



ANTI-MONEY LAUNDERING AUTHORITY



# ANNUAL REPORTS 2009 - 2012

BARBADOS FINANCIAL INTELLIGENCE UNIT

# **ANTI-MONEY LAUNDERING AUTHORITY**

## **ANNUAL REPORTS 2009-2012**



**BARBADOS FINANCIAL INTELLIGENCE UNIT**



# Barbados Financial Intelligence Unit



**FINANCIAL INTELLIGENCE UNIT  
OF THE ANTI-MONEY LAUNDERING AUTHORITY  
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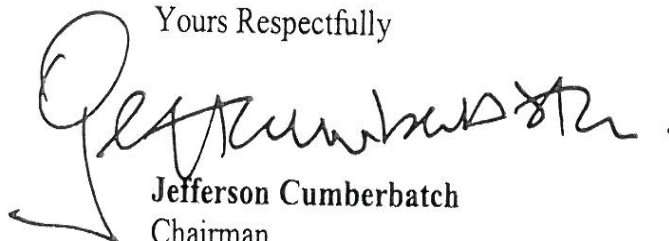
February 3, 2014

The Honourable Adriel Brathwaite, QC, MP.  
Attorney- General and Minister of Home Affairs  
Office of the Attorney General  
Jones Building  
Webster Business Park  
Wilkey  
**ST. MICHAEL**

Dear Honourable Attorney General

Pursuant to Section 14 of the Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011-23 I hereby respectfully submit the third compilation of Annual Reports of the Financial Intelligence Unit for the period January 2009 to December 2012. These reports outline our activities in, and our efforts in the fight against money laundering and terrorist financing.

Yours Respectfully



**Jefferson Cumberbatch**  
Chairman  
Anti-Money Laundering Authority

# Barbados Financial Intelligence Unit

## Vision

**To be a centre of excellence in the receipt, analysis and the timely dissemination of financial intelligence within and outside of Barbados in order to effectively contribute to Barbados' reputation as a financially sound and stable jurisdiction for investment.**

## Mission Statement

**To contain and control the incidence and effect of money laundering and the financing of terrorism within Barbados and to assist in the global combative efforts through the receipt, collection and analysis and dissemination of financial intelligence.**

# Barbados Financial Intelligence Unit

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# **FOREWORD BY THE CHAIRMAN**

## **Chairman's Report**

It is with a sense of satisfaction that I present this report on the activities of the Anti-Money Laundering Authority and its executive arm, the Financial Intelligence Unit [FIU] for the years 2009-2012. This period has been foremost one of economic upheaval, with Barbados not being rendered exempt from the effects of this unprecedented global financial crisis.

Naturally, this phenomenon has not left us unscathed and it has impacted negatively on the resources available to the Authority and, more so, the Unit in order to wage on-going campaign against the twin scourges of money laundering and the financing of terrorist activities.

Yet, this has not deterred our best efforts in this regard and I should wish to commend the Director and staff of the FIU for the sterling effort that they have managed to put into their remit despite the necessary substantial reductions in their operational budget.

In the series of reports immediately prior to this, I had noted that we were on the cusp of enacting reformed legislation for the more effective prevention and control of money laundering and the financing of terrorism. This exercise has now been completed in the form of the Money Laundering and Financing of Terrorism (Prevention and Control) Act 2011.

Further to this statute, the Authority has been strengthened by the membership of the Financial Services Commission, a body established in April 2011 to regulate the non-bank financial sector in Barbados.

In the near future, we expect to commence AML/CFT regulation of the designated non-financial businesses and professions or DNFBPs as they are widely known. This grouping includes dealers in precious metals, real estate agencies, attorneys-at-law and accountants among other entities.

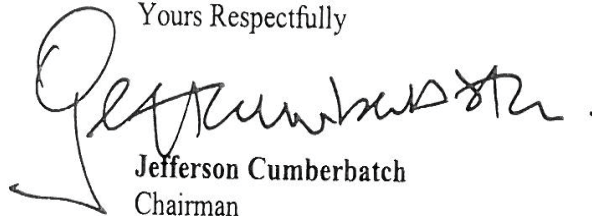
Finally with the relatively recent official announcement of an intention to provide for civil forfeiture in our legal framework, I am able to affirm that modern Barbados remains compliant with our international obligations in the context of removing "dirty money" from the global currency.

# Barbados Financial Intelligence Unit

With the highest consideration,

I remain,

Yours Respectfully

A handwritten signature in black ink, appearing to read 'Jefferson Cumberbatch', with a large, stylized initial 'J'.

**Jefferson Cumberbatch**  
Chairman  
Anti-Money Laundering Authority

# Barbados Financial Intelligence Unit

## **MESSAGE FROM THE DIRECTOR**

This document represents the third compilation of Annual Reports of the Anti-Money Laundering Authority/ Financial Intelligence Unit prepared in accordance with Section 14 of the Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011-23.

The FIU received a total of one hundred and sixty-nine (169) STRs during 2009 compared to one hundred and thirty-eight (138) the previous year. Although there was a slight decrease to one hundred and forty-nine (149) STRs received in the subsequent year, there has been a gradual yearly increase in the number of STRs forwarded to the FIU. In 2011, there were two hundred and fourteen (214) STRs and in 2012, one hundred and ninety-nine (199). As is customary, the reports largely originated from the banking sector. This also appears to be the norm with our regional and international counterparts.

With the continuous sensitisation of the reporting entities, the FIU has witnessed a steady growth in the reporting patterns of the insurance companies, the DNFBPs and the international banks. While this is indeed an achievement, the FIU does not rest on its laurels but forges ahead in further operationalizing its training mandate to ensure that all relevant sectors are aware of their AML/CFT responsibilities. A review of the statistics reveals that the 2009-2012 period witnessed an increase in the number of requests by the financial institutions and DNFBPs to the FIU for AML/CFT training.

In order to ensure that the staff of the FIU is equipped to handle the growing AML/CFT mandate of the FIU, the FIU staff has participated and represented Barbados at various seminars, courses and conferences both locally and overseas.

The 2009-2012 period witnessed a further development of Barbados' AML/CFT regime in that personnel from the Royal Barbados Police Force, the Office of the Director of Public Prosecutions, the Central Bank of Barbados and the FIU served as examiners to other countries' Mutual Evaluation Exercises. The benefits do not only redound to the individual but also to Barbados as each individual honed the necessary skills required to assist Barbados through its own Mutual Evaluation Exercise and Follow Up Process.

In an attempt to improve the levels of cooperation with the financial institutions, the FIU continued to schedule one-on-one meetings with several Compliance Officers as well as hosted its First National Meeting with the Compliance Officers of varying reporting entities in 2010. From all reports, it was a resounding success and it is planned for this meeting to be an annual event.

Like the Chairman, AMLA, I echo the sentiments that the FIU has done great with little resources. Apart from the awareness that additional staff is required to meet the



# Barbados Financial Intelligence Unit

FIU's growing mandate, as Director, deliberate steps have been taken to periodically and critically review the FIU's processes and operations in an effort to improve our productivity and effectiveness. To this end, the FIU's Operations Manual came into effect in 2010. While this document will essentially remain the same in content, an audit is periodically performed on the effectiveness and operationalization of this document vis-a-vis the FIU's mandate.

I wish to express my appreciation to the Chairman and other members of the Anti-Money Laundering Authority, the FIU's hard-working and dedicated staff, our partners from the reporting and law enforcement entities, the financial regulators, other government entities and overseas FIUs for the support the FIU received during the 2009 to 2012 period in fulfilling its AML/CFT mandate.

# Barbados Financial Intelligence Unit

## **Chapter I- Barbados' Legal and Regulatory Framework with respect to Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT)**

There are several pieces of legislation that constitute Barbados' AML/CFT regime. The two main pieces are the Money Laundering and Financing of Terrorism (Prevention and Control) Act (MLFTA), 2011-23 and the Anti-Terrorism Act. Cap. 158. The MLFTA, 2011 repealed the 1998 money laundering legislation with its 2002 amendments. .

Several other pieces of legislation in the legal, law enforcement and financial sectors operate in tandem with the MLFTA including:

Financial Sector	Legal Sector	Law Enforcement Sector
<ul style="list-style-type: none"><li>• The Co-operatives Societies Act</li><li>• The Building Societies Act</li><li>• Insurance Act, Exempt Insurance Act</li><li>• International Business Companies Act</li><li>• Societies with Restricted Liability Act</li><li>• International Trusts Act</li><li>• Financial Institutions Act</li><li>• International Financial Services Act</li><li>• Securities Act</li><li>• International</li></ul>	<ul style="list-style-type: none"><li>• Mutual Assistance (In Criminal Matters) Act</li><li>• Extradition Act</li><li>• Transnational Organised Crime (Prevention and Control) Act</li><li>• Companies Act</li></ul>	<ul style="list-style-type: none"><li>• Proceeds of Crime</li><li>• Drugs (Prevention and Control) Act</li><li>• Customs Act</li><li>• Exchange Control Act</li><li>• Immigration Act</li></ul>

# Barbados Financial Intelligence Unit

Trust and Corporate Service Providers Act <ul style="list-style-type: none"> <li>• Central Bank AML/CFT Guideline</li> <li>• FSC AML/CFT Guidelines for credit unions, securities and insurance</li> </ul>		
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With respect to the regulation of financial institutions, the Central Bank of Barbados regulates banks, finance companies, trusts, merchant banks and international banks. The Financial Services Commission regulates securities and pensions, credit unions and insurance companies. The International Business Unit is scheduled to regulate company and trust service providers, while the Financial Intelligence Unit/Anti-Money Laundering Authority is scheduled to supervise the designated non-financial business and professionals, namely Attorneys-at-Law, Accountants, Dealers in Precious Metals and Precious Stones, Real Estate Agents, Gaming Institutions. The supervisory framework for the latter entities is currently being developed.

The Caribbean Financial Action Task Force's Prime Contact for Anti-Money Laundering/Counter-Financing of Terrorism matters is the Office of the Attorney General.

## **The Anti-Money Laundering Authority**

Section 8 (1) of the MLFTA created the Anti-Money Laundering Authority (AMLA) to monitor and supervise financial institutions in accordance with the MLFTA. Section 8 (2) stipulates that the Authority shall comprise such persons as the Minister may determine who have a sound knowledge of banking, financial and legal matters.

# Barbados Financial Intelligence Unit

The Authority comprises:

Mr. Jefferson Cumberbatch (Chairman)  
Mr. Lawson Yearwood (Deputy Chairman)  
Solicitor General (or representative)  
Commissioner of Police (or representative)  
Commissioner of Inland Revenue (or representative)  
Financial Services Commission (or representative)  
Registrar of Corporate Affairs and Intellectual Property (or representative)  
Comptroller of Customs (or representative)  
Central Bank of Barbados (Director of Banking Supervision or representative)  
Mr. Wismar Greaves  
Ms. Shelley Stuart

By virtue of the Section 9 (1) of MLFTA, the office of the AMLA shall comprise the Financial Intelligence Unit which shall consist of a Director and other public officers, whose offices shall be established in accordance with the Public Service Act. Subject to the direction of the AMLA, the FIU is responsible for the administration of the Act.

## **The General Duties of the Anti-Money Laundering Authority**

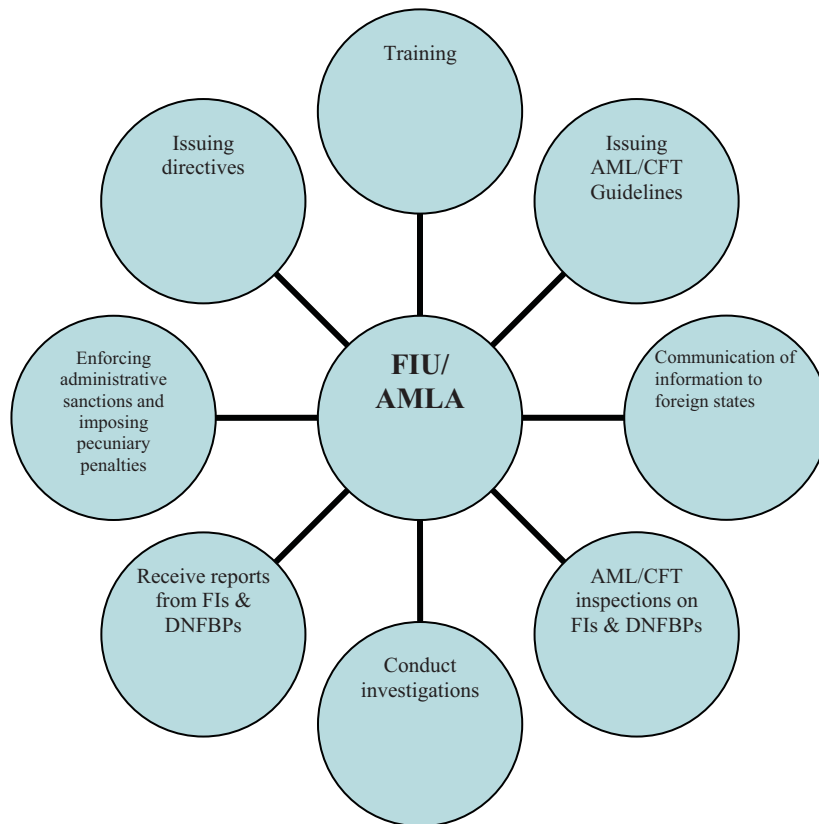
The Authority's duties include:

- Establishing training requirements and provide any necessary training for financial institutions and non-financial business entities in respect of their obligations under the Act.
- Issuing Anti-Money Laundering/Counter-Financing of Terrorism Guidelines.
- Communicating information to foreign states
- Conducting inspections on financial institutions and non-financial business and professions.
- Issuing directives to the financial sector with respect to the compliance with the MLFTA.

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- Enforcing administrative sanctions on financial institutions and non-financial professionals for failure to comply with the Act.
- Imposing pecuniary penalties where necessary on the financial institutions
- Compiling statistics and records and disseminating information within or outside of Barbados and making recommendations arising out of any information received.
- Receiving the reports issued by the financial institutions, pursuant to Section 23 of the Act, as well as disclosures of information from any state or any other service, which is relevant to the administration, and enforcement of the Act.
- Conduct such investigations as are necessary for the purpose of the Act.

## The Responsibilities of the FIU/AMLA





# Barbados Financial Intelligence Unit

Diagram 1

The diagram below provides a snapshot of Barbados' AML/CFT regulatory structure:

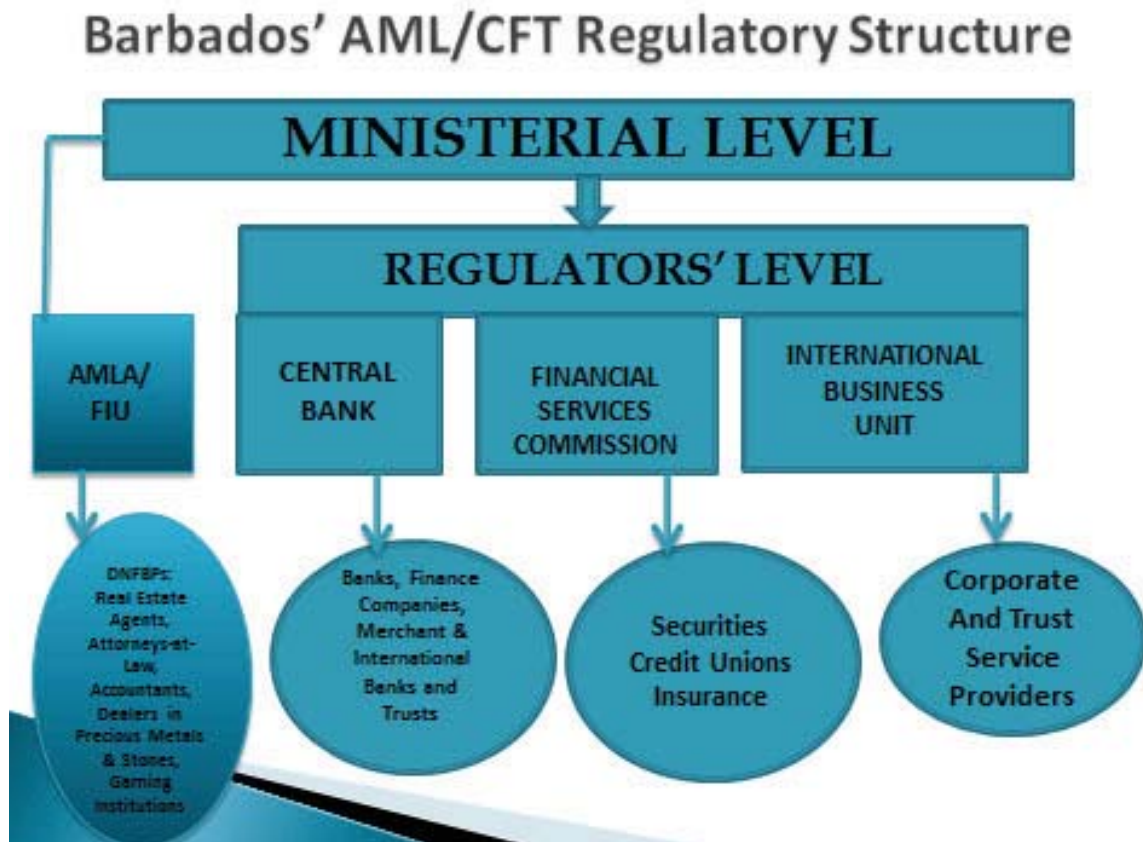


Diagram 2

# Barbados Financial Intelligence Unit

## **Chapter II - Establishment and Development of The Barbados Financial Intelligence Unit**

### **The Financial Intelligence Unit (FIU)**

By virtue of the Section 9(1) of MLFTA, the office of the AMLA shall comprise the Financial Intelligence Unit which shall consist of a Director and other public officers, whose offices shall be established in accordance with the Public Service Act. Subject to the direction of the AMLA, the FIU is responsible for the administration of the Act.

There are four models of FIUs:

- The Judicial Model is established within the judicial branch of government wherein “disclosures” of suspicious financial activity are received by the investigative agencies of a country from its financial sector such that the judiciary powers can be brought into play e.g. seizing funds, freezing accounts, conducting interrogations, detaining people, conducting searches, etc.
- The Law Enforcement Model implements anti-money laundering measures alongside already existing law enforcement systems, supporting the efforts of multiple law enforcement or judicial authorities with concurrent or sometimes competing jurisdictional authority to investigate money laundering. *Examples are Antigua and Barbuda and the United Kingdom FIUs.*
- The Administrative Model is a centralized, independent, administrative authority, which receives and processes information from the financial sector and transmits disclosures to judicial or law enforcement authorities for prosecution. It functions as a “buffer” between the financial and the law enforcement communities. *Examples are Bermuda, St. Kitts-Nevis and The Bahamas’ FIUs.*
- The Hybrid Model serves as a disclosure intermediary and a link to both judicial and law enforcement authorities. It combines elements of at least

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two of the FIU models. *Examples are St. Vincent and the Grenadines FIU and the Cyprus FIU.*

The Barbados FIU is an Administrative Model FIU.

## Our Objectives

These objectives are to:

1. Establish close working relationships with financial institutions and other relevant persons and entities that may impact on money laundering, the financing of terrorism and their prevention.
2. Provide relevant feedback to the FIU's constituents where appropriate.
3. Develop and maintain intelligence sharing structures and systems.
4. Effectively supervise the anti-money laundering and prevention of terrorism efforts of financial institutions.
5. Encourage compliance with the guidelines for financial institutions as issued by the Anti-Money Laundering Authority.
6. Educate special interest groups and the general public about the prevention of money laundering and terrorist financing.
7. Cooperate with international agencies and countries to prevent money laundering and terrorist financing.

# Barbados Financial Intelligence Unit

## The Organizational Structure of the Financial Intelligence Unit

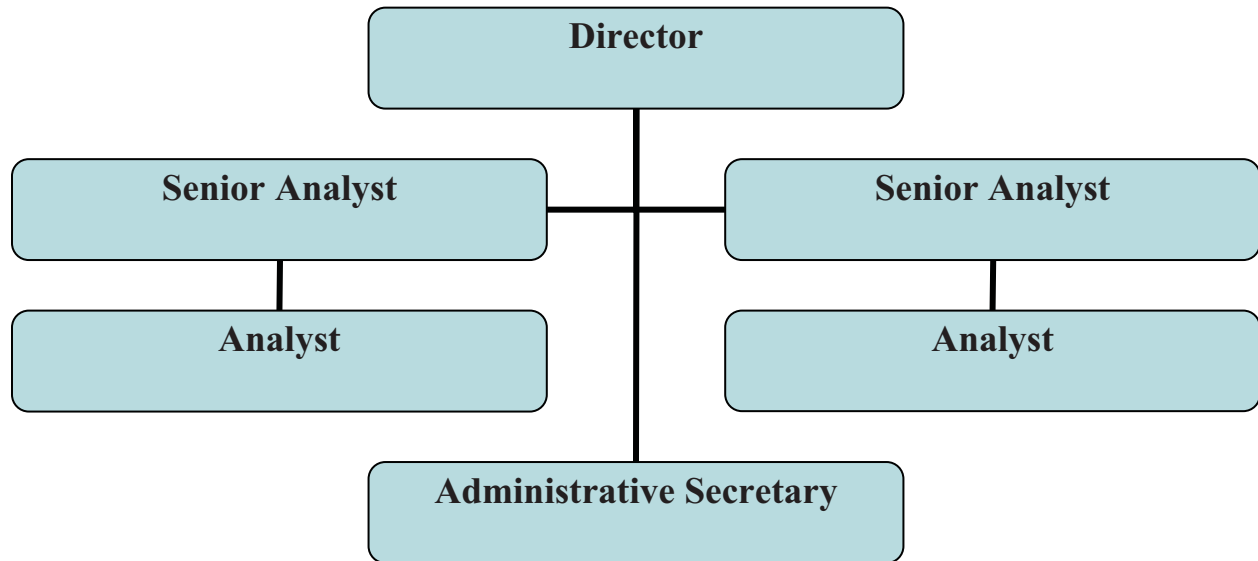


Diagram 3

# Barbados Financial Intelligence Unit

## **Chapter III - National and International Cooperation**

### **National Cooperation**

The strategic composition of the Anti-Money Laundering Authority lends to the collaboration between the FIU and varying government departments with respect to AML/CFT matters. The AMLA meets monthly for meetings.

Section 29 MLFTA engenders information sharing between the FIU and public authorities with respect to AML/CFT matters where the Director may forward information to a public authority. The Anti-Money Laundering Authority/Financial Intelligence Unit has established strategic partnerships with diverse government agencies in Barbados including the Immigration Department, the Land Registry and the National Insurance Department. In accordance with Section 30, the Director of the FIU is empowered to request information from the records of the aforementioned government agencies if it is reasonably believed that information pertinent to an investigation is contained therein.

By virtue of Section 32, the Director may furnish a report to the Commissioner of Police with respect to any transaction that involves criminal activity or proceeds of crime. In 2012, the Barbados FIU signed a Memorandum of Understanding with the Royal Barbados Police Force to enhance our information-sharing capabilities.

Apart from the national cooperation encouraged by the composition and work of AMLA, the FIU periodically meets with the varying government entities with respect to ongoing investigations. The entities include inter alia, the Royal Barbados Police Force, the Inland Revenue Department, the Customs and Excise Department, the Post Office, the Financial Services Commission and the Central Bank of Barbados. The FIU also meets with government entities with respect to improving the cooperation and information-sharing mechanism between government agencies. Statistics with respect to information-sharing nationally may be found in Chapter IV.

### **International Cooperation**

The Financial Action Task Force, the international body that establishes AML/CFT measures mandates in its FATF 40 Recommendations ([www.fatf-gafi.org](http://www.fatf-gafi.org)) that all countries' FIUs can engage in information-sharing with other FIUs with respect to financial intelligence.



# Barbados Financial Intelligence Unit

The Barbados FIU has been a member of the Egmont Group of FIUs, the international organization of FIUs since on or about 2002 ([www.egmontgroup.org](http://www.egmontgroup.org)). The Egmont Group has established Principles of Information Exchange between the FIUs and has encouraged FIUs to sign information sharing Memoranda of Understanding (MOUs) with each other.

For the 2009-2012 period, the FIU signed MOUs with several countries, namely **the Netherlands Antilles, Bermuda, St. Vincent and the Grenadines and Nigeria**. The FIU already has previously signed Memoranda of Understanding (MOUs) with several jurisdictions namely **Panama, Canada, Guatemala, Albania and Moldova**.

The FIU in participating in international fora provides opportunities for networking between countries and collaboration on matters of mutual interests, namely indicators for money laundering and terrorist financing, information –sharing on investigations, operational FIU concerns and the like. The following table highlights the international meetings from which the FIU benefited and actively participated.

Meeting	2009	2010	2011	2012	
<b>CFATF May Plenary</b>	Trinidad & Tobago	Dominican Republic	Honduras	El Salvador	
<b>CFATF November Plenary</b>	Curacao	—	Margarita Island, Venezuela	British Virgin Islands	
<b>Egmont Plenary</b>	Qatar	Columbia	—	Russia	

Diagram 4- International Fora Attended by the FIU 2009-2012

In the Caribbean Financial Action Task Force, Barbados is an active member of several Working Groups including the Accreditation Working Group and the Steering Group. The Accreditation Working Group is the group established to develop an internationally-accepted programme for the Caribbean region's financial analysts and financial investigators within FIUs and Police Forces. At the Egmont Group, the Barbados FIU participates in the Training Working Group and the Operational Working Group. Separately, Barbados is an active member of the CFATF Steering Group and the Working Group on FATF Issues.

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Several of Barbados' practitioners in the AML/CFT field served as CFATF examiners to other countries' Mutual Evaluation Exercises in the AML/CFT regime during the period 2009-2012. The following table is self-explanatory.

Name	Local entity	Examiner	Year	Country
Wanda Blair	Office of DPP	Legal Examiner	2009	St. Kitts-Nevis
John Maxwell	Royal Barbados Police Force	Law Enforcement Examiner	2009	British Virgin Islands
Cheryl Greenidge	Central Bank of Barbados	Financial Examiner	2011	Curacao
Shelley Nicholls-Hunte	Financial Intelligence Unit	Law Enforcement Examiner	2012	St. Maarten

Diagram 5-Persons served as CFATF Examiners to Other Countries

The benefit in serving as CFATF Examiner redounds to the examined country as well as the sending country and the entity from which the individual originates. In all three scenarios each country and/or agency becomes more knowledgeable experientially in the FATF standards and therefore is in an enhanced position to understand what rectifications are required to the country's AML/CFT regime in order to comply with the Recommendations.

The FIU also collaborated with the United States Embassy and the United Kingdom with respect to ongoing financial investigations and/or capacity enhancement.

## Chapter IV- Statistics- 2009-2012

The FIU receives Suspicious Transaction Reports (STRs), Overseas Requests, Local Requests from government entities including the Police.

The below graph demonstrates the number of STRs received for the four-year period. 2011 was indeed the year for the most STRs followed closely by 2012.

# Barbados Financial Intelligence Unit

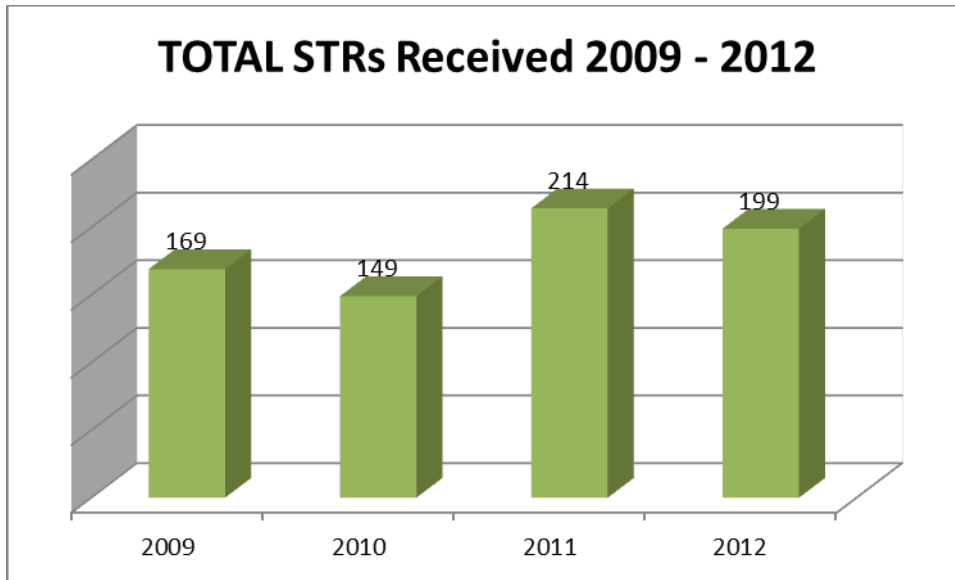


Diagram 6

## 2009

The following graphs highlight the number of STRs received monthly and the entities that file. In Barbados, for the particular period, the commercial banking sector was the largest filer of STRs.

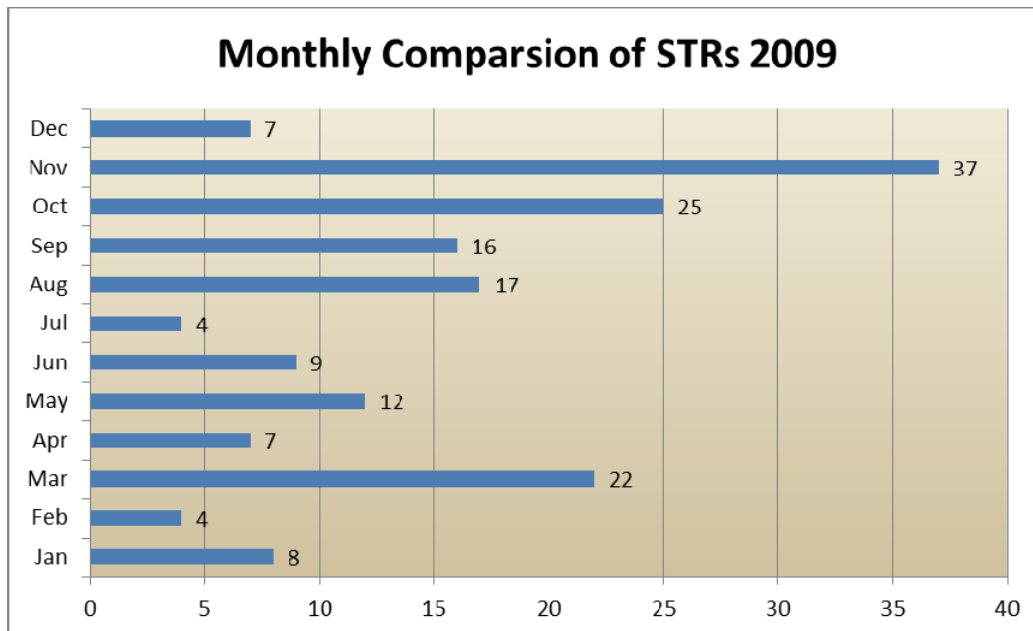


Diagram 7

# Barbados Financial Intelligence Unit

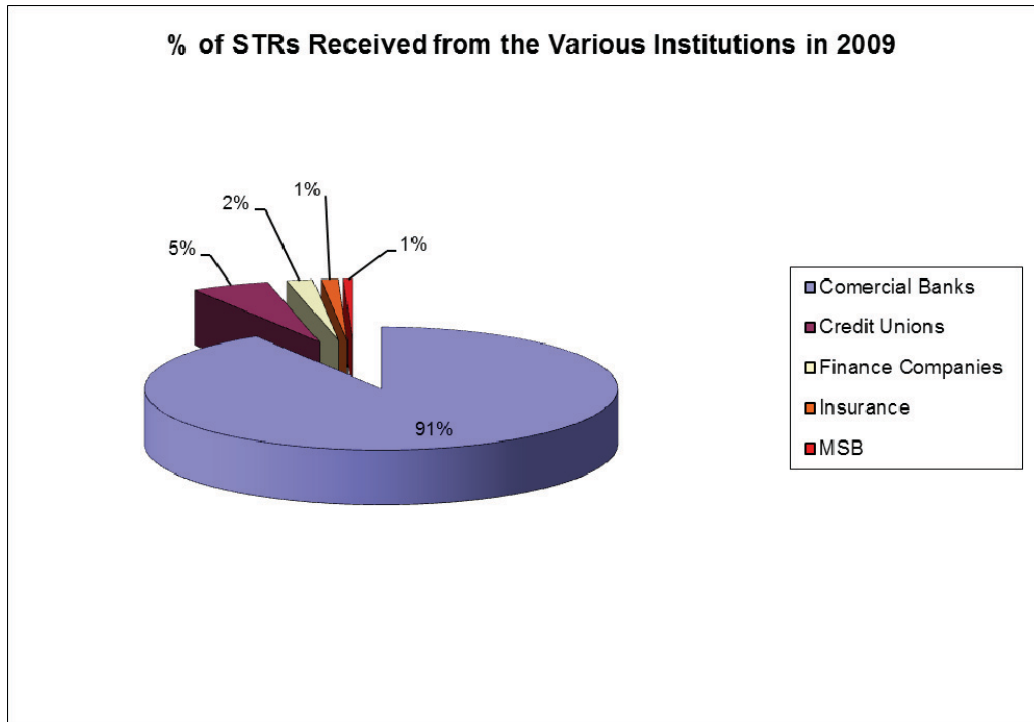


Diagram 8

The FIU closed 1 STR and forwarded 5 disclosures to the Commissioner of Police and to other government entities.

## 2010

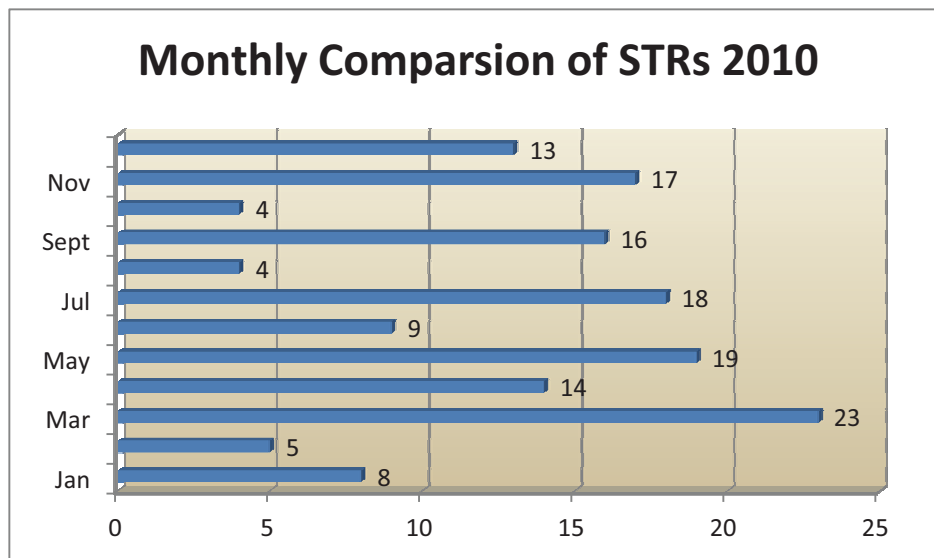


Diagram 9

# Barbados Financial Intelligence Unit

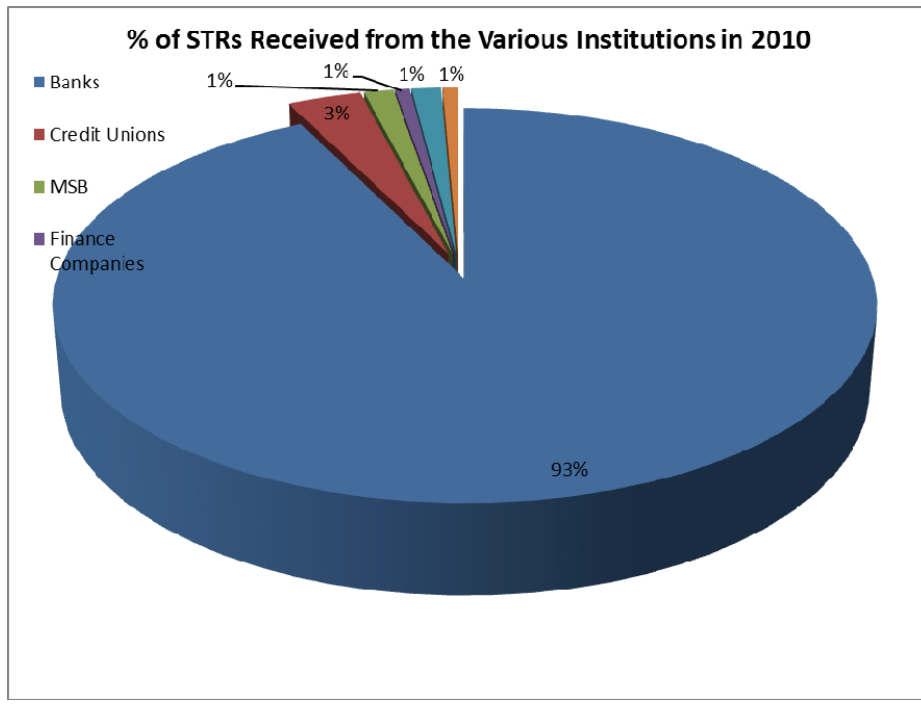


Diagram 10

8 STRS were closed, 13 disclosures were forwarded to the Commissioner of Police and other government entities.

## 2011

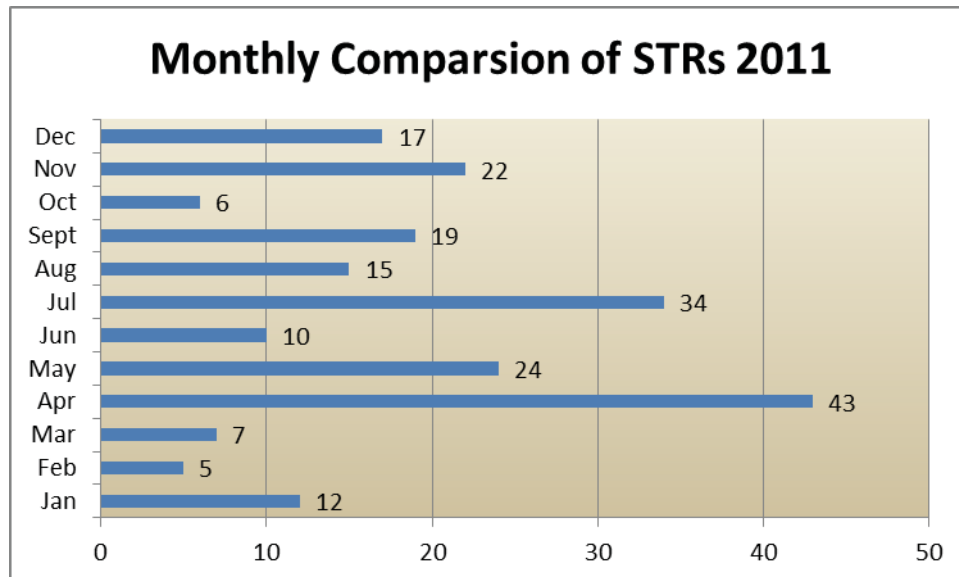


Diagram 11



# Barbados Financial Intelligence Unit

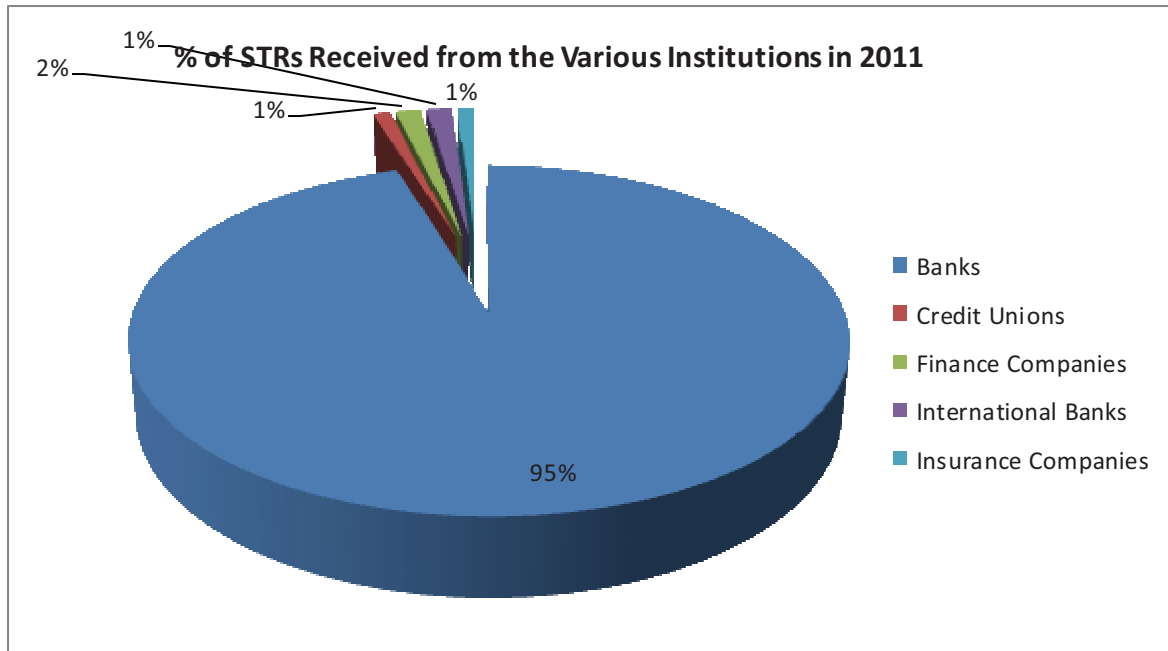
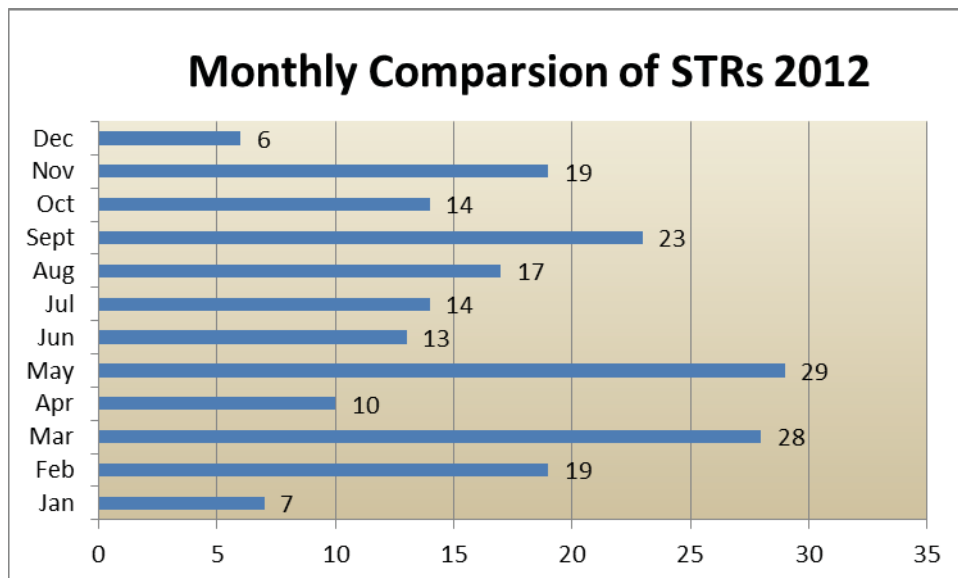


Diagram 12

The FIU closed 6 STRs and forwarded 14 disclosures to the Commissioner of Police and other government entities.



**2012**

# Barbados Financial Intelligence Unit

Diagram 13

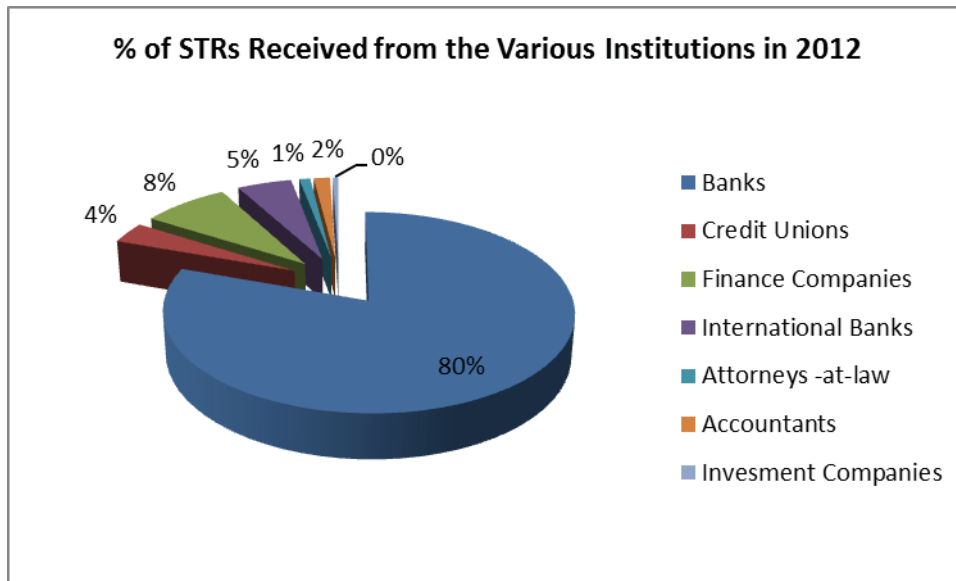


Diagram 14

There were 24 disclosures to the Commissioner of Police and other government entities.  
3 STRs were closed.

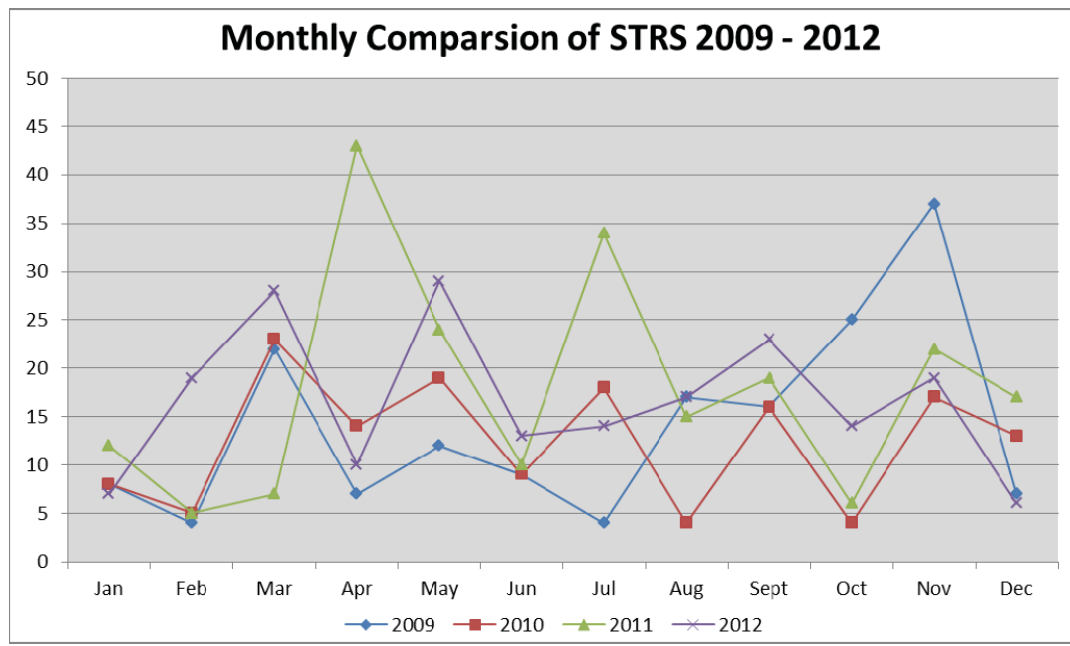


Diagram 15

# Barbados Financial Intelligence Unit

## Overseas Requests 2009-2012

Year	No. of Requesting Countries	No. of Requests Received	No. of Disclosures to Requesting Countries/Files Closed
2009	15	37	21
2010	12	31	19
2011	15	37	6
2012	20	28	12

Diagram 16

## Trends & Typologies for 2009-2012

The period in review witnessed the most common following trends:-

- Structuring of accounts
- 419 scams
- Designated Non-Financial Business Persons (DNFBPs)-Use of these types of professionals such as Attorneys-at-Law, Accountants to “clean” monies obtained from purported illegal activities.
- Purchase of drafts/money orders that are sent overseas to persons reputed to be involved in drug-related crimes
- Wire transfers for which there appears to be no reasonable explanation and to countries for which there is an unexplained association
- Use of customers’ accounts by third parties to send money overseas
- Establishment of complex company structures to hide true beneficial ownership

# Barbados Financial Intelligence Unit

- Bank account activity contrary to the stated purpose of the account
- Payments or receipts with no apparent links to legitimate contracts, goods or services received.

## Typology 1

The individual A met individual B on a social media network, after developing a friendship, individual A loaned individual B a sizeable amount of money as individual B stated that he was in financial difficulty. Approximately one year after meeting individual B, individual A received a cheque purportedly from individual B requesting that she take the sum of money individual A had loaned to individual B and repatriate the balance to individual B who purportedly resided in another jurisdiction. Individual A did as instructed and forwarded a large amount of money in US currency as refund to individual B. The financial institution discovered after the transfer of currency that the cheque was fraudulent.

## Typology 2

Individual X a national of Barbados resided in another jurisdiction. Illegal narcotics were sent from Barbados to him where on receipt, individual X was responsible for the distribution of the same. Monies were repatriated to Barbados to individual Y, a relative of X who opened a number of cash intensive businesses in Barbados. The monies from the sale of the narcotics were deposited in the financial institutions in Barbados via the cash intensive businesses. Y sought to purchase a prime piece of real estate with the revenue of the sale of the narcotics. X was under the investigation by law enforcement in the other jurisdiction. He was convicted in that jurisdiction.

# Barbados Financial Intelligence Unit

## **Chapter V- Outreach and Training**

Part IV of the Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011-23 places certain obligations on financial institutions and non-financial business and professionals.

1. Identification of customers
2. Conduct of ongoing due diligence
3. Conduct of enhanced or simplified due diligence as necessary
4. Duty to keep records for at least 5 years.
5. Establishment of internal policies to combat money laundering and terrorist financing
6. Establishment of internal reporting procedures
7. Conduct internal employee awareness and training programmes
8. Compliance with training requirements and AML/CFT guidelines
9. File with the FIU a report that relates to a transaction that may involve proceeds of crime, the financing of terrorism or a transaction that is of as suspicious or unusual nature.

Section 4 of the Act clearly states that the Act applies to both financial institutions and non-financial businesses and professions.

“Financial institution” means

- (a) a person who conducts as a business one or more of the activities listed in the First Schedule and includes
  - (i) a trustee of an international trust within the meaning of the International Trusts Act, Cap. 245, who is resident in Barbados within the meaning of that Act;
  - (ii) an exempt insurance company within the meaning of the Exempt Insurance Act, Cap. 308A
  - (iii) a person who operates an insurance business within the meaning of the Insurance Act, Cap. 310



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- (iv) a market actor, self-regulatory organization, participant and issuer of securities within the meaning of the Securities Act, Cap. 318A.
  - (v) a mutual fund and mutual fund administrator within the meaning of the Mutual Funds Act, Cap. 320B, or any person who manages a mutual fund;
  - (vi) a licensee under the Financial Institutions Act, Cap. 324A.
  - (vii) a person who provides an international financial service within the meaning of the International Financial Services Act, Cap. 325.
  - (viii) a building society within the meaning of Building Societies Act, Cap. 377.
  - (ix) a credit union within the meaning of the Co-operative Societies Act, Cap. 378A; and
  - (x) a friendly society within the meaning of the Friendly Societies Act, Cap. 379.
  - (b) A foreign sales corporation within the meaning of the Barbados Foreign Sales Corporation Act, Cap. 59C.
  - (c) An international business company within the meaning of the International Business Companies Act, Cap. 77; and
  - (d) A society with restricted liability within the meaning of the Societies With Restricted Liability Act, Cap 318B.
- .

# Barbados Financial Intelligence Unit

Activities of financial institutions covered under the Act as laid out in the First Schedule are as follows:

## **FIRST SCHEDULE**

(Section 2)

### **Activities of Financial Institutions**

1. Acceptance of deposits and other repayable funds from the public, including private banking.
2. Lending, including consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions, including forfeiting.
3. Financing leasing other than with respect to arrangements relating to consumer products.
4. Money or value transmission services.
5. Issuing and managing means of payment, including credit and debit cards, travellers' cheques, money orders and bankers' drafts, and electronic money.
6. Issuing financial guarantees and commitments.
7. Trading in:
  - (a) money market instruments, including cheques, bills, certificates of deposit and derivatives;
  - (b) foreign exchange;
  - (c) exchange, interest rate and index instruments; and
  - (d) transferable securities.
8. Commodity futures trading.
9. Participation in securities issues and the provision of financial services related to such issues.
10. Individual and collective portfolio management.
11. Safekeeping and administration of cash or liquid securities on behalf of other persons.

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12. Investing and administering or managing funds or money on behalf of other persons.
13. Underwriting and placement of life insurance and other investment-related insurance, including insurance intermediation by agents and brokers.
14. Money and currency changing;
15. Any other service of a financial nature.

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The Second Schedule of the MLFTA itemizes the non-financial business entities that also have responsibilities under the Act.

## SECOND SCHEDULE

(Sections 2 and 4)

### *Non-financial Business Entities and Professions*

1. A real estate agent involved in transactions concerning the purchase, sale or other disposal of real property.
2. a dealer in precious metals or precious stones engaged in financial transactions equal to or above the value set out in guidelines of the Authority.
3. An independent attorney-at-law or accountant engaged in any of the following:
  - (a) the purchase, sale or other disposal of real property;
  - (b) the management of the money, securities or other assets of a customer;
  - (c) the management of bank savings or securities accounts;
  - (d) the organisation of contributions for the creation, operation or management of bodies corporate;
  - (e) the creation, operation or management of legal persons or arrangements; or
  - (f) the purchase or sale of business entities.
4. A corporate or trust service provider engaged in any of the following:
  - (a) acting as a formation, registration or management agent of legal persons;
  - (b) acting or arranging for another to act as a director or secretary of a company, partner of a partnership or in similar position in relation to other legal persons;
  - (c) providing a registered office, business address or accommodation or a correspondence or administrative address for a body corporate, partnership or other legal person or arrangement;
  - (d) acting or arranging for another to act as a trustee of an express trust; or

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- (e) acting or arranging for another to act as a nominee shareholder for another person.

5. A person who operates a gaming institution engaged in financial transactions equal to or above the value set out in guidelines of the Authority.

Section 25 of the Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011-23 mandates the Authority through the Financial Intelligence Unit to establish training requirements and to provide necessary training to the financial institutions and designated non-financial businesses and professions with respect to their duties under the legislation.

## *Training Sessions to FIs and DNFBPs Conducted During 2009*

No.	Date	Topics	Organised By/Presenter
1	March 2009	AML/CFT Training for Butterfield Bank's Supervisors & Managers	Butterfield Bank/FIU
2	April 2009	Proposed AML/CFT Guidelines for Accountants	ICAB/FIU
3	May 2009	Presentation on Anti-Money Laundering	Members of the Bridgetown District of Scout Leaders /FIU
4	June 2009	AML/CFT Presentation to Consolidated Finance's Supervisors & Managers	Consolidated Finance/FIU
5	June 2009	AML/CFT Presentation to Consolidated Finance's Front-Line Staff	Consolidated Finance/FIU
6	June 2009	AML/CFT Presentation to Consolidated Finance Board	Consolidated Finance/FIU

Diagram 17

## Barbados Financial Intelligence Unit



*Some of the Participants at the AML/CFT Presentation to ICAB in 2009*

### ***Training Sessions to FIs and DNFBPs & Other Entities Conducted During 2010***

No.	Date	Topics	Organised By/Presenter
1	January 2010	Meeting with Compliance Officers	FIU
2	February 2010	The Role of the Financial Intelligence Unit to the Regional Police Training Centre	RPTC/FIU
3	May 2010	AML/CFT Training for Caribbean Money Market Brokers	CMMB/FIU
4	October 2010	AML/CFT Training for Concorde Bank Ltd.	Concorde Bank/FIU
5	October 2010	AML/CFT Training for Butterfield Bank	Butterfield/FIU

Diagram 18

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## *Training Sessions conducted in 2011*

No.	Date	Topics	Organised By/Presenter
1	February 2011	The Role of the Financial Intelligence Unit to the Regional Police Training Centre	RPTC/FIU
2	March 2011	Financial Intelligence Training for Customs & Excise Department	Customs & Excise Department/FIU
3	April 2011	AML/CFT & Service Providers to Longview Associates	Longview Associates/FIU
4	July 2011	AML/CFT Training to Senior Management of Consolidated Finance	Consolidated Finance/FIU
5	November 2011	Barbados' Improved AML/CFT Regime to Barbados Association of Compliance Professionals	BACP/FIU
6	November 2011	AML/CFT Presentation to Dealers in Precious Metals and Precious Stones	FIU/FIU
7	November 2011	Selected Aspects of the MLFTA, 2011	Butterfield Bank/FIU

Diagram 19

# Barbados Financial Intelligence Unit

## *Training Sessions conducted in 2012*

No.	Date	Topics	Organised By/Presenter
1	February 2012	Presentation to Barbados Bar Association on Barbados' AML/CFT Regime	FIU/FIU
2	February 2012	Presentation to the Institute of Chartered Accountants of Barbados on Barbados' AML/CFT Regime	FIU/FIU
3	April 2012	Compliance Officers' Training for the General Insurance Association of Barbados	GIAB/FIU
4	April 2012	AML/CFT Presentation to the Board-United Insurance Company	United Insurance/FIU
5	April 2012	AML/CFT Presentation to Senior Management-United Insurance	United Insurance/FIU
4	May 2012	AML/CFT Training for Signia Financial Group	Signia/FIU
6	June 2012	AML/CFT Presentation to Great Pacific Bank	Great Pacific Bank/FIU
7	June 2012	The Role of the Financial Intelligence Unit to the Royal Police Training College	RPTC/FIU
8	June 2012	AML/CFT Presentation to the Board-Barbados National Bank	BNB/FIU
9	September 2012	AML/CFT Presentation to Barbados Workers' Union Cooperative Credit Union	BWUCCU/FIU

Diagram 20



# Barbados Financial Intelligence Unit

## **Outreach & Public Awareness**

For the period of the Reports, outreach sessions and courtesy calls were made to several financial institutions including BS & T Western Union, City of Bridgetown Cooperative Credit Union, First Caribbean International Bank, the Police Cooperative Credit Union, Capita Financial, Clico General Insurance Company.

In 2012, with the assistance of the Government Information Service, the FIU conducted radio sensitization sessions on the new Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2011-23 and raised awareness with respect to the public's need to assist in the fight against money laundering and terrorist financing.

# Barbados Financial Intelligence Unit

## **Chapter VI- Institutional Strengthening**

### **Training and Professional Development**

The field of anti-money laundering and counter-financing of terrorism is a dynamic one and is ever-evolving. As a result, personnel in this field must always keep abreast of the developing methods used by criminals to launder money. In fact, arguably, technocrats in the field of anti-money laundering/counter-financing of terrorism through exposure to training in the vulnerabilities of financial institutions and DNFBPs for money laundering and terrorist financing must stay one step ahead of the criminals and proactively discern areas that could be used for nefarious activities. In order to achieve this at the FIU, staff is exposed to regular training and/ or sensitization in AML/CFT field. The active participation by the FIU at the CFATF Plenary Meetings and the Egmont Group Meetings also provide valuable opportunities for the FIU staff to enrich their knowledge and experience base to effectively serve and function within Barbados' AML/CFT regime. The CFATF Plenary Meetings are held twice per year. The Egmont Plenary meetings are once per year.

It is a clause in the FIU's Operations Manual that after all training and /conferences attended by FIU staff whether local or overseas, a report must be forwarded to the Director no later than four (4) weeks after the officer's return. This report is forwarded to the Office of the Attorney-General for the review of the Permanent Secretary for onward submission to Cabinet. The Director is also required and does prepare training and conference reports to the Office of the Attorney-General and thereafter the Cabinet. In order to effectively maximize the information gleaned by the officer from the conference or training, the officer is presented an opportunity within a reasonable time, approximately no more than two weeks subsequent to the training to share the information and knowledge gleaned with all other staff members including the Director during an internal training session convened for the same reason. The Director does the same on return of that officer's travels. In all cases, a report of the training/ conference is also provided at the subsequent meeting of the Anti-Money Laundering Authority.

Training conducted with financial institutions and DNFBPs are also used as opportunities for internal training and AML/CFT sector awareness or entity awareness. After each training session executed by the Director or other FIU staff, evaluation forms are completed by the target audience. The details of the evaluation forms as well as the outcomes of the participation of the audience and matters raised during the training session are also shared with staff within twenty-four hours of the completion of the training.

Following is a list of training and conference opportunities attended by FIU personnel for the periods 2009 to 2012.

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## *Activities & Professional Development Courses/Conferences Attended by the FIU in 2009*

No .	Date & Place of Training /Conference	Programme /Course	Organiser /Presenter	Participants from the FIU
1	February 2009, Tobago	U.K. Security Advisory Team Workshop, for Heads of FIUs	United Kingdom Security Advisory Team	Director
2	March 2009, Barbados	Basic Analyst Notebook Course	United Kingdom	Analyst, FIU
3	March 2009, St. Kitts-Nevis	Pre-IDECC Conference	Drug Enforcement Administration	Director, FIU
4.	April 2009, USA	Certified Anti-Money Laundering Specialists <sup>1</sup>	Association of Certified Anti-Money Laundering Specialists	Analyst, FIU
5	May 2009, Trinidad & Tobago	CFATF Plenary	CFATF	Chairman, AMLA, Director & Analyst, FIU
6	June-July 2009, Sint Maarten	Tactical Analysis Course	Egmont Group	Analyst, FIU
7	July 2009, Qatar	Egmont Group Plenary	Egmont Group	Director & Analyst, FIU
8	October 2009, Curacao	CFATF Plenary	CFATF Plenary	Director

Diagram 20

<sup>1</sup> One of the initiatives for 2008 was to commence the process for all FIU personnel to become Certified Anti-Money Laundering Specialists and therefore entitled to use the professional designation “CAMS”. By 2009 three persons had successfully acquired this designation.

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## *Activities & Professional Development Courses/Conferences Attended by the FIU in 2010*

No.	Date & Place of Training/Conference	Programme/Course	Organiser/Presenter	Participants from FIU
1	February 2010, Barbados	FINTRAC International Compliance Course	FINTRAC/FINTRAC & FIU	All staff
2	February 2010, Barbados	CFATF Accreditation Working Group	UKSAT/CFATF	Director
3	February 2010, Jamaica	Pre-IDECC Conference	Drug Enforcement Administration	Director
4	April 2010, Antigua & Barbuda	UKSAT Forum for Heads of FIUs	UKSAT	Director
5	April, 2010, Barbados	Orientation to the Public Service for Seniors	Training Administration Division	Director
6.	May 2010, Dominican Republic	CFATF Plenary	CFATF	Director & Analyst
7	June 2010, the Bahamas	CICTE Terrorist Financing Workshop	CICTE	Analyst
8	July 2010, Columbia	Egmont Group Plenary	Egmont Group	Director & Analyst
9	September, 2010	Document Preparation in the Public Service	Training Administration Division	Director

Diagram 21

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## *Activities & Professional Development Courses/Conferences Attended by the FIU in 2011*

No.	Date & Place of Training/Conference	Programme/Course	Organiser/Presenter	Participants from FIU
1	February 2011, The Bahamas	Pre-IDEC Conference	Drug Administration Division	Analyst
2	May 2011 Honduras	CFATF Plenary	CFATF	Director
3	May-June 2011, Curacao	Tactical Analysis Course	Egmont Group	Director
4	July 2011	i2 Analyst Notebook & iBase Training	FIU/Dominica FIU	All Staff
5	November 2011, Margarita Island	CFATF Plenary	CFATF	Director

Diagram 23

## *Activities & Professional Development Courses/Conferences Attended by the FIU in 2012*

No.	Date & Place of Training/Conference	Programme /Course	Organiser/Presenter	Participants from the FIU
1	January 2012, Barbados	Workshop on UK Bribery and Corruption Act	British High Commission	Director
2	May 2012, El Salvador	CFATF Plenary	CFATF	Senior Analyst
3	May-June 2012, Barbados	Central Banks' Security Chiefs' Conference	Central Bank of Barbados	Director
4	June 2012, Barbados	Dynamic Speech Writing	Training Administration Division	Director

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5	July 2012, Barbados	Performance Review Development Systems for Supervisors	Office of Public Sector Reform	Senior Analysts
6	July 2012, Jamaica	Techniques in Financial Investigation	REDTRAC	Senior Analyst
7	July 2012, Russia	Egmont Plenary	Egmont Group	Director & Analyst
8	September 2012, Antigua and Barbuda	Financial Investigation Techniques	U.S. Internal Revenue Service	Senior Analysts
9	November 2012, British Virgin Islands	CFATF Plenary	CFATF	Director & Senior Analyst

Diagram 24



*Delegates at the Egmont Plenary in Russia in 2012*

### Operations Manual

In September 2010, the Operations Manual for the FIU was finalized. This document provides a brief history of the FIU as well as guidance on the processes and responsibilities of the Department. The document is to be read in conjunction with the Money Laundering and Financing of Terrorism (Prevention and Control) Act, formerly

# Barbados Financial Intelligence Unit

Cap. 129 now revised as 2011-23. It serves as an instructive guide to new employees joining the department and a reference tool to the existing members of the department. The document is modified in accordance with the development of the department and the growing demands being placed on the department. The Operations Manual 2010 was revised in May 2012.

## **Staff Complement**

The present Director, formerly Senior Analyst commenced acting as Director in December 2006 after the resignation of the former Director. After successful application and interview process, the Director ceased acting and was appointed as Director in 2010. The Director is an Attorney-at-Law by profession. In 2011, one of the Analysts after successful application and interview process was promoted as Senior Analyst. This individual brings an accounting background and designation to the benefit of the FIU. The other vacancy of Senior Analyst was also filled after successful application and interview process by an Attorney-at-Law. After a period of approximately five years, the FIU is now armed with senior management personnel.

## **Information Technology**

Information Technology development remains one of the annual objectives in the FIU's Workplan. The growth in the annual number of Suspicious Transactions Reports and Overseas Requests and the consequential growing need to increase cooperation with the law enforcement agencies such as the Royal Barbados Police Force, Customs and Excise Department and the Inland Revenue Department underscores the need for the FIU's information technology infrastructure to also develop. The FIU today is now a mature organization quite unlike its infancy in 2001 when it was first established.

In 2010, the FIU obtained an updated version of the Analyst Notebook from the United Kingdom following a course held by the United Kingdom for the benefit of Eastern Caribbean FIUs. The FIU thereafter obtained iBase in late 2011 and has embarked on an initiative to be trained in the use of the same for the benefit of the FIU. For a period of approximately one year and a half from July 2010 to mid-2012, the FIU utilized the weekly services of an Information Technology Officer from one of the government departments although the department has access to the IT Officer of the Office of the Attorney-General. The attachment of a dedicated officer with directed attention at the FIU twice per week allowed to a great measure the FIU to progress in its IT development.

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## **Chapter VII-Projections For 2013**

Under the theme, “*Pursuing and Attaining Excellence: The Mission Possible*”, the FIU’s focus for 2013<sup>2</sup> will be :–

- **Improvement of IT infrastructure at the FIU.**

The growth in the annual number of Suspicious Transactions Reports and Overseas Requests and the consequential growing need to increase cooperation with the law enforcement agencies underscores the need for the FIU’s information technology infrastructure to also develop. The FIU desires to progress towards a system of the electronic filing of STRs and other reports from entities and also to a paperless system of analysis of reports and a paperless system of dissemination of the relevant reports to the Commissioner of Police, Inland Revenue Department and other entities. The FIU aims to commence the process of the establishment of the electronic platform to facilitate the electronic filing of STRs.

- **Progression of the establishment of DNFBP regime.**

It is proposed that the FIU supervise the DNFBPs such as attorneys-at-law, accountants, dealers in precious metals and stones, real estate agents, gaming institutions for AML/CFT matters. The FIU has commenced the sensitization of the sectors. The FIU will continue this and commence the process of drafting AML/CFT Guidelines for the sectors.

- **Case-Management – Risk rating and prioritisation of STRs and all other files.**

The FIU receives approximately two hundred STRs distinct from other reports every year. All files received by the FIU are considered valuable for analysis and for intelligence-gathering. In order to effectively levy the existing resources human, technological and otherwise to analyse matters, STRs, Overseas Requests, etc, the FIU will commence the establishment of the risk assessment of files for varying categories of review. Intelligence will continued to be stored and developed for all files.

- **Enhancement of Database Management System.**

The FIU will implement programmes to assist in the development, storage and ease of retrieval of its most valuable asset, the information forwarded from

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<sup>2</sup> The Director presented these projections in the annual Year In Review Report to the Anti-Money Laundering Authority



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financial institutions, DNFBPs, government entities and overseas FIIUs. This will assist in providing better quality reports to the Anti-Money Laundering Authority and to examiners of the CFATF Fourth Round of Mutual Evaluations.

- **Assistance in Barbados' preparation for Fourth Round Mutual Evaluation Exercise.**

With the formulation of the new FATF Methodology in 2012, the FIU will assist in the commencement of the sensitization of stakeholders of the requirements of the Fourth Round. This exercise will involve of varying processes within the AML/CFT regime.

- **Preparation of outstanding Annual Reports 2009-2012\***  
The outstanding Annual Reports will be prepared and completed.
- ***Commencement of Preparation for Egmont Plenary 2015\****  
Permitting the availability of financial resources, the Barbados FIU is scheduled to host the Egmont Plenary in July 2015. This meeting will witness approximately 500 delegates convening in Barbados for an annual international AML/CFT Plenary Meeting. The benefits to Barbados are numerous including the financial benefit of approximately 500 delegates and their spouses utilizing accommodation and other services within Barbados as well as the additional boost to Barbados' AML/CFT regime in hosting such an event.
- **Improved collaboration with local stakeholders**

The FIU will liaise with government entities and certain financial institutions with respect to the improvement of the timely receipt of information from these entities.

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Money Laundering is the act of legitimizing money obtained from illegal sources.

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