



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Report on Fiji Financial Intelligence Unit Annual Report 2014



PARLIAMENT OF THE REPUBLIC OF FIJI
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Chair's Foreword

The Standing Committee on Economic Affairs was tasked by Parliament to review the Fiji Intelligence Unit (FIU) Annual Report 2014. Unfortunately, this Annual Report was not brought to the attention of the Committee until after we had completed and compiled our Report on the FIU Annual Report of 2015, which was tabled in Parliament as Paper # 73 of 2016.

Upon completion of deliberations the Committee was in total agreement that each recommendation and finding as highlighted in Paper # 73 was also relevant to the FIU Annual Report of 2014.

In light of the above, this Report by the Committee is a near duplication of our Report on the FIU 2015 Annual Report.

As with the 2015 Report, our Committee felt that FIU needed to further strengthen their abilities to combat ever growing criminal activities taking place globally, and that this would enhance their efforts should they become a stand-alone entity in the future. Other recommendations included capacity building, and the establishment of clear demarcations of inter-related agency roles. The Committee commends the capacity building efforts being carried out by the Fiji Police Force in support of FIU, and urges that this practice be continued.

I thank the Committee Members, Hon Vijay Nath, Hon Dr Brij Lal, Hon Viliame Gavoka and Hon Prem Singh who were present in the production of this Report and also the Parliamentary Staff who assisted.

On behalf of the Standing Committee on Economic Affairs, I commend this Report to Parliament.



HON. LORNA EDEN

CHAIRPERSON

Introduction

The Fiji Intelligence Unit (FIU) is an independent and administrative statutory agency of the Fijian Government. In its 10 years of operation, it continues to be the lead agency when it comes to combatting money laundering and related serious crimes which are on the rise in Fiji. According to the Annual Report of 2014, the FIU's role as a financial intelligence body in Fiji has become an integral part and contributor in successfully investigating and prosecuting money laundering and other serious crimes.

The Committee commends the work being undertaken by the FIU which covers:

- a) administration of the Financial Transactions Reporting Act 2004;
- b) enforcing compliance by financial institutions; and
- c) Combatting money laundering, terrorism financing, proliferation financing and other serious crimes.

The FIU does not have formal investigative powers to arrest and charge suspects or restrain properties. The FIU does not have a prosecutorial role.

List of Recommendations

The Committee notes that FIU is relatively new (2006) and while it has performed extremely well, there are areas that need to be addressed when benchmarking with other agencies. The Committee recommends the following:

Recommendation 1

FIU needs empowerment to enforce compliance as noted by the APG (Asia Pacific Group) on anti-money laundering.

The Committee recommends that the Financial Transactions Reporting Act 2004 be reviewed to strengthen FIU's function given the dramatic development of criminal activities globally.

In the review, powers to invoke sanctions could also be given to FIU, similar to that of Reserve Bank of Fiji (RBF), the Land Transport Authority and other agencies.

Recommendation 2

FIU needs to continue to build capacity to address the gaps that exist with law enforcement agencies to be able to carry out their work effectively on money laundering investigations and to trace proceeds of crime and what happens when assets are forfeited and restrained. The Committee commends the capacity building being carried out specifically by the Fiji Police Force in support of FIU i.e. training of specialist officers and would urge FIU to continue in this direction.

Recommendation 3

The Committee also notes that there are six leading agencies making up the Anti-Money Laundering (AML) Council and would recommend that a clear demarcation of roles of each agency be defined as there is the possibility of overlapping of roles particularly between FIU, the Fiji Independent Commission Against Corruption and the Fiji Police Force.

Recommendation 4

The Committee notes that FIU operates under the wings of RBF but in other jurisdictions it operates independently. The Committee understands that it will gradually progress towards full independence as a stand-alone entity and would recommend that the process towards independence is properly resourced each step of the way.

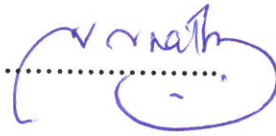
Conclusion

The Standing Committee on Economic Affairs has fulfilled its mandate approved by Parliament which was to examine the 2014 Annual Report of the FIU. The Committee believes that the FIU has made tremendous progress in the fight against money laundering and other criminal activities such as smuggling of drugs into Fiji and therefore puts forward four recommendations which we believe will strengthen the FIU's mission of implementing an effective intelligence management framework.

Hon. Lorna Eden (Chair)

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Hon. Vijay Nath (Deputy Chair)

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Hon. Brij Lal (Member)

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Hon. Viliame Gavoka (Member)

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Hon. Prem Singh (Member)

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