

**FINANCIAL  
INTELLIGENCE UNIT**

**ANNUAL REPORT**

DECEMBER 31, 2013

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## VISION

To eradicate Money Laundering (ML) and the Financing of Terrorism (FT) from Guyana by providing effective intelligence to ensure our mission is achieved.

## **MISSION STATEMENT**

To provide critical and effective intelligence aimed at protecting the integrity of Guyana's financial system by the detection, deterrence and suppression of Money Laundering (ML) & the Financing of Terrorism (FT), through collaboration with law enforcement agencies, regulators and international counterparts.

## **INTRODUCTION**

The Financial Intelligence Unit (FIU) has prepared the following Annual Report for the year ended December 31, 2013. This report is prepared and submitted in accordance with Section 9 (8) and Section 110 of the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act No. 13 of 2009.

## **ESTABLISHMENT AND FUNCTIONS**

The Financial Intelligence Unit (FIU) is an autonomous administrative type FIU established by the Minister responsible for Finance as an agency responsible for requesting, receiving and analysing suspicious transaction reports and disseminating intelligence reports and other information relating to money laundering, the proceeds of crime and terrorist financing.

### **Key functions**

The key functions of the FIU include but are not limited to the following:

- ❖ Requesting and receiving information from any reporting entity, supervisory agency, law enforcement agency and other competent authorities in Guyana or elsewhere for the purposes of the AMLCFT Act and Regulations.
- ❖ Analysing and assessing reports of suspicious transactions and other information issued by reporting entities;
- ❖ Compilation of reports for the relevant authority if there are reasonable grounds to suspect that transactions involve money laundering, proceeds of crime or terrorist financing.
- ❖ Compilation of statistics and records and the conducting of research into trends and the developments in the areas of money laundering and terrorist financing as they relate to improved ways of detecting, preventing and deterring money laundering, its predicate offences and terrorist financing.
- ❖ Extending assistance to foreign jurisdictions with respect to production orders, property tracking, monitoring and forfeiture or confiscation orders.
- ❖ Entering into any agreement(s) or arrangement(s) with any international or domestic government institution or agency regarding the exchange of information.

A complete list of the FIU's functions may be obtained from Section 9 (4) of the AMLCFT Act No. 13 of 2009.

## Legislation

The FIU operates within the ambit of the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act No. 13 and the Regulations made under the AMLCFT Act, which were enacted in 2009 and 2010 respectively.

Some of the main features of the AMLCFT Act include:

- ❖ Provisions for the establishment of and the granting of powers to the Financial Intelligence Unit
- ❖ Creation of the offences of money laundering and terrorist financing and their related sanctions (pecuniary penalties and incarceration)
- ❖ Prohibition of Money Laundering
- ❖ Supervision for Anti-Money Laundering and Countering the Financing of Terrorism
- ❖ Reporting Entities' Obligations
- ❖ Cash seizure and detention; and freezing and forfeiture of assets in relation to money laundering and terrorist properties
- ❖ Combating the financing of terrorism
- ❖ International cooperation
- ❖ Civil forfeiture

The Regulations were enacted to supplement the legislative provisions of the AMLCFT Act No. 13 of 2009 and mainly deal with the following:

- ❖ Identification procedures in relation to new and continuing business relationships as well as persons introduced by third parties
- ❖ The maintenance of records and registers by Reporting Entities
- ❖ The establishment of procedures for recognising and reporting suspicious transactions
- ❖ The reporting of suspicious transactions by Reporting Entities
- ❖ The establishment of thresholds for Reporting Entities
- ❖ Reporting Entities to establish AMLCFT compliance function and their duty to appoint a Compliance Officer.
- ❖ The requirement for Reporting Entities to provide continual training for their employees
- ❖ Offence of non compliance with the Act and Regulations

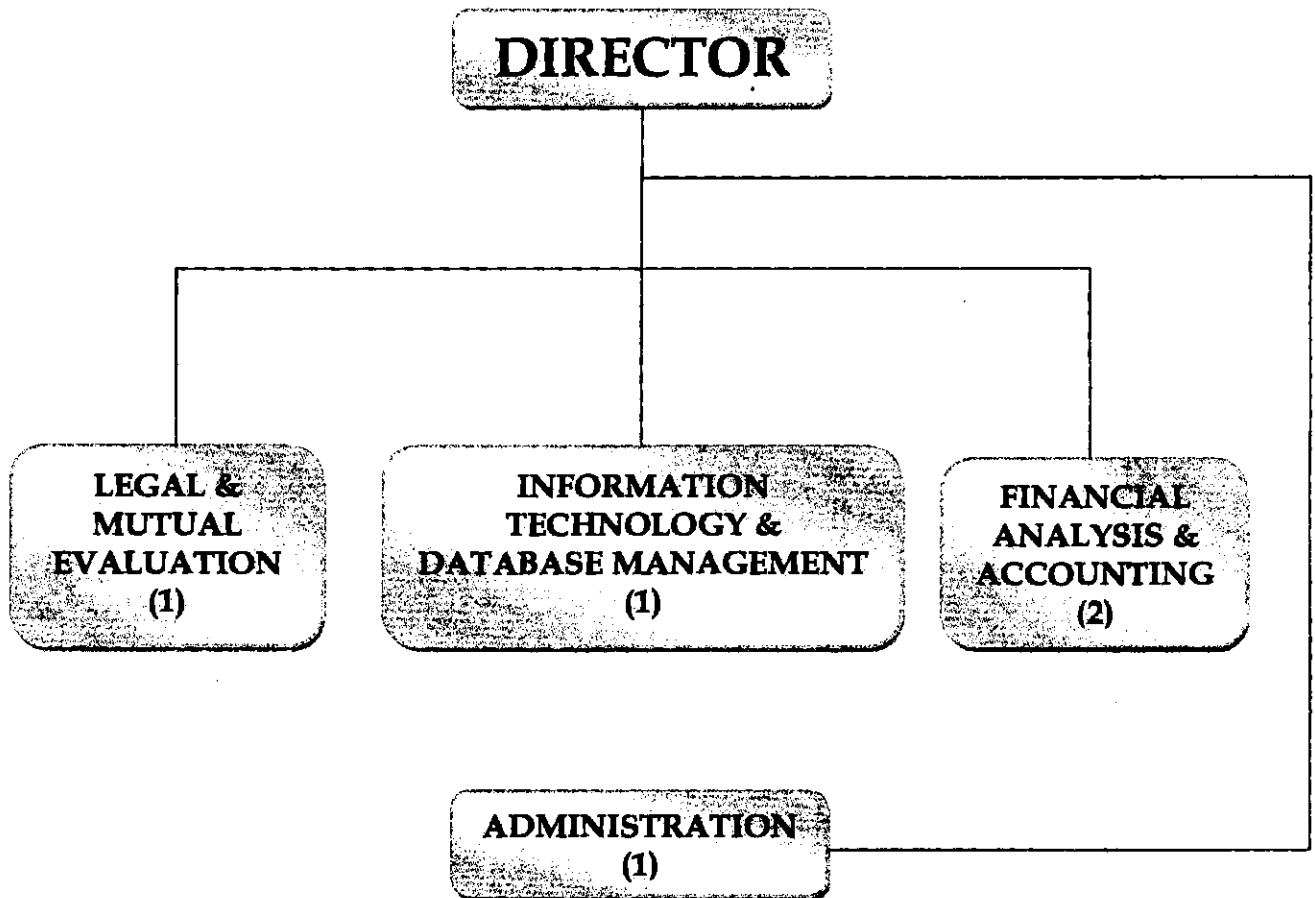
## STAFFING

At the end of 2013 the FIU had the following six (6) employees:

- ❖ Director (1)
- ❖ Legal Adviser (1)
- ❖ Financial Analyst (2)
- ❖ Database Administrator (1)
- ❖ Administrative Assistant (1)

Administrative, security and other ancillary functions were provided for by the Ministry of Finance.

### Organisational Chart



## FINANCIAL PERFORMANCE

Financial resources for the operation of the FIU are approved by Parliament through the Minister responsible for Finance, and are controlled by the Director of the FIU.

<u>BUDGET</u> <u>ALLOCATION</u>	<u>OPERATING</u> <u>EXPENDITURE</u>	<u>NET OPERATING</u> <u>EXPENDITURE</u>
\$60,794,000	\$53,682,410	\$7,111,590

### 2013 vs. 2012

	<u>2012</u>	<u>2013</u>
<u>RECEIPTS</u>		
Government of Guyana	55,000,000	60,794,000
<u>OPERATING EXPENDITURE</u>		
Employment Cost	34,386,987	37,171,634
Office Materials and Supplies	1,336,256	1,539,381
Fuel and Lubricants	333,758	417,457
Maintenance -building	591,064	20,700
Repairs and Maintenance -Vehicles	992,044	790,457
Repairs and Maintenance -Equipment	126,917	75,468
Telephone Charges	577,836	679,458
Internet Charges	218,810	231,927
Cleaning and Sanitation	37,299	71,379
Training	2,295,589	5,310,355
Subsidies and Contributions -International Organisations	13,600,118	7,285,954
Others	196,898	88,240
<b>Total Expenditure</b>	<b>54,693,576</b>	<b>53,682,410</b>
<b>Net Operating Expenditure</b>	<b>306,424</b>	<b>7,111,590</b>



# **AMLCFT MUTUAL EVALUATION**

## **Mutual Evaluation Process**

Based on the evaluation of Guyana's AMLCFT regime in January 2010 and the Mutual Evaluation Report (MER) published on July 25, 2011 the country was rated as Partially Compliant (PC) and Non Compliant (NC) in all sixteen (16) of the Financial Action Task Force (FATF) Key and Core Recommendations. As such Guyana was required to report to the Financial Action Task Force - International Co-operation Review Group (FATF -ICRG) and the Caribbean Financial Action Task Force (CFATF) on corrective measures taken to address its deficiencies.

Updates and relevant information/statistics to support effective implementation of the FATF Recommendations were provided to the CFATF Assessors in February and August 2013; and the ICRG Assessors in February and September 2013.

The CFATF at its Plenary held in the British Virgin Islands in November 2012 had decided that Guyana should be placed in the second stage of "enhanced follow-up" thus requiring a high level mission to the jurisdiction. The decision was due to the slow pace of implementation of measures to deal with deficiencies detailed in Guyana's Mutual Evaluation Report (MER).

At the May and November 2013 CFATF Plenary Meetings in Nicaragua and Bahamas the FIU reported on Guyana's efforts to implement measures to address the outstanding deficiencies identified in the MER.

## **Financial Action Task Force (FATF)**

The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the Ministers of its thirty six (36) member jurisdictions, which also comprise of seventeen (17) of the Group of 20 (G20) member countries. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF decision making body, the FATF Plenary, meets three (3) times per year.

## **Caribbean Financial Action Task Force (CFATF)**

The Caribbean Financial Action Task Force (CFATF) is one of eight (8) FATF Styled Regional Bodies (FSRBs) in the Financial Action Task Force and is responsible for promoting consistency in the application of the FATF Recommendations within countries of the Caribbean and Central America. Guyana is a member of the CFATF organisation, which has twenty seven (27) member states within the Caribbean Basin. These states have agreed to implement common countermeasures to address the problem of Money Laundering/Financing of Terrorism (ML/FT). The CFATF's main objective is to achieve effective implementation of the FATF's Recommendations within the region.

The CFATF decision making body, the CFATF Plenary, meets twice per year.

## **CFATF-ICRG**

The CFATF-ICRG is one (1) of four (4), permanent Working Groups of the CFATF. The ICRG ensures dedicated attention to members' compliance with their AMLCFT obligations and active participation by the CFATF in the FATF-ICRG process. It does this by analysing potential high-risk jurisdictions and recommending specific action(s) to address any ML/FT risks emanating from these territories.

## **CFATF High Level Mission to Guyana**

A high level mission from the CFATF-ICRG visited Guyana on March 4, 2013. The mission team consisted of:-

1. Team Leader -Deputy Director of the CFATF Secretariat
2. Co-Chair of the CFATF International Co-operation Review Group (ICRG) (British Virgin Islands)
3. Lead Assessor (British Virgin Islands) and;
4. CFATF Secretariat member.

The meetings were coordinated by FIU Guyana.

The team held four (4) meetings with the following agencies:

- ✓ **Meeting No. 1 - FIU Office**
  - ❖ Director, FIU
  - ❖ Legal Advisor, FIU
  - ❖ Deputy Chief Parliamentary Counsel, Attorney General Chambers
  - ❖ Private Attorney-at-Law -Consultant on drafting AMLCFT Amendment Bill
  
- ✓ **Meeting No. 2 - DPP Chambers**
  - ❖ Director of Public Prosecutions
  
- ✓ **Meeting No. 3 - Bank of Guyana**
  - ❖ Governor
  - ❖ Deputy Governor
  - ❖ Legal Counsel/ Corporate Secretary
  - ❖ Director of Supervision
  - ❖ Assistant Director of Supervision
  - ❖ Assistant Director of Insurance Supervision
  - ❖ Supervisor, Bank Supervision Department
  
- ✓ **Meeting No. 4 - Office of the President**
  - ❖ Head of the Presidential Secretariat
  - ❖ Attorney General & Minister of Legal Affairs
  - ❖ Minister of Finance

The focus of these meetings was to review the proposed legislative amendments to be passed in the National Assembly (Parliament) on or before April 30, 2013. The team was advised that since ninety (90) percent of the recommendations to correct the deficiencies as highlighted in the Mutual Evaluation Report (MER) dated July 25, 2011 involved legislative amendments; Guyana was in the process of submitting to Parliament a number of amendments to the AMLCFT Act No. 13 of 2009 which would have resulted in the consequential amendments to the following seven (7) Acts:

- ❖ Insurance Act
- ❖ Companies Act
- ❖ Securities Industry Act
- ❖ Gambling Prevention Act
- ❖ Co-operative Societies Act
- ❖ Mutual Assistance in Criminal Matters Act
- ❖ Money Transfer Agencies Licensing Act

## **AMLCFT Amendment Bill**

An AMLCFT Amendment Bill (No. 12 of 2013) which sought to address the majority of deficiencies identified in Guyana's Mutual Evaluation Report as published on July 25, 2011 was introduced in the National Assembly and read for the first time on April 22, 2013.

The Bill was debated and read a second time on May 7, 2013 and was then committed for consideration by a Parliamentary Special Select Committee (PSSC). It was expected that the Amendment Bill would have been passed by Parliament in time for the next CFATF Plenary Meeting which was held during May 21-25, 2013 and where Guyana's non-compliance with the FATF recommendations was reviewed. The Bill was returned to Parliament in November 2014 (days before the second CFATF Plenary) and was not passed.

On December 10, 2013 the AMLCFT Amendment Bill was re-introduced in the National Assembly as AMLCFT (Amendment) Bill No. 22 of 2013. This Bill was not passed and was committed to a PSSC, where it remained for the rest of 2013.

During 2013 the FIU provided technical advice, research and assistance during the drafting of the AMLCFT Amendment Bill and the deliberations of the PSSC on the AMLCFT Amendment Bill.

## **CFATF Plenary Meetings**

Guyana's delegation which comprised, the Attorney General, the Director and the Legal Adviser of the FIU attended the CFATF XXXVII (27<sup>th</sup>) and XXXVIII (28<sup>th</sup>) Plenary Meetings held in Managua, Nicaragua during May 21-25, 2013 and in Freeport, Bahamas during November 18-21, 2013, respectively. Guyana made presentations at both plenary meetings outlining the country's continued efforts at addressing the deficiencies identified in its MER, including the drafting of the AMLCFT Amendment Bill which was laid in Parliament and awaiting passage.

At the May 2013 Plenary, the CFATF determined that Guyana had failed to make sufficient progress in addressing its significant strategic AMLCFT deficiencies, including certain legislative reforms. As a consequence, the CFATF issued a Public Statement urging Guyana to take specific steps by November, 2013 (its scheduled second annual plenary); otherwise Guyana would have been identified as not taking sufficient steps to address its AMLCFT deficiencies. Further, the additional steps of calling upon its Members to consider implementing counter measures to protect their financial infrastructure from the ongoing money laundering and terrorist financing risks emanating from Guyana would have been taken, in addition to the CFATF's consideration of referring Guyana to the Financial Action Task Force's International Cooperation Review Group (FATF-ICRG) for further review and monitoring.

Due to Guyana's failure to pass the AMLCFT Amendment Bill, the CFATF issued another Public Statement at its November 2013 plenary calling on its members to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Guyana.

## Strengthening the AMLCFT Framework

The Legal Adviser -FIU, attended the Commonwealth Counter Terrorism Executive Directorate (CTED) Regional Workshop on the freezing requirements pertaining to United Nations Security Council resolution 1373 (2001), in Freeport, Bahamas during November 22-24, 2013. The purpose of the workshop was to assist countries in implementing an effective freezing system in accordance with their obligations pursuant to the resolution.

## International Cooperation

The FIU is vested with authority under the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act No. 13 of 2009 to enter into any agreement(s) or arrangement(s) with any international or domestic government institution or agency regarding the exchange of intelligence.

During 2013 the FIU-Guyana signed Memoranda of Understanding (MOU) with the following four (4) FIUs to facilitate the exchange of intelligence relevant to the investigation of money laundering, its predicate offences, the financing of terrorism and other related crimes.

COUNTRY	DATE OF SIGNING
Trinidad and Tobago	May 28, 2013
Belize	May 28, 2013
St. Maarten	November 19, 2013
Suriname	November 19, 2013

## Circulars/guidelines

The FIU issued three (3) circulars to reporting entities regarding FATF Public Statements published during 2013 on the following:

- ❖ Jurisdictions identified with strategic deficiencies in their AMLCFT regime (*February 2013*)
- ❖ High risk and non-cooperative jurisdictions (*June 2013*)
- ❖ Improving global AMLCFT compliance: ongoing process (*October 2013*)

Reporting entities were required to take the FATF Statements into account when considering whether a particular transaction should be reported to the FIU.

The FIU also issued to reporting entities, a Guideline (No. 1-2013) on Suspicious Transaction Reporting (STR). The Guideline was aimed at assisting reporting entities in identifying and reporting suspicious transactions in accordance with section 18(4) of the AMLCFT Act No. 13 of 2009.

## **Preparation of Manuals, Directives and Standard Operating Procedures (SOPs)**

The FIU with technical assistance from AMLCFT Canadian Consultants, for which funding and other resources were provided by the Canadian Government, drafted the following Manuals, Directives and Standard Operating Procedures (SOPs) for Designated Non Financial Businesses and Professions (DNFBPs); other Reporting Entities and the FIU, respectively:

- ❖ AMLCFT Examination Handbook for DNFBPs Supervisors
- ❖ AMLCFT Directives on Systems of control to prevent the financial sector from being used for ML/FT activities or financial abuse.
- ❖ Standard Operating Procedures for financial analysis within the FIU

## **Coordination of Technical Assistance**

In 2013 the FIU coordinated a technical assistance programme by the Office of Technical Assistance (OTA) -Department of Treasury, USA for the Bank of Guyana (BOG) to assist with the preparation of AMLCFT Supervision Manuals and Guidelines and a one (1) year training programme for Licensed Financial Institutions (LFIs)

## **Egmont Group of FIUs -Membership Application**

The Egmont Group is made up of Financial Intelligence Units (FIUs) from around the world. Membership to this body is a requirement for all FIUs. The goal of the Group is to provide a forum for FIUs around the world to improve cooperation in the fight against money laundering and financing of terrorism and to foster the implementation of domestic programs in these fields.

In November 2011 Guyana submitted its application along with the relevant documents for membership to the Egmont Group of Financial Intelligence Units. In January 2012 the Group's secretariat acknowledged receipt of Guyana's application for membership and confirmed that the Egmont sponsored FIUs supporting Guyana's membership process were FIU-Belize and FIU-Bahamas.

Guyana has since submitted all relevant legislation pertaining to the FIU and Guyana's AMLCFT regime to the sponsoring FIUs for review. The Sponsors are awaiting the amendments to the AMLCFT Act No. 13 of 2009 and updates to deficiencies in Guyana's Mutual Evaluation to complete the review process.

The next step of the Egmont membership process involves a country visit and assessment by Egmont.

During 2013 there were no changes in the FIU's membership application to Egmont.

# STATISTICAL INFORMATION

## Threshold Transaction Reports

During 2013 the Financial Intelligence Unit received monthly threshold reports on financial transactions from the following port authority and reporting entities:-

### ❖ **Guyana Revenue Authority (GRA) –Customs (Arrival and Departure)**

A person who enters or leaves Guyana with foreign currency amounting to more than US\$10,000 (ten thousand United States dollars) or its equivalent in any other currency shall make a declaration to an authorised office on a "Declaration of International Transportation of Currency" form.

### ❖ **Money Transfer Agencies**

All incoming and outgoing money transfers equivalent to or above G\$200,000 (two hundred thousand Guyana dollars) were reported to the FIU.

There were twelve (12) licensed and active Money Transfer Agencies that submitted reports to the FIU during 2013:

- ❖ At the commencement of 2013 there were five (5) licensed and active Money Transfer Agencies reporting to the FIU.
- ❖ During the year seven (7) Licensed Financial Institutions, that were also licensed and active as Money Transfer Agencies, commenced the reporting of threshold money transfer transactions to the FIU.

### ❖ **Cambio Dealers**

All purchases of foreign currencies equivalent to or above G\$400,000 (four hundred thousand Guyana dollars) and all sales of foreign currencies equivalent to or above G\$1,000,000 (one million Guyana dollars) by any Licensed Cambio Dealer were reported to the FIU.

There were eighteen (18) licensed and active Cambio Dealers that submitted reports to the FIU during 2013:

- ❖ At the commencement of 2013 there were nine (9) licensed and active Cambio Dealers reporting to the FIU.
- ❖ By the end of 2013 two (2) additional licensed and active Cambio Dealers commenced sending reports to the FIU.
- ❖ During the year seven (7) Licensed Financial Institutions, that were also licensed and active as Cambio Dealers, commenced the reporting of threshold Cambio transactions to the FIU.

### ❖ **Licensed Financial Institutions (LFIs)**

All cash deposits or cash transactions equivalent to or above G\$2,000,000 (two million Guyana dollars) were reported to the FIU.

There were eight (8) licensed and active LFIs reporting to the FIU at the end of 2013.

- Reports Received

During 2013 the FIU received monthly threshold reports as follows:

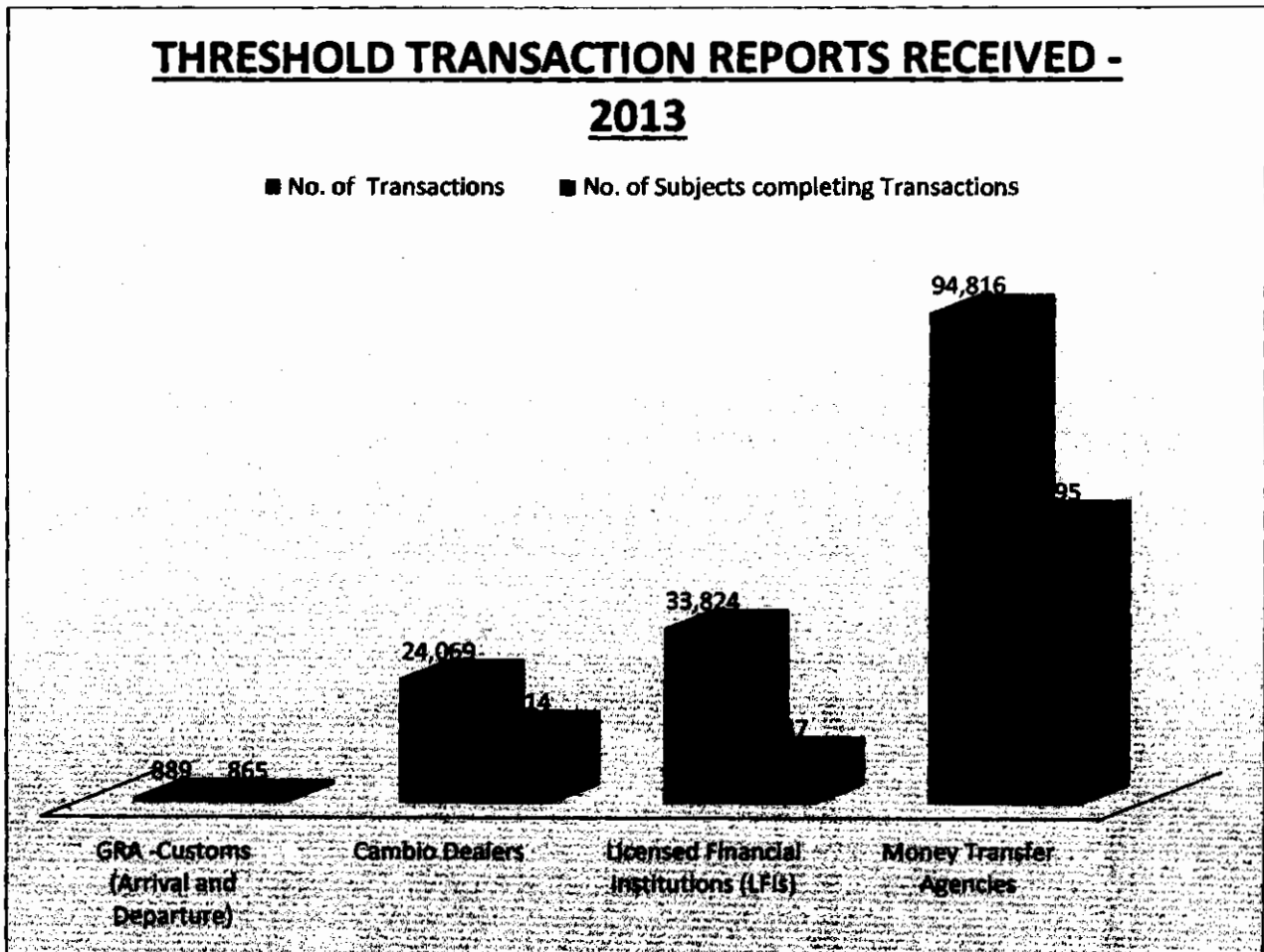
*Threshold reports are triggered automatically by volumes and do not necessarily make reference to any suspicion of money laundering, terrorist financing or proceeds of crime.*

<u>Category of Reporting Entity</u>	<u>No. of Transactions</u>	<u>No. of Subjects completing transactions</u>
*Guyana Revenue Authority (GRA) -Customs (Arrival and Departure)	889	865
Cambio Dealers	24,069	14,314
Licensed Financial Institutions (LFIs)	33,824	9,287
Money Transfer Agencies	94,816	54,995
<b>Total</b>	<b>153,598</b>	<b>79,461</b>

*\*The Guyana Revenue Authority (GRA) is not a Reporting Entity under the AMLCFT Act; however, it is responsible for receiving and forwarding to the FIU copies of "Declaration of International Transportation of Currency" forms completed by travelers.*

The above figures:

- ❖ Include recurring transaction reports on subjects who had made several threshold transactions during prior months.



## Suspicious Transaction Reports (STRs)

In addition to reporting financial transactions that met the monthly threshold limits; Reporting Entities also reported Suspicious Transactions/Activities as set out in Section 18 (4) (a & b) of the AMLCFT Act of 2009.

A suspicious transaction is any transaction/activity attempted or completed that causes a reporting entity to have a feeling of apprehension or mistrust about the transaction. A suspicion may be based on:

- (i) A complex or unusual large business transaction by a customer; or
- (ii) Unusual patterns of transactions that have no apparent economic or lawful purpose and is inconsistent with the profile of the customer carrying out such transaction(s).

During 2013 the FIU received the following Suspicious Transaction Reports (STRs) from Reporting Entities:

<u>Category of Reporting Entity</u>	<u>No. of STRs</u>	<u>No. of Subjects involved in STRs</u>
Cambio Dealers	84	61
Licensed Financial Institutions (LFIs)	73	67
Money Transfers	721	526
<b>Total</b>	<b>878</b>	<b>654</b>

Suspicious Transaction Reports (721) received from Money Transfer Agencies were based mainly on the agencies' analyses of the value, number of and frequency of transactions or client(s) receiving or sending funds that did not make economic sense for any of the parties involved.

## Reports Requested by FIU

During the year Reporting Entities provided monthly threshold reports, suspicious transaction reports (STRs) and other information requested by the FIU.

- The FIU requested financial records/data from local Licensed Financial Institutions (LFIs) on twenty five (25) Suspicious Transactions/Activities as follows:
  - ❖ Fifteen (15) requests were made as a result of analyses of monthly threshold reports received from Reporting Entities and other reports received by the FIU to clarify the reasons for the large transactions.
  - ❖ Five (5) requests were made as a result of Suspicious Transaction Reports (STRs) received from local Reporting Entities.
  - ❖ Three (3) requests were made as a result of information received from local Law Enforcement Agencies that had reported predicate crimes.
  - ❖ Two (2) of the requests were made as a result of intelligence received from Foreign Sources.



## **Communication with Local and Foreign Agencies**

The FIU received one (1) request from a local law enforcement agency for intelligence on a Subject during 2013.

The FIU shared intelligence with a local law enforcement agency on one (1) subject during 2013.

Based on analyses of STRs and monthly threshold reports received from Reporting Entities, information received from Law Enforcement Agencies and an FIU, information was requested and received from four (4) local agencies in fourteen (14) instances.

During 2013 FIU-Guyana communicated with four (4) similar type FIUs from different territories within the region on Suspicious Transactions/Activities in nine (9) instances.

One (1) FIU within the region shared intelligence on two (2) subjects with FIU Guyana.

# TREND ANALYSIS: FOREIGN CURRENCY CASH MOVEMENTS

## Introduction

This analysis examines the trend of foreign currency cash movements within Guyana. Information over a three year period (2011 - 2013) derived from declarations at ports of entry and exit and from foreign currency dealers have been analysed.

The use of foreign currency cash within the country's economy has been a feature for decades for both commercial and non-commercial purposes, especially for most businesses involved in the trade of goods and services on the international market. The most traded foreign currency is the United States (US) dollar and trades are seldom done in Euros, Pounds Sterling and Caribbean Currencies.

The Canadian dollar, Euros and Pounds Sterling collectively trading at 25% of the US dollar, by value, and the major Caribbean currencies; the Barbados, Eastern Caribbean and Trinidad and Tobago dollars were 14%.

Passenger arrivals at the country's main port of entry -the Cheddi Jagan International Airport Timehri (CJIA), have been increasing annually over the period. In 2011 passenger arrivals were 156,910, in 2012 - 235,967 and in 2013 -267,652. Although, passenger arrivals have increased annually foreign currency cash declarations by inbound travelers have been minimal throughout the same period. In 2011 there were only twenty six (26) declarations, in 2012 sixteen (16) and in 2013 twenty four (24). Notably, there were no declarations of Euros, Barbados and Eastern Caribbean currencies entering the country during the period.

The threshold limit is \$10,000 USD or its equivalent in any foreign currency before a cash declaration is required, which may be the main contributing factor to the recorded low levels of currency imports or conversely will affect the true level of cash declared at the points of exit.

The table below indicates the following:

- a. Import declarations, dealer purchases and sales of each currency expressed as a percentage of the respective export declarations.
- b. Each foreign currency exported expressed as a percentage of total export declarations.
- c. Total import declarations, dealer purchases and sales expressed as a percentage of export declarations.

*Figures expressed as percentages of export declarations totally or respectively*

<u>Details</u>	<u>Import Declarations</u>	<u>Dealer Purchases</u>	<u>Dealer Sales</u>	<u>Export Declarations</u>
US dollar	2%	174%	169%	70%
Canadian dollar	1%	103%	98%	8%
Euros	-	163%	154%	8%
Pounds Sterling	0.1%	154%	150%	5%
Major Caribbean Currencies	1.3%	156%	117%	9%
% of Export Declarations	1.6%	166%	157%	-

**Trends/Observations**

- ❖ Foreign cash exports were approximately 50 times greater than imports.
- ❖ Cash purchased by dealers were approximately 102 times greater than imports.
- ❖ The trading activities of currency dealers (buying and selling) exceeded the export level by approximately 60%.
- ❖ While USD cash exports were 70% of all exports, Major Caribbean Currencies were 9%.
- ❖ Trinidad and Tobago cash were the only Caribbean currency imported.
- ❖ While non USD cash imports were nominal, the usage of these currencies as a method of payment within the local commercial sector is limited, moderate activities were experienced at the currency trading level and at the ports of exit.
- ❖ Euro cash is not a readily traded or negotiated currency in local business and commerce, but it accounts for 8% of exports (no imports declared) ranking equal to the Canadian dollar and greater than the Pounds Sterling.
- ❖ Overall dealer purchases exceeded sales, while sales exceeded exports.
- ❖ Major international currencies (Pounds Sterling, Euros & Canadian dollar) imported were 1.1% of currency exports, but accounted for 21% of total exports.
- ❖ Relatively high levels of Trinidad and Tobago and Barbados dollars are evident as exports, while conversely were low levels of imports.
- ❖ No Eastern Caribbean (EC) dollar was imported and minimal exports recorded, however this currency accounted for 17% of all Major Caribbean Currencies traded by the currency dealers.
- ❖ Foreign currencies exported by the top 10 exporters as a percentage of respective currency exports are as follows:

<u>Details</u>	<u>US dollar</u>	<u>Canadian dollar</u>	<u>Euros</u>	<u>Pounds Sterling</u>	<u>Major Caribbean Currencies</u>
Top 10 Exporters	20%	68%	82%	53%	44%

- ❖ During the period the top 10 exporters accounted for 34% of all currency exports, travelling a total of 261 times at an average of 87 trips annually.
- ❖ These exporters accounted for 66% of all non USD exiting the country.
- ❖ Over the years the trend has been a decline in export of foreign cash with corresponding reductions at the dealer level.
- ❖ There has been a gradual shift from US dollars to non US dollars.

## TRAINING

### Technical Assistance from the Government of Canada

In May 2013 the FIU and the Canadian High Commission of Guyana agreed on a technical assistance AMLCFT work plan. The technical assistance provided for financial, technical and human resources by the Government of Canada aimed at assisting in the improvement of Guyana's overall AMLCFT regime through capacity building in the following areas:

- ❖ Development of a National AMLCFT Strategic Plan for improving national coordination and effectiveness of key stakeholders and agencies.
- ❖ Increasing key AMLCFT agencies' awareness of the requirements of the international AMLCFT standards and supporting Guyana's reporting to the ICRG.
- ❖ Strengthening the FIU's role for conducting money laundering/terrorist financing analysis and dissemination of financial intelligence to domestic and international partners.
- ❖ Designing an overall strategic approach, developing regulations, guidelines and processes for preparing Guyana's AMLCFT supervision of Designated Non Financial Businesses and Professionals' (DNFBPs) sectors.

There were **one hundred and seven (107)** representatives from various entities who benefited from four (4) training programmes conducted with the financial, technical and human resources provided by the Government of Canada in collaboration with the FIU.

The following schedule highlights the training completed during 2013 by AMLCFT Canadian Consultants under the work plan:

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
July 18 <sup>th</sup>	Nineteen (19) representatives from six (6) AMLCFT Supervisory Authorities: <ul style="list-style-type: none"><li>❖ Bank of Guyana</li><li>❖ Guyana Gold Board</li><li>❖ Gaming Authority</li><li>❖ Registrar -Friendly Society</li><li>❖ Chief Co-operative Development Officer</li><li>❖ Guyana Geology and Mines Commission</li></ul>	<ol style="list-style-type: none"><li>1. Roles and responsibilities of AMLCFT Supervisors</li><li>2. Overview of Guyana's AMLCFT Directives</li></ol>

**Technical Assistance from the Government of Canada (cont'd)**

<b><u>Dates</u></b>	<b><u>Beneficiaries</u></b>	<b><u>Topics</u></b>
September 10 <sup>th</sup>	<p>Thirty six (36) representatives from twenty five (25) AMLCFT Reporting Entities:</p> <ul style="list-style-type: none"> <li>❖ Six (6) Licensed Financial Institutions</li> <li>❖ Five (5) Money Transfer Agencies</li> <li>❖ Eight (8) Cambios</li> <li>❖ Six (6) Gold and Precious Metals Dealers</li> </ul> <p>and eighteen (18) representatives from seven (7) AMLCFT Supervisory Authorities:</p> <ul style="list-style-type: none"> <li>❖ Bank of Guyana</li> <li>❖ Guyana Gold Board</li> <li>❖ Gaming Authority</li> <li>❖ Registrar -Friendly Society</li> <li>❖ Guyana Securities Council</li> <li>❖ Chief Co-operative Development Officer</li> <li>❖ Guyana Geology and Mines Commission</li> </ul>	<ol style="list-style-type: none"> <li>1. FATF International Standards</li> <li>2. Supervisors' Roles and Reporting Entities responsibilities and legal provisions under the AMLCFT Act of 2009 and Regulations of 2010.</li> </ol>
September 10 <sup>th</sup> - 11 <sup>th</sup>	<p>Eighteen (18) representatives from seven (7) AMLCFT Supervisory Authorities</p> <ul style="list-style-type: none"> <li>❖ Bank of Guyana</li> <li>❖ Guyana Gold Board</li> <li>❖ Gaming Authority</li> <li>❖ Registrar -Friendly Society</li> <li>❖ Guyana Securities Council</li> <li>❖ Chief Co-operative Development Officer</li> <li>❖ Guyana Geology and Mines Commission</li> </ul>	<ol style="list-style-type: none"> <li>1. Supervisor's Toolbox: Review AMLCFT Act of 2009 and Regulations of 2010</li> <li>2. Implementing proposed AMLCFT directives</li> <li>3. Methodology and mapping risk assessment of Reporting Entities</li> <li>4. Money Laundering Investigations</li> </ol>
September 12 <sup>th</sup> - 13 <sup>th</sup>	<p>Sixteen (16) representatives from six (6) Law Enforcement, Civil Proceedings, Prosecution and Intelligence Agencies:</p> <ul style="list-style-type: none"> <li>❖ Guyana Police Force (GPF)</li> <li>❖ Attorney General's (AG) Chambers</li> <li>❖ Financial Intelligence Unit (FIU)</li> <li>❖ Guyana Revenue Authority (GRA)</li> <li>❖ Customs Anti-Narcotics Unit (CANU)</li> <li>❖ Director of Public Prosecutions (DPP) Office</li> </ul>	<p>AMLCFT Financial Investigative Techniques</p>

## Training conducted by FIU

### - Reporting Entities already reporting to FIU

During 2013 several training sessions were conducted with Reporting Entities already reporting to the FIU. The aim of these sessions was to implement new digital/electronic formats of reporting threshold transactions, new format of reporting suspicious transactions and provide guidelines and feedback on reporting of suspicious transactions.

There were twenty five (25) representatives from various entities who benefited from two (2) training programmes conducted by the FIU.

The following schedule highlights the training:-

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
January 18 <sup>th</sup>	Thirteen (13) representatives from 11 Cambios and two (2) representatives from the AMLCFT Supervisory Authority for Cambios	1. New digital/electronic format for reporting cambio threshold transactions. 2. New STR format; and 3. Guidelines and feedback on reporting suspicious transactions.
January 22 <sup>nd</sup>	Eight (8) representatives from five (5) Money Transfer Agencies and two (2) representatives from the AMLCFT Supervisory Authority for Money Transfer Agencies.	1. New digital/electronic format for reporting money transfer threshold transactions. 2. New STR format; and 3. Guidelines and feedback on reporting suspicious transactions.

### - Reporting Entities to commence reporting to the FIU

During 2013 the FIU conducted several training sessions with Reporting Entities identified under the AMLCFT Act No. 13 of 2009 that were to commence reporting to the FIU in the future. The AMLCFT Supervisory Authorities for these Reporting Entities were also provided with training by the FIU.

The Reporting Entities are:

- ❖ Casino
- ❖ Dealers in Precious and Semi-Precious Stones
- ❖ Gold Dealers
- ❖ Insurance Companies
- ❖ Pawnbrokers

There were seventy six (76) representatives from various entities who benefited from six (6) training sessions conducted by the FIU.

- **Reporting Entities to commence reporting to the FIU (cont'd)**

The following schedule highlights the training:-

<b><u>Dates</u></b>	<b><u>Beneficiaries</u></b>	<b><u>Topics</u></b>
January 28 <sup>th</sup>	One (1) representative from Casino	Obligations of a Casino as a Reporting Entity under the AMLCFT Act of 2009 and Regulations of 2010
February 20 <sup>th</sup>	One (1) Representative from the AMLCFT Supervisory Authority for Casinos	Obligations of Supervisory Authority for Casinos under the AMLCFT Act of 2009 and Regulations of 2010 and Gambling Prevention Act chapter 9:02.
March 11 <sup>th</sup>	Four (4) representatives from the AMLCFT Supervisory Authority for Dealers in Precious and Semi-Precious Stones	Obligations of Supervisory Authority for Dealers in Precious and Semi-Precious Stones under the AMLCFT Act of 2009 and Regulations of 2010 and the Tax Act chapter 80:01.
April 25 <sup>th</sup>	Fourteen (14) representatives from thirteen (13) Gold Dealers, one (1) representative from the AMLCFT Supervisory Authority for Gold Dealers and one (1) representative from the Ministry of Natural Resources	Obligations of Gold Dealers as Reporting Entities under the AMLCFT Act of 2009 and Regulations of 2010
October 9 <sup>th</sup>	Twenty three (23) representatives from ten (10) Insurance Companies and eight (8) representatives from the AMLCFT Supervisory Authority for Insurance Companies	<ol style="list-style-type: none"> <li>1. Roles, responsibilities and obligations of Insurance Companies as Reporting Entities under the AMLCFT Act of 2009 and Regulations of 2010.</li> <li>2. Review of recent AMLCFT directives issued by the Bank of Guyana (AMLCFT Supervisory Authority for Insurance Companies).</li> </ol>
December 18 <sup>th</sup>	Twenty three (23) representatives from fifteen (15) Pawnbrokers	Obligations of Pawnbrokers as Reporting Entities under the AMLCFT Act of 2009 and Regulations of 2010.

- **GRA Customs Officers stationed at CIA**

During 2013 the FIU conducted two (2) training sessions for the Guyana Revenue Authority, Customs Officers stationed at the Cheddi Jagan International Airport, Timehri; nineteen (19) Customs Officers and other Officials of GRA benefitted from the sessions.

## INFORMATION TECHNOLOGY

**Data Backups:** Daily, weekly and monthly back-ups are stored on external storage medias in an onsite fireproof vault, with restricted access.

Backups are also stored offsite at a secured location.

**Protection:** The database is protected by firewalls, virus protection and current anti-malware software.

**Website:** The FIU's website ([www.fiuguyana.org](http://www.fiuguyana.org)) contains current information on the AMLCFT legislation and regulations, directives, mutual evaluation report, publications and other relevant information.

Prepare by:



.....  
Paul Geer  
DIRECTOR



**APPENDIX 1**

**AUDITED FINANCIAL STATEMENT OF THE  
FINANCIAL INTELLIGENCE UNIT**

**FOR THE YEAR ENDED  
31 DECEMBER 2013**

**AUDITORS: AUDIT OFFICE OF GUYANA  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA**

**AUDITED FINANCIAL STATEMENT OF THE  
FINANCIAL INTELLIGENCE UNIT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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## Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

131/OA: 25/2/2014

30 June 2014

Mr. Paul Geer  
Director  
Financial Intelligence Unit  
Ministry of Finance Compound  
49 Main & Urquhart Streets  
Georgetown.

Dear Mr. Geer,

**RE: AUDIT OF THE ACCOUNTS OF THE  
FINANCIAL INTELLIGENCE UNIT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

We wish to inform you that the above-mentioned audit has been completed. Accordingly, we are pleased to forward four (4) copies of the audited statement of receipts and expenditures, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards,





## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 54/2014

30 June 2014

### **REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF FINANCIAL INTELLIGENT UNIT ON THE STATEMENT OF RECEIPTS AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2013**

I have audited the statement of receipts and expenditures of the Financial Intelligence Unit for the year ended 31 December 2013. The audit was conducted in accordance with the Audit Act of 2004.

#### *Management's responsibility for the financial statement*

Management is responsible for the preparation and fair presentation of this statement in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

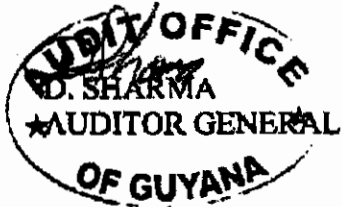
My responsibility is to express an opinion on this statement based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountant (IFAC) and those of the International Organisation of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the statement referred to above represents correctly, the receipts and expenditures of the Financial Intelligence Unit for the year ended 31 December 2013 in accordance with International Financial Reporting Standards.



AUDIT OFFICE OF GUYANA  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

# **FINANCIAL INTELLIGENCE UNIT**

## **STATEMENT OF RECEIPTS AND EXPENDITURES**

**FOR THE YEAR ENDED 31ST DECEMBER, 2013**

	2013	2012
<b>RECEIPTS</b>		
GOVERNMENT OF GUYANA	60,794,000	60,794,000
<b>OPERATING EXPENDITURE</b>		
Employment cost *	37,171,634	
Office materials and supplies	1,554,685	
Fuel and lubricants	417,457	
Maintenance-building	20,700	
Repairs and Maintenance-vehicles	790,457	
Repairs and Maintenance-equipment	75,488	
Telephone charges	706,129	
Internet charges	231,927	
Cleaning and sanitation	29,404	
Training	5,310,355	
Subsidies and Contributions -international Organisations	7,285,954	
Others	88,240	
<b>TOTAL OPERATING EXPENDITURE</b>		<b>53,682,410</b>

\* \$1,736,003 was paid by the Ministry of Finance as retroactive increase in Salary and benefits for the year 2013.

(1)

Paul Geer  
DIRECTOR

(2)

Vickram Lall  
ACCOUNTANT (ag.)