

FIJI FINANCIAL INTELLIGENCE UNIT
2022 ANNUAL REPORT



FijiFIU

Fiji Financial Intelligence Unit

Our Vision: **Protecting Fiji from Money Laundering**

Our Strategic Pillars:



Our 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.

Annual Report Cover Theme

The cover design represents the reliance on technology by the FIU in the deliverance of its functions and by financial institutions in their efforts to meet their obligations under Fiji's anti-money laundering laws. It also depicts FIU's financial intelligence as a central information hub for law enforcement agencies in their successful investigation and prosecution of predicate crimes, money laundering offences, and restraining and forfeiture of assets and proceeds of crime.

TABLE OF CONTENTS

2022 ANNUAL REPORT FIJI FINANCIAL INTELLIGENCE UNIT

1 OUR VISION	2
2 DIRECTOR'S FOREWORD	3
3 GOVERNANCE STRUCTURE	6
4 OUR ACHIEVEMENTS	8
Strategic Pillar 1: Financial Intelligence	8
I. Develop and Disseminate Quality Intelligence Products	8
II. Improve the Quality and Use of our Intelligence Products	14
III. Promoting the Understanding of Money Laundering Risks and Methods in Fiji	14
Strategic Pillar 2: Preventive Measures	15
I. Promoting a Risk-Based Implementation of Preventive Measures	16
II. Enhancing Financial Institution's Understanding of their Obligations	17
III. Supervision of Financial Institutions for Compliance with the FTR Act and Appropriate Enforcement Action	18
Strategic Pillar 3: Technology Driven Processes	20
I. Effective Data Reporting	20
II. Develop Innovative Data Systems and Analytical Tools	23
III. Improve Data Quality and Information Security	24
Strategic Pillar 4: Partnerships	25
I. Enhancing Network for Information Sharing	25
II. Strengthening Relationships with Domestic and International Partners	25
III. Provide Support to International Partners on AML/CFT Policy Initiatives and Engagements	28
Strategic Pillar 5: Our People	29
I. Cultivate a Skilled, Motivated and High Performing Team	29
II. Ensure Corporate Governance	29
5 EXPENDITURE STATEMENT & NOTES	31
6 NATIONAL AML COUNCIL	33
7 APPENDICES	34
8 SELECTED KEY STATISTICS 2018 - 2022	37
9 SELECTED KEY EVENTS 2022	38

STRATEGIC ANALYSIS REPORT 2022 FIJI FINANCIAL INTELLIGENCE UNIT

1 STRATEGIC ANALYSIS OVERVIEW	43
2 OUTCOMES – SUSPICIOUS TRANSACTIONS REPORTS	44
3 OUTCOMES – CASH TRANSACTION REPORTS	49
4 OUTCOMES – THRESHOLD TRANSACTION REPORTS	51
5 OUTCOMES – ELECTRONIC FUNDS TRANSFER REPORTS	52
6 OUTCOMES – BORDER CURRENCY REPORTS	54
7 EMERGING AND CONTINUING MONEY LAUNDERING TRENDS	56
8 CASE STUDIES	57
9 GLOSSARY	68

1 OUR VISION

The Financial Intelligence Unit (FIU) is the leading agency in Fiji that is responsible for the prevention and detection of money laundering, terrorist financing and other serious criminal 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 vision of the FIU is to **protect Fiji from money laundering.**

The vision of the FIU rests on five strategic pillars representing the five core responsibilities the FIU undertakes to achieve its vision. The five strategic pillars of the FIU are:

- Pillar 1: Financial Intelligence
- Pillar 2: Preventive Measures
- Pillar 3: Technology Driven Processes
- Pillar 4: Partnerships
- Pillar 5: Our People

The strategic pillars also supports and contributes to the statutory “functions, duties and powers” of

the FIU as provided under the FTR Act. The FIU is modelled as an “administrative FIU” that is currently administered by the Reserve Bank of Fiji (RBF). The RBF provides funding and general administrative support for the FIU’s operations.

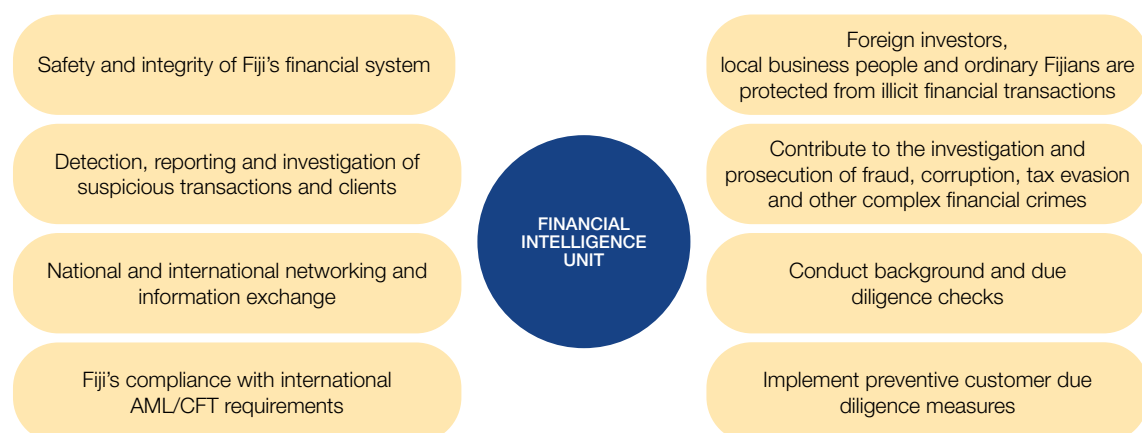
The National AML Council provides assistance to the FIU on broad AML policy and national coordination framework.

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 in successfully investigating and prosecuting money laundering and other serious crimes as well as asset tracing and recovery.

This Annual Report provides information on the FIU’s achievements for 2022 under its five strategic pillars.

FIU Functions and Responsibilities



2 DIRECTOR'S FOREWORD



I am pleased to present the 2022 Annual Report of the FIU.

The outcomes in the 2022 Annual Report reflects the important role the FIU plays in the fight against money laundering and terrorist financing in Fiji.

The FIU is the authority in Fiji that is tasked under the FTR Act to collect suspicious transactions and activities reports, analyse and further investigate and profile financial transaction, persons and assets and disseminate intelligence to relevant law enforcement authorities for investigation and prosecution of money laundering and other predicate crimes.

In 2022, the FIU continued to engage closely with financial institutions to ensure that they are implementing the AML/CFT preventive measures as required under the FTR Act. Due to the FIU's continued outreach and awareness, there was also an increase in the registration of AML Compliance Officers.

Financial institutions that are often referred as "gatekeepers" of the financial system, monitor their

customers and clients for unusual, potential criminal activities.

The FTR Act and Regulations were amended in 2022 to revise the cash transaction reporting requirements and introduce a new \$5,000 threshold transaction reporting for the commercial banks. These amendments further strengthens the mandatory data collected by the FIU.

Information technology is a critical tool for the FIU and the FIU's IT capability was further strengthened in 2022. The "Taipan" project was also rolled out with the assistance of the Australian Government and AUSTRAC, the Australian FIU. This project supports the FIU's Strategic Pillar on technology driven processes.

The FIU is placed at the heart of the broader financial surveillance system in Fiji. The FIU constantly receives and analyses large financial transaction data. The FIU received over 4 million financial transaction data in 2022 and has in its central database over 25 million reports on CTRs, TTRs, EFTRs and STRs that is used daily by the FIU for financial analysis, investigation and profiling of individuals, entities and their assets.

The FIU participated in a number of key international and regional forums including the Pacific Financial Intelligence Community which is a forum of regional FIUs.

The FIU has witnessed significant changes in Fiji's AML/CFT landscape under the FTR Act including:

- i. Strengthening FIU IT capability;
- ii. Data integration;
- iii. Strengthen networking with domestic and international partner agencies; and
- iv. Enforcement policies and guidelines.

The FIU will continue to contribute towards building a stronger legal, institutional, operational, networking, and regulatory environment on AML/CFT in Fiji that addresses domestic risk of money laundering and complies with the minimum international standards.

The FIU also exchanges intelligence and information at international level with foreign law enforcement agencies and 166 FIUs.

In relation to the core role of the FIU as the Fijian Government's central financial intelligence agency, the FIU continued to provide the following to its law enforcement partners, both domestic and international:

- Spontaneous Dissemination;
- Investigative Support;
- Strategic Analysis; and
- Due Diligence and Background Checks.

In 2022, the key intelligence outcomes included 519 reports on 1,597 individuals and 276 entities as follows:

- 219 intelligence reports on 359 individuals and 13 entities;
- 87 investigative assistance and support in relation to 797 individuals and 30 entities;
- 82 reports on background checks on 96 individuals and 82 entities; and

- 131 DDA searches and assistance on 345 individuals and 151 entities.

The estimated value of transactions suspected to be tainted and linked to predicate criminal offences and tax evasion was \$252 million in 2022.

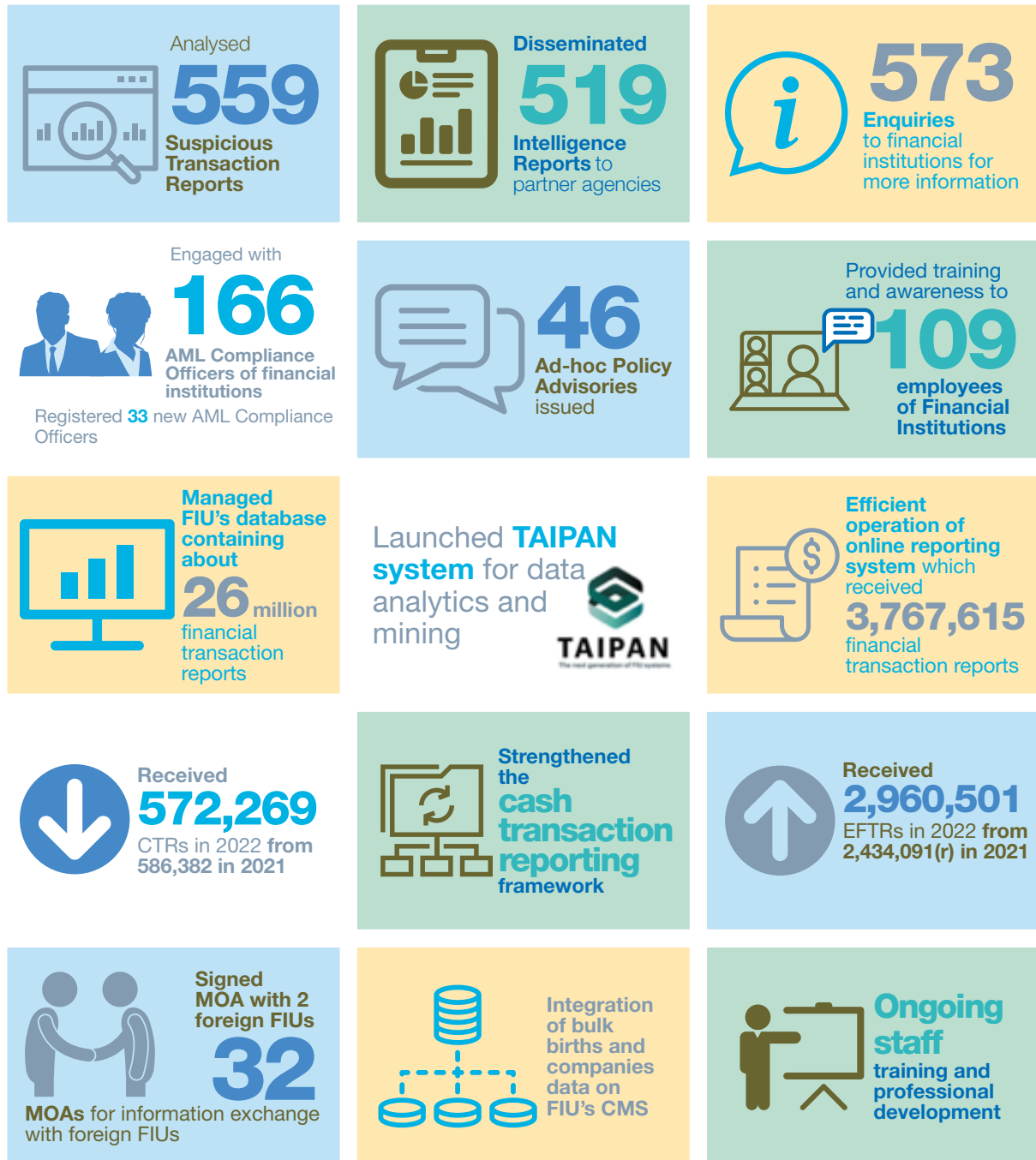
I would like to thank the Governor and Board of the RBF for providing financial and administrative support to the FIU in 2022. The FIU is also grateful to the Commissioner of FPF and the Chief Executive Officer of the FRCS for continuing to support the FIU with secondment of their officers.

I look forward to the ongoing and even stronger partnership with government agencies, private sector financial institutions, stakeholders, and the National AML Council in achieving our vision of "protecting Fiji from money laundering".



Razim Buksh
Director
Financial Intelligence Unit

2022 AT A GLANCE



3 GOVERNANCE STRUCTURE

Statutory Agency

The FIU is a centralised, independent, administrative and 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 the RBF approved the organisation structure and annual funding of the FIU.

Director of the FIU

The Director FIU acts as the Chief Executive Officer and 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.

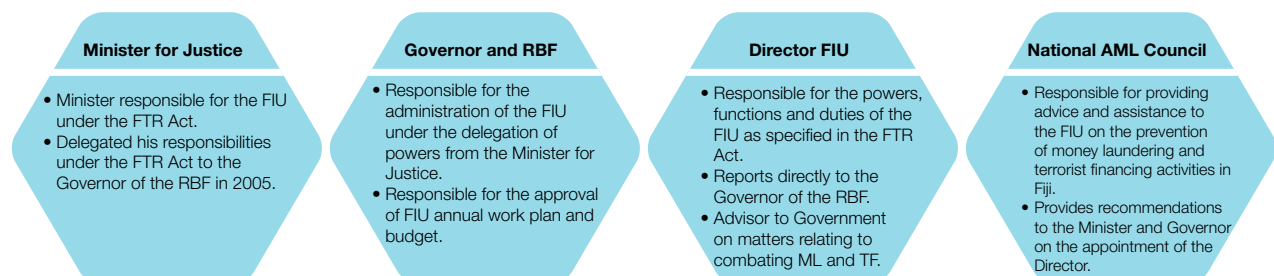
The Director is responsible for the preparation and implementation of FIU's strategic plan, annual work plan and its annual budget.

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 against the FIU strategic plan and annual work plan.

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.¹

Funding and Administration

The FIU is fully funded by the RBF and exists independently and separately from 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. These include procurement, HR management, IT support, risk management, security, office space and financial accounts.

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.²

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 the Egmont Group of International FIUs' best practices on the following key areas:

- i. international cooperation and information exchange;
- ii. receipt of confidential information;
- iii. analysis and intelligence development;
- iv. information security;
- v. compliance and enforcement; and
- vi. operational independence and governance

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.

¹ Refer to the section on National AML Council for more information.

² Refer to the section on Expenditure Statement and Notes for more information.

4 OUR ACHIEVEMENTS

Strategic Pillar 1: Financial Intelligence

A core pillar of the FIU is to produce high quality financial intelligence for its partners. The FIU seeks to achieve this by:

- i. developing and disseminating quality intelligence products;
- ii. improving the quality and use of its intelligence reports; and
- iii. promoting the understanding of ML risks and methods in Fiji.

Financial intelligence enables law enforcement partners to investigate serious crimes, money laundering (ML) and terrorist financing (TF) activities.

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.

I. Develop and Disseminate Quality Intelligence Products

Develop Intelligence Products

In 2022, the FIU received a total of 3,767,615 financial transaction and other reports which are used to develop intelligence products. These reports consisted of suspicious transaction reports (STR), cash transaction reports (CTR), threshold transaction reports (TTR), and electronic funds transfer report (EFTRs) which are submitted by financial institutions. The TTR framework came into force in November 2022 and is a reporting obligation applicable only to commercial banks. The FIU also received border currency declaration reports (BCR) from FRCS.

The FIU relies on technology for its intelligence development. In 2022, the FIU continued to use the TRAQ system in its intelligence processes. TRAQ is used by the FIU intelligence analysts to perform profiling of entities or persons of interest. TRAQ utilises search tag features to identify information regarding specific names, bank accounts, transaction dates, transaction amounts and other relevant transaction details.

The FIU uses its Case Management System (CMS) to centrally store all STR information, case analysis details and dissemination reports. CMS is used by the FIU 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, the review and approval of STR closures, generation of management reports and system audits for each STR.

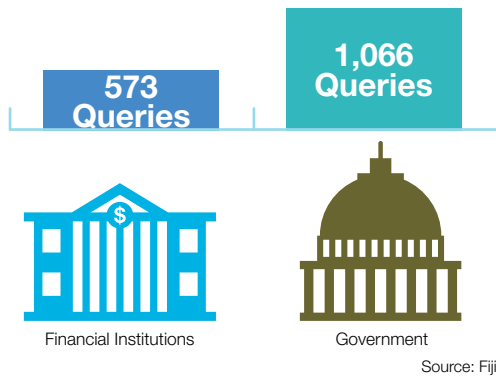
The FIU has access to a wide range of information on government databases which enables it to fulfil its analysis function.

As part of its analysis process, the FIU makes enquiries with financial institutions and government agencies. 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.

In 2022, the FIU made 1,639 queries to financial institutions and government agencies for further information to analyse STRs and develop other intelligence products. Of these, 573 queries were made by the FIU to financial institutions while 1,066 queries were made to government agencies.

Enquiries to financial institutions were related to requests for information on customers such as identification details, transaction details or history, asset details or copies of relevant documents.

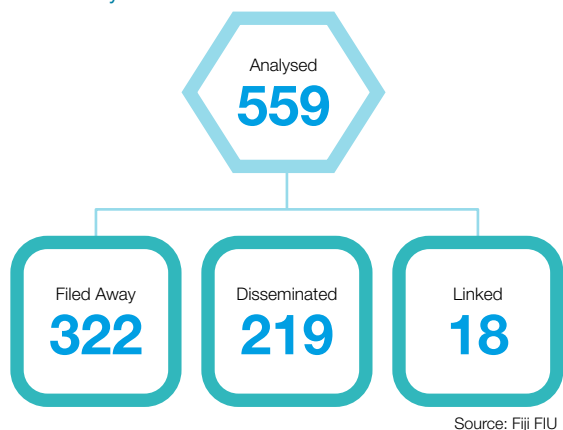
FIU Enquiries to Financial Institutions and Government Agencies 2022



The FIU is required under Section 25 (1) (e) of the FTR Act to analyse and assess all reports and information received.

In 2022, the FIU analysed 559 STRs. As a result of this analysis, 322 STRs were filed away for future intelligence reference, 219 case dissemination reports were issued to law enforcement agencies and 18 cases were linked to other cases already disseminated.

STRs Analysed 2022



At the end of the analysis process, the FIU assesses whether the STR and relevant analysis indicates that

money laundering or a serious offence maybe taking place. In some instances the reports or intelligence do not meet the threshold to be disseminated to law enforcement or other agencies and it is “filed away” for future reference.

STRs Filed Away for Future Reference

	2018	2019	2020	2021	2022
Number of STRs Filed Away	248	132	372	551	322

Source: Fiji FIU

Dissemination of Intelligence Products

The FIU disseminates intelligence products spontaneously or upon request from our partner agencies. Spontaneously disseminated intelligence products are referred to as case dissemination reports (CDR). Intelligence products disseminated upon request can be used by law enforcement agencies in investigations or by government agencies when assessing the credibility of entities and individuals.

In 2022, the FIU disseminated a total of 519 intelligence products to law enforcement agencies, regulatory bodies, and government ministries. This is an increase from 399 intelligence products disseminated in 2021.

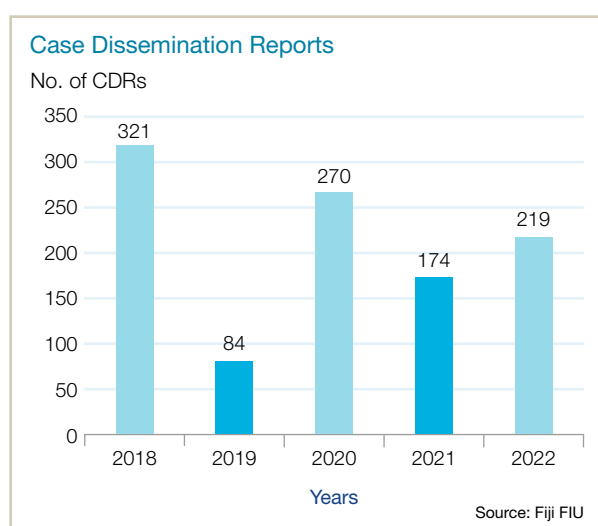
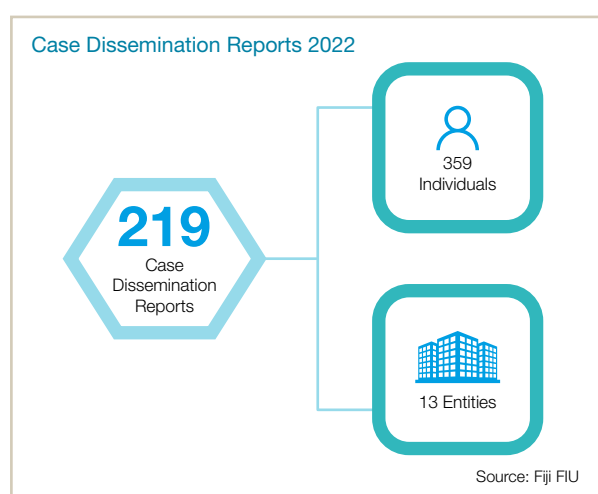
Intelligence Reports Disseminated 2022



Source: Fiji FIU

Case Dissemination Reports

Out of the 519 intelligence products disseminated in 2022, 219 products were CDRs to law enforcement agencies. This is an increase from 174 CDRs disseminated in 2021. These CDRs were developed directly from STRs received in 2022 and prior to 2022, and contained information on 359 individuals and 13 entities.



Case Dissemination Reports to Law Enforcement Agencies

Law Enforcement Agency and Reason for Dissemination	2018	2019	2020	2021	2022
FRCS-Taxation Division Possible violations under the Income Tax Act and VAT Act.	193	44	128	90	116
Fiji Police Force *including Transnational Crime Unit. Possible violations under the Proceeds of Crime Act and serious offences under the Crimes Act and other relevant laws.	62	8	67	41	41
Immigration Department Possible violations under the Immigration Act and Passport Act.	8	0	10	8	9
FRCS-Customs Division Possible violations under the Customs Act.	14	7	5	8	9
FICAC Possible violations under the FICAC Act and Prevention of Bribery Act	1	0	5	5	14
Others³	43	25	55	22	30
Total	321	84	270	174	219

Source: Fiji FIU

In 2022, 57% of CDRs were disseminated to FRCS while 19% 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. Based on the CDR dissemination rates for 2022, the top two possible underlying criminal activities identified in the STRs were tax evasion and scams.

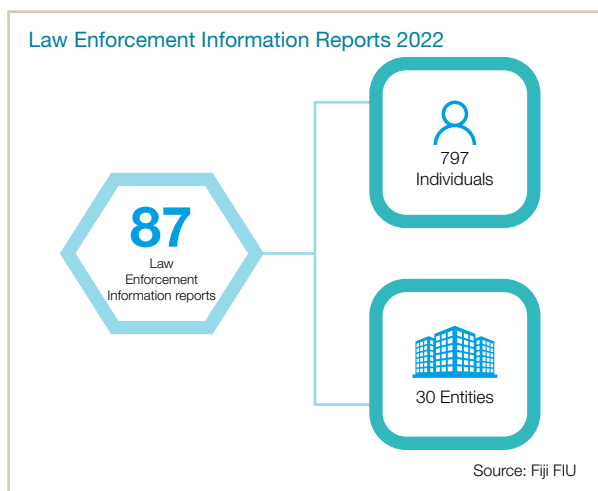
³ Other law enforcement agencies include Foreign FIUs and law enforcement agencies (22) and other regulatory bodies (19).

Intelligence Products Disseminated Upon Request

a) Law Enforcement Information Reports

The FIU also provides financial intelligence to law enforcement agencies upon request. The requests 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, 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 2022, the FIU disseminated 87 intelligence products that were directly requested by local law enforcement agencies such as the FPF, FICAC, Department of Immigration and FRCS, compared to 82 reports in 2021. These reports contained information on 797 individuals and 30 entities.



Law Enforcement Agencies Requesting Intelligence

Requesting Agency	2018	2019	2020	2021	2022
FICAC	28	30	15	6	19
Fiji Police Force	84	85	77	33	55
FRCS	113	97	26	34	5
Immigration Department	25	8	6	3	3
Others ⁴	10	2	3	6	5
TOTAL	260	222	127	82	87

Source: Fiji FIU

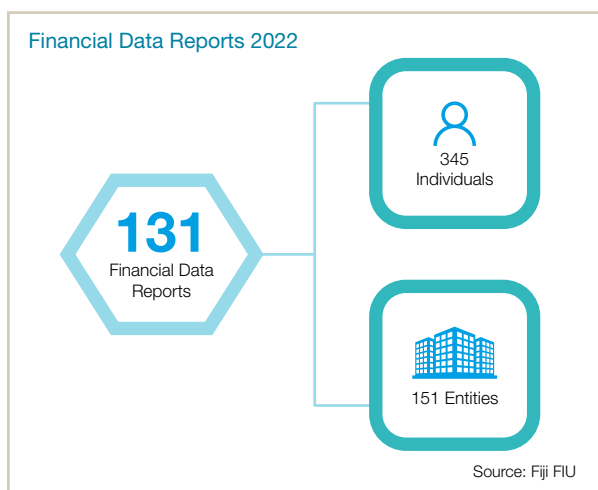
The FIU also assists law enforcement agencies in their own investigations by facilitating the tracing and “temporary suspension” of funds that are suspected to be proceeds of crime that are held within financial institutions. This is to ensure that the funds are immediately secured while the formal investigations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

b) Financial Data Reports

In 2022, the FIU provided 131 financial data reports on 345 individuals, 151 entities and 190 addresses and phone numbers to law enforcement agencies that requested for financial information.

Prior to April 2021, these reports were accessed directly by approved officers from law enforcement agencies from the FIU database at the FIU office. The FIU continued to facilitate these requests in 2022.

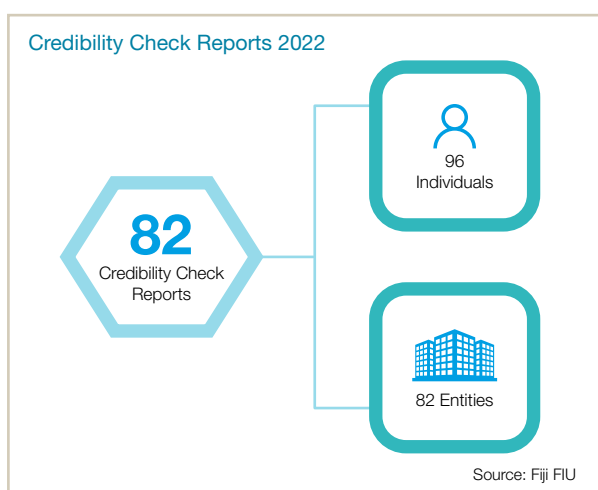
⁴ Other requesting agencies include the Ministry of Fisheries, Fijian Competition & Consumer Commission, Fiji Corrections Services and Legal Practitioners Unit.



c) Credibility Check Reports

The FIU conducts credibility 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.

In 2022, the FIU disseminated 82 credibility check reports compared to 30 reports disseminated in 2021. The credibility checks were conducted on 96 individuals and 82 entities.



Dissemination of Information to Foreign FIUs

The FIU also receives information from foreign FIUs. In 2022, the FIU received 19 foreign information reports from foreign FIUs through the Egmont Secure Web (ESW).

The FIU also sent three requests for information to foreign FIUs through ESW in 2022.

Information Exchanges with Other FIUs

	2018	2019	2020	2021	2022
Number of requests sent to Fiji FIU	13	12	1	19	19
Number of requests made by Fiji FIU	10	5	6	8	3

Source: Fiji FIU

Alert & Instruction Notices to Financial Institutions

The FIU may, under section 25(1)(h) of the FTR Act disseminate alerts 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.

There were five Alert & Instruction Notices issued by the FIU in 2022.

Alert & Instruction Notices Issued 2022

Date	Alert Notice Number	Issued To	Details
14 January	1/2022	All Commercial Banks	Possible Fraud
1 March	5/2022	All Commercial Banks and Money Remittance Service Providers	Possible Advance Fee Fraud
14 April	6/2022	All Commercial Banks and Money Remittance Service Providers	Stolen Currency Notice
1 September	10/2022	All Commercial Banks and Money Remittance Service Providers	Stolen Currency Notice
9 December	11/2022	All Commercial Banks and Money Remittance Service Providers	Stolen Currency Notice

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. These directives require 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 2022 to financial institutions.

Directives Issued 2022

Date	Alert Notice Number	Issued To	Details
28 January	2/2022	Mobile Phone Service Provider	Enhanced Account Scrutiny
1 February	3/2022	Law Firm	Enhanced Account Scrutiny
14 February	4/2022	Commercial Banks	Enhanced Account Scrutiny
11 August	7/2022	Commercial Bank	Enhanced Account Scrutiny
16 August	8/2022	Commercial Bank	Enhanced Account Scrutiny
26 August	9/2022	Commercial Bank	Enhanced Account Scrutiny

Source: Fiji FIU

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

II. Improve the Quality and Use of our Intelligence Products

The FIU engaged closely with its law enforcement partners with the aim of improving the quality and use of its intelligence products.

In 2022, the FIU held an annual meeting with the Chief Justice for the first time. This meeting was held in addition to the regular annual meetings with the Commissioner of FPF, CEO FRCS, Director Immigration Department and Commissioner FICAC. The meetings were aimed at improving our understanding of the intelligence needs of our law enforcement partners and explaining how the FIU's intelligence products may meet their needs.

In 2022, the FIU installed the Taipan system. The system securely ingests structured FIU data, analyses and sorts the data into simple search formats. The data is also displayed on interactive dashboards for easy analysis and distribution. The

system was launched in November 2022 and is currently undergoing parallel testing.

The FIU periodically provides feedback to financial institutions and other relevant agencies regarding outcomes to the reports or information given under the FTR Act. In 2022, the FIU provided six feedback reports and held six meetings with the commercial banking sector. The reports and meetings provided feedback on the outcomes of STRs and other reports submitted to the FIU.

The FIU also met with mobile phone service providers to strengthen engagement and provide feedback to the sector to enhance their compliance with the FTR Act. The FIU also provided feedback to the money remittance service providers during their sector training in 2022.

III. Promote the Understanding of Money Laundering Risks and Methods in Fiji

Review of Risks for the Banking and Remittance Sector

Fiji is required under the international AML/CFT standards to identify, assess and understand the money laundering, terrorist financing and proliferation financing risks that it faces. This means that Fiji must undertake a national assessment of these risks.

Fiji conducted its first ever national ML/TF risk assessment in 2015. In 2022, the FIU continued its

review of the ML/TF risks of the banking sector in Fiji. Information on ML/TF risk was collected from banks and other sources and analysed during the year. This project will continue in 2023.

The 2022 Strategic Analysis Report is included in the Strategic Analysis section of this Annual Report.

Strategic Pillar 2: Preventive Measures

The FIU seeks to promote a safe and sound financial system to prevent or detect money laundering and terrorist financing activities. The FIU does this through three broad strategies as follows:

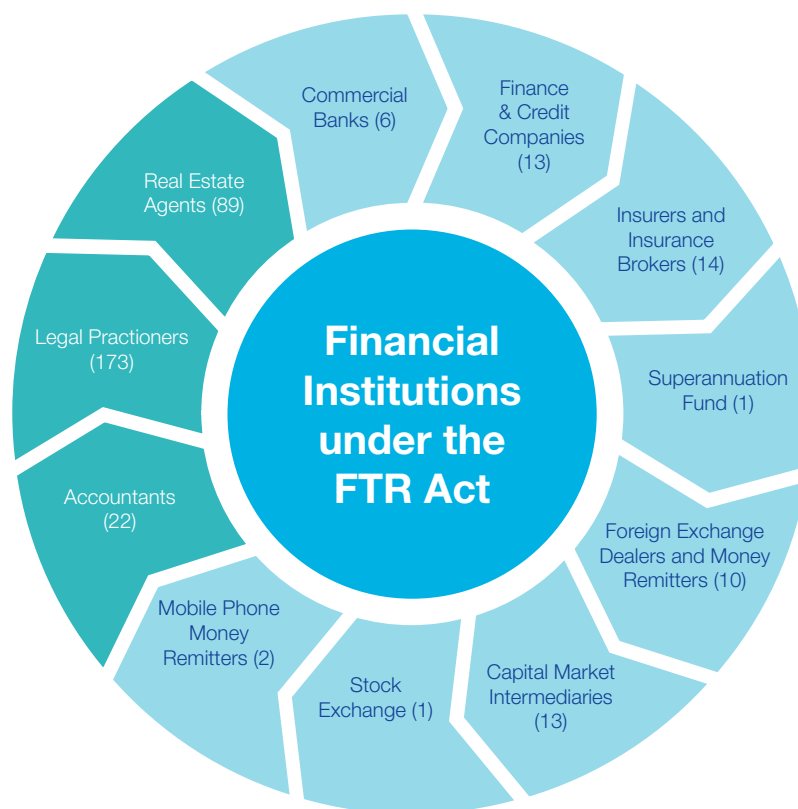
- promoting risk-based implementation of preventive measures under the FTR Act;
- enhancing financial institution's understanding of their obligations under the FTR Act; and
- effectively supervising financial institutions and taking appropriate enforcement action as needed.

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

- 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
- other DNFBPs, such as, accounting firms, legal practitioners, 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



I. Promote a Risk-Based Implementation of Preventive Measures

The requirements in the FTR Act, commonly referred to as “preventive measures” are based on international AML/CFT standards, the FATF Recommendations. Financial institutions can implement these preventive measures on a risk-based approach.

The FIU promotes a risk-based implementation of the FTR Act by:

- providing clear guidance on the preventive measures and requirements of the FTR Act through the issue of Guidelines and policy advisories;
- training and ongoing awareness;
- industry/sector focussed AML/CFT forums and training webinars; and
- ongoing engagement with financial institutions to assist them on how they can implement these preventive measures on a risk-based approach.

Enforceable Guidelines and Policy Advisories

In 2022, 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 2022, the FIU revised three Enforceable Guidelines to incorporate the revision to the cash transaction reporting requirements.

FIU Enforceable Guidelines Revised 2022

Guideline	Revised
FIU Enforceable Guideline 3 on Reporting of Cash Transactions 5,000 and above	1 November 2022
FIU Enforceable Guideline 8 on AML Compliance Obligations of Real Estate Agents or Businesses.	1 November 2022
FIU Enforceable Guideline 9 on Obligations of Legal Practitioners under the FTR Act & Regulations.	1 November 2022

Source: Fiji FIU

The FIU has issued nine Enforceable Guidelines to date which provides detailed guidance on the key requirements under the FTR Act.

The FIU has issued 20 Policy Advisories to date which provides clarification on interpretation of certain requirements of the FTR Act. The Guidelines and Policy Advisories are accessible on the FIU's website.

The FIU also provides policy advice on an ad-hoc basis, as and when requested by financial institutions. In 2022, the FIU issued 62 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 2022

Nature of Advisory	Number of ad-hoc Policy Advisories Issued
Customer Due Diligence Requirements	13
Transaction Reporting Requirements	35
Other Issues (FIU Alert Notices, role of compliance officer, AML developments)	14
TOTAL	62

Source: Fiji FIU

New Cash Transaction Reporting Requirements and Introduction of Threshold Transaction Reporting

In 2021, the FIU conducted a review of the cash transaction reporting requirements as specified in the FTR Act. The review included consultations with financial institutions. The review was finalised in early 2022.

In late 2022, the FTR Act and Regulations were amended to revise this cash transaction reporting

requirements. As a result of this amendment to the FTR Act and Regulations, from 1 November 2022 a revision to the cash transaction reporting framework was implemented as follows:

- a) commercial banks are required to report all transactions of \$5,000 and above (referred to as a Threshold Transaction Report);
- b) all non-bank financial institutions are required to report cash transactions of \$5,000 and above (referred to as a Cash Transaction Report).

The FTR (Amendment) Regulations 2022 also provides for a new Threshold Transaction Report

form and a simplified CTR form that will be now used by the respective reporting entities.

The FIU also revised three existing Guidelines to reflect these revisions in the cash transaction reporting requirements. The Guidelines were aimed at providing detailed guidance to financial institutions on these revised requirements for reporting transactions. The FIU also provided awareness notices and briefings to financial institutions to raise awareness on these revised transaction reporting requirements and facilitate the implementation of these new requirements.

II. Enhance Financial Institution's Understanding of their Obligations

The FIU promotes awareness and understanding of the FTR Act requirements through issuance of guidelines and advisories, targeted training and regular engagements with financial institutions through sector-based forums and meetings.

Engagement with Financial Institutions

In 2022, the FIU held annual meetings with the heads of commercial banks and the two mobile phone money remitters in Fiji. These annual meetings were aimed at engaging with senior management of these key financial institutions to discuss high level regulatory and compliance issues and to update them of upcoming FIU policy projects. The FIU also had engagements and meetings with financial institutions one-on-one as needed during the year.

Engagement with AML Compliance Officers

As at 2022, there were 166 AML Compliance Officers registered with the FIU.

The FIU continued to engage closely with the AML Compliance Officers of financial institutions during 2022 through sector trainings and one-on-one meetings and liaisons. 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.

In 2022, the FIU held one virtual induction briefing for new AML Compliance Officers, a training webinar for the money remittance service providers sector and a face-to-face dialogue with the banking sector.

A total of 43 new AML Compliance Officers registered with the FIU in 2022. The FIU engaged with the new AML Compliance Officers to educate them of their role and responsibilities.

Training and Awareness Programme

In 2022, the FIU provided training and awareness programmes which were attended by a total of 109 employees. The training covered the financial institutions' obligations under the FTR Act and Regulations.

Training and Awareness Programme 2022

Training and Awareness	Number Attended
Induction Briefing for new AML Compliance Officers (virtual)	60
AML/CFT Training Webinar for the Money Remittance Service Providers including the Mobile Phone Money Remitters	38
Dialogue with the Banking Sector (face-to-face)	11
Total Employees Attended	109

Source: Fiji FIU

During 2022, the FIU continued its engagement with the real estate and legal sectors to enhance industry level awareness and compliance.

The FIU also provided regular updates to all financial institutions on the revisions to the cash transaction

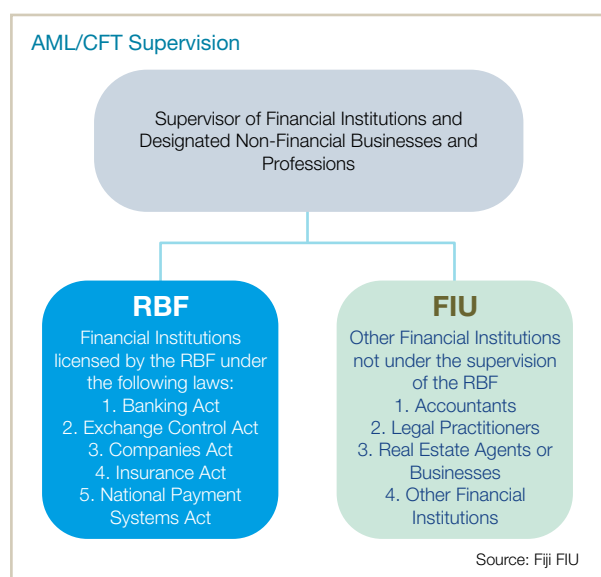
reporting requirements and the introduction of the threshold transaction reporting requirement.

The FIU also used its website to promote awareness of the requirements of the FTR Act including new initiatives, guidelines and policies issued by the FIU.

III. Supervise Financial Institutions for Compliance with the FTR Act and Take Appropriate Enforcement Action

Supervision of Financial Institutions

The FIU and RBF are required under the FTR Act to supervise financial institutions' compliance with the FTR Act and Regulations.



Supervision of financial institutions for compliance with their obligations under the FTR Act and Regulations is undertaken by the FIU through a combination of onsite examination and offsite monitoring programmes.

The FIU's Alert Monitoring System (AMS) was used to monitor financial institutions offsite on a weekly basis for their compliance with requirements to report CTRs and EFTRs to the FIU. The weekly AMS reports were analysed by the FIU to identify breaches of the 5-day reporting obligation.

The FIU's intelligence management team, during their analysis process also identified cases of possible non-compliance by financial institutions. These included:

- i. data reporting quality issues;
- ii. FIU alert & instruction notice breaches; and
- iii. possible CTRs not reported to the FIU.

These cases were subject to internal enforcement processes by the FIU compliance team.

The FIU also relies on the onsite supervision programme of the RBF to assess the compliance of RBF licensed financial institutions with the FTR Act and Regulations. These financial institutions include commercial banks, insurance companies and brokers, credit and finance companies, restricted foreign exchange dealers and money changers, mobile phone money remitters and capital markets.

During 2022, the FIU and RBF conducted joint on-site AML/CFT compliance examinations of two

restricted foreign exchange dealers at their relevant branches and offices in Sigatoka, Nadi, Lautoka, Ba, Tavua and Korovou.

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

Appropriate Enforcement Action

Enforcement tools are applied to ensure compliance by financial institutions with the FTR Act, FTR Regulations instructions, guidelines and directives issued by the FIU. The FIU may undertake enforcement actions such as criminal/civil actions, administrative monetary penalties and other remedial measures to ensure that financial institutions comply with the law and other regulatory instruments. The legal basis for applying enforcement action is provided under the FTR Act and FTR Regulations.

The following enforcement actions were undertaken by the FIU in 2022:

1. In 2022, the FIU identified four money remittance service providers who breached the FIU Alert & Instruction Notices. They were subjected to the enforcement process of the FIU and the matter was resolved by the reporting entities.
2. Financial institutions are required to report their CTRs and EFTRs within 5 working days from the date of transaction.

During 2022, there were 16 breaches of the 5-day transaction reporting requirement. The FIU addressed these breaches by immediately issuing notifications to the respective financial institutions to rectify the breaches. In most of the cases, the financial institutions were able to rectify the breach within a reasonable time. In 2022, there was an ongoing matter with one financial institution who was issued a formal

non-compliance letter with regards to its EFTR reporting. The financial institution worked with the FIU to rectify this non-compliance issue.

Reporting Requirement Non-Compliance

Reporting Requirement Non-Compliance	2018	2019	2020	2021	2022
No. of breaches of the 5 days reporting requirement	28	23	30	21	16
No. of formal non-compliance letters/ correspondences issued	8	2	2	2	1

Source: Fiji FIU

3. 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 completed accurately. Any data quality issues, once identified, is registered and communicated immediately by the FIU to the relevant financial institution for its necessary action.

In 2022, the FIU identified 19 data quality issues. These related to CTRs or EFTRs submitted by financial institutions with incomplete or incorrect information. The cases were subjected to the FIU's enforcement processes and the issues were resolved by the relevant financial institutions within reasonable time.

Strategic Pillar 3: Technology Driven Processes

A core pillar of the FIU is to implement technology driven processes in the performance of its functions. This is achieved by the following strategies:

- effective data reporting;
- developing innovative data management systems and analytic tools; and
- improving data quality and information security.

I. Effective Data Reporting

The FIU's Information Management System Online (FFIMSO) consists of two online web application systems, namely Online Data Delivery System (ODDS) and Transaction Query System (TRAQ).

ODDS is used by financial institutions in Fiji to securely and electronically submit financial transaction reports to the FIU.

In 2022, the FIU received a total of 3,767,615 financial transaction and other reports. These reports consisted of STRs, CTRs, TTRs, EFTRs, and BCRs. ODDS received an average of 313,968 financial transaction reports per month in 2022.

Financial Transaction Reports Received

	2018	2019	2020	2021	2022
STR	632	622	736	261	435
CTR	968,693	794,044	619,987	586,382	572,269
TTR	0	0	0	0	233,770
EFTR	1,357,246	1,515,681	1,866,197	2,434,091(r)	2,960,501
BCR	969	1,102	266	99	640
TOTAL	2,327,540	2,311,449	2,487,186	3,020,833(r)	3,767,615
Monthly Total Average	193,962	192,621	207,266	251,736 (r)	313,968

Source: Fiji FIU

As at 2022, the FIU had a total of 25,644,350 financial transaction reports and BCRs on its database which formed the basis of the FIU's intelligence process.

Financial Transaction Reports Held on the FIU Database

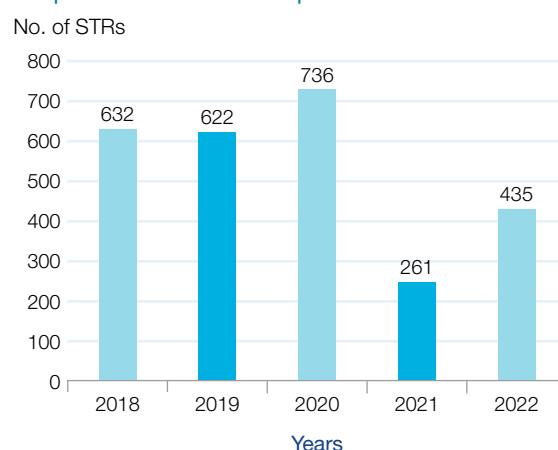
EFTR	17,986,064
CTR	7,406,757
TTR	233,770
STR ⁵	10,003
BCR	7,756
Total	25,644,350

Source: Fiji FIU

Suspicious Transaction Reports

The FIU received 435 STRs⁶ in 2022 or an average of 36 STRs per month compared to 239 STRs received in 2021.

Suspicious Transaction Reported



Source: Fiji FIU

⁵ Includes 1,145 STRs that were reported between 2000 – 2005 under section 61 of the Proceeds of Crime Act.

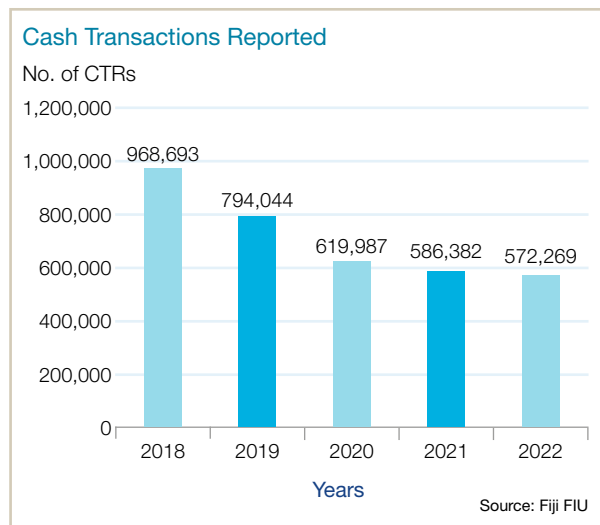
⁶ The number of STRs reported and the funds that are involved in suspicious transactions do not necessarily indicate the size of money laundering activity in Fiji. However, these transactions have been subject to a greater level of scrutiny by reporting financial institutions and have been flagged and reported as questionable, unusual and suspicious transactions. The figure suggests money laundering symptoms, risk and vulnerabilities in Fiji.

About 80% of STRs were received electronically via ODDS. The remaining 20% of STRs were reported via email or hardcopy reports that were later converted into digital format on ODDS.

STRs are reported manually through an online form on ODDS. The STRs from ODDS are then transferred to TRAQ which is an internal application used for analysis by the Intelligence Management team. The STRs from TRAQ are automatically curated in a particular format and uploaded to CMS.

Cash Transaction Reports

The FIU received 572,269 CTRs in 2022 or an average of around 47,689 CTRs per month. This is a decrease of 2% compared to 586,382 CTRs received in 2021.



About 99% of CTRs were batch reported on ODDS by financial institutions and 1% were reported manually via the online data entry form on ODDS. The batch reporting of transactions is more efficient for large volumes of CTRs and it eliminates the risk of a human error during data entry.

The FIU provides a CTR batch reporting specification document to the FIs which provides guidance to their IT team to develop an in-house batch

reporting system. The FIU also has a batch reporting specification document for EFTRs.

Threshold Transactions Reports

In November 2022, commercial banks commenced reporting of TTRs to the FIU. These are reports of all transactions of \$5,000 and above conducted by bank customers.

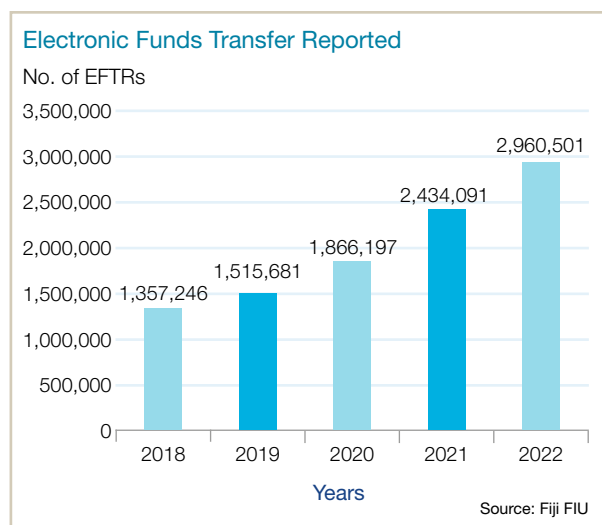
The FIU received 233,770 TTRs between November and December 2022 or an average of around 116,885 TTRs per month.

Majority of the TTRs were batch reported on ODDS by commercial banks.

Electronic Funds Transfer Reports

The FIU received 2,960,501 EFTRs in 2022 or an average of around 246,708 per month. This is an increase of 22% compared to 2,434,091 EFTRs received in 2021. Total EFTR for 2021 has been revised due to submission of back-dated EFTRs during 2022 as part of the FIU's reporting compliance and data quality process.

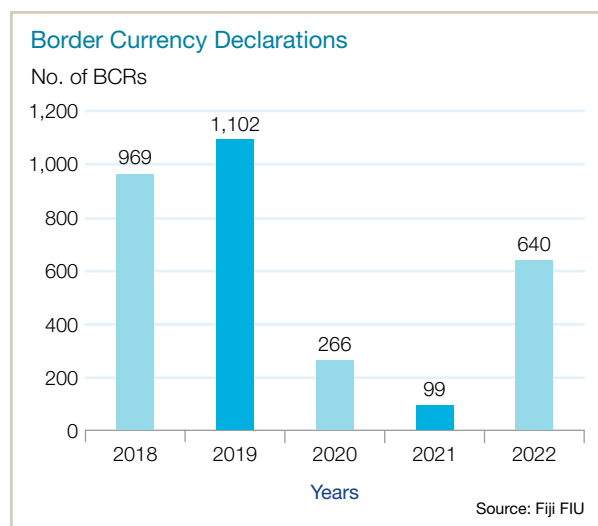
Majority of the EFTRs were batch reported on ODDS and less than 1% of EFTRs were reported through the online data entry form.



Border Currency Reports

In 2022, the FIU received 640 BCRs compared to 99 BCRs received in 2021. The substantial increase in BCRs received is due to the significant increase in the number of travellers into and out of Fiji following the lifting of the COVID-19 travel restrictions in Fiji and globally.

The BCRs are collected by FRCS at the border and sent to the FIU for inputting into ODDS.



ODDS Online Users

At the end of 2022, 168 financial institutions were registered to use ODDS. ODDS was accessed by 117 authorised individual users, 7,668 times during 2022.

The FIU continued to provide support and training to financial institutions on their use of ODDS to report transactions to the FIU.

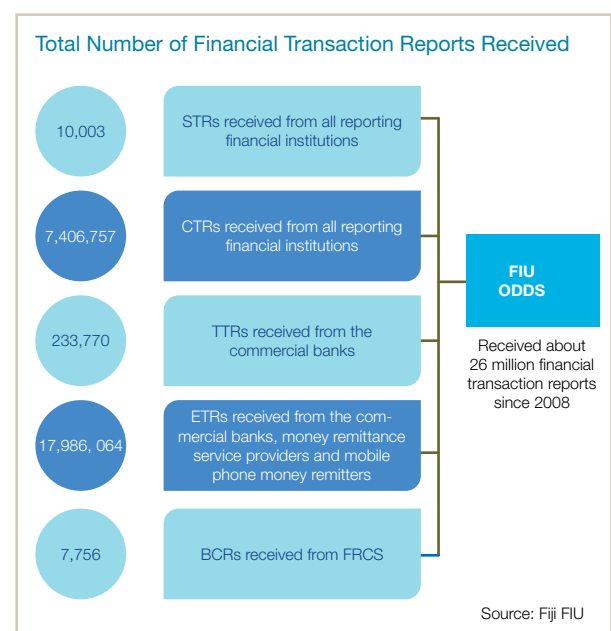
ODDS Registration

Sector	No. of Reporting Entities Registered for Online Reporting to the FIU
Commercial Banks	6
Foreign Exchange Dealers & Money Remitters	11
Mobile Phone Money Remitters	2
Finance Companies	12
Legal practitioners	72
Insurance & Superannuation	14
Accounting Firms	11
Securities and Brokers	3
Real Estate Agents	26
Money Lenders	1
Others	10
TOTAL	168

Source: Fiji FIU

Financial Transaction Data

At the end of 2022, ODDS had received about 26 million financial transaction reports in its database since on-line reporting commenced in 2008.



II. Develop Innovative Data Management Systems and Analytic Tools

Transaction Query System

The FIU continued to use TRAQ in its intelligence process to perform profiling of entities or persons of interest. It is the central repository for about 26 million financial transaction reports and BCRs received from financial institutions and FRCS respectively.

During 2022, the ongoing maintenance and support for TRAQ was crucial to ensure that the FIU intelligence team is able to effectively analyse the STRs received.

TRAQ was accessed by 13 FIU officers and 7 direct database access (DDA) officers in 2022. DDA officers are officers from partner law enforcement agencies that are authorised to access TRAQ. TRAQ was accessed 2,038 times by the FIU officers and 41 times by DDA officers during 2022.

FIU Alert and Monitoring System

The FIU continued to use its AMS which monitors all financial transaction reports maintained on the FFIMSO database for identifying suspicious transactions.

Currently, AMS has 11 suspicious indicator rules which runs in the background. Alerts are generated and emailed to the intelligence team for further analysis and profiling.

FIU Case Management System

The FIU continued to use its CMS for managing STRs and CDRs. CMS centrally stores all STR information, case analysis details and dissemination reports. CMS also generates templates for case dissemination reports and link charts. During 2022, there was ongoing support provided to ensure the effective operation of CMS.

Taipan Project

In 2021, Australian Transaction Reports and Analysis Centre (AUSTRAC) formally engaged with Fiji FIU on a project to strengthen Fiji FIU's information technology infrastructure.

The project aimed to develop a modern FIU platform called Taipan to enhance the collection, analysis and exchange of financial intelligence.

In 2022, Fiji FIU continued to work with AUSTRAC to identify the project scope, deployment process, security requirements, governance and testing of *Taipan*. In April 2022, AUSTRAC visited the FIU to conduct a scoping visit and provide training and a demonstration of the *Taipan* system to the FIU and RBF project team.



Taipan IT Project Team from left to right: Mr Brian Giffney (AUSTRAC), Mr Kritesh Bali (FIU), Mr Lawrence Chandra (FIU) and Mr Ron Macpherson (AUSTRAC)

In July 2022, AUSTRAC undertook a second visit to the FIU to deploy the Taipan software on the FIU IT environment. The deployment process included installation and configuration of the *Taipan* software packages on the production environment, migration of FFIMSO data on to Taipan, and testing.

The FIU Intelligence team started parallel testing of *Taipan* after its deployment in July 2022 to ensure the system meets the FIU requirements and standards. The *Taipan* system was formally handed over to the FIU in late 2022.

STR Process Automation

In 2022, Fiji FIU continued to use rule based process automation on FFIMSO to provide preliminary summary analysis of STRs for users. Information on the STR are run against FFIMSO data and matched against pre-defined rules and thresholds. If the results did not meet these thresholds, they were filed away for future analysis. If the results meet these thresholds, the STRs were assigned to an analyst for further analysis.

This process automation also contributes to the priority classification of all incoming STRs as it provides a quick preliminary summary analysis of FFIMSO data.

Remote Access to TRAQ for Partner Agencies and Direct Database Access

In 2022, Fiji FIU continued work in exploring a secure remote access to TRAQ by FIU partner agencies. Allowing remote access to TRAQ will enable FIU partner agencies to access FIU information in a secure, convenient and timely manner.

The FIU currently has 60 authorised DDA officers and they conduct large volumes of TRAQ searches for analysis and profiling purposes on FIU premises.

III. Improve Data Quality and Information Security

Technology Solutions to Improve Data Quality

The FIU employs controls which monitors the quality of data provided in financial transaction reports submitted by financial institutions on ODDs. Data quality issues are quickly identified by FFIMSO and raised with financial institutions for correction to the reports. Furthermore, the FIU continued to work with financial institutions to ensure that their CTR, EFTR and TTR reporting solutions adequately meet the minimum standards for reporting.

During 2022, the FIU worked closely with commercial banks to implement systems that would enable them to report the TTRs as required. This will continue into 2023.

Access to Government Databases

The FIU currently has direct online access to nine databases of partner government agencies. These databases provide crucial information to the FIU intelligence development process.

In 2022, the FIU completed work on the acquisition of bulk Births and Registrar Of Companies (ROC)

data from Digital Fiji. The FIU developed an extraction process to download the bulk Births and ROC data from Digital Fiji's secure Data Exchange Platform and upload this bulk data onto the FIU's CMS.

The integration of the bulk Births and ROC data on CMS enabled the FIU Intelligence team to conduct efficient searches during its profiling, analysis and intelligence development process. It also enabled the FIU to create links and relationships with existing data on CMS to profile entities.

Cyber Security and Cyber Risks

In 2022, as part of ongoing cybersecurity measures the FIU conducted weekly cybersecurity scans on FFIMSO which flags any critical vulnerabilities and threats against potential cyber-attacks. The FIU also benefitted from the cybersecurity protocols and measures employed by the RBF. The FIU's cybersecurity strategy is aimed to mitigate the risk of cyber-attacks and protect against unauthorised exploitation of FFIMSO.

Strategic Pillar 4: Partnerships

Collaboration with its partners is crucial for the FIU functions and it seeks to achieve this through three broad strategies as follows:

- i. enhancing its network for information sharing;
- ii. strengthening relationships with domestic and international partners; and
- iii. providing support to international partners on AML/CFT initiatives and engagement.

I. Enhance our Network for Information Sharing

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

The FIU has signed MOAs with 14 local partner agencies to date. As a result of these MOAs, the FIU is able to directly access nine databases of government partner agencies. The FIU continued to engage with these partner agencies during 2022. Refer to Appendix 1.

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 or TRAQ. In 2022, there were 60 officers who had this 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.

Two officers from FRCS and one officer from FPF continued to be seconded to the FIU in 2022 as provided under the MOA arrangement. During 2022, the FRCS extended the secondment period for their two officers to three years.



Secondment Officers for 2022 from left: Shivnit Chand (FRCS - Tax), Alisi Faivakibau (FRCS - Customs) and CPL Lanieta Ranavono (FPF)

II. Strengthen Relationships with Domestic and International Partners

Engagements with Domestic Partners

During 2022, the Director FIU held annual meetings with the Heads of key partner agencies such as the FPF, FICAC, FRCS, Immigration Department and the Judiciary. These meetings were aimed at discussing common issues and topics for collaboration and networking between agencies.

The FIU continued to contribute to national policy formulation, implementation and coordination through participation in various national committees such as the Interagency National Trafficking Committee, Digital Financial Services Working Group and the Cyber Security Working Group.

The FIU also made submissions to the Parliamentary Standing Committee on Foreign Affairs and Defence on the Convention on Cybercrime.

National AML Council

In 2022, the FIU continued to support the work of the National AML Council as a member and secretariat. There was one meeting of the National AML Council in 2022. (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 2022.

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 FIU also coordinated the compilation of Fiji's sixth Follow-Up-Report to the APG.

Engagements with International Partners

The FIU engages closely with various international partners through its membership of various international forums, working groups and taskforce. Refer to Appendix 2. Through its memberships of these international forums, working groups and taskforce, the FIU is able to exchange information and contribute to international AML/CFT policy formulation and projects.

Asia Pacific Group on Money Laundering



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

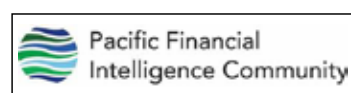
The FIU, as the designated lead agency for Fiji, liaised closely with the APG in 2022 on various national outputs, APG governance and other policy and mutual evaluation matters including the submission of Fiji's sixth Follow-Up-Report.

During 2022, the FIU participated in the following key APG activities:

- i. participated in various APG surveys and contributed to discussion papers;
- ii. Mutual Evaluation Committee meetings and discussions on mutual evaluation reports and FURs of APG members; and

- iii. Project Team discussions on key issues affecting the APG membership.

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



Pacific Financial Intelligence Community

The FIU is a founding member of the Pacific Financial Intelligence Community (PFIC) which is a regional body consisting of FIUs from the South Pacific region including Australia and New Zealand. The PFIC held its first meeting in 2021.

The PFIC provides a forum for Pacific FIUs focused on operational outcomes and other issues of specific interest to the Pacific region. PFIC encourages multilateral and bilateral collaboration across the region on issues of mutual priority through the regular dialogue and engagement between members that it provides.

In 2022, PFIC held its inaugural face-to-face plenary in Port Moresby in Papua New Guinea. The FIU continued to contribute to the discussions and decisions of PFIC and its Working Groups in 2022. As a member of PFIC, the FIU chairs the PFIC's Operational Working Group and is a member of the Research Working Group.



Pacific Financial Intelligence Community Plenary, Port Moresby, Papua New Guinea, November 2022



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 2022. 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 166 other Egmont Group members. During 2022, the Fiji FIU continued to provide assistance and information to other Egmont Group members upon request via the ESW.

The FIU is also a member of the Egmont Group's Membership Support and Compliance Working Group and Asia and Pacific Regional Group.

AUSTRAC

In 2022, the FIU continued to benefit from its engagement with AUSTRAC through sharing of AML/CTF information and intelligence.

AUSTRAC successfully installed and launched the Taipan system for the FIU. The system was formally handed over by AUSTRAC to FIU in late 2022.



Taipan System Handover Ceremony, October 2022

AUSTRAC provided valuable intelligence based trainings for FIU staff in 2022. These trainings consisted of virtual and face-to-face trainings. This included the Pacific Financial Intelligence Analyst Course which was fully funded by AUSTRAC.

Memorandum of Agreements with Foreign FIUs

The FIU is authorised under the FTR Act to 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. These MOAs allow for a more formal engagement with international FIUs and partners on AML/CFT matters.

In 2022, the FIU signed two MOAs for the exchange of information with the FIUs of Timor Leste and Lao People's Democratic Republic. The FIU has signed MOAs with 32 foreign FIUs to date. Refer to Appendix 3.



Signing of the MOA with The Unidade de Informação Financeira of Timor Leste, Kuala Lumpur, Malaysia, 25 July 2022



Signing of the MOA with The Anti-Money Laundering Intelligence Office, National Coordination Committee For Anti-Money Laundering And Counter-Financing Of Terrorism Of The Lao People's Democratic Republic, Kuala Lumpur, Malaysia, 26 July 2022

Pacific AML/CFT Supervisors Forum

The FIU is a member of the Pacific AML/CFT Supervisors Forum which consists of AML/CFT supervisors from the Pacific including New Zealand and Australia. The Forum provides a

platform for supervisors to share their experiences and challenges on AML/CFT supervision in their respective jurisdictions. The FIU participated in the meetings of the Forum in 2022.

III. Provide Support to International Partners on AML/CFT Policy Initiatives and Engagements

Fiji Mutual Evaluation - Progress Update

Fiji's 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.

Since 2016, and as a result of Fiji's annual FUR from 2017 - 2021, the APG has upgraded Fiji's compliance ratings for 17 FATF Recommendations

to a "largely compliant" or "compliant" ratings (from the initial 2016 ratings as either a non-compliant or partially compliant rating).

Fiji submitted its sixth FUR in October 2022. Fiji is in the process of addressing the remaining deficiencies in the FATF Recommendations.

The FIU as the secretariat to the National AML Council has been the key agency in coordinating the preparation of Fiji's annual FURs since the 2016 MER was published.

Strategic Pillar 5: Our People

The FIU endeavours to enhance the potential of its people and governance processes by:

- cultivating a skilled, motivated and high performing team; and
- ensuring corporate governance through strong internal controls and performance reporting.

I. Cultivate a Skilled, Motivated and High Performing Team

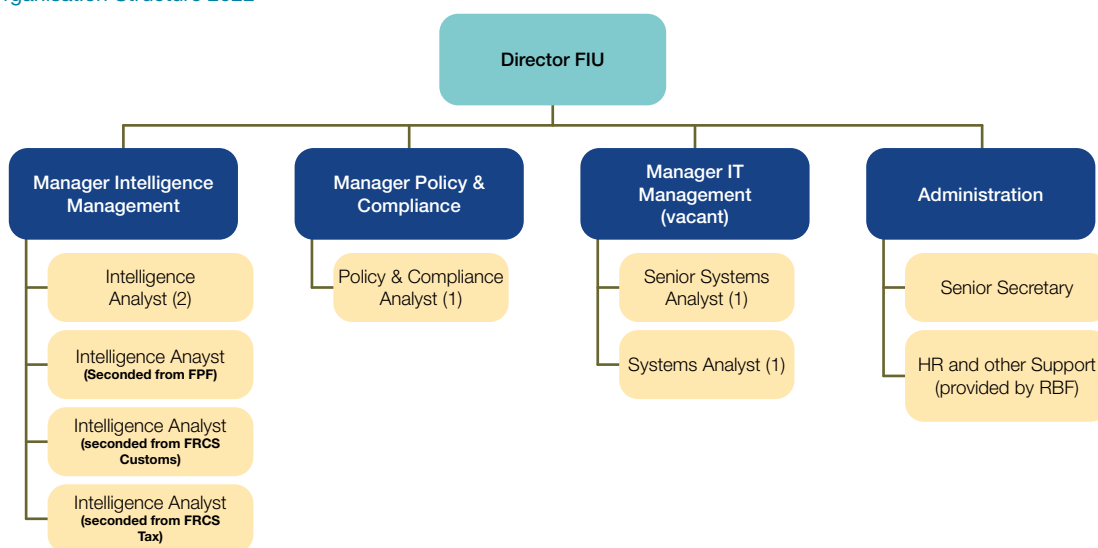
Professional Development of Staff

During the year FIU staff attended various training workshops and technical forums as part of professional development of staff. The trainings were provided virtually and face-to-face by various partners such as APG, AUSTRAC and UNODC.

Staffing

As at the end of 2022, the FIU had nine permanent staff and three officers on secondment from partner agencies (one FPF officer and two FRCS officers).

FIU Organisation Structure 2022



Source: Fiji FIU

II. Ensure Corporate Governance

Governance

The FIU continued to provide monthly reports on its operations to the Governor of the RBF and the Chair of the National AML Council. The FIU also provided regular updates to the Chair of the National AML Council on key AML/CFT national initiatives and projects.

The Fiji FIU fully implements the Egmont Group key governance instruments, namely the Egmont Charter, Operation Guidance, Principles of Information Exchange and Support and Compliance Process.

The FIU also implements the requirements of the international standards relating to financial intelligence units (Financial Action Taskforce Recommendation 29 and its Interpretive Note, Recommendation 40 and Immediate Outcomes 2, 3, 4 and 6). These ensure that the FIU's operations are in line with international best practice.

Communication and Media

The FIU uses the media and its website to communicate key AML/CFT initiatives to the general public and its stakeholders. The FIU revamped its

website 2022 with the aim of making the website more user friendly and up-to-date. In 2022, the FIU issued three media releases and held two interviews with the media on key AML/CFT issues.

Summary of Media Releases 2022

Date Issued	Title
1 September 2022	Review of CTR Reporting Framework under the FTR Act
19 October 2022	Launch of TAIPAN
30 September 2022	Cryptocurrency Scam Alert

Source: Fiji FIU

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 2022. The salaries of the seconded officers were fully funded by their respective agencies.

5 EXPENDITURE STATEMENT & NOTES

The RBF continued to fund the operations of the FIU in 2022. The FIU's total expenditure for 2022 was \$910,000 compared to \$781,000 in 2021.

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 2022 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 2022

	Note	31 December 2022 \$	31 December 2021 \$
Expenses			
Salaries & wages	1	823,000	730,000
Meetings	2	16,000	2,000
IT expense	3	25,000	17,000
Consultancy	4	24,000	21,000
Insurance	5	6,000	6,000
Printing, publications & stationery	6	9,000	2,000
Other expenses	7	7,000	3,000
Total expenses		910,000	781,000

The statement of expenditure has been audited up to 31 July 2022. The figures from 1 August 2022 to 31 December 2022 will be audited as part of the financial statement of the RBF in 2023.

Fiji Financial Intelligence Unit

Notes

For the year ended 31 December 2022

1. Salaries & Wages

The total staff costs amount to \$823,000 (2021: \$730,000) for the year ended 31 December 2022. The staff costs capture the total remuneration paid to the employees of the Financial Intelligence Unit. The two – year salary freeze agreement with the union expired in 2022 resulting in resumption of rewards and recognition (R&R) program, reintroduction of merit bonuses and PWC market adjustment resulted in higher staff cost in the current financial year.

2. Meetings

	31 December 2022 \$	31 December 2021 \$
Overseas	14,000	-
Local	2,000	2,000
	16,000	2,000

Courses, meetings and seminars cover the costs of attending local and overseas courses, conferences, meetings and trainings. Re-opening of the country borders in 2022 resulted in the higher current year's expenditure.

3. IT Expense

	31 December 2022 \$	31 December 2021 \$
Licenses and maintenance	24,000	16,000
Internet	1,000	1,000
	25,000	17,000

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 \$24,000 (2021: \$21,000) for the year ended 31 December 2022. The cost includes 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 \$6,000 (2021: \$6,000) relate to the term life cover that is provided to the employees of the Financial Intelligence Unit.

6. Printing, Publications & Stationery

	31 December 2022 \$	31 December 2021 \$
Printing and Publication	8,000	1,000
Public Relations	1,000	1,000
	9,000	2,000

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.

7. Other Expenses

	31 December 2022 \$	31 December 2021 \$
Communication	2,000	1,000
Advertising and General Expense	5,000	2,000
	7,000	3,000

The other expenses amounted to \$7,000 for the financial year ended 31 December 2022 (2021: \$3,000).

6 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 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.
- i. submission of Fiji's 6th Follow-Up Report to the APG on 1 October 2022. The report outlined measures Fiji had taken since 2016 to implement the recommendations of the mutual evaluation report;
 - ii. coordination of work currently being undertaken by the Office of the Solicitor General and Ministry of Justice to address the remaining gaps from Fiji's 2016 MER;
 - iii. received and considered requests from agencies for funding assistance from the Forfeited Assets Fund;
 - iv. 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
 - v. ongoing review of Fiji's national risk assessment including review of the vulnerabilities in the banking and remittance sector.

The members of the National AML Council are:

1. Permanent Secretary for the Ministry for Justice, as Chairperson;
2. Director of the ODPP;
3. Commissioner of Police;
4. Governor of the RBF;
5. Chief Executive Officer of the FRCS; and
6. Director of the FIU.

The Council may invite other persons to attend the Council meetings. In 2022, the invited members were the Commissioner FICAC and Acting Solicitor General.

The FIU also provides the secretariat to the Council.

Council's Activities 2022

Key outputs driven by the National AML Council in 2022 were as follows:

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 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.

The Working Groups provides updates at the National AML Council meetings on its activities.

7 APPENDICES

APPENDIX 1: MOA SIGNED 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
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
iTaukei Land Trust Board	4 August 2021	Information exchange

Source: Fiji FIU

APPENDIX 2: FIU REPRESENTATION IN REGIONAL/INTERNATIONAL COMMITTEES

	Name of Committee/Fora	Host Agency/ Organisation	Brief Description of Committee	Role of Fiji FIU
1.	APG	AFP	An inter-governmental organisation, consisting of 41 member jurisdictions. The objective of the APG is to ensure that individual members effectively implement the international standards against money laundering, terrorist financing and proliferation financing related to weapons of mass destruction.	Primary Contact Fiji
2.	APG Mutual Evaluation Committee	APG	<ul style="list-style-type: none"> Support APG in implementing its ME and Follow Up Programme. Contribute to the development and implementation of procedures and mechanisms to help ensure quality and consistency in mutual evaluations, including follow-up. 	Primary Contact Fiji
3.	Asia/Pacific ICRG Joint Group	FATF	Implement FATF ICRG process.	Member
4.	Future of Global Network Project	Egmont Group	The HoFIUs comprise the Egmont Group's governing body; making decisions on any matters that affect the Group's membership, structure, budget and principles.	Member

	Name of Committee/Fora	Host Agency/ Organisation	Brief Description of Committee	Role of Fiji FIU
5.	Egmont HoFIU Committee	Egmont Group	The HoFIUs comprise the Egmont Group's governing body; making decisions on any matters that affect the Group's membership, structure, budget and principles.	Member
6.	Egmont Membership, Support and Compliance WG	Egmont Group	Responsible for managing membership issues, working with the regions on outreach activities, processing membership applications from Candidate FIUs, and implementing the programme which the HoFIU have endorsed in the Egmont Group Support and Compliance Process. The MSCWG will be responsible for addressing all membership, support, and compliance matters within the Egmont Group, including cooperation between FIUs.	Member
7.	Egmont Information Exchange WG	Egmont Group	Provide a forum for Egmont Group FIUs and Egmont Observers to leverage the synergies associated with their operational and strategic activities, to enhance cooperation and information exchange among them and to address challenges faced by FIUs in the fight against ML and TF.	Member
8.	Pacific Financial Intelligence Community	FIUs	<ul style="list-style-type: none"> Regional forum of FIUs to foster enhanced multilateral and bilateral operational and strategic engagement ; Share operational experiences to increase understanding of existing and emerging ML/TF risks and to share strategic priorities to seek mutual support on those priorities. Support, coordinate and facilitate the capacity-building needs of members. 	Member
9.	PFIC Operational Working Group	FIUs	Working Group of PFIC focussed on regional operational outcomes for law enforcement.	Member
10.	PFIC Research Working Group	FIUs	Working Group of PFIC focussed on research on themes and issues of interest to the PFIC members.	Member
11.	AFI Global Standards Proportionality Working Group	AFI	Exchange information; develop and promote best practice on proportional global standards to facilitate financial inclusion.	Primary Member
12.	Pacific AML/CFT Supervisors Working Group	Reserve Bank of NZ	Exchange information on AML/CFT supervision. Networking between regional AML/CFT supervisors.	Member

Source: Fiji FIU

APPENDIX 3: MOA SIGNED WITH FOREIGN FIUS

Country	Name of FIU	Date
Australia	Australian Transactions Reports and Analysis Centre	19 May 2011
Bangladesh	Financial Intelligence Unit	9 June 2015
Belgium	Financial Intelligence Unit	3 September 2012
Brazil	Council for Financial Activities Control	3 July 2013
Cambodia	Cambodia FIU	5 December 2017
Canada	Financial Transactions and Reports Analysis Centre of Canada	12 July 2011
China	China Anti-Money Laundering Monitoring and Analysis Center	6 October 2021
Cook Islands	Cook Islands FIU	21 July 2011
France	The Unit for Intelligence Processing and Action Against Illicit Financial Networks	12 July 2011

Country	Name of FIU	Date
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
Lao People's Democratic Republic	The Anti-Money Laundering Intelligence Office, National Coordination Committee For Anti-Money Laundering And Counter-Financing Of Terrorism Of The Lao People's Democratic Republic	26 July 2022
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
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
Timor-Leste	The Unidade de Informação Financeira	25 July 2022
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

SELECTED KEY STATISTICS 2018 - 2022

	Year	2018	2019	2020	2021	2022
Transaction and Currency Reports Received by FIU	Suspicious Transaction Reports	632	622	736	261	435
	Cash Transaction Reports	968,693	794,044	619,987	586,382	572,269
	Threshold Transaction Report ⁷	0	0	0	0	233,770
	Electronic Fund Transfer Transaction Reports	1,357,246	1,515,681	1,866,197	2,434,091(r)	2,960,501
	Border Currency Reports	969	1,102	266	99	640
	Year	2018	2019	2020	2021	2022
Suspicious Transaction Reports	Filed Away for future intelligence and analysis	248	132	372	551	322
	Case Dissemination Reports	321	84	270	174	219
Intelligence and Information Reports to Stakeholders	Information Dissemination Reports	260	222	127	82	87
	Due Diligence Reports	118	89	70	30	82
Notices to Financial Institutions	Alert Notices	15	9	20	8	5
	Directives	2	3	6	3	6
Enquiries with Financial Institutions	Request for further information to financial institutions	446	603	645	340	573
	Year	2018	2019	2020	2021	2022
Education and Awareness	Number of employees of Financial Institution	376	79	104	161	109
	Number of Financial Institutions	5	1	4	27	44
	Employees of Law Enforcement Agencies	65	152	0	115	0
	Year	2018	2019	2020	2021	2022
Breach of 5-day Reporting Requirement	Number of breaches	28	23	30	21	16
	Number of Non-Compliance Letters/ Correspondences Issued	8	2	2	2	1

Source: Fiji FIU

⁷ TTR reporting by banks commenced on 1 November 2022.

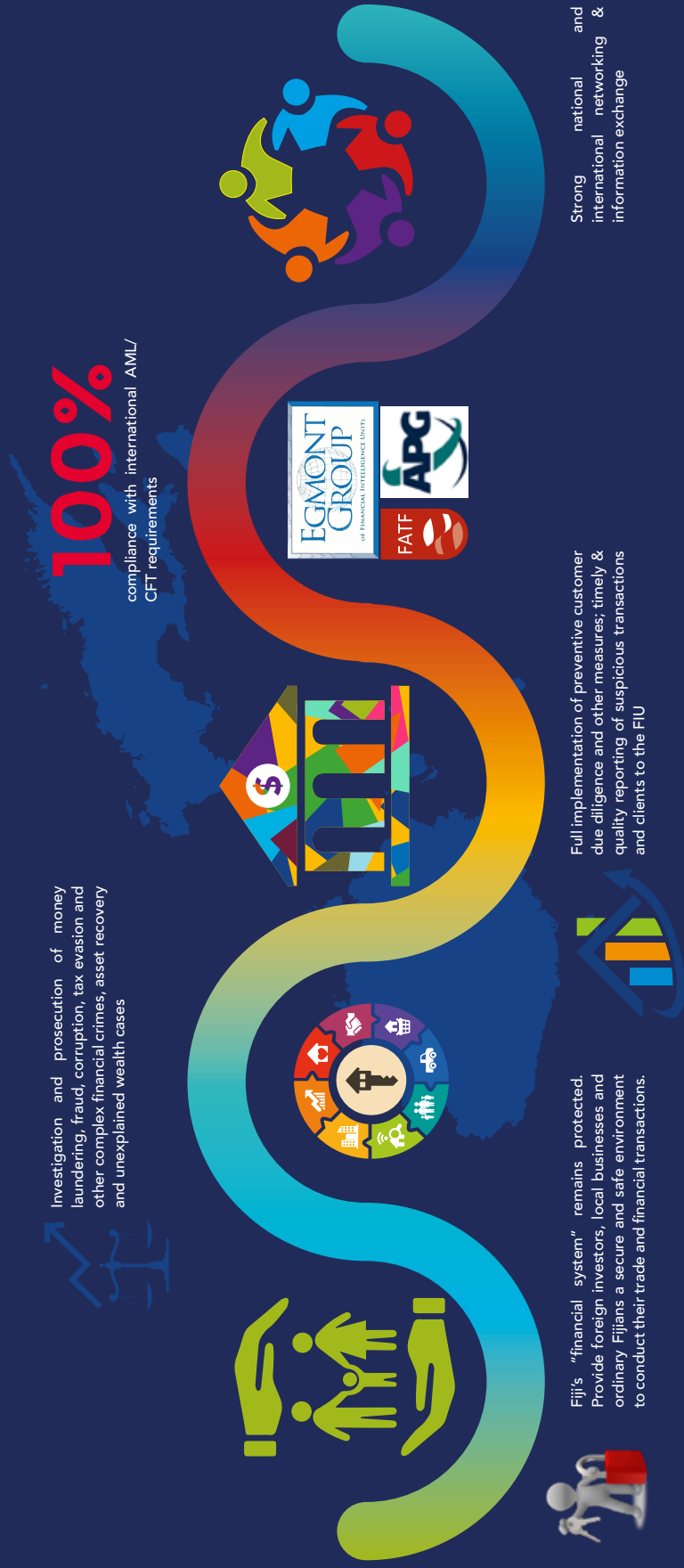
9 SELECTED KEY EVENTS 2022

Month	Details
January	
12 – 20 January	APG Joint Group Meetings
February	
02 February	Integration of bulk Ministry of Justice (Birth and ROC) data into FIU's Case Management System
17 February	PFIC Meeting
March	
21 March	Annual Meeting with ANZ Country Head
22 March	Annual Meeting with Bank of Baroda CEO Fiji
	Annual Meeting with Westpac CEO Fiji
23 March	Annual Meeting with HFC Bank CEO
28 March	Annual Meeting with BSP Country Head
	Annual Meeting with Commissioner of Police
30 March	Pacific AML/CFT Supervisors Forum
	Annual Meeting with FRCS CEO
April	
4 April	APG Ad Hoc Committee Meeting
4 April	Annual Meeting with DC FICAC
12 - 14 April	AUSTRAC Taipan Team Scoping Visit
26 April	AML Compliance Officer's Induction Briefing
May	
5 May	Annual Meeting with Bred Bank CEO
13 May	Meeting with Ministry of Defence - Consultation on National Border Security Upgrade Plan
16 May	Annual Meeting with Digicel CEO
17 May	Anti-Narcotics Strategy Consultation Workshop
27 May	4th REALB Conference
June	
1 June	National AML Council Meeting
2 June	AML/CFT Dialogue with the Commercial Banks
7 June	Annual Meeting with Chief Justice
29 June	PFIC Meeting

Month	Details
July	
24 – 28 July	APG Annual Plenary Meeting, Malaysia
25 July	Signing of the MOA with The Unidade de Informação Financeira of Timor Leste
26 July	Signing of the MOA with The Anti-Money Laundering Intelligence Office, National Coordination Committee For Anti-Money Laundering And Counter-Financing Of Terrorism Of The Lao People's Democratic Republic
August	
17 August	Digital Government Transformation-National Cyber Security Strategy Consultation
24 August	Annual Meeting with Vodafone CEO
September	
5 September	Global Standards Proportionality Working Group 16th Meeting, Jordan
6 – 8 September	AFI Global Policy Forum, Jordan
7 September	PFIC Meeting
27 September	Pacific AML/CFT Supervisors Forum (virtual) Meeting with Solomon Islands FIU on Taipan (virtual)
October	
3 October	Parliament Standing Committee - FIU Submission on the Convention on Cybercrime
19 October	Handover of Taipan system by AUSTRAC to Fiji FIU
November	
16-17 November	PFIC Plenary, PNG
December	
6 December	Pacific AML/CFT Supervisors Forum (virtual)
6 – 8 December	UNODC Ransomware Experts Group Meeting

Source: Fiji FIU

Our Contribution to National AML/CFT Goals by 2024



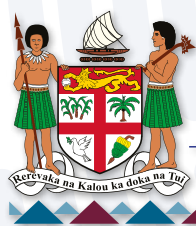


FijiFIU

Fiji Financial Intelligence Unit

STRATEGIC

ANALYSIS REPORT 2022



FijiFIU

Fiji Financial Intelligence Unit

2022 STRATEGIC ANALYSIS REPORT FIJI FINANCIAL INTELLIGENCE UNIT

1 STRATEGIC ANALYSIS OVERVIEW	43
2 OUTCOMES – SUSPICIOUS TRANSACTIONS REPORTS	44
3 OUTCOMES – CASH TRANSACTION REPORTS	49
4 OUTCOMES – THRESHOLD TRANSACTION REPORT	51
5 OUTCOMES – ELECTRONIC FUNDS TRANSFER REPORTS	52
6 OUTCOMES – BORDER CURRENCY REPORTS	54
7 EMERGING AND CONTINUING MONEY LAUNDERING TRENDS	56
8 CASE STUDIES	57
9 GLOSSARY	68

1 STRATEGIC ANALYSIS OVERVIEW

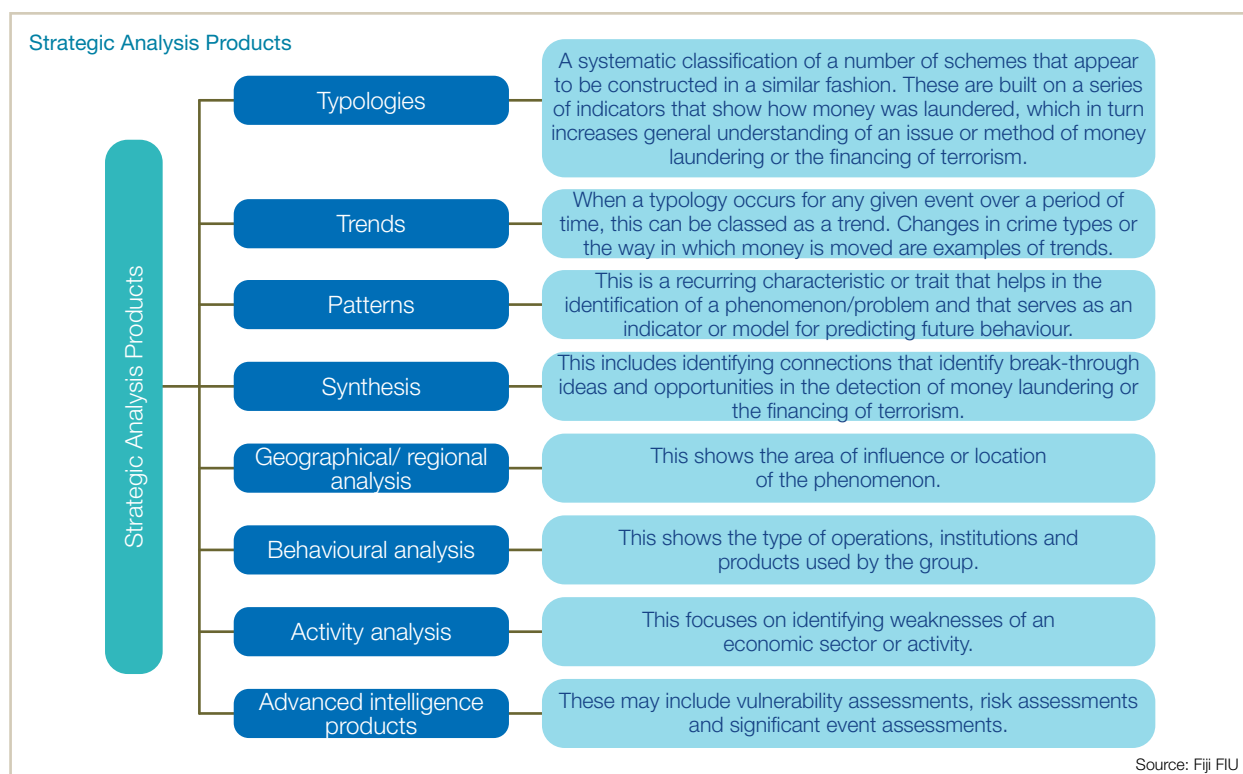
Overview

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 2022.

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

“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.”



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

2 OUTCOMES – SUSPICIOUS TRANSACTIONS REPORTS

Reporting Financial Institutions

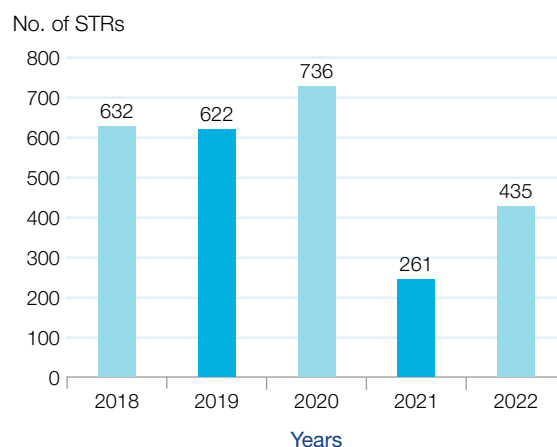
STRs were reported to the FIU by various financial institutions including members of the public. The majority of the STRs continue to be reported by commercial banks (2022: 57%; 2021: 67%) followed by the money remittance service providers (2022: 35%; 2021: 14%).

Summary of Reporting Financial Institutions

Financial Institutions and Persons Reporting	Number of Financial Institutions Registered with FIU	No. of STRs Received				
		2018	2019	2020	2021	2022
Commercial Banks	6	391	459	636	177	246
Money Remittance Service Providers	11	183	136	68	36	154
Finance Companies	11	16	6	3	3	4
Members of the Public	-	24	5	18	32	22
Regulatory Authorities	-	1	0	0	1	0
Law Firms	45	2	3	1	1	4
Accounting Firms	17	0	0	1	0	0
Insurance Companies and Superannuation	13	8	7	6	6	2
Securities, Unit Trusts	4	5	2	1	0	3
Real Estate Businesses	29	0	1	1	0	0
Mobile Phone Operators	2	0	0	1	4	0
Others ^a	1	2	3	0	1	0
TOTAL	139	632	622	736	261	435

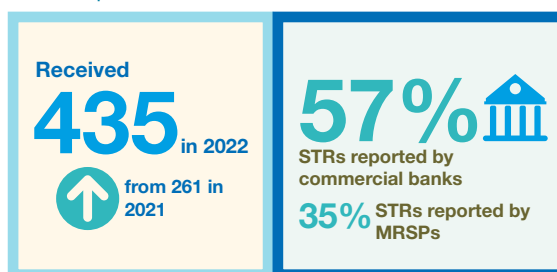
Source: Fiji FIU

Suspicious Transactions Reported



The increase in the total number of STRs reported in 2022 was due to the removal of COVID-19 restrictions that were in place for most of 2021.

STRs Reported 2022



Value of Transactions Reported as Suspicious

The total value of suspicious transactions that were reported in 2022 slightly increased to about \$25 million from about \$22 million in 2021. The average value of a transaction reported in 2022 as suspicious was \$56,947 compared to \$83,556 in 2021. The decrease in the average value of suspicious transactions reported is because there were more low value STRs than high value STRs in 2022.

^a "Others" include STRs filed by foreign FIU's.

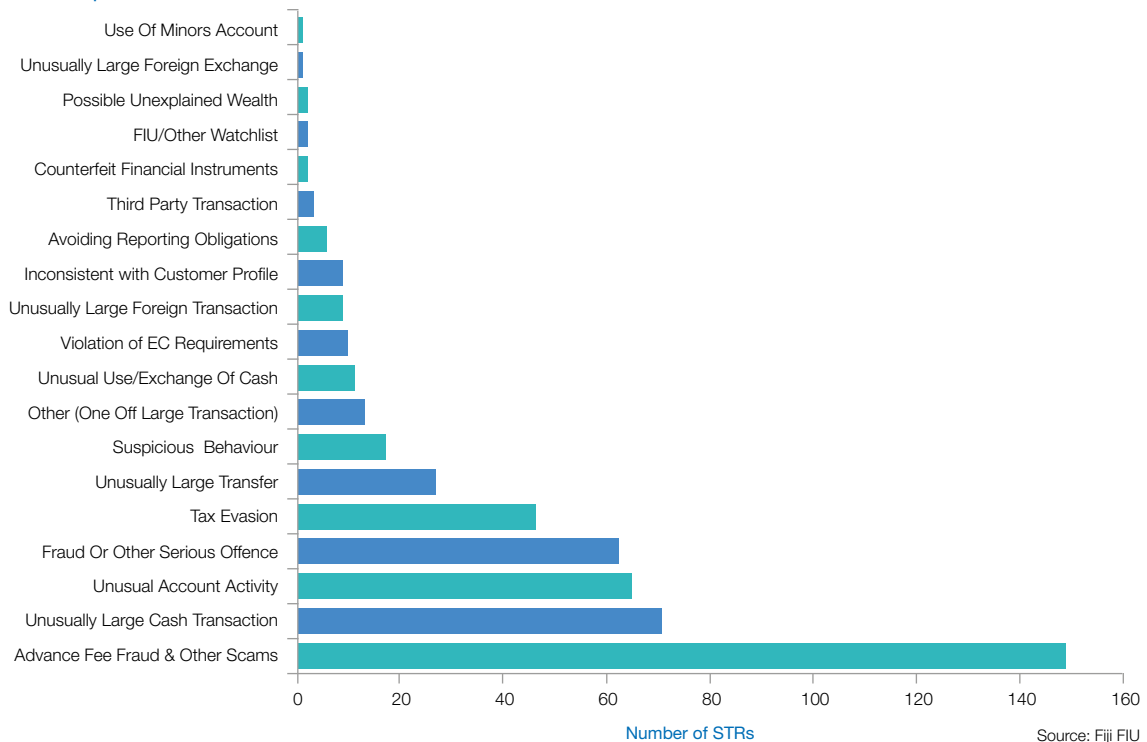
Total Value of Transactions Reported as Suspicious

	2018	2019	2020	2021	2022
Total Value (\$ million)	78.8	57.4	56.2	21.8	24.7
Number of STRs	632	622	736	261	435
Average Value reported (\$ per STR)	124,684	92,283	76,359	83,556	56,947

Source: Fiji FIU

“Grounds for Suspicion” in Suspicious Transaction Reports

In 2022, majority of the STRs were reported on the grounds of suspected advance fee fraud and other scams followed by unusually large cash transactions. It was also observed that a number of individuals were reported for unusual account activity and other serious offences.

Grounds for Suspicion on STRs Received 2022
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.

87% of the STRs submitted by financial institutions in 2022 were reported on transactions valued below \$25,000. STRs involving large value transactions of more than \$100,000 accounted for 6% of total STRs reported in 2022 compared to 8% in 2021.

Suspicious Transactions by Transaction Value 2022

Transaction Value	Number of STRs	Percentage of STRs
\$0 - \$25,000.00	376	87%
\$25,000.01 - \$50,000.00	23	5%
\$50,000.01 - \$75,000.00	5	1%
\$75,000.01 - \$100,000.00	4	1%
\$100,000.01 and above	27	6%
Total	435	100%

Source: Fiji FIU

Suspicious Transactions by Instrument Type

'Remittance' transactions was the primary financial instrument type that was reflected in the STRs reported to the FIU in 2022. Out of the 435 transactions reported as suspicious in 2022, 194 (45%) involved remittance 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
2018	343	62	186	41	632
2019	286	90	193	53	622
2020	385	138	144	69	736
2021	110	24	85	42	261
2022	152	20	194	69	435

Source: Fiji FIU

Suspicious Transactions by Currency Type

The majority (99%) of the STRs reported in 2022 involved Fijian currency. The suspicious transactions that involved foreign currency decreased to 1% of total STRs in 2022 compared to 2% in 2021.

Suspicious Transactions by Geographical Location

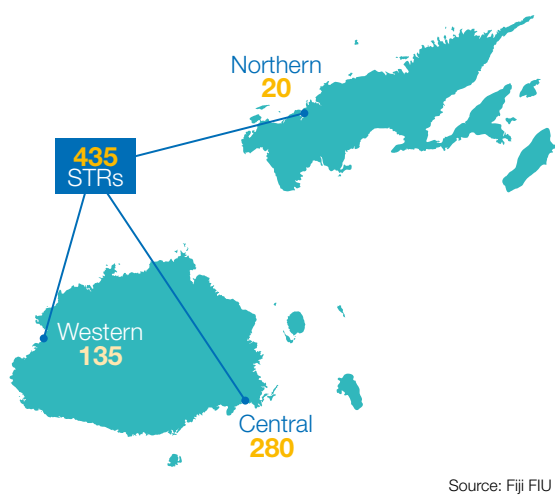
The FIU receives STRs from various commercial centres in Fiji. Majority (280) of the STRs continue to be received from financial institutions based in the Central/Eastern Division due to concentration of economic and commercial activities in this division.

Suspicious Transactions by Geographical Location

	2018	2019	2020	2021	2022
Western	213	197	258	81	135
Central/ Eastern	349	353	429	168	280
Northern	68	72	48	12	20

Source: Fiji FIU

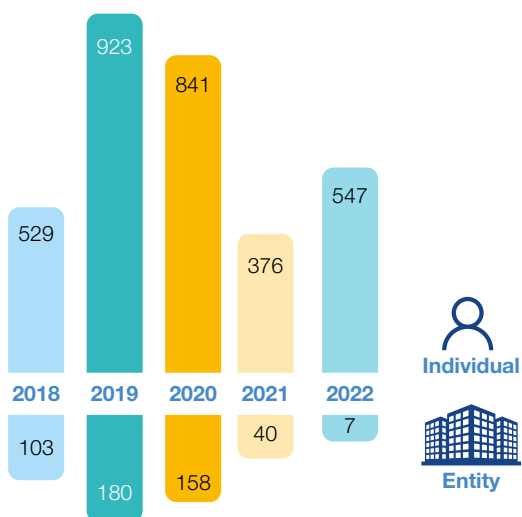
Suspicious Transactions by Geographical Location 2022



Suspicious Transactions by Customer Type

There were 547 (99%) personal customers reported in STRs compared to 7 (1%) reports on corporate and business entities in 2022.

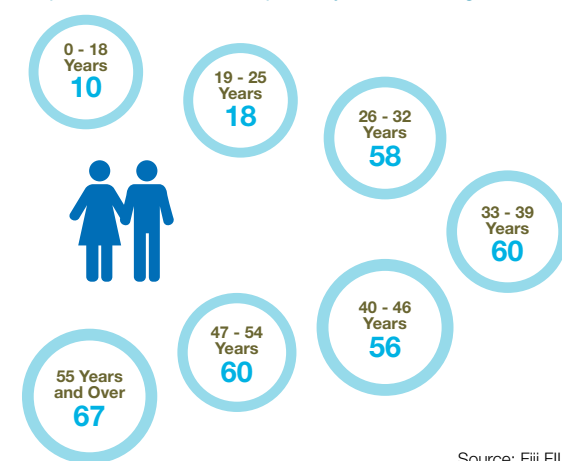
Suspicious Transactions by Customer Type 2022



Suspicious Transaction Reports by Customer Age

91% of STRs on individuals were reported on customers over the age of 26 years.

Suspicious Transaction Reports by Customer Age 2022



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 ground 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.	Multiple high value international money transfers from unknown third parties.
2.	Customer has been receiving credits via cash deposits and IB transfers, customer is unemployed as per system records.
3.	Multiple cash deposits and credits suspected to be business proceeds into a personal account.
4.	Third party depositing business funds into the personal account of an individual residing abroad.
5.	Attempted cheque fraud.
6.	Rapid encashment of funds, immediately after funds were received from FRCS.
7.	Cash deposits below the threshold found to be charged for various offences including unlawful possession of illicit drugs.
8.	Significantly large cash deposits in \$100 bills.
Members of the Public	
9.	Individual claiming that she can make people rich on social media. She requested that people send her money and she will provide a Mastercard in return.
10.	Individual remitted funds to claim a “prize” that was a scam.

Law Firm	
11.	Client attempted to purchase a property with a large amount of cash.
Insurance Companies and Superannuation Fund	
12.	Customer made 20 cash deposits in a span of two months. Each deposit was below the reporting threshold.
13.	Large cash policy loan repayments.
Foreign Exchange Dealers	
14.	Customer wanted to send funds to a foreigner. Sender and receiver had not met. Sender claimed that the receiver was her Aunt's husband.
15.	Individuals living in a particular area receiving frequent remittances from individuals from Country X.
The above are extracts from actual STRs reported to the FIU in 2022.	

Source: Fiji FIU

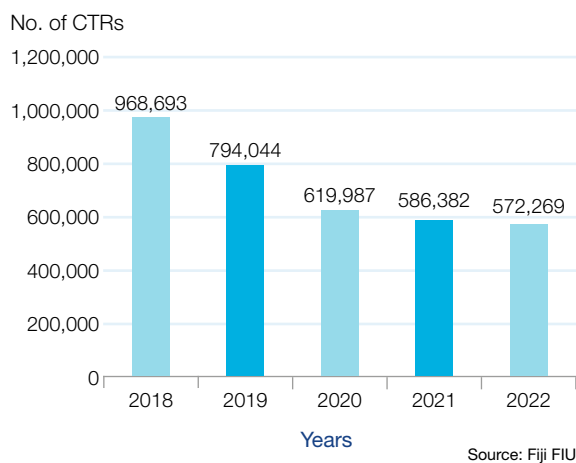
3 OUTCOMES – CASH TRANSACTION REPORTS

Prior to November 2022, financial institutions were 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.

In September 2022, amendments were made to the FTR Act and Regulations on the cash transaction reporting requirements. From 1 November 2022, all non-bank financial institutions are required to report to the FIU cash transactions involving notes and coins only of \$5,000 and above (or its equivalent in foreign currency). Commercial banks were excluded from reporting CTRs and are required to report TTRs from 1 November 2022.

The FIU received 572,269 CTRs in 2022 or an average of around 47,689 CTRs per month. This is a decrease of 2% compared to 586,382 CTRs received in 2021.

Cash Transactions Reported



CTRs Received by Sector

The majority (99%) of the CTRs received during 2022 were reported by commercial banks.

Cash Transactions Reported

Year	Total CTRs	Monthly Average CTRs
2018	968,693	80,724 ⁹
2019	794,044	66,170
2020	619,987	51,666
2021	586,382	48,865
2022	572,269	47,689

Source: Fiji FIU

⁹ In 2018 one reporting institution reported backdated CTRs totalling 249,114 in October 2018.

Cash Transactions Reported by Sector

Sector	2018	2019	2020	2021	2022
Commercial Banks	963,313	788,467	616,660	583,175	565,312
Foreign Exchange Dealers and Money Remittance Service Providers	3,163	3,381	1,414	1,448	4,960
Finance Companies	1,251	1,186	1,000	841	1108
Insurance and Superannuation Fund	356	320	397	594	419
Law Firms	410	519	355	252	310
Securities/ Brokers/ Advisors	183	161	153	72	151
Accountants	2	0	0	0	0
Statutory Authority	0	4	0	0	0
Real Estate	15	6	8	0	6
Mobile Phone Money Remitters	0	0	0	0	3
Total	968,693	794,044	619,987	586,382	572,269

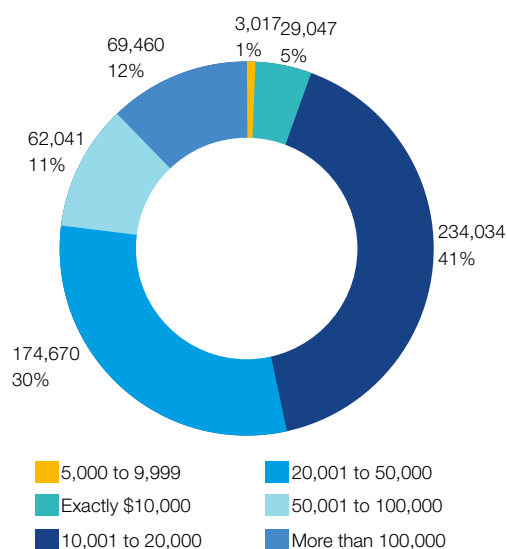
Source: Fiji FIU

CTRs Received by Direction of Cash Payment

The CTRs received in 2022 consisted of 60% inward (IN)¹⁰ CTRs and 40% outward (OUT)¹¹ CTRs. Inward CTRs refer to cash transactions received by a financial institution. Outward CTRs refer to cash transactions paid out by a financial institution.

The majority (41%) of CTRs received by the FIU in 2022 were for cash transactions between \$10,001 and \$20,000. Approximately 71% of CTRs reported are for cash transactions between \$10,001 and \$50,000.

CTRs by Value of Transactions 2022



Source: Fiji FIU

¹⁰ IN also refers to cash deposits or credit transactions.

¹¹ OUT also refers to cash withdrawal or debit transactions.

4 OUTCOMES – THRESHOLD TRANSACTION REPORTS

Effective from 1 November 2022, the commercial banks commenced reporting to the FIU all transactions undertaken on behalf of its customers of \$5,000 and above (or its equivalent in foreign currency). This includes cash and non-cash transactions such as bank-to-bank transfers. This transaction report from commercial banks are referred to as a Threshold Transaction Report (TTR).

The FIU received 233,770 TTRs in November and December 2022 or an average of around 116,885 TTRs per month.

Threshold Transactions Reported

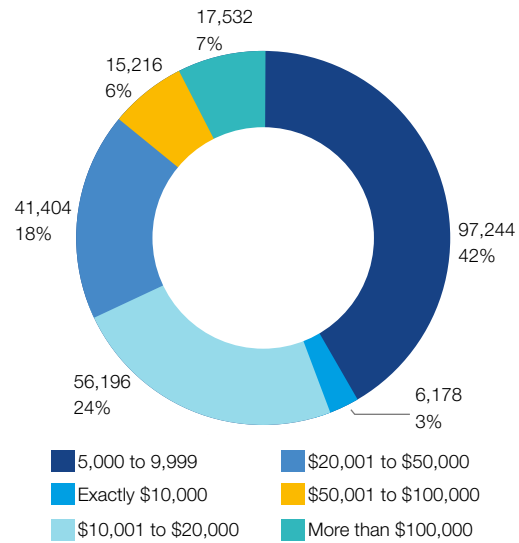
Year	Total TTRs	Monthly Average TTRs
2022	233,770	116,885

Source: Fiji FIU

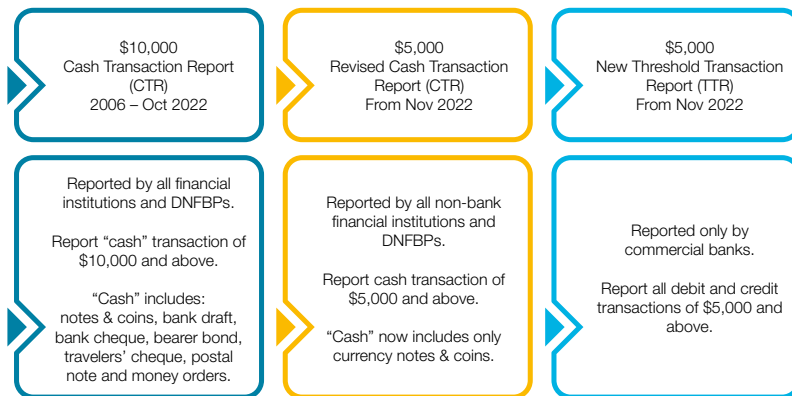
TTRs by Value of Transactions 2022

The majority (42%) of TTRs received by the FIU in 2022 were for transactions between \$5,000 and \$9,999.

TTRs by Value of Transactions 2022



Revised FIU Policy on CTR Reporting From \$10,000 to \$5,000



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 fund 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.

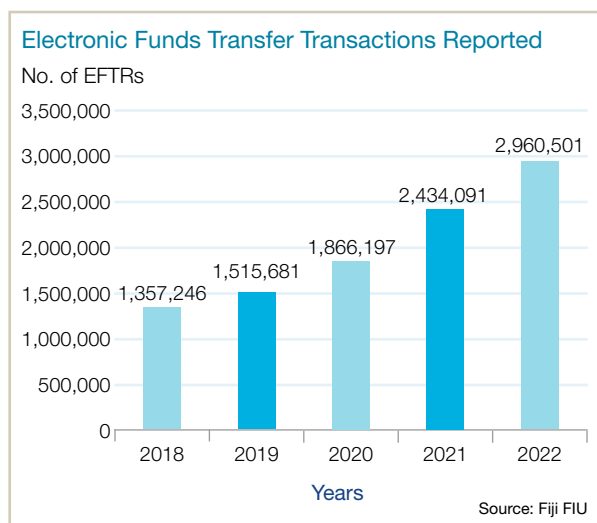
The FIU received 2,960,501 EFTRs in 2022 or an average of around 246,708 EFTRs per month. This is an increase of 22% compared to 2,434,091 EFTRs received in 2021. Total EFTRs for 2021 has been revised from 1,884,402 to 2,434,091 due to back dated reporting of EFTRs.

The total EFTRs received in 2022 included 177,484 EFTRs in domestic remittances.

Electronic Funds Transfer Transactions Reported

Year	Total EFTRs	Monthly Average EFTRs
2018	1,357,246	113,104
2019	1,515,681	126,307
2020	1,866,197	155,516
2021	2,434,091 ¹²	202,841 ¹³
2022	2,960,501	246,708

Source: Fiji FIU



EFTRs Received by Sector

Majority (51%) of EFTRs were received from the MRSPs. There was a notable increase of 35% in the number of EFTRs received from the mobile phone money remittance sector in 2022.

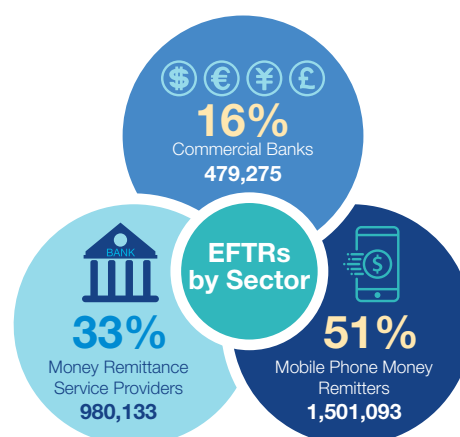
The increase in EFTRs from the mobile phone money remitters was due to the substantial demand by consumers for the use of the mobile money wallet for funds transfer. This is considered as a convenient and cheaper alternative to remit funds to Fiji compared to traditional remittance channels.

EFTRs Received by Sector

Sector	2018	2019	2020	2021	2022
Money Remittance Service Providers	968,016	1,088,292	1,376,295	1,319,304	980,133
Commercial Banks	346,282	360,595	329,965	348,597	479,275
Mobile Phone Money Remitters	42,948	66,794	159,937	766,190 ¹⁴	1,501,093
Total	1,357,246	1,515,681	1,866,197	2,434,091	2,960,501

Source: Fiji FIU

EFTRs Received by Sector 2022



Source: Fiji FIU

¹² Total EFTR for 2021 has been revised from 1,884,402 to 2,434,091 due to receipt of back-dated EFTRs during 2022 from a reporting entity.

¹³ Monthly average of EFTR for 2021 has been revised from 157,034 to 202,841.

¹⁴ EFTRs of Mobile Phone Money Remitters for 2021 has been revised from 216,501 to 766,190.

EFTRs by Direction of Remittances

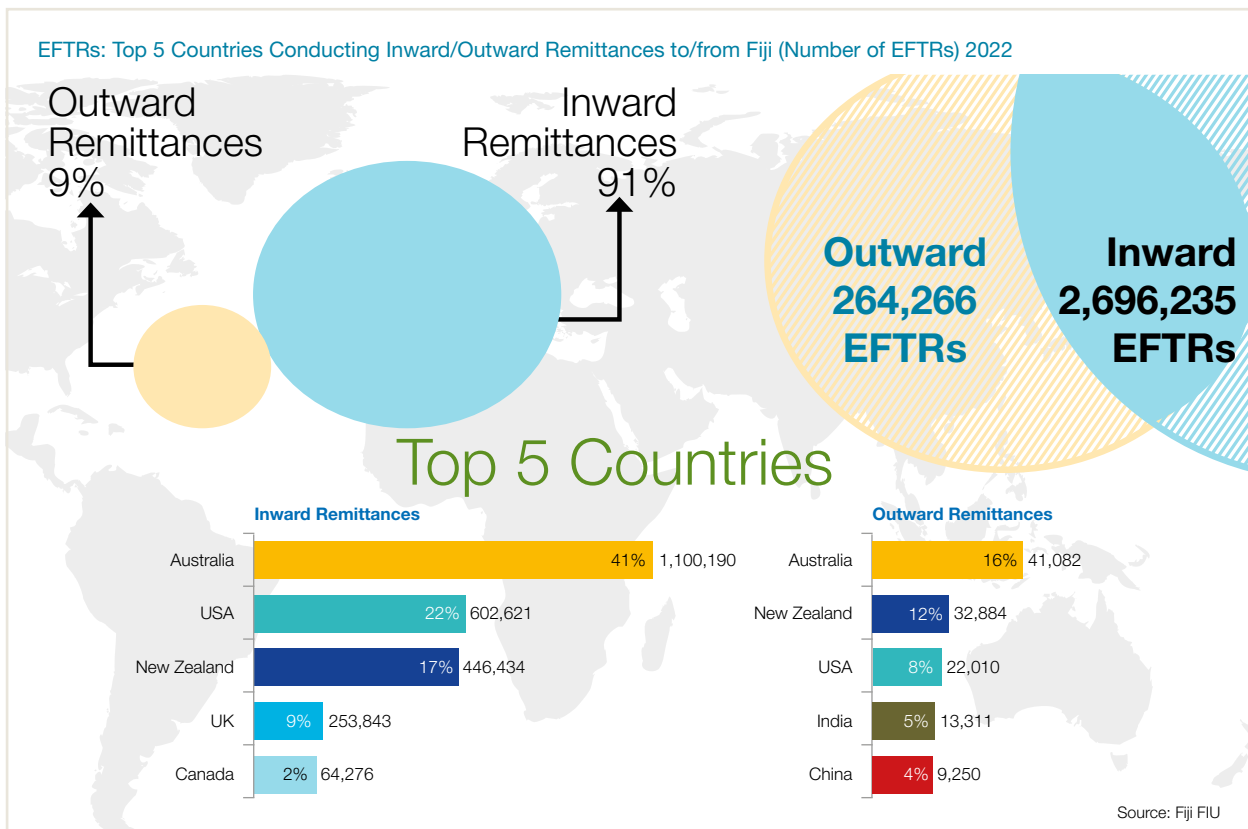
EFTRs may involve remittances into Fiji (inward) or remittances out of Fiji (outward). Majority (91%) of EFTRs received during 2022 were for inward remittances compared to 87% of inward remittances in 2021.

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, Cook Islands, Vanuatu, France, Tuvalu and Ireland.

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



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 FRCS Customs officials at the ports and submitted to the FIU for central recording, analysis and for its intelligence purpose.

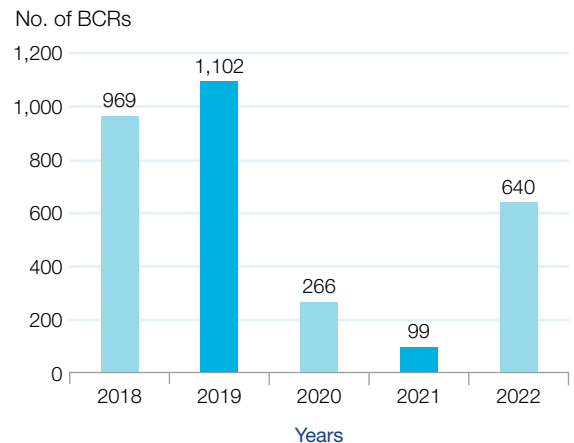
In 2022, 640 BCRs were received by the FIU compared to 99 BCRs received in 2021. The increase in BCRs is due to the rise in the number of travellers into and out of Fiji after the removal of travel restrictions related to the pandemic.

BCR Declarations

Persons Declaring	2018	2019	2020	2021	2022
Declarations made by inbound travellers	434	436	81	29	201
Declarations made by outbound travellers	535	666	185	70	439
TOTAL	969	1,102	266	99	640

Source: Fiji FIU

Border Currency Declarations



BCRs by Transaction Value

The total value of currency declared by travellers in the BCRs in 2022 was about \$38 million compared to \$2 million in 2021.

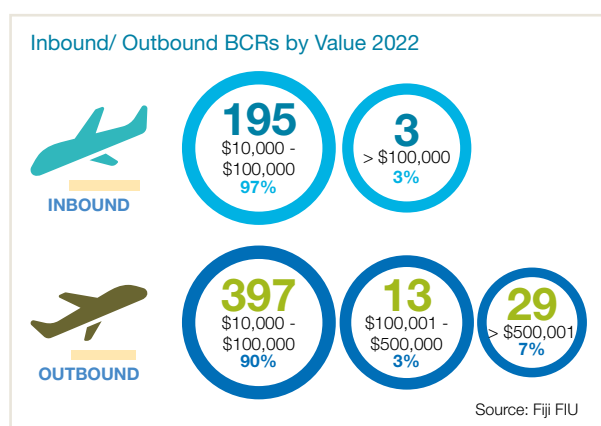
Value of Border Currency Reports Received

Persons Declaring	Value of Currency Declared (\$million)				
	2018	2019	2020	2021	2022
Travellers Arriving in Fiji	22.6	19.3	5.4	0.5	4.9
Travellers Departing Fiji	40.1	44.3	10.5	1.5	32.8
Total	62.7	63.6	15.9	2.0	37.7

Source: Fiji FIU

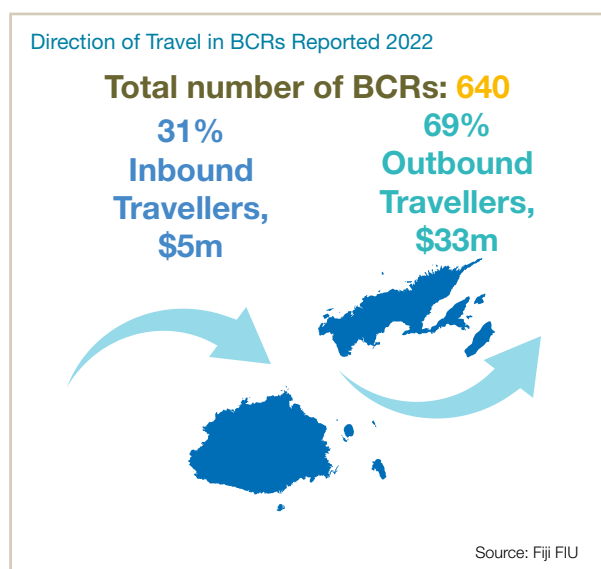
BCRs by Transaction Value (Inbound/ Outbound)

Majority of BCRs declared by inbound and outbound travellers ranged in the value of \$10,000 - \$100,000.



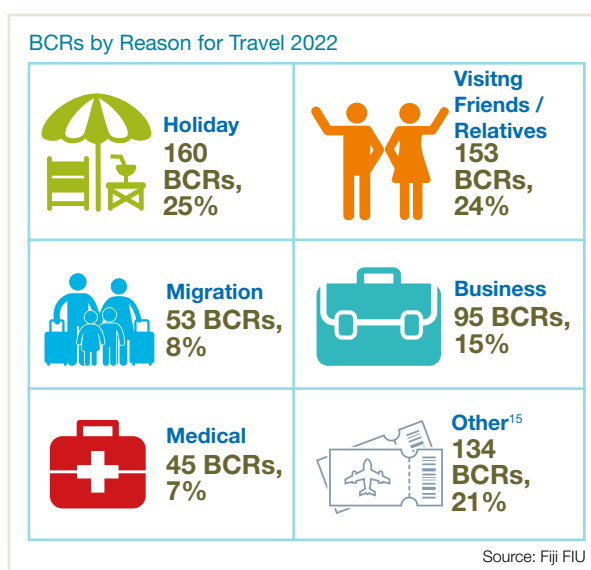
BCRs by Direction of Travel

There were more declarations made by outbound travellers compared to inbound travellers in 2022. In 2022, 69 % of declarations were made by outbound travellers while 31 % of declarations were made by inbound travellers.



BCRs by Reason for Travel

Majority (25%) of travellers stated their reason for travel both in and out of Fiji as “Holiday”. 21% of travellers stated their reason for travel both in and out of Fiji as “Other” which includes traveling for education, conference, funeral, returning home, transit, employment, residence and no reason provided.



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 2022, there was one reported case of BCR non-declaration, compared to nil cases in 2021. This case involved a passenger who was departing from Fiji for Vanuatu on 13 July and failed to declare excess foreign currency equivalent to more than FJD\$86,000. The passenger was subsequently fined \$3,750 for the breach of border currency declaration under the FTR Act.

¹⁵ Other includes education (39), conference (10), funeral (7), returning home (11), transit (22), employment (33), residence (8) and no reason provided (44)

7 EMERGING AND CONTINUING MONEY LAUNDERING TRENDS

Declining Trend

Pyramid Scams

Pyramid scams were reported as an increasing trend in 2021, however, the FIU noted that there was a decline in the number of reports on individuals engaging in pyramid scams in 2022.

Continuing Trend

Use of Mobile Money Wallets and Visa Debit Cards

There was a continuing trend of individuals using mobile money wallets and VISA debit cards in various reports regarding scams. There was also an increase in the usage of personal mobile money wallets to receive business deposits.

Scams

Other types of scams, including romance, investment, loan and lottery scams continued to be observed in 2022. While most of the perpetrators of these scams were based abroad, the FIU noted a few cases where the perpetrators were local.

CASE STUDIES

Case Study 1: Internal Theft

Mr. A, Mr. B and Company C were brought to the attention of the Fiji FIU in 2022 for possible theft involving approximately \$1.3 million from Company D from 2016 to March 2022. Mr. A and Mr. B were employees of Company D during the time of theft.

Mr. A was also the trustee of Company D and he maintains a bank account with Bank F. Mr. A's financial activity revealed that he received suspicious cash deposits of \$58,000.00 in 2016 and frequent internet banking transfers of \$280,000.00 from Company C. Fiji FIU analysis revealed that Mr. A and his son also received remittances totalling \$36,000.00 from Mr. B. Mr. A also acquired one vehicle in 2017 valued at \$27,500.00.

Mr. B was the account clerk for Company D and maintains a bank account with Bank F. Mr. B's financial activity showed that he received frequent internet banking transfers totalling \$63,000.00 from Company D. It is also established that Mr. B acquired three vehicles in 2022 valued from \$15,500.00 to \$19,000.00.

Fiji FIU further established that Company C ceased operating in 2015 but continued to maintain a bank account with Bank F and the account was solely operated by Mrs. A. Company C's financial activity shows that suspicious cash deposits totalling \$400,000.00 were conducted into the account whereby the funds were immediately transferred to Mr. A's bank account.

A case dissemination report was provided to the Fiji Police Force.

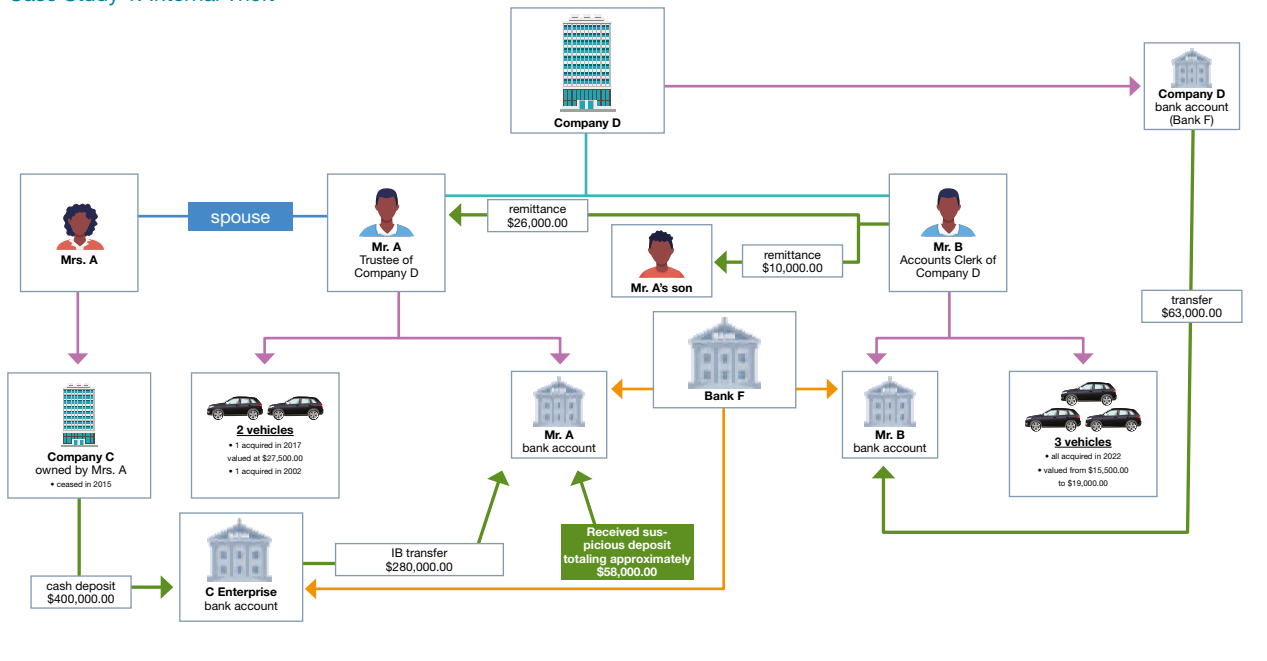
Indicators:

- Regular receipt of unusual deposits that are inconsistent with the bank account holder's financial background.
- Using a business bank account of an inactive business.

Possible Offence:

- Theft

Case Study 1: Internal Theft



Case Study 2: Fake Documents

Mrs. X, Mr. X and Mr. Z were brought to the attention of the Fiji FIU in 2022 for submitting falsified documents to Finance Company D for loan applications totalling approximately \$27,800.00. The three individuals stated that they were employed with Company C and provided payslips when they applied for their loans. Finance Company D contacted the Company C, to confirm whether they had employed Mrs. X, Mr. X and Mr. Z. Company C confirmed that the individuals were not their employees.

Fiji FIU established that Mrs. X was previously brought to the attention of FIU in 2009 and 2014 for possible money laundering and other criminal offences, and is married to Mr. X. Fiji FIU analysis of Mrs. X, Mr. X and

Mr. Z revealed that the individuals opened their bank account with Finance Company D on the same date they were applying for personal loans.

A case dissemination report was provided to the Fiji Police Force.

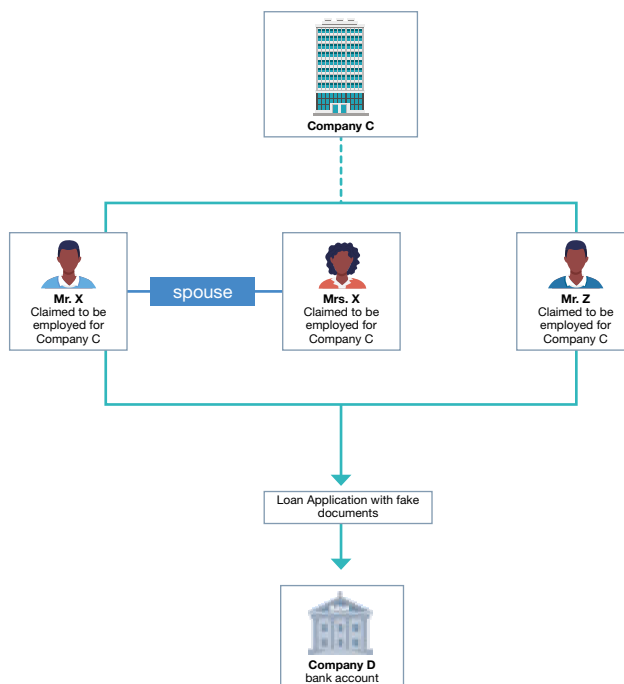
Indicators:

- Fake supporting documents.

Possible Offence:

- Forgery
- Fraud

Case Study 2: Fake Documents



Case Study 3: Tax Evasion

Mr. K and Company XYZ were brought to the attention of the Fiji FIU for frequent deposits made to Mr. K's bank account by his employer, Company XYZ.

Fiji FIU established that while Mr. K had not declared any taxable income in 2020, he received a total of \$173,355.00 in cash deposits from Company XYZ during the same period.

It was also established that Company XYZ received deposits totalling \$2.5 million in 2020 into their bank account despite declaring only \$1.3 million in sales to the Fiji Revenue & Customs Service.

A case dissemination report was provided to the Fiji Revenue & Customs Service.

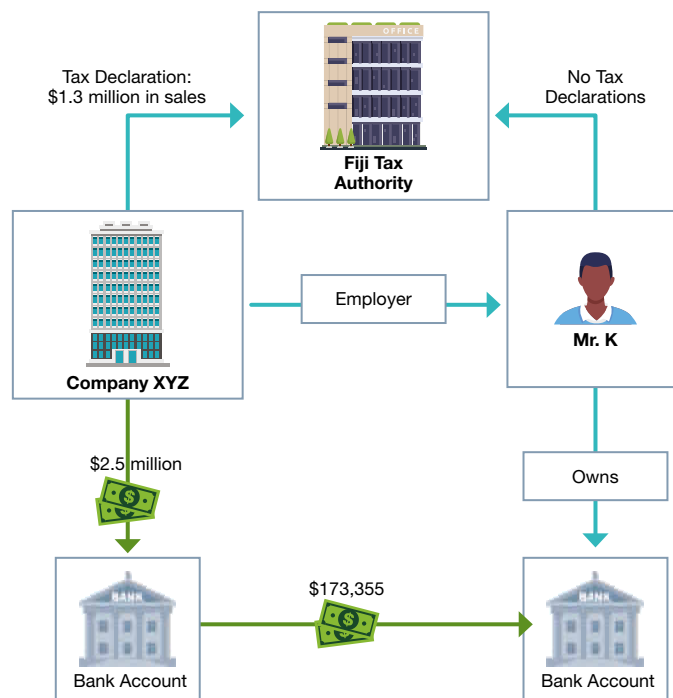
Indicators:

- Unusual account activity.
- Large cash deposits.

Possible Offence:

- Using personal bank accounts to conduct business financial activity.

Case Study 3: Tax Evasion



Case Study 4: Corruption and Unexplained Wealth

Mr. R, a politically exposed person (PEP), was brought to the attention of the Fiji FIU for receiving large cash deposits from various individuals and entities in Fiji.

Fiji FIU analysis revealed that from 2017 to 2022, Mr. R received close to \$1 million in large cash deposits from various entities and foreigners in Fiji.

Further analysis showed that Mr. R received remittances totalling \$0.5 million from 2019 to 2022. These remittances were received from various individuals and entities in Countries A, B, C and D. Most of the remittances (approximately \$370,000.00), were received from Country A. Open source searches showed that Mr. R had travelled to Country A in his capacity as a PEP and met with numerous government officials in Country A.

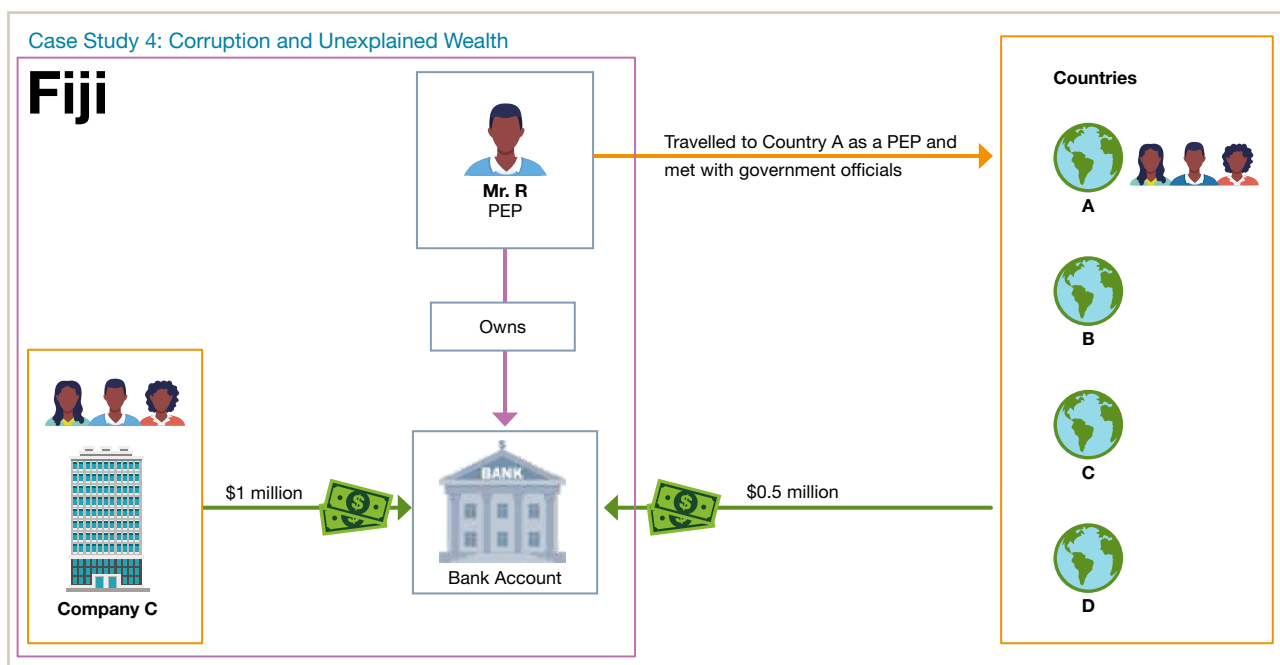
A case dissemination report was provided to FICAC to examine the case for possible unexplained wealth as result of corruption and bribery.

Indicators:

- Cash Deposits apart from salary.
- Large cheque withdrawals.
- Large remittance from offshore.

Possible Offence:

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



Case Study 5: Internal Theft

Mr. X was brought to the attention of the Fiji FIU by a member of public and a financial institution for fraudulently obtaining funds by deception. Mr. X obtained cash of over \$235,000.00 from sixteen customers through fifty separate transactions while being employed at a financial institution.

Mr. X, in his capacity as a Head Teller of a financial institution, received cash from customers on behalf of his employer and did not deposit the cash into the respective bank accounts of the customers. Instead, the cash was taken by himself. Mr. X issued fake term deposit acknowledgement receipts and forged the signatures of his supervisors to conceal the fraudulent act.

Furthermore, his de-facto partner, of Ms. X, was also brought to the attention of the Fiji FIU for frequent cash deposits that did not fit her bank account profile. It was established that Mr. X used his de-

facto partner's bank account to deposit cash and allegedly withdrew cash on the same day.

A case dissemination report was provided to the Fiji Police Force.

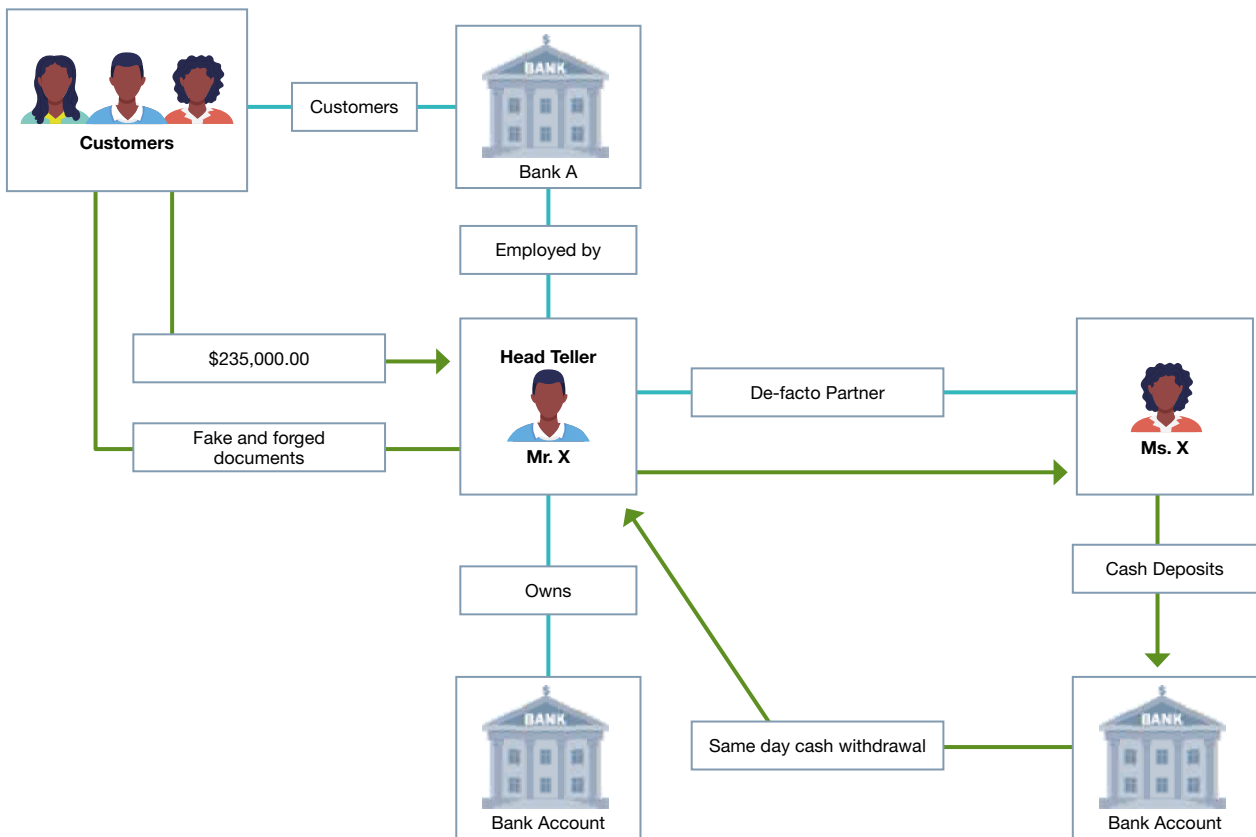
Indicators:

- Frequent cash deposits into Mr. X's de-facto partner's bank account and cash withdrawals on the same day.
- Customers' term deposits and/or bank accounts not being credited upon inquiry.

Possible Offence:

- Obtaining financial advantage by deception
- Forgery
- Theft

Case Study 5: Internal Theft



Case Study 6: Bribery

The Fiji FIU received a suspicious transaction report from a member of the public, alleging that Mr. Y, in his capacity as an Executive member of a financial institution, was receiving commissions in exchange for loan approvals.

Initial analysis showed that Mr. Y had acquired two properties, two vehicles and had large bank account balances. The accumulated wealth and assets of Mr. Y did not commensurate with his declared salary and business income. Mr. Y also owns a sugarcane farm, and is the Director and Shareholder of a real estate company.

A case dissemination report was provided to FICAC.

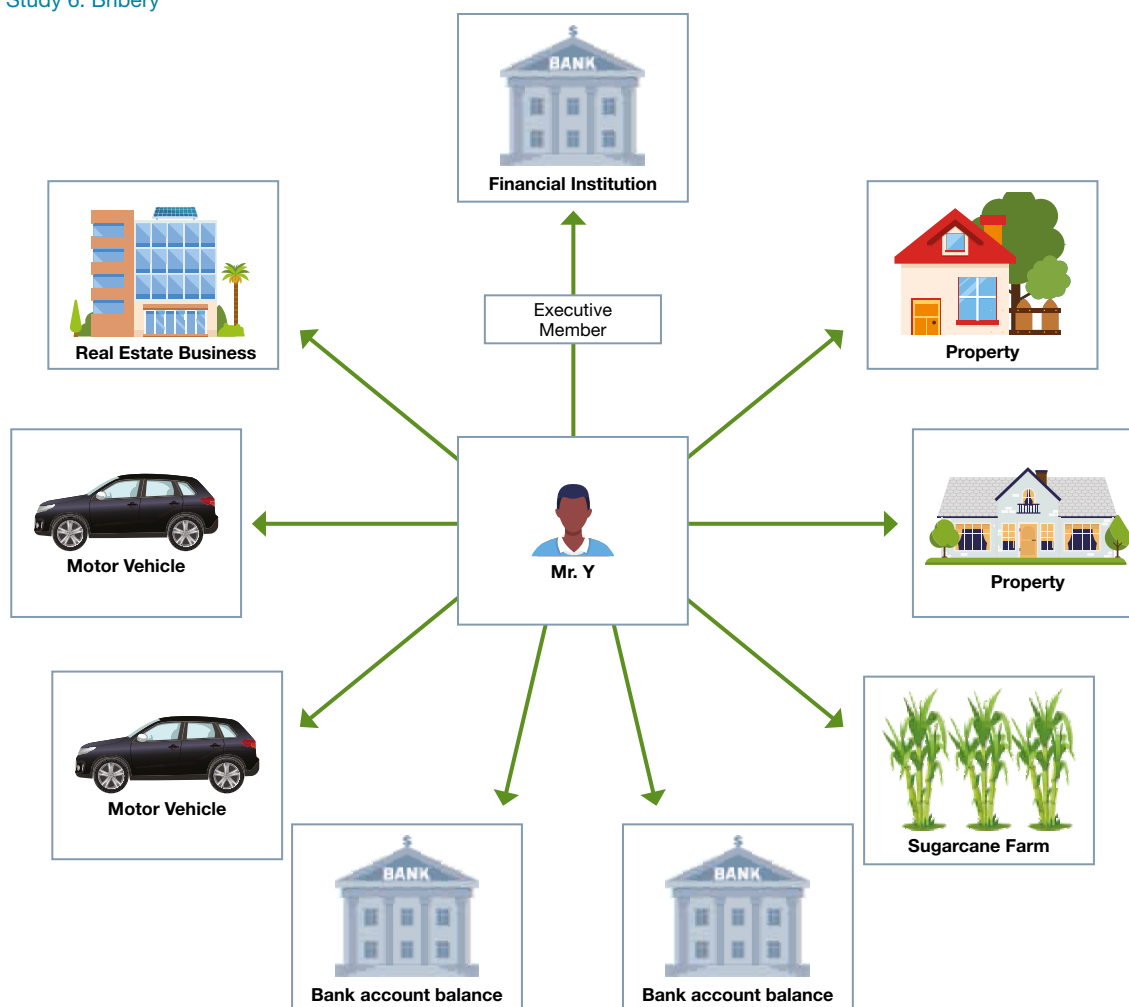
Indicators:

- Accumulated unexplained wealth.

Possible Offence:

- Corruption
- Fraud

Case Study 6: Bribery



Case Study 7: Large Foreign Remittances, Share Purchase and Real Estate

Mrs. Y was brought to the attention of the Fiji FIU for possible money laundering involving large foreign remittances and real estate transactions totalling \$352,000.00.

In October 2017, Mrs. Y opened a personal bank account and stated her occupation as Director of Company B (an entity in Fiji). In February 2018, Mrs. Y received two remittances from Country 1 totalling approximately \$199,000.00 and paid \$178,000.00 to Company B for her shares.

From February 2018 to January 2020, Mrs. Y received three additional remittances from Country 1 totalling approximately \$256,000.00. In November 2019 and January 2020, Mrs. Y paid a total of \$352,000.00 to two law firms for property settlement.

Fiji FIU analysis established that Mrs. Y was a national of Country 1 who was residing in Fiji under a residence permit. In September 2017, Mrs. Y was issued a Fiji investor permit for one year, however, her investor permit was not renewed as a result of not meeting reporting requirements.

Fiji FIU analysis also established no properties owned by Mrs. Y despite the reported property settlement transactions. Queries with financial institutions established that Mrs. Y conducted the property settlement transactions on behalf of one Mr. G.

Analysis of immigration information revealed that Mr. G is Mrs. Y's husband. Mr. G was also a national of Country 1 who was currently residing in Fiji under a residence permit.

Fiji FIU analysis established one property owned by Mr. G. The date the property was purchased matches the time period that Mrs. Y conducted the property settlement transactions. It is suspicious that Mr. G did not conduct the property settlement transactions himself. It is also suspicious that Mrs. Y is not a co-owner of the property despite her relationship to Mr. G, and despite her conducting the settlement transactions.

Analysis of company ownership information revealed no records of Mrs. Y being a current and/or previous Director of Company B. Furthermore, analysis of Mrs. Y's bank account information revealed no payment from Company B to confirm the sale of her company shares. Mrs. Y may still be a shareholder of Company B despite her investor permit status.

A case dissemination report was provided to the Fiji Immigration Department.

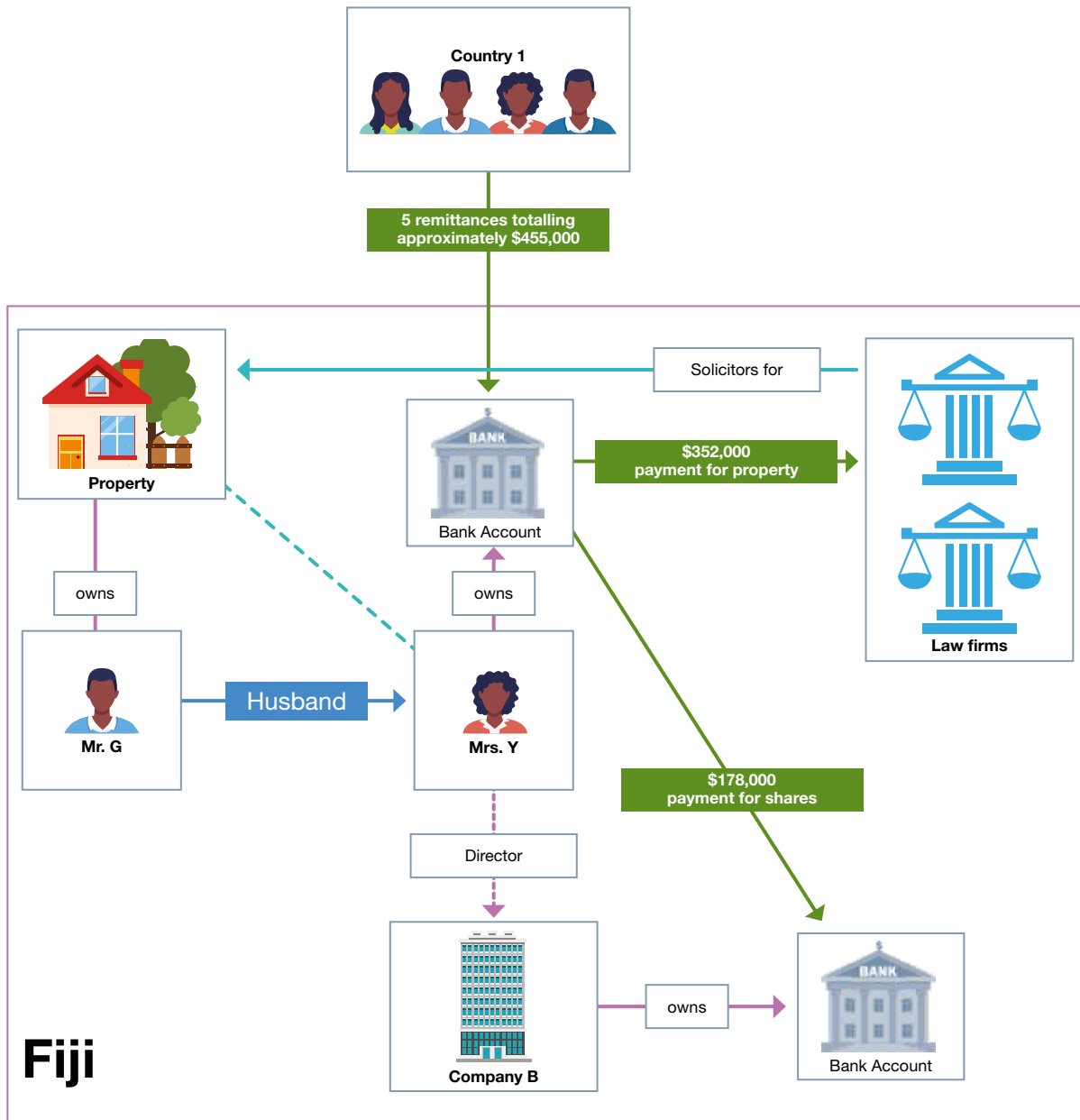
Indicators:

- Regular receipt of large, foreign remittances from risk jurisdictions in relation to financial crime.
- Large, foreign remittances invested into local entities shortly after receipt.
- Large, foreign remittances invested into real estate shortly after receipt.
- Conducting property settlement transactions on behalf of another party.

Possible Offence:

- Violation of Fiji immigration laws
- Provision of false or misleading information

Case Study 7: Large Foreign Remittances, Share Purchase and Real Estate



Case Study 8: Personal Mobile Phone Money Remitter Accounts and Business Transactions

Ms. C was reported to the Fiji FIU for unusual financial activity involving the receipt and withdrawal of large funds from her three mobile money accounts. The funds were allegedly sourced from her business activity. It was further reported that Ms. C also accompanies her father, Mr. C, to conduct withdrawal transactions from his mobile money accounts. From January to September 2022, Ms. C reportedly made withdrawal transactions totalling approximately \$75,000.00 from her mobile money accounts.

Fiji FIU analysis established that from January 2019 to April 2022, Ms. C conducted deposit and withdrawal transactions in her mobile money accounts totalling \$66,218.00 and \$65,842.00 respectively.

Fiji FIU analysis also established that from 2018 to 2021, Mr. C, father of Ms. C, conducted large cash deposit and withdrawal transactions (\$10,000.00 and above) totalling \$755,450.00 and \$589,483.00 respectively from his two bank accounts.

Analysis of Ms. C's taxpayer information revealed that she is a Director of Company P, and that she has never lodged any income tax returns.

Analysis of Mr. C's taxpayer information revealed that his income tax returns from 2017 to 2019 showed "Not Filed" as the status because his income was below the threshold.

Ms. C's and Mr. C's financial activities seemed inconsistent with their taxpayer information.

A case dissemination report was provided to the Fiji Revenue and Customs Service.

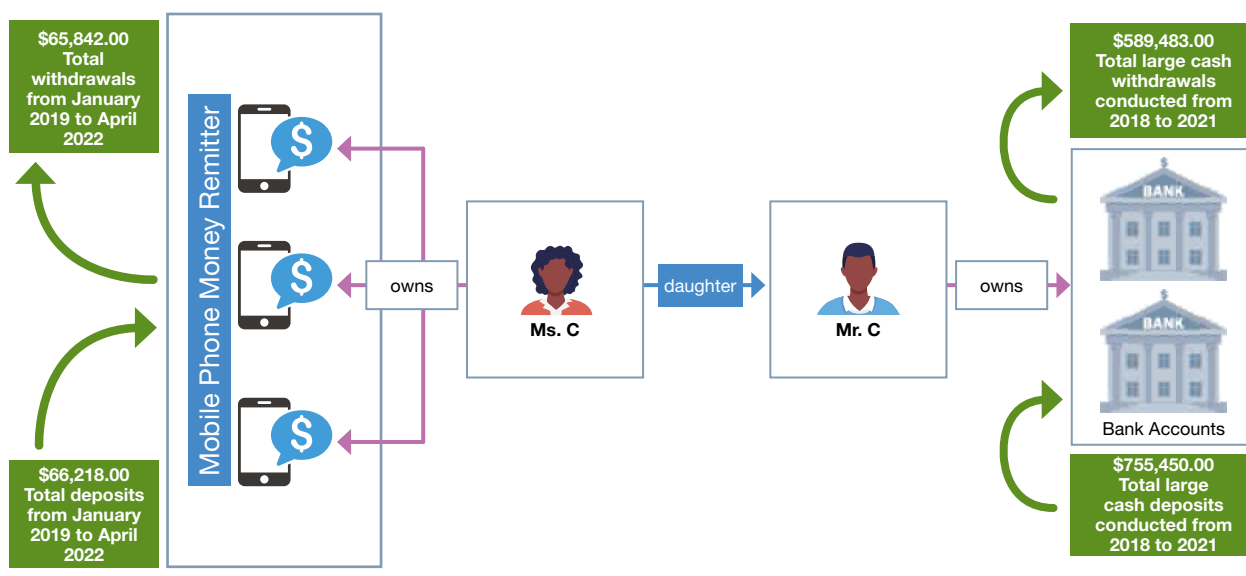
Indicators:

- A single individual owns more than one mobile money account.
- Large deposits and withdrawals conducted frequently in mobile money accounts within a short time period.

Possible Offence:

- Tax evasion
- Money laundering

Case Study 8: Personal Mobile Phone Money Remitter Accounts and Business Transactions



Case Study 9: Corrupt Practice of an Executive

Mr. M, an executive at a local statutory body, was brought to the attention of the Fiji FIU for a possible case of unexplained wealth and corruption as a result of obtaining bribes.

Fiji FIU analysis established that Mr. M and his brother, Mr. J who is employed in Country A received \$45,870.00 in cash deposits from September 2016 to January 2020 into their joint bank account. The sources of funds of these deposits could not be established.

In July 2014, Mr. M and Mr. J collectively acquired two properties in the central division. They obtained further loans totalling more than \$1,000,000.00 to expand the properties. The properties have eight rental flats in total and received rental income of \$271,000.00 from September 2016 to January 2022. Mr. M and Mr. J were declaring a loss on their rental income from 2018 to 2020.

In November 2019, Mr. M acquired a vehicle valued at \$96,500.00 whereby he made payments of \$29,000.00 from his bank account. However, financing of the remaining balance of \$67,500.00 could not be traced to his bank account transactions. Similarly, Mr. M's spouse, Mrs. M, acquired a vehicle valued at \$64,500.00 whereby she made payments of \$46,090.00 from her bank account. However,

financing of the remaining balance of \$18,410.00 could not be traced to her bank account transactions.

Mr. and Mrs. M, and their child frequently travelled to Country A and Country W from 2013 to 2018. Further analysis established that Mr. M's transactions and accumulation of wealth were inconsistent with the annual income declared.

A case dissemination report was provided to FICAC to examine the case for possible unexplained wealth as a result of bribery in Mr. M's capacity as an executive at a local statutory body.

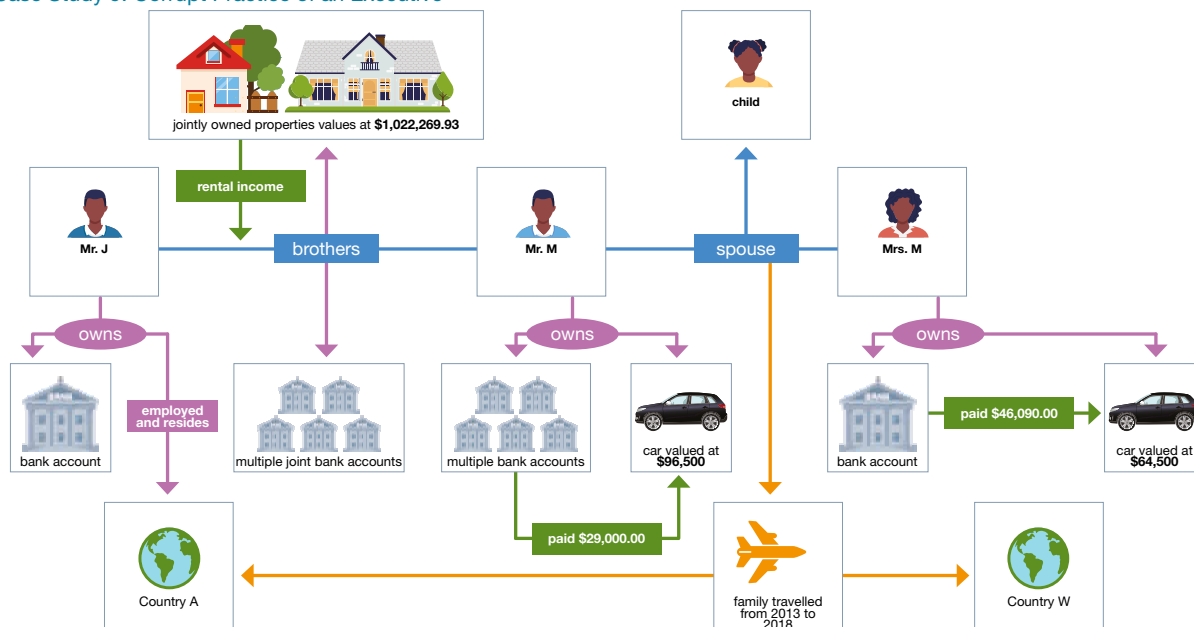
Indicators:

- Consecutive cash deposits into a joint account apart from rental income.
- Rental income received is more than what is declared to the tax authority.
- Luxurious lifestyle.
- High value of properties and vehicles.

Possible Offence:

- Bribery
- Tax Evasion
- Unexplained Wealth
- Corruption

Case Study 9: Corrupt Practice of an Executive



Case Study 10: Unusual Accumulation of Superannuation Contributions

Mr. R was brought to the attention of the Fiji FIU for possible unexplained wealth and tax evasion by conducting high value deposits totalling \$2,000,000.00 over the course of four years.

Initial analysis revealed that Mr. R was previously brought to the attention of the Fiji FIU for diverting business funds into his personal account. Mr. R used his personal account to conduct business transactions, and received large cheque and cash deposits of more than \$500,000.00 in a 10 month period. A case dissemination report was provided to the Fiji Revenue and Customs Service in 2010.

Fiji FIU analysis also established that Mr. R was a civil contractor and director of two entities. He received salary deposits totalling \$737,440.00 from November 2019 to November 2021 into his personal bank account. It was also noted that Mr. R conducted voluntary contributions to his superannuation fund totalling \$2,419,995.15 from October 2016 to February 2022. These deposits were conducted through bank cheques from

business accounts. Further analysis established a discrepancy of \$8,340,000.00 between the taxable income declared by Mr. R and the deposits received into his bank and superannuation accounts.

A case dissemination report was provided to the Fiji Revenue and Customs Service for further profiling and investigation on Mr. R for possible tax evasion and unexplained wealth.

Indicators:

- Unusual deposits from business bank account into personal superannuation fund account.
- Income declared did not match the large volume and value of deposits received into the bank accounts.
- Individual accumulated unexplained wealth.

Possible Offence:

- Tax related offence/tax evasion
- Unexplained Wealth

GLOSSARY

AFI	Alliance for Financial Inclusion
AML	Anti-Money Laundering
AMS	Alert and Monitoring System
APG	Asia Pacific Group on Money Laundering
AUSTRAC	Australian Transaction Reports and Analysis Centre
BCR	Border Currency Report
BDM	Births, Deaths and Marriages
CAMLMAC	China Anti Money Laundering Monitoring and Analysis Center
CDR	Case Dissemination Report
CFT	Combating the Financing of Terrorism
CMS	Case Management System
CTR	Cash Transaction Report
DDA	Direct Database Access
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
FRCS	Fiji Revenue and Customs Service
FUR	Follow-Up Report
FPF	Fiji Police Force
FTR	Financial Transactions Reporting
GSPWG	Global Standards Proportionality Working Group
MER	Mutual Evaluation Report
ML / TF	Money Laundering and Terrorist Financing
MOA	Memorandum of Agreement
MRSP	Money Remittance Service Provider
NRA	National Risk Assessment
ODDS	Online Data Delivery System
ODPP	Office of the Director of Public Prosecutions
PFIC	Pacific Financial Intelligence Community
RBF	Reserve Bank of Fiji
ROC	Registrar of Companies
STR	Suspicious Transaction Report
TF	Terrorist Financing
TRAQ	Transaction Query System



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