

**FINANCIAL
INTELLIGENCE UNIT**

ANNUAL REPORT

DECEMBER 31, 2004

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GLOSSARY OF ABBREVIATIONS

AMLCFT	-	Anti-Money Laundering and Countering the Financing of Terrorism
ARRG	-	Americas Regional Review Group
CANU	-	Customs Anti Narcotics Unit
CFATF	-	Caribbean Financial Action Task Force
DNFBPs	-	Designated Non-Financial Businesses and Professions
FATF	-	Financial Action Task Force
FIU	-	Financial Intelligence Unit
FT	-	Financing of Terrorism
FSRBs	-	FATF Styled Regional Bodies
GPF-SOCU	-	Guyana Police Force -Special Organised Crime Unit
ICRG	-	International Co-operation Review Group
LEA	-	Law Enforcement Agency
ML	-	Money Laundering
MER	-	Mutual Evaluation Report
MOU	-	Memorandum of Understanding
SOCU	-	Special Organised Crime Unit
STR	-	Suspicious Transaction Report

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, 2014. 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 & FUNCTIONS OF THE FIU

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

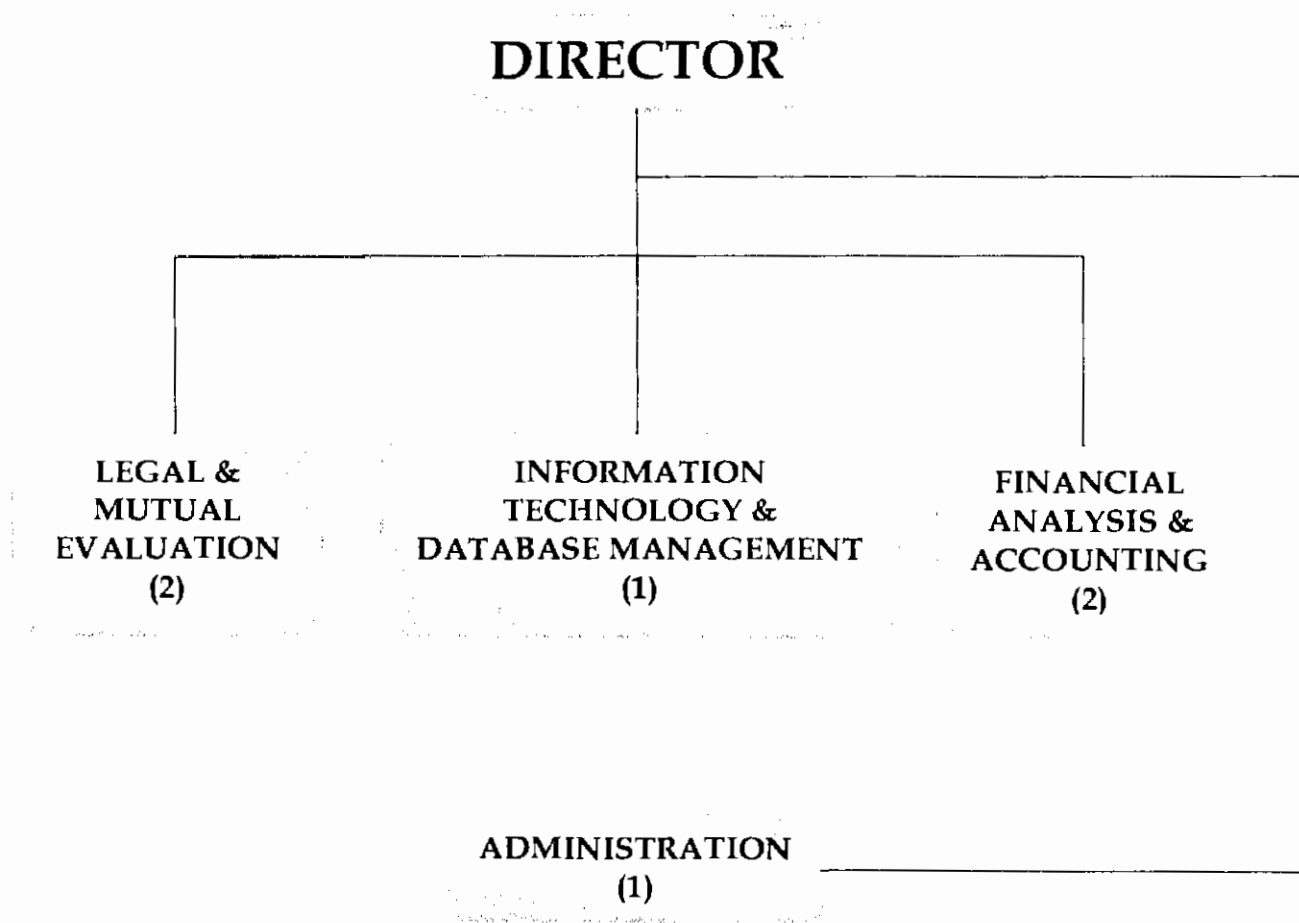
At the end of 2014 the FIU had the following seven (7) employees:

- ❖ Director (1)
- ❖ Legal Advisers (2)*
- ❖ Financial Analysts (2)
- ❖ Database Administrator (1)
- ❖ Administrative Assistant (1)

*A second Legal Adviser with responsibility for supervision of Designated Non-Financial Businesses and Professionals (DNFBPs) was employed with effect from March 01, 2014.

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.

The following is a summary of the current expenditure of the Unit for the year ended December 31, 2014.

<u>BUDGET ALLOCATION</u>	<u>OPERATING EXPENDITURE</u>	<u>NET OPERATING EXPENDITURE</u>	
\$73,792,000	\$66,860,613	\$6,931,387	
	<u>2014 vs. 2013</u>	<u>2013</u>	<u>2014</u>
<u>RECEIPTS</u>			
Government of Guyana		\$60,794,000	\$73,792,000
<u>OPERATING EXPENDITURE</u>			
Employment Cost		\$37,171,634	\$42,768,636
Office Materials and Supplies		\$1,539,381	\$5,434,739
Fuel and Lubricants		\$417,457	\$370,785
Maintenance -building		\$20,700	\$116,584
Repairs and Maintenance -Vehicles		\$790,457	\$338,293
Repairs and Maintenance -Equipment		\$75,468	\$557,194
Telephone Charges		\$679,458	\$783,657
Internet Charges		\$231,927	\$114,595
Cleaning and Sanitation		\$71,379	\$31,462
Training		\$5,310,355	\$8,758,776
Subsidies and Contributions -International Organisations		\$7,285,954	\$7,299,438
Others		\$88,240	\$286,454
Total Expenditure		\$53,682,410	\$66,860,613
Net Operating Expenditure		\$7,111,590	\$6,931,387

In addition to the above current expenditure totalling -\$66,860,613, which was directly related to the operations of the FIU, an additional \$2,336,224 was utilized from the FIU's 2014 budgetary allocation to finance the current expenditure of the newly formed Special Organised Crime Unit (SOCU) during the latter months of 2014.

Funding of SOCU

More details on the establishment and funding of SOCU are provided under the heading "establishment of SOCU".

The following is a summary of the current expenditure of SOCU for 2014.

<u>OPERATING EXPENDITURE</u>	<u>AMOUNT</u>
Employment Cost	\$1,664,572
Office Materials and Supplies	\$12,000
Fuel and Lubricants	\$36,000
Training	\$336,387
Others	\$10,080
Professional Services	\$277,185
Total Expenditure	\$2,336,224

The following is a summary of the Capital Expenditure of SOCU during the year ended December 31, 2014.

<u>RECEIPTS</u>	<u>2014</u>
Government of Guyana	\$48,983,535

<u>CAPITAL EXPENDITURE</u>	
Office furniture, fittings and equipment	\$1,721,554
Electronic devices for IT and other departments	\$8,288,840
Renovation of property @ Camp Road, Georgetown	\$27,606,456
Total Expenditure	\$37,616,850
Net Capital Expenditure	*\$11,366,685

*\$6,723,168 of the net capital expenditure was "rolled over" to 2015 to facilitate payments to contractors for works to be completed on the SOCU Headquarters at Camp Road, Georgetown.

ESTABLISHMENT OF SOCU

In the second half of 2014 the Special Organised Crime Unit (SOCU), a department of the Guyana Police Force (GPF), was established to investigate money laundering, terrorist financing, financing of proliferation and other serious financial and organised crimes. The core function of the Unit is to investigate and bring offenders of the AMLCFT Law to prosecution, which is a key requirement of international AMLCFT requirements/standards. SOCU is one of Guyana's non legislative measures aimed at improving the country's compliance with the FATF's standards.

The specialised nature of investigations to be undertaken by SOCU and international requirements for such a Unit required the identifying/sourcing of a separate and secured building to house its staff and operations.

A vacant police building situated on the corner of Cowan and Camp Streets, Georgetown immediately south of the Central Immigration (Passport) Office was proposed as the SOCU headquarters. Although the building was structurally sound it required significant renovations and reconfiguration and significant land development.

Funding for the establishment of the headquarters of SOCU and its operationalising in 2014 fiscal year was approved by Cabinet on August 17, 2014. A Contingency Fund Advance of \$63,183,535 was approved for the renovations and resourcing of the SOCU headquarters and the financing of the recurrent costs of SOCU's operations for the remaining months in 2014. The funds were approved in favour of the Financial Intelligence Unit (FIU), which is the cost centre and the overseer of the establishment of SOCU. The sum approved was as follows:

CURRENT EXPENDITURE

Operating Expenditure (3 months)	-	\$14,200,000
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CAPITAL EXPENDITURE

Purchase of office IT electronic devices, furniture, fittings and equipment	-	\$11,199,914
Renovation of building and site preparation	-	\$37,783,621
Sub-Total		<u>\$48,983,535</u>
Grand Total		<u>\$63,183,535</u>

A MOU concerning cooperation in the exchange of information related to suspicious financial transactions, investigations, prosecutions and other matters connected to ML and TF was signed with the Guyana Police Force –Special Organised Crime Unit (GPF-SOCU) on October 9th 2014.

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, Guyana 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.

During 2014 Guyana continued to provide updates and relevant information and statistics to the CFATF and FATF Assessors in support of the corrective action and their effective implementation of the FATF Recommendations. Reports were submitted to the CFATF in February and September, 2014 prior to the CFATF's May and November, 2014 plenary meetings. Reports were also submitted directly to the FATF in September, 2014 prior to the FATF's plenary meetings in October and December, 2014 in preparation for the FATF's Plenary to be held in February 2015.

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 is 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.

Financial Action Task Force - International Cooperation Review Group (FATF-ICRG)

Understanding the review process

The FATF-ICRG is one (1) of four (4) working Groups of the FATF. The work of identifying and engaging with jurisdictions that have strategic deficiencies is carried out by the FATF's ICRG and by extension the regional arm CFATF-ICRG, which reviews and monitors a large number of potentially high-risk and non-cooperative jurisdictions around the world.

Initial referral to the ICRG is based on information on threats, vulnerabilities or particular risks emanating from a specific jurisdiction that comes to the ICRG's attention. Such information includes, but is not exclusively based on, the results of mutual evaluation reports (MERs); or the lack of a clear commitment to implementing the FATF standards through non-participation in any of the FATF-style regional bodies (FSRBs).

Jurisdictions that are identified as having serious money laundering and terrorist financing threats and vulnerabilities or posing significant ML and FT risks are referred to the ICRG for a preliminary or prima facie review, which is conducted by one (1) of the four (4) regional review groups, covering:

- Africa/Middle East
- Americas Regional Review Group (ARRG)
- Asia/Pacific, and
- Europe/Eurasia regions.

Based upon reports from these groups, the FATF decides whether it should conduct a more in-depth, targeted review of the relevant jurisdiction's strategic AMLCFT deficiencies.

Each reviewed jurisdiction is provided an opportunity to participate in face-to-face meetings with the regional review group in order to discuss the report, including developing an action plan with the FATF to address the identified deficiencies. The FATF specifically requests high-level political commitment to implement these action plans.

On the basis of the results of the ICRG review, jurisdictions may be publicly identified in the FATF Public Statement. The Public Statement identifies two groups of countries, namely:-

1. Jurisdictions for which the FATF calls on its members and non-members to apply counter-measures; and
2. Jurisdictions for which the FATF calls on its members to consider the risks arising from the deficiencies associated with the countries. This second category includes jurisdictions that have not made sufficient progress in addressing their deficiencies or have not committed to an action plan developed with the FATF to address their deficiencies.

Following the CFATF's Plenary held in Miami in May 2014, the CFATF referred Guyana's AMLCFT deficiency matter to the FATF, as Guyana had not made sufficient progress in addressing its AMLCFT deficiencies.

Guyana's interaction with the FATF-ICRG

At its Paris Plenary held in June 2014, the FATF decided that Guyana should be subjected to further review with respect to its non compliance with the international standards for AMLCFT, based on the CFATF's referral. The FATF also decided that a Targeted Review of Guyana will be undertaken by the ICRG's Americas Regional Review Group (ARRG), prior to their October 2014 Paris Plenary.

On September 29, 2014, the Attorney General & Minister of Legal Affairs accompanied by representatives from the Financial Intelligence Unit (FIU), Bank of Guyana (BOG) and the Special Organised Crime Unit (SOCU) participated in a face-to-face meeting with the ARRG representatives in Miami to discuss and finalize Guyana's Action Plan.

The Action Plan contained eight (8) items (seven of which related to legislative amendments and one administrative -FIU). The deadline for addressing the legislative amendment issues is September 2015, while the deadline for addressing the administrative issues is May 2015.

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, which has twenty seven (27) member states within the Caribbean Basin. These states have agreed to implement common counter measures to address the problem of Money Laundering and Financing of Terrorism (ML and FT). The CFATF's main objective is to achieve effective implementation of the FATF's forty (40) Recommendations within the region. The CFATF's decision making body, the CFATF Plenary, meets twice annually.

Caribbean Financial Action Task Force - International Cooperation Review Group (CFATF-ICRG)

The CFATF-ICRG is one (1) of our (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 providing recommendations to address any ML and FT risks emanating from these territories.

Guyana's interaction with the CFATF-ICRG following its referral to FATF

Guyana is required to, and has, provided updates to the CFATF-ICRG in November 2014 on progress made during its engagement with the FATF regarding the strategic deficiencies in its AMLCFT regime. Guyana is required to continue updating the CFATF-ICRG at the CFATF's plenary meetings until all the outstanding deficiencies are successfully addressed.

Representation at CFATF Plenary Meetings

The delegation of the Attorney General & Minister of Legal Affairs, the Director -FIU and the Legal Adviser -FIU represented Guyana at the CFATF's XXXIX (39th) and XL (40th) Plenary Meetings held in Miami, USA during May 26th - 29th, 2014 and in San Salvador, El Salvador during November 24 - 27, 2014, respectively. Guyana made presentations at both plenary meetings outlining the country's continued efforts at addressing the deficiencies identified in its 2010 MFR, including the drafting of further amendments to the proposed AMLCFT Amendment Bill, which is to be passed by parliament.

At the Plenary held in Miami, USA in May 2014, CFATF members determined that:

- Guyana's, compliance with the Core and Key Recommendations still remained minimal due to the heavy reliance on legislative reform needed to address many of the deficiencies. Although, steps had been taken to address the elements outlined in the Mutual Evaluation Report that do not require legislative amendment.
- Guyana is to be identified in a public statement as not taking sufficient steps towards improving its AMLCFT compliance regime, including failing to approve and implement required legislative reforms.
- Members should implement further counter measures to protect their Financial Systems from the ongoing Money Laundering and Terrorist Financing risks emanating from Guyana.
- Guyana should be referred to the FATF.

The CFATF also issued a second Public Statement in relation to Guyana. The country's continued non compliance with international standards and requirements was highlighted in the statement to regional members.

At the CFATF Plenary held in El Salvador, following reports submitted by Guyana, members agreed that Guyana should remain in enhanced follow-up and report to the next CFATF Plenary meeting scheduled for May 2015.

Representation at FATF Plenary Meeting

The Attorney General & Minister of Legal Affairs and the Legal Adviser of the FIU represented Guyana at the FATF's Plenary meeting held in Paris, France in October 2014. At that Plenary, the Attorney General & Minister of Legal Affairs presented the Government's letter of commitment to implement the action plan developed in consultation between representatives of Guyana and the ICRG-ARRG.

On the basis of Guyana's commitment, the FATF's body decided to identify Guyana in the public document titled: - "Improving Global AMLCFT Compliance On-going Process" of October 24, 2014, thus essentially identifying Guyana, at an international level, as a country that is yet to comply with global AMLCFT standards and requirements and as such may pose a risk to the Global Financial System.

Guyana's AMLCFT Amendment Bill

After the non-passage of the first proposed AMLCFT (Amendment) Bill (No. 12 of 2013), a second AMLCFT (Amendment) Bill (No. 22 of 2013) was drafted and introduced in the National Assembly on December 10, 2013. This Bill also was not passed and was sent to a Parliamentary Special Select Committee's (PSSC) for review, where it remained until 2014.

During 2014 the FIU continued to provide expert technical advice, research and assistance during the twenty four (24) PSSC meeting held to review and redraft this second proposed AMLCFT Amendment Bill, which was based "inter alia" on comments and feedbacks from the Co-Chairs of the ARRG reviewing Guyana's AML/CFT's technical deficiencies.

The second AMLCFT Amendment Bill was still being reviewed by the PSSC, when on November 10, 2014 the 10th Parliament of Guyana was prorogued.

STRENGTHENING GUYANA'S AMLCFT FRAMEWORK

AMLCFT National Oversight Committee

A National Oversight Committee (NOC) on AMLCFT was established in 2014 by Cabinet to provide policies for an AMLCFT risk assessment framework, with prioritization of high risk areas and sectors and policies and guidance to combat ML and TF. The Committee comprised thirteen (13) members as follows:

1. Head of the Presidential Secretariat (Chairman)
2. Presidential Adviser on Governance
3. Attorney General & Minister of Legal Affairs
4. Governor -Bank of Guyana
5. Minister of Finance
6. Minister within the Ministry of Finance
7. Minister of Home Affairs
8. Commissioner General -GRA
9. Commissioner of Police
10. Director of Public Prosecution
11. Head -CANU
12. Head -SOCU
13. Director -FIU

During 2014 the Committee held four (4) meetings. The main results from these meetings include the following:

- (i) The establishment of a mechanism within all relevant agencies to maintain and report on statistics related to AMLCFT;
- (ii) The appointment of focal (contact) persons within all the relevant agencies to respond to requests for information related to AMLCFT matters;
- (iii) The appointment of supervisory authority for Betting Shops, Pawnbrokers, Used Car Dealers and Real Estate Agents;
- (iv) The establishment of a Special Organised Crime Unit (SOCU) with responsibility for investigating financial/economic crimes, particularly money laundering, and the financing of terrorism;
- (v) The initiation of plans to establish a committee to focus on the National Risk Assessment (NRA) exercise for Guyana.
- (vi) The development of a National Strategic Plan for combating of ML and TF.

National Risk Assessment

The National Risk Assessment (NRA) exercise is a requirement for the CFATF's Fourth Round Mutual Evaluations, which will commence in 2015. The NRA exercise should focus on Risk Assessment and Risk Mitigation for the country. As a CFATF member, Guyana is required to:

- (a) Identify and assess its ML and TF risks;
- (b) Designate an authority or mechanism to co-ordinate actions to assess risks;
- (c) Keep the risk assessments up-to-date; and
- (d) Have mechanisms to provide information on the results of the risk assessment(s) to all relevant competent authorities and self-regulatory bodies (SRBs), financial institutions and Designated Non-Financial Businesses or Professions (DNFBPs).

Based on the country's understanding of its risks, Guyana is required to apply a risk-based approach to allocating resources and implementing measures to prevent or mitigate ML and TF. During 2014 the AMLCFT National Oversight Committee commenced work on the National Risk Assessment process.

National Strategic Plan

The FIU in collaboration with International Consultants and with consultations and support of a large cross section of AMLCFT agencies and stakeholders developed a National Strategic Plan.

The Government's commitment to this strategy included the following four (4) broad streams:

- (a) Development of laws and regulations in line with international standards;
- (b) Preventative measures for the financial sectors and related businesses and professions;
- (c) Effective combating measures of law enforcement agencies, prosecution authorities and the FIU; and
- (d) Capacity building for international and domestic co-operation of ML and TF matters.

The National Strategy was adopted by the AMLCFT National Oversight Committee on November 14, 2014 and on November 21, 2014 was forwarded to key agencies and stakeholders for implementation.

The implementation of the National Strategy is being monitored by the AMLCFT National Oversight Committee.

Mutual Evaluation Assessors Training

CFATF members are obligated to provide assessors and evaluators to participate in the 4th Round of Mutual Evaluations of member countries, which will commence in 2015. Members are required to identify competent individuals with Legal, Financial and Law Enforcement backgrounds to be trained for this process.

One representative, each, from the Financial Intelligence Unit (Legal background), Bank of Guyana (Financial background) and the Guyana Police Force (Law Enforcement background) represented Guyana at the CFATF's Mutual Evaluation Assessors Training Workshop held in Antigua and Barbuda from September 15th to 19th 2014.

The aim of the Training Workshop was to help prepare the participants to effectively conduct assessment of a country's compliance with the international AML/CFT Standards and also equip countries to better prepare for their respective mutual evaluation.

Key areas covered by the course include: - the evaluation methodology and process, risk assessment, technical compliance analysis, effectiveness analysis, compilation of ratings and recommendations for Mutual Evaluation Report.

Egmont Strategic Analysis Training Course

The Inter-American Drug Abuse Control Commission (CICAD) through the Experts Group for the Control of Money Laundering is working to strengthen the capacity of the Financial Intelligence Units (FIUs) of the region, and particularly to promoting Strategic Analysis as a new perspective for analyzing and disseminating the information they gather.

As part of those efforts, CICAD's Anti-Money Laundering Section, The EGMONT Group and the United States Financial Crimes Enforcement Network (FINCEN) promoted a "Strategic Analysis Course for Financial Intelligence Units" in Miami from March 3rd to 7th 2014.

The course approached the subject of strategic analysis of financial information from both the theoretical and practical perspectives and was aimed at FIU analysts with experience in tactical-level analysis of financial information appointed in the strategic analytical units.

Strategic Analysis is a core function of FIUs as highlighted in FATF's AML/CFT Recommendation No. 29. The aim of the analysis is to add value to information received by FIUs, thus leading to ML and TF investigations, prosecutions, policy amendments, etc. The analysis may also lead to identification of treats, weaknesses and risk areas of a country's AML/CFT regime.

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 2014 FIU -Guyana signed a Memorandum of Understanding (MOU) with FIU -Curacao to facilitate the exchange of intelligence relevant to the investigation of money laundering, its predicate offences, the financing of terrorism and other related crimes.

Prior to 2014 FIU -Guyana has existing MOUs with the following territories:-

1. Trinidad and Tobago
2. Belize
3. St. Maarten
4. Suriname

Circulars

The FIU issued three (3) circulars to reporting entities regarding FATF's Public Statements published during 2014 on the following:-

- Jurisdictions identified with strategic deficiencies in their AML/CFT regime (*February 2014*)
- High risk and non-cooperative jurisdictions (*June 2014*)
- Improving global AML/CFT compliance: on-going process (*October 2014*)

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

Egmont Group of FIUs – Guyana’s 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 application for membership review process.

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

During 2014 there was no change in Guyana’s application process, due to the non passage of the amended AMLCFT bill.

Preparation of Manual and Standard Operating Procedures (SOPs)

The following documents, initiated in 2013, were finalised and implemented during 2014 by the FIU with technical assistance from AMLCFT Canadian Consultants, for which funding and other resources were provided by the Canadian Government;

❖ AMLCFT Examination Handbook for DNFBPs Supervisors

This document provides guidance to Supervisory Authorities of DNFBP Reporting Entities in the conducting of examinations to assess compliance with the AMLCFT Act and Regulations.

❖ Standard Operating Procedures for financial analysis within the FIU

The procedures for receiving, assessing and analyzing Suspicious Transactions Reports (STRs) received from Reporting Entities, Law Enforcement Agencies and other sources are detailed in the SOP for Financial Analysis.

Appointment of AMLCFT Supervisor

The Guyana Revenue Authority (GRA) was appointed as Supervisory Authority in accordance with section 22 (I) (d) of the AMLCFT Act of 2009 on September 08, 2014 for the following Reporting Entities:

1. Pawnbrokers
2. Used Car Dealers
3. House Agents
4. Betting shops

Preparation of Trend Analysis & Typology

During 2014 the FIU commenced preparing Money Laundering Trends and Typologies for publishing in 2015. The following are “in draft” and are to be published on the FIU’s website in 2015.

- Trend Analysis of STRs filed in 2013 & 2014.
- Money Laundering Typology related to cross border movement of precious metals.

STATISTICAL INFORMATION

Threshold Transaction Reports

During 2014 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 2014.

❖ **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 2014.

❖ **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 2014.

❖ **Pawnbrokers**

All pledges and repayments equivalent to or above G\$300,000 (three hundred thousand Guyana dollars) were reported to the FIU.

There were sixteen (16) licensed and active Pawnbrokers who commenced reporting in December 2014 on threshold transactions processed in November 2014.

❖ **Gold Dealers**

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

There were seven (7) licensed and active Gold Dealers who commenced reporting in December 2014 on threshold transactions processed in November 2014.

- Reports Received

During 2014 the FIU received monthly threshold reports as follows:

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

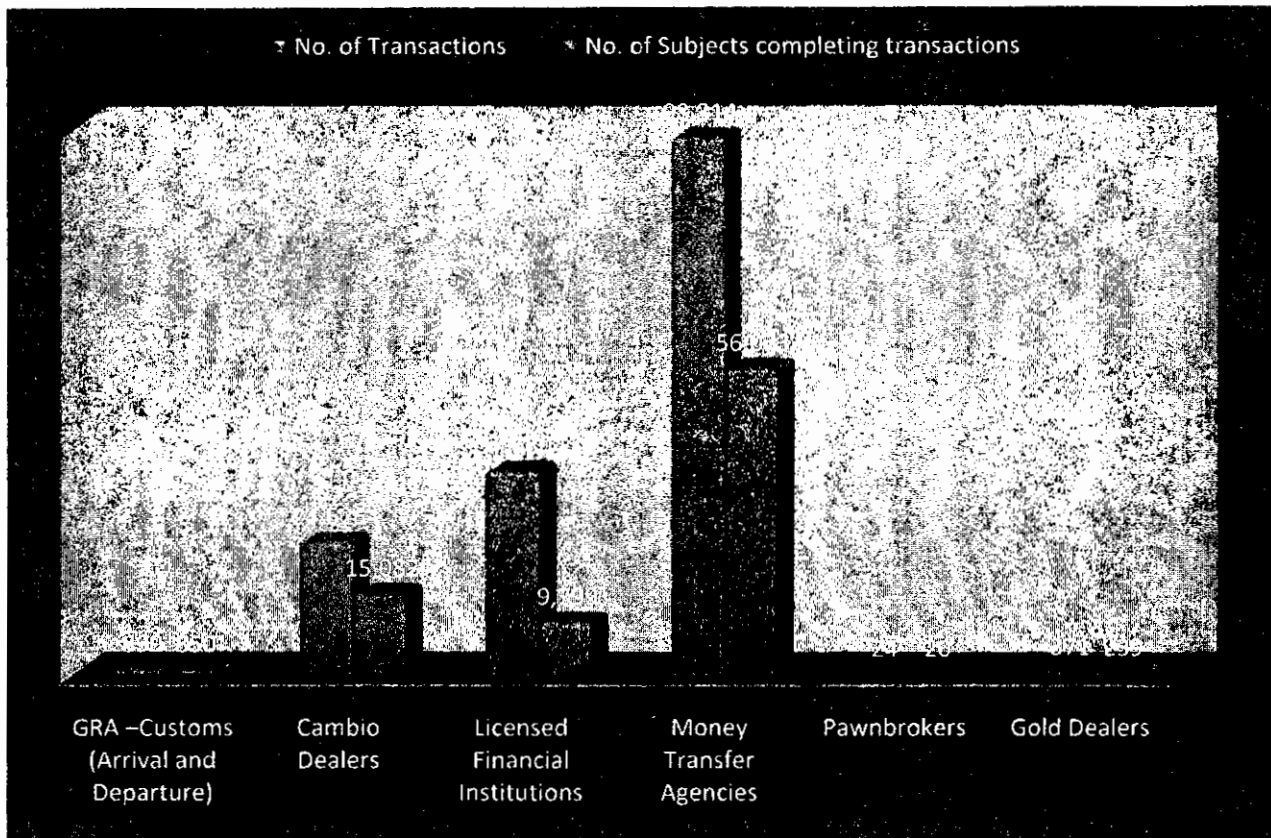
<u>Category of Reporting Entity</u>	<u>No. of Transactions</u>	<u>No. of Subjects completing transactions</u>
*GRA -Customs (Arrival and Departure)	899	850
CAMBIO Dealers	24,626	15,082
Licensed Financial Institutions (LFIs)	37,680	9,799
Money Transfer Agencies	98,314	56,073
Pawnbrokers	24	20
Gold Dealers	371	239
Total	161,914	82,063

**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 its own "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.

THRESHOLD TRANSACTION REPORTS RECEIVED - 2014



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 AML/CFT Act of 2009.

For a transaction/activity to be classified as a suspicious transaction/activity, the reporting entity must have reasonable grounds to suspect that funds, a transaction or attempted transaction(s) are connected to the proceeds of a criminal activity, money laundering or terrorist financing offence. Where such grounds exist, the reporting entity is required to:

- (i) Take reasonable measures to ascertain the purpose of the transaction, the origin and ultimate destination of the funds involved and the identity and address of any ultimate beneficiary; and
- (ii) Prepare a report of the transaction, which must include at a minimum, the following:
 - (a) the purpose of the transaction;
 - (b) the origin and ultimate destination of the funds involved;
 - (c) the identity and address of any ultimate beneficiary; and
 - (d) a statement of the grounds on which the reporting entity holds the suspicion.

The reporting entity is required to send the above report to the Financial Intelligence Unit as soon as possible but not later than three (3) days after forming that suspicion.

Where there are no grounds to classify a transaction/activity as a suspicious transaction but the transaction/activity appears complex or unusual to the reporting entity, Section 18 (1) and (2) requires the reporting entity to pay special attention to that transaction/activity by:

- (i) verifying the background and purpose of the transaction(s) or business relations and record its findings in writing; and
- (ii) make such findings available to the Financial Intelligence Unit only if requested.

The detection of complex, unusual large business transaction(s), or unusual patterns of transactions requires the reporting entity to practice due diligence by assessing the risk associated with the transaction(s) and recording its findings for its own benefit and only if requested to make such findings available to the FIU.

During 2014 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	13	9
Licensed Financial Institutions (LFIs)	61	57
Money Transfers	305	238
Pawnbrokers	-	-
Gold Dealers	-	-
Total	379	304

Analysis of Suspicious Transaction Reports (2013 & 2014)

Executive Summary

The following analysis indicates that during the period 2013 – 2014 there was a total of 1,257 Suspicious Transaction Reports (STRs) received from Licensed Financial Institutions (LFIs), Money Transfer Businesses and Cambios, however, after initial analysis only 15 required follow-up action by the Financial Intelligence Unit (FIU).

In early 2013 the introduction of a new suspicious transaction reporting format accompanied by specific guidelines followed several guidance and feedback sessions with Reporting Entities. These sessions were related to risk assessment and Enhanced Due Diligence (EDD) procedures when dealing with unusual, complex and large volume of transactions.

Towards the end of 2013 the FIU recognised that the Reporting Entities were continually reporting as suspicious transactions, activities that were either unusual, complex or above predetermined thresholds. The FIU initiated a series of awareness and guidance sessions on a one-on-one basis in those instances where these occurrences were most prevalent. Group meetings also occurred for specific categories of Reporting Entities.

As a result there was a reduction of STRs received in 2014 by 56.8%.

The awareness and guidance continued during 2014.

In addition to the face-to-face meetings written guidance was provided to all Reporting Entities explaining the process for risk assessment and the preparation of STRs.

Analysis of STRs - 2013

Summary

STRs received from Reporting Entities during 2013 were 878, which involved 654 Subjects. Multiple STRs were received on 224 Subjects or 25.5% of the total STRs reported.

The total value of the 878 STRs amounted to approximately US\$12.5M (equiv.)

Categories of Reporting Entities	No. of STRs	% of Total STRs	No. of Subjects	Value (equiv.)
Licensed Financial Institutions (LFIs)	73	8.3%	67	US\$4.1M
Money Transfer Businesses	721	82.1%	526	US\$5.3M
Cambios	84	9.6%	61	US\$3.1M
Totals	878	100%	654	US\$12.5M

Licensed Financial Institutions (LFIs)

STRs received from Licensed Financial Institutions (LFIs) during 2013 were 73, which involved 67 Subjects. These 73 STRs were valued approximately US\$4.1M.

In addition to the 73, there were 13 that were withdrawn by the LFIs for review and further analysis due to the lack of information that referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

There were 41 or 56% involving cash transactions and 16 or 21.9% involving other financial instruments.

There were 55 or 75.3% which related to General Financial Transactions, while 14 or 19.2% involved International Money Transfer transactions and 2 involved CAMBIO transactions.

Within the 73 there were 56 or 75.3% that involved Local Currency transactions and 16 or 21.9% involved transactions with Foreign Currencies.

There were 19 or 26% whose Subjects were businesses and 54 or 74% involving individuals.

There were 40 or 54.8% that involved multiple transactions conducted by Subjects and 24 or 32.9% were related to single transactions. There were 7 or 9.6% that did not reference any transaction.

After initial analysis, 6 STRs or 8.2% required further follow-up action by the FIU.

The value of the 6 was approximately US\$0.718M or 17.5% of the US\$4.1M total value of the 73 STRs filed by LFI.

The 6 requiring follow-up action were related to 5 Subjects, of which 4 were individuals and 1 was a business. These 6 are still engaging the attention of the FIU and other relevant law enforcement authorities.

Of the 6 engaging the attention of the FIU, 3 were related to Subjects operating within the hospitality, entertainment and services sector, 2 operated within the financial services sector and 1 operated within the transportation services sector.

Generally the 73 STRs received from the LFIs did not have sufficient Enhance Due Diligence (EDD) information connecting them to or creating suspicions of money laundering, terrorist financing or proceeds of crime.

Money Transfer Businesses

The Money Transfer Businesses accounted for the highest number of STRs of all the categories of Reporting Entities. During the year 721 or 82.1% of all STRs were received from Money Transfer Businesses, which involved 526 Subjects. These 721 were valued US\$5.3M.

All of the 721 from Money Transfer Businesses involved individual Subjects.

Of the 721 STRs 482 or 66.9% were related to incoming money transfers, 30.2% or 218 involved outgoing money transfer transactions and 21 or 2.9% related to a combination of incoming and outgoing money transfers.

STRs with multiple transactions were 614 or 85.2% and 107 or 14.8% involved single transactions.

The 721 STRs were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime and thus required no follow-up action by the FIU.

Cambios

The Cambios filed 84 STRs, which involved 61 Subjects. These STRs were valued US\$3.1M and involved individuals.

After initial analysis none of the 84 warranted further analysis or follow-up action by the FIU.

The 84 were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

Analysis of STRs - 2014

Summary

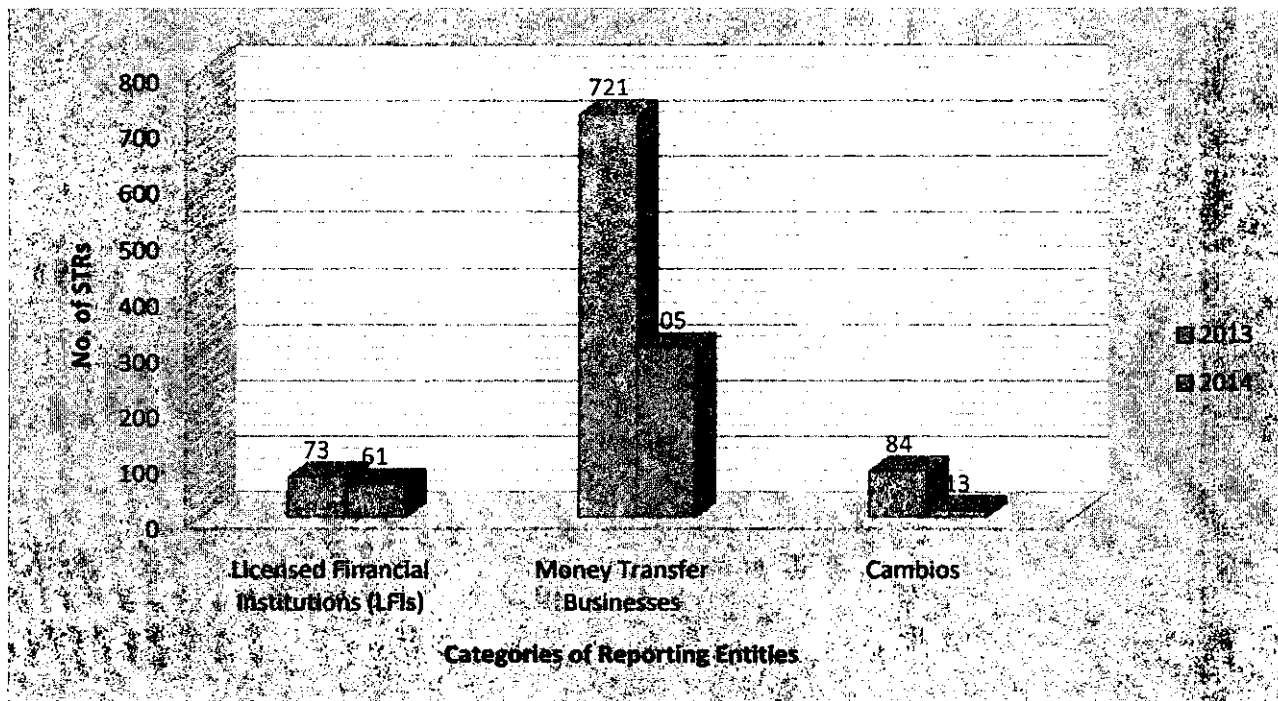
STRs received from Reporting Entities during 2014 were 379, which involved 304 Subjects. Multiple STRs were received on 75 Subjects or 19.8% of the total STRs reported.

The total value of the 379 STRs amounted to approximately US\$9.9M (equiv.)

Categories of Reporting Entities	No. of STRs	% of Total STRs	No. of Subjects	Value (equiv.)
Licensed Financial Institutions (LFIs)	61	16.1%	57	US\$6.8M
Money Transfer Businesses	305	80.5%	238	US\$2.6M
Cambios	13	3.4%	9	US\$0.5M
Totals	379	100	304	US\$9.9M

In 2014 total STRs received from all Reporting Entities reduced by 499 or 56.8% when compared with 2013. The Subjects of these STRs also reduced from 654 in 2013 by 350 or 53.5% to 304 in 2014. The value was US\$12.5M in 2013, which represents a reduction of US\$2.6M or 20.8%, when compared with US\$9.9M in 2014.

No. STRs Received in 2013 vs. 2014



Licensed Financial Institutions (LFIs)

STRs received from Licensed Financial Institutions (LFIs) during 2014 were 61, which involved 57 Subjects. These 61 STRs were valued approximately US\$6.8M.

In addition to the 61, there were 18 that were withdrawn by the LFIs for review and further analysis due to lack of information that referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

There were 39 or 63.9% involving cash transactions and 7 or 10.1% involved other financial instruments.

There were 47 or 77% which were related to General Financial Transactions with local currency, 8 or 13.1% involved International Money Transfers of foreign currencies and 6 related to a combination of General Financial Transactions and international Money Transfer of foreign currencies.

There were 12 or 19.7% whose Subjects were businesses and 49 or 80.3% involving individuals.

There were 38 or 62.3% that involved multiple transactions conducted by Subjects and 14 or 22.9% were related to single transactions. There were 9 or 14.8% that did not reference any transaction.

After initial analysis 9 STRs or 14.8% required further follow-up action by the Financial Intelligence Unit (FIU).

The value of the 9 was approximately US\$3.8M or 38.4% of the US\$9.9M total value of the 61 STRs filed by LFIs.

The 9 requiring follow-up action were related to 8 Subjects, of which 5 were individuals, 2 were businesses and 1 was a non-profit organisation. These 9 are still engaging the attention of the Financial Intelligence Unit and other relevant law enforcement authorities.

Of the 9 engaging the attention of the FIU, 3 were related to Subjects operating within the natural resources sector, 2 related to Subjects within the commercial trading –general merchandise sector, 1 related to the hospitality, entertainment and services sector, 1 was within the agriculture sector, 1 related to an unemployed Subject and 1 was related to a non-profit organisation.

Generally the 61 STRs received from the LFIs did not have sufficient Enhance Due Diligence (EDD) information connecting them to or creating suspicions of money laundering, terrorist financing or proceeds of crime.

Money Transfer Businesses

The Money Transfer Businesses accounted for the highest number of STRs of all categories of Reporting Entities. During the year 305 or 80.5% of all STRs were received from Money Transfer Businesses, which involved 238 Subjects. These 305 were valued approximately US\$2.6M and involved individual Subjects.

Of the 305 STRs 156 or 51.1% were related to incoming money transfers, 48.2% or 147 involved outgoing money transfer transactions and 2 or 0.7% related to a combination of incoming and outgoing money transfers.

STRs with multiple transactions were 263 or 86.2% and 42 or 13.8% involved single transactions.

The 305 STRs were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime and thus required no follow-up action by the FIU.

Cambios

The Cambios filed 13 STRs, which involved 9 Subjects. These STRs were valued approximately US\$0.518M and involved individuals.

After initial analysis none of the 13 warranted further analysis or follow-up action by the FIU.

The 13 were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

Action by the FIU

During 2013 and 2014 the FIU, recognizing an emerging trend whereby most of the Reporting Entities were reporting unusual, complex or large volume transactions/activities as suspicious transactions/activities, held a number of individual and collective meetings with Reporting Entities. The aim of the meetings was to help the Reporting Entities differentiate between unusual, complex and large volume transactions from suspicious transactions.

In 2013 the FIU held 5 meeting with 4 different reporting entities with the aim of clarifying the definition of a suspicious transaction report with these entities.

In 2014 there were 8 meetings with 7 different reporting entities and 2 meetings with all the reporting entities from LFI and Money Transfer Businesses as a group.

The FIU plans on hosting several meeting/training sessions to further improve the quality of suspicious transaction reporting by encouraging Reporting Entities to practice more AMLCFT risk assessment and the differentiating between unusual transactions and money laundering and terrorist financing activities.

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 eight (8) Suspicious Transactions/Activities as follows:

- ❖ Three (3) 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.
- ❖ Four (4) requests were made as a result of Suspicious Transaction Reports (STRs) received from local Reporting Entities.
- ❖ One (1) request was made as a result of information received from local Law Enforcement Agencies that had reported predicate crimes.

Communication with Local and Foreign Agencies

Based on analysis of threshold reports, 8 (eight) analysed files involving 14 (fourteen) Subjects were disseminated to the Special Organised Crime Unit (SOCU) for investigation.

The FIU received a request and shared information on one (1) Subject with local law enforcement agency.

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 three (3) local agencies in five (5) instances.

During 2014 FIU-Guyana communicated with three (3) similar type FIUs from different territories within the region on Suspicious Transactions/Activities in five (5) instances.

TRAINING

Coordination of Technical Assistance

In 2014 the FIU coordinated a technical assistance programme through the British Government aimed at strengthening Guyana's AMLCFT regime.

The United Kingdom, through its Caribbean Criminal Assets Recovery Programme (CCARP) and the British High Commission, with financial assistance from the United States Embassy, provided training and guidance for the staff of the newly formed Special Organised Crime Unit (SOCU) and other agencies that may be involved in future money laundering and asset recovery cases.

The course was delivered by AML Consulting (Global) Ltd., a United Kingdom based company specialised in delivering this type of training worldwide. Two (2) qualified British Consultants with a combination of over forty five (45) years experience in Financial Investigations presented the course. CCARP representatives with expert knowledge of financial investigations, money laundering prosecutions and asset forfeiture proceedings complemented the main presenters.

The training programme took place in the Training Room of the Bank of Guyana, Avenue of the Republic and Church Street, Robbstown, Georgetown, during Monday, November 17th 2014 and Friday, November 28th 2014.

The 19 (nineteen) course participants came from the following organisations:-

- Special Organised Crime Unit (4)
- Guyana Police Force (3)
- Office of the Director of Public Prosecutions (3)
- Financial Intelligence Unit (3)
- Bank of Guyana (3)
- Guyana Revenue Authority (2)
- Attorney General's Chambers (1)

This was a classroom-based training event, which contained a mixture of trainer presentations, trainer directed group discussions, practical exercises with participation from the judiciary.

The British representatives from the Caribbean Criminal Assets Recovery Programme (CCARP) also facilitated two (2) training sessions on cash seizures with officers at junior, senior, supervisory and management levels from the following agencies:-

- Guyana Revenue Authority (GRA) (21 Customs Officers)
- Guyana Police Force (GPF) (17 Police Officers)

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 work plan 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.

Fifty eight (58) representatives from various entities 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 2014 under the work plan:

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
February 11 th	Six (6) representatives from the FIU	Standard Operating Procedures for Financial Analysis.
April 10 th & 11 th	Twenty one (21) representatives from seven (7) AMLCFT Supervisory Authorities: <ul style="list-style-type: none"> ❖ Bank of Guyana ❖ Guyana Gold Board ❖ Gaming Authority ❖ Registrar -Friendly Societies ❖ Guyana Securities Council ❖ Chief Co-operative Development Officer ❖ Guyana Geology and Mines Commission 	<ol style="list-style-type: none"> 1. FIU and Supervision "working with regulators" 2. Risk based approach to AMLCFT Supervision & Developing Supervisory Plans. 3. Practical implementation issues: international requirements for countering the financing of terrorism. 4. Examination handbook & Standard Procedures for onsite examinations of Reporting Entities (including DNFBPs).
April 14 th - 16 th	Eighteen (18) representatives from six (6) Law Enforcement, Civil Proceedings, Prosecution, Supervisory and Intelligence Agencies: <ul style="list-style-type: none"> ❖ Guyana Police Force (GPF) ❖ Attorney General's (AG) Chambers ❖ Financial Intelligence Unit (FIU) ❖ Guyana Revenue Authority (GRA) ❖ Director of Public Prosecutions (DPP) Office ❖ Bank of Guyana (BOG) 	AMLCFT Financial Investigative Techniques

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
November 14 th	Thirteen (13) representatives from seven (7) AMLCFT Supervisory Authorities: <ul style="list-style-type: none"> ❖ Bank of Guyana ❖ Guyana Gold Board ❖ Gaming Authority ❖ Registrar -Friendly Societies ❖ Chief Co-operative Development Officer ❖ Guyana Geology & Mines Commission ❖ Guyana Revenue Authority 	<ol style="list-style-type: none"> 1. Introduction to the National Strategic Plan on AMLCFT. 2. Update on Guyana's ongoing review by FATF-ICRG 3. Projected five (5) year implementation programme for the National Strategic Plan

Training conducted by FIU

During 2014 several training sessions were conducted with Reporting Entities. The aim of these sessions was to give guidance on reporting requirements, obtain feedback and for new Reporting Entities to commence reporting to the FIU.

There were approximately **ninety four (94)** representatives from various entities who benefited from six (6) training programmes conducted by the FIU.

The following schedule highlights these training:-

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
April 22 nd	Twenty two (22) representatives from 15 (fifteen) Pawnbrokers	Obligations of Pawnbrokers as Reporting Entities under Sections 15 - 18 & 19 of the AMLCFT Act of 2009.
July 10 th	Eighteen (18) representatives from 8 (eight) Gold Dealers as well as from the Guyana Gold Board (Supervisor)	Obligations of Gold Dealers as Reporting Entities under Sections 15 - 18 & 19 of the AMLCFT Act of 2009.
August 14 th	Sixteen (16) representatives from 9 (nine) Licensed Financial Institutions (LFIs) as well as from the Bank of Guyana (Supervisor)	<ol style="list-style-type: none"> 1. Risk based approach towards compliance 2. Quality of, guidelines and feedback on reporting of suspicious transactions.
October 8 th	Seven (7) representatives from 4 (four) Money Transfer Agencies as well as from the Bank of Guyana (Supervisor)	Quality of, guidelines and feedback on reporting of suspicious and threshold transactions.
October 8 th	Representatives from 10 (ten) Gold Dealers as well as from the Guyana Gold Board (Supervisor)	Guidance on requirements of Threshold and Suspicious Transactions reporting formats.
October 8 th	Twenty one (21) representatives from 17 (seventeen) Pawnbrokers as well as from the Guyana Revenue Authority (Supervisor)	Guidance on requirements of Threshold and Suspicious Transactions reporting formats.

- GRA Customs Officers stationed at CJIA

In addition to several meetings held with Senior Management, the FIU conducted one (1) training session for the Guyana Revenue Authority's, Customs Officers stationed at the Cheddi Jagan International Airport, Timehri; twenty (23) Customs Officers and other Officials of GRA benefitted from the session.

Participation in training hosted by other entities

During 2014 the FIU made significant presentations at two (2) training sessions that benefitted over thirty (30) individuals, as outlined below:

<u>Dates</u>	<u>Beneficiaries</u>	<u>Topics</u>
May 28 th	Thirty (30) money transfer agents of a Money Transfer Agency located in all 3 counties	Agents' seminar on AMLCFT compliance & fraud.
August 13 th	Precious Metals Dealers licensed by the Guyana Geology & Mines Commission (GGMC)	Obligations of as Reporting Entities under the AMLCFT Act and Regulations.

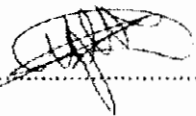
INFORMATION TECHNOLOGY

Information technology has undergone significant changes with regards to its storage, processing and analysis capacity. These were accomplished by the acquisition of updated hardware and supporting software, processes and training.

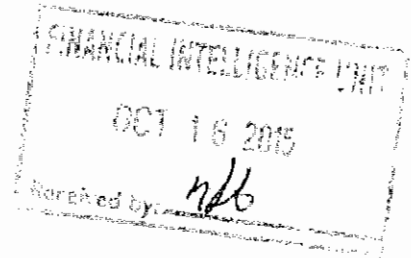
Reports from six (6) different categories of reporting entities are now standardised, digitalised and capable of integration into the database, thereby facilitating reliable and easier retrieval, analysis and preparation of reports.

The FIU's website (www.fiuguyana.org) contains current information on the AMLCFT legislation and regulations, directives, mutual evaluation report, publications and other relevant information relating to the Unit. It is updated regularly to provide AMLCFT information to the general public.

Prepare by:


.....
Paul Geer
DIRECTOR

**AUDITED FINANCIAL STATEMENTS OF THE
FINANCIAL INTELLIGENCE UNIT**



**FOR THE YEAR ENDED
31 DECEMBER 2014**

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

THE AUDITED FINANCIAL STATEMENTS OF THE
FINANCIAL INTELLIGENCE UNIT
FOR THE YEAR ENDED 31 DECEMBER 2014

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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>*

322/OA: 25/2/2015

15 October, 2015

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

Dear Mr. Geer,

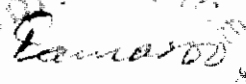
AUDIT OF THE ACCOUNTS OF THE
FINANCIAL INTELLIGENCE UNIT
FOR THE YEAR ENDED 31 DECEMBER 2014

We wish to inform you that the above-mentioned audit has been completed. Accordingly, we are pleased to forward two (2) copies of the audited statement of receipts and expenditure, together with the report of the Auditor General and the Management Letter, thereon.

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

With kind regards.

Yours sincerely,


C. Samaroo

C. Samaroo
Audit Manager



Audit Office of Guyana

*Office of the Auditor General, Parliament Buildings, Georgetown, Guyana
Tel: (592) 225-1111 Fax: (592) 225-1117 E-mail: info@audit.gov.gy*

AG: 121/2015

15 October, 2015

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE FINANCIAL INTELLIGENCE UNIT
ON THE STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2014

I have audited the Statement of Receipts and Expenditures of the Financial Intelligence Unit for the year ended 31 December 2014. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of this financial statement, in accordance with the Generally Accepted Accounting Principles 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 Financial Statement based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC) and those of 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 judgment, including the assessment of risks of material misstatement of the financial statement, whether due to fraud or error. In making those risks assessments, the auditor considers internal control 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 the 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 financial statement present fairly, in all material respects, the receipts and expenditures of the Financial Intelligence Unit for the year ended 31 December 2014, in accordance with Generally Accepted Accounting Principles.

AUDIT OFFICE
Deodat Sharma
DEODAT SHARMA
AUDITOR GENERAL

AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

FINANCIAL INTELLIGENCE UNIT

STATEMENT OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2014

PARTICULARS	NOTES		GS
<u>RECEIPTS</u>	-		
Government of Guyana	3	106,813,687	<u>106,813,687</u>
<u>EXPENDITURE</u>	-		
Employment cost	4	44,433,208	
Office materials and supplies	5	5,446,739	
Vehicle expenses -(fuel, lubricants, repairs and maintenance)	6	745,078	
Repairs & Maintenance -(building & equipment)	7	705,240	
Telephone and internet charges	8	898,252	
Contributions - Caribbean Financial Action Task Force	9	7,299,438	
Training & Professional Services	10	9,372,348	
Capital expenditure	11	37,616,850	
Others		<u>296,534</u>	
TOTAL EXPENDITURE			<u>106,813,687</u>

The notes on pages 2-5 form an integral part of this financial statement.

.....
Paul Geer
DIRECTOR

.....
Vickram Lall
ACCOUNTANT (ag.)

Financial Intelligence Unit

Notes to the Financial Statement
As at 31 December 2014

1. Background

The Financial Intelligence Unit (FIU) of Guyana is an autonomous body responsible for requesting, receiving, analysing and dissemination of suspicious transaction reports and other information relating to money laundering, terrorist financing or the proceeds of crime. It was established and operates within the ambit of the Anti-Money Laundering and Countering the Financing of Terrorism Act (AMLCFTA) No. 13 of 2009 and Regulations No. 4 of 2010.

KEY FUNCTIONS OF THE FINANCIAL INTELLIGENCE UNIT (FIU)

The Financial Intelligence Unit is established by the Minister responsible for Finance as an agency responsible for requesting, receiving, analysing and dissemination of suspicious transaction reports and other information relating to money laundering, terrorist financing or proceeds of crime.

- The Financial Intelligence Unit compiles reports for competent and law enforcement authorities if there are reasonable grounds to suspect that transactions involve money laundering, proceeds of crime or terrorist financing.
- Extends legal assistance to foreign jurisdictions with respect to production orders, property tracking, monitoring, and forfeiture or confiscation orders.
- Requests and receives information from any reporting entity, any supervisory agency and any law enforcement agency, any other competent authority in Guyana or elsewhere for purposes of the AMLCFT Legislation.
- May enter into any agreements or arrangements with any international or domestic government institution or agency regarding the exchange of information.

2. Basis of Accounting

The cash basis was used in the preparation of the FIU financial statement.

3. Receipts from Government of Guyana

AMOUNT \$

Current Expenditure for FIU	69,196,837
Capital Expenditure for SOCU	<u>37,616,850</u>
Total	<u>106,813,687</u>

Allocations of \$73,792,000 were approved in Budget 2014 to finance current expenditure of the Financial Intelligence Unit. Amounts totalling \$69,196,837 were expended.

Contingency fund advance of \$48,983,535 was approved by Cabinet on August 12, 2014 to finance the establishment of the headquarters of SOCU. Amounts totalling \$37,616,850 were expended.

4. Employment Cost

AMOUNT \$

Relating to FIU	42,768,636
Relating to SOCU	<u>1,664,572</u>
Total	<u>44,433,208</u>

SOCU's employment cost was financed from the budgetary allocations of the FIU.

5. Office Materials & Supplies

AMOUNT \$

Relating to FIU	5,434,739
Relating to SOCU	<u>12,000</u>
Total	<u>5,446,739</u>

Cost of office materials and supplies for SOCU were financed from the budgetary allocations of the FIU.

6. Vehicle Expenses (fuel, lubricants, repairs & maintenance)

AMOUNT \$

Fuel & Lubricants -FIU	370,785
Fuel & Lubricants -SOCU	36,000
Repairs & maintenance of FIU vehicle	<u>338,293</u>
Total	<u>745,078</u>

Cost of fuel and lubricants for SOCU was financed from the budgetary allocations of the FIU.

7.	<u>Repairs & Maintenance (building & equipment)</u>	AMOUNT \$
	Repairs & maintenance -building	116,584
	Repairs & maintenance -equipment	557,194
	Cleaning & sanitation	<u>31,462</u>
	Total	<u>705,240</u>

All relating to FIU

8.	<u>Telephone & Internet Charges</u>	AMOUNT \$
	Telephone charges	783,657
	Internet charges	<u>114,595</u>
	Total	<u>898,252</u>

All relating to FIU

9.	<u>Subsidies & Contributions to International Organisation</u>	AMOUNT \$
	Caribbean Financial Action Task Force (CFATF) membership fees	<u>7,299,438</u>
	Total	<u>7,299,438</u>

Relating to FIU

10.	<u>Training & Professional Services</u>	AMOUNT \$
	Training & attendance of overseas conferences -FIU	8,758,776
	Training & attendance of overseas conferences -SOCU	336,387
	Professional Services -SOCU	<u>277,185</u>
	Total	<u>9,372,348</u>

Cost of training, attendance of overseas conferences and professional services for SOCU were financed from the budgetary allocations of the FIU.

11. Capital Expenditure

AMOUNT \$

Office furniture, fittings & equipment	1,721,554
Electronic devices for IT and other departments	8,288,840
Renovation of property @ Camp Road, Georgetown	<u>27,606,456</u>
Total	<u>37,616,850</u>

All relating to SOCU. Financed by contingency fund advance, administered by FIU. Capital expenditure of \$172,260 was initially incorrectly processed to FIU's current expenditure account. This has now been corrected.



Audit Office of Guyana

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322/OA: 25/2/2015

15 October, 2015

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

Dear Mr. Geer,

AUDIT OF THE ACCOUNTS OF THE
FINANCIAL INTELLIGENCE UNIT
FOR THE YEAR ENDED 31 DECEMBER 2014

We have completed the audit of the financial statements of the Financial Intelligence Unit for the year ending 31 December 2014. The findings which were discussed with you are now forwarded for your appropriate action

FINDINGS AND RECOMMENDATIONS

2. Amounts totalling \$106.814M were approved for the Financial Intelligence Unit (FIU) under the Ministry of Finance. Examination of the records provided revealed that the full amount was expended as follows:-

DESCRIPTION	FIU	SOCU	TOTAL
	AMOUNT \$ '000	AMOUNT \$ '000	
Employment Cost	42,769	1,665	44,434
Office Materials and supplies	5,435	12	5,447
Fuel and Lubricants	371	36	407
Maintenance of Buildings	117	0	117
Repairs and Maintenance- Vehicle	338	0	338
Repairs and Maintenance- Equipment	557	0	557
Telephone Charges	784	0	784
Internet Charges	115	0	115
Cleaning and Sanitation	31	0	31
Training	8,759	336	9,095
Contribution – Caribbean Financial Action Task Force	7,299	0	7,299
Others	286	10	296
Professional Services	0	277	277
TOTAL	66,861	2,336	69,197

2. The sum of \$69.197M was expended for the operation of FIU and Special Organised Crime Unit (SOCU), of which \$66.861M was expended for FIU and \$2.336M was spent for SOCU.

Special Organised Crime Unit (SOCU)

3. Amounts totalling \$48.984M was approved from the Contingencies Fund, for the establishment of the headquarters of the SOCU and its operationalisation during 2014.

4. The creation and operationalisation of SOCU was approved by Cabinet in 2014. This unit is dedicated to investigating suspected financial transactions suggestive of money laundering and financing of terrorism and is intended to act as the investigative arm of the Financial Intelligence Unit. The sum of \$37.617M was expended as follows:

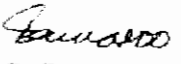
DESCRIPTION	AMOUNT \$ '000
Office furniture, fittings & equipment	1,722
Electronic devices	8,289
Renovation of building	27,606
TOTAL	37,617

6. The items purchased were verified as having been received and properly brought to account, while the renovation of the building and the external works to the car park, fence and bridge was physically verified.

General

7. The Audit Office wishes to express its sincere gratitude for the cooperation given to its officers during the course of the audit.

With kind regards.

Yours sincerely,

C. Samaroo
Audit Manager

