

SUSPICIOUS TRANSACTION
REPORTS

TREND ANALYSIS

2013 - 2014

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Guyana

Date: April 2015

Trend Analysis -STRs

Executive Summary

The following analysis indicates that during the period 2013 – 2014 there was a total of 1,257 Suspicious Transaction Reports (STRs) received from Licensed Financial Institutions (LFIs), Money Transfer Businesses and Cambios, however, after initial analysis only 15 required follow-up action by the Financial Intelligence Unit (FIU).

In early 2013 the introduction of a new suspicious transaction reporting format accompanied by specific guidelines followed several guidance and feedback sessions with Reporting Entities. These sessions were related to risk assessment and Enhanced Due Diligence (EDD) procedures when dealing with unusual, complex and large volume of transactions.

Towards the end of 2013 the FIU recognised that the Reporting Entities were continually reporting as suspicious transactions, activities that were either unusual, complex or above predetermined thresholds. The FIU initiated a series of awareness and guidance sessions on a one-on-one basis in those instances where these occurrences were most prevalent. Group meetings also occurred for specific categories of Reporting Entities.

As a result there was a reduction of STRs received in 2014 by 56.8%.

The awareness and guidance continued during 2014 and now into 2015.

In addition to the face-to-face meetings we have written to all Reporting Entities explaining the process for risk assessment and the preparation of STRs and further one-on-one and group meetings are planned.

Analysis of STRs - 2013

Summary

STRs received from Reporting Entities during 2013 were 878, which involved 654 Subjects. Multiple STRs were received on 224 Subjects or 25.5% of the total STRs reported.

The total value of the 878 STRs amounted to approximately US\$12.5M.

Categories of Reporting Entities	No. of STRs	% of Total STRs	No. of Subjects	Value
Licensed Financial Institutions (LFIs)	73	8.3%	67	US\$4.1M
Money Transfer Businesses	721	82.1%	526	US\$5.3M
Cambios	84	9.6%	61	US\$3.1M
Totals	878	100%	654	US\$12.5M

Licensed Financial Institutions (LFIs)

STRs received from Licensed Financial Institutions (LFIs) during 2013 were 73, which involved 67 Subjects. These 73 STRs were valued approximately US\$4.1M.

In addition to the 73, there were 13 that were withdrawn by the LFIs for review and further analysis due to the lack of information that referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

There were 41 or 56% involving cash transactions and 16 or 21.9% involving other financial instruments.

There were 55 or 75.3% which related to General Financial Transactions, while 14 or 19.2% involved International Money Transfer transactions and 2 involved Cambio transactions.

Within the 73 there were 56 or 75.3% that involved Local Currency transactions and 16 or 21.9% involved transactions with Foreign Currencies.

There were 19 or 26% whose Subjects were businesses and 54 or 74% involving individuals.

There were 40 or 54.8% that involved multiple transactions conducted by Subjects and 24 or 32.9% were related to single transactions. There were 7 or 9.6% that did not reference any transaction.

After initial analysis 6 STRs or 8.2% required further follow-up action by the Financial Intelligence Unit (FIU).

The value of the 6 was approximately US\$0.718M or 17.5% of the US\$4.1M total value of the 73 STRs filed by LFIs.

The 6 requiring follow-up action were related to 5 Subjects, of which 4 were individuals and 1 was a business. These 6 are still engaging the attention of the FIU and other relevant law enforcement authorities.

Of the 6 engaging the attention of the FIU, 3 were related to Subjects operating within the hospitality, entertainment and services sector, 2 operated within the financial services sector and 1 operated within the transportation services sector.

Generally the 73 STRs received from the LFIs did not have sufficient Enhance Due Diligence (EDD) information connecting them to or creating suspicions of money laundering, terrorist financing or proceeds of crime.

Money Transfer Businesses

The Money Transfer Businesses accounted for the highest number of STRs of all the categories of Reporting Entities. During the year 721 or 82.1% of all STRs were received from Money Transfer Businesses, which involved 526 Subjects. These 721 were valued US\$5.3M.

All of the 721 from Money Transfer Businesses involved individual Subjects.

Of the 721 STRs 482 or 66.9% were related to incoming money transfers, 30.2% or 218 involved outgoing money transfer transactions and 21 or 2.9% related to a combination of incoming and outgoing money transfers.

STRs with multiple transactions were 614 or 85.2% and 107 or 14.8% involved single transactions.

The 721 STRs were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime and thus required no follow-up action by the FIU.

Cambios

The Cambios filed 84 STRs, which involved 61 Subjects. These STRs were valued US\$3.1M and involved individuals.

After initial analysis none of the 84 warranted further analysis or follow-up action by the FIU.

The 84 were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

Analysis of STRs - 2014

Summary

STRs received from Reporting Entities during 2014 were 379, which involved 304 Subjects. Multiple STRs were received on 75 Subjects or 19.8% of the total STRs reported.

The total value of the 379 STRs amounted to approximately US\$9.9M.

Categories of Reporting Entities	No. of STRs	% of Total STRs	No. of Subjects	Value
Licensed Financial Institutions (LFIs)	61	16.1%	57	US\$6.8M
Money Transfer Businesses	305	80.5%	238	US\$2.6M
Cambios	13	3.4%	9	US\$0.5M
Totals	379	100	304	US\$9.9M

In 2014 total STRs received from all Reporting Entities reduced by 499 or 56.8% when compared with 2013. The Subjects of these STRs also reduced from 654 in 2013 by 350 or 53.5% to 304 in 2014. The value was US\$12.5M in 2013, which represents a reduction of US\$2.6M or 20.8%, when compared with US\$9.9M in 2014.

Licensed Financial Institutions (LFIs)

STRs received from Licensed Financial Institutions (LFIs) during 2014 were 61, which involved 57 Subjects. These 61 STRs were valued approximately US\$6.8M.

In addition to the 61, there were 18 that were withdrawn by the LFIs for review and further analysis due to lack of information that referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

There were 39 or 63.9% involving cash transactions and 7 or 10.1% involved other financial instruments.

There were 47 or 77% which were related to General Financial Transactions with local currency, 8 or 13.1% involved International Money Transfers of foreign currencies and 6 related to a combination of General Financial Transactions and international Money Transfer of foreign currencies.

There were 12 or 19.7% whose Subjects were businesses and 49 or 80.3% involving individuals.

There were 38 or 62.3% that involved multiple transactions conducted by Subjects and 14 or 22.9% were related to single transactions. There were 9 or 14.8% that did not reference any transaction.

After initial analysis 9 STRs or 14.8% required further follow-up action by the Financial Intelligence Unit (FIU).

The value of the 9 was approximately US\$3.8M or 38.4% of the US\$9.9M total value of the 61 STRs filed by LFIs.

The 9 requiring follow-up action were related to 8 Subjects, of which 5 were individuals, 2 were businesses and 1 was a non-profit organisation. These 9 are still engaging the attention of the Financial Intelligence Unit and other relevant law enforcement authorities.

Of the 9 engaging the attention of the FIU, 3 were related to Subjects operating within the natural resources sector, 2 related to Subjects within the commercial trading –general merchandise sector, 1 related to the hospitality, entertainment and services sector, 1 was within the agriculture sector, 1 related to an unemployed Subject and 1 was related to a non-profit organisation.

Generally the 61 STRs received from the LFIs did not have sufficient Enhance Due Diligence (EDD) information connecting them to or creating suspicions of money laundering, terrorist financing or proceeds of crime.

Money Transfer Businesses

The Money Transfer Businesses accounted for the highest number of STRs of all categories of Reporting Entities. During the year 305 or 80.5% of all STRs were received from Money Transfer Businesses, which involved 238 Subjects. These 305 were valued approximately US\$2.6M and involved individual Subjects.

Of the 305 STRs 156 or 51.1% were related to incoming money transfers, 48.2% or 147 involved outgoing money transfer transactions and 2 or 0.7% related to a combination of incoming and outgoing money transfers.

STRs with multiple transactions were 263 or 86.2% and 42 or 13.8% involved single transactions.

The 305 STRs were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime and thus required no follow-up action by the FIU.

Cambios

The Cambios filed 13 STRs, which involved 9 Subjects. These STRs were valued approximately US\$0.518M and involved individuals.

After initial analysis none of the 13 warranted further analysis or follow-up action by the FIU.

The 13 were reported mainly due to high value, volume and unusual transactions, however, after initial analysis none referred to or created a suspicion of money laundering, terrorist financing or proceeds of crime.

Action by the FIU

During 2013 and 2014 the FIU, recognizing an emerging trend whereby most of the Reporting Entities were reporting unusual, complex or large volume transactions/activities as suspicious transactions/activities, held a number of individual and collective meetings with Reporting Entities. The aim of the meetings was to help the Reporting Entities differentiate between unusual, complex and large volume transactions from suspicious transactions.

In 2013 the FIU held 5 meeting with 4 different reporting entities with the aim of clarifying the definition of a suspicious transaction report with these entities.

In 2014 there were 8 meetings with 7 different reporting entities and 2 meetings with all the reporting entities from LFIs and Money Transfer Businesses as a group.

Again in 2015, thus far, the FIU held 4 meetings with 4 different reporting entities and 1 meeting with all the LFIs as a group with the aim of further explaining the need to practice AMLCFT risk assessment and the difference between unusual transactions and money laundering and terrorist financing activities.

Meetings with Money Transfer Businesses and Cambios and an individual LFI are planned for April 2015 with the aim of further improving the quality of suspicious transaction reporting.

Financial Intelligence Unit (FIU) Guyana

April 2015