



The Financial Intelligence Unit of Guyana

Annual Report 2020



FINANCIAL INTELLIGENCE UNIT OF GUYANA

Contents

VISION	2
MISSION	2
CORE VALUES	3
TABLE OF ACRONYMS AND ABBREVIATIONS	4
STATEMENT FROM THE DIRECTOR	5
LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK	6
<i>Governing Laws and Regulations</i>	6
<i>Organization Structure and Staff Complement</i>	6
<i>Staff Training and Development</i>	7
CORE MANDATE AND OTHER ACTIVITIES	8
<i>Stakeholder Relationship</i>	8
REGULATORY REPORTS	10
<i>Suspicious Transaction Reports (STR) & Statistics</i>	10
<i>Terrorist Property Reporting</i>	13
<i>Threshold Transaction Reporting</i>	13
INTELLIGENCE REPORT DISSEMINATION	15
<i>Predicate/ Serious Offences</i>	16
<i>Feedback on Intelligence Products</i>	17
AMLCFT TRAINING AND OUTREACH FOR REPORTING ENTITIES	18
<i>Registration of Reporting Entities</i>	18
CIRCULARS/ADVISORIES/NOTICES/PUBLICATIONS	19
TYPOLOGIES	20
UNITED NATIONS CONSOLIDATED LIST AND UPDATES	22
FINANCIAL ACTION TASK FORCE	22
THE FATF RECOMMENDATIONS “FATF STANDARDS” AND METHODOLOGY	22
FATF RECOMMENDATION (RELATING TO FIUS)	24
NATIONAL RISK ASSESSMENT	25
CFATF FOURTH ROUND MUTUAL EVALUATION PROCESS	25
CFATF PLENARY AND WORKING GROUP MEETINGS	28
GUYANA’S EGMONT MEMBERSHIP APPLICATION	28
INTERNATIONAL COOPERATION	29
<i>Memorandum of Understanding (MOU)</i>	31
DOMESTIC COOPERATION	31
FIU’S OUTLOOK FOR 2021	33
APPENDIX – FINANCIAL & AUDIT REPORTS	34
AUDIT OPINION	35
STATEMENT OF RECEIPTS AND EXPENDITURES	38
REFERENCES	48

VISION

To eradicate Money Laundering (ML) and the Financing of Terrorism (FT) from Guyana by providing effective intelligence to ensure our mission is achieved.

MISSION

To provide critical and effective intelligence aimed at protecting the integrity of Guyana's financial system by the detection, deterrence and suppression of Money Laundering (ML) & the Financing of Terrorism (FT), through collaboration with law enforcement agencies, regulators and international counterparts

CORE VALUES

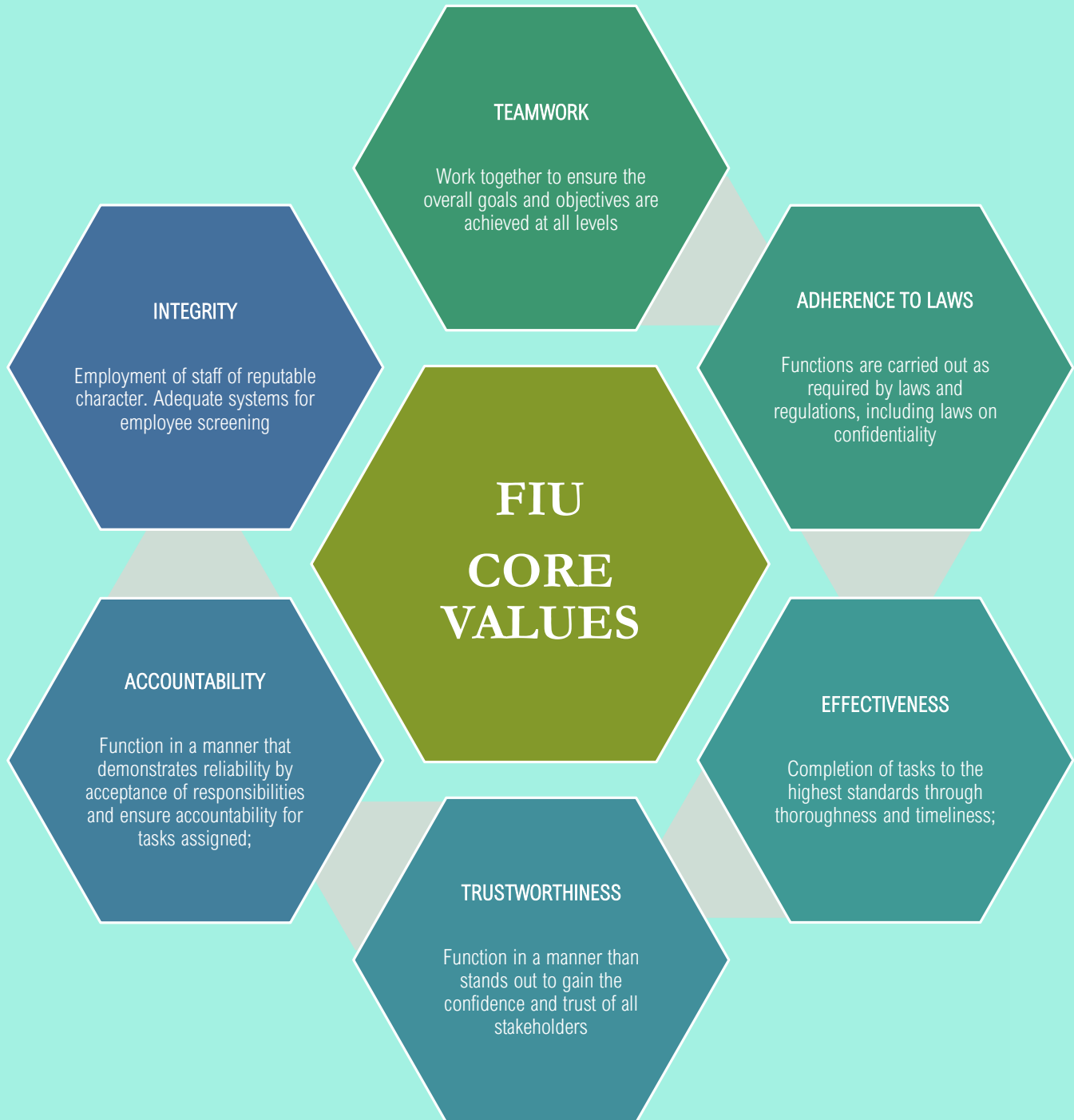


TABLE OF ACRONYMS AND ABBREVIATIONS

AMLCFT	Anti-Money Laundering and Countering the Financing of Terrorism
AML/CFT/PF NCC	Anti-Money Laundering and Countering the Financing of Terrorism and Proliferation Financing National Co-ordination Committee
BOG	Bank of Guyana
CANU	Customs Anti-Narcotic Unit
CCDO	Chief Coop & Development Officer
CFATF	Caribbean Financial Action Task Force
CRTMG	CFATF Risk Trends and Methods Group
DNFBPs	Designated Non-Financial Businesses and Professions
EGFIUs	Egmont Group of FIUs
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FT	Financing of Terrorism
GGB	Guyana Gold Board
GGMC	The Geology & Mines Commission
GOG	Government of Guyana
GPF-SOCU	Guyana Police Force – Special Organized Crime Unit
GRA	Guyana Revenue Authority
GSC	Guyana Security Council
ICRG	International Co-operation Review Group
IR	Intelligence Report
LEA	Law Enforcement Agency
MER	Mutual Evaluation Report
ML	Money Laundering
MTA	Money Transfer Agency
MOU	Memorandum of Understanding
NRA	National Risk Assessment
RE	Reporting Entity
SAR	Suspicious Activity Report
SARA	State Asset Recovery Agency
SSTR	Suspicious Transaction Report
TPR	Terrorist Property Report
UNSCR	United Nations Security Council resolution

STATEMENT FROM THE DIRECTOR



The Financial Intelligence Unit (FIU) continues to fearlessly execute its mandate as prescribed in the Anti Money laundering and Countering the Financing of Terrorism Act of 2009. Our report for the Financial Year ending December 31, 2020, focuses on the activities conducted and achievements attained by the Unit in 2020. The report also hopes to bring greater awareness of the work and goals of the holistic AMLCFT regime in Guyana and the critical role of the FIU. The year 2020 was a particularly challenging year as we were forced to perform our functions in the midst of the Covid19 Pandemic, which fully emerged around March 2020. This forced our staff to work fully from home and later, on a rotational basis. This affected our ability to execute some database driven functions in an efficient manner. Additionally, like so many countries around the world, the phenomenon of several new criminal threats and typologies emerged. These included Ponzi/ Pyramid and other Investment Schemes, Romance or Package Delivery Schemes, Online Sales/ Counterfeit Goods Scams, etc. This necessitated the FIU intensifying its collaborative work with local and international stakeholders to ensure we successfully address these threats.

I am particularly pleased with the successes attained despite the challenges. The FIU has contributed to several successful investigations being conducted by the Special Organized Crime Unit (SOCU). Our successes in some of the cases were boosted by the MOU we established with and support we received during the year from the Financial Intelligence Unit in Peru.

The Challenges of 2020 also resulted in us more aggressively promoting our Online Reporting option (caseKonnnect), which resulted in many reporting entities registering for this service, thereby ensuring there was no delay in us obtaining mandatory reports required for the Unit to complete its work.

The FIU is also particularly proud of the role played by the Unit in continuing the work of the AMLCFT National Risk Assessment during this period. Eight members of the Unit, including three team leaders, were members of the Working Group completing this exercise, in addition to their day-to-day functions. The commitment and sacrifices of all the FIU staff during the year is worthy of special mention.

The FIU looks forward to 2021 with great anticipation. Our main focus will be on ensuring the presently unregulated sectors are brought under AMLCFT supervision and control. We also look forward to supporting the Supervisory Authorities and Law Enforcement in increasing the level of AMLCFT compliance by Reporting Entities. We will continue to work closely with our sponsors in ensuring Guyana's application to become a member of the Egmont Group of international FIU's progresses successfully.

A handwritten signature in black ink that reads "Matthew Langevine". The signature is fluid and cursive, written over a horizontal line.

Matthew Langevine
 Director - Financial Intelligence Unit

LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK

Governing Laws and Regulations

The operations of the FIU are governed by the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act Cap 10:11, its Regulations and all subsequent amendments¹ made thereunder. As a statutory agency the Unit carries out its core mandates and functions within the remit of the applicable laws.

The FIU was formally established in 2004 under the Money Laundering Prevention Act of 2000 (now repealed) and continued to carry out its mandate under Sections 9(1) and 9(4) of the AMLCFT Act Cap 10:11 (as amended).

The Unit's activities are also influenced by related legislation given the FIU's analytical function, which requires the Unit to have access to the widest possible sources of information. This access allows for effective strategic and operational analysis. As such, the FIU seeks to cooperate and establish information sharing arrangements to allow agencies and competent authorities to exchange information while remaining compliant with their respective laws and regulations.

Organization Structure and Staff Complement

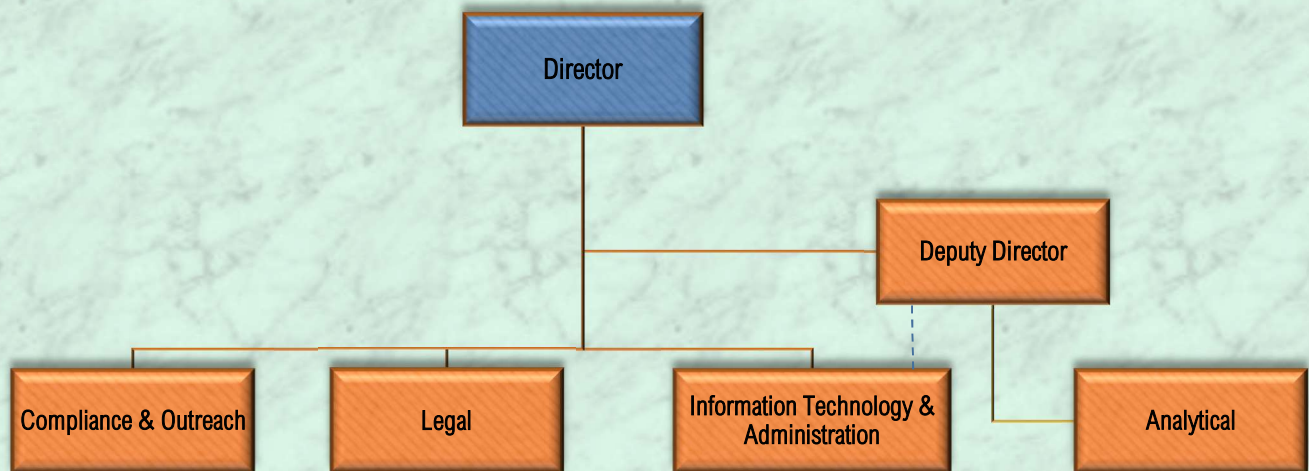
The FIU Guyana is an administrative type FIU, carrying out its core functions independently and with its own budgetary allocations appropriated through a parliamentary process in accordance with Sections 8 and 9 of the AMLCFT Act.

Professional development and training continued to be key areas of focus for this reporting period. These activities are aimed at strengthening the Units' human resources capacity to ensure tasks were undertaken efficiently and effectively.

Management, organization, and deployment of the financial and human resources of the Unit fall directly under the purview of the Director. With a staff complement of eleven employees, the functions were carried out under the following four functional areas: (i) Analytical, (ii) Legal, (iii) Compliance and Outreach, and (iv) Information Technology and Administration. The organization structure of the FIU in 2020 follows:

1. AMLCFT Act 2009 Cap 10:11 (as amended) by AMLCFT Amendment Act No. 15 of 2010; AMLCFT Amendment Act No. 1 of 2015; AMLCFT Amendment Act No. 10 of 2015; AMLCFT; Amendment Act No. 15 of 2016; AMLCFT Amendment Act No. 21 of 2017; and AMLCFT Amendment Act No. 17 of 2018. And AMLCFT Regulations No. 4 of 2010 and AMLCFT Regulation No. 4 of 2015 (as amended) by the AMLCFT Amendment Regulation No 7 of 2015.

Chart 1 - FIU Organization Chart 2020



Staff Training and Development

The FIU continued to invest in capacity and capability of its employees in 2020. Although COVID-19 significantly impacted traditional face to face learning and development activities the FIU transitioned to virtual and online learning platforms and took advantage of a number of core and professional development opportunities made available by international organizations such as Financial Action Task Force; Egmont Center of FIU Excellence & Leadership; Organization of American States; Caricom IMPACS; Caribbean Basin Security Initiative; Regional Security System, Asset Recovery Unit; and United Nations Office on Drugs and Crime. For the reporting period employees benefitted from thirty (30) Online training Conference/Meeting/Workshop and over fifteen (15) webinars offered by these organizations.

CORE MANDATE AND OTHER ACTIVITIES

The Financial Intelligence Unit (FIU) is the central agency in Guyana responsible for requesting, receiving, analyzing suspicious transactions and other information, and disseminating 'financial intelligence reports' to the relevant law enforcement authority. This is done, once the FIU considers (following its analysis) that there are reasonable grounds to suspect that funds or transactions are connected to money laundering (ML), terrorist financing (TF), terrorism, or proceeds of criminal activity. In Guyana, the Guyana Police Force- Special Organized Crime Unit (SOCU), is the agency established to investigate money laundering, terrorist financing and related financial crimes.

In addition to the sharing of intelligence with the GPF- SOCU, depending on the circumstances, the FIU may prepare and disseminate reports to other competent agencies, such as the Customs Anti-Narcotic Unit (CANU), the Guyana Revenue Authority (GRA), the Guyana Security Council (GSC), the Bank of Guyana (BOG) and other Supervisory Authority as may be applicable. Intelligence is also shared spontaneously or upon request, with foreign FIUs.

The FIU also carries out several other activities which include, but are not limited to, the maintenance of statistics and records; issuance of guidelines and training for reporting entities; advising the Minister of Finance on matters relating to ML or TF, that may affect public policy or national security; conducting research into trends and developments to improve ways of detecting, preventing, and deterring ML and TF.

Stakeholder Relationship

The processes of developing intelligence for investigative purposes, and information sharing for policy decision requires the involvement of all reporting entities and several AMLCFT stakeholders. The FIU works closely with the AMLCFT stakeholders, from which a wide range of information is accessed to carry out its mandates. The AML/CFT Act empowers the FIU to request and receive information to carry out its mandate. AMLCFT Stakeholders include, but are not limited to, telephone companies, government agencies, reporting entities (which form part of the private sector), credit bureaus, Commercial, Land, Deeds and Court Registries, any other competent authority in Guyana or elsewhere.

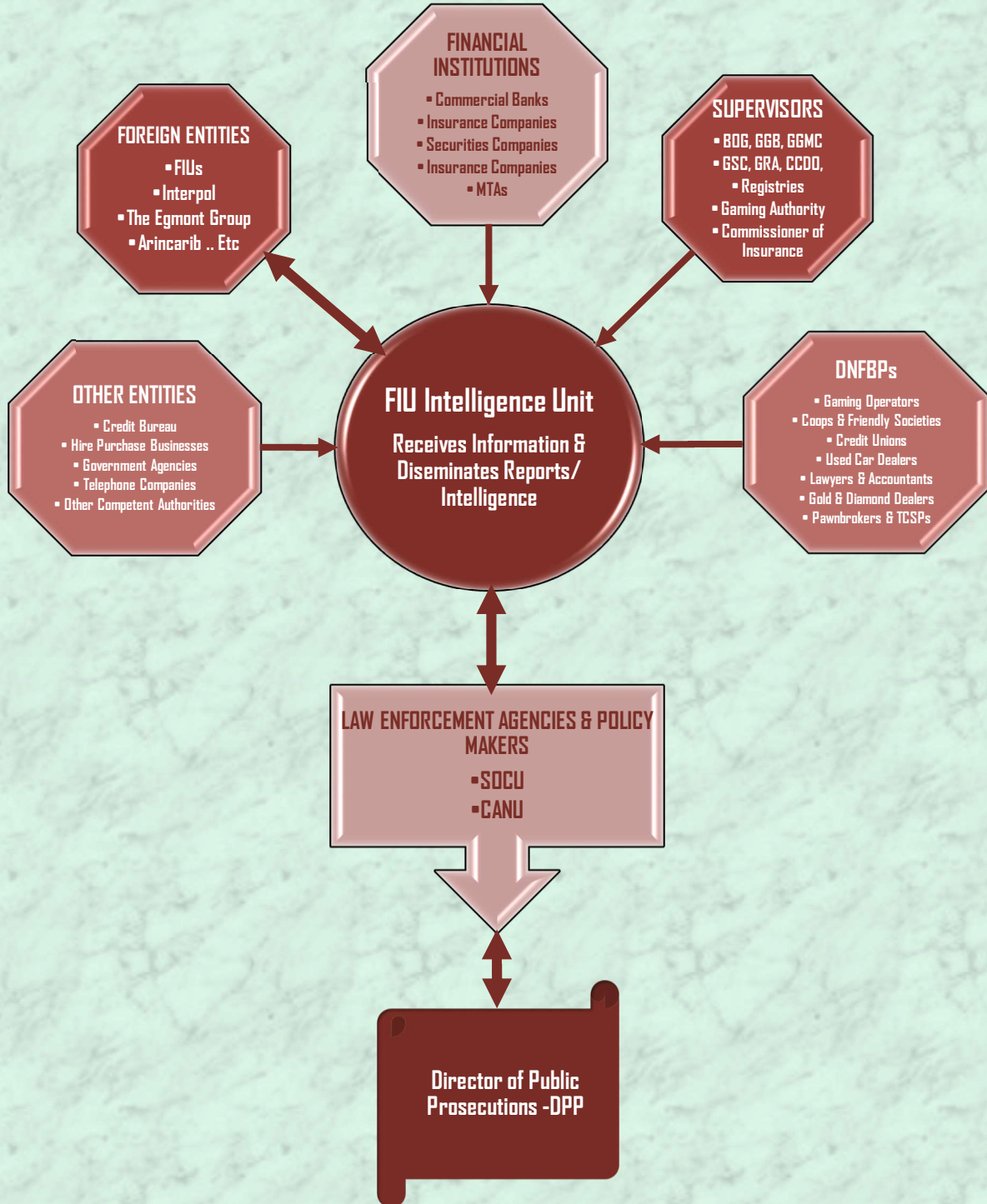
The information obtained by the FIU, is also used to develop strategic analysis and typology reports to help guide national policies and strategies to safeguard the Financial System. The information the FIU obtains from the Reporting Entities and other AMLCFT stakeholders include, inter alia, the following:

- Banking and financial/economic transaction information
- Property / asset acquisition and disposal information
- Information on relationships between individuals and legal entities
- Beneficial ownership information
- Information on Location or whereabouts of individuals and legal entities
- Information on Financial Position and Performance of individuals and businesses.

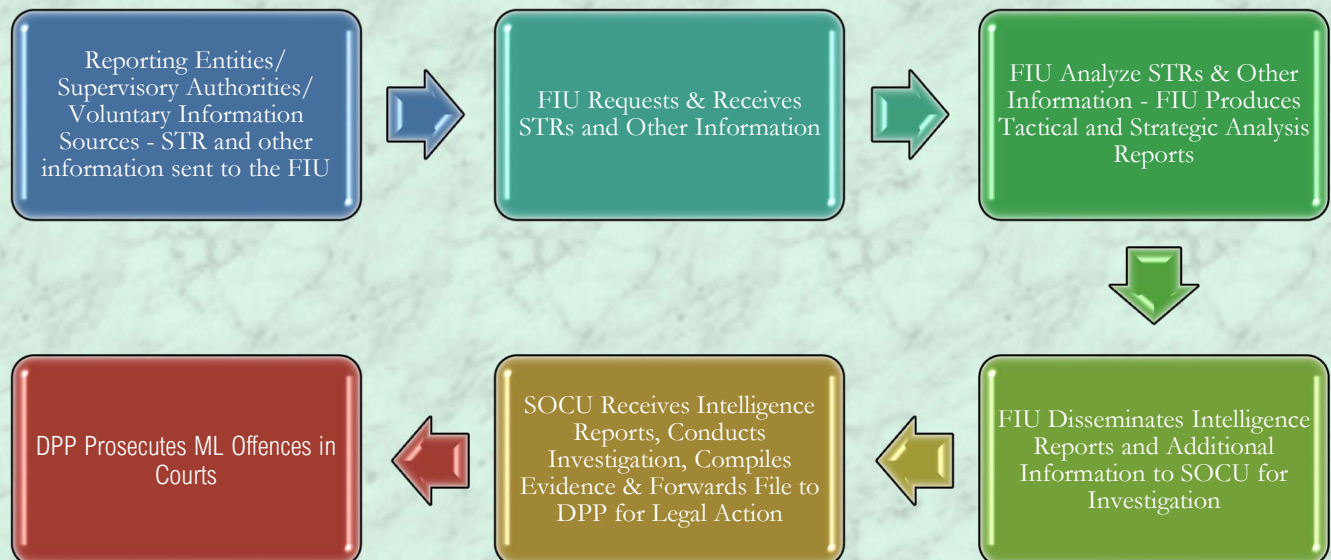
GPF- SOCU as the main recipient of intelligence reports from the FIU, is responsible for investigating money laundering, compiling evidence and obtaining advice from and /or consulting with the Director of Public Prosecutions in relation to institution criminal prosecutions. The SOCU also seeks advice from/ consults with the Attorney General's Chambers in relation to civil forfeiture, asset recovery or other legal proceedings, as applicable.

The following diagram provides a visual depiction of the relationship between the FIU and stakeholders.

Chart 2 - AML Intelligence Reporting & Stakeholder Interaction Process



Regulatory Reports



Regulatory reports make up a large part of the data the FIU use for intelligence and statistical analysis. These reports are required to be filed by Reporting Entities (REs) when a particular transaction is equal to or exceeds the reporting threshold for that category of entity.

Most of the reports (approximately 60%) are presently submitted through the FIU CaseKonnnect e-reporting platform, which was launched in 2019. The main types of reports received by the FIU from reporting entities are as follows:

- Suspicious Transaction Reports
- Terrorist Property Reports
- Threshold Transaction Reports

Suspicious Transaction Reports (STR) & Statistics

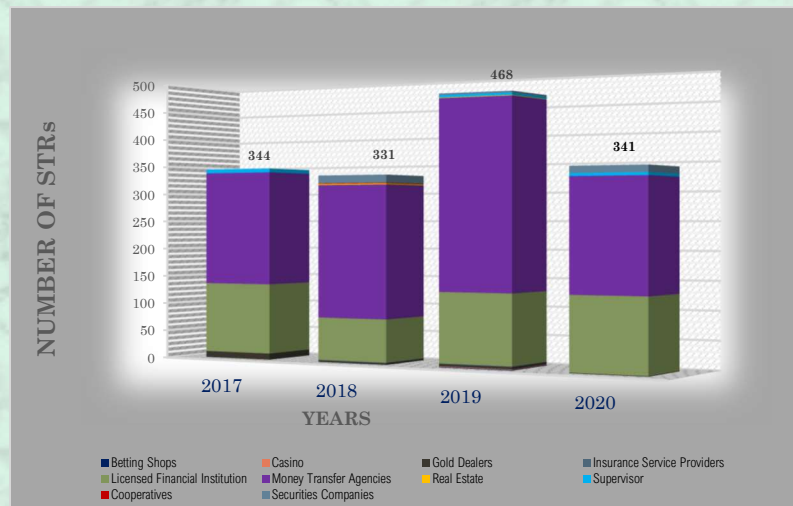
A suspicious transaction is any transaction (attempted or completed) that a reporting entity suspects or has reasonable grounds to suspect is connected to the proceeds of a criminal activity including money laundering, terrorist financing or terrorism. A STR is often the catalyst for the development of intelligence reports and initiating money laundering investigations. The submission of STRs is therefore a key part of the AMLCFT control process.

The declaration of the Covid-19 virus as a global pandemic by the World Health Organization (WHO) on March 11th, 2020, was followed by nationwide lockdowns across many countries. Guyana opted for partial lockdown in a bid to control the spread of the Covid-19 virus. The lockdown measures and social distancing protocols caused several reporting entities to shift to remote or temporary closure of operations to the public.

These measures/ social distance protocols impacted the level of economic activity in the country and appeared to have influenced the total number STRs submitted, with a noticeable change in the nature, trends and patterns of suspicious activities which were found to be more directly linked to the COVID19 Pandemic.

The number of STRs submitted in 2020 was twenty-seven percent (27%) less than the amount submitted in 2019. The decrease in the number of reports can be attributed to the effects of the Covid19 pandemic. Despite the decrease, a sizeable amount, three hundred and forty-one (341) STR were submitted. The total number of STR submitted year over year for the past four years is as follows:

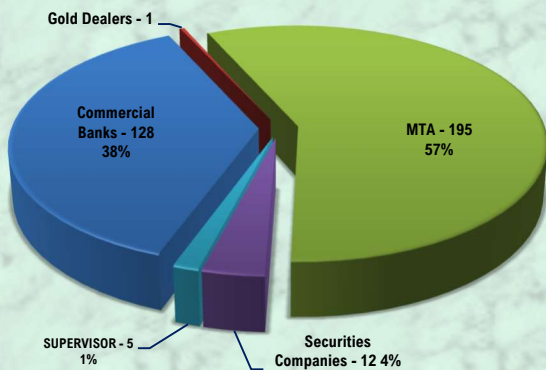
Chart 3 - Total STR submitted for 2017-2020



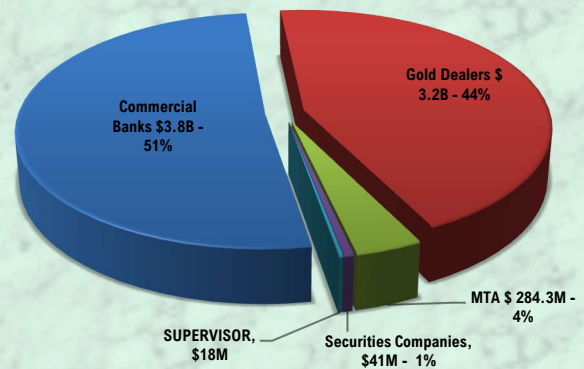
The Commercial Banks thirty-eight percent (38%) and Money Transfer Agencies fifty-seven percent (57%) were responsible for the majority of STRs filed with the FIU in 2020. These two categories of **Reporting Entities** accounted for ninety-five percent (95%) of the **number** and fifty-five percent (55%) of the monetary **value** of all STRs filed in 2020 (see Chart xx below). In 2019 they accounted for ninety-seven percent (97%) of all STRs which equated to approximately eighty-one percent (81%) of the money value of all STRs for that year.

Chart 4

Number of STRs for 2020



Money Value of STRs for 2020

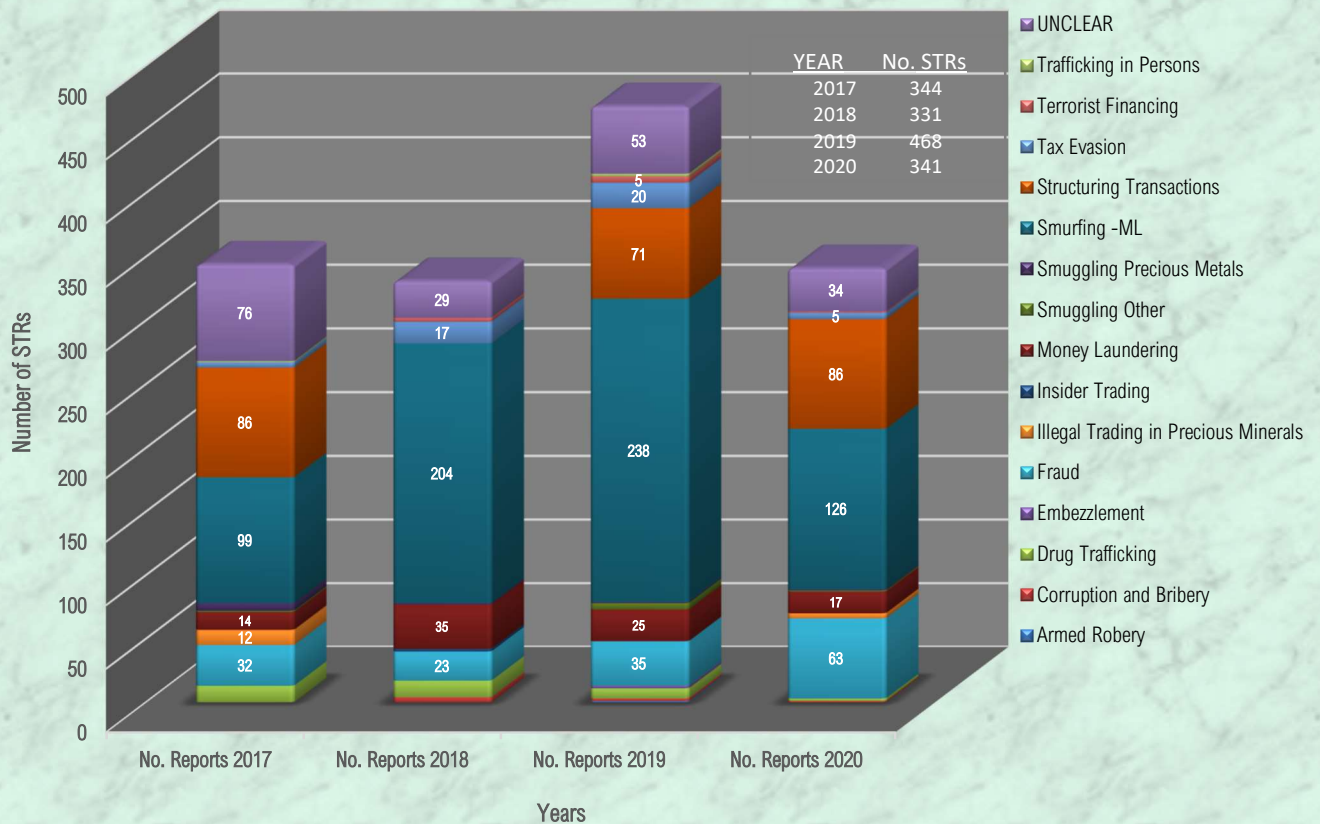


Reports received from **Commercial Banks** and Dealers in Precious Metals (**Gold Dealers**) accounted for approximately, ninety-five percent (95%) of the total money value of all STRs received in 2020. These numbers support the notion that **Commercial Banks** and the Gold Sector remain an attractive avenue for money launderers.

As was the case for 2017 to 2019, 'Smurfing and Structuring of Transactions, were again the main suspicious activities that triggered STRs in 2020. These activities accounted for approximately, sixty-two percent (62%) of the total STRs received in 2020, and fifteen-point five percent (15.5%) of the monetary value of all STRs.

STRs associated with fraud accounted for eighteen-point five percent (18.5%) of the total number of STRs and represented an eighty percent (80%) increase in this category compared with 2019. Suspicious Reports of **Romance** and **Package Delivery Fraud Schemes** were prevalent during the pandemic. This was due to the increase in use of the internet for work and leisure. These fraud schemes were the main drivers for the increase in suspicious activity reporting in this category.

Chart 5 - Suspicious Transaction Reports Received (2017 -2020)



Terrorist Property Reporting

Reporting Entities are required to submit Terrorist Property Reports (TPRs), without delay, to the FIU. This means the report should be dispatched to the FIU as soon as the RE has knowledge that a designated person or entity is attempting to carrying out a transaction, or it has in its possession, funds or other assets of a designated person or entity pursuant to the United Nations Security Council Resolutions (UNSCRs) 1267 (1999),1718(2006) and 2231(2015) and their successor resolutions; or a person or entity specified by the Minister of Finance under Section 2(2) of the AMLCFT Act 2009 pursuant to UNSCR 1373 (2001).

TPRs must be sent to the Director of The Financial Intelligence Unit. A quarterly report is also required to be submitted by Reporting Entities which must contain a summary of all Terrorist Reports they have submitted for the calendar quarter or confirmation that no reports were necessary. No TPRs were received by the FIU in 2020.

Threshold Transaction Reporting

A threshold report is another type of regulatory report that REs must submit whenever it carries out a transaction, on behalf of a customer or client, which equals to or exceeds the reporting threshold as indicated in the AMLCFT regulations, for that category of Reporting Entity.

Despite the pandemic, the total number of threshold transaction reports submitted for 2020 increased nineteen percent (19%) when compared with 2019. Some entities were less affected by restrictions associated with the pandemic because the services they provide were classified as “essential”. This allowed them to continue operations throughout the pandemic. Despite the increase in the overall number of reported transactions the total value of threshold transactions fell twenty one percent (21%) compared to 2019. In 2020 **Money Transfer Transactions, Cambio Transactions** and **Large Cash Deposits** accounted for the same proportion (ninety one percent - 91%) of threshold transactions as was the case in 2019. These three types of threshold transactions also accounted for approximately ninety percent (90%) of the value of all threshold transactions in 2020 compared with ninety-three percent (93%) in 2019. The other categories of reporting entities combined, accounted for less than ten percent (10%) of total Value and Number of threshold transactions.

The Charts below provide a comparative view of the movement in value and number of threshold transactions for the four main categories for the period 2017-2020.

Chart 6

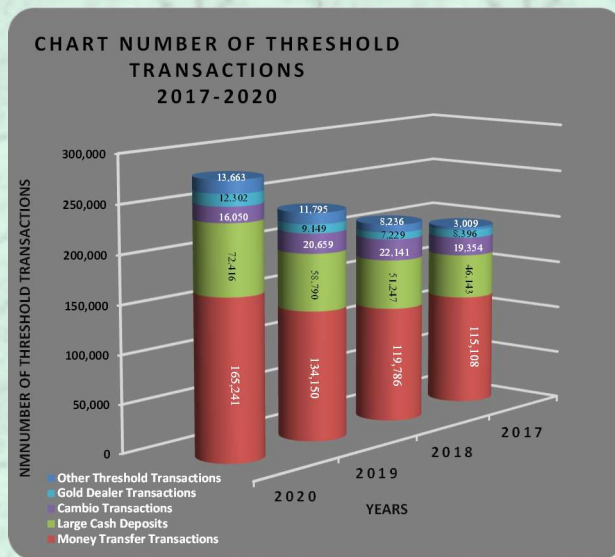
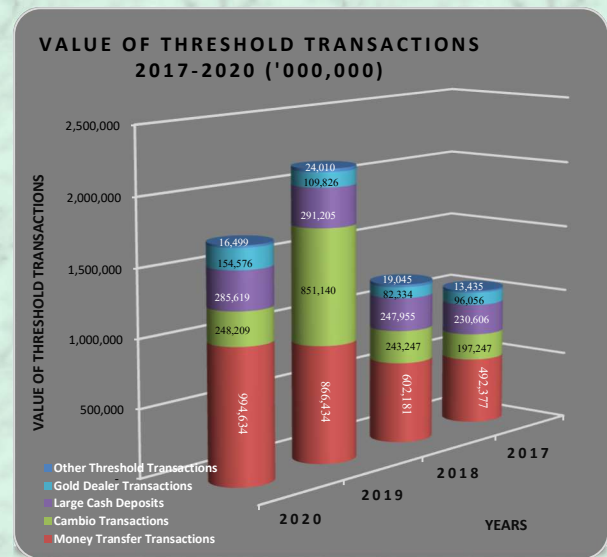


Chart 7



The variances associated with the threshold reports between 2019 and 2020 are partly related to changes in economic conditions associated with the emerging oil and gas industry and restrictive measures imposed because of the Covid-19 pandemic. However, the forty one percent (**41%**) increase in the total value and thirty four percent (**34%**) increase in the total number of *gold declarations* is not in line with these expectations.

Overall, the total value of all threshold transactions decreased by twenty-one-point six percent (**21.6%**) despite the over nineteen percent increase (**19.24%**) in the total number of reported transactions. Full details of the movements in the value and number of threshold transactions are presented in the table below:

Table 1

CATEGORY OF REPORTING ENTITIES	% Change in the Number of Transactions Between 2019-2020	% Change in the Value of Transactions (\$) Between 2019-2020
Money Transfer Transactions	23%	15%
Large Cash Deposits	23%	-71%
Cambio Transactions	-22%	-2%
Gold Dealer Transactions	34%	41%
OTHER CATEGORIES OF THRESHOLD TRANSACTIONS (4.9% of Total Transactions)		
Betting Shop	119%	-97%
Credit Union	-43%	5%
Insurance	43%	-1%
Used Car Dealers	-30%	-19%
Securities	37%	3%
Pawnbrokers	46%	205%
International Travelers	-67%	-45%
Lottery	-40%	-56%
Dealers in Precious Minerals & Stones	-33%	-99.9%
Casino	-99.9%	-65%
Real Estate	-100%	-100%
OVERALL NET CHANGE	19.24	-21.6

There were significant increases and decreases in the number and value of transactions in other threshold categories relative to the previous year. These movements were insignificant in the overall context because the entire group only accounted for four-point nine percent (4.9%) of the total number and one percent (1.0%) of the total value of threshold transactions. In each of the past four years the **four main categories** of threshold transactions accounted for more than ninety five percent (95%) of the total number and ninety seven percent (97%) of the total value of all threshold transactions.

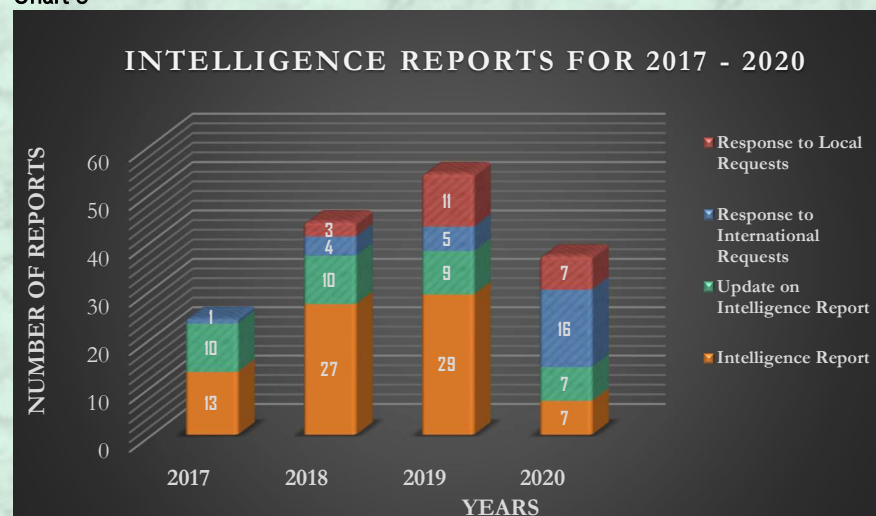
Intelligence Report Dissemination

The dissemination of Intelligence Reports (IR) is one of the primary means by which the FIU discharges its mandate. Intelligence reports are usually triggered by any of the following:

- Suspicious Transaction/Activity Reports (STR), events (i.e., negative news) or disclosures,
- Requests for information by local LEA,
- Requests for information received from a foreign FIU,
- Initial or additional discovery made by the FIU from information in its database.

As indicated above, Intelligence Reports disseminated locally are usually provided to the GPF-SOCU, which is the key LEA responsible for investigating money laundering and terrorist financing offences in Guyana. From time-to-time, the FIU may also share intelligence with other LEAs if, during its' intelligence gathering operations, other offences which are usually investigated by those other LEAs, are discovered. To support ongoing investigations, updates to Intelligence Report (UPDATIR) are periodically provided when additional information is uncovered. The following chart provides an illustration of intelligence reports disseminated for the period 2017-2020.

Chart 8



Between 2017 and 2019 more than seventy percent (70%) of all intelligence reports disseminated were new IRs and Update on IRs. In 2020 IR and Updates to IRs accounted for only thirty eight percent (38%) of all intelligence reports disseminated by the FIU. Reports in response to **REQUESTS** from Local and International *LEA counterparts* were nineteen percent (19% - 7 reports), and forty-three percent (43% - 16 reports) respectively. The drastic reduction in intelligence reports resulted mostly from the impact caused on operations of REs and the FIU due to the Covid-19 Pandemic.

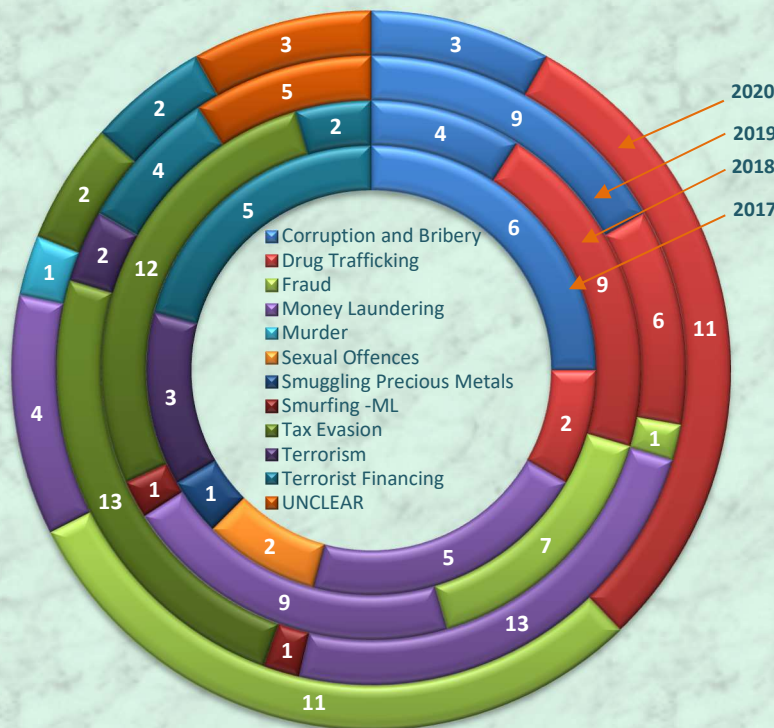
Predicate/ Serious Offences

Intelligence reports are usually disseminated to LEAs to initiate investigations into money laundering and various associated predicate/ Serious offences. The prevalence of various predicate offences varies from period to period.

The number of intelligence reports disseminated based on suspected *Fraud* and *Drug Trafficking* increased in 2020 compared with previous years, even though the overall number of reports disseminated in 2020 was less when compared with the previous two years. Approximately thirty percent (30%) of all intelligence reports for 2020 were based on Drug Trafficking offences; this is the highest proportion of narcotics related intelligence reports disseminated for the past four years. The incidence of fraud relating to *Romance, Package Delivery and Ponzi Schemes* also increased dramatically during the period of national lockdown for the Covid19 pandemic, as usage of the internet and social media supposedly increased over previous years.

The chart below provides an overview of the categories of offences on which the reports for 2017 to 2020 were based.

Chart 9 - Main offence identified in each intelligence report for 2017-2020

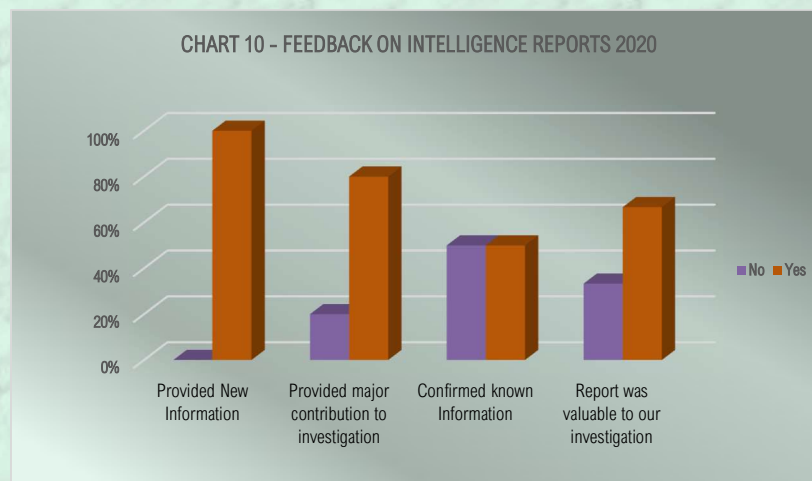


The GPF-SOCU received twenty-one (21) of the thirty-seven (37) reports disseminated by the FIU in 2020; the other reports were disseminated to foreign counterparts. Additional information on reports disseminated to foreign counterparts is provided under *international cooperation*.

Feedback on Intelligence Products

Feedback on the FIU's intelligence products is an essential component of the quality control process which helps to determine the adequacy and effectiveness of this critical aspect of the FIU's AMLCFT efforts. Recipients of intelligence information are requested and expected to provide structured feedback on the quality, relevance, and timeliness of the intelligence reports disseminated by the FIU. The Unit provides a Feedback Form which is expected to be completed and returned to the FIU based on the intelligence provided. Only some of the Feedback Forms were returned when compared to the number of reports disseminated in 2020.

Feedback Forms received were mostly positive as depicted in the chart below.



Most recipients of intelligence reports indicated that the analysis was the most useful aspect of the reports received. Despite there being a limited number of responses received, the feedback is useful to the FIU, to improve the quality of intelligence reports going forward.

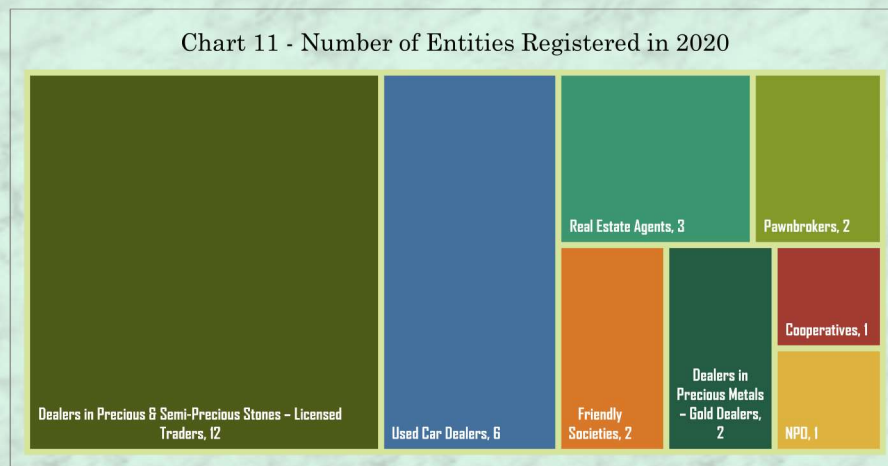
AMLCFT Training and Outreach for Reporting Entities

Due to the challenges associated with the Covid-19 pandemic, and the resulting inability to engage directly with stakeholders, the FIU was only able to deliver three (3) training sessions for reporting entities on their AML/CFT obligations. Two (2) Dealers in Precious Metals (Gold Dealers) and one Betting Shop benefitted from these sessions.

Registration of Reporting Entities

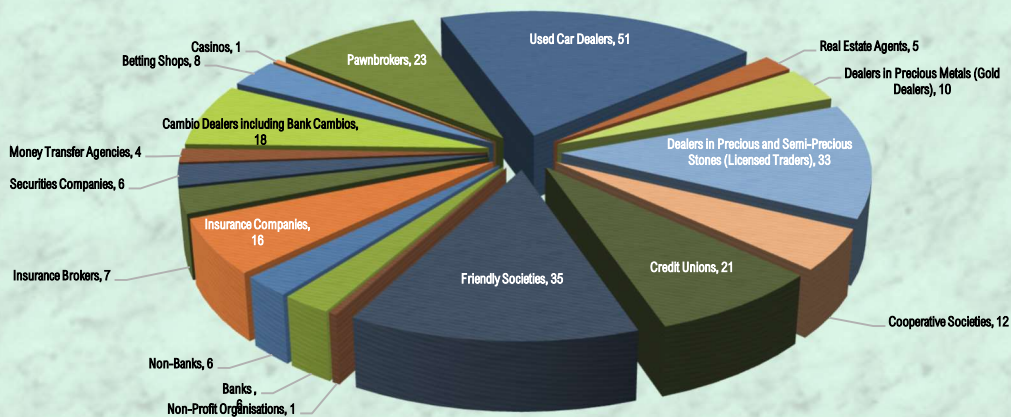
Categories of Entities Registered in 2020.

The FIU registered a total of twenty-nine (29) new reporting entities during 2020. The chart below provides a view of entities registered in the various categories in 2020:



The total number of reporting entities registered as at the end of 2020 is two hundred and sixty-three (263). The chart below provides a breakdown of the total entities on register at the end of 2020:

Chart 12 - Total REs registered as at December 31st 2020



Circulars/Advisories/Notices/Publications

In keeping with its mandate to educate the public on matters relating to money laundering and terrorist financing and to advise reporting entities of weaknesses in the AML/CFT systems of other countries, the FIU issued seven (7) Circulars during 2020. These Circulars were in relation to:

- a) FATF's Blacklist and Grey List published by the FATF following its Plenary and Working Group meetings held in February and October 2020.
- b) The CFATF Public Statements issued in July 2020 and December 2020 relating to Jurisdiction with strategic Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT) deficiencies that have made progress in addressing the deficiencies, and Jurisdiction exiting the CFATF's Third Round of Mutual Evaluations respectively.
- c) The emerging ML/TF Threats and Vulnerabilities linked to the Covid-19 Pandemic.

The FIU also published one (1) Guideline and one (1) Typology.

The **Guideline** provided guidance and procedures for reporting entities to submit their statutory reports and other communication to the FIU using a secure electronic reporting portal 'CaseKonnnect'. CaseKonnnect was launched in 2019.

The **typology** focused on Package Delivery Scams and highlighted a growing trend of persons depositing funds into accounts of third parties, hardly known to them and stating that the deposits are "fees for clearing packages".

The FIU collaborated with the Bank of Guyana and the Guyana Securities Council and issued a joint public advisory regarding Pyramid Schemes, also referred to as Ponzi Schemes.

Typologies

Another key function of the FIU is conducting research into trends and developments associated with money laundering and terrorist financing to inform reporting entities and the public and create awareness. The FIU completed one (1) typology in 2020. The typologies sought to highlight the modus operandi of fraudsters using social media to deceive and defraud people. The below typology as well as a recurring typology are available on the FIU website fiu.gov.gy.

Package Delivery Fraud Typology/ BOX HAND (2020)

Analysis of information received from licensed financial institutions reveals a growing trend of persons depositing funds into accounts of third parties, not known or hardly known to them. In most instances, the purpose of the deposit is stated as 'fees for clearing packages consigned to the depositor'. In other cases, it's indicated that the funds were for 'family assistance' or 'Payment for Box-Hand'.

Acquaintances are reported to have been established through communication on social media platforms such as Facebook and WhatsApp, by random telephone calls and through social engineering.

Some subjects were promised special assistance to relieve hardship caused by the COVID – 19 Pandemic and therefore completed and submitted documents (such as forms) containing their personal information, to questionable sites/domains.

The scammer persuades victims to send them money or deposit it their account to cover fictitious Brokerage Fees, Customs Duties and/or Shipping Charges for package(s) containing valuable items which is about to be shipped to the victim or has to be cleared at customs.

The victim is sometimes persuaded to provide false information to the MTA concerning the purpose of the transaction, to ensure the transaction is not delayed, flagged or to cause the MTA to file a Suspicious transaction report. The MTAs appear to be aware of the 'package delivery scam' and have been flagging transfers which purpose is to clear packages.

A few persons attempted to reclaim the funds they deposited upon realizing they have been scammed. It was however observed that the funds were immediately withdrawn from the account by the scammer/s after which they discontinued all contact and communication with the victim.

With respect to persons who made deposits and claimed they were for box-hand payments, the banks recognized that none of the persons who made deposits received payouts, as is the custom in box-hand arrangements

STRUCTURING TRANSACTIONS (2019)

Reporting entity observed multiple cases of persons transferring money to multiple individuals, in a structured manner, to high-risk jurisdictions. Often, multiple transactions are completed on the same day by the same individual. It was also observed that some subjects re-send money immediately after receiving a transfer themselves. In many instances subjects could not demonstrate any level of acquaintance with the intended recipient which led authorities to believe that subjects were acting on behalf of a third party. The funds are suspected to be related to the following illegal activities:

1. Trafficking in Persons
2. Illegal Mining
3. Mail and credit card fraud

The subjects are recruited by individuals connected to the network of persons carrying out the illegal activities and may be paid small sums to perform transactions on their behalf. The recruiters target persons in communities that are of lower economic status. Subjects are quickly replaced as soon as the reporting entity becomes suspicious; that is, if the reporting entity request more CDD information. Recruiters attempted to spread their recruiting exercise across a large geographic area but despite their efforts, patterns have emerged in the analysis showing clusters of activity in each community targeted.

FIU prepared an analysis of 80 STRs received from this reporting sector and concluded that the likelihood of illegal activities associated with the flow of money in the observed network of approximately 490 persons to be strong. A detailed report was provided to the Special Organized Crime Unit (SOCU) for further investigation. This activity continues to be reported by reporting entities in 2020 and have been under investigation by the responsible LEA.

This activity was again observed in 2020

United Nations Consolidated List and Updates

The FIU, in keeping with its obligation to inform reporting entities about updates to the United Nations Consolidated List continued to monitor updates by the UN and inform reporting entities accordingly. During 2020 the reporting entities received updates through their respective supervisory authorities, of twelve (12) additions, thirty (30) removals and one hundred and eighteen (118) amendments to the UN Consolidated List. Reporting entities continued to be vigilant and submitted statutory quarterly terrorist property reports indicating they have not dealt with persons or entities listed on the UN Consolidated List.

Financial Action Task Force

The Financial Action Task Force (FATF) is the recognized standard bearer for the regulation of money laundering and terrorist financing worldwide. It is an inter-governmental body that sets international standards that aim to prevent illegal activities and promote effective implementation of legal and regulatory frameworks, and preventative measures to combat money laundering, terrorist financing and the financing of proliferation, and other related threats to the integrity of the international financial system.

The FATF developed the FATF Recommendations, or FATF Standards, which aims to ensure a coordinated global response to money laundering, terrorism financing as well as the financing of proliferation of weapons of mass destruction.

The FATF Recommendations “FATF Standards” and Methodology

The FATF Recommendations set out a comprehensive and consistent framework of measures which countries should implement to counter money laundering, terrorist financing and financing the proliferation of weapons of mass destruction. These measures include:

- AML/CFT Policies and Coordination
- Money Laundering and Confiscation
- Terrorist Financing and Financing of Proliferation
- Preventative Measures
- Transparency and Beneficial Ownership of Legal Persons and Arrangements
- Powers and Responsibilities of Competent Authorities and Other Institutional Measures
- International Cooperation

The FATF Methodology on the other hand provides the basis for understanding assessments of technical compliance with the FATF Recommendations, and for reviewing the level of effectiveness of a country's AML/CFT system. It comprises two components (Technical Compliance and Effectiveness).

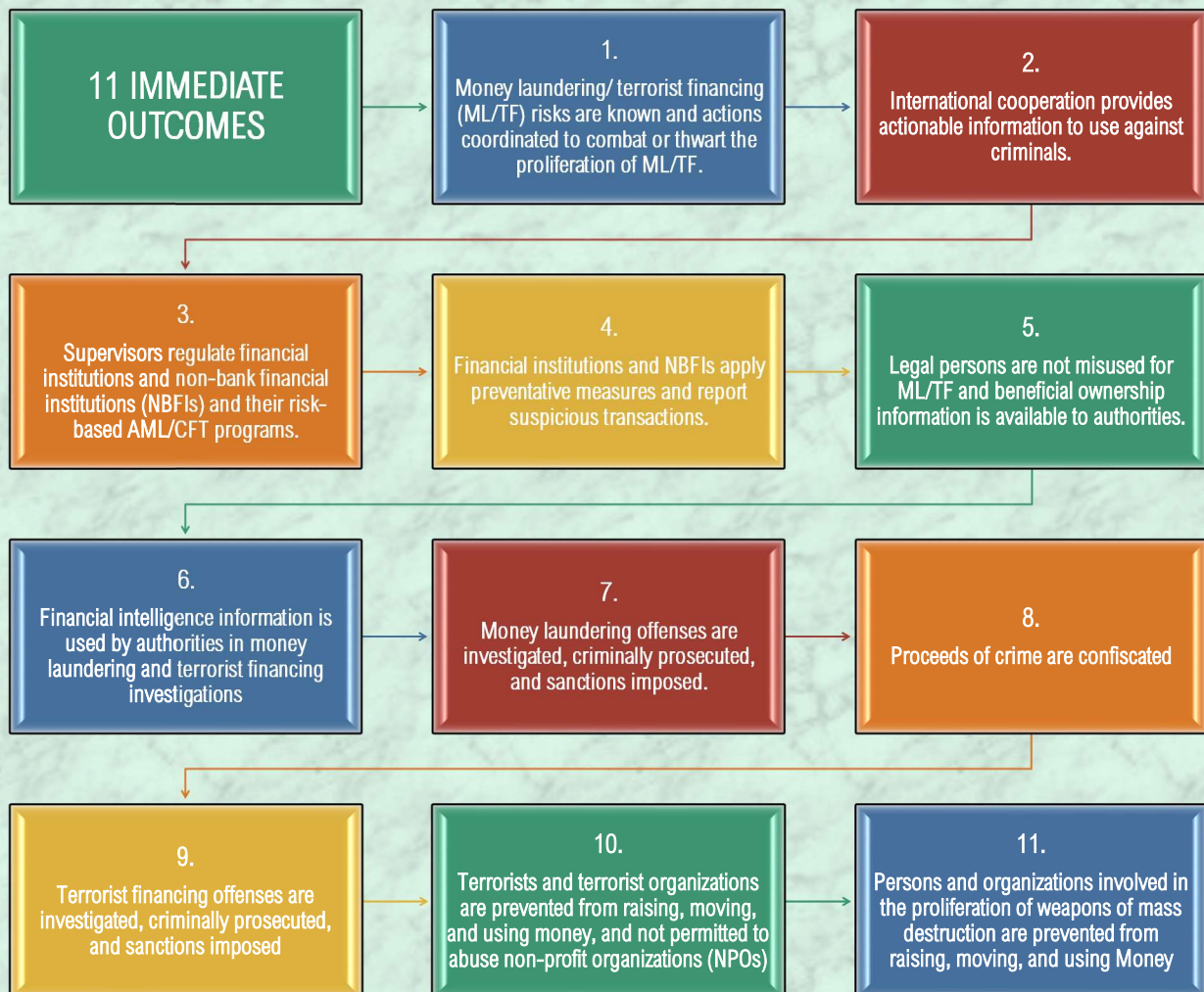
Technical Compliance Assessment evaluates the specific requirements of the FATF Recommendations, including how a member relates them to its relevant legal and institutional framework, and the powers and procedures of its competent authorities. The focus is on the fundamental building blocks of an AML/CFT system.

For each Recommendation, assessors reach a conclusion about whether a country complies with the FATF standard. The result may fall within any of the five possible levels of technical compliance below:



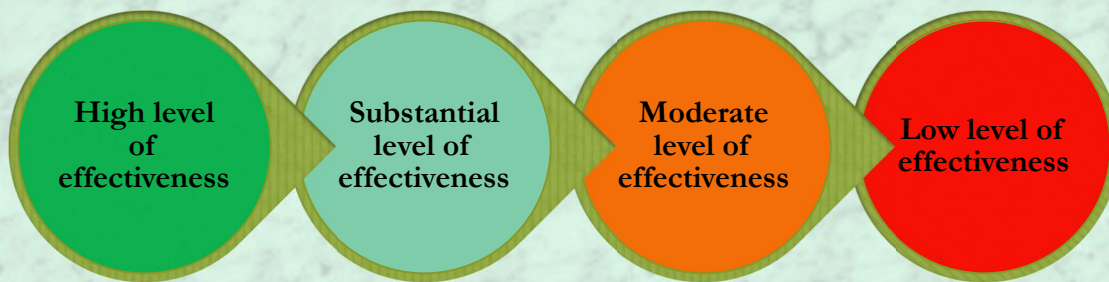
Effectiveness Assessment seeks to assess the adequacy of a members’ implementation of the FATF Recommendations and identifies the extent to which a member achieves a defined set of outcomes that are central to a robust AML/CFT system. The focus is on the extent to which the legal and institutional framework of the member is producing the expected results.

For the purposes of the 2013 Methodology, FATF defines effectiveness as “the extent to which the defined outcomes are achieved.” Effectiveness is evaluated on the basis of the following, referred to as the **11 Immediate Outcomes**:



For each Immediate Outcome, assessors reach a conclusion as to the extent to which a country is (or is not) effective and provide an effectiveness rating based on the extent to which the core issues and characteristics are addressed.

The Possible effective ratings are as follows:



FATF Recommendation (relating to FIUs)

FATF Recommendation 29

The FATF Recommendation 29 requires countries to establish a FIU that serves as a national center for the receipt and analysis of reports and information relevant to money laundering, associated predicate offences and terrorism financing, and for the dissemination of the results of its analysis to the relevant competent authority.

It also requires that the FIU:

- be able to obtain additional information from reporting entities and have timely access to financial, administrative and law enforcement information to effectively carry out its functions.
- be operationally independent and autonomous; and
- should apply for and aggressively pursue membership in the Egmont Group.

Immediate Outcome 6 seeks to ensure that financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations.

What are the characteristics of an effective system?

Available resources should be used by the relevant competent authorities to conduct financial operational and strategic analysis and investigations, including the identification/ tracing of assets, pursuit of prosecution and conviction of the perpetrators of these crimes where identified, and the forfeiture of confiscation of the proceeds of the crimes.

Key to an effective system is the ability of the competent authorities to investigate money laundering, associated predicate offences and terrorist financing, based on financial intelligence and other relevant, reliable, accurate, and up-to-date information.

National Risk Assessment

Guyana's second National Risk Assessment (NRA) exercise which commenced in November 2019 is now expected to conclude by the end of the second quarter in 2021. This is due to the challenges the working group members encountered due to the Covid19 pandemic.

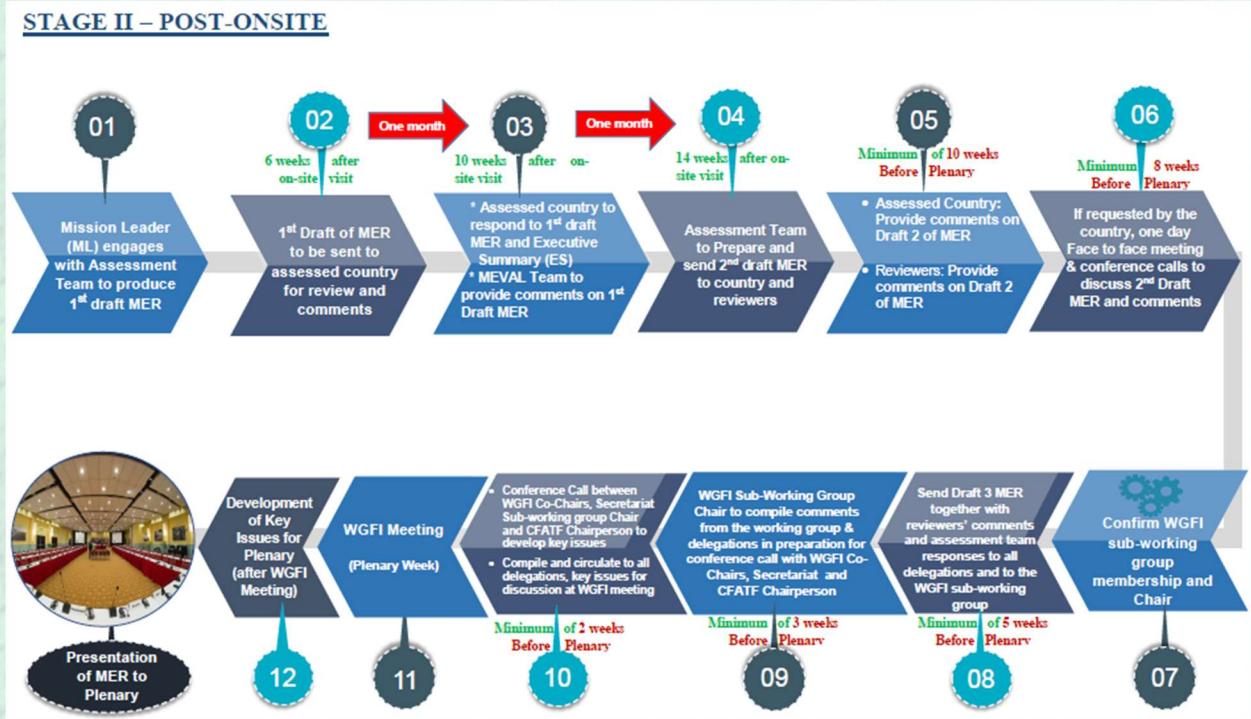
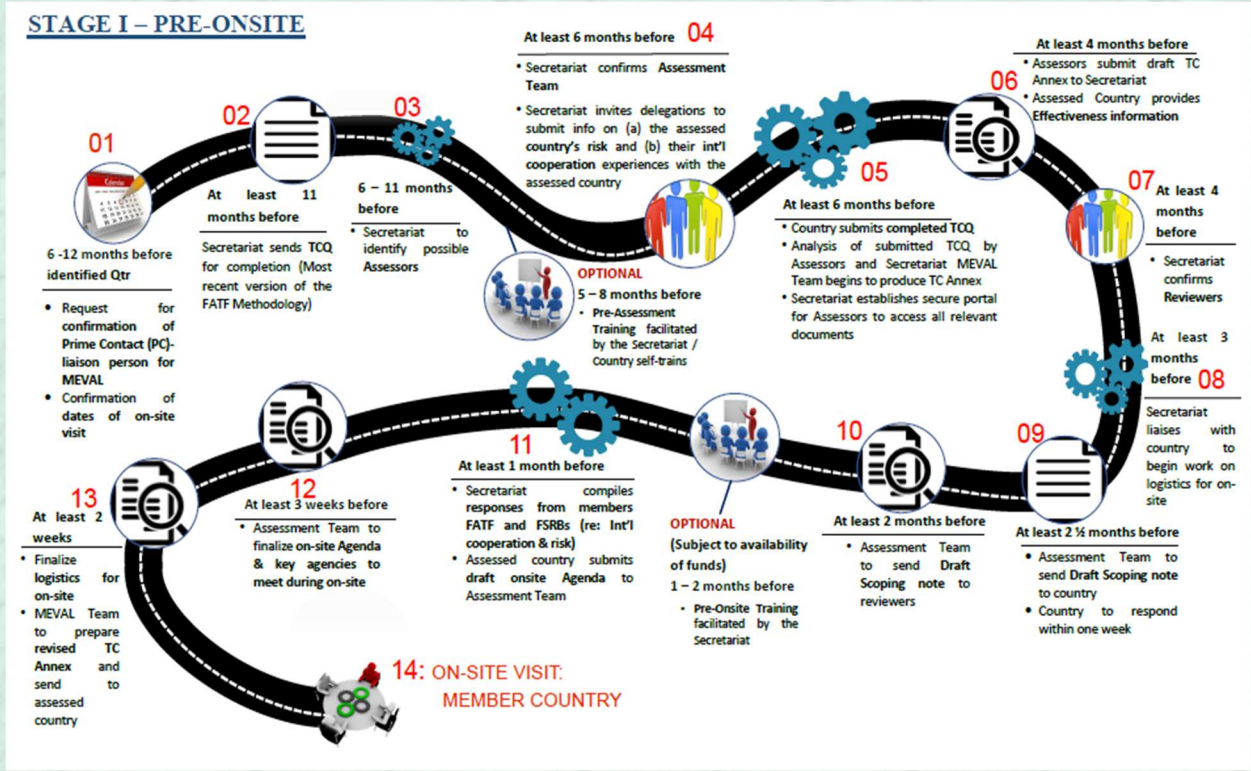
The staff of the FIU continues to actively participate in the completion of the NRA exercise. Eight (8) employees of the FIU are members of the 73 member NRA working group. This includes the NRA Coordinator and three (out of 8) team leaders.

During 2020 the World Bank team assigned to assist Guyana reviewed the working group's draft report and provided valuable feedback and comments to enhance the NRA Report and Risk Based Action Plan. To mark the end of the NRA exercise, a final workshop will be held virtually at which the key findings and recommendation of the NRA exercise will be presented to Guyana's policy makers and the heads of the various government organizations represented on the working group. The AML/CFT/PF National Coordination Committee will then be responsible for dissemination of the NRA Report and Risk Based Action Plan to relevant agencies and monitor implementation of required actions.

CFATF Fourth Round Mutual Evaluation Process

The CFATF is conducting a fourth round of Mutual Evaluations (ME) for its members based on the FATF Recommendations (2012), and the Methodology for assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (2013), as amended from time to time. This process commenced in 2016 and is expected to conclude by the end of 2026. To date 10 CFATF member jurisdictions have completed the CFATF fourth round ME and are in various stages of the follow-up process.

A country's mutual evaluation is conducted in two stages, Stage I - the pre-onsite and Stage II - the onsite stages. The following diagrams depict these stages:

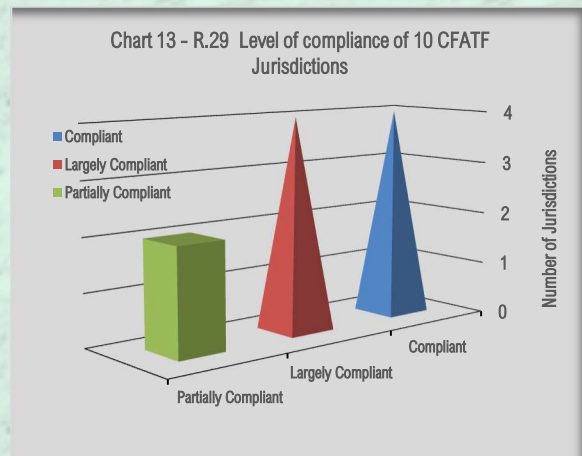


How CFATF jurisdictions performed under the 4th round mutual evaluation

Ten (10) CFATF jurisdictions were assessed under the 4th Round between January 2016 and December 2020.

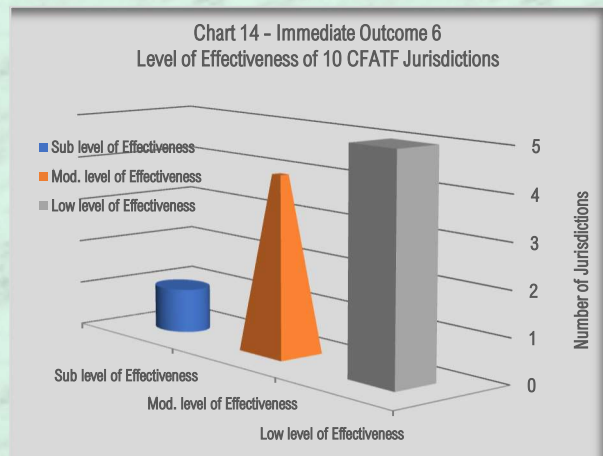
In terms of Recommendation 29

- 4 - jurisdictions were rated compliant,
- 4 - largely compliant, and
- 2 - partially compliant.



In terms of IO6 - Effectiveness

- 1 - jurisdiction had a substantial level of effectiveness,
- 4 - moderate level of effectiveness, and
- 5 - low level of effectiveness.



When will Guyana be evaluated?

Guyana's 4th round evaluation is scheduled to commence in the 4th quarter of 2024.

National Implications of non-compliance with FATF Standards

Although the FATF does not directly sanction jurisdictions that does not maintain adequate AML controls or are not cooperating in the global AML/CFT efforts, the body "names and shames" non-compliant jurisdictions. A non-compliant jurisdiction is included on the FATF **Grey List**² or **Blacklist**³, depending on the nature and degree of its non-compliance.

Being listed on the FATF Grey List or Blacklist could have negative consequences for a country such as:

- De-Risking (Loss of correspondent banking relationships).
- Increased Cost or inability to complete cross border transactions (Forex Drafts and wire transfers).
- Drastic reduction in the Ease-of-doing business.

² Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring.

³ High-risk jurisdictions that have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country.

CFATF Plenary and Working Group Meetings

CFATF's Plenary and Working Group meetings which are held semi-annually allow for discussions on matters of common interest to Members as well as progress in addressing deficiencies identified in their Mutual Evaluation Report.

The FIU attended the CFATF's Plenary and Working Group meetings held virtually, between November 20th and December 11th 2020, as part of Guyana's delegation.

Significant outcomes from the Plenary include the following:

- The approval of the appointment of the Director of The Bahamas' FIU as the incoming chairman of the CFATF;
- The extension of the Financial Flows from Human Trafficking and the Smuggling of Migrants project, by one Plenary cycle, to May 2021;
- The adoption of the 2020 Money Laundering and Terrorist Financing cases update for publication on the CFATF's website as a public document; and
- The amendments to the CFATF Procedures for the 4th Round of Mutual Evaluations. The approved amendments comprise broad categories, namely (i) enhancements to allow for clarity and better flow; (ii) processes; (iii) timelines; (iv) reliance on MER precedents; and (v) formalizing practices. The amendments resulted from FATF's observations and recommendations arising from a holistic review of the Mutual Evaluation Procedures of the FATF and FATF Style Regional Bodies (FSRBs) to determine their compliance with the Consolidated Processes and Procedures for Mutual Evaluations and Follow-Up (Universal Procedures).

Guyana's Egmont Membership Application

The Egmont Group is a united body of **167 Financial Intelligence Units (FIUs)**. The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF). FATF's Recommendation 29 requires countries to ensure that their respective FIUs become a member of the Egmont Group. Membership mandates adherence to Egmont's Statement of Purpose and Principles for Information Exchange between FIUs. These instruments guide FIUs concerning their roles and functions, and the way information is expected to be exchanged or shared.

The FIU Guyana made its first application for membership to the Egmont Group of FIUs in 2012. Following its successful exit from the FATF and CFATF follow-up processes in November 2016, Guyana was allowed to resume its Egmont Group membership application process. In December 2018 FIU Trinidad and Tobago and FIU British Virgin Islands agreed to sponsor FIU' Guyana application, which is a requirement of the Egmont Group. The application process remains active and under review. The Guyana FIU and other relevant local stakeholders continues to work closely with our sponsors and the Egmont Secretariat to ensure we meet the requirements and standards to have our application approved soonest.

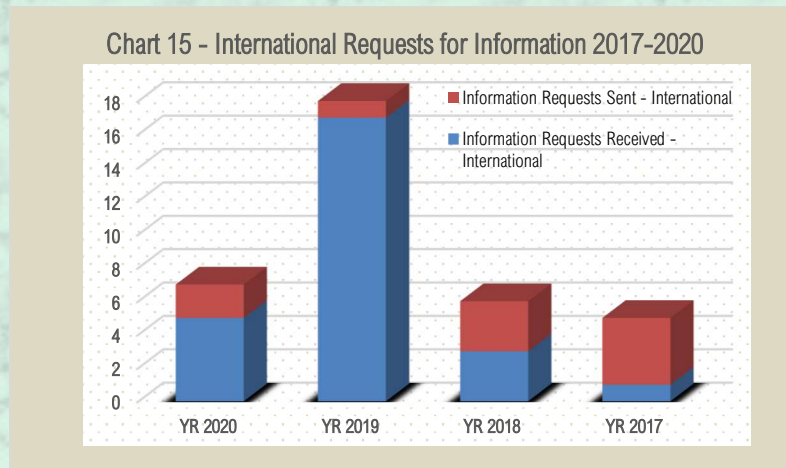
International Cooperation

Money laundering continues to be a global problem as criminals seek to move illicit funds across international borders to evade the efforts of law enforcement agencies whose goal is to prosecute the criminals and recover the proceeds from their crimes. Sharing information among FIUs and other LEAs internationally is therefore vital to counter the actions of criminals including money launderers.

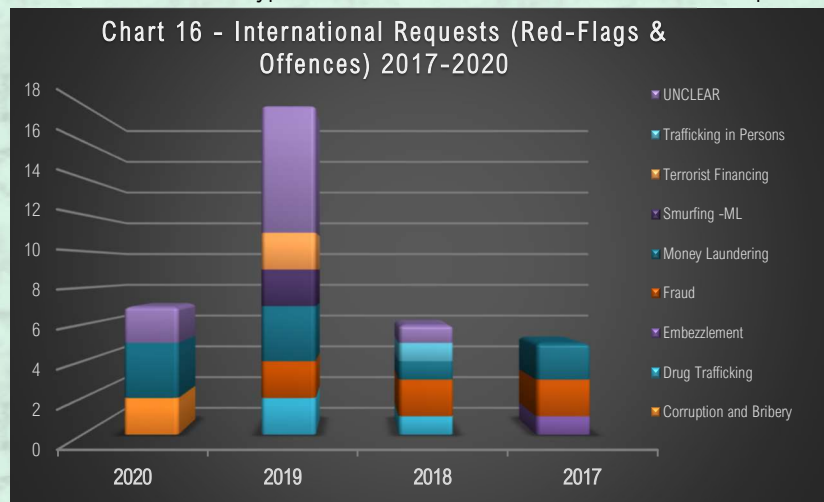
Section 13 of the AMLCFT Act 2009 as amended, empowers the FIU to share information with institutions or agencies of a foreign state relevant to the investigating or prosecuting a serious offence or a money laundering or terrorist financing offence. The EGMONT group of FIUs facilitates the secure transmission of information between FIUs worldwide. The Guyana FIU is not yet a member of EGMONT but has entered into several MOUs with other FIUs in the region to facilitate the sharing of information. Information is usually shared based on **requests** made by one FIU to another or by **spontaneous disclosure**.

Requests for Information

Fewer requests were received from, but more sent to foreign FIUs in 2020 compared to 2019.



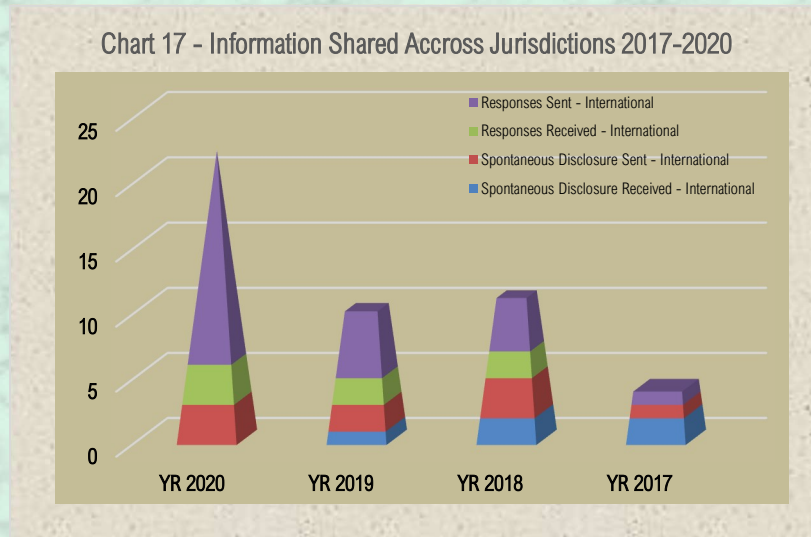
The requests were based on a range of offences and red flags, the most prominent of which being “Money Laundering.” The chart below gives an indication of the types of offences and activities that resulted in requests for information by FIUs.



Responses to Requests

The FIU intensified its' international cooperation efforts in 2020 by disseminating more responses to international requests for information in 2020 than in the previous three years combined. The FIU also continued to share information spontaneously to ensure the activities of criminal groups are disrupted across international borders. In addition to its' traditional partners in the Caribbean the FIU also received information support from FIUs in the wider Latin American region.

The following chart provides an overview of information movement between international partners.

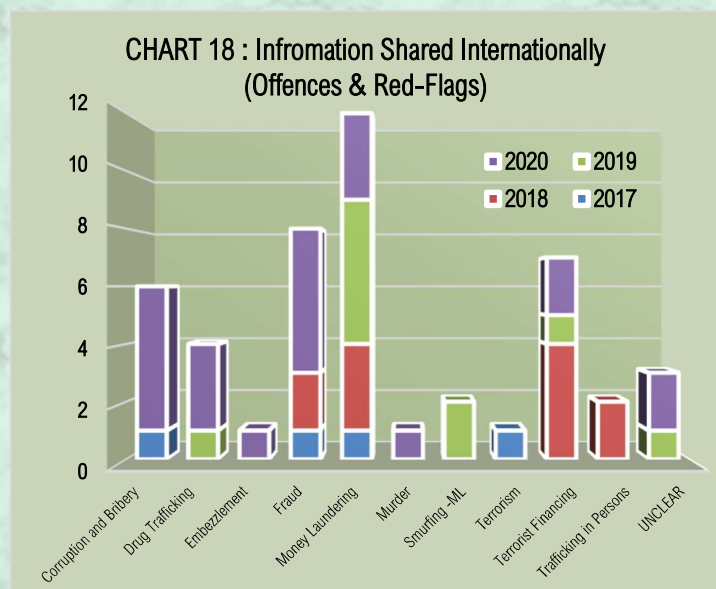


Offences and Red Flags associated with International Exchanges of Information

Suspected or actual criminal offences as well as red flags are mostly the reasons for sharing information among FIUs. The offences and red flags that resulted in information exchange are depicted in **Chart 18**.

Corruption & Bribery, Drug Trafficking, Fraud, Money Laundering and Terrorist Financing were the main offences that resulted in exchange of information in 2020.

Money laundering, Corruption & Bribery and Fraud were responsible for over 55% of all information exchanged for the past four years and for 62% (13/21) in 2020.

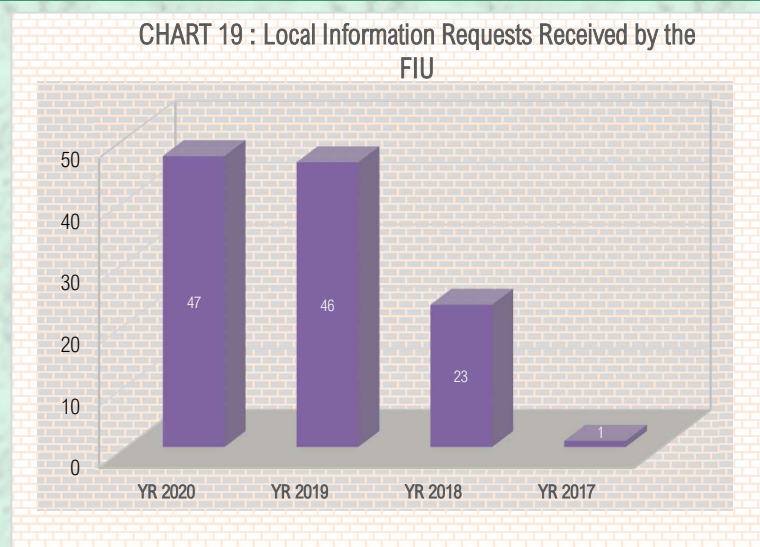


Memorandum of Understanding (MOU)

The FIU signed an MOU with CANU on January 22, 2020, concerning cooperation in the exchange of information related to money laundering, financing of terrorism and related crimes.

Domestic Cooperation

Cooperation and collaboration between local LEAs and competent authorities is indispensable in the fight against money laundering. The Act empowers the FIU to request and receive information from any reporting entity, supervisory agency, LEA, telecommunication provider and any other competent authority. These provisions are designed to ensure effective information exchange and cooperation domestically. The SOCU is the principal organization established to investigate Money Laundering and Terrorist Financing and therefore works closely with the FIU on ML issues. In 2020 the SOCU made the highest number of requests from the FIU since its establishment. Chart-19 gives an overview of requests received by the FIU for the period 2017-2020. Corruption & bribery and trafficking in narcotic drugs accounted for fifty-one percent (51%) of all requests received by the FIU.



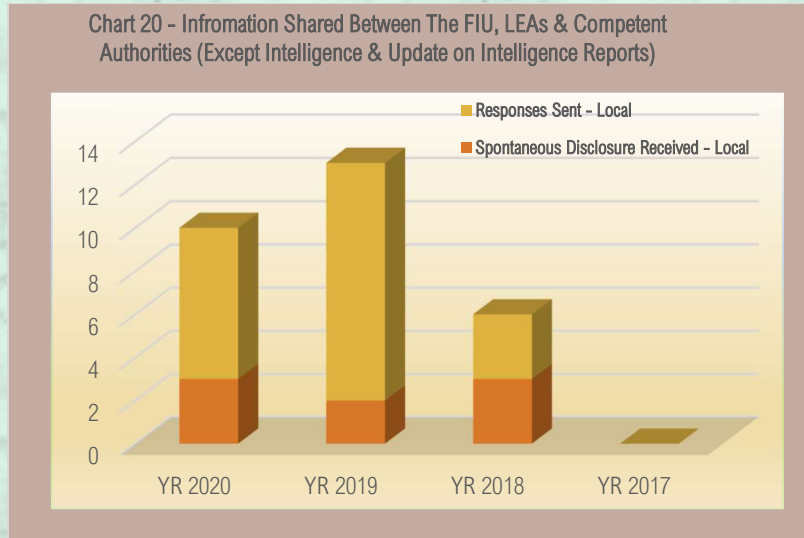
In practice the FIU requests information from reporting entities to assist in the intelligence gathering process. The number of requests made to reporting entities during 2020 was significantly less than the number of requests made in 2019. This was partly because of reduced operations countrywide following the pandemic and due to the streamlining of the FIU internal data collection and storage capability. The average time taken to respond to requests increased during the pandemic. The percentage of responses received also decreased by 13% points to 84% compared to 2019 (97%).

Table 2

YEAR	NUMBER OF REQUESTS MADE	NUMBER OF RESPONSES RECEIVED	PERCENTAGE OF RESPONSES RECEIVED
2019	663	641	97%
2020	287	240	84%

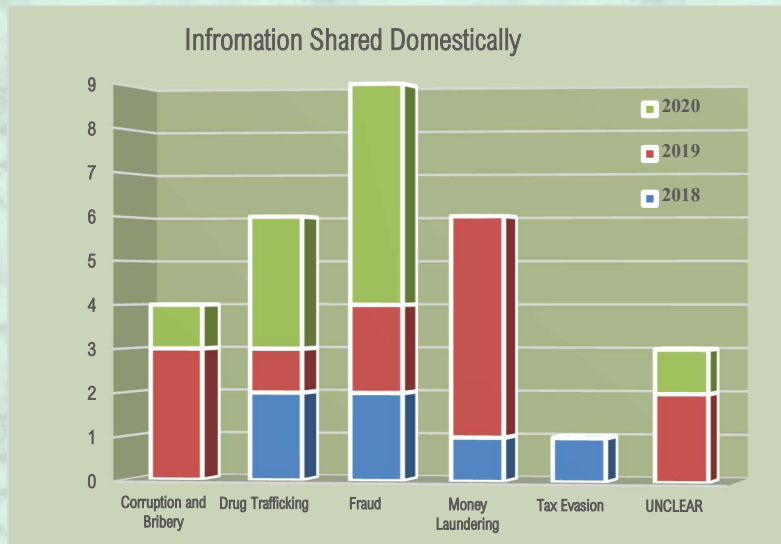
Other domestic LEAs and competent authorities also from time to time make spontaneous disclosures to the FIU if they believe the information being shared will assist in a ML or TF investigation. The FIU received a higher number of disclosures but disseminated fewer responses to requests from domestic agencies in 2020 than it did in 2019. The fall in productivity is partly attributed to the Covid-19 pandemic which affected timely access to closed source information from

reporting entities. **Chart 20** below gives an overview of the information shared between the FIU and local Competent Authorities between 2017 & 2020.



Drug Trafficking and Fraud were responsible for most of the information exchanges between the FIU and other LEAs. This exchange of information does not include Intelligence Reports and Update on Intelligence Reports which were discussed earlier.

Chart 21 - Offences and Red Flags Associated with Domestic Exchanges of Information



FIU's Outlook for 2021

Continue to -

- Develop effective intelligence reports for dissemination with local law enforcement and international stakeholders.
- Vigorously pursue Guyana's FIU Egmont Membership Application.
- Seek to establish MOUs with a wider range of foreign FIUs.
- Plan and execute AML/CFT training for reporting entities and develop public awareness programmes for public and other key stakeholders.
- Formulate and/or update the AML/CFT Guidelines to be issued in keeping with amendments made to the AML/CFT legislation.
- Develop procedures/ adopt international best practices relating to the submission of de-listing requests to the relevant UN Security Council Sanctions Committee in case of designated persons or entities that, do not or no longer meet the criteria for designation.
- Attend and participate at the CFATF's Plenary and Working Group meetings and contribute to the work of the CFATF by providing feedback and comments on publications and ML/TF case updates.
- Develop the units' information technology capacity.
- Work at improving the quality and quantity of intelligence reports, typologies, and trend analysis.
- Improve database management and case management systems.
- Actively participate and contribute to all AMLCFT national efforts, including, NRA exercises, national action plan and strategy and/or all related tasks coordinated by the AMLCFT & PF National Coordination Committee.

APPENDIX – FINANCIAL & AUDIT REPORTS



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

252/OA:25/2/2021

27 May 2021

Mr. Matthew Langevine
Director
Financial Intelligence Unit
Ministry of Finance Compound
Main & Urquhart Streets
Georgetown.

Dear Mr. Langevine,

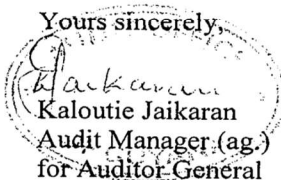
AUDIT OF THE STATEMENT OF RECEIPTS AND EXPENDITURES
OF THE FINANCIAL INTELLIGENCE UNIT
FOR THE YEAR ENDED 31 DECEMBER 2020

We wish to inform you that the above mentioned audit has been completed. Accordingly, we are pleased to forward two copies of the audited Statement of Receipts and Expenditures, together with the report of the Auditor General and the Management Letter, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With kind regards.

Yours sincerely,


Kaloutie Jaikaran
Audit Manager (ag.)
for Auditor General

Audit Opinion



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

AG:55/2021

27 May 2021

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE FINANCIAL INTELLIGENCE UNIT
ON THE STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

I have audited the Statement of Receipts and Expenditures of the Financial Intelligence Unit (FIU) for the year ended 31 December 2020, and notes to the financial statement, including a summary of significant accounting policies.

In my opinion, the Statement of Receipts and Expenditures presents fairly, in all material respects, the receipts and expenditures of the Financial Intelligence Unit for the year ended 31 December 2020, in accordance with Generally Accepted Accounting Principles (GAAPs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am independent of the Unit in accordance with the ethical requirements that are relevant to my audit of the financial statement in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with GAAPs, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Unit's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of auditor's report. However, future events or conditions may cause the Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Statement of Receipts and Expenditures


FINANCIAL INTELLIGENCE UNIT

STATEMENT OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2020

PARTICULARS	NOTES	2020 G\$	2019 G\$
<u>RECEIPTS</u>			
Government of Guyana	4	123,659,420	117,929,790
<u>EXPENDITURE</u>			
Capital Expenditure			-
Employment Cost	5	97,064,025	90,493,992
Office Materials and Supplies	6	1,443,652	1,591,908
		707,731	531,158
Vehicle expenses (Fuel, Lubricants, Repairs and Maintenance	7		
Repairs & Maintenance (Building and Equipment)	8	4,108,884	4,969,960
Telephone and Internet Charges	9	905,969	923,626
Cleaning and Sanitation	10	-	33,084
Subsidies and Contributions to International Organisations	11	14,386,682	12,080,099
Training & Professional Services	12	-	5,959,688
Others	13	5,042,477	1,346,275
Meetings and Conferences		-	-
TOTAL EXPENDITURE		123,659,420	117,929,790

Approved for Issuance on May 27, 2021 by:



MATTHEW LANGEVINE
DIRECTOR



SURENDRA L. BOODHOO
ACCOUNTANT

The accompanying notes form an integral part of this Statement.

Financial Intelligence Unit

Notes to the Drafted Financial Statement **For the year ended 31 December 2020**

1. Background

The Financial Intelligence Unit (FIU) of Guyana is an autonomous body responsible for requesting, receiving, analyzing and dissemination of suspicious transaction reports and other information relating to money laundering, terrorist financing or the proceeds of crime. It was established and operates within the ambit of the Anti- Money laundering and Countering the Financing of Terrorist Act Cap. 10:11 (AMLCFT Act No.13 2009) as amended by the AMLCFT (Amendment) Act No.17 of 2018.

2. Key functions of the Financial Intelligence Unit

The Financial Intelligence Unit's establishment is governed by Section 9 of the AMLCFT Act and is an agency responsible for requesting, receiving, analyzing and dissemination of suspicious transaction reports and other information relating to money laundering, terrorist financing or the proceeds of crime.

- The Financial Intelligence Unit compiles reports for competent and law enforcement authorities if there are reasonable grounds to suspect that transactions involve money laundering, proceeds of crime or terrorist financing.
- Extends legal assistance to foreign jurisdictions with respect to production orders property tracking, monitoring, and forfeiture or confiscation orders.
- Requests and receives information from any reporting entity, any supervisory agency and any law enforcement agency, any other competent authority in Guyana or elsewhere for purposes of the AMLCFT Legislation.
- May enter into any agreement or arrangements with any Intentional or domestic government institution or agency regarding the exchange of information.

3. Basis of Accounting

The cash basis was used in the preparation of the financial statement for FIU.

4. Receipts from Government of Guyana

Current 2019

Allocation of \$145,094,000 was approved in the 2019 Budget to finance the re-current expenditure of the FIU. The total amount expended for 2019 was \$117,929,790.

Capital 2019

There was no approved Budget in 2019 to finance capital expenditure for the FIU.

Current 2020

Allocation of \$144,846,000 was approved in the 2020 Budget to finance the re-current expenditure of the FIU. The total amount expended for 2020 was \$123,659,420.

Capital 2020

There was no approved Budget in 2020 to finance capital expenditure for the FIU.

5. Employment Cost

Description	Amount 2020 \$	Amount 2019 \$
Gross salaries, gratuity, and vacation allowances for twelve (12) employees	97,064,025	90,493,992
Total	97,064,025	90,439,992

6. Office Materials and Supplies

Description	Amount 2020 \$	Amount 2019 \$
Stationery, printing of business cards and letter heads and other office materials	1,443,652	1,591,908
Total	1,443,652	1,591,908

7. Vehicle Expenses (Fuel, Lubricants, Repairs & Maintenance)

Description	Amount 2020 \$	Amount 2019 \$
Fuel and lubricants for 2005 Toyota Hilux & 2017 Honda CRV	258,189	393,237
Repairs and maintenance for 2005 Toyota Hilux & 2017 Honda CRV	449,542	137,921
Total	707,731	531,158

8. Repairs and Maintenance (Building and Equipment)

Description	Amount 2020 \$	Amount 2019 \$
Repairs & Maintenance - Equipment	4,108,884	4,969,960
Total	4,108,884	4,969,960

9. Telephone and Internet Charges

Description	Amount 2020 \$	Amount 2019 \$
Telephone charges for 4 land lines and one cell phone	695,969	743,629
Internet charges for 10mbps secured internet service	210,000	180,000
Total	905,969	923,626

10. Cleaning and Sanitation

Description	Amount 2020 \$	Amount 2019 \$
Cleaning and sanitation.	-	33,084
Total	-	33,084

11. Subsidies and Contributions to International Organisations

Description	Amount 2020 \$	Amount 2019 \$
Caribbean Financial Action Task Force (CFATF) membership fees for 2020.	14,386,682	12,080,099
Total	14,386,682	12,080,099

12. Training and Professional Services

Description	Amount 2020 \$	Amount 2019 \$
Training and professional services.	-	5,959,688
Total	-	5,959,688

13. Others

Description	Amount 2020 \$	Amount 2019 \$
Advertisements placed in local newspapers, postages, petty-cash reimbursement, Hosting of NRA Workshop, etc.	5,042,477	1,346,275
Total	5,042,477	1,346,275

14. Fixed Assets

Fixed assets are assets in the custody of the FIU and are measured at Historical Cost.



Audit Office of Guyana

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251/OA:2/25/2021

27 May 2021

Mr. Matthew Langevine
 Director
 Financial Intelligence Unit
 Ministry of Finance Compound
 Main & Urquhart Streets
 Georgetown

Dear Mr. Langevine,

AUDIT OF THE STATEMENT OF RECEIPTS AND EXPENDITURES
OF THE FINANCIAL INTELLIGENCE UNIT
FOR THE YEAR ENDED 31 DECEMBER 2020

The audit of the Statement of Receipts and Expenditures of the Financial Intelligence Unit for the year ended 31 December 2020 has been completed. The following findings are now forwarded for your appropriate action.

2. The audit was conducted in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC) and the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatements.
3. The main purpose of the audit was to express an opinion on the Statements of Receipts and Expenditures and to evaluate the operations of the Financial Intelligence Unit (FIU) to ascertain whether:
 - (i) The Statement of Receipts and Expenditures have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of the FIU;

- (ii) The accounts have been faithfully and properly kept;
- (iii) All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended; and
- (iv) Essential records are maintained, and the internal management controls, rules and procedures established and applied are sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. Evaluation of Internal Controls

4. The evaluation of the system of accounting and internal controls of the Financial Intelligence Unit was made a part of our examination of the financial statement for the period under review. This was carried out under the following headings: -

- Organisational Structure;
- Accuracy and reliability of accounting records; and
- Safeguarding of assets.

Organisational Structure

5. The Financial Intelligence Unit (FIU) of Guyana is an autonomous body responsible for requesting, receiving, analyzing and dissemination of suspicious transaction reports and other information relating to money laundering, terrorist financing or the proceeds of crime. It was established and operates within the ambit of the Anti-Money Laundering and Countering the Financing of Terrorism Act (AMLCFTA) 2009 and several Regulations and Amendments.

6. In 2015, Sections 8 and 9 of the Principal Act was amended by Act No.1/2015 where the National Assembly shall by a simple majority and on the recommendation of the Parliamentary Committee on Appointments, appoint the Director and the Deputy Director of the FIU who shall carry out the functions of the FIU in accordance with the Act and the FIU shall include on its staff:

- a. managers appointed by the Director from heads of sections of the FIU;
- b. an attorney at law and an accountant appointed by the Parliamentary Committee on Appointments from a short list provided based on applications in response to public advertisement; and

- c. personnel trained in financial investigation or other employees as the Director considers necessary and appointed by the Director.

7. In accordance with the amendment to the Anti Money Laundering and Countering the Financing of Terrorism Act (AMLCFTA) 2009, a Director and a Deputy Director were appointed on the 19 September 2016 whilst an Accountant was appointed on 10 June 2019. The Unit also comprises of an Attorney and eight other staff members inclusive of a driver. The Director has an informal reporting relationship with the Minister of Finance and Minister of Legal Affairs.

Accuracy and Reliability of Accounting Records

8. During the period under review, the FIU did not have its own accounting unit. In addition, a separate bank account was not kept and all accounting records were maintained by the Ministry of Finance. It was explained that even though the funds for the FIU were included under the Ministry of Finance's budget in the line item – Subsidies and Contributions to Local Organisation, the FIU determined their budget and had control over the funds expended. It should be noted that the accounting records maintained were subjected to checks and balances by FIU and the Ministry of Finance. Hence, reliance could be placed on the records maintained for the Unit.

Safeguarding of Assets

9. Our evaluation of the system of internal controls revealed that while there are arrangements to be put in place for FIU to manage their accounts and funds independently, there were proper segregation of duties and adequate supervisory checks by the FIU and the Ministry of Finance as such, reliance was placed on the system of internal controls as a basis for preparing the Statement of Receipts and Expenditures.

B. Statement of Receipts and Expenditures

Financial Operations and Preparation of Statement of Accounts

10. Section 9 (7) of the Anti-Money Laundering and Countering the Financing of Terrorism Act of 2009 stipulate that the Director shall be responsible for the control and use of the funds and resources of the FIU while Section 9 (8) require that the Director keep proper accounts and records and prepare in relation to each financial year a statement of accounts. However, while the FIU determined their budget and had control over the expenditures, the financial operations were undertaken by the Ministry of Finance which is not in accordance with the Act.

Management Committee

11. Section 9 (3) of the AMLCFT Act (as amended), states that there shall be a Committee of Management of the Financial Intelligence Unit which shall consist of the Director and Deputy Director and the Managers of the Financial Intelligence Unit who shall have overall charge of the direction of the operations of the Financial Intelligence Unit. The members of the Management Committee of the FIU for the period under review are as follows:

Name of Officer	Designation	Date of Appointment
Mr. Matthew Langevine	Director	September 19, 2016
Mr. Abiose W. Thomas	Deputy Director	September 19, 2016
Ms. Yonette R. Scarville	Attorney at Law	November 5, 2018
Ms. Alicia Williams	Senior Compliance and Outreach Officer	September 1, 2017

12. It was observed that the Accountant being the head of the Accounts Unit was not part of the Management Committee for the period under review.

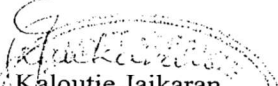
Management's Response: It was explained that the FIU has a small staff complement currently and also do not have a fully functional Accounting Unit. The Accountant joined the Unit in June 10, 2019 and reports directly to the Director. Therefore, the Director has historically taken responsibility of representing the Accounting Unit on the Management Committee. However, the Accountant was officially made a member of the FIU Management Committee in April 2021.

C. **General**

13. The Audit Office wishes to express its sincere gratitude for the cooperation given to its officers during the course of the audit.

With kind regards.

Yours sincerely,


Kaloutie Jaikaran
Audit Manager (ag.)
for Auditor General

References

Caribbean Financial Action Task Force. (n.d.). Retrieved 2 18, 2021, from Wikipedia: The Free Encyclopedia:
http://en.wikipedia.org/wiki/Caribbean_Financial_Action_Task_Force

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