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Monthly Statistical Report

Divisions   : Financial Investigations and Analysis & Compliance and

                                     Monitoring

Reporting Period   : 01 -30 November 2018

Date Compiled   : 03 December 2018

1.	Incoming Reports

Reports			
	November 18	**November 17**	**Total**
CBMCRs[1]	1	5	93
CTRs[2]	4 548	6 814	297 888
EFTs[3]	50 634	461 671	3 593 344
IFTs[4]	93 063	133 870	3 344 534
SARs[5]	20	12	608
STRs[6]	163	120	5 013

The period under review has seen a significant reduction in the volumes of CBMCRs, CTRs, EFTs and IFTs received by the FIC from Accountable and Reportable Institutions, when compared to the same period last year. The number of EFTs decreased extremely from 461 671 to only 50 634 transactions. Additionally, the number of IFTs declined from 133 870 to 93 063 transactions. Amongst others, various factors including the reduction in economic activities could be attributed to the significant decrease. Conversely, the number of STRs and SARs increased. The volume of STRs rose from 120 to 163 reports, whereas the SARs rose from to 12 and 20 reports.

Requests for Information			
	November 18	**November 17**	**Total**
IRDs[7]	11	4	269
IRIs[8]	2	4	47

A total of 11 IRDs were received during the period under review, an increase from 4 IRDs received during the same period last year. However, there was a drop in the number of IRIs received by the FIC from 4 requests to only 2 requests. Thus far, a total of 316 requests have been received by the FIC since inception.

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[1] CBMCR: Cross Border Movement of Cash Report
[2] CTR: Cash Transaction Report
[3] EFT: Electronic Funds Transfer
[4] IFT: International Funds Transfer
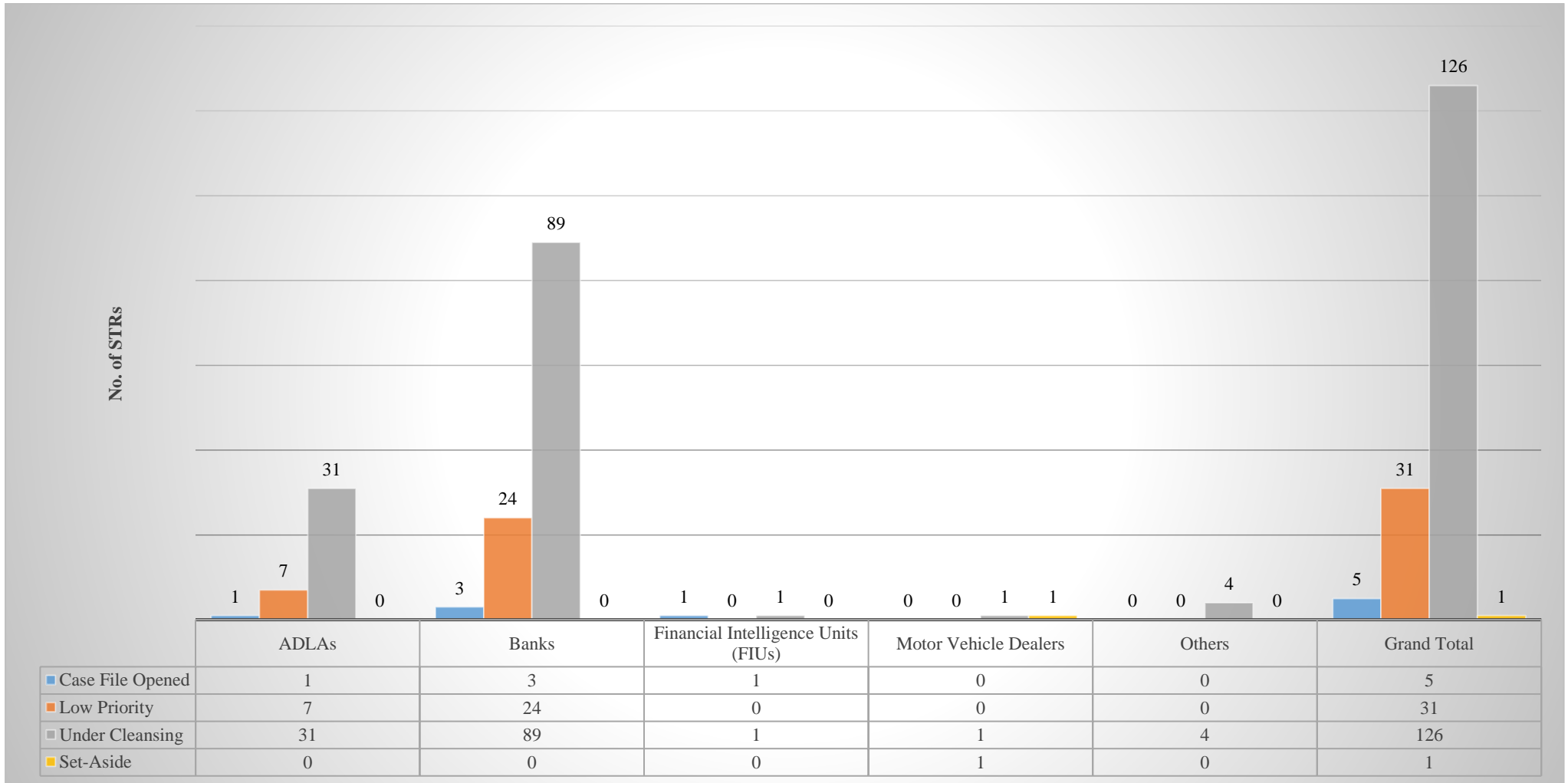[5] SAR: Suspicious Activity Report
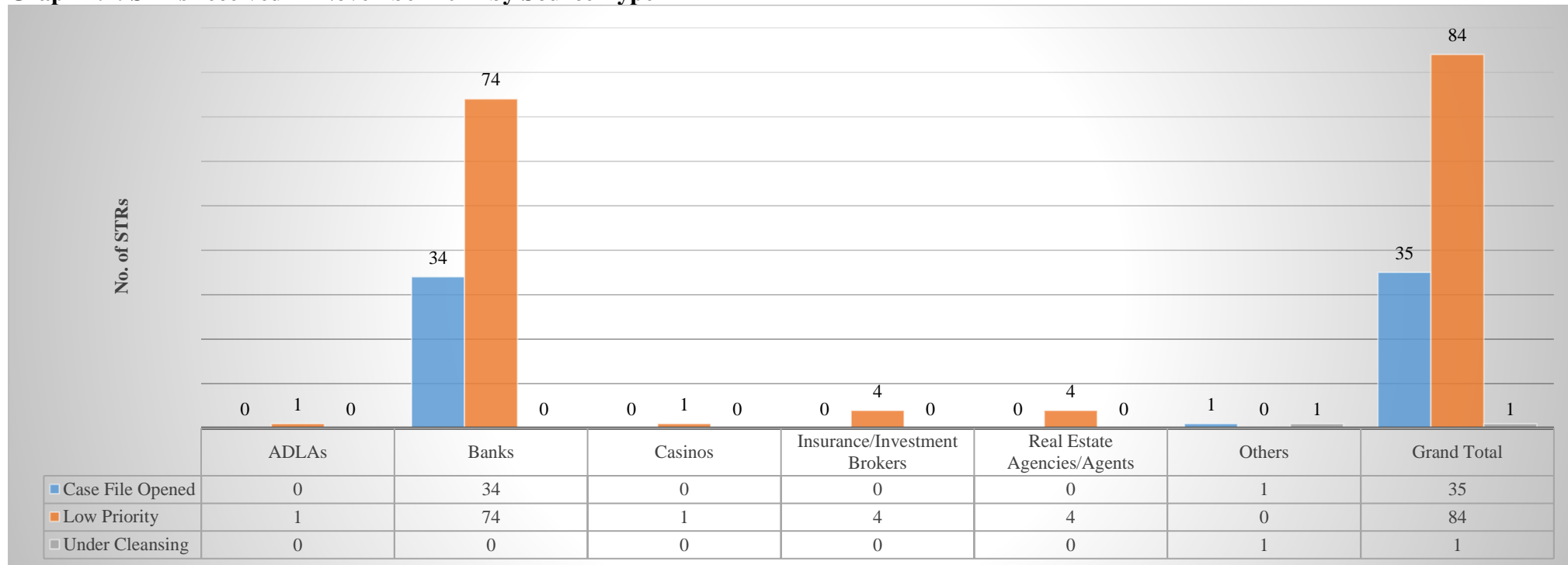[6] STR: Suspicious Transaction Report
[7] IRD: Incoming Request-Domestic
[8] IRI: Incoming Request-International

2. STR received by Source Type

Graph 2.1: STRs received in November 2018 by Source Type

	ADLAs	Banks	Financial Intelligence Units (FIUs)	Motor Vehicle Dealers	Others	Grand Total
■ Case File Opened	1	3	1	0	0	5
■ Low Priority	7	24	0	0	0	31
■ Under Cleansing	31	89	1	1	4	126
■ Set-Aside	0	0	0	1	0	1

Graph 2.2: STRs received in November 2017 by Source Type

	ADLAs	Banks	Casinos	Insurance/Investment Brokers	Real Estate Agencies/Agents	Others	Grand Total
Case File Opened	0	34	0	0	0	1	35
Low Priority	1	74	1	4	4	0	84
Under Cleansing	0	0	0	0	0	1	1

The total number of STRs received increased by 35.8% from 120 STRs recorded in November 2017 to 163 STRs recorded in November 2018. Graph 2.1 further shows that currently, out of all the STRs received during the period under review, only 5 reports were escalated for further analysis whereas 31 were classified as 'low priority'.[7] Amongst other factors, reports can be classified as 'low priority' when the observed suspicion does not fall within law enforcement's priority areas of investigation or if the FIC finds poor articulation of the grounds of suspicion in STRs filed. Further, a total of 126 STRs or 77.3% of these reports are still under cleansing at the time of reporting. The delay in completion of cleansing activities is primarily caused by limited resources within the FIC. Significantly, the Banks continue to file the most reports. In the period of November 2018 and November 2017, they filed 71% and 90% of all STRs respectively.

[7] It is important to note that the STRs which were accorded status such as (case opened, low priority and under cleansing) are those that were only received during the month under review.

Graph 2.3: STRs by Reporting Entities: November 2018 & November 2017

Bar chart showing STRs by reporting entities comparing Nov-17 (orange) and Nov-18 (blue):

Reporting Entity	Nov-17	Nov-18
REAL ESTATE AGENCIES/AGENT-C	2	0
CASINO-A	1	0
SUPERVISORY AND REGULATORY BODIE-A	1	0
INDIVIDUALS REPORTING ENTITY-A	1	0
INSURANCE/INVESTMENT BROKER-B	4	0
REAL ESTATE AGENCIES/AGENT-B	2	0
REAL ESTATE AGENCIES/AGENT-A	0	1
BANK-F	0	41
LEGAL PRACTITIONER-A	0	1
INSURANCE/INVESTMENT BROKER-A	0	1
MOTOR VEHICLE DEALER-A	0	2
ADLA-C	0	1
BANK-E	8	7
BANK-D	0	36
ADLA-B	1	1
ADLA-A	0	37
BANK-C	94	30
FIC-A	0	2
BANK-B	6	1
BANK-A	0	1
PENSION FUND ADMINISTRATOR-A	0	1

During the period under review, Bank-F filed the majority of STRs, amounting to 25.2% of all STRs. This was followed by Bank-D with 36 STRs (or 22.1%) then Bank-C who filed 30 STRs (or 18.4%). During the same period last year, Bank-C filed the most STRs followed by Bank-E, filing 78% and 7% respectively. It is important to note that STRs filed by Bank-D during the month under review increased drastically when compared to the same period last year, from only 0 to 36 STRs.

3.   Analysis

Under Analysis	
November -18	
Cases	164
IRDs	69
IRIs	7

Set-Aside			
	November -18	**November -17**	**Total**
Cases	0	0	101
IRDs	0	0	4
IRIs	0	0	0
SARs	0	0	4
STRs	2	0	73

Low Priority			
	November -18	**November -17**	**Total**
Cases	0	0	310
IRDs	0	0	0
IRIs	0	0	0
SARs	8	3	356
STRs	47	40	3 033

During the period under review, 164 Cases, 69 IRDs and 7 IRIs were under analysis. There were no Cases, IRDs, IRIs and SARs set aside during the month of November 2018 with the exception of 2 STRs set-aside. The number of STRs classified as 'low priority' amounted to 47, an increase from the 40 classified as such during the same period in 2017. Similarly, SARs classified as 'low priority' increased to 8 from 3. Amongst others, the primary reasons why these reports were classified as low priority in November 2018 is due to:

a.   the negligible (or insignificant) amounts involved;

b.   poor articulation of the grounds of suspicion in STRs or SARs; and

c.   human resource constraints within FIC.

Since inception, the total number of SARs and STRs classified as 'low priority' amounted to 356 and 3 033 respectively.

4.   Disclosures

Graph 4.1: Total Disclosures: November 2018 and November 2017
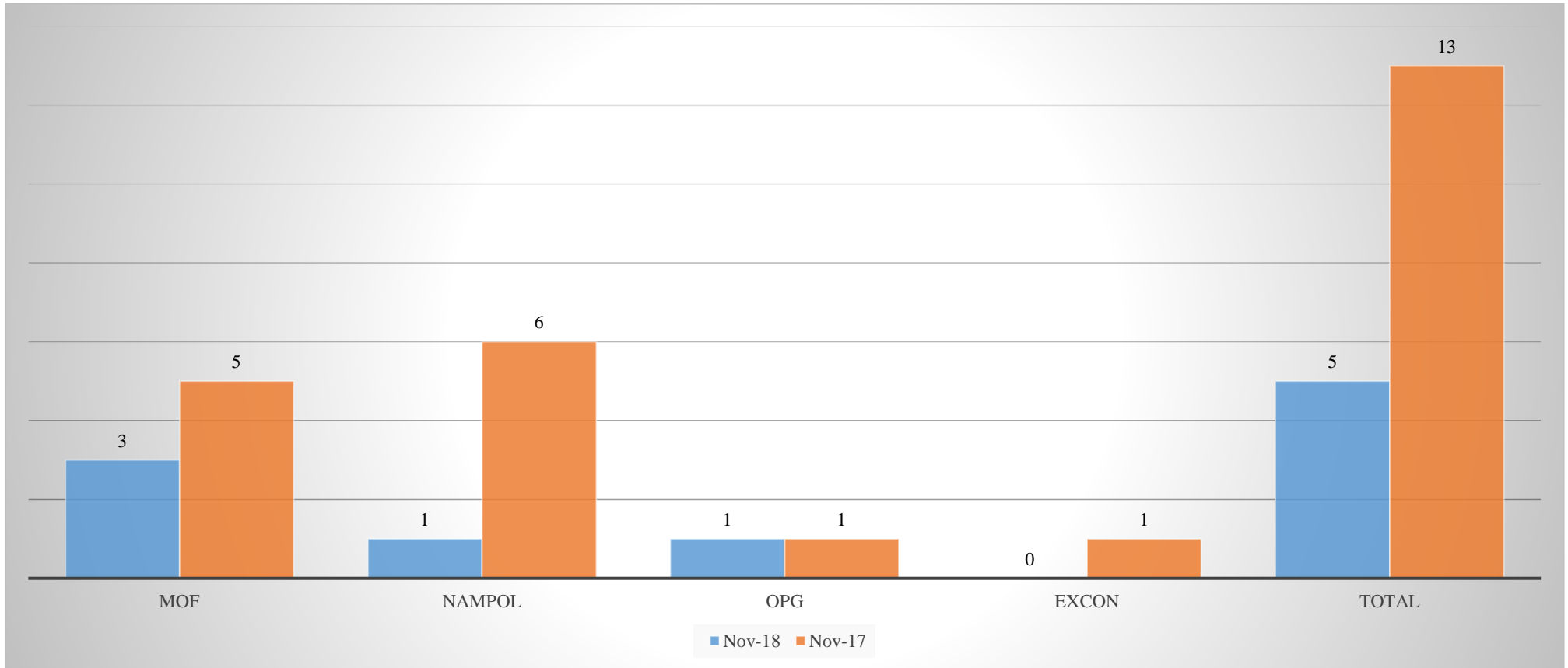
The Centre disseminated a total of 5 and 13 disclosures during November 2018 and November 2017 respectively. The Ministry of Finance-Receiver of Revenue Department continued to receive the highest number of disclosures (from FIC) during the period under review, receiving a total of 3 reports. This points to potential tax evasion cases being the highest potential predicate offences in most cases under FIC review. See graph 4.2 below.

Graph 4.2: Potential Offences: November 2018 and November 2017
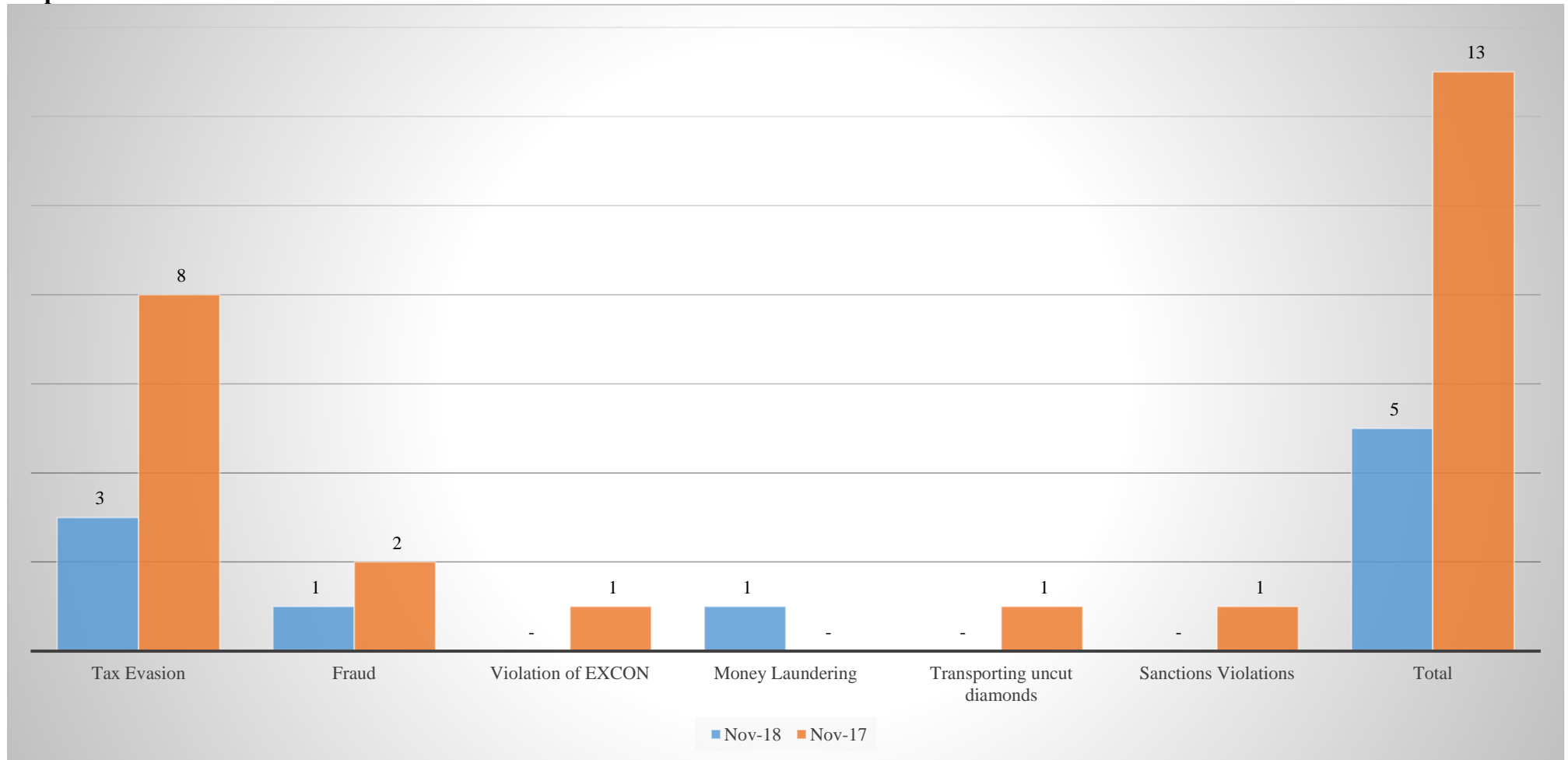
Tax Evasion featured as the leading potential offence with 3 incidences recorded in November 2018. Fraud and Money Laundering cases also featured as the prominent potential predicate offenses during the period under review. Overall, a total of 5 potential predicate offences were recorded.

Graph 4.3: Potential value per offence: November 2018 and November 2017
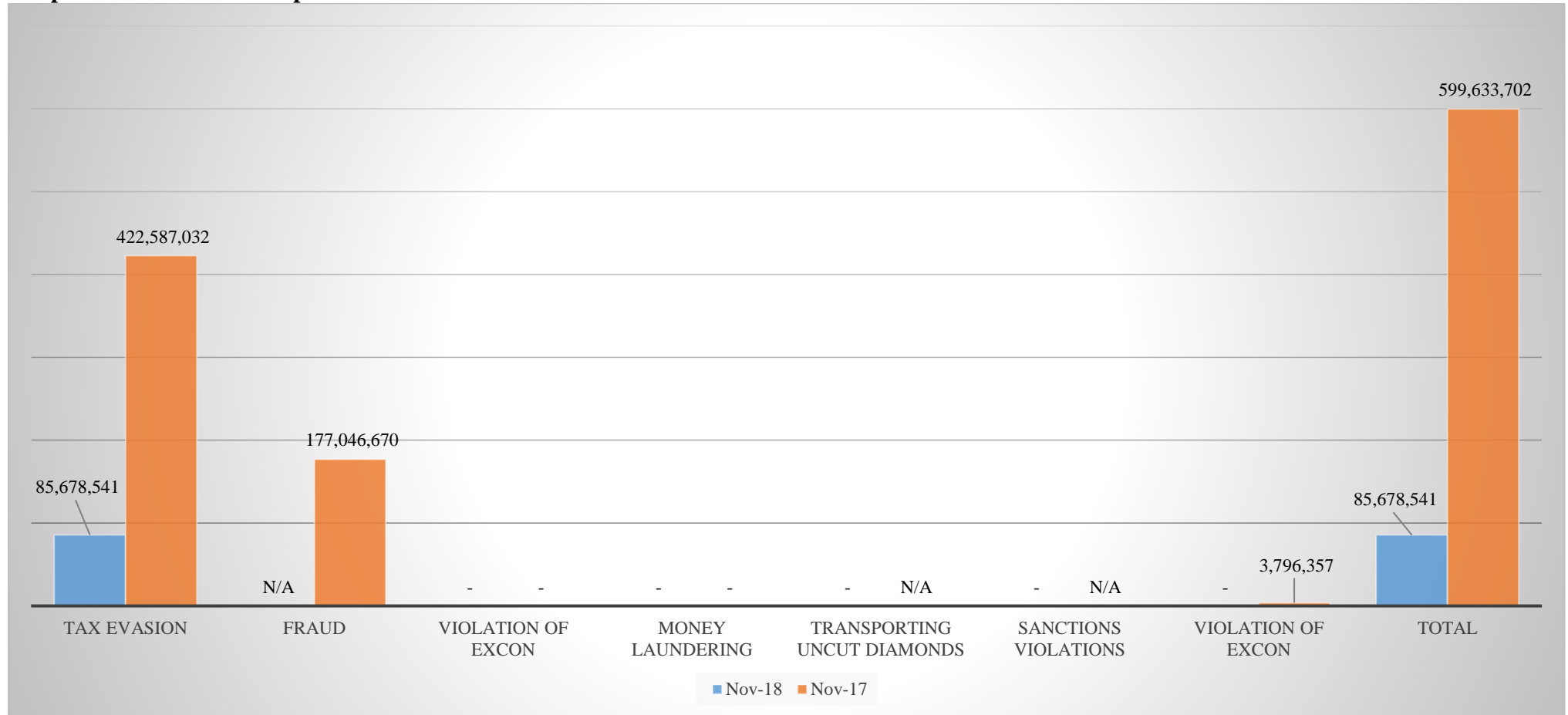
There is a significant decrease in the potential monetary value per predicate offense recorded during November 2018 (NAD 85,678,541) when compared to November 2017 (NAD 599,633,702). Further, Tax Evasion value as a potential predicate offense recorded the highest amounts during the two periods, at NAD 85,678,541 and NAD 422,587,032 recorded during November 2018 and November 2017 respectively. Fraud, transporting uncut diamonds and Sanctions Violations' potential monetary values per predicate offense were not available at the time of reporting.

5. Referrals

Compliance	Legal & Enforcement	Monitoring Orders	Intervention Orders
None	None	Issued : None	Issued : 1
		No. of accounts : None	Amount Involved : NAD 51 655.87

During the month under review, one intervention order was issued to Bank-F. It is worth noting that the intervention order was issued as a result of IRD filed by Office of the Prosecutor General (OPG). No monitoring order was issued during the period under review.

6. **Compliance Inspections**

Graph 6.1: Compliance assessments: November 2018 and November 2017
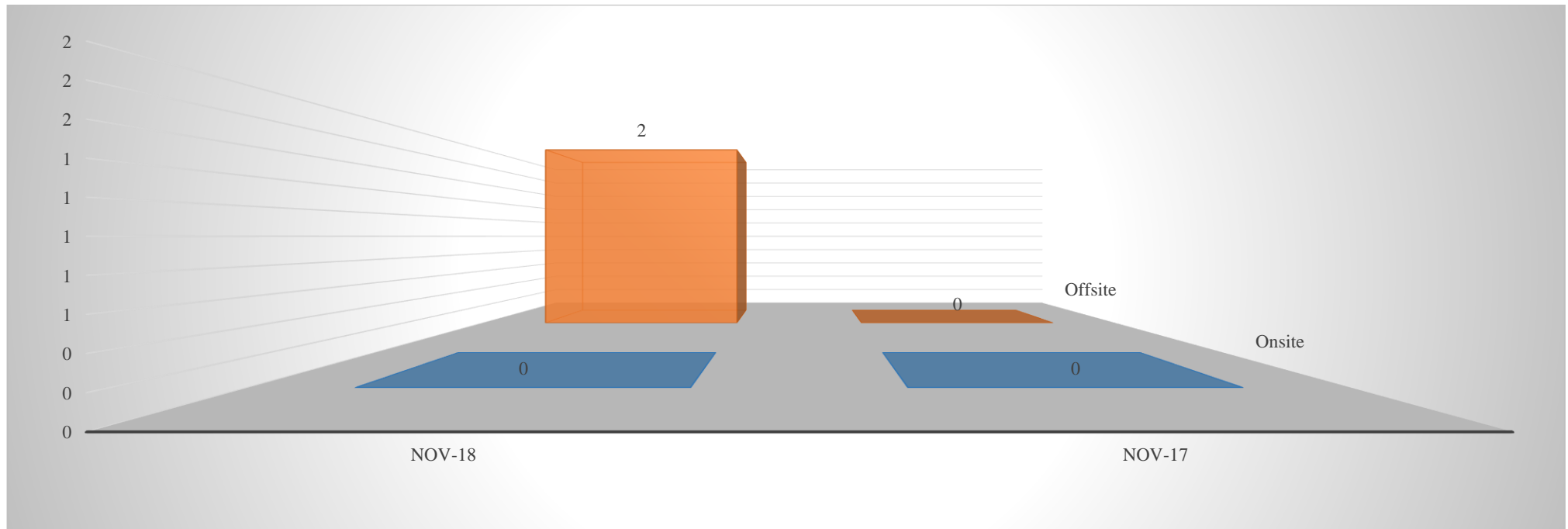
During the period under review and the same period last year, there were no onsite assessment activities recorded. However, two off-site assessment activities were conducted during November 2018. Reasons for the low number of assessments conducted include:

a. the reduction in the number of staff members (2 staff resignations in November 2017); and

b. re-prioritisation of Areas of Concentration – the Compliance Monitoring and Supervision Division has shifted its attention from conducting compliance assessments activities to include activities such as the Sectoral Risk Assessments (SRA) for the months June to November 2018. This has resulted in a reduction in the volume of assessments as staff members had to concentrate on the SRA which is comparatively a time consuming exercise.

Graph 6.2: Registrations of Accountable and Reporting Institutions with the FIC: November 2018 and November 2017

21	
NOV-18	NOV-17 (18)
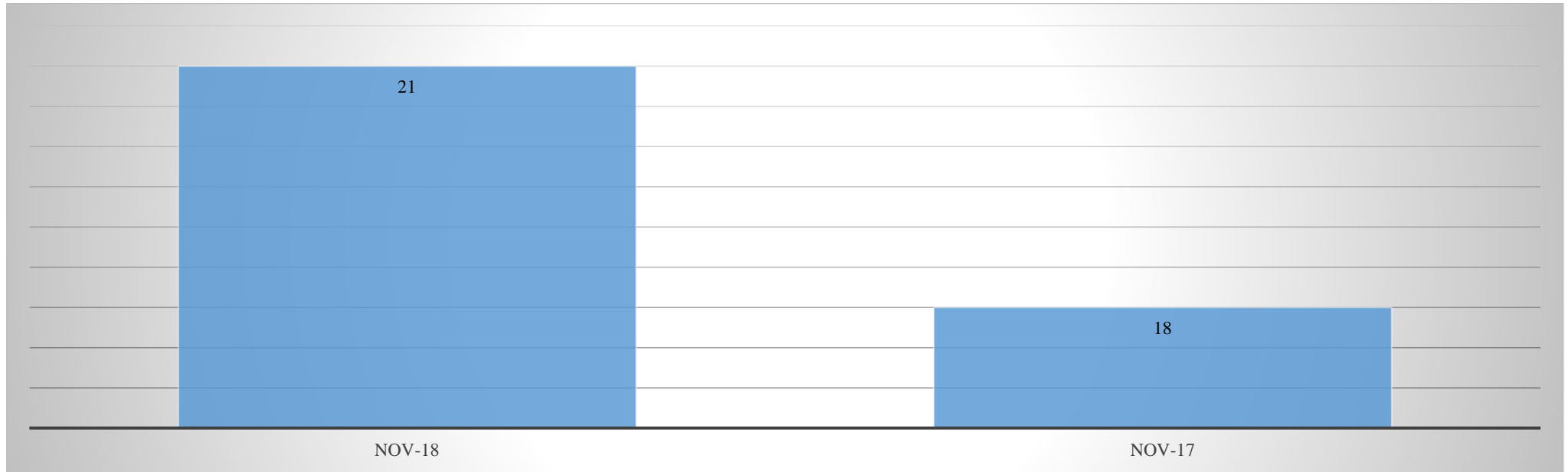
During the period under review, the FIC registered 21 Accountable and Reporting Institutions.