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Strategic Analysis Division-October 2018



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Monthly Statistical Report

Divisions : Financial Investigations and Analysis & Compliance and
Monitoring

Reporting Period : 01 -31 October 2018

Date Compiled : 01 November 2018

1.

Incoming Reports

Reports			
	October 18	October 17	Total
CBMCRs ¹	0	0	92
CTRs ²	4 655	6 591	295 737
EFTs ³	67 276	294 521	3 566 035
IFTs ⁴	98 049	119 806	3 286 488
SARs ⁵	28	9	588
STRs ⁶	126	164	4850

The period under review has seen a significant reduction in the volumes of various reports received by the FIC from Accountable Institutions, when compared to the same period last year. The number of EFTs decreased extremely from 294 521 to 67 276 transactions. The number of IFTs declined from 119 806 to 98 049 transactions. Further, the number of STRs also decreased from 164 to 126. It is however worth noting that the number of SARs increased from 9 to 28 reports. Amongst others, various factors including the reduction in economic activities could be attributed to the significant decrease.

Requests for Information			
	October 18	October 17	Total
IRD ⁷	10	7	258
IRIs ⁸	0	0	45

A total of 10 IRDs were received during October 2018, an increase from 7 IRDs received during the same period last year. Conversely, there was no IRI received during the period under review. Thus far, a total of 303 requests have been received by the FIC since inception.

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

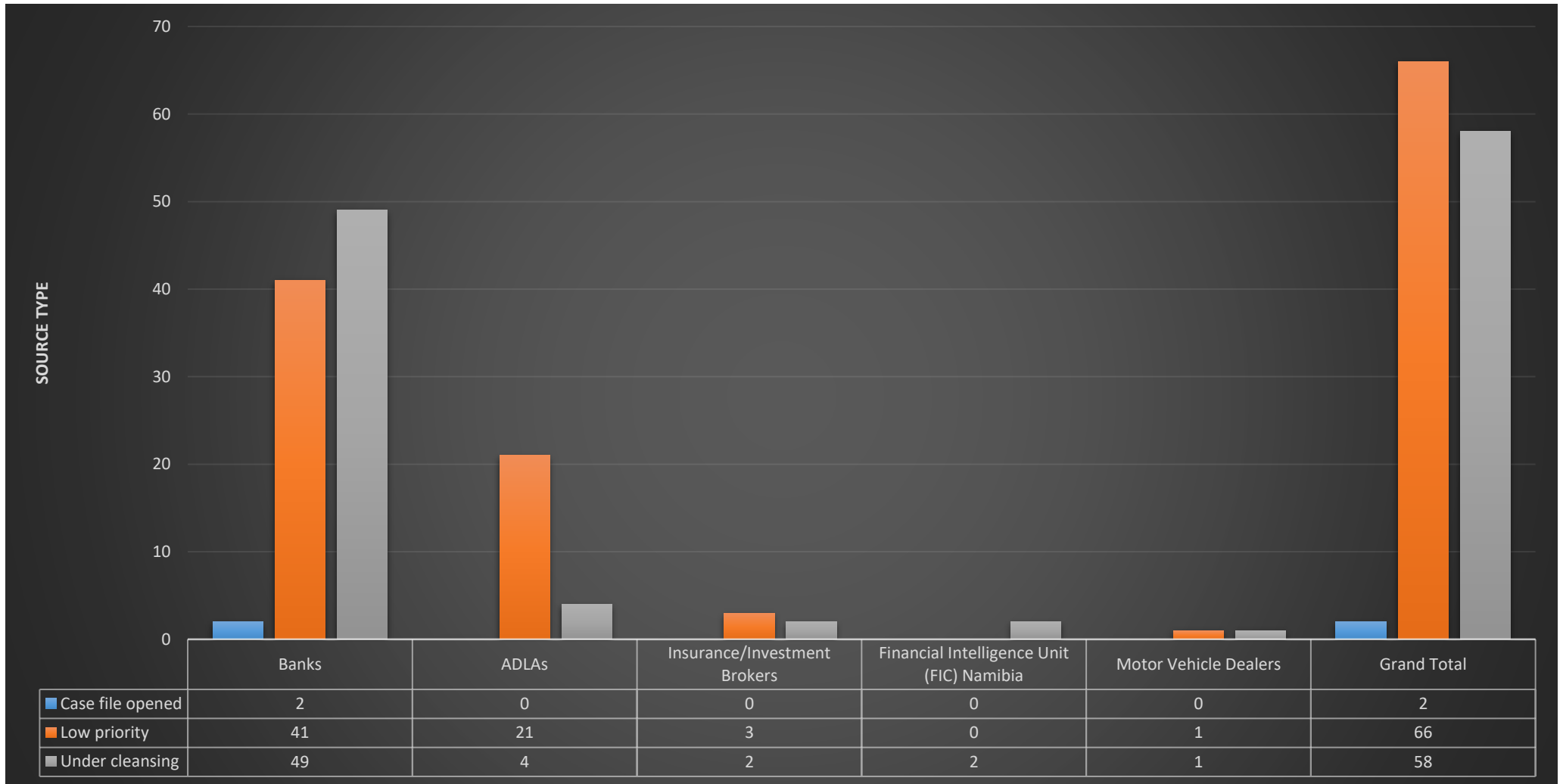
⁶ STR: Suspicious Transaction Report

⁷ IRD: Incoming Request-Domestic

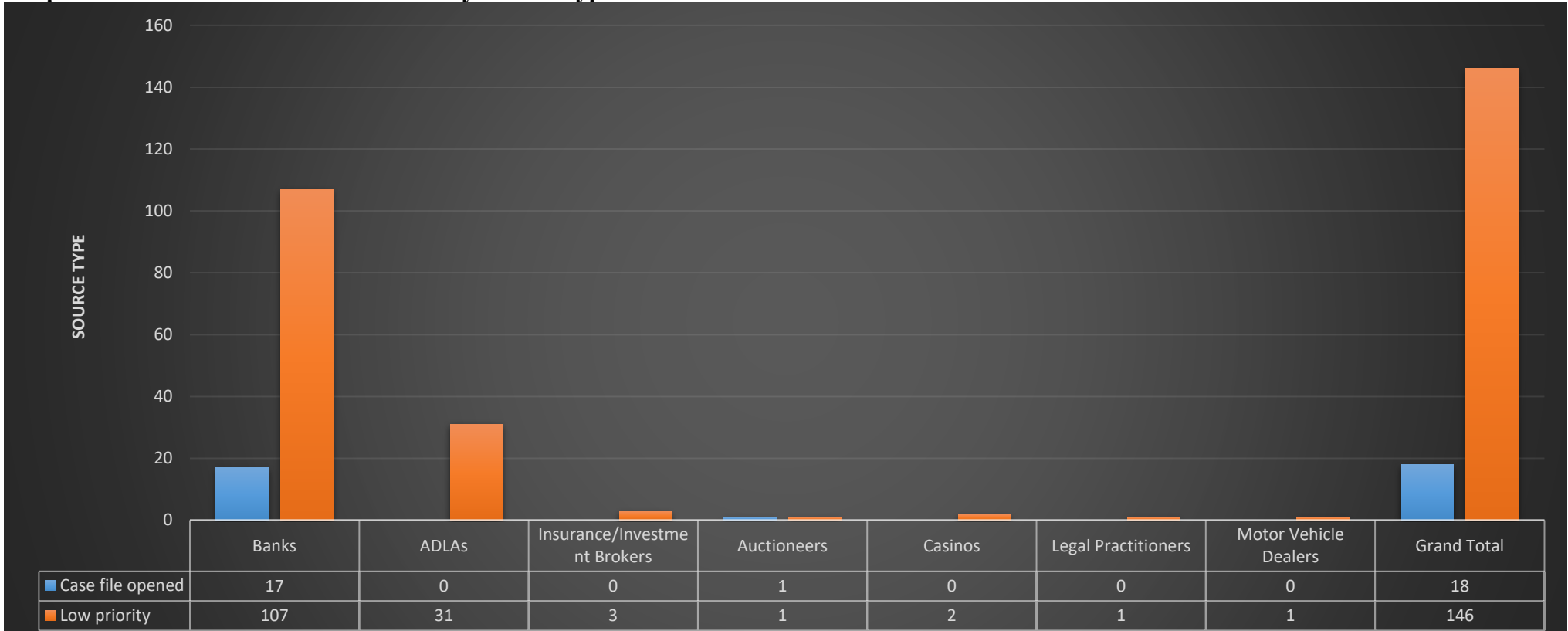
⁸ IRI: Incoming Request-International

2. STR received by Source Type

Graph 2.1: STRs received in October 2018 by Source Type



Graph 2.2: STR received in October 2017 by Source Type

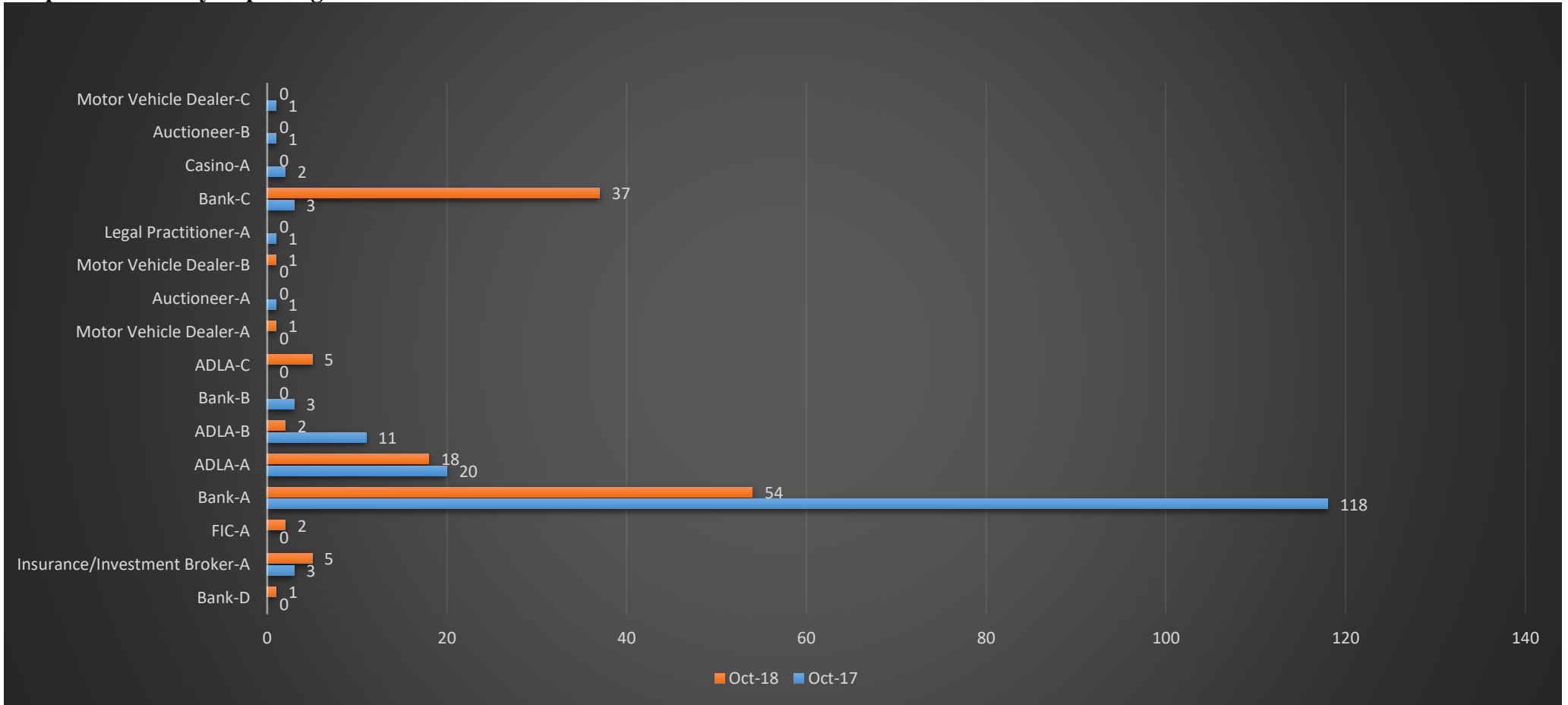


The total number of STRs received decreased by 23.2% from 164 STRs recorded in October 2017 to 126 STRs recorded in October 2018.

Graph 2.1 further shows that currently, out of all the STRs received during the period under review, only 2 reports were escalated for further analysis whereas 66 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 66 STRs or 46% of these reports are still under cleansing. These delay in completion of cleansing activities is primarily caused by limited resources within the FIAD. The Banks continue to file the most reports. In the period of October 2018 and October 2017, they filed 73% and 75.6% 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: October 2018 & October 2017



During the period under review, Bank-A filed the majority of STRs, amounting to 42.9% of all STRs. This was followed by Bank-C with 29.4% (or 37 STRs) then ADLA-A who filed 14.3% (or 18 STRs). During the same period last year, Bank-A filed the most STRs followed by ADLA-A, filing 72% and 12.2% respectively. It is important to note that STRs filed by Bank-C during the month under review increased drastically when compared to the STRs filed during the previous months, from only 3 to 37 STRs.

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3. Analysis

Under Analysis	
October -18	
Cases	167
IRDs	66
IRIs	4

Set-Aside			
	October -18	October -17	Total
Cases	0	0	101
IRDs	0	0	4
IRIs	0	0	0
SARs	0	0	4
STRs	1	0	71

Low Priority			
	October -18	October -17	Total
Cases	0	0	310
IRDs	0	0	0
IRIs	0	0	0
SARs	20	9	348
STRs	148	187	2 986

During the period under review, 167 Cases, 66 IRDs and 4 IRIs were under analysis. There were no Cases, IRDs, IRIs and SARs set aside during the month of October 2018 with the exception of, 1 STR set aside. The number of STRs classified as ‘low priority’ amounted to 148, a drop from the 187 classified as such during the same period in 2017. Similarly, SARs classified as ‘low priority’ increased to 20 from 9. Amongst others, the primary reasons why these reports were classified as low priority in October 2018 is due to:

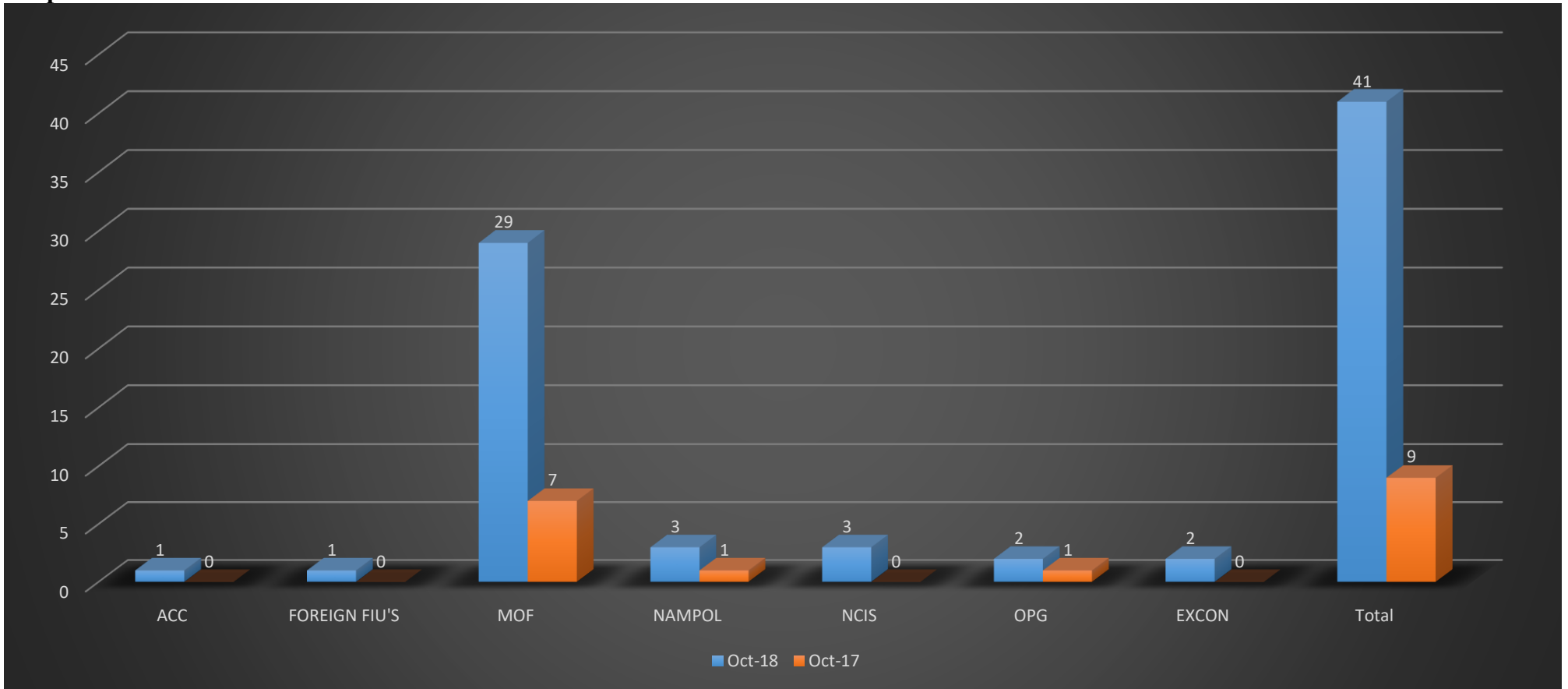
- a. the negligible (or insignificant) amounts involved;
- b. poor articulation of the grounds of suspicions in STRs or SARs; and
- c. human resource constraints within FIC’s Financial Investigations and Analyses Division.

Since inception, the total number of SARs and STRs classified as ‘low priority’ amounted to 348 and 2,986 respectively.

4.

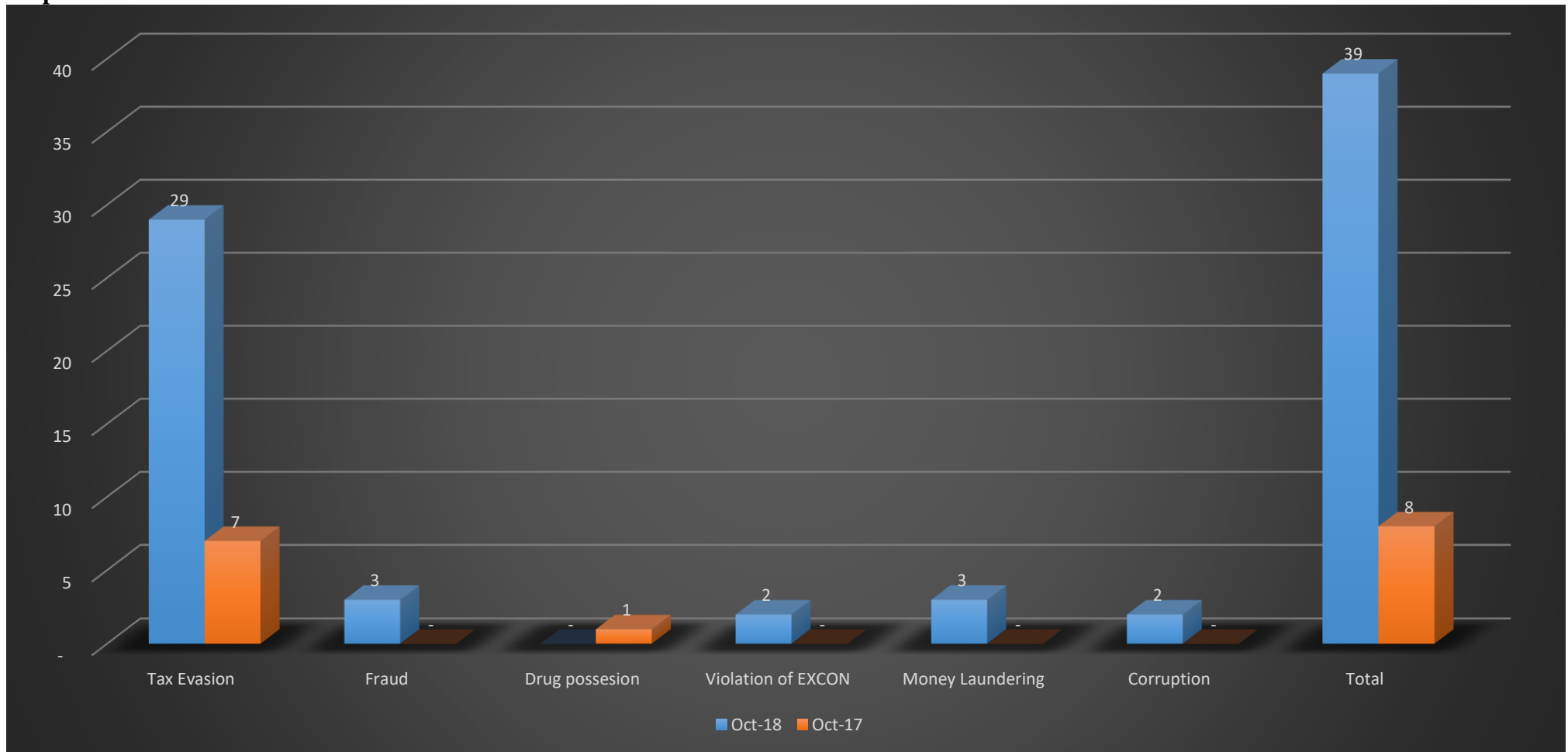
Disclosures

Graph 4.1: Total Disclosures: October 2018 and October 2017



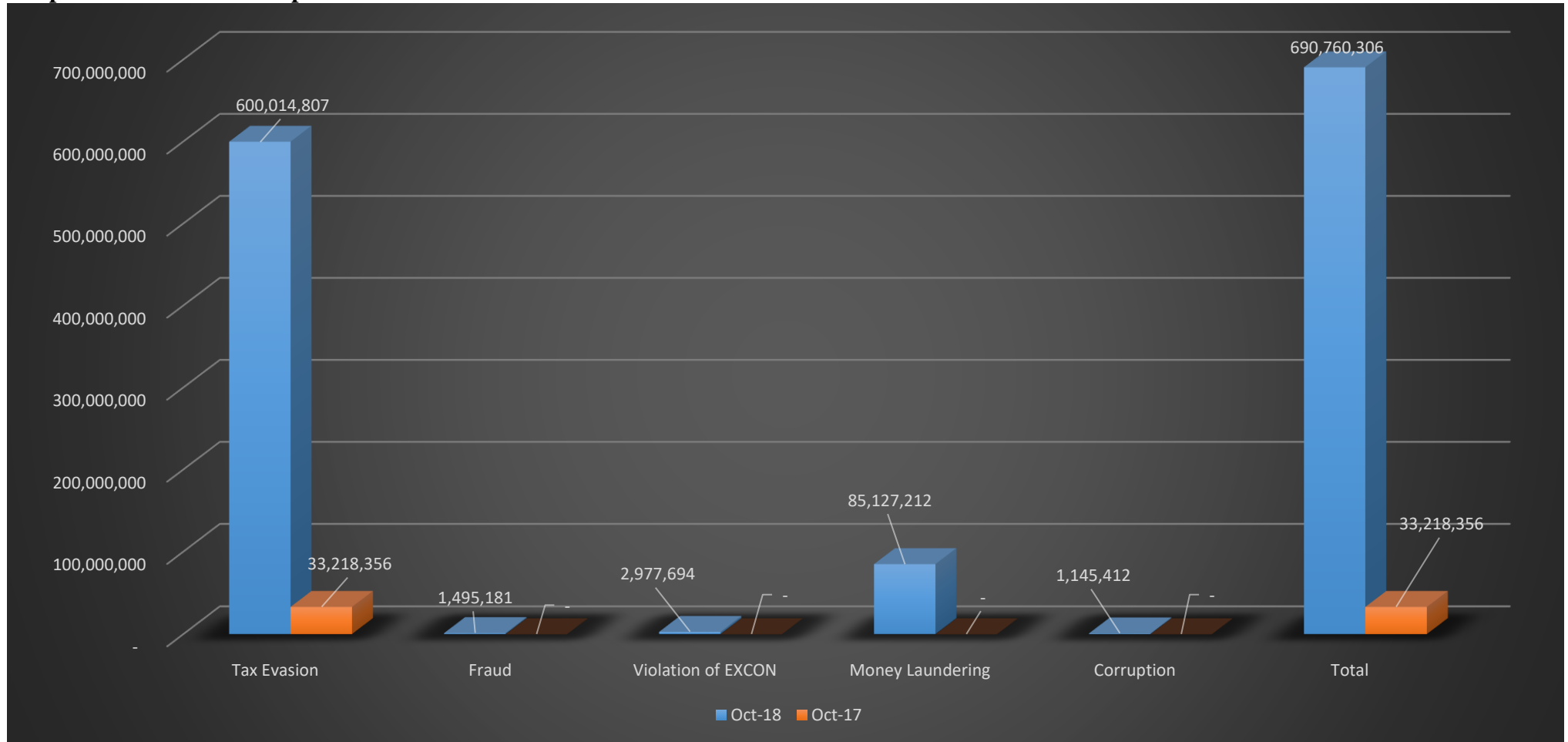
The Centre disseminated a total of 41 and 9 disclosures during in October 2018 and October 2017 respectively. The Ministry of Finance-Receiver of Revenue Department continued to receive the highest number of disclosures (From FIC) during the period under review, receiving a total of 29 reports. This 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: October 2018 and October 2017



Tax Evasion featured as the leading potential offence with 29 incidences recorded in October 2018. Fraud and Money Laundering cases also featured as the prominent potential predicate offenses during the period under review. Overall, a total of 39 potential predicate offences were recorded.

Graph 4.3: Potential value per offence: October 2018 and October 2017



There is a significant increase in the potential monetary value per predicate offence recorded during October 2018 (NAD 690,760,306) when compared to October 2017 (NAD 33,218,356). Further, Tax Evasion value as a potential predicate offence recorded the highest amount of NAD 600,014,807 followed by suspected Money Laundering activities amounting to NAD 85,127,212 during the period under review.

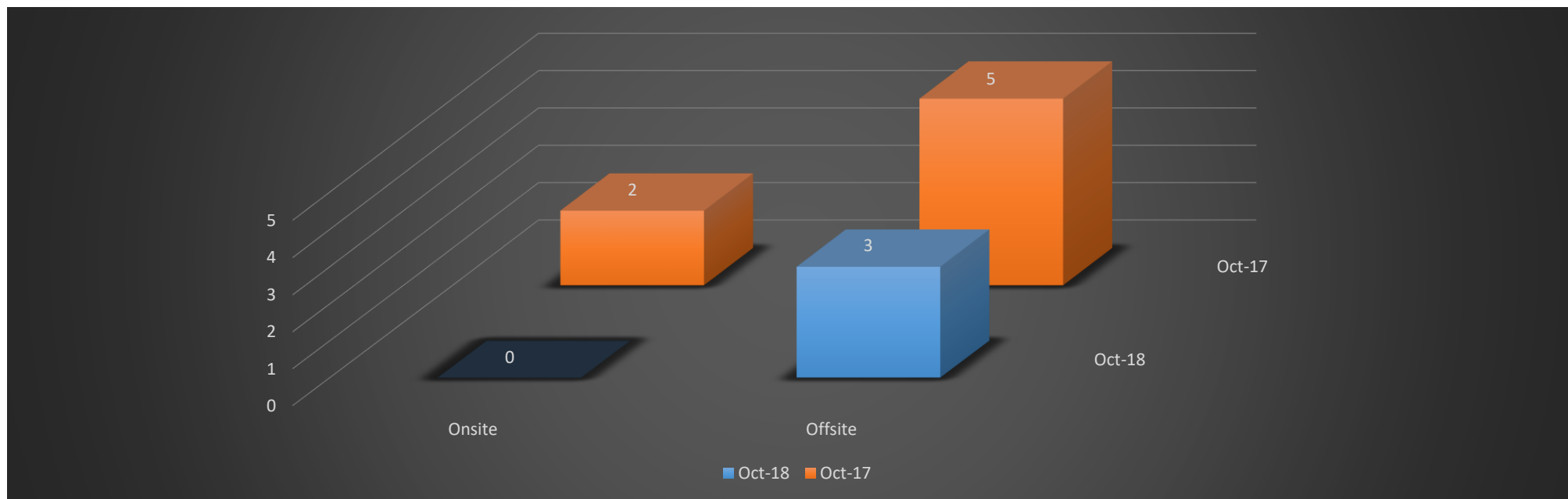
5. Referrals			
Compliance	Legal & Enforcement	Monitoring Orders	Intervention Orders
None	None	Issued : None	Issued : 1
		No. of accounts : None	Amount Involved : NAD 260 718.82

During the month under review, one intervention order was issued to Bank-A. It is worth noting that the intervention order was issued as a result of IRD filed by Anti-Corruption Commission (ACC). Investigations are currently ongoing with the ACC, Namibian Police and the Prosecutor General’s office. No monitoring order was issued during the period under review.

6.

Compliance Inspections

Graph 6.1: Compliance assessments: October 2018 and October 2017

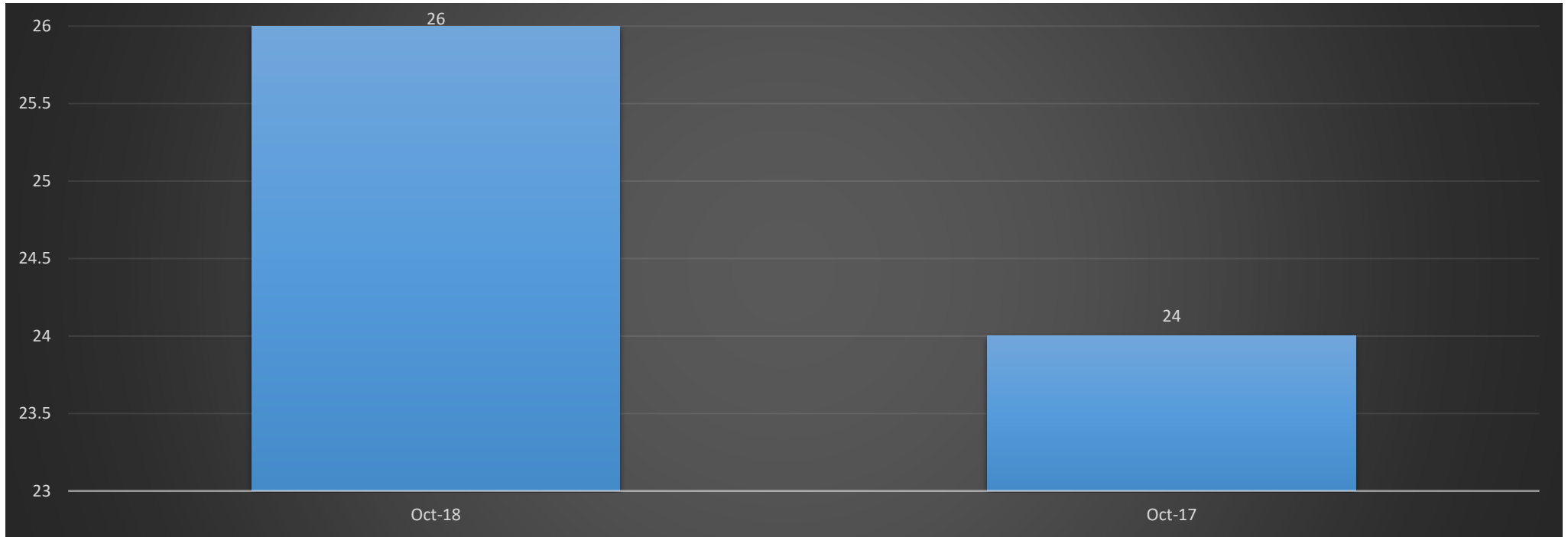


During the period under review, there were no onsite assessment activities recorded, however, 2 onsite assessments were recorded during October 2017.

The number of off-site assessment activities decreased to 3 during the period under review from 5 recorded last year. Reasons for the decrease include:

- a. the reduction in the number of staff members (2 staff resignations);
- b. completion of assessment activities planned for the performance cycle; and
- c. re-prioritisation of Areas of Concentration – the Compliance Monitoring and Supervision Division has shifted its attention from conducting compliance assessments activities include activities such as the Sectoral Risk Assessments (SRA) for the months June to October 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: October 2018 and October 2017



During the period under review, the FIC registered 26 Accountable and Reporting Institutions.