

**CONFIDENTIAL**

Strategic Analysis Division-September 2018



## Financial Intelligence Centre Republic of Namibia

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# Monthly Statistical Report

**Divisions** : Financial Investigations and Analysis & Compliance and Monitoring  
**Reporting Period** : 01 -30 September 2018  
**Date Compiled** : 01 October 2018

## 1. Incoming Reports

| <b>Reports</b>      |                     |                     |              |
|---------------------|---------------------|---------------------|--------------|
|                     | <b>September 18</b> | <b>September 17</b> | <b>Total</b> |
| CBMCRs <sup>1</sup> | 0                   | 20                  | 92           |
| CTRs <sup>2</sup>   | 4 942               | 6 394               | 289 080      |
| EFTs <sup>3</sup>   | 58 888              | 136 483             | 3 482 102    |
| IFTs <sup>4</sup>   | 82 035              | 126 634             | 3 159 733    |
| SARs <sup>5</sup>   | 18                  | 23                  | 560          |
| STRs <sup>6</sup>   | 140                 | 156                 | 4 724        |

The period under review has seen a significant reduction in the volumes of various reports received by the Financial Intelligence Centre (FIC) from Accountable Institutions, when compared to the same period last year. The number of EFTs reported have decreased enormously by 56.8%, from 136 483 to 58 888 transactions. The number of IFTs also declined by 35.2%, from 126 634 to 82 035 transactions. In the same way, the number of STRs and SARs decreased from 156 to 140 reports and from 23 to 18 reports respectively. Amongst others factors, the reduction in national economic and thus transactional activities in the financial sector could be attributed to this.

| <b>Requests for Information</b> |                     |                     |              |
|---------------------------------|---------------------|---------------------|--------------|
|                                 | <b>September 18</b> | <b>September 17</b> | <b>Total</b> |
| IRD <sup>7</sup>                | 3                   | 2                   | 248          |
| IRIs <sup>8</sup>               | 1                   | 0                   | 45           |

A total of 3 IRDs were received during September 2018, an increase from 2 IRDs received during the same period last year. Further, there was only one IRI received during the period under review. Thus far, a total of 293 requests have been received by the Centre since inception.

<sup>1</sup> CBMCR: Cross Border Movement of Cash Report

<sup>2</sup> CTR: Cash Transaction Report

<sup>3</sup> EFT: Electronic Funds Transfer

<sup>4</sup> IFT: International Funds Transfer

<sup>5</sup> SAR: Suspicious Activity Report

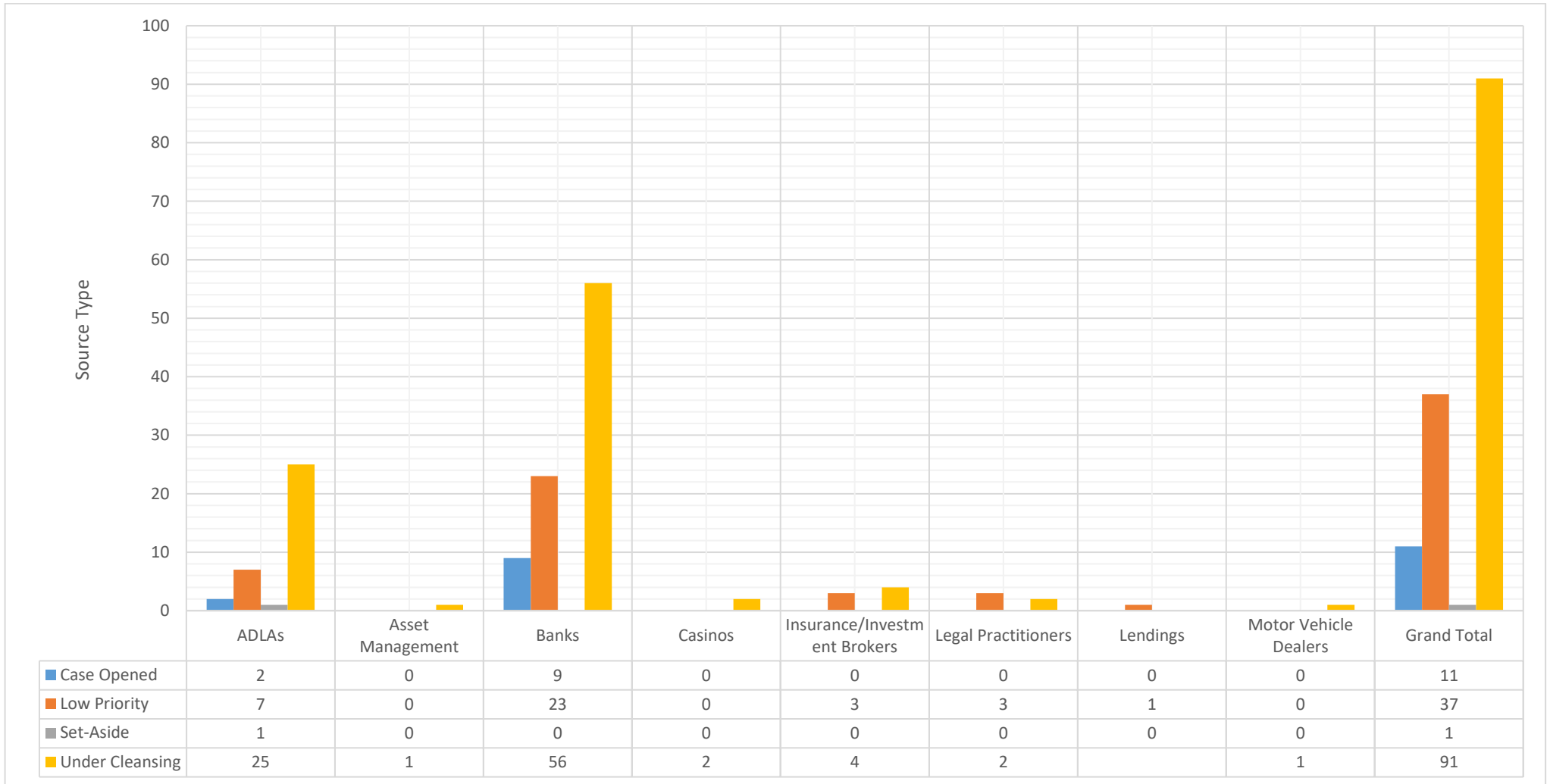
<sup>6</sup> STR: Suspicious Transaction Report

<sup>7</sup> IRD: Incoming Request-Domestic

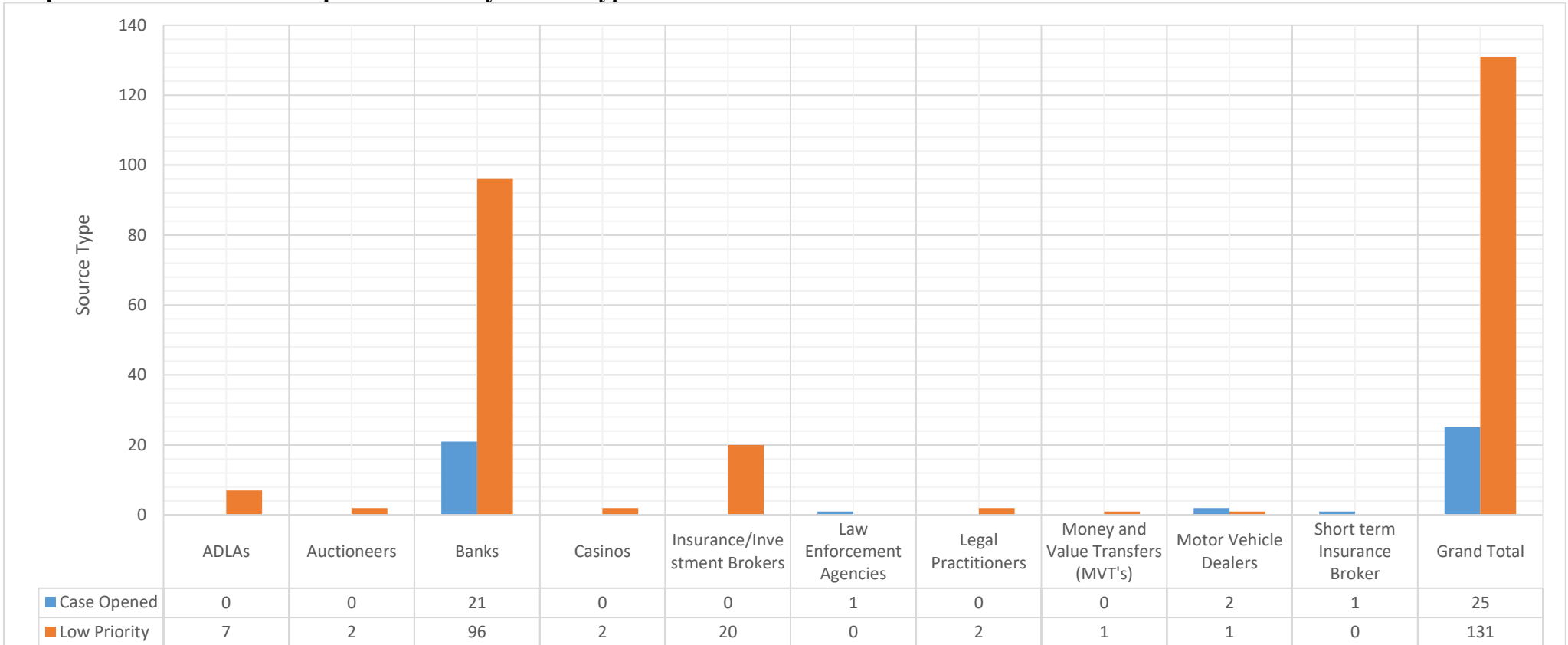
<sup>8</sup> IRI: Incoming Request-International

**2. STR received by Source Type**

**Graph 2.1: STRs received in September 2018 by Source Type**



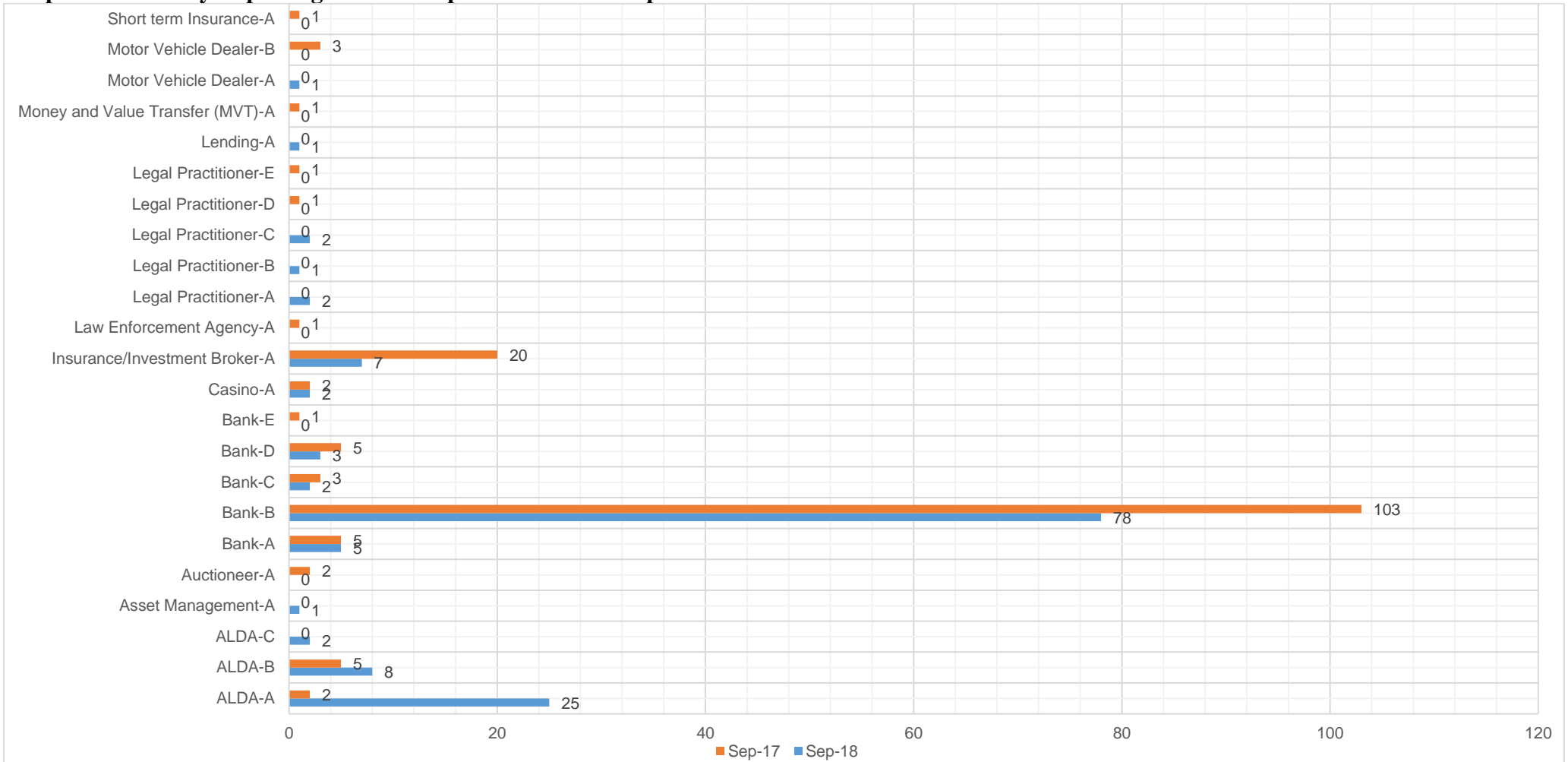
**Graph 2.2: STR received in September 2017 by Source Type**



The total number of STRs received decreased by 10.3% from 156 STRs recorded in September 2017 to 140 STRs recorded in September 2018.

Graph 2.1 further shows that out of all the STRs received during the period under review, only 7.9% of the STRs were escalated for further analysis whereas 26.4% were classified as ‘low priority’. 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. About 65% of these STRs are still under cleansing. This delay is primarily caused by limited resources within the Financial Investigations and Analysis Division (FIAD). The Banks continue to file the most reports. In the period of September 2018 and September 2017, they filed 62.9% and 75% of all STRs respectively.

**Graph 2.3: STRs by Reporting Entities: September 2018 & September 2017**



During the period under review, Bank-B filed the majority of STRs, amounting to 55.7% of all STRs. This was followed by Authorized Dealers in Foreign Exchange with Limited Authority (ADLA) A (ADLA-A) who filed 17.9% in the period under review. During the same period last year, Bank-B equally filed the most STRs followed by Insurance/Investment Broker-A, with the said institutions filing 66% and 12.8% of all reports respectively.

**3. Analysis**

| Under Analysis |     |
|----------------|-----|
| September -18  |     |
| Cases          | 153 |
| IRDs           | 50  |
| IRIs           | 5   |

| Set-Aside |               |               |       |
|-----------|---------------|---------------|-------|
|           | September -18 | September -17 | Total |
| Cases     | 0             | 1             | 101   |
| IRDs      | 0             | 0             | 4     |
| IRIs      | 0             | 0             | 0     |
| SARs      | 0             | 0             | 4     |
| STRs      | 0             | 4             | 70    |

| Low Priority |               |               |       |
|--------------|---------------|---------------|-------|
|              | September -18 | September -17 | Total |
| Cases        | 2             | 0             | 310   |
| IRDs         | 0             | 0             | 0     |
| IRIs         | 0             | 0             | 0     |
| SARs         | 8             | 6             | 328   |
| STRs         | 129           | 108           | 2 843 |

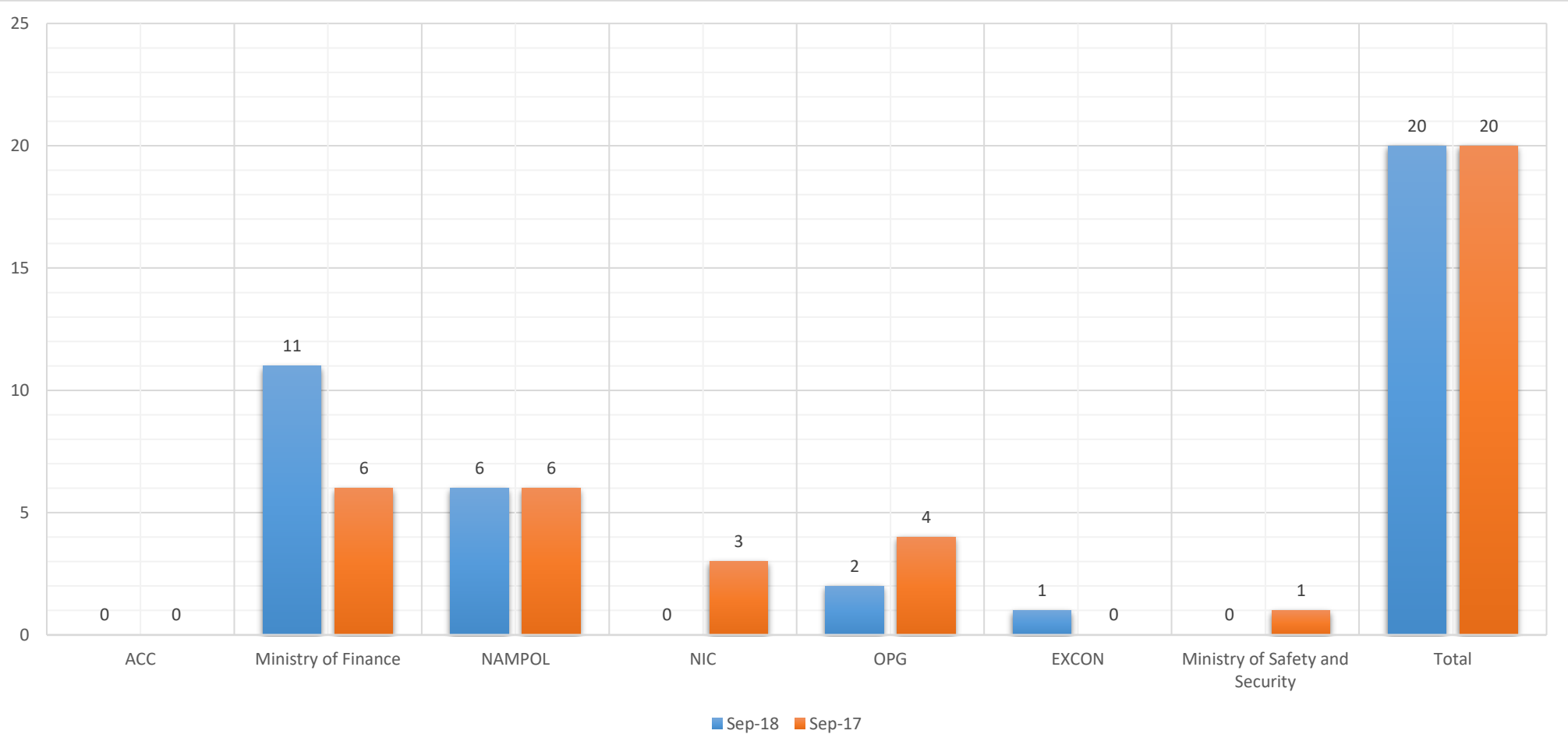
During the period under review, 153 Cases, 50 IRDs and 5 IRIs were under analysis. There were no Cases, IRDs, IRIs, SARs nor STRs set aside during the month of September 2018. The number of STRs classified as ‘low priority’ amounted to 129, an increase from the 108 classified as such during the same period in 2017. Similarly, SARs classified as ‘low priority’ increased to 8 from 6. The primary reason why these reports were classified as ‘low priority’ in September 2018 is primarily due to the negligible (or insignificant) amounts involved and poor articulation of the grounds of suspicions in STRs.

Since inception, the total number of SARs and STRs classified as ‘low priority’ amount to 328 and 2,843 respectively.

4.

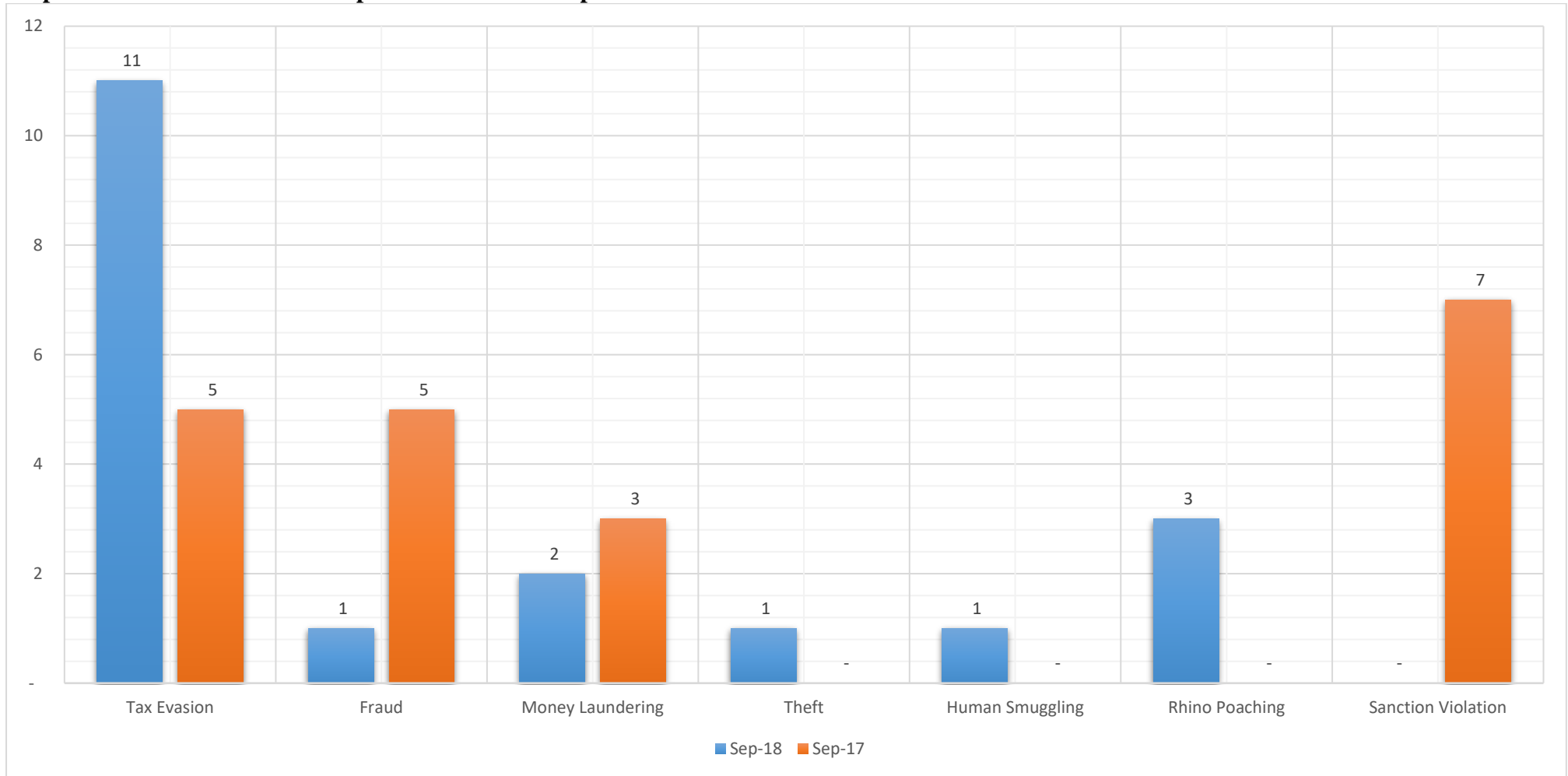
Disclosures

Graph 4.1: Total Disclosures: September 2018 and September 2017



The Centre disseminated an equal number of 20 disclosures in both September 2018 and September 2017. The Ministry of Finance-Receiver of Revenue Department continue to receive the highest number of disclosures (from FIC) during the period under review, receiving a total of 11 reports. This points to potential Tax Evasion cases being the highest potential predicate offence in most cases under FIC review. See graph 4.2 below.

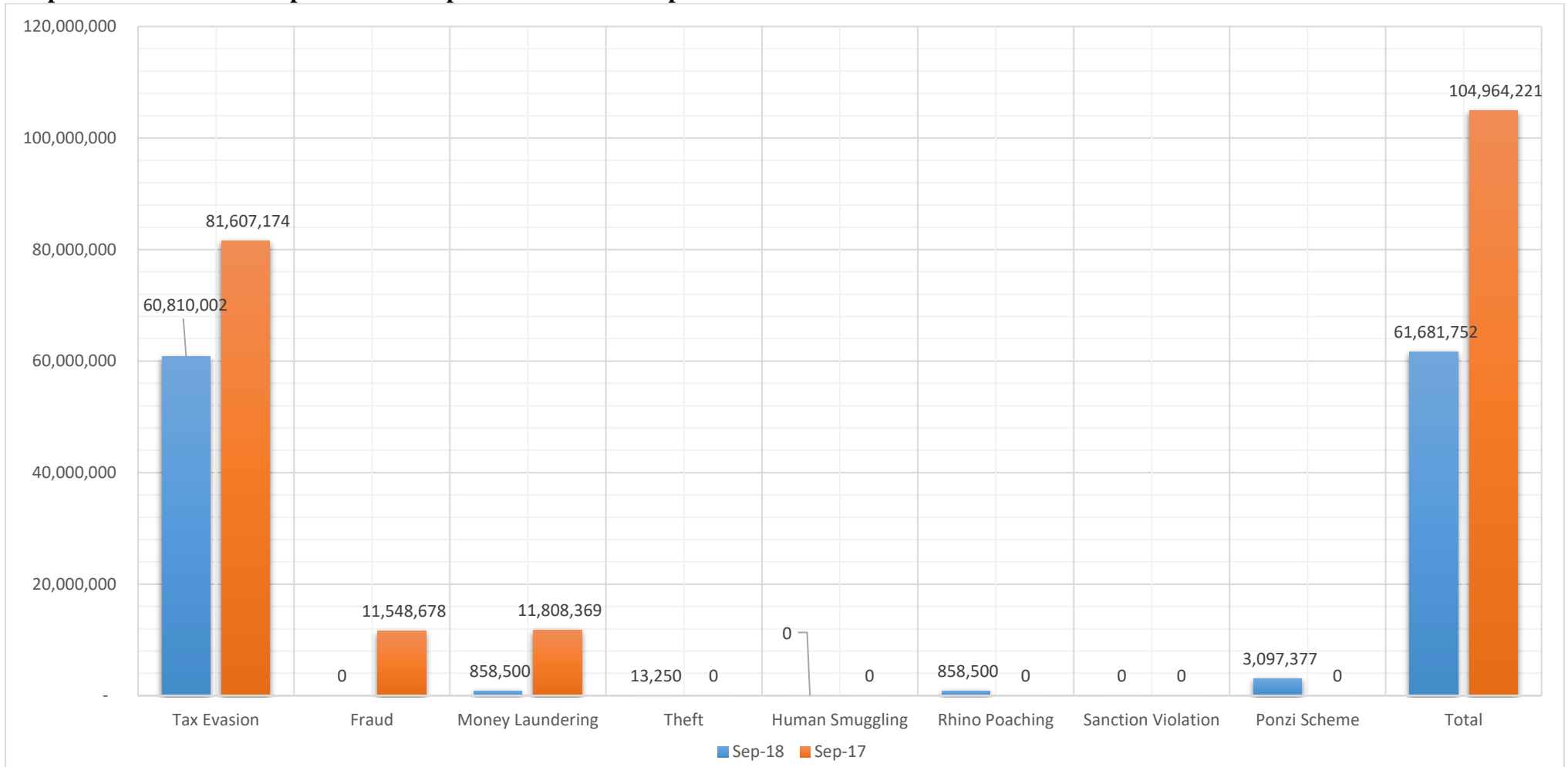
**Graph 4.2: Potential Offences: September 2018 and September 2017**



Tax Evasion featured as the leading potential offence with 11 incidences recorded in September 2018. Rhino Poaching cases featured as the second leading potential offenses during the period under review, followed by Money Laundering. During the same period last year, potential Sanctions violations were recorded as the highest incidences under FIC review.



**Graph 4.3: Potential value per offence: September 2018 and September 2017**



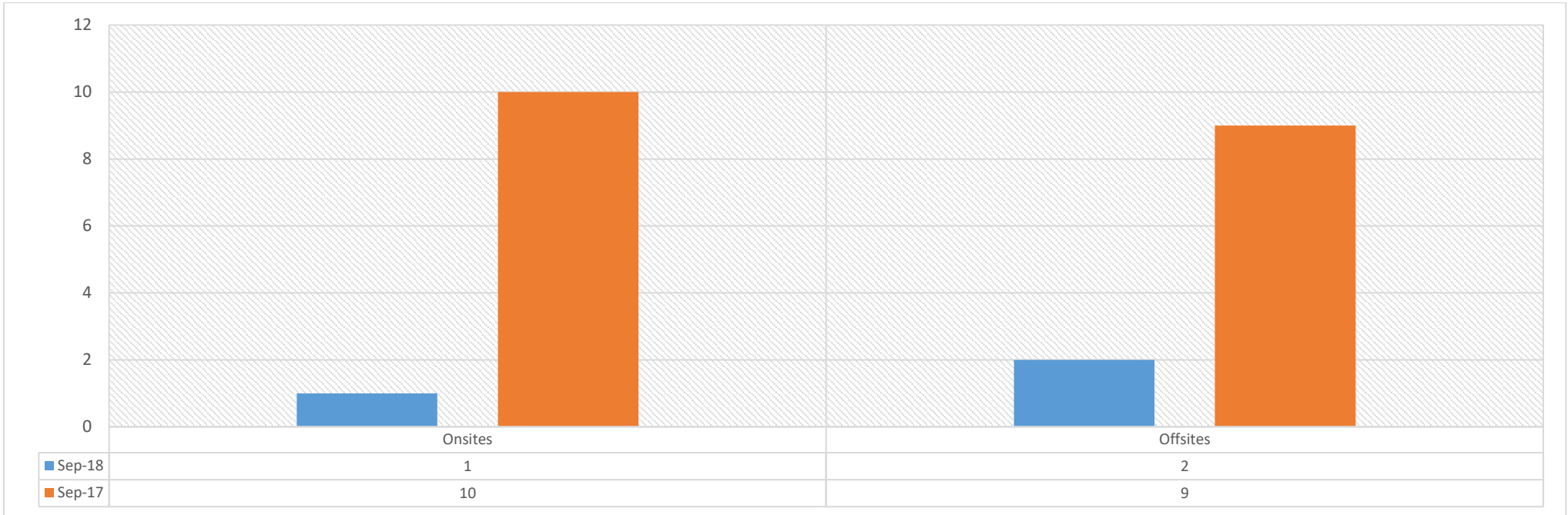
There is a significant decrease in the potential monetary value per offence recorded during September 2018 (NAD 61,681,752) when compared to September 2017 (NAD 104,964,221). The Tax Evasion value per potential offence recorded the highest amount of NAD 60,810,002 followed by suspected Ponzi Scheme activities amounting to NAD 3,097,377 during the period under review.

| <b>5. Referrals</b> |                                |                          |                                    |
|---------------------|--------------------------------|--------------------------|------------------------------------|
| <b>Compliance</b>   | <b>Legal &amp; Enforcement</b> | <b>Monitoring Orders</b> | <b>Intervention Orders</b>         |
| None                | None                           | Issued : None            | Issued : 2                         |
|                     |                                | No. of accounts : None   | Amount Involved : N\$ 3,358,500.00 |

Two intervention orders were issued of which one was issued to Bank B and the other to Bank A. It is worth noting that the intervention orders were issued resulting from STRs filed by these two institutions. Investigations are currently ongoing with the Namibian Police and the Prosecutor General’s office. No monitoring order was issued during the period under review.

6. Compliance Inspections

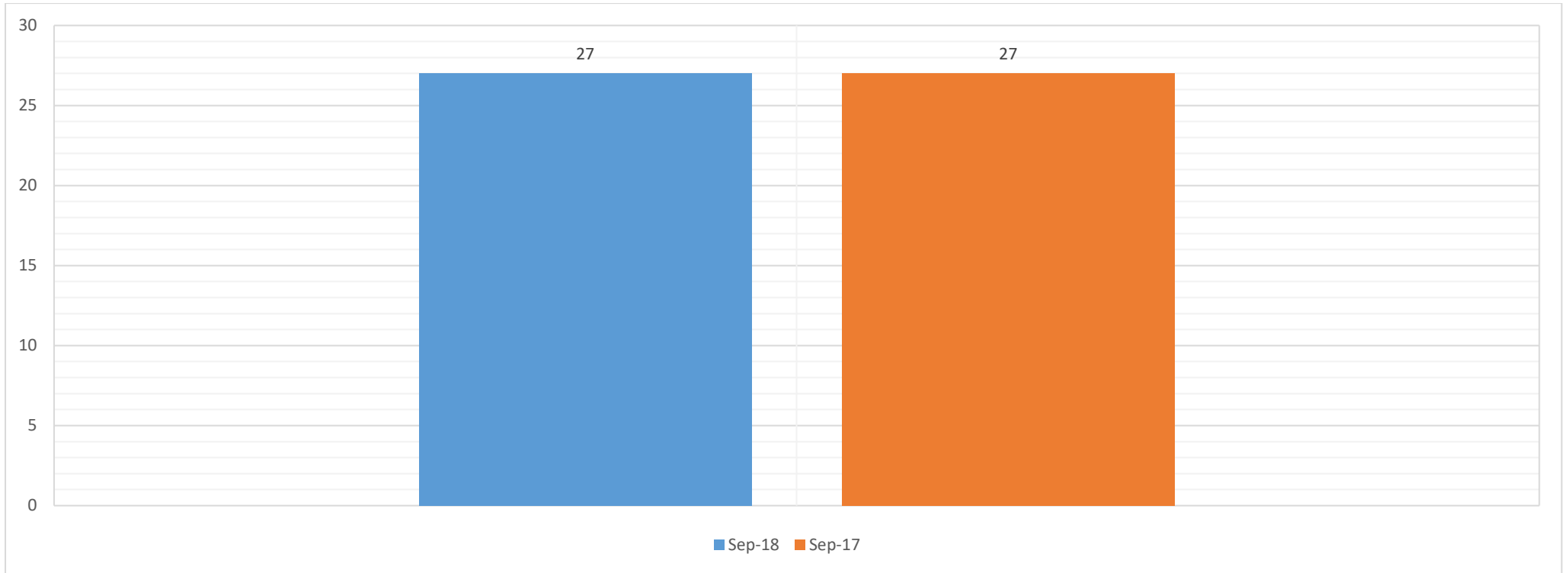
Graph 6.1: Compliance assessments: September 2018 and September 2017



During the period under review, the number of onsite assessment activities decreased to 1 compliance assessment from 10 onsite assessments recorded last year. Similarly, the number of off-site assessments decreased to 2 compliance assessments during the period under review from 9 recorded last year. Reasons for the decrease include:

- a. the reduction in the number of staff members (2 staff resignations); and
- b. re-prioritisation of Areas of Concentration – the Compliance Monitoring and Supervision Division has shifted its attention from conducting compliance assessments activities to Sectoral Risk Assessments (SRA) for the months June to October 2018. This has resulted in a reduction in the volume of assessments, thus enabling staff to concentrate on the SRA which is comparatively a time consuming exercise.

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



During the period under review, the FIC registered 27 Accountable and Reporting Institutions.