



ANNUAL REPORT 2015
UNUSUAL TRANSACTIONS
REPORTING CENTER CURAÇAO
Meldpunt Ongebruikelijke Transacties / MOT

Money laundering is a serious crime. It is detrimental to the economy of a country, attracting criminals, and it is inevitably closely associated with other serious forms of crime, such as drug trafficking, human trafficking and corruption. Fighting money laundering and following the money are key to fighting organized crime.

ABBREVIATIONS

AML	Anti Money Laundering
CFT	Countering the Financing of Terrorism
MOT	Meldpunt Ongebruikelijke Transacties; the name of the Reporting Center of Curaçao up to December 2015.
FIU	Financial Intelligence Unit
CIWG	Commissie inzake Witwassen van Geld, the Commission responsible for coordination of Curaçao's efforts regarding AML and CFT
NOIS	National Ordinance on Identification when delivering Services; Dutch name: LID (Landsverordening Identificatie bij Dienstverlening).
NORUT	National Ordinance on Reporting of Unusual Transactions; Dutch name: Landsverordening Melding Ongebruikelijke Transacties (LvMOT)
LEA	Law Enforcement Agency
RST	Recherche Samenwerkings Team, a special LEA
DURADERO	A special LEA of the RST, focusing on corruption and subversive organized crime
KPC	Korps Politie Curaçao, the Curaçao police force
PPO	Public Prosecutors' Office (in Dutch: Openbaar Ministerie, OM)
VDC	Veiligheidsdienst Curaçao (the Curaçao National Security and Intelligence organization)
FATF	Financial Action Task Force
FSRB	FATF-style regional body
CFATF	Caribbean Financial Action Task Force, the FSRB of which Curaçao is a member
MEVAL	Mutual Evaluation, the peer evaluation of a country against FATF norms and standards.
MER	Mutual Evaluation Report, the report resulting from a countries' MEVAL.

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Preface

Money laundering is a serious crime. It is detrimental to the economy of a country, attracting criminals, and it is inevitably closely associated with other serious forms of crime, such as drug trafficking, human trafficking and people smuggling. Fighting money laundering and following the money are key to fighting organized crime.

This report details the activities and contributions of the Reporting Center (in Dutch: Meldpunt Ongebruikelijke Transacties or MOT) in the fight against money laundering and terrorism financing during the period of January 1st, 2015 to December 31st, 2015.

The year 2015 was marked by enhanced cooperation and collaboration between the Reporting Center and the Duradero team, a special team of highly trained and dedicated financial and white-collar crime law enforcement agents. The Reporting Center played a pivotal role in combating economic and financial crime by further disseminating suspicious transactions to the Duradero project.

From an organizational perspective, the year 2015 was marked by the effort to restaff the Reporting Center and by the preparations for the implementation of the substantially adapted Curaçao laws governing the combat against money laundering and terrorist financing.

Restaffing was necessary, not only because of the growing amount of tasks, reports and MOT-supervised entities, but also as a result of the 2012 evaluation of Curaçao by the Caribbean Financial Action Task Force (CFATF), that had criticized our understaffing. At the beginning of 2015, the FIU had a staff of 9 people, instead of the (in 2009 by the government designated) formation of 21 people. At the end of 2015, the staff had effectively grown to 12 people, including a new Head of FIU.

In the past years, the Reporting Center has extensively participated in the work of the National Committee on Money Laundering CiWG, which work resulted in a draft proposed law to address deficiencies that were identified by the CFATF in its review of the compliancy of Curaçao with FATF standards. At the end of 2015, these proposed changes to the NOIS and NORUT came into force. For the FIU, this meant substantial work to implement the changes, for instance in its name, reporting system, reporting entities training programs, supervisory preparation for a new supervised sector (traders in building and construction materials) and national and international cooperation possibilities. The changes to the law meant for instance a further strengthening of the FATF-standards-required autonomy and operational independence of the FIU from potential undue political influence.

Following the relevant articles in the National Ordinance on Reporting Unusual Transactions (NORUT) and the National Ordinance on Identification when rendering Services (NOIS) as a guideline, a summary of the work and achievements of the Reporting Center and the efforts of the reporting entities is given in this report. Though challenging due to its limited resources, 2015 was all in all a productive year for the committed and dedicated team of the Reporting Center.

Although since December 5th 2015 the name of the Reporting Center/MOT was changed to Financial Intelligence Unit (FIU) Curaçao, we will for the purpose of this report regarding the year 2015 remain using the name Reporting Center. Also for the purpose of this report, references are made to the laws and decrees as they were before end of the year 2015.

A.M.Ch. Kemna LL.M., MBA,

Head of the Reporting Center (MOT)

1. General Introduction to the Work and Data of the Reporting Center

What are Unusual Transaction Reports

Contrary to other jurisdictions where *suspicious* transactions or Suspicious Activity Reports (SARs) and/or Suspicious Transaction Reports (STRs) are received, the Curaçao Reporting Center (as do all four Reporting Centers of the four countries that are a part of the Kingdom of the Netherlands) receives *Unusual* Transaction Reports (or UTRs) from the reporting entities.

Our law indicates when a transaction can or should be considered unusual and can or should be reported by making use of indicators, that are either objective or subjective. An objective indicator states explicitly when a transaction must be considered as unusual, irrespective of who is executing the transaction, and without respect to the circumstances. Subjective indicators on the other hand leave it to the assessment of the reporting entity to report a transaction as unusual, based among other things on its knowledge of the client and its risk, the business of the client, the transaction profile of the client, whether a politically exposed person is involved, what the particular circumstances are, etcetera.

The UTR-reporting system was chosen by the countries within the Kingdom of the Netherlands over the SAR/STR-reporting system, for reason that the required research into whether a transaction is *suspicious*, is seen as the work of the FIUs and subsequent the LEAs, not of reporting entities. The UTR-reporting system thus is believed to be beneficial to reporting entities, because for deeming a transaction to be *unusual* less work by reporting entities is required, even when a transaction is reportable under a subjective indicator. Even though the system implies a potential high level of false-positives, especially with regard to transactions reportable under objective indicators, it is also envisaged that the advantage of this system is that FIUs will receive more useful information they can use for their work.

AML Compliance (and AML Supervision) is key

Reports of unusual transactions have to be send to the Reporting Center in a timely and correct manner. The quality of reports determines greatly the quality of the data the Reporting Center as an FIU must do its work with. So is anti-money laundering (AML) - compliance of reporting entities: the less entities comply with reporting, the less effective an FIU will be. The efforts of Supervisory Entities in supervising AML-compliance are therefore a substantial condition for the Reporting Center's possibilities to be effective.

From unusual to suspicious

After receiving reported unusual transactions, the analysts of the Reporting Center can select transactions and start an analysis on them to see whether a suspicion of money laundering (ML) or terrorist financing (TF) can be established. Our law allows them to make use of other public databases and information of public authorities, additional information from reporting entities, as well as of information of other FIUs worldwide. If a suspicion is established, such transactions can be declared suspicious by the Head of the FIU and will

then be disseminated as intelligence to the Public Prosecutor's Office (PPO). The PPO decides whether these suspicious transactions will be further investigated, in order to collect further evidence for the intelligence received. Not all reports received will be analyzed in a given year. This has to do with the fact that reports received, especially reports reported under a objective indicator, are not necessarily immediately relevant for declaring suspicious transactions. This is a significant difference with the work of FIUs that receive SARs or STRs, which are by definition all to be seen and handled as suspicious. However, (objective as well as subjective) unusual transactions reported can become very relevant in the due course of different investigations by the Reporting Center over the years to come. They may also become very relevant as a result of requests by other FIUs and by our law enforcement agencies over the years to come.

FIU as a buffer

The law states that the Reporting Center receives the information from reporting entities solely for certain purposes. The information in the register may only be disseminated under certain conditions and only to the entities and for the purposes as stated in the LvMOT. The information in the FIU's register may furthermore only be accessed by persons designated by the Head of the Reporting Center. In this way, the Reporting Center acts as a buffer between the private sector that has reporting obligations, and the public sector that has interest in the information. An FIU's security and confidentiality are therefore of utmost importance. The Reporting Center gives ample attention to this. In this sense it is noteworthy, that the Reporting Center is one of the two organizations in Curaçao for which a formal 3-yearly screening is required by law for all of its personnel (the other organization being the VDC, Curaçao's national intelligence and security office).

FIU is an intelligence organization

It is important to emphasize that an administrative Financial Intelligence Unit (FIU) as the Reporting Center is, disseminates its information as classified intelligence. This is based on the formal rules of the Egmont Group of Financial Intelligence Units, of which Group the Reporting Center has been a long-standing member. An FIU like the Reporting Center is therefore an intelligence organization (comparable to other intelligence organizations, like the Curaçao VDC), not an evidence-producing organization like law enforcement agencies.

Explanation on the statistics in this report

This report contains several statistics regarding the work of the Reporting Center and the reports received by it from reporting sectors. For the correct understanding of these statistics, please note the following. As was the case in previous years, when processing unusual transactions, the Reporting Center takes the Incoming Date of these transactions (the date the transactions were registered as received at the Reporting Center) as its starting point. By doing so, all transactions registered by the Reporting Center in the then current year will be taken into account. Consequently, a more accurate view can be given of the work of the Reporting Center in that year.

The amount of registered transactions is not necessarily equal to the amount of unusual transactions as executed in Curaçao in the reported year. The registration date/year of a

reported (intended) transaction with the Reporting Center is in many cases not the date/year the transaction was executed (or was intended to be executed). This can for instance be due to a backlog at a reporting entity. Furthermore, it may well be the case that not all reportable unusual transactions are indeed being reported by entities who are required by law to report. As stated before, the effectiveness of the work of the Reporting Center depends highly on the quality of reporting. Thus, effective AML-supervision by the three AML-Supervisory Entities that Curaçao has is of utmost importance for the work of an FIU like the Reporting Center. One of those three AML-Supervisory Entities is a separate department within the Reporting Center. The activities of this Supervisory department can also be found in this report. For the activities of the other AML-Supervisory Entity, the Central Bank of Curaçao and St Maarten (CBCS), we refer to their annual report.

With regard to the furnishing or dissemination by the Reporting Center of transactions that are declared suspicious, to law enforcement agencies, the Public Prosecutors Office (PPO) and in specific cases to other FIUs in the world, the date these transactions were disseminated to such entities will be taken into account in this report.

2. Summary of tasks and achievements

In our previous report of 2014, we set out to achieve certain objectives in the year 2015. These objectives can be categorized under the following denominators:

- Organizational; acquire personnel;
- Informative sessions for the personnel of the Reporting Center;
- Informative and training sessions for the Reporting Entities;
- Informative meetings and cooperation with partners in our value chain;
- Improve reporting behavior of the financial institutions;
- Addressing the deficiencies in relation to the FIU that were identified by the CFATF evaluation in 2012.

The online reporting system CORSYS of the MOT, which had been launched in 2012, had made reporting online required for our reporting entities, which was also perceived as more efficient than paper reporting. However, statistics of the FIU indicated that the reporting behavior of many entities that are registered for CORSYS, still needs to be improved. Also, many entities required to report still were not registered for reporting at the FIU. In 2015 the Reporting Center has continued to emphasize this concern in various writings to reporting entities and AML-supervisors. The Reporting Center addressed the reporting behavior of various financial and non-financial reporting sectors in the CiWG and also in meetings with the Supervisors and other stakeholders, as well as in a extensive media and publicity campaign at the end of 2015. In addition, as of 2016, not-registration at the Reporting Center will become punishable under administrative and penal law.

Article 3 of the NORUT indicates most of the legal tasks of the Reporting Center, however there is more, for instance the task in art. 11 NOIS entrusted to the Reporting Center as AML-Supervisory Entity for Designated Non-Financial Businesses and Professions or DNFBPs (excluding the trust and gambling sectors).

In this paragraph a short impression of the work and achievements of the Reporting Center in 2015 is given, following the relevant articles of the NORUT and NOIS.

Pursuant to article 3, letter “a” and letter “c” NORUT; receiving and analyzing data and notification of the reporting entities

The Reporting Center received a number of 19,338 unusual transactions reports in 2015, which were also formally confirmed by us as received to the reporting entities. That is an increase of 9.4% in received reports compared to 2014, in which year the Reporting Center received a number of 17,676 unusual transactions reports. Over the years, we see a steady increase in the amount of reports received.

Of the reports sent to the Reporting Center, the majority, or 57.99%, was based on objective indicators. The percentage of reports received based on a subjective indicator was 42.01% in 2015. Compared to the year 2014 (respectively 56.7% and 43.3%), the percentages have remained roughly the same. Through the years, we see however a decline in the amount of subjective reports, that are normally the most important reports for an FIU. The Reporting Center will therefor continue its efforts to stress the importance of reporting subjectively to the reporting entities, as well as to ask AML supervisors to be alert on this topic.

From the numbers, we can also see that there are still several sectors from which we do not receive many reports, or receive reports at all. For this, we will also liaise with AML supervisors in order to enhance reporting in those sectors.

In 2015 we saw a decrease in transactions received from the Money Remitting Sector. 748 reports were received from this sector in 2015, while in 2014 the Reporting Center received 1,180 reports from this sector.

The local banks remain the sector from which the most reports of unusual transactions are received. The amount of reports received from the local banks increased however from 8,117 in 2014 to 9,790 in 2015.

Offshore banks showed a decrease in reports received: while in 2014 6,433 reports were received from the offshore banks, in 2015 this decreased with over 20 % to 5,121 reports.

Customs’ reporting also decreased considerably in 2015, steadying a trend that had begun in past years. While in 2014 we had received 607 reports of cross border money transports, in 2015 this was 267; a decrease of almost 44%.

In 2015 there was a sharp and remarkable increase of reports received from the Trust sector, 1,184 reports in 2015 against 20 reports in 2014. This was mostly due to supervisory interventions, resulting in reporting of transactions over past years previously not identified as unusual by reporting entities in this sector.

Pursuant to article 3, letter “b” NORUT; data furnished to the Public Prosecutor

A total of 840 unusual transactions were declared suspicious by the Head of the Reporting Center after analyses, and were furnished to the PPO. Though this is a sharp decline in relation to the year 2015, in relation to 2013 this is however almost double the amount. The year 2014 can be seen as an outlier; the increased amount of transactions declared suspicious in that year (4,509) could be reached as a result of temporary received additional resourcing and support from FIU Netherlands. During the year 2015, only considerably limited human resources were available to the Reporting Center.

In the year 2015, 2 major investigations on the basis of tactical analyses initiated by the Reporting Center itself with regard to money laundering and terrorism financing were completed by the Reporting Center and furnished to the PPO, even though staffing of the analysis department was on an all time low for most of the year.

Information with regard to the number of law enforcement investigations and convictions in relation to money laundering and terrorism financing concerning the year 2015, was not received from the PPO.

Pursuant to article 3, letter “d” NORUT; AML/TF Developments

The Reporting Center participated in several seminars and trainings to obtain and maintain the necessary knowledge, which is imperative to keep its employees informed of the newest developments in the ever so fast-changing field of money laundering and terrorism financing Modus Operandi and into the improvements of the methods to prevent and detect money laundering and terrorism financing.

In 2014, the Curaçao Minister of Finance and Minister of Justice together with the Minister of the Interior and Kingdom Relations for the Netherlands approved the launching of the Duradero project in Curaçao. The Duradero project aims to strengthen the enforcement capacity of Curaçao in the fight against economic and financial crime. The project's duration will be three years. The Reporting Center plays a pivotal role in combating economic and financial crime by disseminating suspicious transactions to the Duradero project. Furthermore, the Reporting Center sent the Duradero team all investigations on the basis of tactical analyses that were completed by the Reporting Center since October 10th, 2010. Since aforementioned date, Curaçao has become an autonomous country within the Dutch Kingdom, with its own Reporting Center (before that, our Reporting Center was the designated FIU of the Netherlands Antilles). There is ongoing intensive cooperation between the Duradero team and the Reporting Center team.

Pursuant to article 3, letter “e” NORUT; contacts with (other) AML Supervisory Authorities : Centrale Bank van Curaçao en Sint Maarten

In 2015 the efforts of the Reporting Center, in cooperation with the CBCS, were directed at preparing for the implementation in 2016 of the draft amendments to the National Ordinance on Reporting Unusual Transactions (NORUT) and the National Ordinance Identification when rendering services (NOIS), that came into force at the end of the year 2015. The changes implicated for instance a change in the name of the Reporting Center to

Financial Intelligence Unit Curaçao or FIU Curaçao, which implicated changes to the communication and publicity strategy of the Reporting Center, all documentation and our website. The changes also involved that a new sector would fall under the NORUT and the NOIS: the dealers in building and construction materials, to be supervised by the Reporting Center. In addition, the reporting indicators were significantly changed. These changes implicated considerable work needed in the reporting system CORSYS, before the coming into force. Also a publicity campaign aimed at the general public and all (new and old) reporting sectors was started at the end of 2015. The Reporting Center in this process also closely cooperated with the Central Bank and the Supervisors of the Reporting Center to address the reporting behavior of and foreseen reporting changes for supervised entities. In addition, Supervisors of the Reporting Centre had to prepare substantially for supervising the new reporting sector.

The Reporting Center also continued to participate in a Working Group in charge of preparing the implementation of the FATF Special Recommendations I (SR. I) and III (SR. III). SR. I relates to the ratification and implementation of United Nations instruments and particularly United Nations Security Council Resolution 1373 which is related to the prevention and suppression of the financing of terrorist acts. Based on SR. III, the Working Group sets up rules for the adoption and implementation of measures to freeze and confiscate funds or other assets of terrorists, of those who finance terrorism and of terrorist organizations, all in accordance with the United Nations resolutions relating to the prevention and suppression of terrorist acts.

In addition, the Reporting Center continued to participate in a Working Group tasked with revising the legal structure of the Anti-Money Laundering Committee (CiWG). This Working Group was formed to devise a proposal for implementing a clear coordination structure. The proposal also includes the participation of additional operational competent authorities such as the Reporting Center itself (that cooperated with the CIWG but had never been a formal part), the PPO and other law enforcement agencies in the CiWG, to provide a better platform to facilitate competent authorities to work together on advise on policy and legislative changes to continuous improvement of the AML/CFT regime.

Pursuant to article 3, letter “f” NORUT; supplying information

The Reporting Center organized more than 12 presentations, meetings and training sessions for reporting entities and other stakeholders in 2015. As stated before, also a publicity and media campaign was prepared and executed in relation to the changes to the NORUT and NOIS that came into force end of 2015.

Pursuant to articles 5 and 6 NORUT

The Reporting Center received 36 requests for information from law enforcement agencies and sent out 44 requests for information to law enforcement agencies as well as 18 to other public sector stakeholders in 2015.

Pursuant to article 7 NORUT; international exchange of information

In 2015 the Reporting Center received 46 requests for information from foreign Financial Intelligence Units (FIUs). The Reporting Center in its turn sent out 49 requests for information to foreign FIUs. Pursuant to the national legislation of Curaçao, a Memorandum of Understanding (MoU) is no longer needed in order to be able to exchange information with foreign FIUs that are a member of the International Egmont Group of FIU's. The Reporting Center can exchange information worldwide with all recognized Egmont FIUs without signing an MoU, unless the laws of the jurisdiction of the foreign FIU requires the signing of an MoU (article 7 paragraph 2 NORUT).

Pursuant to article 12 NORUT; requesting additional information

The Reporting Center has sent out 4 requests for additional information to reporting entities. The requested information was needed with regard to own investigations of the Reporting Center and in some cases to assist law enforcement agencies and/or foreign Reporting Centers (FIUs) in their investigations with regard to money laundering and terrorism financing.

Pursuant to article 11 par. 1 sub b NOIS and article 22mm par. 1 sub b NORUT: AML supervision of DNFBPs

The Supervisory Department of the Reporting Center executed one full scope audit in 2015, as well as five management visits and reports. The department was a substantial player in the publicity and media campaign in 2015, to prepare and educate reporting entities and the public for the upcoming changes in the NOIS and the NORUT and the practical implications. The Department also had to prepare itself extensively for supervising a new sector: the dealers in building and construction materials, as of 2016.

3. Organization of the Reporting Center**3.1 Operations and staffing**

In line with the required operational independence and autonomy of an FIU, the Head of the Reporting Center is operationally in charge of the Reporting Center. Administrative responsibility has been placed by Curaçao with the Minister of Finance, who also is responsible for providing the yearly required budget of the Reporting Center.

In 2015, the Minister of Finance was still the administrator of the database of the Reporting Center and had mandated this task formally to the Head of the Reporting Center. In view of the required operational independence and autonomy of an FIU¹, the revised NORUT will state as of 2016 that the Head of the Reporting Center is the administrator of the database².

The formal staffing number of the Reporting Center was decided by the Council of Ministers in 2009 to be 21 persons. At the beginning of 2015, the personnel of the Reporting Center

¹ Recommendation 29 of the FATF

² Art. 4 NORUT

consisted of an acting Head (also legal/policy advisor), an Office Manager, an assistant to the supervision department, an administrative/data assistant, two (2) tactical operational analysts (among which one (1)(IT)-analyst), and three (3) supervisors in the Supervisory Department, in total nine (9) employees. At the end of 2015, four (4) people were added to the staff: one (1) IT-analyst, two (2) tactical operational analysts and one (1) head. However, effectively the growth was three (3) persons, as one (1) employee was seconded to the Ministry of Justice. Effectively, at the end of 2015, the Reporting Center consisted therefor in total of twelve (12) persons. In relation to the formal staffing number, the Reporting Center was still nine (9) persons short.

The issue of understaffing has been dealt with in the CFATF 2011/2012 evaluation part regarding the Reporting Center³. The evaluators concluded that with a view to the effectiveness of the Reporting center, the number of employees at the Reporting Center should be considerably increased. Therefore, the recruitment procedure and selection for some new FIU personnel that started in 2014 was further continued in 2015.

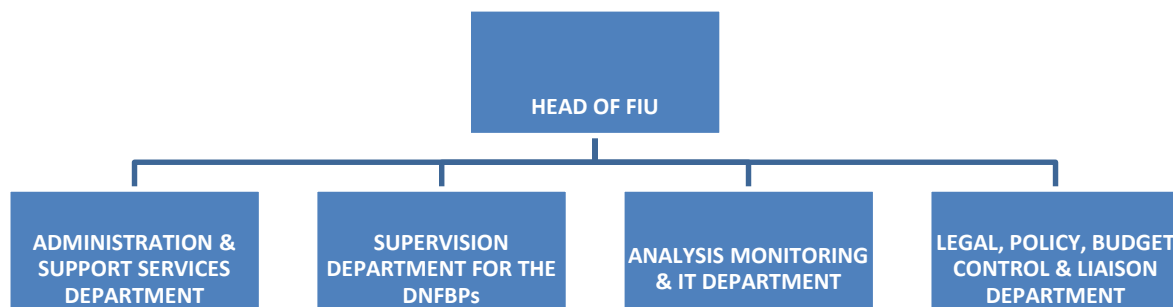


Figure 1. Organizational Chart of the Reporting Center

4. Activities of the Supervision Department

4.1 Task and supervised entities

During 2015, the Supervision Department of the Reporting Center acted as AML-supervisor for the following designated non-financial businesses and professions, in so far as they delivered services as stated in art 1 par. 1 sub b under 12, 13 and 15 NOIS and art 1 par. 1 sub a under 12, 13 and 15 NORUT:

- Intermediaries in the buying and selling of real estate and related rights (“real estate agents”);

³ At the time of the CFATF evaluation, the Reporting Center had an employee base of 15 persons.

- Notaries, lawyers, accountants, attorneys, administrative offices, tax advisors, that render services related to the managing of client money, securities, coins, currency notes, precious metals, precious stones and other assets; the creation or managing of companies, legal persons and/or similar business entities and/or the buying, selling or take-over of companies;
- Dealers in precious metals, precious stones and jewelry;
- Vehicle dealers.

In 2016, upon the entering into effect of the changes to the NOIS and the NORUT, a new sector will be added to this:

- Dealers in building and construction materials.

The amount of supervised entities is not known; many entities and professions are either not registered at the Chamber of Commerce or have not made themselves visible to the Department. There is no obligation for these entities to have a license for the conducting of these services (unlike the supervised entities of the CBCS, the other AML-supervisor). On the basis of statistical information and information from the Chamber of commerce however, the amount of supervised entities is estimated to be around 800. For the years to come, the efforts of the Reporting Center will be directed at strengthening and expanding the personnel base of the Supervision Department.

4.2 Audits and other on-site meetings

The Supervision Department of the Reporting Center performed one full scope audit in the vehicle dealer sector. The Supervision Department also selected from the different categories certain DNFBPs to visit in 2015 for on site meetings with management and compliance of these entities to discuss their compliance and understanding of the law, and initiate action plans where possible. The focus was on car dealers, pawn shops, real estate agencies and lawyers. This resulted in on site meetings with management of the institutions. In this sense, the Supervision team visited 1 lawyer, 2 real estate agents, and 2 vehicle dealers. The department received sufficient information during the audits and meetings to start identifying the selected entities' degree of risk with regard to money laundering and terrorism financing. This resulted in clarifying subjects and questions about performing risk assessments, customer due diligence and the implementation of the NOIS and the NORUT.

4.3 Interaction with the sectors

A survey initiated in previous years allowed the Reporting Center to gain insight and gather more and more information with regard to the progress of supervised entities in implementing a compliance regime (including procedures with regard to performing CDD measures and implementing the risk based approach). As stated before, it remains a challenge for the Department to determine and recognize all entities that are under its supervision, as the law does not contain a registration obligation at the Department for businesses and professions that deliver services under its supervision. This will however change in 2016, giving more tools to the Department to deploy its supervisory activities.

The Supervision Department continued its 2014-initiated interaction with representatives of associations of tax advisors, real-estate agencies, car dealers and accountants, regarding

implementation of compliance regimes in their respective sectors. In addition, contact was initiated and information was given to several entities that acted as dealers in building and construction materials, a sector that will fall under the AML supervision of the Department as of 2016. For this sector, new Regulations and Guidelines on the basis of the adapted NOIS and NORUT was also prepared and discussed with stakeholders, to be enforced in 2016.

4.4 Cooperation and coordination

The Supervision Department also participated in several conferences regarding supervision issues organized by counterpart organizations. The Supervision Department for example attended a Master class about “Internal Audit & compliance at banks and governance” organized by the University of Curaçao Dr. Moises da Costa Gomez, as well as a “Masterclass corporate governance and foundation” organized by the same. In October 2015, the Supervision Department also participated in a seminar of public stakeholders working on AML/CFT in the Kingdom of the Netherlands, which took place in Bonaire. During this visit, the Supervision Department in addition participated in audits at several non-financial businesses and professions in Bonaire, at the invitation of and in cooperation with their Dutch Supervisory counterparts.

5. ACTIVITIES OF THE ANALYSIS DEPARTMENT, INCLUDING STATISTICS and ENTITY REPORTING TRENDS

The duties of the Analysis Department of the Reporting Center, pursuant to article 3 and other relevant articles of the National Ordinance on Reporting Unusual Transactions, are dealt with in this chapter, while the relevant statistics and current entity reporting trends are also indicated herein.

5.1 Collecting, registering, processing and analyzing data

UTRs received

In 2015 a total of 19,338 unusual transactions were received. This is again a substantial increase: 1,662 transactions more compared to the number of unusual transactions received in 2014.

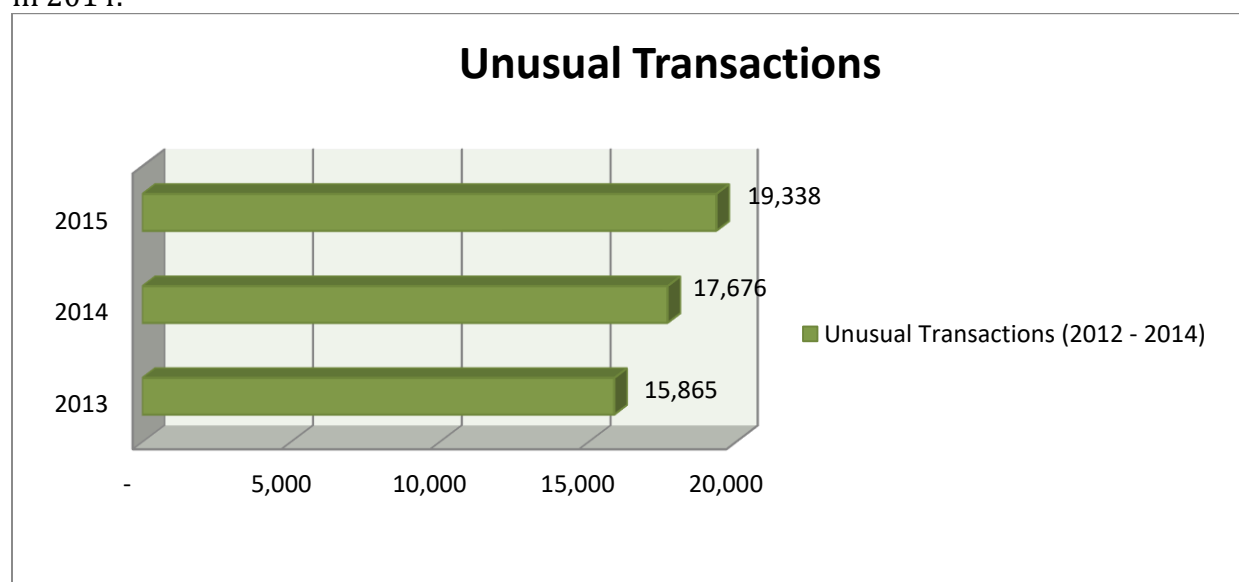


Figure 2 : Total received unusual transactions (2013-2015)

UTRs declared suspicious

The following table shows the relation between the total unusual transactions and the transactions that have been declared suspicious and have been disseminated to the PPO in the years 2013 until 2015.

	Unusual		Suspicious	
Year	Qty.	Value(in ANG.)	Qty.	Value (in ANG.)
2015	19,338	26,407,273,148	840	199,028,656
2014	17,676	44,286,244,632	4,509	4,766,297,998
2013	15,865	35,641,114,014	481	671,677,923

Table 1 : Unusual versus Suspicious transactions (2013-2015)

In 2015, the number of suspicious transactions disseminated to the PPO amounted to 840 transactions. In comparison to 2014, this is substantially lower, however a more realistic comparison is to the number of 2013 (481). The 2014 figure can be seen as an outlier, due mainly to the one-time technical assistance as received from FIU Netherlands in 2014, that had considerable influence on the amount of transactions that could be declared suspicious in 2014: it resulted for instance in a dissemination of a back-log of not-previously as suspicious identified transactions over the past years. In 2015, the FIU has changed its system and operations in accordance with the lessons learned from the technical assistance. Furthermore, the Reporting Center's data contributed considerably to several investigations of Duradero, RST and international intelligence gathering for law enforcement and prosecution in 2014 and continued in 2015.

In 2015 the Reporting Center did not receive a feedback with regard to the use of transactions declared suspicious and disseminated to the PPO office.

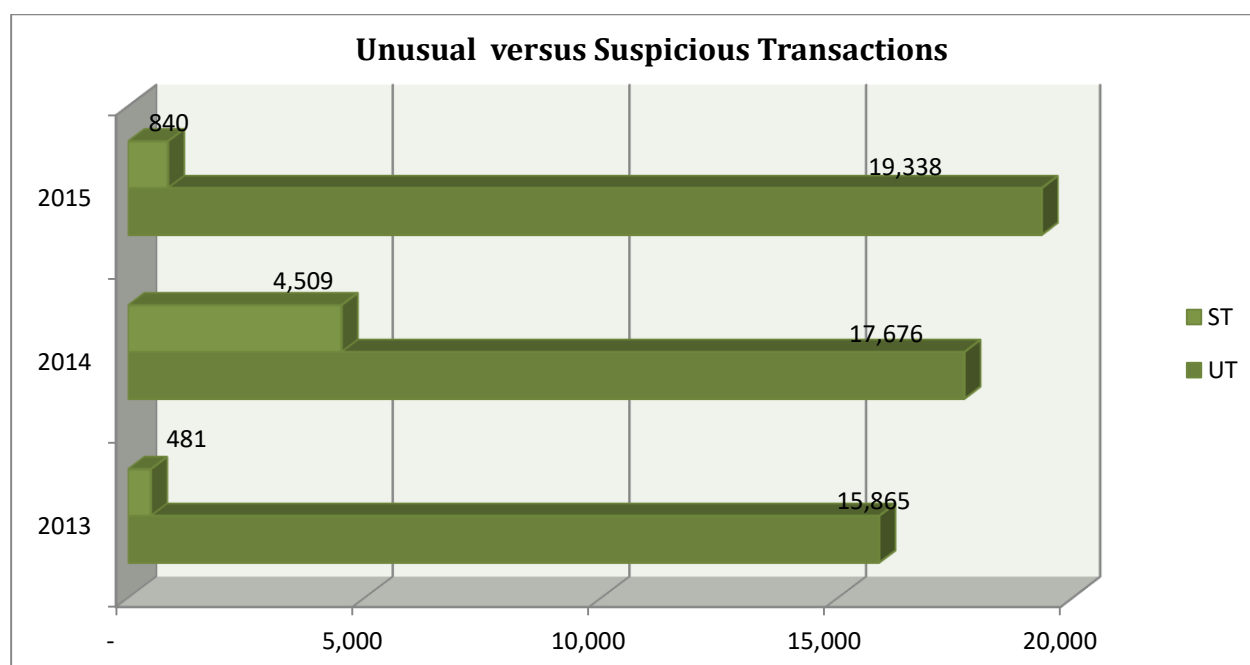


Figure 3 : Unusual versus Suspicious transactions (2013 – 2015)

Executed and intended UTRs

An overview of the executed and intended transactions within the total number of transactions received by the Reporting Center is given in the following table (table 2). Executed transactions are transactions which are fully completed at the reporting entity. An intended transaction is a transaction that is not executed, which can be due to different reasons. These reasons can among other things be that the customer decides to discontinue the transaction, or the reporting entity decides, based on its risk policies, not to continue with a transaction.

When a transaction is discontinued or not carried out otherwise (an intended transaction), the reporting entity is nevertheless obliged by law to report such an intended transaction to

the Reporting Center, when it fits with a relevant indicator. The data and/or information that one can obtain from intended transactions can play a very important role in investigations (locally or internationally) with regard to money laundering and/or terrorism financing.

	2015			2014			2013	
	Qty.	Value (in ANG.)		Qty.	Value (in ANG.)		Qty.	Value (in ANG.)
Executed	19,174	26,332,437,897		17,527	43,999,993,194		15,727	35,534,970,265
Intended	164	74,835,251		149	286,251,438		138	106,143,749
Total	19,338	26,407,273,148		17,676	44,286,244,632		15,865	35,641,114,014

Table 2 : Total reported executed and intended unusual transactions (2013-2015)

Objective and subjective UTRs

The ratio objective vs subjective indicators is shown in figure 4 below. As can be seen, the ratio has regrettably largely remained the same in 2015 compared to 2014. Regrettably, because reporting subjectively is important to the Reporting Center, since as normally there is already a substantial indication or suspicion involved of ML/TF at the reporting entities' end. Such reports therefor normally give a lot of information to the Reporting Center. In the case of subjective indicators, it is up to the compliance officer(s) of the reporting entities, who know their clients best and who have more information about the situation surrounding the reported transaction, to decide if a transaction could be related to money laundering or terrorism financing. The Reporting Center will continue to stress the importance of reporting subjectively for its investigations to reporting entities and continue to ask the attention of Supervisory authorities in their AML supervision for this too.

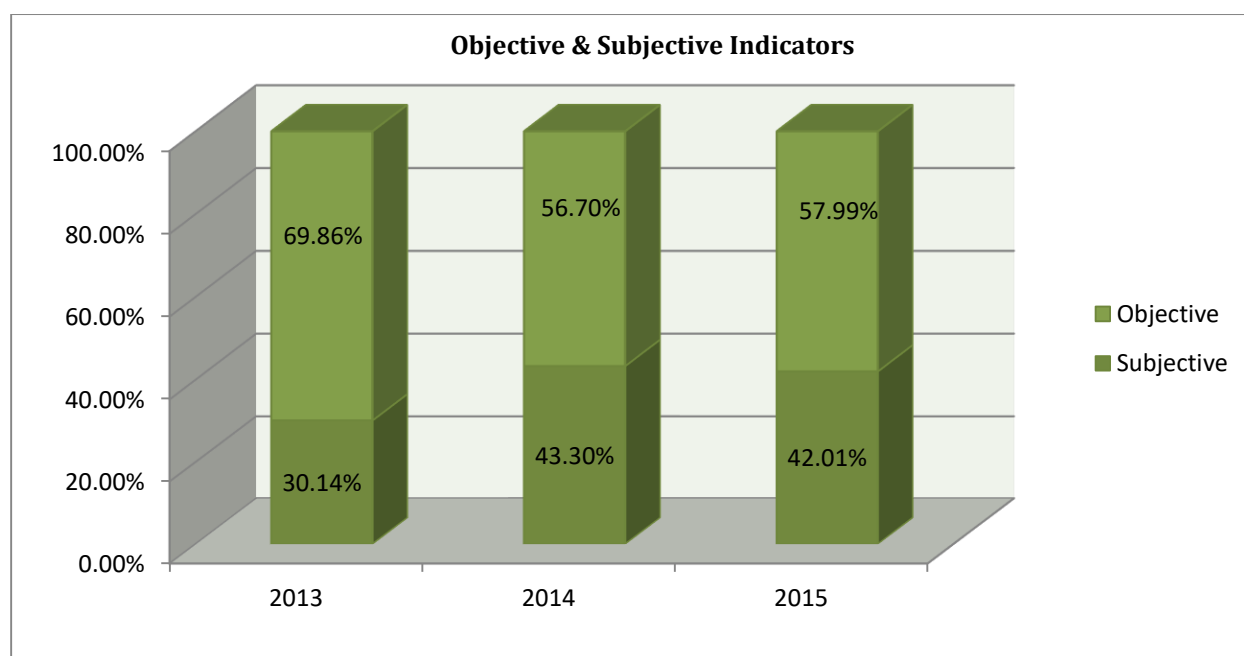


Figure 4 : Unusual transactions by objective and subjective indicators (%) (2013 – 2015)

Origin of the UTRs

As can be seen in the following table, the increase in 2015 in the number of the reported unusual transactions is mainly a result of the increase in reports from local banks and trust offices. The significant increase in reported transactions in the trust sector is mainly due to the reporting of a backlog in transactions due to supervisory activities in the sector. The increase in reported transactions is due to supervisory activities, increased attention for compliance in the sector, and training activities of the Reporting Center.

	2015				2014			
Reporter Type	Qty.	%	Value (in ANG.)	%	Qty.	%	Value (in ANG.)	%
Administration Offices	1	0.01%	604,000	0.00%	1	0.01%	455,767	0.00%
Vehicle Dealers	32	0.17%	1,446,073	0.01%	33	0.19%	932,330	0.00%
Casinos (incl. online)	2,020	10.45%	84,617,509	0.32%	1,800	10.18%	87,276,207	0.02%
Credit Unions	13	0.07%	397,242	0.00%	13	0.07%	2,923,745	0.00%
Credit card Companies	0	0.00%	0	0.00%	-	0.00%	-	0.00%
Customs	276	1.43%	99,506,989	0.38%	607	3.43%	228,937,611	0.05%
Life Insurance Companies	3	0.02%	572,064	0.00%	8	0.05%	3,690,893	0.00%
Jewelers	79	0.41%	1,381,029	0.01%	92	0.52%	1,668,442	0.00%
Lawyers	0	0.00%	0	0.00%	1	0.01%	20,000	0.00%
Local Banks	9,790	50.63%	4,772,382,935	18.07%	7,481	42.32%	4,194,178,204	9.50%
Lotteries	70	0.36%	626,060	0.00%	0	0.00%	0	0.00%
Money Remitters	748	3.87%	161,473,964	0.61%	1,180	6.68%	7,074,926	0.00%
Notaries	1	0.01%	30,000	0.00%	6	0.04%	2,308,869	0.00%
Offshore Banks	5,121	26.48%	17,530,871,037	66.39%	6,433	36.38%	39,512,649,899	89.20%
Real Estate	0	0.00%	0	0.00%	1	0.01%	263,219	0.00%
Savings Banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trust Companies	1184	6.12%	3,753,364,246	14.21%	20	0.11%	243,864,462	1.00%
Total	19,338	100%	26,407,273,148	100%	17,676	100%	44,286,244,574	100%
Reporter Type	Qty.	%	Value (in ANG.)	%	Qty.	%	Value (in ANG.)	%

Table 3 : Unusual transactions by reporter type (2014 – 2015)

5.1.1 Administration Offices

With the amendment of the NORUT in 2011, certain designated non-financial business and professions (DNFBP's) like also the administration offices became obliged by law to report their unusual transactions, when they deliver certain services as stated in art 1 par. 1 under a sub 15 NORUT / art 1 par. 1 under b sub 15 of the NOIS. In 2015 the Reporting Center received again only 1 unusual transaction report from the administration offices sector. It

must be said that there is no reporting obligation for this sector for their standard services (administration).

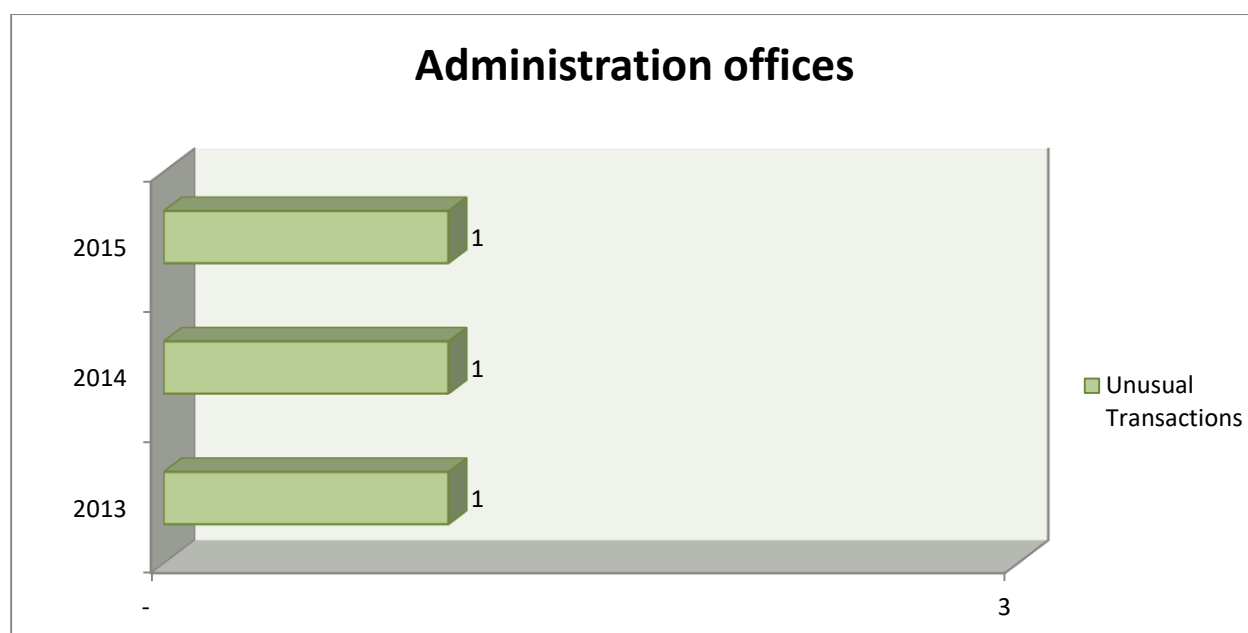


Figure 5 : Total received unusual transactions: administration offices (2013-2015)

An overview of the reported executed and intended transactions in the administration offices sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1	604,000	-	-	1	99,263,719
Intended	-	-	1	455,767	-	-
Total	1	604,000	1	455,767	1	99,263,719

Table 4 : Unusual transactions by reported type; administration offices (2013 – 2015)

5.1.2 Dealers in vehicles

With the amendment of the NORUT in 2011, vehicle dealers became also obliged by law to report their unusual transactions as DNFBP. In 2015 the Reporting Center received 32 unusual transaction reports from the vehicle dealers sector, staying largely at the same level as the previous year. There is still a substantial amount of vehicle dealers that do not report as of yet.

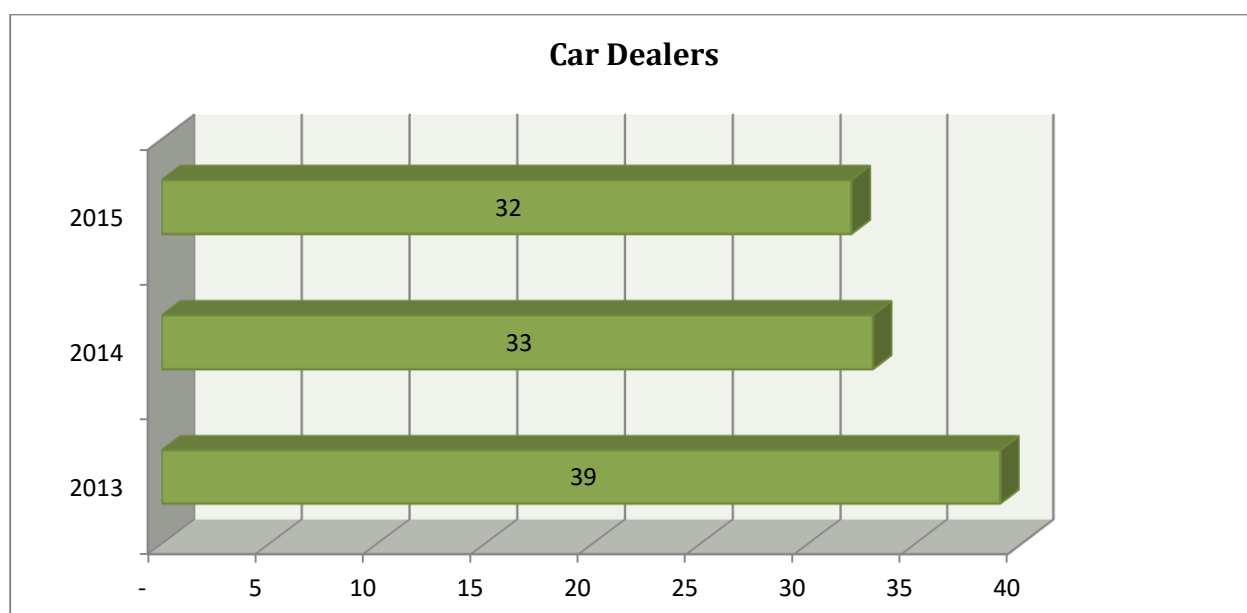


Figure 6 : Total received unusual transactions: vehicle dealers (2013-2015)

An overview of the reported executed and intended transactions in the vehicle dealers sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	31	1,411,723	33	932,330	39	1,340,888
Intended	1	34,350	-	-	-	-
Total	32	1,446,073	33	932,330	39	1,340,888

Table 5 : Unusual transactions by reported type; vehicle dealers (2013 – 2015)

5.1.3 Casino's (incl. online)

Compared to 2014, in 2015 the reports of unusual transactions received from the casino sector picked up again, producing 2020 transactions. Not all casinos are reporting yet however. The Reporting Center will continue to monitor the reporting behavior of casino's in the coming years.

Another point relevant mentioning is, that of the 2020 unusual transaction reports, 705 were reported by online casinos, with a combined value of around NAF 72 million. We see a gradual increase of reports from online casinos' even though this is a part of the sector that as a whole does not yet report sustainably.

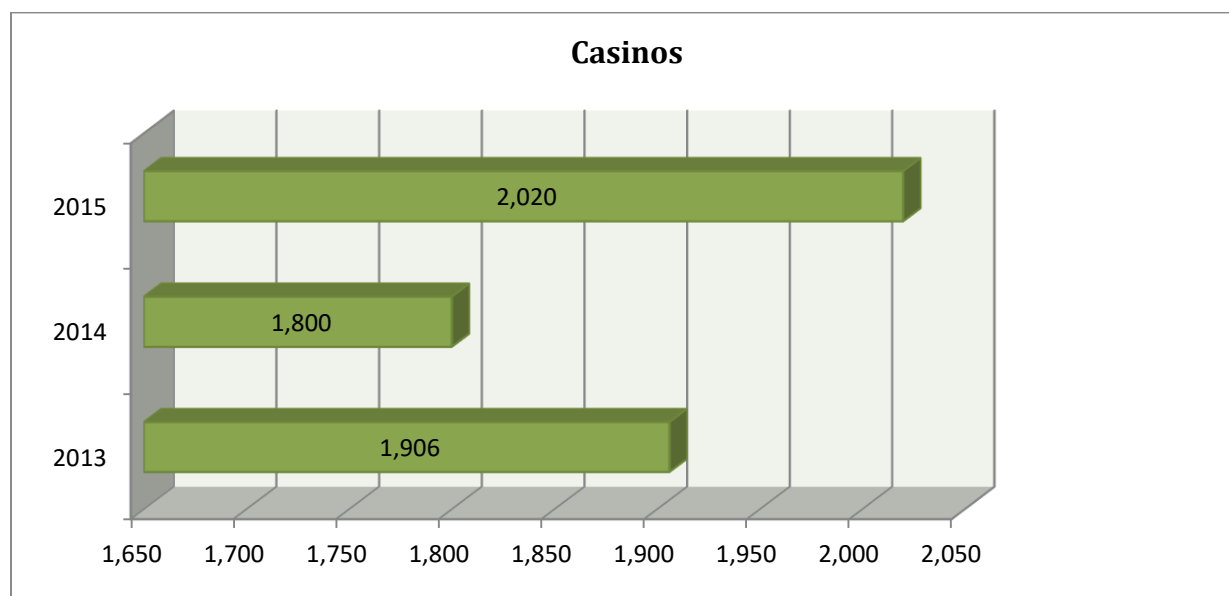


Figure 7 : Total received unusual transactions: casino's (2013-2015)

An overview of the reported executed and intended transactions in the casinos sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	2,019	84,548,705	1,800	87,276,207	1,906	62,239,573
Intended	1	68,804	-	-	-	-
Total	2,020	84,617,509	1,800	87,276,207	1,906	62,239,573

Table 6 : Unusual transactions by reported type; casinos (2013 – 2015)

5.1.4 Lotteries

The lottery sector became obliged by law to report their unusual transactions in 2011, however reporting is still low, although there are signs of improvement. In 2015 the Reporting Center received 70 unusual transaction reports from the lottery sector. Not all lottery providers are reporting. There is currently no Supervisory Authority for AML to address the reporting behavior.

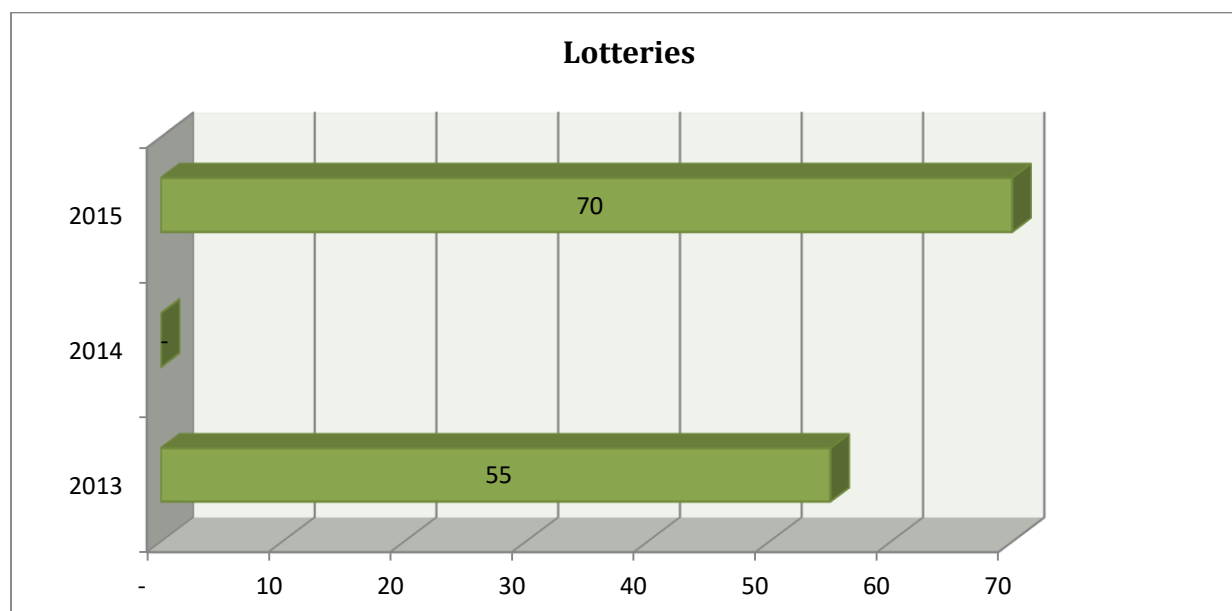


Figure 8 : Total received unusual transactions: lotteries (2013-2015)

An overview of reported executed and intended transactions of the lottery sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	70	626,060	-	-	55	495,950
Intended	-	-	-	-	-	-
Total	70	626,060	-	-	55	495,950

Table 7 : Unusual transactions by reported type : lotteries (2013 – 2015)

5.1.5 Credit Unions

In 2015, again a total of 13 reports of unusual transactions were received from the credit unions sector. The Reporting Center upon reaching its personnel formation intends to focus more on this sector by organizing additional informative and training sessions for this sector.

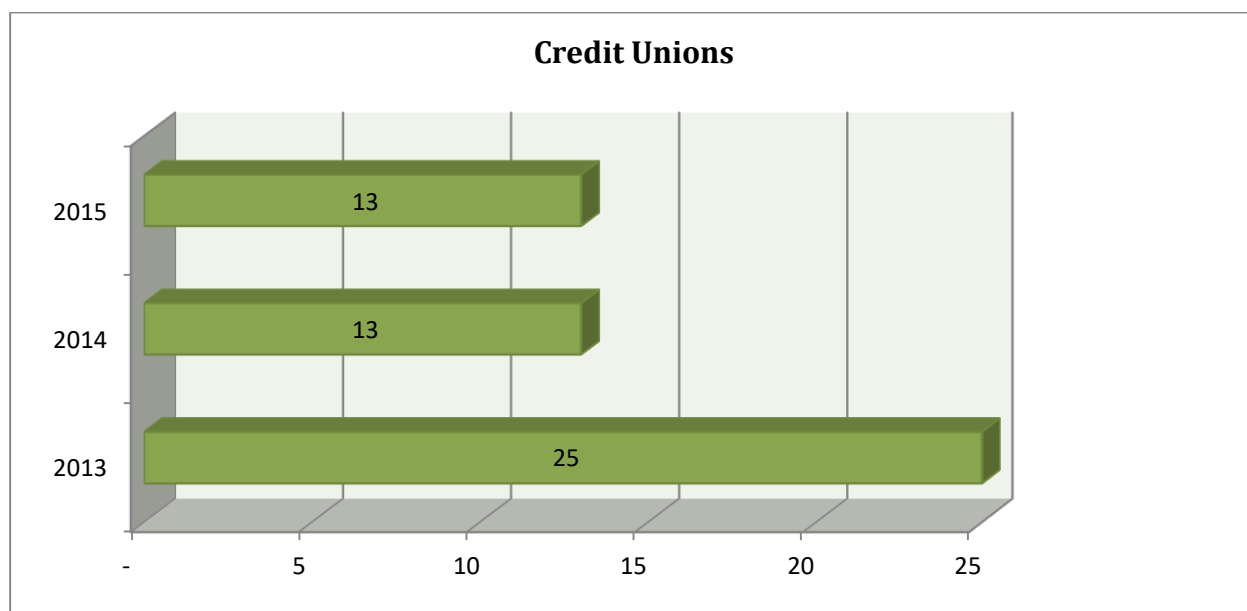


Figure 9 : Total received unusual transactions: credit unions (2013-2015)

An overview of the reported executed and intended transactions in the credit unions sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	13	397,242	13	2,923,745	25	682,393
Intended	-	-	-	-	-	-
Total	13	397,242	13	2,923,745	25	682,393

Table 8 : Unusual transactions by reported type: credit unions (2013 – 2015)

5.1.6 Customs

Pursuant to the National Ordinance Obligation to Report Cross-Frontier Money Transportations, persons entering or leaving Curaçao are under the obligation to report money for a value of ANG. 20,000 or more (approximately US\$ 10,000) that they carry with them, to the import and excise duties officials or Customs. These officials are thereafter under the obligation to report these transactions to the Reporting Center without delay.

In 2015 Customs showed a further decrease in reported transactions, from 607 reports in 2014 to 276 reports in 2015. The Reporting Center is discussing with the Customs organization how to improve mutual assistance on reporting in the future, for instance by facilitating automated reporting to the Reporting Center, which would enhance efficiency substantially for both parties.

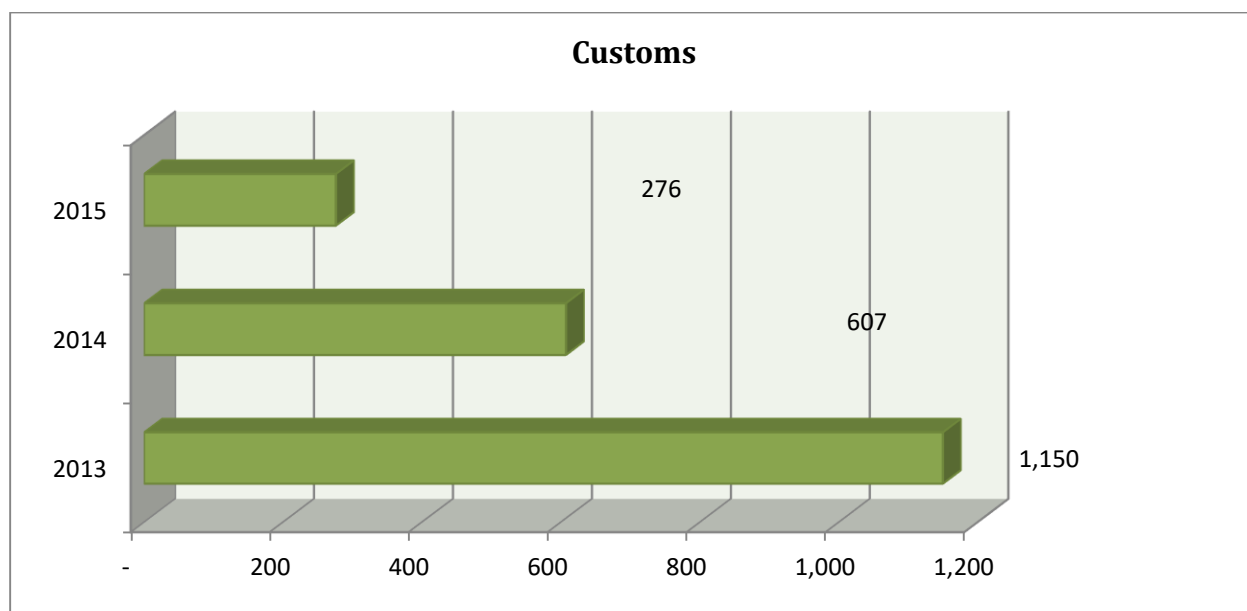


Figure 10 : Total received unusual transactions: Customs (2013-2015)

An overview of the reported executed and intended transactions of Customs is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	276	99,506,989	607	228,937,619	1,149	478,512,663
Intended	-	-	-	-	1	243,889
Total	276	99,506,989	607	228,937,619	1,150	478,756,552

Table 9 : Unusual transactions by reported type: customs (2013 – 2015)

5.1.7 Life Insurance Companies

In 2015 the reports of unusual transactions received from the life insurance sector decreased further to 3 reports. The Reporting Center addressed the reporting behavior of this sector with the Supervisory Authority.

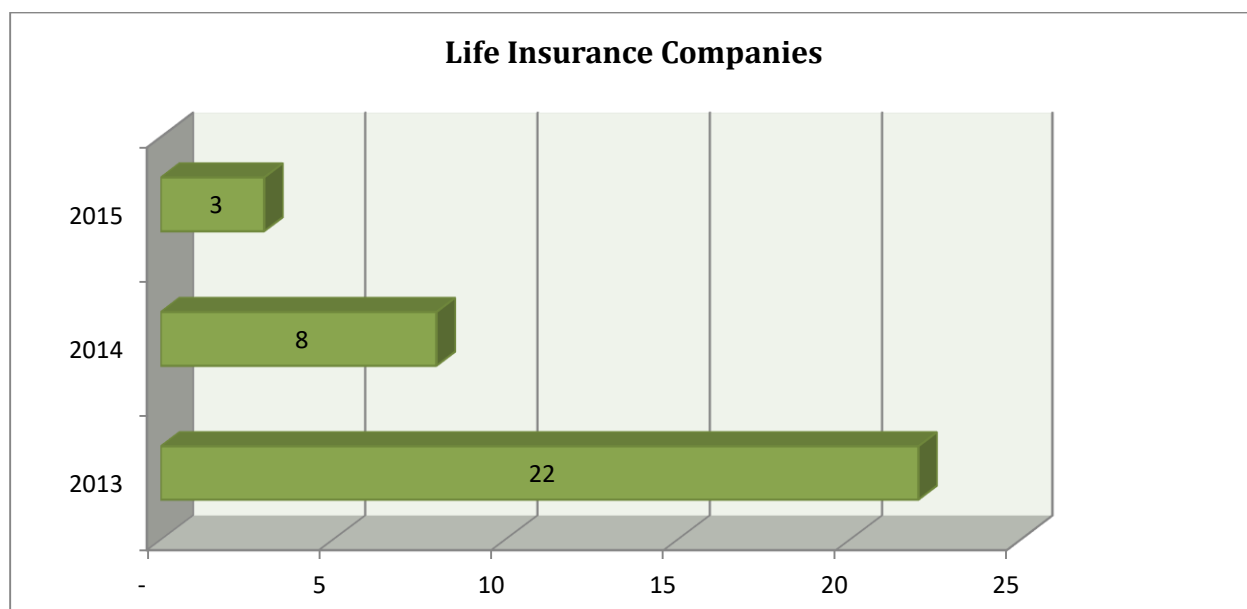


Figure 11 : Total received unusual transactions: insurance companies (2013-2015)

An overview of the reported executed and intended transactions of the insurance sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	2	553,164	8	3,690,829	21	7,075,986
Intended	1	18,900	-	-	1	345,540
Total	3	572,064	8	3,690,829	22	7,421,526

Table 10 : Unusual transactions by reported type: insurance companies (2013 – 2015)

5.1.8 Jewelers

With the amendment of the NORUT in 2011, the jewelers sector also became obliged by law to report their unusual transactions. In 2015 the Reporting Center received 79 unusual transaction reports from the jewelers' sector.

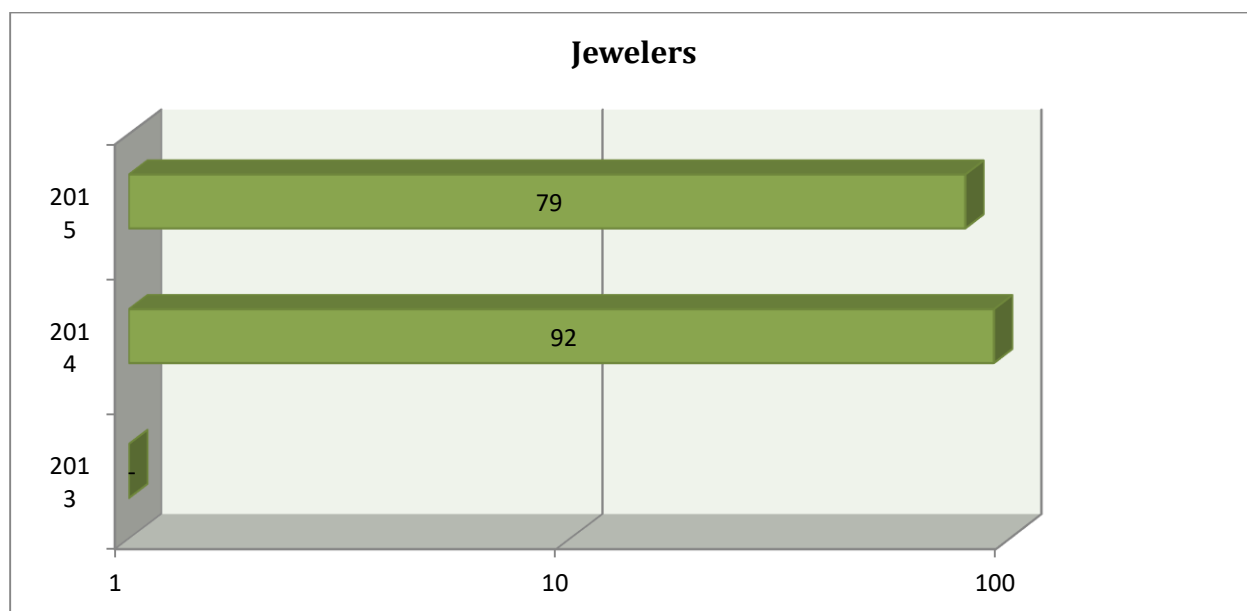


Figure 12 : Total received unusual transactions: jewelers (2013-2015)

An overview of the reported executed and intended transactions of the jewelers' sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	79	1,381,029	92	1,668,442	-	-
Intended	-	-	-	-	-	-
Total	79	1,381,029	92	1,668,442	-	-

Table 11 : Unusual transactions by reported type: jewelers (2013 – 2015)

5.1.9 Lawyers, tax advisors, accountants

With the amendment of the NORUT in 2011, legal service providers (attorneys, tax advisors, accountants and other legal advisors that give or are involved in services as defined in the NORUT and the NOIS, became obliged by law to report their unusual transactions. In 2015, the Reporting Center received 1 unusual transaction report from this group. It must be noted, that services normally delivered by this sector (e.g. tax and accounting services not related to NORUT services; legal advice on legal procedures) are exempted from the NOIS and the NORUT. However, the Reporting Center, when more human resources are available, intends to focus more on this sector by organizing targeted informative and training sessions.

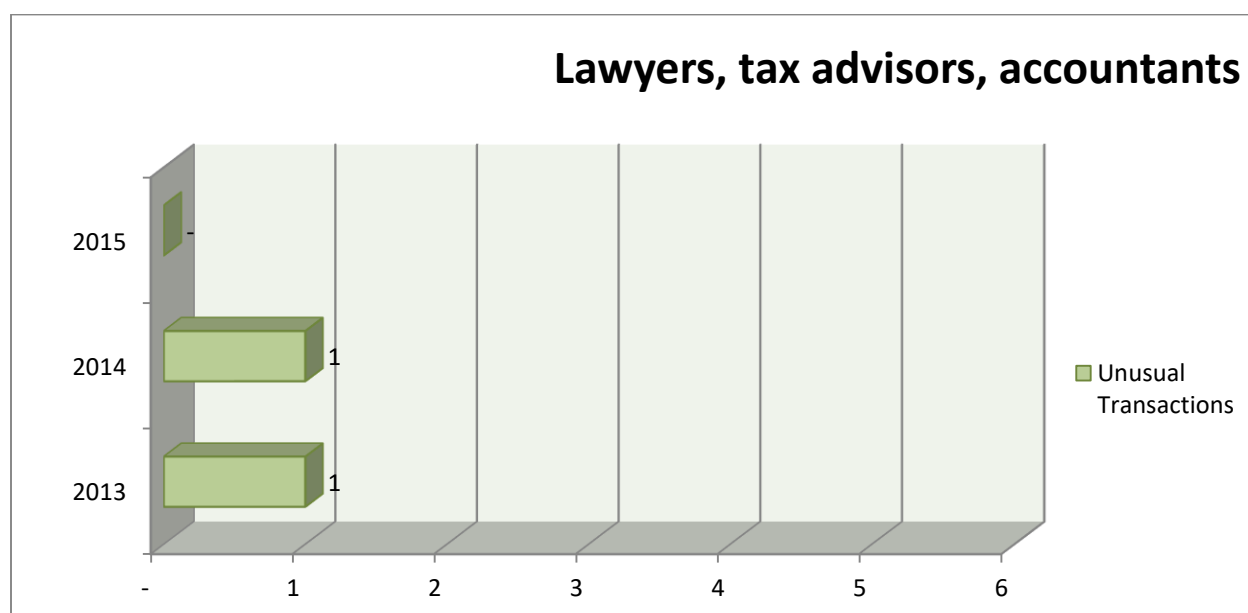


Figure 13 : Total received unusual transactions: lawyers, tax advisors, accountants (2013-2015)

An overview of reported executed and intended transactions of lawyers is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	1	20,000	-	-
Intended	-	-	-	-	1	711,000
Total	-	-	1	20,000	1	711,000

Table 12 : Unusual transactions by reported type: lawyer, tax advisors, accountants (2013 – 2015)

5.1.10 Notaries

With the amendment of the NORUT in 2011, the civil notaries became obliged by law to report their unusual transactions. Reporting behavior is unfortunately lacking behind, like is the case with other DNFBP-sectors. Unfortunately, since worldwide it is known that DNFBP - professions can be unwillingly or unknowingly misused for money laundering. In 2015, the Reporting Center received 1 unusual transaction report from the notaries. The issue of compliance and reporting is will be addressed in due time by the Supervisory Authority (FIU).

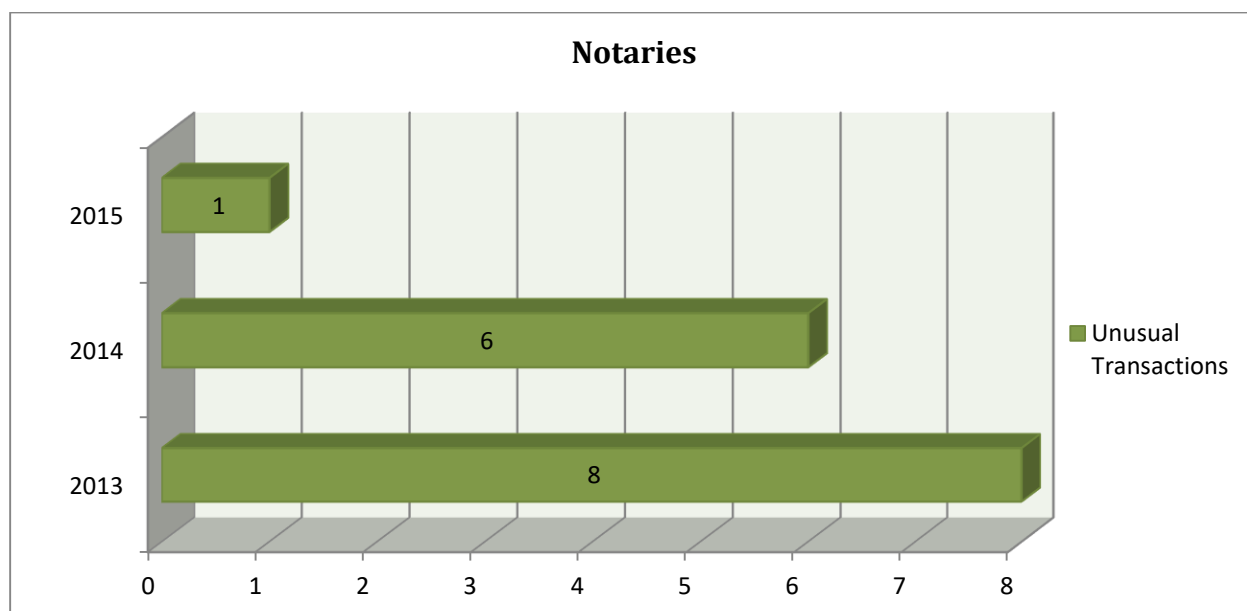


Figure 14 : Total received unusual transactions: notaries (2013-2015)

An overview of reported executed and intended transactions of the notary sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	3	1,167,757	8	1,218,452
Intended	1	30,000	3	1,141,112	-	-
Total	1	30,000	6	2,308,869	8	1,218,452

Table 13 : Unusual transactions by reported type: notaries (2013 – 2015)

5.1.11 Local Banks

Most reports received in 2015 came from the local banking sector. Of the in total 19,338 unusual transactions received in 2015, 9,790 came from the local banks.

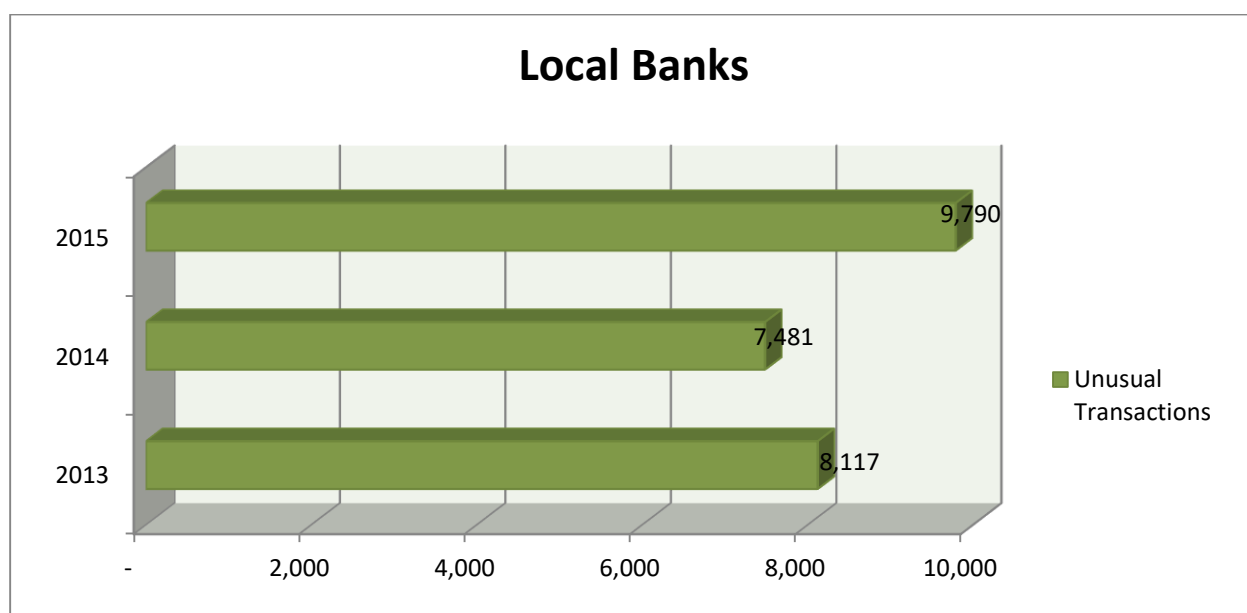


Figure 15 : Total received unusual transactions: local banks (2013-2015)

An overview of reported executed and intended transactions of the local banking sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	9,666	4,712,273,776	7,398	4,182,956,100	8,040	4,005,879,304
Intended	124	60,109,159	82	11,222,104	100	64,079,540
Total	9,790	4,772,382,935	7,480	4,194,178,204	8,140	4,069,958,844

Table 14 : Unusual transactions by reported type: local banks (2013 – 2015)

5.1.12 Money Remitters

In 2015 the reports of unusual transactions received from the money remitting sector substantially decreased to 748 reports. The issue of compliance and reporting is addressed with the Supervisory Authority. The Reporting Center also intends to target informative sessions to reinforce reporting.

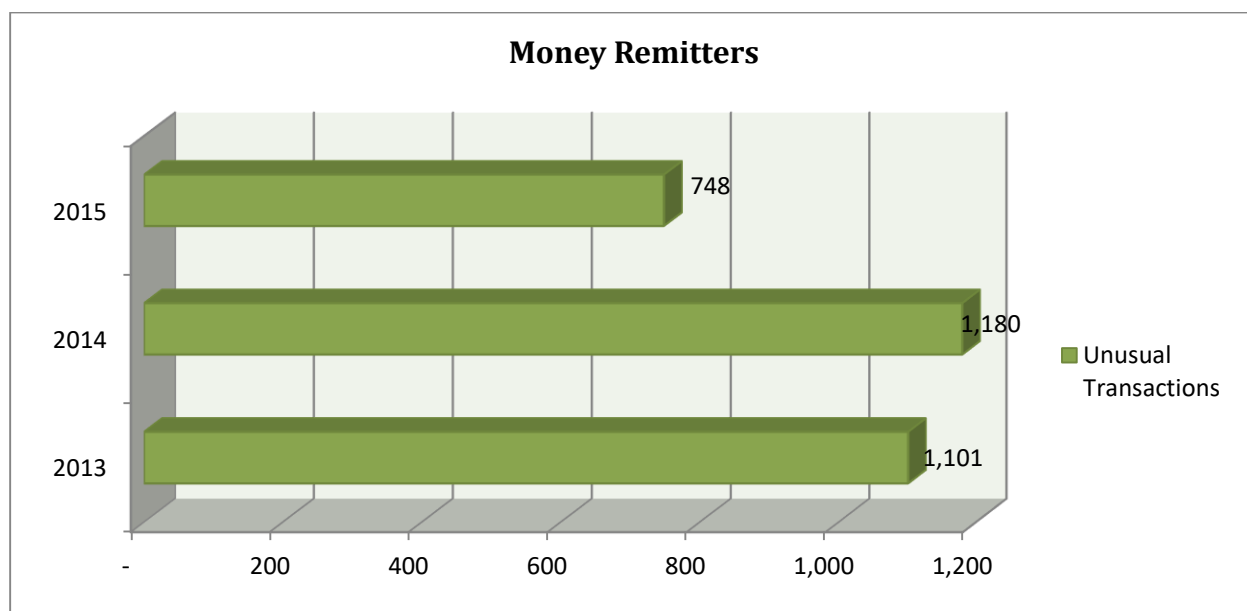


Figure 16 : Total received unusual transactions: money remitters (2013-2015)

An overview of reported executed and intended transactions of the money remitters sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	743	161,447,342	1,178	7,064,995	1,095	7,054,222
Intended	5	26,622	2	9,931	6	5,841
Total	748	161,473,964	1,180	7,074,926	1,101	7,060,063

Table 15 : Unusual transactions by reported type: money remitters (2013 – 2015)

5.1.13 International Banks

In 2015 the reports of unusual transactions received from the offshore banking sector substantially decreased to 5,121 reports. Reason might also be the decline in the amount of international banks. The issue of compliance and reporting is addressed with the Supervisory Authority.

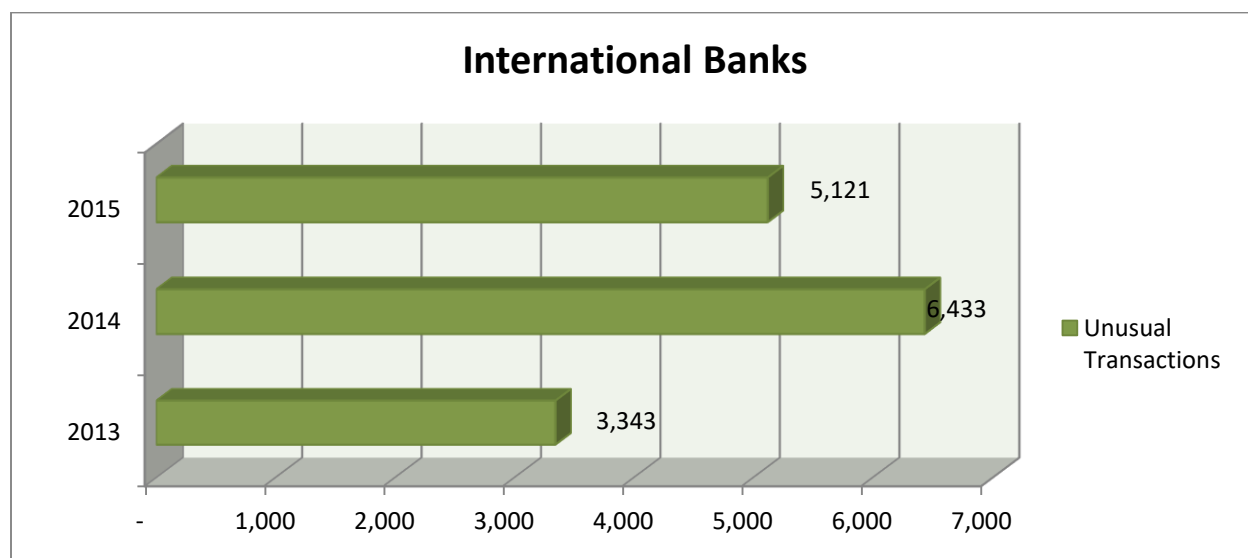


Figure 17 : Total received unusual transactions: international banks (2013-2015)

An overview of the executed and intended transactions from the international banking sector is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	5,096	17,518,420,624	6,375	39,249,874,919	3,316	30,301,683,934
Intended	25	12,450,413	58	262,775,024	27	38,577,878
Total	5,121	17,530,871,037	6,433	39,512,649,943	3,343	30,340,261,812

Table 16 : Unusual transactions by reported type: international banks (2013 – 2015)

5.1.14 Savings Banks

In 2015, no reports were received from the Savings banks sector. The Reporting Center will continue to address the reporting behavior with the Supervisory Authority.

An overview of the value of reported executed and intended transactions of the savings banks sector over the last three years is given in the following table.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	-	-	1	54,878
Intended	-	-	-	-	-	-
Total	-	-	-	-	1	54,878

Table 18 : Unusual transactions by reported type : savings banks (2013 – 2015)

5.1.15 Trust Companies

In 2015, the unusual transactions received from the trust sector underwent a significant improvement with 1,184 reported transactions, as can be seen in the following table. In 2015 the Supervisory Authority activity in this sector was substantial, which might be a reason for this. The majority of the amount of reports is however due to a backlog in reporting from past years, regarding transactions previously not identified as unusual and reportable.

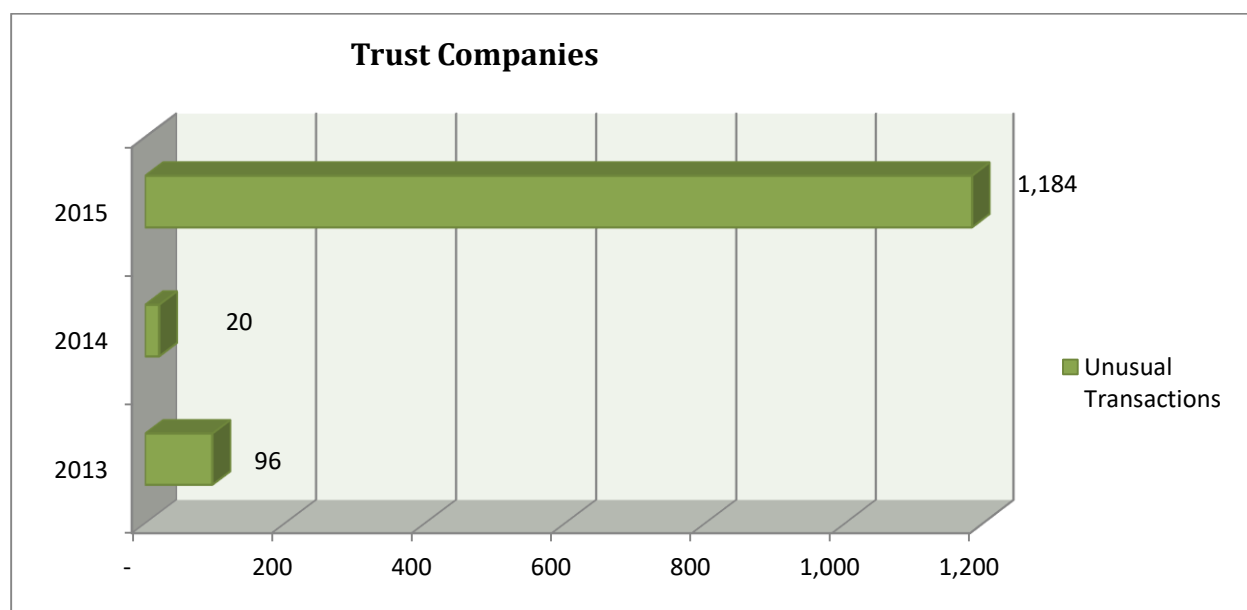


Figure 18 : Total received unusual transactions: trust companies (2013-2015)

In the following table an overview of reported executed and intended transactions from the trust sector is given.

	2015		2014		2013	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1,178	3,751,267,243	17	233,216,962	94	569,468,215
Intended	6	2,097,003	3	10,647,500	2	2,180,061
Total	1,184	3,753,364,246	20	243,864,462	96	571,648,276

Table 17 : Unusual transactions by reported type: trust companies (2013 – 2015)

5.2 Requests of the Reporting Center for additional information from the Reporting Entities

Pursuant to article 12 of the National Ordinance Reporting of Unusual Transactions, the Reporting Center is entitled to ask further data or information from the party that reported a transaction, as well as from the financial institution facilitating the transaction. Such entity

is obliged by law to furnish the Reporting Center with additionally requested data or information, in writing and in urgent cases also orally, within the term as stated by the Reporting Center.

Further data or information is for instance needed when there are omissions in the reports received from the reporting entities or when additional information is needed for ongoing investigations.

In 2015, the Reporting Center sent 4 requests for further information to reporting institutions.

5.3 Reporting time period for reporting institutions

The average reporting time period is the difference between the transaction date and the date the report was received by the Reporting Center, the incoming date.

Pursuant to the National Ordinance on Reporting Unusual Transactions, unusual transactions should be reported without delay to the Reporting Center. All reporting entities, with the exception of Banks (onshore banks, offshore banks, savings banks), should send their unusual transaction reports based on an objective indicator within 48 hours after the transaction has been executed or after there has been an intention for a transaction. For Banks, the reporting period for unusual transactions based on an objective indicator is in principle 5 working days, from the moment the transaction is executed or from the moment of an intention to execute a transaction. The time period for Banks to report unusual transactions based on an objective indicator can be extended (due to organizational or unforeseen reasons) to a maximum of 10 workdays.

For reports based on a subjective indicator, the reporting period for all reporting entities (including Banks) is as follows. The time period between the execution of the transaction (or the intention to execute a transaction) and the moment the Compliance Officer receives the report, should not exceed 24 hours. As of the moment the Compliance Officer receives the transaction report, the Compliance Officer will have 10 working days to complete the relevant research with regard to possible money laundering/terrorism financing situation. If after the research period (maximum 10 working days), there is a suspicion of ML/TF, the Compliance Officer must report the transaction within 48 hours to the Reporting Center.

An overview of the guidelines for the reporting period is given on the website of the FIU, under Section: Reporting.

5.4 Execution of article 3 (letters a and b) and article 6 of the National Ordinance on Reporting of Unusual Transactions regarding the furnishing of data

Pursuant to article 6 of the National Ordinance on the Reporting of Unusual Transactions and the relevant indicators, the Reporting Center is obliged to furnish data to the authorities and

officials of the law enforcement agencies, when there is a reasonable presumption that a certain person is guilty of money laundering and/or terrorism financing or of a criminal offence underlying such offences.

5.4.1 Disseminating data to the Public Prosecutor's Office and to the Law Enforcement Agencies

Contrary to other jurisdictions where *suspicious* transactions or Suspicious Activity Reports (SAR's) are received, the Reporting Center receives *unusual* transactions from the reporting entities.

The law indicates when a transaction can be considered as unusual by making use of indicators: objective and subjective indicators. An objective indicator states explicitly when a transaction should be considered as unusual, irrespective of who is executing the transaction, without respect of circumstances. The subjective indicator on the other hand leaves it to the assessment of the reporting entity (the compliance officer) to report, based among other things on its knowledge of the client, knowledge of the business of the client, the transaction profile of the client, international lists of terrorists, whether a politically exposed person is involved, particular circumstances, etcetera. The indicator might also give guidance in this regard.

After receiving unusual transactions, the analysts of the Reporting Center analyze them to see whether there is a suspicion of ML/TF. If so, such transactions are declared suspicious by the Head and disseminated to the Public Prosecutor's Office (PPO).

The transactions of the different reporting entities altogether that were declared suspicious and disseminated to the PPO after analyses by the Reporting Center are indicated in the following table. Dissemination of information by the Reporting Center takes place via requests received from the law enforcement agencies (subject to approval of the PPO), via own investigations, via update-disseminations (when certain transactions related to subjects have previously been disseminated) and/or upon requests of foreign FIUs.

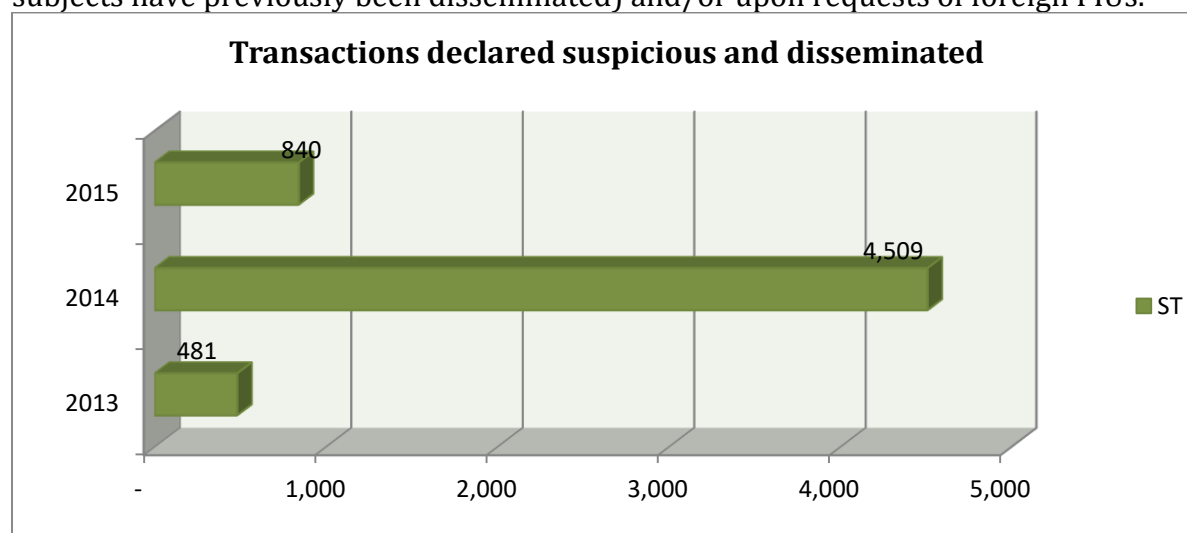


Figure 19 : Total declared suspicious and disseminated transactions.

As explained above, in 2014, the Reporting Center received one-time technical resources from FIU Netherlands, which enabled us to boost the output. On the basis thereof, the Reporting Center made changes to its system and operations and furthermore started a study into the required resources and initiatives necessary to expand its professional capabilities and resources.

5.4.2 Requests to furnish data received from law enforcement agencies

The Reporting Center received 36 requests for information from the law enforcement agencies in 2015, based on article 6 of the NORUT. The table below indicates which law enforcement agency requested information during 2015 and the amount of these requests.

Requesting Institution	2015	2014
SBAB	6	4
BFO-HARM		1
KONINKLIJKE MARECHAUSSEE		3
KPC-CPD-DGC	6	12
OM	1	1
RST	10	12
Landsrecherche	7	1
VDC	5	
TFO	1	
Total	36	34

Table 18: Requests for information by law enforcement agencies (2014-2015)

5.4.3 Conducting investigations into the field of money laundering and terrorism financing by the Reporting Center

The Reporting Center initiated several investigations into the field of money laundering and terrorism financing, and completed 2 self-initiated investigations in 2015, that involved 126 transactions that were declared suspicious.

6. CASES & TYPOLOGIES & ML/TF indicators

6.1 Cases

Curaçao is a relatively small community where certain cases regarding ML/TF can easily be remembered by the population. That is one of the reasons we will not be going into too much detail with regard to examples of transactions which have been indicated as suspicious transactions by the Reporting Center and disseminated to the PPO. Hereinafter, a set of sanitized cases as disseminated in 2015 are described.

Case 1

Several unusual transactions were registered in the name of two subjects. The subjects have been reported by three different local banks for suspicion of money laundering and/ or terrorist financing.

The transactions were for the exchange of Euros, which occurred on the same day or on subsequent days, whereby the subjects provided contradictory statements regarding the origin of the money.

The explanations for the origin of the funds were not satisfactory. In the description of the transaction it was stated that one of the subjects was accompanied by another person and that the money was handed over to someone else, whilst in the bank.

Typologies:

- Money Laundering through the use of the financial sector.

Indicators of Money Laundering/Financing of Terrorism:

- The fact that multiple transactions had been conducted by the subjects in several banks and branches on one day or subsequent days.
- The fact that the subjects either could not or refused to declare the origin of funds.
- Specific information from the reporting entity which indicates that the subject may be involved in the laundering of money.
- The fact that several transactions had been reported with the subjective indicator B0120211; Suspicion of Money Laundering/Financing of Terrorism.

NB the behavior of accompanied subjects is also often seen in cases of human trafficking.

Case 2

Five transactions were reported. A subject executed these five unusual transactions at three different banks. These transactions were reported with the use of the subjective indicator: suspicion of money laundering and/or terrorist financing; indicator B0120211.

The reporting entity required the client to provide the entity with information regarding the source of funds. The subject however refused to provide the requested information and left the bank.

Then the subject performed a transaction at another bank where a large amount of cash was deposited. It was indicated by this reporting entity that it was not common for the subject to deposit a large amount of cash. This situation lead to the suspicion of money laundering for this bank. The subject did also deposit cash in Euro's on their own account, where they declared that the amount was derived from their spouses' bank account. Two prior deposits had been performed by the subject's spouse themselves which have been reported under the same indicator; B0120211.

Typologies:

- Money laundering through the use of the financial sector.
- The (possibly pretended) use of third-party accounts.

Indicators of Money Laundering/Financing of Terrorism:

- The fact that multiple (intended) transactions by this subject occurred on the same day at different banks.
- The fact that the subject refused to provide the reporting entity with the information needed (source of funds).
- The fact that the transaction was not in line with the normal profile of the client (a-typical).
- Client-specific information from the reporting entity indicating that the subject may be involved in money laundering.

NB this case shows the importance that all entities report their transactions; through pattern recognition involving multiple transactions and entities can these cases be detected.

Case 3

Using a subjective indicator (-261, wire transactions above ANG 1mljn), an international bank reported a total of 30 transactions, performed in two consecutive years, between two international legal entities that both held accounts at this reporting bank. Also the bank reported, using subjective indicator -211, that amounts had been transferred from the account of one of the entities to four different bank accounts held by four different legal entities at the same reporting bank, and that the UBO (Ultimate Beneficial Owner) of the other entity and this entity itself were registered in the World Check database for involvement in investigations regarding corruption with a mining company. Further international intelligence obtained indicated that transactions did not have legitimate business purposes, that there was indication of 'layering', and that high risk jurisdictions were touched. Also that there was involvement in a so called "Informal Value Transfer System", conducted in a network with several other natural and legal persons.

Typologies:

- Money laundering through the use of the financial sector.

Indicators of Money Laundering/Financing of Terrorism:

- The information from the reporting entity indicated that the transactions were possibly related to money laundering and bribery.
- Subjects and/or business associates are involved in criminal investigations possibly involving money laundering.
- Transactions do not have legitimate business purposes and indicate layering;
- Indication of the use of the so called "Informal Value Transfer System".

- Transactions indicate illegal currency exchanges and unclear sources of funds, which are possibly derived from criminal activities and bribery abroad.
- Trade with high risk jurisdictions.

NB this case shows the international layering of money laundering that is often used as modus operandi.

7. COOPERATION

An efficient cooperation with all the actors in the reporting chain is of the utmost importance to the Reporting Center. Good communication and an expeditious exchange of information within the reporting chain are very essential. A good high-level interaction between the Reporting Center, the Ministries of Finance and of Justice, the reporting institutions, the law enforcement agencies, the office of the Public Prosecutor and supervisory authorities are imperative conditions in the fight against money laundering and terrorism financing.

7.1 National Cooperation

The Reporting and/or Supervised Entities

The Reporting Center held approximately 12 general training- and informative sessions for reporting and/or supervised entities, their representatives and personnel in 2015. Information was given to, among others, compliance officers where the focus was on the correct use of indicators and on their reporting obligation and behavior.

The Law Enforcement Agencies and the Public Prosecutor in charge of money laundering and terrorism financing cases

In 2015 the Reporting Center held several joint meetings with members of the Duradero team to increase the effectiveness of the cooperation with regard to the disseminating of suspicious transactions. Additionally, several meetings took place with the PPO and other law enforcement agencies, such as the Special Task Force (RST), with regard to individual cases under investigation. Information of the Reporting Center can be made available to the law enforcement agencies as intelligence, after the Reporting Center has completed its own investigations and upon request by the law enforcement agencies. The Reporting Center is obliged by law to furnish the requested information if, after thorough analyses by its analysts, there is a suspicion of money laundering and/or terrorism financing and the Head declares the transactions suspicious.

The Supervisory authorities

During this year, the Reporting Center continued its participation in several Working Groups created by the National Committee on Money Laundering (CiWG). This Committee is under chairmanship of the Central Bank. The aforementioned Working Groups were formed in order to come up with proposals to address the deficiencies that were identified by the CFATF in the evaluation of Curaçao. In the National Committee on Money Laundering, the Reporting Center deliberated with the Gaming Control Board (supervisory authority for the

casino sector) and the Central Bank (supervisory authority financial sector) on the proposal of new indicators.

In 2015 the Reporting Center addressed the reporting behavior of the reporting entities in the financial sector in the National Committee on Money Laundering and also in two separate meetings with the CBCS.

The Ministry of Finance

The politically responsible Minister for the Reporting Center is the Minister of Finance. The Reporting Center had several meetings with the Minister of Finance and several officials from the Ministry regarding, among other things, personnel matters, and other organizational matters.

7.2 International cooperation

Because money laundering, terrorism and the financing thereof are most often global in nature, international cooperation constitutes an essential component in the fight against these criminal activities.

International exchange of information

Pursuant to Article 7 of the NORUT, the international exchange of information shall only take place on the strength of a treaty or an administrative agreement, e.g. a Memorandum of Understanding (MoU), unless the FIU with which to exchange information is a member of the Egmont Group of FIU's. A total of 58 MoUs have been completed with other countries up to the year 2015 (See annex 1).

During 2015, the Reporting Center received 46 requests for information from foreign FIUs.

The requests for information regarded among other things: reported transactions, financial information and police information on certain subjects; both natural persons and legal entities.

In accordance with Egmont Group of FIU's rules and regulations, provided information can only be used and disseminated as intelligence by an FIU, not as evidence. For other uses, the FIU, pursuant to the signed MoU and the Egmont principles for information exchange between FIUs, needs the authorization of the requested/providing Reporting Center.

The Reporting Center sent out 49 requests for information to other FIUs.

The following Table shows an overview of received requests for information per country.

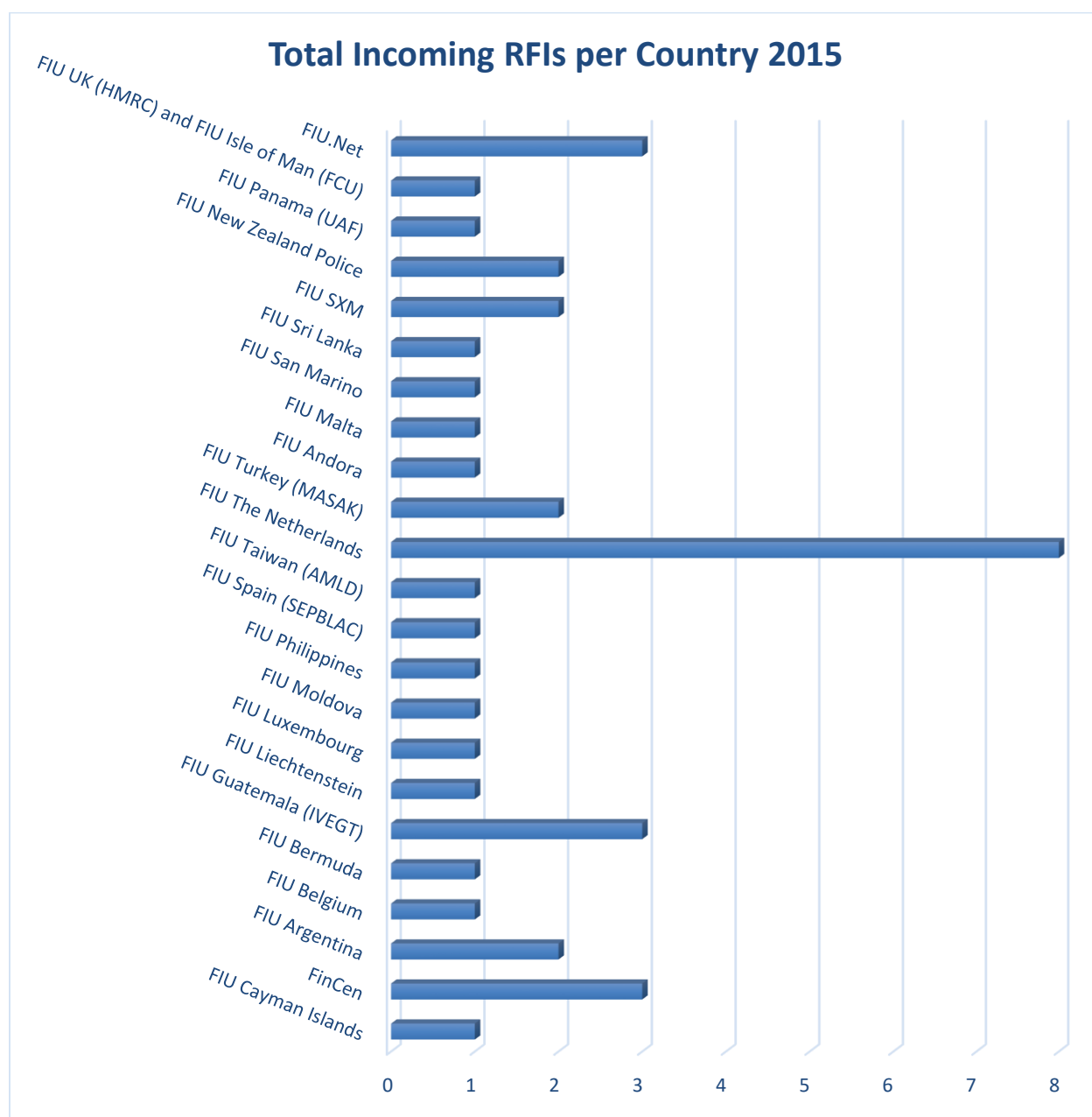


Table 19 : Requesting FIU's (2015)

Caribbean Financial Action Task Force (CFATF)

In May of 2015 the Reporting Center attended the 39th CFATF Meetings in the United States (Miami) and in November of 2015 the 40th CFATF Plenary Meetings in Trinidad & Tobago. On both occasions the Reporting Center attended the Heads of FIU Meetings and the Plenary Meetings.

At the plenary meetings in San Salvador the 3rd follow-up report of Curaçao was presented to the plenary. In this report to the plenary, Curaçao presented the actions that were

undertaken in order to improve the shortcomings that were identified during her 2012 evaluation.

The Reporting Center also participated in a total of 11 Steering Group meetings during 2015 in representation of the Dutch speaking countries in the organization (Aruba, Suriname, St. Maarten and Curaçao). Some of the meetings were face to face meetings and others via conference calls. The CFATF Steering Group is an advisory organ for the Chair, the Secretariat, the Ministers and the whole organization with regards to the general policy and other specific policy issues.

The Reporting Center is also a member of several CFATF working groups including the International Cooperation Review Group (ICRG) which deals with evaluation of the member countries in combating money laundering and terrorism financing and in a more general sense the degree in which the member countries comply with the Financial Action Task Force (FATF).

The International Egmont Group of Financial Intelligence Units

The Egmont Group is an international association of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation in anti-money laundering and counter-terrorism financing. All member FIUs are required to attend the Egmont Plenary. Recognizing the importance of international cooperation in the fight against money laundering and financing of terrorism, the FIU of Curaçao is one of the more than 147 FIUs worldwide that are members of the Egmont Group of Financial Intelligence Units.

The Egmont Group of FIUs meet twice a year to find ways to promote the development of FIUs and to cooperate, especially in the areas of information exchange, training and the sharing of expertise.

This reporting year the Reporting Center attended the 22th Plenary of Egmont (June 1-6, 2015), hosted by our colleagues of the Barbados Financial Intelligence Unit in Bridgetown, Barbados. This plenary was attended by representatives of FIUs from 120 jurisdictions.

Organization for Economic Co-operation and Development (OECD)

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 100 jurisdictions, which participate in the Global Forum on an equal footing. The Global Forum is charged with in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews the quality of the legal and regulatory framework for the exchange of information. Phase 2 reviews the practical implementation of that framework.

The results of the last peer review of Curaçao can be viewed on the website of the Global Forum on Transparency and Exchange of Information for Tax Purposes: www.eoi-tax.org.

8. PRIORITIES FOR THE YEAR 2016

The priorities of the Reporting Center for 2016, with a view to complying with its legal duties of preventing and detecting money laundering and terrorism financing and the underlying criminal offences, are as follows (the following list is not exhaustive):

- Further update the online reporting system Corsys in order to create more capacity and to make it possible for Customs to send in their reports digitally;
- Update the IT-system and expand the security system of the Reporting Center in line with FATF and Egmont requirements;
- Fill existing vacancies at the Reporting Center;
- Build up strategic analysis capabilities upon recruitment of a strategic analyst;
- Continue to upgrade the personnel of the Reporting Center through training;
- Continue to inform and train the reporting entities with regard to their reporting obligations;
- Enter into negotiations with the Receivers Office in order to agree on working arrangements between both organizations with regard to collection and recovery of administrative fees.

ANNEXES

Annex 1: Countries with signed MoUs

1. Andorra
2. Anguilla
3. Antigua & Barbuda
4. Argentina
5. Aruba
6. Australia
7. Bahamas
8. Barbados
9. Belgium
10. Belize
11. Bermuda
12. Bosnia & Herzegovina
13. Brazil
14. Bulgaria
15. Canada
16. Chile
17. Colombia
18. Costa Rica
19. Croatia
20. Cyprus
21. Czech Republic (Tsjechië)
22. Denmark
23. Dominican Republic
24. Estonia (Estland)
25. France
26. Grenada
27. Guatemala
28. Guyana
29. Ireland
30. Isle of Man
31. Israel
32. Japan
33. Latvia
34. Lebanon
35. Macedonia
36. Mauritius
37. Mexico
38. Netherlands
39. Nigeria
40. Norway
41. Panama
42. Paraguay
43. Peru

- 44. Philippines
- 45. Poland
- 46. Portugal
- 47. Qatar
- 48. Slovenia
- 49. St. Kitts & Nevis
- 50. St. Maarten
- 51. St. Vincent & the Grenadines
- 52. South Africa
- 53. Suriname
- 54. Sweden
- 55. Taiwan
- 56. United Kingdom
- 57. United States
- 58. Venezuela

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