



Bailiwick of Guernsey
Financial Intelligence Unit

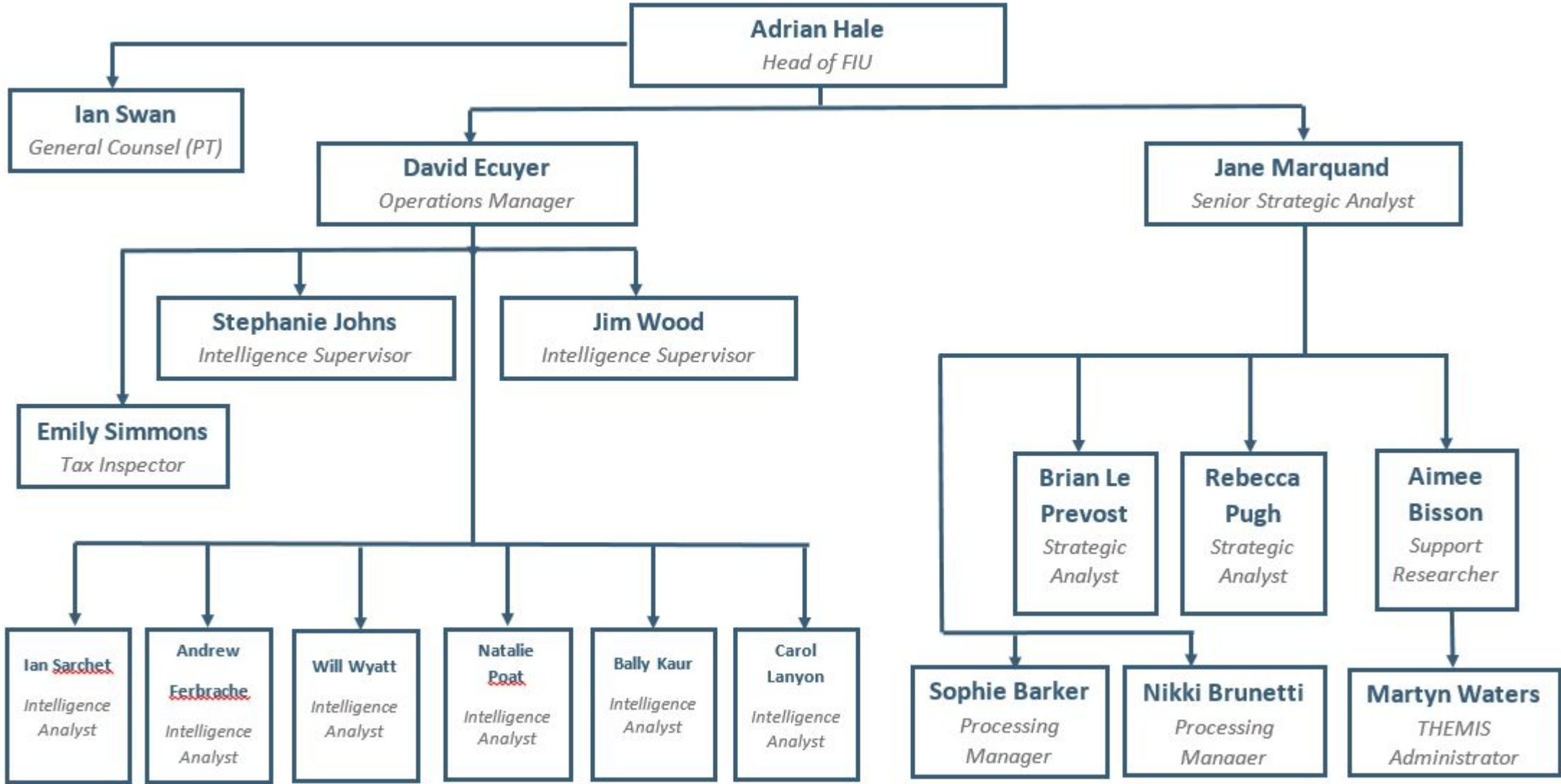
Financial Intelligence Unit Update

Annual STEP Conference
Wednesday 15th June 2023

Adrian Hale
Head of FIU

The Economic and Financial Crime Bureau & Financial Intelligence Unit (Bailiwick of Guernsey) Law, 2022

- Director & Committee for Home Affairs – appoint a Head of FIU
- Operationally independent and autonomous
- Head of FIU – financial, human, technical and other resources to discharge its core functions
- Adhere to the relevant international standards (FATF)
- In line with the EGMONT Group principles
- Provide / report to the Committee for Home Affairs on the FIU core activities including effectiveness annually
- FIU officers maintain the same ‘Powers’ as a police/customs officer in other statutory laws



FIU Strategic Plan 2022 -2024



Identify money laundering, terrorist and proliferation financing related trends, emerging threats and patterns to inform the Bailiwick of Guernsey National Risk Assessment and the development of the Bailiwick's Financial Crime Strategy.



To develop and improve the effectiveness of financial intelligence to identify and tackle economic and financial crime both domestically and internationally. To identify potential cases commensurate with the Bailiwick's NRA and work with the EFCB in developing money laundering and terrorist financing cases collaboratively using the financial and evidential tools / legislation available to each authority.



Ensure that the FIU maintains the structure and capabilities to operate efficiently and effectively in order to discharge its core functions and comply with international standards.

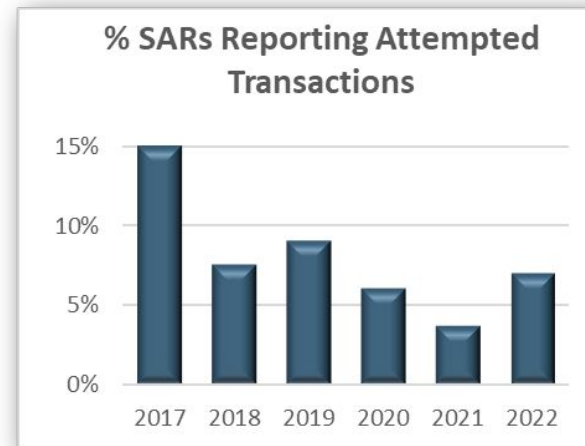
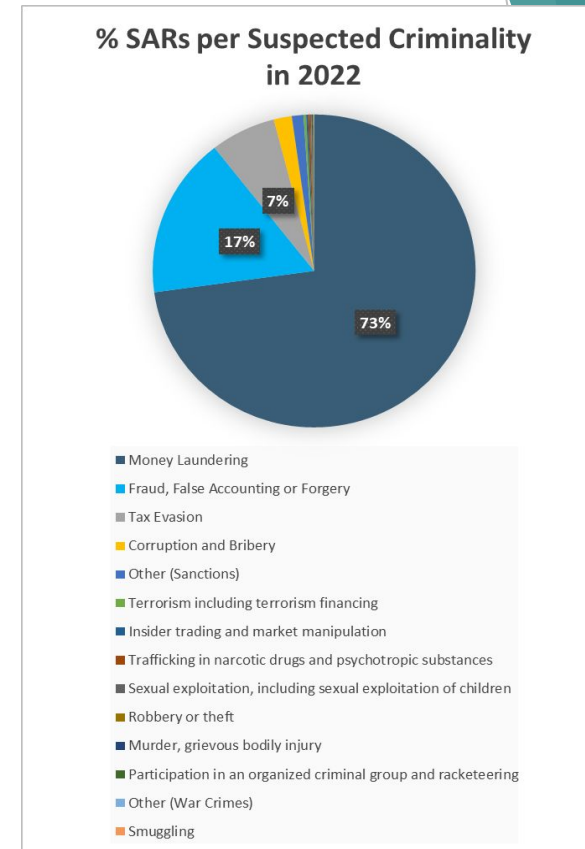
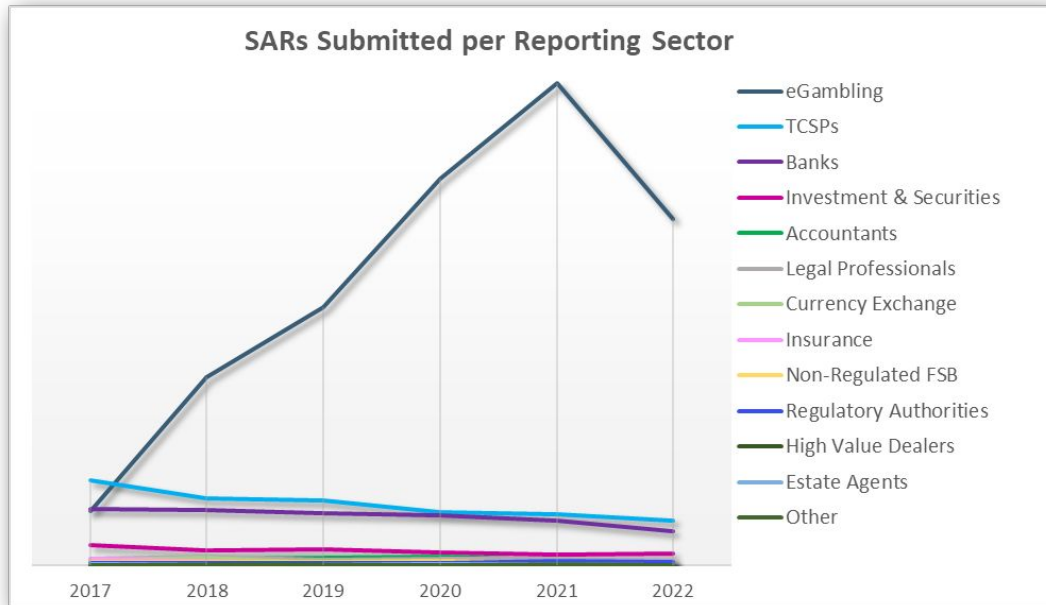


Develop a Public Private Partnership recognising the knowledge and skills of the regulated sectors to mitigate the risk of money laundering, terrorist and proliferation financing.

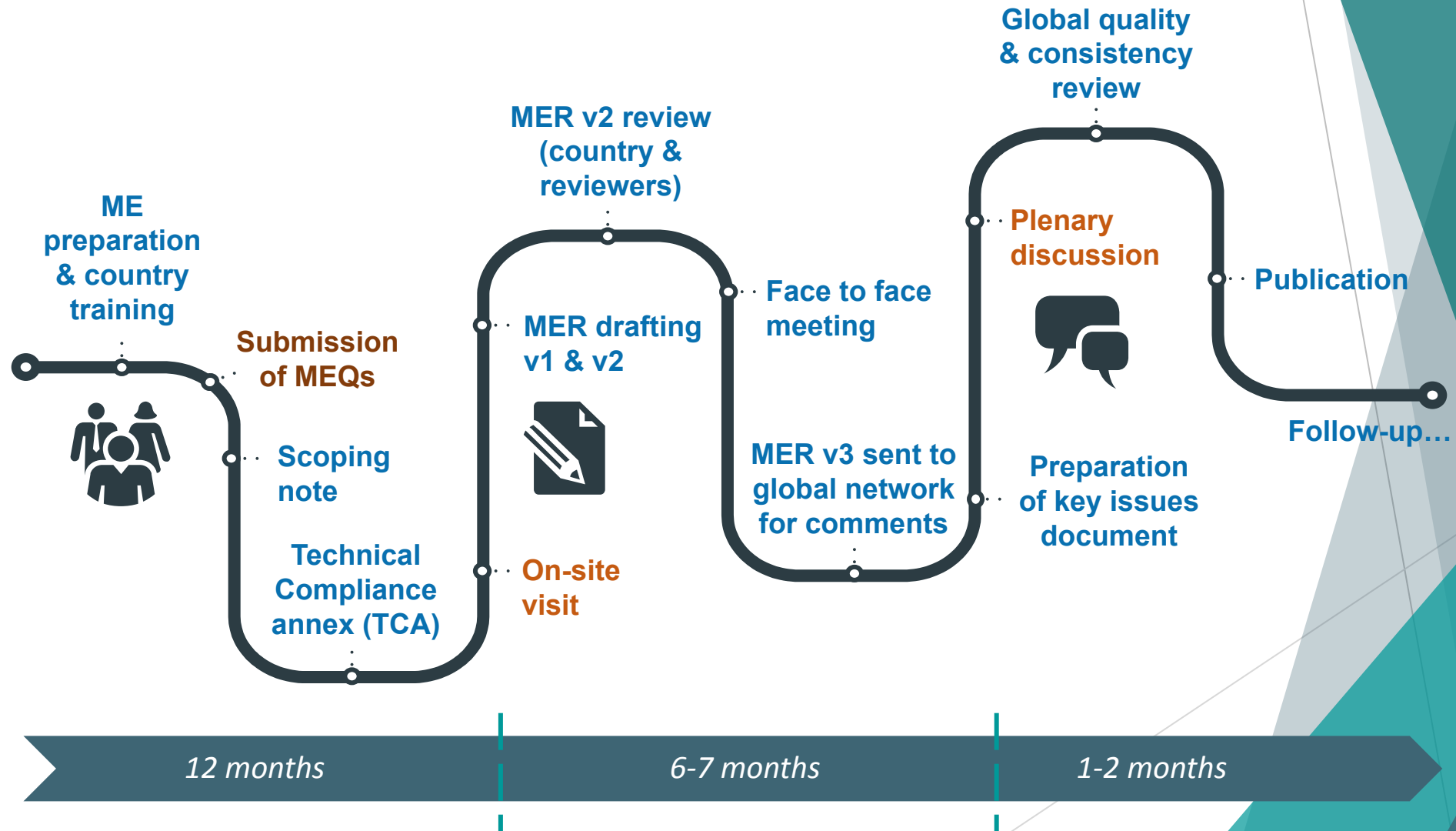
Statistics - 2022

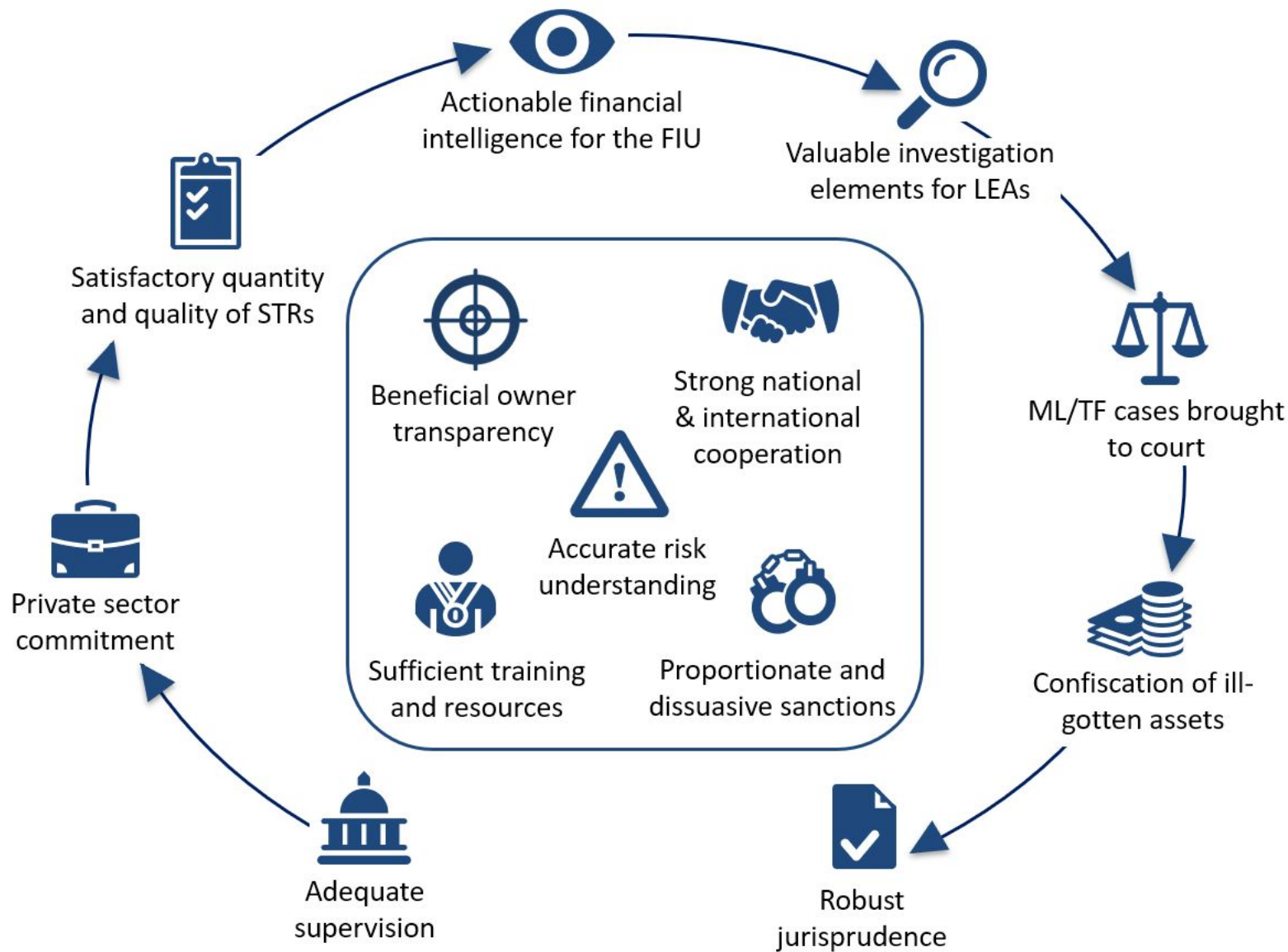
SUSPICIOUS ACTIVITY REPORTS

- 2,656 SARs received in 2022, a 26% decrease from the previous year
- Money Laundering was the most reported suspected criminality in 2022
- eGambling sector submitted 76% of all SARs in 2022
- High-risk jurisdictions appeared in less than 1% of SARs



MONEYVAL EVALUATION – AT A GLANCE







- Quad FIU Working Group [*Gibraltar, Guernsey, Jersey and Isle of Man*]
 - Quad Island Terrorist Financing Forum
 - Quad Island Strategic Analysis Forum
 - Quad Island Private Public Partnership (PPP) Forum
- Principle Aim;
 - Foster and maintain an effective strategic analysis function to aid meeting international standards
 - Collectively use strategic analysis products to identify threats, risks and vulnerabilities
 - Collaborative learning and development (share information between partner agencies)
 - Maximise opportunities through PPP – Domestically and internationally to broaden and enhance knowledge

Private Public Partnership

- Guernsey Integrated Money Laundering and Terrorist Financing Intelligence Task Force (GIMLIT) – ‘Pilot Scheme’ launched 14th March 2023
- Four (4) main retail banks
- Changes to the Disclosure / Terrorism legislation – permitted disclosure between FSBs (July 2023)
- Pilot scheme extended to International Banks
- Joint Money Laundering Intelligence Taskforce – MOU Signed July 2022
- Section 7 JMLIT Requests and Alerts – GIMLIT members only
- HMRC PPP 2023

TF Attacks Evolving

- Parsons Green Attack
- One off purchase
- Single lone Actor
- SAR Intelligence identified Suspect (PPP)



- Sir David Amess
- Lone Actor
- Link to Guernsey?
- E-casino link (NFA)

Proliferation Financing IO 11



Persons and entities involved in the proliferation of WMDs are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.

- How well is the country implementing targeted financial sanctions concerning proliferation?
- To what extent are funds identified and designated persons prevented from executing transactions?
- How well do FIs and DNFBPs understand and comply with their obligations?
- How well are authorities monitoring compliance?

SAR Quality

- SAR Guidance Issued December 2021
- E-learning SAR Guidance issued
- Board of Directors – TCSPs, banks, law firms, investment firms
December 2021
- Enhancements to THEMIS – January 2023 (July 2023)
- FIU outreach – associations (April 2023)
- SAR Guidance re-issued quarter 3 (2023)

What information is in a SAR?

Includes (but not limited to);

- Who is involved?
- How are they involved?
- How did the circumstances arise?
- What is the criminal/terrorist property?
- What is the value of the criminal/terrorist property (estimated as necessary)?
- Where is the criminal/terrorist property? (E.g. property in Spain, investments held in Switzerland etc.)
- When are the circumstances planned to happen?
- When did the circumstances arise?
- Why are you suspicious or how do you have knowledge?

Financial Intelligence 'An Effective Tool'



Provides
information on
suspect's
movements



Locates and
identifies
suspects,
witnesses and
victims



Extracts data /
emerging
technologies



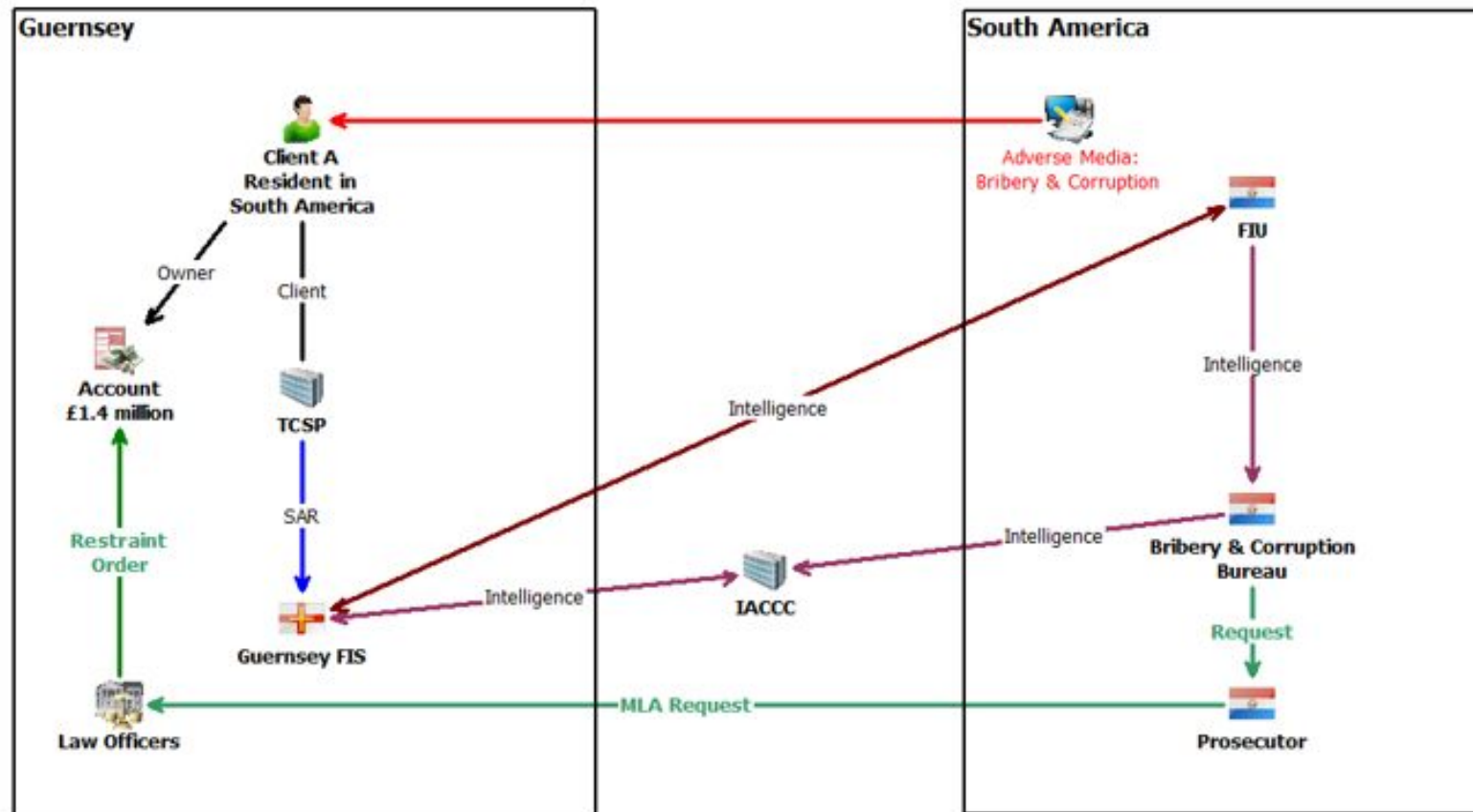
Identifies
world-wide
assets



Identifies
associations and
links to people
and places

Case Study – Bribery & Corruption

SAR - Foreign FIU – Anti-Corruption Unit – Prosecutor - MLA



Case Study – Operation Tonic

- Person A and Person B living in Guernsey during ‘Lock-down’
- No footprint with the Authorities, except travel
- Retail Bank A identify suspicious transaction on Person A bank account
- Retail Bank A contact Person A re source of funds / wealth
- Retail Bank A submit SAR re suspicion of fraud / money laundering
- FIU analyse / develop content of SAR
- FIU issue a ‘Financial Alert’ via THEMIS
- ‘Alert’ triggers SAR from Bank B and Bank C – substantial funds identified
- ‘Alert’ triggers SAR from Bank D – Attempt to open four bank account by Person A
- ‘Alert’ triggers SARs from Estate Agent sector and Law Firms re: purchase of open market property

Case Study – Operation Tonic

Continued

- FIU liaise with UK National Crime Agency
- Link to an organised crime group laundering proceeds of crime identified
- FIU liaise with UK Police force resulting in £2.5 million identified in UK bank accounts linked to Person A and Person B
- In depth analyse of SARs undertaken and Case Referral to EFCB (CDU)
- Case Development Unit recommend ML investigation
- Case adopted / Executive Action executed
- Local assets restrained
- Person A and Person B charged with money laundering
- Case continues

www.guernseyfiu.gov.gg



Bailiwick of Guernsey
Financial Intelligence Service

01481 225824

fis@gba.gov.gg

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Search

A photograph of two brown cows in a field of yellow flowers under a blue sky. The cow on the left is in the foreground, looking towards the camera. The cow on the right is slightly behind and to the right, also looking towards the camera. There are other cows visible in the background.

Gathering information on money
laundering and terrorist financing



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<https://guernseyfiu.gov.gg/>

fiu@gba.gov.gg

01481 225824