

FIJI FINANCIAL INTELLIGENCE UNIT

2015 ANNUAL REPORT

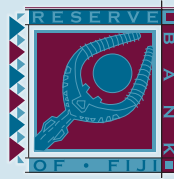


Fiji FIU
Fiji Financial Intelligence Unit





Fiji FIU
Fiji Financial Intelligence Unit



Our Vision

"Protecting Fiji from Money Laundering"

Our Mission

1. Strengthen our compliance with international Financial Intelligence Unit (FIU) and anti-money laundering and combating the financing of terrorism (AML/CFT) obligations;
2. Implement AML/CFT policies to ensure the safety and integrity of Fiji's financial system;
3. Implement an effective intelligence management framework;
4. Strengthen networking with our partners;
5. Enhance operational governance and communication.

Our Key Strategic Goals

Our strategic goals for achieving the missions are:

1. Regional FIU Leadership;
2. Global and Best AML/CFT Practices;
3. Risk-Based Approach to Implementation of AML/CFT Policies;
4. Effective Compliance Regime for Financial Institutions;
5. Effective Tactical and Strategic Analysis Processes;
6. Information Technology Based Intelligence and Case Management;
7. Engagement with our Partners;
8. Information and Intelligence Networking;
9. High Performance and Effective Team;
10. Governance and Proactive Communication.

1.	FIU ROLE AND RESPONSIBILITIES	2
2.	DIRECTOR'S FOREWORD	3
3.	GOVERNANCE STRUCTURE	5
4.	OUR ACHIEVEMENTS	7
	a. Analysis of Financial Information Received	7
	b. Dissemination of Financial Intelligence	10
	c. Supporting and Supervising Financial Institutions' Compliance	14
	d. Domestic Coordination and Engagement	16
	e. International Engagement and Contribution	20
5.	OPERATIONAL GOVERNANCE AND COMMUNICATION	23
6.	NATIONAL ANTI-MONEY LAUNDERING COUNCIL	26
7.	APPENDICES	30
8.	SELECTED KEY STATISTICS	37
9.	SELECTED KEY EVENTS	38

1.	Strategic Analysis Overview	40
2.	Outcomes	40
3.	Suspicious Transaction Reports	41
4.	Cash Transaction Reports	50
5.	Electronic Funds Transfer Reports	52
6.	Border Currency Reports	54
7.	Emerging and Continuing Money Laundering Trends	56
8.	Case Studies	57
9.	Glossary	68

1 *FIU Role and Responsibilities*

The FIU is established under the Financial Transactions Reporting (FTR) Act. The role and functions of the FIU are provided under the FTR Act. The FIU is one of the leading agencies in Fiji that is primarily responsible for preventing and detecting money laundering and terrorist financing activities.

The FIU is also Fiji's AML/CFT regulator and the lead agency on AML/CFT policy formulation, compliance and enforcement in Fiji.

The FTR Act and Regulations specifies a range of measures that financial institutions in Fiji must implement in order to prevent the use of Fiji's financial system from money laundering activities and other serious offences.

The vision of the FIU is to protect Fiji from money laundering. It achieves this vision through the following key functions:

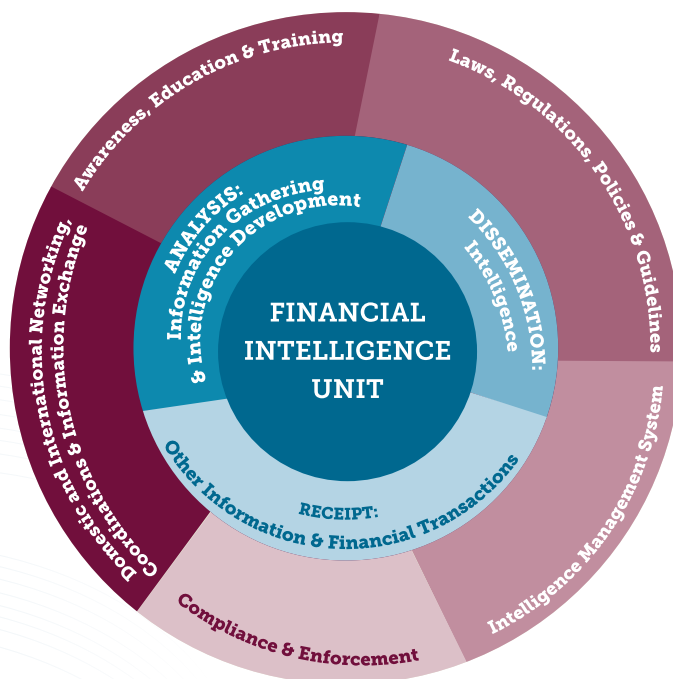
1. receive financial transactions and other information from financial institutions;
2. gather additional information from financial institutions, government and other stakeholder agencies;
3. analyse information;
4. develop intelligence;
5. refer intelligence and information of possible money laundering activities or other serious offences to appropriate law enforcement and regulatory agencies;
6. assist domestic and foreign law enforcement agencies in their investigation and prosecution of money laundering and other serious criminal activities;
7. develop AML/CFT policies, guidelines and advisories under the FTR Act;
8. enforce compliance by financial institutions with the requirements of the FTR Act;
9. provide education and training to its stakeholders;
10. lead and facilitate national coordination;
11. maintain networking and information sharing with domestic and foreign partner stakeholders and agencies.

The FIU also plays an important role in international AML/CFT initiatives by contributing to global AML/CFT programs and policy discussions.

The FIU does not have formal investigative powers to arrest and charges suspects or restrain properties. The FIU does not have a prosecutorial role. The FIU's role as a financial intelligence body in Fiji has become an integral part and contributor in successfully investigating and prosecuting money laundering and other serious crimes.

The FIU shares its intelligence and information both spontaneously and upon request from various partner agencies, both domestic and foreign.

The National AML Council provides assistance to the FIU on broad AML policy and national coordination framework. The Reserve Bank of Fiji (RBF) provides funding and administrative support for the FIU's operations. The Fiji Police Force and the Fiji Revenue and Customs Authority (FRCA) provide additional staffing support to the FIU.





I am pleased to present the 2015 Annual Report of the Financial Intelligence Unit. This is the 10th Annual Report of the FIU.

The FIU in its 10 years of operation in Fiji continues to be the lead agency to combat money laundering and related serious crimes in Fiji. The major AML/CFT outputs in 2015 reflect the ever challenging environment that the FIU operates in Fiji.

Key initiatives for the National AML Council in 2015 was the conduct of Fiji's national risk assessment and mutual evaluation which were major projects undertaken by the FIU as the lead agency.

The FIU also contributed to the following functional areas and operational network in 2015:

- Intelligence management;
- AML/CFT Policy and training;
- Compliance by financial institutions and enforcement;
- Compliance with international standards;
- Domestic and international networking;
- Providing technical assistance and training; and
- FIU administration and operations;

The 2015 Annual Report is divided into two parts:

- Annual report section; and
- Strategic analysis section.

The annual report section highlights key functional and operational outputs while the strategic analysis section highlights the underlying patterns and trends.

The following is a summary of the FIU's outputs and performance for 2015:

- received and analysed 516 suspicious transaction reports;
- received 579,849 cash transaction reports;
- received 1,029,993 electronic fund transfers reports;
- managed 8.1 million financial transaction reports on our database;
- received 491 border currency reports;
- disseminated 255 intelligence reports to law enforcement agencies;
- issued seven Alert Notices to financial institutions on suspicious persons and entities;
- issued 11 Directives to financial institutions;
- handled 191 requests for investigative assistance from law enforcement agencies;
- handled 27 requests for due diligence and background checks from government agencies;
- provided AML and FTR Act training to 270 officers of financial institutions and 84 officers of law enforcement agencies;

- made 667 enquires and requests for further information from financial institutions;
- enrolled 93 officials at the National AML Computer Based Training Centre;
- provided secretariat support for the National AML Council and Working Groups;
- issued eight ad-hoc policy advisories;
- conducted offsite compliance assessments of reporting and record keeping obligations of larger financial institutions;
- registered 86 AML Compliance Officers of financial institutions (since 2006);
- managed 101 current authorised users of the FIU's online IT system;
- signed Memorandum of Agreements (MOAs) with FIUs of three countries.

Regional and International Leadership:

The FIU continued to take regional leadership by providing IT technical assistance and short-term capacity building work attachments for new FIUs in the Pacific Island countries.

In 2015, I stepped down from my role as the co-chair of the APG typologies working group and I assumed the role of the regional representative of the Asia and Pacific region of the Egmont Group

The FIU provided input to the key governance documents of the Egmont Group in 2015.

2016:

2016 will witness the 10th year since the inception of the FIU.

The FIU will continue to engage with the APG Mutual Evaluation process until finalisation and adoption of Fiji's mutual evaluation report at the APG Plenary in July 2016.

The FIU will be taking new and more challenging roles in 2016, both at national and international levels, on implementation of the findings of the national risk assessment and our increased participation in APG and Egmont Group leadership and governance functions.

I would like to thank the Governor and the Board of the Reserve Bank of Fiji for providing financial and administrative support to the FIU in 2015.

I would like to also thank the Commissioner of Police and the Chief Executive Officer of the FRCA for seconding their officers to the FIU.

I look forward to working more closely with our stakeholders in 2016 in achieving our vision of "protecting Fiji from money laundering".



Razim Buksh
Director

Statutory Agency

The FIU is an independent and administrative statutory agency of the Fijian Government. The powers, duties and functions of the FIU are clearly defined in the FTR Act.

The FIU was established in January 2006 under the FTR Act.

Minister for Justice

The Minister for Justice is the line Minister responsible for the FTR Act.

Pursuant to section 23(3) of the FTR Act, the Minister is directly responsible for the performance of the Director of the FIU. The Minister is also responsible for appointing the Director of the FIU on the recommendation of the National AML Council.

Governor of the Reserve Bank of Fiji

Pursuant to a ministerial delegation under the FTR Act, the Director of the FIU reports to the Governor of the RBF for the discharge of his powers, duties and functions provided under the FTR Act. Subsequent to this delegation and on the recommendation of the Governor, the Board of Directors of the RBF approved the organisation structure of the FIU.

Director of the FIU

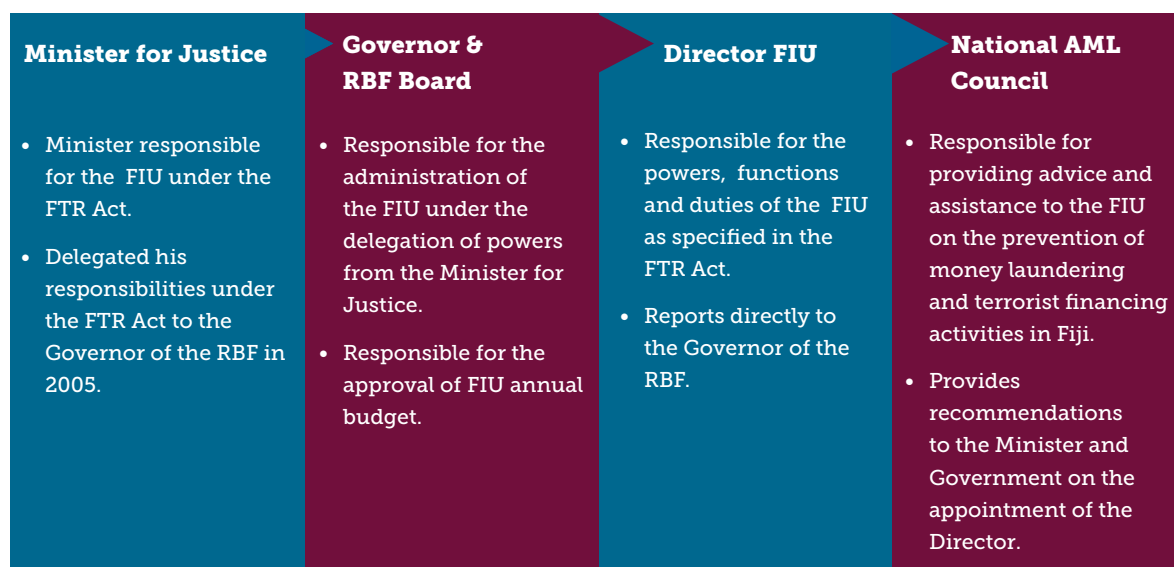
The Director of the FIU is responsible for exercising the powers, duties and functions of the FIU as specified in the FTR Act. The Director is responsible to the Minister for Justice or such other person as the Minister may appoint, in the performance of his duties. Following the Minister's delegation of his responsibility in 2005, the Director is now directly responsible to the Governor of the RBF in the performance of his duties. The Director is a member of the National AML Council. He is also the advisor to the Minister and the Governor on matters relating to combating money laundering, terrorist financing and related offences in Fiji.

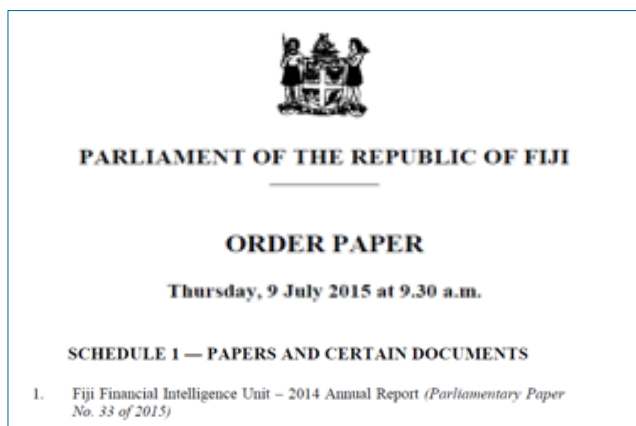
Accountability to the Governor

The FIU's administrative processes and procedures are linked to that of the RBF. Therefore, the FIU complies with the corporate planning, budgeting, policies and processes of the RBF. The FIU's annual work plan and budget are presented to the Governor and the RBF Board for their approval in November of the previous year.

The Director FIU provides monthly reports to the Governor of the RBF on the FIU's performance and achievement of work plan targets. The Director of the FIU also provides regular progress updates to the National AML Council, Governor and Board of the RBF on key FIU outputs.

FIU Governance and Accountability Framework





Reporting to the National Anti-Money Laundering Council

The National AML Council is established under the FTR Act and its members, roles and functions are also provided under the FTR Act.

The Council provides broad policy advice, assistance and guidance to the FIU on the prevention of money laundering, terrorist financing and related activities in Fiji. The Council is also responsible for making recommendations to the Minister on the appointment of the Director of the FIU.

The FIU provides regular reports and updates to the National AML Council.

Funding and Administration

The FIU is fully funded by the RBF and is organised as a separate functional group within the RBF's organisation structure. The annual budget of the FIU is submitted for the approval by the Board of the RBF each year. The FIU is accountable to the Governor and the Board for the use of funds allocated annually.

The FIU is administratively housed within the RBF. The FIU is subject to all the administrative protocols, policies and procedures of the RBF.

Due to the nature of its establishment as part of the RBF, the FIU does not prepare and publish a separate set of financial statements on its operations. The expenditure of the FIU is included in the financial statements of the RBF and is subject to the Bank's internal and external audit.

The FIU also receives indirect financial support from the Fiji Police Force and the FRCA through staff secondment to the FIU on a full time basis. The secondment arrangement is provided under MOAs the FIU has signed with the two agencies.

The FIU does not currently receive any supplementary funding support from the Government.

Operational Governance

As a member of the Egmont Group of international FIUs, the Fiji FIU implements world class operating standards, protocols and procedures on the following key responsibilities:

- international cooperation and information exchange;
- receipt of confidential and sensitive information;
- analysis and intelligence development;
- information security;
- compliance and enforcement actions; and
- operational independence and security.

The FIU also complies with the FATF Recommendation 29 and its Interpretative Note on financial intelligence units.

Independence of the FIU

While the FIU is administratively dependent on the RBF, the technical functions of the FIU are totally independent of the RBF. The Director of the FIU is responsible and accountable for the decisions relating to the delivery of the FIU core outputs. The functional and operational independence of the FIU is provided under Part 4 of the FTR Act.

The FTR Act requires that the consideration for appointment of Director FIU by the Minister (Governor of the RBF under delegation of authority) is subject to the recommendation of the National AML Council. The FTR Act also provides how the remuneration package of the Director FIU is determined. To ensure that the functions of the FIU are not influenced by other parties, the Director of the FIU is solely vested with the powers to discharge the statutory and functional responsibilities of the FIU.

A. ANALYSIS OF FINANCIAL INFORMATION RECEIVED

A key function of the FIU is to analyse reports of financial transactions that it receives from financial institutions and other agencies in Fiji

In 2015, the FIU received a total of 1,610,849 financial transaction and other reports. These reports consisted of suspicious transaction reports (STR); cash transaction reports (CTR); electronic funds transfer reports (EFTR) and border currency reports (BCR).

Financial Transaction Reports Received 2011-2015

	2011	2012	2013	2014	2015
STR	728	579	522	383	516
CTR	144,191	200,404	380,430	1,042,074	579,849
EFTR	450,849	830,959	1,147,728	1,308,633	1,029,993
BCR	194	477	459	557	491
TOTAL	595,962	1,032,419	1,529,139	2,351,647	1,610,849
Monthly Total Average	49,663	86,035	127,428	195,971	134,237

Source: Fiji FIU

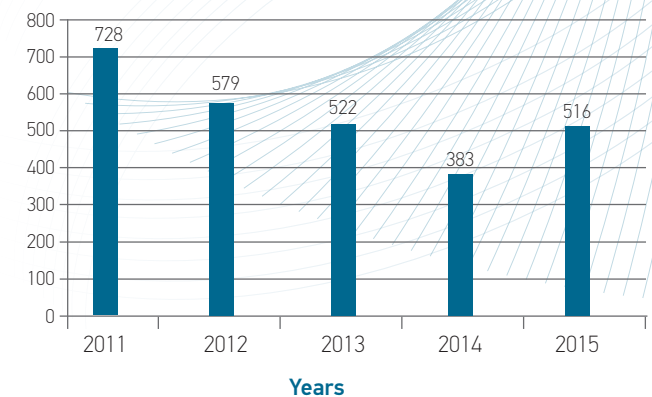
Highlights of financial reports received by the FIU in 2015 are provided below. Strategic analysis of financial reports received during 2015 is provided in the strategic analysis section of this Annual Report.

Suspicious Transaction Reports

The FIU received 516 STRs in 2015 or an average of around 43 STRs per month. This reflects an increase of 35 percent compared to 383 STRs reported to the FIU in 2014.

Suspicious Transactions Reported 2011-2015

Number of STRs



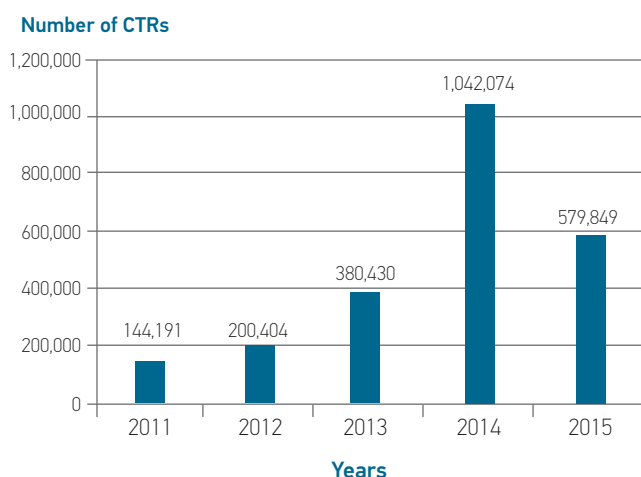
Source: Fiji FIU

Financial institutions are required under section 14 of the FTR Act and section 24 of the FTR Regulations to report suspicious transactions to the FIU. A suspicious transaction is a transaction or attempted transaction which a financial institution has reasonable grounds to suspect may be related to a "serious offence, a money laundering offence or an offence of the financing of terrorism".

Cash Transaction Reports

The FIU received 579,849 cash transaction reports (CTR) in 2015 or an average of around 48,321 CTRs per month. This is a decrease of 44.1 percent from 2014 due primarily to backdated reporting of CTRs by reporting institutions in 2014 under FIUs data quality and reporting compliance program.

Cash Transactions Reported 2011-2015



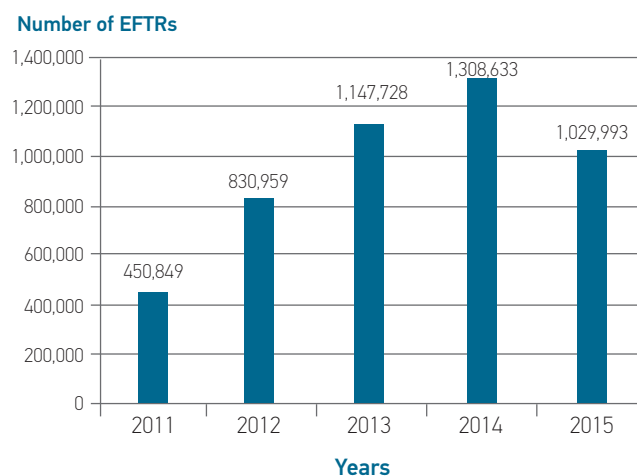
Source: Fiji FIU

Financial institutions are required under section 13(1) of the FTR Act and section 25 of the FTR Regulations to report to the FIU any cash transaction of \$10,000 and above or its equivalent in foreign currency. Cash includes coin or paper money, bank drafts, bank cheques, bearer bonds, travelers cheques, postal notes and money orders.

Electronic Fund Transfers Transaction Reports

The FIU received 1,029,993 EFTRs in 2015 or an average of around 85,833 per month. This is a decrease of 21.3 percent from 2014 due primarily to backdated reporting of EFTRs by reporting institutions in 2014 under FIUs data quality and reporting compliance program.

Electronic Fund Transfer Transactions Reported 2011-2015



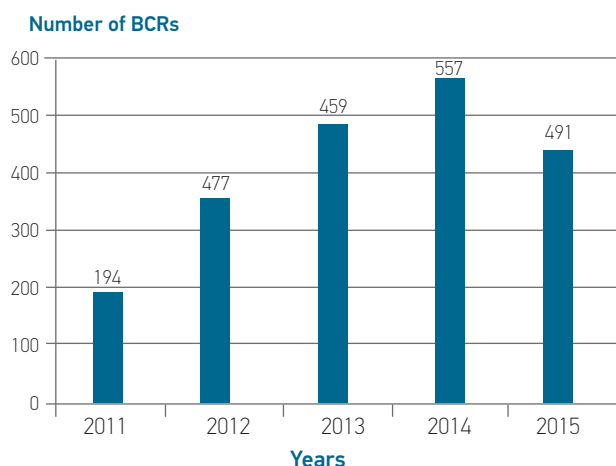
Source: Fiji FIU

Commercial banks and remittance service providers (including mobile phone money remitters) are required under section 13(2) of the FTR Act and section 26 of the FTR Regulations to report to the FIU all international electronic fund transfer transactions. There is no monetary threshold for EFTRs).

Border Currency Reports

In 2015, the FIU received 491 BCRs. This is a decline of 11.9 percent compared to 557 BCRs received in 2014. There were more declarations made by outbound travellers compared to inbound travellers.

Border Currency Declarations 2011-2015



Source: Fiji FIU

Financial institutions are required under section 13(1) of the FTR Act and section 25 of the FTR Regulations to report to the FIU any cash transaction of \$10,000 and above or its equivalent in foreign currency. Cash includes coin or paper money, bank drafts, bank cheques, bearer bonds, travelers cheques, postal notes and money orders.



BCR Declarations by Direction of Travel 2011-2015

Persons Declaring	2011	2012	2013	2014	2015
Declarations made by inbound travellers	93	117	141	231	187
Declarations made by outbound travellers	101	360	318	326	304
TOTAL	194	477	459	557	491

Source: Fiji FIU

FIUs Reporting and Intelligence Development

A major part of the FIU's analysis is conducted on STRs received. The FIU uses tactical analysis procedures as set out in its standard operating procedures to analyse these STRs and develop intelligence of possible money laundering or other serious offences.

Other reports received by the FIU such as the CTRs and EFTRS while not analysed in detail, provide critical information which is used to analyse STRs. During 2015, the FIU continued to use FFIMSO in its intelligence processes. The FIU used its Alert and Monitoring System (AMS) which monitors all financial transaction reports maintained on the FFIMSO database for suspicious transactions. The FIU also continued to use a Data Mining System (DMS) to analyse financial transaction data captured in the FFIMSO database. The DMS identifies links, relationships and patterns of suspicious financial activities. The AMS and DMS proactively identifies suspicious transactions and reports this weekly to FIU analysts for their further analysis.

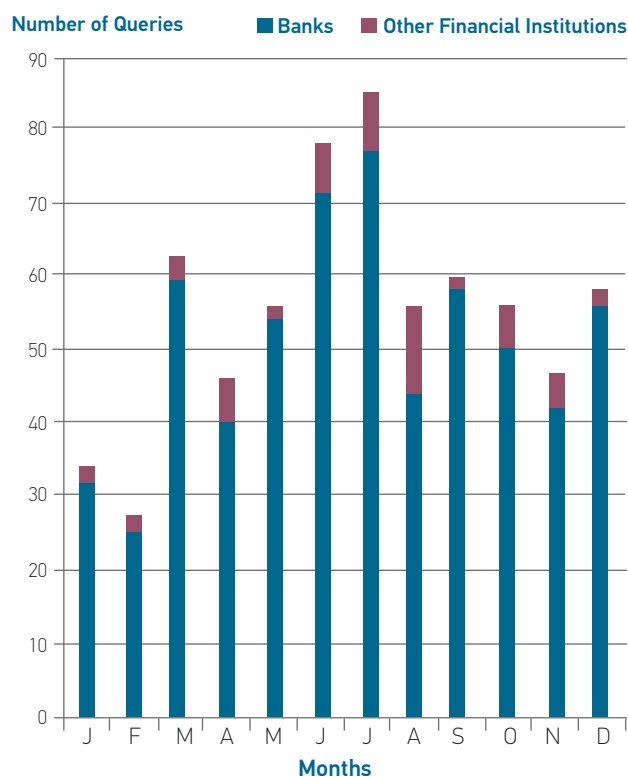
The BCRs are collected by FRCA and sent to the FIU for data mining and analysis for possible currency smuggling, money laundering and related criminal offences.

FIU Enquiries with Financial Institutions

As part of its analysis process, the FIU makes enquiries with financial institutions. The queries are aimed at developing further intelligence on information already provided on the STRs. FIU queries may also be in relation to an ongoing investigation of money laundering offence or proceeds of crime case. The FIU has powers to obtain information from relevant financial institutions under section 14(3) and section 25(1) (h) of the FTR Act.

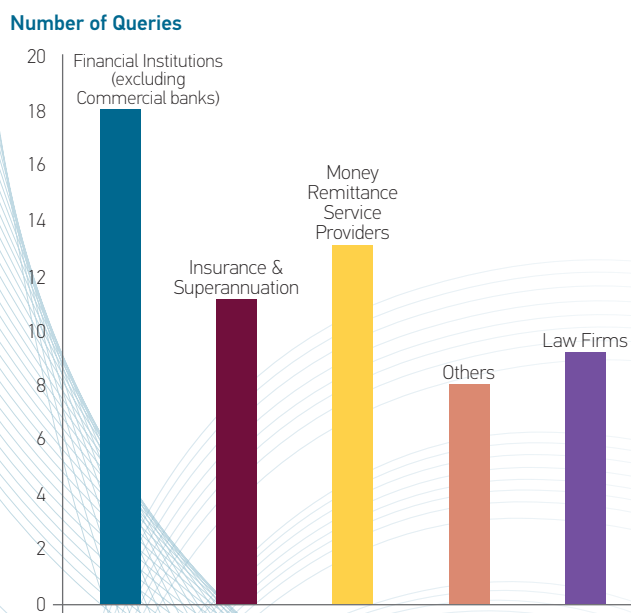
In 2015, a total of 667 queries for further information were made by FIU to commercial banks (91 percent) and other financial institutions (9 percent).

Monthly FIU Queries to Financial Institutions 2015



Source: Fiji FIU

FIU Queries to Financial Institutions (Excluding Commercial Banks) 2015

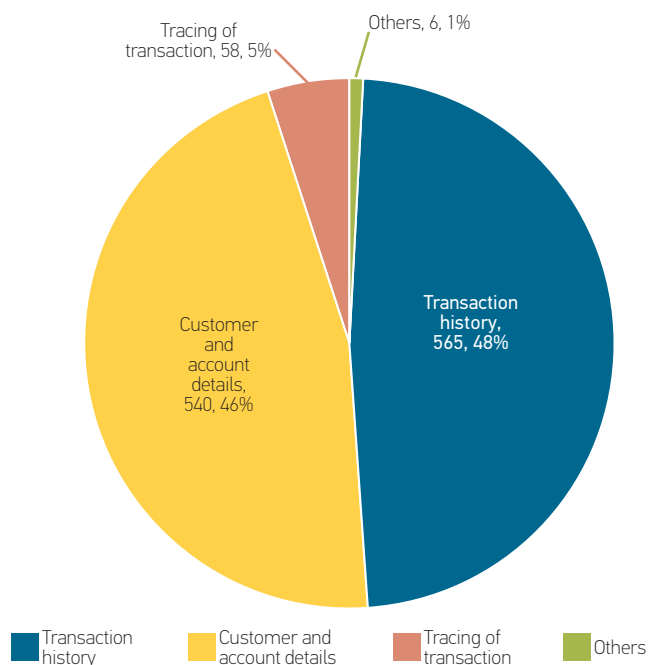


Source: Fiji FIU

The queries sent to financial institutions included requests for:

- customers' transaction history;
- customer identification details;
- customer account details;
- copies of documents such as identification documents;
- customer transaction queries
- follow ups and clarifications.

Nature of FIU Queries to Financial Institutions 2015



Source: Fiji FIU

B. DISSEMINATION OF FINANCIAL INTELLIGENCE

Intelligence Reports to Law Enforcement Agencies

Disseminating financial intelligence to law enforcement agencies is a core function of the FIU. Financial intelligence enables our law enforcement partners to investigate predicate crimes, money laundering and terrorist financing activities. Furthermore, it provides a basis for prosecution of persons where necessary.

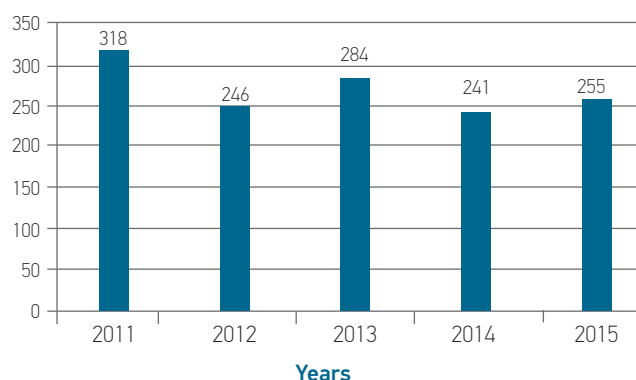
The FIU's intelligence reports also provide profiling of suspected proceeds of crime and proceeds linked to tax evasion.

The FIU analyses suspicious transaction and other financial transaction information to develop intelligence.

The results of the FIU's analysis of STRs are disseminated to relevant law enforcement agencies in a case dissemination report (CDR). In 2015, 255 CDRs were referred to law enforcement agencies compared to 241 CDRs in 2014¹. The CDRs were developed from reports of suspicious transactions received in 2015 and prior to 2015.

Case Dissemination Reports 2011-2015

Number of CDRs



Source: Fiji FIU

Case Dissemination Reports to Law Enforcement Agencies 2011-2015

Law Enforcement Agency and Reason for Dissemination	2011	2012	2013	2014	2015
FRCA- Inland Revenue Services Possible violations under the Income Tax Act and VAT Decree.	195	168	176	155	166
Fiji Police Force Possible violations under the Proceeds of Crime Act and serious offences under the Crimes Decree.	89	61	58	43	30
Immigration Department Possible violations under the Immigration Act and Passport Act.	6	4	0	1	1
FRCA-Customs Division Possible violations under the Customs Act.	4	0	19	6	5
Transnational Crime Unit Possible criminal involvement of foreign individuals and business entities; involvement of regional or international organised crimes.	15	8	9	26	33
Others² RBF Possible violations under the Exchange Control Act. Foreign LEAs	9	5	22	10	20
TOTAL	318	246	284	241	255

Source: Fiji FIU

¹Due to strict confidentiality requirements, this annual report does not discuss details of cases currently being investigated as a result of the FIU's intelligence. Cases that involved proceeds of crime that were subject to monitoring, restraining, confiscation or forfeiture orders as a result of FIU's intelligence are also not mentioned in this report. Convictions of money laundering and proceeds of crime cases have been published as case studies and have been included in the FIU strategic analysis report.

²Other Law Enforcement Agencies include the RBF and foreign law enforcement agencies.

Alert Notices to Financial Institutions

From time to time, the FIU may need to disseminate alerts or directives to financial institutions in relation to information it has received under the FTR Act.

The FIU issues Alert Notices to financial institutions, in order to protect the financial system from being used by adversely reported individuals and business entities. An Alert Notice contains information on adversely reported individuals and/or business entities that require enhanced due diligence and scrutiny by financial institutions.

Due to the sensitivity and confidentiality of the Alert Notice, financial institutions are advised to circulate the Alert Notices internally with caution.

There were seven Alert Notices issued by the FIU in 2015 and involved 41 individuals and one entity.

The Alert Notices issued in 2015 mostly related to individuals suspected to be linked to possible advance fee fraud.

Alert Notices Issued 2015

Date	Alert Notice Number	Issued To	Details
7 January 2015	1/2015	Commercial banks and money remittance service providers	Possible Advance Fee Fraud
6 March 2015	2/2015	Commercial banks and money remittance service providers	Possible Advance Fee Fraud and Investment Fraud
13 May 2015	3/2015	Commercial banks and money remittance service providers	Possible Advance Fee Fraud
2 April 2015	4/2015	Commercial banks and money remittance service providers	Attempts to exchange large quantities of demonetised foreign currency commemorative notes in Fiji
22 June 2015	5/2015	Commercial banks and money remittance service providers	Stolen foreign currency from robbery at a local residence
6 August 2015	6/2015	Commercial banks and money remittance service providers	Possible Advance Fee Fraud
29 September 2015	7/2015	Commercial banks and money remittance service providers	Stolen foreign currency from robbery at a local commercial bank outlet

Source: Fiji FIU

Directives to Financial Institutions

The FIU has powers under section 25 (1) (h) of the FTR Act to issue directives to financial institutions to take appropriate steps in relation to any information or report received by the FIU and to enforce compliance with the FTR Act or facilitate any investigation anticipated by the FIU or a law enforcement agency.

The FIU issued 11 such directives in 2015 to financial institutions. The directives issued in 2015 related to the following:

- undertaking enhanced due diligence on customers;
- establishing source of funds;
- ascertain the ultimate destination of any subsequent withdrawal transaction(s);
- identify any third party transactions;
- seek approval in writing of the FIU before proceeding with any transaction(s).

The FIU also uses directives to temporarily suspend a transaction until the customer provides all necessary information to the financial institution as stipulated in the directive, consistent with the customer due diligence requirements under the FTR Act and Regulations.

These directives issued by the FIU are referred to as "instruction notices".

Directives Issued in 2015

Date	Instruction Notice Reference	Issued To	Details
20 March 2015	1/2015	Commercial Banks	• Undertake enhanced due diligence on customers
26 March 2015	2/2015	Commercial Banks	
27 March 2015	3/2015	Commercial Banks	• Establishing source of funds
13 May 2015	4/2015	Commercial Banks	
25 June 2015	5/2015	Commercial Banks	• Ascertain the ultimate destination of any subsequent withdrawal transactions
30 June 2015	6/2015	Commercial Banks	
17 August 2015	7/2015	Commercial Banks	• Identify any third party transactions
31 July 2015	8/2015	Commercial Banks	
25 August 2015	9/2015	Commercial Banks	• Seek approval in writing of the FIU before proceeding with any withdrawal transactions
24 September 2015	10/2015	Commercial Banks	
2 December 2015	11/2015	Commercial Banks	

Source: Fiji FIU

Investigative Assistance Provided to Law Enforcement Agencies

The FIU also disseminates to law enforcement agencies upon request. The request for assistance from the law enforcement agencies are received in writing and are related to investigations of suspected money laundering activities and other predicate offences such as forgery and fraud, drug trafficking/dealing, human trafficking, obtaining money by false pretences, larceny and corruption.

The requests may also be related to investigations initiated by a FIU CDR disseminated to a law enforcement agency.

The FIU received a total of 191 requests in 2015 compared to 123 requests in 2014 from local law enforcement agencies (such as the Fiji Police Force, FICAC, Department of Immigration, Transnational Crime Unit and FRCA) and foreign FIUs.

Requests for Investigative Assistance 2015

Requesting Agency	Number of Requests	Number of Checks on Entities	Number of Checks on Individuals
Department of Immigration	1	1	2
FICAC	30	23	76
Fiji Police Force	81	37	266
FRCA	70	167	153
Reserve Bank of Fiji	3	24	2
Others	6	12	3
TOTAL	191	264	502

Source: Fiji FIU

The FIU also assists law enforcement agencies in their investigations by facilitating the process to trace and temporarily suspend suspected proceeds of crime and criminal funds that is suspected to be transacted or held within financial institutions and to also ensure that the funds are immediately secured while the formal investigations into the suspected criminal activity is underway.

Dissemination of Information to Foreign FIUs

The FIU receives requests for information from foreign FIUs. In 2015, the FIU received 22 requests for information from foreign FIUs through the Egmont Group secure web network and other formal communication compared to only seven requests received in 2014.

Due Diligence

The FIU provides assistance to conduct background and due diligence checks on individuals and entities upon a request made in writing from a Government department or authority. Requesting agencies are required to fill out the FIU request form and provide relevant details on the individuals and businesses that are under scrutiny.

In 2015, the FIU received 27 requests for background and credibility checks compared to 20 requests in 2014. The checks were conducted on 40 entities and 49 individuals.

Requests for Background Checks from National Agencies in 2015

Requesting Agency	Number of Requests	Number of Checks on Entities	Number of Checks on Individuals
Attorney General's Office/ Ministry of Justice	1	1	1
Immigration Department	1	1	0
Investment Fiji	7	5	17
Mineral Resources Department	1	1	2
Ministry of Defence, National Security and Immigration	2	1	3
Ministry of Education, Heritage and Arts	1	3	0
Ministry of Foreign Affairs and International Cooperation	1	0	1
Ministry of Public Enterprise, Industry and Trade	7	22	17
Reserve Bank of Fiji	6	6	8
TOTAL	27	40	49

Source: Fiji FIU

C. SUPPORTING AND SUPERVISING FINANCIAL INSTITUTIONS' COMPLIANCE

The FIU promoted the risk based implementation of the FTR Act and provided guidance to financial institutions to comply through issuance of policies and provision of training.

The requirements in the FTR Act are based on international AML/CFT standards, the Financial Action Task Force (FATF) Recommendations.

Entities and businesses that are required to comply with the requirements of the FTR Act include:

- i. financial institutions such as, commercial banks, insurance companies and intermediaries, finance companies, money remitters, money changers, investment advisors, brokers and dealers, unit trust or managed funds, mobile phone banking service providers; and
- ii. other designated non-financial businesses and professions (DNFBPs) such as, accounting firms, law firms, real estate agents or businesses.

All entities and businesses that are covered by the FTR Act are referred to as "financial institutions" under the law.



AML Guidelines and Policy Advisories

The FIU continued to work closely with financial institutions during 2015 to implement the requirements of the FTR Act and Regulations. These requirements aim to prevent or detect money laundering and terrorist financing activities within Fiji's financial system.

The FIU provides financial institutions with advice and guidance on the requirements under the FTR Act and Regulations. These advisories and guidelines are aimed at helping financial institutions gain a better understanding of their obligations under the laws. In 2015, the FIU commenced drafting of a policy guideline for financial institutions on dealing with politically exposed persons. A first draft of the policy guideline was issued to financial institutions for their comments. This work will continue in 2016.

Appendix 1 lists the Guidelines issued by the FIU to date. These Guidelines provide detailed guidance on the requirements under the FTR Act relating to suspicious transaction reporting, cash transaction reporting and customer identification and verification.

Appendix 2 lists the Policy Advisories issued to date by the FIU. These Policy Advisories address very specific issues relating to the FTR Act.

The FIU also provides policy advice on an ad-hoc basis, as and when requested by financial institutions. In 2015, the FIU issued eight ad-hoc policy advisories explaining various requirements of the FTR Act and Regulations.

Ad-hoc Policy Advisories Issued by FIU 2015

Nature of Advisory	Number Ad-hoc Advisories Issued
Customer Due Diligence Requirements	3
Transaction Reporting Requirements	1
Other Issues (FIU Alert Notices, role of compliance officer, AML developments)	4
TOTAL	8

Source: Fiji FIU

During the year, the FIU held a briefing with various financial institutions on the results of Fiji's national assessment of money laundering and terrorist financing risk. The briefing was aimed at providing financial institutions with an understanding of the money laundering and terrorist financing threats and vulnerabilities as identified from the national risk assessment.

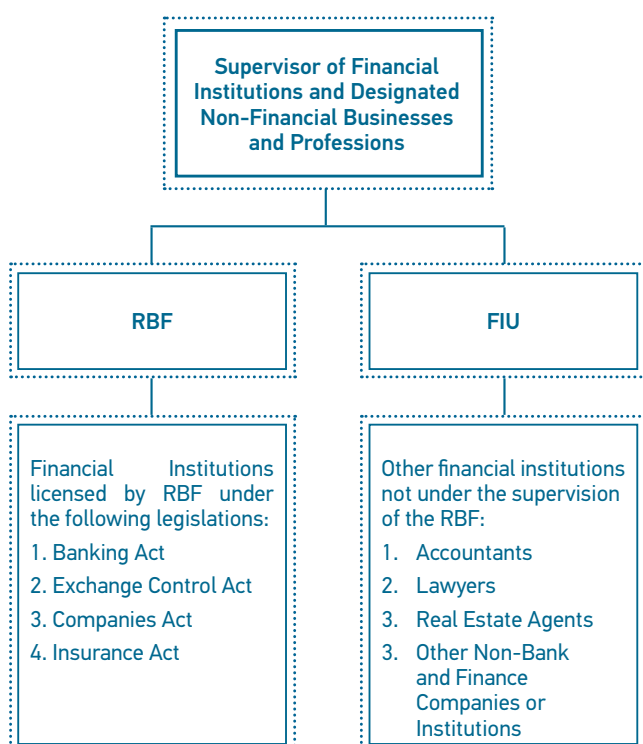
Supervision of Financial Institutions for Compliance with the FTR Act

The FIU and RBF are required under the FTR Act to supervise and ensure that financial institutions are compliant with the FTR Act and Regulations.

During 2015, the FIU continued with its compliance program on section 8 (record keeping requirements) and section 13 (reporting requirements) of the FTR Act. This included offsite examination and review of electronic online reporting and record keeping obligations by larger financial institutions in Fiji. The FIU also conducted offsite assessments of financial institutions' compliance with reporting requirements using its alert monitoring system.

The FIU provided policy advice to RBF supervisors as and when needed on AML/CFT compliance issues.

AML/CFT Supervision



Training and Awareness Programs for Financial Institutions

In 2015, the FIU provided training to financial institutions which was attended by 270 employees. The training covered the financial institutions' obligations under the FTR Act and Regulations. The FIU was also invited to present at the University of the South Pacific's Good Governance and Leadership course on the role of the FIU and anti-corruption. The Director FIU also presented on cybercrime at the Annual Attorney-General's Conference, an event that is attended by legal practitioners.

National AML Learning Centre

The FIU continued to manage and provide administrative support for the National AML Learning Centre during 2015. The Centre computer based on money laundering and other topics such as, human trafficking, precursor chemicals and advanced search techniques, dealing with informants, undercover operations, financial interviewing, interdiction techniques, risk management and understanding intelligence.

The computer based courses available at the Centre have been developed by the United Nations Office on Drugs and Crime (UNODC) using subject experts from around the world.

A total of 93 officials from various government agencies and financial institutions enrolled for courses at the Centre during 2015. Some officials had enrolled in more than one course.

68 officials completed courses at the Centre during 2015. Some officials completed more than one course.

CBT Courses Completed 2011-2015

CBT Course Completed	2011	2012	2013	2014	2015	TOTAL
Money Laundering Course	27	13	11	72	68	203
Advanced Money Laundering Course	12	10	5	13	15	59
Other Courses	20	16	6	7	5	60
TOTAL	59	39	22	92	88	322

Source: Fiji FIU

At the end 2015, a total of 231 officers have completed the specialised courses at the Centre since it was established in 2010.

Number of Official Completed Courses 2011-2015

Year	2011	2012	2013	2014	2015	TOTAL
Number of Officials	47	18	11	74	68	231

Source: Fiji FIU

D. DOMESTIC COORDINATION AND ENGAGEMENT

National AML Council

The FIU continued to provide secretarial support for the National AML Council and its three AML Working Groups (Legal Working Group; Supervisors and Regulators Working Group; and Law Enforcement Working Group).

The National AML Council held two meetings during 2015 and its work was supported by the three AML Working Groups (Refer to section on National AML Council for more information).

The Director FIU is a member of the National AML Council and participated in the Council's activities for 2015. Other FIU staff also actively contributed to the work of the AML Working Groups.

Key initiatives for the National AML Council in 2015 were the conduct of Fiji's national risk assessment and mutual evaluation (refer to section on national risk assessment).

During 2015, the FIU assisted the NRA Task Force, which was set up by the Council, to undertake the national risk assessment.

The FIU also liaised with the APG on behalf of the Council on the arrangements for the mutual evaluation, the on-site visit by the assessment team and on the finalisation of Fiji's mutual evaluation report.

The FIU also provided regular updates to the National AML Council on the progress of these two important national projects.

Fiji's National Risk Assessment

Under the international AML/CFT standards Fiji is required to identify, assess and understand its money laundering and terrorist financing risk. Fiji conducted its first national risk assessment (NRA) in 2015.

The National AML Council at its meeting in March 2014 endorsed an action plan for the conduct of the NRA. The Council also endorsed the setup of a NRA Task Force to be responsible for conducting the NRA.

In early 2015, the Ministry of Justice delegated to the FIU the responsibility to coordinate Fiji's NRA. The NRA project commenced on 9 February 2015. The FIU liaised with the Asian Development Bank for funding for the engagement of a consultant to assist the NRA Task Force to conduct the NRA.

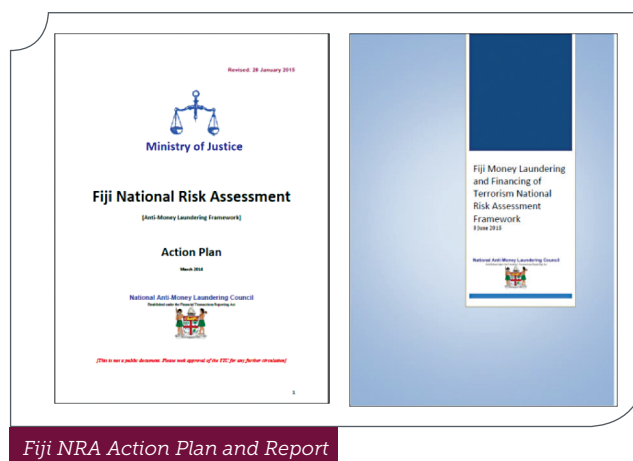
The FIU together with the NRA Task Force coordinated the collection of data required for the NRA. The FIU also arranged for consultations with representatives of financial institutions and government agencies to gather qualitative data on money laundering and terrorist financing threats and vulnerabilities.

The NRA was completed on 29 May 2015 and the NRA Report was endorsed by the National AML Council on 3 June 2015. A briefing on the results of the NRA was conducted by the FIU for key government agencies and financial institutions.

The NRA highlighted the following key findings:

- Fiji is not considered to have a significant money laundering risk.
- Risk of terrorist financing in Fiji is assessed as low.
- Fiji has the basis of a very good AML and CFT. All necessary legislation has been introduced, AML/CFT supervisors are operational, cases have been investigated and a number of ML cases have been before the courts and penalties applied.
- Illicit drug related offences and fraud against the Government (including income tax evasion, VAT fraud and duty evasion) have been identified as the most significant generators of illicit funds in Fiji.

- e) Illicit funds resulting from deception, misappropriation, cybercrime, bribery and corruption and the illicit cross border movement of currency are other potential ML threats.
- f) The Fijian economy is gradually moving from a cash based economy to being more reliant on electronic transactions. However, cash is still a significant component of the economy. The movement of funds, both cash and electronic wire transfers that originate from offshore has also been identified as a concern as a potential enabler for ML/TF to occur in and through Fiji.
- g) Fiji's relatively diverse financial sector creates a number of vulnerabilities which can lead to the escalation of ML/TF. The commercial banks are considered to be very highly vulnerable to ML/TF. The sectors that were found to be less, but still highly vulnerable were licenced foreign exchange dealers and safe custody facilities.
- h) The real estate sector in Fiji is also vulnerable to ML/TF.
- i) There has been a high level of political will to ensure that significant legislative reform has recently been carried out in Fiji and that ML/TF are addressed as a priority. Although the ML/TF related laws are generally adequate, some amendment is still required to strengthen the AML/CFT program.
- j) The AML/CFT legislation provides agencies with largely adequate powers to detect and deter ML/TF. However full implementation of those powers is essential and technical and human resources must be maintained to ensure the effectiveness of the legislation and to minimise the ML/TF risks.
- k) Although most Fijian agencies have a good level of technical resources such as computers and software to assist them in their work, some agencies require further technologies to ensure the overall AML/CFT program is effective.
- l) Border controls use a range of physical and electronic surveillance resources and a number of persons failing to declare border currency movements have been identified and prosecuted. However, the system has limited effectiveness in detecting the movement of cash into and out of Fiji particularly at the seaports.
- m) National coordination amongst government agencies for AML/CFT purposes is generally good.
- n) A significant portion of the ML/TF risks are borne by the banking sector with regard to illicit cash and electronic funds. The RBF is the highest capacity supervisor which goes some way to mitigate the risk in the financial sector.
- o) All of Fiji's financial services are facilitated by modern communication and a relatively open economy. This openness also creates a higher likelihood of the services being used to facilitate ML/TF through illicit funds flows.
- p) Fiji must however implement the identified strategies to ensure that ML/TF does not escalate in the higher risk areas, that any new ML/TF risks are identified at an early stage and that mitigating strategies are implemented to minimise the level of that ML/TF risk.
- q) There were four areas identified by the NRA of urgent concern to the Fiji AML/CFT program. These are:
- cash economy
 - supervision of non-regulated financial institutions
 - technical resources
 - financing of terrorism (due to high risk globally)
- Work to address the outcomes of the NRA will continue in 2016.



Fiji's Mutual Evaluation

In 2015, Fiji underwent a mutual evaluation led by the Asia Pacific Group on Money Laundering (APG). The mutual evaluation assessed Fiji's compliance with the international AML/CFT standards, the Financial Action Taskforce (FATF) Recommendations. Fiji's last mutual evaluation was conducted in 2006.

The mutual evaluation assessed the following key areas of Fiji's AML/CFT framework:

- a) national AML/CFT policies and coordination;
- b) legal system and operational issues;
- c) terrorist financing and financing of proliferation;
- d) preventive measures for financial institutions and designated non-financial businesses and professions;
- e) supervision of financial institutions and designated non-financial businesses and progressions;
- f) legal persons and arrangements;
- g) international cooperation.

The mutual evaluation was led by the APG and the assessment team consisted of senior officials from other APG jurisdictions.

In early 2015, the Ministry of Justice delegated the responsibility to coordinate Fiji's mutual evaluation to the FIU. Thus the FIU coordinated arrangements for the mutual evaluation including liaising with the APG on the program for the mutual evaluation.

The FIU also liaised with relevant agencies to collate data and information which was needed by the APG assessment team for the desk based review stage of the evaluation.

In October 2015, the APG assessment team conducted an onsite visit to Fiji to assess compliance and review the effectiveness of Fiji's AML/CFT system. The onsite visit was coordinated by the FIU in close liaison with the APG.

Prior to the onsite visit by the APG assessment team, the FIU held a briefing for representatives of the public and private sector to explain the purpose and nature of the assessment onsite visit. During the onsite visit, the APG assessment team met with senior and technical officials from key government ministries and agencies as well as officials from financial institutions and private sector organisations. There was also an opening and closing meeting with the National AML Council and the APG assessment team during the visit.



The APG assessment team, members of the National AML Council with the Minister for Justice and Attorney General at the start of the mutual evaluation onsite visit to Fiji

The draft report of Fiji's mutual evaluation was received from the APG in late 2015. The FIU coordinated the review of this draft evaluation report by the various government agencies. The process of finalising Fiji's mutual evaluation report will continue into 2016.

Fiji's mutual evaluation report will be tabled in the 2016 APG Annual Plenary.

Memorandum of Agreement with Partner Agencies



FATF Recommendations and Mutual Evaluation Methodology

The FTR Act provides the FIU with the mandate to enter into MOAs with other agencies. The MOAs allows the FIU to exchange information and enhance networking and cooperation with domestic partner agencies. To date the FIU has signed MOAs with 10 domestic partner agencies.

The FIU continued with its MOA arrangements with partner agencies during 2015.

In 2015, authorised officers from FRCA and FICAC continued to access directly the FIU database for the purpose of gathering intelligence on persons or entities of interest who are subject to their investigations. This arrangement was provided under MOAs signed with FRCA and FICAC.

Three officers from the FIU's partner agencies continued to be seconded with the FIU during 2015 as provided under the MOA arrangement. Two of the seconded officers are from FRCA and one officer is from the Fiji Police Force.



Seconded officer to the FIU 2015: Left to right: Nanise Natau (Fiji Police Force); Buretaua Ofati (FRCA); Dekesh Nand (FRCA)

MOAs with Domestic Partner Agencies

Agency	Date MOA Signed	Type of MOA
Immigration Department	12 July 2007	Information exchange
Fiji Revenue and Customs Authority	28 November 2007	Information exchange and secondment of two staff with the FIU
	12 September 2014 (amendment)	Direct access to FIU database
Fiji Police Force	24 January 2008	Information exchange and secondment of a staff with the FIU
	11 December 2014 (amendment)	Direct access to FIU database
Investment Fiji	13 June 2008	Information exchange
Ministry of Justice	3 July 2008	Information exchange
Land Transport Authority	5 October 2009	Information exchange
Fiji Independent Commission Against Corruption	3 November 2009	Information exchange
Data Bureau Ltd	18 December 2009	Information exchange
Joint Taskforce RBF/FRCA/FIU	14 April 2010	Information exchange
Maritime Safety Authority of Fiji	16 August 2012	Information exchange
Reserve Bank of Fiji	17 April 2014	Information exchange

Source: Fiji FIU

NCLASA

The Director of the FIU is a member of the National Combined Law and Security Agencies (NCLASA) Committee. NCLASA is Fiji's national information sharing framework on security issues comprising approximately 38 agencies with the Ministry of Defence as the epicentre. The NCLASA framework is to inevitably provide appropriate responses to the security challenges, domestically and internationally, and to create a conducive environment for co-operation and information sharing between members of Agencies.

The FIU was part of the consultations held with the Ministry of Defence to review the national security and defence sector. The Director participated in the meetings and deliberation of NCLASA during the year.

Counter Terrorism Officials Working Group

The FIU is a member of the Counter Terrorism Officials Working Group (CTOG), a national Working Group which is responsible for developing and implementing Fiji's counter terrorism strategy. During 2015, the FIU continued to contribute to the meetings and work of CTOG.

Training and Awareness Programs for Law Enforcement Agencies

The FIU continued to provide training and awareness briefings to law enforcement agencies during the year on money laundering and the role and functions of the FIU. A total of 84 law enforcement officials attended these training sessions.

FIU Training Provided to Law Enforcement Agencies in 2015

Date	Particular of Training	Participating Agencies	Number of Participants
20 February	Role of FIU	Fiji Police Force	20
16, 17 March	Money Laundering Trends and Unexplained Wealth	Fiji Police Force	25
12 June	Money Laundering Trends and Unexplained Wealth	Fiji Police Force	39
TOTAL			84

Source: Fiji FIU

E. INTERNATIONAL ENGAGEMENT AND CONTRIBUTION

Memorandum of Agreements with Foreign FIUs

Engaging with foreign counterparts is important for the FIU. The FIU may enter into MOAs with foreign FIUs or law enforcement agencies for the exchange of information relevant to the investigation or prosecution of a money laundering offence, terrorist financing offence or any other serious offence.

In 2015, the FIU signed MOAs with two foreign FIUs namely the FIU of Bangladesh and the Financial Intelligence Centre of Japan. The Fiji FIU has signed MOAs with 27 foreign FIUs to date.

MOAs with Foreign FIUs

Country	Name of FIU	Date
Australia	Australian Transactions Reports and Analysis Centre	19 May 2011
Bangladesh	Financial Intelligence Unit	9 June 2015
Belgium	Financial Intelligence Unit	3 September 2012
Brazil	Council for Financial Activities Control	3 July 2013
Canada	Financial Transactions and Reports Analysis Centre of Canada	12 July 2011
Cook Islands	Cook Islands FIU	21 July 2011
France	The Unit for Intelligence Processing and Action Against Illicit Financial Networks	12 July 2011
India	India FIU	5 June 2014
Indonesia	Indonesian Financial Transaction Reports and Analysis Centre	10 July 2009
Israel	Israel Money Laundering Prohibition Authority	6 February 2013
Japan	Financial Intelligence Centre	9 June 2015
Korea	Korea FIU	6 May 2011
Lebanon	Special Investigation Commission	5 June 2014
Macau SAR China	Financial Intelligence Office	6 and 13 March 2012
Malaysia	Unit Perisikan Kewangan, Bank Negara Malaysia	3 February 2010
Philippines	The Anti-Money Laundering Council, The Financial Intelligence Unit of the Republic of the Philippines	13 July 2011
Papua New Guinea	Papua New Guinea FIU	8 December 2011
Samoa	Samoa FIU	8 March 2013

Solomon Islands	Solomon Islands FIU	12 July 2011
South Africa	Financial Intelligence Centre	11 July 2012
Sri Lanka	Financial Intelligence Unit of Central Bank of Sri Lanka	21 July 2011
Republic of China (Taiwan)	Anti-Money Laundering Division, Investigation Bureau, Ministry of Justice	10 July 2012
Russia	Federal Financial Monitoring Service (Russian Federation)	28 June 2013
Thailand	The AML Office of the Kingdom of Thailand	25 October 2011
United Kingdom	The Serious Organised Crime Agency	12 July 2011
	United Kingdom FIU	5 June 2014 (Amendment)
United States of America	The Financial Crimes Enforcement Network	12 July 2011
Vanuatu	Vanuatu FIU	8 March 2013

Source: Fiji FIU



Signing of MOA between Fiji FIU and Bangladesh FIU



Signing of MOA between Fiji FIU and Japan Financial Intelligence Center

Association of Pacific Island FIUs

The Fiji FIU is a member of the Association of Pacific Island FIUs (APIFIU). APIFIU was established in 2011 and currently has 12 FIUs as its members namely the FIUs of Cook Islands, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga and Vanuatu.

The FIU contributed to the activities of APIFIU and participated in its meeting during the year. Under the APIFIU regional cooperation program, the Fiji FIU provided one week work attachment during 2015 for officers from the FIUs of the Solomon Islands, Palau and Papua New Guinea. The attachment program covered the areas of policy, compliance, intelligence management, and national and international coordination.

Funding for the attachment program was jointly provided by the Fiji FIU and UNODC.



Staff from the FIUs of Papua New Guinea, Solomon Islands and Palau on work attachment with the Fiji FIU

During 2015 FIU continued with its technical assistance program to the Cook Island FIU on their information management system. This project included a visit by the Fiji FIU IT officer to the Cook Islands FIU. This project commenced in 2013 and was completed in 2015.

The FIU's of Fiji and Cook Islands jointly sponsored the application by the Tonga FIU to be a member of the Egmont Group of FIUs in 2014. During 2015, the FIU continued to liaise with the Tonga FIU and the Egmont Group secretariat on this issue.

The FIU also provided advice during the year to regional FIUs on various aspects of Fiji's AML/CFT framework. There was a visit to the RBF by the Governor of the

Central Bank of Papua New Guinea during 2015. The FIU also had meeting with Governor of the Bank of Papua New Guinea on the administrative arrangements of the Fiji FIU.

Asia Pacific Group on Money Laundering



Fiji is a member of the APG, an autonomous and collaborative international organisation currently comprising 41 member countries. The FIU, along with other key agencies of the Fijian government such as the RBF, Office of the Solicitor

General, Office of the DPP, FPF, FICAC, FRCA, are the contact points for Fiji on APG activities and programs.

The FIU liaised closely with the APG during 2015 on Fiji's mutual evaluation. This process commenced in early 2015 and is to be completed with the tabling of Fiji's mutual evaluation report at the 2016 APG Annual Plenary.

During 2015, the FIU participated in other APG activities as follows:

- i. attended the APG Annual Plenary Meeting held in Auckland, New Zealand;
- ii. participated in various APG surveys and contributed to discussion papers;
- iii. attended the APG Typologies and Capacity Building Workshop; and
- iv. facilitated a Pacific Fraud and Money Laundering Typologies project;

As co-chair of the APG Typologies Working Group, the Director FIU co-chaired key sessions of the Typologies and Capacity Building Workshop. The FIU made two presentations at the APG Typologies and Capacity Building Workshop on Terrorist Financing and Wildlife Crime Financial Flows.

The FIU also prepared and submitted Fiji's country report, technical assistance report and Fiji's money laundering typologies report for the 2015 APG Annual Plenary Meeting and Typologies and Capacity Building Workshop.

The FIU continued to liaise with the APG on various AML/CFT issues relevant to Fiji during the year.

Egmont Group



The FIU is a member of the Egmont Group of FIUs. In early 2015, the Director FIU was appointed the regional representative of the Asia and Pacific region of the Egmont Group.

The Director FIU is also a member of the Egmont Committee which serves as the consultation and coordination mechanism for the Heads of FIUs and the Egmont Working Groups.

As the regional representative, the FIU has contributed to a number of operational, policy and governance matters concerning the Egmont Group during 2015. The FIU also coordinated the compilation of regional updates from member FIUs for submission to the Egmont Group.

The FIU also continued to participate in the other activities of the Egmont Group during 2015. This included contributing to Egmont surveys conducted during the year, reviewing and providing comments on Egmont governance papers.

The FIU also participated at the Egmont Group's 2015 Annual Plenary Meeting which was held in Barbados.

As a member of the Egmont Group of FIUs, the Fiji FIU is committed to sharing information with other Egmont Group members. During 2015, the FIU continued to provide assistance and information to other Egmont Group members upon request via the Egmont Secure Website (ESW).

Information Exchanges with Other FIUs 2011-2015

	2011	2012	2013	2014	2015
Number of requests made to Fiji FIU	16	5	10	18	22
Number of requests made by Fiji FIU	3	1	3	8	6

Source: Fiji FIU

Alliance for Financial Inclusion



The FIU is a member of the Alliance for Financial Inclusion (AFI) Global Standards Proportionality Working Group (GSPWG).

The aim of GSPWG is to provide a platform to facilitate peer learning on issues policymakers and regulators face in achieving a balance between financial inclusion, integrity and stability, and to examine the proportionate implementation of the global standards set by global standard setting bodies. The FIU participated in the meetings of the GSPWG and the AFI Global Policy Forum during the year.

Professional Development of Staff

During the year FIU staff attended various workshops, technical forums and meetings. A total of 11 staff attended various courses and workshops held locally and abroad.

The FIU also provided on-the-job training to new secondment staff from FRCA and the FPF who joined the FIU during the year as part of the secondment rotation program.

Trainings, Meetings and Conventions 2015

Month	Course	Venue	Organiser
January	Fiji Institute of Accountants (FIA) Seminar on 2016 National Budget Highlights	Suva, Fiji	FIA
February	Digital Financial Services Assessment Workshop	Suva, Fiji	UNDP
April	FRCA CEO's Forum	Suva, Fiji	FRCA
	World Intellectual Property Organisation Intellectual Property Workshop	Suva, Fiji	Fiji Intellectual Property Office, Ministry of Justice
May	Better Business Conference	Suva, Fiji	Fiji National University
	Fiji Institute of Accountants Congress	Nadi, Fiji	Fiji Institute of Accountants
	AFI GSP Working Group meeting and Symposium on Proportional Standards	Kuala Lumpur, Malaysia	AFI
June	Egmont Group Plenary	Bridgetown, Barbados	Egmont Group
July	APG Annual Meeting	Auckland, New Zealand	APG
	Counter Terrorism Training Program Crisis Management	Nadi, Fiji	Department of Foreign Affairs and Trade, Australia Ministry of Defence, Fiji
August	FIA Seminar on Managing Corruption Risk	Suva, Fiji	FIA

September	Australian Institute of Companies Directors Briefing on Fiji Companies Act 2015	Suva, Fiji	AICD
	AFI Global Policy Forum	Maputo, Mozambique	AFI
November	National Financial Inclusion Strategy Phase II Consultation Workshop and Microfinance Awards	Suva, Fiji	RBF AFI
	Fiji National Cybersecurity Strategy Consultations	Suva, Fiji	University of Oxford and Commonwealth Telecommunications Organisation
	APG Typologies and Capacity Building Workshop	Kathmandu, Nepal	APG
December	National Listing Forum	Suva, Fiji	South Pacific Stock Exchange
	FIA Symposium on Companies Act	Suva, Fiji	FIA
	Attorney- General's Conference	Sigatoka, Fiji	Office of the Attorney General

Source: Fiji FIU

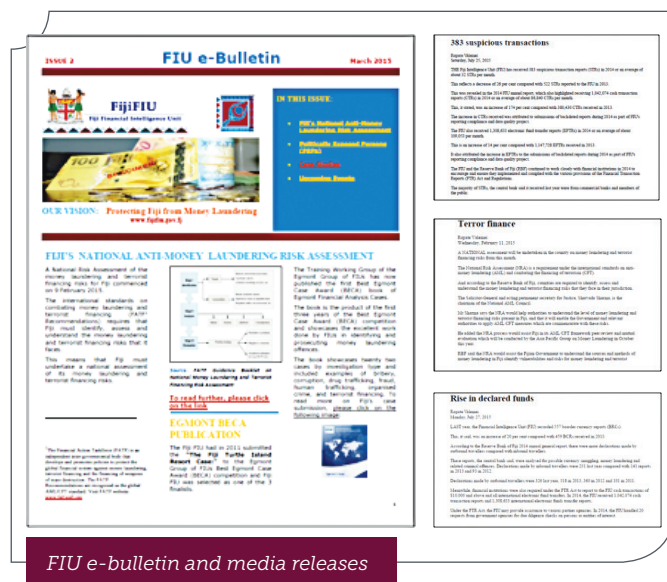
Governance

The FIU continued to provide monthly reports on its operations to the Governor of the RBF. The FIU also provided regular updates to the National AML Council on key AML/CFT national initiatives and projects, in particular, the NRA and Fiji's mutual evaluation.

Communication

The FIU uses the media and its website to communicate key AML/CFT initiatives to the general public. In 2015, the FIU issued four press releases on major AML/CFT events or issues. In 2015, the FIU issued its second e-bulletin to AML Compliance officers and other stakeholders. The e-bulletin provided readers with updates on AML/CFT initiatives in Fiji.

The FIU also uses media interviews and the FIU Annual Report to provide awareness to the public on AML/CFT issues and the work of the FIU.



FIU e-bulletin and media releases

Staffing

As at the end of 2015, the FIU had eight permanent staff and three officers on secondment from partner agencies (one FPF officer and two FRCA officers). There was one staff resignation and one new staff appointment during the year.

The FIU also engaged a trainee worker from a local tertiary institution as part of the RBF's on-going on-the-job program for local tertiary institutions. In 2015, three trainee workers were engaged with the FIU on short-term attachment program.

Funding and Expenditure

The RBF continued to fund the operations of the FIU in 2015. The FIU's total expenditure for 2015 was \$770,386 compared \$727,632 in 2014, an annual increase of 5.9 percent. The 2015 expenditure of the FIU is incorporated into the 2015 financial statements of the RBF and is audited as part of its 2015 annual accounts.

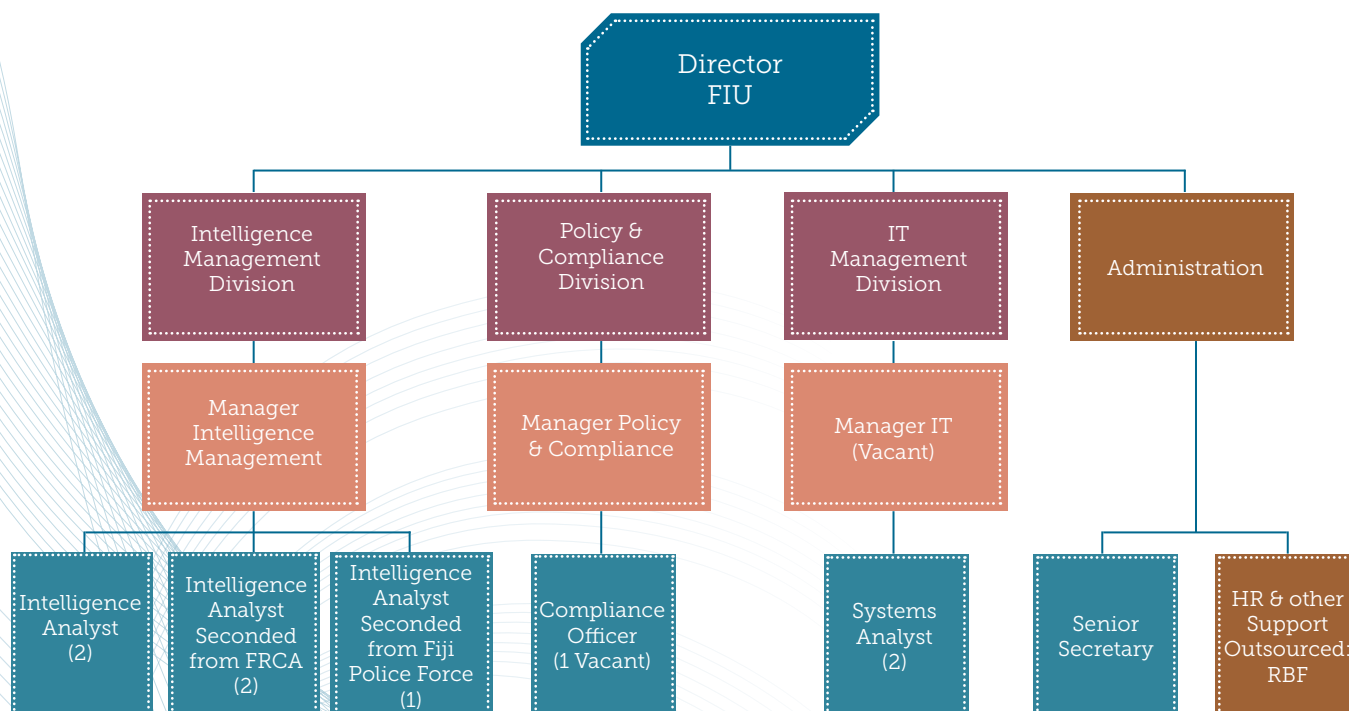
FIU Funding and Expenditure

	2013	2014	2015
Operating Expenditure ³	\$662,635	\$710,780	\$724,532
Capital Expenditure	\$36,339	\$16,852	\$45,854
TOTAL	\$689,974	\$727,632	\$770,386

Source: Reserve Bank of Fiji

³The Reserve Bank provides additional financial support for the FIU in the terms of office space and overhead costs.

Fiji FIU Organisation Structure 2015



Source: Fiji FIU

The RBF also provided other administrative support services to the FIU in 2015 in the areas of human resource management, accounting, information technology services, security services and other general administrative services.

Other Assistance Provided to the FIU

The FIU received indirect funding assistance from FRCA and the Fiji Police Force through the secondment of their staff with the FIU in 2015. The salaries of the seconded officers were fully funded by their respective agencies.

In 2015, the FIU also received funding assistance from various institutions to fund staff attendance at various technical AML/CFT trainings, conventions and meetings. These included the APG, AFI and the Australian High Commission.

Fiji FIU's Information Management System Online [FFIMSO]

Financial institutions continued to use the FIU information management system online (FFIMSO) to report their transactions (STR; CTR; EFTR) electronically to the FIU online. As at the end of 2015, 89 financial institutions had registered on FFIMSO.

Financial Institutions Registered on FFIMSO

Sector	No. of Reporting Entities Registered for Online Reporting to the FIU
Commercial Banks	6
Foreign Exchange Dealers and Money Remitters	9
Mobile Phone Money Remitters	2
Finance Companies	10
Law Firms	37
Insurance and Superannuation	9
Accounting Firms	7
Securities and Brokers	2
Real Estates	3
Others	4
TOTAL	89

Source: Fiji FIU

FFIMSO received an average of 134,236 financial transaction reports per month in 2015. As at the end of 2015, the FFIMSO database had received over 8.4 million financial transaction reports from financial institutions since on-line reporting commenced in 2008.

As at end of 2015, there were 101 authorised users of FFIMSO.

The National AML Council is established under Section 35 of the FTR Act and is Fiji's national AML/CFT coordination committee.

The vision of the National AML Council is "a money laundering-free Fiji that advances economic growth and security." The Council's missions are to:

- i. provide sound and timely policy advice to relevant stakeholders;
- ii. support an effective legal and institutional AML / CFT framework;
- iii. promote integration and co-operation amongst relevant stakeholders;
- iv. ensure compliance with international AML/CFT standards.

The Council seeks to achieve these missions by:

- i. enhancing Fiji's legal framework to eliminate overlapping/conflict in legislations and to mitigate emerging crimes;
- ii. conducting ongoing review and strengthening of AML/CFT framework to ensure compliance with international standards and to mitigate emerging typologies;
- iii. reporting regularly to Government and Parliament on the Council's work.
- iv. enhancing the work of the FIU;

- v. encouraging networking and sharing of information between agencies;
- vi. developing the capacity of the Council.

The members of the National AML Council are:

- i. Permanent Secretary for the Ministry for Justice, as Chairperson;
- ii. Director of the Office of Public Prosecutions;
- iii. Commissioner of Police;
- iv. Governor of the RBF;
- v. Chief Executive Officer of the FRCA; and
- vi. Director of the FIU.

The Council may invite other persons to attend the Council meetings. There are five invited members of the Council. These are:

- Director, Immigration Department
- Permanent Secretary, Ministry of Finance
- Permanent Secretary, Ministry of Defence, National Security and Immigration
- Permanent Secretary, Ministry of Foreign Affairs
- Deputy Commissioner, Fiji Independent Commission Against Corruption

The FIU is the secretariat to the Council.

National AML Council Members 2015



Sharvada Sharma
Solicitor General &
Acting Permanent
Secretary for Justice
(Chairperson)



Barry Whiteside
Governor
Reserve Bank of Fiji



Visvanath Das
Acting Chief
Executive Officer
Fiji Revenue and Customs
Authority



Christopher Pryde
Director
Office of the Director of
Public Prosecutions



Sitiveni Qiliho
Commissioner
Fiji Police Force



Razim Buksh
Director
Financial Intelligence Unit

National AML Council Invited Members 2015



Osea Cawaru
Permanent Secretary
Ministry of Defence,
National Security and
Immigration



Makereta Konrote
Permanent Secretary
Ministry of Finance



Ravindran Robin Nair
Permanent Secretary
Ministry of Foreign Affairs



Nemani Vuniwaqa
Director
Immigration Department



George Langman
Deputy Commissioner
Fiji Independent
Commission Against
Corruption

Functions of the Council

The functions of the Council are provided for in section 35(5) of the FTR Act and are:

1. to advise the FIU and the Minister on any matters relating to the prevention of money laundering or the financing of terrorism;
2. to make recommendations to the Unit and the Minister on any matter relating to the prevention of money laundering or the financing of terrorism;
3. to assist the FIU and the Minister in the formulation of policies or strategies relating to the prevention of money laundering or the financing of terrorism and
4. to assist the FIU in coordination between various Government departments and with statutory corporations.

Council Working Groups

The National AML Council is supported in its work by three working groups, namely:

- i. Legal Working Group
- ii. Supervisors and Regulators Working Group
- iii. Law Enforcement Working Group

The terms of reference of each Working Group is determined by the Council. The Working Groups provide updates at the National AML Council meetings on its achievements.



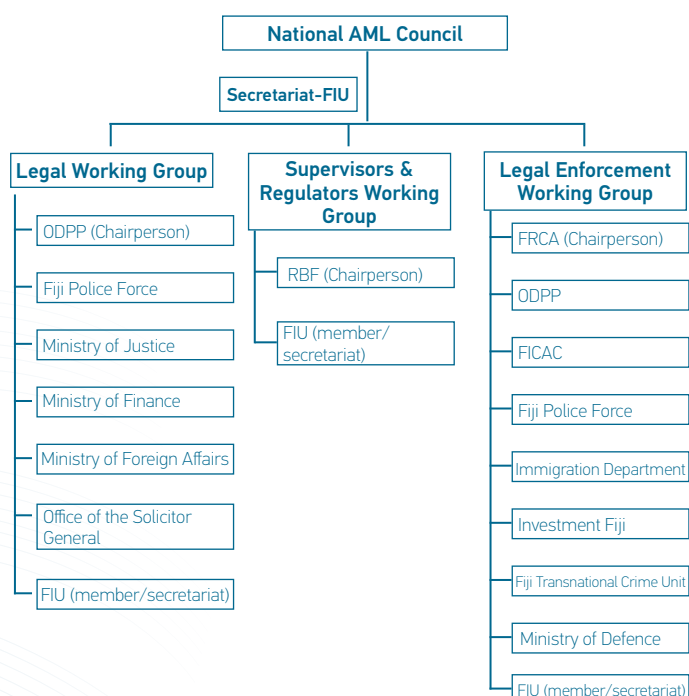
National AML Council meeting on the Fiji NRA Report, June 2015

Terms of Reference of AML Working Groups

AML Legal Working Group	AML Supervisors & Regulators Working Group	AML Law Enforcement Working Group
- To facilitate the review of relevant legislations to ensure that Fiji has an effective and globally acceptable legislative framework for combating money laundering and other related offences. - To facilitate the ratification of relevant international conventions. - To administer the forfeiture asset fund. - To facilitate matters relating to international assistance and extradition.	- To facilitate networking and sharing of information amongst regulators regarding the supervision of financial institutions for compliance with the FTR Act. - To conduct joint AML compliance programs. - To advise the Council on financial institution's compliance with legislative AML requirements.	- To facilitate networking amongst law enforcement agencies to enable: a) better sharing of information amongst agencies; b) the effective investigation and prosecution of money laundering and other related financial offences; and c) sharing of technical expertise and resources - To advise the Council on issues relating to investigation and prosecution of money laundering and other related offences.

The members of the Working Groups are representatives from relevant agencies who contribute towards Fiji's AML/CFT initiatives. The chairpersons of the Working Groups are elected by the members. The FIU is a member and is the secretariat of the three Working Groups.

National AML Council and Working Groups



Council's Activities in 2015

The Council met four times during 2015 including two special meetings with the APG ME team.

Council Meetings 2011-2015

2011	2012	2013	2014	2015
2 February	22 February	4 April	12 March	10 February
18 May	23 May	14 August	25 June	3 June
13 September	4 September	26 November	-	12 October ⁴
-	20 December	-	-	23 October ⁵

Source: Fiji FIU

In 2015, the Council was involved in providing oversight over two key national projects namely, Fiji's NRA (identifying and assessing the risk of money laundering and terrorist financing in Fiji) and the mutual evaluation. The Council provided strategic guidance on these two important events.

In 2014, the Council had approved the setting up of a NRA taskforce to be responsible for conducting the NRA. During 2015, the Council provided support to the NRA Taskforce to carry out the NRA. Agencies represented in the Council were key contributors of data needed to identify and assess risk under the NRA. The National AML Council also endorsed the NRA report which was tabled by the NRA Taskforce.

The National AML Council also contributed to Fiji's mutual evaluation process by providing guidance, technical input and data needed by the APG assessment team. The Council met with the assessment team at the beginning of the onsite visit in 2015. At the conclusion of the onsite visit, a second meeting was

held between the Council and the assessment team where the preliminary findings of the assessment team were discussed. The Council was also involved in the review of the draft mutual evaluation reports provided by the APG to Fiji as part of the reporting phase of the mutual evaluation. In 2016, the Council will continue to be involved in finalisation of Fiji's mutual evaluation report before it is tabled at the APG Annual Plenary in July 2016.

The Director FIU and senior officers representing members of the Council also attended the APG Plenary Meeting.

The Legal and Law Enforcement Working Groups held meetings and worked on a number of projects during 2015. These included discussions on finalisation of a manual to support the implementation of the Proceeds of Crime (Management and Disposal of Property) Regulations.

The Law Enforcement Working Group was involved in improving procedures for the implementation of the border currency declaration requirements at the borders.

Number of Working Group Meetings 2011-2015

Working Group	2011	2012	2013	2014	2015
Legal Working	6	4	4	7	5
Law Enforcement	5	3	3	4	2
Joint Legal and Law Enforcement	-	-	-	2	-
Supervisors and Regulators	3	2	-	-	-

Source: Fiji FIU

⁴Special Meeting with the APG ME team

⁵Special Meetings with the APG ME team

APPENDIX 1: GUIDELINES ISSUED BY THE FIU

Guideline Reference	Title	Date Issued	Purpose of Guideline
Guideline 1	Suspicious Transactions	26 October 2007	To provide guidance on how to identify suspicious transactions and report these suspicious transactions.
Guideline 2	Reporting a Suspicious Transaction by Paper	26 October 2007	To provide guidance to financial institutions on how to complete a "suspicious transaction report" form.
Guideline 3	Reporting Cash Transactions of \$10,000 or above by Paper	22 May 2009	To provide guidance to financial institutions on how to report cash transactions of \$10,000 and above using the paper report forms.
Guideline 4	Customer Identification & Verification	20 August 2009	To explain the customer identification and verification requirements of the FTR Act and Regulations and provide practical guidance on how to apply these customer verification requirements.
Guidelines Issued by the RBF			
Banking Supervision Policy No. 6	Minimum Requirements for Licensed Financial Institutions for the Management of Money Laundering and Terrorist Financing Risk	November 2014	The Policy sets out the minimum requirements on establishing a risk management framework comprising of systems, structures, processes and people within which licensed financial institutions identifies, assesses, mitigates and monitors money laundering and terrorist financing risk.

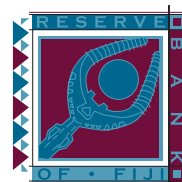
Source: Fiji FIU and RBF

APPENDIX 2: POLICY ADVISORIES ISSUED BY FIU

Reference	Subject	Purpose of Advisory	Issue Date
1/2007	Customer Due Diligence of Existing Customers' Accounts	To explain how and when due diligence is to be applied to existing customers of financial institutions.	15 March 2007
2/2007	Customer Due Diligence of Customers Who Have Insufficient or No Official Identification Documents	To provide further guidance on how due diligence is to be applied to new customers who have insufficient or no official identification documents.	11 April 2007
3/2007	Identification and Verification of a Customer's Signature	To provide further guidance on how to identify and verify a customer's signature.	26 April 2007
4/2007	Identification and Verification of Occasional Customers	To provide further guidance on how to identify and verify occasional customers.	14 June 2007
5/2007	Risk Based Approach	To provide guidance on how to apply the FTR Act and Regulations on a risk based approach.	22 June 2007
6/2007	Application of Exemption Provisions for Reporting of Cash Transactions	To provide guidance on how to apply the exemption provisions relating to cash transaction reporting requirements.	9 July 2007
7/2007	Record Keeping	To provide further guidance on the record keeping requirements of the FTR Act.	11 July 2007
1/2008	Identification and Verification of Customers of Insurance Providers	To provide further guidance to insurance companies, brokers and agents on their obligations to identify and verify their customers' identity.	23 January 2008
2/2008	Identification and Verification of Clients and Beneficiaries of Employer Funded Group Life Insurance Policies	To provide guidance on how insurance companies and intermediaries can apply the identification requirements to clients of employer funded group life insurance policies.	24 November 2008
1/2010	Identification and Verification of a Customer's Signature	To provide guidance on how to identify and verify a customer's signature. This Advisory supersedes and replaces Policy Advisory 3/2007 of 26 April 2007.	11 August 2010
2/2010	Use of Referee Letter to Verify a Customer's Identity	Pursuant to Section 4(4)(a) of the FTR Act, to allow financial institutions to rely solely on a letter from a suitable referee to verify a low risk customer who does not have or is unable to provide any formal identification documents.	27 August 2010
3/2010	Refugee Identity Card	To advise financial institutions of the identification documents pertaining to customers who have been granted Asylum Seeker and Refugee status by the Fiji Government.	17 September 2010
4/2010	Identification of Customers of Telephone Financial Services	To provide guidance to telephone service providers that provide financial services to customers on the customer identification requirements under the FTR Act and how it relates to the Decree on Compulsory Registration of Customers for Telephone Services (2010).	17 September 2010
1/2012	Subsequent Reporting of Suspicious Transactions	To provide clarification on the need for continuous reporting of customers who have been previously reported to the FIU as engaging in suspicious transactions.	28 March 2012
2/2012	Voter Identification Card	To advise financial institutions of the inclusion of the Fiji Voter Identification Card for identification and verification of certain customers and clients.	22 August 2012
1/2013	FNPF/FRCA Joint Identification Card	To advise financial institutions of the inclusion of the FNPF/FRCA Joint Identification card for identification and verification of their customers and clients.	15 November 2013

Source: Fiji FIU

APPENDIX 3: PRESS RELEASES



PRESS RELEASE

Press Release No.: 03/2015
Date: 10 February 2015

Telephone: (679) 331 3611 Facsimile: (679) 330 2094
E-mail: info@rbf.gov.fj or info@fijifiu.gov.fj

ASSESSMENT OF FIJI'S MONEY LAUNDERING AND TERRORIST FINANCING RISK

Fiji will be undertaking a national assessment of its money laundering and terrorist financing risks from February 2015.

This national risk assessment (NRA) is a requirement under the international standards on anti-money laundering (AML) and combating the financing of terrorism (CFT). Countries are required to identify, assess and understand the money laundering and terrorist financing risks that they face in their jurisdiction. The NRA will assist the Fijian Government to:

1. understand the sources and methods of money laundering in Fiji;
2. identify vulnerabilities and risks for money laundering and terrorist financing across various sectors; and
3. evaluate weaknesses in the institutional systems for dealing with money laundering and terrorist financing.

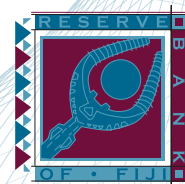
The NRA project is led by officers from the Ministry of Justice and the Financial Intelligence Unit together

with a NRA taskforce comprising officials of the National Anti-Money Laundering Council members. The Solicitor-General and Acting Permanent Secretary for Justice, Mr Sharvada Sharma as the Chairperson of the National AML Council, will provide oversight of the NRA.

The Asian Development Bank will provide technical assistance towards this project through the engagement of a technical consultant, who will assist the taskforce and relevant government officials to conduct the NRA. The outcome and recommendations of the NRA will be submitted to the National AML Council.

The Solicitor-General has commented that the NRA will help authorities to understand the level of money laundering and terrorist financing risks present in Fiji, and that it will enable the Government and relevant authorities to apply AML/CFT measures which are commensurate with these risks. The Solicitor-General further noted that the NRA process will assist Fiji in its AML/CFT framework peer review and mutual evaluation which will be conducted by the Asia Pacific Group on Money Laundering in October 2015.

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No.: 20/2015
Date: 24 July 2015

Telephone: (679) 331 3611 Facsimile: (679) 330 2094
E-mail: info@rbf.gov.fj or info@fijifiu.gov.fj

FINANCIAL INTELLIGENCE UNIT RELEASES 2014 ANNUAL REPORT

The Financial Intelligence Unit (FIU) 2014 Annual Report was tabled in Parliament on 9 July 2015 by the Honourable Attorney-General and Minister for Justice, Mr Aiyaz Sayed-Khaiyum. The Report provides information on key achievements and performance of the FIU for 2014.

The Director of the FIU, Mr Razim Buksh said that the FIU, in partnership with key government agencies and the private sector, continued to implement important anti-money laundering (AML) initiatives during 2014. This also enabled Fiji to strengthen compliance with international AML requirements.

In 2014, the FIU received 383 suspicious transaction reports and disseminated 241 intelligence reports to law enforcement agencies for further investigation of possible money laundering and other serious offences. The FIU continued to provide assistance to the Fiji Police Force, Fiji Independent Commission Against Corruption, Fiji Revenue and Customs Authority and other local law enforcement agencies relating to ongoing criminal investigations. Mr Buksh said that the FIU is empowered under the Financial Transactions Reporting Act to conduct in-depth financial profiling, asset tracking, and proactive monitoring of financial

transactions and activities of individuals and entities that are referred to it in suspicious transaction and other reports. The FIU also provided assistance to other Government agencies through conducting background checks on persons or entities of interest.

On the international front, the FIU continued to strengthen its networking and coordination with foreign counterparts through the signing of Memorandum of Agreement for information exchange with three foreign FIUs. The FIU also continued to support the development of other regional FIUs through technical assistance and work attachments.

Mr Buksh acknowledged the continued support received from financial institutions, law enforcement agencies and other relevant agencies that enabled the FIU to effectively carry out its functions in 2014. Mr Buksh said that the work of the FIU not only contributes to the apprehension of criminals and their criminal wealth, but it also supports and protects the integrity and safety of the financial system in Fiji.

The FIU is funded by the Reserve Bank of Fiji.

RESERVE BANK OF FIJI

PRESS RELEASE

Press Release No.: 22/2015
Date: 28 July 2015

Telephone: (679) 331 3611 Facsimile: (679) 330 2094
E-mail: info@rbf.gov.fj or info@fijifiu.gov.fj

FIJIAN OFFICIALS ATTEND APG MEETING

Fijian government officials recently attended the 18th annual plenary meeting of the Asia Pacific Group on Money Laundering (APG) which was held from 11-17 July in Auckland, New Zealand.

Fiji is a member of the APG and contributes to important plenary discussions and decisions at the annual meetings. The Fijian delegation comprised senior officials from the Office of the Director of Public Prosecutions, Reserve Bank of Fiji, Office of the Solicitor General, Fiji Police Force, Fiji Revenue and Custom Authority, Fiji Independent Commission Against Corruption and the Financial Intelligence Unit.

The meeting discussed various membership issues including reports of countries compliance with the international anti-money laundering (AML) and combatting the financing of terrorism (CFT) standards. Members of the APG undergo peer assessments of their compliance with these standards. The Auckland meeting discussed and adopted five evaluation reports of Australia, Samoa, Malaysia, Sri Lanka, and Vanuatu. Fiji also provided an assessor and a reviewer in two mutual evaluations and raised a number of important interventions and comments at the meeting.

The meeting also discussed Fiji's upcoming mutual evaluation in October 2015. This peer assessment will see how well Fiji is complying with the international AML/CFT standards that includes, among other things, AML/CFT laws, policies, coordination, powers of the law enforcement authorities, FIU, preventative measures for banks and other financial institutions, ML convictions and confiscation of proceeds of crime.

Mr Razim Buksh, Director of the FIU who led the Fijian delegation to the meeting, said that Fiji's mutual evaluation onsite visit will be very intensive and will see the involvement of both the public sector and private sector agencies. The National AML Council is now making preparations for the onsite visit by a team of experts in October 2015.

Mr Buksh said that Fiji also raised key global compliance issues at the meeting and called for greater flexibility when assessing compliance of AML/CFT standards for low risk and low capacity countries.

Mr Buksh said that the 2016 APG annual plenary meeting will be held in July in Bangladesh where Fiji's mutual evaluation report will be discussed and adopted.

RESERVE BANK OF FIJI

PRESS RELEASE

Press Release No.: 24/2015
Date: 11 August 2015

Telephone: (679) 331 3611 Facsimile: (679) 330 2094
E-mail: info@rbf.gov.fj or info@fijifiu.gov.fj

FIJI COMPLETES NATIONAL RISK ASSESSMENT ON MONEY LAUNDERING AND TERRORIST FINANCING

A national risk assessment was conducted by the National AML Council as part of Fiji's anti-money laundering (AML) and combating the financing of terrorism (CFT) program.

The Director of the Financial Intelligence Unit (FIU), Mr Razim Buksh said the outcomes of the NRA will assist the National AML Council and its members to better understand ML and FT risks and prioritise resources to mitigate these risks more effectively. Mr Buksh said that outcomes will be also used by the commercial banks and other financial institutions to develop their AML/CFT programs based on risks and vulnerabilities identified in the NRA report.

The NRA report noted that Fiji has the basis of a very good AML and CFT program. All necessary legislation has been introduced, AML/CFT supervisors are operational, cases have been investigated and a number of ML cases have been before the courts and penalties applied.

There has been a high level of political will to ensure that significant legislative reform has recently been carried out in Fiji and that ML/FT are addressed as a priority. Although the ML/FT related laws are generally adequate, some amendments are still required to strengthen the AML/CFT program.

Although a significant portion of the ML/FT risks are borne by the banking sector with regard to illicit cash and electronic funds, the NRA report noted that the

Reserve Bank of Fiji as the highest capacity supervisor has taken key steps to mitigate the risk in the financial sector. National coordination amongst government agencies for AML/CFT purposes is generally good.

The NRA report identified the following areas as having high ML/FT risks and vulnerabilities:

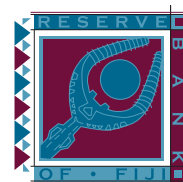
1. Illicit drug related offences and fraud against the Government (including income tax evasion, VAT fraud and duty evasion) have been identified as the most significant generators of illicit funds in Fiji.
2. Illicit funds resulting from deception, misappropriation, cybercrime, bribery and corruption and the illicit cross border movement of currency are other potential ML/FT threats.
3. The movement of funds, both cash and electronic wire transfers that originate from offshore has also been identified as a concern and a potential enabler for ML/FT to occur in and through Fiji.
4. Fiji's relatively diverse financial sector creates a number of vulnerabilities which can lead to the escalation of ML/FT. The commercial banks are considered to be very highly vulnerable to ML/FT. Foreign exchange dealers, safe custody facilities, and the real estate sector in Fiji were found to be vulnerable to ML/FT.

RESERVE BANK OF FIJI



Fiji FIU

Fiji Financial Intelligence Unit



PRESS RELEASE

Press Release No.: 24/2015

Date: 11 August 2015

Telephone: (679) 331 3611 Facsimile: (679) 330 2094

E-mail: info@rbf.gov.fj or info@fijifiu.gov.fj

FIJI COMPLETES NATIONAL RISK ASSESSMENT ON MONEY LAUNDERING AND TERRORIST FINANCING (*continued*)

5. Border controls use a range of physical and electronic surveillance resources and a number of persons failing to declare border currency movements have been identified and prosecuted. However, the system has limited effectiveness in detecting the movement of cash into and out of Fiji, particularly at the seaports.

Mr Buksh said that based on the NRA, Fiji is not considered to have a significant ML/FT risk. However, he said that the NRA report has identified key strategies for consideration to ensure that ML/FT does not escalate in the higher risk areas, that any new ML/FT risks are identified at an early stage and that mitigating strategies are implemented to minimise the level of that ML/FT risk. These strategies are in the following areas:

- a) Cash economy;
- b) Supervision of non-regulated "financial institutions";

- c) Technical resources; and
- d) Financing of Terrorism (due to high risk globally).

The NRA report noted that the risk of financing of terrorism in Fiji is assessed as low.

Mr Buksh said that the National AML Council is aware of some of the high risk areas, such as, drug trafficking and tax fraud, and said that relevant agencies, such as, the Fiji Police Force, FRCA and the FIU have already deployed significant resources and effort in mitigating these risks. Mr Buksh added that more needs to be done and called on all stakeholders to make a more concerted effort to combat complex crimes such as money laundering, drug trafficking, tax evasion, terrorist financing, corruption, deception, misappropriation, cybercrime, human trafficking and the illicit cross border movement of currency.

RESERVE BANK OF FIJI

	Year	2011	2012	2013	2014	2015
Intelligence and Information Reports to Stakeholders	Case Dissemination Reports	318	246	284	241	255
	Information Dissemination Reports	194	133	160	123	191
	Due Diligence Reports	49	122	46	20	27
Notices to Financial Institutions	Alert Notices	6	8	8	7	7
	Directives	2	4	5	5	11
	Year	2011	2012	2013	2014	2015
Transaction and Currency Reports Received by FIU	Cash Transaction Reports	144,191	200,404	380,430	1,042,074	579,849
	Electronic Fund Transfer Transaction Reports	450,849	830,959	1,147,728	1,308,633	1,029,993
	Suspicious Transaction Reports	728	579	522	383	516
	Border Currency Reports	194	477	459	557	491
	Year	2011	2012	2013	2014	2015
Education and Awareness	Number of employees of Financial Institution	119	453	27	147	270
	Number of Financial Institutions	5	8	1	6	3
	Employees of Law Enforcement Agencies	165	135	232	123	84
	National AML Learning Centre-Number Completed Courses	59	39	22	92	87

Source: Fiji FIU

JANUARY

- 29 Director Fiji FIU appointed as the regional representative of the Egmont Group for the Asia and Pacific region

FEBRUARY

- 9-13 1st Onsite Visit of the NRA Consultant
10 National AML Council Meeting (1/2015)
11 Workshop for the NRA Task Force AML Compliance Officers Briefing on Fiji's NRA
19 AML Law Enforcement Working Group Meeting 1/2015

MARCH

- 26 FIU e-Bulletin Issue 2 released

APRIL

- 8 AML Legal Working Group Meeting (1/2015)
13 Submitted Fiji's Technical Compliance Report to APG
13-17 2nd On-site Visit of NRA Consultant Meetings with government and private sector stakeholders on NRA
21 Vikash Prakash Mehta sentenced to 8 years imprisonment for money laundering
27-1 May Fiji FIU IT Technical Assistance visit to Cook Islands FIU

MAY

- 5-7 Samoa's Mutual Evaluation Face-to-Face Meeting, Apia, Samoa
18 AML Legal Working Group Meeting 2/2015
18-22 Pacific FIU Attachment Program (Palau, Solomon Islands and PNG FIUs)
25-27 AFI GSP Working Group meeting, Kuala Lumpur, Malaysia

JUNE

- 1-3 3rd On-site Visit of NRA Consultant.
High level discussions by the NRA Taskforce on the NRA report
3 National AML Council Meeting (2/2015)
Briefing to the National AML Council on the NRA findings
NRA Report endorsed by National AML Council
7-12 Egmont Group Annual Plenary, Bridgetown, Barbados
9 Signed MOU with Japan and Bangladesh FIU, Barbados
18 AML Legal Working Group Meeting 3/2015

JULY

- 7 AML Law Enforcement Working Group Meeting 2/2015

- 13-17 APG Annual Meeting, Auckland, New Zealand
20-24 Crisis Management Course, Radisson Resort Denarau, Nadi
24 FIU Press Release - FIU Releases 2014 Annual Report
27 NRA Report circulated to NRA Taskforce member agencies
28 FIU Press Release - Fijian Officials Attend APG Meeting

AUGUST

- 6 NRA Report circulated to financial institutions
13 Stakeholders briefing requesting comments on Fiji's draft technical compliance report received from APG as part of Fiji's mutual evaluation process
11 Briefing for representatives of financial institutions, law enforcement authorities, relevant government agencies and the media on Fiji's NRA report
FIU Press Release - Fiji completes National Risk Assessment on Money Laundering and Terrorist Financing.
18 Submitted board paper on Fiji's National Risk Assessment to RBF Board.
31 -4 Sept AFI Global Forum 2015, Maputo, Mozambique

SEPTEMBER

- 7 Meeting with Mutual Evaluation Taskforce
17 Mutual Evaluation Briefing with Stakeholders

OCTOBER

- 12 National AML Council Meeting (2/2015)
12-23 Fiji's Mutual Evaluation on-site visit by APG evaluation team
19 Savita Singh sentenced to 5 years imprisonment for money laundering

NOVEMBER

- 3-5 ARIN-AP Annual General meeting, Sydney, Australia
9 AML Legal WG Meeting 4/2015
12 Chris Ronil Singh sentenced to 4 years imprisonment for money laundering
16-20 APG Typologies Workshop, Kathmandu, Nepal
30-5 Dec FIU Information System Maturity Model and Securing A Financial Intelligence Unit Training, Lima, Peru

DECEMBER

- 11-12 Attorney-General's Conference 2015, Inter Continental Fiji Golf Resort and Spa
16 Received 1st draft of Fiji's MER from APG

STRATEGIC ANALYSIS REPORT 2015



Fiji FIU
Fiji Financial Intelligence Unit



1 Strategic Analysis Overview

Overview

The FIU undertakes additional detailed analysis of financial transaction information and converts it into meaningful outputs. This is called Strategic analysis.

This report provides some highlights of Strategic analysis on the types of reports that the FIU receives and a summary of the trends and case studies identified in 2015.

Strategic analysis outcomes enable the FIU and its stakeholders to understand the patterns and trends

on suspicious transaction reports (STRs), money laundering and related issues. It has also enabled the FIU to draw conclusions for the strategic prevention of money laundering and the financing of terrorism in Fiji, to provide input for policy formulation and for setting operational priorities. Strategic analysis has also assisted the FIU to develop knowledge (strategic intelligence) relating to money laundering, the financing of terrorism and other threats to the security of Fiji's financial systems.

2 Outcomes

Suspicious Transaction Reports

In 2015, majority of the STRs continued to be reported by commercial banks followed by the money remittance service providers (MRSPs). The STRs reported by the MRSPs showed an increase of 6 percent in 2015 compared to 2014. The total annual value of suspicious transactions that were reported to the FIU in 2015 increased to \$82.7 million from \$69.4 million in 2014 due to a rise in the number of STRs reported to the FIU in 2015. Majority of the STRs continued to be reported on the grounds of suspected tax evasion followed by unusual account activity and unusual large transfers. Approximately 69 percent of the STRs submitted by financial institutions in 2015 were reported on transactions valued below \$50,000, out of which 30 percent of STRs were on transactions valued below \$5,000. 'Cash' continued to be the primary financial instrument type that is reflected in the STRs reported to the FIU. The majority, 74 percent of the STRs reported in 2015 involved Fijian currency. There were 447 (87%) STRs reported on transactions conducted by individuals/personal customers. 56 percent of STRs on individuals were reported on customers over the age of 40 years. Majority of the STRs continue to be received from financial institutions based in the Central/Eastern Division due to concentration of economic and commercial activities in this division.

Cash Transaction Reports

The FIU received 579,849 cash transaction reports (CTR) in 2015 averaging around 48,321 CTRs per month. As part of the FIUs reporting compliance and data quality

project in 2014, a substantial number of backdated CTRs were submitted to the FIU, hence, the decrease in CTRs reported in 2015. As expected, the majority (99 percent) of the CTRs received during 2015 were reported by commercial banks. The majority (41 percent) of CTRs received by the FIU were for cash transactions between \$10,001.00 and \$20,000.00.

Electronic Funds Transfer Reports

The FIU received 1,029,993 electronic funds transfer reports (EFTRs) in 2015 averaging around 85,833 EFTRs per month. In 2014, the FIU carried out a reporting compliance and data quality project where a substantial number of backdated EFTRs were submitted to the FIU resulting in the large number of EFTRs received in 2015. Majority (68 percent) of EFTRs were received from the money remittance service providers. EFTRs may involve remittances into Fiji (inward) or remittances out of Fiji (outward). Majority (75 percent) of EFTRs received during 2015 were for inward remittances. Only a very small number and percentage of EFTRs were conducted through the mobile phone banking sector.

Border currency Reports

In 2015, 491 BCRs were submitted to the FIU compared to 557 BCRs in 2014. There were more declarations made by outbound travellers compared to inbound travellers in 2015. The total value of currency declared by travellers in the BCRs in 2015 was \$31.9 million compared to \$29.9 million in 2014.

Reporting Financial Institutions

STRs were received by the FIU from various financial institutions including members of the public. The majority of the STRs continue to be reported by commercial banks (2014:70 percent; 2015:77 percent) followed by the money remittance service providers (2014:11 percent; 2015:17 percent). The STRs reported by the money remittance service providers in 2015 was 86 while 43 STRs was filed by this sector in 2014. The STRs reported by the MRSPs shows a 6 percent increase in 2015 compared to 2014. The increase is due to increased awareness to the sector through trainings and close engagement and consultations with this sector during Fiji's national risk assessment exercise and mutual evaluation of Fiji's AML/CFT framework.

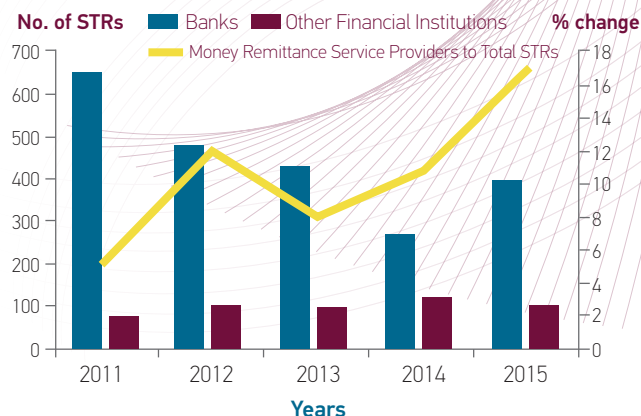
Summary of Reporting Financial Institutions

Financial Institutions and Persons Reporting	Number of STRs Received				
	2011	2012	2013	2014	2015
Commercial Banks	650	477	425	267	397
Money Remittance Service Providers	39	68	42	43	86
Finance Companies	0	0	5	4	2
Members of the Public	24	22	40	58	18
Regulatory Authorities	1	3	3	3	5
Law Firms	5	4	0	1	0
Accounting Firms	2	1	2	1	0
Insurance Companies and Superannuation	1	2	3	2	0
Securities, Unit Trusts	0	0	0	1	3
Real Estate Businesses	2	1	1	1	2
Others	4	1	1	2	3
TOTAL	728	579	522	383	516

Source: Fiji FIU

The two DNFBPs (law firms and accounting firms) did not report any STRs in 2015. Three STRs were reported from the securities and unit trusts sector in 2015.

Summary of Reporting Financial Institutions



Source: Fiji FIU

Value of Transactions Reported as Suspicious

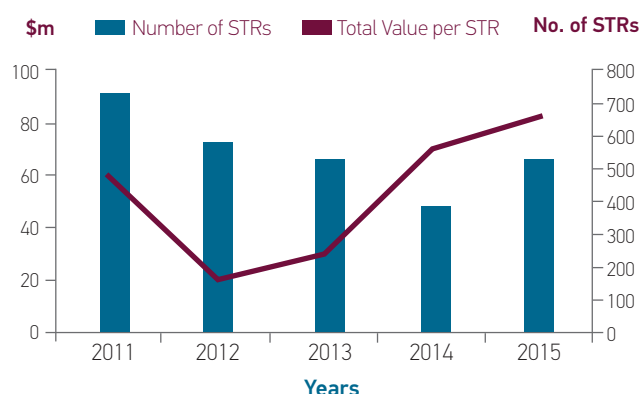
The total annual value of suspicious transactions that were reported to the FIU in 2015 increased to \$82.7 million from \$69.4 million in 2014. The increase is attributed to a rise in the number of STRs reported to the FIU in 2015. The average value of a transaction reported to the FIU in 2015 as suspicious was \$160,373 compared to \$181,205 in 2014.

Total Value of Transactions Reported as Suspicious

	2011	2012	2013	2014	2015
Total Value (\$ million)	59.5	20.0	29.4	69.4	82.7
Number of STRs	728	579	522	383	516
Average Value reported (\$ per STR)	82,000	35,000	56,000	181,205	160,373

Source: Fiji FIU

Total Value of Transactions Reported as Suspicious



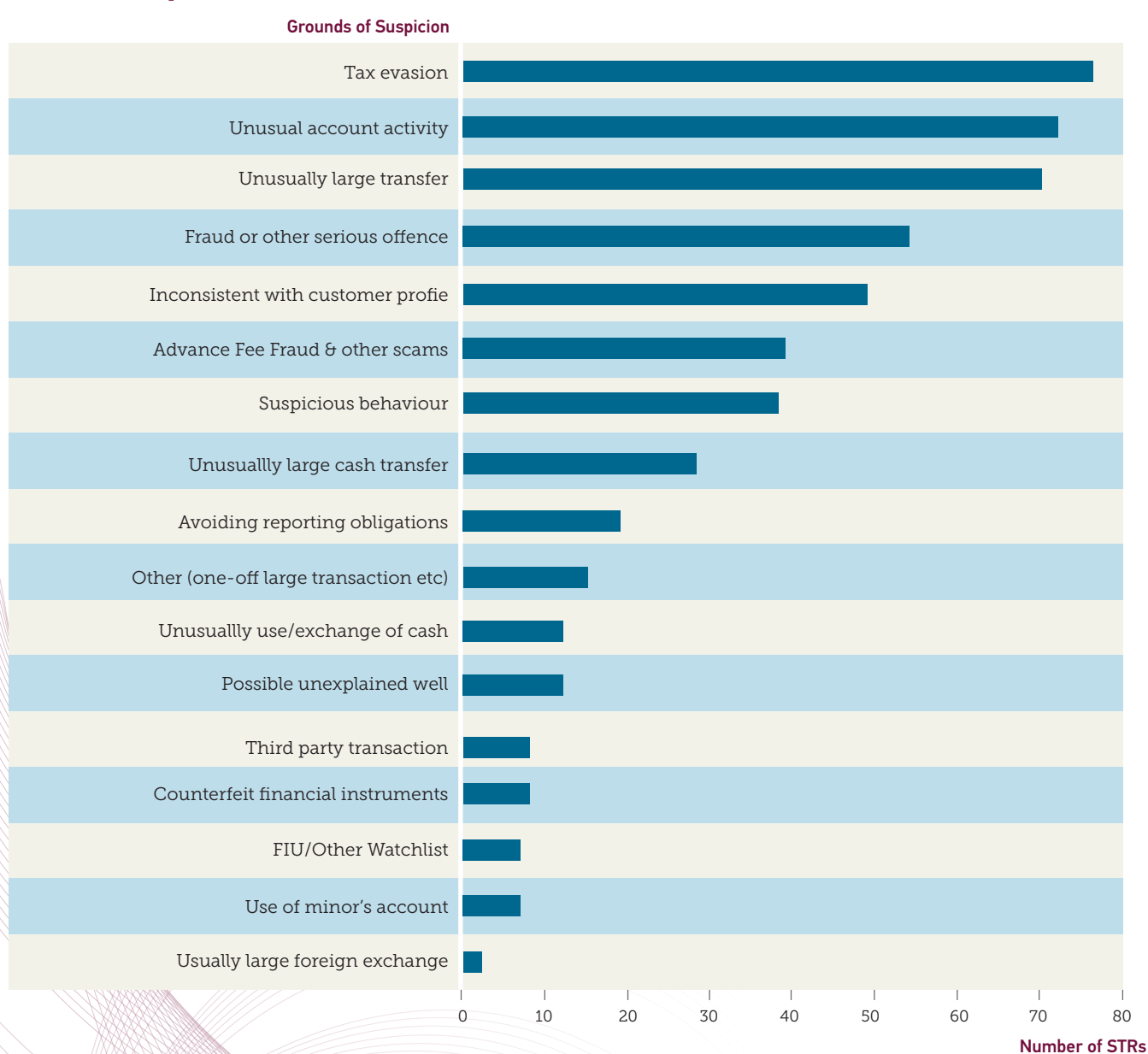
Source: Fiji FIU

“Grounds for Suspicion” in Suspicious Transaction Reports

In 2015, majority of the STRs continued to be reported on the grounds of suspected tax evasion (2014:18 percent; 2015:15 percent). Unusual account activity and unusual large transfers were prevalent contributing to approximately 28 percent of the total STRs reported to the FIU in 2015.

Reporting financial institutions also clearly highlighted suspected fraud and other serious offences and inconsistent customer profile as common grounds of suspicion detected and reported by financial institutions in 2015. There was a general decline in reporting of transactions related to use of third parties to conduct transactions (2014:3 percent; 2015:2 percent).

Grounds for Suspicion on STRs Received 2015

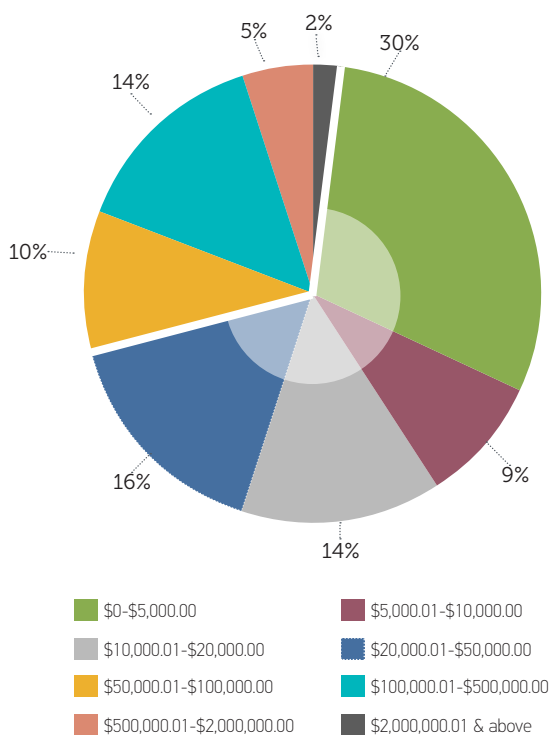


Source: Fiji FIU

Suspicious Transactions by Transaction Value

There is no monetary threshold under the FTR Act for reporting suspicious transactions. Thus, any suspicious transaction must be reported to the FIU regardless of the amount involved in the transaction, including the reporting of attempted transactions. Previous trends indicate that suspicious transactions do not always involve substantial dollar amounts.

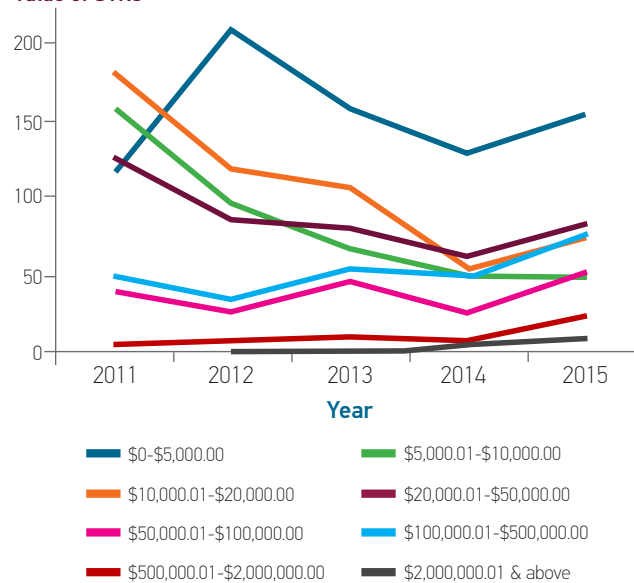
The majority (69 percent) of the STRs submitted by financial institutions in 2015 were reported on transactions valued below \$50,000, out of which 30 percent of STRs were on transactions valued below \$5,000. STRs involving large value transactions of \$0.5 million and more accounted for 7 percent of total STRs reported in 2015 compared to 3 percent in 2014.



Source: Fiji FIU

Transaction Value	Number of STRs	Percentage of STRs
\$0 - \$5,000.00	153	30
\$5,000.01 - \$10,000.00	48	9
\$10,000.01 - \$20,000.00	74	14
\$20,000.01 - \$50,000.00	82	16
\$50,000.01 - \$100,000.00	51	10
\$100,000.01 - \$500,000.00	75	14
\$500,000.01 - \$2,000,000.00	24	5
\$2,000,000.01 & above	9	2
TOTAL	516	100

Value of STRs



Source: Fiji FIU

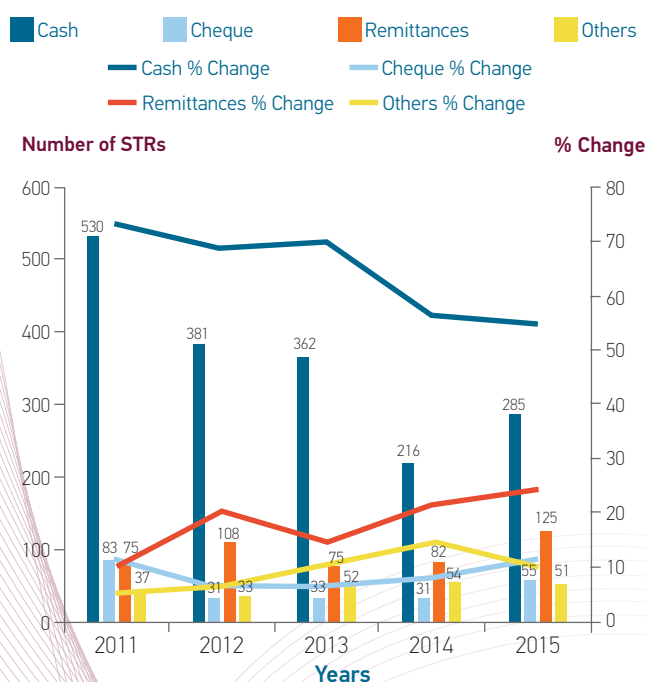
Suspicious Transactions by Instrument Type

'Cash' continued to be the primary financial instrument type that is reflected in the STRs reported to the FIU in 2015. Out of the 516 transactions reported as suspicious in 2015, 285 (55 percent) involved cash transactions.

The types of financial instruments involved in STRs include:

1. Cash (local and foreign currency);
2. Cheque (bank cheques/drafts, personal and company cheques);
3. Remittances; and
4. Other instruments (account-to-account transfers, credit cards and travellers cheques).

There has been an increase in the number of STRs reported in 2015 on cash, cheque and remittance transactions.

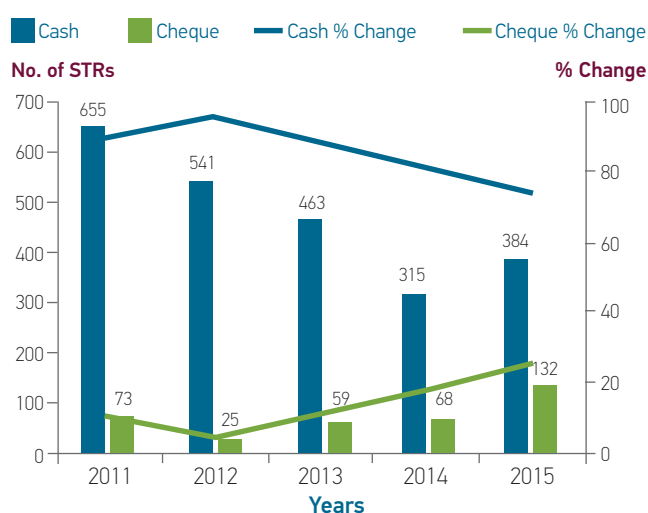


Suspicious Transactions by Currency Type

The majority (74 percent) of the STRs reported in 2015 involved Fijian currency.

The suspicious transactions that involved foreign currency increased to 26 percent of total STRs in 2015 compared to 18 percent in 2014.

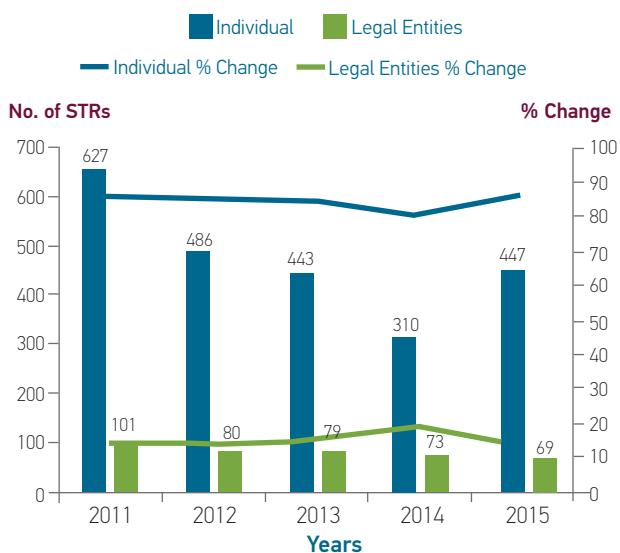
The increase in use of foreign currency reported in STRs reflects the gradual increase in remittances as a payment instrument since the remittances involved foreign currency.



Suspicious Transaction Reports by Customer Type

There were 447 (87 percent) STRs reported on transactions conducted by individuals/personal customers and 69 (13 percent) by corporate and business entities in 2015.

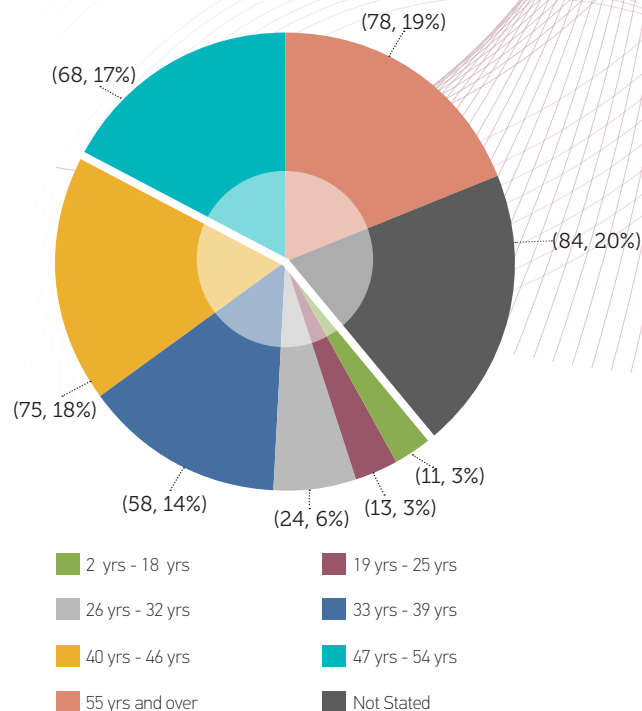
The number of STRs reported in 2015 on legal entities such as companies continued to decline to 69 (2014:73) STRs. It was also noted that some of the transactions reported on individuals were indirectly linked to legal entities such as companies and sole proprietorships.



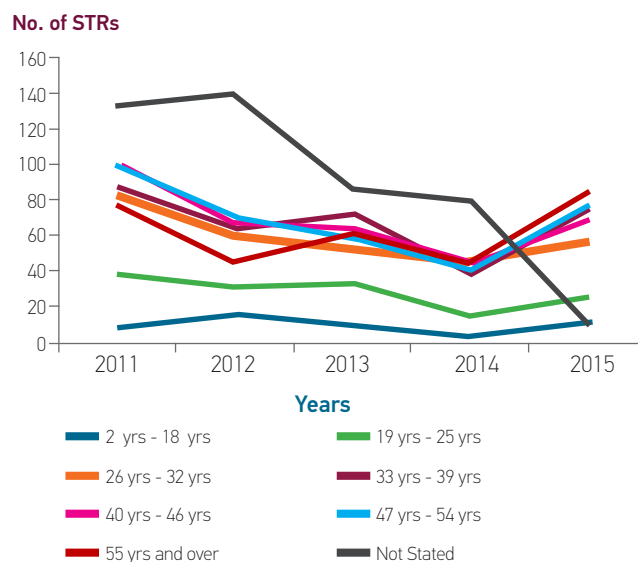
Source: Fiji FIU

Suspicious Transaction Reports by Customer Age

56 percent of STRs on individuals were reported on customers over the age of 40 years. 13 STRs were reported on minors (age between 2 years to 18 years) in 2015 compared to 5 STRs in 2014.



Source: Fiji FIU



Source: Fiji FIU

Analysis of money laundering and proceeds of crime conviction cases showed the following in relation to the age bracket of the persons involved.

Year	2 yrs – 18 yrs	19 yrs - 25 yrs	26 yrs - 32 yrs	33 yrs - 39 yrs	40 yrs - 46 yrs	47 yrs - 54 yrs	55yrs and over	Not Stated	TOTAL
2011	11	39	82	88	99	99	76	134	628
2012	16	31	59	63	68	72	47	140	496
2013	12	34	53	72	66	59	61	86	443
2014	5	15	45	37	41	42	45	80	310
2015	13	24	58	75	68	78	84	11	411

Age of Convicted Money Launderers

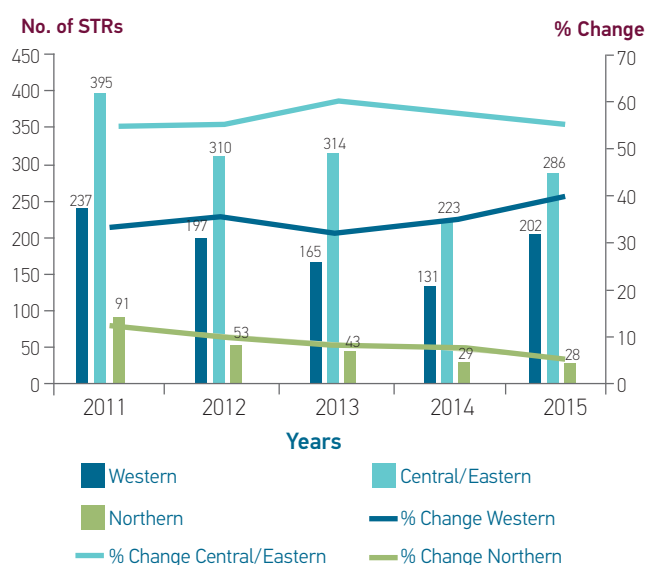
Name of Individual	Year STR was Reported	Age at the time of the offence
Mr Manoj Khera	2004	31 years old
Mr Timothy Aaron O'Keefe	2005	25 years old
Mrs Monika Arora	2007	28 years old
Mr Salendra Sen Sinha	2008	30 years old
Mr Anand Kumar Prasad	2008	28 years old
Mr Deo Narayan Singh	2008	40 years old
Mrs Atisma Kirti Singh	2008	23 years old
Mr Johnny Albert Stephen	2009	39 years old
Ms Doreen Singh	2009	31 years old
Mr Kapil Kushant Samy	2010	24 years old
Ms Nirmala Devi	2011	46 years old
Mr Vikash Mehta	2013	29 year old
Name of Individual	Year of FIU assistance	Age at the time of the offence
Mr Deepak Rajneel Kapoor	2008	25 years old
Mr Robin Surya Subha Shyam	2010	38 years old
Name of Individual	Year of Conviction	Age at the time of the offence
Mr Faiyaz Khan	2013 ¹	38 years old
Ms Savita Singh	2015	32 years old
Mr Chris Ronil Singh	2015	38 years old

Source: Fiji FIU

¹ Year of conviction – FIU was not involved in the investigation of this individual.

Suspicious Transaction Reports by Geographical Location of Reporting Institutions

The FIU receives STRs from various commercial centres in Fiji. Majority of the STRs continue to be received from financial institutions based in the Central/Eastern division due to concentration of economic and commercial activities in this division. The number of STRs received from the Western division 2015 increased to 202 from 131 STRs received in 2014.



Source: Fiji FIU

Reasons for Suspicious Reporting

A financial institution's decision to report a transaction as suspicious to the FIU is based on a number of factors, such as, the:

- customer's usual occupation or business activity;
- customer's transaction history;
- income level and source of income of the customer;
- the complexity, frequency and size of transactions; customer's general background and profile (such as age, citizenship, etc).

These factors individually may seem insignificant but when considered together may raise questions on appropriateness and normality of customer's transaction(s). The above-mentioned indicators can also be based on known money laundering typologies. Financial institutions are required under the FTR Act to know their customers in order to identify transactions that may be unusual, suspicious or questionable for an individual customer or a type or category of customer.

Examples of Reasons for Reporting Transactions as Suspicious

1.	Person X brought cash which was sticky, old bills. Made some other large deposits recently.
2.	Customer received three telegraphic transfers totaling \$161,000 from the same remitter, reported for possible tax evasion.
3.	Customer walked in branch to access safe custody packet. He moved to the side of the counter and an Asian lady accompanied him. He placed \$100 bills into a packet. Then they both walked out together.
4.	Trustee of child's account is conducting several small cash deposits and large withdrawals over \$10,000.00.
5.	Large transactions conducted through bank account from sale and purchase of vehicles.
6.	Customer is a social welfare recipient and receiving unusual deposits. Account appears to be used for XXX impersonation scam.
7.	Large remittances received by customer from individuals suspected of drugs dealing.
8.	On XX April 2015, customer exchanged AUD cash and deposited \$60,000.00 and on XX/April/2015 deposited another \$15,000.00, substantial amount of cash being carried on hand.
9.	Source of funds remitted from High Risk Jurisdiction.
10.	Mr XYZ is a US citizen transferring significant funds to Mr. ABC who is the caretaker of his private resort property. Suspected tax evasion as Mr. XYZ does not want to open a bank account.
11.	Customer opened an account and is a farmer by occupation. There have been 9 deposits and 7 withdrawals since January totaling \$121,500.00.
12.	Email spoofing; Telegraphic transfers sent to a fraudsters account in Dubai.
13.	Two counterfeit \$50 notes were noted whilst customer was making the deposit into his account.
14.	Two newly incorporated entities involved in merchant fraud facilitate through fraudulent account opening documentation.
15.	Exchange funds using fake e-tickets.
16.	Misappropriation of cash by bank tellers who are now suspended. Matter reported to Police station.
17.	Customer (Civil Servant) depositing large cheque deposit into personal, the government cheque that were deposited into his personal accounts were supposedly for payment of goods to the overseas suppliers.
18.	Multiple cash advances from Credit card indicative of "Kite flying" activity.
19.	Third party hacked the Company's Yahoo mail and obtained the company's bank account details and letterhead. Tried to transfer the money to offshore accounts/ payees.
20.	Large telegraphic transfers from offshore to purchase property facilitated by a law firm.

Source: Fiji FIU

Other STR Analysis

1) Members of Public

Voluntary suspicious information can be provided to the FIU pursuant to section 25 of the FTR Act.

In 2015, there was a decline in the number of voluntary information received from members of the public compared to 2014.

Case Study 1

A STR was received on a foreigner, Person X, who was allegedly receiving remittances totalling FJ\$31,523.00 from different individuals overseas. The purpose given for these remittances was "student allowance and fees".

The Fiji FIU established that Person X was supposedly directed by Person Y, a local travel agent, to receive the remittances on his behalf. The remittances were alleged to be fees for foreign students to study at Fijian tertiary institutions.

Fiji FIU investigations established that Person Y obtained the funds for his personal use and he also seized travel documents of the foreign students.

A report was disseminated to the Police and investigations are currently underway for possible human trafficking.

Case Study 2

A voluntary STR was received on Person A for alleged misuse of pre-signed cheques of Company B. Person A was employed by Company B and was issued with pre-signed Company B cheques to facilitate daily business payments required for company operations. Person A cashed the pre-signed cheques at various retail outlets of Company C. The funds cashed from the pre-signed cheques were used to conduct a money lending business.

The pre-signed cheques cashed totalled over FJ\$4 million. Person A profited from the interest she charged for lending money and deposited the principal sum back into her employer's bank account. Person A was able to cash Company B's cheques through Company C as her spouse was a manager at Company C. The case is currently under investigation.

2) Section 7 of the FTR Act

Section 7 of the FTR Act refers to customer due diligence measures exercised by the financial institutions to collect necessary identification to verify customer.

Case Study 3

A STR was received on Person X from a money remittance service provider because Person X refused to provide ID to receive foreign remittances. Analysis of Person X's bank accounts and financial details revealed

that Person X was using money remittance service provides to receive payment for exports that he was not declaring as income. A report was disseminated to the tax authority for further investigation.

3) Terrorism Financing

Section 14 of the FTR Act requires financial institutions to report to the FIU suspicious transactions related to commission of a serious offence, a money laundering offence or the offence of the financing of terrorism or an act preparatory to an offence of financing of terrorism.

Case Study 4

In 2015, a STR was received on Person X, a foreign national of Country Y who arrived into Fiji with USD\$28,700.00. Person X declared the funds to border control authorities on his arrival. Profiling of Person X established that he shared a common address in Fiji with other individuals originating from Country Y and were sending money to common beneficiaries in Country Y. Person X had remitted FJ\$7,950.00 to beneficiaries in the jurisdiction.

Fiji FIU also established that Person X was granted a permit to commence business in Fiji which did not eventuate.

A report was disseminated to Fiji Police Force and investigations are currently underway for money laundering, currency smuggling and possible terrorist financing indicators. However, any links with terrorist organisations and groups were not identified.

4) Cybercrime

Case Study 5

Person X had been reported for receiving unauthorised internet banking transfers totaling FJ\$18,000.00 into her bank account at Bank Z in April 2015.

A total of 18 unauthorised internet bank transfers of FJ\$1,000.00 were made from the bank account of Person A held at Bank Y to Person X's bank account at Bank Z.

A report was disseminated to Fiji Police Force and investigations are currently underway.

5) Structuring

Section 13(6) of the FTR Act refers to transactions conducted below set threshold.

Case Study 6

A STR was received on Person X for conducting deposits below the reporting threshold. Analysis of Person X's bank account revealed that there was a significant under declaration of income. A report was disseminated to the tax authority for further investigation.

4 Cash Transactions Reports

Financial institutions are required under section 13(1) of the FTR Act and section 25 of the FTR Regulations to report to the FIU any cash transaction of \$10,000 and above or its equivalent in foreign currency. Cash includes coin or paper money, bank drafts, bank cheques, bearer bonds, travelers cheques, postal notes and money orders.

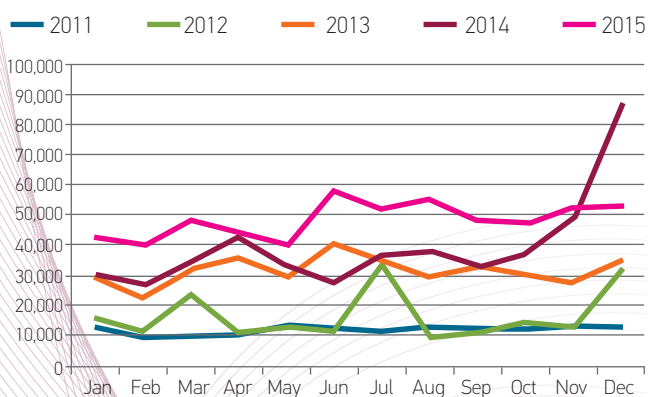
The FIU received 579,849 cash transaction reports (CTR) in 2015 or an average of around 48,321 CTRs per month. This is a decrease of 44 percent from 2014. As part of the FIUs reporting compliance and data quality project in 2014, a substantial number of backdated CTRs were submitted to the FIU that increased the number of CTRs received in 2014. CTR reporting levels reduced to normal levels during 2015, thus, the decrease in CTRs received.

Cash Transactions Reported

Year	Total CTRs	Monthly Average CTRs
2011	144,191	12,016
2012	200,404	16,700
2013	380,430	31,703
2014	1,042,074	86,840
2015	579,849	48,321

Source: Fiji FIU

Monthly Cash Transaction Reports



Source: Fiji FIU

CTRs Received by Sector

As expected, the majority (99 percent) of the CTRs received during 2015 were reported by commercial banks.

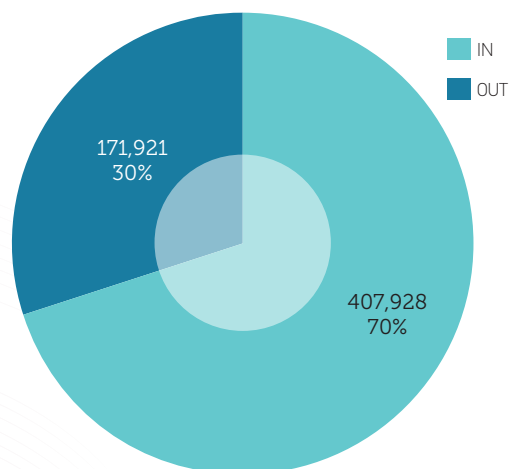
Cash Transactions Reported by Sector

Sector	2011	2012	2013	2014	2015
Commercial Banks	142,342	198,427	376,564	1,038,011	575,987
Foreign Exchange Dealers & Money Remitters	437	854	2,387	2,763	2,296
Finance Companies	917	520	708	673	815
Insurance & Superannuation Fund	421	553	657	470	405
Law Firms	42	49	84	116	227
Securities/ Brokers/ Advisors	15	1	30	37	118
Accountants	17	0	0	4	1
TOTAL	133,487	144,191	200,404	380,430	579,849

Source: Fiji FIU

CTRs by Direction of Cash Payment

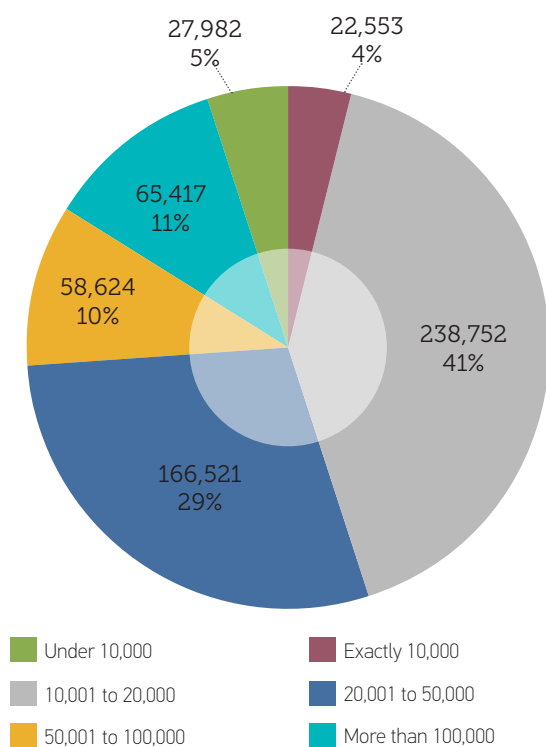
Majority (70 percent) of CTRs were reported on cash transactions into the financial institutions.



Source: Fiji FIU

CTRs by Value of Transactions

The majority (41 percent) of CTRs received by the FIU were for cash transactions between \$10,001 and \$20,000. Approximately 70 percent of CTRs reported are for cash transactions between \$10,001 to \$50,000.



Source: Fiji FIU

5

Electronic Funds Transfer Reports

Commercial banks and remittance service providers are required under section 13(2) of the FTR Act and section 26 of the FTR Regulations to report to the FIU all international electronic fund transfer transactions. There is no monetary threshold for electronic funds transfer reports (EFTR).

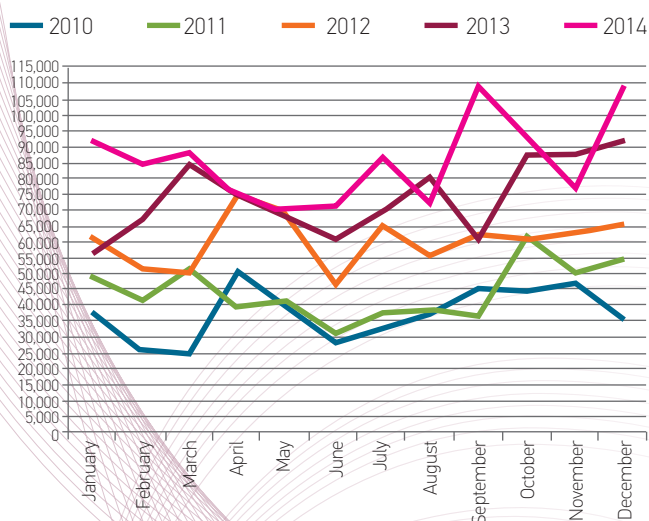
The FIU received 1,029,993 EFTRs in 2015 or an average of around 85,833 EFTRs per month. This is a decrease of 21 percent from 2014. In 2014, the FIU carried out a reporting compliance and data quality project where a substantial number of backdated EFTRs were submitted to the FIU resulting in the large number of EFTRs received in 2014. EFTR reporting levels reduced to normal levels during 2015, thus, the decrease in EFTRs received.

Electronic Funds Transfer Transactions Reported

Year	Total EFTRs	Monthly Average EFTRs
2011	450,849	37,570
2012	830,959	69,247
2013	1,147,728	95,644
2014	1,308,633	109,053
2015	1,029,993	85,833

Source: Fiji FIU

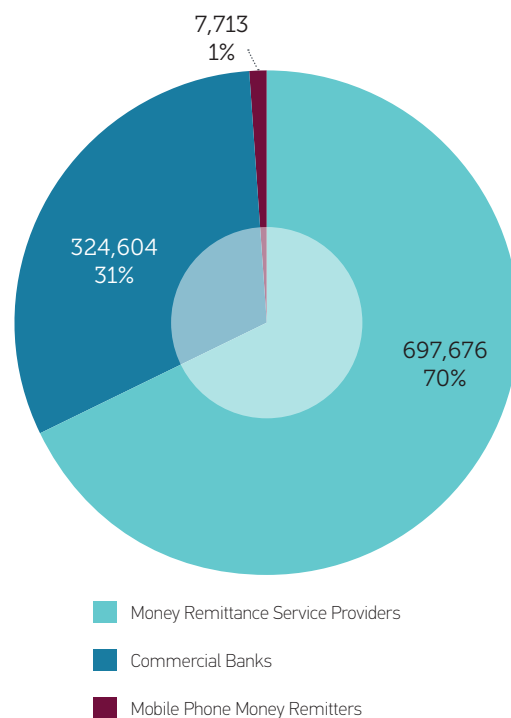
Monthly Electronic Funds Transfer Reports



Source: Fiji FIU

EFTRs Received by Sector

Majority (68 percent) of EFTRs were received from the money remittance service providers.



Source: Fiji FIU

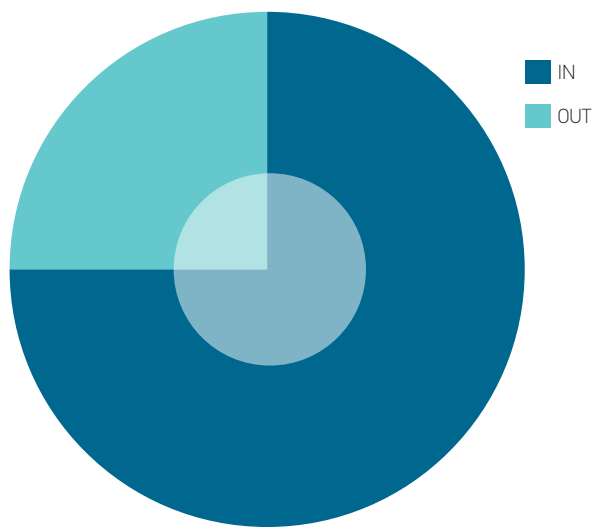
EFTRs Received by Sector

Sector	2011	2012	2013	2014	2015
Money Remittance Service Providers	258,282	264,953	832,108	886,744	697,676
Commercial Banks	192,216	563,142	313,232	419,357	324,604
Mobile Phone Money Remitters	351	2,864	2,388	2,532	7,713
TOTAL	450,849	830,959	1,147,728	1,308,633	1,029,993

Source: Fiji FIU

EFTRs by Direction of Remittances

EFTRs may involve remittances into Fiji (inward) or remittances out of Fiji (outward). Majority (75 percent) of EFTRs received during 2015 were for inward remittances.



Source: Fiji FIU

EFTRs by Direction of Remittances

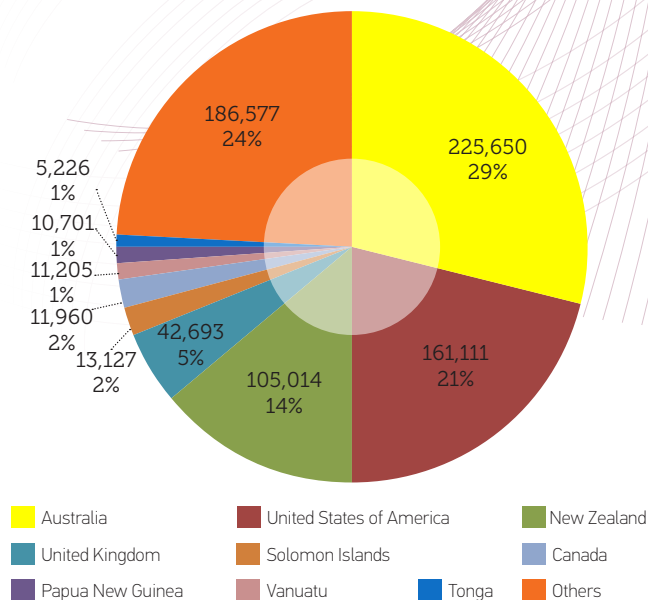
	2011	2012	2013	2014	2015
Inwards	345,558	582,909	894,026	1,030,405	773,264
Outwards	82,742	243,210	253,702	278,228	256,729
Not Provided	22,549	4,840	0	0	0
TOTAL	450,849	830,959	1,147,728	1,308,633	1,029,993

Source: Fiji FIU

EFTRs by Sending and Receiving Country

Inward international remittance transactions reported to the FIU involved the following nine major countries: Australia, United State of America, New Zealand, United Kingdom, Solomon Islands, Canada, Vanuatu, Papua New Guinea and Tonga.

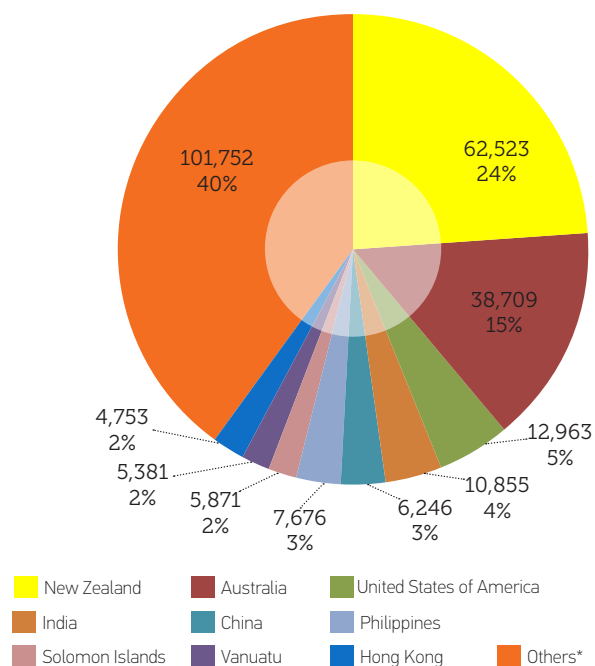
EFTRs: Countries Involved in Inward Remittances to Fiji



Source: Fiji FIU

Outward international remittance transactions reported to the FIU involved the following nine major countries: New Zealand, Australia, United States of America, India, China, Philippines, Solomon Islands, Vanuatu and Hong Kong.

EFTRs: Countries Involved in Outward Remittances from Fiji



*includes domestic funds transfer transactions reported as EFTRs

Source: Fiji FIU

6 Border Currency Reports

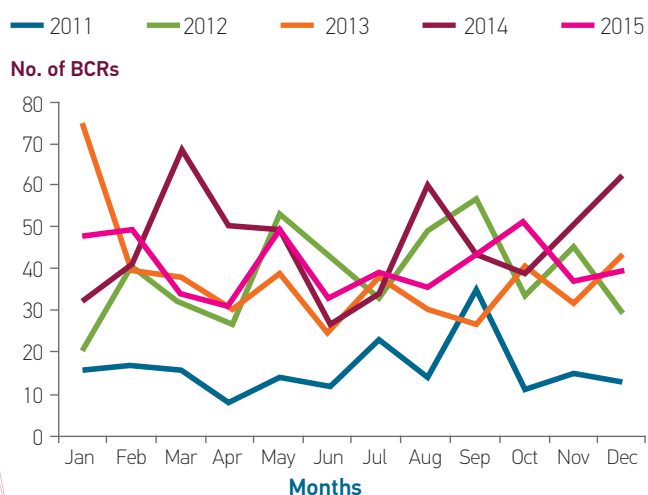
All travelers coming into Fiji or going out of Fiji are required to declare if they are carrying currency or negotiable bearer instruments of FJ\$10,000 or more (or its equivalent in foreign currency).

Travelers are required to make a declaration in the first instance on the arrival or departure cards and then fill out a Border Currency Report (BCR) form which is available at all ports of entry and exit in Fiji.

The completed BCRs are collected by Customs FRCA officials at the ports and submitted to the FIU for central recording, analysis and for its intelligence purpose.

In 2015, 491 BCRs were submitted to the FIU compared to 557 BCRs in 2014.

Comparison of Declaration Made by Travelers by Month



Source: Fiji FIU

BCRs by Direction of Travel

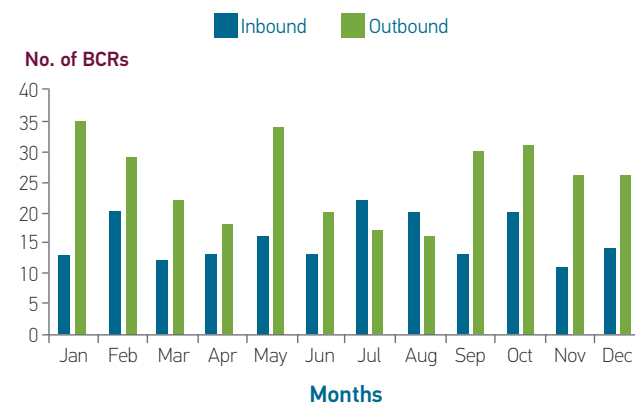
There were more declarations made by outbound travellers compared to inbound travellers in 2015.

Border Currency Reports Received

Persons Declaring	2011	2012	2013	2014	2015
Declarations made by inbound travellers	93	117	141	231	187
Declarations made by outbound travellers	101	360	318	326	304
TOTAL	194	477	459	557	491

Source: Fiji FIU

Comparison of Declaration made by Travellers by Month



Source: Fiji FIU

The FIU together with FRCA have placed BCR posters at the Nadi and Nausori international airports and seaports to inform travellers of the BCR declaration requirements.

BCRs by Value of Currency Declared

The total value of currency declared by travellers in the BCRs in 2015 was \$31.9 million compared to \$29.9 million in 2014.

Value of Border Currency Reports Received

Persons Declaring	Value of Currency Declared (\$million)				
	2011	2012	2013	2014	2015
Travelers Arriving in Fiji	3.0	3.9	6.7	10.3	11.0
Travelers Departing Fiji	3.2	10.7	15.4	19.6	20.9
TOTAL	6.2	14.6	22.1	29.9	31.9

Source: FRCA & Fiji FIU

Failure to Declare Currency Cases in 2015

	DATE OF TRAVEL	DETAILS	AMOUNT FAILED TO DECLARE	DATE OF CONVICTION	JUDGMENT IN COURT
1	26 February	Passenger was departing for Apia from Nadi	US\$3,900.00 FJ\$7,534.78 Total FJ\$10,809.78	3 March	Fined FJ\$1,500.00
2	26 May	Passenger was departing for Tonga from Nadi	US\$9,030.00 FJ\$197.30 Total FJ\$17,623.00	27 May	Fined FJ\$5,000.00
3	30 September	Passenger had arrived on Korean Air Flight (KE137)	US\$10,000.00	2 October	Fined FJ\$5,000.00

Source: FRCA & Border Police & FIU

BCR Case Study 1

State vs. Wang Zu Lin (Criminal Case No. 203 of 2015)

Magistrates Court of Nadi

On 26 February 2015, Mr Wang Zu Lin, a 49 year old Asian businessman was departing for Apia, Western Samoa on flight FJ253. He failed to declare US\$3,900.00 and FJ\$7,534.78 totalling FJ\$10,809.78.

Mr Wang Zu Lin was produced at the Nadi Magistrates Court on 3 March 2015 and he pleaded guilty for contravening the BCR reporting requirements. The accused was ordered to pay a fine of FJ\$1,500.00 and the cash was released to Mr Wang Zu Lin.

BCR Case Study 2

State vs. Yoon Pil Baik (Criminal Case No. 433 of 2015)

Magistrates Court of Nadi

On 26 May 2015, Mr Yoon Pil Baik, a 76 year old Korean was departing for Nukualofa, Tonga on flight FJ211. He is a missionary in Tonga and had arrived from Russia to Fiji on 24 May 2015. He had concealed envelopes of US and Australian currencies found in his possession upon conduct of body search by Customs officials. Upon interview, Mr Yoon Pil Baik informed that the funds were donated by church members in Korea for him to purchase a motor vehicle in Tonga. He failed to declare US\$9,030.00 and FJ\$197.30 totalling FJ\$17,623.00.

Mr Yoon Pil Baik was produced at the Nadi Magistrates Court on 27 May 2015 and he pleaded guilty for contravening the BCR reporting requirements. The accused was ordered to pay a fine of FJ\$5,000.00 and the cash was released to Mr Yoon Pil Baik.

BCR Case Study 3

State vs. Marina Goryachkina (Criminal Case No. 433 of 2015)

Magistrates Court of Nadi

On 30 September 2015, a 43 year old Russian national, Ms Goryachkina Marina arrived at Nadi Airport on flight KE137. She is a frequent traveller and is on a 4 months visitor's visa. She failed to declare US\$10,000.00 which was found in her hand bag.

Ms Goryachkina Marina was produced at Nadi Magistrates Court and she pleaded guilty for contravening the BCR reporting requirements. The accused was ordered to pay a fine of FJ\$5,000.00 and the cash was released to the accused.

Emerging Trend

Large telegraphic transfers from Asian nationals offshore to recently opened bank accounts locally and subsequent investment in real estate.

Analysis of STR data for 2015 reveals a number of STRs on Asian nationals for receiving large telegraphic transfers from other jurisdictions.

The Fijian Government encourages legitimate investment in the real estate and property market in Fiji by offshore investors.

Although the majority of investors comply with the law, including those from Asian related to property investment, there are a few exceptions.

The FIU has noted an increase in Asian investors with large value investment in property market in Fiji in 2015.

The trend witnessed is opening of personal bank accounts used for facilitating telegraphic transfers from offshore and subsequent funds withdrawn or bank cheques made payable to solicitors trust accounts to invest in real estate.

Declining Trend**Use of Minors Accounts and Currency Smuggling (Lesser failure to declare currency at the border cases)**

Use of minor's bank account to deposit business funds.

The FIU has noted a decrease in the number of cases reported by financial institutions on use of minor's bank accounts to deposit funds. The reason for the decline is due to continued awareness by the tax authority for mandatory tax identification number registration for any bank account holder.

Currency smuggling (including issues of concealment and security) – A number of BCR cases were identified whereby travellers failed to declare carrying currency of FJ\$10,000 and above when arriving or departing Fiji. This is a requirement under the FTR Act.

In 2015, there were 3 undeclared BCR cases compared to 10 cases of failure to declare currency at the border in 2014 which reached the Courts. The BCR successful conviction cases have resulted in the persons being fined up to FJ\$5,000 and the currency released to the persons. There was also a decline in STRs reported where individuals were suspected of depositing funds into their respective bank accounts which could possibly have been carried across the borders without proper declaration to Customs officials.

Continuing Trend**Advance Fee Fraud**

The Fiji FIU issued four alert notices to commercial banks and money remittance service providers to conduct enhanced due diligence procedures for suspected possible advance fee fraud, lottery scam related remittances and email spoofing activities.

The Fiji FIU continued to receive cases related to unsolicited emails promising attractive job opportunities, payment of lottery awards, inheritance of large amounts of funds, lucrative investment opportunities and other "get-rich-quick" schemes.

The following cases studies identified by the FIU during 2015 highlights suspicious transaction indicators and money laundering typologies.

Money Laundering Cases: Success Stories in Fiji

Case Study:

High Court Sentences School Teacher for Five Years for Money Laundering

In 2011, the FRCA noticed irregularities in their database and established that 27 taxpayers were using the same postal address. FRCA conducted an investigation into the anomalies and discovered fraudulent VAT refund transactions.

It was discovered that between 1 February and 31 March 2007, Ms Savita Singh negotiated a cheque for FJ\$2,400 that was obtained using a fraudulent tax return. Ms Savita Singh was not registered as a tax payer and therefore was not entitled to receive a tax return. The funds were deposited in her ANZ bank account.

Ms Savita Singh had paid the State the amount of money received as proceeds of crime.

On 23 September 2015, Ms Savita Singh was convicted of money laundering and on 19 October 2015 the High Court of Fiji sentenced her to five years imprisonment.

Refer to FIU website for court judgment: http://www.fijifiu.gov.fj/getattachment/Pages/Case-Laws/ML-Case/2015/State-v-Savita-Singh_Money-Laundering_20-10-15.pdf.aspx

Case Study

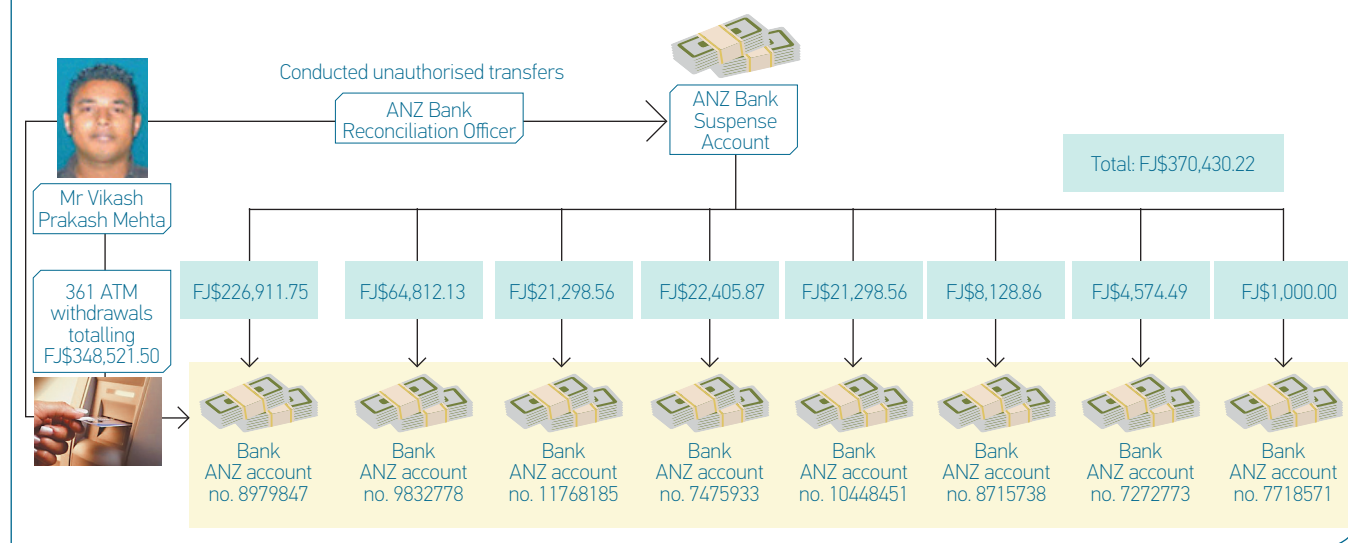
From May 2012 to October 2013, Mr Vikash Prakash Mehta, while an employee of ANZ Bank, stole funds from the ANZ Bank suspense accounts and convinced ANZ Bank account holders as third parties to allow him to transfer the stolen funds to their accounts and conduct withdrawals for him.

Internal audit checks revealed discrepancies in the accounts and after investigations it was revealed that Mr Vikash Prakash Mehta, stole and laundered a total of \$356,702 from his employer, ANZ Bank. Of the total amount, \$3,370 was recovered and the bank reversed transactions to the value of \$11,612.

On 21 April 2015, Mr Vikash Prakash Mehta was sentenced to eight years imprisonment after being convicted of eight counts of money laundering.

Refer to FIU website for court judgment: <http://www.fijifiu.gov.fj/getattachment/Pages/Case-Laws/2015/State-v-Vikash-Prakash-Mehta,-Case-No-143-2014-Sentence.pdf.aspx>

Link Chart on unauthorised transfers by Mr Vikash Prakash Mehta



Case Study

Fraudulent Identification Document to establish Banking Facility and Deposit of Fraudulently Altered Income Tax Refund Cheque

From 9 September to 29 September 2005, Mr Chris Ronil Singh obtained a fake Land Transport Authority (LTA) driver's license pretending to be Mr Mohammed Taslim Khan.

He used the fake ID to open a bank account and deposit a fraudulently altered income tax refund cheque of approximately FJ\$47,000.00 payable to Mr Mohammed Taslim Khan into this bank account.

Mr Chris Ronil Singh obtained a legitimate income tax refund cheque which he altered to show the name of Mr Mohammed Taslim Khan and inflated the amount of the cheque to approximately FJ\$47,000.00.

On 28 October 2015, Mr Chris Ronil Singh was convicted for money laundering and on 12 November 2015 he was sentenced to four years imprisonment.

Refer to FIU website for court judgment: http://www.fijifiu.gov.fj/getattachment/Pages/Case-Laws/ML-Case/2015/State-V-Chris-Ronil-Singh_Sentence_%2812th-November-2015%29.PDF.aspx

Case Study 1: Purchase of Real Estate followed by large telegraphic transfers received from offshore jurisdiction

The Fiji FIU received three STRs on Company X and one of the directors, Person X for receiving large inward remittances totalling FJ\$15.3 million.

Analysis of the bank accounts of Company X and Person X revealed that an additional FJ\$6.7 million was deposited either by cheques or cash.

Fiji FIU was able to trace the funds to four Asian based companies that are believed to be shell companies. The funds were withdrawn and invested in real estate properties in Fiji. Furthermore, Person X transferred FJ\$0.5 million to an offshore solicitors trust account to purchase property in an overseas jurisdiction.

A report was disseminated to Fiji Police Force for further profiling.

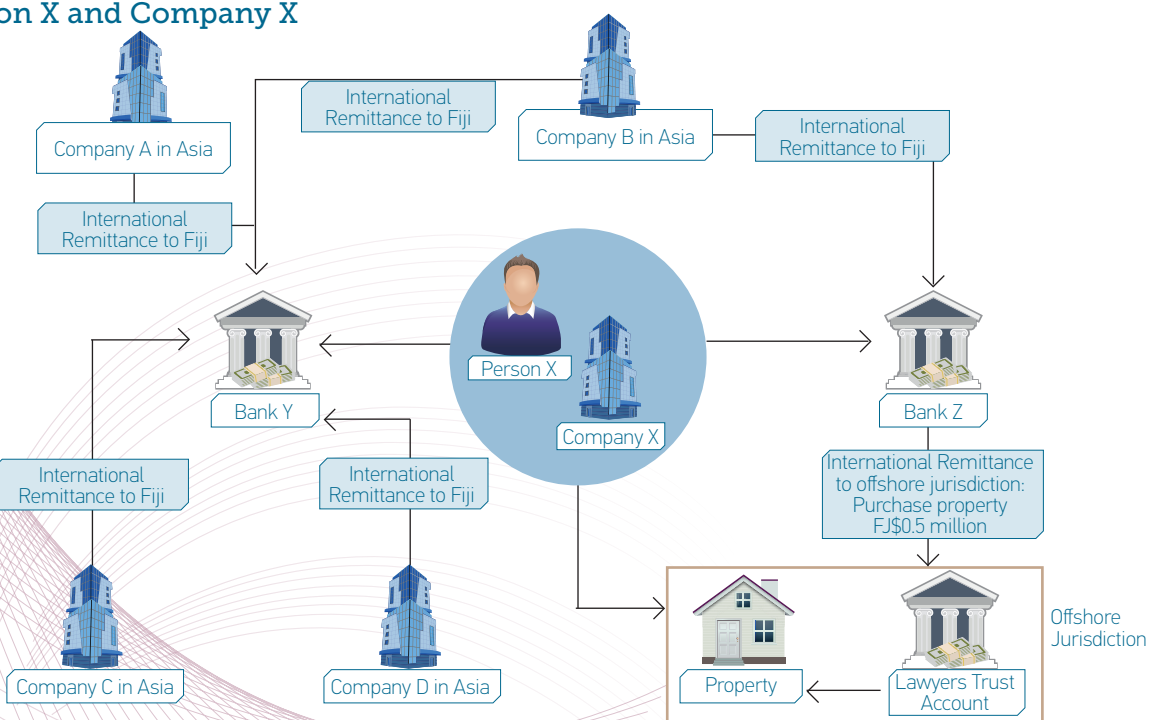
Possible Offence:

- Money Laundering
- Tax Evasion

Indicators

- Large telegraphic transfers from offshore to personal bank account of Person X
- Telegraphic transfers from alleged shell companies based in offshore jurisdiction
- Purchase of real estate in Fiji
- Transfer of funds to offshore lawyers trust account to purchase property in overseas jurisdiction.

Link Chart Depicting Financial Flows of Funds from Asian based companies to Person X and Company X



Case Study 2: Illegal Currency Conversion

The Fiji FIU received seven STRs on seven individuals suspected of using fake airline tickets to conduct foreign exchange transactions totalling FJ\$120,000.00 over a period of two days.

Analysis of the foreign exchange transactions conducted by these individuals revealed that two individuals used the same airline ticket number at two different foreign exchange dealers and two other individuals used the same airline ticket number at one foreign exchange dealer.

The Fiji FIU verified that the seven individuals did not travel on the dates specified on the airline tickets. A report was disseminated to the Fiji Police Force. The Fiji FIU further established that four of these individuals were directors and employees of Company X. The other individuals were family members and associates of these four.

While investigations were continuing, the Fiji FIU received intelligence that one of the seven individuals, Person X was suspected to be conducting similar transactions at a local commercial bank.

The Fiji FIU liaised with the Fiji Police Force and Person X was arrested and charged with the offence of general dishonesty. He is currently awaiting trial.

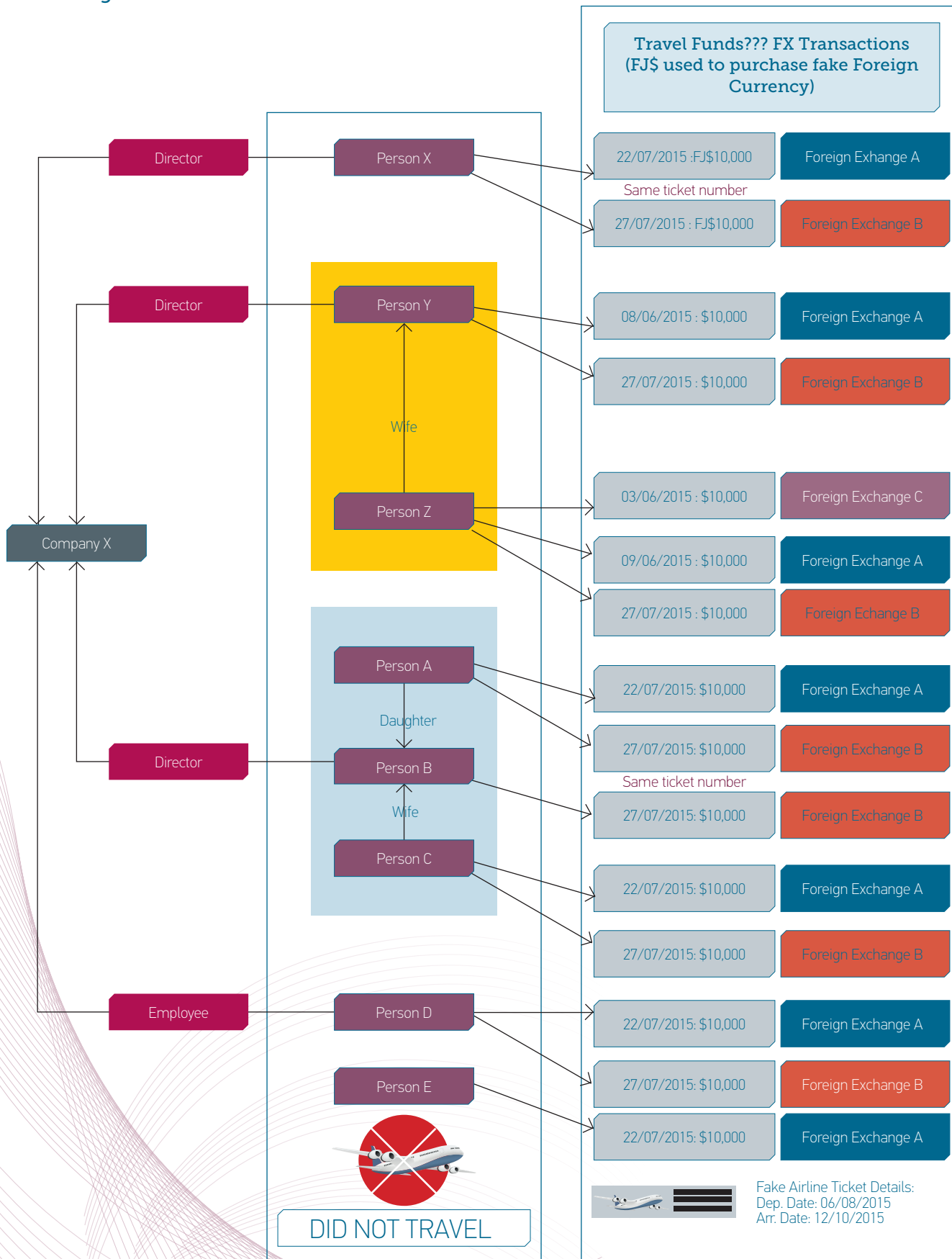
Possible Offence:

- Money Laundering
- General Dishonesty
- Exchange Control Violation

Indicators

- Using fake airline tickets to conduct foreign exchange transactions totalling FJ\$120,000.00 over a period of two days.
- Suspicious behaviour

Link Chart showing foreign exchange transactions conducted using fake airline tickets



Case Study 3: Several fraudulent transactions from a newly installed EFTPOS terminal to facilitate credit card fraud

The Fiji FIU received three STRs on the bank accounts of Company X and Company Y for conducting several fraudulent transactions from newly installed EFTPOS terminals.

The owners of the companies opened business accounts and rented EFTPOS terminals using fake foreign passports.

Companies X and Y received deposits totalling \$0.7 million from merchant sales over a period of two weeks. Fiji FIU analysis of the company records revealed that the Companies X and Y were shell companies.

Further analysis of the bank statements revealed that the transactions were being conducted with what was suspected to be stolen credit cards identity from foreign jurisdictions.

The case was disseminated to the relevant law enforcement agency.

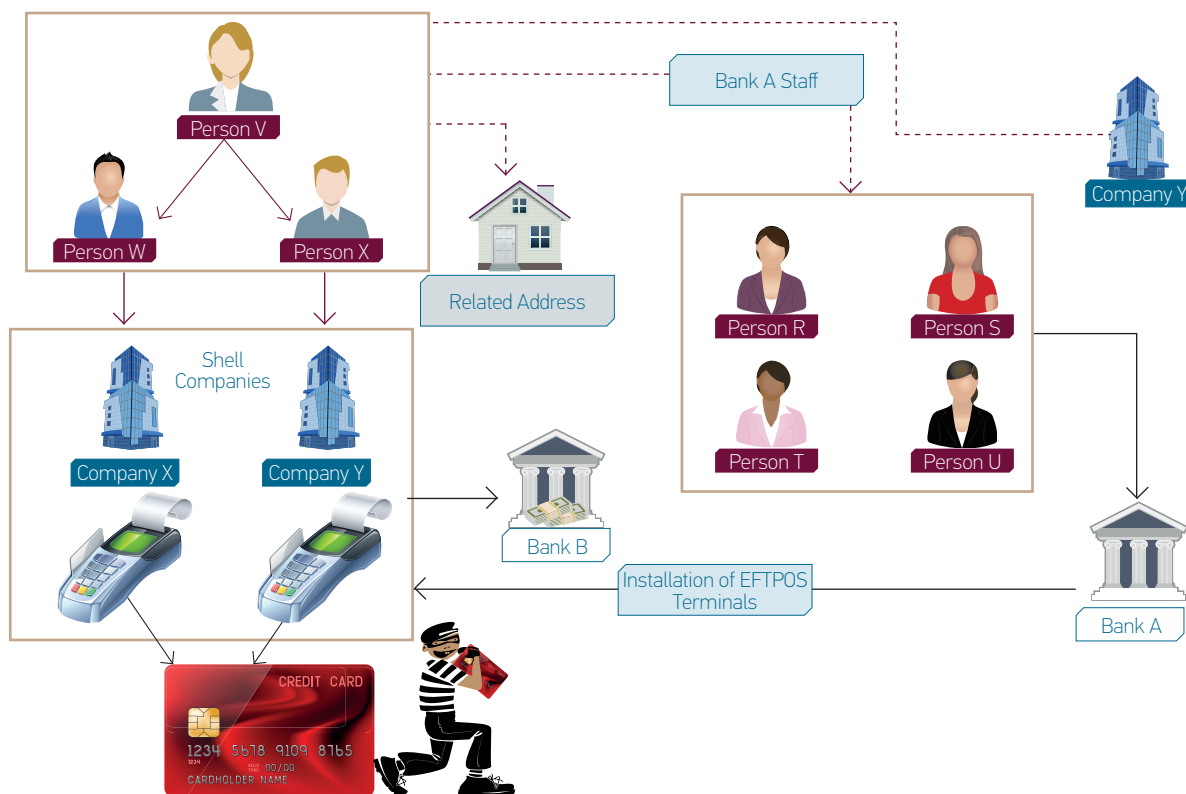
Possible Offence:

- Money Laundering
- Credit Card Fraud

Indicators

- Using fake documentation to open business accounts
- Set up of shell companies to facilitate credit card transactions
- Conducting several fraudulent transactions from a newly installed EFTPOS terminal

Link Chart showing the parties involved in the EFTPOS terminal fraud



Case Study 4: Cybercrime to facilitate fraudulent offshore transfer

Fiji FIU received two STRs from Bank X and Bank Y on Person X. Bank X first reported on Person X for attempting to receive fraudulent international electronic funds transfers from Bank Z in an offshore jurisdiction for \$25,000.00.

Bank Z received email instructions supposedly from the victim, Person V, to conduct the telegraphic transfer. Bank Z conducted enhanced due diligence and called Person Z to confirm that she sent the email. Person Z denied sending the email and Bank Z did not proceed with the telegraphic transfer.

Eleven days later, Person X received an internet banking transfer for \$46,000.00 from the next victim, Person Y's, bank account at Bank Y. Bank Y submitted an STR on the grounds that Person Y had conducted an unusually large transfer.

Upon receipt of the second STR, Fiji FIU advised Bank Y to call and verify directly with Person Y if he had authorized the transfer. Person Y denied authorizing the transfer to Person X. Analysis revealed that Person X had remitted \$1,920.00 to Person W, in Malaysia. It

was further discovered that Person W, had previously attempted to fraudulently transfer funds from the bank accounts of two companies to her account in Malaysia.

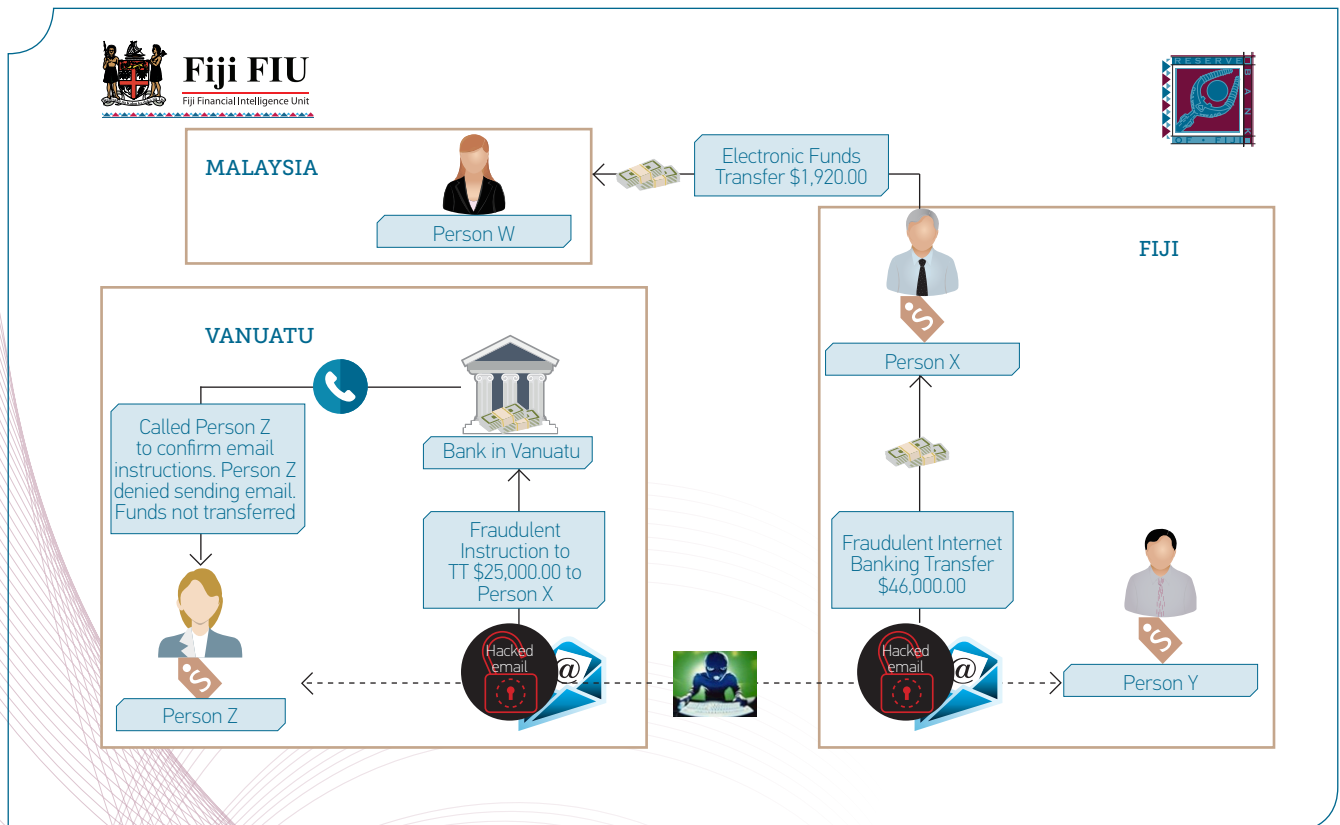
Fiji FIU issued an instruction notice on the bank account of Person X to restrict account activity. Commercial banks and money remittance service providers were also alerted to not proceed with any transfers to Person W. Bank X returned the funds remaining in the account of Person X to Person Y's bank account. The case is currently being investigated by the Fiji Police Force.

Possible Offence:

- Money Laundering.
- Cybercrime

Indicators

- Sudden internet banking transfers for large sums to a third party.
- Third party immediately withdrawing transfers and conducting outward remittances (frequently) to an unrelated party offshore.



Case Study 5: Wire Transfers to beneficiaries in a High Risk Jurisdiction

A pro-active STR was developed by the FIU upon receipt of a BCR on Person X, a foreigner who arrived into Fiji with USD\$28,700.00.

Person X declared the funds to border control authorities on his arrival. Profiling of Person X established that he shared a common address in Fiji with other individuals originating from the same jurisdiction and were sending money to common beneficiaries in that jurisdiction.

Person X had remitted FJ\$1,800.00 to beneficiaries in the jurisdiction via a foreign exchange dealer.

Fiji FIU also established that Person X was granted a permit to commence business A in Fiji. The investor's permit was valid.

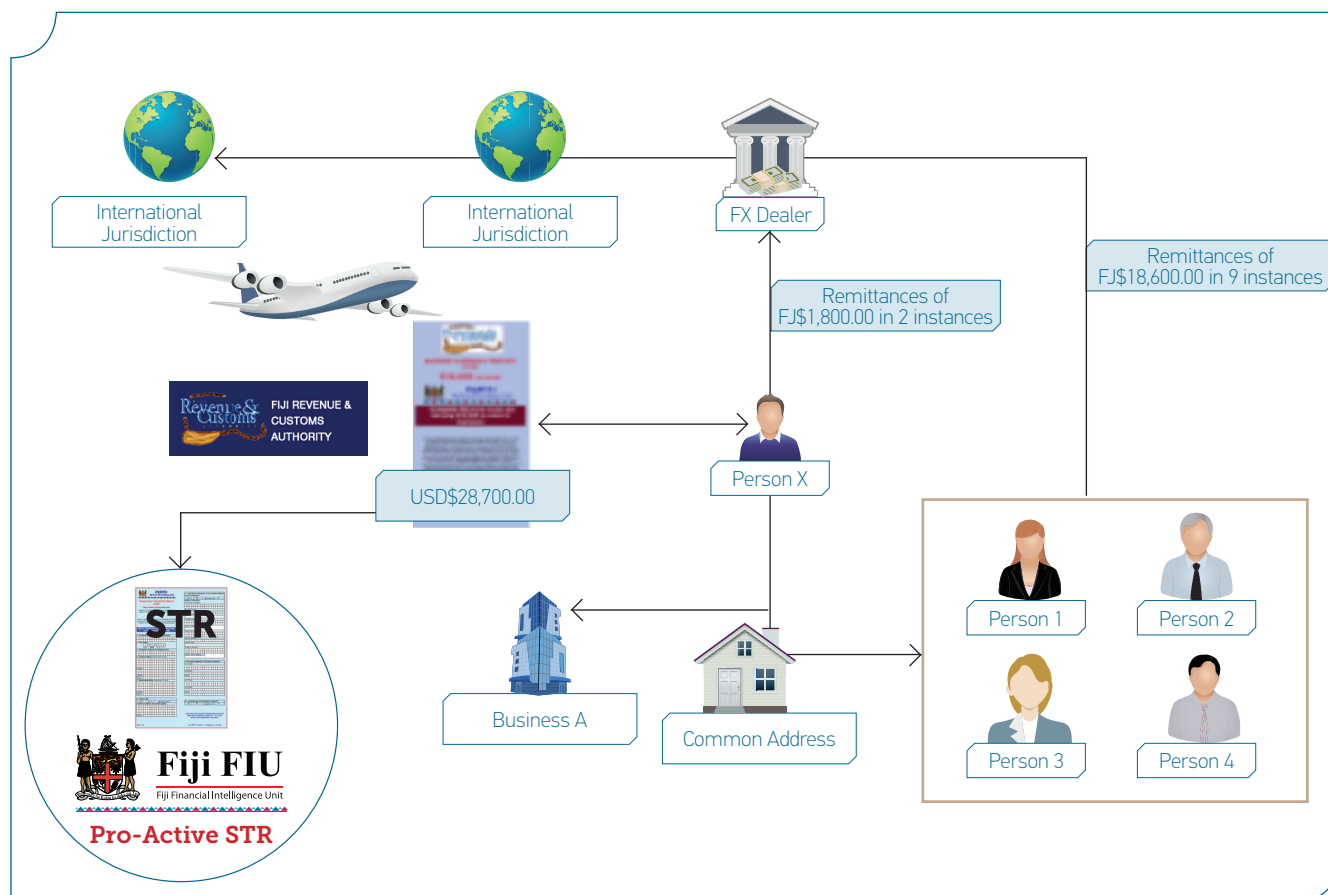
A report was disseminated to Fiji Police Force and investigations are currently underway for money laundering, currency smuggling and possible terrorist financing indicators. However, any links with terrorist organisations and groups were not identified.

Possible Offence:

- Money Laundering
- Currency Smuggling

Indicators:

- Person X was granted an investor permit but has not commenced with proper business operations.
- Remitting funds to a high risk jurisdiction.
- Sharing same address as third parties who remitted funds to beneficiaries in the same high risk jurisdiction.



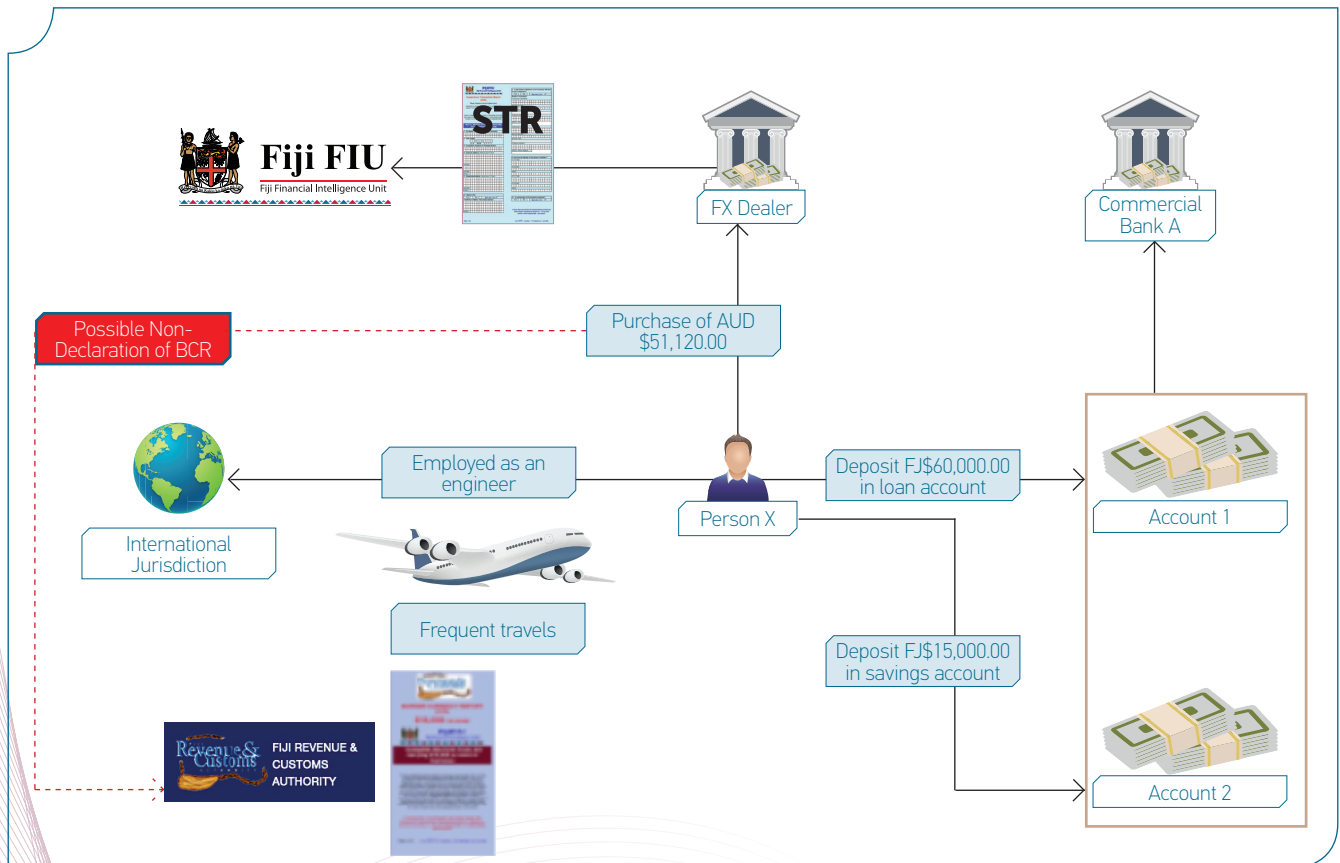
It was suspected that Person X has been bringing foreign currency into the country without making any declaration at the border. Person X is under profiling and watch list by the respective law enforcement agency.

Possible Offence:

- Non-declaration of currency over FJ10,000 when entering Fiji's ports.

Indicators:

- Frequent travels to Fiji.
- Purchased Fijian currency with AUD\$51,120.00 at a local foreign exchange dealer.
- Person X deposited FJ\$60,000.00 into his loan account and FJ\$15,000.00 into his savings account after arriving into Fiji.



Case Study 7: Involvement in Official Corruption and Bribery by Employee of a Statutory Body and a Motor Vehicle Dealer

The Fiji FIU received a request from a law enforcement agency to conduct financial background checks on an individual who was employed by a statutory body.

Person X was alleged to have received a loan of FJ\$4,000.00 and a motor vehicle amounting to FJ\$30,000.00 as a bribe from Person Y who is a motor vehicle dealer.

It was alleged that the bribe was to assist Person Y's company/business obtain certain concessions from the statutory body. Information was released to the local law enforcement agency.

Person X and Person Y have been charged for bribery of public servants of persons having dealings with public bodies.

Possible Offence:

- Corruption
- Bribery

Indicators:

- Significant deposits into personal account apart from salary
- Purchase of asset (motor vehicle)

Case Study 8: Suspected Tax Evasion by Company Director of an Agricultural Business

The Fiji FIU received a STR on Company X. Company X is involved in the export of agricultural produce and other commodities.

Fiji FIU established that Company X was supposedly instructing its overseas buyers to remit payments through foreign exchange dealers, instead of paying directly into Company X's local bank account which is known to the tax authority.

Fiji FIU was able to verify that Company X had reportedly collaborated with its overseas buyers, in order to hide the revenue from its business records.

Company X directors deposited most of its export revenue in alternative bank accounts and did not fully declare the total revenue for tax purposes. The amount involved in the case was FJ\$6 million.

A case dissemination report (CDR) was provided to the Fijian Tax authority and investigations are currently underway.

Possible Offence:

- Tax Evasion
- Customs Violations

Indicators:

- Company director supposedly instructing its overseas buyers to remit payments through foreign exchange dealers, instead of paying directly into Company X's local bank account.
- Depositing business export revenue in alternative bank accounts and also not fully declaring the total revenue for tax purposes.

Case Study 9: Significant Deposits received into personal bank account of a Medical Practitioner

The Fiji FIU received a STR on Person X. Person X is a medical practitioner

Person X was reported for paying a one-time premium of FJ\$140,000.00 for a life insurance policy for his son who resides in another country.

The Fiji FIU established that Person X is also the director of three business entities. Analysis of Person X's bank accounts revealed that Person X was receiving deposits in excess of the amount he was declaring as income for tax purpose.

A report was disseminated to the tax authority for possible tax offences.

Possible Offence:

- Tax Evasion

Indicators:

- Payment of a one-time premium of FJ\$140,000.00 for a life insurance policy for his son who resides in another country by Person X.
- Person X is the director of three business entities. Analysis of Person X's bank accounts revealed that Person X was receiving significant deposits into his personal bank account.

Case Study 10: Significant transactions conducted through personal bank account of a 82 year old

The Fiji FIU received a STR on a large amount of cheque deposits made into Person X's personal bank account.

Person X is 82 years old. Person X shares the same postal box number with a hardware company.

Analysis revealed that Person X's personal bank account was used to conduct 'business like transactions'.

The amount involved was approximately FJ\$0.7 million. A report was disseminated to the tax authority for possible tax offences.

Possible Offence:

- Tax Evasion

Indicators:

- Person X is 82 years old. Person X's personal bank account was used to conduct 'business like transactions'.
- Person X shares the same postal box number with a hardware company.

Case Study 11: Tax Evasion by Businessmen & Non-Compliance with Tax Authority Requirements

STR was received on Persons X and Y who are the directors of three companies. The analysis conducted by Fiji FIU established significant financial transactions being conducted through the personal bank accounts of Persons X and Y amounting to over FJ\$1 million.

Further analysis of financial transactions revealed that numerous telegraphic transfers were made into the personal bank accounts of Persons X and Y followed by large cash withdrawals totalling more than FJ\$1 million between 2013 and 2015.

Person X continues to operate and trade and is non-compliant with the requirements of the tax authority. The case was disseminated to the local tax authority and investigations are currently underway.

Possible Offence:

- Tax Evasion

Indicators:

- Numerous telegraphic transfers were made into the personal bank accounts of Persons X and Y.
- Large cash withdrawals totalling more than FJ\$1 million were made within a span of two years.

Fiji National Risk Assessment Summary Sheet

The assessment of most significant criminal activities that produce illicit funds available for laundering in and through Fiji are:

Predicate Crime Evident in Fiji	Ranking
Drugs [Import; Transshipment; Cultivation; Manufacture]	Very Large
Fraud - Income Tax Evasion; Vat fraud; Duty evasion	Very Large
Deception	Medium
Misappropriation	Medium
Cybercrime (Abuse of technologies)	Medium
Theft	Medium
Offshore offences	Medium
Corruption	Medium
Illicit cross border currency movements	Medium
Trade based	Medium
Financing of Terrorism	Low

The assessment of vulnerabilities that may assist or facilitate ML/FT in Fiji are:

Vulnerability	Sub-vulnerability	Vulnerability Rating
Political	Political Will	Low
	Legislation	Low
Economic and Geographic	Human Resources - Expertise	Low
	Human Resources - Staff availability	Medium
	Technical Resources	High
	Infrastructure	Medium
	Coordination	Medium
	Geographic	High
Economic and Geographic	Population	Low
	Industry	Medium
	Imports and Exports	Medium
	Revenue	Medium
	Foreign Investment	Medium
Legal and Judicial	Cash Economy	Very High
		Low
Technology		High

Other areas of concern for Fiji for domestic and transnational illicit funds flows are:

Other areas of concern	Vulnerability Rating
Charities / NPOs	High
Companies	High

The assessment of vulnerability ratings for financial institutions of domestic and transnational illicit funds flows are:

"Financial Institution"	Vulnerability Rating
Banks	Very High
Credit Unions	Medium
Micro-finance institutions	Low
Money Lending - Credit Institutions (Finance companies)	Medium
Life Insurance	Medium
General insurance	Very Low
Insurance Brokers	Low
Financial leasing	Low
Foreign Exchange Dealers	High
Money Changers	Medium
Money transmission Services	Medium
Securities exchange	Very Low
Stock Brokers	Low
Credit cards and debit card issuers	Medium
Issuers of financial guarantees	Low
Investment/Safe Custody	High
Trading in money market instruments	Low
Portfolio management	Low
Superannuation funds management	Low
Unit Trusts - Trustees and managers	Low
Trust or company service providers	Low

The assessment of vulnerability ratings for the designed non-financial businesses and professions (DNFBP) sector to domestic and transnational illicit funds flows are:

DNFBP	Vulnerability Rating
Legal Practitioner	Medium
Accountant	Medium
Real Estate Agent	High
Pawnbroker	Medium
Bullion Dealer - Gold Export	Low
Collection of money	Medium
Gaming	Medium
Bookmaker	Medium
Art, Antique, Precious Metals and Jewellery Dealers	Medium
Travel Agency	Medium
Dealers in high value assets (cars, aircraft, vessels)	Medium

Summary of the highest priority ML/FT Risks, that is those rated as Very High in the risk priority list for illicit drug related activities and tax evasion, and those rated as high for the financing of terrorism

Illicit Drug related activities	Tax Evasion	Financing of Terrorism
Technical resources	Technical Resources	Technical Resources
Geographic	Geographic	Geographic
Cash Economy	Cash Economy	Cash Economy
Technologies	Technologies	Technologies
Commercial Banks	Commercial Banks	Commercial Banks
Restricted Foreign Exchange Dealers	Restricted Foreign Exchange Dealers	Restricted Foreign Exchange Dealers
Investment/Safe Custody	Investment/Safe Custody	Investment/Safe Custody
Real Estate Agents	Real Estate Agents	Real Estate Agents
Charities / NPOs	Charities/NPOs	Charities/NPOs
Companies	Companies	Companies

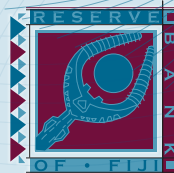
Mitigating Strategies

There are four areas of urgent concern to the Fiji AML/CFT program. Immediate attention to these issues will assist to minimise the most significant ML/FT risks identified in the NRA. Those areas of concern are:	Cash economy
	Supervision of financial institutions
	Technical Resources
	Financing of Terrorism (due to high risk globally)

AFI	Alliance for Financial Inclusion
AICD	Australian Institute of Companies Directors
AML	Anti-Money Laundering
AMS	Alert and Monitoring System
APG	Asia Pacific Group on Money Laundering
APIFIU	Association of Pacific Islands FIUs
ARIN-AP	Asset Recovery Interagency-Asia Pacific
BCR	Border Currency Report
CBT	Computer based training
CDR	Case Dissemination Report
CFT	Combating the Financing of Terrorism
CTOG	Counter Terrorism Officials Working Group
CTR	Cash Transaction Report
DNFBP	Designated Non-Financial Businesses and Professions
DMS	Data Mining System
DPR	Detailed Progress Report
EFTR	Electronic Funds Transfer Report
ESW	Egmont Secure Website
FATF	Financial Action Task Force
FIA	Fiji Institute of Accountants
FFIMSO	Fiji FIU Information Management System Online
FICAC	Fiji Independent Commission Against Corruption
FIU	Financial Intelligence Unit
FPF	Fiji Police Force
FRCA	Fiji Revenue and Customs Authority
FTR	Financial Transactions Reporting
GSPWG	Global Standards Proportionality Working Group
IDR	Information Dissemination Report
LTA	Land Transport Authority
MER	Mutual Evaluation Report
ML/TF	Money Laundering and Terrorist Financing
MOA	Memorandum of Agreement
NPO	Non-profit Organisation
NRA	National Risk Assessment
ODPP	Office of the Director of Public Prosecutions
RBF	Reserve Bank of Fiji
STR	Suspicious Transaction Report
UNDP	United Nations Development Program
UNODC	United Nations Office on Drugs and Crime



Fiji FIU
Fiji Financial Intelligence Unit



CONTACT INFORMATION

Financial Intelligence Unit

Level 5, Reserve Bank Building

Reserve Bank of Fiji

Private Mail Bag,

Pratt Street, Suva, Fiji

Tel: (679) 322 3333

Fax: (679) 331 6454

Email: info@fijifiu.gov.fj

