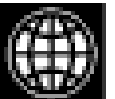


The Financial Intelligence Unit, Effective Information Collection and Introduction to Analysis

Martin Comley



Information Collection

- Countries should establish an FIU that serves as a national centre for receiving (and if permitted, requesting), analysing, and disseminating disclosures of STR and other relevant information concerning suspected ML or FT activities. The FIU can be established either as an independent governmental authority or within an existing authority or authorities.
- **Receive:** What and from whom?
 - What is it we are trying to collect?
 - Who and what is the collection dependent upon?
- **Analyse:** What is it we are going to do with the received data once we've got it?
 - What are you going to compare it / 'analyse' the data against?
 - Who and what is the analysis dependent upon?
- **Dissemination:** What and to whom?
 - Is this decision separate from the two above or an integral part of the whole decision making process?
 - Do you potentially have more than one 'customer' for the output from the analysis?

Designated categories of offences. means:

- participation in an organised criminal group and racketeering;
- terrorism, including terrorist financing;
- trafficking in human beings and migrant smuggling;
- sexual exploitation, including sexual exploitation of children;
- illicit trafficking in narcotic drugs and psychotropic substances;
- illicit arms trafficking;
- illicit trafficking in stolen and other goods;
- corruption and bribery;
- fraud;
- counterfeiting currency;
- counterfeiting and piracy of products;
- environmental crime;
- murder, grievous bodily injury;
- kidnapping, illegal restraint and hostage-taking;
- robbery or theft;
- smuggling;
- extortion;
- forgery;
- piracy; and
- insider trading and market manipulation.

“Financial institutions” means any person or entity who conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- Acceptance of deposits and other repayable funds from the public.[\[1\]](#)
- Lending.[\[2\]](#)
- Financial leasing.[\[3\]](#)
- The transfer of money or value.[\[4\]](#)
- Issuing and managing means of payment (e.g. credit and debit cards, cheques, traveller’s cheques, money orders and bankers’ drafts, electronic money).
- Financial guarantees and commitments.
- Trading in:
 - money market instruments (cheques, bills, CDs, derivatives etc.);
 - foreign exchange;
 - exchange, interest rate and index instruments;
 - transferable securities;
 - commodity futures trading.
- Participation in securities issues and the provision of financial services related to such issues.
- Individual and collective portfolio management.
- Safekeeping and administration of cash or liquid securities on behalf of other persons.
- Otherwise investing, administering or managing funds or money on behalf of other persons.
- Underwriting and placement of life insurance and other investment related insurance.[\[5\]](#)
- Money and currency changing.
- When a financial activity is carried out by a person or entity on an occasional or very limited basis (having regard to quantitative and absolute criteria) such that there is little risk of money laundering activity occurring, a country may decide that the application of anti-money laundering measures is not necessary, either fully or partially.
- In strictly limited and justified circumstances, and based on a proven low risk of money laundering, a country may decide not to apply some or all of the Forty Recommendations to some of the financial activities stated above.

DNFBP: “The customer due diligence and record-keeping requirements set out in Recommendations 5, 6, and 8 to 11 apply to designated non-financial businesses and professions in the following situations:

- Casinos – when customers engage in financial transactions equal to or above the applicable designated threshold
- .
- Real estate agents - when they are involved in transactions for their client concerning the buying and selling of real estate.
- Dealers in precious metals and dealers in precious stones - when they engage in any cash transaction with a customer equal to or above the applicable designated threshold.
- Lawyers, notaries, other independent legal professionals and accountants when they
- prepare for or carry out transactions for their client concerning the following activities:
 - buying and selling of real estate;
 - managing of client money, securities or other assets;
 - management of bank, savings or securities accounts;
 - organisation of contributions for the creation, operation or management of companies;
 - creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
- e) Trust and company service providers when they prepare for or carry out transactions for a client concerning the activities listed in the definition in the Glossary.

Receive What?

- *STR Form...*

Generic Reporting Form

FIU	GENERIC REPORTING FORM
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Details of Disclosing Organisation:

TYPE OF REPORT:	<input type="checkbox"/> STR	<input type="checkbox"/> X-Boarder	<input type="checkbox"/> Threshold
Name of Organisation:			
Branch or Outlet:			
Business area of Branch Outlet:			
Your Disclosure Ref:			
Date disclosure sent to FIU:			
Has the subject been disclosed on before, if so give previous FIU Ref:			
*If this is the first report you have made complete a separate form to registering your appointed compliance / money laundering officer.			

Person subject of disclosure:

Family name:		Title:	
Given Names(s):		Gender:	
Date of Birth:			
ID Document details:			
Address No. & Street:			
City or Town:			
Region:			
Post or Zip Code:			
Country:			
Employer:			
Occupation:			

OR Company subject of disclosure:

Company Name:	
Company No:	
Tax Number:	
Type of Business:	
Country of Reg:	
1. Registered Office	
Address No. & Street:	
City or Town:	
Region:	
Post or Zip Code:	
Country:	
2. Trading Address	
No. & Street:	
City or Town:	
Region:	
Post or Zip Code:	
Country:	

Other Information not in fields above:	
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Generic Reporting Form

Financial Summary Overview:

Institution Name:			
Outlet / Branch:			
Date Opened:		Date if Closed :	
Customers Turnover:		Turnover time period:	
Customer A/C or Ref No:			
Balance held:		Date of Balance:	

Financial Summary Details:

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If No: type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If No: type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If No, type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If No, type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If No, type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

*	Date:		Credit or Debit:
	Value:		Currency:
	Cash: Yes or No:	If no, type of financial instrument:	
	Counterparty Name:		
	Counterparty Institution:	If bank, bank code:	

USE ADDITIONAL SHEETS IF THERE FURTHER DETAILS TO BE SHOWN.

And complete the following: Financial Summary SHEET No: ___ of ___.

(Example: Sheet 2 of 2. This would include the first sheet plus one extra)

Generic Reporting Form

ASSOCIATED Person (with subject of disclosure):

Family name:		Title:	
Given Names(s):		Gender:	
Date of Birth:			
ID Document details:			
Address No. & Street:			
City or Town:			
Region:			
Post or Zip Code:			
Country:			
Employer:			
Occupation:			

OR

ASSOCIATED Company (with subject of disclosure):

Company Name:			
Company No:			
Tax Number:			
Type of Business:			
Country of Reg:			
1. Registered Office			
Address No. & Street:			
City or Town:			
Region:			
Post or Zip Code:			
Country:			
2. Trading Address			
No. & Street:			
City or Town:			
Region:			
Post or Zip Code:			
Country:			

Other Information not in fields above:	
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USE ADDITIONAL COPIES OF THIS SHEETS IF THERE OTHER ASSOCIATED PEOPLE OR COMPANIES


Complete the following if addition associated person or company sheets are used:

ASSOCIATE SHEET No: of .

(Example: Sheet 2 of 2. This would include this sheet plus one extra)

Generic Reporting Form

Reason for Suspicion

A large, empty rectangular box with a thin black border, intended for the user to provide the reason for suspicion. The box is currently blank.

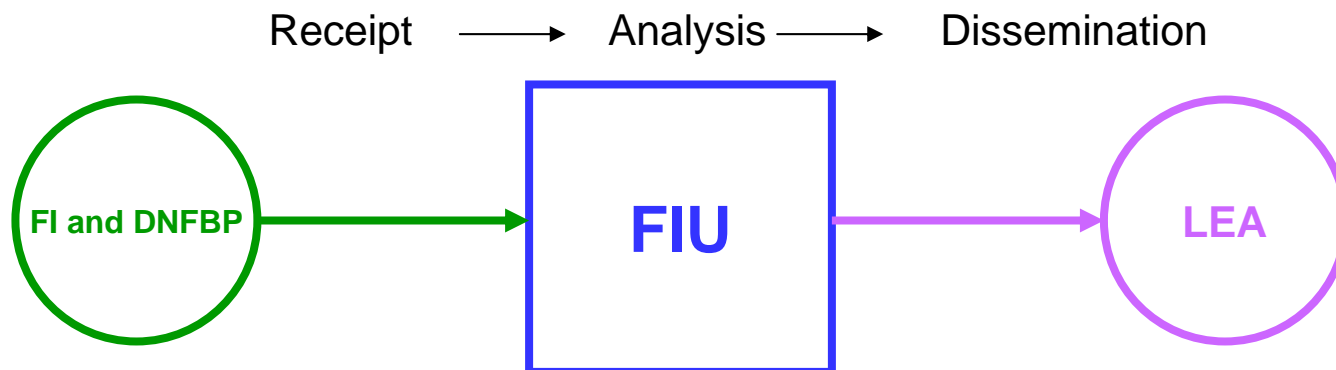
Information Collection:

Information INPUT

- *Having identified our needs we try and gather information that meets these needs.*
- *For efficiency (of the FIU) it needs to be in a standard format.*
- *Establishing the data to be captured is also essential in the design and implementation of a database for the FIU.*
- ***IF YOU DO NOT CAPTURE THE INFORMATION IT CANNOT BE ANALYSED !***

Simple STR (and other info) process

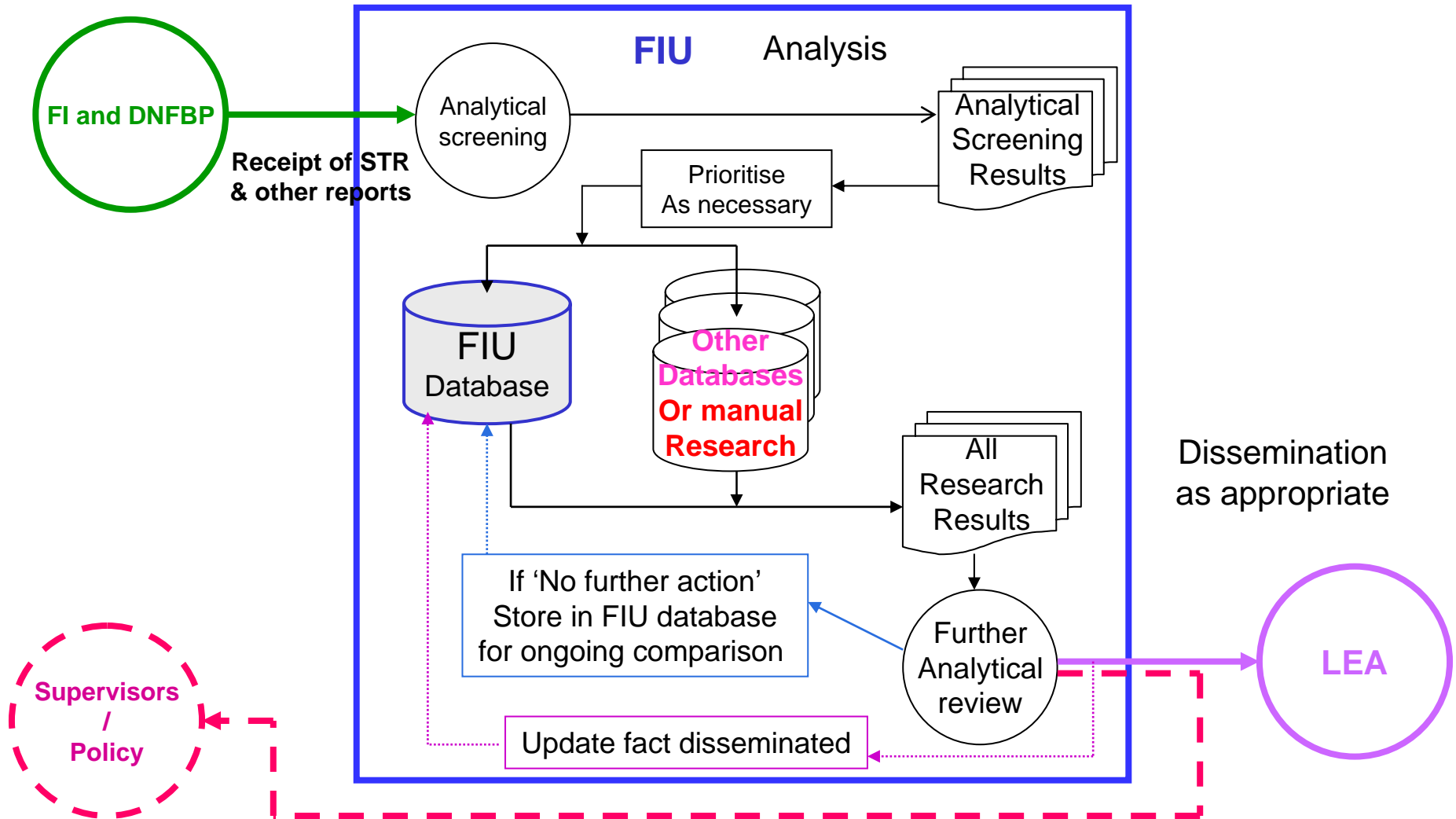
From our simple model...



We need to build processes...

Refined STR analytical process...

Assessed for Money Laundering or Terrorist Financing Indicators
Prioritise (or re-prioritise) from these indicators

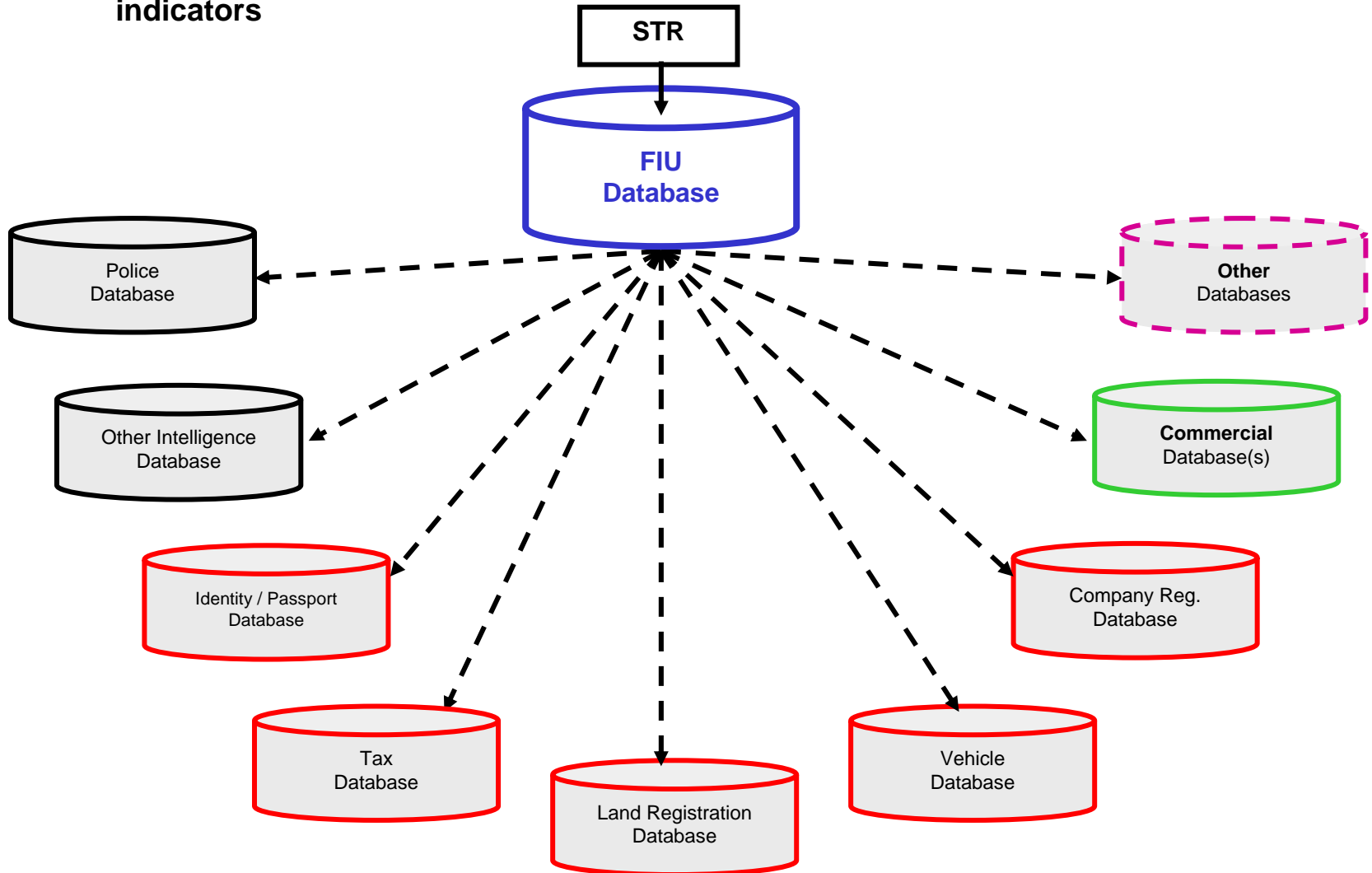


Refined STR analytical process...

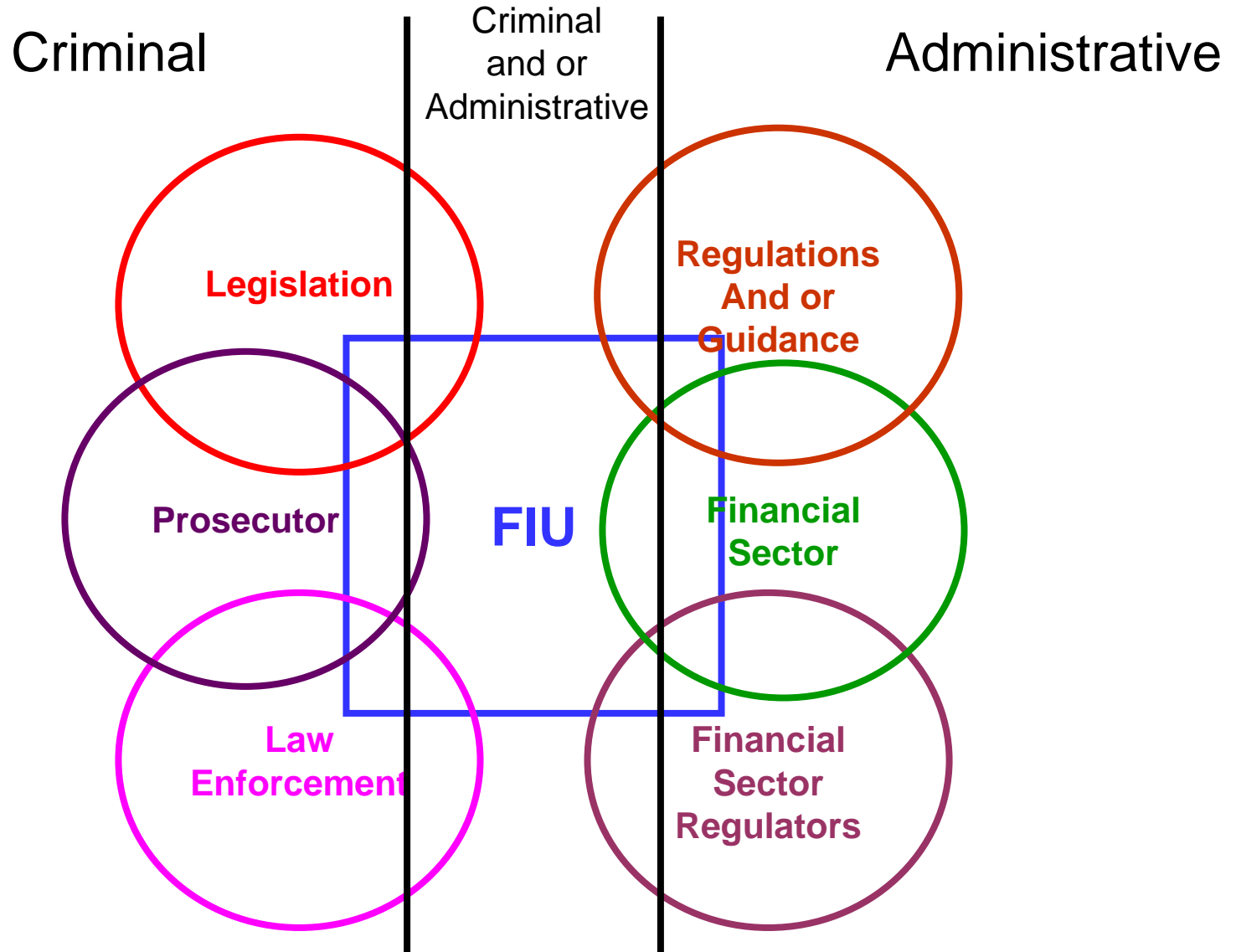
Comparative analysis

Look for evidence of 'provable' lies

Prioritise (or re-prioritise) from these indicators



Remember, the FIU is often the bridge across the differing aspects of the AML/CFT regime...



Information Collection:

Information OUTPUT

- *How many suspicious / currency transaction reports etc.*
 - *Received* *From whom*
 - *Disseminated* *To whom*
- *How many reports received from other bodies:*
 - *Law enforcement*
 - *Foreign authorities*
 - *Re Mutual legal Assist/Extradition (include freeze seize confiscation and investigation of predicate offences.*
- *How many resulted in*
 - *Investigation*
 - *Prosecution*
 - *Conviction*

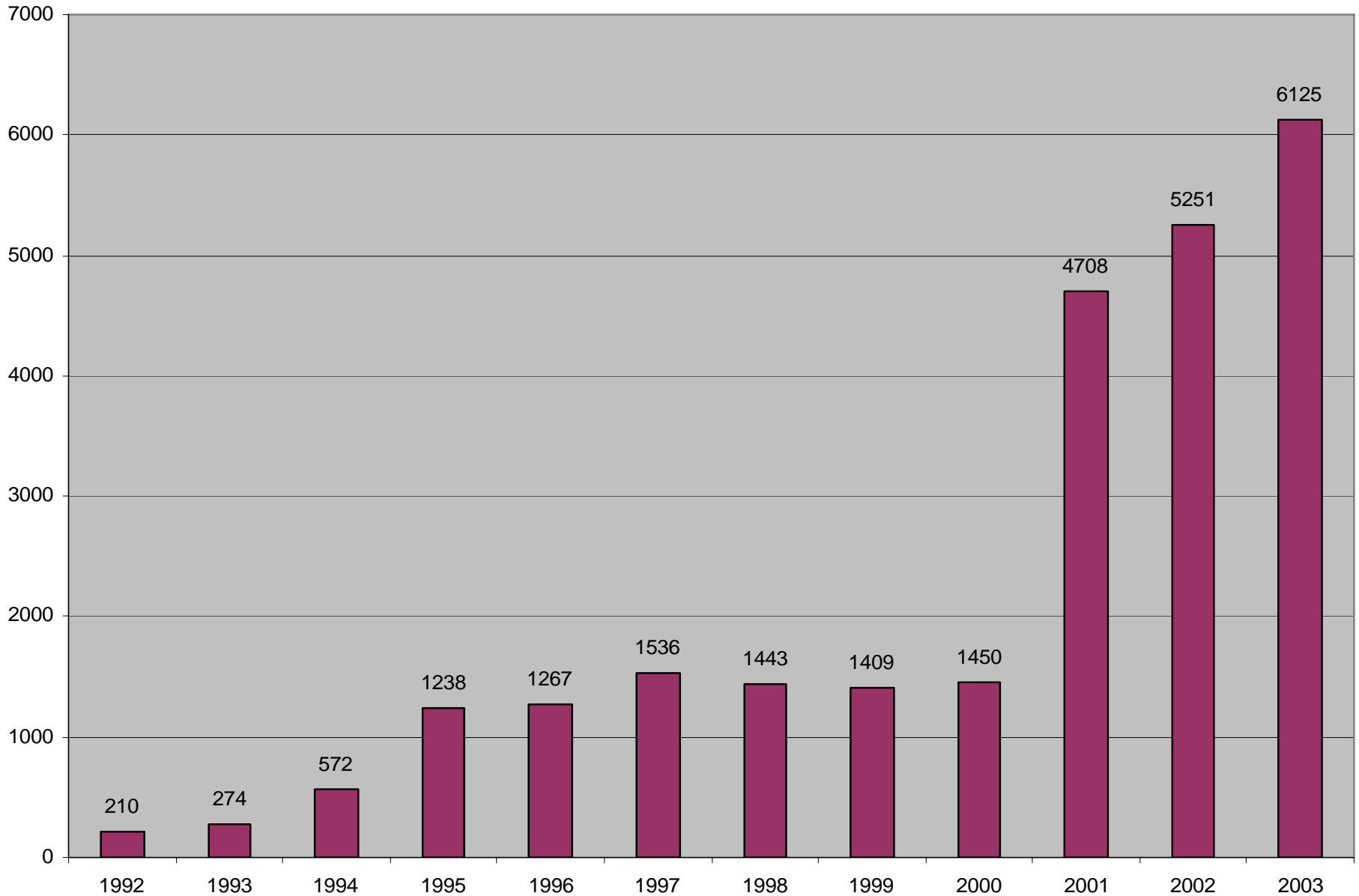
 - *Property frozen (No cases & Value)*
 - *Seized (No cases & Value)*
 - *confiscated (No cases & Value)*

Information Collection: Information OUTPUT

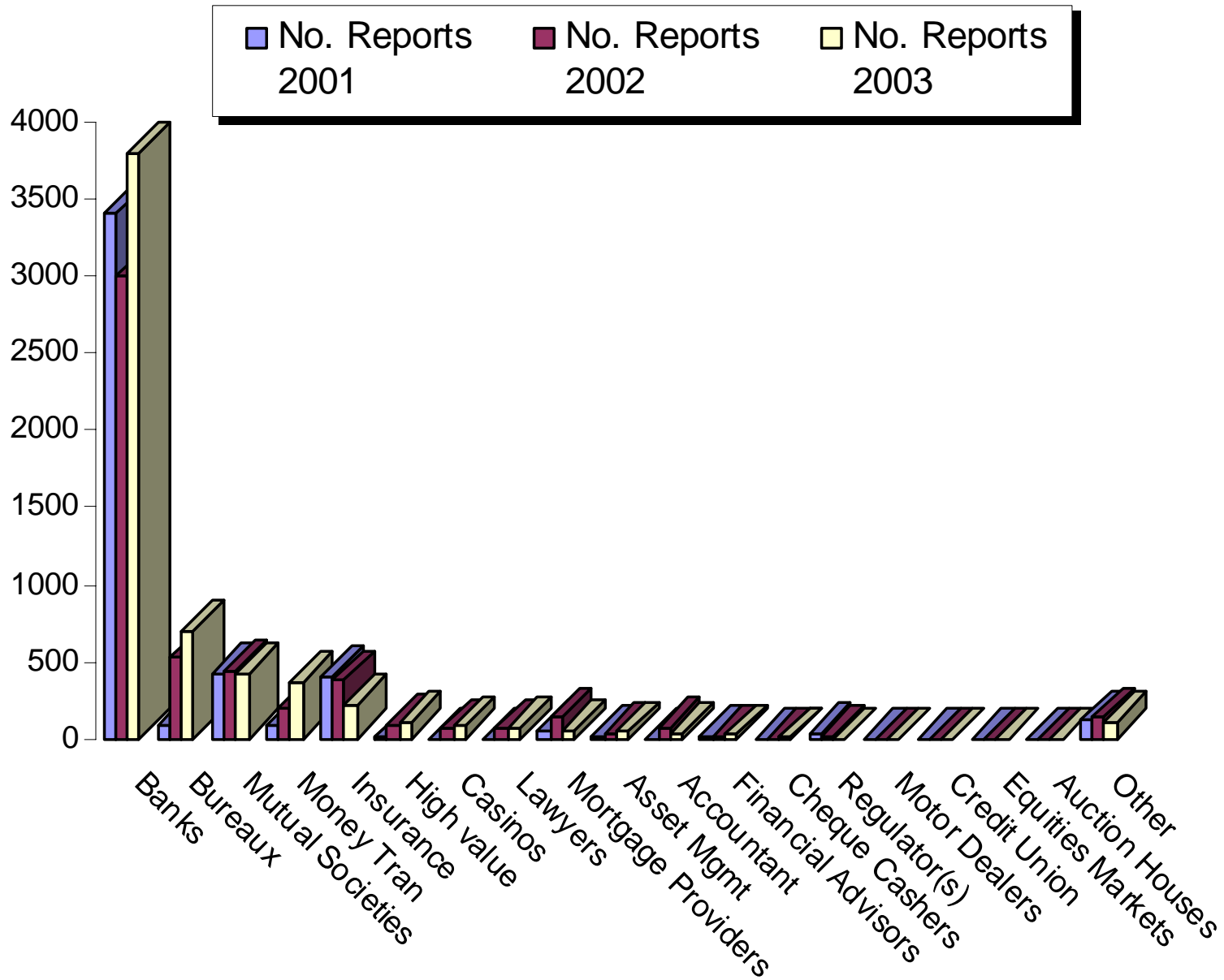
- *How many Foreign requests have been dealt with*
 - *No. Sent* *To whom*
 - *No. Received* *From Whom*
 - *Were these requests proactive or reactive*
 - *How long did it take to deal with the requests*
- *Does it regularly undertake trends analysis*
 - *Who does it consult*
 - *Who does it share the results of the analysis with*
- *Does it (or another official body) issue guidelines re reporting*
 - *Who & what*

Statistical Analysis in the FIU...

Number of STR Reported, why the changes?



Why the movement?

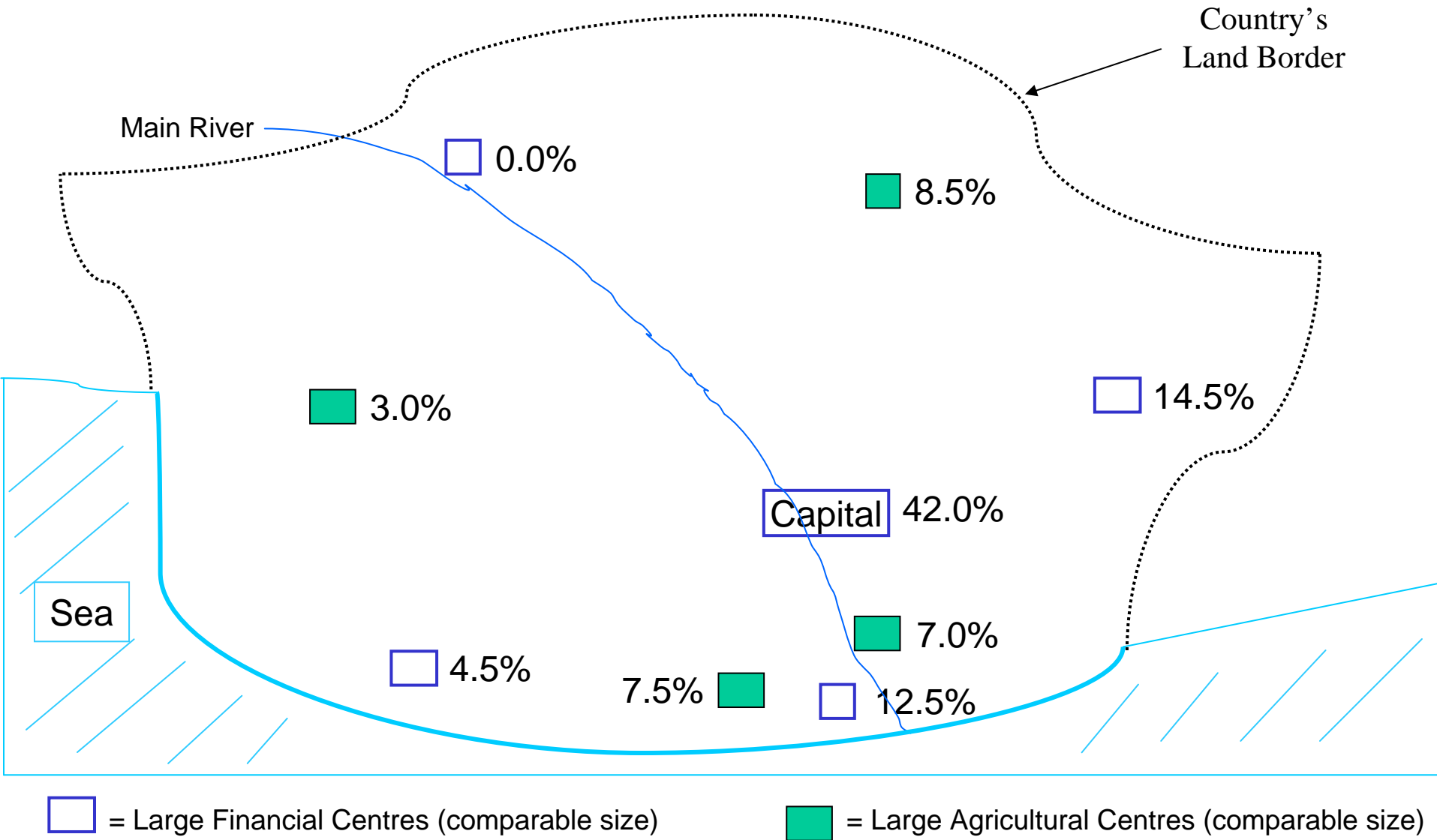


What do these figures / changes mean?

Sector	No. Reports 2001	No. Inst reporting in sector	No. Reports 2002	No. Inst reporting in sector	No. Reports 2003	No. Inst reporting in sector	Total No. Institutions in Sector 2001 - 3
Banks	3401	17	2997	12	3790	13	50
Bureaux	98	3	527	12	699	7	17
Mutual Societies	425	19	442	20	430	19	23
Money Tran	98	1	201	4	372	5	8
Insurance	406	7	379	7	222	7	10
High value	12	4	99	7	119	9	102
Casinos	1	1	71	1	85	1	4
Lawyers	2	1	68	21	77	26	274
Mortgage Providers	58	5	142	10	64	6	14
Asset Mgmt	21	1	44	1	50	1	6
Accountant	7	2	78	5	40	4	359
Financial Advisors	17	1	21	2	29	2	421
Cheque Cashers	0	0	4	1	10	1	4
Regulator (s)	37	3	24	3	9	3	3
Motor Dealers	0	0	5	5	7	7	1378
Credit Union	2	1	3	1	4	1	326
Equities Markets	1	1	1	1	1	1	2
Auction Houses	0	0	0	0	1	1	29
Other STR	122	x	145	x	117	x	x
STR Number by year =	4708		5251		6125		

Why the displacement?

Analysis (by Branch) of STR Reporting by 'Y' Bank



FIU: Interaction & Timing with others...

