

Financial Investigation Unit

Financial Intelligence Service

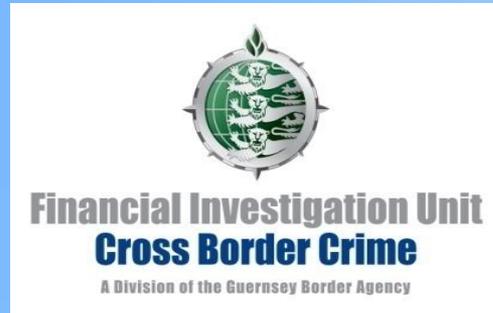
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Financial Intelligence Unit

1. Formulating a Suspicion of Money Laundering
2. Reporting of Suspicion (SAR)
3. SAR Feedback
4. Typologies / examples



Formulating a Suspicion of Money Laundering

1. Suspicion
2. Proceeds of Crime
3. Criminal Conduct



Reporting of Suspicion

1. The Disclosure (Bailiwick of Guernsey) Law, 2007
2. The Suspicious Activity Report
3. Method of reporting
4. Consent Regime

Consent Regime

- The FIS will give a FSB or Non FSB “Consent” to continue or maintain the account(s) or other relationship
- This consent will be given within 7 days of your electronic receipt.
- Therefore your obligation of all future transactions on the account DOES NOT REQUIRE CONSENT
- UNLESS
- You suspect that a future ‘ACT’ (“Transaction”) is “Suspicious” or you suspect is an ‘ACT’ of ML
- You submit a “NEW” SAR

Consent Regime

CONSENT TO NO CONSENT

- The FSB or NON FSB will have “Consent” to continue or maintain the account(s) or other relationship *UNTIL*
- The FIS receive intelligence to suggest that “Your Client” or “entity” is under investigation and The FIS will issue a “No Consent” for any *future activity*
- Does this mean I have been complicit in Money Laundering? **NO**

UNLESS:-

- During the period of consent you became suspicious and did an ‘Act’ without submitting a further disclosure.



Financial Investigation Unit
Cross Border Crime
A Division of the Guernsey Border Agency

SAR Feedback

Year	Total STRs	Prescribed Business	Non FSB
2007	760	6	17
2008	519	16	31
2009	627	37	32
2010	673	37	18
2011*	933	34	11

SAR Feedback

Sector/Entity	Year				
	2007	2008	2009	2010	2011*
Accountants	3	5	14	20	12
Community banking	121	86	95	89	167
Deposit gatherers	339	75	53	86	186
e-gambling sector	3	9	18	64	20
Fiduciary	109	112	151	141	151
Insurance	28	9	20	7	7
Investment Banks	102	133	170	176	195
Investments & Securities	20	37	42	37	139
Legal professionals	3	9	21	16	22
Other	3	35	34	27	24
Regulator	10	9	9	10	10
Total no STRs	760	519	627	673	933

SAR Feedback

Grounds	Year				
	2007	2008	2009	2010	2011*
Tax	440	192	263	268	505
Cash transaction	43	68	63	24	54
Unexplained lifestyle	52	25	16	9	30
Due diligence issues	52	41	44	63	165
Layering	26	3	0	2	4
Fraud/false accounting/forgery	48	86	130	156	51
Other inc. Defensive, Reactive, Group Ref, Transactional Support	42	69	64	115	87
Internet/media etc	23	7	13	1	18
Early redemption of product	7	2	1	2	1
Third party referral	2	0	4	3	12
Corruption	19	13	16	16	6
High risk business activity/area	5	1	2	6	2
Service of order	1	12	11	8	2
Total no STRS	760	519	627	673	933



Typologies / Examples

1. Cash for Gold. A scheme introduced throughout the UK and Islands. Abused by all levels of criminal. Stolen UK property being imported by a local criminal and being exchanged for 'Cash'.
2. Mr A's cash lifestyle. Monthly expenditure – household bills were always paid in cash. Source of funds were explained as 'cash' paid work.

Typologies / Examples

1. The increase in the complexity of structures to include legal and accounting professionals that (knowingly or unwittingly) assist the criminal to move or conceal the proceeds of the crime
2. The introducer. Potential launders are not relying on the expertise of the professional but are using the status of the professional to minimise the suspicion surrounding their criminal activities.

Typologies / Examples

Due diligence issues:

Company structure setup on behalf of an overseas Lawyer to hold property located in a third jurisdiction. Lawyer states that he is the beneficial owner of the company. The property is rented to a third party. The local business seek a signed declaration from the lawyer regarding beneficial ownership of the company. Lawyer delays the return of the document claiming language issues and confusion over the understanding of the requirement of the signed declaration. Suspicion is raised that lawyer is not the BO

Typologies / Examples

Due diligence issues:

Estate Agent. Offers sale of property. An offer is received through third party the full asking price. Third party offers to collate all the due diligence documents on behalf of his friends. Delays incurred with the supply of documentation. Third party requests to seal the deal that he funds the deposit and offers a mixture of cash and bank transfer. - Agent withdraws from the sale.



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