



**FijiFIU**

Fiji Financial Intelligence Unit

# FIJI FINANCIAL INTELLIGENCE UNIT

## 2020 ANNUAL REPORT



## OUR VISION

“Protecting Fiji from Money Laundering”

## STRATEGIC PILLARS

The strategic pillars that support our vision are:

1. Financial Intelligence
2. Preventive Measures
3. Technology Driven Processes
4. Partnerships
5. Our People

## KEY STRATEGIES

1. Develop and disseminate quality intelligence products for our stakeholders.
2. Improve the quality and use of our intelligence products.
3. Promote the understanding of money laundering risks and methods in Fiji.
4. Promote a risk based implementation of the preventive measures under the FTR Act.
5. Enhance financial institutions and businesses understanding of their obligations under the FTR Act.
6. Effectively supervise financial institutions and businesses for compliance with the FTR Act and take appropriate enforcement action in case of non-compliance.
7. Effective data reporting.
8. Develop innovative data management systems and analytic tools.
9. Improve data quality and information security.
10. Enhance our network for information sharing.
11. Strengthen relationships with domestic and international partners.
12. Provide support to international partners on AML/CFT initiatives and engagements.
13. Cultivate a skilled, motivated and high performing team.
14. Ensure corporate governance through strong internal controls and performance reporting.

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# 1 FIU ROLE AND RESPONSIBILITIES

The Financial Intelligence Unit (FIU) is one of the leading agencies in Fiji that is responsible for preventing and detecting money laundering and terrorist financing activities. 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 core role of the FIU as an intelligence agency is to receive, analyse and disseminate financial intelligence to relevant law enforcement agencies.

The FIU is also Fiji's anti-money laundering (AML) and combating the financing of terrorism (CFT) regulator and the lead agency on AML/CFT policy formulation, compliance and enforcement.

The FTR Act and Regulations specifies a range of measures that financial institutions<sup>1</sup> in Fiji must implement in order to prevent the use of Fiji's financial system from money laundering, terrorist financing and other serious criminal activities.

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 criminal activities 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, FIU enforceable guidelines and advisories under the FTR Act;

8. comply with international AML/CFT standards;
9. supervise financial institutions for compliance with the FTR Act;
10. take appropriate enforcement action in case of non-compliance;
11. provide education and training to its stakeholders;
12. lead and facilitate national coordination; and
13. 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 programmes, policy discussions and information exchange network.

The FIU is modelled as an "administrative FIU" that is currently administered by the Reserve Bank of Fiji.

The FIU also conducts periodic strategic analysis and its outcomes are used by FIU partners including the private sector financial institutions and designated non-financial businesses and professions (DNFBP). The FIU shares its intelligence and information both spontaneously and upon request to 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 RBF provides funding and general administrative support for the FIU's operations.

The Fiji Police Force (FPF) and the Fiji Revenue and Customs Service (FRCS) provide additional staffing support to the FIU.

The FIU does not have formal investigative powers to arrest and charge 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.

<sup>1</sup> The definition of "financial institutions" under the FTR Act includes Designated Non-Financial Businesses and Professions (DNFBPs) and other non-traditional financial institutions such as non-banks, mobile phone money remitters, lawyers, accountants and real estate agents.





## 2 DIRECTOR'S FOREWORD



I am pleased to present the 2020 Annual Report of the FIU. This is the 15th Annual Report of the FIU.

In 2020, the FIU continued to develop, implement and enforce AML/CFT preventive measures, financial intelligence management, information exchange, and created awareness on ML and TF trends and typologies.

Despite the many challenges, FIU's operational resilience and business continuity measures helped us successfully accomplish our key performance targets, including through the deployment of the Work From Home (WFH) process during the nationwide lockdown due to the global pandemic.

2020 also saw the initial rollout of our new five-year strategic plan for 2020 – 2024. The FIU's five strategic pillars on financial intelligence, preventive measures, technology driven processes, partnerships and our people are closely linked to the statutory functions of the FIU under the FTR Act and also reflect priorities that we consider vital in order to achieve our vision.

In the intelligence front, we noted a new typology on Covid-19 related online scam in 2020, together with an escalation of cybercrime cases that targeted several Fijians from a particular locality in Fiji. On

preventative measures, we strengthened our engagement with the financial institutions (including lawyers, accountants and real estate agents) and other industry stakeholders through development of new AML/CFT policies, onsite compliance examinations and training. This led to more quality reporting and the effective implementation of FIU enforcement capabilities that support the deterrence of non-compliance of the preventative measures.

In relation to reporting requirements, 2020 noted the highest number of EFTRs of 1,866,000 which was attributed by increased reporting from the MPMR and MRSP sectors.

In 2020, the FIU continued as the secretariat for the National AML Council and working groups and as Fiji's primary contact point for Asia/Pacific Group (APG) on Money Laundering. The National Risk Assessment (NRA) and the Non-Profit Organisations (NPO) framework were reviewed in 2020 and will be finalised in 2021. The FIU also continued to review its governance arrangement with the RBF to ensure autonomy and independence.

The 2020 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.

In 2020, the FIU received a total of over 2.5 million financial transactions and other reports. The reporting to FIU experienced a ripple effect of the global pandemic. There was a 77 percent decrease in BCRs due to the COVID-19 travel restrictions, however, EFTRs received increased by 23 percent from 2019. This was largely attributed to the mobile phone sector remittances. In addition, most of the national and international meetings, workshops and seminars during 2020, were conducted virtually.

The FIU will continue to remain in the forefront of combating money laundering and terrorism financing in Fiji by collaborating with the respective reporting institutions, and domestic and international partner agencies.

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 2020. I would also like to thank the Acting Commissioner of Police and the Acting Chief Executive Officer of the FRCS for seconding their officers to the FIU.

I look forward to working more closely with our stakeholders in 2021 in achieving our vision of *"Protecting Fiji from Money Laundering"*.



**Razim Buksh**  
Director  
Financial Intelligence Unit



# 2020 AT A GLANCE

Received

**1,866,197**

Electronic Funds Transfer Reports

Received

**736**

Suspicious Transaction Reports

Received

**619,987**

Cash Transaction Reports



Handled **70 requests for due diligence** on 90 entities and 114 individuals

Disseminated

**270**

Intelligence reports

Issued

**74**

Ad-hoc policy advisories

Handled

**266**

Border Currency Reports

Managed

**192**

Authorised users of the FIU's online IT system

More than

**18 Million**

Financial transaction reports in our database

Analysed

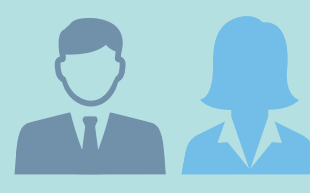
**684**

Suspicious Transaction Reports

Handled

**125**

Requests for investigative assistance from law enforcement agencies



Provided training to **104 employees** of financial institutions

Made

**645**

Enquiries to financial institutions

Managed network of

**134**

registered AML Compliance Officers of financial institutions (since 2006)

Conducted

**2**

AML on-site compliance examinations of law firms



Conducted

**3**

AML on-site compliance examinations of real estate agents





## 3 GOVERNANCE STRUCTURE

### Statutory Agency

The FIU is a centralised, independent, administrative and a statutory agency of the Fijian Government that was established in 2006 under the FTR Act. The powers, duties and functions of the FIU are clearly defined in 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 FIU. The Minister is also responsible for appointing the Director 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 FIU reports to the Governor of the RBF for the discharge of the Director's 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 and annual funding of the FIU.

### Director of the FIU

The Director FIU exercises the powers, duties and functions of the FIU as specified in the FTR Act. The Director FIU 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. Director FIU 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.

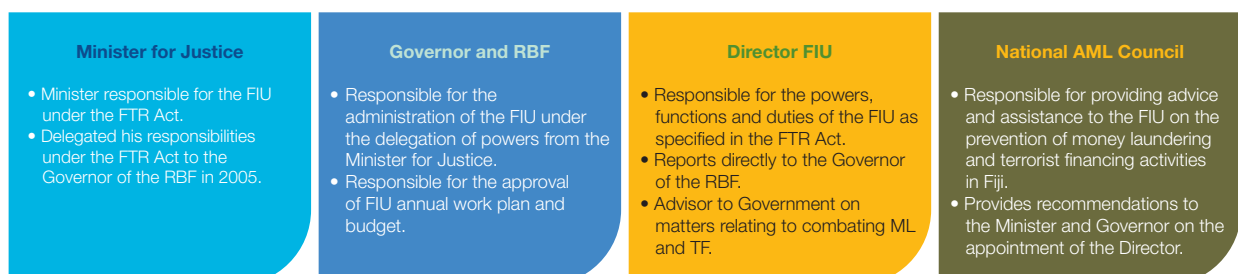
The Director is responsible for the preparation and implementation of FIU's strategic and annual work plans and its annual budget.

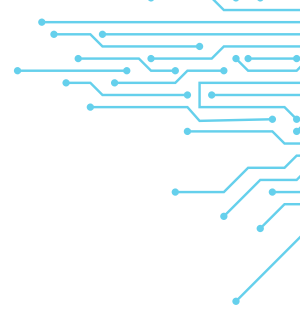
### Accountability to the Governor

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

The FIU complies with the administrative policies, processes and procedures of the RBF including human resources, IT resources and other policies and processes of the RBF.

## FIU GOVERNANCE AND ACCOUNTABILITY FRAMEWORK





### The National AML Council

The National AML 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.

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

### 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 has been administratively housed within the RBF since 2006. The FIU is subject to all the administrative protocols, policies and procedures of the RBF.

The FIU does not prepare and publish annual 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 (refer to the section on Expenditure Statement and Notes for more information).

The FIU also receives indirect financial support from the FPF and the FRCS 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 direct funding support from the Fijian Government.

### Operational Governance

The Fiji FIU implements Egmont Group of international FIUs best practices on FIU operating standards, protocols and procedures on the following key responsibilities:

#### Egmont Group FIU Responsibilities



The FIU also complies with the Financial Action Taskforce (FATF) Recommendation 29 and its Interpretive Note on financial intelligence units.



### Recommendation 29. Financial intelligence units

Countries should establish a financial intelligence unit (FIU) that serves as a national centre for the receipt and analysis of: (a) suspicious transaction reports; and (b) other information relevant to money laundering, associated predicate offences and terrorist financing, and for the dissemination of the results of that analysis. The FIU should be able to obtain additional information from reporting entities, and should have access on a timely basis to the financial, administrative and law enforcement information that it requires to undertake its functions properly.

### INTERPRETIVE NOTE TO RECOMMENDATION 29 (FINANCIAL INTELLIGENCE UNITS)

#### A. GENERAL

1. This note explains the core mandate and functions of a financial intelligence unit (FIU) and provides further clarity on the obligations contained in the standard. The FIU is part of, and plays a central role in, a country's AML/CFT operational network, and provides support to the work of other competent authorities. Considering that there are different FIU models, Recommendation 29 does not prejudice a country's choice for a particular model, and applies equally to all of them.

#### B. FUNCTIONS

##### a) Receipt

2. The FIU serves as the central agency for the receipt of disclosures filed by reporting entities. At a minimum, this information should include suspicious transaction reports, as required by Recommendation 20 and 23, and it should include other information as required by national legislation (such as cash transaction reports, wire transfers reports and other threshold-based declarations/disclosures).

##### b) Analysis

3. FIU analysis should add value to the information received and held by the FIU. While all the information should be considered, the analysis may focus either on each single disclosure received or on appropriate selected information, depending on the type and volume of the disclosures received, and on the expected use after dissemination. FIUs should be encouraged to use analytical software to process information more efficiently and assist in establishing relevant links. However, such tools cannot fully replace the human judgement element of analysis. FIUs should conduct the following types of analysis:
  - Operational analysis uses available and obtainable information to identify specific targets (e.g. persons, assets, criminal networks and associations), to follow the trail of particular activities or transactions, and





to determine links between those targets and possible proceeds of crime, money laundering, predicate offences or terrorist financing.

- Strategic analysis uses available and obtainable information, including data that may be provided by other competent authorities, to identify money laundering and terrorist financing related trends and patterns. This information is then also used by the FIU or other state entities in order to determine money laundering and terrorist financing related threats and vulnerabilities. Strategic analysis may also help establish policies and goals for the FIU, or more broadly for other entities within the AML/CFT regime.

#### c) Dissemination

4. The FIU should be able to disseminate, spontaneously and upon request, information and the results of its analysis to relevant competent authorities. Dedicated, secure and protected channels should be used for the dissemination.
  - Spontaneous dissemination: The FIU should be able to disseminate information and the results of its analysis to competent authorities when there are grounds to suspect money laundering, predicate offences or terrorist financing. Based on the FIU's analysis, the dissemination of information should be selective and allow the recipient authorities to focus on relevant cases/information.
  - Dissemination upon request: The FIU should be able to respond to information requests from competent authorities pursuant to Recommendation 31. When the FIU receives such a request from a competent authority, the decision on conducting analysis and/or dissemination of information to the requesting authority should remain with the FIU.

### C. ACCESS TO INFORMATION

#### a) Obtaining Additional Information from Reporting Entities

5. In addition to the information that entities report to the FIU (under the receipt function), the FIU should be able to obtain and use additional information from reporting entities as needed to perform its analysis properly. The information that the FIU should be permitted to obtain could include information that reporting entities are required to maintain pursuant to the relevant FATF Recommendations (Recommendations 10, 11 and 22).

#### b) Access to Information from other sources

6. In order to conduct proper analysis, the FIU should have access to the widest possible range of financial, administrative and law enforcement information. This should include information from open or public sources, as well as relevant information collected and/or maintained by, or on behalf of, other authorities and, where appropriate, commercially held data.

**D. INFORMATION SECURITY AND CONFIDENTIALITY**

7. Information received, processed, held or disseminated by the FIU must be securely protected, exchanged and used only in accordance with agreed procedures, policies and applicable laws and regulations. An FIU must, therefore, have rules in place governing the security and confidentiality of such information, including procedures for handling, storage, dissemination, and protection of, as well as access to such information. The FIU should ensure that its staff members have the necessary security clearance levels and understanding of their responsibilities in handling and disseminating sensitive and confidential information. The FIU should ensure that there is limited access to its facilities and information, including information technology systems.

**E. OPERATIONAL INDEPENDENCE**

8. The FIU should be operationally independent and autonomous, meaning that the FIU should have the authority and capacity to carry out its functions freely, including the autonomous decision to analyse, request and/or disseminate specific information. In all cases, this means that the FIU has the independent right to forward or disseminate information to competent authorities.
9. An FIU may be established as part of an existing authority. When a FIU is located within the existing structure of another authority, the FIU's core functions should be distinct from those of the other authority.
10. The FIU should be provided with adequate financial, human and technical resources, in a manner that secures its autonomy and independence and allows it to conduct its mandate effectively. Countries should have in place processes to ensure that the staff of the FIU maintain high professional standards, including standards concerning confidentiality, and should be of high integrity and be appropriately skilled.
11. The FIU should also be able to make arrangements or engage independently with other domestic competent authorities or foreign counterparts on the exchange of information.

**F. UNDUE INFLUENCE OR INTERFERENCE**

12. The FIU should be able to obtain and deploy the resources needed to carry out its functions, on an individual or routine basis, free from any undue political, government or industry influence or interference, which might compromise its operational independence.

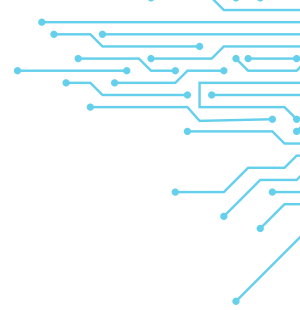
**G. EGMONT GROUP**

13. Countries should ensure that the FIU has regard to the Egmont Group Statement of Purpose and its Principles for Information Exchange Between Financial Intelligence Units for Money Laundering and Terrorism Financing Cases (these documents set out important guidance concerning the role and functions of FIUs, and the mechanisms for exchanging information between FIUs). The FIU should apply for membership in the Egmont Group.

**H. LARGE CASH TRANSACTION REPORTING**

14. Countries should consider the feasibility and utility of a system where financial institutions and DNFBPs would report all domestic and international currency transactions above a fixed amount.

Source: FATF Recommendation 29



### Independence and Functional Autonomy of the FIU

While the FIU is administratively dependent on the RBF, the technical and core functions of the FIU are independent of the RBF. The Director 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. 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.

The Director devotes all his time for the FIU and does not participate or contribute to the role and functions of the RBF. The FIU also maintains its organisational independence with the following operational, governance and administrative measures:

1. Separate legislation, namely the FTR Act, establishing the FIU, its powers and functions;
2. Fiji FIU corporate logo indicating its status as an independent government agency;
3. Fiji FIU website to publish all FIU public information;
4. Strategic Plan outlining its vision, pillars and strategic goals;
5. Annual Workplan and budget outlining its annual deliverables to meet its Strategic Plan and the required financial resources to meet these deliverables;
6. IT resources to enable and support the FIU in the delivery of its functions;
7. Networking with domestic and international partners on AML initiatives and projects;
8. Member of the Egmont Group of global FIUs;
9. Access to the Egmont Secure Web (ESW) which enables the FIU to securely exchange information with 165 other FIUs who are members of the Egmont Group;
10. Case Management System to store and manage the FIU's STR cases;
11. Communication processes to enable the FIU to communicate effectively with its partners and the public;
12. FIU database for receiving, storing and analysing financial transaction reports from financial institutions;
13. Training of staff to ensure they are skilled and qualified to carry out their functions; and
14. Engagement in national committees to support national objectives that are linked to the FIU's vision.



# 4 EXPENDITURE STATEMENT & NOTES

The RBF continued to fund the operations of the FIU in 2020. The FIU's total expenditure for 2020 was \$801,000 compared to \$878,000 in 2019.

The expenditure of the FIU is incorporated into the financial statements of the RBF and is audited as part of its annual accounts.

The RBF also provided other administrative support services to the FIU in 2020 in the areas of human resource management, accounting, information technology services, security services and other general administrative services.

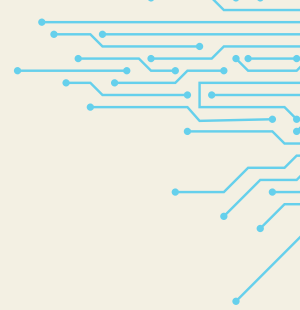
## Fiji Financial Intelligence Unit

### Statement of Expenditure

For the year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
<b>Expenses</b>			
Salaries & wages	1	746,000	748,000
Meetings	2	4,000	73,000
IT expense	3	16,000	16,000
Consultancy	4	19,000	22,000
Insurance	5	7,000	10,000
Printing, publications & stationery	6	5,000	5,000
Other expenses	7	4,000	4,000
<b>Total expenses</b>		<b>801,000</b>	<b>878,000</b>

The statement of expenditure has been audited up to 31 July 2020. The figures from 1 August 2020 to 31 December 2020 will be audited as part of the financial statement of the RBF in 2021.



## Fiji Financial Intelligence Unit

### Notes

For the year ended 31 December 2020

#### 1. Salaries & Wages

The total staff costs amount to \$746,000 (2019: \$748,000) for the year ended 31 December 2020. The staff costs capture the total remuneration paid to the employees of the Financial Intelligence Unit.

31 December 2020	31 December 2019
\$	\$

#### 2. Meetings

Overseas	-	67,000
Local	4,000	6,000
	<b>4,000</b>	<b>73,000</b>

Courses, meetings and seminars cover the costs of attending local and overseas courses, conferences, meetings and trainings. The closure of country borders and the suspension of international flights has significantly reduced the current year's expenditure.

31 December 2020	31 December 2019
\$	\$

#### 3. IT Expense

Licenses and maintenance	15,000	12,000
Internet	1,000	4,000
	<b>16,000</b>	<b>16,000</b>

The computer costs are for the annual maintenance and licensing costs for the Financial Intelligence Unit's databases and the internet related charges.

#### 4. Consultancy

The consultancy cost amount to \$19,000 (2019: \$22,000) for the year ended 31 December 2020. The cost include the Financial Intelligence Unit's databases subscription fees for intelligence gathering and membership to the Egmont Group.

#### 5. Insurance

The insurance costs which amount to \$7,000 (2019: \$10,000) relate to the term life covers that is provided to the employees of the Financial Intelligence Unit.

31 December 2020	31 December 2019
\$	\$

#### 6. Printing, Publications & Stationery

Printing and Publication	1,000	5,000
Public Relations	4,000	-
	<b>5,000</b>	<b>5,000</b>

The printing, publications and stationery capture the cost of printing the Financial Intelligence Unit's annual and border currency reports, publications and public relation materials.

31 December 2020	31 December 2019
\$	\$

#### 7. Other Expenses

Communication	2,000	2,000
Advertising and General Expense	2,000	2,000
	<b>4,000</b>	<b>4,000</b>

The other expenses amounted to \$4,000 for the financial year ended 31 December 2020 (2019: \$4,000).

# 5 OUR ACHIEVEMENTS

## A. Receipt and Analysis of Financial Information

A key function of the FIU is to analyse suspicious transaction reports and other financial transaction reports that it receives from financial institutions<sup>2</sup>, members of the public and other agencies in Fiji.

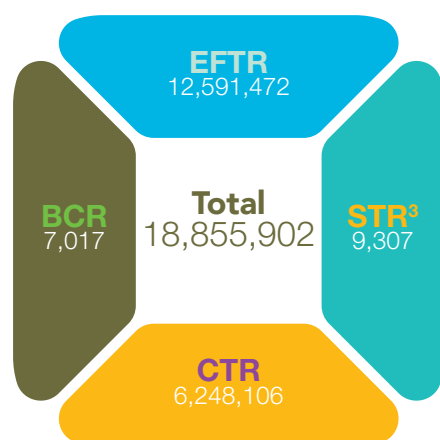
In 2020, the FIU received a total of 2,487,186 financial transaction and other reports. These reports consisted of suspicious transaction reports (STR); cash transaction reports (CTR); electronic fund transfer reports (EFTR) and border currency reports (BCR).

### Financial Transaction Reports Received 2016-2020

Year	2016	2017	2018	2019	2020
STR	579	650	632	622	736
CTR	591,636	623,213	968,693	794,044	619,987
EFTR	1,148,711	1,220,602	1,357,246	1,515,681	1,866,197
BCR	547	792	969	1,102	266
<b>TOTAL</b>	<b>1,741,473</b>	<b>1,845,257</b>	<b>2,327,540</b>	<b>2,311,449</b>	<b>2,487,186</b>
Monthly Total Average	145,123	153,771	193,962	192,621	207,266

Source: Fiji FIU

### Financial Transaction Reports Received 2006-2020



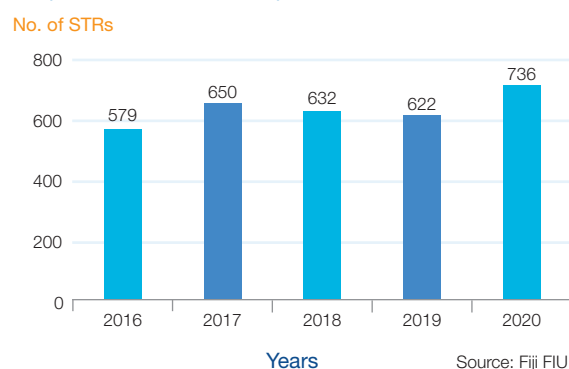
Highlights of financial transaction reports received by the FIU in 2020 are provided below.

The FIU also conducts strategic analysis of financial transaction reports received which is provided in the strategic analysis section of this Annual Report.

### Suspicious Transaction Reports

The FIU received 736 STRs<sup>4</sup> in 2020 or an average of 61 STRs per month compared to 622 STRs reported in 2019.

#### Suspicious Transactions Reported 2016-2020



Financial institutions are required under section 14 of the FTR Act, regulation 24 of the FTR Regulations and sections 1 and 2 of FIU Enforceable Guideline 1 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 619,987 CTRs in 2020 or an average of around 51,666 CTRs per month. This is a decrease of 22 percent compared to 794,044 CTRs reported in 2019.

<sup>2</sup> Financial institutions include designated non-financial businesses and professions.

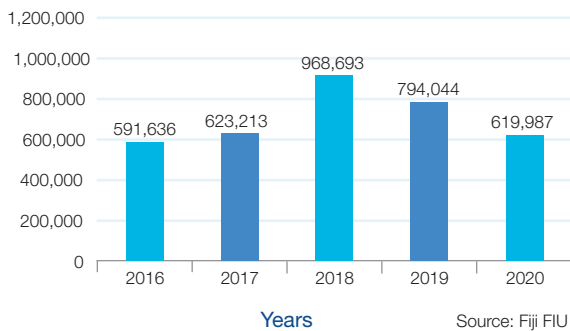
<sup>3</sup> Includes 1,145 STRs that were reported between 2000 – 2005 under section 61 of the Proceeds of Crime Act.

<sup>4</sup> The number of STRs reported and the funds that are involved in suspicious transactions do not necessarily indicate the size of money laundering activity in Fiji. However, these transactions have been subject to a greater level of scrutiny by reporting financial institutions and have been flagged and reported as questionable, unusual and suspicious transactions. The figure suggests money laundering symptoms, risk and vulnerabilities in Fiji.



### Cash Transactions Reported 2016-2020

No. of CTRs



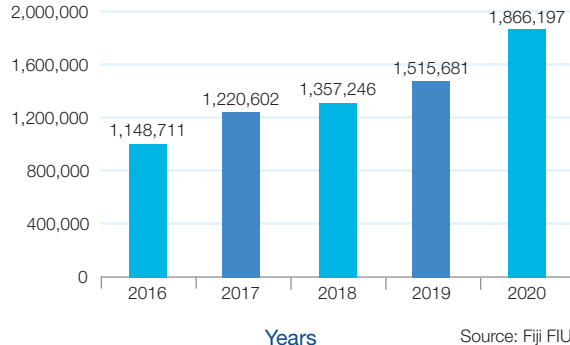
Financial institutions are required under section 13(1) of the FTR Act and regulation 25 of the FTR Regulations to report to the FIU any cash transaction of \$10,000 and above or its equivalent in foreign currency. Cash includes coin or paper money, bank drafts, bank cheques, bearer bonds, travelers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

### Electronic Funds Transfer Reports

The FIU received 1,866,197 EFTRs in 2020 or an average of around 155,516 per month. This is an increase of 23 percent compared to 1,515,681 EFTRs reported in 2019. The total EFTRs received in 2020 included 250,820 EFTRs in domestic remittances.

### Electronic Funds Transfer Reported 2016-2020

No. of EFTRs



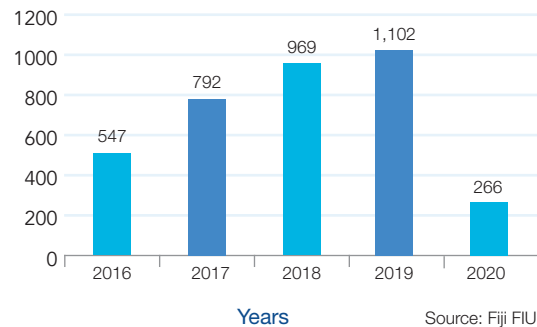
Commercial banks and remittance service providers (including mobile phone money remitters) are required under section 13(2) of the FTR Act and regulation 26 of the FTR Regulations to report to the FIU all international electronic fund transfer transactions. There is no monetary threshold for EFTRs.

### Border Currency Reports

In 2020, the FIU received 266 BCRs. This is a decrease of 76 percent compared to 1,102 BCRs received in 2019. This decrease is due to COVID-19 travel restrictions which drastically reduced the number of travellers into and out of Fiji in 2020.

### Border Currency Declarations 2016-2020

No. of BCRs



### BCR Declarations by Direction of Travel 2016-2020

Persons Declaring	2016	2017	2018	2019	2020
Declarations made by inbound travellers	265	375	434	436	81
Declarations made by outbound travellers	282	417	535	666	185
<b>TOTAL</b>	<b>547</b>	<b>792</b>	<b>969</b>	<b>1,102</b>	<b>266</b>

Source: Fiji FIU

### FIUs Reporting and Intelligence Development

As required under section 25(1) of the FTR Act, the FIU is required to analyse and assess all reports and information that it receives, including information that is received from members of the public. The FIU uses tactical analysis procedures as set out in its standard operating manual to analyse all 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 2020, the FIU continued to use Fiji FIU's Information Management System Online (FFIMSO) in its intelligence processes. The FIU uses its Alert and Monitoring System (AMS) which monitors all financial transaction reports maintained on the FFIMSO database for identifying suspicious transactions. The FIU also undertakes data mining to analyse financial transaction data captured in the FFIMSO database. The data mining process identifies links, relationships and patterns of suspicious financial activities. The AMS and data mining process proactively identifies suspicious transactions and reports this to FIU analysts for their further analysis.

FFIMSO also consists of the Transaction Query System (TRAQ) which is the central repository for financial transaction reports reported to the FIU by financial institutions. TRAQ enables the FIU staff to perform efficient profiling by utilising search tag features to obtain information regarding specific names, bank accounts, transaction dates, dollar amounts and other relevant transaction details.

The FIU launched its Case Management System (CMS) in February 2019. CMS is a custom designed software that centrally stores all STR information, case analysis details and dissemination reports. Analysts are able to raise queries directly through the system, conduct analysis and automatically generate

case dissemination reports and link charts. CMS also offers certain management functions, such as, review and approval of STR closures, generation of management reports and system audits for each STR.

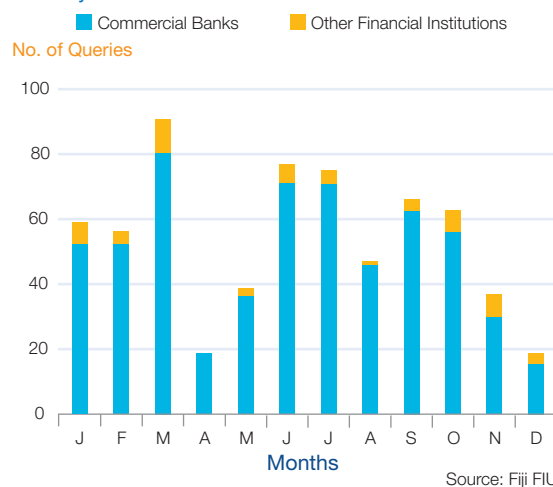
BCRs are collected by FRCS at the border and sent to the FIU for data mining and analysis for possible currency smuggling, tax evasion, money laundering and related criminal offences.

### FIU Enquiries with Financial Institutions

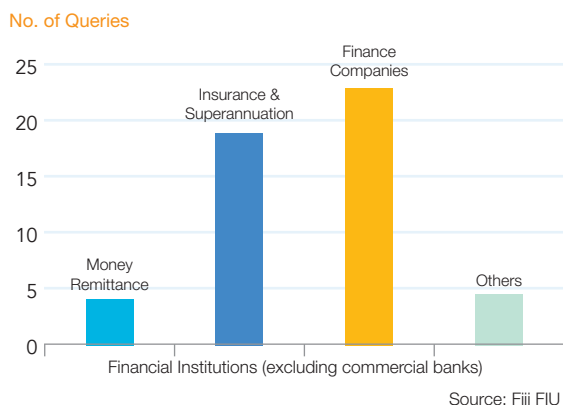
As part of its analysis process, the FIU makes enquiries with financial institutions. The queries are aimed at developing further intelligence on information already provided in the STRs. FIU queries may also be in relation to an ongoing investigation of money laundering and serious offences or proceeds of crime cases. The FIU has powers to obtain information from financial institutions and DNBPs under sections 14(3), 25(1)(c), 25(1)(h) and 28 of the FTR Act.

In 2020, 645 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 2020



FIU Queries to Financial Institutions (Excluding Commercial Banks) 2020



The queries sent to financial institutions included requests for:



In 2020, the majority of the queries sent to financial institutions were for: (i) customer transaction history, (ii) customer identification details, and (iii) customer account details.

## 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.

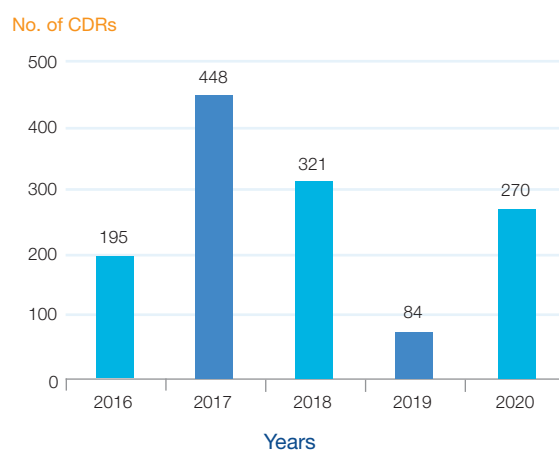
The FIU's intelligence reports also provide profiling of suspected proceeds of crime and proceeds linked to tax evasion.

The FIU analyses suspicious transaction and other financial transaction information such as CTR, EFTR and BCR 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 2020, 270 CDRs were referred to law enforcement agencies compared to 84 CDRs in 2019<sup>5</sup>. The CDRs were developed from reports of suspicious transactions received in 2020 and prior to 2020.

Case Dissemination Reports 2016-2020



<sup>5</sup> Due 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 included in the FIU Strategic Analysis Report.

### Case Dissemination Reports to Law Enforcement Agencies 2016-2020

Law Enforcement Agency and Reason for Dissemination	2016	2017	2018	2019	2020
<b>FRCS-Tax Division</b> Possible violations under the Income Tax Act and VAT Act.	83	310	193	44	128
<b>Fiji Police Force</b> *including Transnational Crime Unit Possible violations under the Proceeds of Crime Act and serious offences under the Crimes Act and other relevant laws.	58	84	62	8	67
<b>Immigration Department</b> Possible violations under the Immigration Act and Passport Act.	5	2	8	0	10
<b>FRCS-Customs Division</b> Possible violations under the Customs Act.	12	7	14	7	5
<b>Others<sup>6</sup></b>	37	45	44	25	60
<b>Total</b>	<b>195</b>	<b>448</b>	<b>321</b>	<b>84</b>	<b>270</b>

Source: Fiji FIU

In 2020, 49 percent of the CDRs were disseminated to FRCS while 25 percent of CDRs were disseminated to the FPF. Intelligence that is developed from a single STR is sent in some instances to more than one law enforcement agency as it may involve suspected violations of different laws.

After detailed analysis, the FIU also, filed away 372 STRs during 2020 compared to 132 STRs in 2019. STRs are filed away for future intelligence references and analysis, if after analysis and intelligence gathering, the FIU is able to reasonably conclude that the transaction or information does not involve a money laundering offence or other serious offence.

### STRs Filed Away for Future Reference and Analysis 2016 - 2020

	2016	2017	2018	2019	2020
Number of STRs Filed Away	284	314	248	132	372

Source: Fiji FIU

### Alert & Instruction 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 & Instruction Notices to financial institutions in order to protect the financial system from being used by adversely reported individuals and business entities. An Alert & Instruction 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 & Instruction Notice, financial institutions are advised to circulate the Alert & Instruction Notices internally with caution. There were 20 Alert & Instruction Notices issued by the FIU in 2020.

### Alert & Instruction Notices Issued 2020

Date	Alert Notice Number	Issued To	Details
9 January	1/2020	Commercial Banks	Possible Advance Fee Fraud
31 January	2/2020	Commercial Banks	Surveillance on ATM facilities
25 February	3/2020	Commercial Banks	Possible Advance Fee Fraud
26 February	4/2020	Money Remittance Service Provider	Possible Advance Fee Fraud
26 March	5/2020	Pharmaceutical Regulator	Possible Advance Fee Fraud

<sup>6</sup> Other law enforcement agencies include FICAC (5), Foreign FIUs and law enforcement agencies (29) and Reserve Bank of Fiji (26).





Date	Alert Notice Number	Issued To	Details
25 March	6/2020	All Commercial Banks and Money Remittance Service Providers	Possible Covid-19 Related Online Scam
17 April	7/2020	All Commercial Banks and Money Remittance Service Providers	Possible Advance Fee Fraud
21 May	9/2020	All Commercial Banks and Money Remittance Service	Possible LTA Impersonation Scam
21 May	10/2020	Land Transport Authority (LTA)	Possible LTA Impersonation Scam
15 June	11/2020	Commercial Banks (x2)	Enhanced Account Scrutiny
9 June	12/2020	All Commercial Banks	Possible Advance Fee Fraud
30 June	13/2020	All Commercial Banks	Possible Advance Fee Fraud
15 June	14/2020	Commercial Bank	Enhanced Account Scrutiny
30 June	15/2020	All Commercial Banks	Possible LTA Impersonation Scam
17 July	17/2020	Real Estate Agent	Enhanced Account Scrutiny
10 August	18/2020	Commercial Bank	Enhanced Account Scrutiny
24 August	19/2020	Commercial Bank (x3)	Enhanced Account Scrutiny
11 September	20/2020	All Commercial Banks and Money Remittance Service Providers	Possible Advance Fee Fraud
9 October	21/2020	All Commercial Banks	Cheque Washing
14 December	23/2020	Law Firm	Enhanced Account Scrutiny

Source: Fiji FIU

### Directives to Financial Institutions

The FIU has powers under section 25(1)(h) of the FTR Act to issue enforceable 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 six such directives in 2020 to financial institutions.

### Directive Actions Taken

Directive Actions	FTR Act and Regulation
Undertake enhanced due diligence on customers	r20 FTR Regulations and s14 Enforceable Guideline 4
Ascertain the source, origin and legitimacy of funds	s4(6) FTR Act, r20(2)(b) and r23 FTR Regulations
Ascertain the nature of the customer's business and a comprehensive picture of the customer's transactions	r18 FTR Regulations
Ascertain the purpose, type, volume and value of funds	s4(6) FTR Act, (r19 FTR Regulations
Ascertain the ultimate destination of funds or part thereof	s4(6) FTR Act and r19 FTR Regulations
Ascertain the ultimate beneficiary of funds or part thereof	s4(7) FTR Act and r19 FTR Regulations
Ascertain any other party or third party associated or involved in the transaction	r14 FTR Regulations and s.3 Enforceable Guideline 4
Monitoring of customer transactions	s10 FTR Act and r17 FTR Regulations
Retaining all relevant records	s8 FTR Act and s7 Enforceable Guideline 4
Seeking written approval from the FIU before proceeding with any transaction	s7(a) FTR Act, s19(3)(c) FTR Act and s8.1 Enforceable Guideline 4

In 2020, the FIU withdrew three directives that were previously issued. The FIU also uses directives to temporarily suspend a transaction (not proceed any further with a transaction) until the financial institution satisfactorily performs all the necessary customer due diligence requirements provided under the FTR Act, FTR Regulations and FIU Enforceable Guidelines.

Section 7 of the FTR Act and regulation 19(3)(c) of the FTR Regulations requires financial institutions to “not proceed any further with a transaction” unless directed to do so in writing by the FIU.

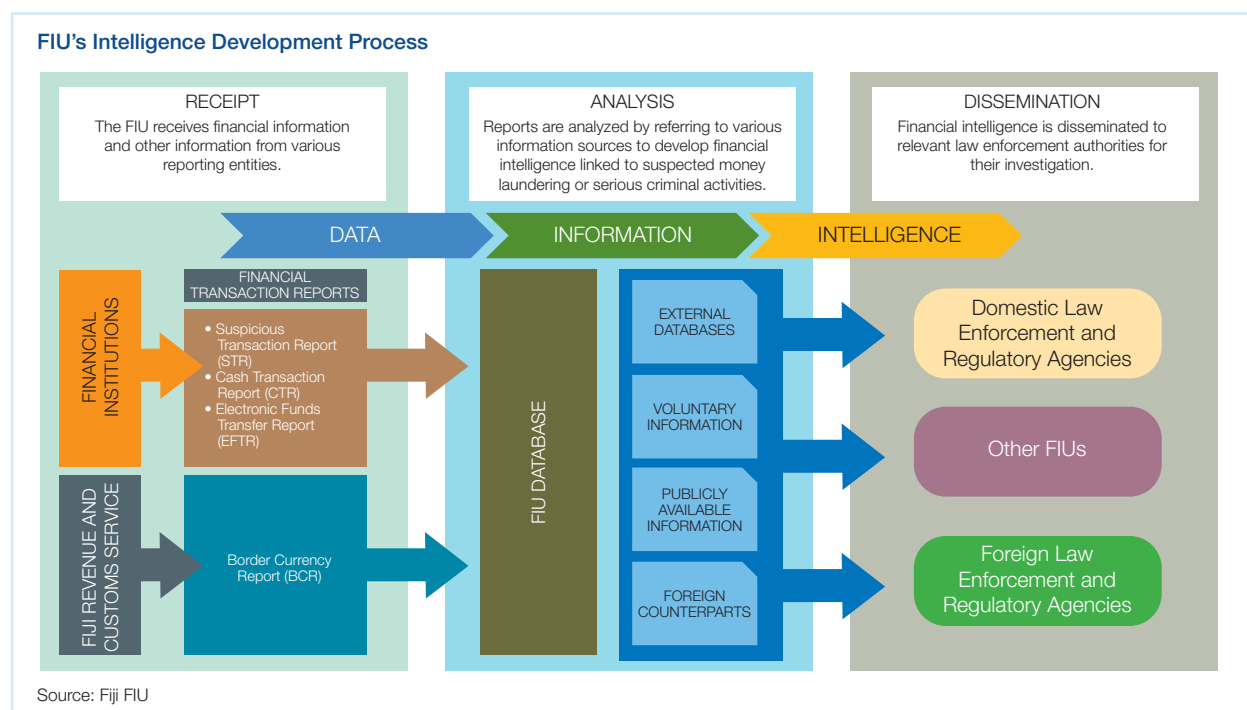
The Alert & Instruction Notices and directives are enforceable instructions of the FIU and must be implemented by the financial institutions.

### Investigative Assistance Provided to Law Enforcement Agencies

The FIU provides assistance to law enforcement and regulatory agencies upon request. The request for assistance from the law enforcement agencies

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, cybercrime, larceny and corruption.

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



In 2020, the FIU received 127 requests for assistance from local law enforcement agencies such as the FPF, FICAC, Department of Immigration and FRCS, compared to 222 requests in 2019.

### Requests for Investigative Assistance 2020

Requesting Agency	Number of Requests	Number of Checks on Individuals	Number of Checks on Entities
FICAC	15	60	8
Fiji Police Force	77	207	15

Requesting Agency	Number of Requests	Number of Checks on Individuals	Number of Checks on Entities
FRCS	26	38	21
Immigration Department	6	7	1
Others <sup>7</sup>	3	17	0
<b>TOTAL</b>	<b>127</b>	<b>329</b>	<b>45</b>

Source: Fiji FIU

<sup>7</sup> Other requesting agencies include the Australian Federal Police, Fiji Competition & Consumer Commission and Office of the Solicitor General.



The FIU also assists law enforcement agencies in their own investigations by facilitating the process to trace and “temporarily suspend” funds that is suspected to be proceeds of crime and transacted or held within financial institutions to ensure that the funds are immediately secured while the formal investigations into the suspected criminal activity is underway. Financial Institutions are directed by the FIU to perform enhanced due diligence of the customer, monitor transactions and identify source of funds.

### Dissemination of Information to Foreign FIUs

The FIU receives requests for information from foreign FIUs. In 2020, the FIU received one request for information from a foreign FIU through the Egmont Secure Web (ESW) and other formal communication compared to 12 requests received in 2019.

The FIU sent six requests for information to foreign FIUs through ESW in 2020.

### Information Exchanges with Other FIUs 2016-2020

Requests	2016	2017	2018	2019	2020
Made to Fiji FIU	11	25	13	12	1
Made by Fiji FIU	7	10	10	5	6

Source: Fiji FIU

### Due Diligence

The FIU conducts background and due diligence checks on individuals and entities upon a request made in writing from a Government department or authority as provided under section 25.1(m) of the FTR Act. Requesting agencies are required to fill out the FIU request form and provide relevant details on the individuals and businesses that are under scrutiny and evaluation.

In 2020, the FIU received 70 requests for background and credibility checks compared to 89 requests received in 2019. The checks were conducted on 114 individuals and 90 entities.

### Requests for Background Checks 2020

Requesting Agency	Number of Requests	Number of Checks on Individuals	Number of Checks on Entities
Fiji Dental Council	1	1	0
iTaukei Affairs Board	1	2	2
Mineral Resources Department	1	1	0
Office of the Attorney General	1	3	1
Investment Fiji	6	8	6
Fiji Pharmaceutical and Biomedical Services	6	2	7
Ministry of Economy	5	4	27
Ministry of Local Government	1	1	0
Ministry of Commerce, Trade, Tourism & Transport	17	21	6
FRCS	6	13	5
REALB	3	3	0
Registrar of Companies	1	1	0
RBF	21	54	36
<b>TOTAL</b>	<b>70</b>	<b>114</b>	<b>90</b>

Source: Fiji FIU

## C. Supporting and Supervising Financial Institutions

The FIU promotes a “risk-based” approach to implementing the FTR Act and provides guidance to financial institutions to comply through issuance of policies and providing training.

The requirements in the FTR Act, commonly referred to as “preventive measures” are based on international AML/CFT standards, the 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 money remitters ; and
- ii. other 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.

### Financial Institutions under the FTR Act



### AML Guidelines and Policy Advisories

In 2020, the FIU continued to provide financial institutions with advice and guidance on the requirements under the FTR Act and Regulations.

The FIU provides advisories and guidelines aimed at helping financial institutions gain a better understanding of their obligations.

During 2020, the FIU issued one Policy Advisory and revised Enforceable Guideline 4 on Customer

Identification and Verification to reflect the repeal of the Business Licence Act 1976 on 31 July 2020. Under these changes, financial institutions are no longer required to rely on a business license as an identification document for business customers.

In 2020, the FIU also reviewed and revised Enforceable Guideline 1 on Suspicious Transactions for issue in early 2021. The revised Guideline 1 seeks to provide further requirements and guidance to financial institutions on their obligations to identify and report suspicious transactions.

### Policy Advisory Issued by FIU in 2020

Policy Advisory	Date Issued	Purpose of Policy Advisory
Removal of Business License Requirement under the FTR Regulations	11 September 2020	The purpose of this Policy Advisory is to provide further guidance and clarification on the removal of the business licence certificate from the customer due diligence requirement under FTR Regulations.

Source: Fiji FIU

Appendix 1 lists the Enforceable Guidelines issued by the FIU and RBF to date. The Enforceable 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 2020, the FIU issued 74 ad-hoc policy advisories explaining various requirements of the FTR Act and Regulations. To ensure consistent application and understanding of FTR requirements across all the covered financial institutions, the FIU disseminates its policy advisories to all the institutions.

**Ad-hoc Policy Advisories Issued by FIU in 2020**

Nature of Advisory	Number of Ad-hoc Advisories Issued
Customer Due Diligence Requirements	28
Transaction Reporting Requirements	31
Other Issues (FIU Alert Notices, role of compliance officer, AML developments)	15
<b>TOTAL</b>	<b>74</b>

Source: Fiji FIU

**Review of the Cash Transaction Reporting Requirements**

In 2020, the FIU commenced a scoping exercise in preparation for the review of the cash transaction reporting requirements. The review explores expanding the definition of cash under the FTR Act and decreasing the current cash transaction reporting threshold. The aim of the review is to simplify the current CTR reporting obligation that captures cash as well as certain non-cash transactions. Any transaction of certain lower threshold will thus become reportable. This review will continue in 2021.

**AML Compliance Officers Forum**

The FIU continued to engage with the AML Compliance Officers of the various financial institutions during the year. These forums provided a platform for the FIU to update the AML Compliance Officers on new regulatory developments and money laundering trends and to clarify policy requirements. The FIU held two interactive forums for AML Compliance Officers during the year.

**AML Compliance Officers Forum**

Date	AML Forum Program
13 February 2020	<p>The AML Forum program was focused on the obligations and requirements of the AML Compliance Officers under the FTR Act and Regulations.</p> <p>The sectors covered in these forums included the commercial banks, finance companies, restricted money remitters, real estate agents, lawyers, accountants, insurance companies and brokers.</p>

Date	AML Forum Program
28 October 2020	<p>The AML Forum program included:</p> <ul style="list-style-type: none"> <li>a brief overview on the revisions to Enforceable Guideline 1 on suspicious transactions reporting;</li> <li>quality reporting of STRs by the commercial banks;</li> <li>feedback on the implementation of the FIU Alert &amp; Instruction Notice;</li> <li>a presentation from Office of the Director of Public Prosecution (ODPP) on restraining orders; and</li> <li>a presentation from Fiji Independent Commission Against Corruption (FICAC) on real life scenario cases and experiences of FICAC collaborations with the FIU and the commercial banks.</li> </ul> <p>The sector covered was the commercial banks.</p>

Source: Fiji FIU



Director FIU (far right) with the Commercial Banks AML Compliance Officers and FIU staff.



Ms Moira Konrote, Senior Legal Officer heading the Proceeds of Crime Taskforce, Office of the Director of Public Prosecutions (ODPP), speaking at the AML Forum.



Mr Frank Tora, Team Leader of Digital Forensic Unit, Fiji Independent Commission Against Corruption (FICAC), speaking at the AML Forum.





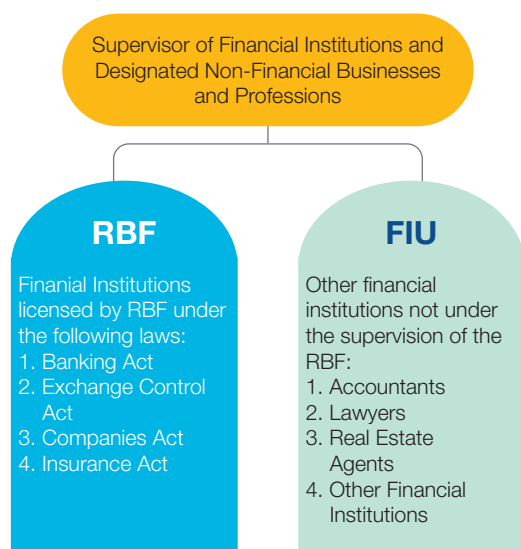
Commercial Banks AML Compliance Officers during the AML Forum.

During 2020, the FIU continued its engagement with the real estate and legal sectors to enhance industry level awareness and compliance. The engagement was through one-on-one meetings and forums with AML Compliance Officers.

### 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 comply with the FTR Act and Regulations.

#### AML/CFT Supervision



The FIU conducted onsite compliance examinations of two law firms and three real estate agents in 2020. Overall, these businesses were not fully aware of their

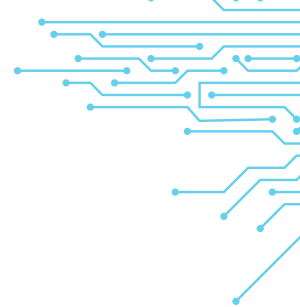
obligations under the FTR Act and Regulations, thus, brief AML trainings were conducted during the onsite examination by the examiners. Upon completion of the compliance examination, the financial institutions are issued the final Compliance Reports. The financial institutions have six months from the date of their reports to implement the recommendations given by the FIU. The recommendations are also a directive for financial institutions to implement an “action plan” under Section 29(2) of the FTR Act.

### Summary Findings for Onsite Compliance Examinations 2016 – 2020

Non-compliance Findings	Number of Financial Institutions	FTR Act and Regulations Breach
No written AML/CFT Policy & Procedure in place	<ul style="list-style-type: none"> <li>10 law firms</li> <li>5 real estate agents</li> </ul>	<ul style="list-style-type: none"> <li>Section 21 of the FTR Act</li> <li>Regulation 29 of the FTR Regulations</li> </ul>
Not performing CDD/KYC on a risk-based approach	<ul style="list-style-type: none"> <li>7 law firms</li> <li>6 real estate agents</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 3, 20 and 21 of the FTR Regulations</li> </ul>
Not maintaining minimum required records	<ul style="list-style-type: none"> <li>7 real estate agents</li> </ul>	<ul style="list-style-type: none"> <li>Section 8 of the FTR Act</li> </ul>
No indication of monitoring client transactions	<ul style="list-style-type: none"> <li>8 law firms</li> <li>7 real estate agents</li> <li>1 accounting firm</li> </ul>	<ul style="list-style-type: none"> <li>Section 10(1) of the FTR Act</li> <li>Regulation 17 of the FTR Regulations</li> </ul>
Suspicious transactions reporting <ul style="list-style-type: none"> <li>not aware of their obligations to report STR</li> <li>possible STR not reported</li> <li>not aware they must report attempted STRs</li> <li>not able to identify red flag indicators for ML/TF</li> </ul>	<ul style="list-style-type: none"> <li>10 law firms</li> <li>4 real estate agents</li> </ul>	<ul style="list-style-type: none"> <li>Section 14 of the FTR Act</li> <li>Regulation 24 of the FTR Regulations</li> </ul>
Cash transactions reporting <ul style="list-style-type: none"> <li>not aware of their obligations to report CTR</li> <li>possible CTRs not reported</li> <li>not aware bank cheques are reported as CTRs</li> </ul>	<ul style="list-style-type: none"> <li>8 law firms</li> <li>1 real estate agent (most REAs do not hold trust accounts)</li> </ul>	<ul style="list-style-type: none"> <li>Section 13 of the FTR Act</li> <li>Regulation 25 and 27 of the FTR Regulations</li> </ul>
Lack of regular in-house AML training and awareness	<ul style="list-style-type: none"> <li>10 law firms</li> <li>5 real estate agents</li> <li>1 accounting firm</li> </ul>	<ul style="list-style-type: none"> <li>Section 21(1)b of the FTR Act</li> <li>Regulation 33(3) of the FTR Regulations</li> </ul>

Source: Fiji FIU





The results of the assessments were shared with the management of the respective businesses with recommendations for further improvements in internal processes.

The FIU also continued with its off-site assessment and review of transaction reporting and record keeping obligations of financial institutions in Fiji.

The FIU relied on the onsite supervision programme of the RBF to assess the compliance of RBF licensed financial institutions with the FTR Act and Regulations.

### Enforcement

A component of the FIU's compliance function is to apply enforcement action where there has been a breach of the FTR Act by a financial institution. Enforcement action is part of the FIU's compliance strategy. The objectives of an enforcement action are as follows:

- i. to bring about behavioural change within financial institutions to implement their obligations under the FTR Act, FTR Regulations and FIU instructions, guidelines and directives;

- ii. to encourage financial institutions to fully comply with the FTR Act, FTR Regulations and FIU instructions, guidelines and directives; and to deter any future non-compliance.

The legal basis for applying enforcement action is provided under the FTR Act and FTR Regulations.

The penalties in the FTR Act apply to a financial institution and can be applied to natural and legal persons that breach the AML/CFT requirements. Furthermore, an "officer" (including: director, officer, employee, agent or consultant) of a financial institution is also liable to the above penalties.

During 2020, the FIU reviewed its enforcement framework with the aim of better capturing the requirements of the FTR Act. This work will continue into 2021.

The following enforcement actions were undertaken by the FIU in 2020:

1. In 2020, the FIU identified one commercial bank and two money remitters that breached the FIU Alert & Instruction Notice.

### Breach of FIU Alert & Instruction Notice 2020

Financial Institution	FIU Alert & Instruction Notice Breached	Number of transactions in breach of the Alert & Instruction Notice	Individuals to refrain from conducting transactions	Enforcement Action Taken by FIU
Commercial Bank X	5/2019	7	Beneficiary (1)	<ul style="list-style-type: none"> <li>• Non-Compliance Letter issued</li> <li>• Meeting with Commercial Bank X</li> </ul>
Money Remitter A	5/2019	5	Beneficiary (2)	<ul style="list-style-type: none"> <li>• Non-Compliance Letter issued</li> <li>• Meeting with Money Remitter A</li> </ul>

Financial Institution	FIU Alert & Instruction Notice Breached	Number of transactions in breach of the Alert & Instruction Notice	Individuals to refrain from conducting transactions	Enforcement Action Taken by FIU
Money Remitter B	7/2020	1	<ul style="list-style-type: none"> <li>Ordering Customer (1)</li> <li>Beneficiary Customer (1)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Compliance Letter issued (1st breach)</li> </ul>
Money Remitter B	7/2020	1	Beneficiary (1)	<ul style="list-style-type: none"> <li>Non-Compliance Letter issued (2nd breach)</li> <li>Meeting with Money Remitter B</li> </ul>

Source: Fiji FIU

- Financial institutions are required to report their CTRs and EFTRs within 5 working days from the date of transaction. During 2020, there were 30 breaches of the five days transaction reporting requirement. The FIU addressed these breaches by immediately issuing notifications to the respective financial institutions to rectify the breaches. In all the cases, the financial institutions were able to rectify the breach within a reasonable time. In 2020, only one money remitter was issued two formal non-compliance letters on their delay in EFTR reporting.
- As part of continuous data quality improvement, the FIU reviews the reports submitted by financial institutions to identify data quality issues and ensure that fields (especially mandatory fields) in the transaction reports are entered accurately. The data quality issues, once identified by the FIU staff or AMS, are entered in a register and communicated immediately by the FIU to the relevant financial institution for its necessary action. In 2020, the FIU identified 11 data quality issues which were communicated to and effectively resolved by the relevant financial institution.

#### Reporting Requirement Non-Compliance 2016 – 2020

Reporting Requirement Non-Compliance	2016	2017	2018	2019	2020
No. of breaches of the 5 days reporting requirement	28	22	28	23	<b>30</b>
No. of formal non-compliance letters/ correspondences issued	8	8	8	2	<b>2</b>

Source: Fiji FIU

#### Data Quality Issues Identified in 2020

Financial Institution	Data Quality Issues Noted	Actions Taken
Commercial Bank	Incorrect information entered in a batch of EFTRs reported	Issue was clarified - no amendments required
Commercial Bank	EFTRs duplicated	Duplicated EFTRs removed by FIU
Finance Company	CTR incorrectly reported as a STR	STR removed by FIU and Finance Company reported CTR as required

Financial Institution	Data Quality Issues Noted	Actions Taken
Commercial Bank	Possible EFTR not reported	EFTR reported by the Commercial Bank
Finance Company	Possible CTR not reported	CTR reported by the Finance Company
Commercial Bank	Possible CTR not reported	CTR reported by the Commercial Bank
FX Dealer	Mandatory reporting fields for EFTRs not completed	Issue rectified by FIU and FX Dealer re-commenced reporting
FX Dealer	Mandatory reporting fields for EFTRs not completed	Issue rectified by FIU and FX Dealer re-commenced reporting
FX Dealer	Incorrect information provided in STR reported	STR rectified by FX Dealer
Finance Company	Incorrect information provided in CTR reported	CTR rectified by FIU
Mobile Phone Money Remitter	Mandatory reporting fields for EFTRs not completed	Ongoing – Mobile Phone Money Remitter to provide missing information for FIU to rectify

Source: Fiji FIU

4. A remittance service provider was referred to a law enforcement and regulatory agency for conducting financial transactions in breach of the Exchange Control Act and its condition of licence as an Authorised Foreign Exchange Dealer.
5. The RBF, during its onsite examination of a money remittance service provider, identified material breaches of key requirements of the FTR Act and other related laws. The RBF used its supervisory powers, in consultation with the FIU, to consider taking enforcement action on the money remittance service provider.

#### Engagement with the Reserve Bank of Fiji

The FIU continued to work closely with the RBF in the supervision of RBF licensed financial institutions. The FIU also joined the RBF during its AML/CFT compliance examinations of money remittance service providers and their sub-agents in Nadi, Lautoka, Labasa and Savusavu.

The FIU provided policy advice to RBF as and when needed on the AML/CFT compliance issues. In 2020, the FIU provided a presentation to RBF on the proper implementation of FIU Policy Advisory 1/2019 on establishing source of funds.

#### Training and Awareness Programme for Financial Institutions

In 2020, the FIU provided training and awareness presentations to various financial institutions which were attended by a total of 104 employees. The training covered the financial institutions' obligations under the FTR Act and Regulations.

**Trainings to Financial Institutions 2020**

Sector	Number of Employees
Law Firms	42
Real Estate Agents	30
Accountants	7
Commercial Banks	25
<b>TOTAL</b>	<b>104</b>

Source: Fiji FIU

## D. Domestic Coordination and Engagement

**National AML Council**

The FIU continued to contribute to national AML/CFT coordination and networking through participation in various committees, working groups and taskforce. This includes taking the lead role in work related to the Forfeited Assets Fund, APG Mutual Evaluation and the Follow-Up Reports for Fiji. The FIU provides 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).

There was one meeting of the National AML Council in 2020. It continued to progress key national outputs during the year. Its work was also 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 2020. Other FIU staff also actively contributed to the work of the AML Working Groups.

The FIU provided high level updates to the Council on key issues such as the updates on Fiji's compliance with the FATF Recommendations. The FIU provided

advice to the Council on measures needed to address the deficiencies raised in Fiji's 2016 mutual evaluation report (MER) relating to transparency of companies' beneficial owners, review of the non-profit organisation sector, financial sanctions relating to terrorist financing and proliferation financing and extradition. The Council members also endorsed the commencement of the work on the new National AML Council Strategic Plan.

### Engagement and Exchange of Information with Partner Agencies

The FTR Act provides the FIU with the mandate to enter into MOAs with other agencies. The MOAs allow the FIU to exchange information and enhance networking and cooperation with domestic partner agencies.

In 2020, the FIU signed a MOA for the exchange of information with Post Fiji Pte Limited. The MOA will strengthen FIU's profiling capabilities, by providing access to additional information, such as money order transactions and postal services data when conducting intelligence analysis. The FIU is currently engaging with other agencies to enter into MOAs in 2021, including Interpol, Fiji National Provident Fund, iTaukei Land Trust Board and the Ministry of Lands.



Signing of MOA between FIU and Post Fiji Pte Limited.

From left, FIU Director, Razim Buksh and Chief Executive Officer, Post Fiji Pte Limited, Dr Anirudha Bansod.



The FIU has signed MOAs with 13 local partner agencies to date. The FIU continued to engage with these partner agencies during 2020. As part of these MOA arrangements, authorised officers from the FPF, FRCS, FICAC and RBF continued to have direct access to the FIU's central database.

In 2020, there were 26 officers who had direct access to the FIU database. The officers used this arrangement to obtain intelligence on persons or entities of interest who are subject to their investigations and profiling.

Officers from FRCS and the FPF continued to be seconded to the FIU in 2020 as provided under the MOA arrangement. Two seconded officers were from FRCS and one officer was from the FPF.



Secondment Officers for 2020 from left: Pritika Sharma (FRCS - Tax), Salaseini Tawake (FRCS - Customs) and CPL Katoanga Lekai (FPF)

#### MOAs with Domestic Partner Agencies

Agency	Date MOA Signed	Type of MOA
Immigration Department	12 July 2007	Information exchange
FRCS	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

Agency	Date MOA Signed	Type of MOA
Land Transport Authority	5 October 2009	Information exchange
FICAC	3 November 2009	Information exchange
Joint Taskforce RBF/FRCS/FIU	14 April 2010	Information exchange
Maritime Safety Authority of Fiji	16 August 2012	Information exchange
RBF	17 April 2014	Information exchange
Fijian Elections Office	11 August 2016	Information exchange
Real Estate Agents Licensing Board	24 April 2017	Information exchange
Post Fiji Pte Limited	19 March 2020	Information exchange

Source: Fiji FIU

#### Non-Profit Organisations Framework

Non-Profit Organisations (NPO) provide support to the public and private sectors in order to improve living conditions, promote development, improve education and, more generally, encourage social progress. However, the sector has vulnerabilities that increase its risk of exploitation for terrorist financing.

The FIU is coordinating the NPO sector review in Fiji with the APG and the Ministry of Justice. The APG is supporting Fiji in this project to ensure Fiji's compliance with FATF Recommendation 8 and Immediate Outcome 10. This review will continue in 2021.

#### National Risk Assessment

Countries are required to identify, assess and understand the money laundering (ML) and terrorist financing (TF) risks that they face. This means that countries must undertake a national assessment of its ML and TF risks. The details of this requirement are provided under the FATF Recommendation 1 and its Methodology.

Fiji conducted its first ever national risk assessment (NRA) in 2015. Countries are also required to assess ML/TF risk on an "ongoing basis" and to keep the NRA up-to-date. In 2020, there was a review of the ML threats component of the NRA of 2015. This review will be finalised in 2021.

### **National Combined Law and Security Agencies**

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. The NCLASA framework is to create an environment for information sharing and co-operation between members.

### **Unexplained Wealth Taskforce**

The FIU contributed to the work of the Taskforce during 2020. The Taskforce is made up of representatives from the FIU, FPF, FRCS and FICAC. The objective of the Taskforce is to enable member agencies to network and collaborate on cases of unexplained wealth.

### **Cyber Security Working Group**

The FIU is part of Fiji's national cyber security working group on technical, legal and security issues. The FIU contributed to the discussions of the Working Group during 2020.

### **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.

### **Human Trafficking National Action Plan Taskforce**

The FIU is part of the Human Trafficking National Action Plan Taskforce that contributed to the National Plan of Action To Eradicate Trafficking in Persons & Child Trafficking document which was endorsed by the Fiji's National Security and Defence Council in 2020.

The FIU's role include receiving, analysing and detecting reports of transactions possibly linked to human trafficking.

### **Fijian National Identity Card (FNIC) Taskforce**

The FNIC Taskforce was endorsed by cabinet in October 2019 to provide input for the review of the Fijian national identification (ID) management strategy, requirements for a national ID and possible solutions. The FIU advised the Taskforce on the identification and verification requirements under the FTR Act. The FIU contributed to the meetings of the FNIC Taskforce in 2020.

### **Training and Awareness Programs for Law Enforcement Agencies**

The FIU provides training and awareness briefings to law enforcement agencies on money laundering and the role and functions of the FIU.

## **E. International Engagement and Contribution**

### **Fiji Mutual Evaluation - Progress Update**

Fiji's mutual evaluation report (MER) was tabled at the 2016 APG Annual Meeting and identified key gaps and deficiencies for Fiji to address. The MER noted that Fiji had 23 non-compliant/partially compliant ratings with the FATF 40 Recommendations and 11 low or moderate levels of effectiveness on the 11 Immediate Outcomes on effectiveness.

Fiji submitted its first and second Follow-Up Report (FUR) in January 2017 and 2018. Its third FUR was submitted in January 2019 and fourth FUR in October 2020. Fiji's fourth FUR did not seek any re-rating. Fiji is in the process of addressing the remaining deficiencies in the FATF Recommendations.

Since submissions of the four FURs (2017, 2018, 2019 and 2020), the APG has upgraded Fiji's compliance ratings for 17 FATF Recommendations to a "largely compliant" or "compliant" ratings (from either a non-compliant or partially compliant rating).



**Fiji's Technical Compliance Ratings: APG MER and FURs 2016 - 2020**

Rec.	Description	Rating MER 2016	Ratings Upgraded in 2017	Ratings Upgraded in 2018	Ratings Upgraded in 2019	Current Rating as at end 2020
1	Assessing Risks & Applying a Risk Based Approach	PC	LC			LC
2	National Co-operation & Co-ordination	PC		LC		LC
3	ML Offence	LC				LC
4	Confiscation & Provisional Measures	C				C
5	Terrorist Financing Offence	PC	C			C
6	Targeted Financial Sanctions related to Terrorist Financing	NC	PC			PC
7	Targeted Financial Sanctions related to Proliferation Financing	NC	PC			PC
8	Non Profit Organisations	PC				PC
9	Financial Institutions Secrecy Laws	C				C
10	Customer Due Diligence	PC	LC			LC
11	Record Keeping	PC	C			C
12	Politically Exposed Persons	PC		C		C
13	Correspondent Banking	C				C
14	Money or Value Transfer Services	C				C
15	New Technologies	PC		C		C
16	Wire Transfers	PC	LC			LC
17	Reliance on Third Parties	PC	LC			LC
18	Internal Controls	PC	LC			LC
19	High Risk Countries	NC		C		C
20	Reporting of Suspicious Transactions	LC				LC
21	Tipping Off and Confidentiality	LC				LC
22	Designated Non-Financial Businesses and Professions (DNFBP)	NC		LC		LC
23	DNFBP- Other Measures	PC		LC		LC
24	Transparency and Beneficial Ownership of Legal Persons	PC				PC
25	Transparency and Beneficial Ownership of Legal Arrangements	PC				PC
26	Regulation and Supervision of Financial Institutions	LC				LC
27	Powers of Supervisors	LC				LC
28	Regulation and Supervision of DNFBPs	PC		LC		LC
29	FIU	C				C
30	Responsibilities of Law Enforcement & Investigative Authorities	C				C
31	Powers of Law Enforcement & Investigative Authorities	LC				LC
32	Cash Couriers	LC				LC
33	Statistics	PC			C	C
34	Guidance and Feedback	LC				LC
35	Sanctions	PC	LC			LC
36	International Instruments	PC		LC		LC
37	Mutual Legal Assistance	LC				LC
38	MLA Freezing and Confiscation	C				C
39	Extradition	PC				PC
40	Other Forms of International Cooperation	LC				LC
Key: C: Compliant LC: Largely Compliant PC: Partially Compliant NC: Not Compliant						

**Fiji's Effectiveness Ratings: APG MER 2016**

	Immediate Outcomes	Rating MER 2016
	IO - 1 Risk, policy and coordination Moderate	Moderate
	IO - 2 International cooperation Moderate	Moderate
	IO - 3 Supervision Moderate	Moderate
	IO - 4 Preventive measures Moderate	Moderate
	IO - 5 Legal persons and arrangements Low	Low
	IO - 6 Financial intelligence Moderate	Moderate
	IO - 7 ML investigation & prosecution Moderate	Moderate
	IO - 8 Confiscation Low	Low
	IO - 9 TF investigation & prosecution Low	Low
	IO - 10 TF preventive measures & financial sanctions Low	Low
	IO - 11 PF financial sanctions Low	Low
Key:	High level: IO is achieved to a very large extent; Minor improvements needed	
	Substantial level: IO is achieved to a large extent; Moderate improvements needed	
	Moderate level: IO is achieved to a large extent; Moderate improvements needed	
	Low level: IO is not achieved or achieved to a negligible extent; Fundamental improvements needed	

Source: Fiji FIU

**Asia Pacific Group on Money Laundering**

Fiji is a member of the APG, an autonomous and collaborative international organisation currently comprising of 41 member countries.

The FIU, as the designated lead agency for Fiji, liaised closely with the APG in 2020 on various national outputs, APG governance and other policy and mutual evaluation matters including the submission of the 4th Follow-Up Report.

During 2020, the FIU participated in the following key APG activities:

- liaised with APG on Fiji's NPO Sector Review;
- contributed to the APG mutual evaluation programme by participating as an assessor for

the mutual evaluation of another APG member; and

- participated in various APG surveys and contributed to discussion papers;
- Mutual Evaluation Committee; and
- Ad-Hoc Strategic Review Committee.

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

**Memorandum of Agreements with Foreign FIUs**

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. The FIU has signed MOAs with 29 foreign FIUs to date.



### MOA with Foreign FIUs

Agency	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
Cambodia	Cambodia FIU	5 December 2017
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 Center	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
Papua New Guinea	Papua New Guinea FIU	29 January 2018
Philippines	The Anti-Money Laundering Council, The Financial Intelligence Unit of the Republic of the Philippines	13 July 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

Agency	Name of FIU	Date
Republic of China (Taiwan)	Anti-Money Laundering Division, Investigation Bureau, Ministry of Justice	10 July 2012
Republic of Marshall Islands	Banking Commission-Financial Intelligence Unit	24 July 2017
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

### Association of Pacific Island FIUs

The 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, Nauru, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Vanuatu and Kiribati. The FIU also provided advice during the year to regional FIUs on various aspects of Fiji's AML/CFT framework.



### Egmont Group

The Fiji FIU is a member of the Egmont Group of FIUs.

The Fiji FIU continued to participate in the activities of the Egmont Group during 2020. This included contributing to Egmont surveys conducted during the year, reviewing and providing comments on Egmont governance papers, projects and questionnaires.

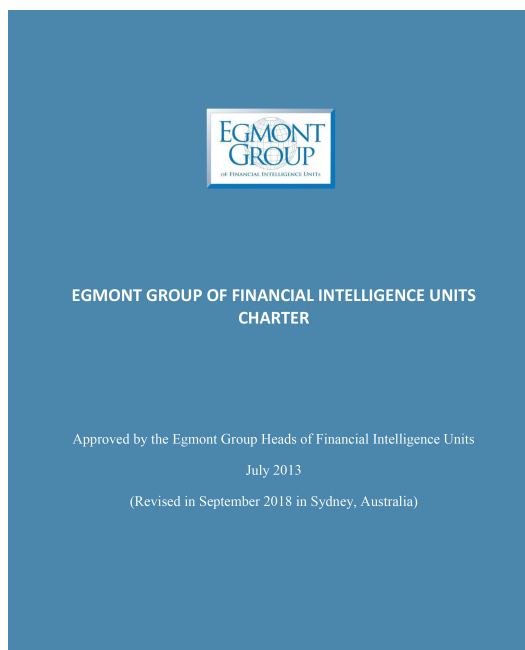
As a member of the Egmont Group of FIUs, the Fiji FIU is committed to sharing information with 165

other Egmont Group members. During 2020, the Fiji FIU continued to provide assistance and information to other Egmont Group members upon request via the ESW.

The Fiji FIU fully complies with the Egmont Group key governance instruments, namely the:

1. Egmont Charter;
2. Operational Guidance;
3. Principles of Information Exchange; and
4. Support and Compliance Process.

The Fiji FIU is also a member of the Egmont Group's Membership, Support, and Compliance Working Group (MSCWG) and Asia and Pacific Regional Group (APRG).



Source: Egmont Group



### 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 standards set by global standard setting bodies. The FIU participated in the virtual meetings of the GSPWG during the year. The Fiji FIU was the co-chair of the GSPWG in 2020. During the year, the GSPWG worked on knowledge products and organised technical webinars for members. In 2020 the GSPWG completed and launched a toolkit to support the risk-based implementation of AML/CFT requirements. This toolkit is aimed for use by policymakers.

### AUSTRAC

AUSTRAC is Australia's FIU. In 2020, the FIU continued to benefit from its engagement with AUSTRAC through sharing of AML/CTF information and intelligence. AUSTRAC also provided the FIU with AML/CTF technical assistance and training.

### Technical Assistance and Training provided by AUSTRAC 2020

Technical Assistance/ Training	Status
AUSTRAC/Refinitiv webinar on World Check Tips and Tricks	Completed
Pacific AML/CFT Webinar Series	Completed
FIU Regional Forum collaboration	Ongoing
IT system solution	Ongoing

Source: Fiji FIU

# 6 OPERATIONAL GOVERNANCE AND COMMUNICATION

## Professional Development of Staff

Due to the Covid-19 pandemic restrictions, meetings and workshops were conducted virtually in 2020. FIU also provided on-the-job training to new secondment staff from FRCS and the FPF who joined the FIU during the year as part of the secondment rotation programme.

## Trainings, Meetings and Conventions 2020

Month	Course	Venue	Organiser
February	Multinational Communications Interoperability Program (MCIP) Cyber Services, Cyber Training	Suva, Fiji	Republic of Fiji Military Forces (RFMF) and US Indo Pacific Command
August	STI Webinar on Combatting Money Laundering and Terrorism Financing During the Pandemic	Suva, Fiji	The IMF – Singapore Regional Training Institute (STI)
	AUSTRAC/Refinitiv webinar on World Check Tips and Tricks	Suva, Fiji	AUSTRAC
December	Pacific AML/CFT Webinar Series	Suva, Fiji	AUSTRAC, ANZ and the Asian Development Bank

Source: Fiji FIU

## Governance

The FIU continued to provide monthly reports on its operations to the Governor of the RBF and the Chairman of the National AML Council. The FIU also provided regular updates to the National AML Council on key AML/CFT national initiatives and projects. In 2019 and early 2020, the RBF commenced a review of the governance arrangements between the RBF and FIU. In particular this review looked at:

- the role of the Director FIU in RBF Executive Management Committees;

- the reporting of FIU performance and operations to the Governor;
- the need to remove any misperceptions on the RBF's role in the operations of the FIU; and
- further strengthening the autonomy and independence of the FIU.

In 2020, FIU's internal governance arrangements were revised to include the following measures:

- The Director FIU ceased to be a member of the RBF Executive Management and membership of all related Executive Management Committees and no longer contribute to RBF executive and policy decisions;
- The Director FIU reports directly to the Governor;
- The FIU AML section has been excluded from the RBF Annual Report, and from other RBF publications;
- The FIU will continue to be funded by the RBF under a separate budget approved by the RBF Board;
- The FIU has reverted to using its own official logo and no longer uses the joint RBF logo;
- The FIU will set-up its own IT infrastructure in 2021/2022 that will be fully autonomous and independent from RBF, including the use of @fijifiu.gov.fj email domain; and
- Other corporate measures, such as, separate uniform for FIU staff.

## Communication

The FIU uses the media and its website to communicate key AML/CFT initiatives to the general public. In 2020, the FIU issued three press releases (Refer to Appendix 3).

### Summary of Press Releases 2020

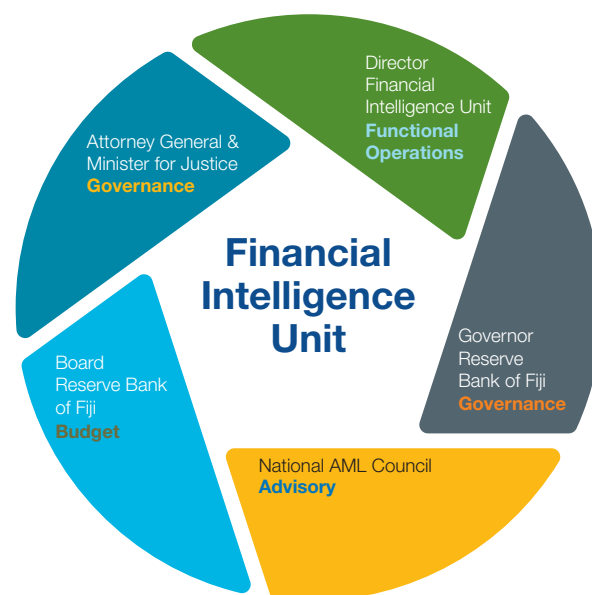
Press Release No.	Date Issued	
08/2020	19 March 2020	The Financial Intelligence Unit Signs Memorandum Of Understanding With Post Fiji Pte Limited
12/2020	27 March 2020	Covid-19 Related Online Scam
01/2020	4 September 2020	Fiji Financial Intelligence Unit Annual Report 2019

Source: Fiji FIU



The FIU engaged two project officers to assist in the FIU data migration and digitisation project. The FIU also engaged a temporary worker as part of the RBF's and National Employment Centre attachment programme.

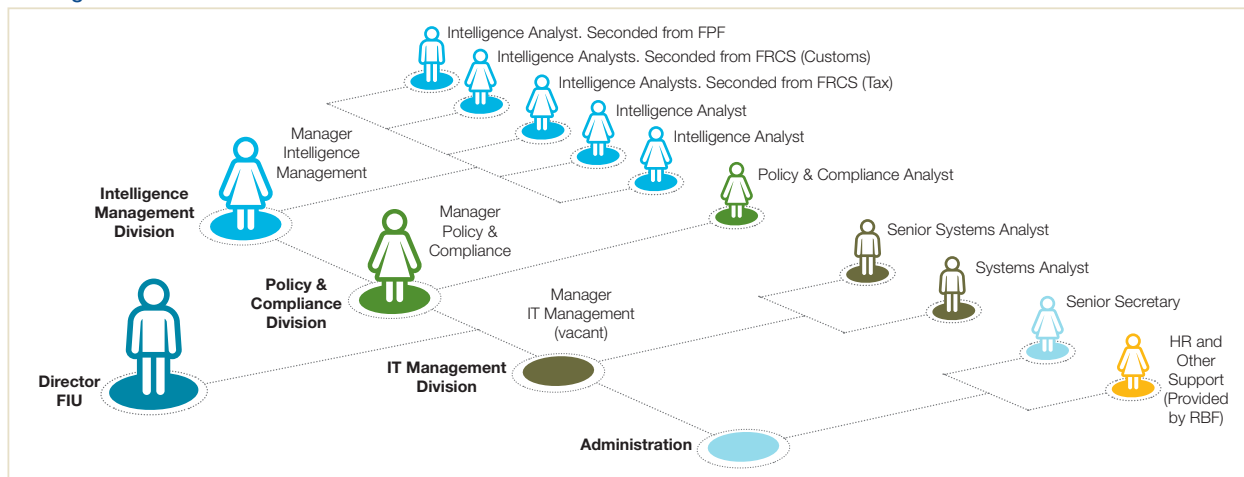
### Governance Structure 2020



### Staffing

As at the end of 2020, the FIU had nine permanent staff and three officers on secondment from partner agencies (one FPF officer and two FRCS officers).

### FIU Organisation Structure 2020







### Other Assistance Provided to the FIU

The FIU received indirect funding assistance from FRCS and the FPF through the secondment of their staff with the FIU in 2020. The salaries of the seconded officers were fully funded by their respective agencies.

### Fiji FIU's Information Management System Online [FFIMSO]

FFIMSO consists of two online web application systems, namely Online Data Delivery System (ODDS) and TRAQ.

ODDS is used by financial institutions to securely report financial transaction reports online. TRAQ is used by FIU staff and direct data access (DDA) officers for search, analysis and profiling purposes.

Financial institutions continued to use ODDS to report their transactions (STR; CTR; EFTR) electronically to the FIU. As at the end of 2020, 142 financial institutions had registered on FFIMSO.

#### FFIMSO Registration

Sector	No. of Reporting Entities Registered for Online Reporting to the FIU
Commercial Banks	6
Foreign Exchange Dealers & Money Remitters	10
Mobile Phone Money Remitters	2
Finance Companies	12
Law Firms	49
Insurance & Superannuation	12
Accounting Firms	11
Securities and Brokers	3
Real Estate Agents	26
Money Lenders	1
Others	10
<b>TOTAL</b>	<b>142</b>

Source: Fiji FIU

FFIMSO received an average of 207,266 financial transaction reports per month in 2020.

At the end of 2020, the FFIMSO database received over 18.85 million financial transaction reports from financial institutions since on-line reporting commenced in 2008.

ODDS was accessed by 106 authorised users, 5,917 times during 2020.

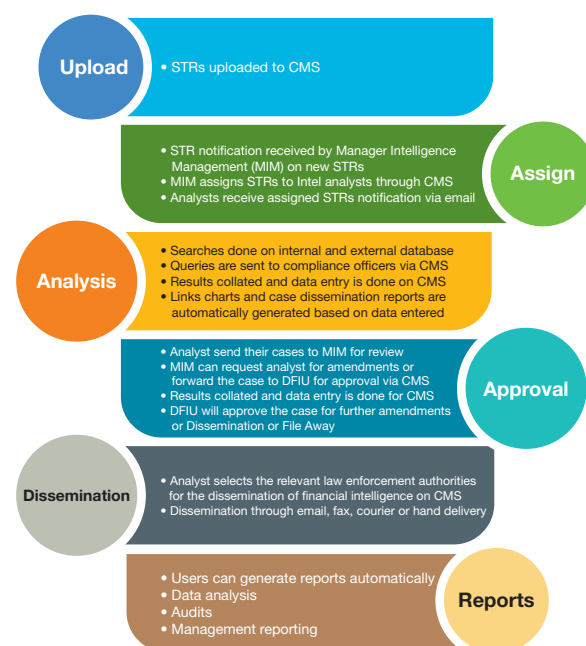
TRAQ was accessed by 13 FIU officers, 1,527 times; and 26 direct database access officers, 157 times during 2020.

There were a total of 192 authorised users of FFIMSO (ODDS and TRAQ users) at the end of 2020.

### FIU Case Management System [CMS]

FIU has an online case management system for managing suspicious transaction reports and its analysis. The system can automatically generate case dissemination reports and link charts and centrally stores all the cases in its database.

#### CMS Work Flow



### FIU Response to Covid-19 Pandemic

The FIU was able to manage its core operations by deploying a Work-From-Home (WFH) process. FIU staff were provided with laptops and access to work from home during the lockdown period. There were also continuous communication between staff via emails and the staff Viber group during the lockdown period.

The 2020 global pandemic and the Fijian Government's efforts to ensure the safety and wellbeing of Fijians including the lockdown and closure of the borders, also tested FIU's operational resilience and business continuity measures.

After the nation lockdown was lifted, the FIU continued to follow all the health and safety measures of the

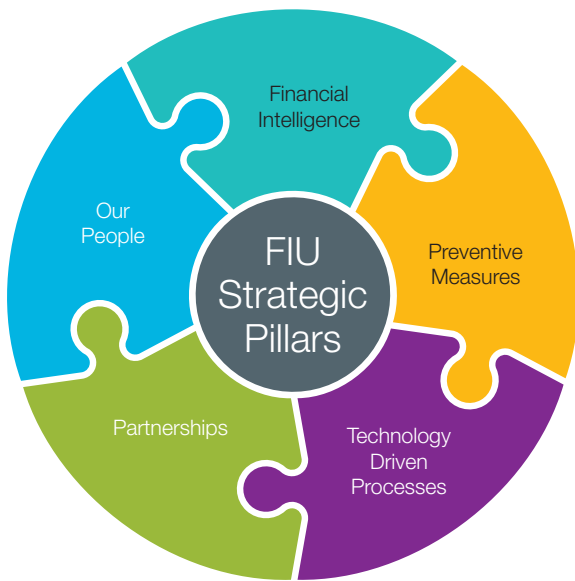
Fijian health authorities. In particular, the FIU strictly followed the use of hand sanitisers, face masks and social distancing restrictions, attending virtual meetings, workshops and organised AML forums with a limited number of participants.

Understanding the circumstances faced by financial institutions, the FIU released Circular No: FIU 14/2020 on 30 March 2020. The circular acknowledged the difficulties that financial institutions may have encountered and advised them to contact the FIU for delays or disruptions in their reporting.

The FIU also contributed to the Fijian Government's initial effort on contact tracing.

# 7 STRATEGIC PLAN 2020 – 2024

The FIU has rolled out its 5-year Strategic Plan for 2020 – 2024. The Strategic Plan outlines the vision “Protecting Fiji from Money Laundering” and five key strategic pillars that will guide the FIU to achieve its overall vision for the next five years. The five strategic pillars that support the vision are:



These pillars are linked to the statutory functions of the FIU under the FTR Act and also reflect priorities that are considered vital to achieve its vision.

The ambitious vision would bring many continuing and new challenges in the next five years for the FIU.

The Strategic Plan addresses these challenges. The lessons learnt and efforts made by the FIU since it was established in 2006 will also help overcome these challenges. The FIU will rely on its partner agencies from the Fijian Government, law enforcement and regulatory authorities, its regional and international counterpart agencies, as well as the private sector stakeholders to fulfil the vision of “Protecting Fiji from Money Laundering”.

In formulating the Strategic Plan, the FIU had reflected on continuous feedback from the following key stakeholders:

- 1 The National AML Council;
- 2 Law Enforcement Partner Agencies;
- 3 The Board, Governors and Executive Management of the RBF;
- 4 Office of the DPP;
- 5 Ministry of Justice;
- 6 Financial Institutions and Designated Non-Financial Businesses and Professions;
- 7 The Egmont Group and the APG; and
- 8 Parliamentary Standing Committee

## 2020-2024

### Our Vision, Pillars, Strategies and Action Plan

*Our Vision: Protecting Fiji from Money Laundering*

#### i) Financial Intelligence

1. Develop and disseminate quality intelligence products for our stakeholders.
  - 1.1 Continue to strengthen our tactical analysis framework.
  - 1.2 Disseminate quality financial intelligence to our partners on a timely basis.
2. Improve the quality and use of our intelligence products.
  - 2.1 Improve our understanding of the needs of our law enforcement partners.
  - 2.2 Improve our data analysis capability to meet the needs of our partners.
  - 2.3 Provide regular feedback to financial institutions on outcomes of reports of suspicious transactions.
3. Promote the understanding of money laundering risks and methods in Fiji.
  - 3.1 Develop and implement an effective strategic analysis framework.
  - 3.2 Disseminate quality strategic intelligence products for financial institutions and other stakeholders.
  - 3.3 Contribute to the review of the assessment of Fiji's money laundering and terrorist financing risks.

#### ii) Preventive Measures

4. Promote a risk based implementation of the preventive measures under the Financial Transactions Reporting (FTR) Act.
  - 4.1 Maintain an ongoing understanding of the money laundering risks by sectors and by entities.
  - 4.2 Develop risk based AML/CFT policies and guidelines as needed.
  - 4.3 Engage with the industry and other regulators to address any policy obstacle to a risk based approach implementation.
5. Enhance financial institutions and businesses understanding of their obligations under the FTR Act.
  - 5.1 Provide timely guidance to financial institutions and businesses on the AML/CFT requirements.
  - 5.2 Develop and issue relevant AML/CFT guidelines.
  - 5.3 Continue to provide effective training and awareness to financial institutions and businesses on their AML/CFT obligations.
6. Effectively supervise financial institutions and businesses for compliance with the FTR Act and take appropriate enforcement action in case of non-compliance.
  - 6.1 Continue to strengthen our compliance and enforcement framework.
  - 6.2 Undertake risk based compliance supervision of financial institutions.
  - 6.3 Collaborate with the RBF in the supervision of RBF licensed financial institutions.
  - 6.4 Effectively and promptly deal with non-compliance by financial institutions and businesses.

**iii) Technology Driven Processes****7. Effective data reporting.**

- 7.1 Review and revise, as appropriate, Fiji's threshold reporting framework.
- 7.2 Explore real time central data integration.
- 7.3 Review and revise reporting forms to improve quality of data reported by financial institutions.

**8. Develop innovative data management systems and analytic tools.**

- 8.1 Explore and implement a secure private network for remote access of FFIMSO by our partners.
- 8.2 Explore and develop new technology and mechanisms for secure and prompt dissemination of financial intelligence to our partners.
- 8.3 Modernise FIU's data mining capabilities.

**9. Improve data quality and information security.**

- 9.1 Implement data cleaning technology and processes within FFIMSO.
- 9.2 Continuously strengthen our information security framework.

**iv) Partnerships****10. Enhance our network for information sharing.**

- 10.1 Enter into collaboration and information exchange agreements with new partners.
- 10.2 Continuously engage with partners for information exchange.
- 10.3 Strengthen existing partnerships.

**11. Strengthen relationships with domestic and international partners.**

- 11.1 Support the work of the National AML Council as a member and secretariat.
- 11.2 Contribute to national policy making through our participation in inter-agency committees.
- 11.3 Represent Fiji and the FIU at international AML/CFT forums.
- 11.4 Provide technical assistance and training to our foreign counterparts and domestic partners.

**12. Provide support to international partners on AML/CFT initiatives and engagements.**

- 12.1 Contribute to AML/CFT policy making at international level.
- 12.2 Support Egmont, APG, FATF and AFI initiatives and programs and contribute to planned projects.

**v) Our People****13. Cultivate a skilled, motivated and high performing team.**

- 13.1 Provide opportunities for professional development and training to staff.
- 13.2 Ensure clear staff progression pathways.
- 13.3 Provide clear and regular feedback on staff performance.

**14. Ensure corporate governance through strong internal controls and performance reporting.**

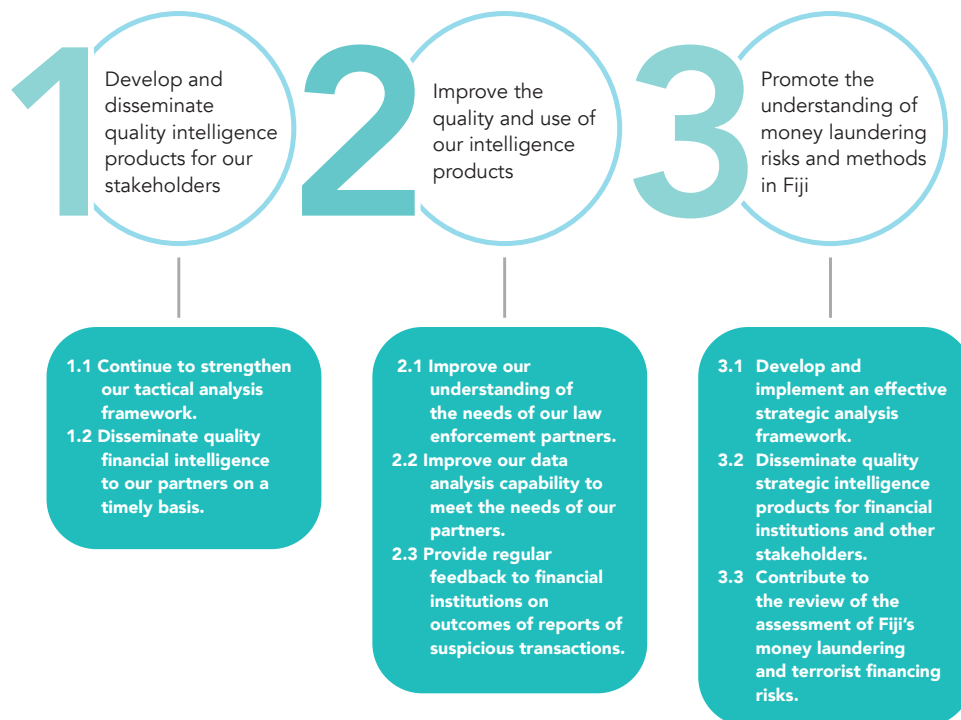
- 14.1 Provide timely and relevant performance reports on FIU operations to relevant stakeholders.
- 14.2 Comply with RBF requirements on governance reporting to the RBF Board.
- 14.3 Comply with relevant international standards on FIU operations.

## Pillar 1: Financial Intelligence

We will produce high quality financial intelligence for our partners. Our strategies to achieve this are:

1. Develop and disseminate quality intelligence products for our stakeholders.
2. Improve the quality and use of our intelligence products.
3. Promote the understanding of money laundering risks and methods in Fiji.

Our action plans under each strategy include:



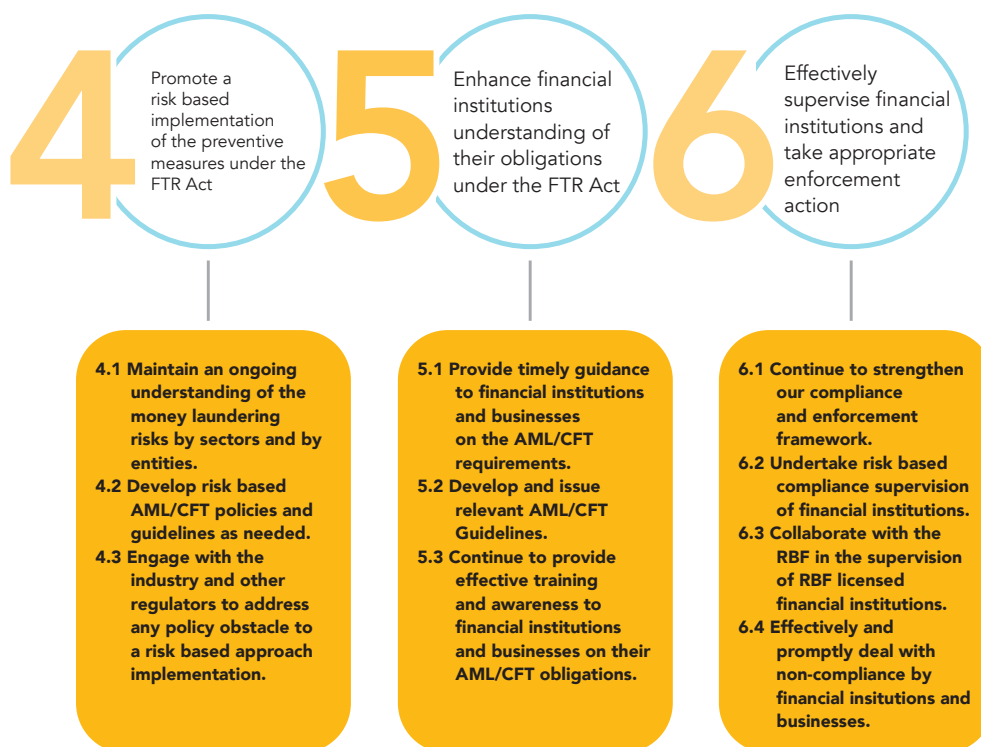


## Pillar 2: Preventive Measures

We will promote a safe and sound financial system to prevent or detect money laundering and terrorist financing activities. Our strategies to achieve this are:

4. Promote a risk based implementation of the preventive measures under the Financial Transactions Reporting (FTR) Act.
5. Enhance financial institutions and businesses understanding of their obligations under the FTR Act.
6. Effectively supervise financial institutions and businesses for compliance with the FTR Act and take appropriate enforcement action in case of non-compliance.

Our action plans under each strategy include:

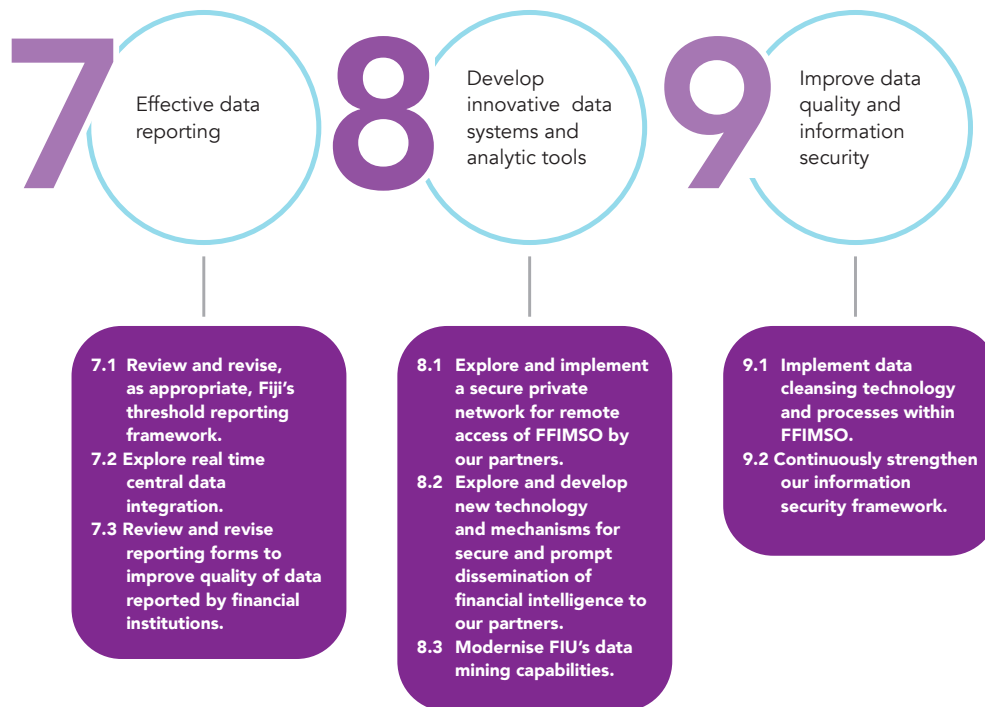


### Pillar 3: Technology Driven Processes

We will implement technology driven processes in the performance of our functions. Our strategies to achieve this are:

7. Effective data reporting.
8. Develop innovative data management systems and analytic tools.
9. Improve data quality and information security.

Our action plans under each strategy include:

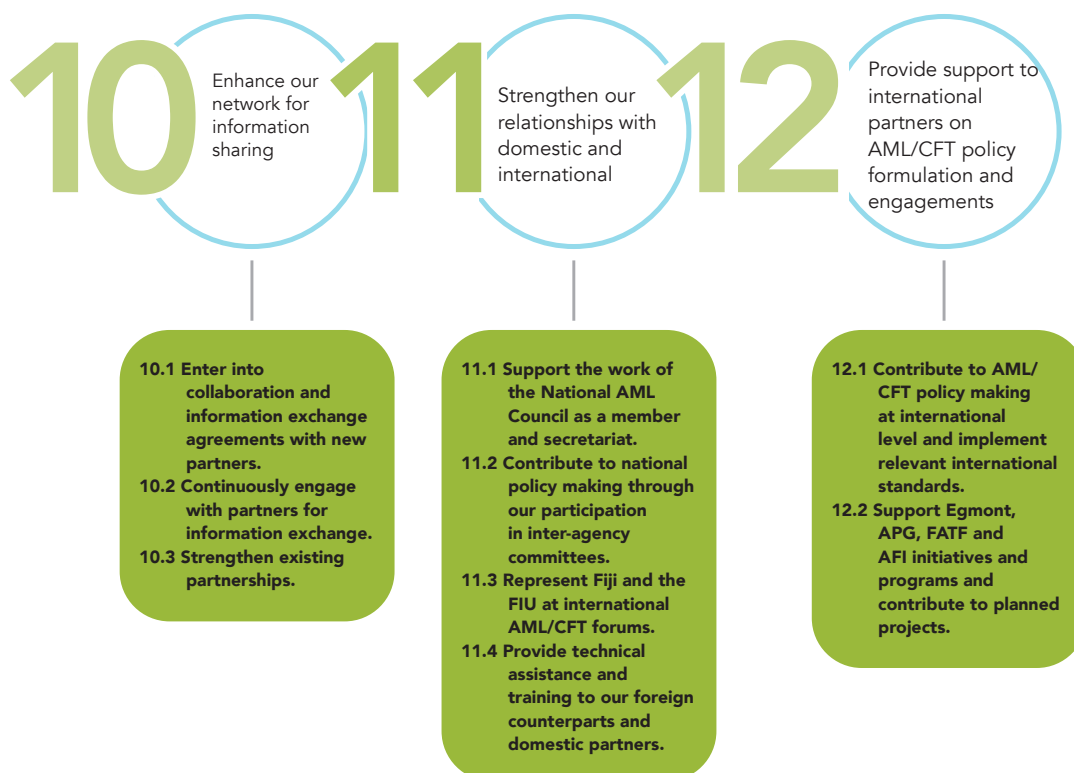


## Pillar 4: Partnerships

We will strengthen collaboration with our partners. Our strategies to achieve this are:

10. Enhance our network for information sharing.
11. Strengthen relationships with domestic and international partners.
12. Provide support to international partners on AML/CFT initiatives and engagements.

Our action plans under each strategy include:

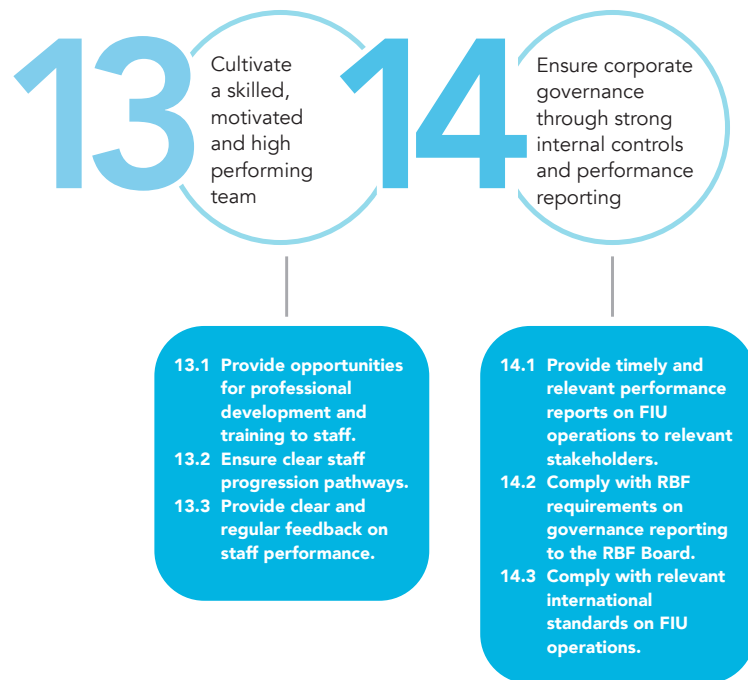


## Pillar 5: Our People

We will enhance the potential of our people and our governance processes. Our strategies to achieve this are:

13. Cultivate a skilled, motivated and high performing team.
14. Ensure corporate governance through strong internal controls and performance reporting.

Our action plans under each strategy include:



# 8 NATIONAL AML COUNCIL

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 “an effective and efficient legal system and institutions to prevent and detect money laundering, terrorist financing and other serious financial crimes in Fiji.”

The Council's missions are to:

- provide sound and timely advice to the Minister and other relevant stakeholders on the prevention of money laundering and terrorism financing;
- promote a strong legal and institutional AML/CFT framework; and
- facilitate networking and cooperation amongst relevant stakeholders.

The Council seeks to achieve these missions by:

- providing sound and timely advice to the Minister and other government agencies on policy and regulatory AML/CFT matters;
- promoting a strong legal, policy and institutional framework to comply with international AML/CFT standards and best practices;
- supporting institutions in their efforts to combat money laundering and terrorist financing;
- encouraging and facilitating networking and cooperation between agencies; and
- providing advice to the FIU on AML/CFT issues.

The members of the National AML Council are:

- Permanent Secretary for the Ministry for Justice, as Chairperson;
- Director of the ODPP;
- Commissioner of Police;
- Governor of the RBF;

- Chief Executive Officer of the FRCS; and
- 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:

- Permanent Secretary, Ministry of Foreign Affairs;
- Permanent Secretary, Ministry of Economy;
- Permanent Secretary, Ministry of Defence, National Security and Policing;
- Deputy Commissioner, FICAC; and
- Director, Immigration Department.

The FIU is the secretariat to the Council.

## National AML Council Members 2020



**Sharvada Sharma**  
Solicitor-General and  
Permanent Secretary  
Ministry of Justice



**Christopher Pryde**  
Director  
Office of the Director  
of Public Prosecutions



**Rusiate Tudravu**  
Acting Commissioner  
Fiji Police Force



**Ariff Ali**  
Governor  
Reserve Bank of Fiji



**Jonetani Vuto**<sup>8</sup>  
Acting Chief  
Executive Officer  
Fiji Revenue and  
Customs Service



**Razim Buksh**  
Director  
Financial  
Intelligence Unit

## National AML Council Invited Members 2020



**Yogesh Karan**  
Acting Permanent  
Secretary  
Ministry of Foreign  
Affairs



**Makereta Konrote**<sup>9</sup>  
Permanent Secretary  
Ministry of Economy



**Manasa Lesuma**  
Permanent Secretary  
Ministry of Defence  
and National Security  
and Policing



**Rashmi Aslam**  
Deputy Commissioner  
Fiji Independent  
Commission Against  
Corruption



**Amelia Kotobalavu  
Komaisavai**  
Acting Director  
Immigration Department

<sup>8</sup> As at the date of finalising this Annual Report.

<sup>9</sup> As at the date of finalising this Annual Report.

### 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; and
- 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.

### Terms of Reference of AML Working Groups

#### AML Legal 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.

#### AML Supervisors & Regulators Working Group

- 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 Programmes.
- To advise the Council on financial institution's compliance with legislative AML requirements.

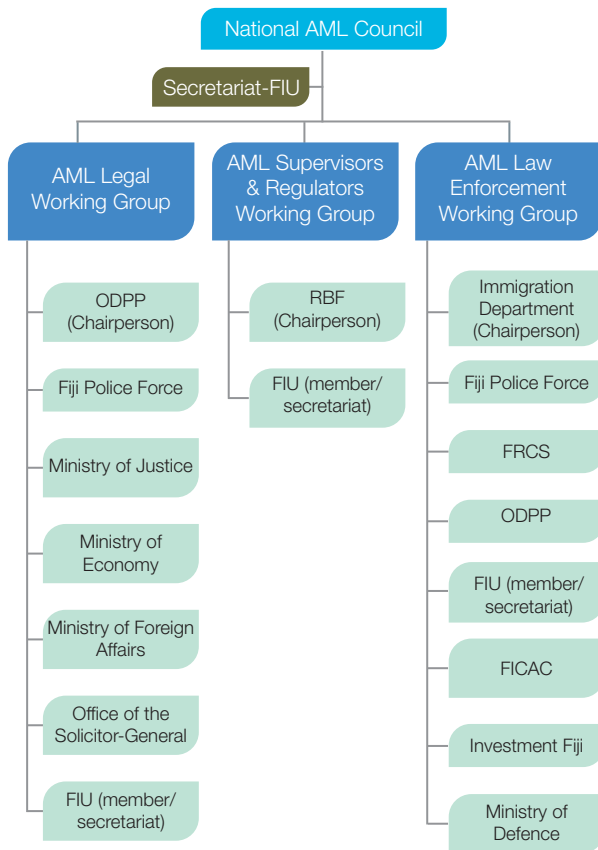
#### AML Law Enforcement Working Group

- 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.

Source: Fiji FIU

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 of the Working Group. The FIU is a member and provides the secretariat of the three Working Groups.

**National AML Council and Working Groups**

- v. received and considered requests from agencies for funding assistance from the FAF;
- vi. ongoing support and contribution to APG work, namely, Fiji's contribution to the APG mutual evaluation programme, APG mandate paper and other governance issues; and
- vii. ongoing review of Fiji's national risk assessment.

**Number of Working Group Meetings 2016-2020**

Working Group	2016	2017	2018	2019	2020
Legal	1	1	2	1	0
Law Enforcement	1	2	3	2	0
Supervisors and Regulators	Ad-hoc meeting	1	1	Ad-hoc meeting	1

Source: Fiji FIU

**Council's Activities in 2020**

Key outputs driven by the National AML Council in 2020 were as follows:

- i. held the National AML Council Meeting in February 2020;
- ii. submission of Fiji's 4th Follow-Up Report to the APG on 1 October 2020. The report outlined measures Fiji had taken since 2016 to implement the recommendations of the mutual evaluation report;
- iii. the Council endorsed the commencement of the work on the new NAMLC Strategic Plan;
- iv. drafted a guideline on Assessing Requests for Expenditure from the Forfeited Asset Fund (FAF);



# 9 APPENDICES

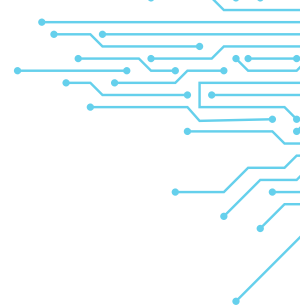
## APPENDIX 1: GUIDELINES ISSUED BY THE FIU

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 and 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.
Guideline 4 (Revised)	Customer Identification and Verification	11 September 2020	To reflect the repeal of the Business Licence Act 1976 on 31 July 2020.
Guideline 5	Risk Assessment of New Products, New Business Practices and Technologies	31 January 2018	Requires financial institutions identify and assess the money laundering, terrorist financing and proliferation financing risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms.
Guideline 6	Dealing with Higher Risk Countries	31 January 2018	Outlines further requirements relating to dealing with higher risk countries and countries that have been identified as having inadequate systems in place to detect or prevent money laundering, terrorist financing and proliferation financing risks emanating from these countries.
Guideline 7	Politically Exposed Persons	27 March 2018	Outlines requirements for dealing with domestic politically exposed persons and international organisation politically exposed persons.
Guideline 8	AML Compliance Obligations of Real Estate Agents and Businesses	1 October 2019	Provides guidance to real estate agents and businesses on their obligations under the FTR Act and Regulations.

### 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.
Restricted Money remitters and Money Changers Supervision Policy Statement No: 4	Minimum Requirements for the Management of Money Laundering and Terrorist Financing Risk	October 2018	The Policy sets out the minimum requirements for money remitters and money changers in establishing a risk management framework comprising of systems, structures, processes and people within which a licensed entity identifies, assesses, mitigates and monitors money laundering and terrorist financing risk.
Insurance Supervision Policy Statement No:13	Minimum Requirements for the Management of Money Laundering and Terrorist Financing Risk	November 2018	The Policy sets out minimum requirements for insurance companies and brokers on establishing a risk management framework, comprising of systems, structures, processes and people within which the institution identifies, assesses, mitigates and monitors money laundering and terrorist financing risk.

Source: Fiji FIU and RBF



## APPENDIX 2: POLICY ADVISORIES ISSUED BY THE 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 Compulsory Registration of Customers for Telephone Services Act (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

Reference	Subject	Purpose of Advisory	Issue Date
1/2013	FNPF/FRCS Joint Identification Card	To advise financial institutions of the inclusion of the FNPF/FRCS Joint Identification card for identification and verification of their customers and clients.	15 November 2013
1/2018	Parenthood Assistance Payment Programme	To provide clarification on the application of CDD requirements on bank account opening for recipients of the Parenthood Assistance Payment Programme.	8 August 2018
2/2018	Change in Account Name for Existing Private Companies	To provide clarification on the customer due diligence (CDD) requirements under the Financial Transactions Reporting (FTR) Act and how it aligns to the requirements under the Companies Act on changes to names of existing Private Companies.	23 November 2018
1/2019	Establishing Source of Funds	To provide further guidance and clarification on establishing a customer's source of funds.	20 September 2019
1/2020	Removal of Business License Requirement under the FTR Regulations	The purpose of this Policy Advisory is to provide further guidance and clarification on the removal of the business licence certificate from the customer due diligence requirement under the Financial Transactions Reporting (FTR) Regulations.	11 September 2020

Source: Fiji FIU

## APPENDIX 3: PRESS RELEASES



## PRESS RELEASE

Press Release No.: 08/2020

Telephone: (679) 331 3611/322 3333

Facsimile: (679) 330 2094/331 6454

Date: 19 March 2020

Email: [info@rbf.gov.fj](mailto:info@rbf.gov.fj) or [info@fijifiu.gov.fj](mailto:info@fijifiu.gov.fj)

### THE FINANCIAL INTELLIGENCE UNIT SIGNS MEMORANDUM OF UNDERSTANDING WITH POST FIJI PTE LIMITED

The Financial Intelligence Unit (FIU) and Post Fiji Pte Limited signed a Memorandum of Understanding [MOU] today.

The MOU will establish an effective framework to detect and investigate financial crimes, such as, money laundering and remittance scams in Fiji.

The Chief Executive Officer of Post Fiji Pte Limited, Dr Anirudha Bansod, said that Post Fiji is pleased to sign this Memorandum of Understanding, where Post Fiji can provide information and details to FIU on a case to case basis. In considering the safety and security of all Fiji residents, the Post Fiji Chairman, Board and Management are committed to preventing criminals from abusing Post Fiji's services. Hence, it is important to share the required information to FIU, which is a statutory body the Government of Fiji. Post Fiji will continue to ensure that the safety, privacy and security of Fiji residents are maintained.

The Director of the Financial Intelligence Unit, Mr Razim Buksh, said that the MOU will greatly assist the FIU to access additional information, such as, money order transactions and postal services data when conducting intelligence analysis.

This will further strengthen the FIU's intelligence, networking and profiling capabilities. Mr Buksh said partnership with Post Fiji is another important step in "protecting Fiji from money laundering".

The Financial Transactions Reporting Act enables the FIU to enter into such arrangements. The FIU has signed similar MOUs with 12 other agencies and stakeholders. The FIU also has networking and information exchange arrangements with 163 FIUs internationally.

**Dr Anirudha Bansod**  
Chief Executive Officer  
Post Fiji Pte Limited

**Razim Buksh**  
Director  
Financial Intelligence Unit



## PRESS RELEASE

Press Release No.: 12/2020

Telephone: (679) 331 3611/322 3333

Facsimile: (679) 330 2094/331 6454

Date: 27 March 2020

Email: [info@rbf.gov.fj](mailto:info@rbf.gov.fj) or [info@fijifiu.gov.fj](mailto:info@fijifiu.gov.fj)

### COVID-19 RELATED ONLINE SCAM

The Financial Intelligence Unit (FIU) received a report of a product scam connected to COVID-19 whereby a local pharmaceutical company paid for an order it never received. This scam is relevant for the sale of coronavirus related health and sanitation products such as face masks, hand sanitisers and disinfectant wipes.

Director of the Financial Intelligence Unit, Mr. Razim Buksh, said that a local pharmaceutical company had contacted a foreign individual and business that was marketing face masks on Facebook. The communication between the two parties later involved email and WhatsApp whereby the local pharmaceutical company paid \$6,500 for its order using the banking details noted in the invoice sent by the supplier. Mr. Buksh said that the local pharmaceutical company later received a fake confirmation from a freight company about the shipment of its order, however, the order has not been received to date.

Mr. Buksh said that with the COVID-19 pandemic, there is an increased reliance on the internet for information and services and therefore, it is crucial for local businesses and members of the public to remain vigilant about cyber security because online criminals are using this global crisis for their financial gain.

This week the Fiji Police Force posted a warning on Facebook about cyber criminals advertising services relating to COVID-19 on various websites.

The Fiji Pharmaceutical Society and Fiji Chamber of Commerce and Industry have been alerted and requested to raise awareness and warn its members and other relevant stakeholders of suppliers who market COVID-19 related health and sanitation products through email, social media and instant messaging (IM) applications such as Facebook, WhatsApp, Instagram, Twitter and Messenger.

Mr. Buksh urges businesses and members of the public to exercise extreme caution when trading on social media, conduct enhanced due diligence checks when engaging new suppliers, consult their local bank to verify transaction details before transferring funds to the supplier's bank account, and consult the FIU to determine if a supplier is legitimate or not. Furthermore, businesses and members of the public are urged not to respond to any unsolicited email from suppliers of such products, not to click on any link provided, not to open files attached to unsolicited emails, and not to share bank account and credit card details to unsuspecting online criminals.

**Razim Buksh**  
**Director**  
**Financial Intelligence Unit**



## PRESS RELEASE

Press Release No.: 01/2020

Telephone: (679) 331 3611/322 3333

Facsimile: (679) 330 2094/331 6454

Date: 4 September 2020

Email: [info@rbf.gov.fj](mailto:info@rbf.gov.fj) or [info@fijifu.gov.fj](mailto:info@fijifu.gov.fj)

### FIJI FINANCIAL INTELLIGENCE UNIT ANNUAL REPORT 2019

The Fiji Financial Intelligence Unit (FIU) Annual Report for 2019 was tabled in Parliament today, 4 September 2020 by the Attorney-General and Minister for Justice, Hon. Aiyaz Sayed-Khaiyum. The report provides information on key achievements and the performance of the FIU for 2019. The FIU is responsible for implementing and enforcing the Financial Transactions Reporting (FTR) Act.

The FIU is the lead agency for preventing and detecting money laundering in Fiji. The Director, Mr Razim Buksh said that the FIU has made substantial progress on delivery of our functions, duties and powers in the past 14 years since it was established in 2006 which includes:

- stronger collaboration and networking with law enforcement partner agencies;
- enhanced technical resources, data-mining, analytics, and capacity of the FIU;
- strengthened information exchange with domestic and foreign agencies;
- more developed preventative measures, customer due diligence and financial transaction reporting framework together with strong compliance and enforcement measures; and
- FIU database containing more than 16million financial transaction information.

In 2019, the FIU received 622 suspicious transaction reports, 1,515,681 electronic fund transfer reports, 794,044 cash transaction reports and 1,102 border currency reports.

The FIU's intelligence outcomes that were disseminated in 2019 to various law enforcement and other Government agencies include: (a) 84 intelligence reports totaling suspected tainted proceeds of \$10million to various law enforcement agencies, (b) 222 investigative assistance on 67 entities and 318 individuals, (c) 89 due diligence and background checks on 99 entities and 162 individuals, and (d) 209 direct data searches by officers of FIU's partner agencies on several suspected individual and entities. This resulted in successful investigation of 19 border currency smuggling cases, one money laundering conviction, several successful investigation of cases on tax evasion, corruption, proceeds of crime, online scam, unexplained wealth and other predicate crime investigations in 2019.

The FIU continued its engagement with the lawyers, accountants and real estate agents and conducted onsite examinations to ensure that the requirements under the FTR Act and Regulations are effectively implemented.

In 2019, the FIU finalized its 2020 – 2024 strategic plan which reflects the environment in which the FIU will operate in the next five years, particularly focusing on technology driven processes.

Mr. Buksh said the outcomes in 2019 has been possible through the support of various partners such as the National AML Council, the law enforcement agencies, reporting financial institutions and other relevant agencies including the Reserve Bank of Fiji.

Click to download a copy of the 2019 Annual Report: <https://www.fijifu.gov.fj/Publications/Annual-Reports/FIU-Annual-Report-2019.aspx>

**FIJI FINANCIAL INTELLIGENCE UNIT**

[www.fijifu.gov.fj](http://www.fijifu.gov.fj)

# 10 SELECTED KEY STATISTICS 2016 - 2020

## SELECTED KEY STATISTICS 2016-2020

	Year	2016	2017	2018	2019	2020
Transaction and Currency Reports Received by FIU	Suspicious Transaction Reports	579	650	632	622	736
	Cash Transaction Reports	590,385	623,213	968,693	794,044	619,987
	Electronic Fund Transfer Transaction Reports	1,148,711	1,220,602	1,357,246	1,515,681	1,866,197
	Border Currency Reports	547	792	969	1,102	266
	Year	2016	2017	2018	2019	2020
Suspicious Transaction Reports	Filed Away for future intelligence and analysis	284	314	248	132	372
	Case Dissemination Reports	195	448	321	84	270
Intelligence and Information Reports to Stakeholders	Information Dissemination Reports	210	205	260	222	127
	Due Diligence Reports	41	75	118	89	70
Notices to Financial Institutions	Alert Notices	14	10	15	9	20
	Directives	1	1	2	3	6
Enquiries with Financial Institutions	Request for further information to financial institutions	464	502	446	603	645
	Year	2016	2017	2018	2019	2020
Education and Awareness	Number of employees of Financial Institution	320	202	376	79	104
	Number of Financial Institutions	6	8	5	1	4
	Employees of Law Enforcement Agencies	67	80	65	152	0

Source: Fiji FIU





## SELECTED KEY EVENTS 2020

JANUARY	DETAILS
13	FNIC Taskforce Meeting
21	FNIC Taskforce Meeting
24	Presented at the REALB Talanoa session
27	Training of the New Direct Database Access officers
29	Pacific AML/CFT Supervisors Forum teleconference
<b>FEBRUARY</b>	
11	Meeting with Ministry of Defence & US officials Presented at Safer Internet Day 2020 on Cybersecurity Awareness E-Money Taskforce Meeting
13	Conducted Induction for New AML Compliance Officers IMF/Everest Meeting
21	2nd National Real Estate Conference
26	Meeting of the National AML Council
28	Presented at Fiji ICT Awareness Session
<b>MARCH</b>	
10	Meeting with Ministry of Lands
19	FIU and Post Fiji Pte Limited signed a MOA for Information Exchange Issued Press Release No. 08/2020 - The Financial Intelligence Unit signs Memorandum Of Understanding with Post Fiji Pte Limited
26	APG Mutual Evaluation Committee Meeting (Virtual)
27	Press Release No. 12/2020 - Covid-19 Related Online Scam
<b>APRIL</b>	
3 - 16	Work-From-Home due to COVID-19 lockdown
<b>MAY</b>	
5	Meeting with AUSTRAC (Virtual)
<b>JUNE</b>	
23	Meeting with AUSTRAC (Virtual)
24	Meeting with AUSTRAC (Virtual) Pacific AML/CFT Supervisors Forum (Teleconference) Asia and Pacific Regional Group Meeting (Virtual)
29	EKYC Taskforce Meeting
<b>JULY</b>	
7	Meeting with AUSTRAC (Virtual)
10	Presented at iTaukei Affairs Roko Tui Leadership Course
22	APG Mutual Evaluation Committee Meeting (Virtual) AML Training/Briefing for an Accounting Firm
<b>AUGUST</b>	
12	DFIU/Governor Meeting Meeting with AUSTRAC (Virtual) RMI Assessment Team Meeting
20	APG Mutual Evaluation Committee Meeting (Virtual)
24	Meeting with AUSTRAC (Virtual)
25	AUSTRAC/Refinitiv – World-Check Tips and Tricks training session (Virtual)
26	FIU Management Committee meeting FIU Staff Briefing

<b>SEPTEMBER</b>	
1	AML Supervisors Working Group meeting
2	FIU Management Committee meeting FIU Staff Briefing
4	FIU Annual Report 2019 tabled in Parliament Issued FIU Press Release No. 01/2020 - Fiji Financial Intelligence Unit Annual Report 2019
8	DFIU/Governor Meeting
10	Meeting with AUSTRAC (Virtual)
11	Issued FIU Policy Advisory 01/2020 - Removal of Business License Requirement under the FTR Regulations
25	Meeting with Digital Fiji
29	Presented at RBF Supervisor's Quality Management Team Meeting
<b>OCTOBER</b>	
1	Submitted Fiji's Fourth-Follow-Up Report to APG
6	Meeting with Government of Tuvalu Officials (Virtual)
7	FIU Management Committee Meeting FIU Staff Briefing RMI ME Meeting (Virtual)
8	APG Ad Hoc Committee on the FATF Strategic Review (Virtual)
12	Egmont Group-Asia and Pacific Regional Group Meeting (Virtual)
13	Meeting with AUSTRAC (Virtual) DFIU/Governor Meeting
20	RMI ME Meeting (Virtual)
28	FIU AML Forum for the Commercial Banks
29	APG Mutual Evaluation Committee Meeting (Virtual)
<b>NOVEMBER</b>	
5	Consultations with commercial banks on the draft revised Enforceable Guideline on STR
6	FIU Management Committee Meeting
10	AFI Global standards Proportionality Working Group Meeting (Virtual) DFIU/Governor Meeting FIU Staff Briefing
11	South Pacific Central Banks – Virtual Governors Forum Meeting with AUSTRAC (Virtual)
20	Secured online access to the Post Fiji Ltd system
24	APG Ad Hoc Committee on the FATF Strategic Review Meeting (Virtual)
<b>DECEMBER</b>	
3	APG Mutual Evaluation Committee Meeting (Virtual) FIU Management Committee meeting
7 - 11	Pacific AML/CFT Webinar
8	DFIU/Governor Meeting
9	FIU Staff Briefing
10	High Court issues Fiji's first unexplained wealth declaration under the Proceeds of Crime Act

# Our Contribution to National AML/CFT Goals by 2024

Investigation and prosecution of money laundering, fraud, corruption, tax evasion and other complex financial crimes, asset recovery and unexplained wealth cases

**100%**  
compliance with international AML/CFT requirements



Strong international and national networking & information exchange



Full implementation of preventive customer due diligence and other measures; timely & quality reporting of suspicious transactions and clients to the FIU



Fiji's "financial system" remains protected. Provide foreign investors, local businesses and ordinary Fijians a secure and safe environment to conduct their trade and financial transactions.









**FijiFIU**

Fiji Financial Intelligence Unit

# STRATEGIC ANALYSIS REPORT 2020



## 2020 STRATEGIC ANALYSIS REPORT FIJI FINANCIAL INTELLIGENCE UNIT

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# 1 STRATEGIC ANALYSIS OVERVIEW

## Overview

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

This Report provides the key outcomes of strategic analysis on the various categories of reports that the

FIU receives as well as a summary of the trends and case studies identified in 2020.

Strategic analysis outcomes enable the Fiji FIU and its stakeholders to understand the patterns and trends on money laundering and related issues.

FIU analysis should add value to the information received and held by the FIU. While all the information should be considered, the analysis may focus either on each single disclosure received or on appropriate selected information, depending on the type and volume of the disclosure received, and on the expected use after dissemination. FIUs should be encouraged to use analytical software to process information more efficiently and assist in establishing relevant links. However, such tools cannot fully replace the human judgement element of analysis. FIUs should conduct the following types of analysis:

### Operational analysis

- uses available and obtainable information;
- identify specific targets (e.g. persons, assets, criminal networks and associations);
- follow the trail of particular activities or transactions; and.
- determine links between those targets and possible proceeds of crime, money laundering, predicate offences or terrorist financing.

### Strategic analysis

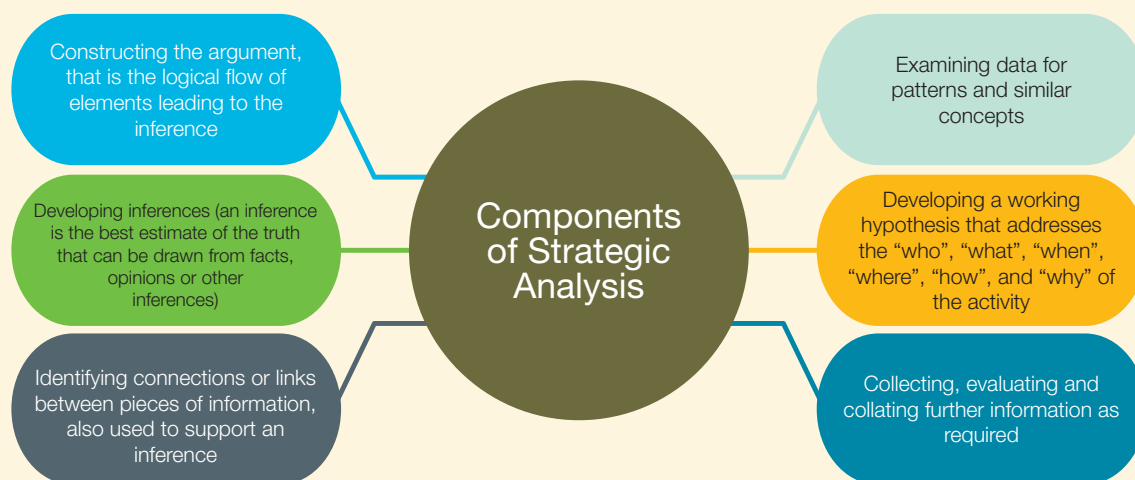
- uses available and obtainable information, including data that may be provided by other competent authorities;
- identify money laundering and terrorist financing related trends and patterns;
- used by the FIU or other state entities in order to determine money laundering and terrorist financing related threats and vulnerabilities; and
- help establish policies and goals for the FIU, or more broadly for other entities within the AML/CFT regime.

*Adapted from: FATF Recommendation 29, Interpretive Note Paragraph 3*

Strategic analysis aims to interpret the underlying patterns and trends that would enable an FIU to draw conclusions for the strategic prevention of money laundering and the financing of terrorism, and to provide input for policy formulation and for

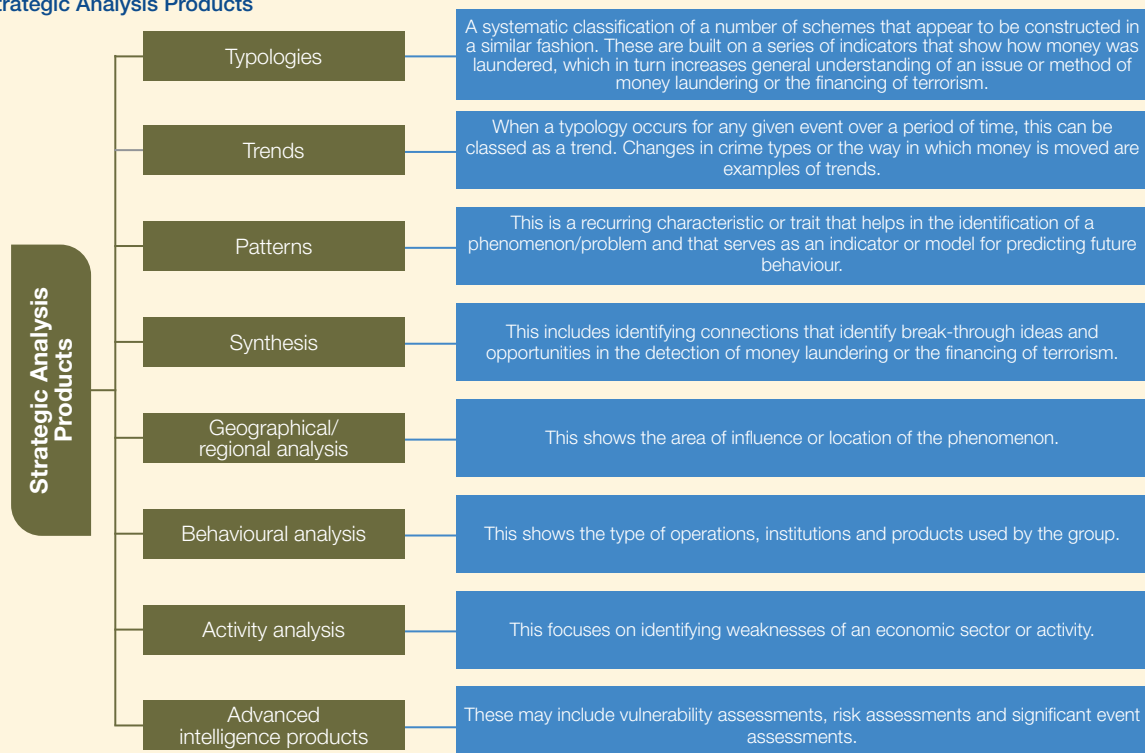
setting operational priorities. In FIU context, this implies developing knowledge (strategic intelligence) as it relates to money laundering, the financing of terrorism and other threats to the security of a country's financial systems.

### Components of Strategic Analysis

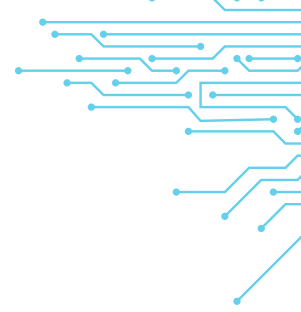


Adapted from: Egmont Group of Financial Intelligence Unit's Operational Guidance for FIU Activities and the Exchange of Information.

### Strategic Analysis Products



Adapted from: Egmont Group of Financial Intelligence Unit's Operational Guidance for FIU Activities and the Exchange of Information.



## 2 SUMMARY OUTCOMES



# 3 OUTCOMES – SUSPICIOUS TRANSACTIONS REPORTS

## Reporting Financial Institutions

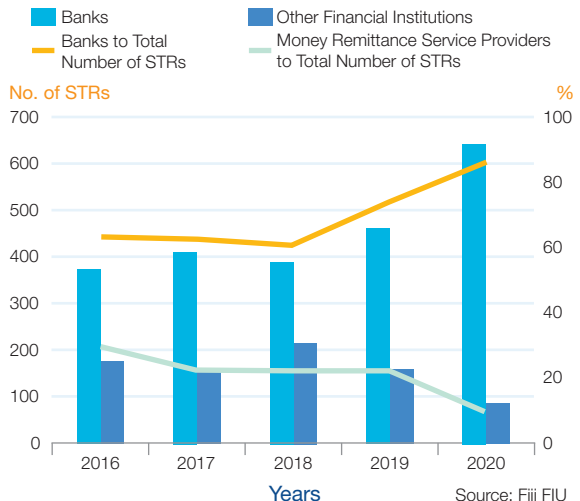
STRs were reported to the FIU by various financial institutions including members of the public. The majority of the STRs continue to be reported by commercial banks (2020: 86 percent; 2019: 74 percent) followed by the money remittance service providers (2020: 9 percent; 2019: 22 percent). The increase in the total number of STRs reported was due to “defensive reporting”<sup>10</sup> by one of the commercial banks.

### Summary of Reporting Financial Institutions

Financial Institutions and Persons Reporting	Number of Registered AML Compliance Officers	No. of STRs Received				
		2016	2017	2018	2019	2020
Commercial Banks	6	367	407	391	459	636
Money Remittance Service Providers	10	166	149	183	136	68
Finance Companies	11	3	4	16	6	3
Members of the Public	-	39	42	24	5	18
Regulatory Authorities	-	0	8	1	0	0
Law Firms	42	2	4	2	3	1
Accounting Firms	17	0	0	0	0	1
Insurance Companies and Superannuation Fund	13	1	18	8	7	6
Securities, Unit Trusts	4	1	2	5	2	1
Real Estate Businesses	29	0	3	0	1	1
Mobile Phone Operators	2	0	0	0	0	1
Others <sup>11</sup>	-	0	13	2	3	0
<b>TOTAL</b>	<b>134</b>	<b>579</b>	<b>650</b>	<b>632</b>	<b>622</b>	<b>736</b>

Source: Fiji FIU

### Summary of Reporting Financial Institutions



## Value of Transactions Reported as Suspicious

The total value of suspicious transactions that were reported in 2020 decreased to \$56.2 million from \$57.4 million in 2019. The average value of a transaction reported in 2020 as suspicious was \$76,359 compared to \$92,283 in 2019. The decrease in the total and average value of suspicious transactions reported is because there are more low value STRs than high value STRs in 2020.

### Total Value of Transactions Reported as Suspicious

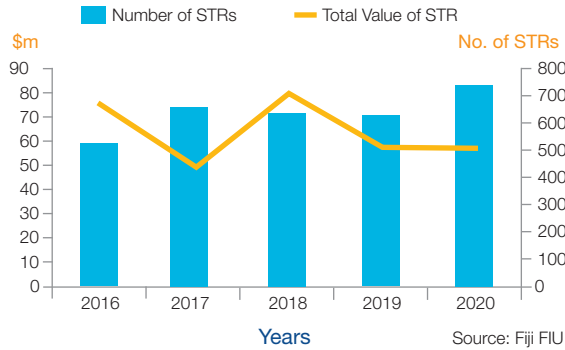
	2016	2017	2018	2019	2020
Total Value (\$ million)	74.7	49.1	78.8	57.4	56.2
Number of STRs	579	650	632	622	736
Average Value reported (\$ per STR)	128,968	75,503	124,684	92,283	76,359

Source: Fiji FIU

<sup>10</sup> Defensive reporting occurs when financial institutions submit STRs that do not meet the threshold of suspicion, primarily due to fear of sanctions if the transaction later indicates criminal activity.

<sup>11</sup> “Others” include STRs filed by foreign FIU’s.

Total Value of Transactions Reported as Suspicious

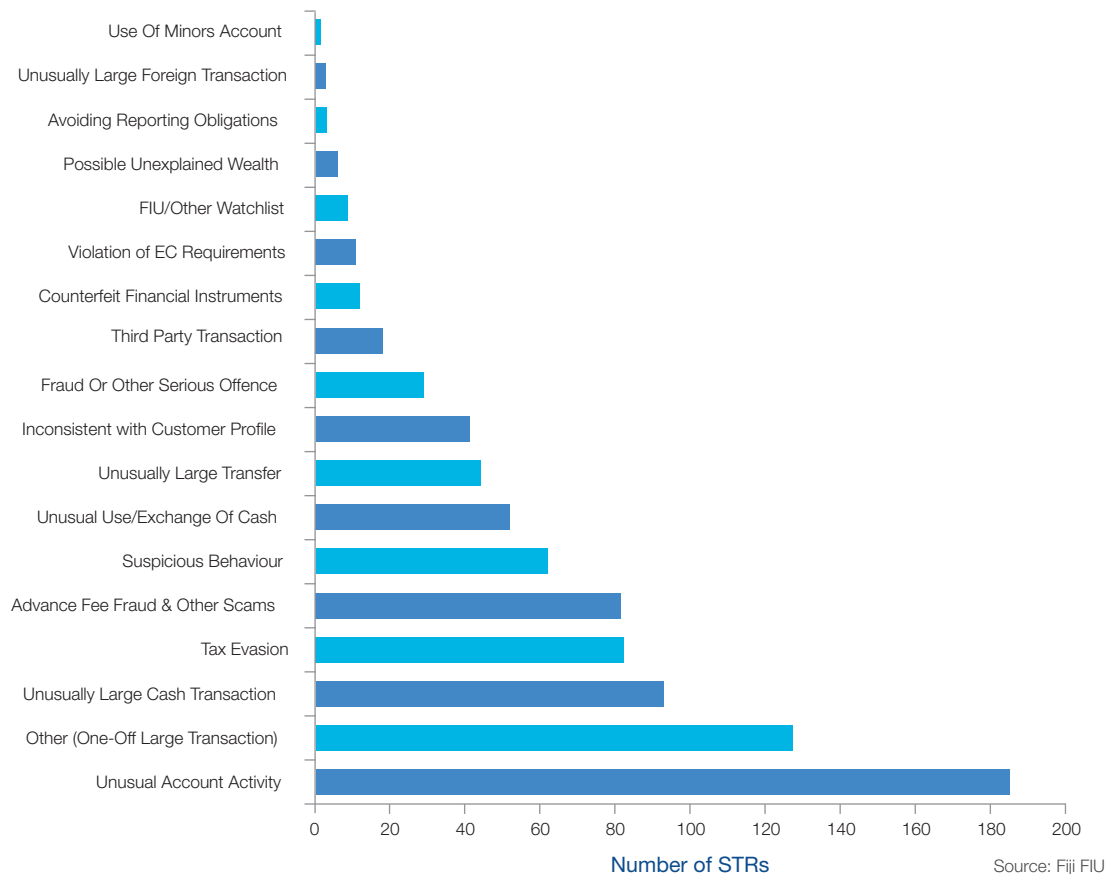


### “Grounds for Suspicion” in Suspicious Transaction Reports

In 2020, majority of the STRs were reported on the grounds of suspected unusual account activity followed by other general indicators including one-off large transactions. It was observed that a number of individuals were reported for other general indicators including large one-off transactions which did not match their customer profiles and/or employment status.

Grounds for Suspicion on STRs Received 2020

#### Grounds for Suspicion

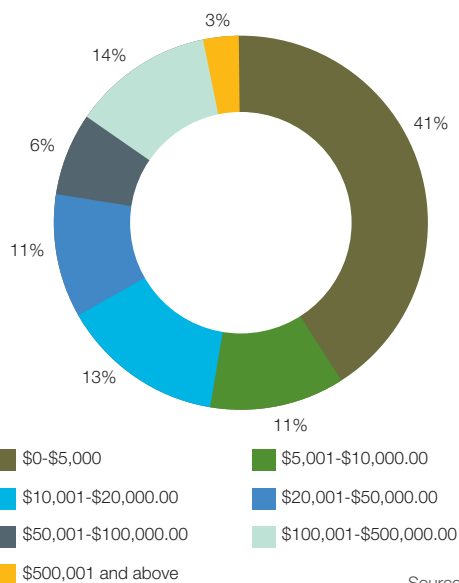


### Suspicious Transactions by Transaction Value

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.

41 percent of the STRs submitted by financial institutions in 2020 were reported on transactions valued below \$5,000. STRs involving large value transactions of more than \$100,000 accounted for 17 percent of total STRs reported in 2020 compared to 9 percent in 2019.

Suspicious Transactions by Transaction Value



Source: Fiji FIU

### Suspicious Transactions by Transaction Value

Transaction Value	Number of STRs	Percentage of STRs
\$0 - \$5,000.00	302	41%
\$5,000.01 - \$10,000.00	82	11%
\$10,000.01 - \$20,000.00	99	13%
\$20,000.01 - \$50,000.00	81	11%
\$50,000.01 - \$100,000.00	44	6%
\$100,000.01 - \$500,000.00	104	14%
\$500,000.01 and above	24	3%
<b>Total</b>	<b>736</b>	<b>100%</b>

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 2020. Out of the 736 transactions reported as suspicious in 2020, 385 (52 percent) involved cash transactions.

The types of financial instruments involved in STRs include:

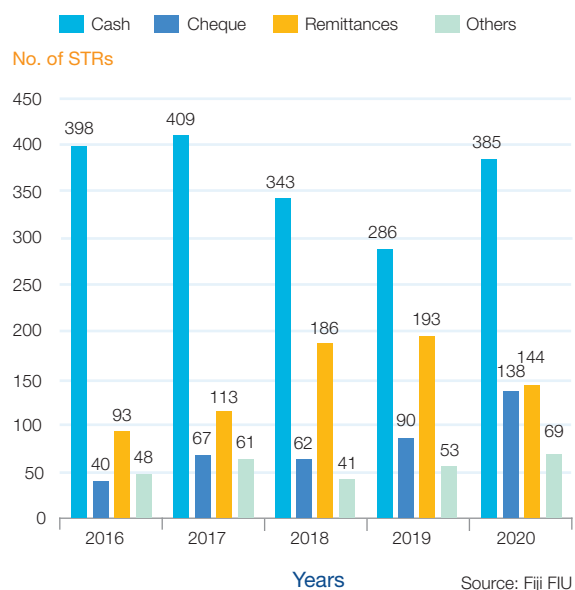
1. Cash (local and foreign currency);
2. Cheque (bank cheques/drafts, personal and company cheques);
3. Remittances; and
4. Other instruments (account-to-account transfers, credit cards and travellers cheques).

### Suspicious Transactions by Instrument Type

Year	Cash	Cheque	Remittances	Others	Total
2016	398	40	93	48	<b>579</b>
2017	409	67	113	61	<b>650</b>
2018	343	62	186	41	<b>632</b>
2019	286	90	193	53	<b>622</b>
2020	385	138	144	69	<b>736</b>

Source: Fiji FIU

Suspicious Transactions by Instrument Type

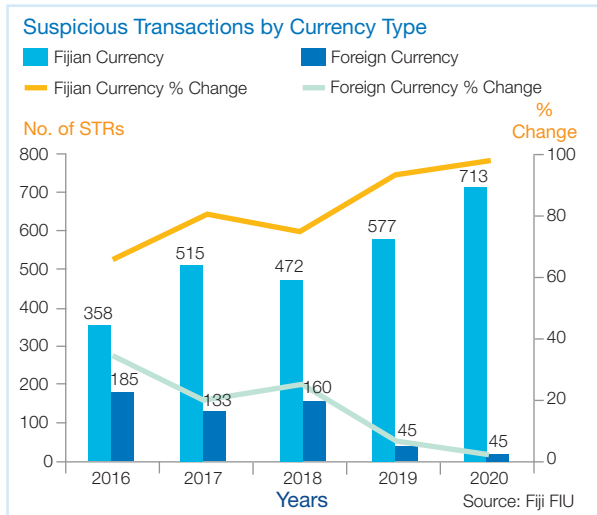


Source: Fiji FIU



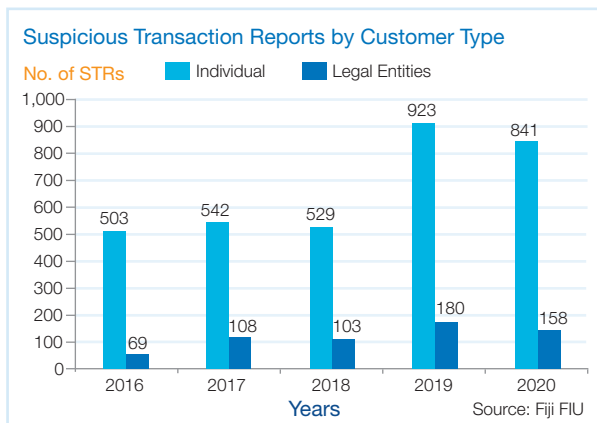
### Suspicious Transactions by Currency Type

The majority (97 percent) of the STRs reported in 2020 involved Fijian currency. The suspicious transactions that involved foreign currency decreased to 3 percent of total STRs in 2020 compared to 7 percent in 2019.



### Suspicious Transaction Reports by Customer Type

There were 841 (84 percent) personal customers reported in STRs compared to 158 (16 percent) reports on corporate and business entities in 2020. The proportion of STRs reported in 2020 on individuals decreased slightly by 9 percent when compared to 2019. This decrease was caused by fewer individuals being reported in a single STR when compared to 2019.



### Suspicious Transaction Reports by Customer Age

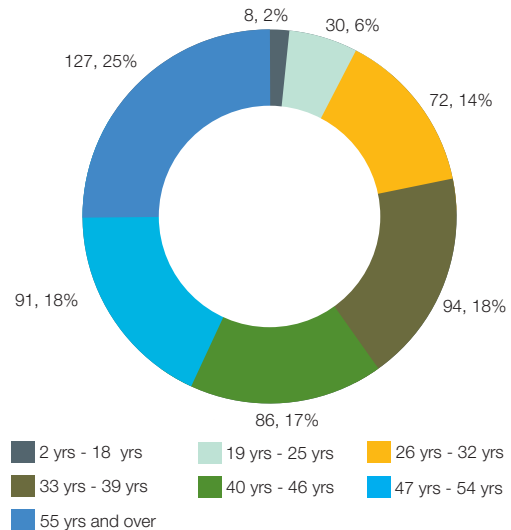
67 percent of STRs on individuals were reported on customers between the age of 26 and 54 years. Age not stated decreased to zero in 2020 from 3 in 2019 due to an improvement in the quality of reports.

#### Suspicious Transaction Reports by Customer Age

Year	2yrs - 18yrs	19yrs - 25yrs	26yrs - 32yrs	33yrs - 39yrs	40yrs - 46yrs	47yrs - 54yrs	55yrs and over	Not Stated <sup>12</sup>	Total
2016	11	30	66	79	80	71	83	76	496
2017	9	43	71	85	109	75	104	38	534
2018	12	45	81	105	95	79	92	20	529
2019	7	26	53	95	80	86	68	3	418
2020	8	30	72	94	86	91	127	0	508

Source: Fiji FIU

#### Suspicious Transaction Reports by Customer Age



<sup>12</sup> Date of birth is not usually provided in STRs where the person reported is a beneficiary of advance fee fraud and is a foreign national.

### Age of Convicted Money Launderers

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

#### Money Laundering Convictions originating from STRs

Name of Individual	Year STR was Reported	Age at the time of the offence	Year Convicted
Manoj Khera	2004	31 years old	2014
Timothy Aaron O'Keefe	2005	25 years old	2005
Monika Arora	2007	28 years old	2011
Salendra Sen Sinha	2008	30 years old	2010
Anand Kumar Prasad	2008	28 years old	2011
Deo Narayan Singh	2008	40 years old	2011
Atisma Kirti Singh	2008	23 years old	2011
Johnny Albert Stephen	2009	39 years old	2012
Doreen Singh	2009	31 years old	2013
Kapil Kushant Samy	2010	24 years old	2012
Nitesh Kumar	2016	23 years old	2016
Nirmala Devi	2011	46 years old	2012
Natasha Nilma Singh	2012	20 years old	2014
Vikash Mehta	2013	29 years old	2015
Tuimoala Raogo	2013	41 years old	2016
Fazeel Razid Ali	2015	27 years old	2016
Manjeet Singh	2014	22 years old	2017
Rajneel Chaudary	2014	23 years old	2017
Preetika Anuwesh Lata	2014	27 years old	2017

Name of Individual	Year STR was Reported	Age at the time of the offence	Year Convicted
Prashil Prakash	2012	28 years old	2017
Aidong Zhang	2014 & 2016	51 years old	2019

Source: Fiji FIU

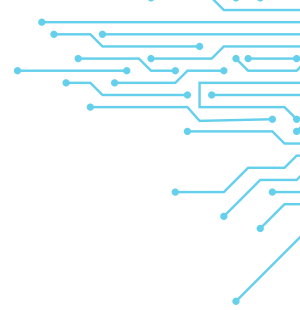
#### Other Money Laundering Convictions

Name of Individual	Age at the time of the offence	Year Convicted
Deepak Rajneel Kapoor	25 years old	2012
Robin Surya Subha Shyam	38 years old	2013
Faiyaz Khan	38 years old	2013
Savita Singh	32 years old	2015
Chris Ronil Singh	38 years old	2015
Mukeshwar Narayan Singh	21 years old	2016
Sakiusa Vakarewa	31 years old	2016
Josefa Saqanavere	41 years old	2016
Savenaca Batibawa	47 years old	2016
Katarine Gounden Fiu	31 years old	2016
Vika Sadrau	34 years old	2018
Rahul Rajan Naidu	28 years old	2018
Avenai Danford	29 years old	2018
Rimakshni Ranigal	30 years old	2018
Rosheen Praveena Raj	42 years old	2018
Rine Munivai Sorby	54 years old	2018
Nousheen Mezbeen Hussain	25 years old	2019

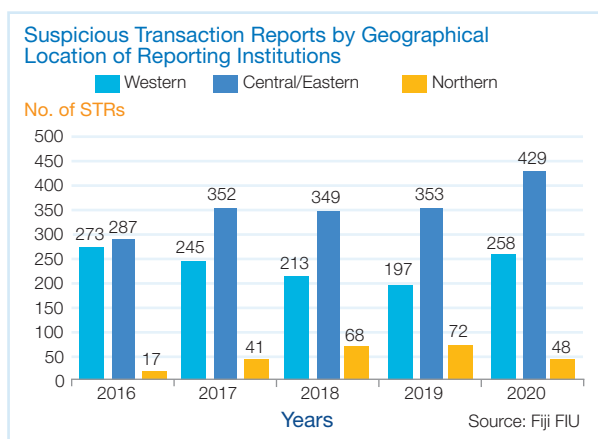
Source: Fiji FIU

#### 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. In 2020, STRs from the Western Division increased to 258 from 197 STRs received in 2019.



### Reasons for Suspicious Reporting

A financial institution's decision to report a transaction as suspicious is based on the evaluation of facts and context regarding a transaction(s) to determine if there is reasonable grounds to suspect that the transaction(s) is related to the commission of a money laundering, terrorist financing or other serious offence.

There should be "sufficient facts" or credible and objective evidence to support a financial institution's suspicion and its decision to report a transaction(s) to the FIU.

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

Commercial Banks	
1.	A 26 year old was observed to be making large cash deposits followed by large payments to law firm trust accounts for the purchase of property. The volume of transactions observed taking place in the account does not match the customer profile.
2.	Customer has received funds on a particular date which is not in line with his normal credits. Unable to verify source and reason for this credit.
3.	Large amount of cash withdrawal in the customer account over the counter. No supporting documents provided. Customer claims to do a telegraphic transfer to New Zealand to his daughter.
4.	Abnormal deposits being made on separate days in client's account for which no documented evidence was provided, however, only reason client gave for one deposit was that it was from the sale of vehicle and savings from salary.

Commercial Banks	
5.	Customer account activity has not been consistent with her known legitimate business or personal activities. Continued use of personal account for business purposes.
6.	3rd party came to do a deposit to a personal account. Staff asked for evidence for funds and customer depositing refused to provide. Customer then called account holder and he advised to reduce amount to \$9,500.00 to avoid threshold reporting obligation.
7.	A third party cashed a large cheque for \$100,000.00 from a business account. The bank was advised that this was to pay off a loan that the business had taken from the third party. Upon requesting identification documents it was noted that the third party has publicly known criminal activities.

**Commercial Banks**

- |    |  |
|----|--|
| 8. | Customer is having business proceeds deposited in personal accounts plus multiple salary narration noting done from different companies. Inflow of funds varies from KYC documents currently held in file. |
| 9. | Trust account principal made a complaint on unauthorized transfers from trust account to firm's office account. The matter is being investigated by police.  |

**Money Remittance Service Providers**

- |     |  |
|-----|--|
| 10. | Individual requesting to send funds to a Facebook friend in Nigeria, after being advised that this maybe a scam, the individual stated it was payment for items. |
| 11. | Individual using staff to send funds to his family members abroad.   |
| 12. | Customer was sending funds using two different identities.   |

**Finance Companies**

- |     |                                     |
|-----|-------------------------------------|
| 13. | Large repayments to a loan account. |
|-----|-------------------------------------|

**Members of the Public**

- |     |  |
|-----|--|
| 14. | A person stole funds from a foreign jurisdiction and brought the funds to Fiji to build a house. |
|-----|--|

**Real Estate Agent**

- |     |  |
|-----|--|
| 15. | The person requesting for refund is different from the intended property owner and the original remitter of funds. |
|-----|--|

**Law Firm**

- |     |  |
|-----|--|
| 16. | Client's account was hacked and an email was sent requesting that settlement of proceeds be transferred to a fraudsters account.   |
| 17. | Four unrelated parties engaged in a real estate transaction. The party in control of the transaction is not the party noted in the sale and purchase agreement, and the party who remitted the deposit is not the party noted to be reimbursed when the purchasing offer is declined by the sellers. |

**Insurance Companies and Superannuation Fund**

- |     |   |
|-----|---|
| 18. | Large cash deposits with unclear source of funds. |
|-----|---|

**Securities & Unit Trusts**

- |     |   |
|-----|---|
| 19. | Frequent large cash deposits in a short period of time. |
|-----|---|

The above are extracts from actual STRs reported to the FIU in 2020.

Source: Fiji FIU

## 4 OUTCOMES – CASH TRANSACTION REPORTS

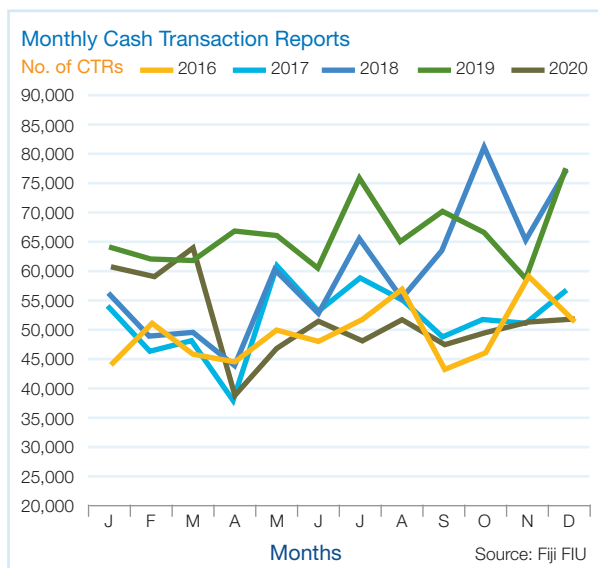
Financial institutions are required under section 13(1) of the FTR Act and regulation 25 of the FTR Regulations to report to the FIU any cash transaction of \$10,000 and above or its equivalent in foreign currency. Cash includes coin or paper money, bank drafts, bank cheques, bearer bonds, travelers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

The FIU received 619,987 CTRs in 2020 or an average of around 51,666 CTRs per month. This is a decrease of 22 percent compared to 794,044 CTRs received in 2019.

### Cash Transactions Reported 2016-2020

Year	Total CTRs	Monthly Average CTRs
2016	591,636	49,303
2017	623,213	51,934
2018	968,693	80,724 <sup>13</sup>
2019	794,044	66,170
2020	619,987	51,666

Source: Fiji FIU



### CTRs Received by Sector

The majority (99 percent) of the CTRs received during 2020 was reported by commercial banks.

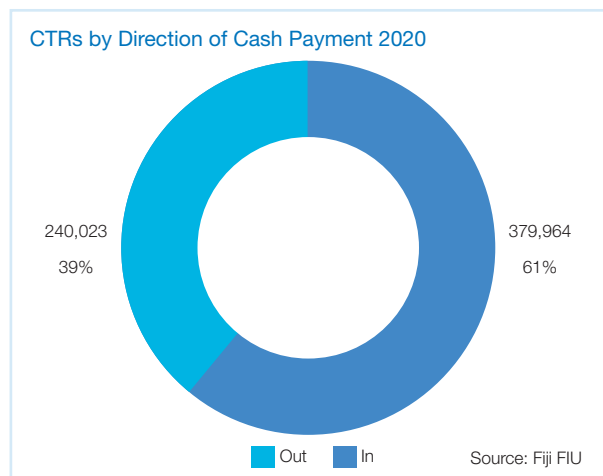
### Cash Transactions Reported by Sector

Sector	2016	2017	2018	2019	2020
Commercial Banks	587,269	618,496	963,313	788,467	616,660
Foreign Exchange Dealers and Money Remitters	2,774	2,779	3,163	3,381	1,414
Finance Companies	754	981	1,251	1,186	1,000
Insurance and Superannuation Fund	420	322	356	320	397
Law Firms	283	411	410	519	355
Securities/ Brokers/ Advisors	134	199	183	161	153
Accountants	2	0	2	0	0
Statutory Authority	0	0	0	4	0
Real Estate	0	25	15	6	8
<b>Total</b>	<b>591,636</b>	<b>623,213</b>	<b>968,693</b>	<b>794,044</b>	<b>619,987</b>

Source: Fiji FIU

### CTRs by Direction of Cash Payment

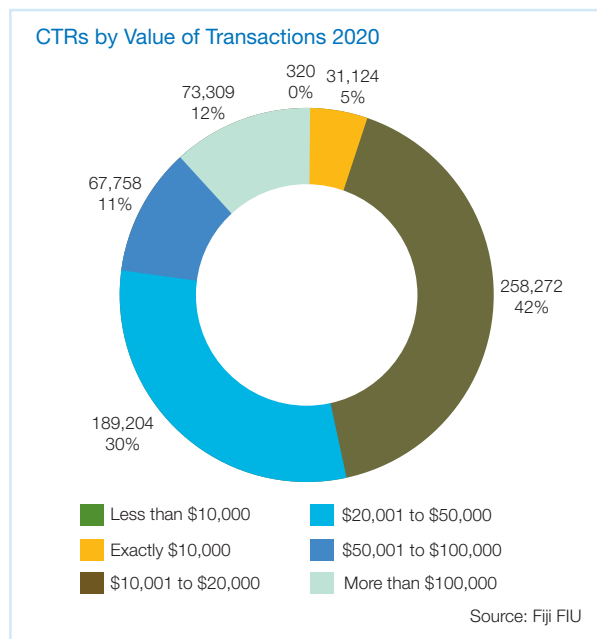
The CTRs received in 2020 consisted of 61 percent inward (IN) and 39 percent outward (OUT) CTRs. Inward CTRs refer to cash transactions received by a financial institution. Outward CTRs refer to cash transactions paid out by a financial institution.



<sup>13</sup> In 2018 one reporting institution reported backdated CTRs totalling 249,114 in October 2018. This is also not reflected in the Monthly Cash Transaction Reports graphs for 2018.

### CTRs by Value of Transactions

The majority (42 percent) of CTRs received by the FIU in 2020 were for cash transactions between \$10,001 and \$20,000. Approximately 72 percent of CTRs reported are for cash transactions between \$10,001 and \$50,000.



## 5 OUTCOMES – ELECTRONIC FUNDS TRANSFER REPORTS

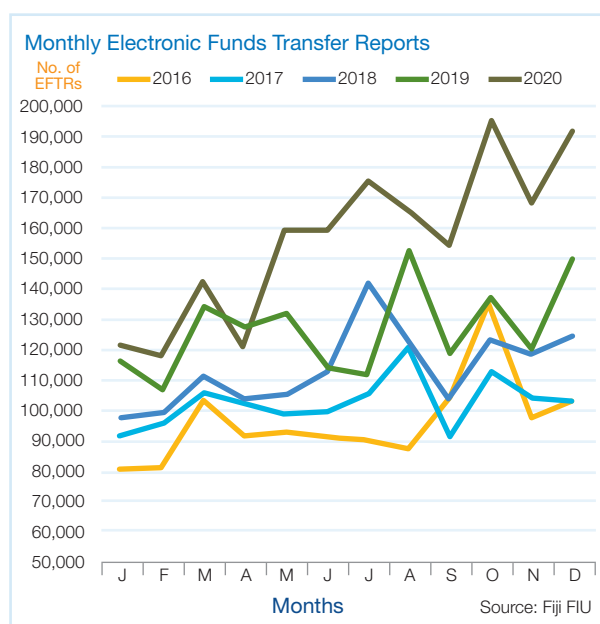
Commercial banks and money remittance service providers are required under section 13(2) of the FTR Act and regulation 26 of the FTR Regulations to report to the FIU all international electronic funds transfer transactions. There is no monetary threshold for EFTRs. Currently, 6 commercial banks, 10 MRSPs, and 2 mobile phone operators are subject to EFTR reporting.

The FIU received 1,866,197 EFTRs in 2020 or an average of around 155,516 EFTRs per month. This is an increase of 23 percent compared to 1,515,681 EFTRs received in 2019. The total EFTRs received in 2020 included 250,820 EFTRs in domestic remittances.

### Electronic Funds Transfer Transactions Reported

Year	Total EFTRs	Monthly Average EFTRs
2016	1,148,711	95,726
2017	1,220,602	101,717
2018	1,357,246	113,104
2019	1,515,681	126,307
2020	1,866,197	155,516

Source: Fiji FIU

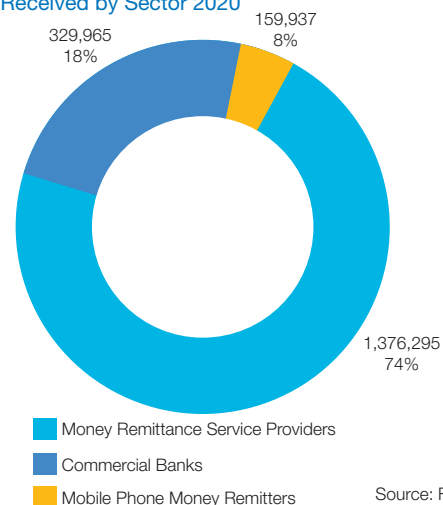


### EFTRs Received by Sector

Majority (74 percent) of EFTRs were received from the MRSPs. There was a notable increase of 139 percent in the number of EFTRs received from the mobile phone money remittance sector in 2020. Two major reasons for this increase were :

- The impact of COVID-19 restrictions led to mobile phone remittance channels being increasingly used. Safety, social distancing and lockdowns have impacted traditional money transfer operators/agents.
- The removal of fees for inward remittances for two months in 2020 by one of the mobile phone money remitter was catalytic to the growth over the latter half of the year.

### EFTRs Received by Sector 2020



### EFTRs Received by Sector

Sector	2016	2017	2018	2019	2020
Money Remittance Service Providers	793,837	869,363	968,016	1,088,292	1,376,295
Commercial Banks	333,746	319,640	346,282	360,595	329,965
Mobile Phone Money Remitters	21,128	31,599	42,948	66,794	159,937
<b>Total</b>	<b>1,148,711</b>	<b>1,220,602</b>	<b>1,357,246</b>	<b>1,515,681</b>	<b>1,866,197</b>

Source: Fiji FIU



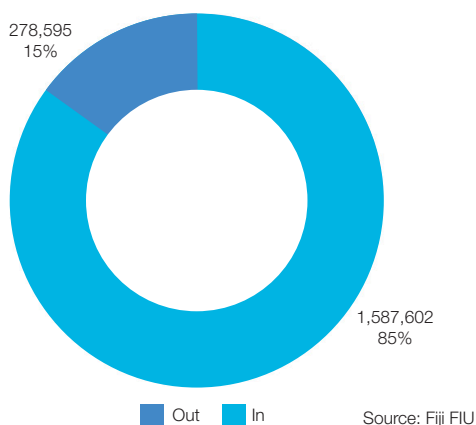
### EFTRs by Direction of Remittances

EFTRs may involve remittances into Fiji (inward) or remittances out of Fiji (outward). Majority (85 percent) of EFTRs received during 2020 were for inward remittances compared to 79 percent of inward remittances in 2019.

The increase in total EFTRs received in 2020, particularly in the number of EFTRs relating to inward remittances corresponds to data released by the RBF on the value of remittances into Fiji in 2020. Remittance inflows into Fiji have generally increased after May 2020 as Fijians living abroad remitted funds to Fiji to assist their family who lost jobs due to COVID-19 pandemic.

“Since May 2020, monthly remittances have gradually increased, reaching record highs in July and again in October when \$69 million was received. Cumulative to November, total remittances were \$572.9 million”.<sup>14</sup>

EFTRs by Direction of Remittances 2020



### EFTRs by Direction of Remittances

Direction	2016	2017	2018	2019	2020
Inwards	879,644	958,090	1,053,266	1,198,905	1,587,602
Outwards	269,067	262,512	303,980	316,776	278,595
<b>Total</b>	<b>1,148,711</b>	<b>1,220,602</b>	<b>1,357,246</b>	<b>1,515,681</b>	<b>1,866,197</b>

Source: Fiji FIU

<sup>14</sup> Extract from International Remittances and Fiji's Unsung Heroes Abroad 24 December 2020 Article, Paragraph 9 on [International Remittances and Fiji's Unsung Heroes Abroad 24 December 2020](#) - Reserve Bank of Fiji (rbf.gov.fj).

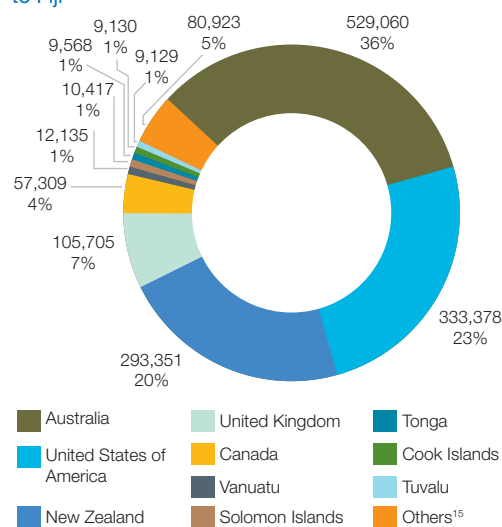
<sup>15</sup> Excludes 137,497 EFTRs in domestic remittances.

<sup>16</sup> Excludes 113,323 EFTRs in domestic remittances.

### EFTRs by Sending and Receiving Country

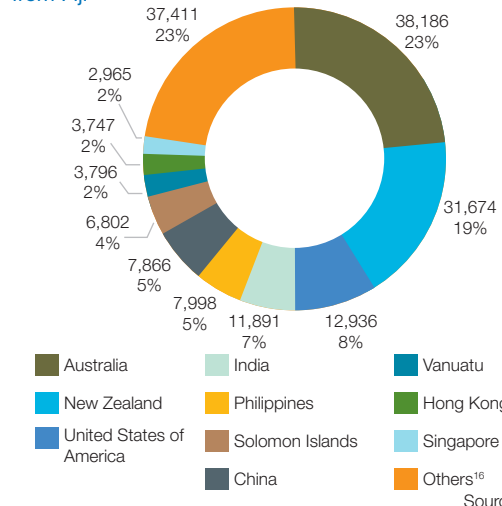
Inward international remittance transactions reported to the FIU were conducted from the following ten major countries: Australia, United States of America, New Zealand, United Kingdom, Canada, Vanuatu, Solomon Islands, Tonga, Cook Islands and Tuvalu.

EFTRs: Top 10 Countries Conducting Inward Remittances to Fiji



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

EFTRs: Top 10 Countries Involved in Outward Remittances from Fiji



## 6 OUTCOMES – BORDER CURRENCY REPORTS

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

Travellers are required to make a declaration in the first instance on the arrival or departure cards and then fill out a BCR form which is available at all ports of entry and exit in Fiji. The completed BCRs are collected by Customs FRCS officials at the ports and submitted to the FIU for central recording, analysis and for its intelligence purpose.

In 2020, 266 BCRs were submitted to the FIU. This is a decrease of 76 percent compared to 1,102 BCRs received in 2019. The decrease in BCRs is due to COVID-19 travel restrictions which drastically reduced the number of travellers into and out of Fiji.

### BCRs by Direction of Travel

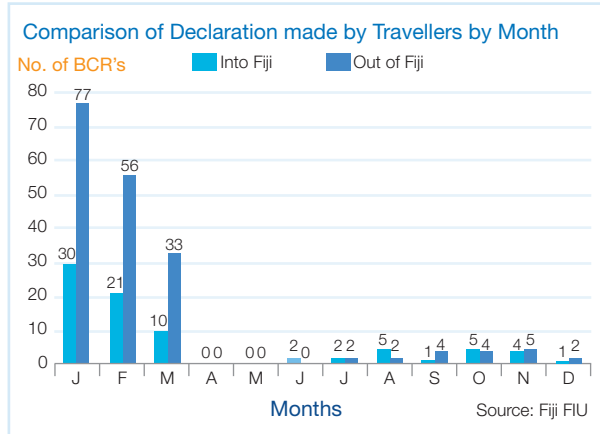
There were more declarations made by outbound travellers compared to inbound travellers in 2020.

#### BCR Declarations by Direction of Travel

Persons Declaring	2016	2017	2018	2019	2020
Declarations made by inbound travellers	265	375	434	436	81
Declarations made by outbound travellers	282	417	535	666	185
<b>Total</b>	<b>547</b>	<b>792</b>	<b>969</b>	<b>1,102</b>	<b>266</b>

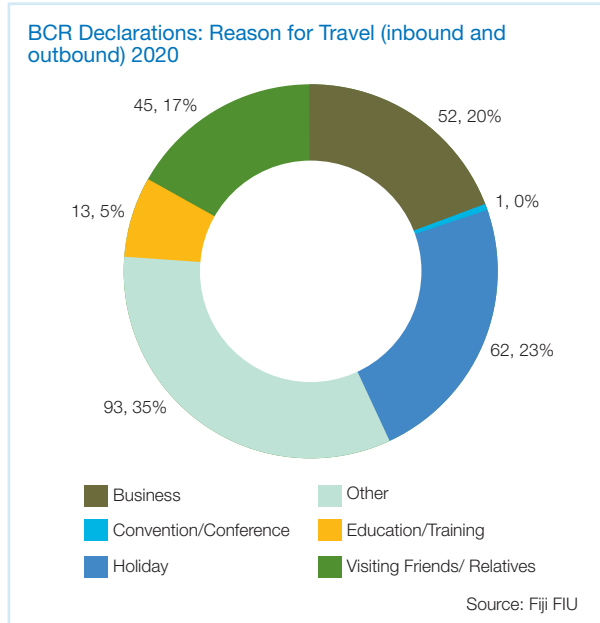
Source: Fiji FIU

In 2020, 70 percent of declarations were made by outbound travellers while 30 percent of declarations were made by inbound travellers.



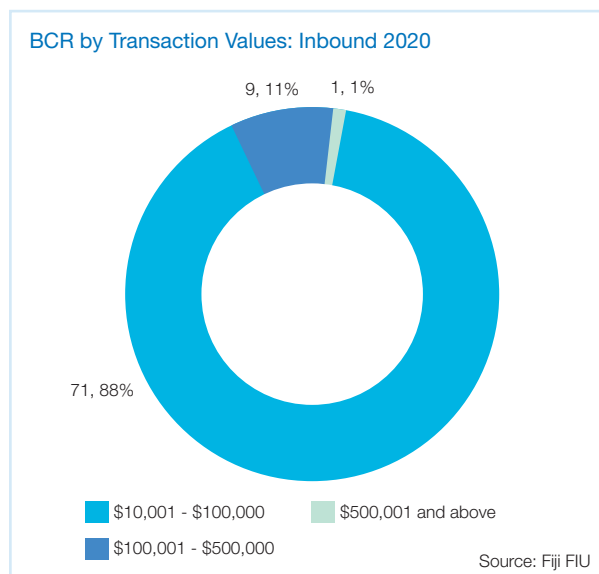
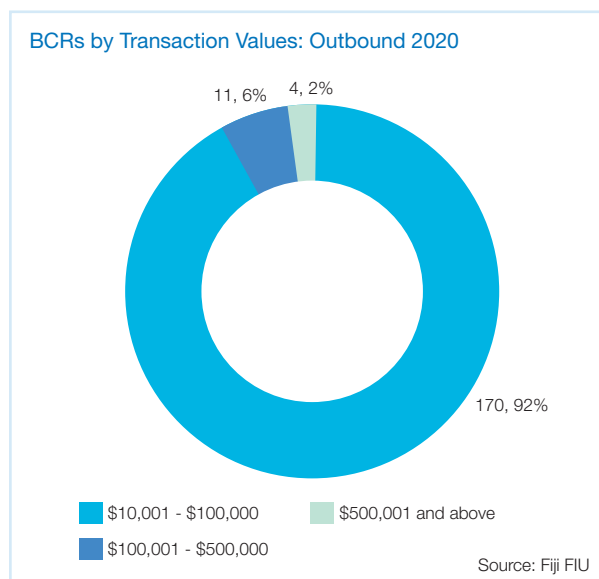
### BCRs by Reason for Travel

Majority (35 percent) of travellers stated their reason for travel both in and out of Fiji as “other” which includes traveling for migration, transit, medical purpose and sports.



### BCRs by Transaction Value

All travellers coming into Fiji or going out of Fiji are required to declare if they are carrying currency or negotiable bearer instruments of \$10,000 or more (or its equivalent in foreign currency). Majority of BCRs declared by inbound and outbound travellers ranged in the value of \$10,001 - \$100,000.



### BCRs by Value of Currency Declared

The total value of currency declared by travellers in the BCRs in 2020 was \$15.9 million compared to \$63.6 million in 2019.

#### Value of Border Currency Reports Received 2016-2020

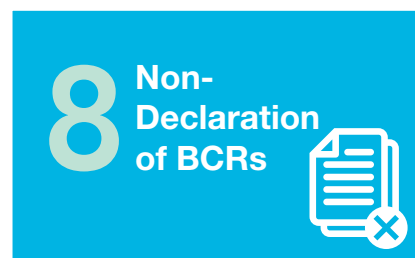
Persons Declaring	Value of Currency Declared (\$million)				
	2016	2017	2018	2019	2020
Travellers Arriving in Fiji	13.1	21.4	22.6	19.3	5.4
Travelers Departing Fiji	17.1	28.5	40.1	44.3	10.5
<b>Total</b>	<b>30.2</b>	<b>49.9</b>	<b>62.7</b>	<b>63.6</b>	<b>15.9</b>

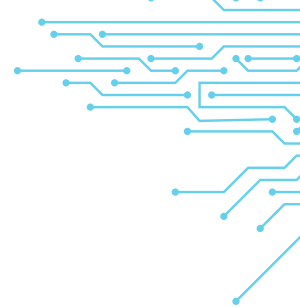
Source: FRCS & Fiji FIU

### Failure to Declare Currency

Failure to declare currency at the border is an offence under the FTR Act. If convicted, a person is liable to a fine of up to \$60,000 or imprisonment of a maximum of 10 years or both.

In 2020, there were 8 reported cases of BCR non-declaration compared to 19 cases of persons failing to declare currency in 2019. Most of the cases were detected at Nadi International Airport.





### Failure to Declare Currency Cases in 2020 – Inbound and Outbound Travellers

No.	Date of Detection	Details	Amount failed to declare	FJD Equivalent	Date of Admittance	Judgement in Court
1.	12 January	Passenger arrived from Sydney, Australia	AUD 14,800	\$22,013.17	13 January	Warning letter issued
2.	22 January	Passenger arrived from Brisbane, Australia. Currency was found when his baggage was searched after he was offloaded from departure flight bound for Vanuatu	USD 7,109 JPY 43,000 CNY 700 VUV 130,000 AUD 505 CMD 20,000	\$21,204.59	22 January	Currency to be forfeited to state as source of funds could not be established
3.	22 January	Passenger resides in Australia but arrived in Fiji from Narita, Japan. Currency was found when his baggage was searched after he was offloaded from departure flight bound for Vanuatu	USD 9,000  AUD 2,250  FJD 945	\$25,270.00	None - Held in Immigration custody before deportation to China by Chinese authorities	Currency to be forfeited to state as source of funds could not be established
4.	22 January	Passenger resides in Australia but arrived in Fiji from Narita, Japan. Currency was found when his baggage was searched after he was offloaded from departure flight bound for Vanuatu	USD 9,000  VUV 196,000  FJD 430	\$25,523.54	22 January	Currency to be forfeited to state as source of funds could not be established
5.	23 January	Passenger arrived from Hong Kong	USD 6,300 AUD 20	\$13,363.00	29 January	Passenger fined \$1,000.00
6.	23 June	Passenger arrived from Hong Kong in January and was returning to Japan via Auckland on Air New Zealand repatriation flight	USD 23,000.00	\$49,892.75	Charge letter served through passenger's solicitor	Currency to be forfeited to state
7.	23 June	Passenger arrived from Narita, Japan in January and was returning to Italy via Auckland on Air New Zealand repatriation flight	USD 9,000	\$19,102.00	23 July	In the settlement process - Issuance of Notice for forfeiture of currency
8.	23 June	Passenger arrived from Narita, Japan in January and was returning to Italy via Auckland on Air NZ repatriation flight	USD 10,000	\$21,225.00	23 July	In the settlement process - Issuance of Notice for forfeiture of currency

Source: FRCS

In addition to the above, in 2020, FRCS pursued three undeclared currency forfeiture matters that were detected in 2018 and 2019. FRCS successfully forfeited currency worth \$69,091.91 under section

159 of the Customs Act. This forfeiture included currencies such as NZD, USD, AUD, SGD, HKD, WST and FJD. The funds were forfeited to the State and deposited into the Consolidated Fund Account.

## 7 EMERGING AND CONTINUING MONEY LAUNDERING TRENDS

### Emerging Trend

#### Utilization of Alternative Technology

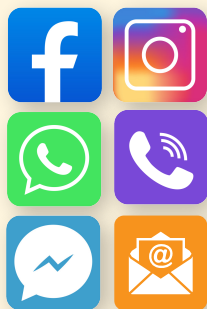
The FIU noted an increase in individuals using alternative technology and channels to transfer funds to other individuals. This includes the use of Post Fiji *telegraphic money orders* (TMO) and Paypal. In some instances it was noted that the use of these alternative technologies and channels was to deliberately avoid detection.

### Continuing Trend

The FIU observed a continued occurrence of individuals falling victim to various online scams in 2020. Cybercriminals have taken advantage of the current global Covid-19 situation and have offered fake loans, packages, and relationships to vulnerable sectors of the community that remitted hundreds of thousands of dollars to these cybercriminals.

#### Online Loan Scam (December 2019 – April 2020)

Conducted through



Taveuni Island

73

local individuals conducted  
163 remittance transactions



\*73 local individuals residing in Taveuni

Remittance transactions totalled

\$98,658

Funds were remitted to 41 individuals in Benin

#### CHARACTERISTICS of Money Mules<sup>17</sup> and Victims:



- Unemployed
- Tertiary/University students
- Low income earners
- Single mothers
- Elderly

#### How to COMBAT a Loan Scammer?

- Compile documentation of the scam to submit to the FIU and/or FPF
- File complaints with the FIU and/or FPF
- Warn your families and friends
- Keep an eye out for common red flags
- Completely discontinue communication with the scammer



Loan Scam  
**RED**  
Flags

- Lender does not perform any credit check
- Lender requires upfront fees to be paid or loan collateral to be provided
- Lender guarantees loan approval
- Lender's physical address cannot be found and a secure website does not exist

<sup>17</sup> "Money mules" are people who are used to transport and launder illegally obtained money through a courier service, or electronically, on behalf of others. Individuals being used as money mules may be willing participants; however, many money mules are not aware that they are being used to commit fraud. Typically, the mule is paid for services with a small part of the money transferred. The individuals being used as money mules are not the only victims; the larger scheme is designed to extract money from an organization or from other people.

## 8 CASE STUDIES

### Case Study 1: Cash, Drugs and Escape

Person X, a foreign national of Country Y, was brought to the attention of Fiji FIU for failure to pay office related expenses and employee salaries totalling approximately \$70,000.00 before departing Fiji for Country Y.

Fiji FIU analysis revealed that Person X established Company S and Company T without obtaining necessary approvals from statutory bodies as part of the conditions of his investor's permit. For the period 2015 to 2020, Person X received remittances totalling approximately \$65,701.00 from various individuals in Country Y and remitted approximately \$87,743.00 to individuals in Country Y, Country B and Fiji from 2014 to 2019.

Further analysis also revealed that Person X conducted large cash deposits in December 2017 totalling approximately \$137,566.00 into Company T's local bank account followed by withdrawals totalling \$115,512.00. The Fiji FIU also established that Person X was charged for drug related offences in Country Y.

Further profiling revealed that Person X departed Fiji for Country Y on 9 November 2019.

A case dissemination report was provided to FPF for further profiling and monitoring of Person X.

#### Indicators

- Business established without proper regulatory permit
- Consecutive large cash deposits and withdrawals
- Alleged involvement in drugs
- Urgency to leave Fiji without paying office related expenses

#### Offence

- Money laundering
- Possible drug related activities

### Case Study 2: Tax Evasion and Accumulation of Unexplained Wealth

The Fiji FIU received a report on Person A for misuse of his personal account for business related transactions, conducting large deposits and a possibly evading tax.

Checks by the Fiji FIU revealed that Person A was a director of a company and had a sole proprietor business. The nature of business for the company and the sole proprietorship was provision of freight services and both business entities had incurred accumulative losses for the past 4 years.

We established that in four years, Person A received large sums of "salary" amounting to more than \$450,000.00 from the company despite declaring losses for both business entities.

Further analysis also revealed that Person A opened a term deposit of \$130,000.00 subsequent to declaring the losses. A case dissemination report was provided to FRCS.

#### Indicators:

- Depositing business funds into personal account
- Related businesses are incurring losses
- Individual accumulated unexplained wealth

#### Possible Offence:

- Possible tax related offence/tax evasion
- Possession of unexplained wealth

### Case Study 3: Corruption, Bribery, Kickbacks and Unexplained Wealth

Person R, employed by a local statutory body, was brought to the attention of Fiji FIU for a possible case of bribery, corruption and unexplained wealth.

Analysis revealed that Person R received deposits totalling approximately \$28,804.00 into his bank account between July 2018 and September 2020 from various individuals in Country V and Fiji. It was also noted that Person R, his unemployed spouse (Person Y), and their children frequently travelled to Country V.

In August 2019, Person R acquired a taxi permit, however, there was no corresponding transaction showing that Person R had paid for the taxi permit. Person R and Y collectively own 4 high value vehicles that were purchased without any financing. Further analysis revealed that Person R acquired a freehold property in the central division and made significant improvements to the property in the last few years. Further analysis also revealed that patterns in Person R's transactions and accumulation of wealth were not consistent with the annual income declared.

It was also established that Person R and his family frequently travelled abroad, however, funding for tickets and travel expenses could not be traced to credit card or bank account transactions.

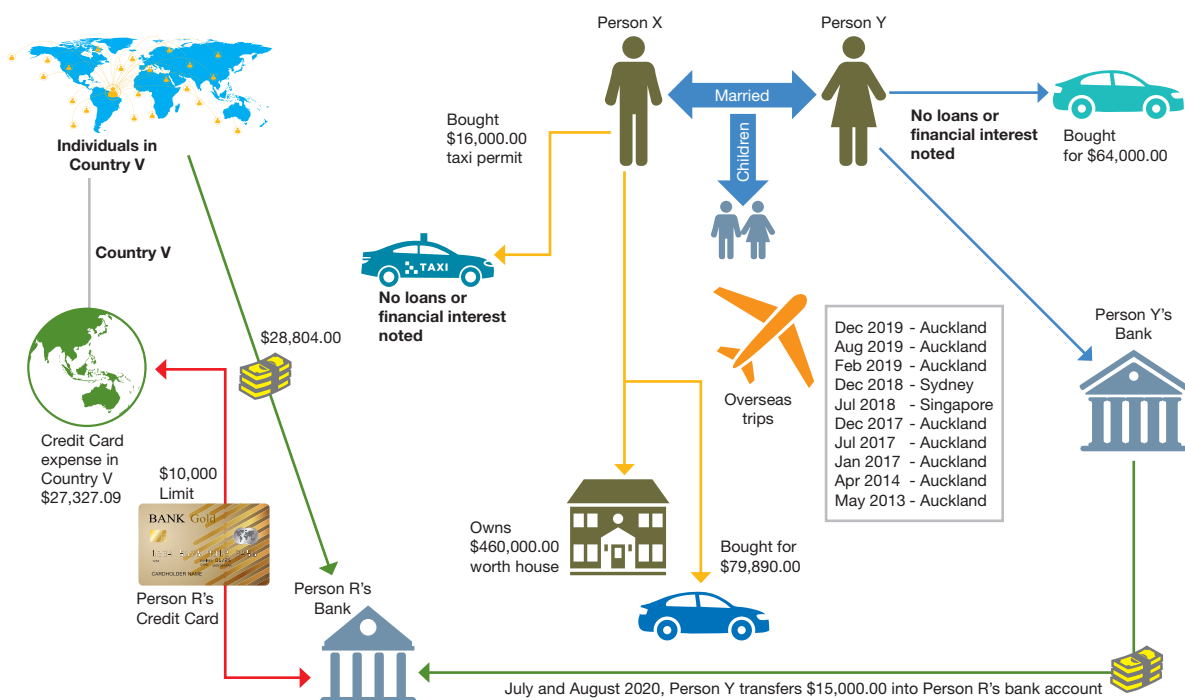
A case dissemination report was provided to FICAC to examine the case for possible unexplained wealth as a result of corruption and bribery.

#### Indicators:

- Frequent overseas trips without the apparent means to support those travel
- Cash deposits apart from salary
- Luxurious lifestyle
- High value vehicles/house

#### Offence:

- Unexplained wealth
- Corruption
- Bribery
- Possible tax related offence/tax evasion





#### Case Study 4: Offshore Profit Shifting and Tax Evasion

Person B, a dual citizen of Fiji and Country X was reported for claiming a false VAT refund from the local taxation authority on the pretext of a legitimate business expense. Checks by the Fiji FIU revealed that Person B started a sole proprietor business in Fiji with a trading activity of real estate and is a director of two other companies in Fiji. Both companies were related to the construction industry. However, it was established that there was no corresponding trading activity in relation to the VAT claim since one of his companies had no significant trading activities while the other company was incurring losses for the same period. The Fiji FIU established that more than \$110,000.00 was claimed and refunded as VAT from the taxation authority by Person B.

Person B also sent large remittances from Country X to himself, his companies and Person C, his associate amounting to more than \$750,000.00

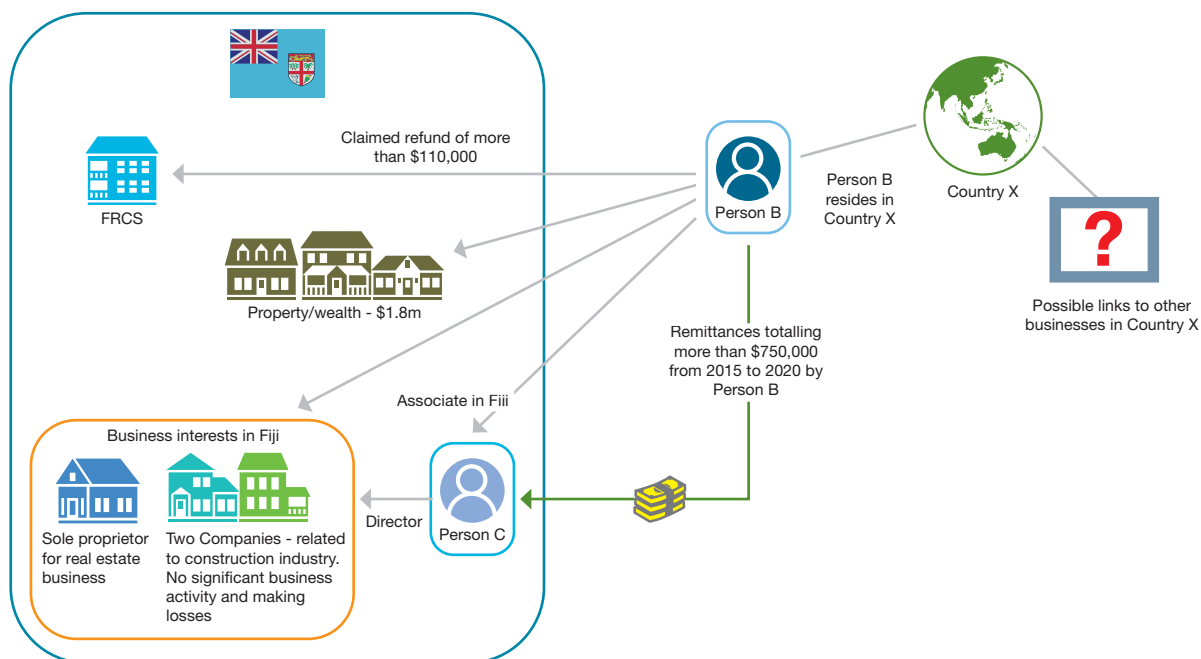
within 5 years. The remitted funds were used to acquire three properties in Fiji with a total value of more than \$1.8m which were partly financed by a loan. A case dissemination report was provided to FRCS and the relevant FIU in Country X.

#### Indicators:

- Large remittances from offshore
- Large refund claims from taxation authority without corresponding trading activity
- Shell companies which are incurring losses or not operating

#### Possible Offence:

- Tax related offence/tax evasion in Fiji and Country X
- Money laundering



### Case Study 5: Convicted Minds

Person W, a finance clerk for Company A was reported in two STRs for attempting to conduct large cash deposits into Company A's bank account and for unusual account activity in her personal bank account.

In June 2019, Person W attempted to deposit \$150,000.00 into Company A's bank account and upon interview with the bank officer, Person W stated that she was unaware of the source of funds. The transaction was declined by the bank.

In January 2020, Person W deposited \$6,747.97 into her personal bank account and stated that the money was allegedly given by a friend to pay for her university fees.

Subsequently, Company A, which is involved in the mining industry, was also brought to the attention of the Fiji FIU for issuing bank drafts to Person Z. Profiling for Person Z revealed that he was previously convicted of money laundering.

Further analysis revealed that multiple deposits totalling \$2.7 million were made into Company A's

bank accounts within three months from various mining companies. These deposits were followed by subsequent withdrawals totalling \$3.9 million.

The Fiji FIU established that Company A and Person Z were unrelated and the reason for the large transfers remain unknown.

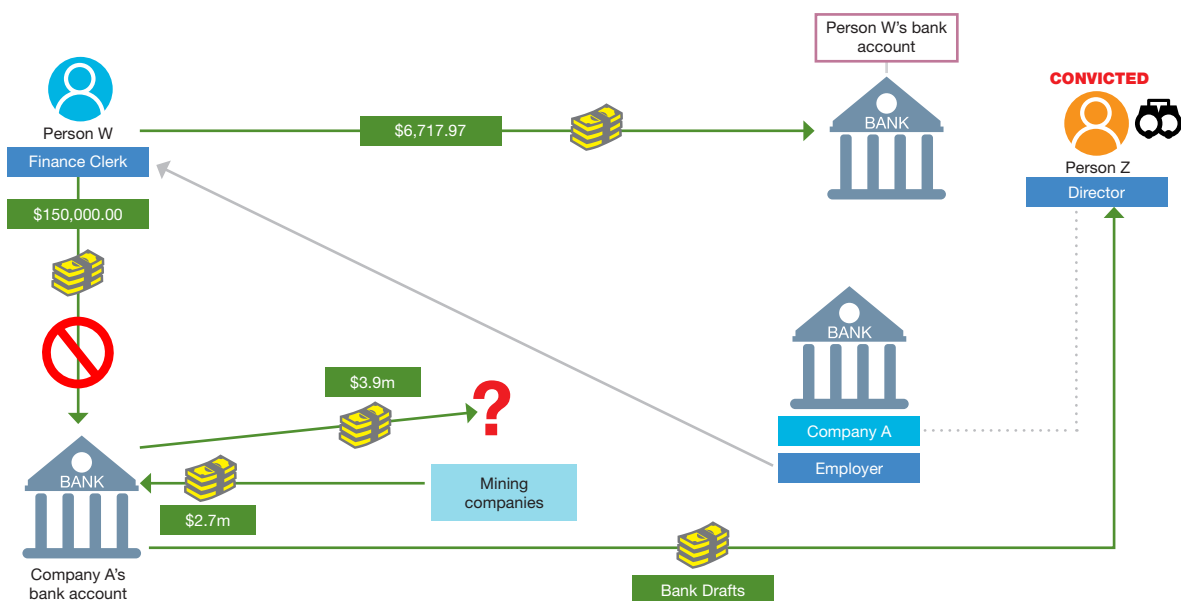
A case dissemination report was provided to the FPF for further profiling.

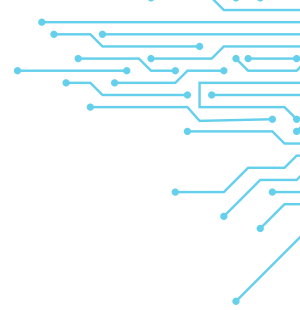
#### Indicators:

- Large unexplained cash transactions
- Unusual account activity by Person W who attempted to deposit a large amount of cash into Company A's account
- Person Z and Company A are unrelated
- Previous convictions noted for Person Z

#### Possible offence:

- Money laundering
- Tax related offences/tax evasion





### Case study 6: Evasion and elusion

Company F was reported for making advance payments to overseas suppliers and failing to produce customs entries on a timely basis to its bank.

Fiji FIU analysis showed movement of funds from the company loan bank account to the daily administration bank account of Company F.

Profiling revealed that Company F stopped importing in 2016 and began trading as Company B since 2015. It was further established that Company B was classified as a hotelier and that Service Turnover Tax (STT) and Environment & Climate Adaptation Levy (ECAL) was now applicable to Company B.

The Fiji FIU established that Company B did not lodge its STT and ECAL since 2015-2019. A case dissemination report was sent to the local taxation authority for further investigation.

#### Indicators:

- Failure to produce customs entries
- No lodgement made to tax authority

#### Possible offence:

- Tax related offence/tax evasion
- Trade-based money laundering

### Case Study 7: Unusual Account Activity

The Fiji FIU received a STR that highlighted bank account transactions which seemed suspicious in nature. It was reported that Person J, a pilot by profession, was conducting online telegraphic payments on the same day that deposits were made to Person J's bank account. Deposits were being made by Person K, who is the spouse of Person J. The couple had four joint home loan accounts which were paid off within 18 to 36 months of account opening. Each home loan amount averaged approximately \$175,000.00. Further perusal of Person K's bank accounts showed substantial unexplained cash deposits since 2012. It was noted that approximately \$380,000.00 deposited in Person K's personal bank accounts from 2018 till 2020. The Fiji FIU established that Person K was registered as a Lodgement Not Necessary type taxpayer indicating that she was unemployed. Additionally it was also established that Person J's income tax lodgements were due since 2018.

A case dissemination report was provided to FRCS for further profiling.

#### Indicators:

- Unusual pattern of account activity
- Frequent and unusual deposits which is not commensurate with customer profile
- Quick turnarounds for loan repayments of substantial amounts

#### Possible Offence:

- Possible tax related offence/tax evasion
- Money laundering
- Unexplained wealth

### Case Study 8: Cash and Collusion

Person M, employed as an officer with law enforcement was brought to the attention of the Fiji FIU in two STRs for receiving several deposits into her personal bank account through a local Post Office. Person M maintained two bank accounts with Bank C and it was noted that deposits made into her operating account were immediately transferred to her savings account. Person T, the Town Q post master reportedly advised Bank C that Person M was transferring cash from her Bank F account with the intention of closing the account as Bank F reportedly had no service in Town Q. Bank statement analysis of Person M's bank accounts did not corroborate with the claim since there were no transfers of similar amounts being made from her Bank F account to her Bank C account.

We established that Person M received funds totalling approximately \$53,000.00 from January 2019 to May 2020 into her Bank C account through deposits being made by the Town Q Post Office and internet banking transfers which were not her

normal salary deposits. Furthermore, the Fiji FIU established that her total declared income for 2019 was approximately \$24,000.00.

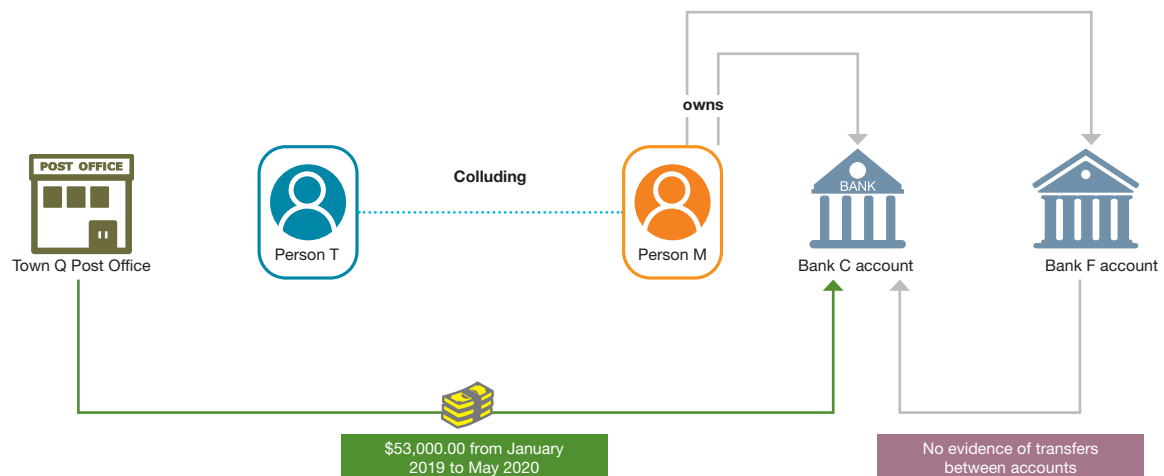
It appeared that the Person M and Person T were colluding in the criminal activity. A case dissemination report was provided to the FPF for their profiling and investigation.

#### Indicators:

- Unusual pattern of account activity
- Substantial unexplained deposits which were not salary or wages
- Tax lodgement amounts were much lower than what was being received into bank accounts

#### Possible Offence:

- Money laundering
- Unexplained wealth
- Obtaining financial advantage via deception
- Corruption, bribery



### Case Study 8: Money Laundering through Real Estate Transactions

Persons A, B, Y and Z, who are foreign nationals, were reported to the Fiji FIU in a STR for a possible case of money laundering involving a real estate transaction of over \$2.8 million. Person A attempted to purchase a property for \$12.5 million. Person A and another unknown individual met with the real estate agent regarding the property deal.

In January 2020, Person A arranged funding through Person Y in Country Q, who remitted over \$2.8 million directly into the real estate agency's trust account as the deposit payment. Person A stated that Person B, who was his business partner in Country E, would be listed as the owner of the property in the sale and purchase (S&P) agreement. When the offer by Person A was not accepted by the vendors of the property, he instructed the real estate agency to refund the deposit amount to another individual, Person Z in Country Q.

Fiji FIU analysis revealed that Person A was the only party communicating with the real estate agency through email and instant messaging applications, which did not include Persons B, Y and Z. It appeared that Person A was the main party in control of the real estate transaction. Interestingly, Persons A and B had never travelled to Fiji.

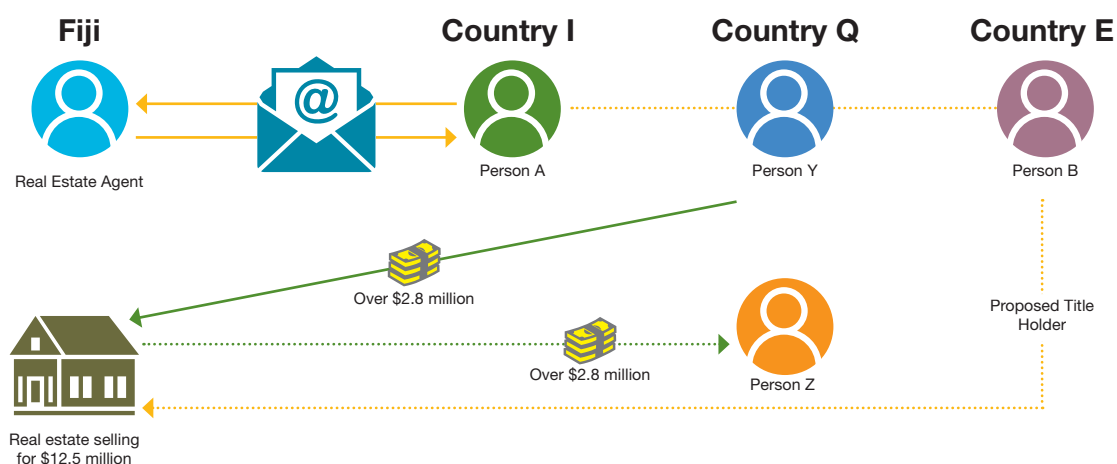
Further checks with national and international law enforcement agencies revealed that Person A allegedly worked with an organised crime syndicate involved in illicit importations of drugs in Country Y, and that Person B and Person Z are Country Q nationals issued with Country E citizenship. Additionally, it was established that Person B was a red notice fugitive in Country Q, who was using fake identification documents in Fiji. Person B was deported to Country Q in January 2020.

#### Indicators:

- Unrelated parties engaged financially in the real estate investment
- Party liaising with realtor is not the purchaser on the S&P agreement
- Communication is between one party and the real estate agency, and excludes the other parties engaged in the real estate investment
- High value real estate transaction conducted by the purchaser is not facilitated through a legal representative
- Fake identification documents and use of aliases

#### Possible offence:

- Money laundering



# 9 GLOSSARY

AFI	Alliance for Financial Inclusion
AML	Anti-Money Laundering
AMS	Alert and Monitoring System
APG	Asia/Pacific Group on Money Laundering
APIFIU	Association of Pacific Islands FIUs
AUSTRAC	Australian Transaction Reports and Analysis Centre
BCR	Border Currency Report
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
EFTR	Electronic Funds Transfer Report
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FFIMSO	Fiji FIU Information Management System Online
FICAC	Fiji Independent Commission Against Corruption

FIU	Financial Intelligence Unit
FNIC	Fijian National Identity Card
FRCS	Fiji Revenue and Customs Service
FUR	Follow-Up Report
FPF	Fiji Police Force
FTR	Financial Transactions Reporting
GSPWG	Global Standards Proportionality Working Group
IMF	International Monetary Fund
MER	Mutual Evaluation Report
ML / TF	Money Laundering and Terrorist Financing
MOA	Memorandum of Agreement
MRSP	Money Remittance Service Provider
NCLASA	National Combined Law and Security Agencies
NRA	National Risk Assessment
ODPP	Office of the Director of Public Prosecutions
RBF	Reserve Bank of Fiji
STR	Suspicious Transaction Report

[www.fijifiu.gov.fj](http://www.fijifiu.gov.fj)



**Fiji FIU**

Fiji Financial Intelligence Unit

## FINANCIAL INTELLIGENCE UNIT STRATEGIC PLAN 2020-2024

### Our Vision:

*Protecting Fiji from Money Laundering*

### Our Strategic Pillars:



### Our Key Strategies:

1. Develop and disseminate intelligence
2. Maximise use of our intelligence
3. Create more awareness on money laundering
4. Implement risk based preventive measures
5. Enhance financial institutions understanding of their obligations
6. Effective supervision of financial institutions
7. Effective data reporting
8. Innovative data analytics
9. Improve data quality and information security
10. Enhance information sharing
11. Strengthen partnerships
12. Support international AML/CFT initiatives
13. Cultivate a skilled, motivated and high performing team
14. Corporate governance

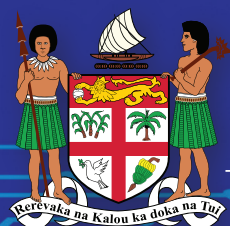
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# FijiFIU

Fiji Financial Intelligence Unit

The background is a solid dark blue. In the top-right and bottom-left corners, there are decorative elements consisting of light blue lines that resemble circuit traces or a stylized network. These lines are interconnected with small circular nodes, creating a sense of digital connectivity.

[www.fijifiu.gov.fj](http://www.fijifiu.gov.fj)