities have since de-registered with the FIUTT.

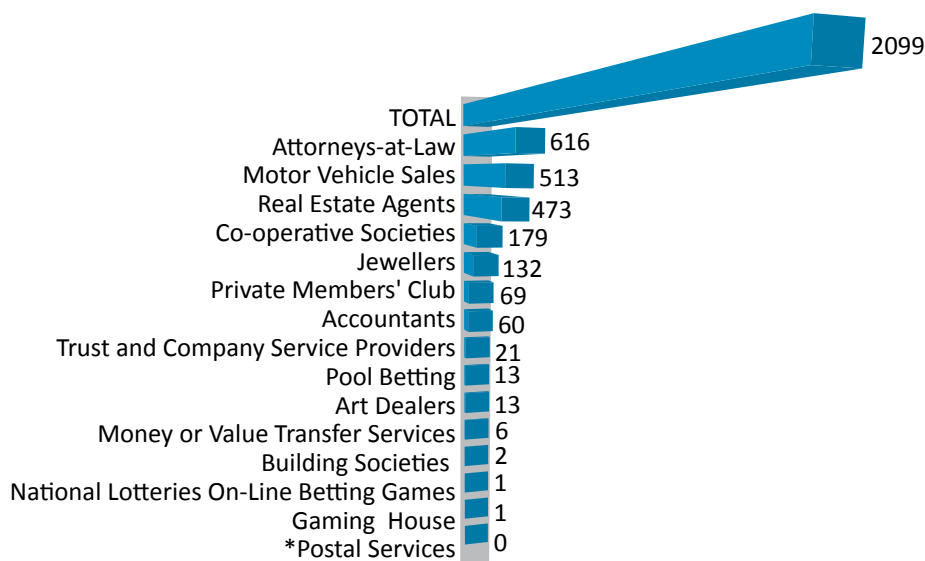
The publication of the list of registered Supervised Entities on the FIUTT's website is a recent innovation pursuant to an amendment of the FIUA. Registered entities are now able to verify their registration status and FIs and LBs can also use this listing to conduct their due diligence processes more effectively.

TABLE 4
TOTAL NUMBER OF SUPERVISED ENTITIES REGISTERED

Supervised Entities	2013	2014	2015
Listed Businesses	1460	1564	2087
Non-Regulated Financial Institutions	186	190	205
Total Registered	1646	1754	2292
De-registrations	-82	-139	-193
TOTAL REGISTRANTS	1564	1615	2099

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

**DIAGRAM 8
TOTAL NUMBER OF REGISTRANTS PER SECTOR**



* No longer categorised as a Financial Institution as at October 2014

3. COMPLIANCE

i. Compliance Examinations

The predominant supervisory monitoring mechanism employed by the FIUTT is the compliance examinations. On-site examinations and desk-based reviews are conducted to assess the effectiveness of an entity’s AML/CFT measures and to ascertain their compliance with the legislative regime of Trinidad and Tobago. Sectors are prioritised and Supervised Entities are selected for examinations using a risk-based approach; that is, where identified risks are higher the FIUTT prioritises these entities for on-site compliance examinations.

This reporting period, saw a 25% increase in the number of compliance examinations conducted. The number increased from 94 in 2014 to 124 in 2015, as illustrated in Diagram 9. There was a significant increase in compliance examinations conducted on entities performing functions as AAL, MV and RE sectors as seen in Diagram 10.

Detailed feedback letters were provided to the entities informing of the FIUTT’s findings of the compliance examination with recommendations to rectify deficiencies within specific timeframes. Common deficiencies identified include:

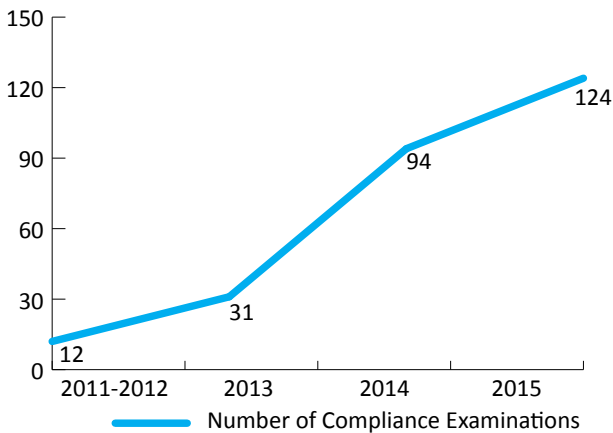
- failure to implement adequate customer due diligence measures;
- failure to maintain adequate and required records;
- failure to train directors, senior management and all staff; and
- failure to implement suspicious transaction/ activity reporting measures

AAL, Credit Unions (CU) and Money or Value Transfer Services (MVTs) were found to be the most compliant sectors for implementation of customer due diligence measures. However, Private Members’ Clubs (PMCs), Jewellers and National Lotteries Online Betting Games (NLOB) sectors were found to be the least compliant in the implementation of customer due diligence measures training, and record keeping.

The FIUTT has initiated enforcement action against those entities that have failed to correct the identified deficiencies.

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

**DIAGRAM 9
COMPLIANCE EXAMINATIONS CONDUCTED**

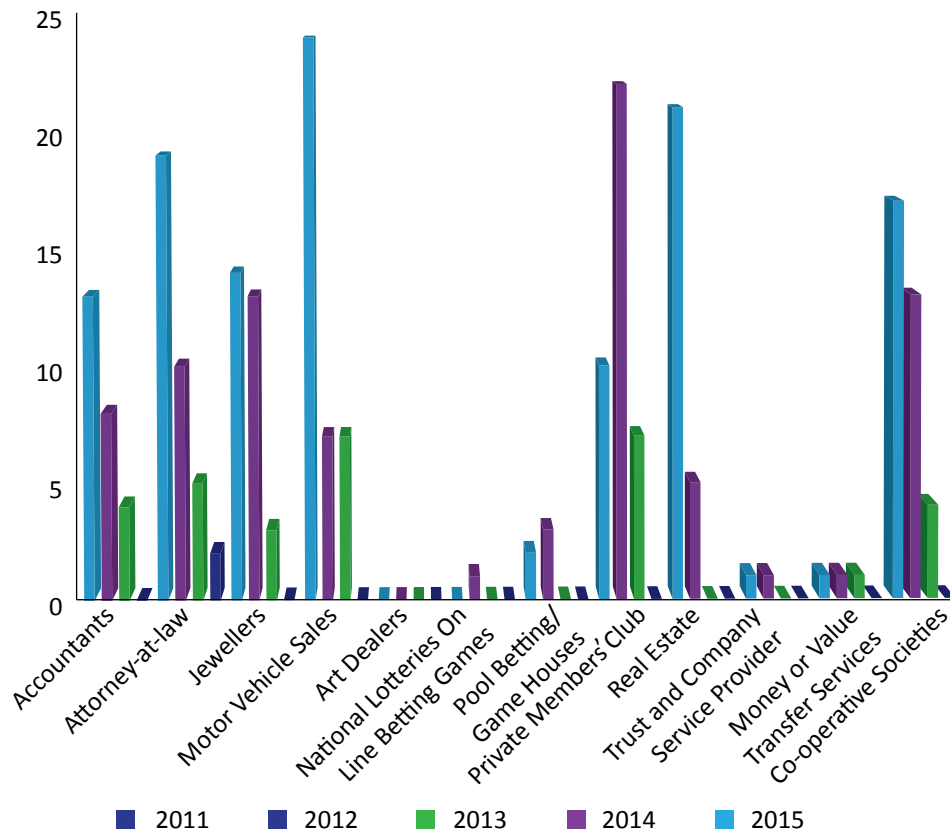


ii. Approving Designated Compliance Officers

Supervised Entities are required to designate a Compliance Officer and an Alternate Compliance Officer to be the official liaison between the FIUTT and the entity. The Alternate Compliance Officer will discharge the Compliance Officer’s functions in his/her absence.

The Compliance Officer and Alternate Compliance Officer are responsible for ensuring that the entity is compliant with its AML/CFT legal and regulatory obligations and consequently the appointment of both officers require FIUTT’s approval. Internal processes have been implemented by the FIUTT to validate the integrity and suitability of persons appointed by Supervised Entities. This process includes the completion and submission of a Compliance Officer Fit and Proper Questionnaire (See Appendix B).

**DIAGRAM 10
COMPLIANCE EXAMINATIONS CONDUCTED BY SECTOR**



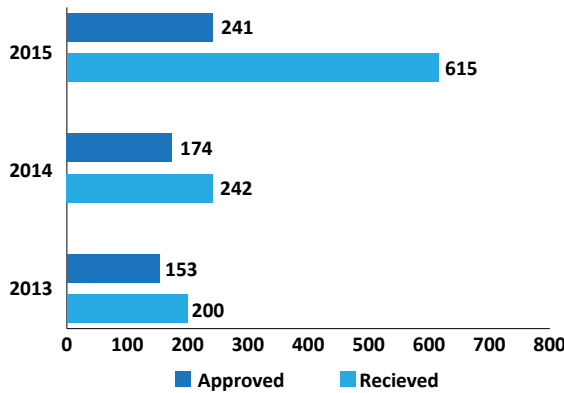
CHAPTER III-SUPERVISING AND ENFORCING AML/CFT OBLIGATIONS (CONTINUED)

For this reporting period, 615 Compliance Officer Applications were received and 241 were processed and approved.

There was an increase by 154% in the number of Compliance Officer Applications received from 242 in 2014 to 615 in 2015. This increase may be attributed to the increased number of registrants in the Motor Vehicle Sales (MV) sector.

Diagram 11 illustrates the comparison of Compliance Officer applications received and approved in the last 3 years.

**DIAGRAM 11
COMPLIANCE OFFICER APPLICATIONS RECEIVED AND APPROVED**



iii. Quarterly Terrorist Property Reports

The AML/CFT legislative regime of Trinidad and Tobago mandates that FIs implement measures and systems to detect whether they are in possession of terrorist funds or property and to report same to the FIUTT.

In 2011, there was only a 52% compliance rate with this obligation. Since then, in an effort to improve compliance and ensure FIs were conducting the required due diligence, the following activities were undertaken:

- outreach and awareness sessions;
- publication of guidance notices and advisories; and
- enforcement action

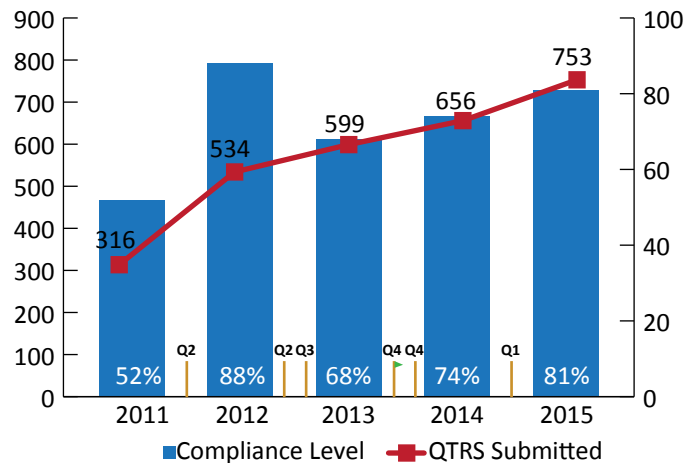
Collectively, these initiatives contributed to an increased awareness and compliance with the obligation. For this reporting year, there was a 15% increase in submission from 656 in 2014 to 753 in 2015. Diagram 12 demonstrates the steady increase in QTR submissions to the FIUTT since 2011. Insurance Companies were

the most compliant with a 90% compliance level while CU were the least compliant with 63%.

While Postal Services was removed as a Reporting Entity consequent upon an amendment to the POCA, Insurance Agents and Insurance Brokers registered under the Insurance Act are now included and required to implement measures to detect and report terrorist funds and property in their possession to the FIUTT.

**DIAGRAM 12
QTR COMPLIANCE BY FINANCIAL INSTITUTIONS**

Details	YEAR				
	2011	2012	2013	2014	2015
No. of Financial Institutions Expected to report	152	152	221	221	225
No. of QTRs expected annually	608	608	884	884	900
No. of QTRs submitted to the FIU	316	534	599	656	753



CATEGORIES OF FINANCIAL INSTITUTIONS		
Co-operative Societies	Insurance Companies	Broker Dealers
Bureaux de Change	Commercial Banks	Insurance Brokers
Investment Advisor	MVT	Non-bank FIs
Banks	Postal Services	Securities
Trust Companies	Mortgage Companies	

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

4. CO-OPERATION WITH STAKEHOLDERS

i. Co-operation with Supervisory Authorities and Supervised Entities

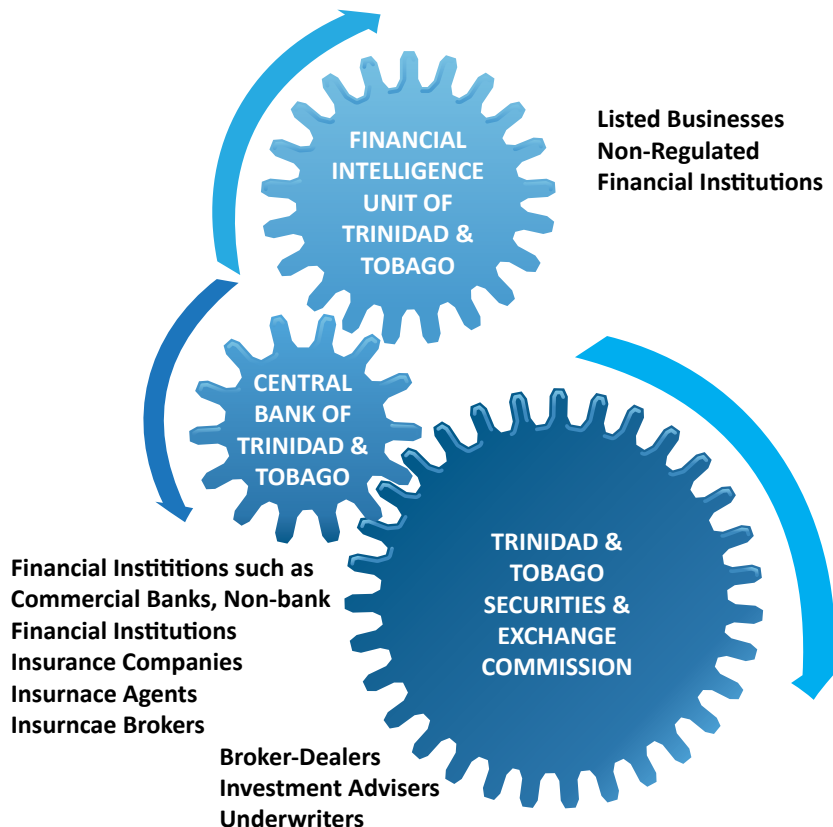
The Supervisory Authorities with responsibility for the oversight of AML/CFT compliance in Trinidad and Tobago are the FIUTT, Central Bank of Trinidad and Tobago (CBTT) and Trinidad and Tobago Securities and Exchange Commission (TTSEC). Diagram 13 illustrates the Supervisory Authorities and the Reporting Entities under their remit.

The FIUTT, CBTT and TTSEC form the Supervisory Authorities Working Group and meet quarterly to consult on matters such as customer due diligence requirements and sanctioning measures. In this reporting year, the FIUTT continued collaborative efforts with CBTT in the conduct of AML/CFT joint on-site examinations on the Credit Union sector.

With respect to Supervised Entities, the FIUTT has formed a Supervised Entities Working Group with each sector key stakeholder representatives. Quarterly meetings are held to discuss matters such as:

- updates to FATF/CFATF Public Statements on the list of countries that are non-compliant and do not sufficiently comply with the recommendations of the FATF;
- updates to the UN 1267 List;
- techniques for identifying suspicious transactions or suspicious activities; and
- trends and typologies in ML and FT

**DIAGRAM 13
SUPERVISORY AUTHORITIES AND THE REPORTING ENTITIES**



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

5. ENFORCEMENT

Enforcement action pursuant to Section 18H of the FIUA is progressed via a graduated four-tiered process. These steps are designed to ensure that Supervised Entities are afforded the opportunity to take corrective action and to make representations before any sanction is imposed. The enforcement process consists 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 and issuance of a Directive if the entity fails to comply with (i) and (ii) above; and
- iv. should the entity fail to comply with the FIUTT’s directive, an Order of the High Court may be sought to compel compliance

In the reporting period, legislative amendments resulted in the FIUTT intensifying its focus in examining the Supervised Entities’ effective implementation of their Compliance Programmes.

The FIUTT continued to pursue enforcement action against Supervised Entities which failed to comply with their obligations under the AML/CFT legislative framework. Diagram 14 shows the number of entities subject to enforcement by the FIUTT in the reporting period. Significant breaches identified were:

- failure to register with the FIUTT;
- failure to submit QTRs;
- failure to conduct and submit Compliance External Audits; and
- failure to correct deficiencies identified at Compliance Examinations

For the first time the FIUTT took enforcement action against entities which failed to correct deficiencies identified at compliance examinations. During the reporting period, enforcement action was initiated against 101 entities while four were escalated for second tier enforcement action. Directives were issued to two Entities and the FIUTT is monitoring compliance.

Enforcement action at the first two tiers was initiated against a total of 120 entities in this reporting period for failing to register with the FIUTT. This type of

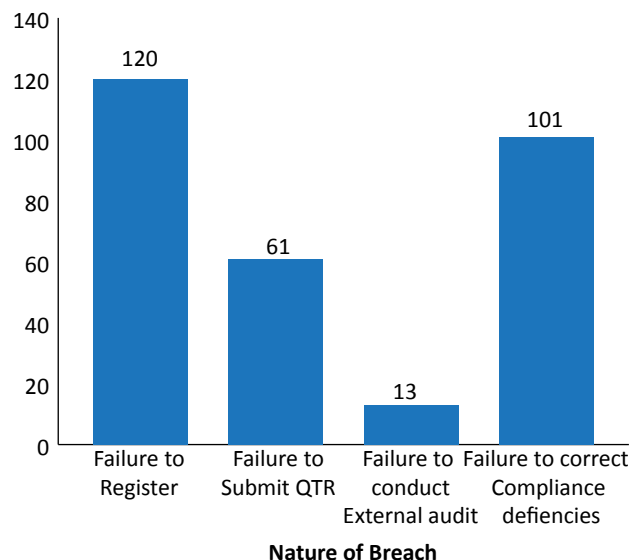
enforcement is critical to ensure that all entities performing specified functions are brought within the supervisory remit of the FIUTT. Out of 64 entities which received second warning letters regarding registration, 28 complied either by confirming they have ceased business or by registering with the FIUTT. The remaining entities have been escalated for further enforcement action.

61 entities were also given first tier warnings for failing to comply with QTR reporting obligations under the ATA. 56% complied and action is being taken against entities which continue to be in breach.

The FIUTT’s enforcement action was prioritised across high risk sectors including MV, PMCs, RE and AAL. Diagram 15 illustrates the number of entities in the various sectors that were subject to the different tiers of enforcement action.

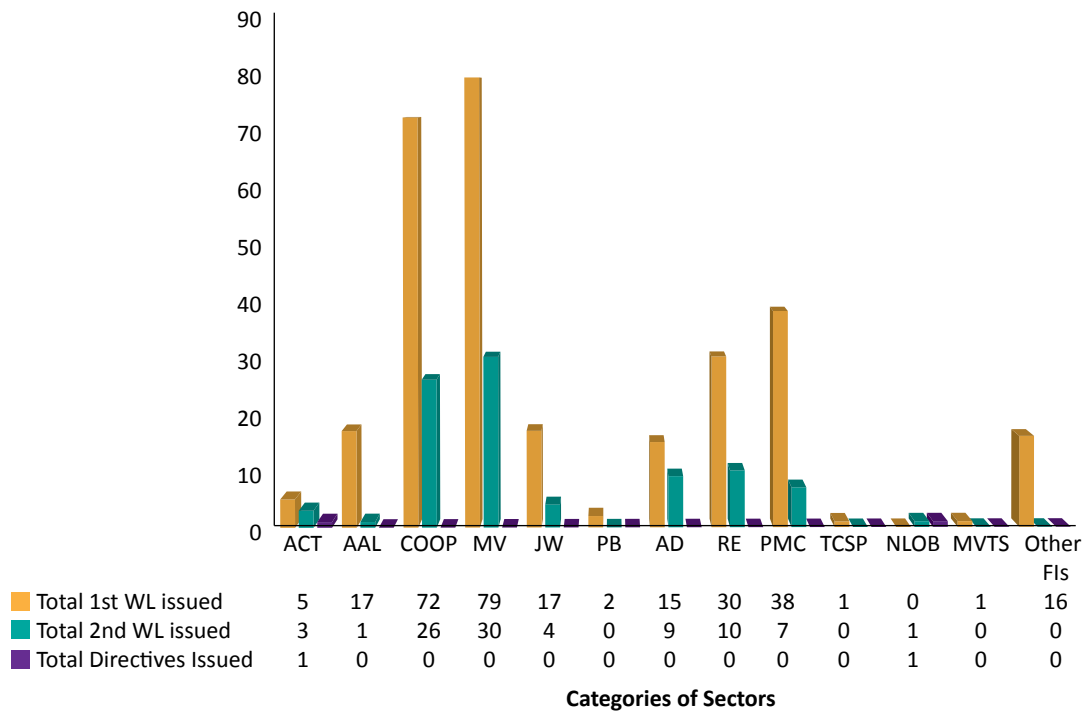
The FIUTT will continue to take enforcement action on those entities which fail to fulfil their AML/CFT obligations, in particular those which fail to rectify those deficiencies identified at compliance examinations.

DIAGRAM 14
NUMBER OF ENTITES SUBJECT TO ENFORCEMENT AND THE NATURE OF THE BREACH



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

DIAGRAM 15
TIERS OF ENFORCEMENT ACTION TAKEN AGAINST SECTORS



6. OUTREACH AND AWARENESS

i. Outreach and Awareness

During this reporting period, the FIUTT conducted and participated in outreach and awareness activities for Reporting Entities and the general public. 872 individuals participated in 27 activities. Table 5 demonstrates Outreach and Awareness activities conducted in this reporting period.

The FIUTT's theme for outreach sessions was 'Adopting a Risk Based Approach' and 'Effective Suspicious Transaction/Activity Reporting'. Topics covered included: the AML/CFT obligations of Reporting Entities including Compliance Officer's functions, Implementation of internal controls, Reporting measures and Independent Testing for compliance. The ultimate aim is to assist in identifying and reporting Suspicious Transactions/Activities.

In an effort to meet the demand for training, the FIUTT continued to partner with the various stakeholders such as the National Anti-Money Laundering Committee, CBTT, the Association of Real Estate Agents (AREA), the

Jewellers Association of Trinidad and Tobago, Trinidad and Tobago Members Club Association and the Co-operative Credit Union League of Trinidad and Tobago. General and sector specific sessions for financial institutions, listed businesses and the public were conducted at venues throughout Trinidad as well as at our annual Tobago Conference. Sector specific sessions were conducted for the MV Sales, PMCs, CU and RE sectors where industry-specific issues related to AML/CFT were ventilated.

For the first time, the FIUTT conducted Outreach for representatives of the media and receivers of government revenue. These sessions fostered stakeholder relationships.

ii. Entity Assistance

The FIUTT has adopted a one-on-one approach to provide entities with more focused guidance. These

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

meetings occur via conference calls or face-to-face consultations, either at the request of the entity or the FIUTT. Guidance is provided on matters such as STRs/SARs completion, submission of QTRs, compliance with enforcement action and training requirements.

Most recently, the FIUTT met with entities of the CU and NLOB sectors to discuss measures that must be adopted to improve the effectiveness of their monitoring and reporting systems. These consultations were triggered by the findings of STR/SAR analysis and compliance examinations.

**TABLE 5
2015 OUTREACH AND AWARENESS ACTIVITIES**

NO	DATE	TRAINING	CO-ORDINATING AGENCIES	SECTOR	TOTAL PARTICIPANTS
1	October 9, 2014	AML/CFT Obligations	FIUTT	Credit Union	1
2	November 16, 2014	Effective Suspicious Transaction/Activity Reporting	JATT/FIUTT	Jewellers	50
3	November 18-19, 2014	STR/SAR Trends and Typologies Awareness Seminar for Examiners	FIUTT/CBTT	Supervisory Authority	35
4	April 2, 2015	Issue of exemption certificates	FIUTT	Financial Institution	1
5	April 9, 2015	AML/CFT Obligations-Registration	FIUTT/Diego Martin Consumers Co-operative Society Ltd	Credit Union	1
6	April 10, 2015	The Role of the FIU/AML/CFT Obligations of AALs	FIUTT	Law Students	18
7	April 24, 2015	Effective Suspicious Transaction/Activity Reporting using a Risk Based Approach	FIUTT	Credit Union	52
8	May 4, 2015	Citizen Security measures to prevent and control crime	FIUTT/UWI/CAF Development Bank of Latin America		60
9	May 11, 2015	Effective Suspicious Transaction/Activity Reporting using a Risk Based Approach	FIUTT	Reporting Entities	114
10	May 11, 2015	Fraud Trends	FIUTT/TTPS (Fraud Squad)	Reporting Entities	76
11	May 14, 2015	The AML/CFT Legal Framework and the Role of the FIUTT	FIUTT/Diego Martin Lions Club	Credit Union	25
12	June 12, 2015	Role of FIUTT and Effective Suspicious Transaction/Activity Reporting	FIUTT	Trust & Company Service Provider	17
13	June 23, 2015	The Art of ML and the vulnerabilities of cash transactions	FIUTT	Public Sector Managers and Receivers of Government Revenue	52

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

No.	DATE	TRAINING	PARTICIPATING AGENCIES	SECTOR	TOTAL PARTICIPANTS
14	June 25, 2015	The Role of the FIU in relation to security of staff, property and information	FIUTT/CBTT	Security Chiefs of Regional Central Banks	15
15	July 1, 2015	The Art of ML/How the AML/CFT System Works	FIUTT	Media	15
16	July 9, 2015	Annual AML training for Directors	FIUTT/Massy Group of Companies	Financial Institutions	75
17	July 27, 2015	Understanding ML/TF; Effective Suspicious Transaction/Activity Reporting using a Risk Based Approach	FIUTT	Motor Vehicle Sales	37
18	August 3, 2015	Compliance Examination	FIUTT	Motor Vehicle Sales	1
19	August 13, 2015	Understanding ML/TF; Effective Suspicious Transaction/Activity Reporting using a Risk Based Approach	FIUTT	Reporting Entities	109
20	August 14, 2015	STR/SAR Trends and Typologies Awareness Seminar for Examiners	FIUTT/CBTT	Supervisory Authorities	10
21	August 17, 2015	Understanding ML/TF; Effective Suspicious Transaction/Activity Reporting using a Risk Based Approach	FIUTT	Gaming, Private Members Club	37
22	September 10, 2015	The Role of the Compliance Officer/Effective Suspicious Transaction/Activity Reporting	FIUTT	Credit Union	13
23	September 11, 2015	Effective Suspicious Transaction/Activity Reporting	FIUTT	National Lotteries Control Board	2
24	September 11, 2015	CDD for NGO	FIUTT	Non-profit organisation	5
25	September 16, 2015	CDD/Third Party Reliance	FIUTT	Real Estate	1
26	September 17, 2015	Effective Suspicious Transaction/Activity Reporting	FIUTT	Real Estate	49
27	September 22, 2015	Risk Based Assessment	FIUTT	Credit Union	1
TOTAL					872

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

PICTURE 1
2015 5TH ANNUAL TOBAGO
AML/CFT CONFERENCE



Members of the audience attending the Tobago 5th Annual AML/CFT Compliance Conference at the Magdalena Grand Hotel

PICTURE 2
2015 FIUTT OUTREACH AND AWARENESS
SEMINAR FOR MEDIA



Media personnel attending 2015 FIUTT Outreach and Awareness Seminar at the Marriott

PICTURE 3
2015 GENERAL OUTREACH AND
AWARENESS SESSION



A section of the audience in attendance at the 2015 General Outreach and Awareness Session at The National Academy for the Performing Arts (NAPA)

PICTURE 4
SECTOR SPECIFIC OUTREACH AND AWARENESS
SESSION-MOTOR VEHICLE SALES



Representatives of Motor Vehicle Sales in attendance at a Sector Specific Outreach and Awareness Session

PICTURE 5
RECEIVERS OF GOVERNMENT REVENUE AML/CFT



Section of audience attending Receivers of Government Revenue AML/CFT Training at the National Library and Information System Authority (NALIS)

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

7. FIUTT ONLINE

During this reporting period, FIUTT's website, www.fiu.gov.tt, continued to provide updated content to its stakeholders. The following highlights the major updates, which were published on the website:

- First time publication of the list of NRFIs and LBs which are registered with the FIUTT, with quarterly updates;
- Consolidated Acts and Regulations revised up to January 05, 2015 in the AML/CFT legal framework:
 - FIUA and FIUR;
 - POCA and FOR; and
 - ATA and Financial Obligations (Financing of Terrorism) Regulations, 2011
- Revised 'Notice to Financial Institutions on Quarterly Reporting of Terrorist Property';
- Revised 'offences and Penalties under the AML/CFT laws of Trinidad and Tobago';
- Revised 'Compliance Officer Fit and Proper Questionnaire';
- Annual Report 2014;
- Notice to FIs and LBs for submission of STRs/SARs;
- Updates to important international events such as:
 - FATF's list of High Risk and Non-Co-operative Jurisdictions;
 - CFATF's List of Jurisdictions with Strategic AML/CFT Deficiencies;
 - Public Statement from the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL); and
 - UN Security Council Sanctions List
- FIUTT Outreach and Awareness events; and
- Quarterly statistics on STRs/SARs

CHAPTER IV-NATIONAL AND INTERNATIONAL CO-OPERATION

1. BUILDING PARTNERSHIPS

FIUs play an essential role in the AML/CFT effort. In recent years, FIUs have emerged as the focal point through which all stakeholders in the AML/CFT regime must interact. The FIUTTs' interaction extends to the National AML/CFT Committee; the other Supervisory Authorities; the LEAs, Intelligence Agencies and Prosecutorial Authorities in effectively addressing ML/FT and other related crimes.

With the expanding relationships of national and international partners, the FIUTT aims to protect Trinidad and Tobago's financial and economic system through reinforcing and advancing the efforts of the Reporting Entities, regulatory, supervisory, administrative, law enforcement, prosecutorial and other competent authorities on whom we depend to perform our tasks effectively. Of necessity stakeholder relationships must be based on mutual trust and understanding.

2. DOMESTIC CO-OPERATION

i. Law Enforcement Authorities

The FIUTT is ever cognisant that a clear understanding of the needs of the LEAs and intelligence agencies is essential to provide a financial intelligence product that is relevant, timely and useful in fighting ML and FT more effectively. Co-operation between these groups extends beyond merely dissemination and receipt of IRs.

The quality of the interface between the FIUTT and the LEAs on one hand and the Reporting Entities on the other, in terms of procedures and relationships, is crucial. The FIUTT must be able to obtain information about the usefulness of the Intelligence Reports and their follow-up which will assist the FIUTT in continually improving the quality. As well, the FIUTT has to demonstrate to the Reporting Entities the value

of their engagement in the AML/CFT framework. Effective and timely feedback is valuable, to strengthen their suspicious transaction monitoring systems and procedures in order to improve the quality of their reporting, to help identify priorities and to shape an appropriate risk-based approach within the sectors.

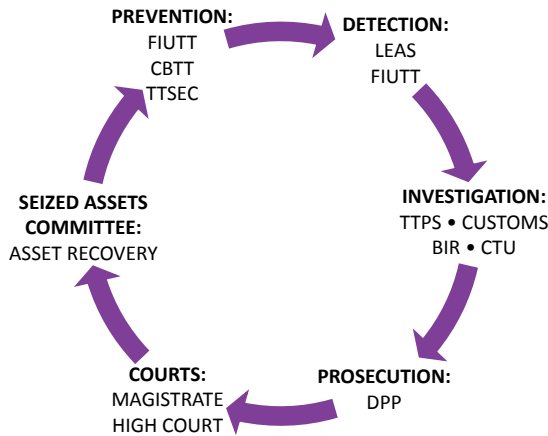
As well the FIUTT has established the following mechanisms to enhance collaboration and co-operation:

- **The LEA Working Group:** This group comprises Analysts from the FIUTT and officers from the FIB, Customs & Excise, Immigration, Criminal Tax Investigation Unit and the office of the Director of Public Prosecutions. This group meets monthly, or more often if the need arises, to chart courses of action on matters relating to ML/FT, trends & typologies, data collection, statistics, and training.
- **LEA Training & Workshop:** The FIUTT facilitated three workshops on ML/FT analysis, investigation and prosecution in conjunction with FINTRAC, IRS US. All members of the LEA Working Group were invited to participate as well as specialised arms of the Trinidad and Tobago Police Service (TTPS) such as the Fraud Squad, Anti-Corruption Investigations Bureau, Special Branch, Criminal Gang Intelligence Unit, Organised Crime, Narcotics & Firearm Bureau, the Homicide Bureau, the Counter Trafficking Unit and Central Authority.
- **Strategic Analysis:** In June 2015, the FIUTT completed its first Strategic Analysis product on the flow of illicit funds through the penal system of Trinidad and Tobago. The analysis used multiple sources of data, not only information held in the FIUTT database but also information sourced from other Competent Authorities. The Strategic Analysis report was presented to the LEAs and the findings of the report are expected to guide policy and procedure of the LEAs investigation of the criminal activities identified.

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

The AML/CFT Cycle of responsibility is depicted in Diagram 16.

**DIAGRAM 16
THE AML/CFT RESPONSIBILITY CYCLE**



PREVENTION	<ul style="list-style-type: none"> • LEGISLATION • REGULATION • GUIDELINES • STANDARDS • ADVISORIES
DETECTION	<ul style="list-style-type: none"> • POLICIES • ANALYSED INTELLIGENCE REPORTS
INVESTIGATION	<ul style="list-style-type: none"> • EVIDENCE GATHERING
PROSECUTION	<ul style="list-style-type: none"> • PROSECUTING
COURTS	<ul style="list-style-type: none"> • JUDGEMENTS
SEIZED ASSET COMMITTEE	<ul style="list-style-type: none"> • SEIZURE • FORFEITURE • CONFISCATION

ii. The Information Flow between the FIUTT and LEAs

The FIUTT's sees the timely dissemination of intelligence as a critical obligation. The efficient and effective analysis of STRs/SARs in the shortest possible timeframe is dependent on the resources at the FIUTT and the co-operation of third parties such as Reporting Entities. The FIUTT supports the efforts of LEAs by providing FININT both spontaneously and upon request.

The FIUTT has enhanced its operations with respect to all terrorism cases by designating an Analyst to prioritise analysis of cases of suspected FT and to respond to requests relating to FT.

Table 6 illustrates the number of requests received from LEAs and the number of requests sent to LEAs by the FIUTT categorised according to predicate offence. Diagram 17 illustrates that in this reporting period the FIUTT received 79 requests for intelligence as opposed to 54 requests in the previous reporting period. This is a noticeable increase of 25 requests or 46%. Similarly, in this reporting period the FIUTT made 72 requests for information compared with only 23 requests made in the previous reporting period, a significant increase of 213% or 49 requests. This represents not only further strengthening of the relationship between the FIUTT and LEAs but also the increasing usefulness of the FIUTT's intelligence.

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

**TABLE 6
EXCHANGE OF INFORMATION WITH DOMESTIC LEAS**

		PREDICATE OFFENCE CATEGORIES														TOTAL PREDICATE OFFENCE ML/TF	YEAR		
		Human Trafficking	Drug Trafficking	Money Laundering	Fraud	Suspicious Activity	Threats	Robbery/Theft	Financing of Terrorism	Tax Crimes	Organised Crime/ Gang Activity	Corruption	Extortion	Kidnapping	Murder			Insider Trading	Illegal Quarrying
Exchange of Information with Domestic LEAs	No. of incoming requests from Domestic LEAs	2	18	12	4	11	0	3	17	0	0	6	2	1	3	0	0	79	2015
		5	17	11	13	0	0	1	0	0	3	0	0	0	0	1	3	54	2014
	No. of Responses to Domestic LEAs	2	12	8	0	5	0	2	17	0	0	2	0	1	2	0	0	51	2015
	No. of FIUTT Requests to Domestic LEAs	0	13	10	10	13	1	6	10	3	1	4	1	0	0	0	0	72	2015
		0	8	8	0	1	0	1	0	5	0	0	0	0	0	0	0	23	2014
No. of Responses from Domestic LEAs	0	7	6	1	9	0	5	7	1	0	2	1	0	0	0	0	39	2015	

**DIAGRAM 17
DOMESTIC CO-OPERATION**



iii. Supervisory Authorities

The FIUTT has developed a close working relationship with the two other Supervisory Authorities in the AML/CFT regime, namely, CBTT and TTSEC. In 2014, MOUs were signed among these three Supervisory Authorities to further strengthen co-operation and collaboration and to formally establish the Supervisory Authorities Working Group.

In this reporting period, the Supervisors pursued the following initiatives:

- developed a joint supervisory approach to prepare for the 4th Round Mutual Evaluation;
- collaboration in identifying legislative amendments required,
- collaboration in identifying new/emerging AML/CFT threats and trends observed from the analysis of STRs/SARs;

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

- joint compliance examinations on CUs to ensure their compliance with their AML/CFT obligations; and
- training in compliance examinations

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

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

The Units' 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 (MER) programme;
- receiving, analysing and responding to requests and reports from FATF and CFATF; and
- liaising with key stakeholders on AML/CFT issues

In March 2006, NAMLC was established, to comply with the then FATF's Recommendation 2, as the national coordinating body which would serve as the co-ordinating body for key government agencies involved in AML/CFT compliance. The Director of the AML/CFT Compliance Unit chairs the Committee.

The other committee members include:

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

- The Legal Advisor to the Minister of Justice;
- The Legislative Drafting Department; and
- The Comptroller of Customs and Excise

The Committee's terms of reference include developing strategies to rectify deficiencies identified in the MERs and to engage and consult with stakeholders to strengthen Trinidad and Tobago's AML/CFT regime. The Committee accomplishes its work through various Working Groups.

v. 3rd and 4th Round Mutual Evaluation of Trinidad and Tobago

CFATF carried out a 3rd Round Mutual Evaluation of Trinidad and Tobago in 2005 to assess the country's implementation of the FATF's standards. The evaluation rated Trinidad and Tobago as partially compliant and non-compliant on 33 recommendations, compliant and largely compliant with seven recommendations. As a result, the country was placed in enhanced follow-up. Additionally, the FIUTT was rated as non-compliant.

In 2010, Trinidad and Tobago was placed on FATF's Public Statement as a jurisdiction with strategic AML/CFT deficiencies; one of which was not having a fully functioning FIU. In 2012, Trinidad and Tobago was removed from FATF's Public Statement list, having moved to rectify FATF's requirements.

CFATF selected Trinidad and Tobago as the first member country to be evaluated under the 4th Round of Mutual Evaluations. The Mutual Evaluation process now involves the assessment of a country's compliance with two components: technical compliance-whether the country's AML/CFT legal framework meets FATF standards, and the other being effectiveness-the extent to which 11 immediate outcomes are achieved.

The evaluation commenced in March 2014 with an assessment of Trinidad and Tobago's AML/CFT legislative regime followed by an on-site examination during the period January 12- 23, 2015 of the effectiveness of implementation of AML/CFT obligations and measures. The evaluation involved both public and private sector stakeholders, which included the FIUTT, the Judiciary, LEAs and Prosecutorial Authorities, NAMLC, the FIs and LBs sectors. The 4th Round Mutual Evaluation Report will be published after the CFATF XLII Plenary in November 2015.

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

vi. The 4th Round MER Potential Outcomes

Having undergone a mutual evaluation assessment, a country is placed in either regular or enhanced follow up. Regular follow-up is the monitoring mechanism for countries, which have a high level of technical and effective compliance, which are required to report on a biennial basis. Enhanced follow-up is where countries are more closely monitored. Such countries are required to report (on steps taken to address the deficiencies identified in the MER) more frequently to the CFATF Plenary. CFATF Plenary would decide the reporting frequency.

vii. National Risk Assessment

In March 2014 Trinidad and Tobago commenced its first National Risk Assessment (NRA) with a view to understanding its ML/FT risks. An NRA is a

requirement of Recommendation 1 of the revised FATF 40 Recommendations. The NRA will assist in the identification of ML/FT vulnerabilities and threats to guide the country in applying mitigating steps to minimise the risks posed.

The AML/CFT Compliance Unit as the national coordinator on AML/CFT matters was charged with the responsibility of conducting the NRA using the World Bank model. The World Bank model is conducted in three phases with seven Working Groups. The Working Groups consist of members from the LEAs, Supervisory Authorities and the industry associations (financial and non-financial) assessing the risk in each sector. The FIUTT was chair of the seventh Working Group conducting a risk assessment of the LB sectors in Trinidad and Tobago.

The NRA is currently in the final phase (Phase III).

The NRA process is carried out in phases. The Trinidad and Tobago NRA will be conducted in three phases:

- **Phase I:** Initial workshop to introduce the NRA tool provided by the World Bank. Subsequently populating the NRA templates;
- **Phase II:** Complete the populating of the NRA templates by the Competent Authorities. In addition, authorities are expected to draft an action plan to address the outcome of the Risk Assessment; and
- **Phase III:** Final workshop to analyse the populated NRA templates and make adjustments as necessary. Also, discuss the action plan developed by the Competent Authorities.

Key Stakeholders involved in the NRA:

- The Financial Intelligence Unit of Trinidad and Tobago
- The Trinidad and Tobago Securities and Exchange Commission
- The Central Bank of Trinidad and Tobago
- The Judiciary
- The Ministry of the Attorney General
- The Office of the Director of Public Prosecutions
- The Ministry of Justice
- Law Enforcement Agencies
- Intelligence Agencies
- Ministry of Trade, Industry and Investments
- Customs and Excise Division
- Ministry of Finance and the Economy
- Ministry of Public Administration
- Ministry of Legal Affairs
- Ministry of Foreign Affairs
- Listed Business representatives
- Financial Institutions representatives

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

3. FIUTT IN PARTNERSHIP

i. National Drug Council

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

The NDC is chaired by a Non-Executive Chairman and consists of twelve other members:

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

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

ii. Consultations

During the reporting period, 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 Trinidad and Tobago Transparency Institute;
- The Trinidad and Tobago Chamber of Commerce;
- The Police Compliant Authority;
- The Powerful Ladies of Trinidad and Tobago, a non-profit organisation ;
- The Trinidad and Tobago International Financial Centre;
- Ministry of Public Administration
- The Institute of Chartered Accountants of Trinidad and Tobago; and
- The AML Sub-committee of the Bankers Association of Trinidad and Tobago

4. INTERNATIONAL CO-OPERATION

i. Foreign FIUs and LEAs

International co-operation is critical in the fight against ML/FT and other related crimes. International standards require the FIU in each jurisdictions to provide the widest range of international co-operation. The FIUTT is authorised under the FIUTT Act to exchange information with foreign counterparts in ML/FT analyses being conducted in their jurisdictions.

This information is provided both upon request from the foreign counterpart, or spontaneously when the FIUTT identifies ML/FT links with other jurisdictions.

During this reporting period, the FIUTT received 25 requests for assistance from Foreign FIUs and LEAs and responded to 17 of those requests, thus far. During this reporting period, the FIUTT made 38 requests to foreign jurisdictions as compared with 17 requests in the previous reporting period. This significant increase of 124% emphasises the cross border movement of illicit funds. Table 7 and Diagram 18 is illustrative. The FIUTT made the most requests to North America, followed by the Caribbean and Europe, which further evinces the growth of the FIUTT as an evolving force in the intelligence community. See Diagram 19.

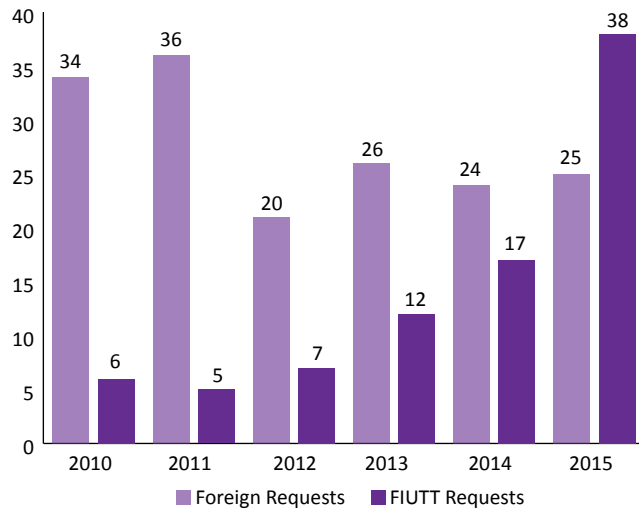
CHAPTER IV-NATIONAL AND INTERNATIONAL CO-OPERATION (CONTINUED)

TABLE 7
INTERNATIONAL CO-OPERATION

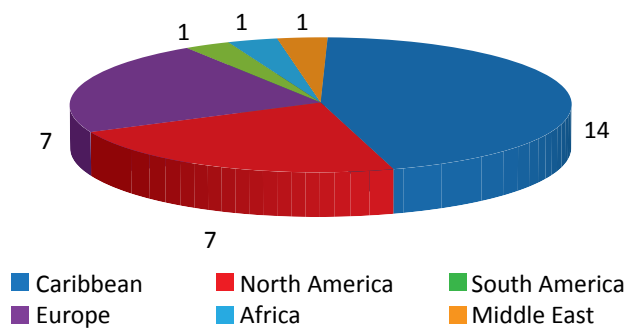
		Suspected Predicate Offences Categories									TOTAL PREDICATE OFFENCE ML/TF	YEAR	
		Terrorism	Money Laundering	Drug Trafficking	Corruption	Fraud	Human Trafficking	Suspicious Activity	Organised Crime	Tax Crimes			
INCOMING REQUESTS													
Exchange of Information with foreign FIUs and LEAs	Incoming requests from foreign FIUs	1	4	6	3	3	0	2	0	1	20	2015	
		1	14	3	1	1	0	1	0	0	21	2014	
	Incoming requests from foreign LEAs	1	0	0	0	3	0	0	1	0	5	2015	
		0	0	0	0	0	0	0	0	3	3	2014	
	Total No. of incoming Requests from Foreign FIUs & Foreign LEAs	2	4	6	3	6	0	2	1	1	25	2015	
		1	14	3	1	1	0	1	0	3	24	2014	
	OUTGOING REQUESTS												
	Outgoing requests to foreign FIUs	14	4	6	2	0	1	3	0	1	31	2015	
		0	5	9	0	1	0	0	0	0	15	2014	
	Outgoing requests to foreign LEAs	1	3	0	1	0	0	2	0	0	7	2015	
		0	0	1	0	0	0	1	0	0	2	2014	
	Total No. of outgoing requests to foreign FIUs & foreign LEAs	15	7	6	3	0	1	5	0	1	38	2015	
0		5	10	0	1	0	1	0	0	17	2014		

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

**DIAGRAM 18
INTERNATIONAL CO-OPERATION**



**DIAGRAM 19
INTERNATIONAL CO-OPERATION BY
JURISDICTION REQUESTS SENT TO FOREIGN FIUS**



ii. The Financial Transactions and Reports Analysis Centre of Canada

FINTRAC, Canada’s Financial Intelligence Unit, was created in 2000. It is a member of the Egmont Group of FIUs. FINTRAC is an administrative type FIU whose mandate is to facilitate the detection, prevention and deterrence of ML and FT, while ensuring the protection of personal information under its control.

In February 2014, the FIUTT executed an MOU with FINTRAC. Since then FINTRAC has provided to the FIUTT technical assistance to further strengthen its technical capabilities. In this reporting period FINTRAC has provided the following assistance to the FIUTT:

- Strategic Analysis guidance enabling the FIUTT to complete its first Strategic Analysis Project;
- Information and Communication Technology (ICT) study workshop at the FINTRAC;
- Funding for the Egmont supervisory compliance training for two (2) officers; and
- ML and FT analysis and investigation training workshops

iii. The Financial Action Task Force

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

The Revised 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.

iv. The Caribbean Financial Action Task Force

The CFATF is one of eight FSRBs in FATF and is responsible for promoting consistency in the application of the FATF Recommendations within countries of the Caribbean and Central America. The CFATF is an organisation of 27 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-gafic.org

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

v. 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 in July 2013. Membership in the Egmont Group is a further endorsement and recognition of the country’s fight against ML/FT. This membership 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 that allows the FIUTT to access FININT from 151 FIUs around the world. The FIUTT, during this reporting period, has received and sent requests using this ESW secure system. Diagram 20 is illustrative.

The significant increase in information exchange via the ESW between the FIUTT and foreign FIUs is indicative of growing ML/FT links outside Trinidad and Tobago reflective of the global network of ML/FT.

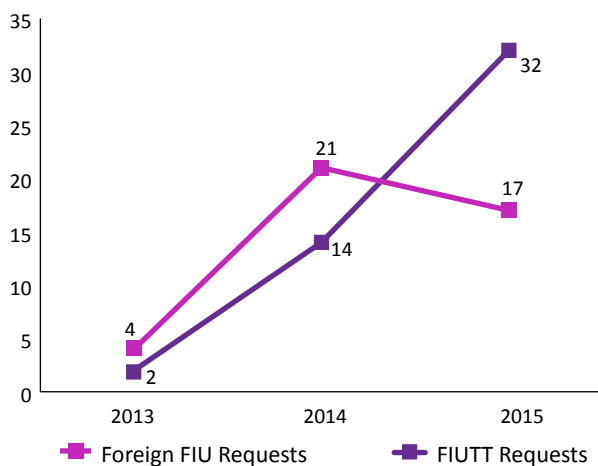
5. MOUS WITH FOREIGN FIUS

The FIUTT may enter into written agreements (MOUs) with foreign FIUs for the exchange of information relative to assisting in an analysis, investigation, or prosecution of a ML/FT or any other predicate offence. The MOU enhances networking and co-operation with foreign FIUs and LEAs. Information is exchanged through the Egmont Group’s secure website, a secure channel.

While the FIUTT can exchange information with any foreign FIU without the necessity of having an MOU, some FIUs require an MOU to facilitate this process. Consequently, in the year under review, the FIUTT signed MOUs with six foreign FIUs, namely South Africa, Grenada, Dominica, Dominican Republic, Antigua & Barbuda, and Turks and Caicos . The FIUTT has signed MOUs with 16 foreign FIUs to date. See Table 8.

Negotiations are ongoing with the FIUs in Australia, United Arab Emirates, Barbados, Cuba, Japan, Sri Lanka and the Republic of Togo. It is expected that these and other MOUs will be finalised in the coming year.

DIAGRAM 20
ESW INFORMATION EXCHANGE WITH EGMONT FIUS



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

TABLE 8
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
11.	GRENADA	FINANCIAL INTELLIGENCE UNIT	26/05/2015
12.	DOMINICA	FINANCIAL INTELLIGENCE UNIT	26/05/2015
13.	DOMINICAN REPUBLIC	FINANCIAL ANALYSIS UNIT	26/05/2015
14.	ANTIGUA AND BARBUDA	OFFICE OF NATIONAL DRUG AND MONEY LAUNDERING CONTROL POLICY (ONDCP)	10/06/20 15
15.	TURKS AND CAICOS	FINANCIAL INTELLIGENCE AGENCY	10/06/2015
16.	SOUTH AFRICA	FINANCIAL INTELLIGENCE CENTRE	08/07/2015

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

PICTURE 6
MOU SIGNING AT CFATF XLI PLENARY IN TRINIDAD AND TOBAGO



From L to R. Mr. Tafawa Pierre, Head of FIU Grenada and Ms. Susan S. François, Director, FIUTT

PICTURE 7
MOU SIGNING AT CFATF XLI PLENARY IN TRINIDAD AND TOBAGO



From L to R. Mr. Patrick George, Director (Ag.), FIU Dominica and Ms. Susan S. François, Director, FIUTT

PICTURE 8
MOU SIGNING AT CFATF XLI PLENARY IN TRINIDAD AND TOBAGO



From L to R. Ms. Dulce Luciano, Director, FIU Dominican Republic and Ms. Susan S. François, Director, FIUTT

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

PICTURE 9
MOU SIGNING AT EGMONT 23RD PLENARY IN
BARBADOS



*From L to R. Ms. Susan S. François, Director, FIUTT and
Mr. Dwayne Baker, Director, FIA-TCI*

PICTURE 10
MOU SIGNING AT EGMONT 23RD PLENARY IN
PERU



*From L to R. Ms. Susan S. François, Director, FIUTT
and Lt. Col. Edward H Croft, Director of the ONDCP,
Antigua and Barbuda.*

CHAPTER V – INSTITUTIONAL STRENGTHENING

1. RESOURCES

The FIUTT relies strongly on the capacity and capability of the resources, which support it to effectively achieve its mandate. This translates into the provision of sufficient human resources and relevant training to develop and strengthen staff skills. To this end, the FIUTT successfully recruited additional Compliance Officers in April 2015, a Legal Officer in August 2015 and made proposals to increase the number of Analysts on the establishment. The need to strengthen the analytical resources is consequent upon the increasing complexity of money laundering cases, the new time-consuming responsibilities placed on the Analysts pursuant to the legislative amendments in October 2014 and the new FATF requirements for FIUs to conduct Strategic Analysis.

2. INFORMATION SYSTEMS AND TECHNOLOGY

In this reporting period, the IT Division achieved significant milestones with regard to two of its major projects:

- i. the Intranet and Document Management Solution (IDMS); and
- ii. the development of a modern Data Center

Testing of the IDMS was completed within this reporting period. A production version is now available for implementation; however, this requires a high availability environment, which will provide for a seamless failover of the IDMS, in the event of any hardware failure. This high availability environment is critical in order to operationalise the IDMS, which will become a key driver of the business processes of the FIUTT and manager of its electronic documents. Upon establishment of this environment, a roll out of the IDMS to end users will be undertaken.

The Data Centre infrastructure was commissioned in August 2015 after completion of the physical infrastructure works. To become effectively operational, existing ICT equipment and cabling infrastructure must be migrated to the Data Centre and a robust and secure disaster recovery solution designed and implemented. These are requirements for a modern Data Centre. The disaster recovery solution will require procurement of additional ICT hardware. The expected completion time for the Data Centre is within the next two years.

In August 2014, the FIUTT commenced groundwork on an initiative to enhance its information security position. A major revision of its information security policy was completed in January 2015. This revision strengthens the protection of the information assets of the FIUTT and further mitigates the risk of information vulnerabilities.

3. PROFESSIONAL DEVELOPMENT

The FIUTT continues to actively promote skills enhancement of its staff through their participation in training courses, workshops and seminars. Training was provided to each division i.e. Analytical, IT, Legal, Administrative and Compliance and Outreach in the following key areas:

- supervision for compliance;
- anti-terrorism policy development;
- advanced financial investigative techniques;
- baseline AML/CFT training for compliance examiners;
- modernisation of FIUTT's IT systems;
- employee supervisory skills training;
- ML workshop on implementing the POCA; and
- illicit financing.

Table 9 illustrates the training opportunities afforded to each division of the FIUTT.

CHAPTER V – INSTITUTIONAL STRENGTHENING (CONTINUED)

TABLE 9
STAFF TRAINING

NO	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME/COURSE	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
1	San Salvador, El Salvador	Financial Investigative Techniques	Internal Revenue Service –United States of America IRS-USA	Director Analytical, Analysts
2	Hotel Normandie, Trinidad and Tobago	Implementing United Nations Security Council Resolutions UNSCR 1540 Roundtable	Caribbean Community CARICOM 1540 Implementation Committee & United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean UNLIREC	Analyst
3	CBTT, Trinidad and Tobago	Baseline AML/CFT Training for Examiners	CBTT	Compliance and Outreach officers
4	FIUTT	FINTRAC IM/IT Consultation	FINTRAC	Director, Deputy Director, Information Systems Manager, Network Administrator
5	FIUTT	FINTRAC/Royal Canadian Mounted Police(RCMP)AML/CFT Workshop- Advanced Financial Investigation	FIUTT	Director, Deputy Director, Director Analytical, Analysts
6	Kingston, Jamaica	EGMONT AML/CFT Supervisory Course	EGMONT/ FINTRAC	Supervisor Compliance and Outreach Division, Compliance Officer
7	Barbados	23 rd EGMONT Plenary	EGMONT	Director, Director Analytical Division, Supervisor Compliance and Outreach Division, Analyst
8	Ottawa, Canada	FINTRAC IM/IT Consultation	FINTRAC	Information Systems Manager, Network Administrator

CHAPTER V – INSTITUTIONAL STRENGTHENING (CONTINUED)

NO	PLACE OF TRAINING	DESCRIPTION OF PROGRAMME/COURSE	ORGANISER/ PRESENTER	PARTICIPANTS FROM THE FIUTT
9	FIUTT	FINTRAC/RCMP AML/CFT Workshop-Legislative Framework for FT and ML	FIUTT/FINTRAC	Director, Deputy Director, Analytical Division
10	Eric Williams Finance Building, Trinidad and Tobago	Freedom of Information Act	Freedom of Information Unit, Ministry of Trade, Industry, Investment and Communications	Director Legal, Compliance Officer, Business Operations Assistant
11	Marriot Conference Centre, Trinidad and Tobago	Supervisory Skills Workshop	Government Human Resources Services Company Limited (GHRS)	Director Compliance and Outreach, Supervisor Compliance and Outreach
12	Microsoft Trinidad, Trinidad and Tobago	Microsoft SQL 2012-Features For Administrators	iGovTT	Database Administrator
13	Microsoft Trinidad, Trinidad and Tobago	MS Workshop-System Center 2012-Virtual Machine Manager-Implementation and Management Tools	iGovTT	Network Administrator
14	Microsoft Trinidad, Trinidad and Tobago	SharePoint Deployment and Upgrade	iGovTT	Information Technical Officer
15	FIUTT	AML/CFT Orientation training	FIUTT	FIUTT Compliance & Outreach Officers
16	FIUTT	Implementing the POCA	FIUTT & Criminal Justice Advisor (British and Canadian High Commissions)	Director, Deputy Director, Analytical Division, Legal Division

CHAPTER VI-PARTICIPATION IN INTERNATIONAL FORA

During this reporting period the FIUTT continued to actively participate and contribute in the activities and events of the regional and international bodies tasked with combatting ML/FT as detailed below:

1. EGMONT GROUP OF FIUS

The Egmont Group of FIUs epitomises the principles of international co-operation and the free exchange of information among all FIU members. The forum by the Egmont Group creates a platform to expand the flow of intelligence and foster better co-operation amongst FIUs. The information exchanged under Egmont Group's principles is transmitted through the Egmont Secure Website (ESW). This information is to be used for intelligence purposes only; use for any other purpose requires without the prior consent of the FIU providing the information.

The FIUTT was admitted as a member of the Egmont Group at the South Africa 21st Plenary session in July 2013. The membership of the Egmont Group has evolved over the years and currently stands at 151 FIUs as at the Barbados Plenary in June 2015.

The FIUTT attended and participated in the 23rd Egmont Group's 2015 Annual Plenary Meeting, which was held in Bridgetown, Barbados during June 7-12, 2015. Participants comprised 110 FIUs from various jurisdictions, ten observer organisations and three international organisations. While information can, in most instances, be exchanged between FIUs without recourse to an MOU, 42 bilateral co-operation agreements were signed between Egmont members, two of which were signed by the FIUTT, during the Plenary week.

The Plenary also affords training opportunities for member FIUs to enhance their capabilities in developing intelligence and producing analysis to combat ML/FT. FIUTT staff participated in sessions on terrorist financing, E-learning, multilateral collection and analysis of FININT and new payment methods.

The FIUTT participated in two major Egmont initiatives. Firstly, the Director, FIUTT was a co-facilitator at the AML/CFT Supervisory Course for Regulators held in Kingston, Jamaica from July 13-16, 2015 hosted by the

FINTRAC, the FIU of Canada. The course was developed by FINTRAC to assist Competent Authorities in improving their supervision of regulated entities. This course was delivered to 18 participants from Jamaica, Trinidad and Tobago and Turks and Caicos.

Secondly, the FIUTT contributed to the Egmont Group Islamic State of Iraq and the Levant (ISIL) project on the Western Hemisphere Regional Financial Intelligence Profile of ISIL Foreign Terrorist Fighters. The FIUTT's contribution, based on the analysis of the reports linked to suspected terrorist activity, was highly lauded by the project participants. Once disclosure is authorised, the FIUTT will share the regional profiles and un-redacted global assessment with domestic government partners.

2. THE CFATF

i. CFATF XL and CFATF XLI Plenaries

The XL Plenary and the Special Ministerial V Meeting were held in San Salvador, El Salvador during November 23-27, 2014. CFATF XLI Plenary was held in Port of Spain, Trinidad and Tobago during May 25-29, 2015. The Honourable Attorney General of Trinidad and Tobago led both delegations. The delegations also included representatives from the FIUTT, Ministry of the Attorney General, the AML/CFT Compliance Unit, FIB of the TTPS, Central Bank (CBTT) and TTSEC.

The FIUTT attended and participated in the following Working Groups and Meetings:

- Working Group on FATF Issues;
- CFATF ICRG Working Group;
- Sub-Working Group on CFTAF 4th Round Mutual Evaluation; and
- Heads of FIUs Meetings; and
- Plenary Meetings

At the XLI Plenary, the Director of the FIUTT conducted a presentation on the 4th Round Mutual Evaluation experience from an FIU perspective to the Heads of FIUs of CFATF member states. The presentation focused on providing guidance on how to prepare an FIU for a Mutual Evaluation, challenges and best practices which was well received by the Heads of FIUs.

CHAPTER VI-PARTICIPATION IN INTERNATIONAL FORA (CONTINUED)

PICTURE 11
CFATF XLI PLENARY IN TRINIDAD AND TOBAGO



From L to R. Ms. Camille Renie, Director AML/CFT Compliance Unit, Ms. Susan S. François, Director FIUTT, Mr. Roger Wilkins AO, FATF President and Mr. Nigel Stoddard, Deputy Director, FIUTT.

3. THE FATF

i. FATF XXVI First Plenary and Working Group Meetings

FATF XXVI First Plenary and Working Group Meetings were held during the period October 19-24, 2014 in Paris, France. The delegation included representatives from the Ministry of National Security, the FIUTT, the Ministry of Finance, the TTPS and the Ministry of the Attorney General.

The FIUTT attended in the following Working Groups and Meetings:

- Evaluation and Compliance Group;
- FATF FIUs Meeting;
- Plenary Meetings;
- Policy Development Group; and
- 4th Round Mutual Evaluation Reports (*of Spain and Norway, first countries to be evaluated in the 4th Round by FATF*)

ii. FATF XXVI Third Plenary and Working Group Meetings

FATF XXVI Third Plenary and Working Group Meetings were held during the period June 21-26, 2015 in Brisbane, Australia. The delegation included representatives from the Ministry of National Security, the FIUTT, the Ministry of Finance, the TTPS and the Ministry of the Attorney General.

The FIUTT attended the following Working Groups and Meetings:

- Evaluation and Compliance Group;
- FATF FIUs Meeting; and
- Plenary Meetings

4. THE CICAD

i. The XL Meeting for the Group of Experts for the Control of Money Laundering

The XL Meeting for the Group of Experts for the Control of Money Laundering was held in Washington DC, during the period May 19-20, 2015. The delegation comprised representatives from the FIUTT, Office of the Director of Public Prosecutions (DPP), TTPS and the Customs and Excise Division. Inter-American Drug Abuse Control Commission (CICAD) meets twice a year to promote regional co-operation and coordination among Organisation of American States (OAS) member states through action programs.

The discussions entailed:

- asset recovery, facilitating the recovery of assets and international co-operation;
- reducing the supply and availability of illicit drugs;
- strengthening national drug control institutions and machinery; and
- improving money laundering control laws and practice

CHAPTER VI-PARTICIPATION IN INTERNATIONAL FORA (CONTINUED)

ii. The XLI Meeting for the Group of Experts for the Control of Money Laundering

The XLI Meeting for the Group of Experts for the Control of Money Laundering was held in Lima, Peru, during the period October 1-2, 2015. The delegation comprised representatives from the FIUTT, Office of the DPP, TTPS and the Central Authority Unit. The Expert Group is the hemispheric forum to discuss, analyse and draft policies to deal with ML/FT. Discussions centred on the management and sharing of seized assets and collaborative intelligence sharing throughout the hemisphere.

5. INTER-AMERICAN COMMITTEE AGAINST TERRORISM OF THE ORGANISATION OF AMERICAN STATES

The Director, FIUTT participated in an Inter-Regional Specialised Workshop on Illicit Finance and Criminal and Terrorist networks organised by the Secretariat of the Inter-American Committee against Terrorism, and the OAS during the period August 10-12, 2015 in Miami, Florida.

The primary objective of the workshop was to identify the specific challenges, priorities and needs that Caribbean OAS Member States and Pacific Island States face when preventing and confronting threats related to AML/CFT in their jurisdictions. The conclusions and recommendations gathered during the conference will serve as the basis for future capacity building activities.

6. CFATF 10TH AML/CFT COMPLIANCE CONFERENCE

The CFATF in conjunction with the Attorney General's Chambers and the Financial Intelligence Agency of the Turks and Caicos Islands hosted the 10th AML/CFT Compliance Conference: "Keeping in step with regulatory requirements as the Standards evolve" from March 23-24, 2015 in Providenciales Turks and Caicos Islands. The Deputy Director, FIUTT presented at the conference

on "Supervision, Customer Due Diligence and Other measures for Designated Non-Financial Businesses and Professionals (DNFBPs)". The FIUTT's experience in the supervision of LBs (or DNFBPs) in Trinidad and Tobago brought practical working experience to help jurisdictions to overcome challenges they will face in implementing their supervisory functions.

7. THE FIRST CARIBBEAN AML/CFT BOARD OF DIRECTORS CONFERENCE

Compliance Aid hosted the First Caribbean AML/CFT Board of Directors Conference, which was held in Miami during the period April 16-17, 2015. The Director of the FIUTT, presented on *AML/CFT Examination-Before, During and After: A Board of Directors' perspective*. The FIUTT joined other experienced presenters from CFATF, Heads of Regional FIUs, Financial Crimes Enforcement Network (FINCEN), Organisation for Economic Co-operation and Development (OECD), International Monetary Fund, World Bank, US Department of Justice, Drug Enforcement Agency, US Internal Revenue Service and Non-Governmental Agencies.

The practical experience of the FIUTT, which since 2011 has been monitoring and supervising LBs for effective AML/CFT compliance brought much needed clarity and guidance to the participants in attendance. Participants were from both private and public sectors in various fields such as, finance, compliance and supervision.

CHAPTER VII-PROJECTIONS FOR THE YEAR 2015/2016

1. HUMAN RESOURCES

The FIUTT successfully recruited additional Compliance Officers in April 2015. This resulted in greater levels of output from the Compliance Division in terms, of the number of compliance examinations conducted, outreach programmes completed and applications for registration processed.

The FIUTT has made proposals to increase the number of Analysts on staff. The need to strengthen the analytical resources is consequent upon the increasing numbers of STR/SARs submitted, the increasing complexity of ML cases, new responsibilities placed on the Analysts pursuant to the legislative amendments in October 2014 and FATF's new requirement for FIUs to conduct Strategic Analysis. These new requirements require in-depth and detailed analysis which is very time-consuming.

In addition, the findings and recommendations in the NRA and the 4th Round MER would have an impact on the future resource needs of the FIUTT. The FIUTT will have to conduct an evaluation of its operational strategies and realign its resources to address the risks and deficiencies identified therein.

2. IT PROJECTIONS

ICT plays an integral role in supporting the daily operations and strategic goals of the organisation. The following five ICT initiatives are targeted for the next reporting period:

- i. Fully operationalise and further develop the FIUTT's Data Centre into a modern, resilient and secure Data Centre. The design, procurement and installation phases (I-III) have been completed and the project is currently at phase IV, relocation to the new Data Centre. The final phase will commence at the start of the second quarter of the next reporting period with an estimated timeframe of two years to implement a secure disaster recovery solution.
- ii. Enhance the IDMS to provide Business Intelligence capability, as well as, establish a high availability environment for the solution. This initiative is divided into the following two sub projects:

- Sub project I: Development of an IDMS High Availability Environment.

This project has already commenced and is currently in the first phase, which involves planning and design. It is estimated to be completed by June 2016.

- Sub project II: Development of a Business Intelligence functionality for the IDMS.

A feasibility study-Phase I, is in progress. The subsequent phases include requirements definition, procurement, design and implement and the estimated duration of the project is twelve months.

- iii. Continue the process for the acquisition of a secure reporting solution for the collection, retrieval, storage and exchange of information with FIUTT stakeholders. This initiative will comprise the following phases: requirements analysis, procurement, design and implementation. The project has an expected duration of two years from the start of the next reporting period. Currently, it is at the initiation phase.
- iv. Redesign of FIUTT's website, this project will commence in the second quarter of the next reporting period with an estimated duration of twelve months from start date. It is envisaged that consultancy services will be outsourced to analyse, design, develop and maintain the FIUTT's website.
- v. Build the knowledge base and skill set of the IT staff to support IT initiatives.

3. LEGAL PROJECTIONS

As an outcome of the CFATF 4th Round Mutual Evaluation process, several key areas were highlighted which shall be engaging the attention of all the relevant stakeholders in order to meet the requirements of the FATF Recommendations and continued vigilance in implementing measures to mitigate the risks of ML/FT.

It is expected that new laws as well as amendments to existing laws will be drafted to address vulnerabilities in the AML/CFT framework. Some inherent vulnerabilities, which have been identified in certain sectors e.g. non-

CHAPTER VII-PROJECTIONS FOR THE YEAR 2015/2016 (CONTINUED)

profit organisations, gambling sector and CUs, need to be resolved.

Some of the legislative changes expected which emanate from the FATF Recommendations would involve:

- the need for current and verified information on beneficial owners of legal entities;
- compliance with UNSCR 2178 which require countries to criminalise the financing of travel by foreign terrorist fighters,
- criminalising the proliferation of weapons of mass destruction, and
- having a wide range of sanctions which are proportional and sufficiently dissuasive

A cash-reporting threshold and the civil asset forfeiture regime are also areas for discussion and review.

The FIUTT will also recommend that the authorities seriously consider instituting limits to the use of cash for the purchase of goods and services as well as, in collecting revenue at Government offices.

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 of the POCA.

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

	SUPERVISED ENTITIES	REPORTING ENTITIES
LISTED BUSINESS (LBs)		
• Real Estate	✓	✓
• Motor Vehicle Sales	✓	✓
• Gaming House	✓	✓
• Pool Betting	✓	✓
• National Lotteries On-Line Betting Games	✓	✓
• Jewellers	✓	✓
• Private Members' Club	✓	✓
• Accountants	✓	✓
• 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 A (CONTINUED)

FINANCIAL INSTITUTIONS (FIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
• A bank licensed under the Financial Institutions Act;		✓
• A Financial Institution licensed under the Financial Institutions Act;		✓
• An insurance company, agent or broker registered under the Insurance Act;		✓
• A person licensed under the Exchange Control Act to operate an Exchange Bureau;		✓
• A person licensed under the Securities Act as a Broker-Dealer, Underwriter or Investment Adviser;		✓
• Development Banks, Trust Companies, Mortgage Companies;		✓
• Any other person declared by the Minister by order, subject to negative resolution of Parliament to be a Financial Institution for the purpose of the POCA.		✓
NON-REGULATED FINANCIAL INSTITUTIONS (NRFIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
• A society registered under the Co-Operative Societies Act;	✓	✓
• A person who carries on money value or transfer services;	✓	✓
• A Building Society registered under the Building Societies Act.	✓	✓



APPENDIX B

Financial Intelligence Unit of Trinidad and Tobago
 Level 25 Tower D,
 International Waterfront Complex
 1A Wrightson Road, POS
 Email: fiutt@gov.tt Tel: 625-8351

COMPLIANCE OFFICER FIT AND PROPER QUESTIONNAIRE

PART I-PERSONAL DATA (COMPLETE ALL FIELDS).			
1. First Name:		2. Middle Name:	3. Surname:
4. Country of birth:		5. Number and Type of Valid Government Issued Picture Identification (DP, PP, ID, SS etc.) <i>[Attach copy of ID]</i>	
6. Citizenship:			
7. Date of birth:	8. Email:		
9. Residential Address:	10. Telephone:	Work:	Mobile:
	Home:		
	11. Level of education: <i>Secondary, degree, tertiary, doctorate etc.</i>		
12. Mailing Address (If different from above):	13. Professional qualification and membership: <i>E.g. CAMS, FIBA, ACPTT, BSc (Eng.) BA, BSc (Mgmt.) etc.</i>		
	14. Have you been trained in AML/CFT? (Provide details)*:		
15. Have you ever had a change of name? (If yes, please give details):			
16. Name of Legal Entity/Individual registered with the FIU:		17. FIU Registration#:	
18. Nature of Business:			
19. Position held with entity:			

**FOR FIU
 OFFICIAL USE
 ONLY**

APPENDIX B (CONTINUED)

PART II-DECLARATION (ANSWER ALL QUESTIONS).		
1. Have you ever been charged or convicted in Trinidad and Tobago, or elsewhere, for any offence? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2. Have you ever been a principal officer of an entity that was, during your period of association, charged or convicted of an offence? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3. Have you at any time, in Trinidad and Tobago or anywhere else been declared bankrupt or are you the subject of any bankruptcy proceedings? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
4. Have you at any time failed to satisfy a judgment debt under a Court Order made in Trinidad and Tobago or anywhere else? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5. Have you ever been disqualified or restricted in Trinidad and Tobago or elsewhere by a court from acting as a director of a company? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
6. Have you ever been refused entry to any profession? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
7. Have you ever been dismissed or compelled to resign from any office or employment? <i>If yes, give particulars.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
8. Have you ever received any AML/CFT or compliance training? <i>If yes, provide details.</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>

I certify that the information provided above is true and correct to the best of my knowledge and belief.

DATE

PRINT NAME

SIGNATURE

***NB.:** Details can be provided on an additional sheet.

Abbreviations: **DP:** Drivers Permit, **PP:** Passport, **SS:** Social Security number, **CAMS:** Certified Anti-Money Laundering Specialist, **FIBA:** Florida International Bankers Association, **ACPTT:** Association of Compliance Professionals of Trinidad & Tobago

GLOSSARY

MONEY LAUNDERING

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

- **Placement**

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

- **Layering**

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

- **Integration**

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

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

FINANCING OF TERRORISM

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

GENERAL ML/FT SUSPICIOUS INDICATORS

General Suspicious Indicators	ML	FT
• Transactions take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate Money Laundering activities.	✓	✓
• The client cannot provide satisfactory evidence of identity.	✓	✓
• 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 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 ultimately⁶ owns or controls a customer⁷ 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 functions by a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations and important political party officials.*
- *Domestic PEPs are individuals who are or have been entrusted with prominent functions in Trinidad and Tobago, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations and important political party officials.*
- *Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management such as directors and members of the board or equivalent functions.*
- *Family members are individuals who are related to either a Foreign or Domestic PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership.*
- *Individuals who are closely connected to or associated with a PEP as defined in i, ii and iii above, either personally or professionally.*

TERRORIST

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

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

⁶ 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.

⁷ This definition should also apply to beneficial owner of a beneficiary under a life or other investment linked insurance policy.

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

TERRORIST ORGANISATION

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

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

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](#)



**Enquiries relating to this report
should be addressed to:**

**The Director
Financial Intelligent 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
Website: www.fiu.gov.tt**