



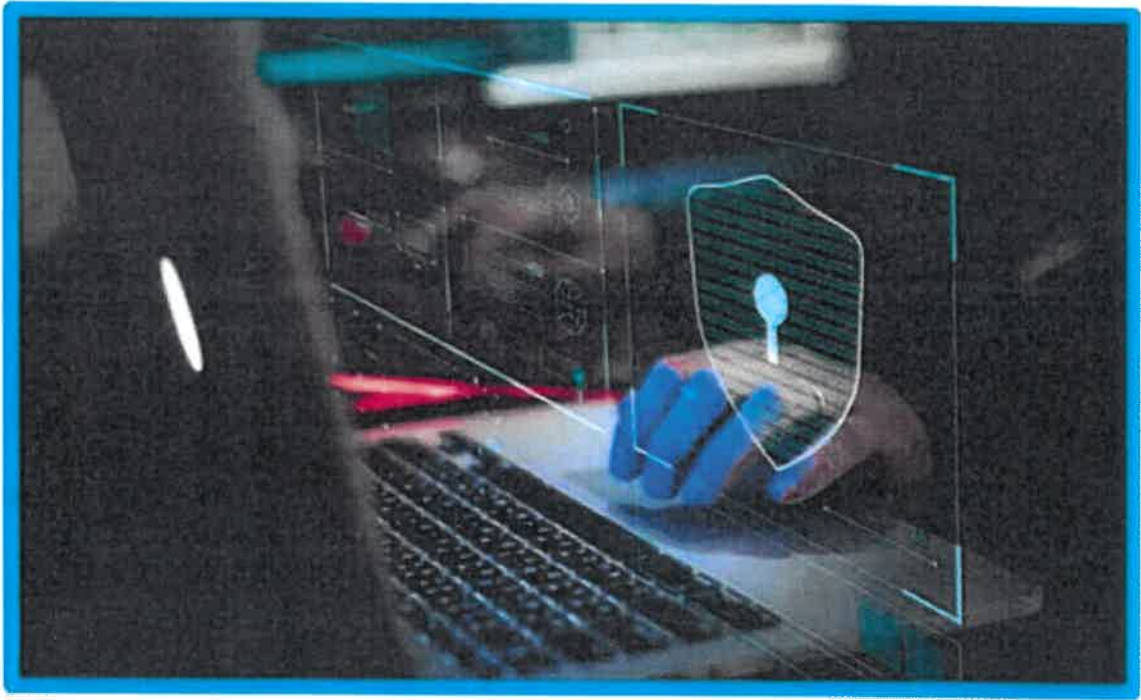
GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

FINANCIAL INTELLIGENCE UNIT  
OF TRINIDAD AND TOBAGO

**ANNUAL REPORT 2020**









---

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

---

**FIU Ref: INF/0739/2020/CRO**

November 27, 2020

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

Dear Minister,

**RE: LETTER OF TRANSMITTAL**

I have the honour to submit the Annual Report on the operations of the Financial Intelligence Unit of Trinidad and Tobago for the period October 01, 2019 to September 30, 2020.

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

Yours sincerely,

Nigel Stoddard  
Director (Ag.)  
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

MESSAGE FROM THE PERMANENT SECRETARY MINISTRY OF FINANCE .....	8
LIST OF ABBREVIATIONS.....	10
2020 AT A GLANCE.....	12
DIRECTOR'S MESSAGE.....	13
10 <sup>TH</sup> ANNIVERSARY MILESTONES .....	18
PROLOGUE.....	19
<b>CHAPTER I - COMBATTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM... 24</b>	
FATF standards.....	24
The FIUTT.....	24
The supporting legislative regime.....	28
Recent developments in the AML/CFT/CPF legal regime.....	28
Additional measures.....	29
<b>CHAPTER II – FOSTERING A CULTURE OF COMPLIANCE.....31</b>	
Compliance for intelligence.....	31
Compliance obligations to FIUTT.....	33
Testing AML/CFT/CPF compliance.....	42
Assistance and guidance to entities.....	50
Management of resources.....	53
<b>CHAPTER III – FINANCIAL INTELLIGENCE.....55</b>	
Core functions.....	55
Analysis of intelligence reports disseminated.....	79
Requests for information.....	86
Use of FIUTT's intelligence.....	88
Strategic analysis.....	90
The demonetisation exercise.....	93
The online submission of STRs/SARs.....	95
Achievements of Analysis Division.....	97

<b>CHAPTER IV – STRATEGIC ALLIANCES: CO-OPERATION AND COLLABORATION.....</b>	<b>98</b>
Introduction.....	98
Domestic co-ordination and engagement.....	101
International engagement and co-operation.....	112
MOUs signed with foreign FIUs.....	118
Participation in international fora.....	122
<b>CHAPTER V - RESOURCES AND INFRASTRUCTURE.....</b>	<b>126</b>
Resources.....	126
Information and technology.....	127
Organisational development.....	129
<b>CHAPTER VI – STRATEGIC PRIORITIES 2021: BUILDING ON STRENGTHS.....</b>	<b>134</b>
Human resources.....	134
Information systems and technology projections.....	134
Legal projections.....	136
The way forward.....	136
<b>APPENDIX A: LIST OF SUPERVISED ENTITIES AND REPORTING ENTITIES .....</b>	<b>138</b>
<b>APPENDIX B: GENERAL ML/FT SUSPICIOUS INDICATORS .....</b>	<b>141</b>
<b>APPENDIX C: BEWARE OF ROMANCE SCAMS.....</b>	<b>143</b>
<b>APPENDIX D: JOINT MEDIA RELEASE ON PYRAMID SCHEMES MARKETED IN TRINIDAD AND TOBAGO.....</b>	<b>144</b>
<b>APPENDIX E: JOINT MEDIA RELEASE - REGULATORS READY TO FACILITATE FINTECHS.....</b>	<b>146</b>
<b>APPENDIX F: E-MONEY FREQUENTLY ASKED QUESTIONS.....</b>	<b>147</b>
<b>GLOSSARY.....</b>	<b>148</b>

## **MESSAGE FROM THE PERMANENT SECRETARY MINISTRY OF FINANCE**

In response to international criteria and the standards issued by the Financial Action Task Force (“FATF”) to combat money laundering and counter financing of terrorism, the Government of Trinidad and Tobago took steps to implement those standards and create a Financial Intelligence Unit in Trinidad and Tobago. The Financial Intelligence Unit Act (“FIUA”) was enacted and came into effect on February 9<sup>th</sup>, 2010. The FIUA established the Financial Intelligence Unit of Trinidad and Tobago (“the FIUTT”) as a department within the Ministry of Finance and gave it the necessary enabling authorities to carry out the functions entrusted to it.

The FIUTT commenced its operations in February 2010 with a small complement of five staff members and with the support of the Ministry of Finance, has since seen growth to now 60 staff members in 2020. This increase in the FIUTT staff over the ten years was necessary since it became operational in 2010, the responsibilities of the FIUTT have been substantially increased. This increase in the functional duties of the FIUTT is as a result of new and amended legislation being proclaimed, changes in FATF Recommendations and the Egmont Group of FIUs charter.

The Egmont Group is the internationally recognised Anti-Money Laundering Forum of Financial Intelligence Units (FIUs). A landmark development in the FIUTT’s history occurred on July 3<sup>rd</sup> 2013 when the FIUTT was officially welcomed as a member in the Egmont Group of FIUs. At that time there were 137 FIUs in Egmont. The FIUTT’s inclusion in the Egmont Group sends a clear message that the Republic of Trinidad and Tobago is internationally recognised for its commitment to preventing the abuse of its jurisdiction by criminal elements seeking to conceal or launder the proceeds of the crimes or to finance terrorism. The FIUTT’s membership in this group (now 164 FIUs) bolsters our jurisdiction’s ability to interact with a global network of FIUs, exchange intelligence and co-operate with each other in the fight against money laundering, financing of terrorism and other serious crimes.

The Caribbean Financial Task Force (“CFATF”) in its 3<sup>rd</sup> Enhanced Follow-up Report published in June 2019, rated the FIUTT “Compliant” with FATF’s Recommendation 29 for FIUs. In January 2020 the FIUTT was part of a Trinidad and Tobago delegation that met with FATF Joint Group (JG) in Port of Spain, Trinidad and contributed to the subsequent removal of the Republic of Trinidad and Tobago from the FATF Public Statement (grey list) in February 2020.

The FIUTT continues to assist Law Enforcement Authorities domestically and internationally, Foreign FIUs and other Competent Authorities by providing useful information and intelligence for analysis and investigations. Also, the FIUTT continues to provide typologies, trends and advisories to Reporting Entities, Competent Authorities and the general public on fraud scams, money laundering and financing of terrorism.

It is, therefore, my honour as Permanent Secretary of the Ministry of Finance to offer congratulations to FIUTT and its staff on the attainment of its 10<sup>th</sup> Anniversary of effective and efficient operations. The Ministry of Finance will continue to support the tremendous efforts of the FIUTT to fulfil its objective, 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. I earnestly urge all stakeholders to work together to achieve that objective.

I wish every success to the FIUTT in all its future endeavours.

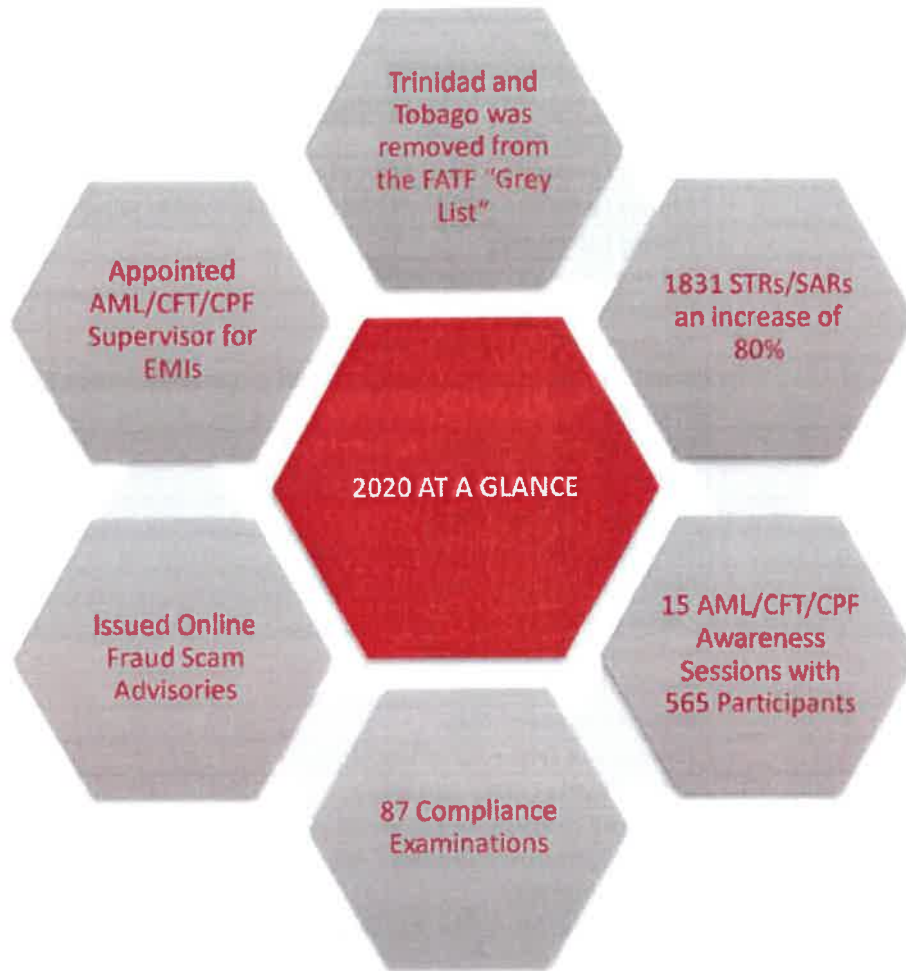
**Vishnu Dhanpaul**  
**Permanent Secretary**  
**Ministry of Finance**

## LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ACO	Alternate Compliance Officer
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
AML/CFT/CPF	Anti-Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing
A-SAC	Advanced Strategic Analysis Course
ATA	Anti-Terrorism Act, Chapter 12:07
BIR	Board of Inland Revenue
BOD	Board of Directors
CENTRAL BANK	Central Bank of Trinidad and Tobago
C&E	Customs and Excise
CFATF	Caribbean Financial Action Task Force
CICAD	Inter-American Drug Abuse Control Commission
CO	Compliance Officer
CPF	Counter Proliferation Financing
CU	Credit Union
DPP	Director of Public Prosecutions
ECOFEL	Egmont Centre of FIU Excellence & Leadership
EFUR	Enhanced Follow-up Report
EMI	Electronic Money Issuer
ESO	Economic Sanctions Order
ESW	Egmont Secured Website
FATF	Financial Action Task Force
FI	Financial Institution
FIB	Financial Investigations Branch
FIU	Financial Intelligence Unit
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 as amended
FSRB	FATF Styled Regional Body
FTFs	Foreign Terrorist Fighters
FT	Financing of Terrorism
FUR	Follow Up Report
HFIU	Head of Financial Intelligence Unit
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ICT	Information and Communication Technology
IDMS	Intranet and Document Management Solution
IMM	Immigration
ISIL	The Islamic State of Iraq and the Levant
IT	Information Technology
JW	Jewellers

ABBREVIATION	MEANING
KYC	Know Your Customer
LB	Listed Business
LEA	Law Enforcement Authority
LEWG	Law Enforcement Working Group
MER	Mutual Evaluation Report
ML/FT	Money Laundering/Financing of Terrorism
ML/FT/PF	Money Laundering/Financing of Terrorism/Proliferation Financing
ML	Money Laundering
MOU	Memorandum of Understanding
MVS	Motor Vehicle Sales
MVTS	Money or Value Transfer Services
NAMLC	National Anti-Money Laundering and Counter Financing of Terrorism Committee
NPOs	Non-Profit Organisations
NPOA	Non-Profit Organisation Act, No. 7 of 2019
NRA	National Risk Assessment
NRFIs	Non-Regulated Financial Institutions
OAS	The Organisation of American States
OFAC	Office of Foreign Asset Control
PEP	Politically Exposed Person
PF	Proliferation Financing
PMC	Private Members' Club
POCA	Proceeds of Crime Act, Chapter 11:27
PPSP	Public Private Sector Partnership
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
RAQ	Risk Assessment Questionnaire
RBA	Risk-Based Approach
RGB	Registrar General Department
SOP	Standard Operating Procedure
STR/SAR	Suspicious Transaction Report/Suspicious Activity Report
TFS	Targeted Financial Sanction
TTIFC	Trinidad and Tobago International Financial Centre
TTPS	Trinidad and Tobago Police Service
TTSEC	Trinidad and Tobago Securities and Exchange Commission
UN	United Nations
UNODC	United Nations Office on Drugs and Crime
VASP	Virtual Asset Service Provider

## 2020 AT A GLANCE



## **DIRECTOR'S MESSAGE**

It is with pleasure that I take this opportunity to present the 2020 Annual Report of the Financial Intelligence Unit of Trinidad Tobago ("the FIUTT"). This is the Eleventh Annual Report of the FIUTT in our tenth year of operations as a Financial Intelligence Unit (FIU). This report covers the period from October 1, 2019, to September 30, 2020, which proved to be a very challenging year due to the outbreak of the COVID-19 pandemic worldwide.

Although there were challenges, I wish to highlight key areas of performance of the FIUTT during the year with respect to efforts to counter money laundering (ML), financing of terrorism (FT) and proliferation financing (PF). The staff of the FIUTT must be commended for their ability to adapt to the new normal while still providing a high level of professionalism and service to our stakeholders.

In this year Trinidad and Tobago was very successful in strengthening the Anti-Money Laundering, Countering the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) regime. In particular, the enormous efforts made by all stakeholders working together to achieve Trinidad and Tobago's removal from the Financial Action Task Force's (FATF) "grey list." I would like to express my sincere gratitude to the Trinidad and Tobago delegation, the Caribbean Financial Action Task Force and the Reporting Entities for their professional engagement throughout the entire process with FATF.

Further, due to Trinidad and Tobago being placed in the FATF ICRG process as a result of Trinidad and Tobago's 4<sup>th</sup> Rd Mutual Evaluation Report with strategic deficiencies, the FIUTT was placed in Procedural Trigger 3 of the Support and Compliance Process for deficiencies cited in the Egmont Group's Principles in the Exchange of Information document and FATF's Recommendation 40. In January 2020, the FIUTT attended the Egmont Working Groups and Committee Meetings and made representations, which resulted in the FIUTT successfully being removed from the process by the Egmont Membership, Support, and Compliance Working Group (MSCWG).

In this reporting period, the Cabinet approved eleven new positions in the Compliance and Outreach Division. The significant increase in compliance staff was specific to deficiencies identified in Trinidad and Tobago's 4<sup>th</sup> Rd Mutual Evaluation Report that will allow the FIUTT to better supervise on a risk-based approach, over 3,300 Supervised Entities in fulfilling their AML/CFT/CPF obligations. The significant increase of eleven staff members now brings the total sanctioned staff to 60, which is expected to pose a challenge to the current accommodation at the FIUTT.

### **Secure Online Reporting**

Since the operationalisation of the secure online e-reporting and case management solution, FIUConnect® which allows the Reporting Entities 24/7 availability for the filing of Suspicious Transaction/Suspicious Activity Reports (STRs/SARs). Reporting Entities STRs/SARs filings increased significantly by 215% or 1,516 from 482 in the previous year. The benefits gained from FIUConnect® have immensely contributed to the effective implementation of AML/CFT/CPF measures in Trinidad and Tobago.

## **STRs/SARs Analysis**

At the operational level, the FIUTT received more STRs/SARs in this reporting year, indeed the most it has received throughout its ten years' existence. The FIUTT received a total of 1,831 STRs/SARs which represented a significant increase of 80% over the 1,019 STRs/SARs received in the previous reporting period. The increase in STRs/SARS submissions can be primarily associated with the demonetisation of the cotton-based one-hundred-dollar bill process. 750 STRs/SARs or 41% were received which were related to the demonetisation process. It must be noted, the FIUTT is currently still receiving STRs/SARs from Reporting Entities related to the demonetisation process.

With respect to the 1,831 STRs/SARs filed, the FIUTT has noted that the monetary value of the reported suspicious transactions or activities was considerably more in this reporting period is TT\$27,013,069,082; a dramatic increase from TT\$1,777,596,583 in the previous reporting period. The completed suspicious transactions accounted for 1,517 STRs/SARs with a monetary value of TT\$884,434,198. However, the attempted suspicious transactions, which was only 314 STRs/SARs had a monetary value of TT\$26,128,634,884, a 2,710% increase over the previous reporting period.

While the number of attempted suspicious transactions is significantly less than the completed suspicious transactions as stated above, the main reason for the TT\$26 Billion in attempted suspicious transactions are customers approaching the Banks with suspected fraudulent contracts and pending incoming wire transfers. These approaches to the Banks by the customers are usually based on emails received from unknown persons promising huge financial gains in foreign currencies. Additionally, the customer due diligence and enhanced due diligence being conducted by the Reporting Entities demonstrates the effective implementation of their AML/CFT/CPF obligations and training received.

## **Use of Financial Intelligence**

The FIUTT received 184 requests for financial intelligence on 598 subjects from Law Enforcement Authorities (LEAs) in 2020, as compared to the 221 requests on 636 subjects that were received in the previous reporting period. This represents a 17% decrease in the number of requests for investigations into Money Laundering (ML)/Financing of Terrorism (FT) and other criminal conduct. In this reporting period, the FIUTT provided useful financial intelligence that assisted the Law Enforcement Authorities in their investigations, charges and prosecution of ML matters. Similarly, the FIUTT have made 26 spontaneous disclosures relating to ML/FT matters to both local and foreign Competent Authorities.

## **Compliance Supervision**

The FIUTT as one of the AML/CFT supervisor is responsible for a wide spectrum of non-regulated financial institutions, professionals and business sectors collectively called Supervised Entities. Supervision of Supervised Entities continues to presents some unique challenges in the prevailing COVID-19 circumstances. Supervised Entities numbered 3,337 at the end of this reporting year. Also, in this reporting period, the FIUTT was made the AML/CFT/CPF supervisor for E-Money Issuers (EMIs). This as a result of the E-Money Issuer Order ("Order") effective August 4, 2020, which was signed by the Minister of Finance.

Consequently, the FIUTT reviewed its supervision strategies and implemented innovative ways to monitor and supervise this large sector for AML/CFT compliance. In this reporting period, the FIUTT had suspended onsite examinations and introduced online hybrid compliance examination where compliance audits were two dimensional: a desk-based review followed by a virtual face-to-face interview with the entity's representative to confirm effective compliance with its AML/CFT obligations. This strategy has proven useful in mitigating health risks to FIUTT officers, while at the same time, ensuring that the frequency and intensity of compliance examinations are appropriate to the entity's ML/FT risk profile.

In this reporting period, the FIUTT successfully conducted 87 compliance examinations of higher risk sectors and those entities scheduled for the second round of examinations to verify previous risk assessment implementation. With the use of various online platforms, the FIUTT conducted a total of 15 AML/CFT/CPF outreach and awareness sessions. The Non-Profit Organisations (NPOs) accounted for eight of the 15 sessions.

### **International Co-operation**

The FIUTT collaborated and contributed to several online training activities during this reporting period. Within the region, the FIUTT collaborated with the Regional Security System – Asset Recovery Unit (RSS ARU) Fusion Centre, Caribbean Basin Security Initiative and the Police Academy of the Trinidad and Tobago Police Service in delivering training relative to ML/FT, Fraud and COVID-19 impact on criminal conduct. The participants included Law Enforcement, FIUs and Intelligence Analysts in Trinidad and Tobago and within the Caribbean region.

The FIUTT continues to provide strong support to the work of the Egmont Centre of FIU Excellence & Leadership (ECOFEL) and has successfully completed their Mentorship Programme. In this reporting period, ECOFEL assigned the FIUTT to mentor the Barbados FIU in strengthening their operational and analysis functions.

Further details on these developments can be found in the body of this 2020 Annual Report.

### **Looking ahead:**

I believe that the coming year will be challenging to the work of the FIUTT, as well as, to the other Competent Authorities as a result of the evolving technology of Fintechs through innovation and new technologies.

The FIUTT will continue to engage with its key Law Enforcement Authorities, Supervisory Authorities, Intelligence Agencies and Reporting Entities to combat ML/FT/PF, particularly corruption, fraud, drug trafficking, tax evasion and other serious criminal conduct. The FIUTT will ensure that it meets the expectations of the Competent Authorities in our unique role as "one-stop-shop" for information exchange.

The FIUTT will continue to collaborate with the National Anti-Money Laundering and Financing of Terrorism Committee (NAMLC) on the implementation of FATF Recommendations and the conduct of Trinidad and Tobago's National Risk Assessment (NRA). The NRA is expected to commence next year, 2021 and calls for a concerted effort and commitment by all stakeholders both public and private. The NRA will help to identify Trinidad and Tobago ML/FT/PF risks and develop mitigating strategies. The implementation of the mitigating strategies is very critical to strengthening the AML/CFT/CPF regime in Trinidad and Tobago.

To this end, the FIUTT will support an analysis of its legal structure and operations to ensure that the structure meets international standards of autonomy and independence. Also, the type of FIU structure and operations best serves the need of Trinidad and Tobago based on the risk assessment of the ML/FT landscape.

It is evident, that coming out of the demonetisation exercise, the amount of cash exchanged or attempted to be exchanged, lacked transparency in certain instances to properly identify their source of funds. Therefore, such cash-intensive environments increase the risk of money laundering and facilitate criminal conduct. Thus, the FIUTT continues to recommend that the authorities give serious consideration to introducing some form of cash threshold when conducting business transactions.

#### **Acknowledgements and appreciation**

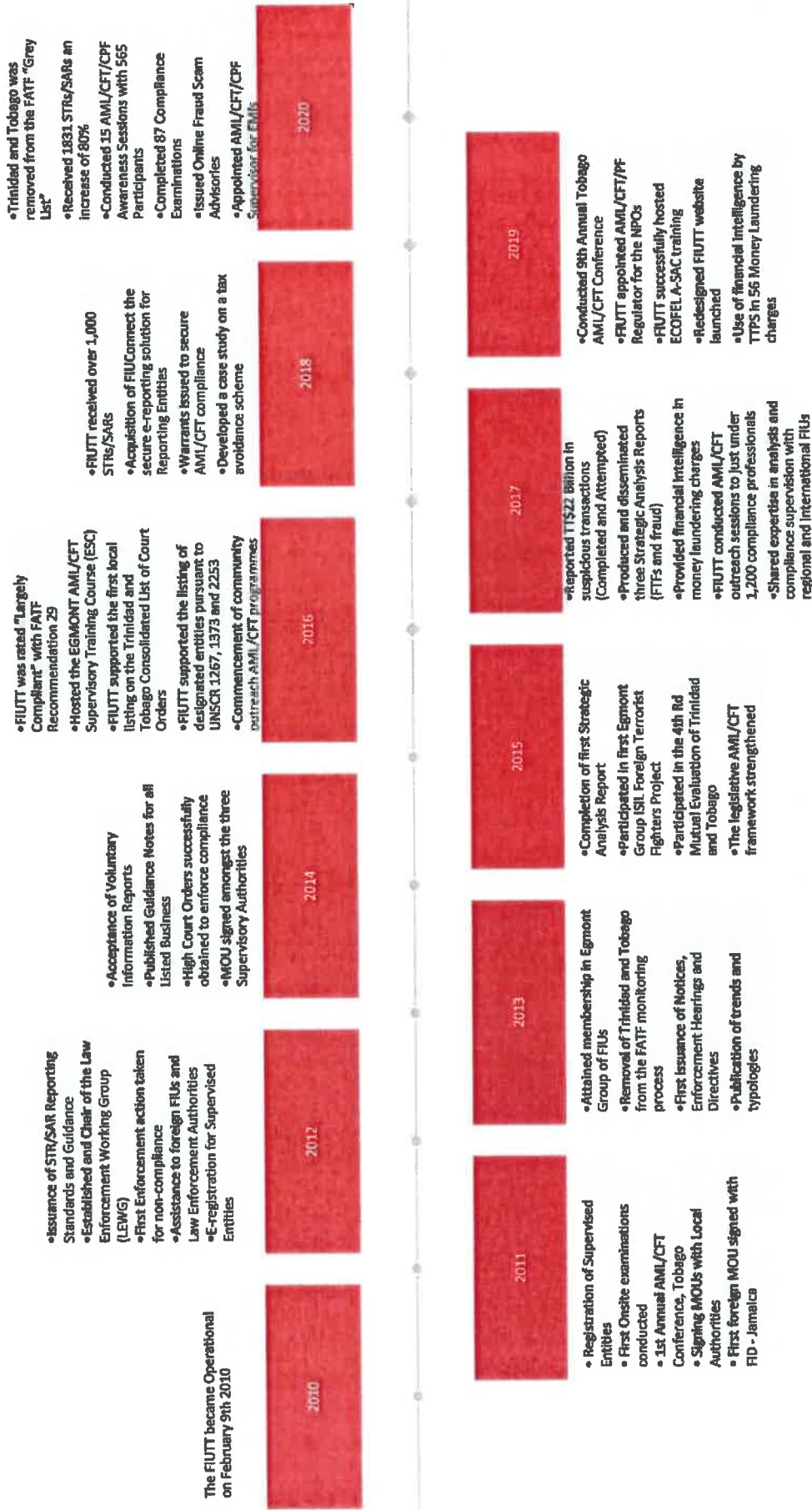
I would like to thank the FIUTT's employees who worked and continue to work tirelessly to fulfil our mandate and strengthen the integrity of Trinidad and Tobago's financial system. I also thank our partners across government and the private sector for their co-operation and contributions throughout the year. I am also grateful to the Ministry of Finance for providing financial and administrative support to the FIUTT in 2019.

**Nigel Stoddard**  
**Director (Ag.)**





## 10<sup>TH</sup> ANNIVERSARY MILESTONES



## PROLOGUE

The legislative and operational activities of the FIUTT since 2015 were largely predicated upon the outcomes of Trinidad and Tobago's 4<sup>th</sup> Round Mutual Evaluation Report (4<sup>th</sup> MER). The FIUTT, together with key AML/CFT/CPF stakeholders in Trinidad and Tobago has continued to engage in the improvement of the country's AML/CFT/CPF regime with a goal to exit CFATF's Enhanced Follow-up process and FATF ICRG increased monitoring.

A summary of the findings in Trinidad and Tobago's 4<sup>th</sup> MER and Enhanced Follow-up Process is as follows:

The 4<sup>th</sup> MER was adopted in November 2015 and published in June 2016. The Mutual Evaluation process consisted of an assessment of two components: technical compliance - whether the country's Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) legal framework meet the international standard of the FATF's 40 Recommendations; and effectiveness - the extent to which the country has achieved eleven Immediate Outcomes (IOs). Trinidad and Tobago was placed in the Enhanced Follow-Up process due to the ratings it received as non-compliant in two Recommendations, partially compliant in 13 Recommendations and having been given a low or moderate level of effectiveness for the eleven IOs.

See Table B below.

Trinidad and Tobago has made substantial progress in rectifying the identified deficiencies. The final results of this progress were published in Trinidad and Tobago's 3<sup>rd</sup> Enhanced Follow-up Report (3<sup>rd</sup> EFUR)<sup>1</sup> and technical compliance re-rating on June 26, 2019, by the CFATF, after ratification by the FATF global community. The 3<sup>rd</sup> EFUR does not address the progress Trinidad and Tobago has made to improve its effectiveness of the IOs.

Table A below represents Trinidad and Tobago's current Technical Compliance ratings.

The rating of a low or moderate level of effectiveness in all eleven IOs coupled with a financial sector whose assets exceeded the threshold of US\$5 Billion, meant that Trinidad and Tobago met the "*prioritisation criteria*" for referral to the FATF International Co-operation Review Group (ICRG). The ICRG monitoring process requires the Americas Joint Group (the Joint Group) to assess the degree and quality of progress made by Trinidad and Tobago through Follow-up Reports (FURs) at specified intervals and face-to-face meetings. As an additional measure, on November 3<sup>rd</sup> 2017, Trinidad and Tobago was placed on the FATF Public Statement.

### ***Exiting the FATF ICRG increased monitoring process***

The action plan developed by the Joint Group, which was endorsed by FATF at its October 2017 Plenary contained measures to strengthen the effectiveness of Trinidad and Tobago's AML/CFT regime and to address related technical deficiencies.

---

<sup>1</sup> <https://www.cfatf-gofjc.org/documents/4th-round-follow-up-reports/trinidad-and-tobago-3>

In January 2020 the FATF Americas Joint Group conducted an on-site assessment and noted that Trinidad and Tobago has made sufficient progress in addressing the identified AML/CFT/CPF deficiencies. As a result, in February 2020, Trinidad and Tobago's progress has been recognised by FATF ICRG and the country was removed from the FATF "grey list" and placed on a list of jurisdictions no longer subject to the FATF's increased monitoring process.

The following commentary was published by FATF in February 2020:

*"The FATF welcomes Trinidad and Tobago's significant progress in improving its AML/CFT regime and notes that Trinidad and Tobago has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in November 2017. Trinidad and Tobago is therefore no longer subject to the FATF's increased monitoring process."*

The publication concluded by acknowledging that Trinidad and Tobago will continue to work with CFATF to improve further its AML/CFT/CPF regime.

The 4<sup>th</sup> MER and the 3<sup>rd</sup> FUR can be found at [www.cfatf-gafic.org](http://www.cfatf-gafic.org).

**Notable achievements for this reporting period to improve the AML/CFT/CPF regime include:**

1. The enactment of the **Miscellaneous Provisions (Proceeds of Crime and Central Bank) Act, 2019** as well as the **Proceeds of Crime (Large Transactions) Order, 2019** which reduced the value of large transactions from ninety thousand dollars (\$90,000) to fifty thousand dollars (\$50,000) requiring all financial institutions and listed businesses to pay attention to such transactions;
2. The enactment of the **Legal Notice No. 386, the Financial Obligations (Amendment) Regulations, 2019**, which decreased the threshold value of customer transactions for which Private Member Clubs must conduct customer due diligence from eighteen thousand dollars (\$18,000.00) to ten thousand dollars (\$10,000.00);
3. The enactment of the **Miscellaneous Amendments Act, 2020 (Act No. 10 of 2020)** which increased the penalty for failure to comply with a court order and made this offence triable either way. It also included the remit of the Director to issue directives to Supervised Entities for failure to comply with the Economic Sanctions Orders;
4. The enactment of the **E-money Issuer Order, 2020** for the authorisation and regulation of the issuance of E-money in Trinidad and Tobago by E-money issuers, who would be supervised by the FIU; and
5. The assent of the **Real Estate Act, 2020 (Act No. 12 of 2020)**, which provides for the registration and regulation of real estate agents, and thus allowing for the detection and prevention of money laundering and terrorist financing.

**TABLE A  
TECHNICAL COMPLIANCE RATINGS**

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

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

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

**R = RECOMMENDATION; C = COMPLIANT; LC = LARGELY COMPLIANT; PC = PARTIALLY COMPLIANT; NC = NON-COMPLIANT**

**TABLE B  
EFFECTIVENESS LEVEL RATINGS**

<b>IO.1</b> Risk, policy and co-ordination	<b>IO.2</b> International co-operation	<b>IO.3</b> Supervision	<b>IO.4</b> Preventive measures	<b>IO.5</b> Legal persons and arrangements	<b>IO.6</b> Use of financial intelligence
Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
<b>IO.7</b> ML Investigation and Prosecution	<b>IO.8</b> Confiscation	<b>IO.9</b> FT Investigation & prosecution	<b>IO.10</b> FT preventive measures & financial sanctions	<b>IO.11</b> PF financial sanctions	
Low	Low	Low	Low	Low	

# **CHAPTER I - COMBATTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

## **1. FATF STANDARDS**

Trinidad and Tobago is a member of the Caribbean Financial Action Task Force (CFATF), which is a FATF Styled Regional Body (FSRB), to achieve the effective implementation of, and compliance with the 40 Recommendations of the FATF. FATF is the global standard-setting body tasked with the responsibility of establishing policies that promote the effective implementation of legal, regulatory and operational measures for combatting ML/FT and other related threats to the international financial system. Recommendation 29 of the FATF's Recommendations mandates that all its member States and members of FSRBs, establish FIUs as autonomous and independent bodies to serve as the national centres for the collection, analysis and dissemination of financial intelligence and information relative to ML/FT.

## **2. THE FIUTT**

The FIUTT was therefore established by the **Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01 (FIUA)**, for compliance with FATF's Recommendation 29. The FIUA sets out the powers and functions of the FIUTT.

See Diagram 1 below.

The FIUTT is an independent unit within the Ministry of Finance, with autonomous control over office, resources and staff. It is established as an administrative type FIU specialised in intelligence gathering and analysis. This means that the FIUTT does not have investigative powers, powers of arrest, or the ability to charge suspects or restrain properties. The FIUTT also does not have a prosecutorial role. Rather, the FIUTT's role as a financial intelligence body in Trinidad and Tobago has become an integral part and contributor to Law Enforcement Agencies (LEAs) in their successful investigations and prosecutions of ML/FT/PF and other related crimes.

Among several previous amendments to strengthen and improve the operations of the FIU, the FIUA was most recently amended by the **Miscellaneous Amendments Act (No. 10 of 2020)** in May 2020. This amendment increased the penalty for failure to comply with a court order from five hundred thousand dollars (\$500,000) to one million dollars (\$1,000,000) and made this offence triable either way. It also included the remit of the Director of the FIUTT to issue directives to Supervised Entities for failure to comply with the Economic Sanctions Orders.



The FIUTT's powers and functions are further set out in the subsidiary legislation, the **Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 (FIUR)**.

#### **STRUCTURE OF THE FIUTT:**

The approved staff establishment comprises of 60 officers. For efficiency, the FIUTT is organised into three layers: Executive, Operational and Support.

See Diagram 2 below.

A brief description of the three layers are as follows:

##### **Executive:**

- **Director**  
**Appointment:** By the Public Service Commission.  
**Functions:** Responsible for the overall operations of the Unit.
- **Deputy Director**  
**Appointment:** By the Public Service Commission.  
**Functions:** Supports in the overall operations of the Unit.

##### **Operational:**

- **Analysis Division**  
**Functions:** Responsible for the analysis of STRs/SARs, dissemination of intelligence reports, strategic analysis reports and international co-operation.
- **Compliance and Outreach Division**  
**Functions:** Supervises Supervised Entities with an aim for their compliance with the AML/CFT/CPF legislation, and includes conducting outreach and awareness sessions.
- **Legal Division**  
**Functions:** Advises on legal matters and manages the enforcement aspects of AML/CFT/CPF legislation.

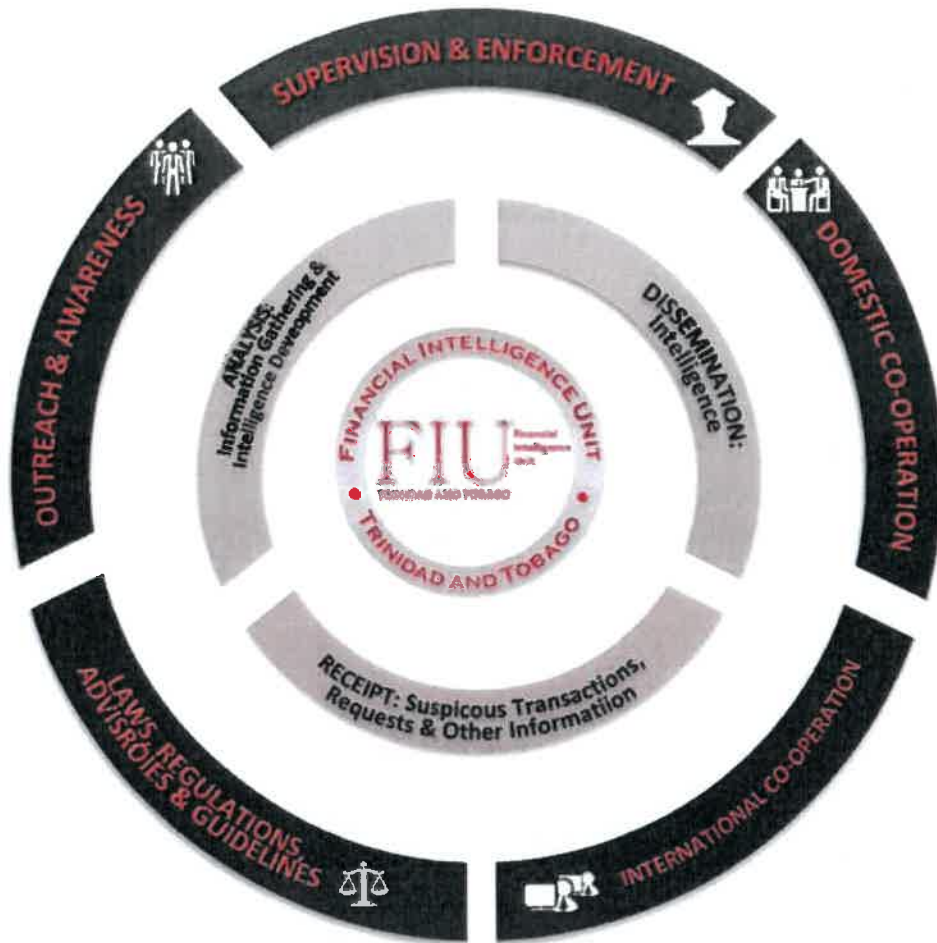
##### **Support:**

- **Administrative Division**  
**Functions:** Responsible for all the Unit's administrative functions.
- **Information and Technology Division**  
**Functions:** Responsible for all the Unit's software, electronic equipment computer and security systems.

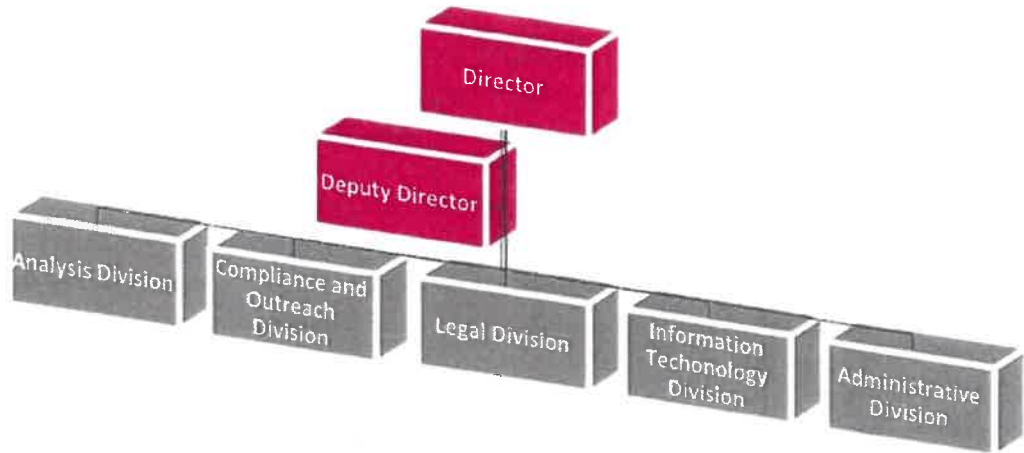
Diagram 1 illustrates the role of the FIUTT.

Diagram 2 shows the FIUTT's organisational structure.

**DIAGRAM 1  
ROLE OF THE FIUTT**



**DIAGRAM 2**  
**FIUTT'S ORGANISATIONAL STRUCTURE**



### 3. THE SUPPORTING LEGISLATIVE REGIME

In addition to the FIUA and the FIUR, the current AML/CFT/CPF legislative framework comprises the **Proceeds of Crime Act, Chap. 11:27 (POCA)**, **Anti-Terrorism Act, Chap. 12:07 (ATA)**, and associated regulations and the **Economic Sanction Orders (ESOs)**.

- The **POCA** establishes procedures for the confiscation of proceeds of crime and for the criminalising of money laundering. Furthermore, established under **section 56 of the POCA**, the **Financial Obligations Regulations, 2010 (FOR)** contains the AML/CFT measures and procedures which Reporting Entities must implement to enable them to deter and detect ML and to report suspicious transactions and/or activities to the FIUTT.
- The **ATA** criminalises terrorism and provides for the detection, prevention, prosecution, conviction and punishment of terrorist acts, FT and for the confiscation, forfeiture and seizure of terrorists' assets. Furthermore, the **Financial Obligations (Financing of Terrorism) Regulations, 2011** were made under **section 41 of the ATA**. These Regulations ensure that the obligations stipulated under the FORs for ML apply equally to FT.
- The **ESOs** were made under **section 4(1) of the Economic Sanctions Act, Chap 81:05** for the purpose of suppressing the financing of proliferation of weapons of mass destruction by providing for the implementation of targeted financial sanctions. The ESOs are the **Economic Sanctions (Implementation of United Nations Resolutions on the Democratic People's Republic of Korea) Order, 2018** and the **Economic Sanctions (Implementation of United Nations Resolutions on the Islamic Republic of Iran) Order, 2018** which impose targeted financial sanctions on Korea and Iran respectively.

### 4. RECENT DEVELOPMENTS IN THE AML/CFT/CPF LEGAL REGIME

In December 2019, the **POCA** was amended by the **Miscellaneous Provisions (Proceeds of Crime and Central Bank) Act, 2019**. The **Proceeds of Crime (Large Transactions) Order, 2019** also came into effect. Together, these laws reduced the value of 'large transactions' from ninety thousand dollars (\$90,000) to fifty thousand dollars (\$50,000), thus requiring all financial institutions and listed businesses to pay special attention to such transactions.

Additionally, the **FOR** was amended by **Legal Notice No. 386, the Financial Obligations (Amendment) Regulations, 2019**, to replace the word "eighteen" wherever it occurs with the word "ten", thereby reducing the threshold value of customer transactions for which Private Members' Clubs (PMCs) must conduct due diligence from eighteen thousand dollars (\$18,000.00) to ten thousand dollars (\$10,000.00).

In June 2020, the **Real Estate Act, 2020 (Act No. 12 of 2020)**, was also enacted. This Act provides for the registration and regulation of real estate agents, which would, among other things, assist in the detection and prevention of ML and FT.

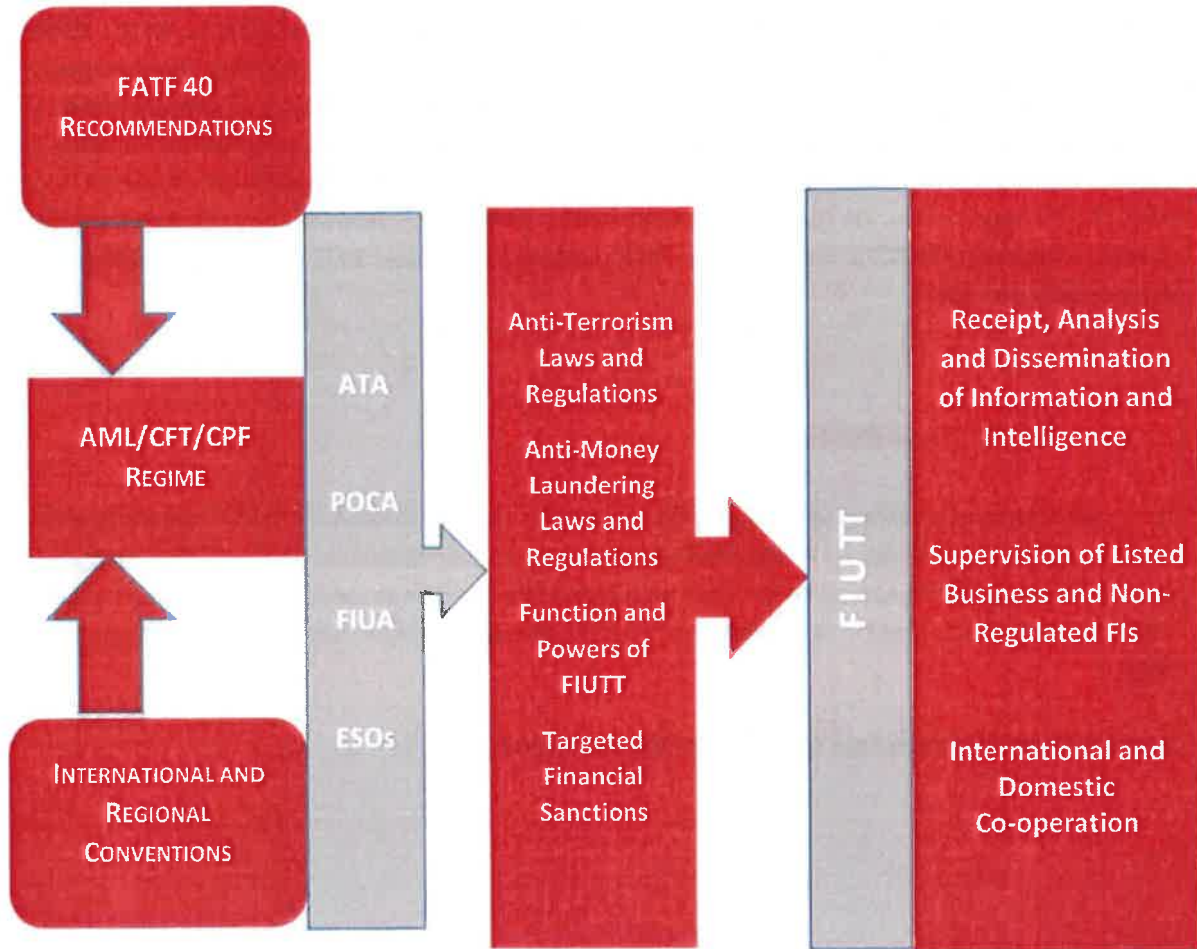
Furthermore, a major development for our financial sector was marked in July 2020 with the introduction of the **E-money Issuer Order, 2020**. This Order was prescribed by the Minister of Finance, on the advice of the Central bank of Trinidad and Tobago for the purpose of authorising and regulating the issuance of E-money in Trinidad and Tobago. In accordance with the Order, certain categories of persons (called E-money issuers (“EMIs”)) are required to first register with the Central Bank to be authorised to issue E-money, and thereafter, within five business days, must apply to be registered with the FIUTT for AML/CFT/CPF supervision. For the purposes of the POCA, EMIs are considered Money or Value Transfer Service businesses (“MVTs”), and since the FIUTT currently supervises MVTs, all EMIs would also be supervised by the FIUTT.

## **5. ADDITIONAL MEASURES**

In this reporting period, other legislative actions were taken to bolster the AML/CFT/CPF regime including the assent of the **Miscellaneous Provisions (Registrar General, Registration of Deeds, Conveyancing and Law of Property, Real Property, Stamp Duty and Registration of Title to Land) Act (Act No. 17 of 2020)**. This Act is intended to assist in the detection and overall decreasing of real property fraud, amongst other things.

Diagram 3 below illustrates the AML/CFT/CPF legal framework

**DIAGRAM 3  
ESTABLISHMENT AND LEGAL FRAMEWORK**



## **CHAPTER II – FOSTERING A CULTURE OF COMPLIANCE**

### **1. COMPLIANCE FOR INTELLIGENCE**

An FIU's role is central to the international effort to combat ML/FT/PF and cannot be overemphasised. The FIUTT continues its supervisory work to prevent the misuse of the financial system for money laundering and financing of terrorism activities. The ultimate objective is to safeguard the integrity of the financial system which enables safe and sustainable economic growth.

The upsurge of fraud and online scams targeted at the vulnerable during a global pandemic shows that criminals and organised networks continue on their trajectory to accumulate illicit proceeds. COVID-19 and its consequential socio-economic impact have only cemented the importance of financial intelligence in combatting all forms of ML/FT/PF and other related crimes.

The FIUTT's Anti-Money Laundering/Counter-Terrorist Financing/Counter Proliferation Financing (AML/CFT/CPF) supervisory and intelligence functions are connected and complement each other. The supervisory work, inclusive of sharing ML/FT/PF trend and typologies identified in the analysis of financial intelligence, and continued engagement with Supervisory Authorities and Reporting Entities, contributes to improved compliance. This leads to improved quality and quantity of financial intelligence provided by Financial Institutions (FIs) and Listed Businesses (LBs). Additionally, our supervision of the 3,486 individuals, businesses and organisations is risk-based, principles based and collaborative. Ultimately, this is to achieve effective implementation of AML/CFT/CPF controls as they are part of the country's front line defence in combatting ML/FT/PF.

During this reporting period, the FIUTT had to adjust its supervisory activities due to the challenges of COVID-19. The national efforts to reduce the potential impact of the pandemic led to the temporary closure of businesses in high-risk sectors such as PMCs, MVS and Real Estate. Supervisory and monitoring activities continued with the necessary adjustments notwithstanding the challenges faced as a result of the global pandemic.

Diagram 4 illustrates the key elements of FIUTT's supervisory functions, which are further detailed in this chapter.

**DIAGRAM 4**  
**FUNCTIONS OF THE COMPLIANCE AND OUTREACH DIVISION**





## 2. COMPLIANCE OBLIGATIONS TO FIUTT

Listed Businesses (LB) and Non-Regulated Financial Institutions (NRFI), collectively referred to as “Supervised Entities,” have AML/CFT/CPF obligations to the FIUTT once they are performing business activities defined in the First Schedule of POCA. These AML/CFT/CPF obligations lay the foundation to their defence mechanism against ML, FT and PF. Once the foundation is laid and strengthened to make it effective, Supervised Entities are positioned to detect and deter financial crimes thus protecting the national financial system.

### i. Registrations

The FIUTT as the Supervisory Authority for LBs and NRFIs is mandated to monitor and observe these Supervised Entities for compliance with the AML/CFT/CPF laws and regulations. Registration is the beginning of the FIUTT’s relationship with a Supervised Entity.

The FIUTT observed general compliance by individuals, businesses and organisations required to register, bringing them under FIUTT supervision. For this reporting period, 329 entities registered with the FIUTT increasing the total number of registrants to 3,337 as at September 30, 2020. This represents a 10% increase from the previous reporting period. The Real Estate and Attorney-at-Law sectors continue to account for the highest numbers of new registrants with 170 and 85 respectively during this reporting period. Compliance with this obligation is mainly attributed to the FIUTT’s consistent and proactive strategies, including surveillance and enforcement action. Supervised Entities also registered as a result of:

- legislation enacted to enhance the national AML/CFT/CPF regime;
- due diligence measures by the banking sector and governmental agencies; and
- heightened awareness in the business community.

Despite the challenges with the COVID-19 pandemic, the FIUTT was able to adapt its internal procedures by restructuring its daily operations to minimise delays in the registration process.

### • Money or Value Transfer Services (MVTs)

The digitalisation of economies has seen an erosion of traditional methods of payment and a rise in the adoption of electronic money. Electronic money or E-money, according to the Financial Institutions Act 2008, is defined as the monetary value represented by a claim on the issuer, which is:

- a) stored on an electronic device;
- b) issued on receipt of funds of an amount not less in value than the monetary value issued; and
- c) accepted as a means of payment by persons other than the issuer, so however that the funds referred to in (b)above shall not be treated as a deposit under this Act

On August 04, 2020, an E-Money Issuer Order 2020, was made under Section 17(4) of the Financial Institutions Act Chapter 79:09. The Order provides for the registration and operation of entities not previously licensed by the Central Bank of Trinidad and Tobago (Central Bank), to conduct the following activities:

- a) issuance of E-money account;
- b) cash-in;
- c) cash-out;

- d) provision of payment services; and
- e) money transfer or remittances.

In accordance with the order, entities such as Payment Service Providers and EMIs that engage in any of the above of activities must be licensed by the Central Bank and registered with the FIUTT as an MVTS. Thus, the FIUTT anticipates the consequential increase in the number of registrants in the MVTS sector.

As a result, such entities will be subject to joint regulation and supervision: by Central Bank for the prudential aspects of their operation and by FIUTT for AML/CFT/CPF supervision.

This joint approach is necessary not only because of the novelty of EMIs in Trinidad and Tobago's economy but also as a result of the inherent risks associated with E-money, such as difficulty in identifying customers and verifying customer information, tax evasion and fraud.

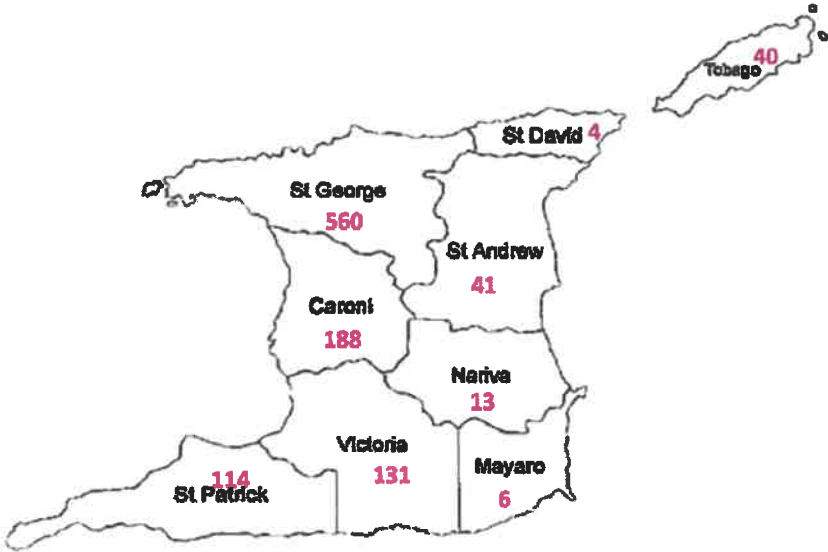
- **Non-Profit Organisations**

The FIUTT continues to work with the Registrar General's Department (RGD) in the Office of the Attorney General and Ministry of Legal Affairs, which has responsibility for the registration of the Non-Profit Organisations (NPOs), in accordance with the NPO Act, No. 7 of 2019. AML/CFT/CPF Risk Assessment Questionnaires (RAQs) submitted during registration are forwarded by the RGD to the FIUTT for analysis. Information contained therein is used to determine the subset of NPOs engaged in higher-risk activities as well as those NPOs with an annual income exceeding five hundred thousand dollars (\$500,000.00). These entities are then targeted to build their awareness and capacity to protect themselves from being unwittingly used for the financing of terrorism.

Prior to the legislation, information received from various governmental agencies indicated that over 8,000 NPOs were operating in Trinidad and Tobago. Subsequent to the passage of the Non-Profit Organisation Act (NPOA), the FIUTT has since received and analysed data contained in the RAQs from a total of 1,105 NPOs. The analysis has so far revealed that 51% of NPOs were located in the county of Saint George.

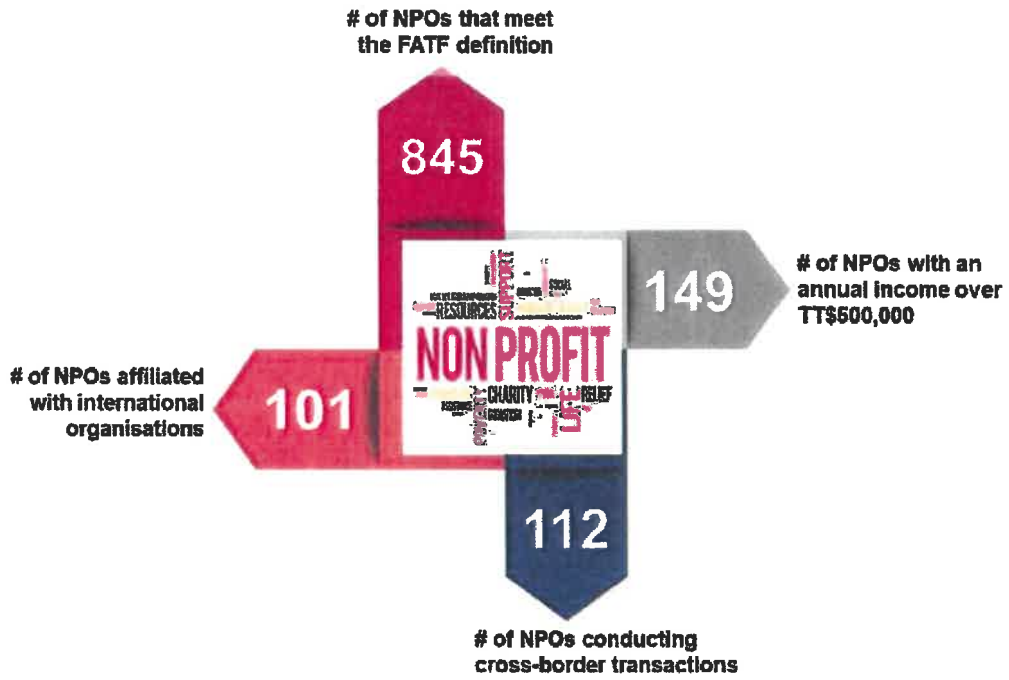
Diagram 5 shows the number of NPOs located in nine jurisdictions throughout Trinidad and Tobago.

**DIAGRAM 5**  
**LOCATION OF NPOs REGISTERED UNDER THE NPOA**



The FIUTT's assessment of the NPO sector is on-going as NPOs continue to register with the RGD to meet the registration deadline, December 31, 2020. However, a few highlights of our initial analysis is displayed in Diagram 6. The FIUTT also continues to engage the sector through outreach activities and stakeholder meetings. These activities are further described later in this chapter in the section titled '*Assistance and Guidance to Entities*'.

**DIAGRAM 6  
HIGHLIGHT OF THE NPOs RISK ASSESSMENT QUESTIONNAIRES**



- **De-registration**

The published list of registrants reflects those NRFIs and LBs that are supervised by the FIUTT for AML/CFT/CPF compliance. The FIUTT's processes allow for entities that are no longer performing the functions of an NRFI or LB, to make such a declaration to the Director of the FIUTT causing them to be de-registered. For this reporting period, 17 entities were removed from the List of Registrants and the List of De-Registrants updated accordingly.

The FIUTT regularly maintains the lists of registrants and de-registrants, which are published quarterly in accordance with our legal obligation. Both lists have proven useful to regulated entities, other Supervisory Authorities, LEAs and all other stakeholders when conducting due diligence on customers or subjects.

Diagram 7 illustrates the total number of FIUTT registrants.

**DIAGRAM 7  
TOTAL NUMBER OF FIUTT REGISTRANTS**



## **ii. Approval of the Compliance and alternate Compliance Officers**

The role of the Compliance Officer (CO) is fundamental in the implementation of entities' AML/CFT/CPF regimes. Supervised entities must ensure that the designated person possesses the highest levels of integrity and competence to effectively execute their legal obligations. The CO is the primary liaison between the entity and the FIUTT and is responsible for sending and receiving sensitive and confidential information. Therefore, the CO should be adequately and continuously trained in AML/CFT/CPF to effectively identify, assess and understand their entity's risk and implement the required mitigating measures.

Once appointed by directors/senior management, the Compliance Officer Fit and Proper Questionnaire and supporting documents are forwarded to the FIUTT for approval of the applicants in accordance with the FORs. The responsibilities of a CO include but are not limited to:

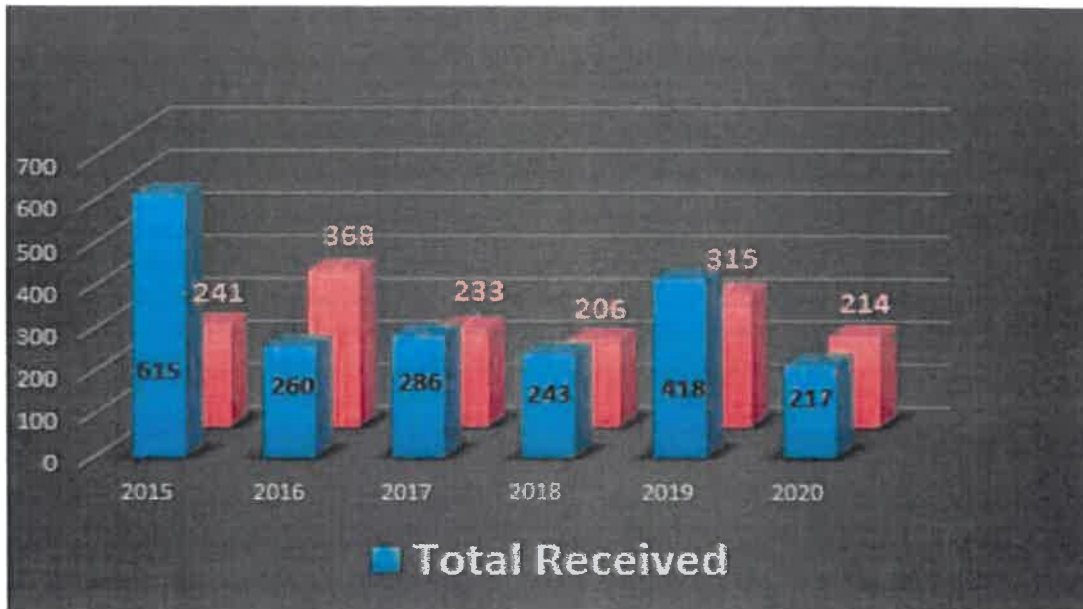
- implementing and monitoring AML/CFT/CPF procedures and controls;
- ensuring organisational compliance with AML/CFT/CPF legislation;
- collecting and analysing internal suspicious activity reports submitted by members of staff and determining the validity to submit such report to the FIUTT;
- periodically reporting to the FIUTT on the possession of terrorist funds or property; and
- establishing and maintaining AML/CFT/CPF records to facilitate requests from the FIUTT, LEAs and any other Competent Authorities.

Since the onset of COVID-19, the FIUTT observed a decline in the submission of Compliance Officer Fit and Proper Questionnaires from Supervised Entities. For this reporting period, 217 applications were received and 214 applications were approved. In instances where the applicant did not meet the requirements of Regulation 3 of the FORs, the applications were returned and the FIUTT advised the Supervised Entity accordingly.

Diagram 8 illustrates the number of CO and ACO approved by the FIUTT for the period 2015 to 2020.



**DIAGRAM 8**  
**THE CO AND ACO APPLICATIONS RECEIVED AND APPROVED 2015 TO 2020**



### **iii. Quarterly Terrorist Property Reports**

The United Nations Security Council, responsible for ensuring international peace and security, requires jurisdictions to take measures to prevent and suppress terrorist financing. As part of their customer due diligence measures, Reporting Entities are required to conduct sanctions screening on existing and prospective clients to ensure transactions are not conducted with designated individuals or entities.

For FIs, and NRFIs, the risk of terrorist financing is greater. Thus, FIs are required under Section 33(3) of the ATA to conduct sanctions screening and report to the FIU quarterly. This quarterly report declares to the FIUTT whether or not the financial institution is in possession of terrorist property. Trinidad and Tobago has made it mandatory that both the ISIL (Da'esh) & Al-Qaida Sanctions United Nations Security Council Resolution 2253 List and the Trinidad and Tobago Consolidated List of Court Orders are consulted.

The FIUTT has observed continued improvement in compliance by Reporting Entities with their adoption of sanctions screening of their client database. This can be attributed to increased awareness and supervision efforts by the Supervisory Authorities. However, the FIUTT continues its efforts towards targeting non-compliant entities with enforcement, email notifications reminding of the obligation, outreach and awareness seminars and stakeholder engagement.

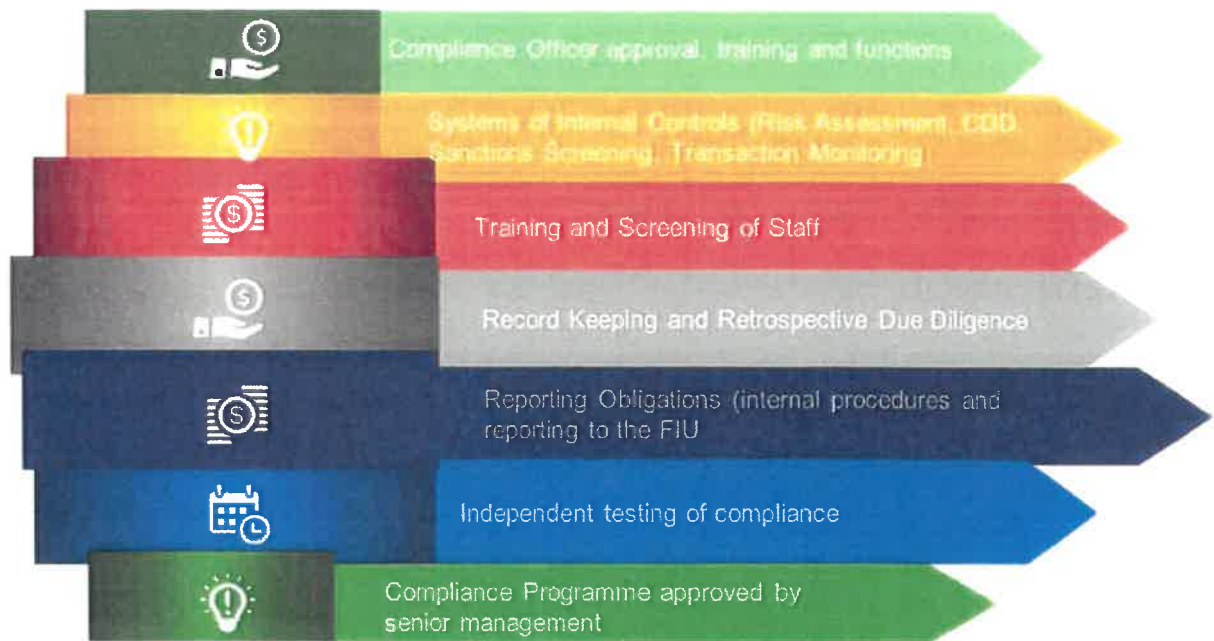
Further, the FIUTT noted a delay in the submissions for the last two quarters of the reporting period as FIs sought to streamline their operations to adapt to COVID-19 measures. Being cognisant of the impact of COVID-19 on business operations, the FIUTT adapted and enhanced its reporting procedures by enabling the electronic submissions of quarterly terrorist reports using secured mechanisms.

### **3. TESTING AML/CFT/CPF COMPLIANCE**

Written AML/CFT/CPF policies and procedures contained in the Compliance Programme approved by senior management are intended to mitigate ML/FT/PF risks identified during the risk management process. These internal controls assist in the production of intelligence to the FIUTT. However, in order to provide qualitative and valuable intelligence to the FIUTT and by extension law enforcement, there must be effective implementation of these controls. To achieve this, three main tools are used to test whether these internal controls are effectively implemented.

Diagram 9 illustrates the scope of the FIUTT's systems for testing Supervised Entities.

**DIAGRAM 9**  
**SCOPE AREAS OF COMPLIANCE TESTING**



**i. Independent Testing**

Independent tests conducted by competent professionals assess the adequacy of the AML/CFT/CPF policies and procedures implemented by Supervised Entities. Though this is a legal obligation, it is also a compliance tool beneficial to both the Supervised Entity and the FIUTT. Where the Supervised Entity has an internal audit function, the internal auditor can develop an audit programme to measure the implementation of internal controls. As per FIUTT's notice dated May 7, 2015 (<https://www.fiu.gov.tt/wp-content/uploads/Notice-to-Non-Regulated-Financial-Institutions-and-Listed-Business-on-Independent-Testing.pdf>), all Supervised Entities are required to conduct an external audit.

Table 1 illustrates the benefits of AML/CFT/CPF independent testing.

**TABLE 1  
BENEFITS OF AML/CFT/CPF INDEPENDENT TESTING**

<b>BENEFITS OF AML/CFT/CPF INDEPENDENT TESTING</b>	
<b><i>To the FIUTT</i></b>	<b><i>To the LBs and NRFIs</i></b>
<b>Identification of compliance gaps</b>	<b>Identification of the entity's compliance risk</b>
<b>Examine compliance with legal obligations</b>	<b>Developing strategies to mitigate risk</b>
<b>Determine supervision focus (including guidance)</b>	<b>Strengthen internal controls</b>
<b>Assess management's commitment to compliance</b>	<b>Management of resources</b>
	<b>Appraisal of staff to identify training needs</b>

Supervised Entities have expressed to the FIUTT the challenges encountered in their attempt to be compliant and utilise this tool which ultimately led a compliance deficiency. The entities' inability to test the effectiveness of their controls results in reliance on the FIUTT's compliance examination report as an assessment of control implemented. Some of the challenges include:

- inability to source a competent professional
- disproportionate cost of the external audit
- inadequate testing and reporting by the auditor

In this reporting period, the FIUTT received 36 external audit reports from entities including those higher-risk sectors such as AALs, ACTs, CUs, MVS, MVTS and Real Estate. As a result of this low level of compliance, the FIUTT will undertake the necessary action in the next reporting period to ensure that both the entity and the FIUTT benefit from independent testing.

## **ii. Compliance Examinations**

Compliance examinations remain a key supervision tool in assessing the effectiveness of AML/CFT/CPF systems implemented by the Supervised Entities. In the face of the COVID-19 pandemic, the FIUTT continued to take a risk-based approach to this aspect of its supervisory mandate. During this reporting period, it was necessary to ensure that Supervised Entities were equipped to mitigate the existing ML/FT/PF risks, as well as, those emerging as a result of COVID-19.

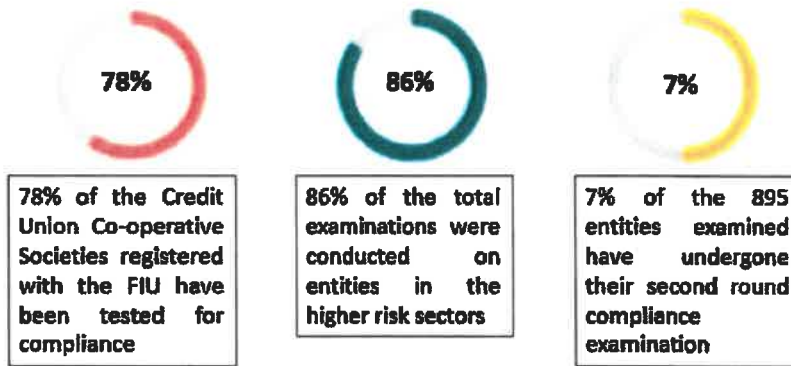
Whilst the FIUTT's methodology to determine the scope and intensity of compliance examinations remained unchanged; there was an adjustment to the mode of conducting compliance examinations. Due to the closure of non-essential business activities, on-site compliance examinations were suspended. However, off-site testing continued and the review of documents submitted was combined with virtual meetings between the FIUTT and entities.

The FIUTT conducted 85 compliance examinations in this reporting period, as compared to 156 compliance examinations in the last reporting period. Notwithstanding, the focus continued on the higher risk sectors such as AAL, ACT, PMC, MVS, Real Estate and CU. 87% of compliance examinations conducted during the reporting period were on entities in the higher risk sectors. Of the entities examined, 17 were subjected to second round compliance examinations to verify the FIUTT's previous risk assessment, confirm the implementation of remedial measures and determine overall compliance.

In the ten years of the FIUTT's operations, the Compliance and Outreach Division has conducted 960 AML/CFT/CPF compliance examinations on 895 Supervised Entities.

Diagram 10 represents compliance examinations conducted.

**DIAGRAM 10  
COMPLIANCE EXAMINATIONS CONDUCTED**



The FIUTT provided verbal and written feedback to entities identifying areas of weaknesses in their AML/CFT/CPF systems. Recommendations were made to rectify deficiencies within specific timeframes and provide evidence of remedial measures implemented. Failure by the Supervised Entities to rectify the deficiencies identified within the specified timeframe will result in enforcement action.

In adapting to the new normal, the FIUTT has taken into consideration the increased use of digital and electronic methods to conduct business, as well as, evolving AML/CFT/CPF and pandemic risks. The FIUTT has implemented the use of virtual meeting platforms and the electronic submission of documents to forward its supervision mandate while safeguarding the staff of the FIUTT and the Supervised Entities.

### **iii. Monitoring for Compliance and Enforcement**

The FIUTT conducts surveillance to identify entities in breach of their registration obligations and continuously monitor Supervised Entities for compliance with all other obligations. These activities are supervision strategies that complement the previous two activities used to test compliance.

As mentioned earlier in the chapter, surveillance is conducted either independently through staff observation or reliance is placed on the licensing function of other governmental agencies or voluntary information provided by known and anonymous sources. NRFIs and LBs are monitored to either:

- confirm weaknesses previously identified during a compliance examination were rectified;
- determine the frequency and scope for further testing; or
- evaluate the entity's compliance subsequent to enforcement measures taken by the FIUTT for AML/CFT/CPF breaches.

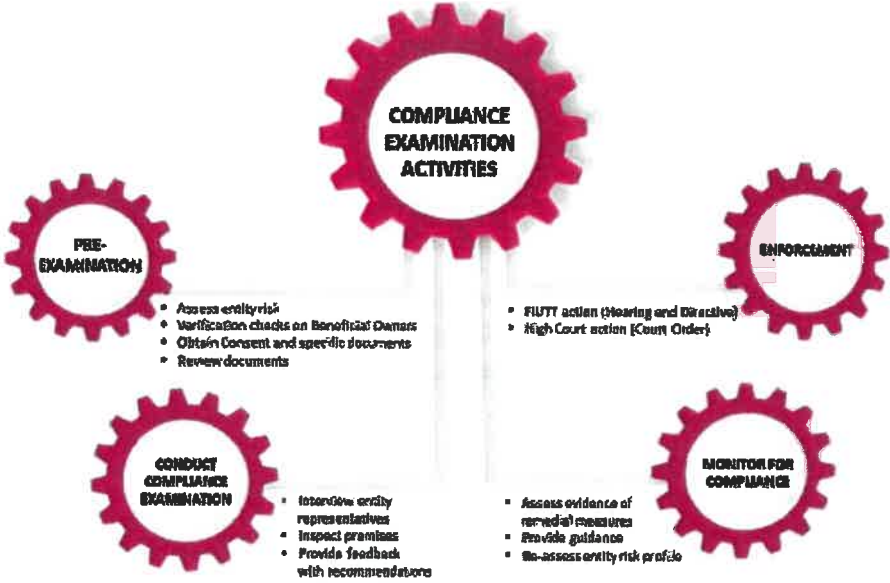
The results of surveillance and monitoring activities are used to inform outreach and awareness focus but can also lead to enforcement action by the FIUTT. Due to the impact of COVID-19 on some businesses, the FIUTT decided to further utilise risk assessment in taking some enforcement measures. As such, for this reporting period, the FIUTT identified individuals and businesses in breach of the obligation to register with the FIUTT. Written notification was issued, giving specific timeframes to comply with the obligation. The compliance by Supervised Entities was nonetheless, monitored and have been noted.

An analysis of findings from monitoring activities is used to inform the strategic direction of the Compliance and Outreach Division in assessing the risk of Supervised Entities, conducting compliance examinations and outreach and awareness seminars.

Diagram 11 illustrates compliance examinations activities.



**DIAGRAM 11  
COMPLIANCE EXAMINATIONS ACTIVITIES**



## **4. ASSISTANCE AND GUIDANCE TO ENTITIES**

### **i. Outreach and Awareness**

Providing guidance and informing Reporting Entities of emerging ML/FT/PF trends remains a priority to the FIUTT in fulfilling its legislative mandate. During this reporting period, the FIUTT was challenged in conducting outreach sessions via the usual methods, as a result of the spread of COVID-19 and the consequential closure of non-essential businesses and social gathering restrictions.

The FIUTT relied on the use of technology to continue outreach to the Reporting Entities. Though this change in the delivery of outreach was new to FIUTT operations, it was welcomed by the Reporting Entities as business costs associated with attending in-person sessions were eliminated.

The FIUTT updated Reporting Entities on emerging trends and typologies, based on information received from both domestic and international sources. These updates included advisories on online scams and fraudulent activity. Outreach seminars also covered topics related to global trends and the FATF standards such as:

- Proliferation Financing;
- Protecting NPOs from FT abuse; and
- COVID-19 impact on the obligations of the business.

Outreach and awareness to NPOs intensified during this reporting period as more NPOs complied with the NPO Act. While the FIUTT is responsible for the AML/CFT/CPF supervision for those NPOs with an annual income exceeding \$500,000.00, all NPOs were beneficiaries of general awareness sessions on:

- Understanding financing of terrorism (“FT”) threats to NPOs;
- How NPOs can protect themselves from being used by terrorist and terrorist financiers; and
- The Role of NPOs in the AML/CFT/PF Regime.

During this reporting period, the eight outreach and awareness sessions guided NPOs on utilizing regulated payment methods, identifying suspicious transactions and conducting due diligence measures.

Table 2 illustrates outreach and awareness seminars conducted in 2020.

### **ii. Guidance to Stakeholders**

In this reporting period, the FIUTT continued to fulfil its obligation to provide guidance to Supervised Entities, through the use of the website, email blasts to COs as well as one-on-one engagement. The FIUTT also partnered with the Central Bank and the Trinidad and Tobago Securities Exchange Commission (TTSEC) in providing guidance on the onboarding of customers and the verification of documents submitted electronically. The FIUTT's Guidance Notes and Notices Issued included the following:

- Joint Regulatory Guidance on Complying with AML/CFT Verification Requirements in light of COVID-19 Measures
- Notice to Financial Institutions on Reporting of Quarterly Terrorist Property Reports

- Notice to Private Members' Clubs – Amendments to Section 55(3C) of the Proceeds of Crime Act and Regulation 11 (1A) of the Financial Obligations Regulation
- Notice to Financial Institutions and Listed Business on the Submission of STRs/SARs
- AML/CFT Public Notice (the AML/CFT obligation mandated to LBs and FIs to identify their customers)

**iii. Feedback to AML/CFT/CPF Enquiries**

There was a noted increase in enquiries received by the FIUTT via email, telephone and post mail as more individuals and businesses became aware of their vulnerability to ML/FT/PF and as financial institutions enhanced their due diligence measures. Written responses were issued to provide the necessary clarification on the AML/CFT/CPF regime of Trinidad and Tobago. During this reporting period, the FIUTT addressed enquiries relating to the following areas of concern:

- nature of the business that requires registration with the FIUTT;
- individuals and businesses not appearing on the FIUTT's List of Registrants;
- interest in establishing new business in Trinidad and Tobago; and
- how to treat with fraudulent matters related to social assistance and suspected tax evasion.

Diagram 12 is a depiction of FIUTT online outreach meetings.

**DIAGRAM 12**  
**FIUTT ONLINE OUTREACH MEETINGS**



## **5. MANAGEMENT OF RESOURCES**

The sectors supervised by the FIUTT are diverse in their size, operations and nature of business. Given the products and services, they offer there is a risk of being targeted by criminal elements. The Compliance and Outreach Division works to ensure supervised entities are vigilant and capable of identifying, preventing and reporting ML/FT/PF threats to assist the FIUTT to achieve its vision.

During this reporting period, the FIUTT's supervisory responsibilities expanded and modifications were made to operations in response to COVID-19. The introduction of E-Money Issuers (a category of MVTs) to the national AML/CFT/CPF regime, increased use of technology in supervision and the introduction of legislation to better regulate the DNFBP and NPO sectors required the effective allocation of our already limited resources.

This emphasises why our regulatory approach and supervision initiatives for such diverse supervised sectors comprising over 3,400 entities is risk-based and should be driven by analytical and technological capabilities. There can be no tick-box approach to supervision.

The ever changing AML/CFT/CPF landscape requires pro-active measures and swift action. As a result, ongoing attempts have been made to ensure the Compliance and Outreach Division is adequately resourced. This can be challenging given the bureaucratic nature of the public service. The strained but skilled, dedicated and structured team of Officers commit tirelessly to meeting all targets. The following investments can only increase and further enhance our output:

- hardware and supervision software to aid in risk assessment and thematic studies;
- improved office accommodation to accommodate allocated resources;
- relevant staff training

**TABLE 2  
2020 OUTREACH AND AWARENESS SEMINARS**

<b>2020 OUTREACH AND AWARENESS SEMINARS</b>					
<b>No.</b>	<b>Month</b>	<b>Sector</b>	<b>Nature of Seminar</b>	<b>Co-Ordinating Agency</b>	<b>Participants</b>
1	October	NPOs	Sensitisation Session for Non-Profit Organisations	FIUTT	19
2		NPOs	Sensitisation Session for Non-Profit Organisations	FIUTT	34
3		Insurance Industry	Terrorist Financing & Proliferation Financing	ATTIC/FIUTT	17
4	December	NPOs	NPO- Risk to Terrorism Financing/Developing and Implementing Measures to Protect your NPO	FIUTT	5
5	January	NPOs	Sensitisation Session for Non-Profit Organisations	FIUTT	16
6	February	NPOs	Sensitisation Session for Non-Profit Organisations	FIUTT	24
7		All Sectors	FIUTT Compliance Examination – How to avoid common deficiencies	NEM Leadership Consultants	100
8		All Sectors	Regulatory Update: Emerging Issues, New Requirements and Anti-Financial Crime Trends Impacting Trinidad and Tobago	ACAMS	120
9		Seminar	The Impact of Customer Due Diligence on Prosecution of Money Laundering Cases	ANSA/FIUTT	45
10		Seminar	The Impact of Customer Due Diligence on Prosecution of Money Laundering Cases	ANSA/FIUTT	48
11		NPOs	Developing and Implementing Counter Measures to Protect Your NPO from FT abuse	FIUTT	12
12	March	NPOs	Sensitisation Session for Non-Profit Organisations	FIUTT	24
13	August	Virtual Session - All Sectors	Proliferation Financing	FIUTT	47
14		Virtual Session - NPOs	Developing and Implementing Measures to Protect Your NPO from FT abuse	FIUTT	16
15	September	Virtual Session – All Sectors	COVID-19 – The Implications for AML/CFT	FIUTT	38
					<b>565</b>

## CHAPTER III – FINANCIAL INTELLIGENCE

### 1. CORE FUNCTIONS

#### i. Overview

In Trinidad and Tobago, the FIUTT plays an essential and key role in the AML/CFT/CPF infrastructure. The year 2020 marks the tenth year of the operations of the Analysis Division. One of the core functions of the FIUTT is to provide financial intelligence to support local and foreign authorities in their investigation and prosecution of ML/FT/PF and other related criminal activity. This is achieved through the collection and analysis of information from internal and external sources. From the analysis, the FIUTT produces both operational and strategic financial intelligence as mandated by FATF's Recommendation 29.

Operational intelligence products, which follow the money trail to identify specific targets (persons, assets, criminal networks), supports local and foreign law enforcement, foreign FIUs and other competent authorities. Strategic financial intelligence products, conversely, support policy/decision-makers, and guide Reporting Entities in identifying trends and suspicious indicators.

This chapter provides insights on the STRs/SARs received, the analysis conducted and Intelligence Reports disseminated. Other areas of focus include strides made in fostering greater stakeholder co-operation, the demonetisation exercise, the electronic submission of STRs/SARs and an overview of strategic products completed by the Analysis Division from 2015 to 2020.

#### ii. Inputs

FIUTT's principal source of information is the STRs/SARs submission from FIs, NRFIs and LBs (collectively called Reporting Entities) with AML/CFT/CPF obligations. Other sources include information received from local and foreign competent authorities through Spontaneous Disclosures, incoming requests, incoming responses and Voluntary Information Reports (VIRs). In addition, data from open and closed sources are also accessed in the analytical process.

#### iii. Value-Added Analysis

From the various inputs of information, the Analysis Division adds value to this information using structured analytic techniques, which adds value to both operational and strategic analysis.

**Operational Analysis** examines the activities of specific subjects and attempts to trace the money trail, identify assets (tangible or non-tangible), and determine links between the subject, as well as, associates and the proceeds of crime.

**Strategic Analysis** identifies trends and patterns in ML/FT/PF and other related crimes. This type of analysis forms part of the approach to intelligence-led policing and policy formulation. In this reporting period, the FIUTT completed several strategic analysis projects in areas of FT, Drug Trafficking, Human Trafficking and Fraud.

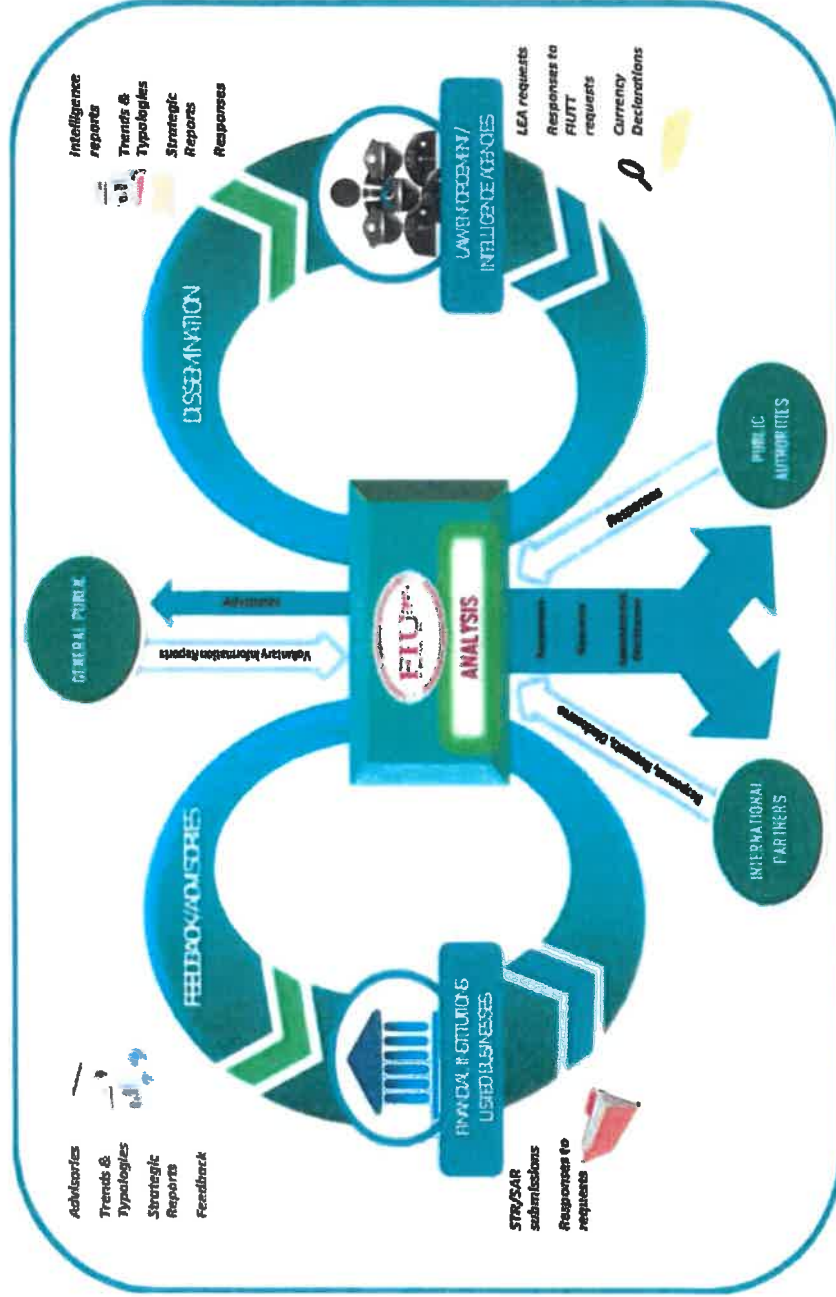
#### **iv. Outputs**

Based on the FIUTT value-added analysis component, the operational and strategic products developed are disseminated to the relevant local and foreign competent authorities to act as a guide in their investigation of criminal conduct.

Diagram 13 below illustrates the process through which information is collected and analysed by the Analysis Division at the FIUTT.



**DIAGRAM 13  
ANALYTICAL PROCESS**





## **v. Overview of STRs/SARs Submitted**

For the first time, the FIUTT received a total of 1,831 STRs/SARs, in this reporting period. This represents an increase of 80% over the previous reporting period. Of the 1,831 STRs/SARs received, 1,516 were submitted via FIUConnect® (secure e-filing solution) and 315 were received via manual submission. The two sectors that submitted the highest number of STRs/SARs were the Banks and the MVTS, collectively accounting for 81% of the total STRs/SARs received.

During this reporting period, the FIUTT noted a 141% increase in STRs/SARs submissions from FIs, and an 80% increase in submissions from LBs, in comparison to the previous year. Submissions from the Co-operative Societies, Insurance Co., Investment Co., Mortgage Co., Jewellers, MVS, and PMCs sectors, all increased. Submissions from the Banking sector increased from 536 to 1,289 or by 140%. STRs/SARs received from the MVTS providers decreased by 35% or from 302 to 196 in comparison to the previous year.

Table 3 details a comparative view of STRs/SARs received for the years 2018 to 2020.

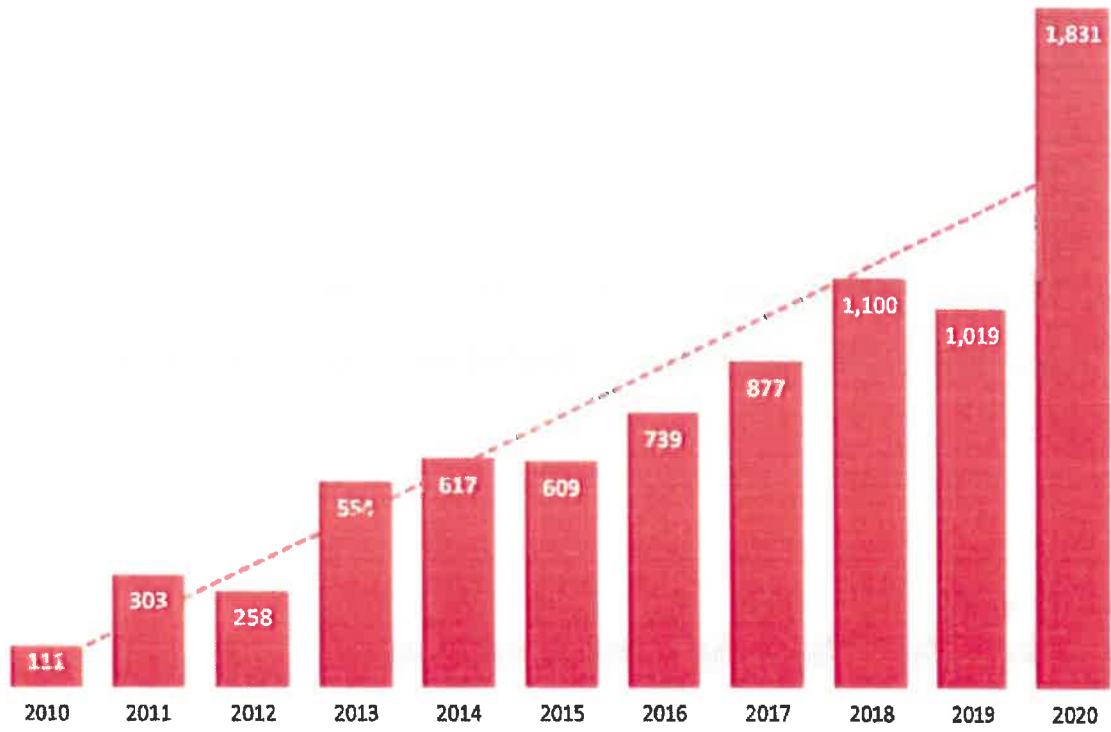
Of the 1,831 STRs/SARs received, 41% or 750 STRs/SARs were primarily associated with the demonetisation of the cotton-based hundred dollar bills. This was due to the Legal Notice No. 357 of 2019 which demonetised the \$100 notes bearing any series date before 2019. In addition, it was noted that 142 reports of suspicious transactions were submitted by the Central Bank under Section 52 of the POCA.

Diagram 14 gives a comparative view of total STRs/SARs submissions from the inception of the FIUTT, from 2010 to 2020 which shows a sustained increase over the years.

**TABLE 3**  
**A COMPARATIVE VIEW OF THE STRs/SARs DISCLOSURES FROM 2018 TO 2020**

REPORTING ENTITIES	2018	2019	2020
<b>Banking</b>	<b>463</b>	<b>536</b>	<b>1,289</b>
<b>Exchange Bureau</b>	<b>10</b>	<b>2</b>	<b>2</b>
<b>Finance Co.</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Insurance Co.</b>	<b>70</b>	<b>31</b>	<b>91</b>
<b>Investment Co.</b>	<b>25</b>	<b>22</b>	<b>49</b>
<b>Mortgage Co.</b>	<b>11</b>	<b>6</b>	<b>15</b>
<b>Securities Dealers</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Total FI submissions</b>	<b>583</b>	<b>601</b>	<b>1,450</b>
<b>Co-operative Societies</b>	<b>51</b>	<b>84</b>	<b>132</b>
<b>Money/Value Transfer Services</b>	<b>443</b>	<b>302</b>	<b>196</b>
<b>Total NRFI submissions</b>	<b>494</b>	<b>386</b>	<b>328</b>
<b>Accountants</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Attorneys-at-Law</b>	<b>6</b>	<b>7</b>	<b>5</b>
<b>Jewellers</b>	<b>0</b>	<b>9</b>	<b>18</b>
<b>Motor Vehicle Sales</b>	<b>7</b>	<b>2</b>	<b>16</b>
<b>National Lotteries Online Betting Game</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>NPOs</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Real Estate</b>	<b>5</b>	<b>13</b>	<b>2</b>
<b>Private Members' Club</b>	<b>3</b>	<b>1</b>	<b>9</b>
<b>Gaming House</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total LB submissions</b>	<b>22</b>	<b>32</b>	<b>51</b>
<b>TOTAL STRs/SARs submissions</b>	<b>1,099</b>	<b>1,019</b>	<b>1,831</b>

**DIAGRAM 14**  
**TOTAL STRs/SARs FROM 2010 TO 2020**



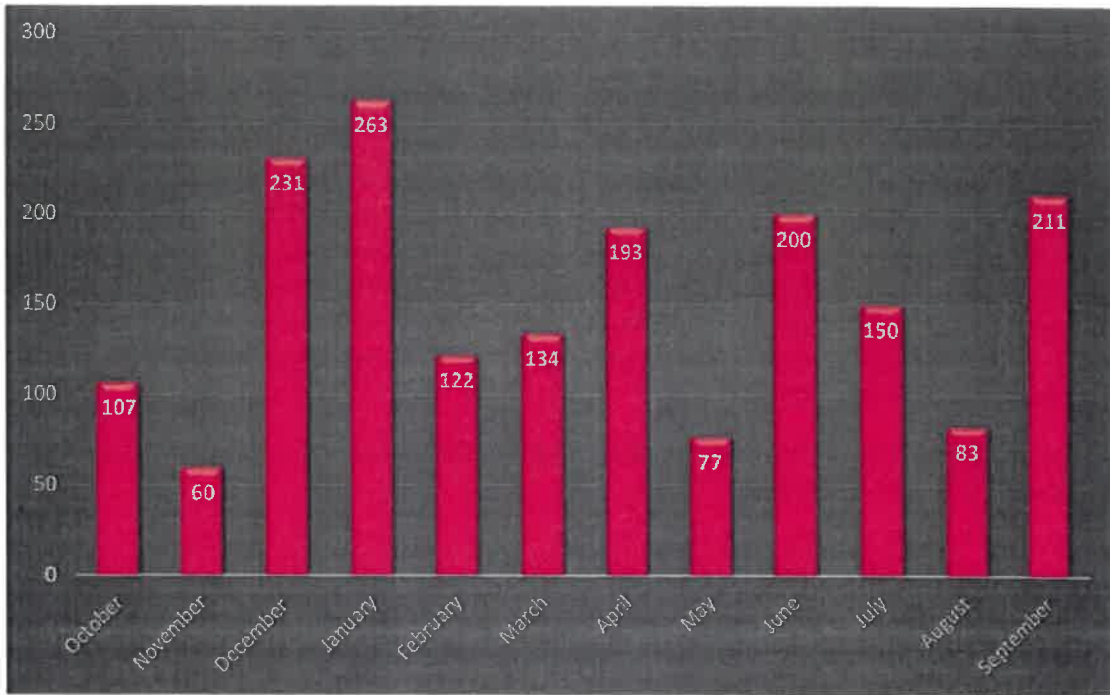
## **vi. Comparative Monthly STRs/SARs Submissions**

An average of 153 STRs/SARs per month was received in this reporting period. The months of December and January showed significant outliers with a total of 494 STRs/SARs received. This directly correlated to the demonetisation exercise, which commenced in December 2019. Conversely, the month of November showed the lowest submission of STRs/SARs, with 60 being submitted.

It is important to note that although an STR/SAR was received in a given month, the suspicious transaction/activity may not have occurred in the month of submission. There are several reasons for this, for example, an activity may have occurred in a particular month, which triggered the monitoring of a transaction/activity. In light of this, retrospective due diligence may have then been initiated for previous months which confirmed the suspicion. Upon confirmation, an STR/SAR would then be submitted.

Diagram 15 shows the monthly breakdown of STRs/SARs submissions for this reporting period.

**DIAGRAM 15**  
**MONTHLY BREAKDOWN OF STRs/SARs SUBMISSIONS FROM OCTOBER 2019 TO SEPTEMBER 2020**



## **vii. STRs/SARs Monetary Value**

The total monetary value of the 1,831 STRs/SARs received in this reporting period amounted to TT\$27,013,069,082. Of the 1,831 STRs/SARs, completed transactions amounted to 1,517, whilst 314 STRs/SARs were attempted transactions. Table 4 provides a breakdown of STRs/SARs submissions classified by the categories of Reporting Entities, the monetary value and the number of completed and attempted STRs/SARs.

The monetary value of the 1,517 STRs/SARs involving completed transactions was TT\$884,434,198 and represented a minimal increase of 4% when compared to the previous reporting period. The monetary value of the 314 STRs/SARs which were submitted as attempted transactions, was TT\$26,128,634,884 and represented a significant 2,710% increase from the previous reporting period. The fact that attempted transactions were identified by Reporting Entities as suspicious and declined before completion, auger well for the Reporting Entities implementation of due diligence and enhanced due diligence measures in accordance with their obligations.

Diagram 16 highlights the number of completed and attempted suspicious transactions and the corresponding monetary values.

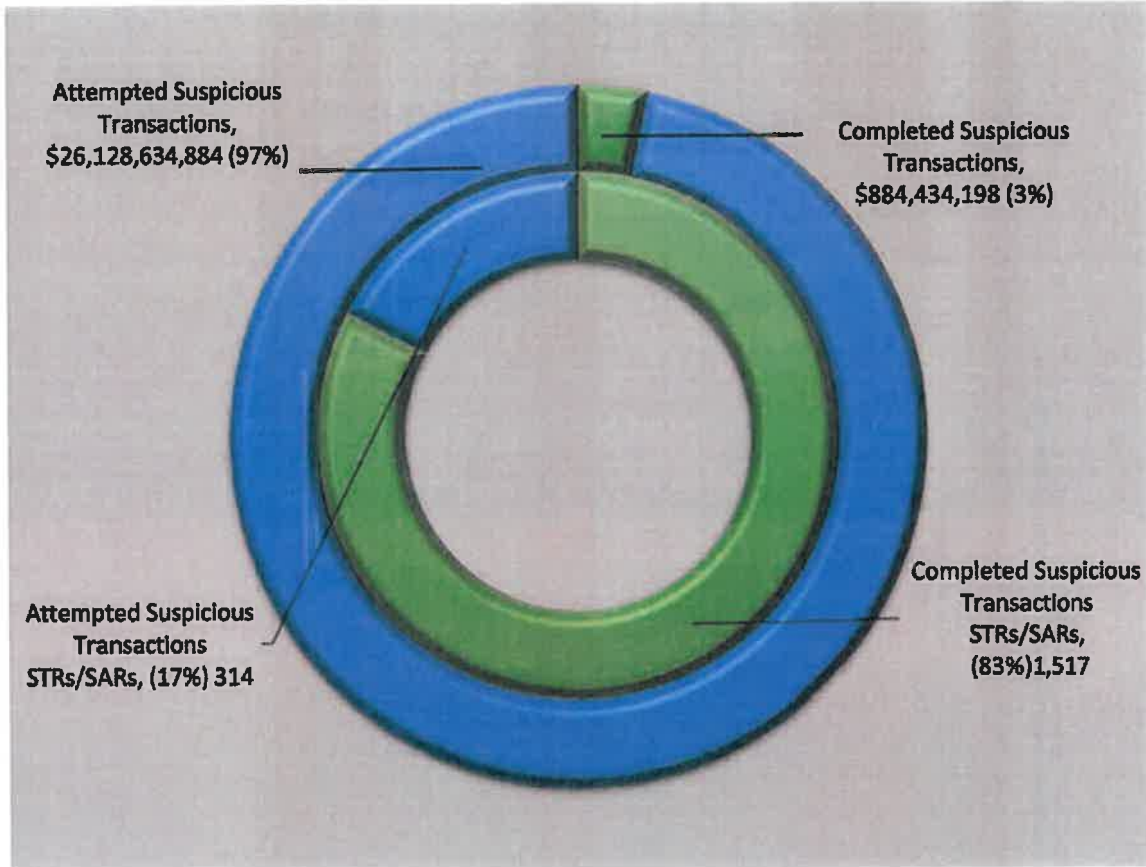


**TABLE 4  
STRs/SARs SUBMISSIONS FROM OCTOBER 2019 TO SEPTEMBER 2020**

Indicator	CATEGORIES OF REPORTING ENTITIES AND MONETARY VALUES													Total					
	Financial Institutions						Non-Registered Financial Institutions						Linked Business						
	Bank	Securities Dealers	Finance Co.	Mortgage Co.	Exchange Bureau	Insurance Co.	Investment Co.	Co-operative Societies	Money Value Transfer Services	Attorneys at Law	Accountants	Jewellers	Motor Vehicle Sales	National Lotteries	Non-Profit Organizations	Real Estate	Private Members' Club	Total	
No. of Completed ML STRs/SARs	1,057	2	2	16	3	82	34	109	168	1	0	18	15	0	0	0	2	1,508	857
Value of Completed ML STRs/SARs	759,634,529	750,000	429,777	54,028,786	42,986	22,883,101	6,872,803	16,392,571	8,239,911	2,580,000	0	949,769	8,249,649	0	0	0	592,650	881,952,277	846,276,625
No. of Completed FT STRs/SARs	3	0	0	0	0	1	0	1	4	0	0	0	0	0	0	0	0	9	96
Value of Completed FT STRs/SARs	805,310	0	0	0	0	2,015,356	0	50,000	168,255	0	0	0	0	0	0	0	0	3,038,921	1,490,632
Value of Completed ML & FT STRs/SARs	760,435,839	750,000	429,777	54,928,786	42,986	24,878,457	6,872,803	16,392,571	8,239,911	2,580,000	0	949,769	8,249,649	0	0	0	592,650	881,434,198	847,769,257
No. of Attempted ML STRs/SARs	227	3	0	0	0	8	15	22	23	4	0	0	1	1	0	0	2	311	85
Value of Attempted ML STRs/SARs	25,341,222,053	200,000	0	0	0	2,662,410	89,985,299	2,176,000	187,106	614,204,900	0	0	0	2,000	0	97,905,240	88,276	26,126,628,284	929,820,594
No. of Attempted FT STRs/SARs	7	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	9	1
Value of Attempted FT STRs/SARs	6,600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,600	6,732
Value of Attempted ML & FT STRs/SARs	25,341,228,653	200,000	0	0	0	2,662,410	89,985,299	2,176,000	187,106	614,204,900	0	0	0	2,000	0	97,905,240	88,276	26,126,634,884	929,827,326
Total no. of STRs/SARs	1,284	3	2	16	3	83	34	132	196	5	0	18	16	1	0	0	2	1,601	942
Total Value (TTs) of STRs/SARs	26,101,665,482	950,000	429,777	54,928,786	42,986	27,540,867	76,858,102	18,558,571	8,427,017	616,784,900	0	949,769	8,249,649	2,000	0	97,905,240	675,926	27,013,069,082	1,772,995,583

Diagram 16 illustrates completed and attempted suspicious transactions.

**DIAGRAM 16  
COMPLETED AND ATTEMPTED SUSPICIOUS TRANSACTIONS**



### **viii. Attempted Transactions**

The monetary value of the attempted transactions was greater than the monetary value of the completed transactions by over TT\$25 Billion. The number of suspicious transactions which were stopped by Reporting Entities in 2020, amounted to 314, whilst in 2019, 86 suspicious transactions were stopped. A review of the number of STRs/SARs relating to attempted transactions from 2016 to 2020 shows a steady increase in the number of suspicious transactions stopped by Reporting Entities.

There was a substantial increase in the monetary value of the attempted suspicious transactions when compared with 2019. The monetary value of the 314 attempted STRs/SARs accounted for 97% of the total monetary value of all the STRs/SARs. The Reporting Entities awareness of ML/FT indicators and trends, as well as their enhanced monitoring of customers, were the main factors of suspicious transactions being stopped at the placement of 'suspected' illicit funds into the financial system.

When compared to the previous reporting period, the significant increase in both the number of and value of these attempted suspicious transactions can directly be attributed to two events:

- **Increase in fraudulent activity –**
  - Numerous customers being scammed with fake/fraudulent foreign contracts to engage in business expecting millions of USD or Euros to be wired into their local bank accounts.
  - The COVID-19 pandemic resulted in an increase in fraudulent activity being perpetrated against individuals. The robust monitoring systems employed by the Reporting Entities allowed for numerous transactions to be flagged and stopped. In these instances, numerous third-party transactions were attempted between unconnected parties under the guise of “payments for gifts,” “blessings” or “sou-sou.”
- **Demonetisation exercise –** the currency exchange process caused several transactions to be flagged and stopped entirely. Reporting Entities were unable to verify the source of the old cotton-based hundred dollar bills, due to the inability of persons and/or entities conducting these transactions to provide sufficient proof of Source of Funds.

ML/FT indicators observed in the attempted suspicious transactions are highlighted in Diagram 17 below.

Table 5 shows the number and value of attempted transactions from 2016 to 2020.

**DIAGRAM 17**  
**INDICATORS OBSERVED IN THE ATTEMPTED SUSPICIOUS TRANSACTIONS**

**UNVERIFIABLE SOURCE OF CASH DEPOSITS**

During the "demonetization" process, customers attempted to deposit large sums of cash which was not commensurate with their account history nor could they provide supporting documentation to verify the source.



**ONLINE SCAMS**

- Persons attempting to make deposits to unrelated third-party accounts to pay for "shipping" fees for promised "gifts" from persons whom they met online and formed a "relationship".
- Individuals attempting to withdraw funds deposited by these third parties.

**FRAUDULENT DOCUMENTATION**

The use of fraudulent documents, inclusive of fake contracts, to establish financial relationships and/or obtain credit.



**INADEQUATE KYC DOCUMENTATION**

Insufficient and unsatisfactory KYC documentation provided by customers to support atypical transactions which were subsequently refused by FIs and LBEs on the basis of their inability to verify the true source of funds and/or purpose of the intended transaction(s).

**CANCELLED TRANSACTIONS**

The cancellation of transactions by customers when asked to provide the requisite KYC documents.



**TABLE 5**  
**NUMBER AND VALUE OF ATTEMPTED SUSPICIOUS TRANSACTIONS FOR 2016 TO 2020**

<b>YEAR</b>	<b>NO. OF ATTEMPTED TRANSACTIONS</b>	<b>VALUE OF ATTEMPTED TRANSACTIONS (TT\$)</b>
<b>2020</b>	<b>314</b>	<b>26,128,634,884</b>
<b>2019</b>	<b>86</b>	<b>929,827,326</b>
<b>2018</b>	<b>70</b>	<b>289,184,061</b>
<b>2017</b>	<b>53</b>	<b>13,644,296,764</b>
<b>2016</b>	<b>54</b>	<b>341,973,913</b>

## **ix. Geographic Location of STRs/SARs Submissions**

In this reporting period, Reporting Entities from Central Trinidad submitted 30% or 542 of STRs/SARs. This represents an increase of 301%, from the 135 STRs/SARs submitted in the previous reporting period. This was followed by Port of Spain and San Fernando and environs, which accounted for 24% or 432 and 22% or 411 of the STRs/SARs submitted respectively. The number of STRs/SARs increased by 66% and 14% in the Port of Spain and San Fernando and environs respectively.

A significant increase was also noted in Northern Trinidad (66%) which accounted for 265 or 14% of the STRs/SARs submitted. This was closely followed by Western Trinidad with 98 or 5%, and Tobago with 42 or 2% of the STRs/SARs submitted, an increase of 553% and 121% respectively compared to the previous year. South Western Trinidad had a 43% decrease, while in Eastern Trinidad a 9% increase was recorded and accounted for 2% of the total STRs/SARs submitted.

Diagram 18 illustrates Analysis of STRs/SARs by geographic location.

**DIAGRAM 18  
ANALYSIS OF STRs/SARs BY GEOGRAPHICAL LOCATION**

Geographic Location	Number of STRs/SARs	
	2018-2019	2019-2020
<b>Central -Chaguanas/Couva/Cunupia</b>	<b>135</b>	<b>542</b>
<b>Eastern -Sangre Grande/Mayaro/Rio Claro</b>	<b>22</b>	<b>24</b>
<b>Northern - Arima/Arouca/Piarco/Tacarigua/Trincity/Grand Bazaar</b>	<b>160</b>	<b>265</b>
<b>Port of Spain and Environs</b>	<b>276</b>	<b>432</b>
<b>San Fernando and Environs</b>	<b>362</b>	<b>411</b>
<b>South Western-Siparia/Penal/Pt. Fortin/Palo Seco/etc</b>	<b>30</b>	<b>17</b>
<b>Tobago - Scarborough/Roxborough/Crown Point/Canaan/Carnbee</b>	<b>19</b>	<b>42</b>
<b>Western - Diego Martin/Petit Valley/Westmoorings/etc</b>	<b>15</b>	<b>98</b>
<b>Grand Total</b>	<b>1,019</b>	<b>1,831</b>

## **x. STRs/SARs Submissions by Occupation/Profession of Subjects**

The estimated income of a Subject is a crucial point of reference in the analysis of net-worth, lifestyle and the determination of the source of funds whether legitimate or illegitimate. The use of 'estimated income' is an important tool in the analysis process to identify illicit proceeds including property. In a trend continuing from the last two reporting periods, Self-employed/Entrepreneurs were the most featured occupation/profession, accounting for 16% or 340 persons of the STRs/SARs submissions. Emerging in this period as the second largest category at 11% or 232 were persons employed in the construction industry at various levels. Business Owners represent the third largest set at 5% or 177 persons.

Pensioners/Retirees also notably featured at approximately 5% with 110 persons reported as conducting suspicious transactions. The transaction/activity was attributed mostly to the demonetisation of the TT\$ 100 bills.

The Hotel/Restaurant/Leisure industry continues to be a popular category with 105 persons captured within the 5% range. Of particular interest, but below 5%, were State/(foreign) Embassy employees that represented 85 persons. Homemakers represented 57 persons. Professionals such as Accountants and Lawyers accounted for 34 persons. Law Enforcement Officers are featured 33 times and Employees of FIs accounted for the occupation of 25 persons. STRs/SARs were also submitted on 22 Ministers of Religion. Politically Exposed Persons (PEPs) were featured six times accounting for a 46% decrease from the last reporting period.

The pattern of small to medium business owners in cash-intensive businesses such as; bars, restaurants, retail stores, contractors, supermarkets/mini-marts and self-employed individuals such as; medical practitioners, barbers, farmers and vendors, continue to be the occupations with the highest ML vulnerabilities and suspected tax evasion.

## **xi. STRs/SARs Trend Analysis - Suspected Criminal Conduct**

Suspected Tax Evasion ranked the highest among the five most common reasons for Reporting Entities submitting STRs/SARs to the FIUTT. In this reporting period, the five most common suspected criminal conduct were:

- Tax Evasion – 539;
- Money Laundering – 530;
- Suspicious Financial Activity – 401;
- Fraud – 205; and
- Drug Trafficking – 92.

These five suspected criminal conduct categories accounted for 97% of the total number of STRs/SARs submitted and 99.89% of the total monetary value of all the STRs/SARs submitted.



Tax Evasion was suspected in 29% or 539 STRs/SARs submitted, followed by money laundering which also accounted for 29% or 530 STRs/SARs submitted. Suspicious financial activity accounted for 22% or 401 of the total STRs/SARs submitted.

With respect to the monetary value of the STRs/SARs received, Fraud accounted for 97% of the total value of STRs/SARs submitted. The total monetary value of STRs/SARs relating to fraud included two declined transactions by Reporting Entities which totalled TT\$24.2 Billion.

- **Tax Evasion**

In this reporting period, the FIUTT received 539 STRs/SARs on suspected Tax Evasion, compared to 186 in the previous reporting period; an increase of 190%. The FIUTT in conducting its analysis noted that the increase in suspected Tax Evasion related STRs/SARs was attributed to the following identifiable activities:

- co-mingling of business proceeds with personal funds;
- atypical large cash deposits into business accounts, during the month of December, which was not commensurate with the observed historical activity on the accounts for previous corresponding periods<sup>2</sup>;
- structuring of high-volume of funds across various accounts and/or branches of FIs;
- deposits of cash into personal accounts instead of business accounts for cash-intensive businesses (farmers, market vendors, taxi-drivers, doubles vendors, beauty salons, clothes traders, etc.);
- employees and family members of principal parties of cash-intensive businesses using personal accounts to deposit large volumes of cash;
- remittances of a significant amount of funds to foreign jurisdictions by non-nationals domiciled in Trinidad and Tobago.

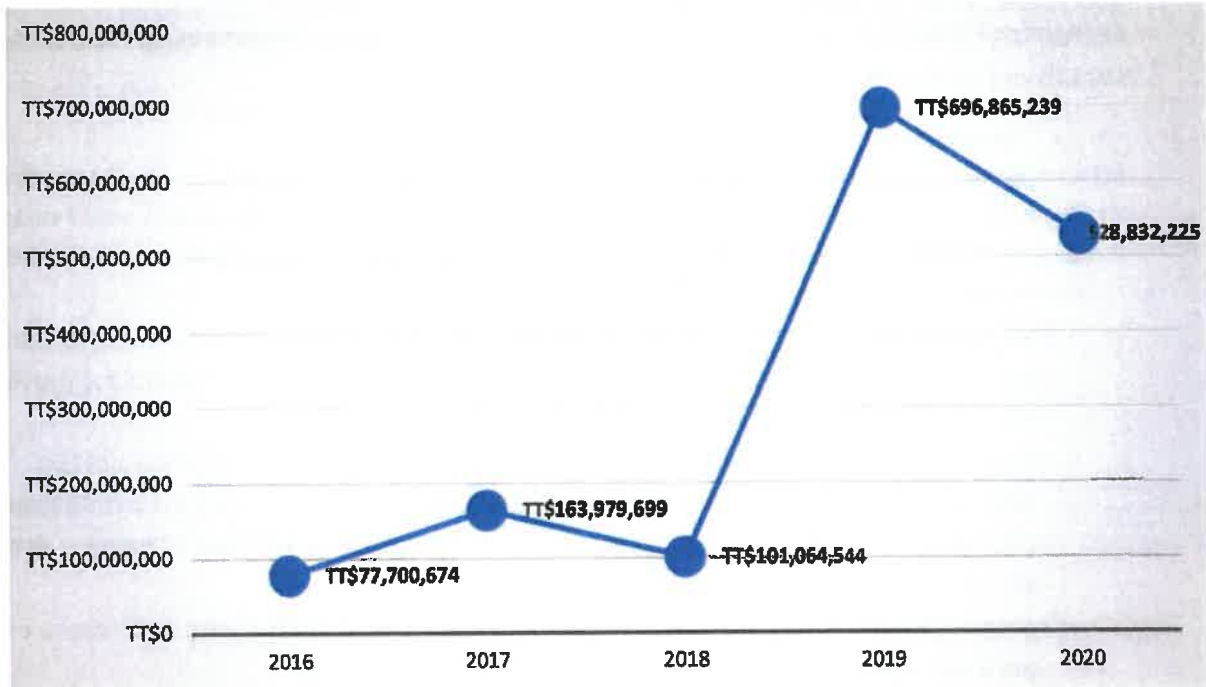
In this reporting period, whilst Tax Evasion accounted for 2% of the total monetary value of STRs/SARs submitted, it accounted for 55% of the total monetary value of completed STRs/SARs.

A comparative look at the total monetary value of STRs/SARs relating to Tax Evasion from 2016 to 2020, is presented below in Diagram 19.

---

<sup>2</sup> This activity coincided with the “demonetisation” exercise by Central Bank.

**DIAGRAM 19**  
**THE TOTAL MONETARY VALUE OF STRs/SARs RELATING TO SUSPECTED TAX EVASION**  
**FROM 2016 TO 2020**



- **Money Laundering**

In this reporting period, the FIUTT received 530 STRs/SARs on suspected ML, compared to 286 in the previous reporting period. This represents a 185% increase of ML related STRs/SARs. While most crimes can be criminal conduct for a predicate offence for ML, this category identifies STRs/SARs where the reason for suspicion is the specific act of disguising the original ownership and control of the illicit proceeds. These acts include structuring and the movement of funds through apparent legitimate commerce.

- **Suspicious Activity**

After analysis by the FIUTT if the STR/SAR fails to meet the statutory threshold for reporting and no link to a specific criminal activity was established, or no elements of 'reasonable grounds for suspicion' of ML/FT were detected, it is then categorised as a Suspicious Activity.

Reasons for submission include:

- a transaction or activity which lacked an apparent lawful economic basis to support it;
- a transaction inconsistent with established client profile;
- adverse public information about a person and the subject reported was linked to that person;
- the Reporting Entity believed that the responses to their continuing due diligence inquiries were deliberately evasive or incomplete;
- structuring transactions, i.e., where there appeared to be attempts to break transactions into smaller amounts to avoid reporting thresholds; and
- general concerns about the source of funds or law enforcement inquiries.

The FIUTT recognises that it is not the function of the Reporting Entity to carry out exhaustive enquiries or investigations and recognises that all of the above are perfectly valid reasons to file a STR/SAR as soon as possible within the lawful timeframe. These reports will form a vital tool as part of the intelligence gathering and help with future LEAs or foreign FIUs requests for intelligence to deter/detect against criminal elements and also contribute to building a clearer picture of the ML/FT threat to the country.

- **Fraud and Forgery**

This category captures the increasing prevalence of online scams and the ponzi/pyramid scheme phenomenon. Analysis revealed the existence of criminal networks wherein persons were being defrauded via online romance scams, online market place scams and others. Through fictitious internet profiles, the scammers developed "romantic" relationships with victims. Within online market places, scammers offer goods and services for sale and fail to deliver the item(s) after part or full payment. Whilst the analysis revealed that the activity took place as far back as December 2018, the recent global pandemic facilitated an increase in social media activity, as well as opportunities for exploitation by the perpetrators.

There was also a noted increase in the incidence of ponzi/pyramid schemes being operated under the guise of “non-traditional sou-sou” and operated as “*investments*” schemes with the names of “Blessing Loom”, “Giving Circle” and “Blessing Bank” to name a few.

- **Drug Trafficking**

STRs/SARs in this category were identified from known patterns and trends and transactions to and from jurisdictions and persons of interest.

Table 6 below provides a breakdown of the number of STRs/SARs and the dollar values of suspected criminal conduct as disclosed from STRs/SARs analysis in this reporting period.

**TABLE 6**  
**SUSPECTED CRIMINAL CONDUCT OF STRs/SARs**

SUSPECTED CRIMINAL CONDUCT	NUMBER OF STRs	VALUE OF COMPLETED STRs/SARs (in TT\$)	VALUE OF ATTEMPTED STRs/SARs (in TT\$)	TOTAL DOLLAR VALUE OF STRs/SARs (in TT\$)
Tax Evasion	539	\$485,117,078	\$43,715,147	\$528,832,225
Money Laundering	530	\$201,500,079	\$45,246,049	\$246,746,128
Suspicious Activity	401	\$26,153,143	\$7,394,326	\$33,547,470
Fraud	205	\$139,605,680	\$26,031,247,211	*\$26,170,852,891
Drug Trafficking	92	\$4,585,924	\$88,008	\$4,673,932
Breach of Exchange Control	16	\$10,318,368	\$483,013	\$10,801,381
Financing of Terrorism	12	\$3,038,921	\$6,600	\$3,045,521
Corruption (Including Misbehaviour in Public Office)	12	\$10,544,334	\$230,000	\$10,774,334
Human Trafficking	11	\$2,661,475	\$56,481	\$2,717,956
Participation in Organised Criminal Group (OCG)	9	\$689,196	0	\$689,196
Kidnapping	1	\$220,000	0	\$220,000
Insider Trading	1	0	\$168,050	\$168,050
Sexual Exploitation	1	0	0	0
Illegal Gambling	1	0	0	0
<b>TOTAL</b>	<b>1,831</b>	<b>\$884,434,198</b>	<b>\$26,128,634,884</b>	<b>\$27,013,069,082</b>

*\*This value reflects three attempted transactions related to scams involving fake/fraudulent foreign contracts to engage in business promising millions of USD or Euros to be wired into local bank accounts.*

## **xii. Financing of Terrorism**

In this reporting period, the FIUTT received twelve STRs/SARs on suspected FT compared to 97 in the previous reporting period. This represents an 88% decrease of FT related STRs/SARs. The FIUTT in conducting its analysis noted that the decline in FT related STRs/SARs may be attributable to the apparent collapse of the Islamic State of Syria and Iraq (ISIS).

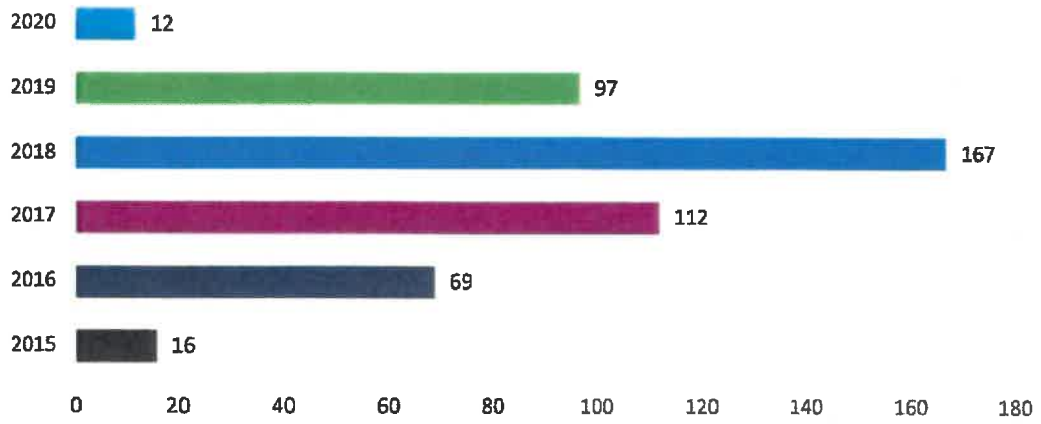
The dynamic nature of terrorist organisations and their supporters to adapt to alternative measures to continue their work must not be overlooked. As such, Reporting Entities must continue robust monitoring of the financial system and instruments and consider their susceptibility. These pose a greater risk of being misused by terrorist organisations and their affiliates to transfer funds, provide logistical support, encourage terrorist recruitment or provide other forms of support to their operations.

Overall, eleven Intelligence Reports linked to suspected Foreign Terrorist Fighters (FTFs), FT and Terrorism were disseminated to local and foreign LEAs and foreign FIUs. The FIUTT continues to prioritise the analysis, responses to requests from LEAs and dissemination of reports relating to FT activities.

Diagram 20 presents a comparative view of FT related STRs/SARs submitted from 2015 to 2020.

The FIUTT completed a Strategic Analysis report entitled: *Strategic Analysis of the movement of funding out of the conflict zone – Trinidad and Tobago perspective* which identified possible reasons for the changes in the modus operandi from one of the outbound transactions to inbound transactions. The report also sought to identify alternative measures utilised by terrorist organisations and their supporters to continue their terrorist and terrorist related activities and was shared with LEAs, other Competent Authorities and specific red flag indicators to the Reporting Entities.

**DIAGRAM 20**  
**COMPARISON OF THE NUMBER OF FT RELATED STRs/SARs FROM 2015 TO 2020**



## 2. ANALYSIS OF INTELLIGENCE REPORTS DISSEMINATED

In this reporting period, the FIUTT completed analysis on 642 STRs/SARs; a 32% decrease when compared with 2019. This was due to the pandemic restrictions in place for all stakeholders in the country. The STRs/SARs analysed generated a total 289 intelligence reports; of which 278 were suspected ML cases and eleven suspected FT cases. Of the 278 reports generated and subsequently disseminated, 27 were Spontaneous Disclosures<sup>3</sup>. Of the 27 Spontaneous Disclosures, 13 were submitted to local competent authorities whilst 14 were shared with foreign LEAs and FIUs.

There was an 18 % increase in Intelligence Reports disseminated for this reporting period when compared with 2019. This can be attributed to greater efficiency of the Internal processes, as a direct result of the full implementation of the online STR/SAR submission platform. Additionally, staff worked beyond normal working hours and in some instances on weekends to analyse the increased number of STRs/SARs which were submitted to the FIUTT based on the demonetisation exercise. Despite the challenges of the COVID-19 pandemic, staff continues to diligently conduct analysis on these STRs/SARs.

Table 7 shows the actions taken on STRs/SARs.

---

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



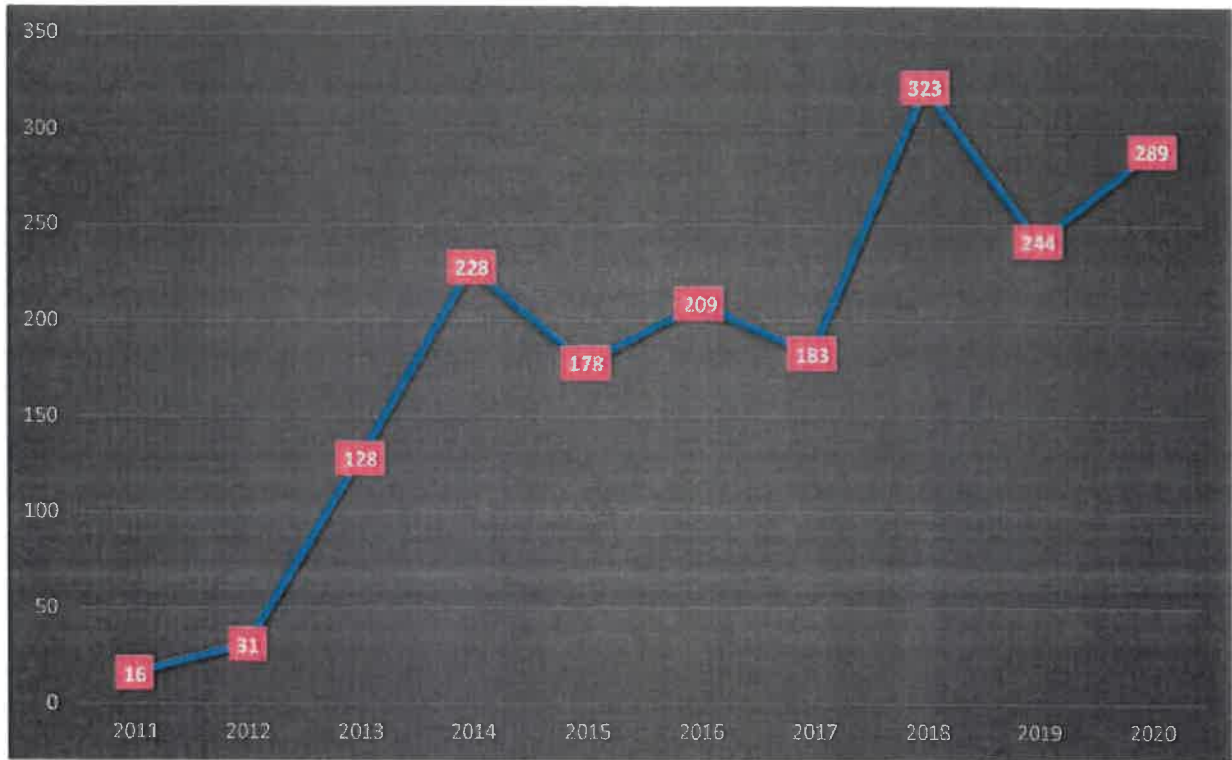
**TABLE 7  
ACTION TAKEN ON STRs/SARs**

OCTOBER 1 2019 - SEPTEMBER 30, 2020											
RECEIVED	ANALYSED		INTELLIGENCE REPORTS DISSEMINATED								
1,831	642		LOCAL							FOREIGN	TOTAL
			TTPS	BIR	IMM	C&E	INTELLIGENCE AGENCIES	CENTRAL BANK	GOV'T AUTH		
		<b>ML</b>	140	125	1	1	0	1	1	9	278
		<b>FT</b>	4	0	0	0	2	0	0	5	11
		<b>TOTAL</b>	144	125	1	1	2	1	1	14	289

Over the years, the FIUTT has taken strides to increase its output and quality of Intelligence Reports to both foreign FIUs and LEAs, as well as, local LEAs. For the period 2011 to 2020, a total of 1,827 Intelligence Reports including Spontaneous Disclosures, were disseminated. Of these reports, 1,495 or 82% were disseminated to local LEAs and 328 or 18% were sent to foreign FIUs and foreign LEAs.

Diagram 21 shows the total number of Intelligence Reports disseminated by the FIUTT from 2011 to 2020.

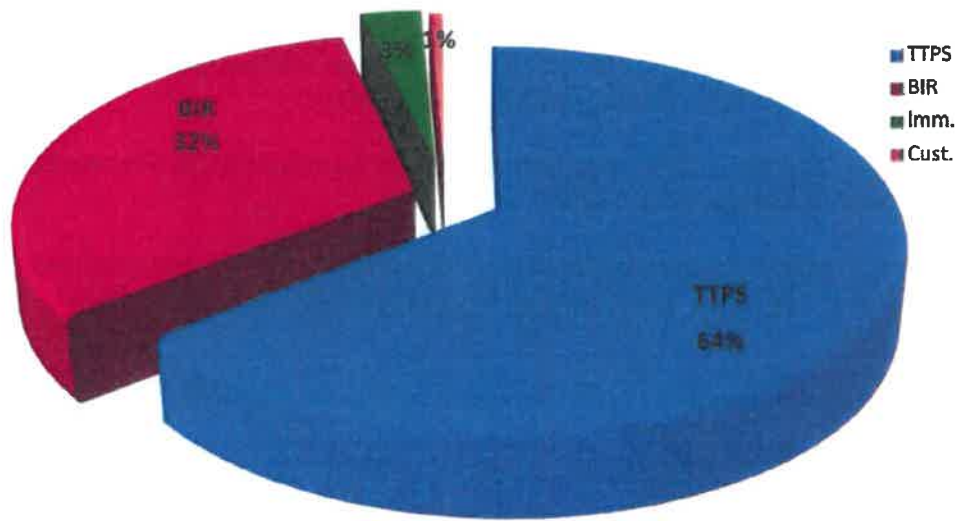
**DIAGRAM 21**  
**INTELLIGENCE REPORTS DISSEMINATED FOR THE PERIOD 2011 TO 2020**



Of the 1,495 disseminated to local LEAs, the Commissioner of Police and the Chairman of the Board of Inland Revenue together received 96% of the Intelligence Reports. The Commissioner of Police received 64% or 961 reports whilst the Chairman of the Board of Inland Revenue received 32% or 481 reports. The remaining 4% of Intelligence Reports were disseminated to the Comptroller of Customs and Excise Division and the Chief Immigration Officer for investigations.

Diagram 22 shows the breakdown of Intelligence Reports disseminated to Local LEAs from 2011 to 2020.

**DIAGRAM 22**  
**INTELLIGENCE REPORTS DISSEMINATED TO LOCAL LEAs FROM 2011 TO 2020**



### **3. REQUESTS FOR INFORMATION**

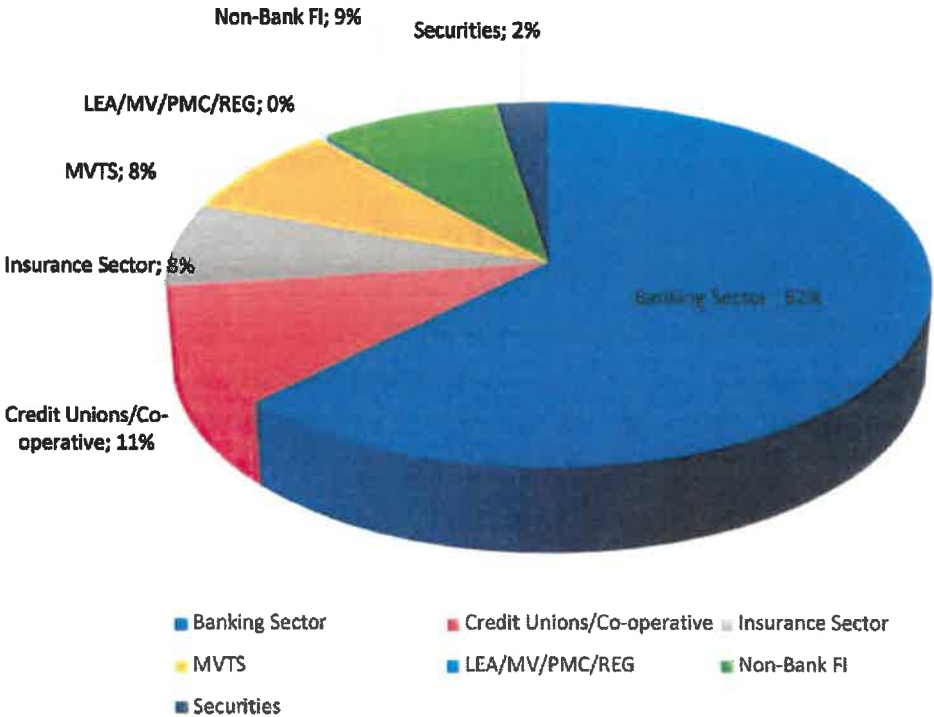
#### **I. Written Information Requests**

Section 11(a) of the FIUA gives the FIUTT the authority to request information from Reporting Entities and to receive the response within a specified time. The FIUTT can also request information from public authorities under Section 16(1) of the FIUA. These provisions are to facilitate a comprehensive analysis of an STR/SAR where the Director is of the view that further information may disclose that the proceeds of crime are located within Trinidad and Tobago or elsewhere.

In this reporting period, 2,172 requests were made to Reporting Entities. This represents a decrease of 27% as compared to the previous period.

Diagram 23 provides a visual representation of the various Requests for Information made by the FIUTT to the Reporting Entities and other Competent Authorities, during the review period.

**DIAGRAM 23**  
**FIUTT REQUESTS FOR INFORMATION BY SECTOR 2019 TO 2020**



## ii. Electronic Access to Information

In this reporting period, the FIUTT's use of electronic access to information held on a range of external public and private databases was in excess of 25,000, which represent a 25% increase over the previous reporting period. Requests executed on databases were accessed to identify, corroborate and verify beneficial owners, KYC documentation, trace assets and identify suspected criminals and their associates. Such information is critical in the in-depth analysis of STRs/SARs and the development of both operational and strategic intelligence products for the benefit of all stakeholders.

## iii. Feedback to Reporting Entities

In accordance with legislation and FATF's Recommendations for effectiveness and efficiency, the FIUTT is mandated to provide feedback to Reporting Entities concerning STRs/SARs submitted and analysed. The feedback provided by the FIUTT assist Reporting Entities in the ongoing implementation of their risk assessment of customers, products, services, jurisdictions, etc. in meeting their AML/CFT/CPF obligations.

This feedback can be categorised into the two following areas:

- **Special Feedback** – states the action taken on the STR/SAR submitted by the Reporting Entity and the outcome of the matter. These actions include: *“Report forwarded to LEA”*, a directive for *“Continued Monitoring”* or *“Filed for Intelligence”*;
- **Deficiency Feedback** – assists the Reporting Entity in improving the quality or timeliness of its submissions.

The FIUTT provided 544 Special Feedback and 20 Deficiency Feedback Letters, during this reporting period. There was a 7% increase in Special Feedback letters and a 15% decrease in Deficiency Feedback letters. This can be attributed to the full implementation of the secure online STR/SAR submission platform.

## 4. USE OF FIUTT'S INTELLIGENCE

The operational and strategic reports provided by the FIUTT to LEAs performs a guiding role in relation to criminal trends, typologies and emerging threats, which may be novel to law enforcement. Furthermore, the FIUTT supplements law enforcement investigations by providing intelligence on specific subjects as requested by LEAs. This is of primary importance when LEAs conduct pro-active parallel financial investigations when pursuing ML/FT and other criminal conduct. This intelligence is provided to LEAs to advise and support the investigative avenues, the charges being proffered, securing convictions, forfeiting criminal property and the confiscation of criminal proceeds.



FIUTT's Intelligence is used in:

- **Money Laundering Charges**

The criminal conduct which led to the ML charges were:

- Money Laundering
- Illegal Gambling;
- Fraud

The Trinidad and Tobago Police Service (TTPS) proffered 75 ML charges against six persons during this reporting period. Some of the charges were laid jointly and included, stand-alone ML, Fraud and Illegal gambling. The Financial Investigations Branch (FIB) and the Fraud Squad of the TTPS laid these charges.

*Source: TTPS - The Financial Investigations Branch (FIB) and the Fraud Squad*

- **Cash Seizures by LEAs**

Section 38 of the Proceeds of Crime Act Chap. 11:27 authorises the seizure of cash, in excess of the prescribed sum (TT\$20,000.00 or its equivalent in foreign currency) by LEAs. For the period under review, the FIUTT provided intelligence to law enforcement in support of their investigation of seized cash. The FIB of the TTPS investigated 63 cases where cash seized amounted to TT\$ 41,563,416.00, US\$359,433.00, € 395.00 and £547.00 and nine other currencies of varying values. The TTPS in this reporting period was successful in forfeiting TT\$753,409.00, US\$121,948.00, Pesos 820.00 and Bolivars 3,250.00, which were placed into the Seized Assets Fund.

*Source: TTPS - The Financial Investigations Branch (FIB) and the Fraud Squad*

Additionally, the FIUTT provided intelligence to the Customs & Excise Division which assisted in their investigations of fraudulent activity associated with the tax duty relief concessions granted on car imports for returning nationals. The value of the taxes evaded through the abuse of this concession amounted to over TT\$24 Million.

- **Feedback to the FIUTT on intelligence disseminated**

It is extremely important for the FIUTT to receive effective feedback from all stakeholders to continually improve its intelligence products. In particular, from domestic LEAs who are the recipient of the majority of the financial intelligence disseminated. To this end, the FIUTT continues to seek and obtain feedback via the FIUTT feedback form attached to all Intelligence Reports disseminated; in meetings with the LEWG; and one-on-one with individual agencies.

Feedback received from domestic LEAs indicated that the intelligence provided by the FIUTT continues to be of good quality; identified new suspects; was used to launch new investigations; and identified new assets, associates and other predicate offences. The intelligence was also shared with other LEAs after permission to share was granted by the FIUTT.

Some Feedback quotes from LEAs included:

- *“disclosure provided new information regarding known and unknown subjects.”;*
  - *“the information was actionable and led to trace checks and pending interview with subjects.”;*
  - *“disclosure triggered a new investigation.”;*
  - *“reverse analysis engaged to determine possible associates”;*
  - *“subjects added to relevant watch list”;*
  - *“information received in a timely manner”;*
  - *“good quality and good work by FIUTT.” and*
  - *“Information compiled well for ease of reading and understanding.”*
- 
- **Permission to Share**

As guided by the international standards outlined by the FATF, the obligations as a member of the Egmont Group of FIUs, and the FIUR, the FIUTT requires that permission is always sought by any requesting agency before intelligence provided by the FIUTT can be disseminated to relevant third parties. This act is carried out on a reciprocal basis.

As such, in this reporting period, relevant agencies requested ‘Permission to Share’ the intelligence with other LEAs. This is an indication that the intelligence provided by the FIUTT was of sufficient value to be used for further investigative purposes by the receiving agency and the third-party agencies conducting ML/FT investigations.

## **5. STRATEGIC ANALYSIS**

### **i. Strategic Analysis Projects:**

During this reporting period, the FIUTT completed two strategic analysis products, one of which has been disseminated to law enforcement and other competent authorities. The disclosures provided stakeholders with information regarding the threats/vulnerabilities/risks surrounding Incoming financial flows related to returning FTF’s from the various conflict zones.

The subject matter for these strategic assessments included:

- **Human Trafficking and its Financial Flows;**
- **Threats posed by returning Foreign Terrorist Fighters.**

Strategic analysis projects are consistent with FATF's Recommendation 29, specifically that FIUs should provide 'Strategic' as well as 'Tactical' intelligence reports to LEAs in the ongoing fight against AML/CFT/CPF. The FIUTT is constantly surveying the Trinidad and Tobago environment to bring awareness of the current risks and vulnerabilities within the jurisdiction.

The FIUTT in an effort to propagate Public-Private Sector Partnerships (PPSPs) was successful in having engaged private sector stakeholders towards producing these strategic intelligence reports. This joint partnership between the FIUTT and Reporting Entities saw the fusion of a strategic analysis product on Human Trafficking and its Financial Flows. This success is a continuation of the PPSP efforts by the FIUTT.

In its remit to provide strategic intelligence products to its stakeholders the FIUTT has embarked on further strategic analysis projects for completion in the next reporting period:

- **The Illicit Wildlife Trade within Trinidad and Tobago**
- **Analysis of Trinidad and Tobago's Demonetisation Exercise - FIUTT's Perspective**

## **ii. Trends and Typologies:**

Due to the restrictions placed on citizens in Trinidad and Tobago and around the world as a result of the COVID-19 pandemic, the FIUTT analysis of STRs/SARs particularly during the period March 2020 to September 2020, revealed a significant increase in online fraud scams and other investment schemes.

- **Typology: "Ponzi/Pyramid Schemes"**

During this reporting period, cases similar to ponzi/pyramid Schemes have surfaced under the appearance of names such as "sou-sou" and "gifting schemes". This new trend appears to be a hybrid of the ponzi and pyramid schemes based on the mechanisms used. It involves the pooling or stacking of funds by a community/circle which circulates or 'gifts' money to a designated participant as a quick way to gain funds (with returns on investments in excess of 600%). It is mandatory in some schemes that participants recruit two new members, who are lured with a promise of large cash pay-outs with a small 'entry fee' or 'investment'.

FIUTT's analysis of such cases revealed the following:

- a sudden increase in third-party deposits over a short period of time;
- a similar pattern of amounts deposited by third-party depositors;

- an explanation given by the account holder that the suspicious deposits were “gifts” from friends;
  - the deposited amounts were withdrawn via ATM and/or via internet transfers to other persons, in amounts similar to that deposited; and
  - the movement of funds out of the account was done either on the same day or on an average of two days after the deposits.
- **Typology: “Romance Scam/Fraud”**

This typology can be considered a social engineering tactic as it entails the ‘engineering’ of a friendship or relationship for fraudulent, financial gain. Romance fraud involves a perpetrator articulating fabricated romantic intentions towards susceptible victims, mostly females, in an attempt to gain their trust and manipulate them to access their cash, bank accounts or even credit cards.

The following are the main methods used in these scams:

- **Social Media Networks:**

The perpetrator, who may be located in Trinidad and Tobago or internationally, (*in most cases the perpetrators appear to be located internationally*), contacts the victim through social media networks (Facebook, Instagram, etc.) or dating websites. Once initial contact is made, the perpetrator attempts to ‘engineer’ a relationship with the victim by expressing the need for companionship and romantic intentions.

In addition, it was observed that the primary targets (*victims*), on the social media platforms, can be considered at a potentially vulnerable stage of life, for example, divorcees, retirees, widows or single women.

- **Communication:**

Communication is usually via email, Facebook, Instagram, WhatsApp, text, messenger or at times, voice calls. In most instances, the victim has never seen the perpetrator and it is highly likely that the pictures of the perpetrator are fictitious (copies from other people social media account).

- **Request for money to clear package:**

Once trust has been established in the ‘relationship’, the perpetrator makes a financial request. This request entails the perpetrator requesting that money (for a “shipping” company) be deposited into an individual personal account not known to the victim for the purpose of ‘package’. This ‘package’ allegedly contains gifts such as clothes, jewellery and even money for the victim. Most times, requests for additional funds are made by the alleged courier service citing the reason as additional custom duties given the contents of the package.

- **Withdrawal of Funds:**

Once the money has been deposited into the account, *(the account appears to be a facilitator account for the perpetrator)*, the money is usually withdrawn the same day or soon after, via ATM or in-branch withdrawals.

## **6. THE DEMONETISATION EXERCISE**

On December 31, 2019, the old cotton-based TT\$100 currency note ceased being legal tender in Trinidad and Tobago. Legal Notice No. 357 of 2019, issued on December 8, 2019, stated that *“with effect from 1st January 2020, the Trinidad and Tobago one hundred (100) dollar notes bearing any series date prior to 2019 shall cease to be the currency of, or be legal tender in, Trinidad and Tobago and shall for all purposes be cancelled and be of no value”*. Effective December 9, 2019, a new polymer TT\$100 currency note became legal tender. Addition to Legal Notice No. 357 of 2019, guidelines issued by the Central Bank on December 24, 2019, stated circumstances in which the Central Bank would consider appropriate for the redemption of the TT\$100 cotton notes within a three-month period, commencing January 1, 2020.

This demonetisation exercise was a national security initiative to tackle ML, Tax Evasion, counterfeiting and other criminal activity.

This demonetisation exercise resulted in a significant increase in the submission of STRs/SARs by Reporting Entities, with 750 STRs/SARs received. In addition to this increased STRs/SARs submissions, 142 reports detailing suspicious activities were also received from the Central Bank on the basis of Section 52(1) of the POCA.

The total dollar value of these demonetisation STRs/SARs and Central Bank reports amounted to TT\$387,551,311. The total monetary value of the 142 reports submitted by Central Bank amounted to TT\$54,389,075. Analysis has been completed on 261 of these reports. Subsequent to the analysis, 101 Intelligence Reports were forwarded to local and foreign LEAs, relative to the demonetisation STRs/SARs submitted to the FIUTT. These Intelligence Reports comprised of 74 STRs/SARs submissions from Reporting Entities and 27 from the Central Bank.

Subsequent to the close of this reporting period, the FIUTT continues to receive STRs/SARs from Reporting Entities and Central Bank in relation to the demonetisation exercise.

Table 8 gives a summary of the STRs/SARs submitted to the FIUTT in relation to the demonetisation exercise and the Intelligence Reports disseminated to LEAs, to date.

**TABLE 8  
ACTION TAKEN ON DEMONETISATION REPORTS SUBMITTED TO THE FIUTT**

	REPORTS RECEIVED			INTELLIGENCE REPORTS DISSEMINATED				
	NUMBER OF REPORTS RECEIVED	NUMBER OF REPORTS ANALYSED	MONETARY VALUE OF REPORTS RECEIVED	LOCAL			FOREIGN	TOTAL
				TTPS	BIR	C&E		
STRs/SARS	750	232	\$333,162,236	33	41	0	0	74
CENTRAL BANK REPORTS	142	29	\$54,389,075	11	14	1	1	27
<b>TOTAL</b>	<b>892</b>	<b>261</b>	<b>\$387,551,311</b>	<b>44</b>	<b>55</b>	<b>1</b>	<b>1</b>	<b>101</b>

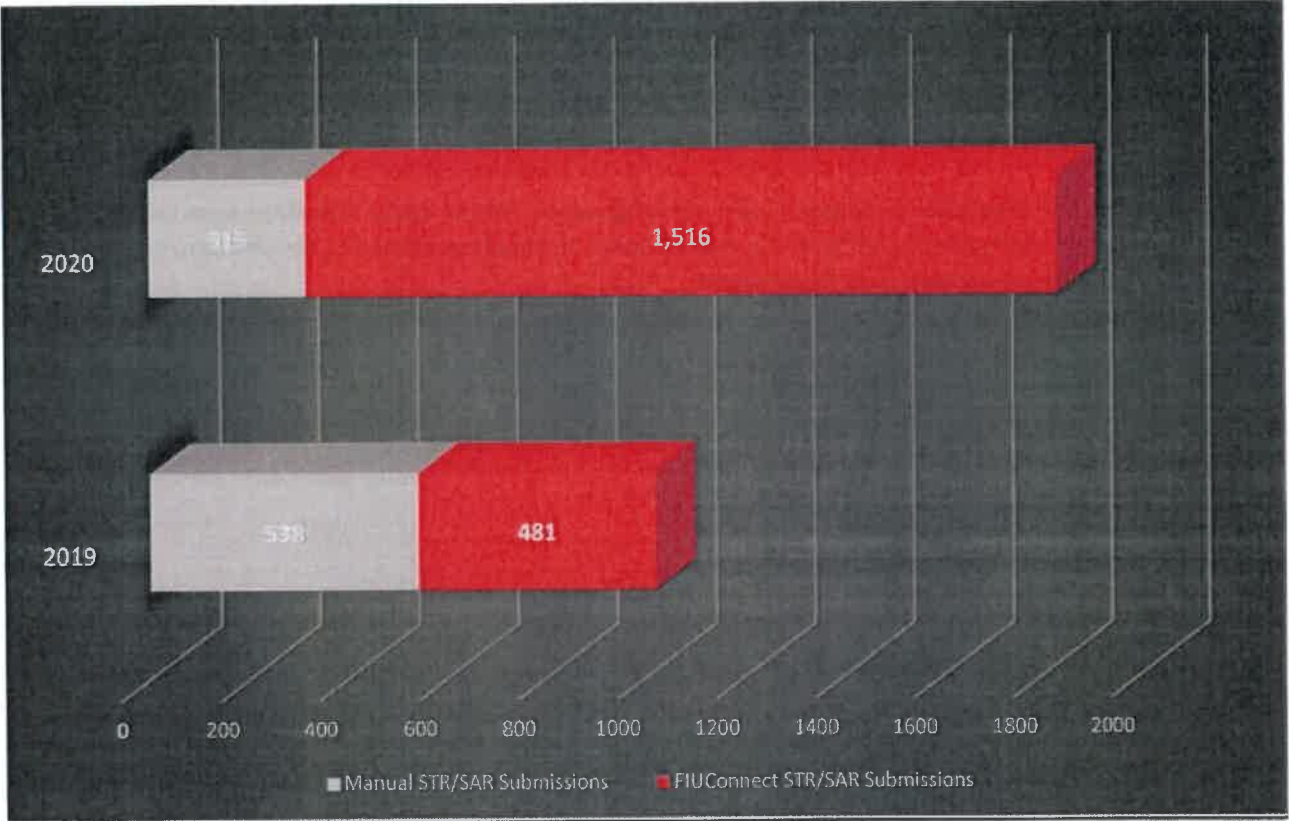
## **7. ONLINE SUBMISSION OF STRs/SARs**

**This reporting period represented the first full fiscal year that saw the submission of STRs/SARs via the secure online e-reporting and case management solution, called FIUConnect®. The FIUConnect® platform allowed for a more efficient submission of STRs/SARs to the FIUTT and facilitated an increased number of STR/SAR submissions to the FIUTT. Consequently, a corresponding improvement in the efficiency of the workflow processes within the Analysis Division was achieved.**

**Of the 1,831 STRs/SARs submitted in this reporting period, 83% or 1,516 STRs/SARs were submitted via the FIUConnect® platform. In 2019, the year of launch and implementation of the platform, a total of 481 STRs/SARs were submitted via the platform.**

**Diagram 24 gives a comparative view of the composition of the STRs/SARs submissions for 2019 and 2020, relative to the use of the FIUConnect® platform.**

**DIAGRAM 24**  
**COMPOSITION OF STRs/SARs SUBMISSION METHODS FOR 2019 AND 2020**





## **8. ACHIEVEMENTS OF ANALYSIS DIVISION**

The FIUTT Analysis Division overcame challenges with the loss of an experienced and well-trained Intelligence Research Specialist to the regional FSRB, as well as, COVID-19 restrictions domestically and internationally with affected the core functions of all FIUs. Nevertheless, the FIUTT in this reporting period achieved the following:

- completed and disseminated two strategic analysis projects;
  - commenced two new strategic analysis projects;
  - increase in public-private-partnerships collaboration STRs/SARs; and
  - contributed to FATF RGTM re-ISIL Project.
- 
- **Increase in Advisories/Trends/Typology Reports Disseminated**
    - third party use of debit cards in a foreign jurisdiction;
    - fraudster capitalise on COVID-19;
    - virtual assets red flag indicators;
    - unauthorised account access by third parties;
    - beware of romance scams;
    - alert for the business community on COVID-19 scams;
    - know your employee best practices; and
    - abuse of tax duty concessions.

## **CHAPTER IV – STRATEGIC ALLIANCES: CO-OPERATION AND COLLABORATION**

### **1. INTRODUCTION**

Guided by FATF's International standards<sup>4</sup>, FIUs play an operational and strategic role in a jurisdiction's AML/CFT/CPF regime by facilitating information and intelligence exchange among local and foreign authorities, as well as the regulated sectors. This co-operation supports jurisdictions in protecting the national, regional and international financial system from the illicit proceeds obtained from ML/FT/PF and other related criminal activities. The FIUTT continues to meet the international standards of the Egmont Group of FIUs, the CFATF and the FATF. This has resulted in the FIUTT attaining a technical compliance rating of "Compliant" with FATF Recommendation 29.

Internationally, the Egmont Group of FIUs', which utilises the Egmont Secure Website (ESW), provide the mechanism for co-operation and secure information exchange between FIUs. National legislation, Standard Operating Procedures and Memoranda of Understanding (MOUs) are the channels used by FIUs', LEAs' and Intelligence Agencies to create the collaboration between jurisdictions.

Domestically, the FIUTT is mandated by law in accordance with the FIUA, to assist local and foreign authorities in their analyses, investigations and prosecutions of ML/FT/PF and related crimes. The FIUTT is also required to co-operate with the other Supervisory Authorities to assist, and ensure that Reporting Entities fulfil their AML/CFT/CPF legal obligations. To effectively achieve these goals, the FIUTT engages in the exchange of information and financial intelligence, domestically and internationally, upon requests and spontaneously with its stakeholders.

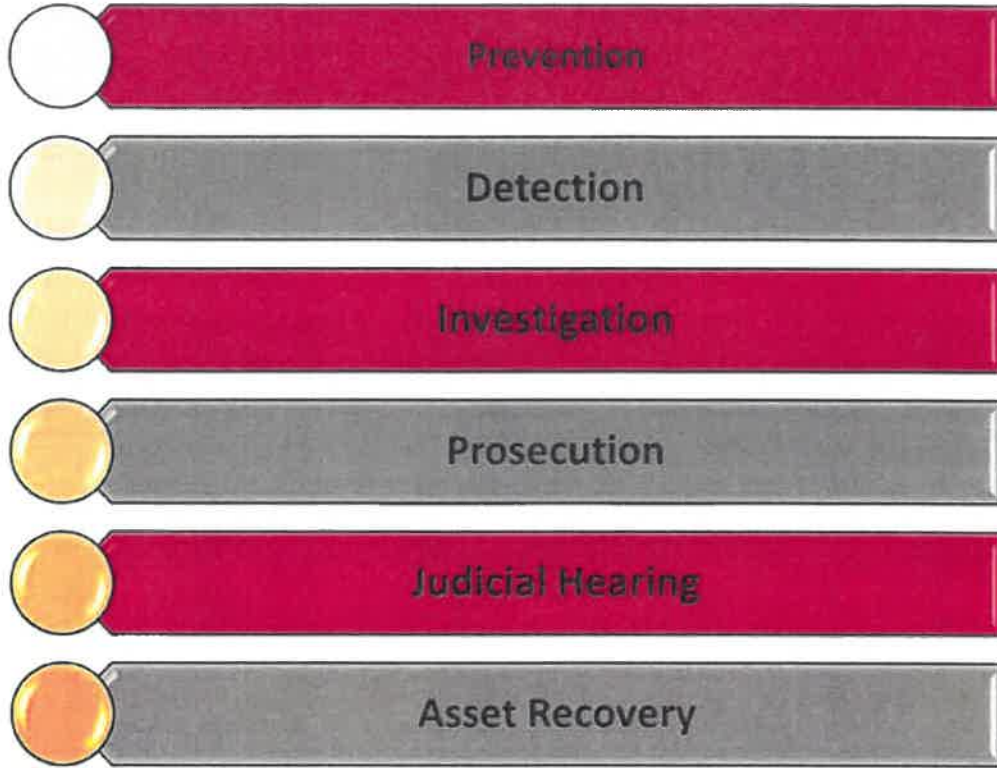
Acknowledging the significance of both public and private sector partnerships, the FIUTT regularly meets with Reporting Entities, Supervisory Authorities, Public Authorities, LEAs and Intelligence Agencies on matters of mutual interest. These partnerships empower the FIUTT to expand its knowledge of trends, patterns and criminal typologies.

Diagram 25 illustrates the AML/CFT/CPF linkages between the Reporting Entities and competent authorities.

---

<sup>4</sup> FATF international standards, Recommendation 2 (*National Co-operation and Co-ordination*) and Recommendation 40 (*Other Forms of International Co-operation*).

**DIAGRAM 25  
THE AML/CFT/CPF LINKAGES**



Area of Responsibility Outcomes	Competent Authorities	Outcomes
<b>Prevention</b>	<b>Regulators</b> <ul style="list-style-type: none"> <li>• FIUTT</li> <li>• CBTT</li> <li>• TTSEC</li> </ul> <b>Reporting Entities</b> <ul style="list-style-type: none"> <li>• FIs</li> <li>• LBs</li> </ul>	<ul style="list-style-type: none"> <li>• Guidelines</li> <li>• Standards</li> <li>• Advisories</li> <li>• Legislation</li> <li>• Regulations</li> <li>• Compliance                             <ul style="list-style-type: none"> <li>• Policies</li> </ul> </li> </ul>
<b>Detection</b>	<ul style="list-style-type: none"> <li>• TTPS</li> <li>• Customs</li> </ul>	<ul style="list-style-type: none"> <li>• Criminal Offences</li> <li>• Cash Seizures</li> </ul>

Area of Responsibility Outcomes	Competent Authorities	Outcomes
	<ul style="list-style-type: none"> <li>• BIR</li> <li>• Immigration</li> <li>• FIUTT</li> <li>• Reporting Entities</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Intelligence Reports</li> <li>• STRs/SARs</li> <li>• TFRs and QTRs</li> </ul>
<b>Investigation</b>	<ul style="list-style-type: none"> <li>• TTPS</li> <li>• Customs</li> <li>• BIR</li> <li>• Immigration</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence Gathering</li> <li>• Case Files</li> </ul>
<b>Prosecution</b>	DPP	<ul style="list-style-type: none"> <li>• Charges for Specified Offence</li> <li>• Prosecution Trial</li> </ul>
<b>Judicial Hearing</b>	<ul style="list-style-type: none"> <li>• Magistrates Court</li> <li>• High Court</li> </ul>	<ul style="list-style-type: none"> <li>• Judgements</li> <li>• Convictions</li> </ul>
<b>Asset Recovery</b>	Seized Assets Committee	<ul style="list-style-type: none"> <li>• Confiscation</li> <li>• Seizures</li> <li>• Forfeitures</li> </ul>

## **2. DOMESTIC CO-ORDINATION AND ENGAGEMENT**

### **i. Law Enforcement Authorities**

The Law Enforcement Working Group (LEWG) was formed out of the NAMLC to provide an avenue for inter-agency co-operation. It sought to cut across organisational boundaries to allow for more effective co-ordination of ML/FT/PF investigations, sharing of intelligence, evidence gathering and building expertise. The LEWG is one of the main mechanism by which the FIUTT obtains feedback on the usefulness and quality of its Intelligence Reports and the relevance of these reports to the operational needs of LEAs. For this reporting period, the LEWG held three meetings to discuss cases for advancement toward prosecution.

Since 2017, the LEWG has been chaired by the Office of the Director of Public Prosecutions (ODPP). The current members include: Fraud Squad, Special Branch, Special Investigations Unit (SIU), Anti-Corruption Investigations Bureau (ACIB), FIUTT, FIB, Customs and Excise, Immigration and the Criminal Tax Investigation Unit. Apart from the LEWG, the FIUTT engages specific agencies with responsibility for the investigation of criminal conduct that leads to ML/FT/PF, on prioritised and complex cases that require extensive collaboration.

### **ii. Information Exchange amongst the FIUTT, LEAs and Public Authorities**

The exchange of information with LEAs and Public Authorities is a critical obligation that heightens the value of FIUTT's analysis and the intelligence disseminated, both in response to LEA requests and through spontaneous dissemination. The analysis is made more relevant and therefore of greater effect when the information requested of Public Authorities is provided in a timely manner. This timely response from Public Authorities supports the FIUTT's efforts to respond quickly to LEA requests. In some cases, the FIUTT is empowered through MOUs, which enables closed source access to Public Authorities' databases, and in other instances, formal requests are made on a case-by-case basis.

Table 9 illustrates the number of requests identified by the suspected criminal conduct category that was received from LEAs, as well as the number of requests made by the FIUTT to LEAs/Public Authorities in the course of carrying out its analytical functions. The FIUTT received 184 requests on 598 subjects from LEAs in 2020 compared to the 221 requests which were received in the previous reporting period. This represents a 17% decrease. In 2019, an investigation conducted by the Customs & Excise Division accounted for the increased requests to the FIUTT.

Diagram 26 below illustrates the number of requests the FIUTT received for the period 2010 to 2020.

Cash seizures relating to ML was the highest suspected criminal conduct of the number of requests received, amounting to 61 which represents 33% of the number of requests, a 135% increase compared to 26 cash seizure requests in the previous reporting period. This increase is likely to have been fuelled by the demonetisation of cotton-based TT\$100 that was executed during the period December 2019 to March 2020.

The other significant categories were Corruption/Misbehaviour in Public Office 25 or 14%; Drug Trafficking 22 or 12% and Fraud 17 or 9%.

In the course of analysing STRs/SARs and to respond to requests from foreign stakeholders, the FIUTT in this reporting period made a total of 37 requests to LEAs and Public Authorities. Compared with 52 requests made in the previous reporting period. The 29% decrease in requests made by the FIUTT can be attributed to restrictions due to the COVID-19 pandemic. Although the number of written requests to Public Authorities decreased in this period, the FIUTT made over 25,000 direct electronic queries to databases held by Public Authorities. The significant increase in electronic requests from the FIUTT to Public Authorities may be largely attributed to the complex cases under analysis from SARs/STRs filed by Reporting Entities, requests for information from foreign FIUs and LEAs and the development of strategic analysis products.

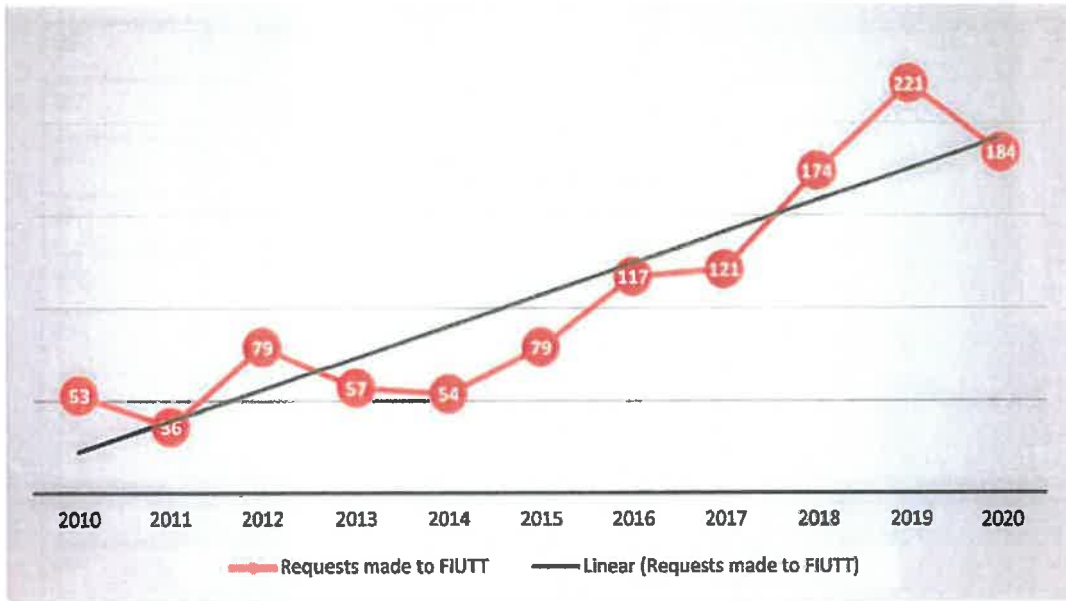
In accordance with the FIUA and FATF's Recommendation 29, FIUs are required to disseminate financial intelligence spontaneously and upon request. In this reporting period, the FIUTT disseminated 12 Spontaneous Disclosures. The suspected criminal conduct related to FT, Drug Trafficking, Tax Evasion and Fraud.

Table 9 illustrates collaboration with LEAs and public authorities.

**TABLE 9  
COLLABORATION WITH LEAs AND PUBLIC AUTHORITIES**

Exchange of Information with LEAs and Public Authorities		SUSPECTED CRIMINAL CONDUCT CATEGORIES																				TOTAL	YEAR				
		Money Laundering	Organised Criminal Groups	Terrorism	Financing of Terrorism	Human Trafficking	Sexual Exploitation	Drug Trafficking	Corruption and Bribery/ Misbehaviour in Public Office	Conspiracy to Pervert the Course of Justice	Fraud/Extortion/Forgery	Murder	Kidnapping	Robbery/Theft	Tax Crimes	Cash Seizure	Illegal Gambling	Illegal Quarrying	Sexual Assault	Proliferation Financing	Arms Trafficking/Possession			Counterfeit Goods	Breach of Exchange Control Act	Breach of FIA	
No. of incoming requests from LEAs	15	6	2	43	6	1	22	9	0	19	5	12	3	48	26	1	0	0	1	0	0	2	0	1	0	221	2019
	9	6	0	16	9	0	22	25	1	17	10	3	1	3	61	0	1	0	0	0	0	0	0	0	0	184	2020
No. of outgoing Requests to LEAs and Public Authorities	14	0	0	12	2	0	6	6	0	7	0	0	1	3	0	0	0	0	0	0	0	0	1	0	0	52	2019
	8	0	0	5	2	0	6	3	0	6	0	0	2	1	4	0	0	0	0	0	0	0	0	0	0	37	2020

**DIAGRAM 26**  
**REQUESTS RECEIVED FROM LEAs – 2010 TO 2020**





### iii. Supervisory Authorities and Supervised Entities

#### • Co-operation with Supervisory Authorities

The FIUTT, together with the Central Bank and TTSEC are the Supervisory Authorities responsible for ensuring that reporting entities comply with their AML/CFT/CPF obligations. The Supervisory Authorities signed a multi-lateral MOU aimed at strengthening co-operation and collaboration and reinforcing the terms of reference for the Supervisory Steering Group and the Supervisory Authorities Working Group.

In this reporting period, the FIUTT worked alongside Central Bank and TTSEC in four Supervisory Steering Group meetings and 13 Supervisory Working Group meetings. The co-operative efforts of the Supervisory Authorities included:

- Joint Public Statement by Supervisory Authorities on “Pyramid Schemes” marketed in Trinidad and Tobago;
- Joint Procedures for approval of Compliance Officers of dual registrants;
- Joint Procedures for registration and supervision of E-Money Issuers;
- Joint Regulatory Guidance on Customer Verification on Complying with AML/CFT due to the COVID-19 pandemic;
- Consultation with ICATT on AML/CFT external audit scope;
- AML/CFT/CPF Administrative Fine Regime;
- Identified and recommended legislative amendments to AML/CFT laws to conform with the FATF 40 Recommendations;
- Collaboration in identifying new/emerging AML/CFT threats; and
- Developing standards for co-operation (Operating Procedures).

#### • FIUTT Private Sector Partnership

In 2011, the FIUTT established the Supervised Entities Working Group (SEWG) to provide a forum for discussing AML/CFT issues. The FIUTT restructured and renamed the working group (SEWG) in 2018 to “Supervised Entities Partnership Engagement” (SEPE) to encourage more effective engagement with the private sector. The SEPE provides a forum for representatives from the NRFIs and LBs sectors to discuss AML/CFT/CPF matters affecting their respective industries.

The FIUTT held two SEPE meetings for this reporting period. The main topics discussed were:

- current ML trends and typologies;
- mitigating risks of virtual assets;
- new trends relating to FT;
- effective suspicious transaction/activity reporting;
- enhanced supervision measures;
- upcoming NRA in January 2021;
- AML/CFT legislation (Bills and Amendments);

- Trinidad and Tobago 4th MER and Enhanced Follow-Up Updates; and
- FATF and CFATF Plenary outcomes.

#### **FIUTT Public-Private-Partnership Initiative**

In 2020, the FIUTT continued its Public-Private-Partnership (PPP) Initiative which originally commenced in 2018 following a proposal by the FATF and Egmont to advance joint efforts to combat ML/TFT/PF. This partnership with Reporting Entities provided a conduit for discussions surrounding the submission of STRs/SARs and other emerging issues observed throughout this reporting period. It also provided room for feedback between both parties to ensure renewed approaches required and practical actions that might improve public-private sector partnerships.

This collaborative effort encourages the effective flow of information amongst stakeholders to maintain a well-functioning AML/CFT/CPF framework. Participating entities were informed of their role in the effective safeguarding of the integrated financial system. They were also apprised of success achieved over the years leading to prosecutions and money laundering charges currently before the courts.

Reporting Entities were encouraged to continue improvements in their submissions which would, in the long run, lead to the development of best practices amongst Supervisory Authorities, LEAs and other Competent Authorities.

Although initially affected by the COVID-19 global pandemic, the FIUTT conducted 18 online meetings during this reporting period where discussions centred on continued fulfilment of stakeholder AML/CFT/CPF obligations. Amongst the participating Reporting Entities were 14 FIs and four NRFIs. Feedback was provided to stakeholders on the following areas, inter alia:

- STR/SAR submissions – volume, quality and observations;
- Financial Institution’s contribution to the work of FIUTT and Law Enforcement Authorities;
- Identifying suspicious activity – from the FIs perspective;
- Production of Information requests;
- New Technologies – FATF Recommendation 15;
- Continued use of FIUConnect® – FIUTT’s secure electronic reporting system; and
- Other matters related to their AML/CFT/CPF obligations.

#### **iv. The National Anti-Money Laundering and Counter Financing of Terrorism Committee**

The National Anti-Money Laundering and Counter Financing of Terrorism Committee (NAMLC) was established in law<sup>5</sup> as the national co-ordinating body for all competent authorities in the AML/CFT/CPF regime. Administratively, NAMLC falls within the Office of the Attorney General and

---

<sup>5</sup> The Miscellaneous Provisions (Proceeds of Crime, Anti-Terrorism and Financial Intelligence Unit) Act, No. 20 of 2018

Ministry of Legal Affairs since the Honourable Attorney General is the Prime Contact in Trinidad and Tobago for FATF and CFATF. In this reporting period, NAMLC held 12 meetings to ensure that the AML/CFT/CPF regime in Trinidad and Tobago continues to be effective.

Consistent with FATF's Recommendation 2, NAMLC's terms of reference include:

- making recommendations to the Minister and co-ordinating the implementation of national anti-money laundering, counter financing of terrorism and proliferation financing policies;
- collecting and compiling statistics with respect to anti-money laundering, counter financing of terrorism and proliferation financing; and
- co-ordinating the conduct of national risk assessments and mutual evaluations.

The NAMLC, chaired by the Head of the Anti-Terrorism Unit is comprised of the following:

- a representative of the Ministry of Finance;
- a representative of the Ministry of National Security;
- a representative of the Ministry of the Attorney General and Legal Affairs;
- the Director of Public Prosecutions;
- the Commissioner of Police;
- the Director of Financial Intelligence Unit of Trinidad and Tobago;
- the Governor of the Central Bank of Trinidad and Tobago;
- the Chairman of the Board of Inland Revenue;
- the CEO of the Trinidad and Tobago Securities and Exchange Commission; and
- such other persons as the Minister thinks fit.

## **v. FIUTT In Partnership**

### **FIUTT and FINTECH**

Fintech development was recognised as a key development in the reporting period 2019/2020.

The FIUTT acknowledges that the rapid growth of Fintech presents many opportunities for the development of the financial sector within Trinidad and Tobago. However, it also recognises that these new technologies can be misused for illicit purposes, including ML/FT/PF. In fulfilment of its mission to effectively detect and deter ML/FT/PF, the FIUTT is committed to collaborating with the other AML/CFT/CPF Supervisory Authorities namely the Central Bank and the TTSEC for the effective supervision and regulation of Fintechs and toward the common goal of maintaining a safe and stable financial, social and economic environment.

- **WHAT IS FINTECH?**

The International Monetary Fund's Ball Fintech Agenda<sup>6</sup> defines "Fintech" as "advances in technology that have the potential to transform the provision of financial services spurring the development of new business models, applications, processes, and products." This definition has been adopted by the World Bank and other international bodies, in establishing protocols and recommending actions to govern the development of this aspect of financial sectors across the globe.

- **FATF RECOMMENDATION 15**

Fintech spans a broad range of financial activities and services which includes "virtual assets" (VAs) and "virtual asset service providers" (VASPs).

In October 2018, the FATF adopted changes to its Recommendations to clarify that the FATF standards apply to financial activities involving VAs and VASPs.<sup>7</sup> VAs and VASPs are at risk of being misused for ML/FT and PF. As a result, the amended FATF Recommendation 15 requires that VAs and VASPs be licensed or registered, and subject to effective systems for monitoring and supervision for AML/CFT/CPF compliance.

In keeping with its purpose and mandate under the FIUTTA, the FIUTT is committed to implementing the FATF Recommendations for the effective mitigation of ML/FT/PF risks through collaboration with the Central Bank and the TTSEC for Fintech regulation and AML/CFT/CPF supervision.

- **MEMBERSHIP IN JOINT REGULATORY COMMITTEE**

In July 2019, the FIUTT officially became a member of the Regulatory Fintech Steering Committee. This Committee consists of the three financial sector Supervisory Authorities, the Central Bank, TTSEC and the FIUTT.

This committee is currently led by the Central Bank and aims to promote the safe and regulated use of fintech products and services in Trinidad and Tobago through the use of regulatory tools such as a Joint Innovation Hub and Joint Regulatory Sandbox.

- **JOINT INNOVATION HUB**

The Joint Innovation Hub functions as a central point of communication between Fintechs and the Supervisory Authorities on financial innovation and the regulatory and supervisory regimes applicable to new Fintech products and services. Through this communication channel, supervisors seek to understand new financial technologies, products and services, proposed by Fintechs as well as the associated risks. The Innovation Hub facilitates a two-way dialogue between the supervisors and the Fintechs with regard to their innovative products or services.

---

<sup>6</sup> <https://www.imf.org/en/News/Articles/2018/10/11/pr18388-the-bali-fintech-agenda>

<sup>7</sup> FATF, (2019) "Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers" <https://www.fatf-gafi.org/media/fatf/documents/recommendations/RBA-VA-VASPs.pdf>

- **JOINT REGULATORY SANDBOX**

The Joint Regulatory Sandbox will provide Fintechs with a facility to test innovative financial products or services, business models and delivery mechanisms, prior to launching these products and services to the public. The Sandbox enables Fintechs to test their products in a live testing environment, subject to certain rules and parameters. The performance of the Fintech's product or service in the Sandbox will determine whether the product or service can be introduced safely into the domestic market.

The Regulatory Sandbox is scheduled to be rolled out in two phases: Phase 1 would facilitate the testing of EMIs, while Phase 2 would encompass broader Fintech initiatives.

More information on the Joint Innovation Hub and the Regulatory Sandbox can be found on the Central Bank's website <http://www.central-bank.org.tt/>

- **National Drug Council**

The National Drug Council (NDC) of the Ministry of National Security was established in July 2000. The mandate of the NDC is demand-reduction, supply-control, prevention, treatment and rehabilitation of addicted persons. The NDC is tasked with maintaining the National Drug Information System, to exchange information on anti-drug related initiatives in Trinidad and Tobago. In 2014, the Director of the FIUTT was appointed as a member of the NDC. In this reporting period, the FIUTT attended eight such meetings and two workshops hosted by the NDC.

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

- **The Office of the Attorney General**

In this reporting period, the FIUTT continues to support the Office of the Attorney General in applying sanctions under the ATA. In accordance with the Standard Operating Procedure (SOP), the FIUTT and the Attorney General follow the established procedures in the listing and de-listing of terrorist entities and individuals pursuant to UNSCR 1267, 1373 and 1988. The Ministry of Foreign and CARICOM Affairs also plays a critical role to immediately freeze without delay, listed terrorist individual and entities by informing both the FIUTT and the Office of the Attorney General of any changes to the UNSCR 1257, 1373 and 1988 and attesting to its authenticity. The goal is to immediately freeze terrorist funds without delay to avoid flight or dissipation as mandated by the FATF.

In addition, based on the SOP signed in the last reporting period, the FIUTT supports the Office of the Attorney General in performing their functions and exercising powers in relation to Listed Entities in accordance with the Economic Sanctions (Implementation of United Nations Resolutions on the Islamic Republic of Iran) Order, 2018 and the Economic Sanctions (Implementation of United Nations Resolutions on the Democratic People's Republic of Korea) Order, 2018 (hereinafter referred to as the "Iran Order" and "DPRK Order" respectively), enacted pursuant to the Economic Sanctions Act, Chap 81:05.

The Anti-Terrorism Unit (ATU) was established in law<sup>8</sup> within the Office of the Attorney General and Ministry of Legal Affairs. The ATU leads a Task Force of competent authorities, to effectively co-ordinate intelligence gathering and investigations relating to terrorism activities. The FIUTT's intelligence and information on FT have contributed significantly to the Task Force's successes, such as:

- Identification and prioritisation of persons of interest such as suspected FTFs, financiers, recruiters;
- strategic intelligence which identifies travel patterns, trends in recruitments, funding sources;
- profiling persons of interest;
- identification of assets; and
- designation of a number of persons and/or entities under UNSCR 1267, UNSCR 1373 and UNSCR 1988.

In this reporting period, the Office of the Attorney General of Trinidad and Tobago petitioned the High Court of Justice of the Republic of Trinidad and Tobago, under the ATA to designate persons and entities to be listed as terrorists and to freeze their funds. Similarly, the Office of the Attorney General of Trinidad and Tobago also petitioned the High Court of Justice of the Republic of Trinidad and Tobago to de-list designated entities and unfreeze their funds.

Table 10 below shows the total number of Court Orders obtained and the number of designated entities listed and delisted as terrorists.

The designated lists of persons and entities under UNSCR 1267, UNSCR 1373 and UNSCR 1988, as well as, UNSCR 1718 and UNSCR can be accessed on the FIUTT's website [www.fiu.gov.tt](http://www.fiu.gov.tt), and Office of the Attorney General and Ministry of Legal Affairs website at [www.ag.gov.tt](http://www.ag.gov.tt). Reporting Entities are required to examine both lists and immediately notify the FIUTT if any person/entity, hold funds in their institution.

---

<sup>8</sup> The Miscellaneous Provisions (Proceeds of Crime, Anti-Terrorism and Financial Intelligence Unit) Act, No. 20 of 2018

**TABLE 10  
SUMMARY OF TERRORIST ENTITIES LISTED  
AND COURT ORDERS GRANTED FROM 2015 TO 2020**

<b>UNSCR</b>	<b>Year</b>	<b>No. of Listed Entities and Individuals</b>	<b>No. of Court Orders</b>
<b>1267 (1999) 1989 (2011) 2253 (2015) 2368 (2017)</b>	<b>2015/2016</b>	<b>78</b>	<b>8</b>
	<b>2016/2017</b>	<b>258</b>	<b>60</b>
	<b>2017/2018</b>	<b>20</b>	<b>11</b>
	<b>2018/2019</b>	<b>8</b>	<b>8</b>
	<b>2019/2020</b>	<b>9</b>	<b>7</b>
<b>1988(2011)</b>	<b>2018/2019</b>	<b>140</b>	<b>7</b>
<b>1373(2001)</b>	<b>2015</b>	<b>1</b>	<b>1</b>
	<b>2017</b>	<b>5</b>	<b>5</b>
<b>Delistings ATA Section 22B(9)</b>	<b>2018/2019</b>	<b>-21</b>	<b>14</b>
	<b>2019/2020</b>	<b>-4</b>	<b>4</b>
<b>Total</b>	<b>2015-2020</b>	<b>494</b>	
<b>Total Number of Court Orders Granted</b>			<b>125</b>

*Source: Anti-Terrorism Unit of the Office of the Attorney General and Ministry of Legal Affairs*

#### **vi. Public and Private Sector Consultations**

The FIUTT contributed to consultations with governmental and non-governmental organisations on particular elements to strengthening the AML/CFT/CPF regime in Trinidad and Tobago. These include:

- AML Sub-Committee of the Bankers' Association of Trinidad and Tobago;
- Office of Technical Assistance, Department of Treasury, USA;
- Internal Revenue Service – Criminal Investigation Division, Department of Treasury, USA;
- International Monetary Fund (IMF).
- Forestry Division, Ministry of Agriculture
- Embassies and High Commissions;
- FIs and NRFIs;
- Fisheries Division, Ministry of Agriculture Land and Fisheries
- Maritime Services Division, Ministry of Works and Transport
- The Transport Commissioner;
- National Insurance Board of Trinidad and Tobago; and
- UNODC

#### **vii. MOUs with Local Competent Authorities**

The FIUA authorises the Director of the FIUTT to enter into MOUs with local authorities to give effect to domestic sharing of Information. During this reporting period, the FIUTT signed a Standard Operating Procedure (SOP) with the Registrar General's Department, Office of the Attorney General and Ministry of Legal Affairs for the Registration and Supervision of Non-Profit Organisations dated December 6, 2019.

Negotiations are ongoing with the National Insurance Board of Trinidad and Tobago, the Maritime Services Division of the Ministry of Works and Transport; Fisheries Division of the Ministry of Agriculture, Land and Fisheries; and the Director of Public Prosecutions. It is expected that these four MOUs and SOP will be finalised in the next reporting period.

### **3. INTERNATIONAL ENGAGEMENT AND CO-OPERATION**

#### **i. Exchange of Information with Foreign Authorities**

International co-operation continues to be a critical facet in the fight against ML/FT/PF and other related crimes. FATF Recommendations 29 and 40, international standards require FIUs in each jurisdiction to provide the widest range of international co-operation. The FIUTT is authorised under the FIUA to exchange information with foreign counterparts in ML/FT/PF analyses being conducted in

*FIUTT 2020 ANNUAL REPORT*



their jurisdictions. Co-operation at the global level is governed by the Egmont Group of FIUs Principles of Information Exchange. Information is shared either spontaneously or upon request, promptly, to assist in intelligence/investigations, and/or, for the prevention of ML/FT/PF.

The FIUTT received 22 requests from foreign authorities during this reporting period, which remained constant when compared to the previous reporting period. These requests featured a total of 204 Subjects in contrast to 88, for the previous reporting period. The suspected criminal conduct in the majority of cases, were FT and Tax Evasion with five requests each, comprising of 95 and 12 Subjects respectively.

The FIUTT, in conducting analysis, made a total of 41 requests comprising of 86 Subjects to foreign authorities for financial intelligence and information. There was a decrease of 48% in requests made to foreign FIUs when compared to the previous reporting period. The global pandemic was one of the main contributing factors for this reduction.

The majority of request the FIUTT made to foreign authorities involved 14 cases of suspected ML and eight cases of suspected FT, each containing 45 and 9 Subjects respectively.

Table 11 is illustrative of information exchange by type of criminal conduct.

**TABLE 11  
INFORMATION EXCHANGE BY TYPE OF CRIMINAL CONDUCT**

Exchange of Information with Foreign Authorities	Suspected Criminal Conduct Categories													TOTAL	YEAR
	Money Laundering	Cash Seizure	Corruption	Drug Trafficking	Financing of Terrorism	Robbery	Sanction Evasion	Tax Crimes	Fraud	Human Trafficking	Kidnapping	Wire Fraud	Compliance Check		
<b>INCOMING REQUESTS TO FIUTT</b>															
<b>No. of incoming requests from Foreign Authorities</b>	3	1	2	4	5	1	1	5	0	0	0	0	0	22	2020
	6	0	0	6	4	0	0	1	5	0	0	0	0	22	2019
<b>OUTGOING REQUESTS FROM FIUTT</b>															
<b>No. of outgoing Requests to Foreign Authorities</b>	14	2	3	7	8	0	0	0	5	0	0	1	1	41	2020
	17	1	1	5	23	0	0	2	6	21	3	0	0	79	2019

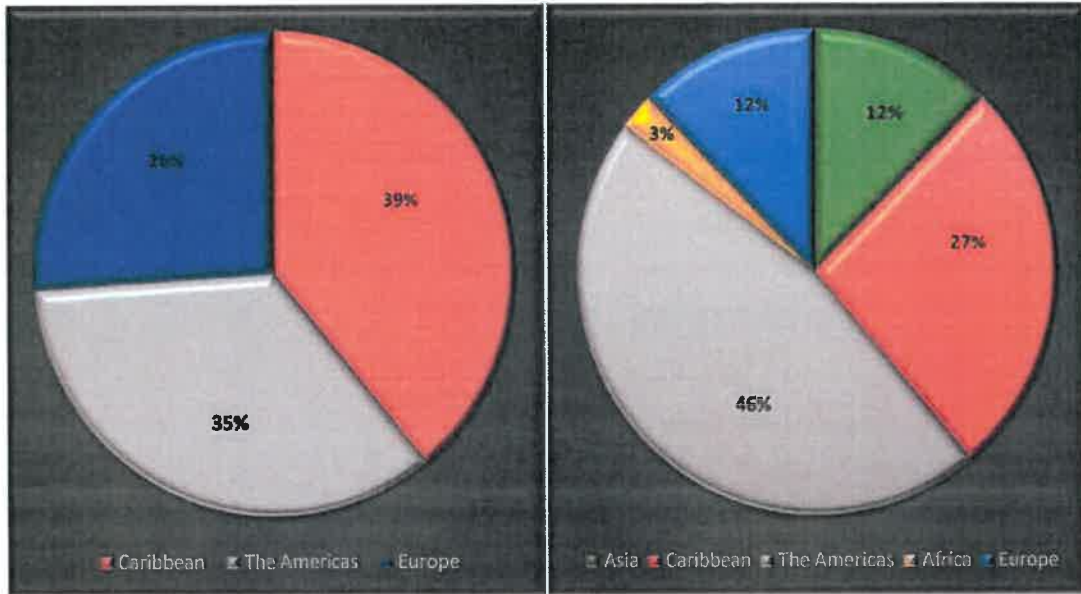
Requests from foreign authorities to the FIUTT originated from the Caribbean, followed by the Americas, and Europe. Similarly, the FIUTT sent the majority of requests to foreign authorities in the Americas, the Caribbean, Europe and Asia.

Diagram 27 illustrates the international exchange of information.

**DIAGRAM 27**  
**INTERNATIONAL EXCHANGE OF INFORMATION**

**REQUESTS RECEIVED FROM FOREIGN AUTHORITIES**

**REQUESTS SENT TO FOREIGN AUTHORITIES**



## **ii. Spontaneous Disclosures of Information to Foreign Authorities**

In addition to fulfilling requests made for financial intelligence and information, the FIUTT also provides such intelligence and information spontaneously when ML/FT/PF links are identified in another jurisdiction. This action demonstrates that the FIUTT complies with FATF's Recommendation 40 and 29.5 specifically, which requires an FIU to disseminate financial intelligence spontaneously. Spontaneously means of its own volition, the FIUTT disseminates financial intelligence if a suspected link to criminal conduct is identified in another jurisdiction, which may be of value to the foreign Competent Authority.

In this reporting period, the FIUTT disseminated 14 Spontaneous Disclosures to foreign FIUs and LEAs as compared with 43 in the previous reporting period. This represented a decrease of 67%, which can be attributed to the analysis not being linked to foreign jurisdictions and the impact of the pandemic. The spontaneous dissemination of intelligence was linked to the suspected criminal conduct related to FT, ML, wire fraud and tax evasion. ML accounted for 50% of the total number of spontaneous intelligence reports disseminated, while FT accounted for 36%, fraud and tax evasion accounted for 7% respectively.

The FIUTT received feedback on the usefulness of the spontaneous disclosures which indicated the intelligence was useful for:

- providing new information regarding known subjects;
- providing information on unknown subjects;
- triggering a new investigation; and
- sharing with other investigative agencies within the foreign jurisdiction.

#### **4. MOUs SIGNED WITH FOREIGN FIUs**

The FIUTT can exchange information and intelligence with 165 Egmont FIUs around the world to support the investigation of ML, FT, PF or related crimes. The FIUTT is authorised to exchange information with foreign FIUs freely without the necessity of having an MOU or formal agreements. Notwithstanding this, the FIUA also authorises the FIUTT to enter into MOUs with a Foreign Financial Intelligence Unit, if the Director considers it necessary. This permits the FIUTT to facilitate those FIUs that are required by their domestic legislation to enter into MOUs with other countries to accommodate such exchanges. The exchange of information between FIUs takes place using the ESW.

For this reporting period, the FIUTT ratified one MOUs with a foreign FIU, which brings the total number of MOUs signed to 34. Negotiations are ongoing with the FIU of Tanzania. It is expected that this MOUs will be finalised in the next reporting period.

Table 12 below lists MOUs signed with foreign FIUs.

**TABLE 12  
MOUs WITH FOREIGN FIUs**

<b>No.</b>	<b>COUNTRY</b>	<b>COUNTERPARTS</b>	<b>DATE OF SIGNING DD/MM/YYYY</b>
<b>1.</b>	<b>JAMAICA</b>	<b>FINANCIAL INVESTIGATIONS DIVISION</b>	<b>13/11/2012</b>
<b>2.</b>	<b>ST. VINCENT AND THE GRENADINES</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>22/05/2013</b>
<b>3.</b>	<b>GUYANA</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>28/05/2013</b>
<b>4.</b>	<b>MONTERRAT</b>	<b>MONTERRAT REPORTING AUTHORITY</b>	<b>28/05/2013</b>
<b>5.</b>	<b>SINT MARTEEN</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>19/11/2013</b>
<b>6.</b>	<b>SURINAME</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>19/11/2013</b>
<b>7.</b>	<b>BERMUDA</b>	<b>FINANCIAL INTELLIGENCE AGENCY</b>	<b>04/02/2014</b>
<b>8.</b>	<b>CANADA</b>	<b>FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS CENTRE OF CANADA (FINTRAC)</b>	<b>06/02/2014</b>
<b>9.</b>	<b>BANGLADESH</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>03/06/2014</b>
<b>10.</b>	<b>TAIWAN</b>	<b>ANTI-MONEY LAUNDERING DIVISION, INVESTIGATION BUREAU, MINISTRY OF JUSTICE, REPUBLIC OF CHINA (TAIWAN)</b>	<b>05/06/2014</b>
<b>11.</b>	<b>GRENADA</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>26/05/2015</b>
<b>12.</b>	<b>DOMINICA</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>26/05/2015</b>
<b>13.</b>	<b>DOMINICAN REPUBLIC</b>	<b>FINANCIAL ANALYSIS UNIT</b>	<b>26/05/2015</b>
<b>14.</b>	<b>ANTIGUA AND BARBUDA</b>	<b>OFFICE OF NATIONAL DRUG AND MONEY LAUNDERING CONTROL POLICY (ONDCP)</b>	<b>10/06/2015</b>
<b>15.</b>	<b>TURKS AND CAICOS</b>	<b>FINANCIAL INTELLIGENCE AGENCY</b>	<b>10/06/2015</b>
<b>16.</b>	<b>SOUTH AFRICA</b>	<b>FINANCIAL INTELLIGENCE CENTRE</b>	<b>08/07/2015</b>
<b>17.</b>	<b>BARBADOS</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>26/11/2015</b>
<b>18.</b>	<b>AUSTRALIA</b>	<b>AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE (AUSTRAC)</b>	<b>18/01/2016</b>
<b>19.</b>	<b>REPUBLIC OF TOGO</b>	<b>FINANCIAL INTELLIGENCE UNIT</b>	<b>29/07/2016</b>

<b>No.</b>	<b>COUNTRY</b>	<b>COUNTERPARTS</b>	<b>DATE OF SIGNING DD/MM/YYYY</b>
20.	PANAMA	FINANCIAL ANALYSIS UNIT (UAF)	08/08/2016
21.	COLOMBIA	LA UNIDAD DE INFORMACION Y ANALISIS FINANCIERO (UIAF)	19/09/2016
22.	LIBERIA	FINANCIAL INTELLIGENCE UNIT	09/12/2016
23.	JAPAN	FINANCIAL INTELLIGENCE CENTRE	02/02/2017
24.	BELIZE	FINANCIAL INTELLIGENCE UNIT	28/05/2017
25.	ZAMBIA	FINANCIAL INTELLIGENCE CENTRE	12/07/2017
26.	LEBANON	SPECIAL INVESTIGATION COMMISSION	02/08/2017
27.	BAHAMAS	FINANCIAL INTELLIGENCE UNIT	04/08/2017
28.	SRI LANKA	THE FINANCIAL INTELLIGENCE OF SRI LANKA	26/10/2017
29.	CUBA	LA DIRECCIÓN GENERAL DE INVESTIGACIÓN DE OPERACIONES FINANCIERAS (DGIOF)	02/11/2017
30.	VENEZUELA	LA UNIDAD NACIONAL DE INTELIGENCIA FINANCIERA (UNIF)	12/11/2017
31.	CHINA	THE CHINA ANTI-MONEY LAUNDERING MONITORING AND ANALYSIS CENTRE (CAMLMAC)	15/05/2018
32.	UKRAINE	THE STATE FINANCIAL MONITORING SERVICE OF UKRAINE	08/10/2018
33.	EL SALVADOR	THE FINANCIAL INVESTIGATION UNIT OF EL SALVADOR	20/11/2018
34.	PHILIPPINES	THE ANTI-MONEY LAUNDERING COUNCIL (AMLC), THE FINANCIAL INTELLIGENCE UNIT OF THE REPUBLIC OF THE PHILIPPINES	29/01/2020



**MOU SIGNING WITH THE REPUBLIC OF THE PHILIPPINES AT EGMONT WORKING GROUP MEETINGS  
IN MAURITIUS**



*From (L to R): Atty. Criselda Agnes E. Perez, Deputy Director of AMLC Secretariat, Philippines and Mr Nigel Stoddard, Director (Ag.) FIUTT.*

## 5. PARTICIPATION IN INTERNATIONAL FORA

The FIUTT actively participated in and contributed to events and activities of regional and international bodies, such as conferences, workshops, meetings and training sessions strengthening the AML/CFT/CPF effort. During this reporting period, the FIUTT collaborated with several international agencies in delivering AML/CFT/CPF content.

### I. The Egmont Group of FIUs

The FIUTT gained membership to the Egmont Group of FIUs on July 3, 2013. The current membership of the Egmont Group is now 165 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/PF and to facilitate the rapid and secure exchange of information between FIUs. The Egmont Group developed and manages the ESW, an encrypted platform for the exchange of information between FIUs. See [www.egmontgroup.org](http://www.egmontgroup.org)

- The FIUTT continues to provide strong support to the work of the Egmont Centre of FIU Excellence & Leadership (ECOFEL)<sup>9</sup>. In this reporting period, the Director of the Analysis Division participated as one of the experts in the revamping of the Strategic Analysis Course Participants Manual, undertaken by ECOFEL. This revamping exercise now creates virtual learning opportunities in Strategic Analysis, referred to as e-SAC. The e-SAC also ensures that Strategic Analysis training is conducted during the global pandemic. FATF Recommendation 29.4 (b) mandates that all FIUs should conduct strategic analysis to identify ML and FT related trends and patterns. For this reason, training in strategic analysis particularly for FIUs, is necessary.
- As a consequence of Trinidad and Tobago being placed in the FATF ICRG process as a result of Trinidad and Tobago's 4<sup>th</sup> Rd Mutual Evaluation Report (2016) with strategic deficiencies. The FIUTT was placed in Procedural Trigger 3 of the Support and Compliance Process for deficiencies cited in the Egmont Group's Principles in the Exchange of Information document and FATF's Recommendation 40. In January 2020, the FIUTT attended the Egmont Working Groups and Committee Meetings and made representations, which resulted in the FIUTT successfully being removed from the process by the Egmont Membership, Support and Compliance Working Group (MSCWG).
- ECOFEL's mentoring programme is designed to establish a network of mentors, aimed at strengthening the leadership competency of HoFIUs. The programme is to assist HoFIUs with effective communication, decision making and problem solving while also establishing networks of expertise that will support the exchange of best practices and lessons learned. Both the acting Director, FIUTT and the Director Operational Analysis enrolled and completed

---

<sup>9</sup> [ECOFEL - Brief Introduction - The Egmont Group](#)

training programming by ECOFEL – FIUs Leadership/Mentorship Program, the first of its kind. In this reporting period, the Acting Director of the FIUTT was appointed as a mentor by ECOFEL to assist and support the Barbados FIU.

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

The FATF is an inter-governmental body established in 1989 to develop standards for combatting ML/FT/PF. 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 and have continued to make amendments.

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

At the FATF Plenary in Paris, France, in February 2020, the FATF agreed that Trinidad and Tobago should be removed from the FATF Public Statement list of “Jurisdictions Under Increased Monitoring” having to address the strategic deficiencies identified in Trinidad and Tobago’s action plan.

The FIUTT publishes a list of countries identified by FATF with weak measures to combat ML/FT/PF in two FATF public documents; (i) High-Risk Jurisdictions subject to a Call for Action and (ii) Jurisdictions Under Increased Monitoring (often externally referred to as the ‘grey list’). These jurisdictions are required to address their Identified significant strategic deficiencies and strategic deficiencies respectively. See [www.fiu.gov.tt](http://www.fiu.gov.tt) or [www.fatf-gafi.org](http://www.fatf-gafi.org)

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

The CFATF, one of eight FATF Style Regional Bodies (FSRBs) is responsible for promoting consistency in the application of the FATF Recommendations within countries of the Caribbean and Central America. The CFATF comprises 25 member states of the Caribbean Basin, which have agreed to implement common countermeasures to address the problem of ML/FT/PF. Its main objective is to achieve effective implementation of FATF’s Recommendations within the region. The CFATF Secretariat is hosted by the Government of Trinidad and Tobago. See [www.cfatf-gafic.org](http://www.cfatf-gafic.org)

In this reporting period the FIUTT made contributions to the work of CFATF, notably:

- The FIUTT accepted the position of Co-Chair to the CRTMG, together with a counterpart from Jamaica, for the next two years.

- The FIUTT as a member of the CFATF's Working Group on Risks Trends and Methods (CRTMG), submitted eight typology reports (one FT and seven ML) as part of CFATF Typology Reports. At the CFATF LI Plenary to be held in November 2020, two reports are expected to be adopted and published. The two reports are Money Laundering and Terrorist Financing Cases Update 2020 and Financial Flows from Human Trafficking Interim Report.

- **CFATF Plenary and Working Groups**

- The CFATF L Plenary was held in November 2019. The Honourable Attorney General and Minister of Legal Affairs, Mr Faris Al-Rawi as prime contact to CFATF led the Trinidad and Tobago delegation. In light of Trinidad and Tobago's progress since its 4<sup>th</sup> Rd MER was adopted, its technical compliance with the FATF Recommendations has been re-rated. However, according to the Enhanced Follow-Up process, Trinidad and Tobago will remain in Enhanced Follow-Up on the basis that it had a low or moderate level of effectiveness for 7 or more of the 11 effectiveness outcomes (11 in total) and continue to report back to the CFATF on progress to strengthen its implementation of AML/CFT measures.
  - The CFATF Plenary which was scheduled to be held in May 2020 was cancelled due to the COVID-19 pandemic restrictions. However, the Heads of CFATF FIUs (HoFIUs) held a virtual meeting in July 2020 for the first time. This virtual meeting allowed HoFIUs to discuss the impact of the COVID-19 pandemic on the operations of their FIUs and ML/FT/PF trends identified affecting their jurisdictions in the pandemic.
  - CFATF LI Plenary is scheduled for November 2020 and will be held virtually.

#### iv. The CIDAD

The Inter-American Drug Abuse Control Commission (CICAD) focuses on strengthening human and institutional capabilities and channelling the collective efforts of its member states to reduce the production, trafficking and use of illegal drugs. The sub-committee of CICAD, the Expert Group on the Control of Money Laundering (GELAVEX), is a hemispheric forum to discuss, analyse and draft policies to deal with ML/FT virtually for the first time in July, 2020. Trinidad and Tobago was represented at this meeting by FIUTT's personnel who is also the Country Co-ordinator for the GELVAEX project.

The discussions entailed:

- Presentation – Tax Fraud: investigation techniques and associated money laundering in the post COVID-19 context;
- Presentation – Misappropriation of emergency funds: legal structures to hide stolen property;
- Presentation – Transparency in the international exchange of tax information; and

*FIUTT 2020 ANNUAL REPORT*

- o Presentation – Developments in the Follow-up Mechanism for the Implementation of the Inter-American Convention against Corruption.

**v. Sharing experiences with Foreign FIUs**

In furtherance of the FIUTT’s aim to be a regional leader and centre of excellence, technical assistance was provided to other FIUs. Having completed training in the ECOFELs – FIUs Leadership/Mentorship Program, the Acting Director of the FIUTT was appointed as a mentor to the Barbados FIU’s leadership. This collaborative and unique opportunity of mentoring a fellow FIU sets the stage for FIUTT to share experiences and knowledge in FIU’s operations. The mentoring in the next reporting period would extend to Strategic Analysis Development and case management. This assistance will be from the FIUTT’s Analysis and IT Divisions respectively.

The FIUTT also facilitated virtual training sessions for personnel of the Grenada FIU In Strategic Analysis Development. The sessions began in March 2020 with personnel from the Grenada FIU who are experienced investigators. Facilitation aims to strengthen capacity within the Grenada FIU for developing strategic products and to identify and produce two Strategic analysis products that would benefit both the Grenada FIU and policymakers in their jurisdiction.

4

## **CHAPTER V - RESOURCES AND INFRASTRUCTURE**

### **1. RESOURCES**

The organisational structure of the FIUTT consists of 14 established offices and 46 contract positions; a total of 60 posts. In November 2019, the number of staff in the FIUTT increased by 22% from 49 to 60 positions, as a result of the Cabinet's approval of ten additional Compliance and Outreach Professionals and one administrative support staff in the Compliance and Outreach Division. Six of these positions were filled in this reporting period. The improvement of the human resource capacity of the Compliance and Outreach Division will address the staffing deficiencies identified in the 4<sup>th</sup> MER, which were considered as necessary to ensure that the Supervised Entities are implementing their AML/CFT obligations.

Overall co-ordination and management of the functions of the FIUTT are undertaken by the Director, FIUTT. The office of Director, FIUTT became vacant in the last reporting period. As a result, the Deputy

Director, FIUTT was appointed to act in the vacancy for continuous periods by the Public Service Commission. The Director, Operational Analysis, in the Analysis Division, of the FIUTT, assumed duty in the established office, in January 2020.

Notwithstanding challenges because of COVID-19 restrictions, the staff of the Ministry of Finance with the assistance of the FIUTT's staff, conducted interviews to fill eight contract vacancies, which were retained in the Compliance and Outreach, Legal and Administrative Support Divisions. Accordingly, in this reporting period: -

- The Legal Division was strengthened through the employment, on contract, of two (2) Legal Professionals in the positions of Director, Legal Services and Legal Officer II, respectively. This will serve to enhance the enforcement function and other legal issues in the FIUTT, which was severely affected by the shortage of staff in the previous period.
- Similarly, the staff complement of the Compliance and Outreach Division being increased, which will enable the division to perform its AML/CFT responsibilities. One Supervisor, Compliance and Outreach was employed, recently. Early in the next reporting period, three Compliance and Outreach Officers are expected to assume duty in the division.
- The Administrative Support Division will also benefit from additional staff, once the recruitment process is completed in the next reporting period.

It is noteworthy that in this reporting period, 18 employment contracts expired in core, critical areas of the FIUTT, including Analysis and Compliance and Outreach Division. As an Interim measure,

however, the above staff were employed, on a short-term basis, pending the approval and retention of the contract positions submitted to the Ministry of Finance.

The Administrative Officer V position is the Head of the Administrative Support Division of the FIUTT, manages a staff that provide administrative, accounts, procurement and human resource management services for the proper functioning of the Unit. However, the Administrative Officer V position continues to be a challenge being assigned to support another functional area of the Ministry of Finance. The FIUTT anticipates that the Ministry would rectify this arrangement in the next reporting period.

For the FIUTT to attain its mandate, other immediate staffing needs, such as human resource management, administration, clerical and research were acquired utilising short-term employment and On-the-Job Trainees, respectively.

The FIUTT acknowledges the unwavering support from personnel of the Human Resource Management Division of the Ministry of Finance and looks forward to continued co-operation in the future.

## **2. INFORMATION SYSTEMS AND TECHNOLOGY**

### **i. Major Information, Communication and Technology (ICT) Achievements**

The impact of the COVID-19 pandemic highlighted the efficacy of FIUConnect® and underscored the need for the FIUTT to continue to adopt technologies and digital platforms to ensure business continuity and realise others benefits. While there was some level of disruptions in daily operations, FIUConnect® provided a platform for Reporting Entities to continue to submit SARs to the FIUTT. Although COVID-19 restrictions during the reporting period delayed implementation of FIU's ICT projects, certain achievements were still realised. Like other organisations, the FIU had to embrace the new normal of work from home by providing staff with the ICT resources, while maintaining the requisite security protocols. Staff participated and facilitated in several seminars and training sessions both locally and regionally, with Reporting Entities, LEAs and other Competent Authorities. The FIUTT utilised several online platforms, such as WebEx, Zoom and Microsoft Teams for the seminars and training sessions.

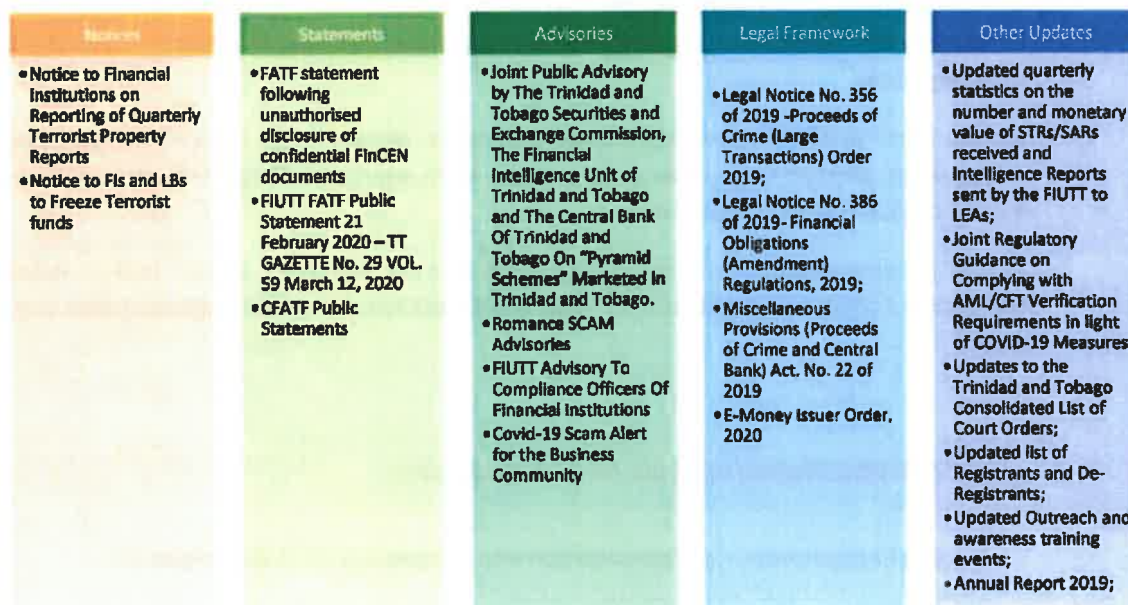
### **ii. FIUTT Online**

The FIUTT website continues to be a learning resource for Reporting Entities, foreign FIUs, Competent Authorities and the general public.

In this reporting period, the following updates were published and available for access and free download on the FIUTT's website ([www.fiu.gov.tt](http://www.fiu.gov.tt)).

Diagram 28 represents the updates to the website.

### DIAGRAM 28 UPDATES TO THE FIUTT WEBSITE





### iii. Information and Communication Technology (ICT) Key Initiatives

In this reporting period, the Information Technology (IT) Division focused on the following key initiatives:

- **Upgrade of FIUConnect® secure online reporting solution**

The FIUTT pursued preliminary activities to facilitate the upgrade of its secure online reporting solution with implementation being targeted for the next fiscal year.

- **Upgrade of Security Environment/Infrastructure**

The FIUTT focused on continuous improvement of its security posture and achieved a milestone with the introduction of additional layers of security to protect its webserver and network.

Other Key milestones achieved in the reporting period include:

- LAN equipment to upgrade LAN environment were procured.
- Operating System on servers and desktops, as well as Office Suite, were upgraded.
- MS Teams was introduced to allow better collaboration among staff and facilitate sessions with all stakeholders.

## 3. ORGANISATIONAL DEVELOPMENT

The FIUTT is committed to fostering an environment that continues to increase the value of its staff through the efficacy of well-structured training programmes. This is in recognition of the immeasurable value of its human capital to the success of the Unit. Training affords staff the ability to adapt to unexpected challenges that sometimes disrupt the business continuity of FIUTT. The COVID-19 pandemic highlighted in even clearer terms the need for training which would provide staff with the ability to continually deliver AML/CFT/CPF supervision in an ever-increasing digital environment.

The staff of the FIUTT in this reporting period participated in several online training and webinar programmes facilitated by several organisations such as FATF, CFATF, UNDOC, INTERPOL, ECOFEL/Egmont Group Secretariat and the Public Service Academy. Exposing the FIUTT staff to AML/CFT/CPF and staff development best practices, which has become standard practice at the FIUTT.

Attained knowledge is delivered through in-house presentations, discussions and regular meetings. Feedback and communication among the Divisions within the FIUTT assist in meeting the needs of our stakeholders, thus contributing to effective and efficient AML/CFT regime.

Table 13 provides a listing of staff training undertaken during this reporting period.

**TABLE 13  
STAFF TRAINING**

<b>NO.</b>	<b>PLACE OF TRAINING</b>	<b>DESCRIPTION OF COURSE/PROGRAMME</b>	<b>ORGANISER/PRESENTER</b>	<b>PARTICIPANTS FROM FIUTT</b>
1.	Port of Spain Trinidad	Ethics, Accountability and Good Governance	Public Service Academy	Analyst
2.	Port of Spain Trinidad	Advanced IBase Designer	IBM	Database Administrator
3.	Port of Spain Trinidad	Workshop on Development of a Strategic Trade and Export Control Framework	Ministry of Foreign & CARICOM Affairs/CFDF Global and Stimson	Compliance and Outreach Officers
4.	Port of Spain Trinidad	Canada Fintech Workshop entitled: Leveraging the Power of Financial Data Technology for KYC	High Commission of Canada/BATT/ATTIC	Compliance and Outreach Officer
5.	Port of Spain Trinidad	FT Training	US Embassy	Analyst
6.	Port of Spain Trinidad	CFATF Training on-site assessment	CFATF	Director Operational Analysis and Analyst
7.	Port of Spain Trinidad	CFATF Training on-site assessment	CFATF	Compliance and Outreach Officer
8.	Port of Spain Trinidad	Assessor Training	CFATF	Analysts
9.	Port of Spain Trinidad	CFATF Standards Training	CFATF	Analysts and Compliance and Outreach Officer
10.	Port of Spain Trinidad	Creativity and Innovation for Leadership Training	Public Service Academy	Analyst

<b>NO.</b>	<b>PLACE OF TRAINING</b>	<b>DESCRIPTION OF COURSE/PROGRAMME</b>	<b>ORGANISER/PRESENTER</b>	<b>PARTICIPANTS FROM FIUTT</b>
11.	Port of Spain Trinidad - Online	ECOFEL Executive Mentorship Training	ECOFEL/Egmont Group Secretariat	Director (Ag.) and Director Operational Analysis
12.	Port of Spain Trinidad - Online	Combatting Trade-Based Money Laundering (TBML)	UNODC	Director (Ag.), Analysis, Compliance and Outreach and Legal Divisions
13.	Port of Spain Trinidad - Online	The role of the FIUs in national ML/FT risk assessments: Lessons learned	Egmont Group Secretariat	Analysis and Compliance and Outreach Divisions
14.	Port of Spain Trinidad - Online	Introduction to VAs and VASPs: terminology, AML/CFT regime vulnerabilities stemming from VAs, the revised FATF standards and their impact of the interactions with VASPs sector	Egmont Group Secretariat	Analysis Division
15.	Port of Spain Trinidad - Online	Operational aspects associated with VAs: blockchain or other technology analyses, information gaps, expertise requirements, IT tools etc.	Egmont Group Secretariat	Analysis Division,
16.	Port of Spain Trinidad - Online	COVID-19 - Best Practices for FIUs	Egmont Group Secretariat	Analysis Division,

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/PROGRAMME	ORGANISER/PRESENTER	PARTICIPANTS FROM FIUTT
17.	Port of Spain Trinidad - Online	Domestic and International Co-operation on ML/FT Cases Through VAs or VASPS: challenges and best practices	Egmont Group Secretariat	Analysis Division,
18.	Port of Spain Trinidad - Online	Vulnerabilities of mobile payment services (MPs) to ML/FT: FIU challenges and best practices	Egmont Group Secretariat	Analysis Division
19.	Port of Spain Trinidad - Online	Illegal Wildlife Trade as a Financial Crime	Egmont Group Secretariat	Analysis Division
20.	Port of Spain Trinidad - Online	Live Webinars for the Egmont Group Heads of FIUs	Egmont Group Secretariat	Director Legal and Legal Officer I
21.	Port of Spain Trinidad - Online	The role of the FIUs in national ML/FT risk assessments: Lessons Learned	Egmont Group Secretariat	Director Legal and Legal Officer I
22.	Port of Spain Trinidad - Online	The Impact of COVID-19 on the rule of law in the Commonwealth	FATF	Legal Officer I
23.	Port of Spain Trinidad - Online	The Data Analytics programme: for non-technical business professionals in the financial services sector who see the strategic value of data.	Trinidad and Tobago International Financial Centre (TTIFC)	Analysis Division

NO.	PLACE OF TRAINING	DESCRIPTION OF COURSE/PROGRAMME	ORGANISER/PRESENTER	PARTICIPANTS FROM FIUTT
24.	Port of Spain Trinidad - Online	Webinar on Money Laundering and the Illegal Wildlife Trade (IWT)	FATF	Analysis Division
25.	Port of Spain Trinidad – Online	Webinar on COVID-19 and the Changing Money Laundering and Terrorist Financing Risk Landscape	FATF	Analysis Division
26.	Port of Spain Trinidad – Online	Webinar on the Detection of Money Laundering and Terrorist Financing in relation to COVID-19	FATF	Analysis Division
27.	Port of Spain Trinidad – Online	Webinar on Cybercrime and terrorism – the criminal justice	Co-organised by the UN Office of Counter-Terrorism and the Council of Europe	Analysis Division

## **CHAPTER VI – STRATEGIC PRIORITIES 2021: BUILDING ON STRENGTHS**

### **1. HUMAN RESOURCES**

The FIUTT successfully recruited Compliance, Legal and Administrative Officers in 2020. The recruitment process will continue in the next year, which is expected to result in greater levels of output from the Legal and Compliance Divisions in terms, of the number of compliance examinations conducted, enforcement actions to be taken, outreach programmes, guidance to entities and applications for registration processed.

The FIUTT in 2020, was given the additional responsibility to supervise EMIs for AML/CFT/CPF compliance. This supervisory function was added to NRFIs, LBs, NPOs and to its core functions of receiving, analysing and disseminating financial intelligence to Competent Authorities. An analysis of the FIUTT business processes and human resources need will have to be conducted to determine the type and level of resources needed to effectively perform all of its functions.

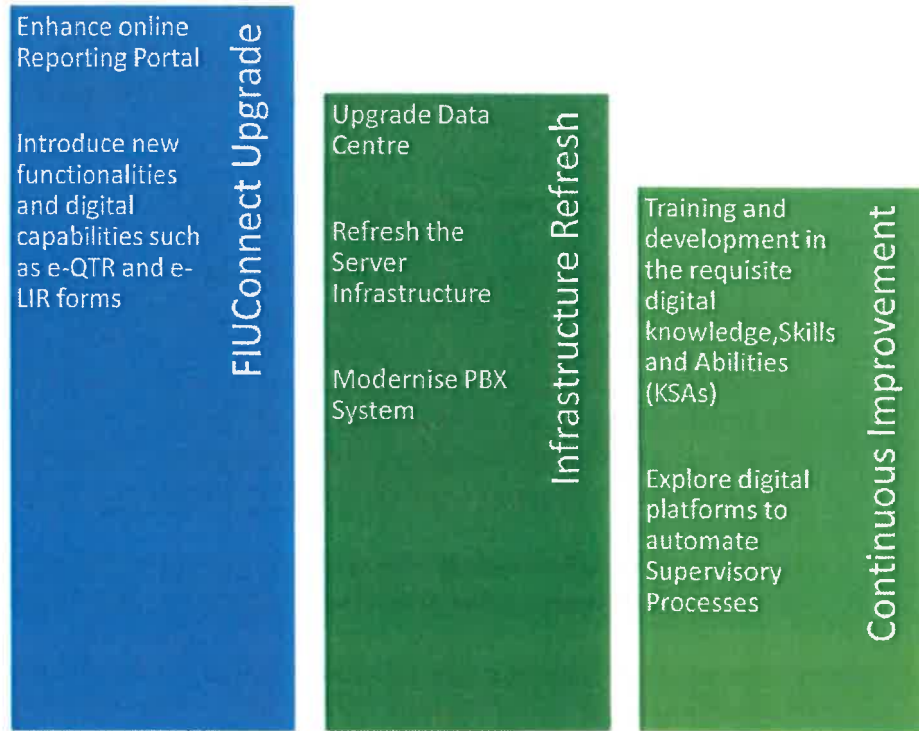
Also, the expected findings and recommendations of the NRA would have an impact on the future resource needs of the FIUTT. The FIUTT will have to conduct an evaluation of its operational strategies and realign its resources to address the risks and deficiencies identified therein.

### **2. INFORMATION SYSTEMS AND TECHNOLOGY PROJECTIONS**

Given GORTT's thrust for Digital Transformation and a digital public service, the FIUTT will continue to pursue ICT initiatives which are aligned to this strategic direction. The FIUTT aims to harness technology that would streamline business processes to facilitate a more efficient environment for employees and improved service delivery to Entities and other stakeholders.

Diagram 29 summarises the digital initiatives that are targeted for the next reporting period:

**DIAGRAM 29**  
**DIGITAL INITIATIVES**



### **3. LEGAL PROJECTIONS**

Following the completion of the 4<sup>th</sup> MER, Trinidad and Tobago has made significant advancements in addressing our technical compliance deficiencies. The results of the 3<sup>rd</sup> FUR in 2019 evidence the country's continued commitment to closing our legislative gaps and strengthening the AML/CFT/CPF regime.

As we move forward, it is anticipated that legislative amendments will be introduced in the following key areas:

- the Gambling (Gaming and Betting) Control Bill, 2020, which seeks to provide for the establishment of the Gambling (Gaming and Betting) Control Commission to regulate the gaming and betting sectors which are vulnerable to ML/FT. This Bill has been amended from its 2016 version and is expected to be reintroduced in the upcoming reporting period;
- extending the range of sanctions to include administrative fines in the AML/CFT/CPF regime;
- amendments to the Financial Intelligence Unit of Trinidad and Tobago Regulations to remove ambiguity and promote effective supervision and dissemination of financial intelligence and information; and
- legislative amendments to include the regulation, supervision and monitoring of Fintechs, including Virtual Assets and Virtual Asset Service Providers for AML/CFT/CPF.

These measures continue to convey the dedication of Trinidad and Tobago to improving effectiveness in crime prevention and detection of the AML/CFT/CPF regime in Trinidad and Tobago.

### **4. THE WAY FORWARD**

The accomplishments of the FIUTT since its existence in 2010 can be found in the past ten Annual Reports. The FIUTT has been performing its mandate in accordance with the FIUA, POCA and ATA. The FIUTT will continue to engage with its key Law Enforcement Authorities, Supervisory Authorities, Intelligence Agencies and Reporting Entities to combat ML/FT/PF and other serious criminal conduct.

The FIUTT in the next reporting period will place emphasis on:

- working with all stakeholders for the successful completion and effective implementation of Trinidad and Tobago's next National Risk Assessment;
- a review of the type of FIU structure and operations that best serves the current need of Trinidad and Tobago based on the risk assessment of the ML/FT landscape;
- provide alerts and advisories on emerging trends and patterns of financial crimes impacting Trinidad and Tobago and internationally;

**FIUTT 2020 ANNUAL REPORT**



- of the support and finding new opportunities to work more closely with all our stakeholders to further strengthen the AML/CFT/CPF regime in Trinidad and Tobago;

## APPENDIX A

### LIST OF SUPERVISED ENTITIES AND REPORTING ENTITIES

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

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

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

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

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

LISTED BUSINESS (LBs)		
<ul style="list-style-type: none"> <li>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.</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Art Dealers</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Trust and Company Service Providers</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Non-Profit Organisations</li> </ul>	✓	✓
FINANCIAL INSTITUTIONS (FIs)	SUPERVISED ENTITIES	REPORTING ENTITIES
<ul style="list-style-type: none"> <li>A bank licensed under the Financial Institutions Act</li> </ul>		✓
<ul style="list-style-type: none"> <li>A Financial Institution licensed under the Financial Institutions Act</li> </ul>		✓
<ul style="list-style-type: none"> <li>An insurance company, agent or broker registered under the Insurance Act</li> </ul>		✓
<ul style="list-style-type: none"> <li>A person licensed under the exchange control act to operate an exchange bureau</li> </ul>		✓
<ul style="list-style-type: none"> <li>A person licensed under the Securities Act as a broker-dealer, underwriter or investment adviser</li> </ul>		✓
<ul style="list-style-type: none"> <li>Development banks, trust companies, mortgage companies</li> </ul>		✓
<ul style="list-style-type: none"> <li>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</li> </ul>		✓
NON-REGULATED FINANCIAL INSTITUTIONS (NRFIS)	Supervised Entities	Reporting Entities
<ul style="list-style-type: none"> <li>A society registered under the Co-operative Societies Act</li> </ul>	✓	✓

NON-REGULATED FINANCIAL INSTITUTIONS (NRFIS)	Supervised Entities	Reporting Entities
<ul style="list-style-type: none"> <li>• A person who carries on money or value transfer services:               <ul style="list-style-type: none"> <li>○ E-Money Issuers</li> </ul> </li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• A building society registered under the Building Societies Act</li> </ul>	✓	✓


## APPENDIX B

### GENERAL ML/FT SUSPICIOUS INDICATORS

GENERAL SUSPICIOUS INDICATORS	ML	FT
<ul style="list-style-type: none"> <li>• Transactions take place for which there appears to be no logical business or another economic purpose, particularly when this is through or from countries known or suspected to facilitate money laundering or terrorism activities.</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• The client cannot provide satisfactory evidence of identity.</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• Situations where the source of funds cannot be easily verified.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• Situations where it is difficult to verify customer information.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• Frequent change of ownership of the same property in an unusually short time with no apparent business, economic or other legitimate reason &amp; between related persons.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• Client wants to <u>re-sell property shortly after purchase</u> at a significantly different purchase price, without corresponding changes in market values in the same area.</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• Client wishes to form or purchase a company whose <u>corporate objective is irrelevant</u> to the client's normal profession or activities, without a reasonable explanation.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• The client sets up shell companies with nominee shareholders and/or directors.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• The client has companies with capital in the form of bearer shares.</li> </ul>		✓
<ul style="list-style-type: none"> <li>• Client <u>repeatedly changes attorneys</u> within a short time without any reasonable explanation.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>• Client <u>purchases property in names of other persons</u> or uses different names on offers to purchase, closing documents and deposit receipts.</li> </ul>	✓	
GENERAL SUSPICIOUS INDICATORS	ML	FT

GENERAL SUSPICIOUS INDICATORS	ML	FT
<ul style="list-style-type: none"> <li>Client deposits a large amount of cash with you to make payments and investments on his behalf.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Client negotiates a purchase but wants to <b>record a lower value on documents</b>, paying the difference “under the table” (inadequate consideration).</li> </ul>	✓	
<ul style="list-style-type: none"> <li>Client’s documents such as identification, income statements or employment are provided by <b>an intermediary</b> who has no apparent reason to be involved (intermediary may be the real client).</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Client gives power of attorney to a non-relative to conduct large transactions (same as above).</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Transaction involves legal entities and <b>no relationship seen between the transaction and the business activity</b> of the buying company, or the company has no business activity (Shell Company).</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>Client <b>requests the firm to act as his agents</b> in obtaining high sum bankers’ drafts, cashiers’ cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from another bank or FIs (anonymity).</li> </ul>	✓	
<ul style="list-style-type: none"> <li><b>Divergence</b> from the type, volume or frequency of transactions expected in the course of the business relationship.</li> </ul>	✓	✓


## APPENDIX C



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO


**FINANCIAL INTELLIGENCE UNIT**

MINISTRY OF FINANCE




# BEWARE OF ROMANCE SCAM

**S:** **Social Media Platforms** utilized; victims are usually at a vulnerable stage in their lives. **COVID-19 pandemic:** perpetrators take advantage of increase use of social media to identify potential victims.




*The perpetrator can continue to 'engage' the relationship or target a new victim*


**C:** **Communication** is usually done through email, Facebook, Instagram, text or phone calls. There is **NO physical meeting**.




*Requests for money can be made multiple times*



**M:** **Minimal** information about the purpose of the transaction. Once the 'payment' is made, the perpetrator or co-conspirator makes **ATM or in-branch cash withdrawals**.




**A:** **Abnormal** transactions conducted by Victim following requests by the perpetrator or an 'alleged Courier Service' to make deposits into named individual accounts for the purpose of '**clearing a package**'.



# BEWARE OF ROMANCE SCAM



August 10, 2020



## APPENDIX D



### MEDIA RELEASE

**JOINT PUBLIC ADVISORY BY THE  
TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION,  
THE FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO AND  
THE CENTRAL BANK OF TRINIDAD AND TOBAGO**

ON

**"PYRAMID SCHEMES" MARKETED IN TRINIDAD AND TOBAGO**

The Financial System Regulatory Authorities: The Trinidad and Tobago Securities and Exchange Commission (TTSEC), the Financial Intelligence Unit of Trinidad and Tobago (FIU) and the Central Bank of Trinidad and Tobago (CBTT) are jointly issuing this advisory to the public to be cautious about entering into ventures commonly referred to as "pyramid schemes".

These schemes are currently being heavily marketed to nationals through online chat groups, via virtual meeting platforms and by direct face-to-face contact. Pyramid schemes may take many forms and are often falsely presented as new investments including different types of securities, foreign currency trades and even traditional "sou-sou" arrangements.

How can you recognise a Pyramid Scheme?

- They require persons to join groups and make an initial contribution of money with the promise of a significant pay-out or "return" on their contribution at a later date.
- They rely on the recruitment of new members to ensure high pay-outs – this is very different from "sou-sou" arrangements for example, which do not require the recruitment of new members and are not profit-making ventures.

*FIUTT 2020 ANNUAL REPORT*



## **APPENDIX D (Continued)**

- Early contributors to the scheme are paid from the money contributed by newer members. Existing members are encouraged to recruit new persons so that they can move to a different “level” or “circle” which promises higher returns on their contribution. The overall intention

is to get to the “highest level” or to the top of the pyramid which will produce the highest pay-outs, while the newest members, those at the bottom of the pyramid, receive the lowest returns on their contributions. **When fewer or no new members join the scheme, it collapses and disappears along with the payment platform and the money that was ‘invested.’**

Schemes outside of regulated financial facilities, such as pyramid schemes, promising exorbitant cash pay-outs pose a serious risk to those participating including loss of their hard-earned money. In addition, recipients of these funds may not be able to determine its true origins, which may be from illicit sources. **You should therefore avoid pyramid schemes.**

Please note that **ANY** individual or entity promoting investment opportunities must be registered with the TTSEC. Reporting Entities should pay special attention to any unusual activity/transaction and if it is suspicious, report to the FIU.

The Regulatory Authorities are advising the public to remain vigilant and report any fraudulent activity to the **Fraud Squad of the Trinidad and Tobago Police Service (TTPS)** at Telephone numbers: **1(868) 625-2310** or **1(868) 623-2644** or; **Fraud Squad South office at 1(868) 652-8594**; or by Email: [fraud@ttps.gov.tt](mailto:fraud@ttps.gov.tt).

**Dated: August 20 2020.**

## APPENDIX E



### FINANCIAL SECTOR REGULATORS JOINT MEDIA RELEASE

September 30, 2020

#### REGULATORS READY TO FACILITATE FINTECHS

The Central Bank of Trinidad and Tobago (CBTT), the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) have been collaborating in their capacity as **Financial Sector Regulators**, to establish a framework to regulate and supervise entities that offer products and services based on financial technology (Fintech). We are pleased to announce the following major developments that will facilitate Fintech:

- The [E-Money Issuer Order, 2020](#)<sup>1</sup> (“Order”) was issued on August 4, 2020, by the Minister of Finance on the advice of the Central Bank under Section 17(4) of the Financial Institutions Act 2008 (“FIA”). The Order, which is a key component of the Fintech strategy, establishes the legal framework to facilitate the issuance of E-money (money stored on cards/electronic wallets etc.) by persons other than financial institutions licensed under the FIA. The Order can be found on the Bank’s website at [www.central-bank.org.tt](http://www.central-bank.org.tt).
- The **Regulatory Innovation Hub** (a portal on the Regulators’ websites) will provide the opportunity for entities to receive guidance on the regulatory requirements for proposed financial technology products and services. This portal will be made accessible to the public on all Regulators’ websites from October 2, 2020.
- The **Regulatory Sandbox** which will be launched in two phases, will allow interested entities to test their products and services in a controlled environment, under the supervision of the Regulators. Phase 1 of the Sandbox will be operational upon granting of provisional registration to an EMI. Phase 2 will apply to other Fintechs and will be launched at a later date.

Look out for more information on regulatory developments for Fintechs on the [Central Bank’s website](#), [TTSEC’s website](#) and the [FIUTT’s website](#).

<sup>1</sup> The E-Money Issuer Order, 2020

## APPENDIX F



# E-MONEY Frequently Asked Questions (FAQs)

The Government of Trinidad and Tobago (GORTT), through the Minister of Finance, signed an E-Money Issuer Order ("Order") effective August 4, 2020. The Order can be found on the Central Bank of Trinidad and Tobago's website at [www.central-bank.org.tt](http://www.central-bank.org.tt).

### FAQs

#### 1. What is E-money?

E-money is defined in the Financial Institutions Act (FIA) 2008, as monetary value represented by a claim on the issuer which is:

- Stored on an electronic device;
- Issued on receipt of funds of an amount not less in value than the monetary value issued and said funds shall not be certified as a receipt; and
- Assented in a manner of payment by persons other than the issuer.

E-money can be stored on a card or a digital device. Examples of e-money instruments include prepaid cards, stored value accounts and digital wallets. Traditionally only licensed financial institutions ("licensees") under the FIA could issue e-money, however, given the emergence of Fintechs in the financial landscape, GORTT has approved an E-Money Issuer Order, effective August 4, 2020, that allows entities other than licensees to issue e-money.

#### 2. Which entities are now eligible to become E-Money Issuers (EMIs)?

The following categories of persons can apply to be registered as E-Money Issuers (EMIs):

- Entities registered with the Central Bank as Payment Service Provider (PSP) or Payment System Operator (PSO);
- Money lenders registered with the Financial Intelligence Unit of Trinidad and Tobago (FIUTT);
- Mobile Network Operators authorized by the Telecommunications Authority of Trinidad and Tobago;
- Technology Service Providers; and
- Other financial institutions, such as credit unions, co-ops, e-companies and the Trinidad and Tobago Land Trust Corporation.

#### 3. How can I become an E-Money Issuer?

You can apply for registration pursuant to the E-Money Issuer (EMI) Order by completing an EMI form on the Innovation Hub. To be registered as an EMI you must satisfy the conditions in the E-Money Issuer Order and must be a body corporate with a registered office in Trinidad and Tobago. To be registered as an EMI you must also be registered as a PSP pursuant to the Central Bank Act. However, if you are not a registered PSP, you can apply for registration at the same time when applying to become an EMI. Please click the link to the Regulatory Innovation Hub on either of the following websites for further information on the process for registering as an EMI: <http://www.central-bank.org.tt> or <https://www.fiu.org.tt>.

#### 4. Who will regulate E-Money Issuers?

The Central Bank of Trinidad and Tobago ("CBTT") will determine whether entities will be issued full or provisional registration pursuant to the E-Money Issuer Order. Once that determination is made, the EMI will also be required to register with the FIUTT and will be subject to AML/CFT supervision by the FIUTT. In the case of full registration, EMIs will be required to comply with the conditions set out in the E-Money Issuer Order or alternatively, for provisional registration, the conditions set out by CBTT.

#### 5. Is there an application fee?

Yes, EMIs in Trinidad and Tobago will be required to pay an initial application fee to CBTT of TT\$10,000 and annual application fees of TT\$20,000 for EMIs and TT\$1,000 for Agents.

#### 6. Are there any E-money restrictions?

EMIs in Trinidad and Tobago will be prohibited from:

- Co-mingling of an e-money account holder's funds with that of the EMI or any other entity or person;
- Buying, selling or dealing in foreign currency;
- Granting of credit;
- Issuing/allowing joint accounts;
- Paying interest on the e-money holder's account; and
- Issuing e-money in currencies other than Trinidad and Tobago currency.




CENTRAL BANK OF TRINIDAD & TOBAGO

For further information or queries on the above, please contact the Central Bank via email at: [fintechvc@central-bank.org.tt](mailto:fintechvc@central-bank.org.tt) or [info@central-bank.org.tt](mailto:info@central-bank.org.tt)

## **GLOSSARY**

### **BENEFICIAL OWNER**

Beneficial owner refers to the natural person(s) who ultimately<sup>10</sup> owns or controls a customer<sup>11</sup> and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

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

### **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.

### **FINTECH**

Fintech refers to advances in financial technology that have the potential to transform the provision of financial services, spurring the development of new business models, applications, processes, and products.

Source: *IMF Policy Paper 'The Ball Fintech Agenda'*

### **INNOVATION HUB**

An Innovation Hub is an innovation facilitator set up by supervisory agencies that provide support, advice or guidance to regulated or unregulated firms in navigating the regulatory framework or identifying supervisory policy or legal issues and concerns.

Source: *Basel Committee on Bank Supervision*

---

<sup>10</sup> Reference to “ultimately owns or controls” and “ultimate effective control” refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.

<sup>11</sup> This definition should also apply to beneficial owner of a beneficiary under a life or other investment linked insurance policy.

## **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 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.

## **POLITICALLY EXPOSED PERSONS**

- i. Foreign PEPs are individuals who are or have been entrusted with prominent functions by a foreign country, for example, Heads of State or government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations and important political party officials.
- ii. Domestic PEPs are individuals who are or have been entrusted with prominent functions in Trinidad and Tobago, for example, Heads of State or government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations and important political party officials.
- iii. Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management such as directors and members of the board or equivalent functions.

- iv. Family members are individuals who are related to either a Foreign or Domestic PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership.
- v. Individuals who are closely connected to or associated with a PEP as defined in i, ii and iii above, either personally or professionally.

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

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

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

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

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

## **REGULATORY SANDBOX**

A Regulatory Sandbox usually refers to live testing of new products or services in a controlled environment. Sandboxes may be considered to be more than just a dialogue or an informal exchange, as they engage a supervisor's active corporation during the test period. Sandboxes also imply the use of legally provided discretions by the supervisory agency. Their use depends on the jurisdiction.

Source: *Basel Committee on Bank Supervision*

## **REPORTING ENTITIES**

Reporting Entities are FIs and certain businesses and professionals (the "Listed Business") which are designated to detect and deter ML and FT. These obligations include the development and implementation of a compliance programme which includes policies, procedures and controls such as the appointment of a Compliance Officer, reporting suspicious transactions, customer due diligence, retention of records and training for staff.

## 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](#)

## TERRORIST

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

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

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

## 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 terrorist 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.

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

## VIRTUAL ASSET

A virtual asset is a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes. Virtual assets do not include digital representations of

fiat currencies, securities and other financial assets that are already covered elsewhere in the FATF Recommendations.

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

## **VIRTUAL ASSET SERVICE PROVIDER**

Virtual asset service provider means any natural or legal person who is not covered elsewhere under the Recommendations, and as a business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:

- i. exchange between virtual assets and fiat currencies;
- ii. exchange between one or more forms of virtual assets;

## **VIRTUAL ASSET SERVICE PROVIDER**

- iii. transfer<sup>1</sup> of virtual assets;
- iv. safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets; and
- v. participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

*[1.] In this context of virtual assets, transfer means to conduct a transaction on behalf of another natural or legal person that moves a virtual asset from one virtual asset address or account to another.*

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

## **VOLUNTARY INFORMATION REPORTS (VIRs)**

If any member of the public would like to provide information about suspicions of money laundering or the financing of terrorist activities, a Voluntary Information Report (VIR) can be submitted via post or email to the FIUTT. If you believe that the information you provide is serious and requires an immediate law enforcement response, then you may also wish to provide this information directly to your local law enforcement agency.







Enquiries relating to this report  
should be addressed to:

**The Director  
Financial Intelligence Unit  
of Trinidad and Tobago**

Level 25, Tower D  
International Waterfront Complex  
1A Wrightson Road  
Port of Spain  
Telephone: + (868) 625-8351  
Fax: + (868) 627-7018  
E-mail: [fiufedback@gov.tt](mailto:fiufedback@gov.tt)  
Website: [www.fiu.gov.tt](http://www.fiu.gov.tt)