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Previously called:
Meldpunt Ongebruikelijke Transacties / MOT

The goal of a large number of criminal acts is to generate a profit for the individual or group that carries out the act. Money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardizing their source. When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention. *(quote: FATF)*

ABBREVIATIONS

AML	Anti Money Laundering
CFT	Countering the Financing of Terrorism
MOT	Meldpunt Ongebruikelijke Transacties; the name of the FIU of Curaçao up to December 2015.
FIU	Financial Intelligence Unit, also the name of the FIU as of December 2015 (FIU Curaçao).
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
NRA	National Risk Assessment, the assessment of its AML/CFT risks and mitigating factors a country makes, as a result of FATF Immediate Outcome 1 (IO 1, a part of the standard requirements for effectiveness of FATF).
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 and general remarks

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 Financial Intelligence Unit Curaçao, formerly known as the “Meldpunt Ongebruikelijke Transacties” or “MOT” in the fight of Curaçao against money laundering and terrorism financing during the period of January 1st, 2016 to December 31st, 2019. As a way of catching up on a backlog in publishing reports, the decision was made to combine several annual reports in this document. Every covered years’ statistics can be found in the attachments.

The year 2016 marked remarkable changes for the FIU and Curaçao’s reporting community, not in the last place as a result of our legal name change, from MOT to FIU Curaçao. By changing our name and logo, making ourselves more recognizable to the international AML/CFT community, we further acknowledged the importance of the international tasks and goals an FIU has, in the global fight against money laundering and terrorism financing.

From an organizational perspective, the years 2016-2019 were marked by the continuous effort to restaff the FIU, the implementation and execution of the substantially adapted Curaçao laws governing the combat against money laundering and terrorist financing, that came into force at the end of 2015, and the preparation and execution of the National Risk Assessment of Curaçao.

The necessity to continuously restaff stems not only from the growing amount of tasks, unusual transaction reports received, and FIU-supervised entities, but also from the 2012 evaluation of Curaçao by the Caribbean Financial Action Task Force (CFATF), that had criticized our understaffing. Indeed, a challenge for Curaçao, since there had been a moratorium in place on hiring new public servants. When carrying out our activities, the FIU is constantly tackling capacity challenges. In addition, a large part of the capacity of the FIU, both in terms of analysis and supervision as well as management, was taken up since the beginning of 2018 by the execution of the National Risk Assessment (NRA) of Curaçao. Most FIU employees have been fully consumed by the many meetings and activities that they have been leading and the data gathering at several government and private entities, that was required. These extensive tasks had their extensive effect on the day to day activities of the FIU.

At the beginning of 2016, the FIU had a staff of 12 people to carry out both of its main tasks (analysis and supervision), instead of the (in 2009 by the government designated) formation of 21 people. At the end of 2019, the staff had grown to 18 people. In the last quarter of 2019, the IT expertise of the FIU was finally reinforced with an extra employee, so that the long-awaited re-automation project of the FIU, the goAML project, could be taken up. The implementation of phase 1 of this project, a new reporting system at the entities side, must be finished on 1 January 2021, because of foreseen international technical developments that

will affect the workings of our old reporting system CORSYS, and is therefore under great time pressure.

In the past years, the FIU 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. The year 2016 meant extensive implementation efforts of these changes to the laws, including change of name and communications, changes in the reporting and analysis system, rewriting of the Regulations and Guidelines for the designated non-financial businesses and professionals (DNFBPs) by the Supervisory department of the FIU, and additional reporting entities training programs. The most impacting change however was the addition of a new supervised sector to our tasks as AML-supervisor of DNFBPs, namely the traders in building and construction materials. The changes to the law further implied a further strengthening by Curaçao of the FATF-standards-required autonomy and operational independence of the FIU from potential undue political influence.

The FIU Supervisory department was strengthened in the last quarter of 2019 with 2 supervisors, therefore, 4 supervisors were available at the FIU at the beginning of 2020, for an estimated number of 800 supervised entities. During the years 2016-2019, the Supervisory department was unable to impose fines due to delays in the entry into force of the relevant Decrees. The FIU mitigated this risk by entering into a partnership with the Public Prosecution Office. This was first tested in the so-called 'non-reporter project' and the 'non-registration project' that were carried out together during the years 2018-2019. These projects should lead to an improvement in reporting behavior to the FIU as well as to an improvement in the registration of reporting institutions with the FIU.

Non-reporting (as well as low-quality reporting) has direct consequences for the information position of the FIU for analysis purposes. Statistics of the FIU still indicate that the reporting behavior of many entities that are registered for reporting needs to be improved. Also, many entities required to report still were not registered for reporting at the FIU. In addition to the projects mentioned above, during the years 2016-2019, the FIU continued its efforts to emphasize this concern in various writings to reporting entities and AML-supervisors. The FIU 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 that started at the end of 2015 and continued through the first quarter of 2016. In addition, as of 2016, non-registration at the FIU, as well as non-registration of DNFBPs at the FIUs' Supervisory Department, became punishable under administrative and penal law, in addition to non-reporting.

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

Head of the Financial Intelligence Unit Curaçao

1. General Introduction to the Work of the Financial Intelligence Unit Curaçao

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 FIU Curaçao (as do all four FIUs 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 sent to the FIU in a timely and correct manner. The quality of reports determines greatly the quality of the data the FIU. 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 therefor a substantial condition for the FIUs possibilities to be effective.

From unusual to suspicious

After receiving reported unusual transactions, the analysts of the FIU 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 FIU 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 FIU 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 FIU. In this way, the FIU 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 FIU gives ample attention to this. In this sense it is noteworthy, that the FIU 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 as the FIU Curaçao 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 FIU has been a long-standing member. The FIU Curaçao is therefore an intelligence organization (comparable to other intelligence organizations, like the Curaçao VDC), not an evidence-producing organization like law enforcement agencies.

Requests of the FIU for additional information from the Reporting Entities

Pursuant to article 12 of the NORUT, the FIU 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 FIU with additionally requested data or information, in writing and in urgent cases also orally, within the term as stated by the FIU. Further data or information may for instance be needed when there are omissions in the reports received from the reporting entities or when additional information is needed for ongoing investigations.

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 FIU, the incoming date.

Pursuant to the NORUT, unusual transactions should be reported without delay to the FIU. All reporting entities, with the exception of 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 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 the 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 a money laundering/terrorism financing situation. If after the research period (maximum 10 working days), there is reason to believe the transaction might have to do with money laundering or terrorist financing, the compliance officer must report the transaction within 48 hours to the FIU.

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

FIU is a supervisory authority

In addition to being a FIU, the FIU has important tasks in the supervision of designated non-financial businesses and professions (DNFBPs) regarding their compliance with the NOIS, NORUT and the Provisions and Guidelines (P&G) of the FIU. The following are the business sectors that are under the AML-supervision of the FIU, amounting to an estimated 800 supervised entities:

- Real estate brokers;
- Dealers in vehicles;
- Dealers in precious stones, precious metals, and jewelry;
- Dealers in building and construction materials;
- Attorneys*;
- Notaries and candidate notaries*;
- Accountants*;
- Tax advisers*;
- Administrative offices*;
- Other experts in the legal, tax or administrative field*;

* = each insofar as they provide services as described in the aforementioned sub 15 of article 1 under b of the LID and sub 15 of article 1 under a of the NORUT.

Other business sectors are under the AML-supervision of the CBCS (financial institutions and the trust sector) or the GCB (certain gambling institutions). It is worth mentioning that the supervisory tasks of the FIU do not include general supervision and the issuance of licenses. The tasks are concentrated on AML-supervision.

The supervisors of the FIU have legal powers to administratively sanction supervised entities in case of non-compliance. They also have the legal power to review the books and administration of supervised entities, enter their businesses and request cooperation with their audits, if and when required in the execution of their tasks.

Chinese wall

In accordance with FATF requirements, the tasks of the Supervisory Department of the FIU and the tasks of the Analysis Department of the FIU are executed separately, logically as well as physically. Both departments are for instance housed on separate floors, and have their own information servers.

2. Explanation on the statistics in this report

This report contains several statistics regarding the work of the FIU 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 FIU takes the Incoming Date of these transactions (the date the transactions were registered as received at the FIU) as its starting point. By doing so, all transactions registered by the FIU in the then current year will be taken into account. Consequently, a more accurate view can be given of the work of the FIU 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 FIU 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.

With regard to the furnishing or dissemination by the FIU 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.

The effectiveness of the work of an FIU depends highly on the quality of reporting by reporting entities in the private sector. Thus, effective AML-supervision by the three AML-Supervisory Entities that Curaçao has is of utmost importance for the work of the FIU. As stated above, one of those three AML-Supervisory Entities is a separate department within the FIU, whose activities are also covered by this document.

3. Summary of tasks and achievements

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 FIU and the efforts of the reporting entities is given in this report. Though challenging due to its limited resources, the years 2016-2019 were all in all productive in a broader sense for the committed and dedicated team of the FIU.

Article 3 of the NORUT indicates most of the legal tasks of the FIU, however there is more, for instance the task in art. 11 NOIS entrusted to the FIU 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 FIU 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

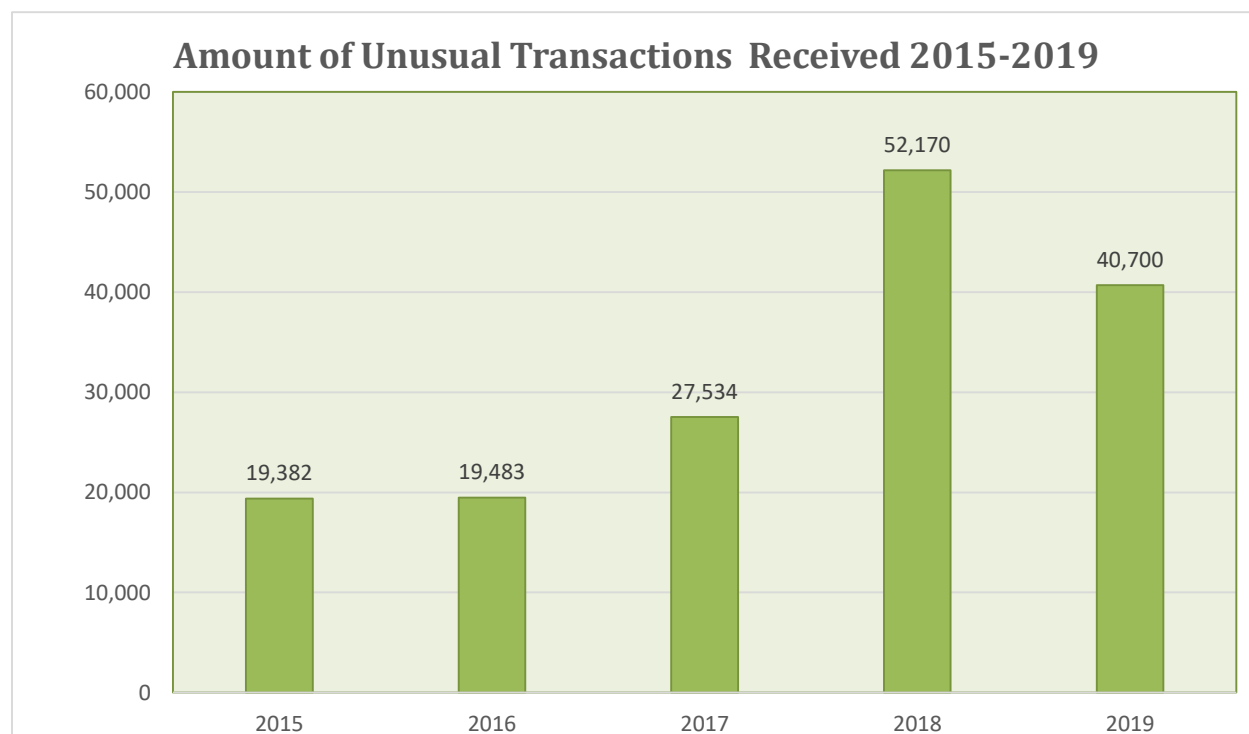


Figure 1: Unusual Transactions received over the years 2015-2019

Growth in reports continues, however not for all sectors

Compared to the year 2015 (which year was covered in our previous annual report), the growth in numbers of UTRs received already seen in previous years, continues through 2019, with an outlier in 2018 of 52,170 reports received. If we compare 2015 (19,382 transactions) with 2019 (40,700 transactions), the number of reports received has more than doubled in a few years' time.

As may be seen in the statistics attached regarding the years 2016 to 2019, this growth is mainly due to a growth in reports received from the banking (national and international), money remitters and (online and landbased) gambling sector. The amount of reports received from the trust sector in 2015 decreased however again in the following years. It is further observed that the number of reports received from DNFBPs like notaries, insurance companies, jewelers and dealers in precious metals and precious stones, administration offices, accountants and attorneys remain fairly low over the years. For the individual yearly statistics, please view the Annexes to this report.

Objective versus subjective reporting and the new indicators

The temporary 'stagnation' in the growth of reports in 2016 may be a result of the substantial changes to the reporting indicators that have come into force in that year, as a part of the substantial changes that were implemented throughout the NOIS and the NORUT. The reporting indicators for all sectors were simplified and only one subjective indicator remained, the so-called '211'. This subjective indicator reads the same for all reporting sectors: "A transaction where there is reason to believe that it may be related to money laundering or terrorist financing." All other 'subjective indicators' were removed from the list of indicators. Note that 'suspicion' is not required; instead the required 'reason to believe' amounts to a substantial lower threshold for reporting, implying a lowering of the analysis burden for reporting entities in order to determine whether to report or not.

The following table shows the development of reports received under objective versus subjective indicator(s) in percentages. As can be seen, the amount of subjective "211" reports received in 2019 is almost neglectable (0,50%) compared to 2015 (41,9%).

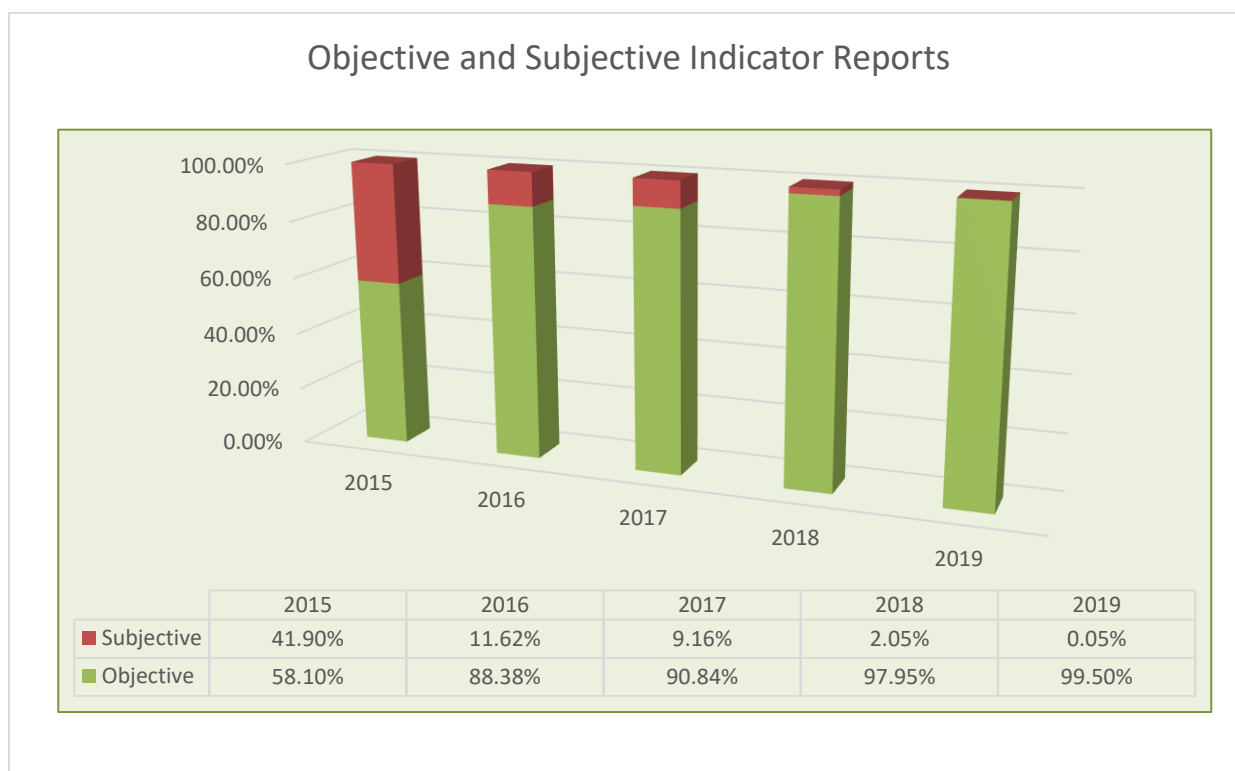


Figure 2: percentages objective vs subjective transaction reports received.

Compared to 2015, the year 2016 showed a sharp decline in reports sent under the subjective indicator, which downward trend progressed in the next years. The decline was expected as a result of changes to indicators, however the sharpness of the decline was unexpected.

Of the reports sent to the FIU in a jurisdiction that uses the system of ‘unusual transaction reporting’ instead of ‘suspicious transaction reporting’, the majority is normally based on an objective indicator. A smaller portion of reports are sent in under the subjective indicator. These ‘subjective’ transactions are detected by reporting entities that have a firm basis in compliance, enabling them to estimate the risk profile of their clients, products and processes effectively, to mitigate the risks effectively and to report in line with their legal obligations. Only through effective compliance with AML/CFT laws, transactions that may possibly be linked to money laundering or terrorist financing can be effectively detected and reported. This is also the case for jurisdictions in which the substantial lower analysis burden is applied, through the requirement of reporting of ‘unusual transactions’ (UTRs) instead of ‘suspicious transactions’ (STRs) or ‘suspicious activity reports’ (SARs).

The simplification of the indicators as a result of the changes to the law, has been done also because sectors were expected to be ‘mature’ enough in their compliance to sufficiently be able to detect transactions that may have to do with money laundering or terrorist financing. We see however that this might not be the case for several reporting sectors, that do not or almost not report subjectively. From compliance incidents and supervisory interventions worldwide, we learn that compliance is still a challenging topic for many companies and

professions. This was also shown from the experiences and results of our own supervisory interventions like the projects executed by the FIU together with the PPO during 2018 and 2019 mainly in the automotive and real estate sectors, on 'non-reporting' and 'non-registration'.

Subjective reports are normally the most important reports for an FIU. The FIU will 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.

The local and international banks remain the sectors from which the most reports of unusual transactions are received. However, reports received from online gambling companies are on the rise. NB it must be noted that only a few online gambling companies however are registered and are reporting. Substantial improvements to AML/CFT compliance would be desirable for this sector in general.

Customs' reporting (of cross-border money transports) remained at a lower level compared to previous years (with an outlier in the year 2016), steadying a trend that had begun in past years. While in 2014 we had still received 523 reports of cross border money transports, in 2019 this was 182; almost three times less. An explanation for this might be the resource challenges that the Customs organization is facing. The FIU continues its efforts to address the importance of setting AML reporting as a priority and to offer training and support to the Customs organization in the field of anti-money laundering and the use of the reporting system, custom-build by the FIU for Customs (the 'MOT-Portal').

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



Figure 3: amount of unusual transactions declared suspicious over the years 2015-2019

The above table shows the amount of unusual transactions that were declared suspicious by the Head of the FIU through analyses, and were furnished to the PPO over the years.

Several major investigations on the basis of tactical analyses with regard to money laundering and terrorism financing were initiated by the FIU itself over the years and furnished to the PPO.

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

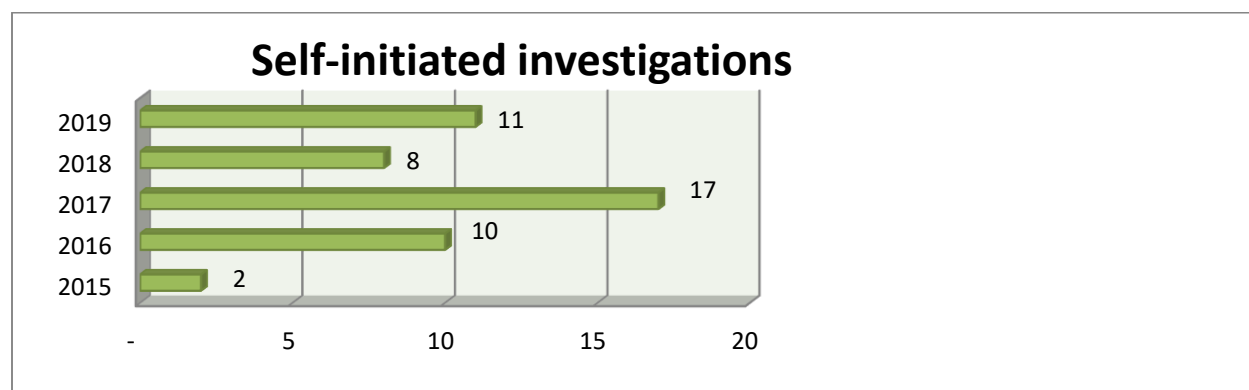


Figure 4: Amount of self-initiated investigations ML/TF 2015-2019

Pursuant to the amended NORUT, the FIU has the authority to consult the registers of authorities and officials, whether or not charged with investigation and prosecution, for the performance of its duties, and these authorities and officials are obliged to allow consultation. Information requests are often still paper-based. Starting 2016, regular consultations were held with various investigative and non-investigative authorities about the realization of a digital viewing function for the FIU in their databases. Dump files are now regularly received from some authorities, so that the information position of the FIU has become more efficient and effective, but a digital viewing function has not yet been realized during the reported years, in any database held by a public office.

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

Over the reported years, the FIU 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.

The FIU determines its investigation priorities partly in regular consultation with its chain partners. Through 2016 the joined Curaçao-Dutch Duradero cooperation project was prolonged. The Duradero project aimed to strengthen the legal enforcement capacity of Curaçao in the fight against economic and financial crime. The FIU played a pivotal role by disseminating suspicious transactions to the Duradero project. Furthermore, the FIU sent the Duradero team all investigations on the basis of its tactical analyses that were completed by the FIU since October 10th, 2010. Unfortunately, the Duradero project came to an end at the end of 2016.

However, in view of the upcoming end of the Duradero-cooperation, the FIU took the initiative to revive the “GOFO consultation group”, consisting of all financial investigative and intelligence authorities (in Dutch: “Gestructureerd Overleg Financiële Opsporings- en Intelligence diensten”). During the reported years various meetings of this broad chain partner consultation body have taken place.

Various consultation meetings were also held with individual chain partners, including the Public Prosecution Office (PPO). In 2017, the FIU also initiated a project with the PPO called “Non-Reporters”, aimed at raising awareness among reporting sectors of the importance of reporting, as well as at sanctioning of non-reporters. This project was followed by the ‘non-registration’ project, initiated by the Supervisory Department of the FIU, together with the PPO. Over the years 2017 to 2019, the focus of these projects has been on compliance of non-financial reporting entities like real estate agents and the automotive sector.

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

During the reported years, the efforts of the FIU, in cooperation with the CBCS, were directed at the implementation of the amendments to the National Ordinance on Reporting Unusual Transactions (NORUT) and the National Ordinance Identification when rendering services (NOIS), that came into force in 2016. 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 FIU. Also, as stated above, the reporting indicators were significantly changed. These changes implicated considerable work needed in the reporting system CORSYS but also for the supervision of reporting entities. The FIU in this process also closely cooperated with supervisory entities to address the reporting behavior of and foreseen reporting changes for supervised entities.

The FIU 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 FIU 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.

During 2018 and 2019, a substantial part of the resources of the FIU were directed at conducting the National Risk Assessment of Curaçao, in close cooperation with the CiWG, in accordance with the NRA tool of the World Bank. This NRA project required the inclusion of many public and private sector parties, in order to establish the risks and mitigations thereof of Curaçao in general and the public and private sectors in particular with regards to money laundering and terrorist financing. Due to medical absence of the Head of the FIU for the most part of 2018, this project turned out to be even more challenging resource-wise for the

FIU. The project lasted longer than expected, also during the year 2019 most resources of the FIU were involved in the NRA.

Since 2016 and continuing through 2019, the FIU, together with the three other FIUs of the countries that make up the Kingdom of the Netherlands, has been invited to be a part of the yearly consultations by the joined financial supervisory authorities within the Kingdom, the so-called 'WGHIT' (working group on harmonisation of integrity supervision). The FIUs have been actively contributing to this consultation with presentations and discussions on trends and topics in money laundering and terrorism financing, that the financial supervisory authorities should be aware of. The meetings have taken place alternatively in Aruba, Bonaire and Curaçao.

Pursuant to article 3, letter "f" NORUT; supplying information

The FIU continued to organize many presentations, meetings and training sessions for reporting entities and other stakeholders over the reported years. As stated before, also a publicity and media campaign was prepared and executed in relation to the changes to the NORUT and NOIS. We refer to the attachments for respective sessions per year.

Pursuant to articles 5 and 6 NORUT (national), article 7 NORUT (international) and article 12 NORUT (additional, national)

The task of an FIU is national as well as international, because of the often international character of money laundering and terrorist financing schemes. Cooperation is key. The FIU receives requests for information and analysis from and disseminates information to not only national partners (law enforcement and PPO), but also from and to many international partners (foreign FIUs). This is also why the network of the Egmont Group of FIUs is so important to the work of an FIU. 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 FIU 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). National or international requests can entail information of single subjects or of multiple subjects.

The FIU may also sent out requests for additional information to reporting entities and financial institutions involved in reported transactions, for instance if reports were not clear enough, or if additional information is needed for analysis. This can be for own investigations of the FIU or for assistance of law enforcement agencies and/or foreign FIUs in their investigations with regard to money laundering and terrorism financing. The number of "article 12 requests" over the years is part of the outgoing local requests in the below table.

Requests for information 2015-2019				
	Incoming local	Incoming international	Outgoing local	Outgoing international
2015	42	40	49	64
2016	55	55	26	60
2017	23	53	20	73
2018	25	24	61	41
2019	38	63	32	88
TOTAL	183	235	188	326

TABLE 1: incoming and outgoing requests for information, 2015-2019

Pursuant to article 11 NOIS and article 22mm NORUT: AML supervision of DNFBPs

Over the reported years, the Supervisory Department of the FIU executed several full scope audits, as well as many management meetings and reports. The department was also a substantial player in the publicity and media campaign in 2016, to prepare and educate reporting entities and the public for the implemented changes in the NOIS and the NORUT and the practical implications of those changes. The Department also prepared itself and the sector for supervising a new sector: the dealers in building and construction materials. This all was challenging, in view of the very limited human resources of the department during most of the reported years.

In addition, the Department overcame the lack of Decrees underpinning the NOIS and the NORUT, that would make the administration of administrative sanctions possible, by entering into a partnership with the PPO in some projects, aimed at enhancing the quality of reporting and registration. This led to several court cases. We refer to the Annexes for more details on the activities of the Supervisory department.

4. Organization of the FIU

4.1 Operations and staffing

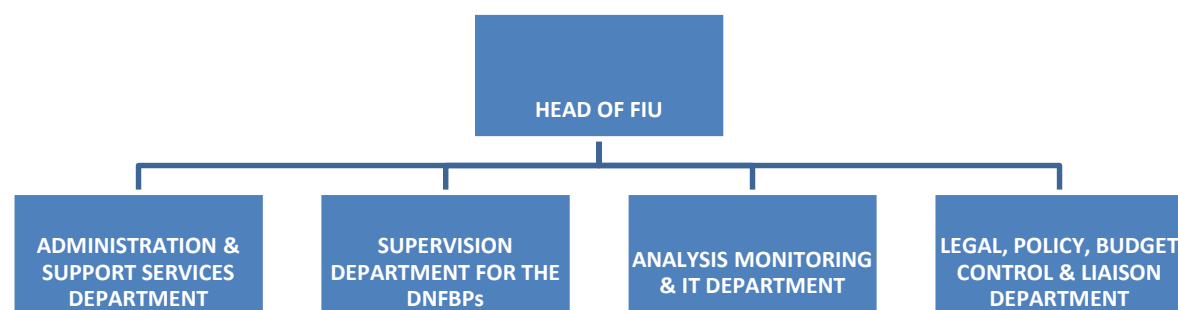


Figure 5. Organizational Chart of the FIU

In line with the required operational independence and autonomy of an FIU, the Head of the FIU is operationally in charge of the FIU. Administrative responsibility has been placed by

Curaçao with the Minister of Finance, who also is responsible for providing the yearly required budget to the FIU.

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

The issue of understaffing has been dealt with in the CFATF 2011/2012 Curaçao evaluation, in the part regarding the FIU³. The evaluators concluded that with a view to the effectiveness of the FIU, the number of employees at the FIU should preferably be increased. Therefore, the recruitment procedure and selection of new FIU personnel that started in 2014 was further continued during the reported years.

The formal staffing number or formation of the FIU was decided by the Council of Ministers in 2009 to be 21 persons. In 2018, on the request of the Ministry of Finance, an external bureau independently assessed the current and required formation of the FIU, in view of its growing amount of legal tasks and the growing amount of received UTRs. This resulted in an advise and formal request to the Minister of Finance to request the Council of Ministers to revise its 2009' decision regarding the FIUs formation and expand it from 21 FTEs to 31 FTEs. During the reported years, this revision of the formation of the FIU has not taken place yet.

5. Cases and Typologies

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 FIU and disseminated to the PPO. Hereinafter, a set of sanitized cases as disseminated the reported years are described.

Case 1: several entities, several subjects, several indicators

Sometimes, the report of one entity can be the one piece of the puzzle that is needed to unlock a whole new view on transactions reported by other entities in the database of the FIU. Every report in itself can be relatively inconspicuous to a reporting entity, but when the FIU can piece them together, they may prove to be essential pieces of intelligence.

Several unusual transactions reported by various financial and non-financial entities were received in relation to one subject. The subject carried out or tried to carry out transactions at various financial and non-financial entities in its own name and/or via its own account. Subject sometimes refused to provide information about the origin of the money and left,

¹ Recommendation 29 of the FATF

² Art. 4 NORUT

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

triggering the entities to report intended transactions. In some cases however, the transactions were executed by the entity, but reported. In addition, subject was also reported by non-financial entities regarding transactions. One of the latter transaction reports triggered the investigation.

According to reporting entities, it was not customary for the subject to deposit or withdraw large amounts of cash or cash in Euros. Sometimes the subject used crumpled notes. Sometimes the escrow account ('derdengeldrekening') of a specific third-party service provider was involved in certain transactions. The subject also occasionally referred to another subject for which the transactions allegedly were carried out, using their own account and/or name. On the latter subject and their companies, there were also several subjectively and objectively reported transactions found in the database.

After careful analysis and combining of information from other sources with transaction information, the transactions were declared suspicious and reported to the PPO.

The following typologies were important in this regard:

- Money laundering through the use of the financial sector.
- Using the services of independent professionals, giving the transactions an inconspicuous look.
- Using the Third Party Account system.

Indicators of Money Laundering/Financing of Terrorism:

- The fact that several transactions were carried out on subsequent days at different entities.
- The fact that subject refuses to explain the origin of the money.
- The fact that the transaction is atypical for the subject.
- Executing transactions for others.
- Information gathered by reporter that the subject may be involved in money laundering.
- Various transactions are reported by several reporters with indicator [-211]: suspicion of money laundering and/or terrorist financing.
- The physical transport of large amounts of cash entails a significant security risk.
- Carrying small crumpled Euro notes.
- The fact that the subject is discussing the regulations of the financial institution.

Case 2: Precious metals & Swapping

The Head of the FIU declared more than 300 transactions suspicious after careful analysis by the Analysis department of the following case.

In previous FIU investigations, information came to the front about networks and suspicious transactions of subjects that may be involved in money laundering from drug trafficking or other criminal sources, through the trade and transport of precious metals like gold, partly from Venezuela, and currency swapping.

Notable was that some transactions with different numbers and different dates appeared to be the same payments. They concerned a repayment of a loan of (internationally based) company A to company B via company C. Subsequent transactions showed the trading of precious metals (gold) between the companies involving similar amounts. In relation to the

trading and subsequent transport of gold to other countries, also another person came to the front, connected to Curaçao based Service Provider D.

The following typologies were important in this regard:

- Trade-based money laundering.
- Money laundering through gold trading.
- Money Laundering through the use of the financial sector.
- Money laundering through international loan constructions.

Indicators of Money Laundering/Financing of Terrorism:

- The fact that multiple transactions had been conducted by the subjects at several financial institutions on one day or subsequent days.
- Several transactions appeared the same.
- The construct seemed to be without sound economic reason.
- 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.

Case 3: Find the shell

Following media reports regarding the arrest of a subject in connection with possible involvement in misappropriation of funds, the FIU reviewed its database and encountered several transactions in relation to the subject and their companies. Among them, we found a report of an intended unusual transaction concerning the sale of assets of the subjects. The subjects did not produce (nor did they wish to produce) the required CDD information, or did so, but (intentionally or unintentionally) incomplete. From the CDD information, it could also be learned that another subject was involved as the owner of the assets, previously not declared.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector.
- Money Laundering through shell companies.

Indicators of Money Laundering/Financing of Terrorism:

- Seemingly unnecessary international constructions of companies.
- Involvement of a PEP in constructions.
- Subject refuses to give information.
- Subject gives incomplete information.
- Subject can be related to possible criminal acts.

Case 4: Cover the deal

During an investigation, we came across several transaction reports concerning a number of cash and cheque deposits on the account of a third party account (“derdengeldrekening”) of a third party service provider. The deposits were made by several subjects. One of the

subjects occasionally stated that the money came from another subject, that has several companies. The FIU had previous knowledge of this other subject and their companies, and knew that they might be involved in crimes. We came to understand that the subjects were actually acting like 'straw men' or fronts. It was also observed, that the cash deposits were kept below the reportable amount, apparently with the intention of avoiding reporting. The cash was deposited in a fairly short period of time and at various branches. In some cases, as reason for the deposits another subject was mentioned as the ultimate beneficiary. Our research showed that this subject was not registered anymore at the chamber of commerce. Subsequent research of the FIU also showed that the transactions were in relation to a real estate deal.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector.
- Money Laundering through straw men.
- Money laundering through the use of third party legal service providers.
- Money laundering through real estate.

Indicators of Money Laundering/Financing of Terrorism:

- Several cash deposits into an escrow account.
- Someone other than the beneficiary carries out transfers to third-party funds account.

Case 5: A-B-C, who believes me?

This case concerns the purchase and subsequent sale of real estate in a well-to-do area of Curaçao. Subject A purchased the real estate for a total of several hundred thousands of dollars. The payment was made, according to our information, directly between seller and buyer, from one foreign bank account to the other foreign bank account. Almost a year later, subject A sold the property again, but this time for several millions of dollars, to subject C, thus the value of the property had increased more than 250% in a years' time. The increase was explained from the market development of comparable houses in the upscale area and from major renovation work done. Our research did not show a recent increase in value in said well-to-do-area. The price seemed excessive to us. Further research, including through the involvement of other FIUs, showed that foreign legal entities in which subject C was involved might be involved in money laundering or terrorist financing through unclear loan and repayment structures.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector.
- Money Laundering through international constructions.
- Money laundering through the use of third party legal service providers.
- Money laundering through real estate.

Indicators of Money Laundering/Financing of Terrorism:

- Relevant speedy resale of real estate, often with a remarkable increase in value (also called a A-B-C transaction).

- Payments are in whole or in part done outside of the view of the service provider involved.
- Subject (or connected party) involved in possible money laundering in another country.

Case 6: Cash intensive shopping

Consulting our database, we came across a few transactions involving the purchase of vehicles with cash by one and the same subject. Upon further investigation, we came across almost 120 reports with a total value of more than 3 million ANG, related to the subject and/or related parties. Of these, several were reported using the subjective indicator [-211] (a transaction that gives rise to the assumption that this may be related to money laundering or terrorist financing). Several transactions referred to large cash deposits on behalf of the business of the subject, a shop. Sometimes the subject was not aware of the amount that he came to deposit into his business' account. In some cases, the subject refused to complete a Source of Funds (S.O.F.) form. Sometimes multiple cash deposits were done, just below the threshold, in a short period of time. Sometimes another subject came to do the deposits. Research showed that there were also relations with another subject, known to the FIU as possibly involved in cases of crime, and that was also a subject in other investigations of the FIU.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector (and possibly the non-financial sector).
- Money Laundering through straw men.
- Money laundering through the vehicle dealers sector.

Indicators of Money Laundering/Financing of Terrorism:

- Large cash deposits of which the origin of the money is unknown and of which subject refused to complete S.O.F.
- Multiple cash deposits in short period of time just below the threshold.
- Different bank accounts at different entities seem to be used to make money flows less transparent.
- Association with known criminal.
- Several cars bought with cash money.

Case 7: Good international advice

The following is a compilation of information taken from court documents in relation to the sentencing of subject A for bribery, forgery and money laundering. Financial information was of crucial importance in the investigation, prosecution and conviction of subject A.

Subject A was appointed Minister. During his tenure, he provided services to a businessman friend. The friend gained political influence and had a possible say in important government decisions. The friend was also owner of most of the casinos in country X. Subject A received payment for his services and laundered those payments. Approximately 2 million ANG of

illegally gotten gains were transferred through the banking system of Curaçao and several other countries. The bribes were deposited in country X on an account belonging to family of subject A, that drew up false invoices to account for the sums of money and to serve as paper trail. Subsequently, the funds were withdrawn from an account of the family member in country Y, via checks and deposited into a bank account in country Z, belonging to a foundation based in Country U, of which subject A was the beneficiary. After the bank in country Z informed subject A that their bank account would be closed, the money was diverted through the intervention of offshore company bank accounts in three other countries. Eventually, the funds were deposited as donation to a domestic foundation of which subject A was the beneficiary.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector.
- Money Laundering through international constructions.
- Money laundering through the use of NGOs.

Indicators of Money Laundering/Financing of Terrorism:

- PEP (a “politically exposed person”) involved in business other than (or in some cases: actually connected to) their ‘core business’.
- Payments are in whole or in part done outside of the view of the service provider.
- Subject (or connected party) involved in possible money laundering in another country.

Case 8: More good international advice

Subject A was appointed Minister in country X. His area of attention in the government involved natural land resources. In this sector, often licenses were to be awarded to international private companies through bidding processes. Through research it was found that subject A was involved in a company in Curaçao. The company held a business account with a bank in Curaçao, which was opened some years ago. In recent months, several international transfers were made to this account, via country Y, internationally recognized as a financial center. The funds came from a bank account in country Y in the name of company B, which was registered and licensed in country Z. The descriptions accompanying the transfers indicated that they were related to advisory/consulting services regarding exploitation and development of natural resources in country X. Through research and the combination of information of several sister FIUs, the possible money laundering scheme could be unraveled.

The following typologies were important in this regard:

- Money Laundering through the use of the financial sector.
- Money Laundering through international constructions.
- Money laundering through the use of third party service providers.

Indicators of Money Laundering/Financing of Terrorism:

- PEP (a “politically exposed person”) involved in business other than (or in some cases: actually connected to) their ‘core business’.

- Payments are in whole or in part done outside of the view of the service provider.
- Subject (or connected party) involved in possible money laundering in another country.

Case 9: Common denominator

Subject A was mentioned in several transactions. Subject A wanted to make a cash deposit to his personal account for a value of more than NAF 30,000.- The cash involved several 500 Euro banknotes. These banknotes are rare, and are often used in relation to criminal events. Subject A stated that the cash was in relation to the sale of real estate. 500 Euro banknotes, and also rare 200 Euro banknotes, were more often involved in the cash deposits of subject A, research showed. Subject A stated that they received it from sales, or from gifts of family.

The following typology was important in this regard:

- Money laundering and/or terrorist financing through the use of the financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- The fact that various forms of crime involve large amounts of cash in usually large denominations such as EUR 500.00 or EUR 200.00, while these are a rarity in normal payment transactions.

Case 10: Piggy bank

The FIU received information that a civil servant working in a trusted position had made several large cash deposits into their savings account, not fitting their usual customer profile. Investigation showed that their normal income was also not consistent with the large savings made in recent months, and that the deposits could not be explained from there. Further research showed no other sources of recent income. The FIU decided to declare the transactions suspicious and send them to the PPO as possibly related to money laundering.

The following typology was important in this regard:

- Money laundering and/or terrorist financing through the use of the financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- Transactions not fitting customer profile, while no other income is available.
- Subject in a trusted position in government service.

Case 11: Nice income

Information indicated that subject A and his family could be involved in money laundering or tax evasion. Subject A and a close family member were involved with their businesses in project development and the trading in building and construction materials. Projects were often paid in cash and not declared tax wise. Subjects preferred also to pay in cash, and withdrew frequently large amounts of cash, by way of cheques. Further research did not show that income was declared or justified for tax returns. The FIU decided to declare related transactions suspicious and report them to the PPO for further handling.

The following typology was important in this regard:

- Money laundering and/or terrorist financing through the use of the financial sector.
- Money laundering through the non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- Large cash deposits of which the origin of the money is unknown and of which subject refused to complete S.O.F.
- Multiple cash deposits in short period of time just below the threshold.
- Different bank accounts at different entities seem to be used to make money flows less transparent.

Case 12: Heavy sales

About three hundred reports were received with the subjective indicator 211 (a transaction that gives rise to the assumption that this may be related to money laundering or terrorist financing). The subjects involved were natural persons and a legal entity, involved in the international buying and selling of heavy equipment. The natural persons were not residents of Curaçao. Further research showed that the origin of the funds was unclear and that the legal entity was a highly cash intensive company, which was quite unusual for such a company. Usually large deposits of cash were done. After deposits, amounts were transferred to foreign accounts of foreign companies and from there onwards to other foreign companies. Research with sister FIUs showed that the natural persons were also involved in these.

The following typology was important in this regard:

- Money laundering and/or terrorist financing through the use of the financial sector.
- Money laundering through the non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- Large cash deposits of which the origin of the money is unknown and of which subject refused to complete S.O.F.
- Different bank accounts at different entities seem to be used to make money flows less transparent.
- Immediate transfer of amounts to foreign accounts.
- Involvement of subjects in the foreign accounts.
- Natural subjects not a resident.

Case 13: Foreign information

Information was received about a natural person, subject A, that was the UBO (ultimate beneficial owner) of legal entity subject B, both from country X. Research showed that the subjects may be involved in money laundering or underlying crimes and that they were using our financial sector and company service provider sector. Subject A was a member of a criminal organization in country X. Members of this organization were convicted of the illegal

entry, sale or transfer of governmental land and the money laundering of the proceeds. The organization bribed members of the government to legalize ownership of those lands and then later sell them.

The following typology was important in this regard:

- Money laundering and/or terrorist financing through the use of the financial sector.
- Money laundering through the non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- Information that subjects might be involved in money laundering or underlying crimes

Case 14: Bad gamble

In this case, a natural person, a foreign resident, was involved (subject A), as well as a legal entity (subject B), which was established in Curaçao. According to our information, subject A was sentenced to prison for conspiracy and for committing wire fraud and bank fraud, and the courts also imposed a fine and forfeited property. According to the court documents, subject A conspired with others to defraud financial institutions and a credit card processor into processing illegal internet gambling payments for offshore internet gambling companies. Subject A defrauded financial institutions by having the illegal Internet gambling payments processed as payments for a non-existing company. Subject A funneled the illegal gambling proceeds through corporate bank accounts they opened in the names of shell companies and transferred the funds to offshore accounts operated by online casinos. They also lied to officials about the nature of these companies in order to convince them to open the accounts. Over a one-year period, they processed thousands of credit card transactions for online gambling. According to our information, amounts received at a financial institution in country Z in the bank account of subject B were seized under administrative forfeiture, as proceeds of, and/or related to, abovementioned bank fraud.

The following typology was important in this regard:

- Money laundering through the use of the financial and non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- The fact that the funds in the account may have come from proceeds of bank fraud
- Corporate bank accounts have been used by shell companies to transfer funds abroad.

Case 15: Good gamble

FIU Curaçao started an investigation regarding numerous reports on a subject, that seems to have been gambling for years, with money of unknown origin. The subject is registered as related to several companies and NGOs and as the owner of numerous real estate. His tax returns did not show the source of the gambling money, and no other explanation could be found for legal sources of income in relation to the amounts gambled. The Head of FIU declared the transactions suspicious and send them to the PPO.

The following typology was important in this regard:

- Money laundering through the use of the non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- No relevant sources of income could explain the transaction pattern

Case 16: Foreign friends

The FIU received information that subject A was involved in the laundering of drug money in the past. Subject A was considered a good friend of the president of country X and previously also held a high position in country X. The FIU Curaçao came across transaction reports with a total value of almost 1 million ANG. Some transactions were received on the account of a resident of Curaçao, with a person from country X as sender. Subsequently, amounts were transferred to the account of subject A. Other transactions showed amounts being transferred by cheque through a legal entity of which subject A is the UBO (ultimate beneficial owner) to another subject. Reasoning for the transactions was that this concerned a loan to a future debtor of the legal entity, and that if the loan did not go through, the amount should be refunded to the legal entity. Based on the research, the Head of the FIU declared the transactions suspicious and passed them on to the PPO.

The following typology was important in this regard:

- Money laundering through the use of the financial and non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- The fact that the funds in the account may have come from proceeds of money laundering or drug transport.
- Corporate and other bank accounts used to transfer funds abroad and/or to disseminate money.
- Possible indications of involvement in criminal activity.

Case 17: No collateral

The FIU started an investigation after information was received from the Supervisory authority based on article 8 paragraph 3 sub a NOIS /art. 20 paragraph 3 sub a NORUT. The information obtained related to investments in real estate for which the source of income was unknown, which raises the suspicion that the transactions are likely to be related to money laundering. The subjects involved natural persons as well as legal entities. Subject A bought real estate under construction/via a real estate agency, subject B. In addition, a loan agreement was signed between subject A (lender) and subject C, a legal entity with the same UBO as subject B, for an amount three times the price of the real estate. The loan was used as seed capital for a new real estate project. No collateral had been included, but it was agreed, that the borrower will deliver two real estate properties in the new project to the lender, once they are ready, and that the borrower would pay an additional fee on the loan back to the lender. The owner of the land on which the new project would take place is yet unknown. It is also not known when and in what form the loan was transferred to the

borrower. There was no information established on a previous connection between lender and borrower.

In addition, it was found that the lender bought additional property on Curaçao in the same period of time.

The lender is a foreign subject. Information from sister FIUs revealed possible embezzlement, fraud and tax evasion in other countries. Research also showed that the majority of income of lender could not be explained or related to known activity.

For the FIU, the investigation resulted in a reasonable suspicion of money laundering within the meaning of Article 6 of the NORUT. The transactions were turned over to the PPO for further research.

The following typology was important in this regard:

- Money laundering through the use of the financial and non-financial sector.

Indicator of Money Laundering/Financing of Terrorism:

- The fact that the funds may have come from proceeds of money laundering or other crimes.
- Corporate and other bank accounts used to transfer funds abroad and/or to disseminate money.
- Possible indications of involvement in criminal activity.
- Unusual terms for a loan agreement.
- Unusual amount of property bought in a short amount of time, not fitting profile.
- Source of funds not clear.

ANNEXES

ANNEX 1 : YEAR 2016 STATISTICS AND INFORMATION

1. Activities of the Supervision Department

1.1 Task and supervised entities

During 2016, the Supervision Department of the FIU 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);
- 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;
- Motor vehicle dealers.

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

- Dealers in building and construction materials.

The exact 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 other AML-supervisors). 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.

1.2 Personnel

In 2016, the Supervisory department of the FIU existed of 3 Supervisors and 1 Administrative Assistant.

1.3 Provisions and Guidelines

The FIU, like most AML/CFT supervisory authorities, issues Provisions and Guidelines or P&G (in Dutch: Voorschriften en Richtlijnen, V&R) for every supervised sector. These are mandatory to be followed, and should always be read in conjunction with the official text of the NOIS and NORUT. As a result of the changes to the NOIS and the NORUT that came into force at the end of 2015, the P&G of all sectors had to undergo substantial revisions. The FIU also issued 'working documents' as further practical guidance for its supervised entities on how to interpret and implement their obligations under the NOIS and the NORUT. All

documentation was published on the website of the FIU, www.fiucuracao.cw, under the tab Supervision.

1.4 Audits and other on-site meetings

Due to the very tight staffing in the Supervision department (3 supervisors), it was decided in 2016 to devote particular attention to holding management meetings and giving information sessions, mainly focusing on the recent changes in legislation and regulations on in the field of money laundering and terrorist financing. The Supervision department focused on the new group under supervision: the dealers in building and construction materials. Being new to the compliance obligations under the NOIS and the NORUT, the FIU made sure this group was serviced with sufficient information on their new tasks. The team visited 12 dealers for management meetings to discuss compliance and understanding of the laws, and initiate action plans where possible. The dealers received feedback in the form of a report with discussed attention points for their compliance.

In addition, the Supervision department executed 4 regular full-scope audits: 2 at car dealers, 1 at a pawn shop and 1 at a notary, resulting in reports on their compliance, detected omissions and violations of the NOIS and the NORUT, and an action plan for improvement.

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 the Customer Due Diligence (CDD) requirements and the implementation of the NOIS and the NORUT.

1.5 Interaction with the sectors

The Supervision Department continued its 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, special information sessions on the changes in the laws and indicators were held for dealers in building and construction materials, real estate agents and vehicle dealers, in close cooperation with the Analysis department of the FIU.

1.6 Cooperation and coordination

The Supervision Department initiated a consultative model with the other supervisory institutions such as the Central Bank of Curaçao and St. Maarten and the Gaming Control board, to coordinate interpretative issues regarding the effected changes to the NOIS and the NORUT and discuss cooperation possibilities, supervisory activities and encountered common AML violations.

The same was initiated with the public prosecutors' office, to discuss implications of the changes in the supervisory legislation and cooperation possibilities.

2. Activities of the Analysis department, including statistics and entity reporting trends

2.1 Collecting, registering, processing and analyzing data

UTRs received

In 2016 a total of 19,483 unusual transactions were received, roughly the same amount as received in 2015.

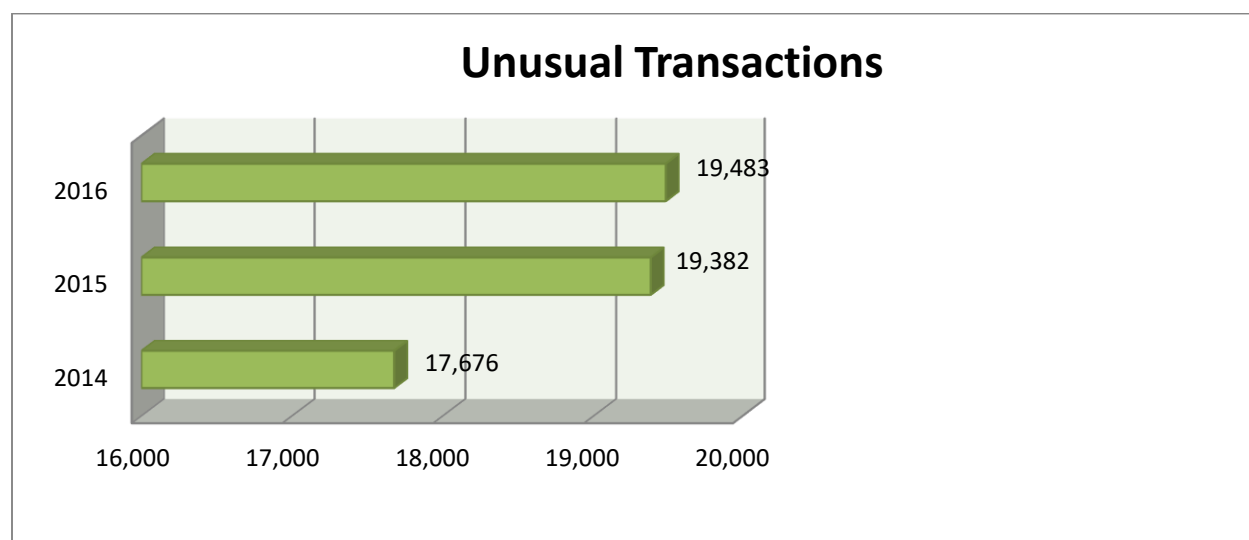


Figure 1 : Total received unusual transactions (2014-2016)

UTRs declared suspicious

The following table shows the total unusual transactions and the amount of transactions that have been declared suspicious and have been disseminated to the PPO in the years 2014 until 2016.

	Unusual		Suspicious	
Year	Qty.	Value(in ANG.)	Qty.	Value (in ANG.)
2016	19,483	30,209,194,747	2,597	1,103,255,917
2015	19,382	26,416,329,191	835	198,775,671
2014	17,676	44,286,244,632	4,509	4,766,297,998

Table 1 : Unusual and Suspicious transactions (2014-2016)

In 2016, the number of suspicious transactions disseminated to the PPO picked up substantially again, amounting to 2,597 transactions. In comparison to 2015, this is considerably higher. As stated in previous reports, 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, resulting in higher dissemination in 2016. Furthermore, the FIU's data contributed considerably to several investigations of Duradero, RST and international intelligence gathering for law enforcement and prosecution in 2016.

In 2016 the FIU did not receive a feedback with regard to the use of transactions declared suspicious and disseminated to the PPO office.

Executed and intended UTRs

An overview of the executed and intended transactions within the total number of transactions received by the FIU 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 FIU, 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.

	2016			2015			2014	
	Qty.	Value (in ANG.)		Qty.	Value (in ANG.)		Qty.	Value (in ANG.)
Executed	19,189	30,126,920,907		19,218	26,341,493,940		17,527	43,999,993,194
Intended	294	82,273,840		164	74,835,251		149	286,251,438
Total	19,483	30,209,194,747		19,382	26,416,329,191		17,676	44,286,244,632

Table 2 : Total reported executed and intended unusual transactions (2014-2016)

Objective and subjective UTRs

The ratio objective vs subjective indicators is shown in figure 2 below. As can be seen, the ratio has changed substantially in 2016 compared to 2015. This is most likely due to the changes that have come into force regarding the subjective indicator for all sectors. Since 2016, there is only one subjective indicator left, meant for the reporting of all (intended or executed) transactions for which there is reason to believe that they may be related to money laundering or terrorist financing.

Subjective reports are very important to the FIU, since these reports normally give a lot of information to the FIU. 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 may possibly be related to money laundering or terrorism financing.

The FIU will continue to stress the importance for its investigations of reporting subjectively and continue to ask the attention of reporting entities as well as Supervisory authorities for this.

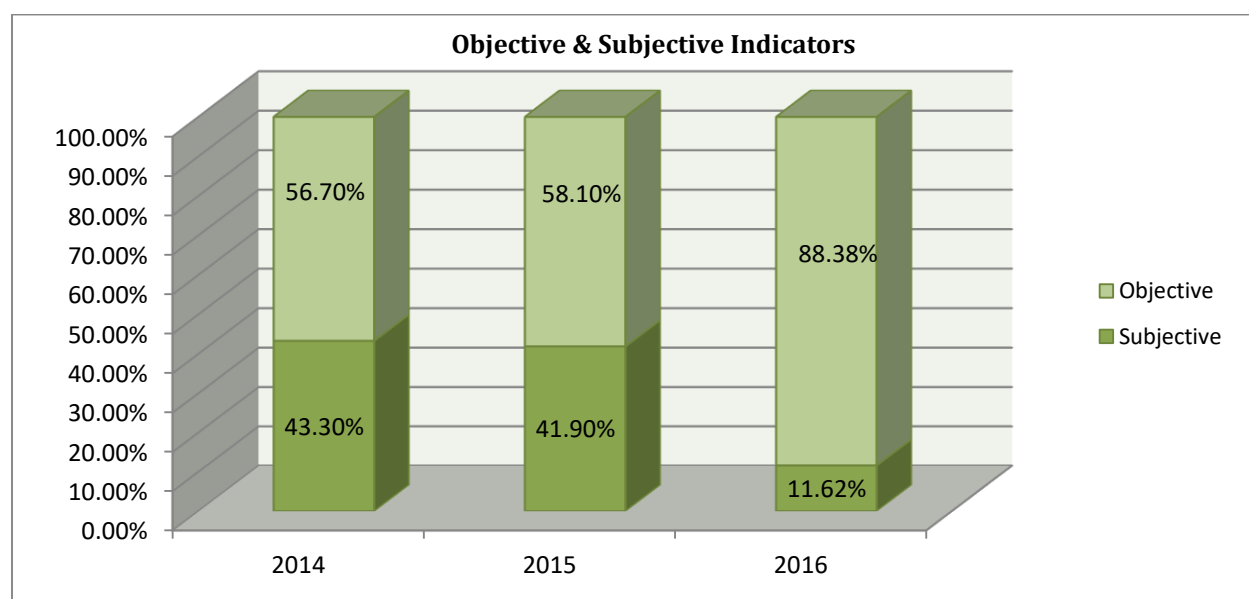


Figure 2 : Unusual transactions by objective and subjective indicators (%) (2014 – 2016)

Origin of the UTRs

Reporter Type	2016				2015			
	Qty.	%	Value (in ANG.)	%2	Qty.	%	Value (in ANG.)4	%
Administration Offices	0	0.00%	0	0.00%	1	0.01%	604,000	0.00%
Building and Construction Materials	1	0.01%	22,823	0.00%	0	0.00%	0	0.00%
Car Dealers	49	0.25%	1,867,994	0.01%	32	0.17%	1,446,073	0.01%
Casinos	1,321	6.78%	44,437,732	0.15%	2,020	10.42%	84,617,509	0.32%
Credit Unions	48	0.25%	1,620,491	0.01%	13	0.07%	397,242	0.00%
Credit card Companies	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Customs	523	2.68%	146,677,516	0.49%	322	1.66%	99,506,989	0.38%
Life Insurance Companies	0	0.00%	0	0.00%	3	0.02%	572,064	0.00%
Jewelers	8	0.04%	73,070	0.00%	79	0.41%	1,381,029	0.01%
Lawyers	1	0.01%	608,760	0.00%	0	0.00%	0	0.00%
Local Banks	12,344	63.36%	16,101,137,633	53.30%	9,675	49.92%	4,772,382,935	18.07%
Lotteries	222	1.14%	3,206,575	0.01%	70	0.36%	626,060	0.00%
Money Remitters	846	4.34%	5,485,916	0.02%	748	3.86%	161,473,964	0.61%
Notaries	8	0.04%	7,470,645	0.02%	1	0.01%	30,000	0.00%

Offshore Banks	4,075	20.92 %	13,318,888,163	44.09 %	5,233	27.00 %	17,530,871,037	66.39 %
Real Estate	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Savings Banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trust Companies	36	0.18%	577,684,829	1.91%	1185	6.11%	3,753,364,246	14.21 %
Total	19,483	100%	30,209,182,147	100%	19,382	100%	26,407,273,148	100%

Table 3 : Unusual transactions by reporter type (2015 – 2016)

2.1.1 Administration Offices

In 2016 the FIU received no 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).

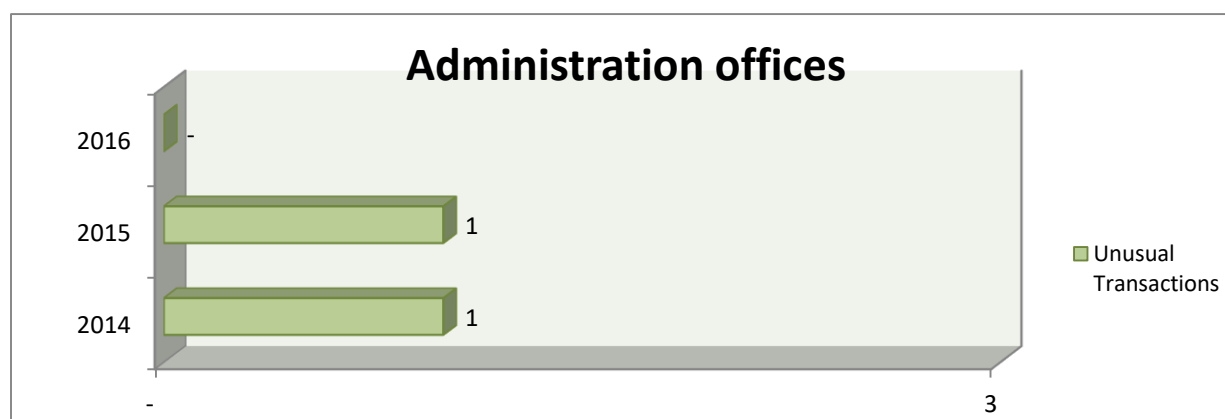


Figure 3: Total received unusual transactions: administration offices (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	1	604,000	-	-
Intended	-	-	-	-	1	455,767
Total	-	-	1	604,000	1	455,767

Table 3 : Unusual transactions by reported type; administration offices (2014 – 2016)

2.1.2 Dealers in vehicles

In 2016 the FIU received 49 unusual transaction reports from the vehicle dealers sector, an increased number compared to the previous year. There is however still a substantial amount of vehicle dealers that do not report as of yet.

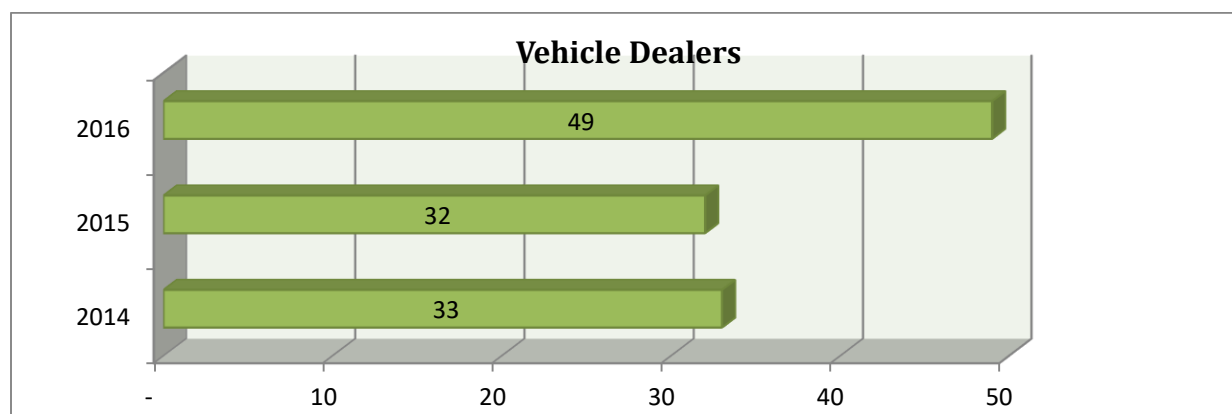


Figure 4 : Total received unusual transactions: vehicle dealers (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	49	1,867,994	31	1,411,723	33	932,330
Intended	-	-	1	34,350	-	-
Total	49	1,867,994	32	1,446,073	33	932,330

Table 4 : Unusual transactions by reported type; vehicle dealers (2014 – 2016)

2.1.3 Casino's (including online gambling)

Compared to 2015, in 2016 the reports of unusual transactions received from the casino sector decreased substantially, with the sector producing 1321 transactions. From these, 580 reports were received from the online gambling sector.

Not all casinos are reporting yet. The FIU will continue to monitor and stimulate the reporting behavior of casino's, including those of online gambling providers, in the coming years.

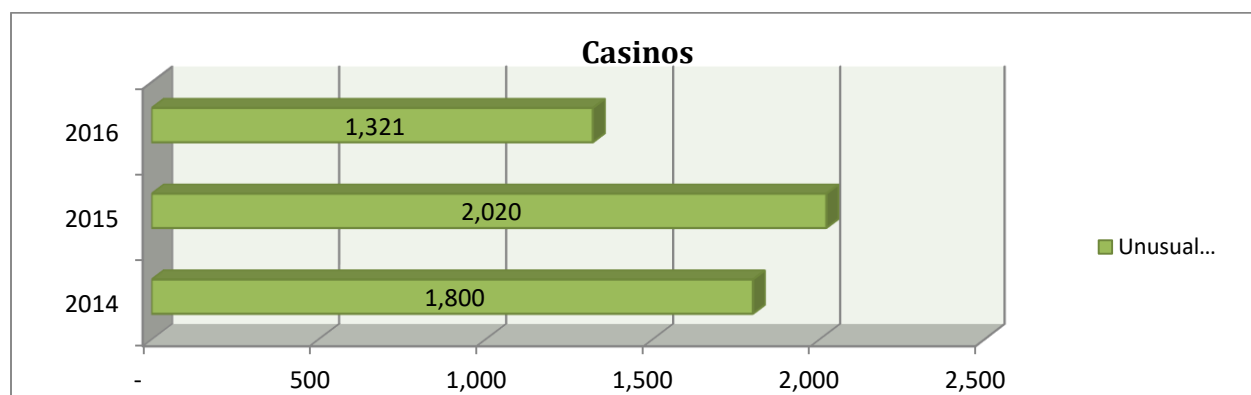


Figure 5 : Total received unusual transactions: casino's (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1,321	44,437,732	2,019	84,548,705	1,800	87,276,207
Intended	-	-	1	68,804	-	-
Total	1,321	44,437,732	2,020	84,617,509	1,800	87,276,207

Table 5 : Unusual transactions by reported type; casinos (2014 – 2016)

2.1.4 Lotteries

The FIU received 222 unusual transaction reports from the lottery sector, a considerable increase compared to last year. Not all lottery providers are reporting. There is currently no Supervisory Authority for AML to address reporting behavior.

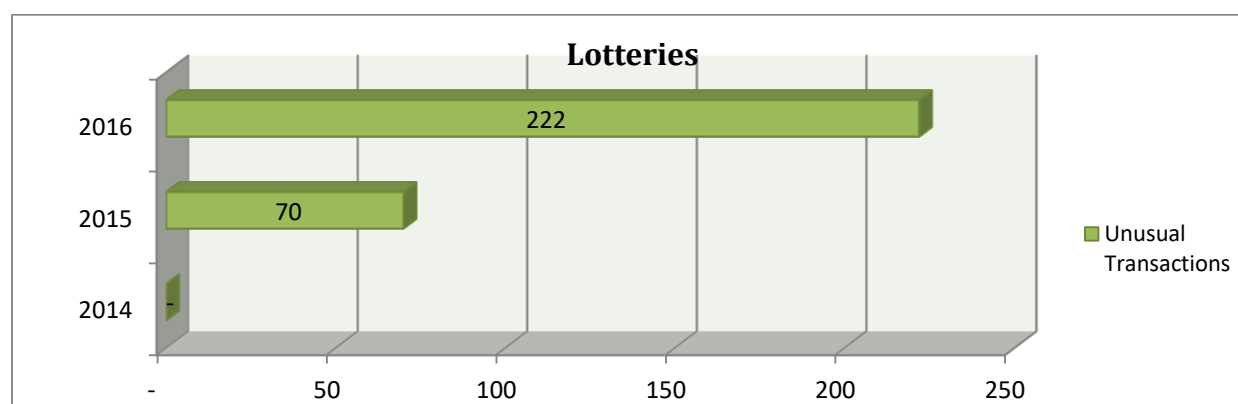


Figure 6 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	222	3,206,575	70	626,060	-	-
Intended	-	-	-	-	-	-
Total	222	3,206,575	70	626,060	-	-

Table 7 : Unusual transactions by reported type : lotteries (2014 – 2016)

2.1.5 Credit Unions

Reporting in this sector picked up again in 2016: 48 unusual transactions were received from the credit unions sector.

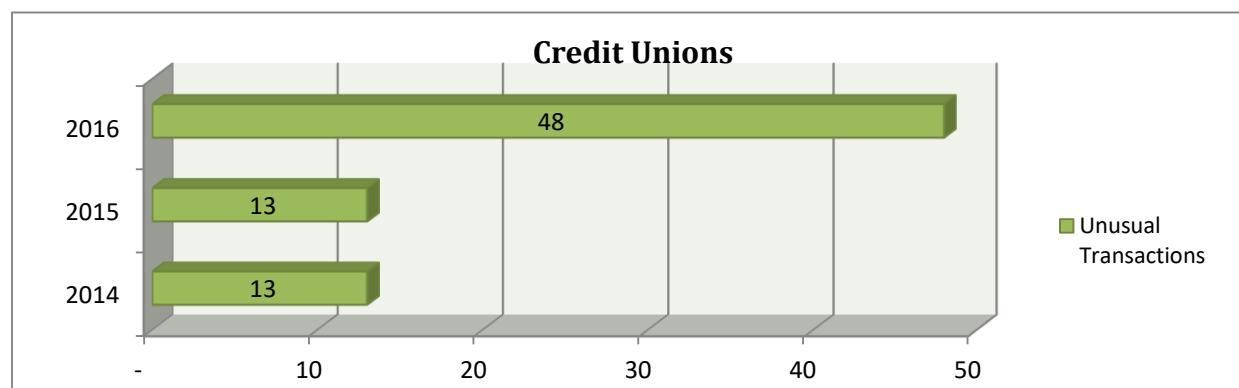


Figure 7 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	47	1,585,491	13	397,242	13	2,923,745
Intended	1	3,500	-	-	-	-
Total	48	1,588,991	13	397,242	13	2,923,745

Table 8 : Unusual transactions by reported type; credit unions (2014 – 2016)

2.1.6 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 FIU without delay.

In 2016 Customs picked up in reporting transactions, from 276 reports in 2015 to 523 reports in 2016. The FIU is discussing with the Customs organization how to improve mutual assistance on reporting in the future, for instance by further facilitating automated reporting to the FIU, which would enhance efficiency substantially for both parties.

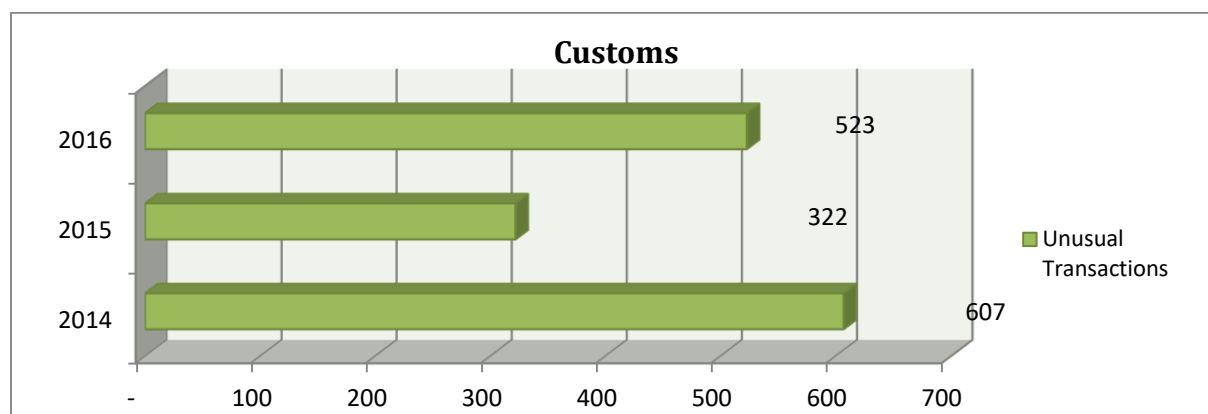


Figure 8 : Total received unusual transactions (2014-2016)

An overview of the reported value of the transactions is given in the following table.

	2016		2015		2014	
Total	523	146,677,516	322	110,900,476	607	228,937,619

Table 9 : Unusual transactions by value; Customs (2014 – 2016)

2.1.7 Life Insurance Companies

In 2016 no reports of unusual transactions were received from the life insurance sector. The FIU addressed the reporting behavior of this sector with the Supervisory Authority.

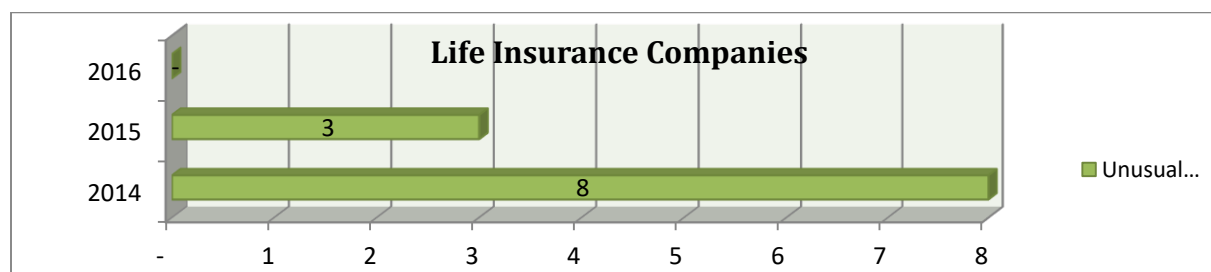


Figure 9 : Total received unusual transactions: insurance companies (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	2	553,164	8	3,690,829
Intended	-	-	1	18,900	-	-
Total	-	-	3	572,064	8	3,690,829

Table 10 : Unusual transactions by reported type: insurance companies (2014 – 2016)

2.1.8 Jewelers

In 2016 the FIU received only 8 unusual transaction reports from the jewelers' sector. Reporting behavior is declining in this sector. NB no reports were received from similar dealers in precious metals or precious stones, like for instance the dealers established in the free zone.

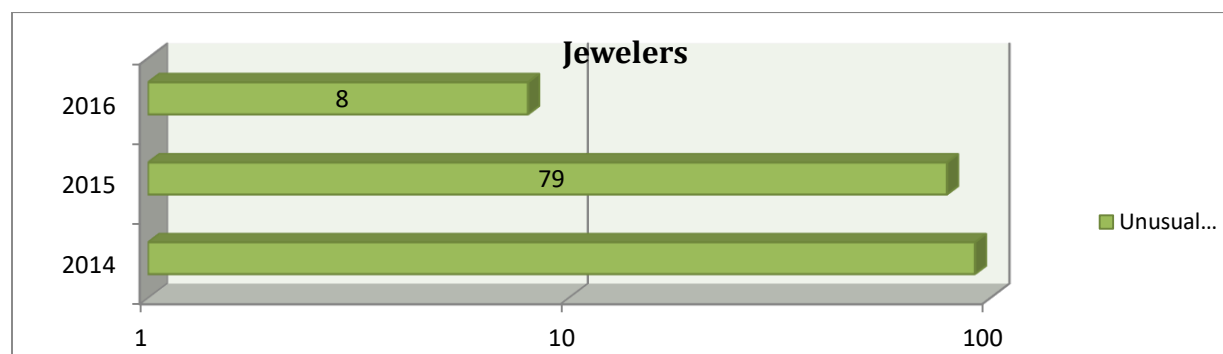


Figure 10 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	8	73,070	79	1,381,029	92	1,668,442
Intended	-	-	-	-	-	-
Total	8	73,070	79	1,381,029	92	1,668,442

Table 11 : Unusual transactions by reported type : jewelers (2014 – 2016)

2.1.9 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 2016, the FIU however received only 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 and in legal procedures) are exempted from the NOIS and the NORUT. However, the FIU, when more human resources are available, intends to focus more on this sector.

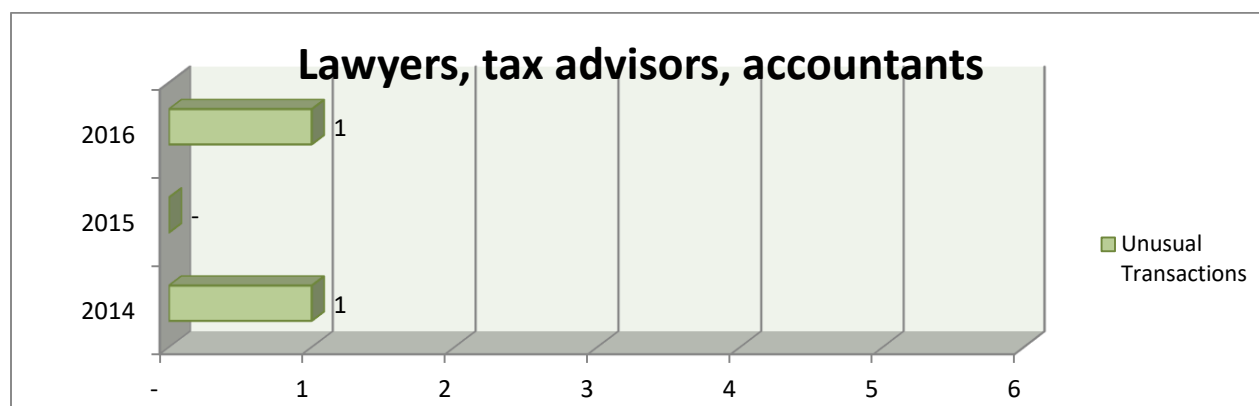


Figure 11 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	-	-	1	20,000
Intended	1	608,760	-	-	-	-
Total	1	608,760	-	-	1	20,000

Table 12 : Unusual transactions by reported type: lawyers (2014 – 2016)

2.1.10 Notaries

With the amendment of the NORUT in 2011, the civil notaries became obliged by law to report their unusual transactions. Reporting behavior picked up in 2016: the FIU received 8 unusual transaction reports from the notaries. Nevertheless, not all notaries are reporting. The issue of compliance and reporting is addressed with the Supervisory Authority.

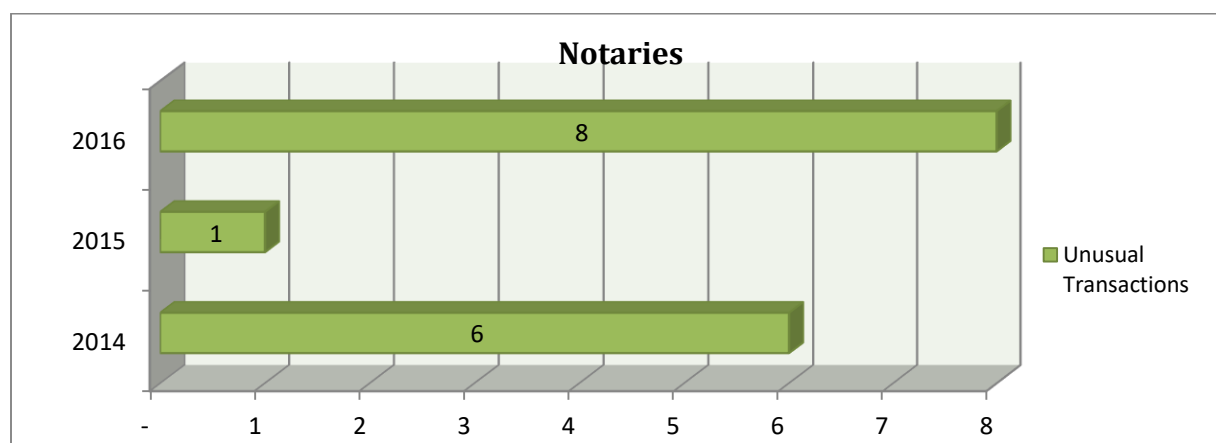


Figure 12 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	5	1,252,645	-	-	3	1,167,757
Intended	3	6,218,000	1	30,000	3	1,141,112
Total	8	7,470,645	1	30,000	6	2,308,869

Table 13 : Unusual transactions by reported type: notaries (2014 – 2016)

2.1.11 Local Banks

2016 again showed an increase in reporting behavior by local banks; the FIU received 12,344 reports. The objective indicator for transactions higher than ANG 1,000,000.- was not in force yet for this sector. Most of the reports are objective; the FIU would like to stimulate subjective reporting by banks. The topic is addressed with the Supervisory Authority.

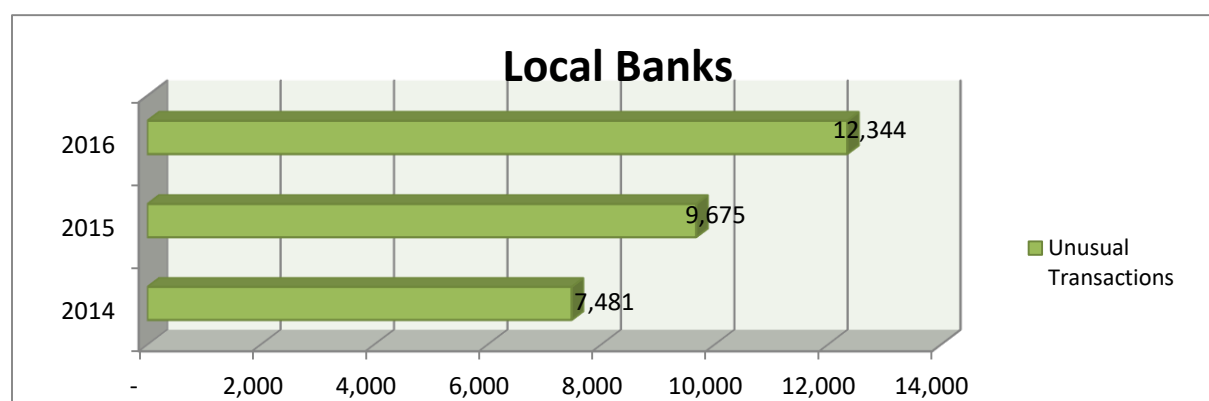


Figure 13 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	12,096	16,082,093,846	9,551	4,346,665,353	7,398	4,182,956,100
Intended	248	19,043,787	124	60,109,159	82	11,222,104
Total	12,344	16,101,137,633	9,675	4,406,774,512	7,480	4,194,178,204

Table 14 : Unusual transactions by reported type: local banks (2014 – 2016)

2.1.12 Money Remitters

In 2016 the reports of unusual transactions received from the money remitting sector picked up a little bit again: we received 846 reports. The issue of compliance and reporting will be continued to be addressed with the Supervisory Authority. The FIU also intends to target informative sessions to reinforce reporting.

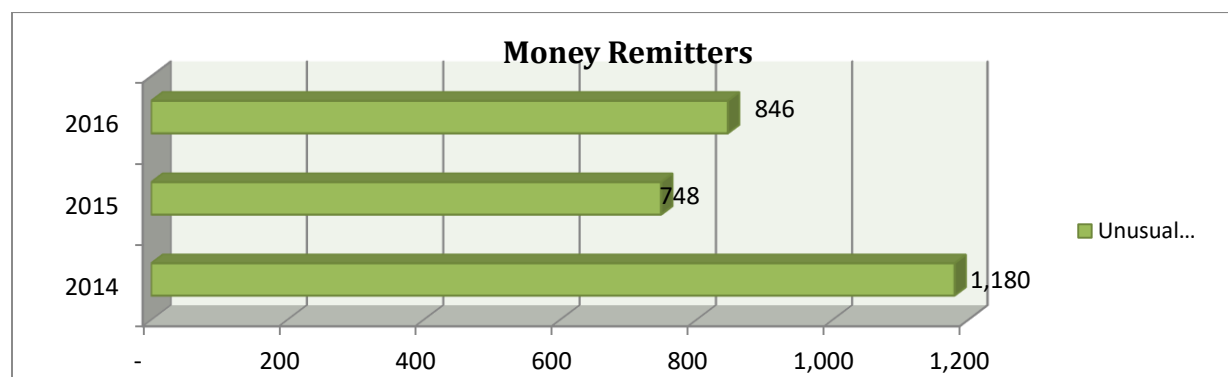


Figure 14 : Total received unusual transactions: money remitters (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	840	5,438,046	743	161,448,085	1,178	7,064,995
Intended	6	47,870	5	26,622	2	9,931
Total	846	5,485,916	748	161,474,707	1,180	7,074,926

Table 15 : Unusual transactions by reported type: money remitters (2014 – 2016)

2.1.13 International Banks

In 2016 the amount of reports of unusual transactions received from the international banking sector saw a decline again: we received 4075 reports. One reason for this might be the changed indicators, whereby a much by this sector used subjective indicator expired. We saw a decline in subjective reporting too. Another reason might be a further decline in the amount of international banks. The issue of compliance and reporting is addressed with the Supervisory Authority.

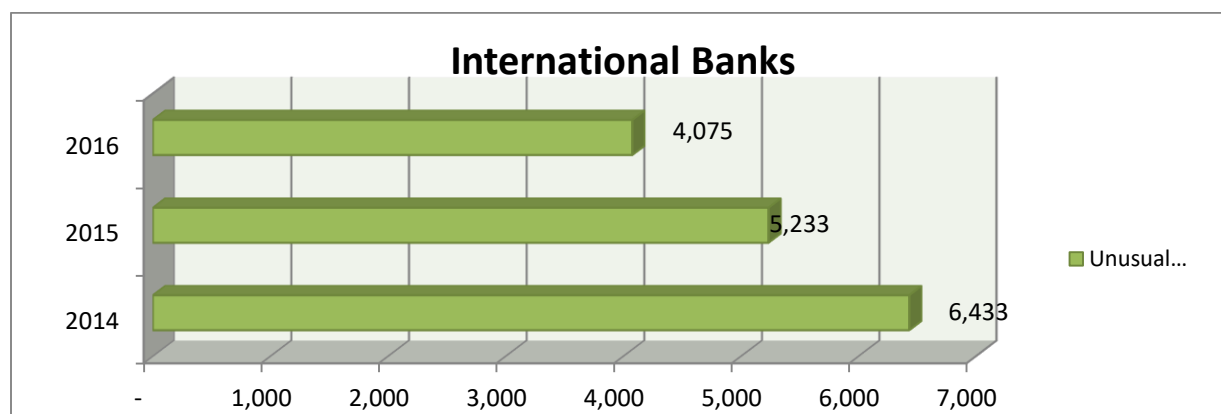


Figure 15 : Total received unusual transactions (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	4,052	13,281,585,689	5,208	17,881,623,536	6,375	39,249,874,919
Intended	23	37,302,474	25	12,450,413	58	262,775,024
Total	4,075	13,318,888,163	5,233	17,894,073,949	6,433	39,512,649,943

Table 16 : Unusual transactions by reported type : offshore banks (2014 – 2016)

2.1.14 Savings Banks

In 2016, again no reports were received from the Savings banks sector. The last report was received in 2013. The FIU will continue to address the reporting behavior with the Supervisory Authority.

2.1.15 Trust Companies

In 2016, the unusual transactions received from the trust sector amounted to 36 reported, as can be seen in the following table. As we stated in last years' report, in 2015 a backlog was reported by this sector following Supervisory Authority intervention. The changes in indicators in 2016 had the effect that regrettably substantial less reports will be reportable by this sector. The FIU will continue to address reporting behavior with the Supervisory Authority.

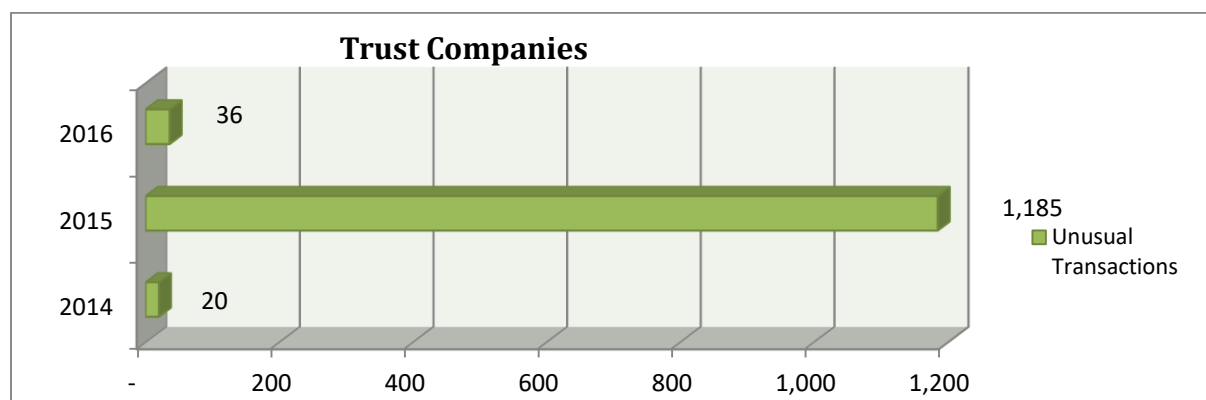


Figure 16 : Total received unusual transactions: trust companies: (2014-2016)

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

	2016		2015		2014	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	24	558,666,880	1,179	3,751,334,567	17	233,216,962
Intended	12	19,017,949	6	2,097,003	3	10,647,500
Total	36	577,684,829	1,185	3,753,431,570	20	243,864,462

Table 17 : Unusual transactions by reported type : trust companies (2014 – 2016)

2.2 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 FIU 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 old subjective indicators (that contained a list of red flags) might also give guidance in this regard.

Based on priority setting and triage, analysts of the FIU analyze unusual transactions 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 FIU in 2016 are indicated in the following table. Dissemination of information by the FIU 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.

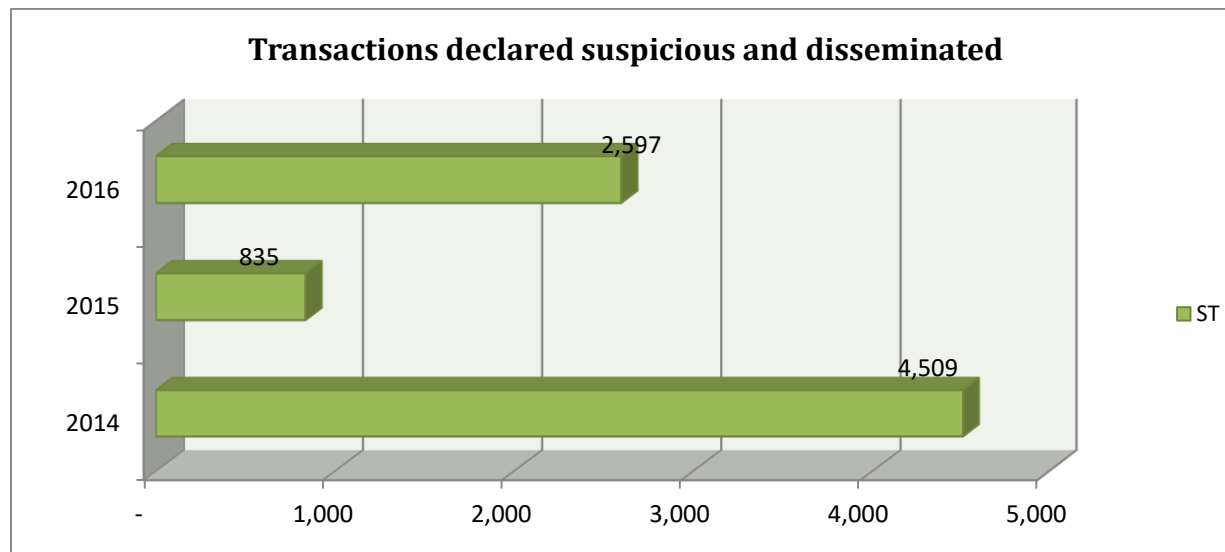


Figure 17 : Total suspicious and disseminated transactions.

As explained in previous reports, in 2014, the FIU received one-time technical resources from FIU Netherlands, which enabled to boost the output with backlogs of previous years. On the basis thereof, the FIU 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. This resulted in 2016 in the further enhancing of its disseminations.

2.3 Requests to furnish data received from law enforcement agencies

The FIU received 55 requests for information from the law enforcement agencies in 2016, based on article 6 of the NORUT. In 2015, this amount was 42 requests.

The figure below indicates which law enforcement agency requested information during 2016 and the amount of these requests.

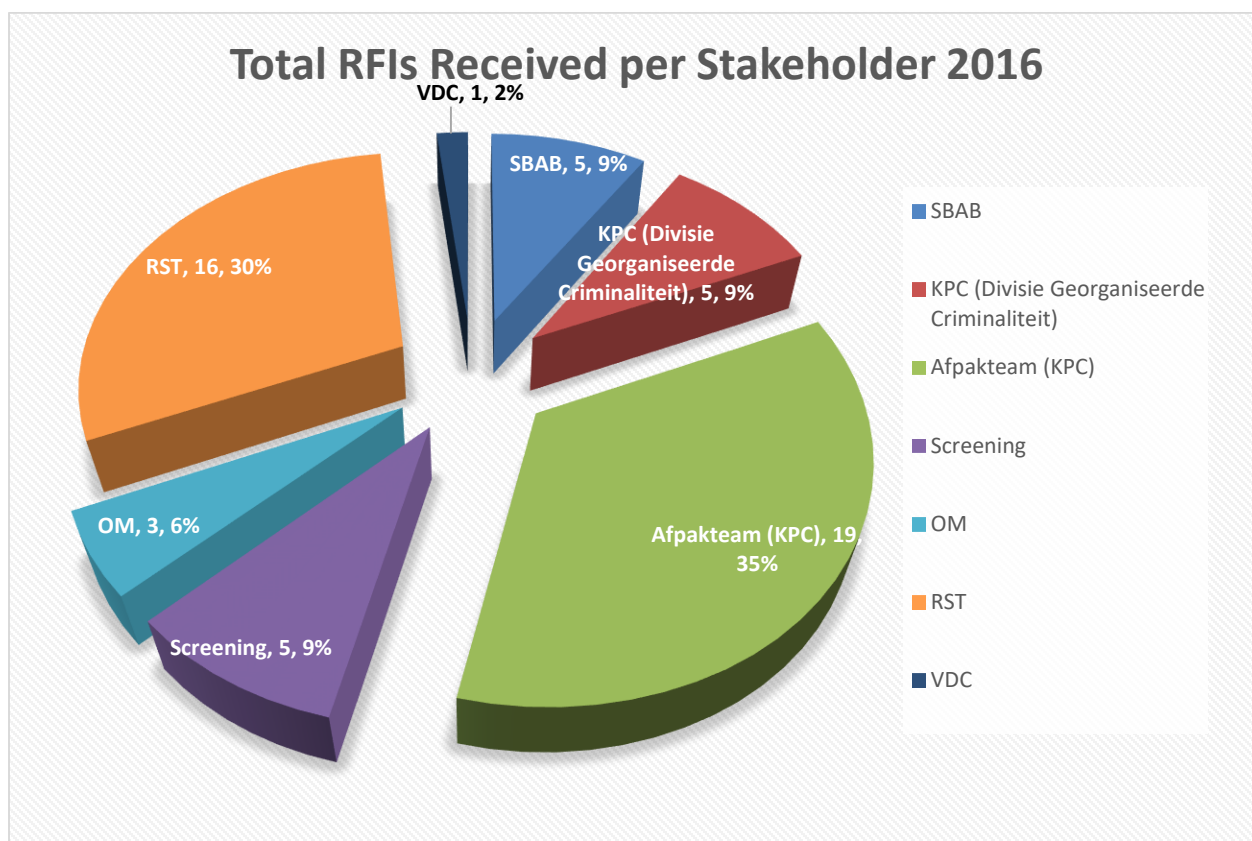


Figure 18 : Requests for information by law enforcement agencies 2016

Outgoing local

On the other hand, the FIU sent out 26 requests for information, based on article 5 of the NORUT, to several law enforcement agencies locally. In 2015, this amount was 64.

Incoming international

In 2016, the FIU received 55 requests from other FIUs for information. In 2015, this amount was 40.

Outgoing international

The FIU send out an amount of 60 requests to FIUs internationally. In 2015, this amount was 49.

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

2.4 Initiated investigations into the field of money laundering and terrorism financing by the FIU

The FIU initiated 10 substantial investigations into the field of money laundering and terrorism financing.

3. Cooperation and training

An efficient cooperation with all the actors in the reporting, supervision and law enforcement chain is of the utmost importance to the FIU. Good communication and an expeditious exchange of information are essential to our work. A good high-level interaction between the FIU, 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.

3.1 National Cooperation and training

The Reporting and/or Supervised Entities

During 2016 the FIU organized many meetings with and for several of the designated non-financial businesses and professions (building and construction dealers branche, real estate agents, vehicle dealers, attorneys, banks, money remitters, trust sector, notaries, online gambling companies). In these meetings the sectors were informed of the implications of the changes to the NOIS and the NORUT that took effect in 2016, for instance on the new indicators for reporting, as well as the changes to compliance obligations, that became more risk based in 2016. Also sectoral and/or individual reporting behavior was discussed. For the building and construction dealers, the field of compliance and reporting is new, so there was extra attention for this sector all year long, for instance by way of media communications. In November, the Head of the FIU gave a lecture on trends in compliance and reporting at the Compliance Conference at the Sta. Barbara Hotel, organized by the CRCA (Curaçao Regulatory and Compliance Officers Association).

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

Numerous meetings (approximately 10) were held with the members of the Duradero team regarding topics to investigate and the dissemination of suspicious transactions to the Duradero team. 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.

At the end of 2016 it was decided that the Duradero project will not be continued. Talks are underway with KPC, RST and the Public Prosecution Service to make the cooperation with the FIU more sustainable in new partnerships. In that context, the (re)establishment of the “GOFO”, the joined consultation of financial investigation and intelligence organizations was discussed, and the signing of a covenant regarding the forwarding of FIU information to both RST and KPC.

The Supervisory authorities

During this year, the FIU 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 further address the deficiencies that were identified by the CFATF in the evaluation of Curaçao, in order to be able to exit the enhanced follow up process of the Third Round of FATF / CFATF Evaluations.

The year 2016 was also marked by the introduction of a thorough revision of the LvMOT and the Ministerial Decree on the reporting indicators per sector for reporting to the FIU and the LID, and the consequences of these revisions for the activities of the FIU and those under its supervision and the other supervised and reporting authorities. The revisions came into effect on 5 December 2015 and 1 January 2016 respectively. A substantial contribution was also made to the CiWG in preparing fining Decrees required in relation to the implementation of the changes in the NOIS and the NORUT.

The FIU also addressed reporting behavior of reporting entities in the financial and non-financial sector in meetings with the CBCS and the other Supervisory entities.

The Ministry of Finance

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

In July, the FIU was, together with personnel of the Central Bank of Curaçao and St Maarten and the Ministry of Finance, part of the delegation of Curaçao that visited several political stakeholders in Washington regarding the topic of the loss of correspondent banking and the possible devastating effects for the economy.

The FIU attended also a presentation at the Ministry of Finance as well as follow up meetings regarding the obligation for FATF-member countries to implement a National Risk Assessment and the plans of Curaçao regarding the conducting of such an NRA.

Other stakeholders

The FIU also gave a presentation about the core activities of the FIU and possible ways of cooperation to SOAW, the VDC, Interpol and the Chinese Consulate (the latter because of the large amount of Chinese merchants on the island, that have a need for information on NOIS and NORUT implications).

In February, the Head gave a speech regarding the importance of cooperation and financial intelligence for combatting of financial crime during sessions for the financial sector, as organized by the CBCS.

In May, the Head gave a speech at the ICUC / MBAXII seminar regarding the effect of compliance on the economy of Curaçao.

Also in May, the Head gave a speech about cooperation, financial intelligence and trends in the Caribbean region at the yearly Miami conference organized by the Miami based AMLFC Institute and the University of Miami (FIU)

In July, the Head gave a speech at the Eight Caribbean Regional Intelligence Conference (CARIC), focusing on challenges in collaboration. The conference was organized by the VDC.

In October the Head gave a presentation to law students of the University of Curaçao about the core activities of the FIU and its role in combating and preventing money laundering and/or terrorism financing.

3.2 Cooperation within the Kingdom of the Netherlands

As a result of the declaration of intent signed by the heads of the four FIUs within the Kingdom of the Netherlands in October 2014 in Bonaire during the “Kingdom seminar”, further cooperation within the legal boundaries set for this purpose between the FIUs of Curaçao, Sint Maarten, Aruba and the Netherlands has been further consolidated and intensified. The following collaboration objectives were endorsed in the letter of intent:

1. Analyzing, processing and declaring unusual transactions suspicious within the legal framework;
2. Continuing, improving and intensifying the cooperation between the Kingdom FIUs;
3. Simplifying the exchange of transaction information between the Kingdom FIUs;
4. Strengthening the information position of the Kingdom FIUs regarding criminal and unusual money flows within the Kingdom.

Several collaborative video conference meetings among the analysts of the four FIUs were conducted to support cooperation, called ‘Jabber Sessions’.

In November, the FIU attended a stakeholder session on financial supervision in the Kingdom, organized by the Regional Attaché for security.

In December, a meeting was attended regarding the countering of terrorism in the Kingdom, organized by the Dutch Infobox.

3.3 Further 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.

Caribbean Financial Action Task Force (CFATF)

In June the FIU attended the 40th CFATF Meetings in Jamaica (Montego Bay) and in November of 2016 the 41th CFATF Plenary Meetings in Turks & Caicos. On both occasions the FIU attended the Heads of FIU Meetings and the Plenary Meetings.

The FIU also participated in all CFATF Steering Group meetings during 2016 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 CFATF Chair, the Secretariat, the Ministers and the whole organization with regards to the general policy and other specific policy issues.

The FIU is 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 the international association of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation and exchange of information in anti-money laundering and counter-terrorism financing. All member FIUs are required to be an active member and also 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 151 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. The FIU Curaçao is an active member of the Policies and Procedures Working Group and the Membership and Compliance Working Group of Egmont.

This reporting year the FIU attended the Working Group Meetings in February in Monaco. In addition, the FIU of Canada, FINTRAC, organized a regional meeting in Miami for all FIUs from the North and South Americas and the Caribbean.

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.

4. Other Developments

In 2016, we continued to work on a good and secure ICT environment. In this context, various meetings were held between the FIU and judicial chain partners, during which the secure and digital data exchange was discussed and prepared. The FIU has also opted for the implementation of the reporting and analysis system GoAML, a system developed by the United Nations Office on Drugs and Crime (UNODC) specifically for FIUs (currently about 48 FIUs worldwide use this system) to replace the CORSYS system, that is nearing its end of life. An MOU was signed, in anticipation of budgetary funding for the project.

The FIU's physical security system was further modernized in 2016, consistent with the 2011 CFATF review outcomes. Also the telecommunication system of the FIU was further modernized. A project was initiated and executed to clean up the physical archive of the FIU.

In addition, in order to further separate the Supervisory and Analysis department, a second floor was occupied in the offices of the FIU where the Supervisory office as well as meeting rooms and a staff room was established.

5. Priorities 2017

The priorities of the FIU for 2017, 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):

- Update the IT-system, start the goAML implementation project and further enhance the security and communication systems of the FIU in line with FATF and Egmont requirements;
- Fill existing vacancies at the FIU;
- Build up strategic analysis capabilities;
- Continue to upgrade the personnel of the FIU through training;
- Continue to inform and train the reporting entities with regard to their reporting obligations and the requirements as a result of the changes to the NOIS and NORUT;
- Enhance information sharing on reporting behavior and reporting quality to Supervisory Authorities;
- Further enhance national and international cooperation with FIUs and Chain Partners.



ANNEX 2 : YEAR 2017 STATISTICS AND INFORMATION

1. Activities of the Supervision Department

1.1 Task and supervised entities

During 2017, the Supervision Department of the FIU 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);
- 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;
- Motor vehicle dealers;
- Dealers in building and construction materials.

The exact 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 other AML-supervisors). 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.

1.2 Personnel

In 2017, the Supervisory department of the FIU existed of 4 Supervisors and 1 Administrative Assistant.

1.3 Audits and other on-site meetings

In 2017 the FIU worked together with the OM in the Non-Reporting project (het Niet-Meldersproject). The aim of this project was to provide more, timely and better reports of unusual transactions to the Analysis Department of the FIU. The focus for this project was on real estate agents. Several on site audits were executed; in total the Supervision team visited 5 real estate agents. The objective of these audits was to conduct a full scope audit. Sanctioning of violations of the NOIS and NORUT was done through the justice system.

The Supervision Department also held several management meetings with the directors and/or management of the following DNFBP-sectors: car dealers (1) and dealers in Hardware materials (3). The aim of these investigations is to inform and educate the

DNFBP's with regard to the AML/CFT Laws (LID and LvMOT) and the Provisions and Guidelines of the FIU.

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 the Customer Due Diligence (CDD) requirements and the implementation of the NOIS and the NORUT.

1.4 Interaction with the sectors

The Non-reporting project of the FIU and the PPO was supported by a media campaign, explaining the AML/CFT laws and the possible sanctions for DNFBPs, as well as sanctions executed. The Supervision Department also continued its interaction with representatives of (associations of) real-estate agencies, vehicle dealers and notaries, regarding implementation of compliance regimes in their respective sectors. In addition, special information sessions on the changes in the laws and indicators were held for notaries, in close cooperation with the Analysis department of the FIU.

1.5 Cooperation and coordination

The Supervision Department initiated a consultative model with the other supervisory institutions such as the Central Bank of Curaçao and St. Maarten and the Gaming Control board, to coordinate interpretative issues regarding the effected changes to the NOIS and the NORUT and discuss cooperation possibilities, supervisory activities and encountered common AML violations. The resulting jurisprudence from the Non-reporting project of the FIU and the PPO further was discussed in the meetings between Supervisory authorities, to support harmonization of interpretation of the laws. In 2017, 4 meetings were organized.

In 2017, the Supervision Department also actively participated in several meetings and conferences regarding supervision issues, organized by counterparts' organizations. The Supervision Department for example participated in a regular WGHIT-seminar for AML/CFT supervisors and FIUs within the Kingdom of the Netherlands, that took place in Bonaire, and in the Dutch Caribbean Gaming Regulation Forum, that was held in August 2017 in Curaçao.

2. Activities of the Analysis department, including statistics and entity reporting trends

2.1 Collecting, registering, processing and analyzing data

UTRs received

In 2017 a total of 27,534 unusual transactions were received, a considerable higher amount compared to the previous years.

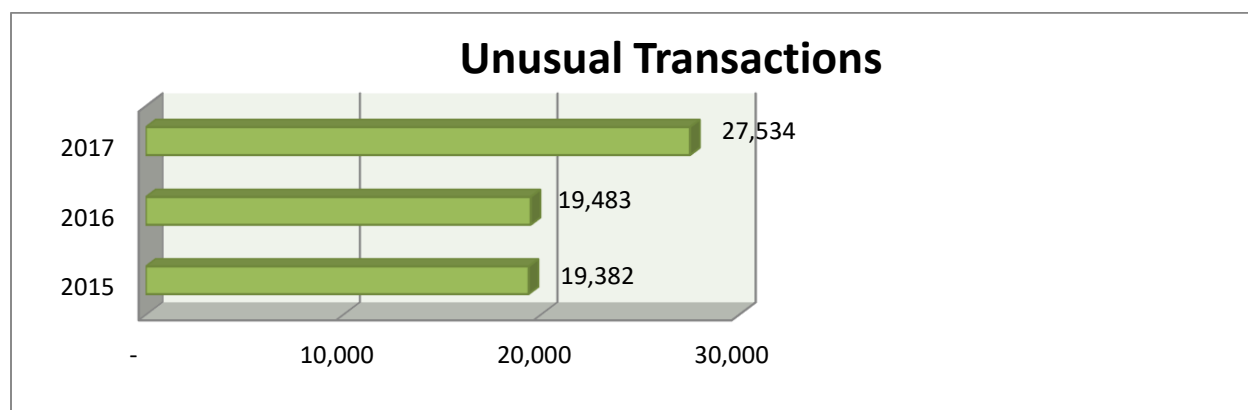


Figure 1 : Total received unusual transactions (2015-2017)

UTRs declared suspicious

The following table shows the total unusual transactions and the amount of transactions that have been declared suspicious and have been disseminated to the PPO in the years 2015 until 2017.

	Unusual		Suspicious	
Year	Qty.	Value(in ANG.)	Qty.	Value (in ANG.)
2015	19,382	26,416,329,191	835	198,775,671
2016	19,483	30,209,194,747	2,597	1,103,255,917
2017	27,534	36,323,680,913	1,530	426,223,033

Table 6 : Unusual and Suspicious transactions (2015-2017)

In 2017, the number of suspicious transactions disseminated to the PPO was lower than the previous year. In comparison to 2015, it is however still considerably high. The amount of transactions declared suspicious may also relate to the type of investigations executed; lower amounts not necessarily relate to quality of intelligence produced.

In 2017 the FIU did not receive a feedback with regard to the use of transactions declared suspicious and disseminated to the PPO office.

Executed and intended UTRs

An overview of the executed and intended transactions within the total number of transactions received by the FIU is given in the following table. 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 FIU, 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.

	2017		2016		2015	
	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)
Executed	27,044	35,149,306,016	19,189	30,126,920,907	19,218	26,341,493,940
Intended	490	1,174,374,897	294	82,273,840	164	74,835,251
Total	27,534	36,323,680,913	19,483	30,209,194,747	19,382	26,416,329,191

Table 7 : Total reported executed and intended unusual transactions (2015-2017)

Objective and subjective UTRs

The ratio objective vs subjective indicators is shown in the figure below. As can be seen, the ratio has unfortunately dropped further in 2017 compared to 2015. This is most likely due to the changes that have come into force regarding the subjective indicator for all sectors. Since 2016, there is only one subjective indicator left, meant for the reporting of all (intended or executed) transactions for which there is reason to believe that they may be related to money laundering or terrorist financing.

Subjective reports are very important to the FIU, since these reports normally give a lot of information to the FIU. 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 may possibly be related to money laundering or terrorism financing.

The FIU will continue to stress the importance for its investigations of reporting subjectively and continue to ask the attention of reporting entities as well as Supervisory authorities for this.

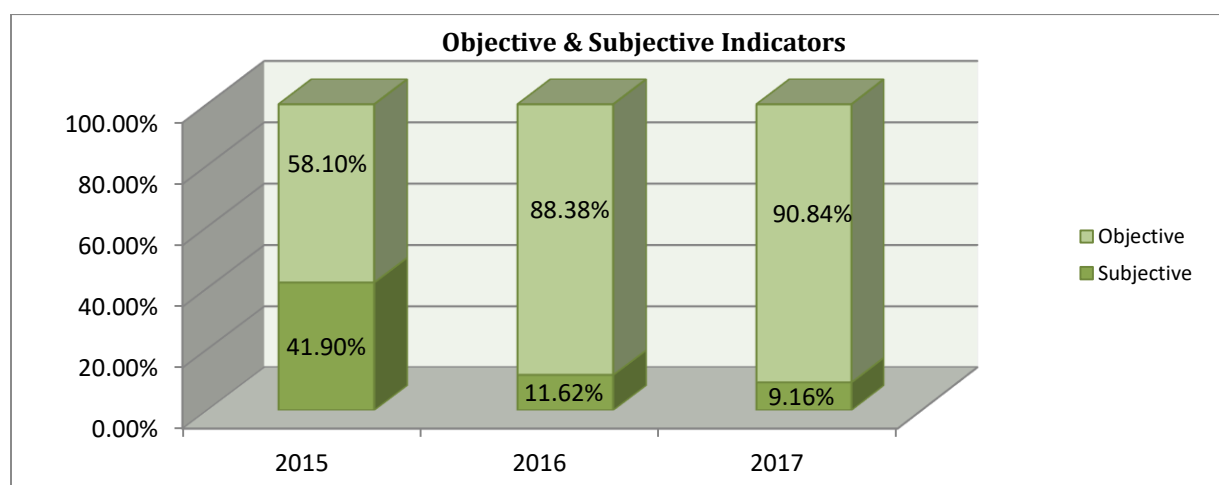


Figure 2 : Unusual transactions by objective and subjective indicators (%) (2015 – 2017)

Origin of the UTRs

	2017				2016			
Reporter Type	Qty.	%	Value (in ANG.)	%2	Qty.2	%3	Value (in ANG.)	%
Administration Offices	2	0.01%	1459094	0.00%	0	0.00%	0	0.00%
Building and Construction Materials	4	0.01%	429,885	0.00%	1	0.01%	22,823	0.00%
Car Dealers	34	0.12%	1,229,006	0.00%	49	0.25%	1,867,994	0.01%
Casinos	9,182	33.35%	128,875,198	0.35%	1,321	6.78%	44,437,732	0.15%
Credit Unions	44	0.16%	9,678,310	0.03%	48	0.25%	1,620,491	0.01%
Credit card Companies	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Customs	249	0.90%	91,397,943	0.25%	523	2.68%	146,677,516	0.49%
Life Insurance Companies	2	0.01%	32,074	0.00%	0	0.00%	0	0.00%
Jewelers	2	0.01%	7,950	0.00%	8	0.04%	73,070	0.00%
Lawyers	1	0.00%	25,000	0.00%	1	0.01%	608,760	0.00%
Local Banks	12,511	45.44%	19,745,122,251	54.36%	12,344	63.36%	16,101,137,633	53.30%
Lotteries	343	1.25%	4,584,425	0.01%	222	1.14%	3,206,575	0.01%
Money Remitters	950	3.45%	7,599,265	0.02%	846	4.34%	5,485,916	0.02%
Notaries	5	0.02%	852,872	0.00%	8	0.04%	7,470,645	0.02%
Offshore Banks	4,179	15.18%	16,033,378,476	44.14%	4,075	20.92%	13,318,888,163	44.09%
Real Estate	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Savings Banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trust Companies	26	0.09%	299,009,164	0.82%	36	0.18%	577,684,829	1.91%
Total	27,534	100%	36,323,680,913	100%	19,483	100%	30,209,182,147	100%

Table 3 : Unusual transactions by reporter type (2016 – 2017)

2.1.1 Administration Offices

In 2017 the FIU received 2 unusual transaction reports from the administration offices sector. It must be noted that there is no reporting obligation for this sector for their standard services (administration).

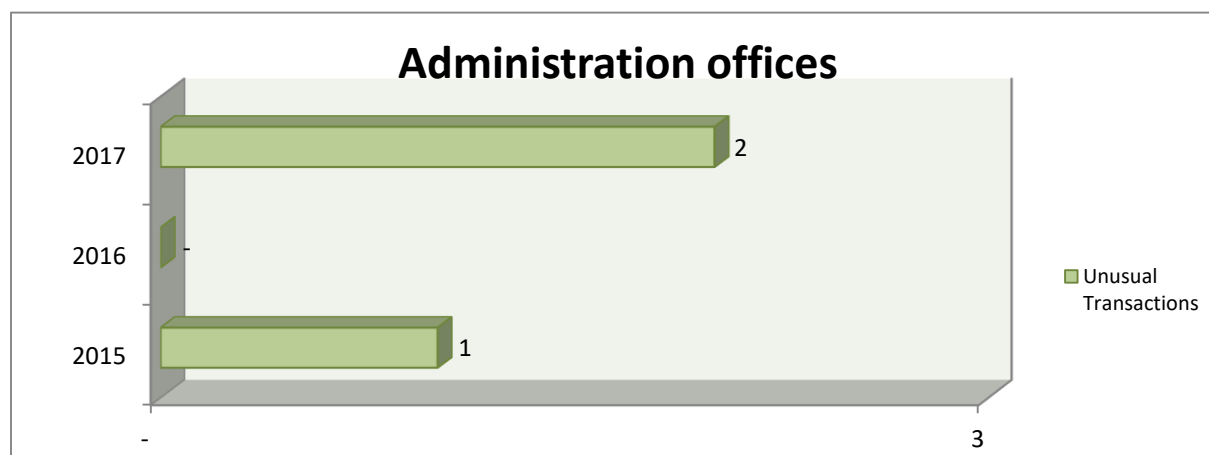


Figure 3 : Total received unusual transactions: administration offices (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	0.00%	100.00%
2016	0.00%	0.00%
2015	0.00%	100.00%

Table 4 : Objective vs Subjective reporting in %; administration offices (2015 – 2017)

	2017		2016		2015	
Executed	1	17,654	-	-	1	604,000
Intended	1	1,441,440	-	-	-	-
Total	2	1,459,094	-	-	1	604,000
	Qty.	Value	Qty.	Value	Qty.	Value

Table 5 : Unusual transactions by reported type; administration offices (2015 – 2017)

2.1.2 Dealers in vehicles

In 2017 the FIU received 34 unusual transaction reports from the vehicle dealers sector, an increased number compared to the previous year. There is however still a substantial amount of vehicle dealers that do not report as of yet.

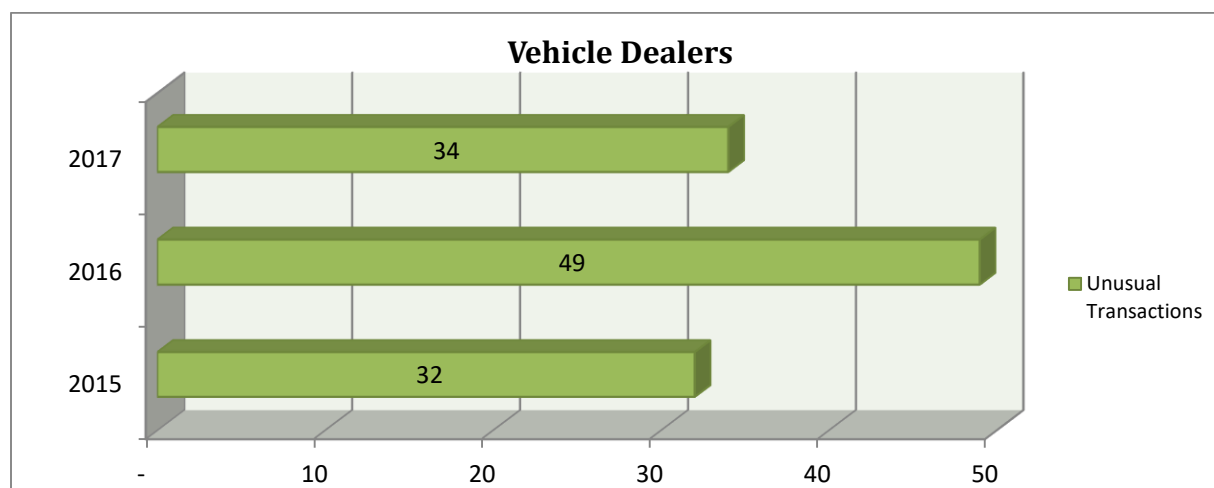


Figure 4 : Total received unusual transactions: vehicle dealers (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	88.24%	11.76%
2016	95.92%	4.08%
2015	81.25%	18.75%

Table 6 : Objective vs Subjective reporting in %; vehicle dealers (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	34	1,229,006	49	1,867,994	31	1,411,723
Intended	-	-	-	-	1	34,350
Total	34	1,229,006	49	1,867,994	32	1,446,073

Table 7 : Unusual transactions by reported type; vehicle dealers (2015 – 2017)

2.1.3 Casino's (including online gambling)

In 2017 the reports of unusual transactions received from the casino sector increased substantially, with the sector producing 9,182 transactions. From these, 8,121 reports were received from the online gambling sector. The FIU's efforts to address non-reporting in this sector seems to start paying off, however, as can be seen in the table further below, only with regards to objective reporting.

Not all casinos are reporting yet. The FIU will continue to monitor and stimulate the reporting behavior of casino's, including those of online gambling providers, in the coming years. There is currently no AML supervisory authority for the online gambling sector.

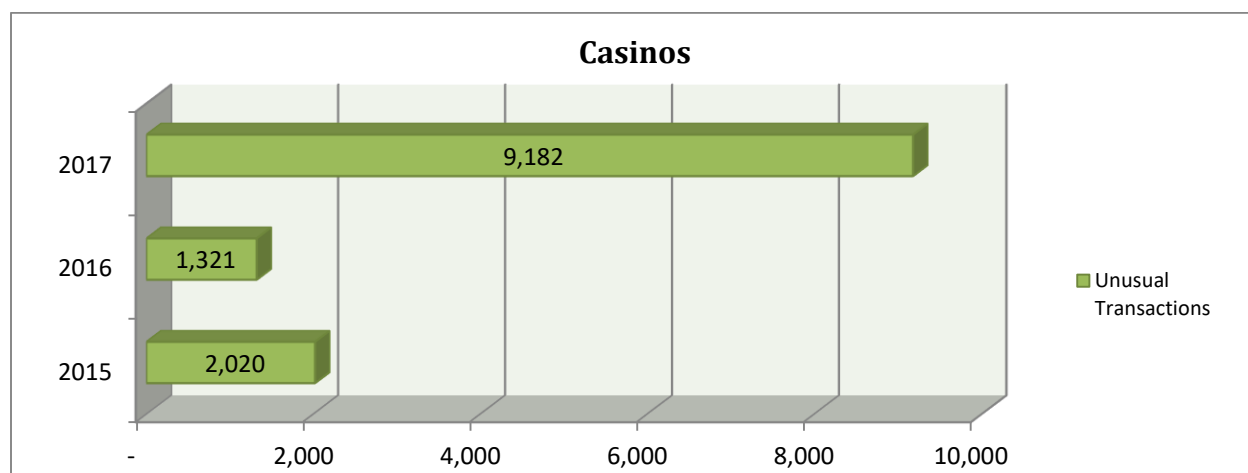


Figure 5 : Total received unusual transactions: casino's (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	100.00%	0.00%
2016	99.92%	0.08%
2015	79.46%	20.54%

Table 8 : Objective vs Subjective reporting in %; casinos (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	9,181	128,865,764	1,321	44,437,732	2,019	84,548,705
Intended	1	5,850,437	-	-	1	68,804
Total	9,182	134,716,201	1,321	44,437,732	2,020	84,617,509

Table 9 : Unusual transactions by reported type; casinos (2015 – 2017)

2.1.4 Lotteries

The FIU received 343 unusual transaction reports from the lottery sector, again a considerable increase compared to last year. Not all lottery providers are reporting. There is currently no Supervisory Authority for AML to address reporting behavior.

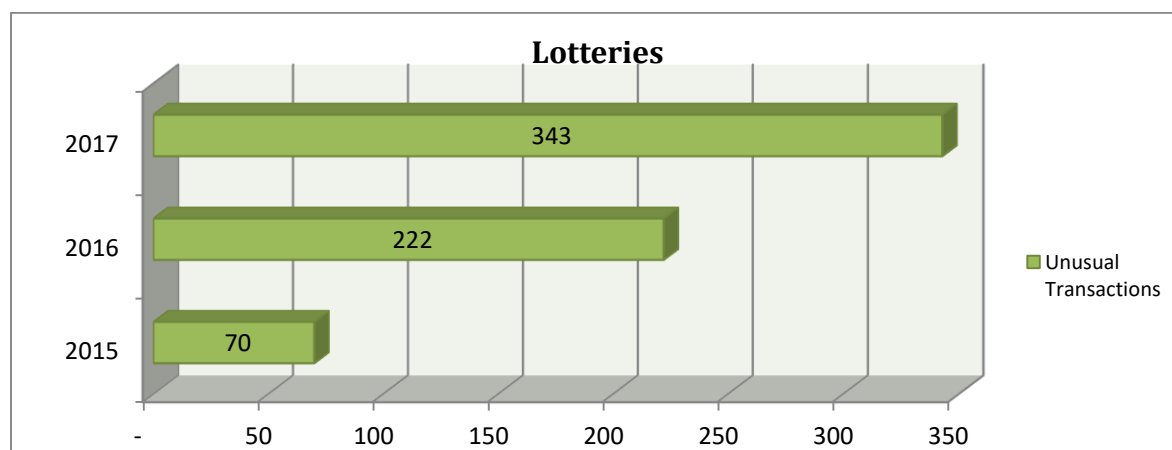


Figure 6 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	100.00%	0.00%
2016	100.00%	0.00%
2015	98.57%	1.43%

Table 10 : Objective vs Subjective reporting in %; lotteries (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	343	4,584,425	222	3,206,575	70	626,060
Intended	-	-	-	-	-	-
Total	343	4,584,425	222	3,206,575	70	626,060

Table 11: Unusual transactions by reported type : lotteries (2015 – 2017)

2.1.5 Credit Unions

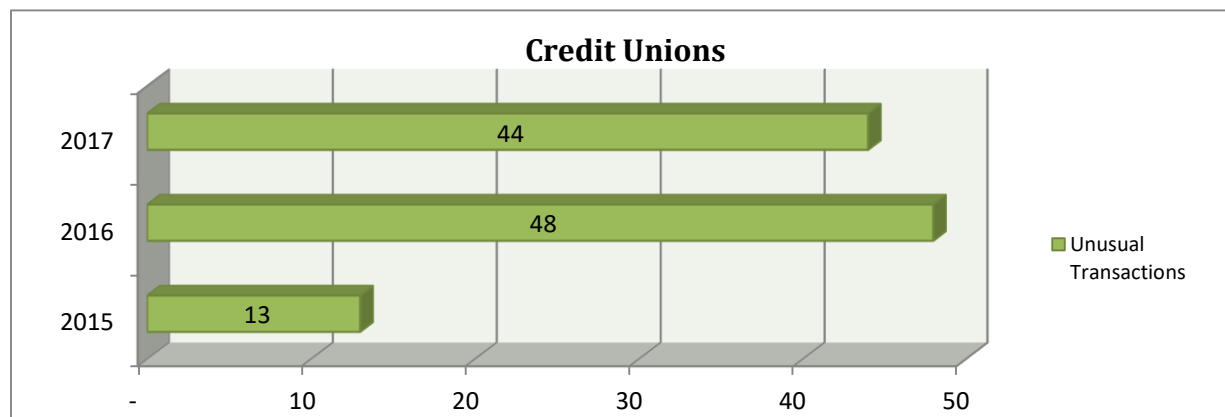


Figure 7 : Total received unusual transactions: credit unions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	70.45%	29.55%
2016	56.25%	43.75%
2015	0.00%	100.00%

Table 12 : Objective vs Subjective reporting in %; credit unions (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	44	9,678,310	47	1,585,491	13	397,242
Intended	-	-	1	3,500	-	-
Total	44	9,678,310	48	1,588,991	13	397,242

Table 13 : Unusual transactions by reported type; credit unions (2015 – 2017)

2.1.6 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 FIU without delay.

In 2017 Customs lagged behind again in reporting transactions, from 523 reports in 2016 to 249 reports in 2017. The FIU is discussing with the Customs organization how to improve mutual assistance on reporting in the future, for instance by further facilitating automated reporting to the FIU, which would enhance efficiency substantially for both parties.

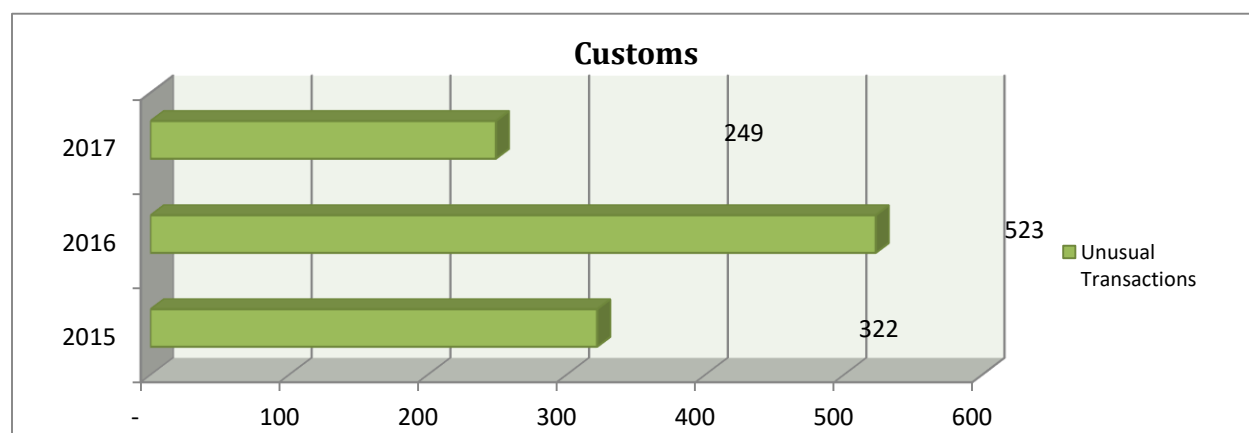


Figure 8 : Total received unusual transactions (2015-2017)

An overview of the value of Customs reported transactions is given in the following table.

	2016		2015		2014	
Total	523	146,677,516	322	110,900,476	607	228,937,619

Table 14 : Unusual transactions by value; Customs (2015 – 2017)

2.1.7 Life Insurance Companies

In 2017 2 reports of unusual transactions were received from the life insurance sector. The FIU addressed the reporting behavior of this sector with the Supervisory Authority.

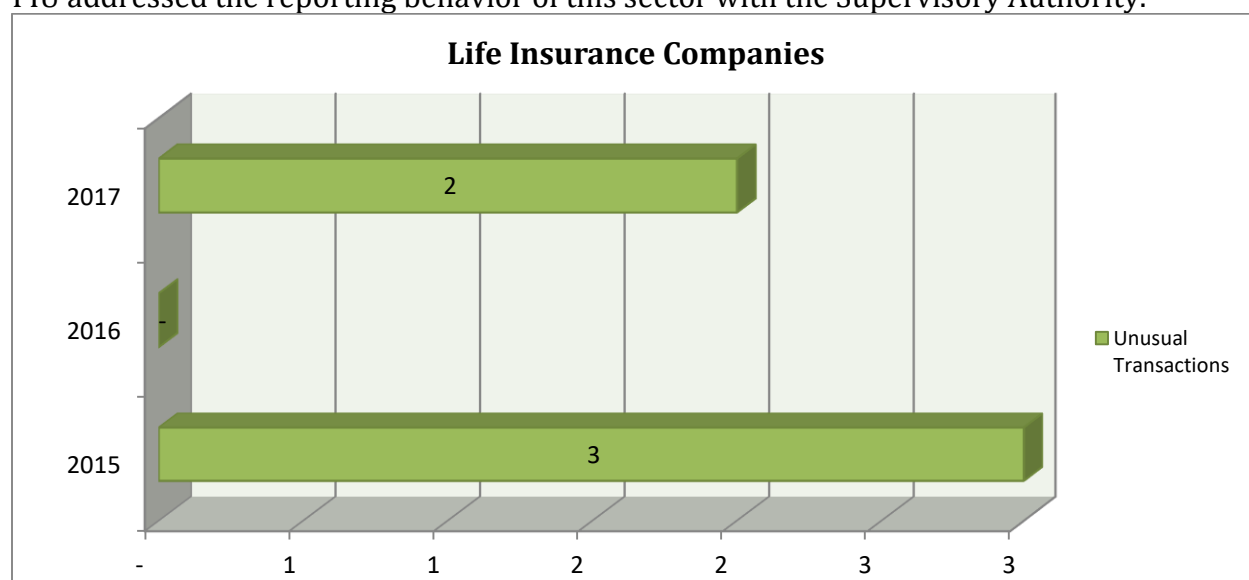


Figure 9 : Total received unusual transactions: life insurance companies (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	70.45%	29.55%
2016	56.25%	43.75%
2015	0.00%	100.00%

Table 15 : Objective vs Subjective reporting in %; life insurance companies (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	2	32,074	-	-	2	553,164
Intended	-	-	-	-	1	18,900
Total	2	32,074	-	-	3	572,064

Table 16 : Unusual transactions by reported type: insurance companies (2015 – 2017)

2.1.8 Jewelers

In 2017 the FIU received again less unusual transaction reports from the jewelers sector. Reporting behavior is declining in this sector. NB no reports were received from similar dealers in precious metals or precious stones, like for instance the dealers established in the free zone.

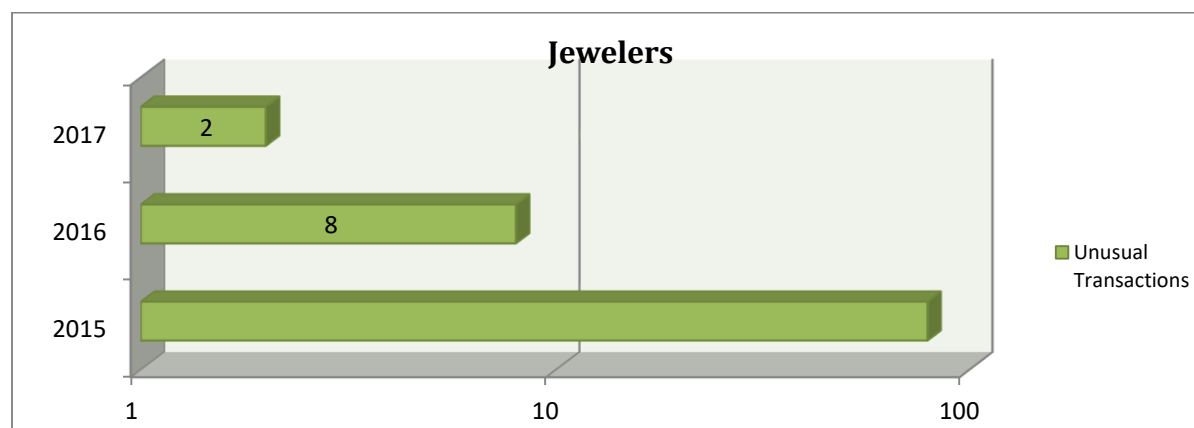


Figure 10 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	50.00%	50.00%
2016	0.00%	100.00%
2015	1.28%	98.73%

Table 17 : Objective vs Subjective reporting in %; jewelers (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	2	7,950	8	73,070	79	1,381,029
Intended	-	-	-	-	-	-
Total	2	7,950	8	73,070	79	1,381,029

Table 18 : Unusual transactions by reported type : jewelers (2015 – 2017)

2.1.9 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 2017, the FIU however received again only 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 and in legal procedures) are exempted from the NOIS and the NORUT. However, the FIU, when more human resources are available, intends to focus more on this sector.

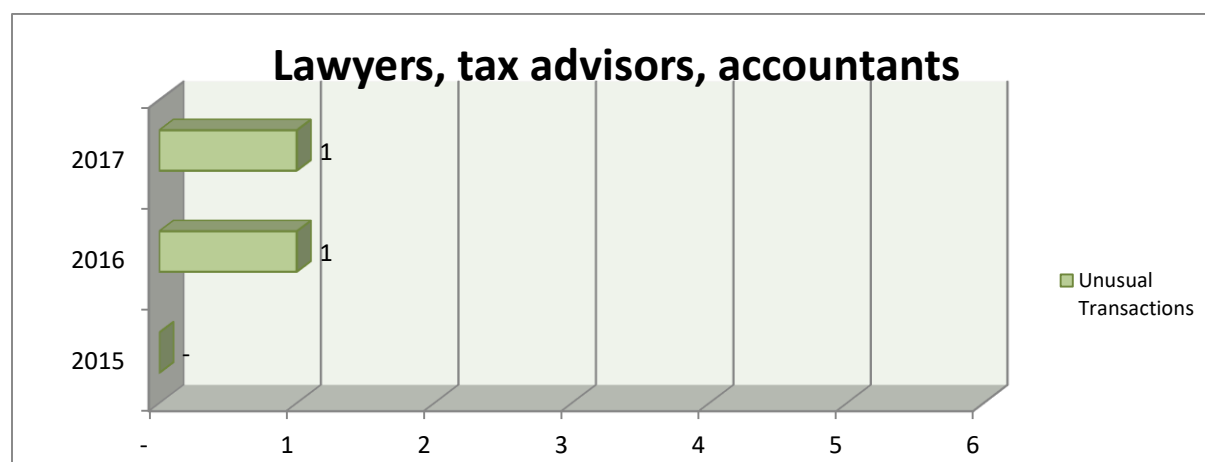


Figure 11 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	0.00%	100.00%
2016	0.00%	100.00%
2015	0.00%	0.00%

Table 19 : Objective vs Subjective reporting in %; lawyers, tax advisors, accountants (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1	25,000	-	-	-	-
Intended	-	-	1	608,760	-	-
Total	1	25,000	1	608,760	-	-

Table 20 : Unusual transactions by reported type: lawyers (2015 – 2017)

2.1.10 Notaries

With the amendment of the NORUT in 2011, the civil notaries became obliged by law to report their unusual transactions. Not all notaries are reporting. The issue of compliance and reporting is addressed with the Supervisory Authority.

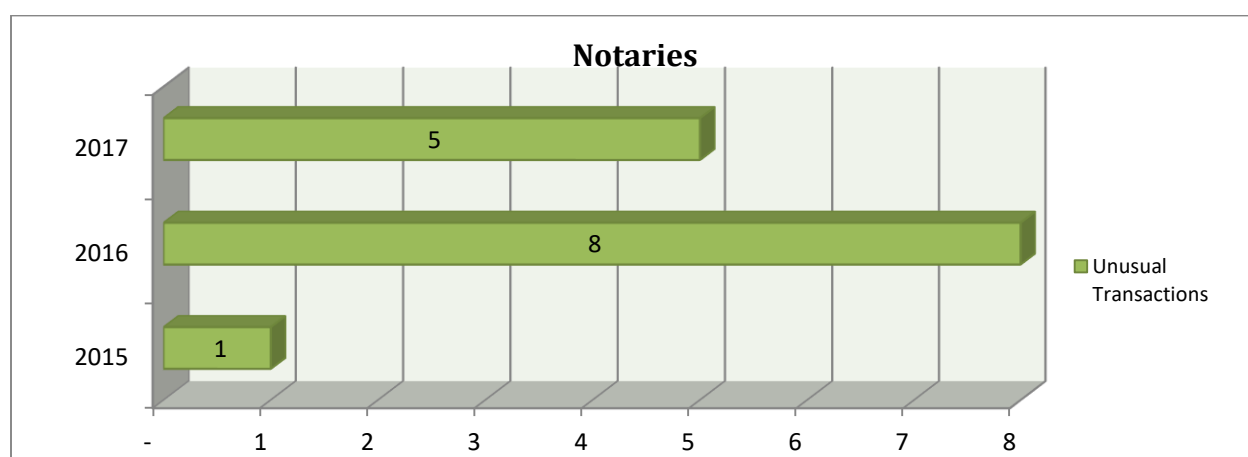


Figure 12 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	40.00%	60.00%
2016	12.50%	87.50%
2015	0.00%	100.00%

Table 21 : Objective vs Subjective reporting in %; notaries (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	5	852,872	5	1,252,645	-	-
Intended	-	-	3	6,218,000	1	30,000
Total	5	852,872	8	7,470,645	1	30,000

Table 22 : Unusual transactions by reported type: notaries (2015 – 2017)

2.1.11 Local Banks

2017 reporting behavior by local banks remained roughly at the same level; the FIU received 12.511 reports. The objective indicator for transactions higher than ANG 1,000,000.- was not in force yet for this sector. Most of the reports are objective and subjective reporting is declining further after the introduction of new indicators in 2016. The FIU would like to stimulate subjective reporting by banks. The topic is addressed with the Supervisory Authority.

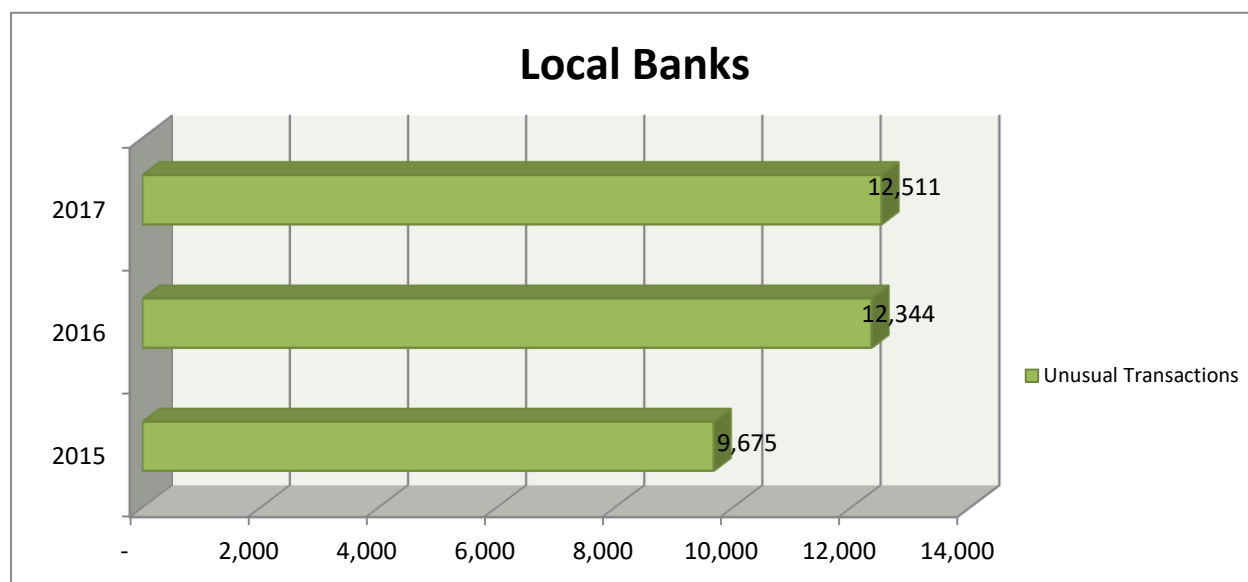


Figure 1 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	93.63%	6.37%
2016	88.30%	11.70%
2015	86.41%	13.59%

Table 23 : Objective vs Subjective reporting in %; local banks (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	12,051	19,715,768,237	12,096	16,082,093,846	9,551	4,346,665,353
Intended	460	29,354,014	248	19,043,787	124	60,109,159
Total	12,511	19,745,122,251	12,344	16,101,137,633	9,675	4,406,774,512

Table 24 : Unusual transactions by reported type: local banks (2015 – 2017)

2.1.12 Money Remitters

In 2017 the amount of reports of unusual transactions from the money remitting sector increased steadily further: we received 950 reports. The issue of compliance and reporting will be continued to be addressed with the Supervisory Authority.

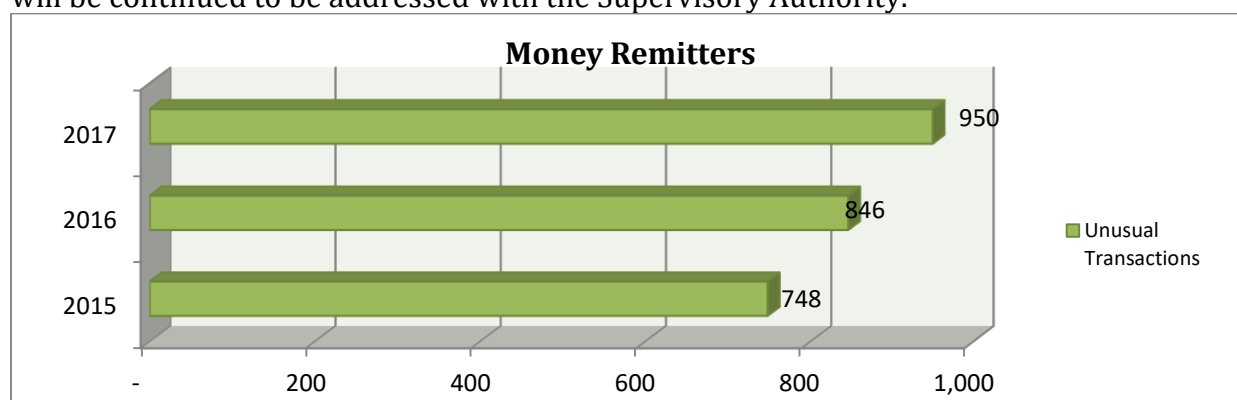


Figure 14 : Total received unusual transactions: money remitters (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	93.63%	6.37%
2016	88.30%	11.70%
2015	86.41%	13.59%

Table 25 : Objective vs Subjective reporting in %; money remitters (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	946	7,579,758	840	5,438,046	743	161,448,085
Intended	4	19,507	6	47,870	5	26,622
Total	950	7,599,265	846	5,485,916	748	161,474,707

Table 26 : Unusual transactions by reported type: money remitters (2015 – 2017)

2.1.13 International Banks

In 2017 the amount of reports of unusual transactions received from the international banking sector remained roughly at the same level: we received 4179 reports. One reason for this might be the changed indicators, whereby a much by this sector used subjective indicator expired. Also the objective indicator for transactions higher than ANG 1,000,000.- was not in force yet for this sector. We saw a further decline in subjective reporting too. Another reason might be a further decline in the amount of international banks. The issue of compliance and reporting is addressed with the Supervisory Authority.

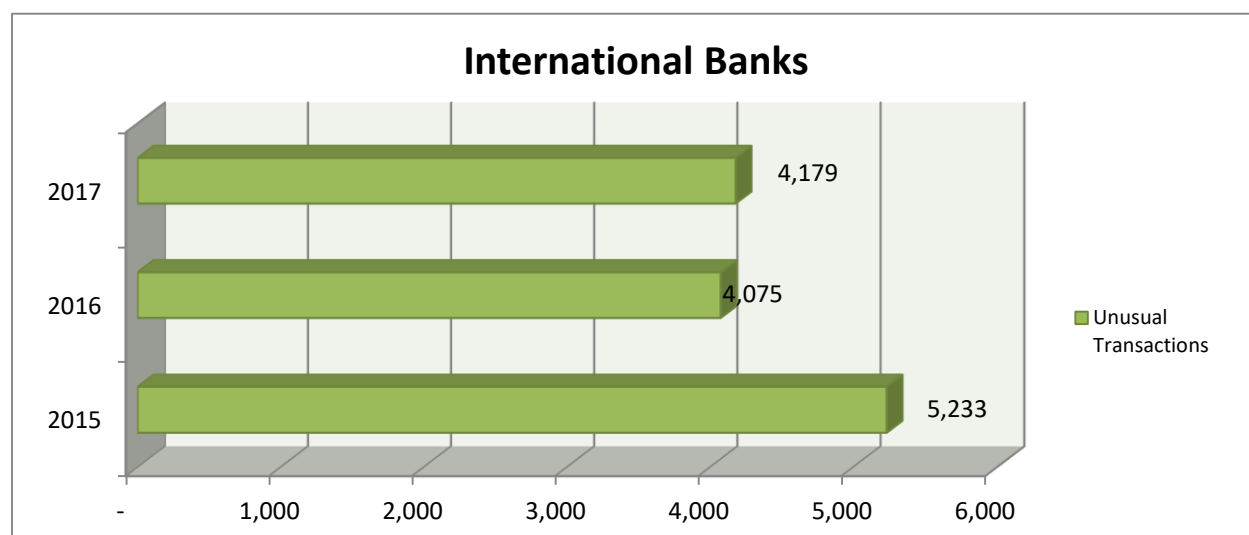


Figure 15 : Total received unusual transactions (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	93.63%	6.37%
2016	88.30%	11.70%
2015	86.41%	13.59%

Table 27 : Objective vs Subjective reporting in %; international banks (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	4,168	15,135,599,298	4,052	13,281,585,689	5,208	17,881,623,536
Intended	11	897,779,178	23	37,302,474	25	12,450,413
Total	4,179	16,033,378,476	4,075	13,318,888,163	5,233	17,894,073,949

Table 28 : Unusual transactions by reported type : international banks (2015 – 2017)

2.1.14 Savings Banks

In 2017, again no reports were received from the Savings banks sector. The last report was received in 2013. The FIU will continue to address the reporting behavior with the Supervisory Authority.

2.1.15 Trust Companies

In 2017, the unusual transactions received from the trust sector declined to 26 reported, as can be seen in the following table. As we stated in last years' report, in 2015 a backlog was reported by this sector following Supervisory Authority intervention. The changes in indicators in 2016 had the effect that regrettably substantial less reports will be reportable by this important sector. Objective indicators are almost never used. Not all trust offices are reporting yet. The FIU will continue to address reporting behavior with the Supervisory Authority.

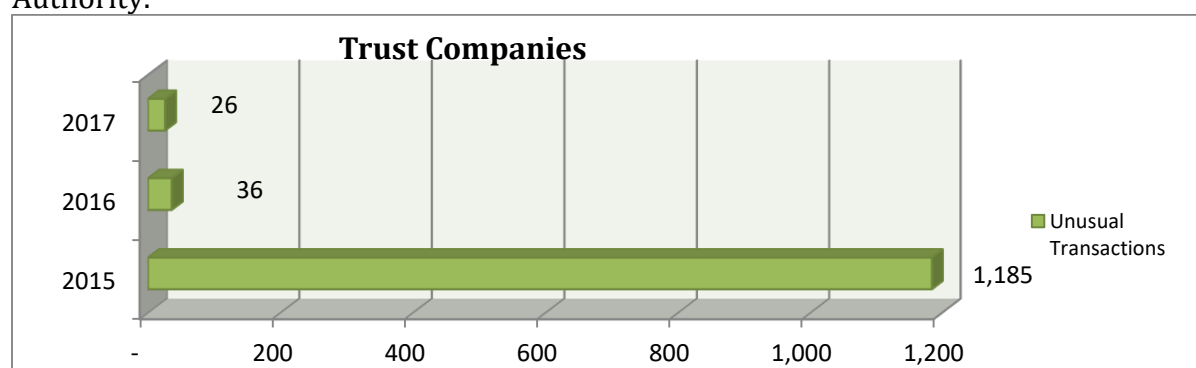


Figure 16 : Total received unusual transactions: trust companies: (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2017	7.69%	92.31%
2016	5.56%	94.44%
2015	0.25%	99.75%

Table 29 : Objective vs Subjective reporting in %; trust companies (2015 – 2017)

	2017		2016		2015	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	13	53,237,840	24	558,666,880	1,179	3,751,334,567
Intended	13	245,771,324	12	19,017,949	6	2,097,003
Total	26	299,009,164	36	577,684,829	1,185	3,753,431,570

Table 30: Unusual transactions by reported type : trust companies (2015 – 2017)

2.2 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 FIU 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 old subjective indicators (that contained a list of red flags) might also give guidance in this regard.

Based on priority setting and triage, analysts of the FIU analyze unusual transactions 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 FIU in 2016 are indicated in the following table. Dissemination of information by the FIU 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.

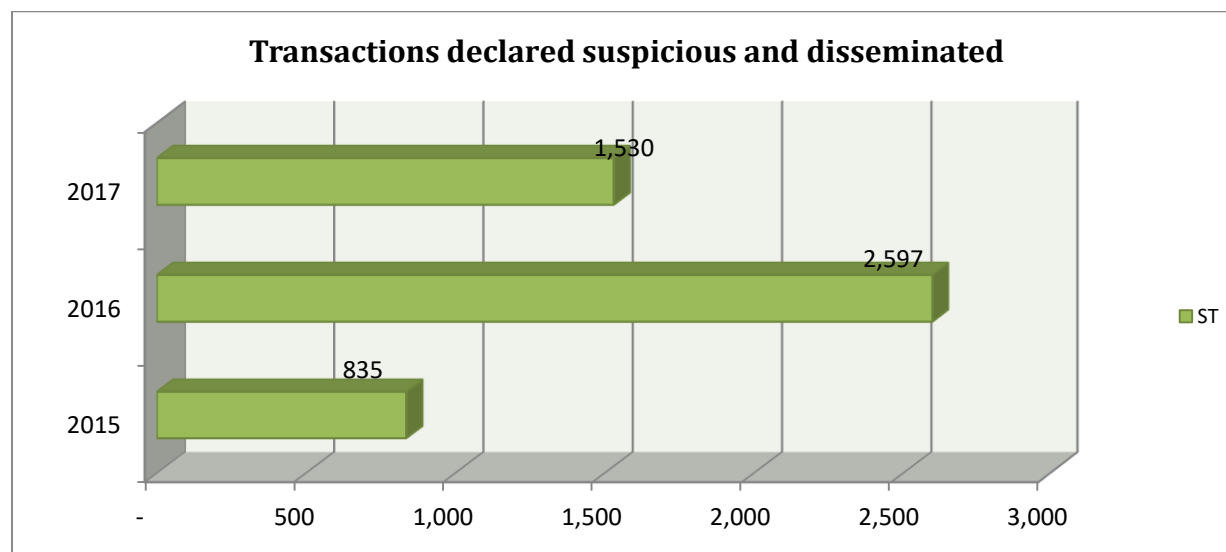


Figure 17 : Total suspicious and disseminated transactions.

2.3 Requests to furnish data, locally and internationally

Incoming Local

The FIU received 23 requests for information from the local law enforcement agencies in 2017. In 2016, this was 55 requests. We note that the Duradero project, a large 'requester', had come to an end. The figure below indicates local sources for requested information during 2017.

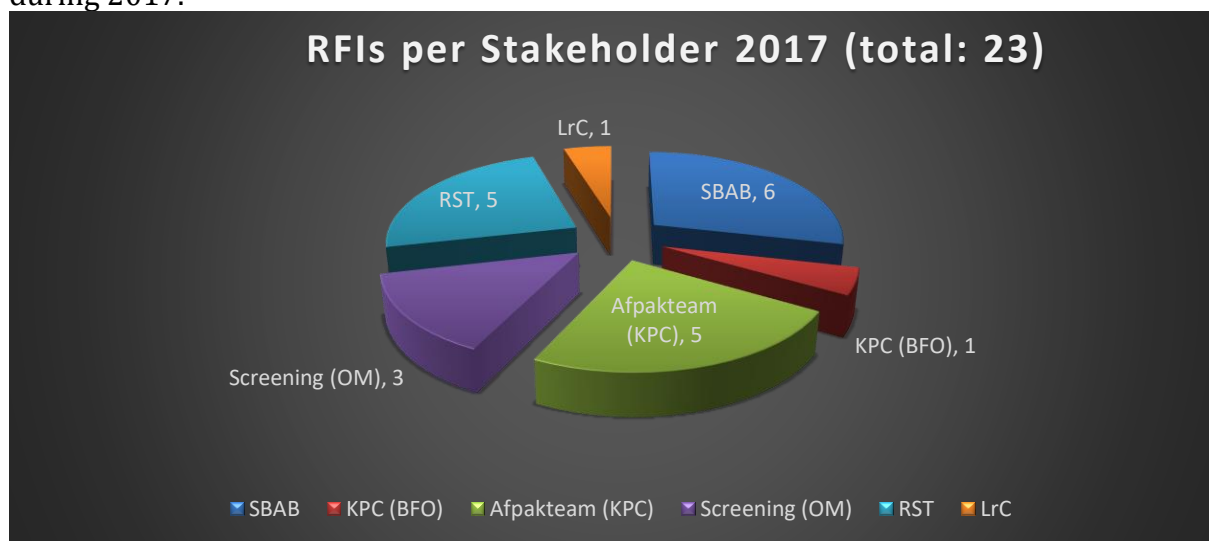


Figure 18 : Requests for information by law enforcement agencies 2017

Outgoing local

On the other hand, the FIU sent out 20 requests for information, based on article 5 of the NORUT, to several law enforcement agencies locally. In 2016, this amount was 26.

Incoming international

In 2017, the FIU received 53 requests from other FIUs for information. In 2016, this was 55.

Outgoing international

The FIU send out an amount of 73 requests to FIUs internationally. In 2016, this amount was 60.

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

2.4 Initiated investigations into the field of money laundering and terrorism financing by the FIU

The FIU initiated 17 substantial investigations into the field of money laundering and terrorism financing. In 2016, the amount was 10.

3. Cooperation and training

Efficient cooperation with all partners in the reporting, supervision and law enforcement chain is of the utmost importance to the FIU. Good communication and an expeditious exchange of information are essential to our work. A good high-level interaction between the FIU, 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.

3.1 National Cooperation and training

The Reporting and/or Supervised Entities

In the context of the introduction by Curaçao of the new indicators for reporting to the FIU in 2016, further information provision to reporting sectors by the FIU proved desirable during 2017. The FIU expanded its website with detailed information about this and also held various information sessions with individual reporting entities and with representative bodies of reporting entities of several sectors, including the notarial sector.

During the legal 'grace period' for the banking sector regarding reporting of transactions that would fall under the new objective reporting indicator for cashless transactions above ANG 1,000,000.-, that lasted until the end of 2017, the FIU devoted a great deal of attention to informing of and consulting with the banking sector about 'batch' uploading of these kind of reports, that are expected to be many in the coming years. Batch uploading would make reporting under this indicator easier for reporting entities. The grace period was granted by law with the intention to give banks sufficient time to adapt their systems.

The FIU also paid a lot of attention with reporting entities to 'correct' reporting (providing complete and correct information in a report, by providing information and one-on-one support sessions).

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

The FIU determines its investigation priorities partly in regular consultation with its judicial chain partners. To this end, the "GOFO" was revived in 2016 at the initiative of the FIU: the Structural Consultation between Financial Investigation and Intelligence Institutions. In 2017, various meetings of this broad chain partner consultation mechanism took place. Various consultation meetings were also held with individual chain partners, including the Public Prosecutors Office. The FIU also started a project called "Non-Reporters" with the

Public Prosecution Office, aimed at raising awareness among reporting groups of the importance of reporting, as well as sanctioning non-reporters. In 2017, the focus of this project was mainly on the brokerage sector.

In order to increase effectiveness and efficiency for all parties involved, as well as to increase the security of information exchange, the FIU initiated a process for digital delivery of its information requests to KPC and RST and digital receipt of their queries in a secure digital manner in return. Suspicious transactions are now also forwarded online to KPC and RST in a secure digital manner. For this purpose, a secure digital portal has been built by the FIU with KPC and RST. Users have been trained by the FIU. In the future, the FIU envisions to effectuate information exchange with all its chain partners in this way, in line with its future GO-AML IT project.

The Supervisory authorities

During this year, the FIU 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 further address the deficiencies that were identified by the CFATF in the evaluation of Curaçao, in order to be able to exit the enhanced follow up process of the Third Round of FATF / CFATF Evaluations.

During 2017, the FIU, in its capacity as Supervisor and on its own initiative, continued to hold regular consultations with the other Supervisors on compliance with the LID and the LVMOT (the CBCS and the Gaming Control Board) regarding the coordination of policy and the interpretation of legislation. During 2017, four meetings took place, two of which at the offices of the FIU. In 2017, these consultations also contributed to the gathering and dissemination of knowledge by the FIU supervisors. FIU believes that continuous work must be done to intensify these consultations for the sake of uniformity, but also to improve the quality of the supervisory activities in order to improve compliance with anti-money laundering and anti-terrorism financing legislation by supervised entities.

A substantial contribution was also made to the CiWG in preparing fining Decrees required in relation to the implementation of the changes in the NOIS and the NORUT. Pending the adoption of both Decrees, work has started on drafting a covenant in which all Supervisory Authorities coordinate their sanctions policy as much as possible, based on the principles and/or criteria for imposing sanctions, which also apply in case law. The FIU Supervision Department has also worked on a draft “fine covenant” in which, in short, agreements are foreseen between the Public Prosecutors’ Office and all AML Supervisory Authorities, with the aim of preventing the (legally) unauthorized concurrence of administrative and criminal sanctions.

The FIU also addressed reporting behavior of reporting entities in the financial and non-financial sector in meetings with the CBCS and the other Supervisory entities.

The Ministry of Finance

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

Pursuant to the amendments made in 2016 to the NORUT, the FIU has the authority to consult the registers of authorities and officials, whether or not charged with investigation and prosecution, for the performance of its duties, and these authorities and officials are obliged to allow consultation. Information requests from the FIU are often still paper-based. In 2017, consultations were held with the Minister of Finance about the realization of a digital viewing function for the FIU in public databases.

The FIU attended also a presentation at the Ministry of Finance as well as follow up meetings regarding the obligation for FATF-member countries to implement a National Risk Assessment and the plans of Curaçao regarding the conducting of such an NRA.

Other stakeholders

The FIU celebrated its twentieth anniversary in 2017. Preparations were made to celebrate the memorable event by organizing an anniversary meeting, to which approximately one hundred chain partners/stakeholders were invited. It would be a socio-educational meeting where the ties with the chain partners could be further strengthened. This in view of the crucial buffer function that the FIU fulfills between the private and public sector. After all, good communication between the various actors of each organization promotes the exchange of information between the chain partners in the fight against money laundering and terrorist financing.

However, due to the general freeze on financial expenses and commitments, which was introduced by the government in the last quarter of 2017, the FIU was forced to postpone the meeting until further notice, so that only the preparation costs would weigh on the budget. Instead, FIU and its staff organized a low-budget Team Day outside the office, during which the challenges and goals achieved over the past years were discussed, as well as the goals and challenges for the coming years, combined with specific training sessions on AML, integrity and teamwork.

3.2 Cooperation within the Kingdom of the Netherlands

As a result of the declaration of intent signed by the heads of the four FIUs within the Kingdom of the Netherlands in October 2014 in Bonaire during the “Kingdom seminar”, further cooperation within the legal boundaries set for this purpose between the FIUs of Curaçao, Sint Maarten, Aruba and the Netherlands has been further consolidated and intensified. The following collaboration objectives were endorsed in the letter of intent:

1. Analyzing, processing and declaring unusual transactions suspicious within the legal framework;
2. Continuing, improving and intensifying the cooperation between the Kingdom FIUs;
3. Simplifying the exchange of transaction information between the Kingdom FIUs;
4. Strengthening the information position of the Kingdom FIUs regarding criminal and unusual money flows within the Kingdom.

Several collaborative video conference meetings among the analysts of the four FIUs were conducted to support cooperation, called ‘Jabber Sessions’.

The FIUs also again participated in the meetings of the Financial Supervisory Authorities within the Kingdom, the so called WGHIT (working group on harmonization of integrity supervision), and shared information with them on reporting within the Kingdom and cooperation on AML/CFT issues.

3.3 Further 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.

Caribbean Financial Action Task Force (CFATF)

In May 2017 the FIU attended the CFATF Working Meetings in Trinidad & Tobago and in November of 2017 the CFATF Plenary Meetings in Guyana. On both occasions the FIU attended the Heads of FIU Meetings and the Plenary Meetings. On request and behalf of the Minister of Finance, the FIU also attended the yearly FATF Ministerial meeting that was held in September in Miami.

The FIU also participated in all CFATF Steering Group meetings during 2017 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 CFATF Chair, the Secretariat, the Ministers and the whole organization with regards to the general policy and other specific policy issues.

The FIU is 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 (Egmont)

The Egmont Group is the international association of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation and exchange of information in anti-money laundering and counter-terrorism financing. All member FIUs are required to be an active member and also 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 now 159 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. The FIU Curaçao is an active member of the Policies and Procedures Working Group and the Membership and Compliance Working Group of Egmont.

This reporting year the FIU attended the Working Group Meetings in January in Doha, Qatar and the Plenary meeting in Macao, China, in June.

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.

Financial Action Task Force (FATF)

In May 2017, the FIU attended the yearly FATF Fintech and Regtech developments forum for AML-supervisory entities, FIUs, law enforcement, governments and other stakeholders, that was held in San Jose, California.

4. Other Developments

An important part of strengthening the effectiveness of the FIU is the foreseen Go-AML project, in which the 'legacy' reporting and analysis system and IT infrastructure of the FIU will be completely replaced by a new system. To this end, an agreement was signed with the United Nations - Office on Drugs and Crime at the beginning of 2016 for the implementation of the GO-AML system they developed, which is used by many FIUs worldwide. The settlement of the payment of this system took considerable time and was effected in November 2017. The required manpower of the FIU for the implementation process was also not yet up to the required strength in 2017. Implementation could therefore not start in 2017, as planned. The GO-AML project is now envisaged to start in 2018.

5. Priorities 2018

The priorities of the FIU for 2018, 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):

- Update the IT-system, start the first phase of the goAML implementation project and further enhance the security and communication systems of the FIU in line with FATF and Egmont requirements;
- Fill remaining existing vacancies at the FIU;

- Build up strategic analysis capabilities;
- Continue to upgrade the personnel of the FIU through training;
- Continue to inform and train the reporting entities with regard to their reporting obligations and the requirements as a result of the changes to the NOIS and NORUT;
- Further enhance national and international cooperation and information sharing with other FIUs and Chain Partners;
- Contribute to the National Risk Assessment of Curaçao, in preparation for the assessment of Curaçao by the CFATF in accordance with FATF standards in 2024.

ANNEX 3 : YEAR 2018 STATISTICS AND INFORMATION

1. Activities of the Supervision Department

1.1 Task and supervised entities

During 2018, the Supervision Department of the FIU 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);
- 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;
- Motor vehicle dealers;
- Dealers in building and construction materials.

The exact 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 other AML-supervisors). 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.

1.2 Personnel

In 2018, the Supervisory department of the FIU still existed of 4 Supervisors and 1 Administrative Assistant; however legal support for the department's projects was received from a lawyer who was full time seconded during 2018 to the FIU by the Curaçao General Legal Directorate. Further efforts were undertaken by the FIU during the year to fill in existing vacancies.

1.3 Audits and other on-site meetings

In 2018 the FIU continued to work together with the OM in the Non-Reporting project (het Niet-Meldersproject). The aim of this project was to provide more, timely and better reports of unusual transactions to the Analysis Department of the FIU. Various sectors were chosen for audits (in total 18 audits):

Jewelers (3),

Dealers in Building Materials (1)

Accountancy & Tax (5),

Real Estate (6)

Car Dealers (3)

The objective of these audits was to conduct a full scope audit. Sanctioning of violations of the NOIS and NORUT was done via the PPO through the justice system.

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 the Customer Due Diligence (CDD) requirements and the implementation of the NOIS and the NORUT.

1.4 Interaction with the sectors

The Non-reporting project of the FIU and the PPO was supported by a media campaign, explaining the AML/CFT laws and the possible sanctions for DNFBPs, as well as sanctions executed. Also several informative meetings were organized for supervised entities, for instance for two large legal accountancy entities.

1.5 Cooperation and coordination

In 2018 the Supervisory department extensively worked together with the other AML Supervisory entities, the Central Bank of Curaçao and St. Maarten (CBCS) and the Gaming Control Board (GCB) in the Curaçao National Risk Assessment (NRA) project as part of the preparation process for the mutual evaluation in 2024. There were 2 supervisors of the department fully dedicated to this project leading several working groups and holding numerous sessions. The Supervision Department also had the opportunity during the several NRA sessions to inform and educate DNFBP's with regard to their obligations under the AML/CFT Laws and the Provisions and Guidelines of the FIU. The aim of the NRA project was to help Curaçao in general, as well as public sectors and private sectors specifically to identify their AML/CFT risks and be more aware of their AML/CFT risks and how they can help mitigate these risks and to assess what other general measures are required, for instance through regulation.

Furthermore, the Supervision Department initiated consultative model with the other supervisory institutions such as the Central Bank of Curaçao and St. Maarten and the Gaming Control board was prolonged, to coordinate interpretative issues regarding the effected changes to the NOIS and the NORUT and discuss cooperation possibilities, supervisory activities and encountered common AML violations. In 2018, 2 meetings were organized.

2. Activities of the analysis department, including statistics and entity reporting trends

2.1 Collecting, registering, processing and analyzing data

UTRs received

In 2018 the total amount of received unusual transactions again kept growing; a record amount of 52,170 unusual transactions were received, roughly twice the amount as received in 2017.

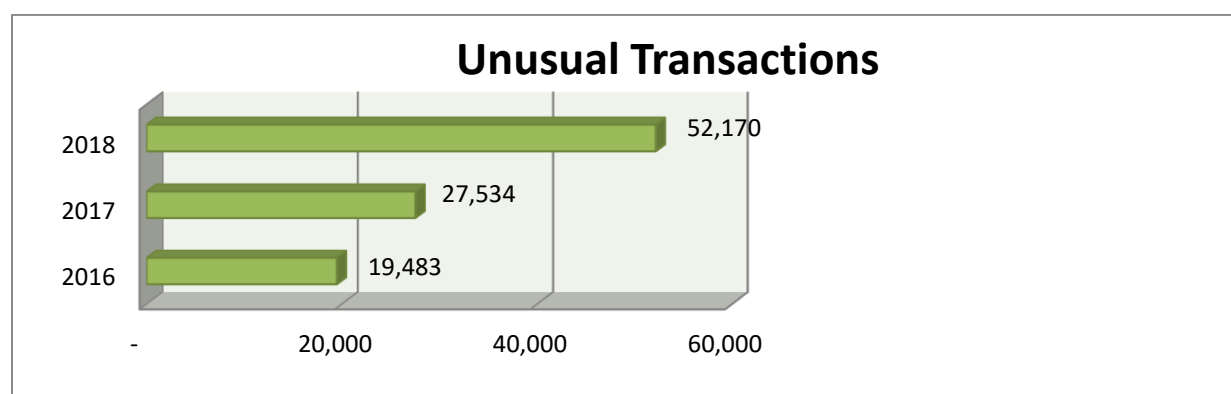


Figure 1 : Total received unusual transactions (2016-2018)

UTRs declared suspicious

The following table shows the total unusual transactions and the amount of transactions that have been declared suspicious and have been disseminated to the PPO in the years 2016 until 2018.

	Unusual		Suspicious	
Year	Qty.	Value(in ANG.)	Qty.	Value (in ANG.)
2018	52,170	1,457,158,560,817	2,793	2,387,914,150
2017	27,534	36,323,680,913	1,530	426,223,033
2016	19,483	30,209,194,747	2,597	1,103,255,917

Table 8 : Unusual and Suspicious transactions (2016-2018)

In 2018, the number of suspicious transactions disseminated to the PPO grew to 2,793 transactions.

The FIU did not receive a feedback with regard to the use of transactions declared suspicious and disseminated to the PPO office.

Executed and intended UTRs

An overview of the executed and intended transactions within the total number of transactions received by the FIU is given in the following table. 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 FIU, 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.

	2018		2017		2016	
	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)
Executed	51,601	145,567,401,986	27,044	35,149,306,016	19,189	30,126,920,907
Intended	569	148,454,098	490	1,174,374,897	294	82,273,840
Total	52,170	145,715,856,084	27,534	36,323,680,913	19,483	30,209,194,747

Table 9 : Total reported executed and intended unusual transactions (2016-2018)

Objective and subjective UTRs

The ratio objective vs subjective indicators is shown in the figure below. As can be seen, the ratio has dropped substantially again in 2018, compared to previous years. This is most likely due to the changes that have come into force regarding the subjective indicator for all sectors. Since 2016, there is only one subjective indicator left, meant for the reporting of all (intended or executed) transactions for which there is reason to believe that they may be related to money laundering or terrorist financing.

Subjective reports are very important to the FIU, since these reports normally give a lot of information to the FIU. 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 may possibly be related to money laundering or terrorism financing.

The FIU will continue to stress the importance for its investigations of reporting subjectively and continue to ask the attention of reporting entities as well as Supervisory authorities for this.

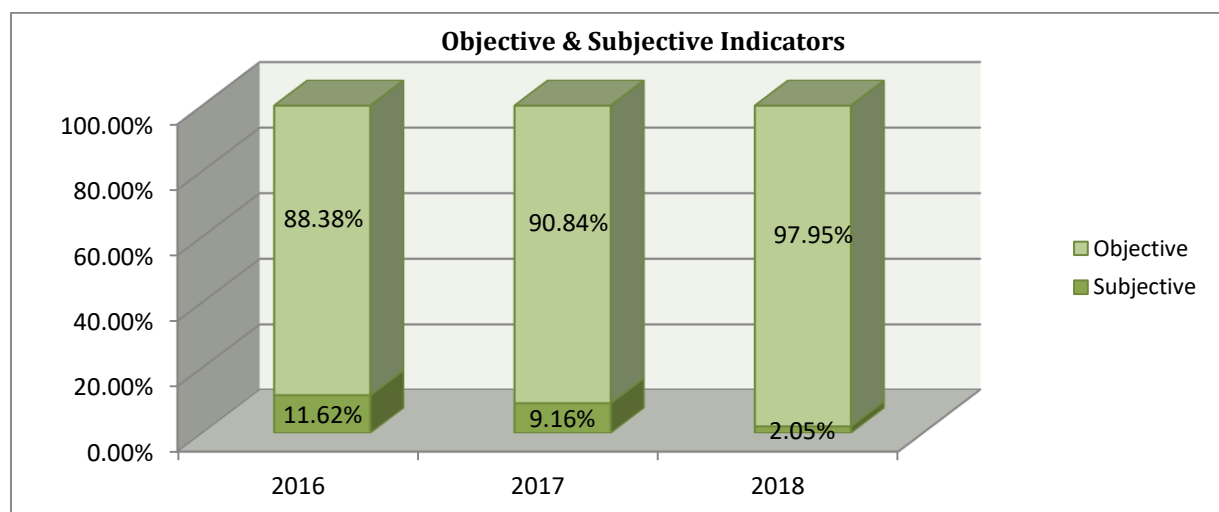


Figure 2 : Unusual transactions by objective and subjective indicators (%) (2016 – 2018)

Origin of the UTRs

	2018				2017			
Reporter Type	Qty.	%	Value (in ANG.)	%2	Qty.2	%3	Value (in ANG.)4	%25
Administration Offices	5	0.01%	2949000	0.00%	2	0.01%	1459094	0.00%
Building and Construction Materials	4	0.01%	112,885	0.00%	4	0.01%	429,885	0.00%
Car Dealers	49	0.09%	1,825,557	0.00%	34	0.12%	1,229,006	0.00%
Casinos	9,521	18.25%	134,716,201	0.01%	9,182	33.35%	128,875,198	0.35%
Credit Unions	49	0.09%	1,240,539	0.00%	44	0.16%	9,678,310	0.03%
Credit card Companies	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Customs	150	0.29%	52,304,394	0.00%	249	0.90%	91,397,943	0.25%
Life Insurance Companies	7	0.01%	7,515,293	0.00%	2	0.01%	32,074	0.00%
Jewelers	3	0.01%	93,819	0.00%	2	0.01%	7,950	0.00%
Lawyers	2	0.00%	45,500,001	0.00%	1	0.00%	25,000	0.00%
Local Banks	13,385	25.66%	22,667,758,203	1.56%	12,511	45.44%	19,745,122,251	54.36%
Lotteries	413	0.79%	7,145,527	0.00%	343	1.25%	4,584,425	0.01%
Money Remitters	1,125	2.16%	7,210,443	0.00%	950	3.45%	7,599,265	0.02%
Notaries	3	0.01%	304,327	0.00%	5	0.02%	852,872	0.00%
Offshore Banks	27,381	52.48%	1,432,963,744,916	98.34%	4,179	15.18%	16,033,378,476	44.14%
Real Estate	6	0.01%	62,421,220	0.00%	0	0.00%	0	0.00%
Savings Banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trust Companies	67	0.13%	1,203,718,492	0.08%	26	0.09%	299,009,164	0.82%
Total	52,170	100%	1,457,158,560,817	100%	27,534	100%	36,323,680,913	100%

Table 3 : Unusual transactions by reporter type (2017 – 2018)

2.1.1 Administration Offices

In 2018 the FIU received 5 unusual transaction reports from the administration offices sector. It must be said that there is no reporting obligation for this sector for their standard services (administration).

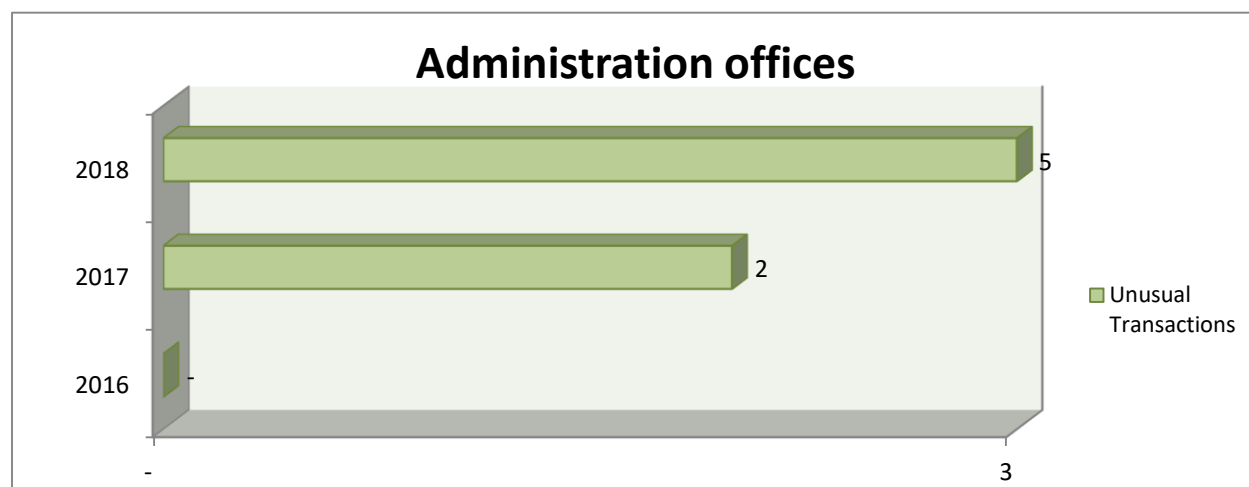


Figure 4 : Total received unusual transactions: administration offices (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	0.00%	100.00%
2017	0.00%	100.00%
2016	0.00%	0.00%

Table 4 : Objective vs Subjective reporting in %; administration offices (2016 – 2018)

	Qty.	Value	Qty.	Value	Qty.	Value
Executed	4	2,845,000	1	17,654	-	-
Intended	1	104,000	1	1,441,440	-	-
Total	5	2,949,000	2	1,459,094	-	-

Table 5 : Unusual transactions by reported type; administration offices (2016 – 2018)

2.1.2 Dealers in vehicles

In 2018 the FIU received 49 unusual transaction reports from the vehicle dealers sector, an increased number compared to the previous year, however less subjective reports were received. There is also still a substantial amount of vehicle dealers that do not report as of yet.

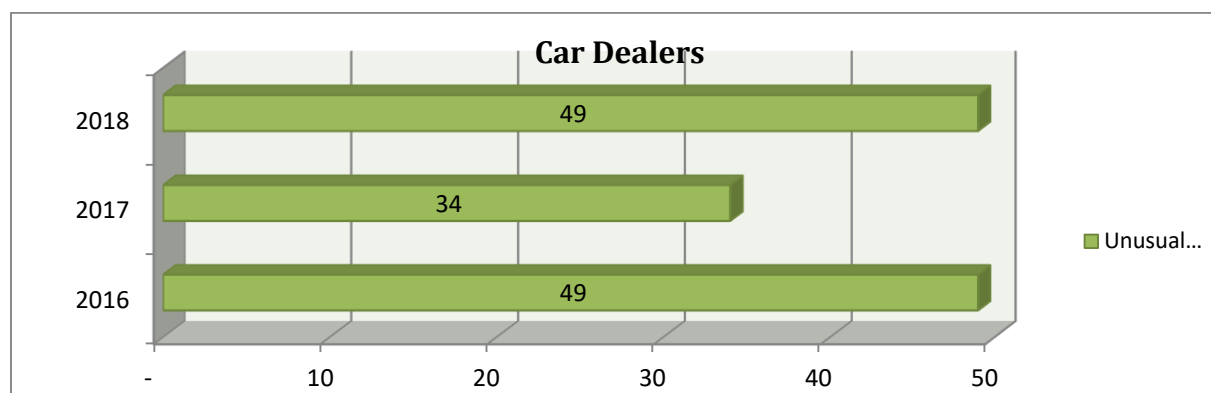


Figure 5 : Total received unusual transactions: vehicle dealers (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	93.88%	6.12%
2017	88.24%	11.76%
2016	95.92%	4.08%

Table 6 : Objective vs Subjective reporting in %; vehicle dealers (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	49	1,825,557	34	1,229,006	49	1,867,994
Intended	-	-	-	-	-	-
Total	49	1,825,557	34	1,229,006	49	1,867,994

Table 7 : Unusual transactions by reported type; vehicle dealers (2016 – 2018)

2.1.3 Casino's (including online gambling)

In 2018 the reports of unusual transactions received from the casino sector increased slightly, with the sector producing 9,521 transactions. From these, 6,373 reports were received from the online gambling sector. Almost all reports are sent in with an objective indicator; the subjective indicator is almost never used. This could mean the sector(s) still are not fully aware of their AML risks.

Not all casinos are reporting yet. The FIU will continue to monitor and stimulate the reporting behavior of casino's, including those of online gambling providers, in the coming years. There is currently no AML supervisory authority for the online gambling sector.

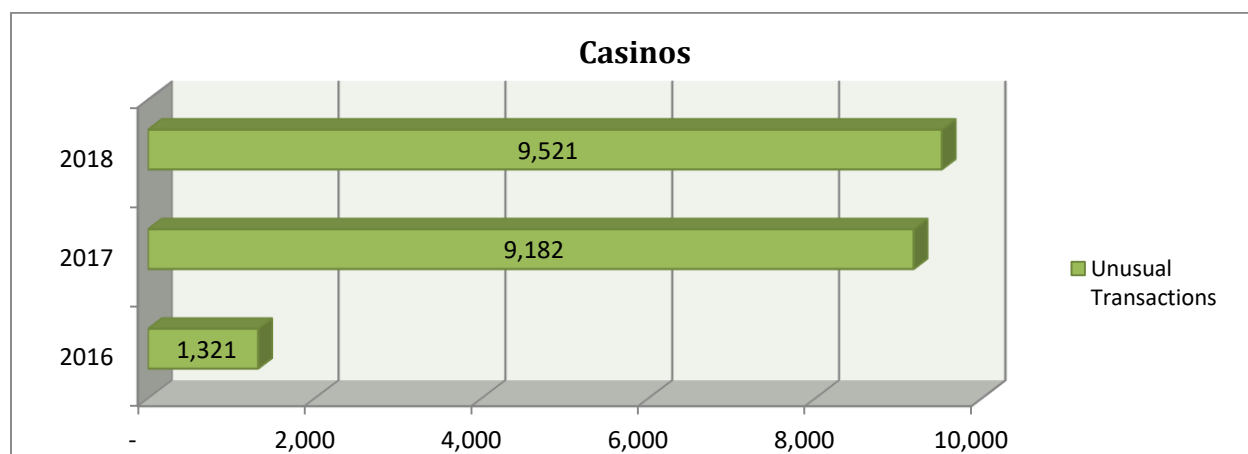


Figure 6 : Total received unusual transactions: casino's (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	99.98%	0.02%
2017	100.00%	0.00%
2016	99.92%	0.08%

Table 8 : Objective vs Subjective reporting in %; casinos (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	9,520	134,702,673	9,181	128,865,764	1,321	44,437,732
Intended	1	13,528	1	5,850,437	-	-
Total	9,521	134,716,201	9,182	134,716,201	1,321	44,437,732

Table 9 : Unusual transactions by reported type; casinos (2016 – 2018)

2.1.4 Lotteries

The FIU received 413 unusual transaction reports from the lottery sector, again an increase compared to last year. All reports are sent in with an objective indicator; the subjective indicator was never used. This could mean the sector still is not fully aware of its AML risks. Not all lottery providers are reporting. There is currently no Supervisory Authority for AML to address reporting behavior.

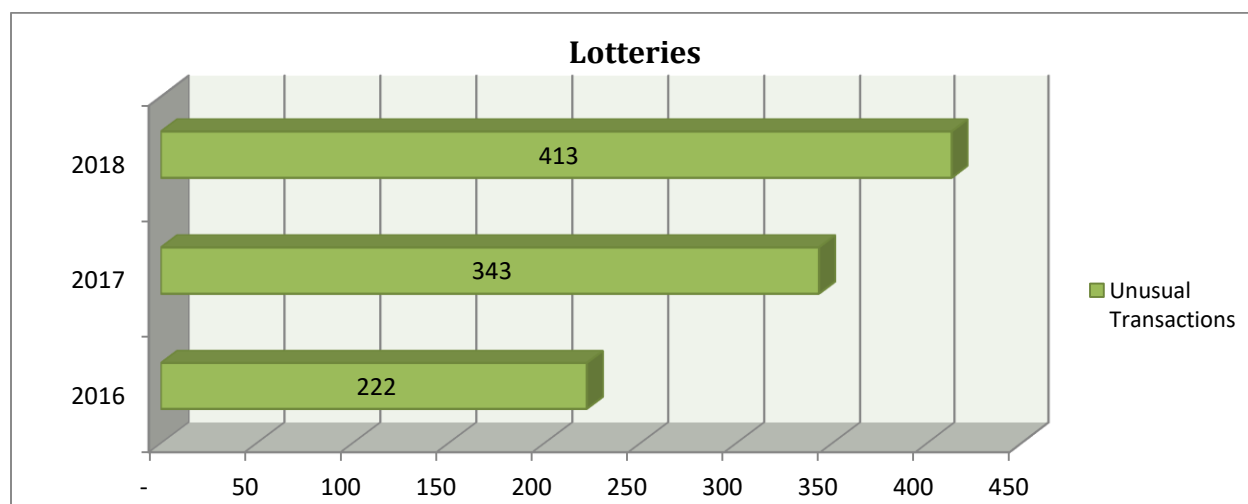


Figure 7 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	100.00%	0.00%
2017	100.00%	0.00%
2016	100.00%	0.00%

Table 10 : Objective vs Subjective reporting in %; lotteries (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	413	7,145,527	343	4,584,425	222	3,206,575
Intended	-	-	-	-	-	-
Total	413	7,145,527	343	4,584,425	222	3,206,575

Table 11 : Unusual transactions by reported type : lotteries (2016 – 2018)

2.1.5 Credit Unions

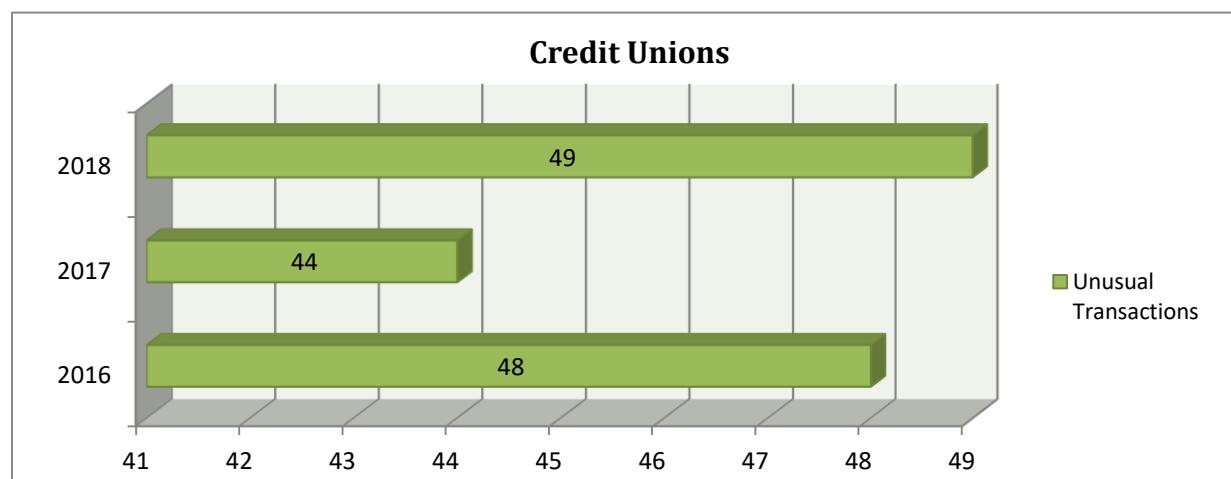


Figure 2 : Total received unusual transactions: credit unions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	73.47%	26.53%
2017	70.45%	29.55%
2016	56.25%	43.75%

Table 12 : Objective vs Subjective reporting in %; credit unions (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	48	1,235,139	44	9,678,310	47	1,585,491
Intended	1	5,400	-	-	1	3,500
Total	49	1,240,539	44	9,678,310	48	1,588,991

Table 13 : Unusual transactions by reported type; credit unions (2016 – 2018)

2.1.6 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 FIU without delay.

In 2018 Customs reports further declined, from 249 reports in 2017 to 150 reports in 2018. The FIU is discussing with the Customs organization how to improve mutual assistance on

reporting in the future, for instance by further facilitating automated reporting to the FIU, which would enhance efficiency substantially for both parties.

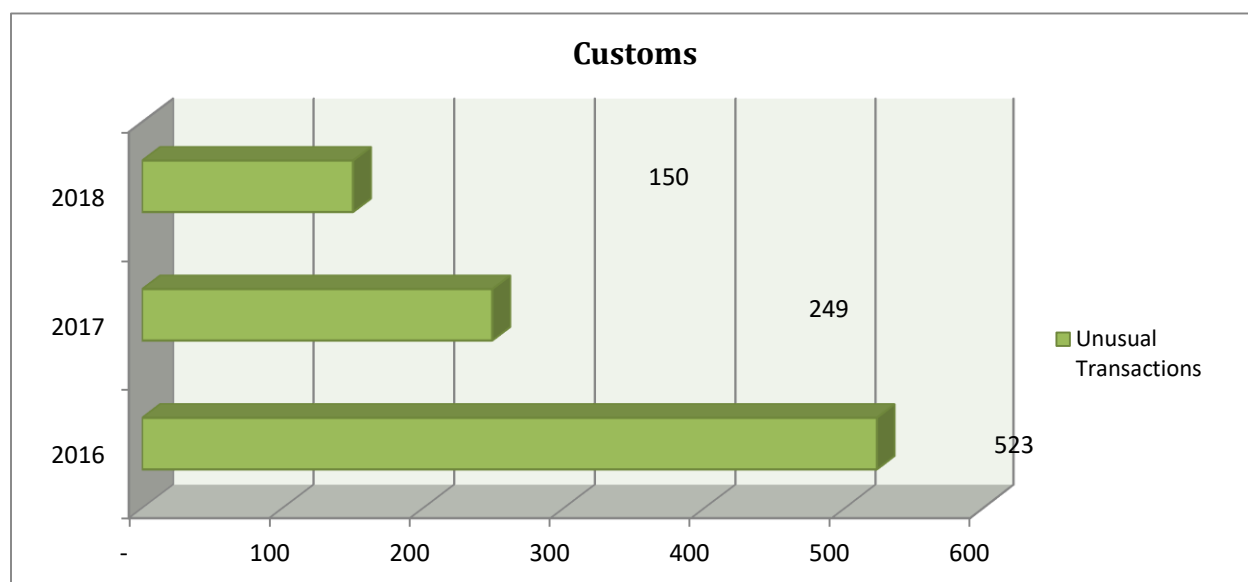


Figure 3 : Total received unusual transactions (2016-2018)

An overview of the value of Customs reported transactions is given in the following table.

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Total	150	52,304,394	249	91,397,943	523	146,677,516

Table 14 : Unusual transactions by value; Customs (2016 – 2018)

2.1.7 Life Insurance Companies

In 2018, 7 reports of unusual transactions were received from the life insurance sector, so the amount is growing.

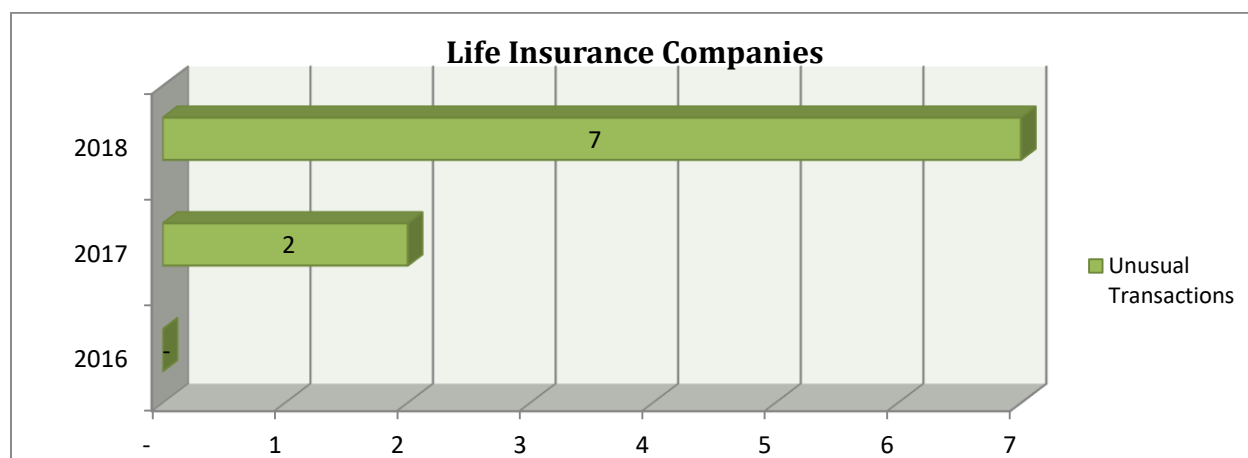


Figure 4 : Total received unusual transactions: life insurance companies (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	85.71%	14.29%
2017	0.00%	100.00%
2016	0.00%	0.00%

Table 15 : Objective vs Subjective reporting in %; life insurance companies (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	6	6,490,245	2	32,074	-	-
Intended	1	1,025,048	-	-	-	-
Total	7	7,515,293	2	32,074	-	-

Table 16 : Unusual transactions by reported type: insurance companies (2016 - 2018)

2.1.8 Jewelers

In 2018 the FIU received again few unusual transaction reports from the jewelers sector. Reporting behavior is declining in this sector. NB no reports were received from similar dealers in precious metals or precious stones, like for instance the dealers established in the free zone.

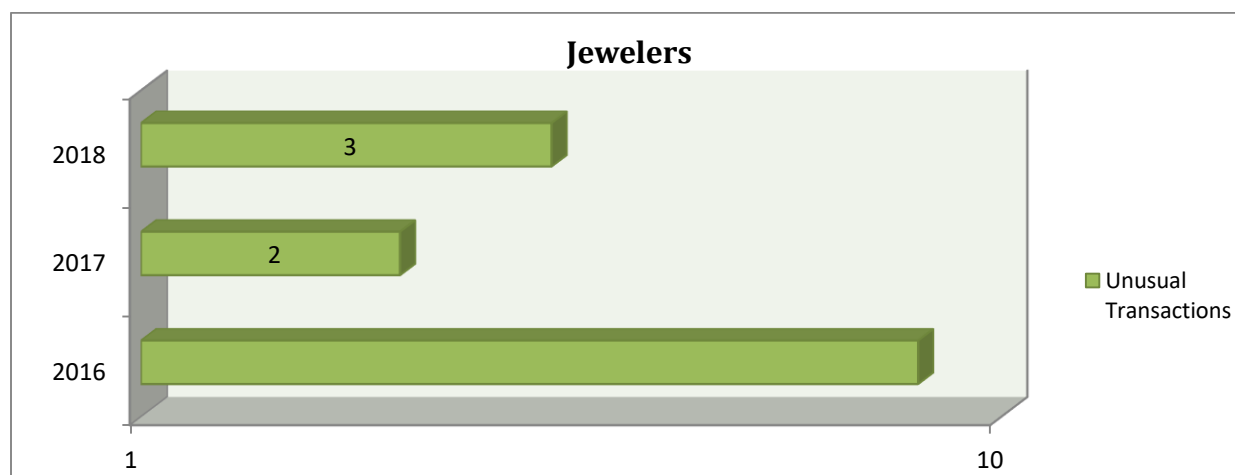


Figure 5 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	100.00%	0.00%
2017	50.00%	50.00%
2016	0.00%	100.00%

Table 17 : Objective vs Subjective reporting in %; jewelers (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	3	93,819	2	7,950	8	73,070
Intended	-	-	-	-	-	-
Total	3	93,819	2	7,950	8	73,070

Table 18 : Unusual transactions by reported type : jewelers (2016 – 2018)

2.1.9 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 2018, the FIU however received again only few unusual transaction reports 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 and in legal procedures) are exempted from the NOIS and the NORUT. However, the FIU, when more human resources are available, intends to focus more on this sector.

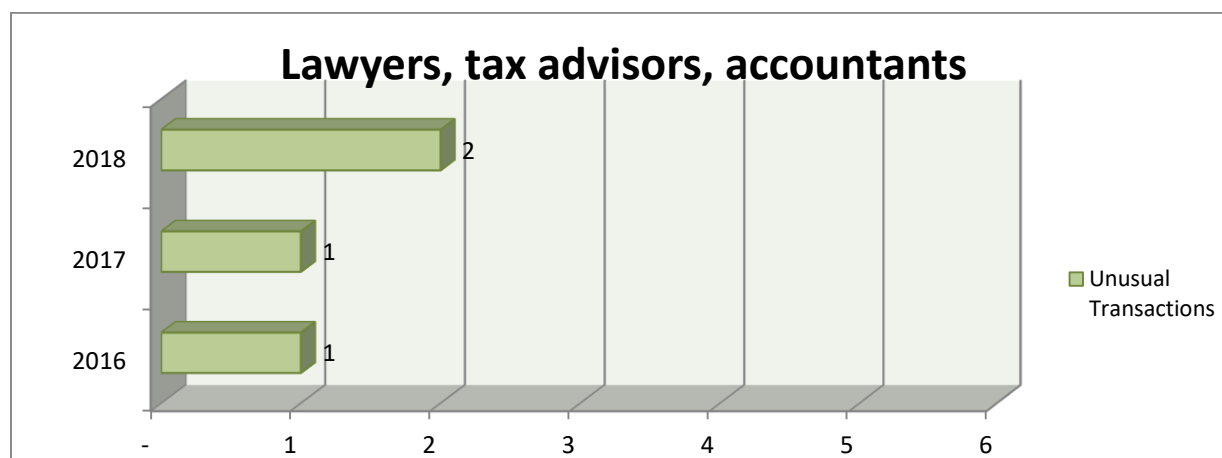


Figure 6 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	0.00%	100.00%
2017	0.00%	100.00%
2016	0.00%	100.00%

Table 19 : Objective vs Subjective reporting in %; lawyers, tax advisors, accountants (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	-	-	1	25,000	-	-
Intended	2	45,500,001	-	-	1	608,760
Total	2	45,500,001	1	25,000	1	608,760

Table 20 : Unusual transactions by reported type: lawyers (2016 – 2018)

2.1.10 Notaries

With the amendment of the NORUT in 2011, the civil notaries became obliged by law to report their unusual transactions. Not all notaries are reporting. The issue of compliance and reporting is addressed with the Supervisory Authority.

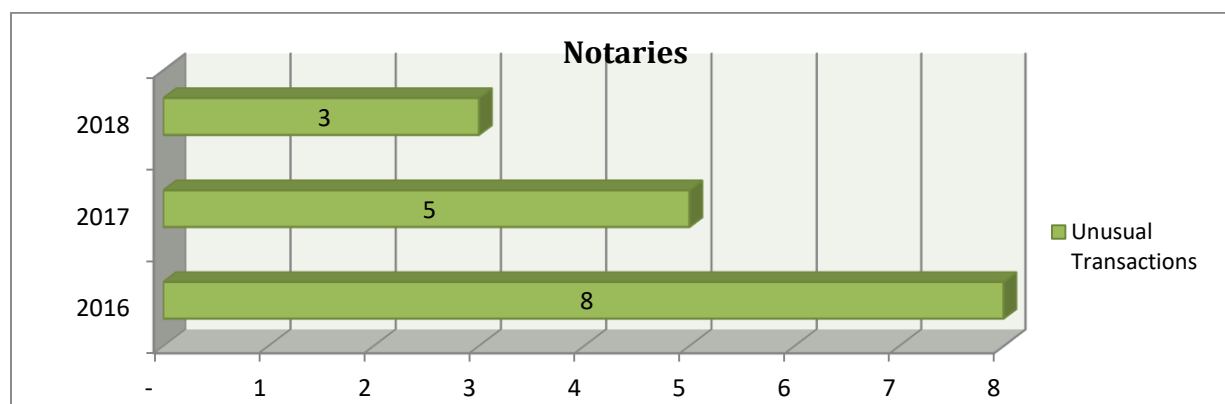


Figure 13 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	33.33%	66.67%
2017	40.00%	60.00%
2016	12.50%	87.50%

Table 21 : Objective vs Subjective reporting in %; notaries (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1	157,302	5	852,872	5	1,252,645
Intended	2	147,025	-	-	3	6,218,000
Total	3	304,327	5	852,872	8	7,470,645

Table 22 : Unusual transactions by reported type: notaries (2016 – 2018)

2.1.11 Local Banks

In 2018, reporting behavior by local banks reached the amount of 13,382 reports. The objective indicator for transactions higher than ANG 1,000,000.- came in to force this year for this sector. Most of the reports are objective and subjective reporting is declining further after the introduction of new indicators in 2016. The FIU would like to stimulate subjective reporting by banks. The topic is addressed with the Supervisory Authority.

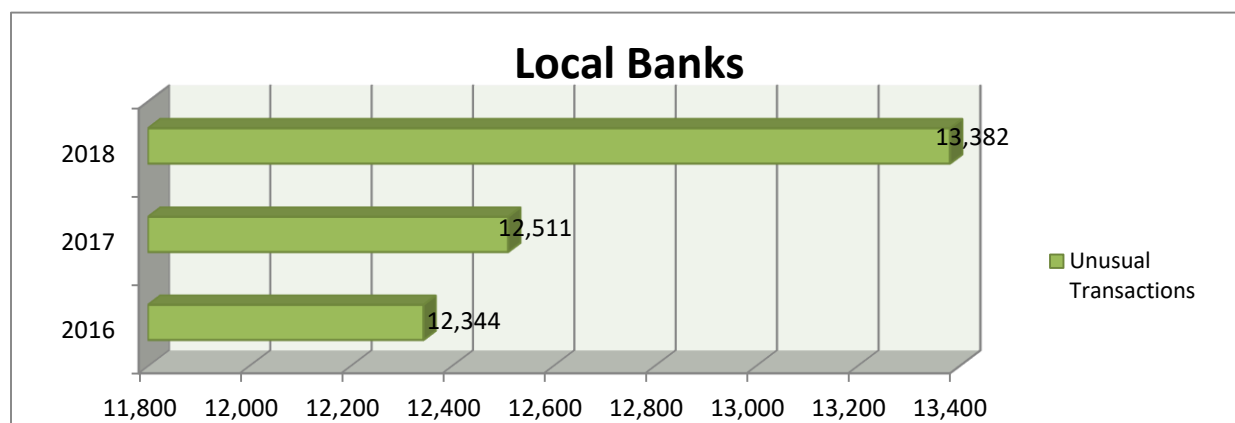


Figure 14 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	95.17%	4.83%
2017	93.63%	6.37%
2016	88.30%	11.70%

Table 23 : Objective vs Subjective reporting in %; local banks (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	12,861	22,651,082,953	12,051	19,715,768,237	12,096	16,082,093,846
Intended	521	16,638,142	460	29,354,014	248	19,043,787
Total	13,382	22,667,721,095	12,511	19,745,122,251	12,344	16,101,137,633

Table 24 : Unusual transactions by reported type: local banks (2016 – 2018)

2.1.12 Money Remitters

In 2018, the amount of reports of unusual transactions from the money remitting sector increased steadily further: we received 1,125 reports. The issue of compliance and reporting will be continued to be addressed with the Supervisory Authority.

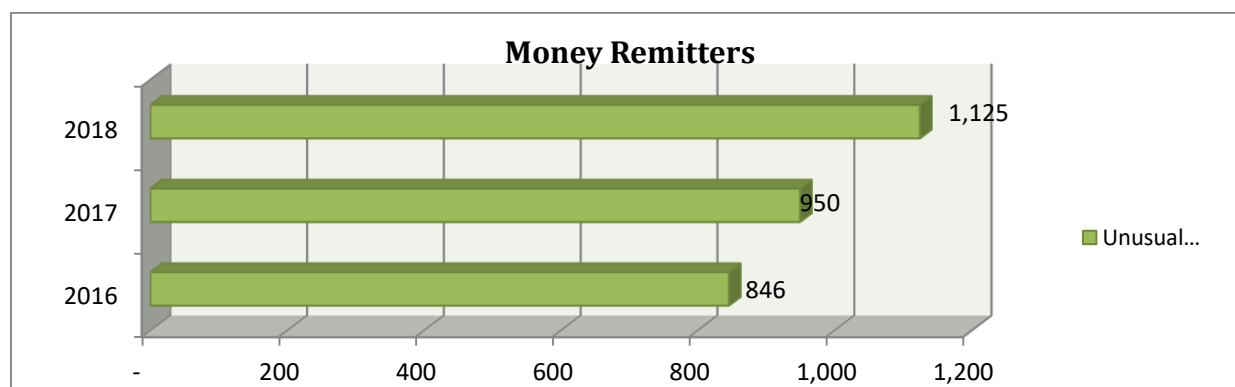


Figure 7 : Total received unusual transactions: money remitters (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	76.09%	23.91%
2017	92.95%	7.05%
2016	91.37%	8.63%

Table 25 : Objective vs Subjective reporting in %; money remitters (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1,117	7,193,926	946	7,579,758	840	5,438,046
Intended	8	16,517	4	19,507	6	47,870
Total	1,125	7,210,443	950	7,599,265	846	5,485,916

Table 26 : Unusual transactions by reported type: money remitters (2016 – 2018)

2.1.13 International Banks

In 2018, the amount of reports of unusual transactions received from the international banking sector remained roughly at the same level: we received 4,179 reports. One reason for this might be the changed indicators, whereby a much by this sector used subjective indicator expired. The objective indicator for transactions higher than ANG 1,000,000.- came in to force this year for this sector. We saw a sharp decline in subjective reporting.

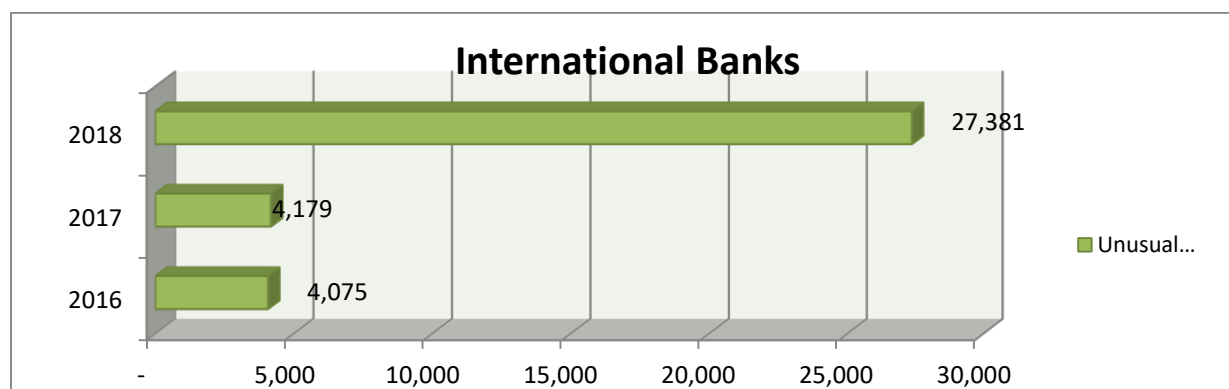


Figure 16 : Total received unusual transactions (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	99.78%	0.22%
2017	81.31%	18.69%
2016	83.51%	16.49%

Table 27 : Objective vs Subjective reporting in %; international banks (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	27,371	1,432,944,907,139	4,168	15,135,599,298	4,052	13,281,585,689
Intended	10	18,837,777	11	897,779,178	23	37,302,474
Total	27,381	1,432,963,744,916	4,179	16,033,378,476	4,075	13,318,888,163

Table 28 : Unusual transactions by reported type : international banks (2016 – 2018)

2.1.14 Savings Banks

In 2018, no reports were received from the Savings banks sector. The last report was received in 2013.

2.1.15 Trust Companies

In 2018, the unusual transactions received from the trust sector picked up to 67 reports, as can be seen in the following table. The changes in indicators in 2016 had the effect that regrettably substantial less reports will be reportable by this important sector. Objective indicators are almost never used. Not all trust offices are reporting yet. The FIU will continue to address reporting behavior with the Supervisory Authority.

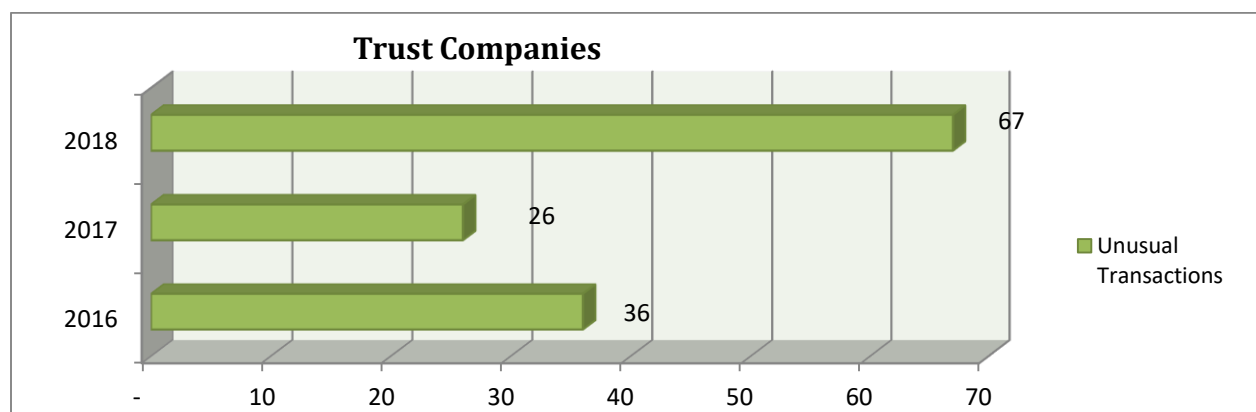


Figure 17 : Total received unusual transactions: trust companies: (2016-2018)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2018	5.97%	94.03%
2017	7.69%	92.31%
2016	5.56%	94.44%

Table 29 : Objective vs Subjective reporting in %; trust companies (2016 – 2018)

	2018		2017		2016	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	48	1,183,213,691	13	53,237,840	24	558,666,880
Intended	19	20,504,801	13	245,771,324	12	19,017,949
Total	67	1,203,718,492	26	299,009,164	36	577,684,829

Table 30 : Unusual transactions by reported type : trust companies (2016 – 2018)

2.2 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 FIU 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 old subjective indicators (that contained a list of red flags) might also give guidance in this regard.

Based on priority setting and triage, analysts of the FIU analyze unusual transactions 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 FIU in 2018 are indicated in the following table. In 2018, 2,793 transactions were declared suspicious. Dissemination of information by the FIU 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.

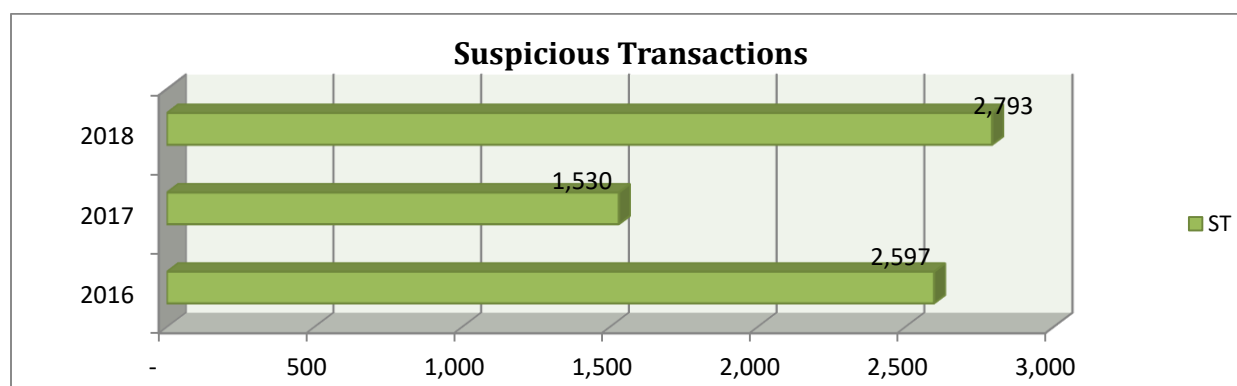


Figure 18 : Total suspicious and disseminated transactions.

2.3 Requests to furnish data, locally and internationally

Incoming Local

The FIU received 25 requests for information from the local law enforcement agencies in 2017. In 2016, this was 23 requests. We note that the Duradero project, a large 'requester', had come to an end at the end of 2016. The figure below indicates local sources for requested information during 2018.

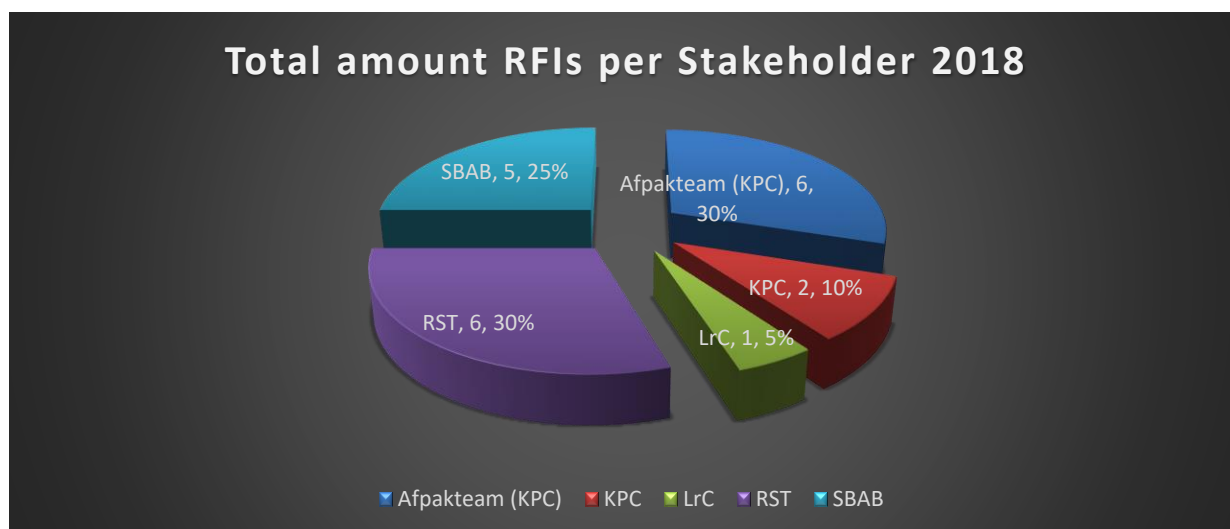


Figure 19 : Requests for information by law enforcement agencies 2018

Outgoing local

On the other hand, the FIU sent out 61 requests for information, based on article 5 of the NORUT, to several law enforcement agencies locally. In 2017, this amount was 20.

Incoming international

In 2018, the FIU received 24 requests from other FIUs for information. In 2017 this was 55.

Outgoing international

The FIU send out an amount of 41 requests to FIUs internationally. In 2017, this amount was 73.

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

2.4 Initiated investigations into the field of money laundering and terrorism financing by the FIU

The FIU initiated 8 substantial investigations into the field of money laundering and terrorism financing. In 2016, the amount was 17.

3. Cooperation and training

Efficient cooperation with all partners in the reporting, supervision and law enforcement chain is of the utmost importance to the FIU. Good communication and an expeditious exchange of information are essential to our work. A good high-level interaction between the

FIU, 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.

National Cooperation and training

The Reporting and/or Supervised Entities

In the context of the introduction by Curaçao of the new indicators for reporting to the FIU in 2016, further information provision to reporting sectors by the FIU proved desirable during 2018. The FIU further held various information sessions with individual reporting entities and with representative bodies of reporting entities of several sectors on the changes and the requirements of compliance and 'correct' reporting.

During the legal 'grace period' for the banking sector regarding reporting of transactions that would fall under the new objective reporting indicator for cashless transactions above ANG 1,000,000.-, that lasted until the end of 2017, the FIU devoted a great deal of attention to informing of and consulting with the banking sector about 'batch' uploading of these kind of reports. The grace period was granted by law with the intention to give banks sufficient time to adapt their systems. As of 2018, these kind of transactions need to be objectively reported to the FIU. Batch uploading makes reporting under this indicator easier for financial reporting entities.

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

The FIU determines its investigation priorities partly in regular consultation with its judicial chain partners. To this end, the "GOFO" was revived in 2016 at the initiative of the FIU: the Structural Consultation between Financial Investigation and Intelligence Institutions. In 2018, again various meetings of this broad chain partner consultation mechanism took place. Various consultation meetings were also held with individual chain partners, including the Public Prosecutors Office. The FIU also continued the joined project called "Non-Reporters" with the Public Prosecution Office, aimed at raising awareness among reporting groups of the importance of reporting, as well as sanctioning non-reporters.

The Supervisory authorities

During this year, the FIU 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.

During 2018, the FIU continued to hold and participate in consultations (2) with the other Supervisors on compliance with the LID and the LVMOT (the CBCS and the Gaming Control Board) regarding the coordination of policy and the interpretation of legislation. The FIU also addressed reporting behavior of reporting entities in the financial and non-financial sector in meetings with the Supervisory entities. The FIU believes that continuous work must be done to intensify these consultations for the sake of uniformity, but also to improve the quality of the supervisory activities in order to improve compliance with anti-money laundering and anti-terrorism financing legislation by supervised entities.

The Ministry of Finance

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

Pursuant to the amendments made in 2016 to the NORUT, the FIU has the authority to consult the registers of authorities and officials, whether or not charged with investigation and prosecution, for the performance of its duties, and these authorities and officials are obliged to allow consultation. Information requests from the FIU are often still paper-based. In 2018, consultations were held with the Ministry and with other public database holders about the realization of a digital viewing function for the FIU in public databases.

The largest project the FIU has been an active part of in 2018 is undoubtedly the National Risk Assessment project of Curaçao, that started in 2018. The Minister of Finance signed an agreement with the World Bank regarding the use of its NRA tool for jurisdictions to measure and record its country and sectoral vulnerabilities in relation to Money Laundering and Terrorist Financing. The Chair and Secretary of the CIWG (staffed by the CBCS) and the Head of the FIU were designated responsible for the conducting of this first NRA by Curaçao.

This meant a heavy work load for both organizations, in organizing the NRA, incorporating and committing all required public and private entities to contribute, conducting numerous sessions, devising and sending out questionnaires, and extracting and analyzing all required data. Two supervisors of the Supervisory Department as well as three Analysts from the Analyst department were almost fulltime involved in this project, next to the input from the Head and the Deputy Head.

3.2 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.

Caribbean Financial Action Task Force (CFATF)

In May 2018 the FIU attended the CFATF Working Meetings in Trinidad & Tobago and in November of 2018 the CFATF Plenary Meetings in Barbados. On both occasions the FIU attended the Heads of FIU Meetings and the Plenary Meetings.

The FIU is 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 the international association of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation and exchange of information in anti-money laundering and counter-terrorism financing. All member FIUs are required to be an active member and also 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 now 159 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. The FIU Curaçao is an active member of the Policies and Procedures Working Group and the Membership and Compliance Working Group of Egmont.

4. Other Developments

An important part of strengthening the effectiveness of the FIU is the Go-AML project, in which the 'legacy' reporting and analysis system and IT infrastructure of the FIU will be completely replaced by a new system. Implementation could finally start in 2018, as planned, with a meeting organized by the FIU for all public and private stakeholders, at which all parties were informed of the upcoming changes and requirements as a result of this project. A representative of the UNODC informed the parties of the contents of the goAML system and how it may be used by entities for reporting and exchanging of information and by the FIU for communication with stakeholders, and first and foremost for tactical and strategic analysis and case building.

5. Priorities 2019

The priorities of the FIU for 2018, 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):

- Continuing the first phase of the goAML IT implementation project;
- Continue to strive for full capacity of human resources at the FIU by further filling of vacancies were allowed and by striving to upgrade the formal amount of FTEs of the FIU to 31;
- Further contribute to the National Risk Assessment of Curaçao, in preparation for the assessment of Curaçao by the CFATF in accordance with FATF standards in 2024;
- Build up strategic analysis capabilities;
- Continue to upgrade the personnel of the FIU through training;
- Continue to inform and train the reporting entities with regard to their reporting obligations and the requirements as a result of the changes to the NOIS and NORUT;
- Enhance information sharing on reporting behavior and reporting quality to Supervisory Authorities;

- Further enhance national and international cooperation and information sharing with other FIUs and Chain Partners.

ANNEX 4 : YEAR 2019 STATISTICS AND INFORMATION

1. Activities of the Supervision Department

1.1 Task and supervised entities

During 2019, the Supervision Department of the FIU 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);
- 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;
- Motor vehicle dealers;
- Dealers in building and construction materials.

The exact 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 other AML-supervisors). 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.

1.2 Personnel

In 2019, the Supervisory department of the FIU existed most of the year of only 2 Supervisors, while for reason of absence of the administrative staff, support was received from the general administration of the FIU. At the end of the year, 2 additional supervisors joined the department.

1.3 Audits and other on-site meetings

As a result of lack of staff and the ongoing Curaçao NRA (National Risk Assessment) project, that took up most supervisory (as well as considerable analysis-) resources, it was decided that in 2019 core supervisory work would concentrate on registration of supervised entities at the Supervisory department and the Analysis department of the FIU. To this end, the FIU again worked together with the PPO, and devised a project for this, called the Non-Registration project (as a sequel to the successful Non-Reporting project (het Niet-Meldersproject) of previous years). The aim of Non-Registration project was to have better compliance under supervised entities with regards to the legal obligation to register (and be

visible) to the FIU, for supervision and reporting purposes. Since 2015, the AML law stated that registration is mandatory at both departments, while non-registration is punishable under administrative and criminal law. A few hundred possible supervised entities were selected from Chamber of Commerce and open source information, and addressed on their obligations to register and comply. Those that were refusing to abide, even after several reminders, were turned over to the PPO, for possible sanctioning of violations of registration through the justice system. Again, a media and information campaign was held together with the PPO, to make entities aware of their obligations under the NOIS and the NORUT,

1.5 Interaction with the sectors

The Non-registration project of the FIU and the PPO was supported by a media and information campaign, explaining the AML/CFT laws and the possible sanctions for DNFBPs, as well as sanctions executed. The Supervision Department also continued its interaction with representatives of (associations of) all supervised entities sectors, this time through the consultation and brain storming sessions that they organized as a part of the Curaçao NRA-project regarding implementation of compliance regimes in their respective sectors.

1.6 Cooperation and coordination

During the whole of 2019, the Supervisory department continued to intensely work together with the other AML Supervisory entities, the Central Bank of Curaçao and St. Maarten (CBCS) and the Gaming Control Board (GCB), in the Curaçao National Risk Assessment (NRA) project as part of the preparation process for the mutual evaluation in 2024. Several working groups and numerous sessions were lead by the department. The Supervision Department also had the opportunity during the several NRA sessions to inform and educate DNFBP's with regard to their obligations under the AML/CFT Laws and the Provisions and Guidelines of the FIU. The aim of the NRA project was to help Curaçao in general, as well as public sectors and private sectors specifically, to identify their AML/CFT risks and be more aware of their AML/CFT risks and how they can help mitigate these risks and to assess what other general measures are required, for instance through regulation.

Furthermore, the Supervision Department initiated consultative model with the other AML supervisory authorities was prolonged, to coordinate interpretative issues regarding the NOIS and the NORUT and discuss cooperation possibilities, supervisory activities and encountered common AML violations. In 2019, 2 meetings were organized.

2. Activities of the Analysis department, including statistics and entity reporting trends.

2.1 Collecting, registering, processing and analyzing data

UTRs received

In 2019, a total of 40,700 unusual transactions were received, an amount lower than in 2015, but still considerably higher if compared to previous years.

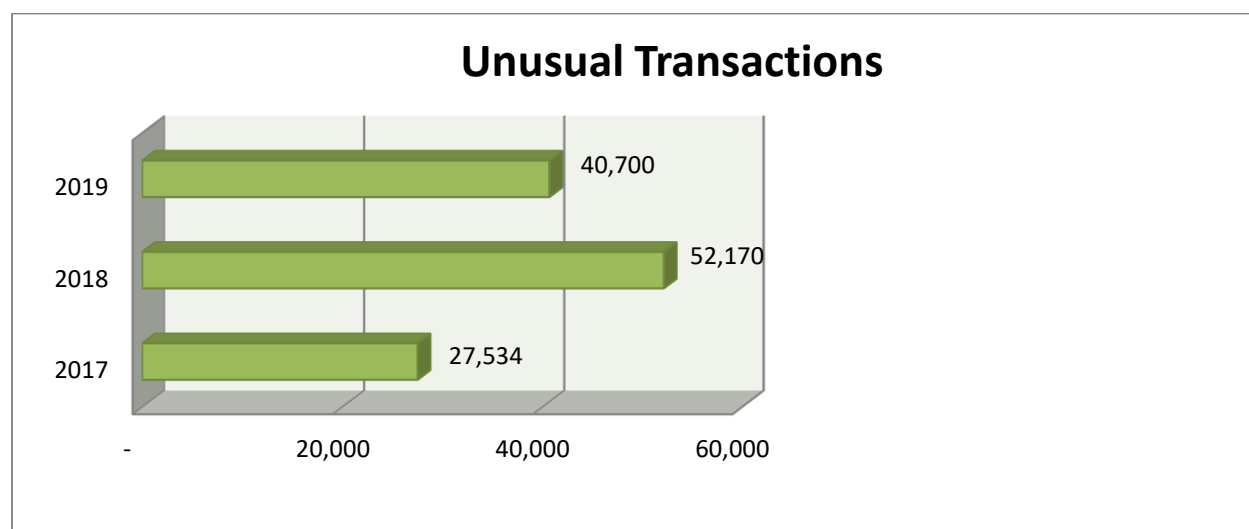


Figure 1 : Total received unusual transactions (2017-2019)

UTRs declared suspicious

The following table shows the total unusual transactions and the amount of transactions that have been declared suspicious and have been disseminated to the PPO in the years 2016 until 2019.

	Unusual		Suspicious	
Year	Qty.	Value(in ANG.)	Qty.	Value (in ANG.)
2019	40,700	427,403,948,665	4,053	5,956,408,982
2018	52,170	1,457,158,560,817	2,793	2,387,914,150
2017	27,534	36,323,680,913	1,530	426,223,033

Table 10 : Unusual and Suspicious transactions (2017-2019)

In 2019, the number of suspicious transactions disseminated to the PPO was considerably higher than the previous year and the years before. The amount of transactions declared suspicious may also relate to the type of investigations executed; lower (or higher) amounts not necessarily relate to quality of intelligence produced, especially in a jurisdiction that uses the unusual transaction reports system (as opposed to the suspicious transaction system).

In 2019 the FIU did not receive a feedback with regard to the use of transactions declared suspicious and disseminated to the PPO office.

Executed and intended UTRs

An overview of the executed and intended transactions within the total number of transactions received by the FIU is given in the following table. 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 FIU, 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.

	2019		2018		2017	
	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)	Qty.	Value (in ANG.)
Executed	39,701	427,309,078,366	51,601	145,567,401,986	27,044	35,149,306,016
Intended	999	94,870,299	569	148,454,098	490	1,174,374,897
Total	40,700	427,403,948,665	52,170	145,715,856,084	27,534	36,323,680,913

Table 11 : Total reported executed and intended unusual transactions (2017-2019)

Objective and subjective UTRs

The ratio objective vs subjective indicators is shown in the figure below. As can be seen, the ratio has unfortunately dropped further in 2019 compared to 2018 and the years before. This is most likely due to the changes that have come into force regarding the subjective indicator for all sectors. Since 2016, there is only one subjective indicator left, meant for the reporting of all (intended or executed) transactions for which there is reason to believe that they may be related to money laundering or terrorist financing.

Subjective reports are very important to the FIU, since these reports normally give a lot of information to the FIU. 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 may possibly be related to money laundering or terrorism financing.

The FIU will continue to stress the importance for its investigations of reporting subjectively and continue to ask the attention of reporting entities as well as Supervisory authorities for this.

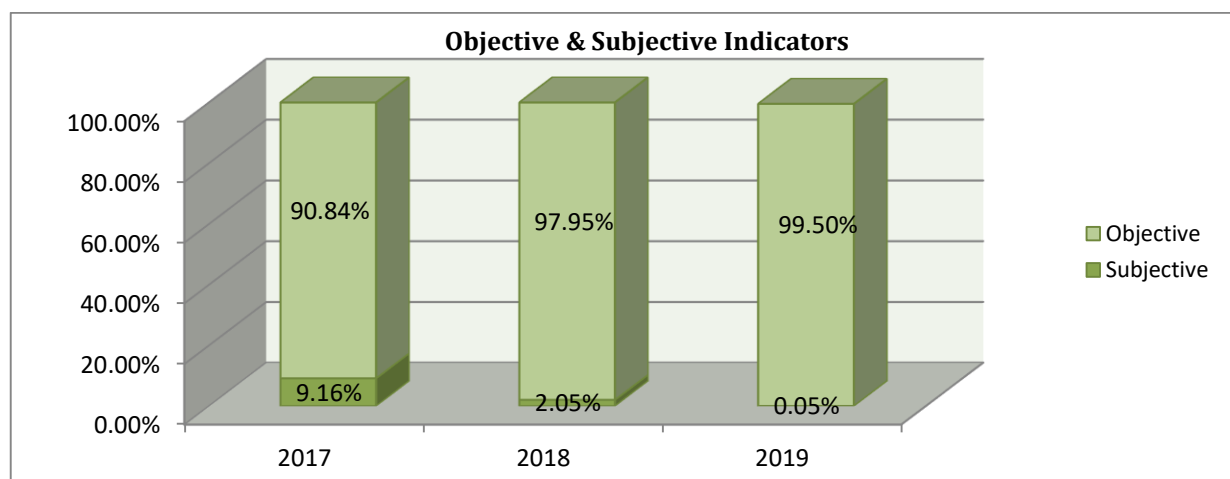


Figure 2 : Unusual transactions by objective and subjective indicators (%) (2017 – 2019)

Origin of the UTRs

Reporter Type	2019				2018			
	Qty.	%	Value (in ANG.)	%	Qty.	%	Value (in ANG.)	%
Administration Offices	7	0.02	7318977	0.00	5	0.01	2949000	0.00
Building and Construction Materials	3	0.01	156,562	0.0	4	0.01	112,885	0.00
Car Dealers	42	0.10	1,516,097	0.00	49	0.09	1,825,557	0.00
Casinos	7,902	19.42	110,104,077	0.03	9,521	18.25	134,716,201	0.01
Credit Unions	47	0.12	37,551,896	0.01	49	0.09	1,240,539	0.00
Credit card Companies	2	0.00	51223	0.00	0	0.00	0	0.00
Customs	182	0.45	60,688,204	0.01	150	0.2	52,304,394	0.00
Life Insurance Companies	1	0.00	581,223	0.0	7	0.01	7,515,293	0.00
Jewelers	0	0.00	0	0.00	3	0.01	93,819	0.00
Lawyers	2	0.00	5,294	0.00	2	0.00	45,500,001	0.00
Local Banks	13,026	32.00	28,311,589,967	6.62	13,385	25.66	22,667,758,203	1.56
Lotteries	413	1.01	7,613,455	0.00	413	0.79	7,145,527	0.00
Money Remitters	1,210	2.97	6,424,827	0.00	1,125	2.16	7,210,443	0.00
Notaries	5	0.01	310,991	0.00	3	0.01	304,327	0.00
Offshore Banks	17,775	43.67	398,734,944,477	93.29	27,381	52.48	1,432,963,744,916	98.34
Real Estate	30	0.07	17,350,600	0.00	6	0.01	62,421,220	0.00
Savings Banks	0	0.00	0	0.00	0	0.00	0	0.00
Trust Companies	53	0.13	107,740,795	0.03	67	0.13	1,203,718,492	0.08
Total	40,700	100	427,403,948,665	100	52,170	100	1,457,158,560,817	100

Table 3 : Unusual transactions by reporter type (2018 – 2019)

2.1.1 Administration Offices

In 2019 the FIU received 7 unusual transaction reports from the administration offices sector. It must be noted that there is no reporting obligation for this sector for their standard services (administration).

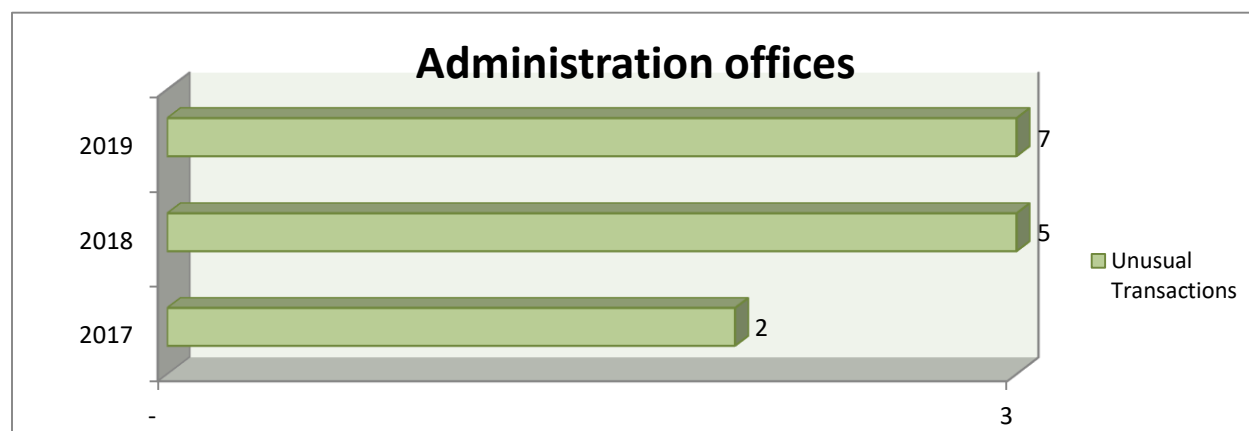


Figure 3 : Total received unusual transactions: administration offices (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	42.86%	57.14%
2018	0.00%	100.00%
2017	0.00%	100.00%

Table 4 : Objective vs Subjective reporting in %; administration offices (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	7	7,318,977	4	2,845,000	1	17,654
Intended	-	-	1	104,000	1	1,441,440
Total	7	7,318,977	5	2,949,000	2	1,459,094

Table 5 : Unusual transactions by reported type; administration offices (2017 – 2019)

2.1.2 Dealers in vehicles

In 2019 the FIU received 42 unusual transaction reports from the vehicle dealers sector. Subjective reporting is getting better. There is however still a substantial amount of vehicle dealers that do not report as of yet.

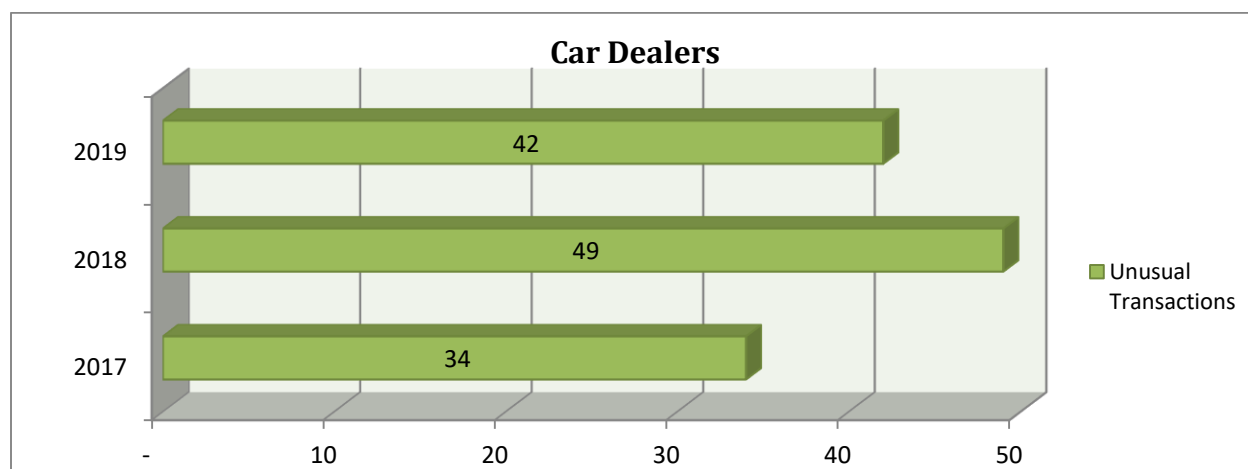


Figure 4 : Total received unusual transactions: vehicle dealers (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	71.43%	28.57%
2018	93.88%	6.12%
2017	88.24%	11.76%

Table 6 : Objective vs Subjective reporting in %; vehicle dealers (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	41	1,504,182	49	1,825,557	34	1,229,006
Intended	1	11,915	-	-	-	-
Total	42	1,516,097	49	1,825,557	34	1,229,006

Table 7 : Unusual transactions by reported type; vehicle dealers (2017 – 2019)

2.1.3 Casino's (including online gambling)

In 2019 the reports of unusual transactions received from the casino sector decreased again substantially, with the sector producing 7,902 transactions. From these, 6,373 reports were received from the online gambling sector. The subjective indicator is almost never used in this sector, and reporting information is very concise, all indicating that maybe this sector does not have a clear view of its money laundering risk and compliance obligations. Also not all casinos are reporting. The FIU will continue to monitor and stimulate the reporting behavior of casino's, including those of online gambling providers, in the coming years. There is currently no AML supervisory authority for the online gambling sector.

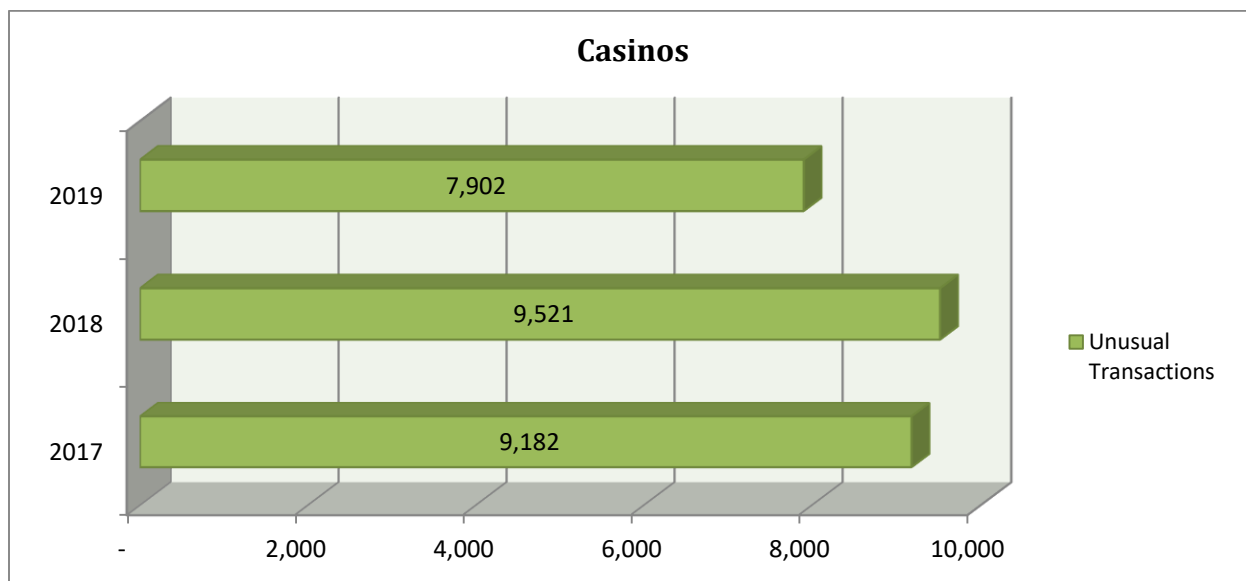


Figure 5 : Total received unusual transactions: casino's (2015-2017)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	99.99%	0.01%
2018	99.98%	0.02%
2017	100.00%	0.00%

Table 8 : Objective vs Subjective reporting in %; casinos (2015 – 2017)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	7,902	110,104,077	9,520	134,702,673	9,181	128,865,764
Intended	-	-	1	13,528	1	5,850,437
Total	7,902	110,104,077	9,521	134,716,201	9,182	134,716,201

Table 9 : Unusual transactions by reported type; casinos (2017 – 2019)

2.1.4 Lotteries

The FIU received again 413 unusual transaction reports from the lottery sector. Use of subjective indicator is non-existent, and not all lottery providers are reporting, indicating that the sector might not have a clear view of its money laundering risks and compliance obligations. There is currently no Supervisory Authority for AML to address reporting behavior.

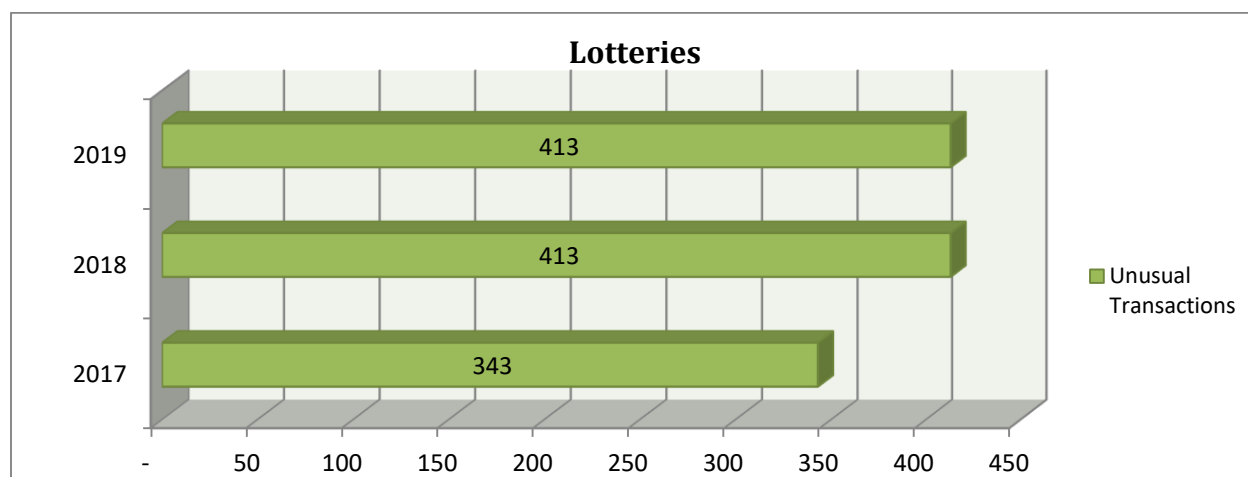


Figure 6 : Total received unusual transactions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	100.00%	0.00%
2018	100.00%	0.00%
2017	100.00%	0.00%

Table 10 : Objective vs Subjective reporting in %; lotteries (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	413	7,613,455	413	7,145,527	343	4,584,425
Intended	-	-	-	-	-	-
Total	413	7,613,455	413	7,145,527	343	4,584,425

Table 11 : Unusual transactions by reported type : lotteries (2017– 2019)

2.1.5 Credit Unions

Compared to last year, reporting behavior in the credit unions sector was roughly the same, with slightly lower subjective reporting.

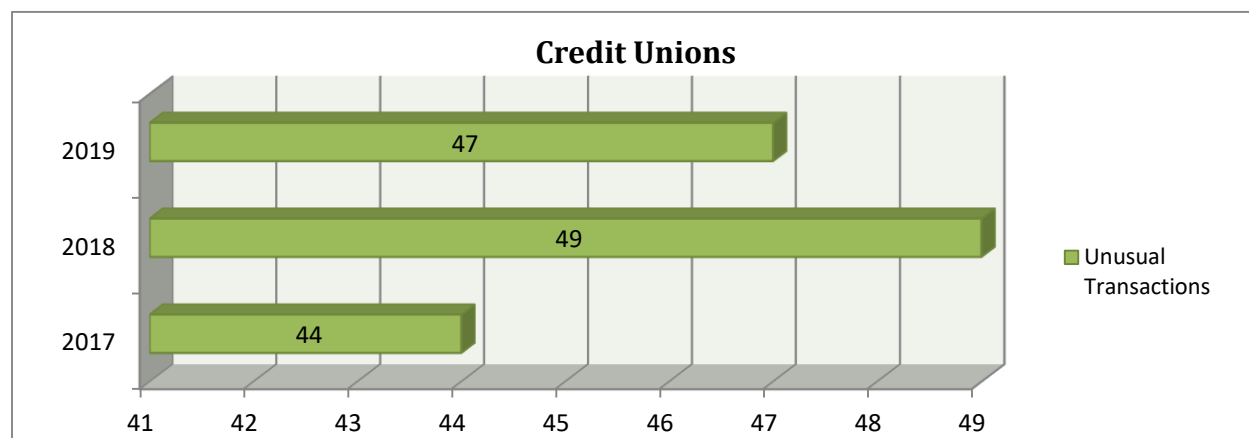


Figure 7 : Total received unusual transactions: credit unions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	78.72%	21.28%
2018	73.47%	26.53%
2017	70.45%	29.55%

Table 12 : Objective vs Subjective reporting in %; credit unions (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	45	37,538,096	48	1,235,139	44	9,678,310
Intended	2	13,800	1	5,400	-	-
Total	47	37,551,896	49	1,240,539	44	9,678,310

Table 13 : Unusual transactions by reported type; credit unions (2017 – 2019)

2.1.6 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 FIU without delay.

In 2019 Customs reporting didn't pick up as much as expected; the FIU received 182 reports. The FIU is discussing with the Customs organization how to improve mutual assistance on reporting in the future, for instance by further facilitating automated reporting to the FIU, enhancing efficiency substantially for both parties.

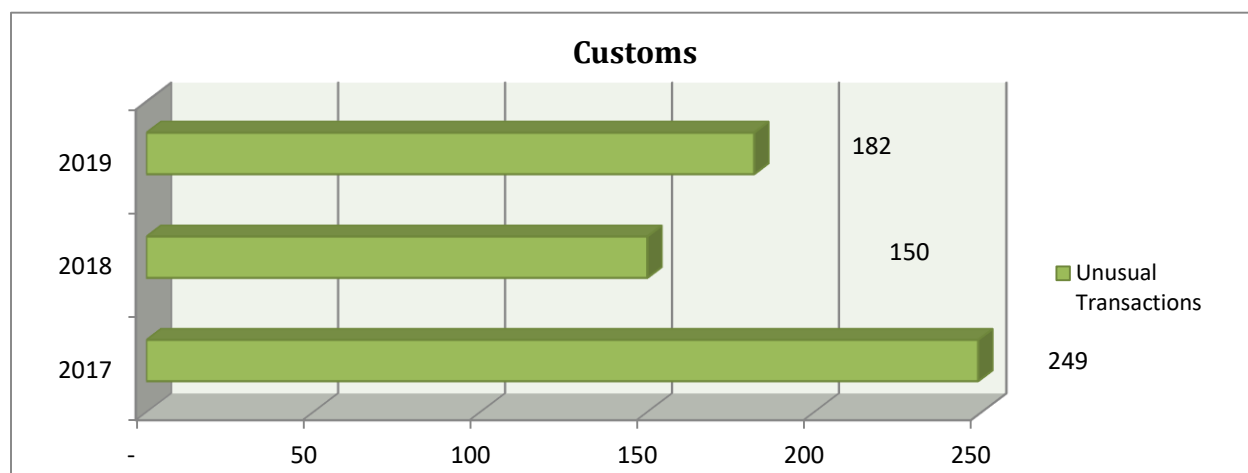


Figure 8 : Total received unusual transactions (2017-2019)

An overview of the value of Customs reported transactions is given in the following table.

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Total	182	60,688,204	150	52,304,394	249	91,397,943

Table 14 : Unusual transactions by value; Customs (2017 – 2019)

2.1.7 Life Insurance Companies

In 2019 only 1 report of unusual transactions was received from the life insurance sector.

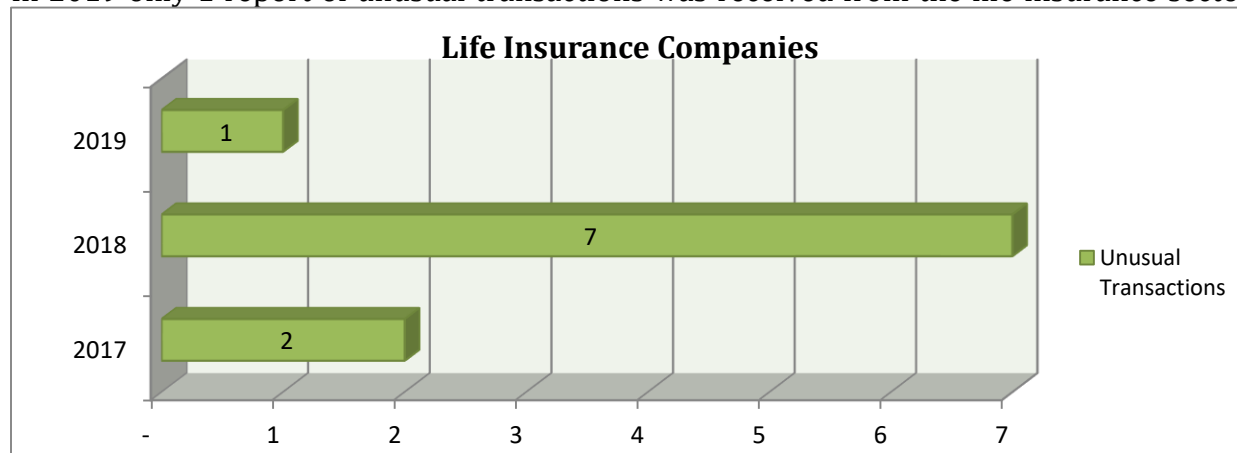


Figure 9 : Total received unusual transactions: life insurance companies (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	100.00%	0.00%
2018	85.71%	14.29%
2017	0.00%	100.00%

Table 15 : Objective vs Subjective reporting in %; life insurance companies (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1	581,223	6	6,490,245	2	32,074
Intended	-	-	1	1,025,048	-	-
Total	1	581,223	7	7,515,293	2	32,074

Table 16 : Unusual transactions by reported type: insurance companies (2017 – 2019)

2.1.8 Jewelers

In 2019 the FIU received no unusual transaction reports from the jewelers sector. Reporting behavior is declining in this sector. NB also no reports were received from similar dealers in precious metals or precious stones, like for instance the dealers established in the free zone.



Figure 10 : Total received unusual transactions (2017-2019)

2.1.9 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 2019, the FIU however received again only 2 unusual transaction reports 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 and in legal procedures) are exempted from the NOIS and the NORUT. However, the FIU, when more human resources are available, intends to focus more on this sector.

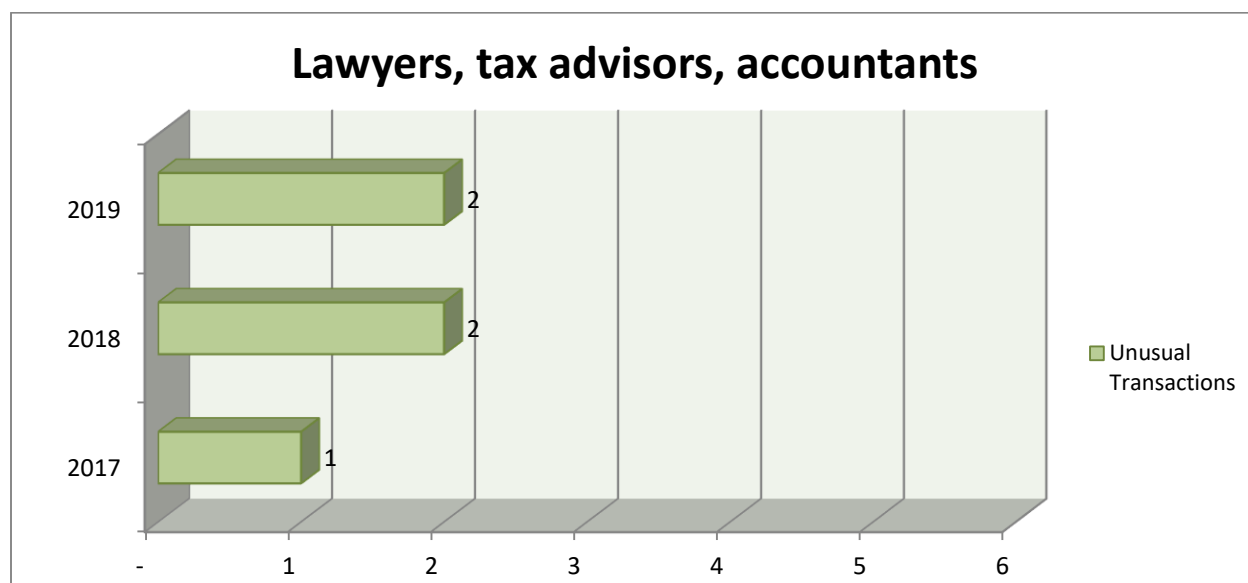


Figure 11 : Total received unusual transactions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	0.00%	100.00%
2018	0.00%	100.00%
2017	0.00%	100.00%

Table 17 : Objective vs Subjective reporting in %; lawyers, tax advisors, accountants (2017– 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1	-	-	-	1	25,000
Intended	1	5,294	2	45,500,001	-	-
Total	2	5,294	2	45,500,001	1	25,000

Table 18 : Unusual transactions by reported type: lawyers (2017 – 2019)

2.1.10 Notaries

With the amendment of the NORUT in 2011, the civil notaries became obliged by law to report their unusual transactions. Reporting behavior is limited in this important sector, while also not all notaries are reporting. The issue of compliance and reporting is addressed with the Supervisory Authority.

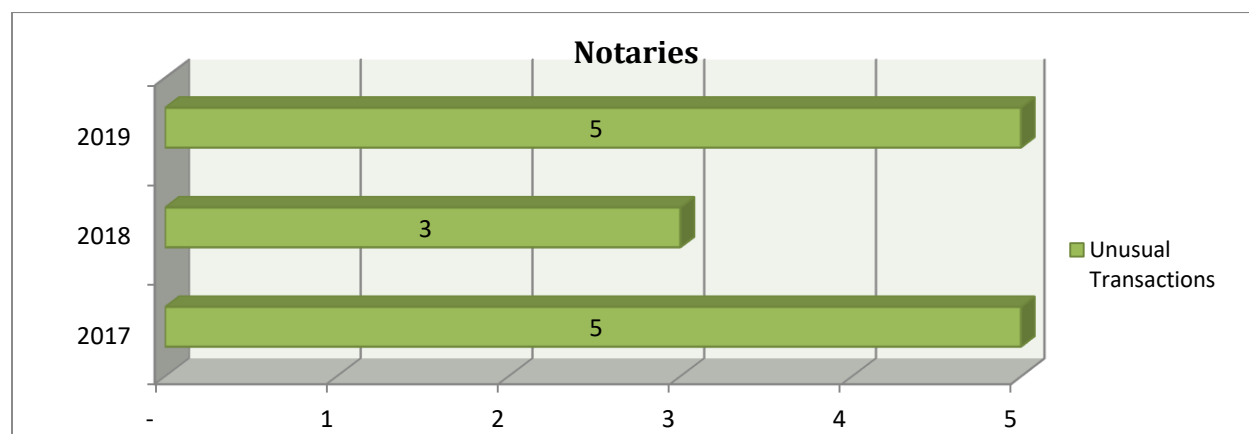


Figure 12 : Total received unusual transactions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	20.00%	80.00%
2018	33.33%	66.67%
2017	40.00%	60.00%

Table 19 : Objective vs Subjective reporting in %; notaries (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	5	310,991	1	157,302	5	852,872
Intended	-	-	2	147,025	-	-
Total	5	310,991	3	304,327	5	852,872

Table 20 : Unusual transactions by reported type: notaries (2017 – 2019)

2.1.11 Local Banks

2019 reporting behavior by local banks scaled back slightly; the FIU received 13,026 reports.

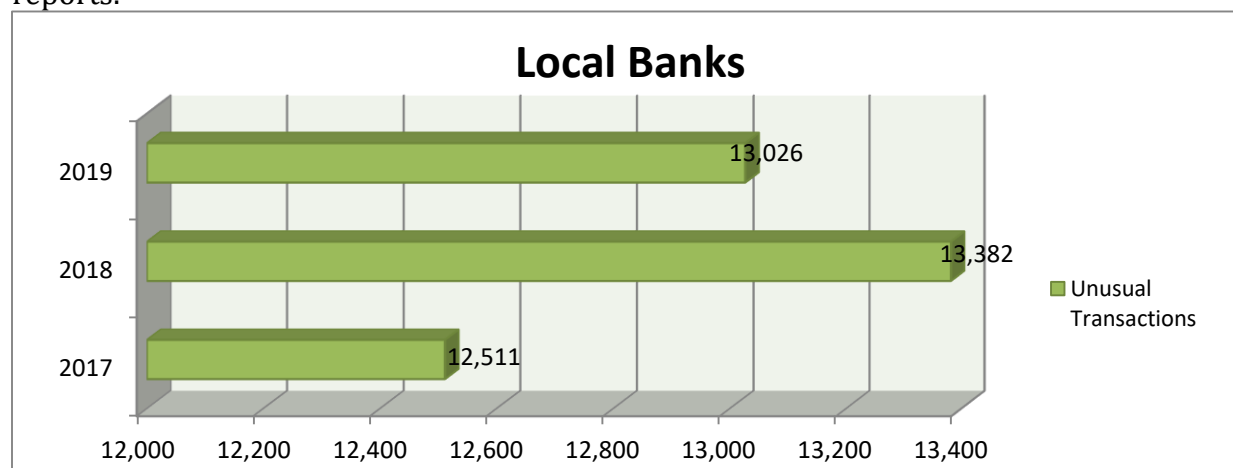


Figure 8 : Total received unusual transactions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	92.13%	7.87%
2018	95.17%	4.83%
2017	93.63%	6.37%

Table 21 : Objective vs Subjective reporting in %; local banks (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	12,225	28,250,503,105	12,861	22,651,082,953	12,051	19,715,768,237
Intended	801	61,086,862	521	16,638,142	460	29,354,014
Total	13,026	28,311,589,967	13,382	22,667,721,095	12,511	19,745,122,251

Table 22 : Unusual transactions by reported type: local banks (2017 - 2019)

2.1.12 Money Remitters

In 2019 the amount of reports of unusual transactions from the money remitting sector increased steadily further: we received 1,210 reports.

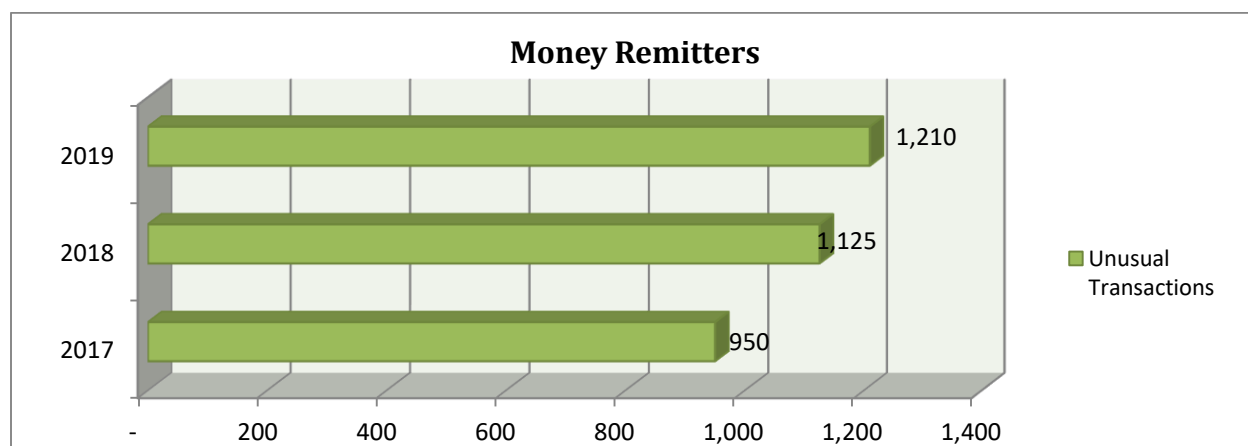


Figure 94 : Total received unusual transactions: money remitters (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	80.74%	19.26%
2018	76.09%	23.91%
2017	92.95%	7.05%

Table 23 : Objective vs Subjective reporting in %; money remitters (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	1,186	6,314,300	1,117	7,193,926	946	7,579,758
Intended	24	110,527	8	16,517	4	19,507
Total	1,210	6,424,827	1,125	7,210,443	950	7,599,265

Table 24 : Unusual transactions by reported type: money remitters (2017 – 2019)

2.1.13 International Banks

In 2019 the amount of reports of unusual transactions received from the international banking sector declined substantially, with low levels of subjective reporting. We received 17,775 reports. A reason for the decline might be a further decrease in the amount of international banks.

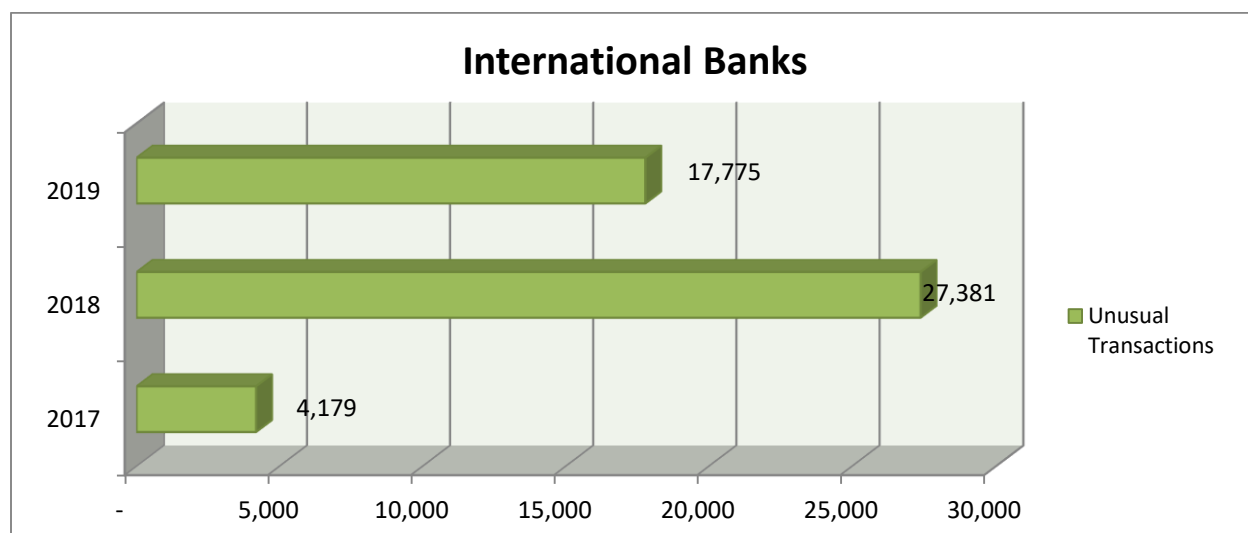


Figure 15 : Total received unusual transactions (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	98.98%	1.02%
2018	99.78%	0.22%
2017	81.31%	18.69%

Table 25 : Objective vs Subjective reporting in %; international banks (2017 – 2019)

	Qty.	Value	Qty.	Value	Qty.	Value
Executed	17,649	398,719,153,113	27,371	1,432,944,907,139	4,168	15,135,599,298
Intended	126	15,791,364	10	18,837,777	11	897,779,178
Total	17,775	398,734,944,477	27,381	1,432,963,744,916	4,179	16,033,378,476

Table 26 : Unusual transactions by reported type : international banks (2017 – 2019)

2.1.14 Savings Banks

In 2017, again no reports were received from the Savings banks sector. The last report was received in 2013. The FIU will continue to address the reporting behavior with the Supervisory Authority.

2.1.15 Trust Companies

In 2019, the unusual transactions received from the trust sector amounted to 53 reports. The changes in indicators in 2016 had the effect that regrettably substantial less (objective) reports will be reportable by this important sector. Not all trust offices are reporting yet. The FIU will continue to address reporting behavior with the Supervisory Authority.

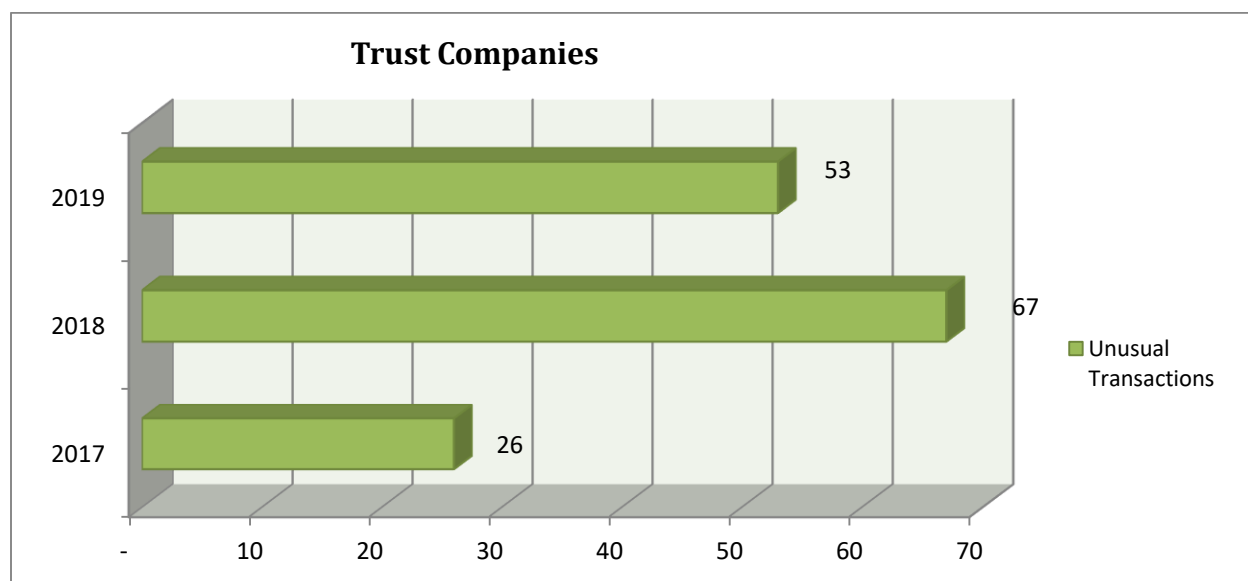


Figure 17 : Total received unusual transactions: trust companies: (2017-2019)

An overview of the reported executed and intended transactions, as well as the amount objectively / subjectively reported, is given in the following tables.

	Objective	Subjective
2019	20.75%	79.25%
2018	5.97%	94.03%
2017	7.69%	92.31%

Table 27 : Objective vs Subjective reporting in %; trust companies (2017 – 2019)

	2019		2018		2017	
	Qty.	Value	Qty.	Value	Qty.	Value
Executed	38	104,195,411	48	1,183,213,691	13	53,237,840
Intended	15	3,545,384	19	20,504,801	13	245,771,324
Total	53	107,740,795	67	1,203,718,492	26	299,009,164

Table 28 : Unusual transactions by reported type : trust companies (2017 – 2019)

2.2 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 FIU 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 old subjective indicators (that contained a list of red flags) might also give guidance in this regard.

Based on priority setting and triage, analysts of the FIU analyze unusual transactions 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 FIU in 2017-2019 are indicated in the following table. In 2019, the FIU disseminated a record amount of 4,053 transactions to the PPO.

Dissemination of information by the FIU 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.

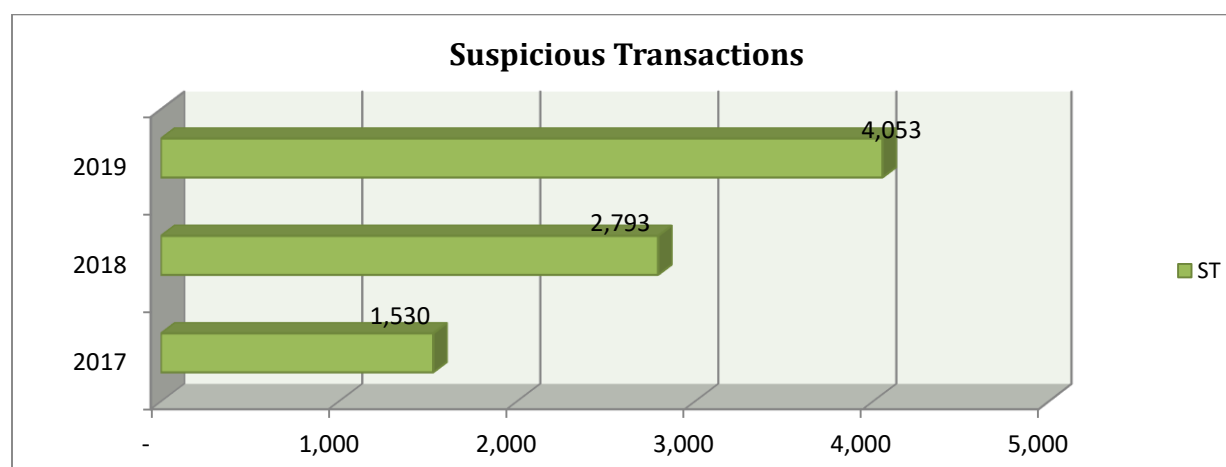


Figure 18 : Total suspicious and disseminated transactions.

2.3 Requests to furnish data, locally and internationally

Incoming Local

The FIU received 38 requests for information from the local law enforcement agencies in 2019. In 2018, this was 25 requests. The figure below indicates local sources for requested information during 2019.

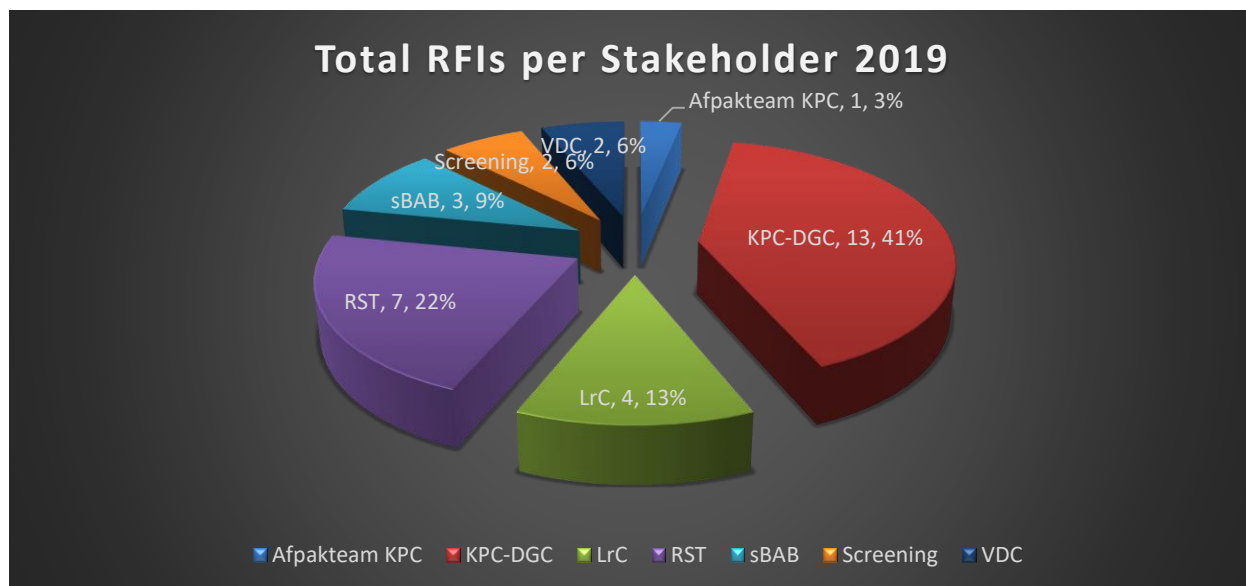


Figure 19 : Requests for information by law enforcement agencies 2019

Outgoing local

On the other hand, the FIU sent out 23 requests for information, based on article 5 of the NORUT, to several law enforcement agencies locally. In 2018, this amount was 61.

Incoming international

In 2019, the FIU received 63 requests from other FIUs for information. In 2018, this was 24.

Outgoing international

The FIU send out an amount of 88 requests to FIUs internationally. In 2018, this amount was 41.

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

2.4 Initiated investigations into the field of money laundering and terrorism financing by the FIU

The FIU initiated 11 substantial investigations into the field of money laundering and terrorism financing. In 2018, the amount was 8.

3. Cooperation and training

Efficient cooperation with all partners in the reporting, supervision and law enforcement chain is of the utmost importance to the FIU. Good communication and an expeditious exchange of information are essential to our work. A good high-level interaction between the FIU, 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.

In 2019, the FIU encountered capacity problems, both at its own service and at its chain partners in the judicial chain. Most are struggling with a shortage of financial investigative expertise. The FIU also had to contend with long-term absenteeism of employees. However, notwithstanding these challenges, cooperation and training successes could be booked.

3.1 National Cooperation and training

The Reporting and/or Supervised Entities

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

Consultation and joint actions with chain partners in the judicial chain are of great importance, since the output of the FIU is partly determined by the quality of the input information. This concerns of course the transaction reports received, but also information obtained from investigative and other sources. The mutual coordination of objectives and information needs of FIU and various chain partners also contributes to the effectiveness of the FIU. The FIU also determines its investigation priorities partly in regular consultation with its judicial chain partners. In 2019, various meetings of the GOFO (the Structural Consultation between Financial Investigation and Intelligence Institutions) were organized, discussing trends and various criminal topics. Several consultation meetings were also held with individual chain partners, including the Public Prosecutors Office, regarding ongoing investigations. The FIU also started a project called “Non-Registration” with the Public Prosecution Office, aimed at raising visibility and registration of entities under the supervision of the FIU and/or obliged to report to the FIU Analysis department.

The Supervisory authorities and supervised and/or reporting entities

A very large part of the FIU's capacity, both in terms of Analysis and Supervision, was taken up by the execution of the National Risk Assessment (NRA) of Curaçao, led by the CiWG (particularly the CBCS) and the FIU. FIU employees have been occupied with the many meetings and activities that were required for this. In the field of identifying international and national trends and developments in money laundering and terrorist financing, the FIU has made a major contribution to the NRA information gathering and interpretation. The specialists of FIU Curaçao who contributed to this have had an important guiding and formative influence on the results, yet to be reported.

In addition, the FIU has given a large number of training courses to individual financial and non- financial institutions, so that they are better equipped for their reporting and

compliance tasks. Meeting strict compliance requirements, as well as detecting and delivering effective and complete transaction reports, necessary from a legal and international point of view, may lead to cost issues, which can meet with increased resistance from reporting groups. The FIU aims to discuss effective implementation of compliance in dialogue with these groups.

Other stakeholders

During 2019, several sessions were held with visiting international stakeholders like the IMF, the US consulate and the OECD, and presentations were given by the FIU on its work. Representatives of the government of Suriname on a working visit to Curaçao were informed by the FIU on its Supervisory and Analysis department, tasks and challenges. The information was taken as input for the FIU of Suriname, currently updating its organization in preparation for the evaluation of Suriname against FATF-standards in 2022 by the Caribbean Financial Action Task Force (CFATF).

Furthermore, the FIU participated in meetings of the CiWG (the AML Coordination Committee of Curaçao) and contributed to amendments in legislation.

3.2 Cooperation within the Kingdom of the Netherlands

The FIU also continued participation in the meetings of the Financial Supervisory Authorities within the Kingdom, the so called WGHIT (working group on harmonization of integrity supervision), together with the other Kingdom countries' FIUs, and shared information with them on reporting and cooperation on AML/CFT issues.

3.3 Further 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. Money laundering and terrorist financing crime is constantly evolving; the latest trends and techniques must be kept up to date. To succeed in this, investments must be made annually in education, courses or training for FIU personnel. Training obligations also arise from international obligations and guidelines from, among others, the FATF, CFATF and the EGMONT Group of International FIUs. In particular, this could include: courses in the field of anti-money laundering and terrorism financing both locally and abroad, training and courses regarding IT and operational analysis activities, strategic analysis, analyst notebook, etc. The specialists of the FIU have again made an effort here and also made a substantial contribution to broadening and deepening knowledge among specialized research and professional groups within the CFATF and the Egmont Group of FIUs.

Caribbean Financial Action Task Force (CFATF)

Curaçao is a member of the Caribbean Financial Action Taskforce (CFATF), which cooperates with international standards body the Financial Action Task Force (FATF). CFATF is a so-called FSRB, a FATF-Style Regional Body, an organization of countries that work together on the basis of and assess each other according to the 40 FATF recommendations. The policy of Curaçao is aimed, among other things, at ensuring that

Curaçao remains internationally accepted as a financial center of services by remaining compliant with international standards and norms.

During the last CFATF follow-up review in 2011/2012, it was indicated that Curaçao has made a major step forward in the design and existence of its AML/CTF policy with its amended legislation. The next review in 2024, the so-called fourth generation of reviews, will then mainly focus on the operation and effectiveness of that policy anchored in law. The FIU, as an important player in and part of the framework of financial integrity policy of Curaçao, should therefore focus more and more on strengthening cooperation and effectiveness.

In May 2019 the FIU attended the CFATF Working Meetings in Trinidad & Tobago and in November of 2019 the CFATF Plenary Meetings in Antigua & Barbuda. On both occasions the FIU addressed the Heads of FIU Meetings and attended the Working Group and Plenary Meetings.

The International Egmont Group of Financial Intelligence Units (Egmont)

The Egmont Group is the international association of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation and exchange of information in anti-money laundering and counter-terrorism financing. All member FIUs are required to be an active member and also 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 now 164 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. The FIU Curaçao is an active member of the Policies and Procedures Working Group (PPWG) and the Membership and Compliance Working Group of Egmont (MSCWG). The Head of the FIU of Curaçao currently also serves as vice-chair of the PPWG.

This reporting year the FIU attended the Working Group Meetings in January in Jakarta, Indonesia and the Plenary meeting in The Hague, the Netherlands, in July. In this context, FIU Curaçao through its Head also acquired a management position in the international Egmont Group of FIUs in 2019 and was elected Regional Representative of the Egmont Americas Group of FIUs. This is the largest of the 8 regional groups of Egmont, consisting of the 39 FIUs of North and South America, Canada, and the Caribbean. During her 2-year tenure as Regional Representative of the Americas, the Head will be a part of the Egmont Committee. This is the coordinating body within the Egmont Group, that also has been mandated by the Egmont Heads of FIU to exercise specific decision making powers.

4. Other Developments

An important part of strengthening the effectiveness of the FIU is the Go-AML project, in which the 'legacy' reporting and analysis system and IT infrastructure of the FIU will be completely replaced by a new system. This project will be executed in several phases. The goAML system is reporting, analysis, statistics and communication system, developed by the United Nations - Office on Drugs and Crime, and it is in use by many FIUs worldwide.

Fortunately, our IT expertise was strengthened with an extra employee in the third quarter of 2019, as well as with a third-party technical project leader, as a result of which the project finally could be taken up.

For technical reasons, the deadline for the introduction of the reporting portal of the goAML system into the working environment and ready to use for all hundreds of businesses that are our reporting entities, is January the 1st, 2021, so there is a high time pressure. Before that date, all sectors also need to receive information and training from the FIU on how to re-register and report in the new portal as of January 1, 2021. The legacy reporting portal Corsys will not be available anymore to reporting entities, as of that date.

As a part of the projected phases of the goAML system project, the building of a new Customs portal for reporting to the FIU is envisaged, accessible from all operation locations of Customs, is envisaged. This portal, together with training on AML, should enhance Customs's capabilities to report to the FIU in accordance with the National Ordinance on the obligation to report cross-border money transfers. For now, the required budget for such project has not been found yet. The discussion with Customs on this topic is continued.

Pursuant to the amendments made in 2016 to the NORUT, the FIU has the authority to consult the registers of authorities and officials, whether or not charged with investigation and prosecution, for the performance of its duties, and these authorities and officials are obliged to allow consultation. Information requests from the FIU are often still paper-based. In 2019, consultations were continued with the Ministry of Finance and the public stakeholders about the realization of digital viewing functions for the FIU in public databases.

5. Priorities 2020

The priorities of the FIU for 2020, 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):

- Complete the first phase of the goAML implementation project: the implementation of the hardware and software infrastructure and the implementation of the new reporting portal, that needs to be up and running at the 1st of January 2021.
- Build a new reporting portal for Customs in relation to the new goAML system, accessible from all Customs operational sites, and continue the discussion with Customs on AML training and reporting to the FIU.
- Contribute to the finishing of the National Risk Assessment of Curaçao, in preparation for the assessment of Curaçao by the CFATF in accordance with FATF standards in 2024.
- Expand the FIUs capabilities to have direct access to public authorities' databases (law enforcement agencies, chamber of commerce, kranshi, kadaster, tax inspection, etc).
- Fill remaining existing vacancies at the FIU;

- Build up strategic analysis capabilities;
- Enhance reporting to Supervisory Entities on reporting behavior of their supervised entities in order to improve the ability of supervisors to correct improper reporting behavior.
- Continue to inform and train the reporting entities with regard to their reporting obligations and the requirements from NOIS and NORUT (with a focus on the 'sub 15' entities: notaries, legal and administrative service providers);
- Further enhance national and international cooperation and information sharing with other FIUs and Chain Partners

ANNEX 5: Countries/FIUs 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. Ecuador
26. France
27. Grenada
28. Guatemala
29. Guyana
30. Ireland
31. Isle of Man
32. Israel
33. Japan
34. Latvia
35. Lebanon
36. Macedonia
37. Mauritius
38. Mexico
39. Netherlands
40. Nigeria
41. Norway
42. Panama
43. Paraguay

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

