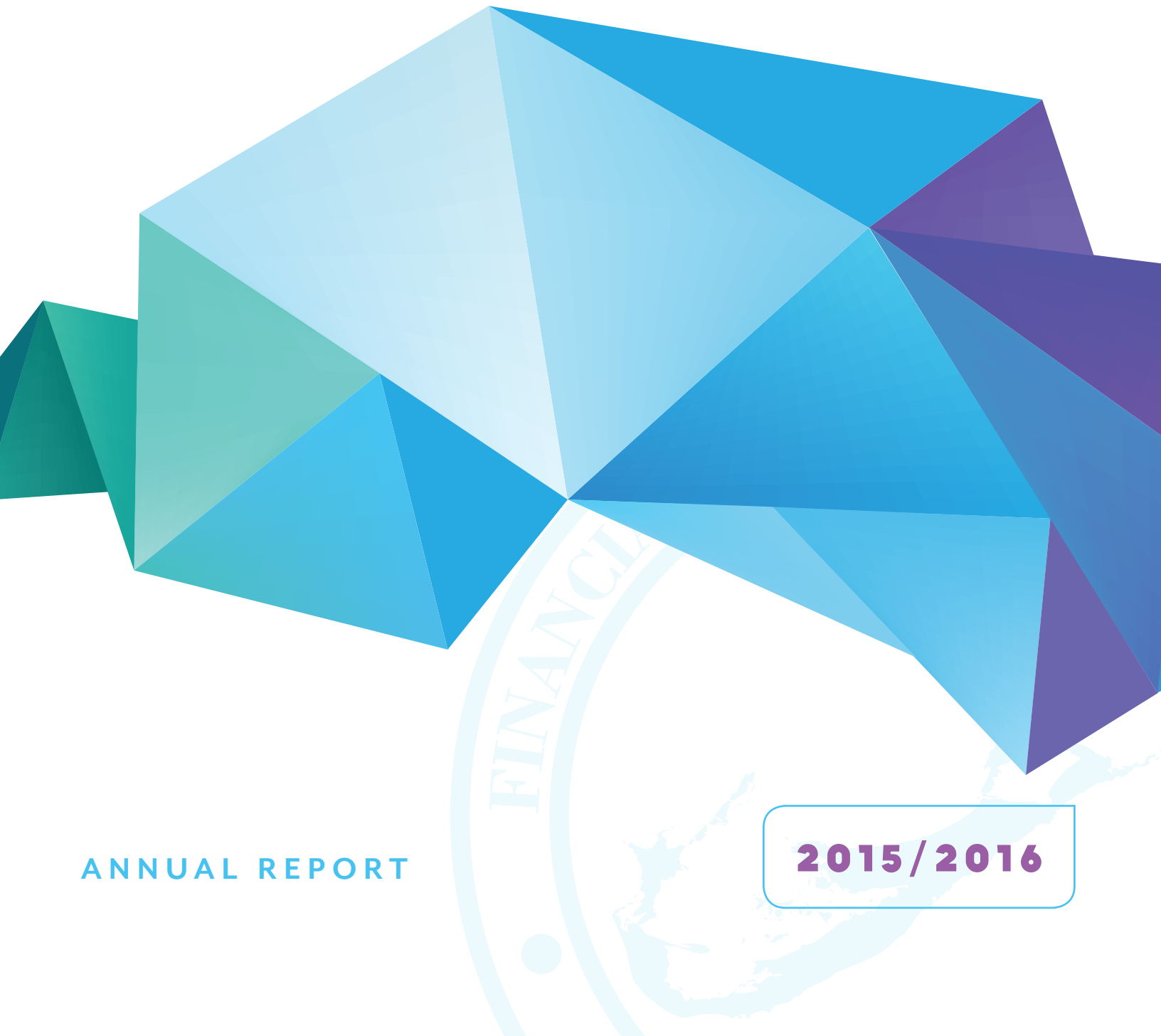


# FINANCIAL INTELLIGENCE AGENCY BERMUDA



ANNUAL REPORT

**2015/2016**





# FINANCIAL INTELLIGENCE AGENCY BERMUDA

2015/2016

ANNUAL REPORT

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**Sinclair White**  
Director

## Director's Report 2015/2016

The mission of the Financial Intelligence Agency (FIA) Bermuda is to proactively provide an effective, efficient, robust and professional financial intelligence agency through domestic and international networking, corporation, co-ordination and the sharing of information with other relevant competent authorities. This reflects a dedicated commitment in the global pursuit to combat money laundering the financing of terrorism and proliferation.

The FIA's activities during this reporting year has increased with the agency attending numerous meetings which now include the Supervisory Forum of the National Anti-Money Laundering Committee. This included attending discussions addressing Bermuda's sanctioned regime. This report will also show through its statistics the hard work and commitment demonstrated by its staff to receive, gather, analyze and disseminate its information to other local and international competent authorities. Internationally the FIA has continued its active participation with the Egmont Group, Heads of FIUs and the CFATF Heads of FIU Forum. This year also saw me attending the Caribbean Overseas Conference and Workshop for Heads of FIU, Law Enforcement and Prosecutors in the USA. This event was sponsored by the United Kingdom Foreign and Common Wealth Office—UK-FCO. Matters relating to money laundering, terrorist financing and asset recovery were discussed.

As with all Financial Intelligent Units legislation is a key component of its functions. FIA Bermuda continues to monitor its own primary Act and all relevant pieces of legislation addressing money laundering, terrorist financing and proceeds of criminal conduct. A number of amendments have been made during this period to bring Bermuda and its relevant competent authorities in line with the revised FATF recommendations and methodology along with addressing some procedure gaps that previously existed in the Proceeds of Crime Act. A review of the FIA Act 2007 was also completed to ascertain the level of technical compliance with the FATF Recommendations 29 and 40 coupled with the Egmont Charter and Principals of Information Exchange. However it was determined that some issues in the FIA Act needed to be strengthened and was promptly addressed. During the latter part of the reporting year, the FIA took steps to introduce an appropriate oversight regime for the remaining designated non-financial business and profession (DNFBP) sectors in Bermuda that remained unregulated (eg Dealers in Precious Metals and Stones and High Value Dealers in Cars, Boat, Motorcycles etc.).

*“FIA Bermuda continues to monitor its own primary Act and all relevant pieces of legislation addressing money laundering, terrorist financing and proceeds of criminal conduct.”*

The FIA has continued to enhance its ability to foster its communication with other domestic partners and stakeholders who engage in the fight against money laundering and terrorist financing. Our financial intelligence continues to play a pivotal part of the foundation that allows our law enforcement agency and other competent authorities to successfully achieve their aims and objectives in the use of their respective supervisory and enforcement powers.

Money laundering and terrorist financing impact our economic and social framework. This has been noted seen when such activities are linked to predicate offences and organized criminal activity. FIA Bermuda will continue to improve on the quality of its analytical work and disseminations to other law enforcements, FIUs and other competent authorities. The FIA will remain fully committed in our efforts with our partners and stakeholders to combat the scourged of money laundering and terrorist financing domestically and internationally.

A handwritten signature in black ink, appearing to read 'S. White', enclosed within a large, stylized, circular flourish.

**Sinclair H White**

Director

# FIA STATISTICS

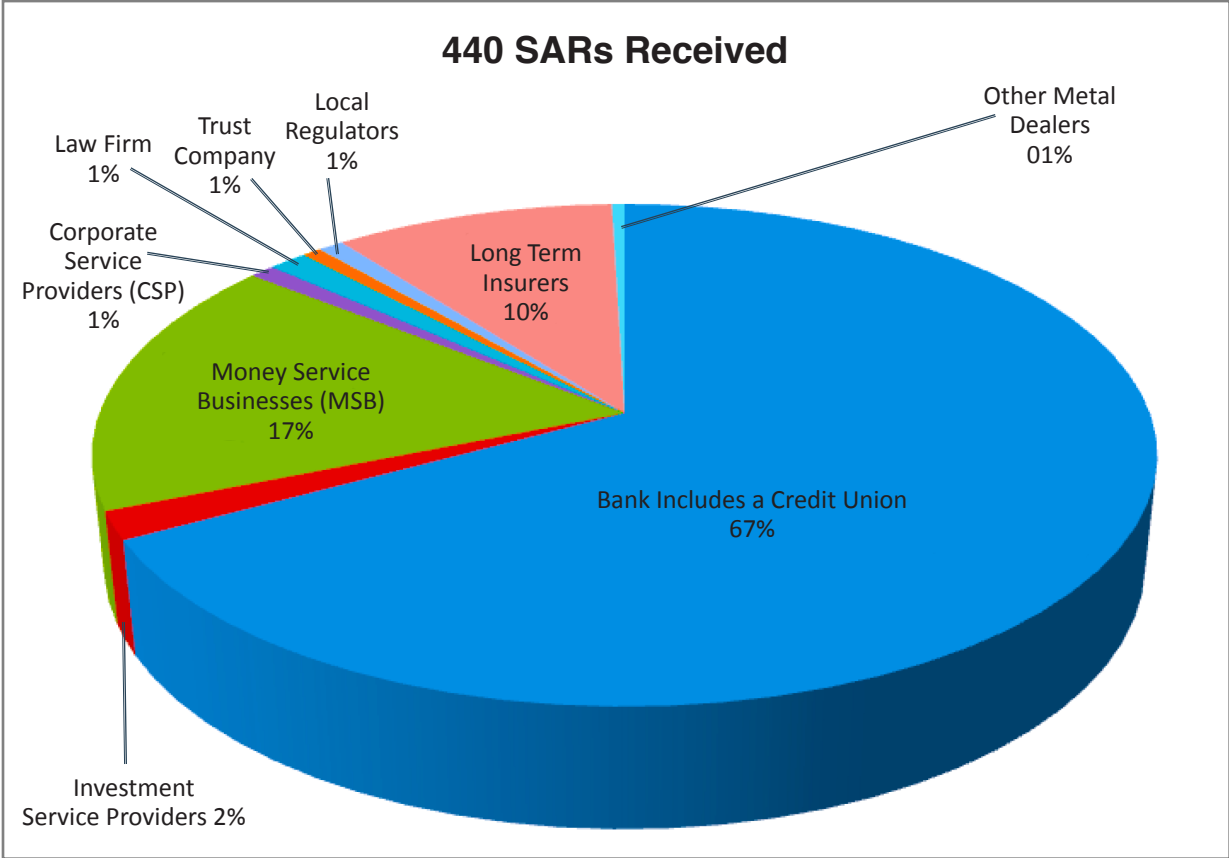
1<sup>st</sup> April 2015 – 31<sup>st</sup> March 2016 (the “Reporting Period”)

## SARs FILED

During the Reporting Period, a total of **440** Suspicious Activity Reports (SARs) were filed with the FIA as compared to **362** filed during 2014/2015. The major contributor of SARs filed during this Reporting Period continues to be the Banks. Following are the MSBs and Long Term Insurers.

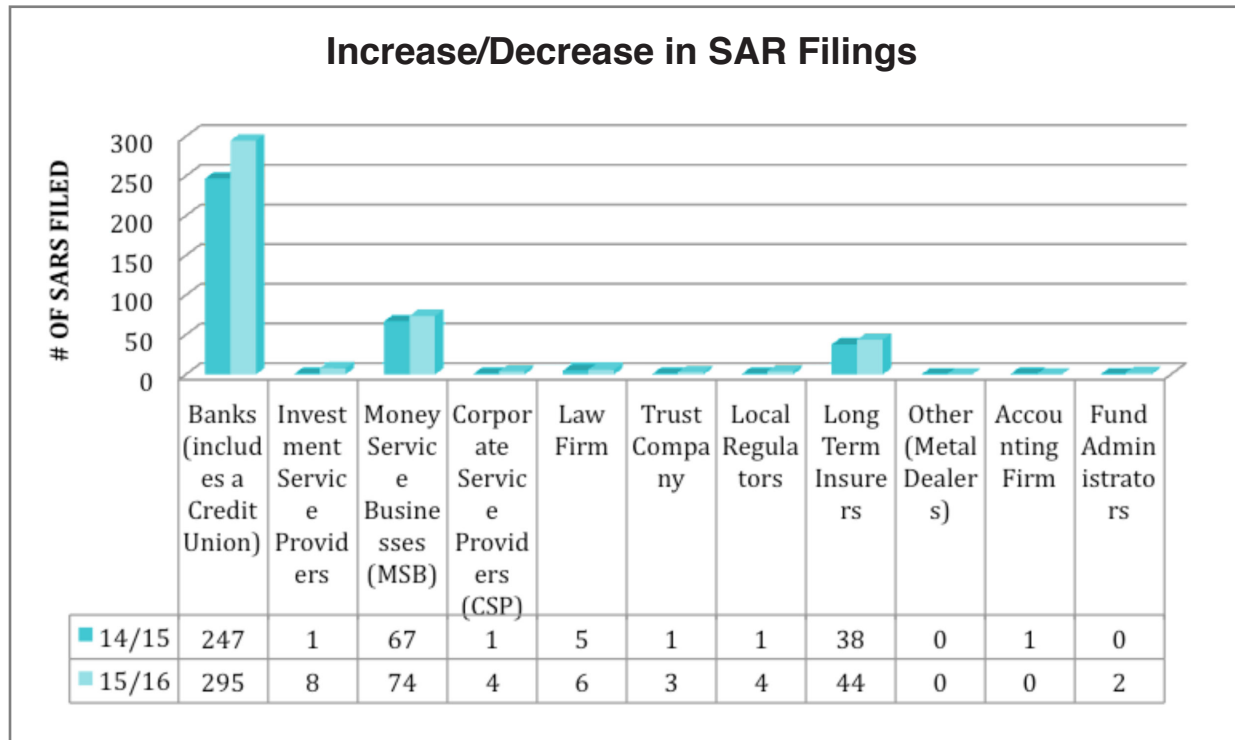
### Chart 1

The FIA reports SAR filings broken down into 11 reporting sectors. We are pleased to report that 9 of these sectors filed SARs during the Reporting Period with all sectors seeing an increase in filings. There were no filings in the Accounting and Dealers in Precious Metals and Stones sectors during the Reporting Period.



## Chart 2

Overall the FIA saw a **21%** increase in SAR reporting across all sectors during Reporting Period compared to 2014/15.



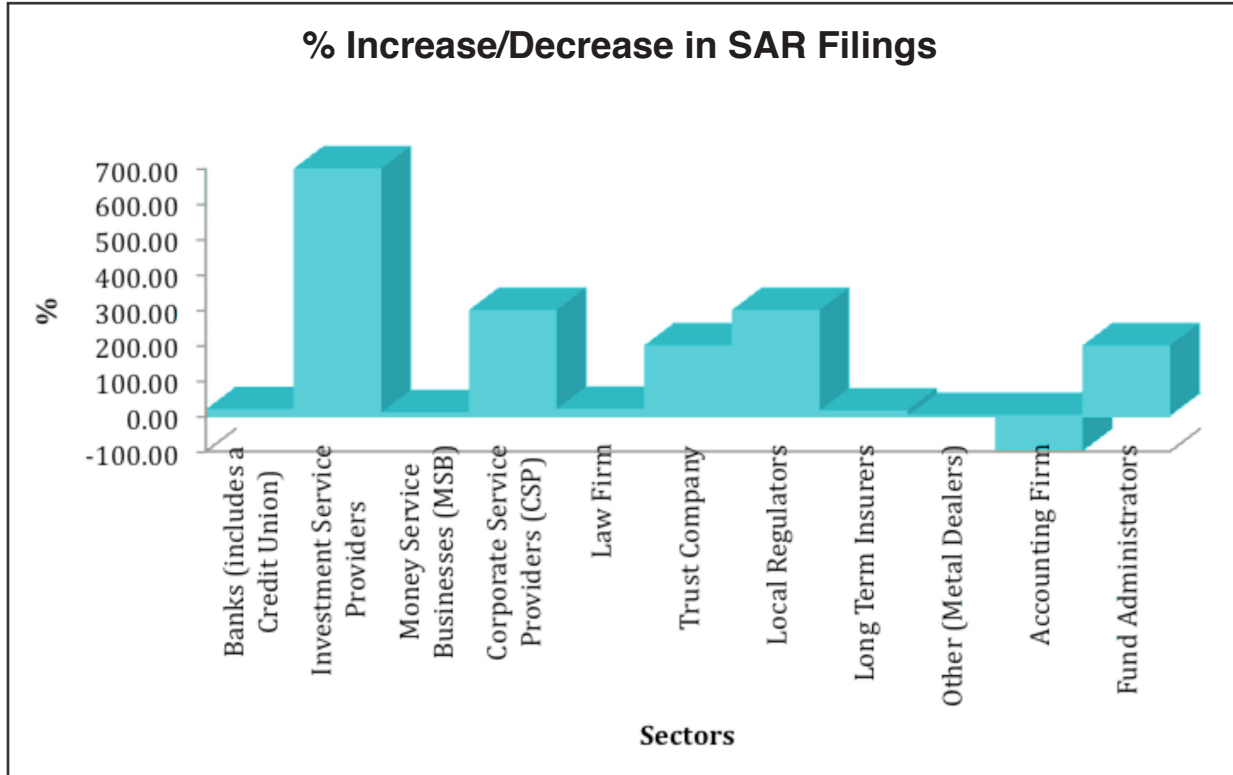
## Chart 3

Contained within these SARs were **4870** transactions for a total value of **\$379,756,377.00 BMD** of which 35 of the SARs reported involved amounts in excess of a million dollars. These included the Banks, Investment Firms, Law Firms, Long Term Insurers and Fund Administrators. The majority of SARs filed with the FIA continue to be of a quality standard with few requiring the reporting entity to be contacted.

After seeing 2 consecutive years of decreases in total SARs filed, we are pleased to see a 21% increase in filings. This can be attributed to the continued training and presentations provided by the FIA which has assisted in improved SAR filings. Also, due to the training and presentations given to new entities, different sectors started to identify suspicious activity within their businesses and filed SARs accordingly. It was evident from the presentations given that many sectors were hesitant to file as they did not have an understanding of money laundering or the role of the FIA.

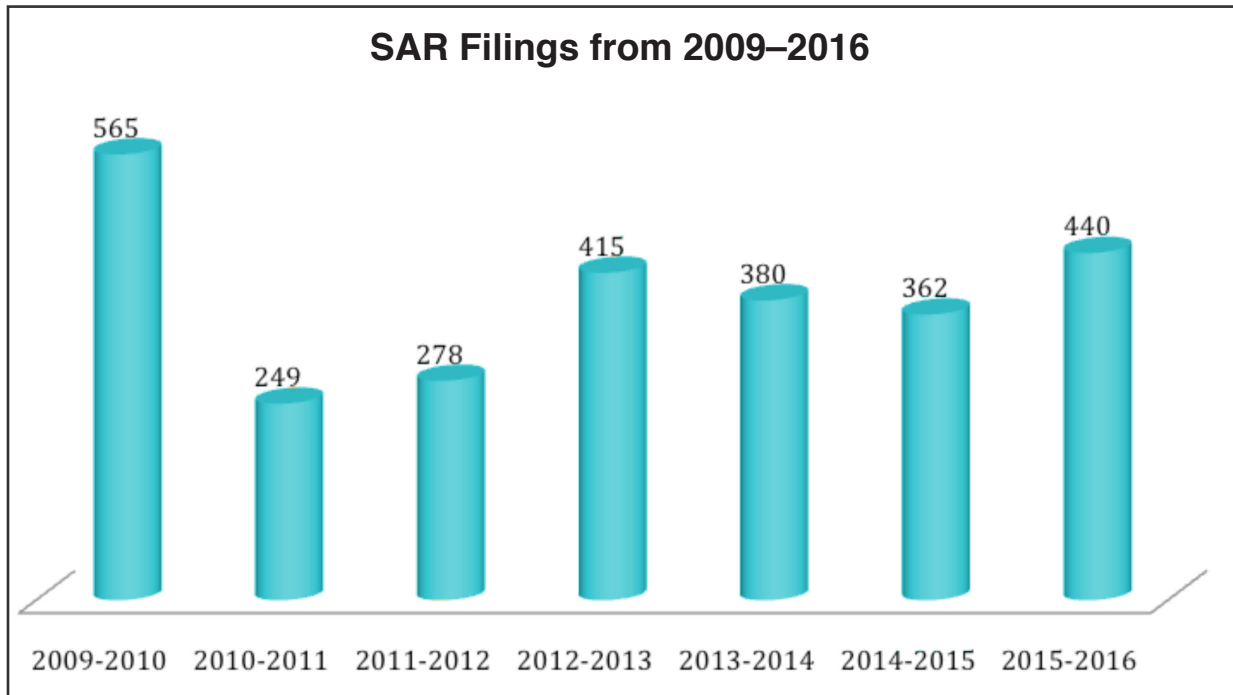
Training and presentations given to the Reporting Entities concerning SAR filing, KYC, Money Laundering, Terrorist Financing and the use of goAML, useful policies and procedures have also been introduced to assist the Reporting Entities' staff in identifying and dealing with suspicious activity. We are pleased to see the positive results from this training.

Below is a Comparison Chart outlining the number of SARs filed with the FIA during previous reporting periods.



**Chart 4**

Cash exchanges of Bermuda currency for a foreign currency, usually US dollars is still the most reported activity to the FIA from the Reporting Entities. During this Reporting Period **188** SARs involved suspicious cash exchange at financial institutions (Banks) totaling **\$6,262,229.00 BMD** in **3647** transactions at an average of **\$1,717.09 BMD** per transaction. Also, **69** SARs involved suspicious wires out of Bermuda using Money Service Businesses as their transmitter for a total value of **\$228,709.00 BMD** in **151** transactions at an average of **\$1,514.63 BMD** per transaction. These continue to be the prevalent trends seen by the FIA through their analysis.



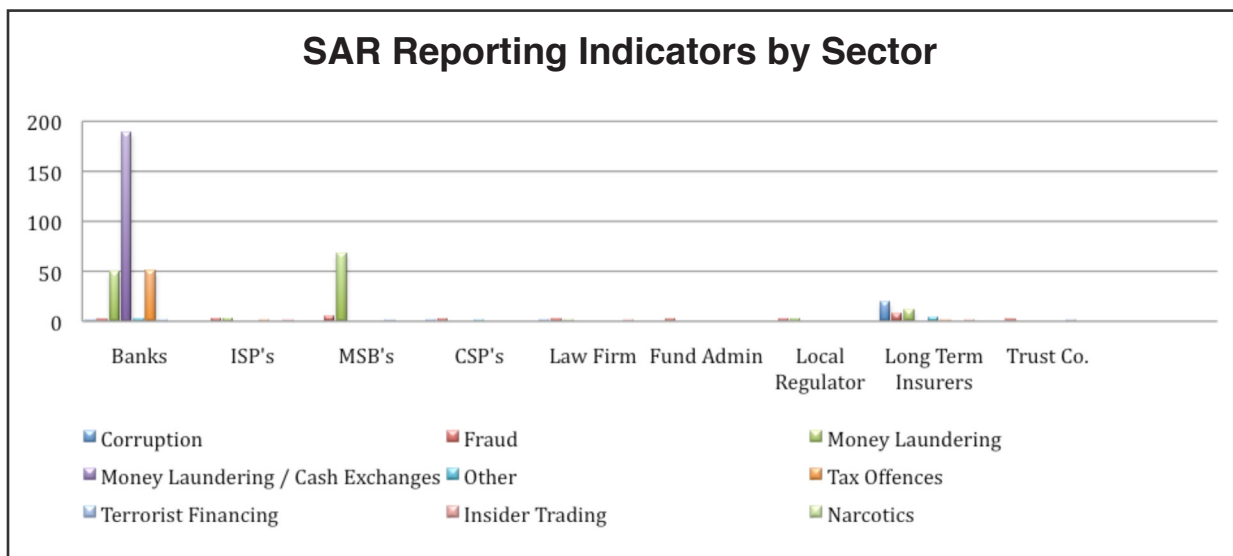
## REPORTING INDICATORS AND TRENDS

SARs filed with the FIA tend to follow one of 7 main reporting indicators which the FIA have listed as

1. Corruption,
2. Fraud,
3. Money Laundering,
4. Money Laundering /Cash Exchanges,
5. Tax Offences
6. Terrorist Financing
7. Insider Trading

Charts (5) and (6) below show the number of SARs filed as it relates to the main reporting indicators. Money Laundering/Cash Exchanges and Basic Money Laundering were filed the most followed by Tax Offences and Fraud.

**Chart 5**



**Chart 6**

A summary of two of the reporting indicators highlighted in the SARs filed during this Reporting Period is shown below.

REPORTING INDICATORS	BANKS	ISP'S	MSB'S	CSP'S	LAW FIRM	FUND ADMIN	LOCAL REGULATOR	LONG TERM INSURERS	TRUST CO
Corruption	1	0	0	1	1	0	0	19	0
Fraud	2	3	5	2	3	2	2	8	2
Money Laundering	49	3	68	0	1	0	2	11	0
Money Laundering/Cash Exchanges	189	0	0	0	0	0	0	0	0
Other	3	0	0	1	0	0	0	4	0
Tax Offences	50	1	0	0	0	0	0	1	0
Terrorist Financing	1	0	1	0	0	0	0	0	1
Insider Trading	0	1	0	0	1	0	0	1	0
Narcotics	0	0	0	0	0	0	0	0	0

## TAX OFFENCES

The FIA have received **52 SARs** this Reporting Period that referenced tax offences from the Banks (including Credit Union), Investment Service Providers and Long Term Insurer Sectors totaling in the amount of **\$16,299,127.00 BMD**. This is an decrease from the last Reporting Period by **14.75%**. The majority of these SARs were filed as a result of one bank conducting file remediation and ensuring that their clients are US Tax Compliant as it relates to FACTA.

## FRAUD

The FIA have received **29 SARs** that reference Fraud from nine sectors namely, Banks (including a Credit Union), Corporate Service Provider, Fund Administrator, Investment Service Provider, Law Firm, Local Regulator, Money Service Business and Long Term Insurers. The total amount involved was **\$101,833,311.00 BMD**. This increased by **52.63%** since the last reporting period. Within these SARs the following red flags were identified:-

- Non-Bermudian clients
- Failed KYC checks eg. When opening an account
- Criminal associations
- Numerous allegations and civil lawsuits
- High risk jurisdiction
- False documents
- Inadequate explanations
- Theft
- Defrauding investors
- Phishing – email scams

## OVERALL TRANSFERS OF MONIES OUT OF BERMUDA 2015–2016

During this Reporting Period, the FIA have received numerous SARs relating to wires (EFTs) to numerous jurisdictions, mainly filed by the MSBs. The total dollar value of wires being sent out of Bermuda totals **\$226,909.00 BMD** in comparison with **\$174,886 BMD** being sent out of Bermuda in 2014/2015. This represents a **29.75%** increase in the value of suspicious EFTs. This is only reflective of what has been reported as suspicious. In the Chart 7 below, see a summary of the 37 countries identified as recipients of suspect wires:

Chart 7

Destination Country		Destination Country	
1	ARUBA	20	NIGERIA
2	BAHAMAS	21	PAKISTAN
3	BENIN	22	PANAMA
4	BULGARIA	23	PHILIPPINES
5	CANADA	24	RUSSIAN FEDERATION
6	CAYMAN ISLANDS	25	SAINT LUCIA
7	CHINA	26	SIERRA LEONE
8	COLOMBIA	27	SOUTH AFRICA
9	COSTA RICA	28	SPAIN
10	DOMINICA	29	SWEDEN
11	DOMINICAN REPUBLIC	30	TRINIDAD AND TOBAGO
12	EGYPT	31	TURKEY
13	EL SALVADOR	32	TURKS AND CAICOS ISLANDS
14	GHANA	33	UGANDA
15	GUYANA	34	UNITED KINGDOM
16	HONG KONG	35	UNITED STATES
17	JAMAICA	36	URUGUAY
18	MEXICO	37	VIRGIN ISLANDS, BRITISH
19	NETHERLANDS		

## DISPOSITION OF SARs DURING THE REPORTING PERIOD

All SARs received by the FIA are analysed and subjected to an initial review, after which they are either filed for intelligence or assigned to a case for further analysis and potential disclosure to the FIA’s partner agencies.

During the Reporting Period, the FIA has made **134** disclosures. There were **102** local disclosures and **32** made overseas with the majority made locally to the BPS. Used within these disclosures were **454** SARs. This can be compared to 2014/2015 where the FIA made **116** disclosures containing **2743** SARs, **100** disclosures were made locally and **16** were made overseas.

## GATHERING POWERS

As it relates to the FIA utilising its gathering powers under Section 16 of the FIA Act, **343** “**Notice to Provide Information**” letters were sent to **14** separate entities during this Reporting Period. This power is only utilised when the FIA have escalated a SAR to be a case requiring further analysis.

## DISCLOSURE STATISTICS

During this Reporting Period, the FIA made **134 disclosures** of classified information/intelligence to local and foreign partners. These disclosures consisted of information received by the FIA via SARs (**454 SARs** were disclosed); information/intelligence obtained by the FIA further to its information gathering powers under Section 16 of the FIA Act, and OSINT. Most importantly, all of these disclosures contained analysis conducted by the FIA’s staff in our efforts to provide useful intelligence to the FIA’s local and foreign partners.

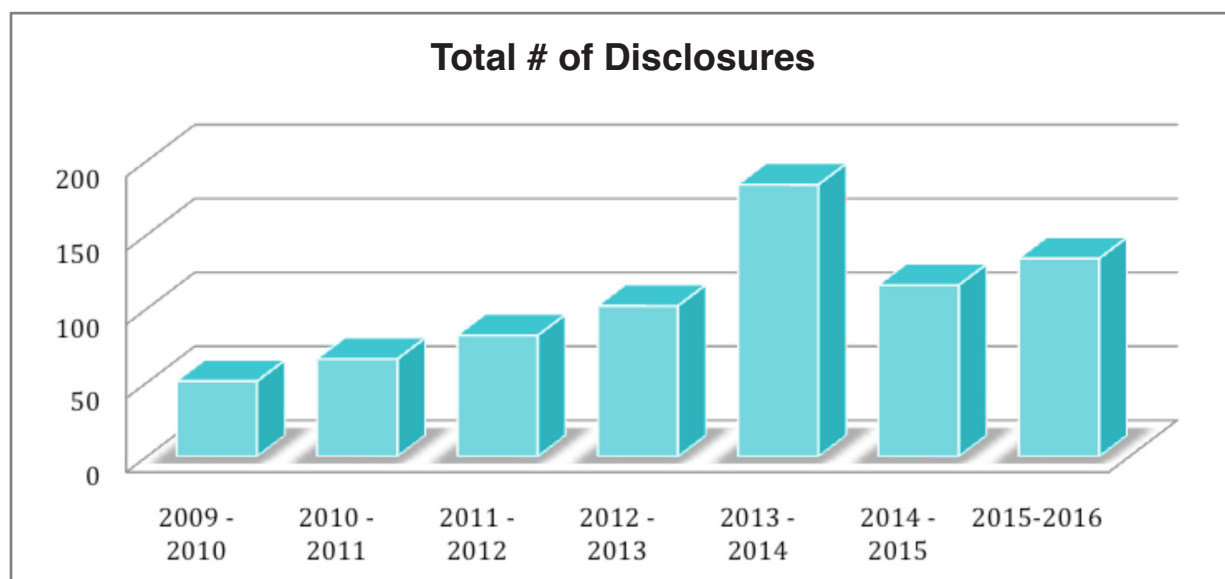
Chart 8 below compares the total Disclosures and SARs utilised between this Reporting Period and the FIA Annual Report for 2014–2015.

**Chart 8**

	1 <sup>ST</sup> QUARTER		2 <sup>ND</sup> QUARTER		3 <sup>RD</sup> QUARTER		4 <sup>TH</sup> QUARTER		TOTAL	
DISSEMINATIONS	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16
Total Disclosures	23	52	21	23	32	27	40	32	116	134
Total SARs disclosed	53	145	51	36	72	147	98	126	274	454

Chart 9 illustrates the total number of disclosures from 2009 – 2016.

**Chart 9**



## INTERACTION WITH FOREIGN FIUs

Sections 14 and 18 of FIA Act establishes the lawful basis for the FIA to provide international co-operation to foreign FIUs as well as foreign non-counterparts. The FIA has autonomous authority to determine how to exercise its functions. The FIA adheres to the Egmont Group of Financial Intelligence Units' Charter and Principles of Information Exchange between FIUs which directs the efficient use of cooperation.

During the current Reporting Period, the FIA received **29** Incoming Requests for Information (IRI) from foreign FIUs listed below in the table. See Chart 10 below outlining the jurisdictions and Number of IRIs submitted.

**Chart 10**

JURISDICTIONS	NO. OF REQUESTS	JURISDICTIONS	NO. OF REQUESTS	JURISDICTIONS	NO. OF REQUESTS
Argentina	1	Cayman	1	El Salvador	1
Bangladesh	1	Bahrain	1	Lithuanian	1
United States	5	Taiwan	1	Spain	1
Canada	1	Guernsey	1	Russia	1
Samoa	1	Switzerland	1	Philippines	1
Kazakhstan	1	Anguilla	3	Romania	1
Turkey	1	Guatemala	3	Moldova	1

In keeping with EGDMONT FIU agreements, the FIA considers all IRIs from foreign FIUs as containing classified information.

In addition to responses to requests made by other entities to the FIA, the FIA also made a number of spontaneous disclosures of information to foreign partners. Of the **134** disclosures made by the FIA during the current Reporting Period, **32** of the disclosures were made to foreign FIUs, which are listed below in Chart 11.

### Chart 11

JURISDICTION	JURISDICTION	JURISDICTION	JURISDICTION
United States	Colombia	United Kingdom	Moldova
Brazil	Cyprus	Anguilla	
India	Panama	Cayman	
Singapore	Romania	Guernsey	
Samoa	Russia	Mauritius	
Spain	Isle of Man	Switzerland	
Venezuela	Italy	Philippines	

The FIA does not require any agreement to enable it to exchange information with foreign FIUs as this is permissible by virtue of Section 14 of the FIA Act. The FIA will rapidly conclude MOUs with those countries that require an MOU. Section 19 of the FIA Act states that the FIA may, in connection with the exercise of its functions under this Act, enter into arrangements for cooperation with bodies or persons (in Bermuda or elsewhere) which it considers appropriate.

Currently the FIA has signed 40 MOUs with foreign FIUs since its establishment in November 2008. The FIA has also received confirmation from a further 14 FIUs that an MOU is not required by their FIU to facilitate international co-operation.

## LEGISLATIVE MATTERS

In July 2015, the NAMLC issued a Consultation Paper on proposed amendments to various pieces of legislations governing Bermuda’s AML/ATF regime. The amendments are required to address existing gaps in Bermuda’s AML/ATF legislative framework, in light of the 2012 revision to the Financial Action Task Force’s (FATF) 40 Recommendations. These amendments are intended to assist Bermuda in more fully meeting the technical compliance requirements of the revised FATF standards, when its regime is subjected to the Fourth Round mutual evaluation process. The amendments came into effect in January 2016.

Those matters that have a direct impact on the FIA are as follows:

### KEY PROVISIONS

#### Amendments to the Proceeds of Crime Act (POCA)

Sections 9 and 10 of POCA are being repealed and replaced with one provision that establishes a single procedure for confiscation arising from convictions for any eligible offence. Consequently, amendments are also required to be made to sections 12, 13, 15, 17, 18, 19 and 23. In addition, a new section 26A is being added to facilitate enforcement of confiscation orders against delinquent defendants, by enabling them to be brought before the Court through the means of a warrant issued for that purpose. The section will allow the Court a range of powers once such a defendant is brought before it on warrant, with a view to having the Order enforced.

Amendments are also being made to the money laundering offences provisions contained in sections 43, 44 and 45, with specific amendments being made to the consent provisions which require the FIA’s consent to be given before certain transactions can be undertaken. The amendments will incorporate time limits for giving of consent by the FIA.

Other provisions include amendments to the members of the National Anti-Money Laundering Committee; and the specific prohibition of the importation and exportation of the proceeds of criminal conduct.

## Amendments to the Financial Intelligence Agency Act 2007

A number of amendments are made to the FIA Act as a means of strengthening its operational independence; making clear its obligations in relation to receiving and addressing requests from foreign financial intelligence authorities; as well as incorporating a requirement for secure treatment of all information received and dealt with by the FIA.

Additionally, section 18 is amended to include a number of additional competent authorities within the list of entities to which the FIA may disclose information.

## PATI & ITS APPLICATION TO THE FIA

The Public Access to Information Act 2010 (PATI) grants the Bermuda public the right to obtain access to information held by public authorities to the greatest extent possible, subject to exceptions that are in the public interest or for the protection of the rights of others. It is designed to increase transparency with respect to the activities of public authorities and their decision making processes. It is further designed to hold public authorities to a high standard of accountability.

PATI came into effect on April 1, 2015.

By law, each public authority is required to publish its own information statement which describes its organisation, functions, policies and procedures. The Act also requires the information statement to contain the name of the contact person to whom requests are to be directed. The information contained in this statement is to fulfill the obligation and provide a general overview of the resources in the Financial Intelligence Agency that they are entitled to access.

The FIA is deemed a public authority under PATI however, given the functions that are carried out by the FIA. Not all of the information created or obtained by the FIA will be available for public disclosure under PATI.

There are a number of the FATF Recommendations that have an impact upon the operations of the FIA, which dictate both the substantive legal and operational requirements that countries and their Financial Intelligence Units (“FIUs”) will have to conform to in order to be deemed compliant with the relevant FATF Recommendations.

Given the central role that the FIU plays within a country’s AML/CFT regime by virtue of the highly sensitive information that it retains within its possession, FATF has imposed exceedingly strict data protection requirements upon FIUs. FIUs are required to have rules in place governing the security and confidentiality of information, including procedures for handling, storage, dissemination, and protection of, and access to, information. Further, FIU staff members are required to have the necessary security clearance levels and understanding of their responsibilities in handling and disseminating sensitive and confidential information. There should also be limited access to the FIU’s facilities and information, including information technology systems.

To both protect and promote the free flow of information exchange across international borders, FATF has again built in safeguards in the FATF Recommendations requiring countries to establish controls to ensure that information exchanged by competent authorities is only used for the purpose (and by the relevant competent authority) for which the information was sought and provided. Accordingly, competent authorities must maintain strict levels of confidentiality for any requests for cooperation and the information exchanged.

## FIA INFORMATION STATEMENT

The FIA is committed to ensuring that the information that it receives and obtains in the course of carrying out its statutory functions is protected in line with the very strict guidelines established by the FATF. The information listed below has been taken from the FIA's Information Statement. This statement highlights that the only information that will be available for public access will be that which is deemed to be general administration.

The full version of the said Information Statement can be viewed on the FIA's website [www.fia.bm](http://www.fia.bm) or a request can be sent to [pati@fia.bm](mailto:pati@fia.bm)

*The FIA has the functions of receiving, gathering, storing, analyzing and disseminating information relating to suspected proceeds of criminal conduct, potential money laundering offences and potential terrorist financing offences. The FIA may disseminate this information to the Bermuda Police Service and to Foreign FIUs.*

*Whilst in the course of enquiring into a suspicious transaction, the FIA has the power to request information from any person requiring that person to provide the FIA with such information as it may reasonably require for the purpose of its enquiry. Further, whilst enquiring into a suspicious transaction the FIA is empowered to issue a 72 hour freezing notice against any banking institution in Bermuda requiring it not to make available any funds to any person specified in the notice as*

*Information that is obtained by the FIA in connection with the exercise of these functions may be disclosed by the FIA to the Minister of Finance, the Minister of Legal Affairs, the Bermuda Monetary Authority and the Registrar-General to discharge their functions under any statutory provision.*

**Section 17 of the FIA Act restricts the ability of the FIA to disclose information it has received outside of the parameters contained within the FIA Act. This means that the array of records and information that are received, gathered, stored, analysed and disseminated under the FIA Act and described above are presumptively exempt from disclosure.**

*Section 37 of PATI recognizes and gives effect to this statutory non-disclosure provision contained in the FIA Act.*

*Records related to the general administration of the FIA are accessible to the public. The FIA employs an Office Administrator, who is responsible for the general office administration and the maintenance of all accounting records. The FIA has outsourced its accounting function with respect to its statutory annual financial reporting obligations. The maintenance of personnel records of staff members with the FIA is the responsibility of our Senior Legal Counsel. These records fall with Part 4 of PATI (Exempt Records under Sections 23 and 24) and as such, are exempt from disclosure to the public on the grounds that they are personal information. Section 23 (2) provides exceptions to this and Section 24 (2) details what personal information does not include.*

*The FIA's accounting records are maintained within the FIA by the Office Manager who keeps track the following accounting records, which are accessible to the public:*

- Payroll expenses
- Staff Professional Membership fees
- Office supplies
- Monthly rent and maintenance
- Repair and maintenance of office equipment
- Drinking water
- Fixed assets
- IT and communications
- International Organization Membership Fees
- Education and awareness

*In addition, the FIA has administrative and vendor contracts that are accessible to the public.*

*Funding for the FIA is provided through the Ministry of Legal and is administered via a Memorandum of Understanding on an annual basis.*

*Budgetary records for the FIA are produced and maintained within the FIA and submitted to the Ministry of Legal Affairs on an annual basis. The Ministry of Legal Affairs is responsible for including the budgetary requirements for the FIA within its own Ministry budget. All Government Departments' budgetary information (i.e. Approved Estimated and Revenue for the Year) are published on the Bermuda Government (Ministry of Finance) website at [www.gov.bm](http://www.gov.bm). The public can make specific requests to the Financial Comptroller responsible for the Ministry of Legal Affairs for this information, which is handled on a case-by-case basis.*

*The Annual Report of the FIA's operations is published and accessible to the public via its website [www.fia.bm](http://www.fia.bm) once it has been tabled by the Minister of Legal Affairs in both Houses of Parliament.*

*The FIA maintains the following manuals for use by its employees which may be accessed by the public:*

- Conditions of Employment and Code of Conduct Handbook;*
- Supplementary Summary of Terms and Conditions of Employment;*
- Health & Safety Policy;*
- Smoke and Drug Free Workplace Policy;*
- Recruitment Policy;*
- Financial Instructions.*

*All meetings held and minutes taken pertaining to the activities of the Board of Directors and the FIA are kept within the FIA. The Board holds its meetings on a quarterly. The Board of Directors is involved in the decision-making process, addressing financial matters and managing the affairs and business of the FIA. All important matters are confirmed by Board resolutions.*

- Conditions of Employment and Code of Conduct Handbook;*
- Supplementary Summary of Terms and Conditions of Employment;*
- Financial Instructions*

## FIA ACTIVITIES

### TRAINING

#### Q1

The FIA had conducted 2 training sessions relative to Money Laundering, Terrorist Financing and the use of goAML (our operating software). These presentations were made to an Auto Dealership and an entity that addresses Scholarships.

In April 2015 one staff member attended a two-day PATI training session for Public Authorities. And another staff member conducted the PATI tracking system training. The FIA PATI (Information Statement) Notice 2015, #382 was also published in the official gazette under the Government's Official Notices on April, 20<sup>th</sup> 2015. See the previous chapter for further details on PATI

#### Q2

The FIA had conducted 5 training sessions relative to Money Laundering, Terrorist Financing and the use of goAML. These presentations were made to an Auto Dealership, an Investment Provider, a Long Term Insurer and one entity related to Charities.

In August 2015 two staff members attended a two-day training session related to Asset Recovery and in September 2015 two staff members attended a KPMG round table discussion which was prepared for the Trust Sector.

In September 2015, the Director attended the **Caribbean Overseas Territories Conference and Workshop for Heads of FIU, Law Enforcement and Prosecutors** which was held in Miami, Florida. This event was hosted and sponsored by the United Kingdom Foreign and Commonwealth Office (UK-FCO). Matters relating to Money laundering, Terrorist Financing and Assets Recovery were discussed. It was highlighted that future meetings will be scheduled to address the concerns as it relates to the sharing of information, the investigation of money laundering and terrorist financing and associated predicated offences leading to the confiscation and recovery of assets related to the above.

#### Q3

The FIA had conducted 3 training sessions relative to Money Laundering, Terrorist Financing and the use of goAML. These presentations were made to a Trust Company, an Investment Service Provider, and the Registry General who are now a Supervisory authority regulating the Charities.

In November 2015 FIA staff members partook in a two week training session with members of UNODC's goAML team with respect to the new upgrades to our operating software. These upgrades allow the Reporting Entities to streamline their electronic reporting, assist the Analysts in reviewing the subjects and transactions related in a more efficient manner, ensuring the data entered and presently available is always clean data just to name a few.

#### Q4

The FIA had conducted 6 training sessions relative to Money Laundering, Terrorist Financing, Risks and the use of goAML. These presentations were made to two Trust Companies, Money Service Businesses and Long term Insurer.

In February 2016, the Head of Analysis took part in a Civil Asset Recovery workshop which was hosted by the Foreign Commonwealth Office (FCO) in Miami, USA. This workshop assisted FIU's, Law Enforcement and Attorney General office's in the Caribbean region to have a better understanding and offer other avenues to address Civil Asset Forfeiture and Recovery.

### MEETINGS

The FIA continue to have monthly and quarterly meetings with our partners, i.e. Police and BMA to discuss matters of concern, paving the way for a more fluent and conscientious dialogue on matters concerning AML/ATF.

On June 23rd, 2015, the Director attended the inaugural Meeting of the Supervisory Forum chaired by the Chairperson of the National Anti-Money Laundering Committee, Ms. Cheryl Lister. Present were the BMA (Financial Supervisor), the Registrar General (Charities), the Registrar of Companies (Real Estates), the Bar Association/

Accountants, The Gaming Commission and the FIA (as a potential supervisor for High Value Dealers and Dealers in Precious Metals and Stones). Discussions were on the objectives and terms of reference of the Supervisory Forum, issues, challenges or concerns raised by the Agencies. An update was also given on Bermuda's 4<sup>th</sup> Round AML/AFT assessment. It was agreed that the Forum will conduct quarterly meetings per a structured agenda.

This group is meeting every quarter to discuss matters involving supervisory issues concerning the Designated Non-Financial Business and Professions (DNFBP's) addressing gaps in the FATF Recommendations which have not yet been adequately addressed by Bermuda.

## EGMONT

The Director and Senior Legal Counsel (SLC) attended the annual Egmont Plenary held in Barbados between the 7<sup>th</sup> – 12<sup>th</sup>, June, 2015.

The Executive Secretary of the Egmont Group sought assistance from the SLC with respect to the recruitment of a Senior Policy Officer and Senior Officer in the Egmont Secretariat. The SLC along with the Directors from the FIUs of Canada, Guernsey and BVI were invited to Toronto in November 2015 to take part in the interviews of candidates. 7 strong candidates were interviewed and the panel was able to identify 2 very good persons to fill these positions.

The Egmont Group has been undergoing a remarkable transformation for the past 18 months in line with its strategic plan. This transformation has involved a thorough review of the way in which the working groups support the work of Egmont and provided recommendations for improvement. These recommendations were approved by the Heads of FIUs during the Barbados Plenary in 2015 and a transition team has been put in place to implement these changes. Given the senior role that the SLC has within the Legal Working Group, she has been involved in this work since the inception and has been responsible for the transition and merging of Legal Working Group and Outreach Working Group into the Membership Support and Compliance Working Group and the Policy and Procedures Working Group.

The transition was completed during the Monaco Working Group meetings in February 2016. The Legal Working Group had its last meet during the Monaco meetings and the SLC acted as Chair of the final LWG meetings. The following day saw the inaugural meeting of all of the new working groups (Membership, Support & Compliance; Policy and Procedures; Technical Assistance & Training; Information Exchange). Given the SLC's role in the transition, she chaired the first Membership, Support and Compliance Working Group Meeting. Elections were conducted for the position of Chair and Vice-Chairs of the working groups. FIU Norway is Chair of MSC with FIUs from Bermuda, USA & Bahrain acting as Vice Chairs.<sup>1</sup>

Egmont has released its Annual Report; the continued commitment from the FIA in various aspects of Egmont operations is evident throughout the report.

## CFATF

The Accreditation Council of the CFATF Heads of FIUs will soon be putting in place an online/classroom Accreditation program for its members both in English and Spanish. Funding has been provided by the EU through the channels of CARICOM–IMPACS) to provide training for FIU Analysts, Financial Investigators and Regulators. It is envisaged that the agreement will be signed in July. A wealth of knowledge and information was also presented from the president of the FATF on the Mutual Evaluations done on Norway, Spain, Belgium and Australia (lessons learnt etc). Other important topics discussed were corruption (FIFA) and Terrorist Fighters.

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<sup>1</sup> The SLC is not able to accept a permanent Chair of Working Group position as the FIA already has a seat on the Egmont Committee via the Regional Representative position that it holds.

## LIST OF ABBREVIATIONS

AML/ATF	Anti-Money Laundering/Anti-Terrorist Financing
BMA	Bermuda Monetary Authority
BMD	Bermuda Dollar
BPS	Bermuda Police Service
CFATF	Caribbean Financial Action Task Force
CUSTOMS	H.M. Customs
EGMONT	The Egmont Group of Financial Intelligence Units
EFT	Electronic Funds Transfer
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency
FIU	Financial Intelligence Unit
IMF	International Monetary Fund
IRI	Incoming Requests for Information
KYC	Know Your Customer
MER	Mutual Evaluation Report
MOU	Memorandum of Understanding
MSB	Money Service Businesses/Bureau
NAMLC	National Anti-Money Laundering Committee
POCA	Proceeds of Crime Act 1997
RFI	Request for Information
SAR	Suspicious Activity Report
UNODC	United Nations Office on Drugs and Crimes
UK	United Kingdom
USA	United States of America
USD	U.S.A. Dollar





