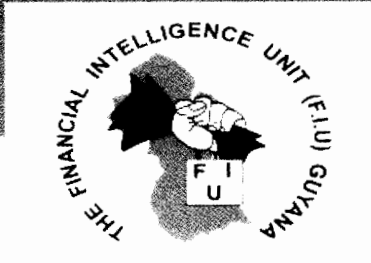




# ANNUAL REPORT 2019

FINANCIAL INTELLIGENCE UNIT - GUYANA



**FINANCIAL INTELLIGENCE UNIT**

5<sup>th</sup> January 2021

Hon. Dr. Ashni Singh  
Senior Minister (Finance)  
Office of the President  
C/O Ministry of Finance  
49 Main and Urquhart Streets  
Georgetown

**Re: Letter of Transmittal**

In compliance with Section 9B of the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act Cap 10:11 (as amended), I am pleased to present the Report on the activities of the Financial Intelligence Unit for the period January 1<sup>st</sup> to December 31<sup>st</sup>, 2019.

Appended to the report is the Financial Intelligence Unit's Audited Annual Statement of Accounts for the period ended December 31, 2019, which was prepared in accordance with Section 9(8) of the AMLCFT Act Cap. 10:11.

Should there be any questions or queries concerning the report, I am available to provide clarity or any additional information that may be necessary for your compliance with Section 9B(4) of the aforementioned Act, including causing a copy to be laid before the National Assembly.

With kind regards,



**MATTHEW LANGEVINE**  
**DIRECTOR**

## **VISION**

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

## **MISSION**

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

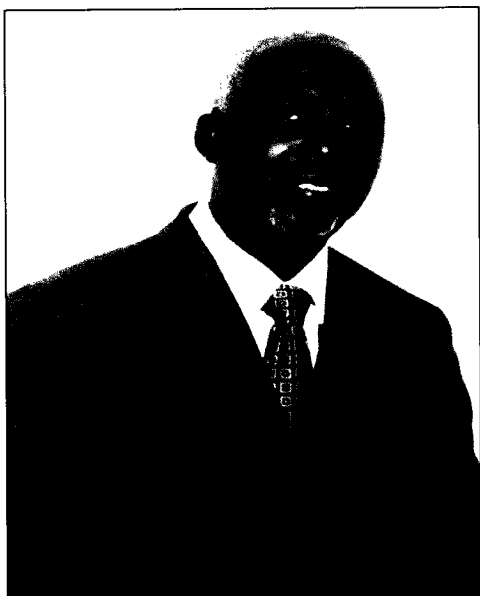
# Table of Contents

VISION & MISSION .....	2
TABLE OF ACRONYMS AND ABBREVIATIONS .....	4
STATEMENT FROM THE DIRECTOR.....	5
2018 – 2019 HIGHLIGHTS.....	7
<b>CHAPTER 1 – LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK .....</b>	<b>11</b>
GOVERNING LAWS AND REGULATION.....	11
RELATED LEGISLATIONS.....	11
STRENGTHENING THE LEGAL FRAMEWORK.....	12
GUYANA’S EGMONT MEMBERSHIP APPLICATION .....	12
INSTITUTIONAL FRAMEWORK .....	13
ORGANIZATION STRUCTURE AND STAFF COMPLEMENT.....	13
STAFF TRAINING AND DEVELOPMENT.....	14
<b>CHAPTER 2 – FIU INTELLIGENCE &amp; LAW ENFORCEMENT.....</b>	<b>16</b>
CORE MANDATES AND OTHER ACTIVITIES .....	16
E-REPORTING AND THE USE OF TECHNOLOGY.....	17
SUSPICIOUS TRANSACTION REPORTS (STR) & STATISTICS .....	17
TERRORIST PROPERTY REPORTING.....	20
THRESHOLD TRANSACTION REPORTING .....	21
INTELLIGENCE & OTHER REPORTS PRODUCED.....	22
PRINCIPAL OFFENCES .....	23
RECIPIENTS OF INTELLIGENCE REPORTS .....	24
FEEDBACK ON INTELLIGENCE PRODUCTS .....	25
<b>CHAPTER 3 - TRAINING, OUTREACH AND PUBLIC AWARENESS .....</b>	<b>27</b>
AMLCFT TRAINING AND OUTREACH.....	27
CIRCULARS/ADVISORIES/NOTICES/PUBLICATIONS .....	29
TRENDS AND TYPOLOGIES.....	30
UNITED NATIONS CONSOLIDATED LIST AND UPDATES .....	30
NATIONAL RISK ASSESSMENT .....	30
AMLCFT & PF NATIONAL CO-ORDINATION COMMITTEE .....	31
CARIBBEAN FINANCIAL ACTION TASK FORCE.....	31
CFATF FOURTH ROUND MUTUAL EVALUATIONS.....	32
CFATF PLENARY AND WORKING GROUP MEETINGS.....	33
FIU PARTICIPATION IN THE WORK OF THE CFATF .....	33
<b>CHAPTER 4 - NATIONAL AND INTERNATIONAL COOPERATION.....</b>	<b>35</b>
MEMORANDUM OF UNDERSTANDING (MOU) .....	35
REQUEST FOR ASSISTANCE .....	37
INFORMATION EXCHANGE .....	37
DOMESTIC COOPERATION .....	39
PROJECTIONS FOR 2020 .....	40
<b>APPENDIX - AUDITED ANNUAL STATEMENT OF ACCOUNTS .....</b>	<b>41</b>
AUDIT OPINION.....	41
FINANCIAL STATEMENTS .....	44

## TABLE OF ACRONYMS AND ABBREVIATIONS

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

## STATEMENT FROM THE DIRECTOR



I am pleased to submit the report on activities of the Financial Intelligence Unit (FIU) for the financial year ending December 31, 2019. While the Unit has had its fair share of constraints and challenges during the reporting period, I am happy to report that it was another successful year with many new achievements.

The successes recorded during the reporting period are demonstrative of the hard work and commitment of the entire FIU team, unwavering support from our local stakeholders, including the Government of Guyana, the various supervisory authorities, and fellow regulatory entities. The continued support of our foreign partners including but not limited to the Caribbean Financial Action Task Force (CFATF) and our sister

FIUs in the region cannot be overemphasized. The cooperation and willingness towards compliance by most of our reporting entities is also appreciated.

The FIU's performance has also been enhanced by the commitment of our management team, to achieve our mandate of protecting Guyana's financial system from money laundering, terrorist financing and proceeds of crime, through uncompromising focus on ensuring the Unit's operational independence, along with ensuring the integrity and quality of our output.

During 2019, the FIU also placed greater emphasis on collaboration with supervisory authorities (SAs) and law enforcement agencies (LEAs), which are the primary end users of the FIU's intelligence products and related services. This we hope, will allow for more successful investigations, leading to prosecutions, convictions, confiscations and recovery of assets from the proceeds of crime.

The FIU is particularly satisfied with the formalization of relations for information exchange through Memoranda of Understanding (MOUs), with a number of local stakeholders. Additionally, the FIU signed MOUs with two more regional FIUs in 2019. The Unit has through those MOUs, been able to extend its reach locally, regionally and internationally, allowing for greater collaboration and cooperation with partners on AMLCFT matters as required by Recommendations 2 and 40 respectively, of the Financial Action Task Force (FATF) 40 Recommendations. The establishment of relations with other FIUs are

invaluable given Guyana's pending application to become a member of the Egmont Group of FIUs (EGFIUs). Becoming a member of the Egmont Group remains one of the FIUs foremost priorities. Membership of this group allows for the unrestricted exchange of intelligence between members via a safe and secure online portal, the Egmont's Secure Web (ESW).

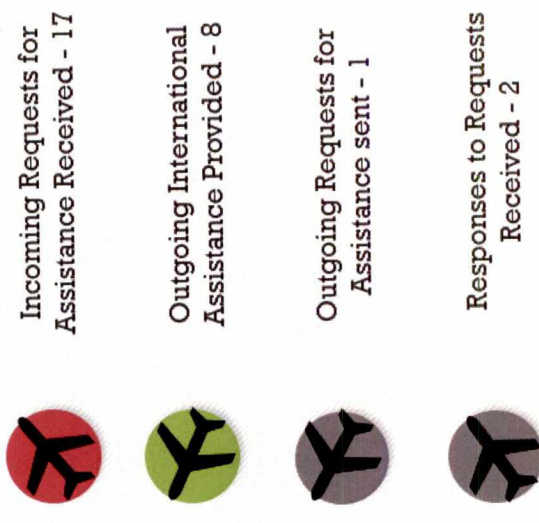
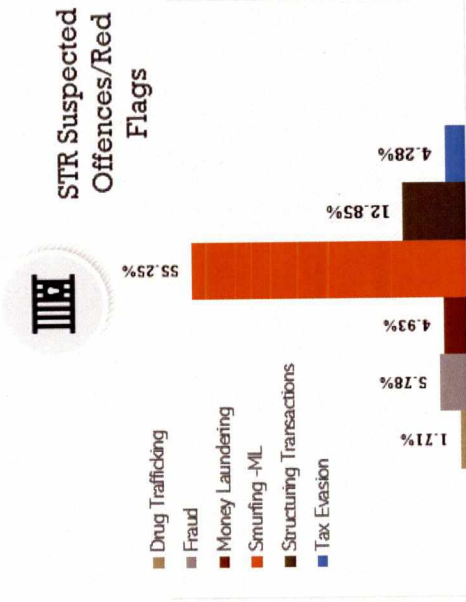
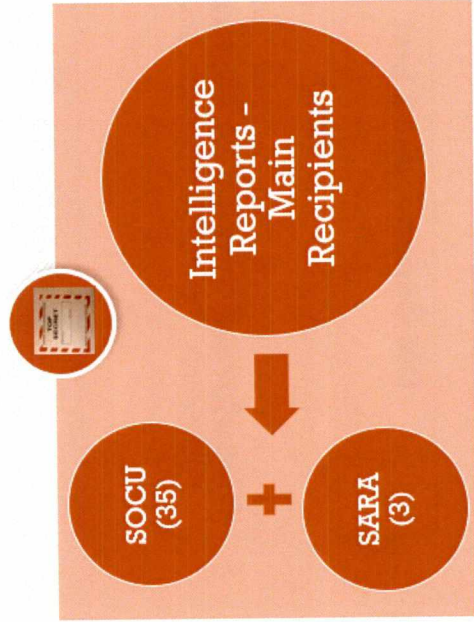
As Director of the FIU, I look forward to the continued cooperation with all relevant stakeholders as we continue to partner in the national and international fight against money laundering, terrorist financing and proliferation financing.



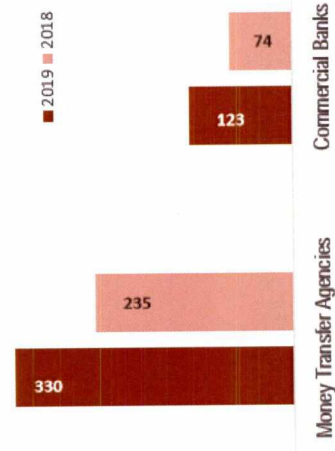
**MATTHEW LANGEVINE**  
**DIRECTOR**

DATE: 16<sup>th</sup> November 2020

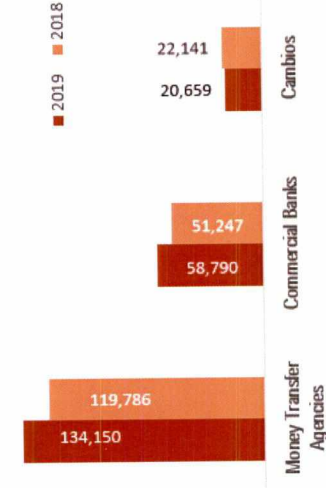
## 2018 - 2019 HIGHLIGHTS



### Main Sources of STR/SARs



### Top three Categories RE submitting Threshold Transactions





TRENDS, TYPOLOGIES & GUIDELINES, OTHER PUBLICATIONS

**Typologies (2)**

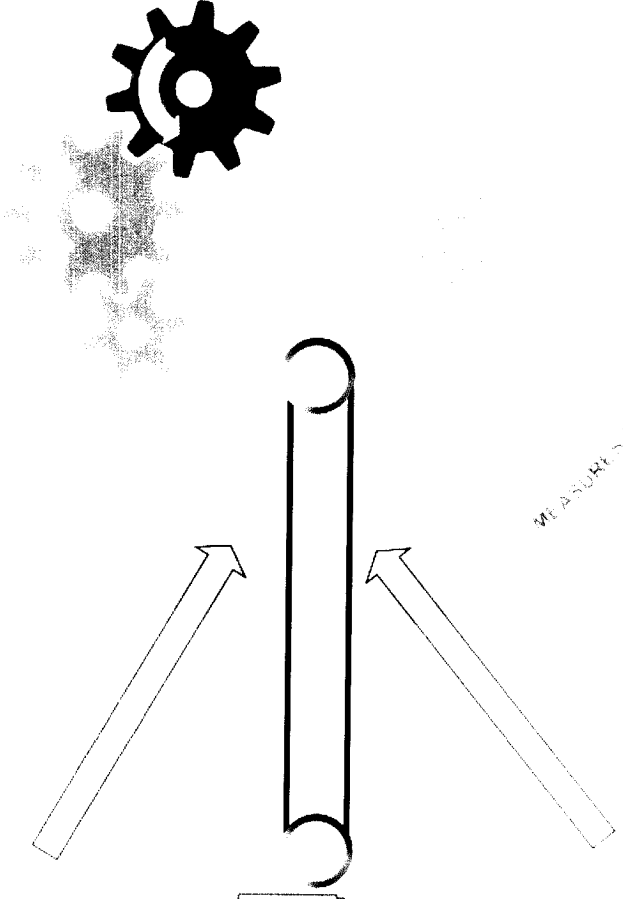
**Local Intelligence Dissemination**  
49 Dossiers (Intel, Updates, Responses)

**UN Consolidated List**

**Circulars/Advisories/Notices (8)**  
Publications - FATF/CFATF Public Document etc.

**Publications (1)**

For public sensitization - Print Media



## TRAINING AND OUTREACH



Number of Training Seminars Delivered

21

### Area of Focus for Seminars

AML/CFT in Guyana - Implication for Accountants

AML/CFT Obligations

AML/CFT Overview

Mutual Evaluation Preparation

REs Reporting Obligations

Introduction to FIU Electronic Reporting



456 Persons Trained by the FIU

### Organizations Represented and Number of Persons who attended

Audit Firms (15)

Banks (12)

Betting Shops (31)

Cambios (14)

Casinos (2)

Police Department (2)

Credit Unions (59)

Dealers in Precious & Semi-Precious Stones (24)

Department of Cooperatives (13)

Friendly Societies & Cooperatives (98)

Insurance Brokers (7)

Insurance Companies (11)

Lottery Companies (2)

Money Transfer Agencies (5)

National Coordination Committee (20)

Non-bank Financial Institutions (9)

Pawnbrokers (25)

Used Car & Parts Dealers (7)

### Gallery of Training Events



# CHAPTER 1 – LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK

## Governing Laws and Regulation

The operations of the FIU are governed by the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act Cap 10:11, its Regulations and all subsequent amendments<sup>1</sup> made thereunder. As a statutory agency the Unit carries out its core mandates and functions within the remit of the applicable laws.

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

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

## Related legislations

Laws which indirectly affect the Unit's operations include, but are not limited to, laws regulating the licensing or registration of reporting entities by Supervisory Authorities, namely the Guyana Gold Board Act Cap 66:01, the Financial Institution Act Cap. 85:03, the Securities Industries Act Cap. 73:04, the Gambling Prevention Act Cap. 9:02, the Companies Act Cap. 89:01, the Cooperative Societies Act Cap. 88:01, and the Friendly Societies Act Cap. 36:04<sup>2</sup>.

Other relevant laws include, those related to International Cooperation such as, the Mutual Assistance in Criminal Matters Act Cap. 15:05; the Criminal Law Offences Act Cap. 8:01; the Summary Jurisdiction (Offences) Act Cap. 8:02, Foreign Exchange (Miscellaneous) Provisions Act Cap. 86:01, the various Tax Laws, among many others.

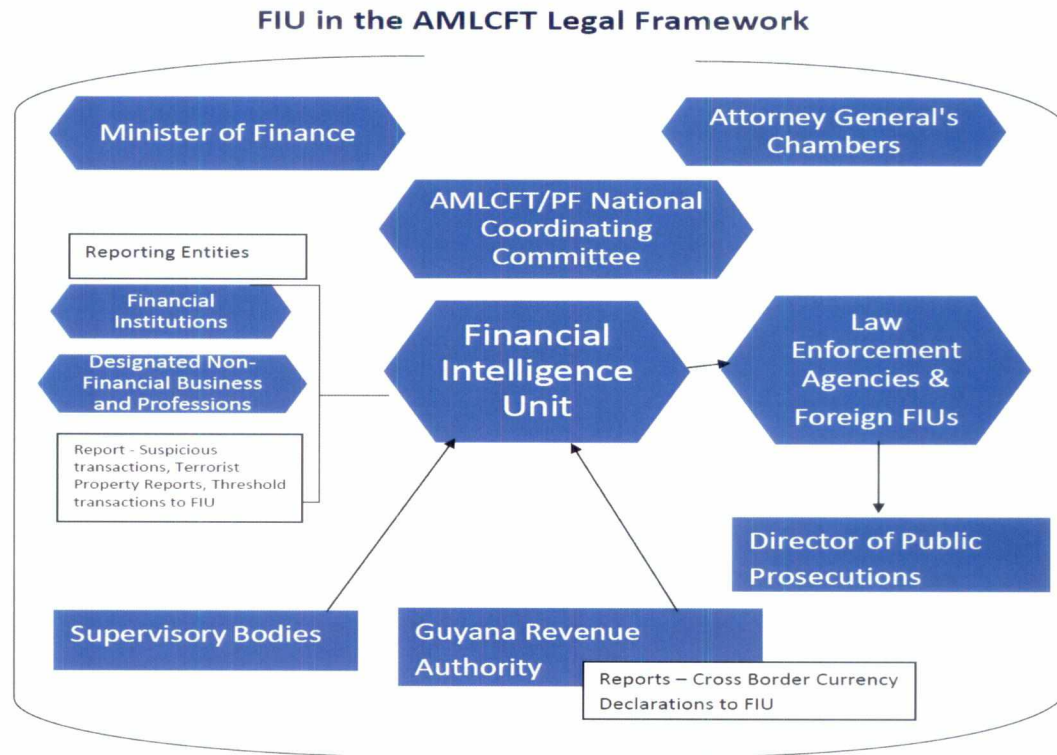
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<sup>1</sup> AMLCFT Act 2009 Cap 10:11 (as amended) by AMLCFT Amendment Act No. 15 of 2010; AMLCFT Amendment Act No. 1 of 2015; AMLCFT Amendment Act No. 10 of 2015; AMLCFT; Amendment Act No. 15 of 2016; AMLCFT Amendment Act No. 21 of 2017; and AMLCFT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

<sup>2</sup> All the referenced acts can be found at the following address:

### Strengthening the legal framework

The FIU contributes to provide meaningful feedback regarding deficiencies identified to the Attorney General's Chambers, aimed at strengthening Guyana's legislative framework. This has been an ongoing process as the FIU takes note of: (i) queries raised by various competent authorities, (ii) outstanding legislative requirements from Guyana's Third Round Mutual Evaluation, and (iii) deficiencies observation in other related legislation. These are submitted to the Attorney General's Chambers at the appropriate time for consideration when making legislative amendments.



### Guyana's Egmont Membership Application

FATF's Recommendation 29 requires countries to ensure that their respective FIUs become a member of the Egmont Group. This includes adherence to Egmont's Statement of Purpose and Principles for Information Exchange between FIUs. These instruments guide FIUs concerning their roles and functions, and the way information is expected to be exchanged or shared.

The FIU Guyana made its first application for membership to the Egmont Group of FIUs in 2012. Following its successful exit from the FATF and CFATF follow-up processes, which was the result of having successfully addressed the legislative deficiencies that existed when the application was first made. Guyana resumed the Egmont's application process in 2017. FIU Guyana obtained the support of the FIUs of Trinidad and

Tobago and the British Virgin Islands to jointly sponsor its application for membership to the Egmont Group of FIUs (EGFIUs).

Obtaining membership to the Egmont Group continues to be one of FIU Guyana's highest priorities. Information regarding FIU Guyana's legal and institutional framework was submitted to our sponsors. Feedback has since been provided to us identifying additional legislative changes which are required. FIU Guyana has since prepared and provided a list of the proposed legislative changes to the Attorney General's Chambers for their consideration and action.

### **Institutional Framework**

The FIU developed for its internal use, draft operating procedures, policies and guidelines which direct its operations to ensure efficiency and effectiveness as required by international standards.

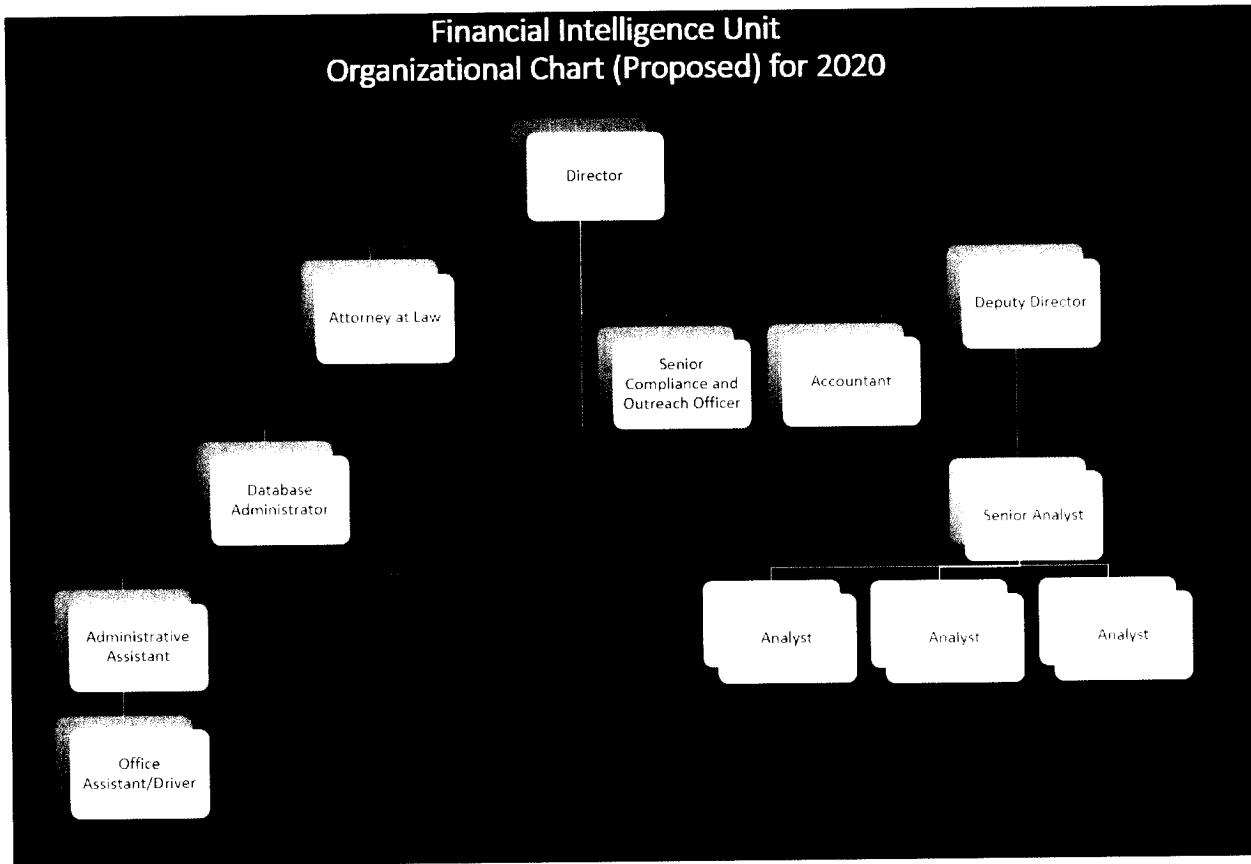
The FIU also maintains procedures for its analytical work. An Information Technology Policy is also established to ensure the necessary safeguards are in place to protect sensitive information in its custody and control.

### **Organization Structure and staff complement**

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

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

Management, organization, and deployment of the financial and human resources of the Unit fall directly under the purview of the Director. With a staff complement of eleven employees, the functions were carried out under the following four functional areas: (i) Analytical, (ii) Legal, (iii) Compliance and Outreach, and (iv) Information Technology and Administration. Below is the FIU's organization structure in 2019 which was a proposed structure for 2020.



**Staff Training and Development**

Capacity building, and competence continued to be the focus of the FIU's human resource development initiative. To achieve these objectives the FIU sought opportunities that were geared towards developing its employee's technical competence and general knowledge. The FIU was again afforded the opportunity to benefit from relevant training courses, both local and overseas, which are accredited by competent AMLCFT bodies within the region and worldwide.

The following two tables comprise the lists of **Training Courses** and **Seminars** from which the FIU employees benefitted during 2019:

Table 1 - Training courses attended by employees

Date	Topic	Participant(s)	Venue
Mar 11- 15	CFATF Financial Analyst Course	Two (2) Financial Analysts	Bridgetown, Barbados
Mar 18-20	CFATF Open-Source Internet Investigations Course	Two (2) Financial Analysts	Bridgetown, Barbados
Apr 1-Jun 30	Certificate Course in Network Security	IT Officer	UG Campus
May 13-17	Egmont Advanced Strategic Analysis Course	Deputy Director	Trinidad, and Tobago
Aug 19-23	DEA/IRS -Inter-Agency Cooperation in Financial Investigations Course	Snr. Financial Analyst	El Salvador
Apr 24	TIP for LEAs & Units specializing in crimes which may occur alongside TIP	Attorney-at-law, Financial Analyst	GPF Training School
Sep 2-6	FATF Standards Training Course	Snr. Compliance & Outreach Officer	Cayman Islands
Sep 11	Training on General Fire Safety	Admin Officer	MOF Training Room
Nov 13 - 15	RSS/ARU -Assets Recovery and Money Laundering Issues and Challenges in Guyana	Deputy Director, Attorney-at-law, Snr. Financial Analyst	GPF Training Centre

Table 2 – Seminars and Workshops attended by employees

Date	Topic	Coordinating Agency	Participant(s)	Venue
Apr 24	Administrative Professional Seminar - 2019	Ministry of Finance	Admin. Officer	Pegasus Hotel
May 17-1 8	AML/CFT Sensitization Workshop for Attorneys-at-law and Accountants/Auditors (DNFBPs not yet regulated/supervised for AML/CFT compliance)	AG Chambers / AML / CFT/PF NCC	Director, Attorney-at-law, Snr. Compliance & Outreach Officer	Cara Lodge Hotel
May 22-23	EU-CELAC Bi-Regional Meeting for Exchange of Best Practices COPOLAD. Money Laundering and Asset Recovery	EU	Director	Madrid, Spain
May 27-31	CFATF XLIX Plenary and Working Groups Meeting	CFATF	Director & Snr. Compliance & Outreach Officer	Port of Spain, Trinidad and Tobago
Jun 2	Stakeholder Consultations for the Development of a National Cybersecurity Strategy	MPT	IT Officer	Arthur Chung Conference Centre
Sep 9	Seminar of Trained Assessors - Preparation for the Mutual Evaluation of Guyana	AML/CFT/PF NCC	FIU Management & Senior Officers	BOG Conference Room
Sep 11	Gaming Authority's Stakeholder's Forum "Responsible Gaming in Guyana"	Gaming Authority	Attorney-at-law, Financial Analyst	Herdmanston Lodge
Oct 17	Workshop on challenges in Addressing Transparency Standards in the Caribbean World Bank-IMF Annual Meetings 2019	FIU/World Bank/IMF	Director	Washington, DC
Oct 17	Meeting on CBNC Debate on the Global Economy World Bank-IMF Annual Meetings 2019	FIU/World Bank/IMF	Director	Washington, DC
Oct 18	Meeting on Anti-Corruption Challenge World Bank-IMF Annual Meetings 2019	FIU/World Bank/IMF	Director	Washington, DC
Oct 24	Country Visit for the Review of Guyana: United Nations Convention against Corruption (UNCAC)	OPM	Snr. Compliance & Outreach Officer	BOG Conference Room
Oct 24	Seminar on Building Local Capacity negotiation skills for better decision-making participation at COP and other international conferences and forums	MOP-DOE	Deputy Director	Herdmanston Lodge



## **CHAPTER 2 – FIU INTELLIGENCE & LAW ENFORCEMENT**

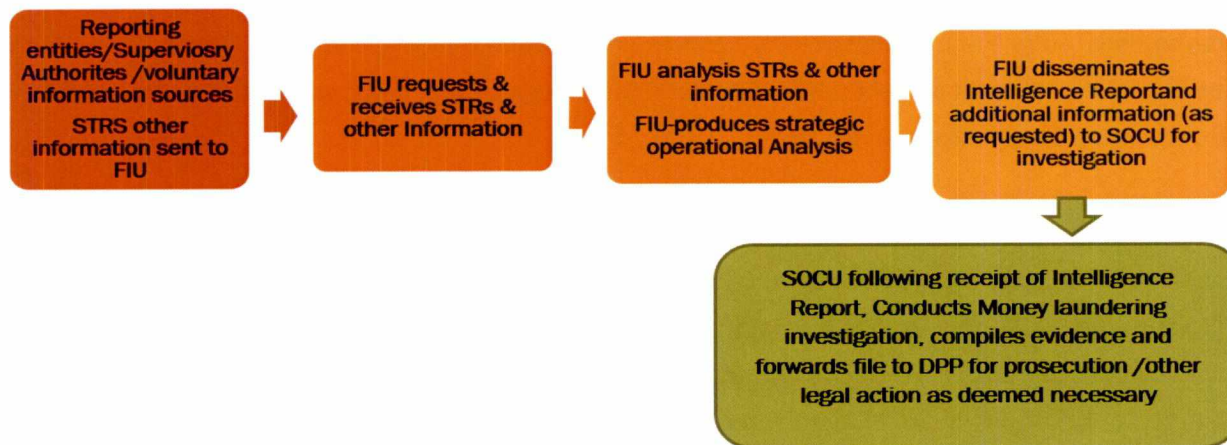
### **Core Mandates and other Activities**

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

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

In addition to the core functions mentioned, the FIU carries out a number of other activities which include, but are not limited to, the maintenance of statistics and records; issuance of guidelines and training for reporting entities; advising the Minister of Finance on matters relating to ML or TF that may affect public policy or national security; conducting research into trends and developments to improve ways of detecting, preventing and deterring ML and TF; and extending legal assistance to foreign jurisdiction with respect to production orders, property tracking, monitoring, forfeiture, or confiscation orders.

### Diagram showing Core Mandates of the FIU



### E-Reporting and the use of technology

With financial assistance from the United States of America, Department of State, the FIU Guyana acquired and deployed the CaseKconnect e-reporting platform in the fourth quarter of 2019. Electronic filing of Suspicious Transaction Reports (STRs), Terrorist Property Reports (TPRs) and Threshold Reports are now possible using CaseKconnect. This acquisition augments the FIU's Information Technology capacity and is intended to complement the IBM i2lbase database and Analyst Notebook program, which are tools typically used in the intelligence community.

The FIU intends to extend the use of CaseKconnect to include requesting and receiving information from reporting entities, supervisory authorities and other competent authorities, and will explore the possibility of dissemination of intelligence dossiers on the same platform.

### Suspicious Transaction Reports (STR) & Statistics

Suspicious transaction is any transaction (attempted or completed) that a reporting entity suspects or has reasonable grounds to suspect are connected to the proceeds of a criminal activity, money laundering, terrorist financing or terrorism.<sup>3</sup> The STR is often the main catalyst for intelligence gathering operations and money laundering investigations; its submission is therefore a key part of the AMLCFT process.

<sup>3</sup> Section 18 (4) AMLCFT Act

In 2019 a total of four hundred and sixty-seven (467) Suspicious Transaction Reports (STRs) were filed by reporting entities compared with three hundred and thirty-one (331) in 2018. **Smurfing and Structuring Transactions**<sup>4</sup> were the main suspicious activities or indicators that triggered STRs. These accounted for approximately sixty-eight percent (68%) of the total STRs received, and only a small fraction (8%) of the total value, which was approximately \$8.1b.

A relatively significant proportion (11%) of the STRs could not be assigned an offence and was therefore classified as “Unclear”. This accounted for (24%) of the total value of all STRs in 2019 compared to the (3%) accounted for in 2018. Defensive reporting was a concern for the FIU and has increased the need for continued training and sensitization exercises at the reporting entity level, to strengthen STR reporting. Other categories of offences in which large number of reports were filed are **fraud, money laundering** and **tax evasion**.

*Suspected money laundering* activities had the highest average STR value (\$161m) followed by **fraud** (\$37m) and **tax evasion** (\$31.8m) in the top three categories. They accounted for over **66%** of the total value of STRs reported in 2019.

The following charts provide a summary of the total number and value of STRs submitted over the period 2018 to 2019.

Charts - 4 Total Number of STRs for 2018 & 2019

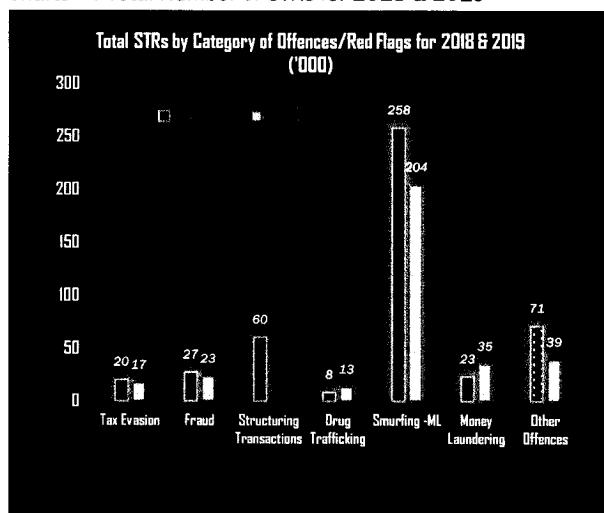
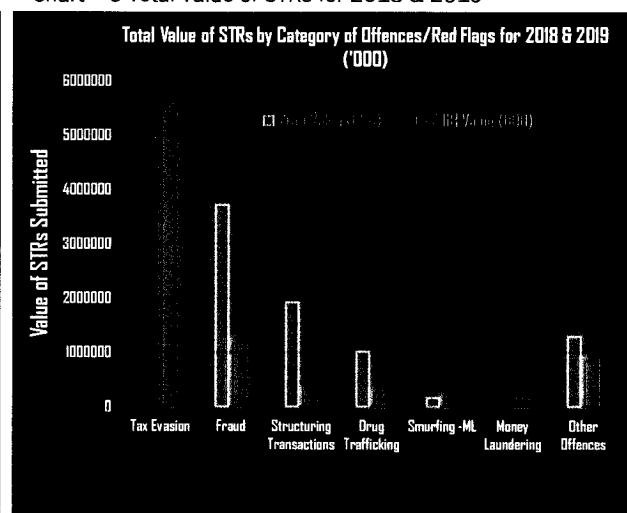


Chart - 5 Total Value of STRs for 2018 & 2019

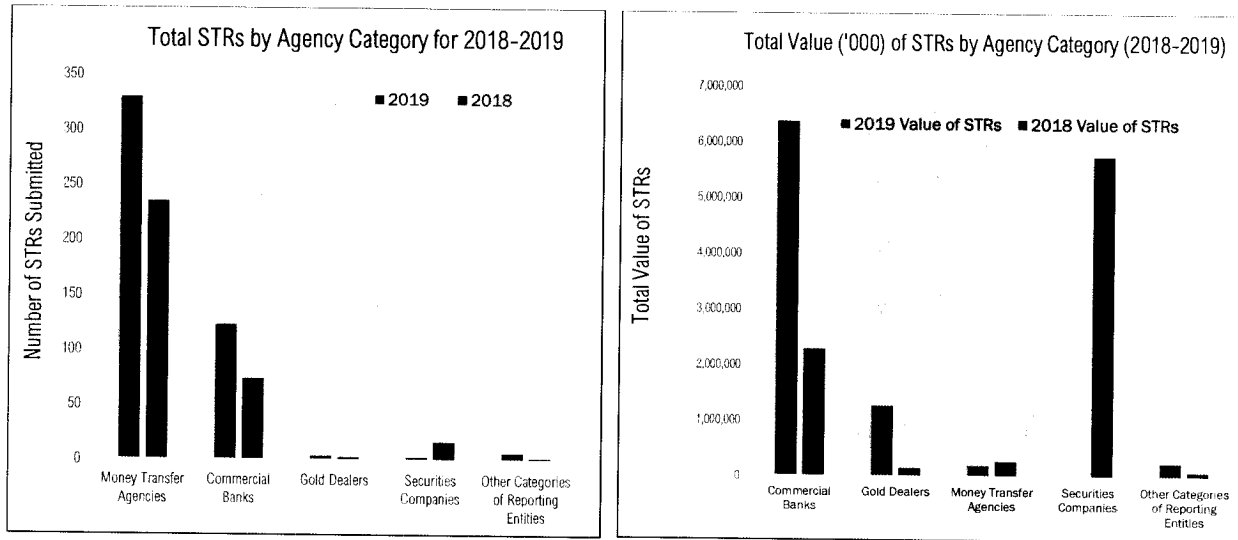


<sup>4</sup> **Smurfing** involves the use of multiple individuals and/or multiple transactions for making cash deposits, buying monetary instruments or bank drafts in amounts under the reporting threshold. The individuals hired to conduct the transactions are referred to as “smurfs.”

**Structuring** - The illegal act of splitting cash deposits or withdrawals into smaller amounts, or purchasing monetary instruments to stay under a currency reporting threshold.

Money transfer agencies (70.7%) and commercial banks (26.3%) were responsible for the majority of SARs/STRs filed with the FIU. These two categories accounted for ninety-three percent (93%) of STRs in 2018. They also accounted for approximately eighty-one percent (81%) of the value of all STRs in 2019 compared with thirty percent (30%) in 2018.

The charts below provide a graphical view of the number and value of STRs filed by the top four categories of reporting entities for 2018 and 2019.

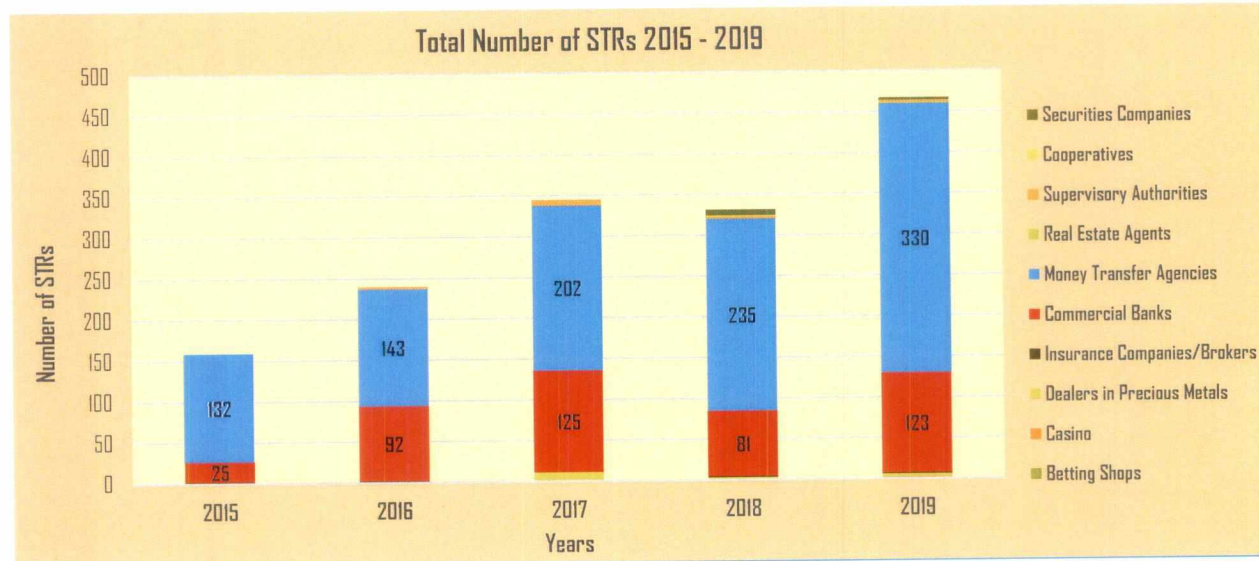


The money transfer agencies (MTAs) have filed the majority of STRs/SARs for the past five years, but the total dollar value of SARs/SARs they filed accounted for only a small fraction of the overall value. Though MTAs accounted for approximately (71%) of STRs in 2018 and 2019, the total dollar value of those STRs was below three percent (3%) of the total. The MTAs experience very high levels of smurfing and structuring activities. These activities require coordinated actions by the FIU and law enforcement to better understand the nature and reasons behind these transactions and activities.

The banking system is usually the primary target where attempts are made to launder large quantities of illegal proceeds. Commercial banks and other LFIs are therefore expected to file large numbers of high value STRs. Approximately twenty-six percent (26.3%) of the STRs was filed by commercial banks in 2019 compared with twenty-two percent (22%) in 2018. In 2019 the STRs filed by the commercial banks accounted for seventy-nine percent (79%) of the dollar value of all STRs.

The total number of STRs reported to the FIU increased forty-one percent (41%) over 2018. The increase is mostly attributed to **MTAs** (95) and **commercial banks** (49).

These two categories of REs are believed to be targeted specifically by suspected launderers, given the high volume of transactions completed by these sectors. The chart below provides an overview of the number of STRs submitted to the FIU over the past five years.



### Terrorist Property Reporting

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

Reporting entities are required to screen customers against the United Nations Consolidated list as part of the entity's customer onboarding process, periodically and before conducting a transaction. At the end of each quarter all reporting entities are required to report to the FIU confirming the number of TPRs filed or confirming that there were no TPRs in the preceding quarter. The requirement to submit TPRs commenced in 2016 following legislative amendments.

Two (2) TPRs were filed by reporting entities during 2019. Although the reports turned out to be "false positives" the FIU nevertheless went through all protocols for dealing expeditiously with reports of this nature.

## Threshold Transaction Reporting

All categories of reporting entities are required to report transactions that equals or exceed the threshold limits established for their respective sectors<sup>5</sup>. Reporting thresholds are established in accordance with the AMLCFT Act Cap. 10:11 and Regulations thereunder. This reporting mechanism is intended to facilitate the collection of information that will help detect, uncover, or prevent the laundering of illicit funds through the financial system. A reporting entity's obligation to submit threshold transaction reports is further reinforced through training and outreach activities conducted by the FIU in partnership with the respective sectoral supervisors. The FIU continued its training and outreach programmes in 2019 and onboarded an additional nineteen (19) reporting entities which commenced reporting to the FIU.

The table below provides a breakdown of the entities registered and are required to file threshold transaction reports (TTR).

Number of Reporting Entities 2017- 2019

RE Category	2019	2018	2017
USED CAR DEALERS	63	52	52
PAWN BROKERS	28	28	25
CREDIT UNIONS	26	26	25
REAL ESTATE AGENTS	20	20	20
INSURANCE SERVICE PROVIDERS	16	16	16
DEALERS IN PRECIOUS METALS (GOLD)	15	14	13
CAMBIO DEALERS	14	13	13
DEALERS IN PRECIOUS & SEMI-PRECIOUS STONES	14	11	11
COMMERCIAL BANKS	8	8	8
INSURANCE BROKERS	6	6	6
MONEY TRANSFER AGENCIES	6	6	6
BETTING SHOPS	7	4	4
GRA (CURRENCY DECLARATION)	4	4	4
SECURITIES COMPANIES	6	6	6
CASINO	1	1	1
COOPERATIVES	1	1	-
LOTTERY COMPANIES	1	1	1
<b>Total</b>	<b>236</b>	<b>217</b>	<b>211</b>

The increase in the number of threshold transactions reported in 2019 is partially due to the increase in registration of reporting entities. Threshold transaction reports increased by **12.4%** compared with 2018.

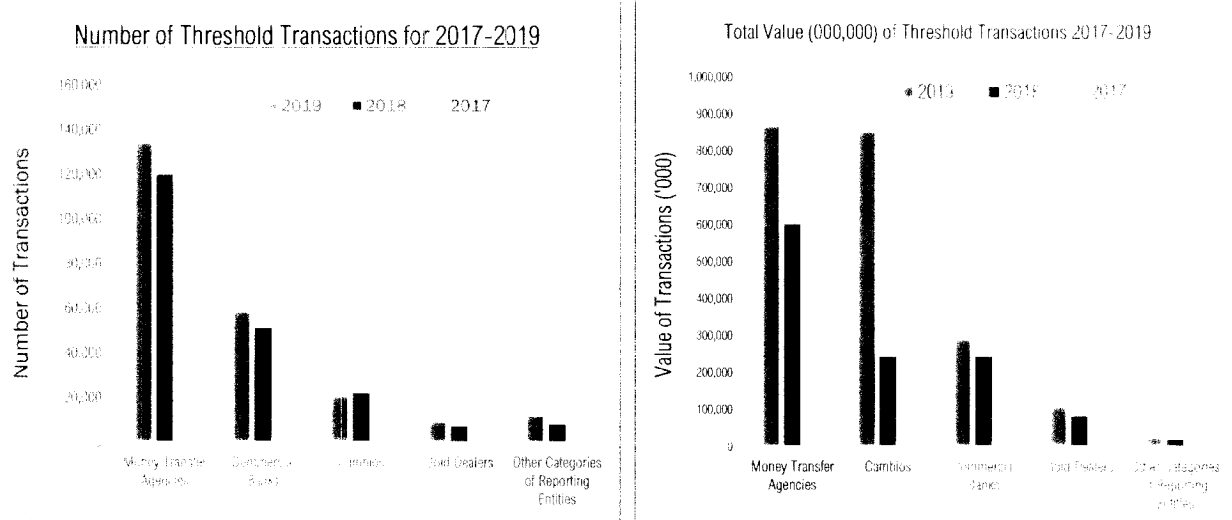
Approximately **91%** of threshold transactions was reported by **MTAs, cambios** and **commercial banks**. The overall **value** of threshold transactions increased **79.5%** in 2019.

<sup>5</sup> Each category of Reporting Entity is assigned a reporting threshold and must report all transactions that are equal to or exceed the assigned threshold. Details of the assigned threshold can be found in Appendix A.

The total value of cambio transactions increased more than 350% in 2019 even though there was a small decline in the number of transactions. The emergence of the Oil and Gas sector in Guyana is believed to be the main contributing factor to the noted increase in the level of foreign exchange transactions completed by licensed cambios and reported to the FIU.

The charts below provide a summary of Threshold Transactions for the years 2017 to 2019.

**The Number and Value of Threshold Transactions for 2017 to 2019**



**Intelligence & Other Reports Produced**

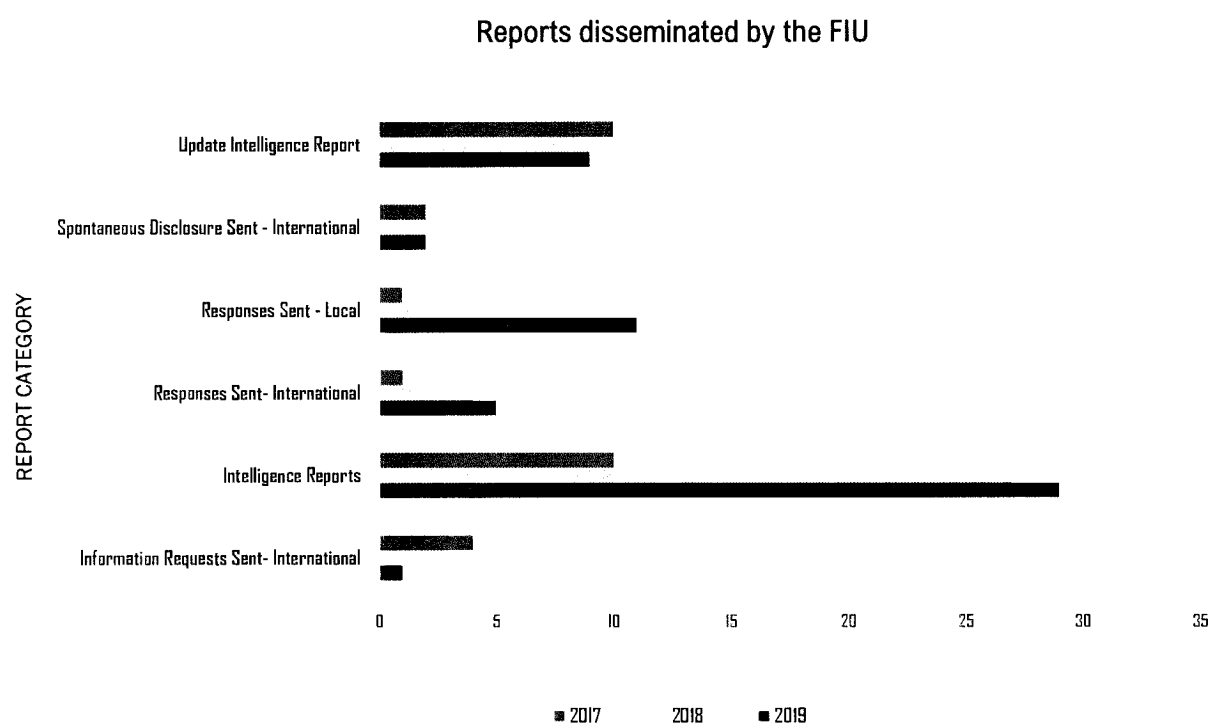
The dissemination of Intelligence Reports (IR) is one of the primary means by which the FIU discharges its mandate. These reports are provided to LEAs to initiate or support investigations into money laundering and terrorist financing offences. From time to time there will also be a need to issue updated intelligence information (Update on Intelligence Report/UIR) to support ongoing investigations. These two types of reports account for a large proportion of all intelligence dissemination by the FIU.

The FIU also produces other categories of less detailed reports for dissemination which are often geared towards answering specific requests from both local and international counterparts. These reports are classified according to their nature, purpose, and the intended recipients.

Overall, fifty-seven (57) intelligence related reports and requests were produced and disseminated by the FIU in 2019. The number of reports produced in 2019 increased by 14% compared with year 2018 in which fifty (50) reports were produced.

Intelligence Reports (IR) and Update on Intelligence Reports (UIR) accounted for sixty-seven percent (67%) of all reports emanating from the FIU in 2019. In 2018 they accounted for seventy-four percent (74%).

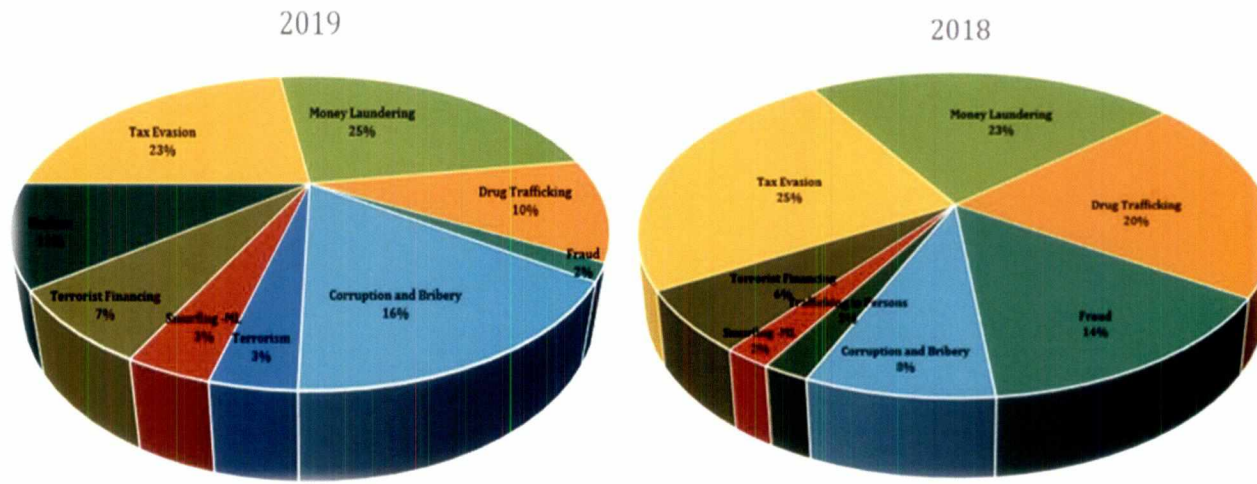
An overview of the types and number of intelligence reports produced for the period 2017 to 2019 is presented in the chart below.



**Principal Offences**

The reports disseminated by the FIU in 2019 were based on suspicion of money laundering and other predicate offences such as tax evasion, illicit trafficking in narcotic drugs, and corruption. The chart below provides an overview of the categories of offences on which the reports for 2018 and 2019 were based.





### Recipients of Intelligence Reports

The Special Organised Crime Unit (SOCU) receives most of the reports disseminated by the FIU. In 2019 thirty-nine (39) of the fifty-seven (57) reports were disseminated to the SOCU. SOCU's primary function is the investigation of money laundering and terrorist financing related offences and to recommend cases for prosecution by the Director of Public Prosecution (DPP).

The Table below contains a list of all the recipients of reports disseminated by the FIU in 2018 and 2019.

**Table 15:** Total Reports disseminated by the FIU in 2018 and 2019

RECEIVING AGENCY	2019	2018
Special Organized Crime Unit	39	30
State Asset Recovery Agency	8	4
Guyana Revenue Authority	-	6
Gaming Authority	2	-
Anguilla-FIU	1	-
Barbados FIU	1	-
Colombia FIU	1	-
Dominica FIU	1	-
Jamaica -FIU	-	1
Grenada FIU	-	1
Saint Maarten-FIU	2	-
Suriname FIU	1	-
Trinidad & Tobago FIU	1	8
<b>Total</b>	<b>57</b>	<b>50</b>

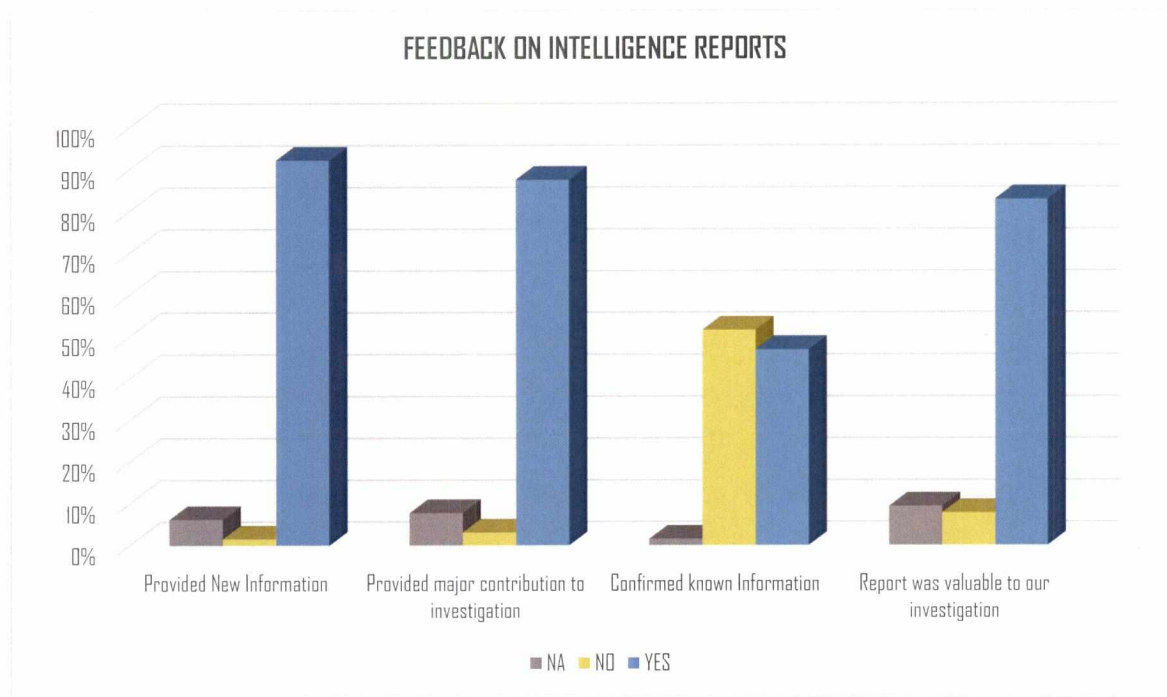
### Feedback on Intelligence Products

Feedback on the FIU's intelligence products is an essential component of the quality control process which helps to determine the adequacy and effectiveness of the Unit's contribution to the AMLCFT efforts in Guyana. The FIU encourages recipients of intelligence information to provide candid feedback on the quality, relevance, and timeliness of its reports. While feedback was not received from all recipients of intelligence information, it was received on most occasions. This provided a sufficiently large sample for the conduct of an assessment.

The following chart provides an overview of the reported value of the information provided by the FIU to law enforcement agencies.

Most of the recipients indicated that the intelligence received contributed to their investigation, provided new information, and was valuable to their investigation.

In fifty-two percent (52%) of the feedback received; it was indicated that the reports confirmed known information.



With respect to the questions regarding the usefulness of the reports, the LEAs responded as follows:

- Analysis - 53%
- Charts - 2%
- Layout - 28%
- Tables - 13%
- Not Applicable - 5%

Seventy-three percent (73%) of respondents rated the **timeliness** of the reports as "excellent", 16% chose "good", and 7% chose "adequate".

The FIU is cognizant of the limitations inherent in these types of surveys and therefore continues to take steps to improve the quality of intelligence products dissemination.

## CHAPTER 3 - TRAINING, OUTREACH AND PUBLIC AWARENESS

### AMLCFT Training and Outreach

Training for reporting entities and other key AML/CFT stakeholders continued to be a priority for the FIU in 2019. The FIU conducted twenty-two (22) AML/CFT training and outreach activities geared towards enhancing the knowledge and skill of these entities and agencies to ensure effective compliance with the obligations under the AML/CFT legislation. These engagements focused on the identification, record-keeping, reporting (including online reporting through the FIU e-reporting platform) and other AML/CFT obligations. Training was also provided on the role and functions of the FIU and its relationship with other key and competent authorities under the AML/CFT regime.

The table below presents information on training the FIU provided to reporting entities in 2019.

#### Training Sessions for 2019

No.	Date	Topic	Type of entity/agency	No. of entities represented	No. of participants
1	29-Jan-19	AML/CFT Obligations - New Registrants	Betting Shops:	2	7
2	27-Feb-19	AML/CFT Obligations - New Registrants	Credit Unions	3	7
3	26-Mar-19	AML/CFT Obligations - New Registrants	Dealers in Precious & Semi-Precious Stones - Licensed Traders	2	2
4	16-Apr-19	AML/CFT Obligations - New Registrants	Used Car/Car Parts Dealers	6	7
5	14-Aug-19	AML/CFT Obligations - New Registrant	Cambio	1	4
6	16-Aug-19	Introduction to FIU Electronic Reporting	Banks	6	12
			Non-Bank Financial Institutions	5	9
			Insurance Companies	11	11
7	19-Aug-19	Introduction to FIU Electronic Reporting	Insurance Brokers	6	7
			Money Transfer Agencies	4	5
			Cambios	9	10
8	20-Aug-19	Introduction to FIU Electronic Reporting	Dealers in Precious Metals - Gold Dealers	9	13
			Dealers in Precious & Semi-Precious Stones - Licensed Traders	8	9
			Betting Shops	8	8
			Lottery	1	1
			Pawnbrokers	25	25
9	28-Aug-19	AML/CFT Obligations - New Registrants	Casino	1	1
			Betting Shops	3	4

The table below contains a list of reporting entities and other agencies that benefitted from FIU's outreach activities during 2019.

#### Outreach activities conducted in 2019

No.	Date	Topic	Coordinating Agency	Participating Entity	No. of participants
1	January 23, 2019	RE Registration Obligation	Department of Cooperatives	Credit Unions	52
2	February 21, 2019	Importance of the AML/CFT Act to the Department	Department of Cooperatives	Department of Cooperatives	13
3	March 8, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	26
4	April 4, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	31
5	June 18, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	32
6	June 24, 2019	REs Reporting Obligations	Gaming Authority	Betting Shops/Lottery/Casino	12
7	June 25, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	24
8	August 7, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	37
9	August 9, 2019	AML/CFT Environment in Guyana - Implication for Accountants	HBL R. Seebarran & Co. Chartered Accountants Auditors	Audit Firm	15
10	August 15, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	31
11	September 9, 2019	Key issues for Guyana to consider whilst preparing for ML/TF NRA as well as undergoing 4th ME Guyana's AML/CFT Regime - Preparation for 4th Round ME - Examination of Bahamas' 4th Round ME	AML/CFT/PF National Coordination Committee	Trained Assessors and members of the AML/CFT/PF National Coordination Committee	20
12	October 7, 2019	Presentation on the Background and History of Guyana's AML/CFT regime.	Guyana Police Force	Commissioner of Police	2
13	October 11, 2019	AML/CFT Obligations	Department of Cooperatives	Friendly Societies and Cooperatives	17

#### Registration of Reporting Entities

In 2018 the AML/CFT Act of 2009 was amended creating a mandatory provision for reporting entities to register with the FIU, for the purpose of monitoring compliance with the AML/CFT Act. In keeping with this new requirement, during 2019 the FIU formally registered one hundred and twenty-three (123) reporting entities. Thirty-three (33) are new registrants that must complete the AML/CFT introductory training by the FIU before the commencement of their reporting obligation. The reporting entities registered in 2019 were as follows:

Categories of Entities Registered in 2019

Type of Entity registered	No. of Entity Registered in 2019
Pawnbrokers	21
Real Estate Agents	2
Used Car Dealers	36
Cooperatives	11
Friendly Societies	33
Credit Unions	7
Betting Shops	2
Dealers in Precious & Semi-Precious Stones – Licensed Traders	9
Dealers in Precious Metals – Gold Dealers	1
Cambio	1

### Circulars/Advisories/Notices/Publications

The FIU continued to update reporting entities in a timely manner about concerns, changes, and weaknesses in the international AML/CFT system. During 2019 the FIU issued eight (8) Circulars to reporting entities (via their respective Supervisory Authorities). Those Circulars were based on the FATF and CFATF Public Statements and Global Compliance Documents. Reporting entities were advised to, among other things, take the FATF and CFATF statements into account when considering whether a particular transaction should be reported to the FIU as a suspicious transaction.

Circulars issued to reporting entities and published during 2019 were as follows:

**Table 6 - Circulars issued to reporting entities – 2019**

No.	Date Issued	No.	Particulars
1	28-Feb-19	Circular No. 1 of 2019	Financial Action Task Force (FATF) Public Statement of February 22, 2019 relating to high-risk and non-cooperative jurisdictions.
2	28-Feb-19	Circular No. 2 of 2019	Financial Action Task Force (FATF) Public Document of February 22, 2019 on Improving Global AML/CFT compliance: Ongoing Process.
3	24-Jun-19	Circular No. 3 of 2019	Financial Action Task Force (FATF) Public Document of June 21, 2019 on Improving Global AML/CFT compliance: Ongoing Process
4	24-Jun-19	Circular No. 4 of 2019	Financial Action Task Force (FATF) Public Statement of June 21, 2019 relating to high-risk and non-cooperative jurisdictions.
5	28-Jun-19	Circular No. 5 of 2019	Obligations of Reporting Entities in relation to TFS against Terrorism, Terrorist Financing and Proliferation.
6	23-Oct-19	Circular No. 6 of 2019	Financial Action Task Force (FATF) Public Document of October 18, 2019 on Improving Global AML/CFT compliance: Ongoing Process.
7	23-Oct-19	Circular No. 7 of 2019	Financial Action Task Force (FATF) Public Statement of October 18, 2019 relating to high-risk and non-cooperative jurisdictions.
8	4-Dec-19	Circular No. 8 of 2019	Caribbean Financial Action Task Force (CFATF) Public Statement of November 27, 2019. Jurisdiction with strategic AML/CFT deficiencies that has not made sufficient progress in addressing the deficiencies.

In 2019 the FIU also issued one Publication in the daily newspapers notifying all persons whose regular occupation or business is the carrying on of any activity listed in the First Schedule of the AML/CFT Act 2009 (as amended) to register with the FIU in accordance with section 19(4) of the said Act.

## **Trends and Typologies**

Conducting research into trends and developments associated with money laundering and terrorist financing to educate reporting entities and the public and to create awareness, are also functions of the FIU. In this regard, the FIU completed two (2) typologies in 2019 titled “Money Transfer Agencies Typology 2016-2018” and “Structuring: Use of MTA - submitted to CFATF”. These were based on information and data for the period 2016-2018. The typologies sought to highlight how money transfer agencies can be used to launder proceeds of crime. Typologies are available to the public via the FIU website [fiu.gov.gy](http://fiu.gov.gy).

## **United Nations Consolidated List and Updates**

The FIU, in keeping with its obligation to inform reporting entities about updates to the United Nations Consolidated List continued to monitor updates by the UN and inform reporting entities accordingly. In 2019 the reporting entities received updates through their respective supervisory authorities, of fifteen (15) additions, eighty-three (83) removals and ninety-four (94) amendments to the UN Consolidated Lists.

A reporting entity is required to have systems in place to determine whether it is dealing with any person or entity or hold funds or other assets of a person or entity listed on the UN Consolidated List. Any dealings with a person or entity on the UN Consolidated List must be reported without delay to the Director, FIU.

Reporting entities were also instructed to take action as required under sections 68A to 68H of the AML/CFT Act 2009 as amended and regulations 3, 4 and 5 of the AMLCFT. Regulations No. 4 of 2015 as amended set out the provisions for Targeted Financial Sanctions related to terrorism, terrorism financing and proliferation financing.

## **National Risk Assessment**

Guyana commenced its second National Risk Assessment (NRA) exercise in November 2019. This is in keeping with FATF Recommendation 1 that requires countries to:

- Assess their ML/TF risks and apply a risk-based approach,
- Put measures in place to mitigate identified risks, and
- Keep their ML/TF risk assessments updated.

The World Bank once again provided technical assistance and guidance to Guyana for its NRA exercise. The second NRA will allow Guyana to identify any new or emerging money laundering or terrorist financing risks, threats or vulnerabilities including the risks posed the emerging the oil and gas sector, proliferation financing, virtual assets and illegal wildlife trade. This will allow the country, to not only understand and appreciate the ML/TF risks to the country, but also to be better prepared for its scheduled CFATF fourth round mutual evaluation.

The NRA exercise which is scheduled to conclude in September 2020 is being conducted by a working group of seventy-four (74) persons representing forty-five (45) public and private sector organizations in Guyana. The exercise is being coordinated by a representative of the FIU and as recommended by the World Bank, the FIU is also represented on all eight (8) of the teams which make up the NRA working group. The teams are Threat Assessment, National Vulnerability, Banking Sector, Insurance Sector, Other Financial Institutions, Securities Sector, Designated Non-Financial Business or Profession, and Financial Inclusion.

### **AMLCFT & PF National Co-ordination Committee**

As a member of the AMLCFT & PF National Co-ordination Committee, the FIU continued to attend and participate in discussions of all meetings of the Committee and provided updates on its role and functions. The FIU also coordinated a seminar on Guyana's Preparation for CFATF Fourth Round Mutual Evaluation and made presentations to the AMLCFT & PF Committee members and trained assessors on the following:

- a) CFATF Fourth Round Procedures
- b) FATF Recommendations and Methodology for assessing technical compliance and effectiveness.
- c) Maintaining AML/CFT related data and statistics in accordance with the requirement of FATF Recommendation 33

### **Caribbean Financial Action Task Force**

The Caribbean Financial Action Task Force (CFATF) is an organization comprising of twenty-five (25) states and territories of the Caribbean Basin, Central and South America who have agreed to implement common countermeasures to address the problem of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The organization's main objective is to achieve effective implementation of, and compliance with, the FATF recommendations to prevent and deter money laundering and to counter the financing of terrorism and proliferation of weapons of mass destruction.



This objective is met through conducting *mutual evaluations*<sup>6</sup> and *plenary meetings*<sup>7</sup>, providing *training*, and acting as liaison to channel *technical assistance* from relevant donors to member countries.

Guyana became a member of the CFATF in 2002.

### **CFATF Fourth Round Mutual Evaluations**

The CFATF is conducting a fourth round of Mutual Evaluations (ME) for its members based on the FATF Recommendations (2012), and the Methodology for assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (2013), as amended from time to time. This process commenced in 2016 and is expected to conclude by 2025.

The ME involves two inter-related components for technical compliance and effectiveness. The technical compliance component assesses whether the country has the necessary laws, regulations or other required measures in effect, and whether the supporting AML/CFT institutional framework is in place. The effectiveness component on the other hand, assesses whether the country's AML/CFT systems are working, and the extent to which it is achieving the defined set of outcomes.

The ME process requires assessors<sup>8</sup>, in collaboration with the CFATF Secretariat, to prepare a report referred to as a Mutual Evaluation Report (MER), following an assessment. The MER provides a summary of the AML/CFT measures in place at the time of a country's assessment. It analyses the country's level of compliance with the FATF Recommendations as well as the level of effectiveness of the country's AML/CFT systems and provides recommendations on how the system could be strengthened.

Following a ME, an assessed country is subject to a *follow-up process*, which may be either a *regular follow-up*<sup>9</sup> or an *enhanced follow-up*<sup>10</sup> (which involves the FATF-International Cooperation Review Group (ICRG) in the monitoring process). A follow-up process is intended to:

- Encourage members' implementation of the FATF Standards.

<sup>6</sup> An evaluation of a country's compliance with the FATF Recommendations

<sup>7</sup> Semi-annual meetings that allow for discussion of matters of common interest to members as well as progress in addressing deficiencies identified in their Mutual Evaluation Report

<sup>8</sup> Persons trained by the CFATF Secretariat to conduct assessment of countries' AML/CFT regimes

<sup>9</sup> The default mechanism to ensure a continuous and on-going system of monitoring.

<sup>10</sup> Based on the CFATF's traditional policy that deals with members with significant deficiencies in their AML/CFT systems and involves a more intense process of follow-up.

- Provide regular monitoring and up-to-date information on countries' compliance with the FATF Standards.
- Apply sufficient peer pressure and accountability and
- Better align the CFATF and the *Financial Sector Assessment Programme*<sup>11</sup> (FSAP) assessment cycle.

Guyana, having successfully exited the CFATF's third round mutual evaluation process in October 2016, has since commenced preparation for its fourth round of mutual evaluation, which is scheduled for the second quarter of 2023.

### **CFATF Plenary and Working Group Meetings**

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

The FIU attended the CFATF's Plenary and Working Group meetings held in May 2019 in Port of Spain, Trinidad and Tobago and in November 2019 in St. John's, Antigua and Barbuda, as part of Guyana's delegation.

### **FIU Participation in the Work of the CFATF**

During the November 2018 to November 2019 period, an FIU representative Co-Chaired the CFATF Risk Trends and Methods Group (CRTMG).

The CRTMG is one of five (5) working groups of the CFATF with responsibility for:

- a) Conducting research to identify and analyze money laundering, terrorist financing and other threats to the integrity of the financial system, including the methods and trends involved.
- b) Supporting national, regional and global threat and risk assessments
- c) Providing input to the Working Group on FATF Issues (WGFI) on areas where new policies or guidance could be developed.
- d) Serving as a focal point for expertise on operational AML/CFT matters within the CFATF
- e) Providing input to the CFATF Risks Trends and Methods Group (CRTMG) working papers and ongoing projects.

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<sup>11</sup> A comprehensive and in-dept analysis of a country's financial sector.

- f) Engaging and consulting with selected private sector, civil society, and other experts on matters within the framework of this mandate.
- g) Undertaking any other research as assigned to it by the Plenary.

The CRTMG Co-Chair coordinated the preparation of a Project Plan for the execution of four (4) projects to be completed by the CRTMG by November 2021. These projects include:

- A **Stocktaking Exercise on De-risking in the Caribbean Region (Second Phase)** which was completed in May 2019.
- The **CFATF ML/TF Typology/Case Update** which was completed in November 2019.
- **Financial Flows from Human Trafficking**, to be completed by November 2020.
- **Vulnerabilities in the concealment of Beneficial Ownership information** to be completed by November 2021.

These projects seek to enhance the knowledge of the CFATF membership as well as the FATF and other FATF styled regional bodies on developing or new ML/TF risks, trends and methods.

## CHAPTER 4 - NATIONAL AND INTERNATIONAL COOPERATION

### Memorandum of Understanding (MOU)

The FIU recognizes the importance of co-operation both nationally and internationally in keeping with FATTF Recommendations 2 and 40 respectively. In this regard the Unit prioritized the establishment of MOUs between local stakeholders and with FIUs in the region and wider afield. This is to allow for greater efficiency in the sharing of intelligence in the fight against ML, TF and other financial crimes.

In November 2019, FIU Guyana signed MOUs with the FIUs of Saint Kitts and Nevis, and Aruba. This brought the total number of international MOUs signed to date, to twelve (12). These MOUs provide a framework within which information can be shared with counterpart FIUs and other international organizations.

**Signing of MOUs – FIU Guyana and the FIUs of Aruba and St Kitts and Nevis.**

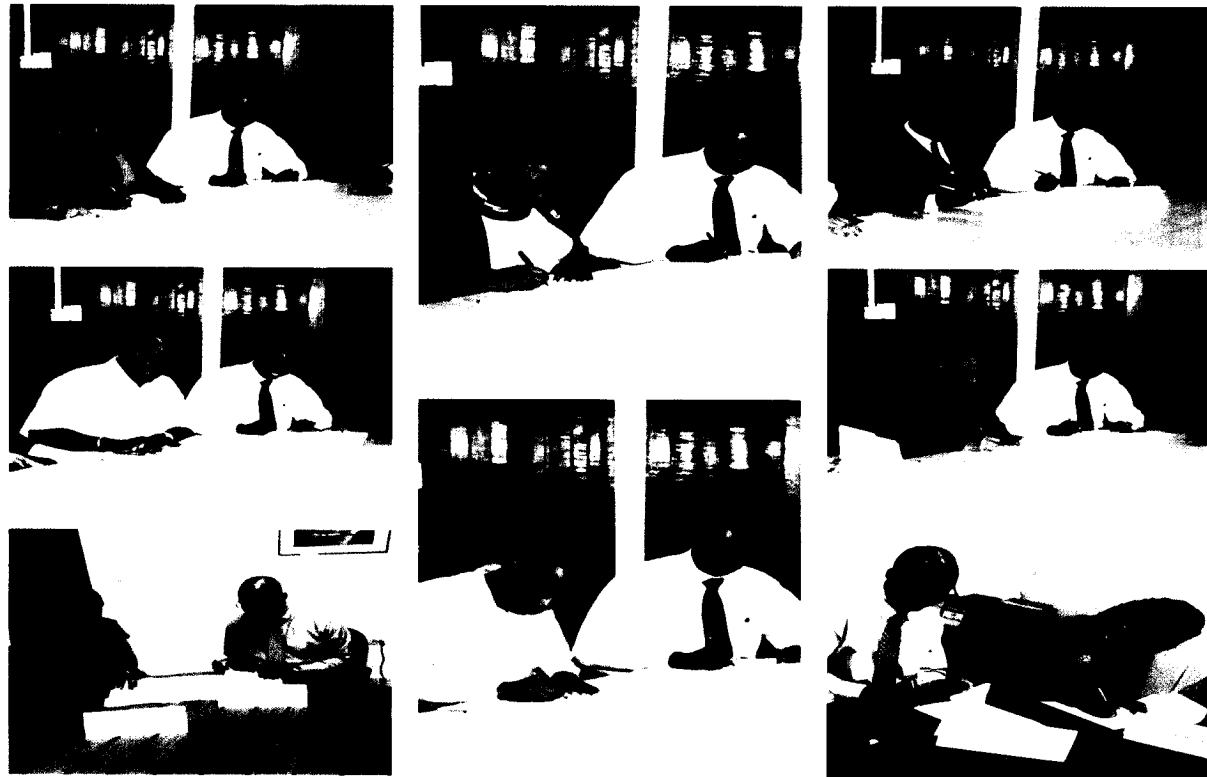


MOUs were also signed with eleven (11) local competent authorities to facilitate easier sharing of information.

A list of the local agencies with which the FIU signed MOUs in 2019 is presented below:

1. Guyana Geology & Mines Commission
2. Bank of Guyana
3. Gaming Authority
4. Guyana Gold Board
5. Registrar of Friendly Society
6. Chief Co-operative Development Officer
7. Guyana Securities Council
8. Land Registry
9. Guyana Revenue Authority
10. Deeds Registry
11. Commercial Registry

#### SIGNING OF MOUs – FIU Guyana and local competent authorities



## Request for Assistance

The number of requests for assistance received has increased more than two-fold between 2018 and 2019. The additional MOUs paved the way for increased information exchange and have resulted in a significant increase in local and international requests for information from thirty-one (31) in 2018 to sixty-eight (68) in 2019. While the number of requests from local agencies far exceed those from international counterparts the increase in requests from foreign counterparts is nevertheless significant.

The number of international requests received in 2019 was seventeen (17), which is more than four times the amount received in 2018. Local requests for information in 2019 was twice as much what was received in 2018. The requests covered a range of predicate offences which include corruption and bribery, and illicit trafficking in narcotic drugs.

The table below provide information on requests received by the FIU over the past two years (2018 & 2019).

**Table 18** – Information Requests and Disclosures by Categories of Offences/Red Flags for 2019 & 2018

Incoming Requests and Disclosures (Received by the FIU)	Armed Robbery	Corruption & Bribery	Drug Trafficking	Fraud	Money Laundering	Smuggling (Gold, etc.)	Smuggling	Tax Evasion	TF	TIP	Unclear	Grand Total
Information Requests Received - International	-	-	2	2	3	-	2	-	2	-	6	17
Responses Received - International	-	-	1	-	-	-	-	-	1	-	-	2
Spontaneous Disclosure Received - International	-	-	-	-	1	-	-	-	-	-	-	1
Information Requests Received- Local	2	15	10	4	6	2	-	-	-	-	7	46
Spontaneous Disclosure Received - Local	-	-	-	2	-	-	-	-	-	-	-	2
<b>2019 GRAND TOTAL</b>	<b>2</b>	<b>15</b>	<b>13</b>	<b>8</b>	<b>10</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>13</b>	<b>68</b>
Information Requests Received - International	-	-	-	2	-	-	-	-	1	1	-	4
Responses Received - International	-	-	-	-	1	-	-	-	-	-	-	1
Spontaneous Disclosure Received - International	-	-	-	-	-	-	-	-	1	1	-	2
Information Requests Received- Local	-	5	5	6	3	-	-	-	-	-	4	23
Spontaneous Disclosure Received - Local	-	-	-	-	-	-	-	1	-	-	-	1
<b>2018 GRAND TOTAL</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>31</b>

## Information Exchange

The exchange of information is very important to the fight against money laundering and terrorist financing. International information exchange activity in 2019 was greater than 2017 and 2018 combined. MOUs with other regional FIUs had a positive impact on the level of information sharing among these FIUs.

The tables below contain details of information exchange (received and sent) between the Guyana FIU and its' international counterparts for the period 2017 to 2019.

**Table 20: International Exchange of information 2017 to 2019 - RECEIVED**

ORIGINATING AGENCY	YEAR	Information Requests Received - International	Responses Received - International	Spontaneous Disclosure Received - International	TOTAL
Anguilla-FIU	2019	1			1
Antigua and Barbuda-FIU		2			2
Barbados FIU		5			5
Grenada FIU		1			1
Jamaica-FIU				1	1
Saint Kitts and Nevis-FIU		1			1
Saint-Maarten -FIU		1			1
Turks and Caicos Islands-FIU		1			1
Trinidad and Tobago-FIU		5		1	6
<b>TOTAL</b>			<b>17</b>	<b>2</b>	<b>0</b>
Trinidad & Tobago - FIU	2018	2	1	2	5
Cayman Islands - FIU		1			1
Grenada - FIU		1			1
<b>TOTAL</b>		<b>4</b>	<b>1</b>	<b>2</b>	<b>7</b>
Panama - FIU	2017	1			1
Trinidad & Tobago - FIU				2	2
<b>TOTAL</b>		<b>1</b>	<b>-</b>	<b>2</b>	<b>3</b>

International Exchange of information 2017 to 2019 - SENT

RECEIVING AGENCY		Information Requests Sent - International	Responses Sent - International	Spontaneous Disclosure Sent - International	Total	
Anguilla-FIU	2019		1		1	
Barbados FIU			1		1	
Colombia FIU					1	1
Saint-Maarten -FIU				2		2
Suriname FIU						1
Trinidad & Tobago - FIU		1	1	1	1	2
Dominica FIU					1	1
<b>Grand Total</b>			<b>1</b>	<b>5</b>	<b>3</b>	<b>9</b>
Grenada - FIU	2018		1		1	
Jamaica - FIU		1			1	
Trinidad & Tobago - FIU		2	3	3	8	
<b>Grand Total</b>		<b>3</b>	<b>4</b>	<b>3</b>	<b>10</b>	
Barbados - FIU	2017	1			1	
Morocco - FIU				1	1	
Nigeria - FIU				1	1	
Panama - FIU		3			3	
<b>Grand Total</b>		<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	

## Domestic Cooperation

Local cooperation and collaboration are essential to the fight against money laundering. Cooperation among local competent authorities and AMLCFT stakeholders increased in 2019. The new MOUs with local stakeholders contributed to the 100% increase in the number of information requests received in 2019. More than half of the local requests came from the SOCU (24).

Corruption and illicit trafficking in narcotic drugs were the major offences that featured in the requests received by the FIU. Corruption and Bribery accounted for almost a third (33%) of all requests while illicit trafficking in narcotic drugs accounted for almost twenty-two percent (22%) of total requests received by the FIU. A detailed view of the suspected offences that featured and the recipients of the reports is presented in the table below.

RECEIVING AGENCY	Armed Robbery	Corruption & Bribery	Drug Trafficking	Fraud	Money Laundering	Smuggling Other	Smuggling Precious Metals	Tax Evasion	Other/Unclear	Grand Total
<b>2019</b>										
Securities Commission					1					1
Gaming Authority					2				1	3
CANU									1	1
SARA		14	1						2	17
SOCU	2	1	9	4	3	1	1		3	24
<b>Grand Total</b>	<b>2</b>	<b>15</b>	<b>10</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>1</b>		<b>7</b>	<b>46</b>
<b>2018</b>										
Guyana Police				1						1
SARA				5	3				4	12
SOCU		5	5							10
Anonymous								1		1
<b>Grand Total</b>		<b>5</b>	<b>5</b>	<b>6</b>	<b>3</b>			<b>1</b>	<b>4</b>	<b>24</b>



## Projections for 2020

Among other key goals, the FIU's trajectory for 2020 includes the following:

- Continuing to plan and execute AML/CFT training for reporting entities and develop public awareness programmes for public and other key stakeholders.
- Updating the AML/CFT Guidelines previously issued in keeping with amendments made to the AML/CFT legislation.
- Developing AML/CFT Handbook for reporting entities on their general obligations under the AML/CFT legislation.
- Continuing to monitor publications by the UN Security Council and alert reporting entities accordingly.
- Developing publicly known procedures for submitting de-listing requests to the relevant UN Security Council Sanctions Committee in case of designated persons or entities that, do not or no longer meet the criteria for designation.
- Continuing to attend and participate at the CFATF's Plenary and Working Group meetings and contribute to the work of the CFATF by providing feedback and comments on publications and ML/TF case updates.
- Continuing to develop the units' information technology capacity.
- Continuing to improve the quality and increase the quantity of intelligence reports, typologies, and trend analysis.
- Improving database management and case management systems.
- Continuing to develop the human resource expertise of the FIU through training and mentorship.
- Actively participating and contributing to the NRA exercise, with respect to the national action plan, national strategy and other related tasks assigned by the AMLCFT & PF National Coordination Committee.

## APPENDIX - AUDITED ANNUAL STATEMENT OF ACCOUNTS

### Audit Opinion



### *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel. 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG:91/2020

17 September 2020

**REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE FINANCIAL INTELLIGENCE UNIT  
ON THE STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

#### *Opinion*

I have audited the Statement of Receipts and Expenditures of the Financial Intelligence Unit (FIU) for the year ended 31 December 2019, and notes to the financial statement, including a summary of significant accounting policies.

In my opinion, the Statement of Receipts and Expenditures presents fairly, in all material respects, the receipts and expenditures of the Financial Intelligence Unit (FIU) for the year ended 31 December 2019, in accordance with Generally Accepted Accounting Principles (GAAPs).

#### *Basis for Opinion*

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

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

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

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

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

*Auditor's Responsibilities in the Audit of the Financial Statement*

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

As part of an audit in accordance with ISAs and ISSM's, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement, or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

## Financial Statements

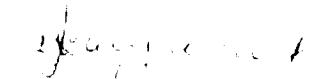
### FINANCIAL INTELLIGENCE UNIT

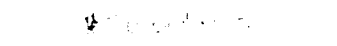
#### STATEMENT OF RECEIPTS AND EXPENDITURES

##### FOR THE YEAR ENDED 31 DECEMBER 2019

<u>PARTICULARS</u>	<u>NOTES</u>	<u>2019</u> <u>US</u>	<u>2018</u> <u>US</u>
<b><u>RECEIPTS</u></b>			
Government of Guyana	4	117,929,790	101,747,325
<b><u>EXPENDITURE</u></b>			
Capital Expenditure			989,812
Employment Cost	5	96,493,997	77,495,611
Office Materials and Supplies	6	9,908	411,301
Vehicle expenses (Fuel, Lubricants, Repairs and Maintenance)	7	13,158	168,073
Repairs & Maintenance (Building and Equipment)	8	4,969,960	4,893,317
Telephone and Internet Charges	9	923,625	819,012
Cleaning and Sanitation	10	33,081	
Subsides and contributions to International Organisations	11	17,080,099	964,223
Training & Professional Services	12	5,959,688	5,817,015
Others	13	346,275	7,833,817
Meetings and Conferences			
<b>TOTAL EXPENDITURE</b>		<b>117,929,790</b>	<b>101,747,325</b>

Approved for Issuance on September 16, 2020 by

  
**MATTHEW LANGEVINE**  
 DIRECTOR

  
**SURENDRA L. BOODHOO**  
 ACCOUNTANT

The accompanying notes form an integral part of this Statement.

## **Financial Intelligence Unit**

### **Notes to the Financial Statement** **For the year ended 31 December 2019**

#### **1. Background**

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

#### **2. Key functions of the Financial Intelligence Unit**

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

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

#### **3. Basis of Accounting**

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

#### 4. Receipts from Government of Guyana

##### Current 2018

Allocation of \$133,449,488 was approved in the 2018 Budget to finance the re-current expenditure of the FIU. The total amount expended for 2018 was \$100,757,813.

##### Capital 2018

Allocation of \$989,512 was approved in the 2018 Budget to finance the capital expenditure of the FIU. The total amount expended for 2018 was \$989,512.

##### Current 2019

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

##### Capital 2019

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

#### 5. Employment Cost

Description	Amount 2019 \$	Amount 2018 \$
Gross salaries, gratuity, and vacation allowances for eleven (11) employees	90,493,992	73,195,161
<b>Total</b>	<b>90,493,992</b>	<b>73,195,161</b>

#### 6. Office Materials and Supplies

Description	Amount 2019 \$	Amount 2018 \$
Stationery, printing of business cards and letter heads and other office materials	1,591,908	411,150
<b>Total</b>	<b>1,591,908</b>	<b>411,150</b>

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

Description	Amount 2019 \$	Amount 2018 \$
Fuel and lubricants for 2005 Toyota Hilux & 2017 Honda CRV	393,237	468,073
Repairs and maintenance for 2005 Toyota Hilux & 2017 Honda CRV	137,921	
<b>Total</b>	<b>531,158</b>	<b>468,073</b>

**8. Repairs and Maintenance (Building and Equipment)**

Description	Amount 2019 \$	Amount 2018 \$
Repairs & Maintenance - Equipment	4,969,960	4,189,317
<b>Total</b>	<b>4,969,960</b>	<b>4,189,317</b>

**9. Telephone and Internet Charges**

Description	Amount 2019 \$	Amount 2018 \$
Telephone charges for 4 land lines and one cell phone	743,626	879,012
Internet charges for 10mbps secured internet service	180,000	
<b>Total</b>	<b>923,626</b>	<b>879,012</b>

**10. Cleaning and Sanitation**

Description	Amount 2019 \$	Amount 2018 \$
Payment for 2 sanitact standard regular located at middle floor washroom (Admin) FIU	33,084	-
<b>Total</b>	<b>33,084</b>	<b>-</b>



**11. Subsidies and Contributions to International Organisations**

Description	Amount 2019 \$	Amount 2018 \$
Caribbean Financial Action Task Force (CFATF) membership fees for 2019.	12,080,099	11,964,223
<b>Total</b>	<b>12,080,099</b>	<b>11,964,223</b>

**12. Training and Professional Services**

Description	Amount 2019 \$	Amount 2018 \$
Training and attendance of overseas and local conferences, training meetings held with reporting entities by FIU staff.	5,959,688	5,817,035
<b>Total</b>	<b>5,959,688</b>	<b>5,817,035</b>

**13. Others**

Description	Amount 2019 \$	Amount 2018 \$
Advertisements placed in local newspapers, postages, petty-cash reimbursement, etc.	1,346,275	3,833,842
<b>Total</b>	<b>1,346,275</b>	<b>3,833,842</b>

**14. Fixed Assets**

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

## Management Letter



*Audit Office of Guyana*  
*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana*  
*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

361/OA:2/25/2020

17 September 2020

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

Dear Mr. Langevine,

AUDIT OF THE STATEMENT OF RECEIPTS AND EXPENDITURES  
OF THE FINANCIAL INTELLIGENCE UNIT  
FOR THE YEAR ENDED 31 DECEMBER 2019

The audit of the Statement of Receipts and Expenditures of the Financial Intelligence Unit for the year ended 31 December 2019 has been completed. The following findings are now forwarded for your appropriate action.

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

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

#### FINDINGS AND RECOMMENDATIONS

##### **A. Evaluation of Internal Controls**

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

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

##### Organisational Structure

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

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

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

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

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

#### Accuracy and Reliability of Accounting Records

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

#### Safeguarding of Assets

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

### **B. Statement of Receipts and Expenditures**

#### Financial Operations and Preparation of Statement of Accounts

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

**Management's Response:** The FIU prepares annual financial statements on the basis of records kept by the Ministry of Finance and the FIU. However, the Unit is currently working to undertake the full financial operations of the Unit.

**Recommendation:** The Audit Office recommends that the FIU complies with the requirements of the Act.

Management Committee

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

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

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

**Management's Response:** It was explained that the FIU has a small staff complement currently and also do not have a fully functional Accounting Unit. The Accountant joined the Unit in June 2019 reports directly to the Director. Therefore, the Director takes responsibility of representing the Accounting Unit on the Management Committee. We expect that as the Unit grows and evolve, the makeup of the Management Committee will be subject to review.