



Financial Investigation Unit **Cross Border Crime**

A Division of the Guernsey Border Agency



Moneyval Mutual Evaluation Feedback

Phil Hunkin, Head of FIU

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Economic Crime Division

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

1. **General overview**
2. **Legal System and related Institutional Measures**
3. **Preventive Measures – Financial Institutions**
4. **Preventive Measures – Designated Non Financial Business and Professions**
5. **Legal Persons and Arrangements and Non Profit Organisations**
6. **National and International Co-operation**



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Key Findings – Criminalisation of Money Laundering

	Rating	Summary of factors underlying rating
R.1	LC	<ul style="list-style-type: none">Given the size of the Bailiwick's financial sector and its status as an international financial centre, the relatively limited number of cases involving third party ML by participants of the financial industry and the amounts of property laundered and confiscated, despite the increase in overall statistics, still indicates room for a more effective application of the ML provisions.



Confiscation, freezing and seizing of proceeds of crime

	Rating	Summary of factors underlying rating
R.3	LC	Effectiveness <ul style="list-style-type: none">• While the confiscation and provisional measures regime is technically compliant with R.3 and it is used with regularity in criminal procedures, it still has not been applied with full effectiveness in ML-related cases, given the dimensions and characteristics of the financial industry and the moderate number of cases involving proceeds-generating economic crimes (and other matters beyond drug trafficking).



Economic Crime Division

	Rating	Summary of factors relevant to s.2.5 underlying overall rating
R.26	LC	<ul style="list-style-type: none">• Lack of legal safeguards for operational ‘functioning’;• Insufficient information in public reports released; <p><i>Effectiveness:</i></p> <ul style="list-style-type: none">• Lack of legal provisions for requesting additional information without an initial STR might limit the power of the FIS to render assistance to other FIUs.



Suspicious Transaction Reporting and other Reporting (R. 13 and SR iv)

Compliant



Recommendations

- LE and GFSC are not sanctioning reporting entities for failing to report.
- The power to obtain additional information



Underlying recommendations to our ratings.

- **No explicit requirement to report attempted transactions.**
- **No specific legal provision regulating the FIS's direct or indirect access, on a timely basis. - "ASAP!"**
- **The language 'may disclose' in the DL – this is the common law approach.**
- **Disclosure of information by Income Tax**

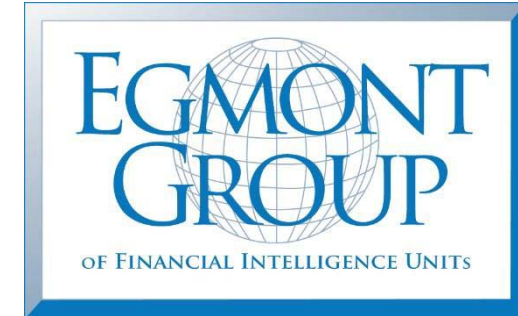


Underlying recommendations to our ratings.

- **No specific legal provision regulating the power of the FIS to disseminate financial information.**
- **Reporting level appears to be adequate – whilst viewed adequate we are still significantly down on Jsy/IOM.**



Terrorist Financing



Communiqué

The Egmont Group of Financial Intelligence Units
Reinforces Its Efforts in Combating Terrorist Financing



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