2008 Annual Review

Financial Intelligence Unit – Netherlands
## Table of Contents

**Foreword**

**Executive Summary**

1. **An Organization on the Move**
   1.1 Looking Back on the 2007 Policy Objectives
   1.2 Evaluation of the FIU-Netherlands Project Organization
   1.3 Personnel Policy

2. **Cooperation within the Chain**
   2.1 Links in the Chain
   2.2 Supervision
   2.3 Reporting
   2.4 Investigating
   2.5 Prosecuting
   2.6 Convicting
   2.7 Confiscating

3. **Examples from Everyday Practice**
   3.1 Proliferation
   3.2 La Cuenta
   3.3 On the Trail of a Criminal Sentenced in Default
   3.4 Proceeds of Debit Card Fraud Diverted to Al-Qaeda
   3.5 Suspicious Transactions in the Prostitution Sector
   3.6 Full Operational Lease
   3.7 Turkish Charity Fraud in Germany
   3.8 Skimming
   3.9 Grasshopper

4. **Products and Role of FIU-Netherlands**
   4.1 Status Report
   4.2 Fact-sheet
   4.3 International Money Flow Report
   4.4 Role of Terrorist Financing
   4.5 Use of National Threat Assessments
   4.6 Netherlands Court of Audit Report
   4.7 Financial Crisis
# Table of Contents

5. **Across Borders**
   5.1 International Cooperation 60
   5.2 International Data Exchange 61
   5.3 The Kingdom of the Netherlands 62
   5.4 Financial Action Task Force 67
   5.5 Egmont Group 71
   5.6 European Union 74
   5.7 FIU.NET 75
   5.8 AWF Sustrans 77

6. **FIU-Netherlands in Key Figures**
   6.1 Introduction 80
   6.2 Overall Figures 84
   6.3 Money Transfer Providers 97
   6.4 Key Figures Excluding Money Transfers 112
   6.5 Government 132

7. **Investing in the Future**
   7.1 Looking Back 136
   7.2 Changing Legislation 136
   7.3 2009 Policy Objectives 139
   7.4 Looking Ahead 144

**Appendices**
1. List of Abbreviations Used 148
2. Definitions 150
3. 2008 Money-Laundering Case Law 152
4. List of Indicators 158
5. Profile of FIU-Netherlands 161
Dear Reader,

I am proud to present, on behalf of all the members of staff, the 2008 Annual Review of the Financial Intelligence Unit-Netherlands (FIU-Netherlands). Last year was an eventful but also important year. The FIU-Netherlands project organization was evaluated. The new Money Laundering and Terrorist Financing Act came into force, and we were able to strengthen our contacts with the supervisory bodies, reporting parties, parts of the Kingdom, investigative authorities and foreign Financial Intelligence Units (FIUs).

Last year we wrote that we aimed to raise the bar every year. That is a challenge in itself, but not one we avoid. We (pro)actively looked for ways of improving even further the coordination of our work and activities with those of our partners in the Netherlands and abroad. Entering into (new) collaborative ventures is important for FIU-Netherlands. This features as a key element through this review. Together with our partners, we are able to take action both effectively and efficiently against criminals who are guilty of money laundering and/or terrorist financing.

Complex (inter)national financial structures can only be detected, and assets obtained by criminal means can only be traced, on the basis of qualitative information. A number of Customer Days were organised in 2008. On these Customer Days, reporting parties were provided with relevant information, which will allow them to determine the unusual character of a financial transaction even better.

By maintaining and broadening our contacts with the investigative authorities, we are better able to anticipate the priorities of the regional police forces and other investigative authorities. Cooperation is more effective when the activities of parties are focused on pre-defined objectives. Only then will it be possible to make optimal use of suspicious transactions.

In addition to strengthening the cooperation with national chain partners, we invested heavily in the cooperation with international partners. For instance, several cooperation agreements, i.e. Memoranda of Understanding (MOUs), were concluded with foreign reporting centres. FIU-Netherlands has managed to build a strong information position over the years. Thanks to this information position, foreign reporting centres increasingly ask FIU-Netherlands for information. Our information has proved to be of great value in several international investigations.
You will read more about this further on in this annual review.
In order to be able to monitor the integrity of the financial system, it is important that FIU-Netherlands continues to keep up with new social developments in the future. The peripheral effects of the financial crisis have also received our attention. In an economy where several business sectors are under pressure as a result of the economic recession, it is not unthinkable that certain forms of fraud and/or money laundering will increase.

What went well, what can be improved and what are the policy objectives for next year? You will read all about it in this annual review. As the new head of FIU-Netherlands, I would like to join you in finding mutual areas where we can reinforce each other. After all, it takes two to cooperate!

Hennie Kusters

Zoetermeer, 15 December 2009
Executive Summary

The year 2008 will go down as a turbulent year. Changes have occurred, or important developments are in motion, on many fronts.

Legislative Amendment


The expansion of client screening is a direct result of this legislative amendment. For instance, it has been determined that institutions must identify and verify the Ultimate Beneficial Owner (UBO) of a transaction. They are also obliged to take further steps in case of Politically Exposed Persons (PEP), and in cases where there is an increased risk of money laundering or terrorist financing. The new law now also covers the category of “other traders”, not being the “classic” traders in objects of great value. “Other traders” must report transactions which come to or exceed the objective limit of €15,000 (in cash), and where there is reason to believe that these may be connected with money laundering or terrorist financing. Therefore, they report from an objective (identification) limit, but under a subjective indicator.

Evaluation of the Project Organization

The FIU-Netherlands project organization came about through the merger between the former Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions. It has been determined that the project organization will be placed with the Netherlands Police Agency for management purposes for a period of 2.5 years. The project period of 2.5 years started on 1 January 2006 and ended on 1 July 2008. The parties have agreed that, at the end of the project period, the new organization and its environment will be evaluated before taking a final decision on the merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions and the placement of FIU-Netherlands with the Netherlands Police Agency for management purposes. An independent investigation bureau carried out the evaluation study by order of the Ministry of Justice. You will read more about the results of the evaluation in Section 1.2.
Unusual Transactions
A striking development in 2008 was the increase in the number of unusual transactions. This increase does not seem to tie in with the chosen policy of the past few years, which was specifically aimed at reducing the number of reports. Therefore, the increase in 2008 can for the most part be attributed to a bulk of close to 175,000 outstanding reports with a subjective character, which were filed by a frequent reporter of money transfers. Without these reports, a slight decrease would have occurred in the total number of unusual transactions in 2008.

Money Transfers
In 2008, the number of reports of money transfers almost doubled in relation to 2007. An explosive increase can be seen in the number of reports of money transfers of a subjective nature, largely as a result of the bulk of outstanding reports, but also as a result of the fact that the other reporting parties filed a relatively larger number of subjective reports. This is in contrast to a smaller decrease in the number of money transfers with an objective character. The objective reporting obligation for this financial service was transferred from agents to providers on 1 June 2008.

Non-monetary Transfers
Despite the growth in the number of reports from, amongst others, professionals – particularly civil-law notaries – and Customs, the number of reports of non-monetary transfers decreased further in 2008. This decrease, which was caused by an increase in the objective reporting limit from €15,000 to €25,000, was particularly evident in the case of traders in objects of great value. The new group of traders, referred to as the “other traders”, hardly filed any reports. The banking sector also filed fewer reports in 2008.

The reports of non-monetary transfers seem to pale into insignificance when compared with the enormous number of money transfers which FIU-Netherlands received; in 2008, 94% of the unusual transactions consisted of money transfers. Reports of non-monetary transfer transactions are nevertheless of great value for FIU-Netherlands and the investigation services which eventually use the suspicious transaction information. Traders, professionals, government institutions (e.g. Customs) and traditional reporting parties (e.g. banks and casinos) provide insight from different perspectives into what takes place during the various phases of the money-laundering process and within the scope of terrorist financing. Incidentally, the percentage of reports that were forwarded over the years is almost the same for both categories: To date, FIU-Netherlands has transmitted 19% of all the money transfers in the database. It transmitted 18% of all the non-monetary transfers.
Suspicious Transactions
Due to the much larger supply of unusual transactions, FIU-Netherlands was also able to label a considerably larger number of transactions as suspicious in 2008: Over 54,000 transactions were transmitted to the (special) investigation services. FIU-Netherlands has seen its efforts to induce investigation services to make effective use of this information in current or new investigations increasingly rewarded.

For instance, in 2008, the number of searches on the Intranet Suspicious Transactions (IST) increased by 20% in relation to 2007. The number of official reports which investigation services prepared on the basis of suspicious transactions remained practically the same.
### Chronologie

<table>
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| January | • Took part in the international EU meeting: EU-FIU platform  
          • Took part in the international FIU.NET Board of Partners Meeting |
| February| • Took part in the international EU meeting: EU-FIU platform  
          • Took part in the international FIU.NET Workshop |
| March   | • Took part in the international Egmont Group meeting in Chile: Committee and Working Group meeting  
          • Customer Day for civil-law notaries  
          • Cooperation agreement between the Rotterdam-Rijnmond (regional) police force, the Regional Crime Investigation Department and FIU-Netherlands signed  
          • Increase in the objective reporting limit for “traders in objects of great value” from €15,000 to €25,000  
          • Transfer of the objective obligation to report from agents to providers (money transfers) |
| April   | • Took part in the international EU meeting on cash controls 1889/2005  
          • Took part in the international FIU.NET Board of Partners Meeting  
          • Kosovo delegation visited FIU-Netherlands  
          • Renewal of the Memorandum of Understanding (MOU) Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)  
          • FIU-Russia delegation visited FIU-Netherlands |
| May     | • Took part in the International Egmont Group Meeting in Seoul: Plenary Session and Working Group Meeting  
          • Memorandum of Understanding (MOU) between the Centre for Combating Economic Crime and Corruption of Republic of Moldova (Molico) Moldavia and FIU-Netherlands signed  
          • Cooperation agreement between the (Dutch) Tax and Customs Administration/Customs and FIU-Netherlands signed |
| June    | • Took part in the (conducting) financial investigations expert meeting in Bramshill: Dutch police/FIU-Netherlands – SOCA  
          • Took part in the International EU Meeting: EU-FIU platform  
          • Took part in the international FIU.NET meeting  
          • Issued the Netherlands Court of Audit report: Fighting Money Laundering and Terrorist Financing  
          • Cooperation agreement between the Prosecution Service Criminal Assets Deprivation Bureau and FIU-Netherlands signed  
          • Memorandum of Understanding (MOU) between the Ukraine and FIU-Netherlands signed  
          • Memorandum of Understanding (MOU) between the Unidad de Inteligencia Financiera (UIF) Mexico and FIU-Netherlands signed |
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<td>July</td>
<td>• Delegation Landes Kriminal Amt Nord-Rhein Westfalen visited FIU-Netherlands</td>
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  • The Third Money Laundering Directive brought about a considerable broadening of the definition of “traders in objects of great value”. Whereas before the obligation to identify clients and report unusual transactions only applied to traders in certain designated objects of great value, this obligation now applies to all traders in goods who accept cash payments of €15,000 or more.  
  • Answering Parliamentary questions about the Netherlands Court of Audit report: Fighting Money Laundering and Terrorist Financing  
  • Publication of the National Threat Assessment: Partial report on money laundering  
  • The new head of FIU-Netherlands took office |
| September | • Took part in FIU.NET expert meeting  
  • Issued report of the evaluation of FIU-Netherlands: Towards a More Visible and Effective FIU-NL |
| October | • Decision of the (Dutch) Supreme Court on the question whether tax fraud automatically leads to money laundering. The essence of the judgement is that assets which a person has at his/her disposal as a result of tax evasion cannot be regarded as objects “derived (...) from some crime” within the meaning of Sections 420bis and 420quater of the Penal Code.  
  • Lecture by the Disciplinary Board for the (Dutch) Tax and Customs Administration (in cooperation with the Financial Supervision Office)  
  • Took part in FATF expert meeting in Rio de Janeiro |
| November | • Customer Day for accountants  
  • Laid down agreements FinEC Enhancing the Fight against Financial and Economic Crime Programme  
  • Took part in expert meeting FATF-Moneyval Global Threat Assessment (GTA) meeting in Monaco |
| December | • Customer Day for banks |
1 An Organization on the Move

“Towards a more visible and effective FIU-Netherlands”! That is the title of the evaluation research which investigated the merging of MOT (the Office for the Disclosure of Unusual Transactions) and BLOM (the National Public Prosecutor for Cases Involving Unusual Transactions) and the positioning of FIU-Netherlands within the Netherlands Police Agency. The research has provided us with useful leads to develop the FIU into a recognizable center of excellence. In 2008 various policy aims were successfully realized. A disappointment was the delay in development and implementation of a new ICT-system.
1.1 Looking Back on the 2007 Policy Objectives

Every year, policy objectives are set which determine the activities of FIU-Netherlands. The annual review provides insight into the extent to which the objectives of the previous year were realised (annual cycle). In the last annual review, six policy objectives were set for 2008:

1. Development and Implementation of an ICT System

The current Motion and Winston systems no longer satisfy current requirements. In 2007, the development of a new ICT system was initiated under the project name “InMotion”. A new, state-of-the-art ICT system will allow FIU-Netherlands to conduct investigations with greater speed and efficiency. Also, several arrangements will be made which will enhance the quality of the data. By using a highly secure connection (web-based), it will be possible to transmit transaction information quickly and safely. To develop the new ICT system further (and to put it into operation) has been given a very high priority in 2008.

Progress

Unfortunately, the project has still not led to the desired results. The implementation proved to be more complex than was expected. The part of the new system which was delivered in 2008 did not meet expectations. The further development and implementation is therefore a point of concern. With regard to the ICT facility for FIU-Netherlands, it is expected that a new course will be plotted in 2009.

2. Information & Communication

The www.fiu-nederland.nl website will be developed further within the scope of this informative task. Moreover, several Customer Days will be organised with the chain partners in 2008 (including those for civil-law notaries and banks). New means of communication will be developed for internal and external communication, including folders, a revised list of indicators and the general brochure on the duties and method of operation of FIU-Netherlands.

Relationship Management

FIU-Netherlands wishes to communicate clearly, unambiguously and openly with its environment. Deepening existing relations with reporting institutions, law enforcement agencies and supervisory bodies requires specific attention. The “Strategic Relationship Management Plan” was reassessed in 2008 in order to create a better fit between the various products, and to use them more effectively.
Website
Following the launch of the FIU-Netherlands website towards the end of 2007, this means of communication was developed further in 2008. The website is used to inform target groups about relevant developments, changes in laws and regulations and backgrounds in the area of money laundering and terrorist financing. For instance, the website was used to highlight the implementation of the Money Laundering and Terrorist Financing Act halfway through 2008. The website was also actively used for the Customer Days which FIU-Netherlands organised in 2008. The website was used to inform visitors about all the details. Registration forms and presentations could simply be downloaded. It may be concluded from the number of visitors that an increasing number of visitors managed to find their way to the www.fiu-nederland.nl website in the course of 2008. Many user questions (varying in type and depth) are asked via the website. In short, the website is an effective means of communication.

Customer Days
In 2008, FIU-Netherlands organised three Customer Days in cooperation with relevant chain partners. The three Customer Days were targeted at civil-law notaries, accountants and banks respectively. FIU-Netherlands cooperated closely with the professional associations KNB (the Royal Dutch Notarial Society), the NIVRA (the Royal Netherlands Institute of Registered Accountants), the NOVAA (the Netherlands Organization of Accounting Consultants) and the BFT (Financial Supervision Office) on the Customer Days for civil-law notaries and accountants. The Public Prosecution Service also gave a presentation on these occasions. In consultation with the KNB, the NIVRA and the NOVAA, it was agreed that participants would obtain credits for attending the Customer Day. This shows that, as far as the programmes of the Customer Days are concerned, the professional associations were also enthusiastic about the quality. Both Customer Days were a resounding success, both in terms of the number of registrations (both days were fully booked well in advance) and the content. The Customer Day for banks was realised in consultation with the Dutch National Bank (DNB), the Royal Dutch Banking Association (NVB) and the Public Prosecution Service. On this day, the relationship with the investigative authorities was also explicitly addressed explicitly in the form of a presentation by a representative of the Rotterdam-Rijnmond police force. This Customer Day was also regarded very positively, and was fully booked within a very short time. In total, some 800 people attended the three Customer Days. Although this is but a fraction of the total number of professionals in these groups, we hope that this will have a snowball effect as far as the awareness of the prevention of and fight against money laundering and terrorist financing is concerned.
New Means of Communication

Several products that were developed in 2007, such as the general brochure and the list of indicators, were adapted in 2008 as a result of the changing legislation.

3. National Cooperation

In 2007, the first round of visits to regional police forces took place. These visits will be continued in 2008. Other investigation services will be visited, and the cooperation will be intensified. Investigation services will be informed about the added value of the use of transaction information and analysis products in (criminal) investigations. In order to be better able to match the supply and demand of investigative information, bilateral project agreements will be made between FIU-Netherlands and the police regions.

Visits

In 2008, the visits to the regional police forces continued until the end of June (the intended end date of the project period). Apart from the regional police forces, a number of special investigation services were also informed about the use of transaction information and analysis products.

Daybreak

In 2008, FIU-Netherlands again contributed to a number of (spot) checks under the code “Daybreak”. Staff members were deployed during the nocturnal hours to support the police services when conducting checks in trains or on roads. By asking colleagues in Zoetermeer for suspicious transactions or other financial information, it was possible to conduct quick investigations into the origins of the money that was found.

FinEC

In order to be better able to match the supply and demand of investigative information, FIU-Netherlands approached the FinEC (Financial and Economic Crime) Enhancing the Fight against Financial and Economic Crime Programme. This programme was set up to raise the fight against financial crime in the Netherlands to a higher level. Pilot regions were identified by the programme, and a so-called “FinEC Team” was set up at the National Investigation Service. Structural agreements were made with several pilot regions concerning the exchange of transaction information and/or analyses. In 2009, the cooperation with the FinEC pilot regions will be strengthened through a larger number of quantified project agreements on the use of suspicious transactions.
4. International Cooperation

The further development of international collaborative ventures was one of the key objectives in 2008.

Reinforcing One Another

Because money laundering and terrorist financing are not confined by national boundaries, an international approach is simply a must. FIU-Netherlands invests purposefully in cooperation with international partners. The exchange of strategic and tactical analyses, knowledge and experience is essential for the detection of new forms of money laundering or terrorist financing. In 2008, FIU-Netherlands primarily invested in deepening the cooperation with foreign reporting centres. In this regard, we must point out the operational cooperation with the Swedish reporting centre. By strengthening each other’s information position, we learned about a criminal network that was active in Sweden and the Netherlands. FIU-Netherlands put investigation teams from both countries into contact with each other, as a result of which several arrests could be made. You will read more about the cooperation between FIU-Netherlands and FIU-Sweden further on in this review.

5. Interregional Cooperation

In 2008, more attention will be paid to coordination with the other parts of the Kingdom as far as investigating and prosecuting criminal acts is concerned. Moreover, a project will be launched in 2008 with the Offices for the Disclosure of Unusual Transactions of the Netherlands Antilles and Aruba, and financial analyses will be exchanged. In anticipation of the new political form of the BES islands, coordination with the BES islands will be emphasised.

The Offices for the Disclosure of Unusual Transactions of the Netherlands Antilles and Aruba

FIU-Netherlands intended to launch a collaborative project in 2008 as a means of cooperating more intensely with the Office for the Disclosure of Unusual Transactions of the Netherlands Antilles. Due to a lack of capacity, this was not followed up in 2008.

Investigation of Suspicious Money Flows

Within the scope of an Egmont project, the reporting centres of Peru, Aruba and the Netherlands took the initiative in the middle of 2008 to carry out an investigation into suspicious two-way money flows. The first analyses have been made. In the course of 2009, a comparison of the results of these analyses will be made, and further coordination will take place.
BES Islands

Until now, reports of unusual transactions from the parts of the Kingdom Bonaire, Saint Eustatius and Saba (BES islands) were filed with the Office for the Disclosure of Unusual Transactions in the Netherlands Antilles. It has been decided that Bonaire, Saint Eustatius and Saba will become part of the Netherlands, a public entity in accordance with Section 134 of the Dutch Constitution. With a view to this future political change in the Kingdom of the Netherlands, it is best to examine what consequences this will/may have for the way in which reports of unusual transactions are filed within the parts of the Kingdom. In 2008, the decision was taken to set up a project team. The “BES Project Team” is responsible for carrying out an (exploratory) investigation into the consequences of the political change for FIU-Netherlands. The goal of this (exploratory) investigation is to analyse the risks and items for consideration which form an obstacle to a proper and effective implementation of the statutory tasks of FIU-Netherlands in the BES islands. A plan of action will then be drawn up on the basis of this risk assessment, since this plan will serve as a guideline for the implementation of the proposed solution alternatives. The first steps have been taken. Towards the end of 2009, the exploratory investigation and subsequent plan of action will be delivered.

6. Project-based Approach

In 2007, FIU-Netherlands adopted a project-based approach. In particular, the sharing of knowledge and experience (cross-pollination) across the (police and administrative) columns contributes to an increase in the level of expertise of FIU-Netherlands staff members. FIU-Netherlands will go ahead with the project-based approach in 2008.

Cross-pollination

In order to be able to effectively carry out complex (investigative) projects, several so-called “cross-functional project teams” were formed in 2008, i.e. staff members from different FIU-Netherlands columns come together to cooperate. Each member contributes his/her unique skills and expertise. The deployment of cross-functional teams allows problems to be solved more quickly and efficiently. However, the deployment of these teams is not a goal in itself. When a project plan is elaborated and drawn up, we examine what knowledge and expertise fits in best with the intended objective of the project.
1.2 Evaluation of the FIU-Netherlands Project Organization

When the merger and placement (for management purposes) of the project organization within the Netherlands Police Agency were being considered, it was determined that the new organization and its environment would be evaluated before taking a final decision on the merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions and the placement of FIU-Netherlands within the Netherlands Police Agency. An independent investigation bureau carried out the evaluation study by order of the Ministry of Justice.

The evaluation study aimed to answer three main questions:

1. What is the added value of the merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions into a single organization?
2. What is the added value of the placement of FIU-NL within the Netherlands Police Agency?
3. How did the Netherlands Police Agency give shape to the implementation of the management of FIU-NL?

Added value of the Merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions

The merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions into FIU-Netherlands has added value. This added value can be substantiated to a limited degree in quantitative terms, but the majority of FIU-Netherlands and stakeholders experience its added value in qualitative terms.

Added Value of Placement of FIU-Netherlands within the Netherlands Police Agency

The added value of placement of FIU-Netherlands within the Netherlands Police Agency cannot be established on the basis of the evaluation study. However, the placement of FIU-NL within the Netherlands Police Agency is a logical choice given the contribution to the effectiveness of the chain which can be realised from this position. As a result of its placement within the Netherlands Police Agency, FIU-NL finds itself close to the investigations, where this effectiveness can best be realised. This added value has not yet proved itself fully, in part due to the
uncertainties with regard to the implementation of the policy-related and managerial tasks and responsibilities of the owners (the Ministry of Justice and the Ministry of Finance) and the manager (the Ministry of the Interior and Kingdom Relations and/or the Chief Constable of the Netherlands Police Agency). How the Netherlands Police Agency Implements the Management

The current implementation of management by the Netherlands Police Agency is largely in keeping with the laws and regulations. The departure from the laws and regulations concerns the authority to appoint, transfer, rank and promote staff members.

There was also much discussion about the implementation, and this has contributed to a sense of unrest among the FIU-NL staff members.

**General Findings**

On the basis of the findings, the impression is that there was role ambiguity as far as the reporting lines, powers and tasks with regard to the management and policies of FIU-Netherlands during the project period were concerned. The parties agree that policy and management are interconnected, hence the difficulty sometimes to keep them strictly separate. The formulation of additional measures and safeguards to guarantee this division must therefore be made with great care. The parties underline the importance of coming up with a proposal in the short term for a definitive organizational model for FIU-Netherlands, in which the roles, responsibilities and (statutory) tasks are clearly defined.

On the basis of the answers to the main questions, the investigation bureau made the following recommendations:

*To decide a.s.a.p. on the final organizational form and placement of FIU-NL.*

Also suggested:

- (With regard to inspection of the buffer) to prepare a code of conduct which makes it very clear that the inspection of the buffer by staff members other than the authorised FIU-NL staff members is in conflict with legal requirements.
- (With regard to the internal rules of the Netherlands Police Agency) to make exceptions for FIU-NL as far as external communication is concerned, e.g. business cards, the website (including the reporting centre for reporting parties) and the layout of FIU-NL documents drawn up on account of legal requirements and by order of their owners.
- To apply the job matrix of the Netherlands Police Agency less stringently to
FIU-NL. Job assessments of jobs within FIU-NL will be made in coordination with the owners and managers.

*If it is decided to place FIU-NL definitely within the Netherlands Police Agency, to look more closely into the option of placing FIU-NL within the Netherlands Police Agency as a department (rather than as a unit within a department).*

Potential benefits of positioning FIU-Netherlands as a service are:
- Greater equality between the head of FIU-NL and the head of the NCID, which may benefit the consultations on, and cooperation within, the chain.
- Greater opportunity for FIU-NL to manifest itself more autonomously and independently outside the Netherlands Police Agency.
- A clearer division of roles as far as managerial decisions and decisions on the primary process are concerned.
- From the point of view of efficiency, one may consider letting the department FIU-NL make use of the management column of the Netherlands Police Agency concern.

*To clarify what is meant by policy and management, and to clarify the corresponding tasks, powers and responsibilities (governance).*

The following main features may be considered:
- The owner (the owner sets policy) (the Ministry of Justice, the Ministry of Finance and the Public Prosecution Service) is responsible for the effectiveness within the chain, an efficient execution of the work processes and the budget (including budget overruns and underruns). Moreover, the owner must ensure that the legal requirements are satisfied.
- The contractor (the head of FIU-NL) has the operational responsibility for the performance of tasks, the authority over the buffer (UT/ST declaration and the authorization to inspect the buffer).
- The manager (the Ministry of the Interior and Kingdom Relations and the Chief Constable of the Netherlands Police Agency) is responsible for facilitating the primary process (such as the management, finance and personnel, housing, in-house facilities and recruitment and selection) on the basis of a service level agreement for the management (concluded with the head of FIU-NL).

*To inspire greater confidence in FIU-NL (organizational form, placement and performance), by FIU-NL itself, and by the owners, managers and international FIUs.*
1.3 Personnel Policy

Without going into all aspects of the personnel policy of FIU-Netherlands, we will sketch below a number of important developments of the past year.

Deepening Knowledge and Expertise
FIU-Netherlands is highly aware of the necessity of having well-trained staff members. By continuing to invest in skilled staff members, the organization is able to supply high-quality products. In 2008, several staff members took training courses and/or attended conferences which were oriented towards their function. FIU-Netherlands also invested in the versatility of the various staff members, separate from the column in which they have been formally placed. This increases and improves the flexibility of the organization and the familiarity with each other’s processes.

With regard to its vacancy policy, a number of requirements continue to be important for FIU-Netherlands as far as the selection of new staff members is concerned, such as screening. However, education and work experience also play an important role. Because of overstaffing, a number of staff members who left the organization were not replaced. Applications for the position of Acting Head of FIU-Netherlands, which had become vacant, were invited towards the end of 2008. It is expected that this position will be filled sometime during the first few months of the new year.

Development-oriented Personnel Policy
In 2008, the principles of the “development-oriented personnel policy (DPP)” tools, as developed by the Netherlands Police Agency, were also applied within FIU-Netherlands. Following agreements with their superiors in the annual cycle of the DPP, staff members are given the opportunity to invest in their own competences. This comes on top of the function-oriented training courses. The various instruments of the DPP (e.g. the annual performance interview, the Personal Development Plan (PDP), competences and individual targets) were used in the meetings between the staff members and their superiors. Almost all the FIU-Netherlands staff members had an annual performance interview and/or PDP meeting with their superior in 2008.

Investing in Quality
Within the scope of the developments within the Dutch police towards the realization of basic facilities, FIU-Netherlands staff members were trained in 2008 to work in the “BVO” a national information system which supports the (criminal) investigation process.
Cooperation requires the courage to rise above self-interest. It is important that partners are not afraid to look beyond the limits of their own organization and discipline. There are countless opportunities for organising the cooperation within the chain even more effectively and efficiently. FIU-Netherlands aims to efficiently link its own activities to other organizations and processes. Having an eye for the interests and limitations of all the parties concerned is a condition for collective action. We would like to join you in looking for ways of organising the cooperation within the chain even more effectively and efficiently!
2.1 Links in the Chain

Each link adds value to the chain as a whole. But what are links really? And how do the links of the chain relate to the intended result?

**Connecting**

Chains allow different activities to be connected in a coherent process. By forming a chain, parties can realise efficiency and performance benefits. Organizations are better able to achieve goals within a chain since they are focused on a chain objective of higher public interest.

“The prevention of and fight against money laundering and terrorist financing” is a goal which cannot be achieved by any of the individual players. It is clear that forces must be joined – from supervision up to and including investigation, prosecution and confiscation – in order to be able to take effective action. One can therefore speak of a chain objective here.

Several successive activities and efforts (supervising, reporting, investigating, prosecuting, convicting, confiscating) contribute to the realization of this chain objective. This is also referred to as the “enforcement chain”. Several authorities contribute to this enforcement (e.g. supervisory bodies, reporting institutions, (special) investigation services, the Public Prosecution Service and the judiciary). The Prosecution Service Criminal Assets Deprivation Bureau (BOOM) and the Central Judicial Collection Agency (CJIB) play an important role in the execution phase (not just sentencing, but also confiscating criminal assets).

Money Laundering and Terrorist Financing Enforcement Chain

![Diagram of Money Laundering and Terrorist Financing Enforcement Chain]
2.2 Supervision

Institutions\(^1\) which are under the obligation to report and identify must record and keep the details of their clients and the services they have provided in an accessible manner. Supervisory bodies are authorised to carry out checks at these institutions to see if the obligation to report is being (correctly) complied with, even without reason and/or a violation of the Money Laundering and Terrorist Financing Act.

Within the scope of enforcement supervision, supervisory bodies have specific powers, such as imposing sanctions, granting and withdrawing licences, granting dispensation, issuing regulations, giving guidelines and making general recommendations. Supervisory bodies also have powers of intervention, such as the authority to issue designation orders and raising objections.

The Minister of Finance has appointed the following supervisory bodies to supervise the compliance with the Money Laundering and Terrorist Financing Act: The Netherlands Authority for the Financial Markets (AFM), the Financial Supervision Office (BFT), The Dutch National Bank (DNB) and the Classification Unit of the Office for the Disclosure of Unusual Transactions which is part of the Tax and Customs Administration/Holland-Midden.

Consultations of the Supervisory Bodies
FIU-Netherlands takes part in the periodical consultations of the supervisory bodies, where matters are discussed which are of common interest. For instance, supervisory bodies give detailed explanations to reporting parties about the correct and full compliance with the obligation to report. This includes the quality of the reports of unusual transactions, and thus, the quality of the input of FIU-Netherlands. Supervisory bodies may also advise those who have an obligation to report with regard to their administrative organization. This guidance also affects the quality and completeness of the unusual transactions that are transmitted to FIU-Netherlands. In addition to supervisory bodies consultations, bilateral consultations are held between FIU-Netherlands and individual supervisory bodies on a regular basis. The items of business which are discussed during these consultations include, for example, the way in which FIU-Netherlands can assist a supervisory body in carrying out specific checks at reporting parties to see if they are complying with the obligation to report. These bilateral contacts

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\(^1\) The concept of “institutions” as referred to in Article 1, under 1(a) of the Money Laundering and Terrorist Financing Act also covers professional groups and natural persons.
are aimed at realising a proper coordination between supervision on the one hand and the processing of unusual transactions on the other. (New) laws and regulations are also discussed during these consultations.

**Grace Period Announced for Money Laundering and Terrorist Financing Act**
The supervisory bodies have announced that, until 1 January 2009 at the very latest, they will show leniency in enforcing the regulations ensuing from the new provisions of the Money Laundering and Terrorist Financing Act on the condition that the institutions will do all they can to comply a.s.a.p. after 1 August 2008 (in any event, not later than 1 January 2009) with the regulations in question. The grace period does not pertain to the obligations under the Identification (Provision of Services) Act and the Disclosure of Unusual Transactions (Financial Services) Act, in so far as these were incorporated unchanged into the Money Laundering and Terrorist Financing Act. The relaxation of the regulations which the Money Laundering and Terrorist Financing Act introduces for institutions (e.g. time of identification, identification of domestic and foreign legal entities) applies immediately.

**The Dutch National Bank (DNB)**
FIU-Netherlands aims for an optimal cooperation with all the parties involved in the chain. This includes contacts with The Dutch National Bank (DNB). FIU-Netherlands and DNB consult three times a year on a structural basis. The items which are discussed include general matters which are important for carrying out the supervisory tasks adequately. If necessary, the reporting behaviour of a specific reporting party can be discussed, for example, if the quality of the reports appears to be below standard. The parties may also hold consultations in the interim if there are issues which warrant this.

**Customer Day for Banks**
A good example of optimal cooperation within the chain was the Customer Day for banks on 2 December 2008. FIU-Netherlands involved both the supervisory body of the DNB and the professional association of the Royal Dutch Banking Association in the organization of this day. It is expected that this cooperation will be developed further in the future.

**Risk-based**
The fight against money laundering and terrorist financing is anchored in Dutch legislation, whereby FIU-Netherlands forms the link between reporting parties on the one hand and investigation services on the other. Although the fight against
money laundering has for many years formed part of Dutch penal law, there has occasionally been a lack of consensus about the scope of the concept of “money laundering”. Does it cover fraud and, if so, are there different types of fraud? The Dutch reporting system is largely “risk-based”. This requires a broad basis of support. It encourages uniformity and, as a result, clarity.

**Best Practice**

Approximately one hundred thousand transactions are carried out at financial institutions every day. Monitoring all these transactions requires an enormous effort and considerable knowledge. A good cooperation with partners can be a welcome source of support here. FIU-Netherlands can, and wishes to be, such a partner; an organization which is prepared to join the reporting institutions to think – on the basis of mutual trust – about the way in which money laundering and terrorist transactions can best be detected.

**Impression of Transactions**

Every year, FIU-Netherlands receives a large number of unusual transactions. For each transaction, the reporting party spends a great deal of time assessing whether the transaction could possibly involve money laundering and/or terrorist financing. This therefore merits a proper follow-up. However, it is not always easy for FIU-Netherlands to determine why a particular transaction was reported (over the possibly dozens of other transactions that were carried out by the same subject). It is difficult for an investigator at FIU-Netherlands to link the simple fact that a certain amount has been deposited or withdrawn to money laundering or terrorist financing. If an investigator at FIU-Netherlands finds it difficult to answer this question, how will an investigating officer look at this during a criminal investigation? The reporting party is bound to have a clearer impression. It is therefore the urgent wish of FIU-Netherlands to be involved in this conceptualization. A clear image of why a transaction was reported will certainly contribute to the quality of an investigation by FIU-Netherlands. But not just by FIU-Netherlands. Also during the follow-up, after a file has been forwarded as suspicious, it will/may be possible to benefit from this. At the moment when choices have to be made (and these have to be made on a daily basis), the quality of the report, of a file, will play a very important role.

While banks have an understanding of what takes place in an account and who is authorized to access the account, money transaction offices also see other elements that are closely related to money laundering or terrorist financing. Not infrequently, flows of money to certain territories can be linked to possible underlying offences, such as drugs, human trafficking, human smuggling, advance fee
fraud (419 fraud). Sharing knowledge is important also here. Whereas in banks contacts with customers at the counter are minimal, contacts at the counter are the hallmark of money transaction offices. It is precisely through these contacts, but also through closer examination of the identity documents used, that identity fraud can be established. Apart from being able to establish a person’s identity, one can also learn what goes on in the immediate vicinity of the counter. Known phenomena are: dividing money between different persons, customers who do not know their name or address, and who have no idea where the money comes from, or what it is intended for. An additional obstruction for FIU-Netherlands is the fact that transactions which are transmitted rarely include proper personal details of foreign subjects. They usually only include the first name/letter and the family name, as well as the country of origin and/or destination. It is then difficult for FIU-Netherlands to determine if such a (foreign) name concerns one and the same person, or if it concerns more than one person. For this reason, FIU-Netherlands makes quite frequently use of its authority to obtain this missing information by means of what is referred to as an “Article 17 (of the Money Laundering and Terrorist Financing Act) enquiry”. Not infrequently, this information turns out to be available from the money transfer providers. Such action requires considerable additional effort on the part of FIU-Netherlands and the provider in question and it also causes delays, and does not enhance the result.

It will be clear to all that high-level work and good quality information are important at each stage of an investigation. The parties in the reporting chain seriously need to work together. This also applies to the investigation services. Proper feedback of the results of an investigation, and in particular the role the reporting party’s information played in an investigation, is required to enhance the quality within the reporting chain further. This not only applies to investigations by FIU-Netherlands, but also to investigations by reporting institutions, since they are the ones who signal the necessity to conduct an enquiry. Trust plays an important role here, as does the conviction that we cannot handle this on our own. Only clear, collective action by all the parties will make things difficult for the money launderer, or will make it possible to recognise when a terrorist activity is being prepared.

Tax and Customs Administration/Holland-Midden, Office for the Disclosure of Unusual Transactions/Classification Unit

The cooperation between FIU-Netherlands and the Office for the Disclosure of Unusual Transactions/Classification Unit, was developed further in 2008. Several meetings were held to optimise the cooperation. This resulted in a number of specific arrangements. For instance, agreements were made with regard to:
• data exchange;
• actions against reporting parties which may be facilitating money laundering;
• organising a Reporting Party Day for car dealers;
• and the cooperation with the professional associations of estate agents.

The Office for the Disclosure of Unusual Transactions/Classification Unit is an active supervisory body which helps to provide information and support with regard to the reporting obligation. It makes a positive contribution to collective contacts with the reporting institutions concerning information and presentations. In addition, the Classification Unit and FIU-Netherlands consult regularly on the interpretation of the Money Laundering and Terrorist Financing Act.

Data exchange
The Money Laundering and Terrorist Financing Act has provided an impetus for the exchange of information. This has been standardised. In 2008, the Classification Unit submitted a total of 45 requests with regard to reporting behaviour. FIU-Netherlands compares the information from the supervisory body with the information in MOTion, the database of FIU-Netherlands, as submitted by the reporting party. FIU-Netherlands checks if the object and subject details and financial transaction match, and if they have been reported in full. It also checks if the number of transactions match, and if the reporting period of two weeks has been observed.

2.3 Reporting

Several institutions are required by law to report unusual transactions to FIU-Netherlands which (may) have to do with money laundering and/or terrorist financing. A transaction is “unusual” when it satisfies one or more reporting indicators. For reporting parties, the indicators are a tool which helps them to determine if a transaction is connected with money laundering or terrorist financing. The list of indicators is included in Appendix 4.

An unusual transaction must be reported immediately, in any event within fourteen days of establishing its unusual character. Transactions that have been carried out or are intended to be carried out must be reported when a service within the meaning of the Money Laundering and Terrorist Financing Act is provided. All reports of unusual transactions are included in a heavily guarded database, also referred to as “the buffer”. The buffer consists of privacy-sensitive informa-

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2 Following on from Section 1 of the Money Laundering and Terrorist Financing Act, reference is made to reporting “institution”.

tion which has been made available by reporting institutions. Since unusual transactions are not, by definition, suspicious transactions, reports of unusual transactions are treated with utmost confidence. Only authorised FIU-Netherlands staff members have access to this restricted database. Cooperation with foreign FIUs and institutions which are obliged to file reports is subject to the stipulation that unusual transaction information is dealt with confidentially.

Feedback
A good cooperation with reporting institutions is very important for FIU-Netherlands. Only high-quality reports allow investigations into the involvement (if any) of persons in money laundering or terrorist financing to be carried out quickly and effectively. For this reason, the representatives of the reporting institutions are often consulted to enhance the quality of the reports. In this regard, FIU-Netherlands informs institutions about characteristics which may allow them to recognise risky transactions.

Indemnity under Criminal Law
On the basis of the Money Laundering and Terrorist Financing Act, reporting parties receive statutory indemnity when they report unusual transactions. In this way, reporting parties may report unusual transactions without being held liable under penal law. The indemnity only has legal force if a report was filed rightfully and in good faith. The legislator deliberately included this indemnity clause to protect reporting parties, in the event that they transmit unusual transactions which are carried out at the request of clients, or which are intended to be carried out by clients.

Liability under civil law
Persons who provide a service in a professional or commercial capacity, and who have transmitted transactions to FIU-Netherlands that have been carried out or are intended to be carried out, could be held liable under civil law by a client for attributable nonperformance or unlawful acts. However, on the basis of the Money Laundering and Terrorist Financing Act, a reporting party is not liable for any loss or damage resulting from a report. In the Money Laundering and Terrorist Financing Act, the liability under civil law is specified in Section 20. However, a restriction was built in. If it is plausible that, in view of the facts and circumstances of the case a report should not, in all reasonableness, have been filed.

From Unusual to Suspicious
Unusual transactions can be designated as suspicious under the responsibility of the head of FIU-Netherlands. This can be done in four different ways:
1  By matching unusual transaction information with certain police data.
transaction information is automatically matched on a daily basis with the Referral Database Criminal Investigations and Subjects. All the registered unusual transactions are periodically matched with the Referral Database Criminal Investigations and Subjects. This is referred to as the “rematch”. All unusual transactions are examined in this way.

2 Following an investigation by FIU-Netherlands, the unusual transaction is processed and considered to be relevant for an investigation.

3 By means of a request from the National Public Prosecutor for cases involving money laundering to the head of FIU-Netherlands to match investigative information from a current investigation with unusual transaction information.

4 Following a query from a foreign FIU.

Retention Periods
Reports of unusual transactions are kept in the restricted database for a period of five years. After this time, the reports are removed from the database. Transactions which FIU-Netherlands designated as suspicious are made available to the investigative authorities via the Intranet Suspicious Transactions (IST), a database containing suspicious transactions. The retention period for suspicious transactions has been fixed at 10 years.

2.4 Investigating

The police data from the IST can be used to perform police tasks and related tasks that have been set out in the Police Data Act. Only authorised persons have access to the IST.

Increase in the Number of IST Searches
(Special) investigation services made greater use of suspicious transaction information in 2008. This increase can be inferred, amongst other things, from the increase in the number of searches on the IST. In 2008, the number of searches increased by 20% in relation to 2007. The number of official reports that were prepared on the basis of suspicious transactions remained practically the same.

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3 for further details on the National Public Prosecutor’s requests, see Section 2.5.

4 As from 1 January 2008, a suspicious transaction which has been included in the IST has, in accordance with the Police Data Act and Decree, the status of a “police fact”. Transactions which have been designated as suspicious are not necessarily suspicious within the meaning of Section 27 of the (Dutch) Code of Criminal Procedure.
The table below shows all the IST searches per investigation service. It also shows how often official reports were prepared on the basis of subject or transaction information.

<table>
<thead>
<tr>
<th>Investigation Service</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Detail</td>
<td>OR</td>
</tr>
<tr>
<td>----------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Rotterdam-Rijnmond</td>
<td>23,511</td>
<td>422</td>
</tr>
<tr>
<td>KLPD</td>
<td>10,540</td>
<td>195</td>
</tr>
<tr>
<td>Brabant (Middle and West)</td>
<td>4,505</td>
<td>37</td>
</tr>
<tr>
<td>Utrecht</td>
<td>3,281</td>
<td>87</td>
</tr>
<tr>
<td>Haaglanden</td>
<td>5,326</td>
<td>226</td>
</tr>
<tr>
<td>Kennemerland</td>
<td>2,726</td>
<td>106</td>
</tr>
<tr>
<td>Flevoland</td>
<td>3,108</td>
<td>13</td>
</tr>
<tr>
<td>KMar</td>
<td>1,665</td>
<td>40</td>
</tr>
<tr>
<td>South Holland (South)</td>
<td>2,287</td>
<td>7</td>
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<tr>
<td>North Holland (North)</td>
<td>1,558</td>
<td>112</td>
</tr>
<tr>
<td>Groningen</td>
<td>1,721</td>
<td>22</td>
</tr>
<tr>
<td>BOOM</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Amsterdam-Amstelland</td>
<td>1,389</td>
<td>11</td>
</tr>
<tr>
<td>Gelderland (Middle)</td>
<td>1,054</td>
<td>35</td>
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<tr>
<td>FIOD</td>
<td>1,513</td>
<td>0</td>
</tr>
<tr>
<td>Hollands Midden</td>
<td>1,592</td>
<td>110</td>
</tr>
<tr>
<td>Brabant (North)</td>
<td>1,456</td>
<td>4</td>
</tr>
<tr>
<td>Zeeland</td>
<td>628</td>
<td>9</td>
</tr>
<tr>
<td>Gelderland (North and East)</td>
<td>838</td>
<td>58</td>
</tr>
<tr>
<td>Twente</td>
<td>767</td>
<td>36</td>
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<tr>
<td>Usselland</td>
<td>924</td>
<td>30</td>
</tr>
<tr>
<td>Zaanstreek-Waterland</td>
<td>1,220</td>
<td>43</td>
</tr>
<tr>
<td>Limburg (South)</td>
<td>1,397</td>
<td>42</td>
</tr>
<tr>
<td>Friesland</td>
<td>866</td>
<td>7</td>
</tr>
<tr>
<td>Brabant (South-East)</td>
<td>761</td>
<td>13</td>
</tr>
<tr>
<td>Drenthe</td>
<td>671</td>
<td>15</td>
</tr>
<tr>
<td>Limburg (North)</td>
<td>420</td>
<td>10</td>
</tr>
<tr>
<td>SIOD</td>
<td>402</td>
<td>140</td>
</tr>
<tr>
<td>NR-Midden Nederland</td>
<td>233</td>
<td>4</td>
</tr>
<tr>
<td>Gelderland (South)</td>
<td>137</td>
<td>18</td>
</tr>
<tr>
<td>Gooi En Vechtstreek</td>
<td>166</td>
<td>0</td>
</tr>
<tr>
<td>Grand Total</td>
<td>76,662</td>
<td>1,852</td>
</tr>
</tbody>
</table>
• Detail: A user has requested subject or transaction information and examined this on-screen.
• Report: A user has requested subject or transaction information and has made a report of this. A report can be included in an official report as an appendix.
• OR: A user has requested subject or transaction information and has immediately drawn up an official report (OR) of this.

Public Administration Probity Screening Agency
FIU-Netherlands is involved in investigations by the Public Administration Probity Screening Agency of the Ministry of Justice. In 2008, FIU-Netherlands carried out 282 requests with regard to the Public Administration Probity Screening Agency Act. Generally speaking, suspicious transaction information can only be used for penal purposes. In the interest of preventing the involvement of public servants in crime, an exception was made within the scope of the Public Administration Probity Screening Agency Act. Each time, careful consideration is given to the question whether the submission of information will jeopardise the investigation.

Fiscal Information and Investigation Service – Economic Investigation Service
FIU-Netherlands automatically provides the Fiscal Information and Investigation Service and Economic Investigation Service with information on suspicious transactions. The information on unusual transactions that is available at the (Dutch) Tax and Customs Administration is communicated to FIU-Netherlands through the agency of the Fiscal Information and Investigation Service and Economic Investigation Service. In 2008, 910 individual queries were submitted to the (Dutch) Tax and Customs Administration in this regard.

Three specific projects mark the cooperation with the Fiscal Information and Investigation Service and Economic Investigation Service. The Trade-Based Money Laundering Project was continued in 2008. It is expected that this project will be concluded in the first half of 2009. The project focuses on the analysis of flows of goods in connection with corresponding flows of money. This is a collaborative venture of the Customs Information Centre, the Fiscal Information and Investigation Service and Economic Investigation Service and the Joint Research Centre of the European Union.

Two joint projects were launched in 2008: “Car Jack” and “White Bishop”, whereby FIU information was only used as initial information. The “Car Jack” project focuses on the unusual, unexplained possession of a car. FIU-Netherlands – in cooperation with the Fiscal Information and Investigation Service and
Economic Investigation Service liaison who was posted there – whereby a number of transactions concerning the purchase (on payment in cash) of cars were selected. This information was made available to the investigation team at the Fiscal Information and Investigation Service and Economic Investigation Service Haarlem which had been formed specifically for the fight against money laundering.

The “White Bishop” project, a joint venture with the Fiscal Information and Investigation Service and Economic Investigation Service in Amsterdam, focuses on suspicious transactions by persons who often carried out so-called “money transfers” within a short space of time. In 2009, several searches and arrests took place to this end under the command of the National Public Prosecutor’s Office for Financial, Economic and Environmental Offences.

2.5 Prosecuting

There is a special relationship between FIU-Netherlands and the National Public Prosecutors who are charged with the fight against money laundering and terrorist financing. The National Public Prosecutors, who work for the National Public Prosecutor’s Office for Financial, Economic and Environmental Offences, represent the competent authority for the investigation within FIU-Netherlands. Together with the other members of the FIU-Netherlands MT, the National Public Prosecutors are responsible for the efficient use of unusual and suspicious transactions. “Efficient use” means, amongst other things: Using transaction information correctly, rightfully and in as many criminal investigations as possible. To stimulate the use of transaction information, FIU-Netherlands provides (special) investigation services with high-quality products, both on request and on its own initiative.

National Public Prosecutor Request

Like the head of FIU-Netherlands, the National Public Prosecutor can, at the request of the police, but also at the request of colleagues, have an investigation carried out into possible unusual transactions by criminals who are under investigation. If such transactions actually appear in the database of FIU-Netherlands, they can, following approval from the head of FIU-Netherlands, be declared as “suspicious”. The suspicious transactions can then be transmitted as such to the requesting investigative authority. All things considered (including other (special) investigation services), the number of National Public Prosecutor requests in 2008 decreased slightly (by 2%) in relation to 2007. In 2008, the number of transactions which, on the basis of a National Public Prosecutor request, were...
transmitted to the investigative authorities as suspicious decreased by 7%.

**Reinforcement**
The investigative capacity of the Fiscal Information and Investigation Service and Economic Investigation Service for the fight against money laundering was strengthened in 2008. Two operational teams, each made up of 15 staff members, were formed in Haarlem and Amsterdam. This additional capacity was made available to the Fiscal Information and Investigation Service and Economic Investigation Service for re-examining money-laundering cases. The staffing capacity of the Money Laundering Knowledge Centre of the Fiscal Information and Investigation Service and Economic Investigation Service was also expanded. The National Public Prosecutor has the competent authority for this additional investigative capacity.

**Property**
All suspicious transactions with regard to immovable property that are transmitted through the liaison between the Fiscal Information and Investigation Service and Economic Investigation Service are analysed in consultation with the Public Prosecution Service at the Fiscal Information and Investigation Service and Economic Investigation Service in Amsterdam. A more intense cooperation with the Real Estate Intelligence Center will be attempted in 2009.

### 2.6 Convicting

On 1 March 2008, the Public Prosecution Service adopted its money-laundering directive. This will apply up to and including 29 February 2012. The directive is intended to increase the efforts to investigate and prosecute money laundering. This ties in with the priorities of the government. From within FIU-Netherlands, the National Public Prosecutor specifically tries to help divert the focus of the investigative authorities towards the financial angle in the fight against crime. The Public Prosecution Service leads the investigations, which include financial transaction information, and brings these matters before the court as much as possible. In 2008, a total of 620 money-laundering cases were brought before the court. 516 of these ended in a sentence.
The diagram below shows that the progressive trend which started in 2004 continues into 2008.

### JUDGEMENTS FROM 2004

- **Settled by means of another judgement**
- **Settled by means of an admission of guilt**
- **Settled by means of an acquittal**
- **Settled in court**

2.7 Confiscating

**Money is the Oxygen of Crime**

Profits derived from serious crimes must be confiscated effectively and efficiently, since criminals are almost without exception motivated by financial gain. The activities of the Central Judicial Collection Agency and the Prosecution Service Criminal Assets Deprivation Bureau are focused on the confiscation of illegally obtained assets of criminals on the principle that “Crime should not pay”.

**The Central Judicial Collection Agency**

All the information available from the various chain partners is needed to collect the assets obtained by criminal means. FIU-Netherlands and the Central Judicial Collection Agency have therefore agreed to work together. The Central Judicial Collection Agency would like to be connected to the IST, and believes that an Order from the Minister of Justice should be issued to that end, designating Central Judicial Collection Agency staff members as special investigating officers. This order was published on 11 September 2008 (Government Gazette No. 36).
The IST connections were realized shortly afterwards. On the basis of the Police Data Act and Decree, which came into force on 1 January 2008, the Central Judicial Collection Agency also has access to police data. The Central Judicial Collection Agency not only cooperates with FIU-Netherlands, but also has a special relationship with the Prosecution Service Criminal Assets Deprivation Bureau.

**The Prosecution Service Criminal Assets Deprivation Bureau**

The three main tasks of the Prosecution Service Criminal Assets Deprivation Bureau are: To confiscate the illegally obtained assets of suspected criminals, to disseminate knowledge & expertise with regard to the confiscation process within the Public Prosecution Service and amongst the judicial chain partners and to administer national and international prejudgement attachments.

The Prosecution Service Criminal Assets Deprivation Bureau primarily focuses on complex confiscation cases in which substantial criminal assets are expected to be confiscated, whereby a threshold of €100,000 or more in terms of criminal assets is observed. Various activities take place in what are referred to as “multi-disciplinary teams”. These teams consist of public prosecutors, forensic accountants, civil lawyers, international advisers, public prosecutor’s clerks, asset tracers, attachment administrators and administrative support staff. In cooperation with the Central Judicial Collection Agency, criminal assets with a total value of €23.4 million were collected in 2008.

In order to determine the size of the criminal assets and to find out (with greater efficacy) where these assets have been transferred to, a cooperation agreement was drawn up between the Prosecution Service Criminal Assets Deprivation Bureau and FIU-Netherlands in 2008.

This cooperation was formally confirmed by signing the cooperation agreement. This agreement, which came into effect on 5 June 2008, replaces previous agreements. The following objectives were included in the cooperation agreement:

- FIU-Netherlands will – within the legal frameworks – analyse and process unusual transactions and declare them suspicious on the basis of (amongst other things) information made available by the Prosecution Service Criminal Assets Deprivation Bureau.
- To exchange – within the legal frameworks – data concerning suspicious transactions for confiscation orders on behalf of the Public Prosecution Service, particularly with regard to the detection of assets within the scope of current investigations or an imposed, or still to be imposed confiscation order.
Every year, towards the end of the year, an evaluation is made by the director of the Prosecution Service Criminal Assets Deprivation Bureau, the head of FIU-Netherlands and the National Public Prosecutor connected with FIU-Netherlands. The execution, operation and results of this cooperation agreement are then evaluated and, if necessary, adjusted.
Information from FIU-Netherlands has proved to be highly valuable in several investigations in the Netherlands and abroad. Inspiring examples from everyday practice will make it clear how this information found its way into several investigations. In addition to supporting investigations, information is also used as “financial intelligence”. Financial information is then used as management information, and as a means of establishing relations between persons. The use of “financial intelligence” is particularly important in the detection of and fight against terrorist financing.
3.1 Proliferation

**Suspect Prosecuted for Nuclear Trade (3 May 2004)**
The judicial authorities prosecuted Henk Slebos, the Dutch university friend and business partner of the Pakistani Abdul Qadeer Khan, for the supply of various strategic goods to Pakistan. This concerns goods which can be used to produce chemical or nuclear weapons. Part of these forbidden supplies were strategic goods which may not be exported. Furthermore, he was said to have exported what are referred to as “dual-use goods”: Goods which have both a civil and a military application. He was also said to have exported a raw material for mustard gas (a poison gas) without a licence. He had previously (in 1985) been convicted of forbidden trade with Pakistan. On 16 December 2005, the court sentenced him to 12 months’ imprisonment, of which 8 months’ suspended, for exporting goods without an export licence on more than one occasion. Slebos lodged an appeal. The first day of the hearing had been scheduled for 18 September 2007. The hearing was adjourned until 15 December 2008 in order to be able to call additional witnesses.

**Dutch Businessman Convicted of Illegal Trade with Pakistan (30 January 2009)**
The Court of Appeal of Amsterdam sentenced Henk Slebos on appeal to 18 months’ imprisonment, of which 6 months’ suspended, and a fine of €135,000. Slebos was punished (a higher sentence than in the first instance) for the illegal export of proliferation-sensitive materials to Pakistan. The businessman from North Holland never made a secret of the fact that he helped with the Pakistani atom bomb. In the early seventies, his university friend Abdul Qadeer Khan stole secrets from the uranium enrichment plant in Almelo. The criminal case commenced in 2004.

**Legal Proof**
FIU-Netherlands submitted suspicious transaction information in 2004. This gave new impetus to the investigation, since evidence was found for some hitherto unknown supplies of goods that were intended for the development of nuclear fuel for nuclear weapons. From a national and international perspective, this was one of the rare criminal cases in which a suspect was actually convicted of supplying forbidden goods to the Pakistani nuclear spy Abdul Qadeer Khan.
3.2 La Cuenta

Following a number of informative sessions at the criminal investigation departments of community teams in the police region of Haaglanden, the “La Cuenta” project was launched towards the end of 2007. This project focuses on the detection and investigation of subjects who are engaged in money laundering within the surveillance area of the Hoefkade community team. The area is characterized by a large number of residents of foreign extraction who have Dutch nationality.

**Top X**

FIU-Netherlands compiled a Top X5 of persons who carry out many financial transactions from the Netherlands primarily to source countries of drugs (cocaine), such as Colombia, the Dominican Republic and the Netherlands Antilles. Over a period of 1-3 years, each person in the Top X carried out transactions with a value of more than €100,000. FIU-Netherlands drew up initial (official) reports, specifying, amongst other things, transaction information, money-laundering indicators and fiscal information. On the basis of this information, 21 arrests were made up to and including December 2008 that were connected with Article 420bis of the (Dutch) Penal Code. These 21 persons were responsible for money transfers and/or exchanges of foreign currency totalling €2,248,000, committed over a number of years. The suspects were interrogated using standard questionnaires, after which they were remanded in custody. The suspects made disclosures about their clients in only a few cases. On average, they earned €50 – €100 per transaction carried out. Depending on the sums involved in the transactions and how recently the crimes were committed, most of the suspects were sentenced to a 2-6 months’ nonsuspended prison sentence.

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5 Top X: Consists of persons who are responsible for the majority of suspicious transactions within a geographical area.
3.3 On the Trail of a Criminal Sentenced in Default

A Swedish subject staying in the Netherlands was reported as a recipient of money transfers. The money transfers were sent to him from Sweden by different persons. FIU-Netherlands subjected these persons to a closer examination. By means of an “Article 17” enquiry, the full personal details of the subjects who sent the money transfers were traced. That was all the information the reporting institution had. In order to learn more about the subjects in question, inquiries were made to the Swedish FIU. The latter submitted specific information on the recipient of the money transfers. This concerned a criminal in Sweden sentenced in default.

International Cooperation

FIU-Netherlands used the information from Sweden to declare the unusual transactions suspicious. The transactions which were designated as suspicious were then transmitted to the competent investigative authorities. By submitting the incriminating transaction information which was available at FIU-Netherlands, the Swedish FIU learned of the contacts which the criminal had in Sweden. The Swedish FIU also received relevant information on the possible whereabouts of the criminal “who had gone into hiding”.

3.4 Proceeds of Debit Card Fraud Diverted to Al-Qaeda

Source: telegraaf.nl

Point-of-sale terminals for credit cards and debit cards were examined on account of large-scale international fraud whereby information of the card holders was relayed to Pakistan. The suspicious equipment was put on the market in the Netherlands, Belgium, England, Ireland and Denmark. It is estimated that, in England alone, tens of millions of pounds were stolen from unsuspecting consumers via manipulated equipment in several department stores. In total, the loss in Europe came to ca. 100 million euro. It is understood that the National Security Agency in the US is monitoring the case very closely because of possible ties with Muslim extremists in Pakistan. Card details seem to have been diverted to the Pakistani town of Lahore, an Al-Qaeda breeding ground.

Dr Joel Brenner, the American counterintelligence chief, warned the European countries about the unprecedented fraud.
3.5 Suspicious Transactions in the Prostitution Sector

As a result of activities of two suspects from Hungary, ten Hungarian women were put to work as prostitutes in the Netherlands. The two suspects pocketed practically all the money the women earned. Reports (filed with the police), witness testimonies and the seized records confirmed the initial suspicions that both suspects had misappropriated the revenues from prostitution. It turned out that the annual revenues came to over 1 million euro.

Smurfing

Within the scope of the financial investigation, the investigation team in question asked FIU-Netherlands, by means of a National Public Prosecutor request, for the suspicious transactions listed by the name of the suspects and by the name of the victims. These transactions revealed that a great deal of money had been transferred to the homeland Hungary by means of money transfers. As a result of the transactions which had been transmitted as suspicious, the investigation team asked Western Union for more detailed information on the basis of Article 126nd of the (Dutch) Code of Criminal Procedure. In this way, the team was able to obtain information with regard to the names, addresses and places of residence of the beneficiaries. It also became apparent that several transactions had been carried out below the reporting limit, what is referred to as “smurfing”. The investigation made it clear that over €250,000 had been transferred to a group of family members and close friends by means of money transfers. The suspects did not do this themselves, but had it done by the victims. The beneficiaries were heard, but claimed the right to remain silent or to refuse to give evidence, or declared that the money had been handed to the parents of the victims. The statements of the parents (who had been traced) revealed that they had never received any money from the beneficiaries.

Thanks to the suspicious transactions and the additional information from Western Union, it was possible to gain insight into a large part of the money flows in this investigation. The hard-earned money therefore never found its way to those for whom it was intended: The prostitutes. They became victims as a result of this practice.
3.6 Full Operational Lease

Under the command of the Public Prosecution Service in Zwolle-Lelystad, an investigation team from the North and East Netherlands Supraregional Crime Squad revealed that garages and car-leasing companies were involved in criminal acts. In this case, two men suspected of money laundering, fraud, misappropriation, forgery and taking part in a criminal organization were arrested. At the same time as these arrests, two commercial properties and six houses/commercial properties were searched in connection with this investigation. Mostly books and records of the companies concerned and a few vehicles were seized during these searches. It is expected that several arrests will be made after the seized documents are examined.

The suspects operated as follows:
In the name of their own car dealership X, they bought expensive cars with external money. These vehicles were then placed with several leasing companies on the basis of an operational lease. A (full) operational lease is a form of leasing whereby a car-leasing company buys, pays for and acquires the ownership of the car in question, and the registration number is also in the name of the car-leasing company. The vehicles of car dealership X were subleased to third parties (lease/rent payments were made to car dealership X), whereby car dealership X concluded leasing contracts with other leasing companies in their own name on behalf of persons who would not be able to satisfy the conditions of acceptance of the leasing company and/or did not want their identities to be disclosed to the leasing company. One could actually say that this concerned what is referred to as an “identity concealment arrangement”, whereby the identity of the user of the vehicle was not disclosed to the government or others. The lease payments were made/rent was paid to car dealership X in cash.

Both men leased cars – under the name of their firm – from a car-leasing company with external money. This company then leased the cars – in good faith – through them, as intermediaries, to persons who normally do not satisfy the conditions of acceptance of regular car-leasing companies or to persons who did not wish to disclose their identity to a leasing company. Not surprisingly, this usually concerned persons who moved in criminal circles. They provided both of the arrested men with money. This largely concerned cars in the upper price range (BMW and Porsche). Furthermore, leased cars that had been returned to the intermediaries (both suspects) by their users were not returned to the leasing company (the actual owner). The cars that were not returned were then resold or (sub)leased. The registration numbers of these cars were also transferred from the leasing company to the buyers.
The market values of the cars that were supplied to the leasing companies were artificially increased, and their ages were artificially decreased. The VINs of cars were switched, and the cars were provided with other registration numbers. Sometimes several cars bore the same registration number. In addition, new cars were ordered for car-leasing companies. Although the suspects received money for this, they never bought the cars they had ordered. The suspects pocketed the money which had been received, or diverted these funds to their companies.

FIU-Netherlands contributed to this investigation by making transaction information (STs) available, by submitting money-laundering typologies and by assessing National Public Prosecutor requests.

One of the leasing companies (K) which had been adversely affected reported the misappropriation of eighteen cars (with a combined value of €1,078,000) to the police. Five of these cars have in the meantime been recovered. Information revealed that the vehicles which had been brokered by car dealership X were largely used by (Amsterdam) criminals, and that A collected the rent in cash. Since this is highly unusual for car-leasing companies, it was suspected that, in addition to concealing identities, money was being laundered.

It also became apparent that the payments that were received by car dealership X were not remitted in full to car-leasing companies Y and Z, and that the vehicles were often misappropriated. In this connection, car-leasing company Y reported the misappropriation of 37 vehicles (a loss of over €800,000) to the police. Car-leasing company Z and Bank C reported the misappropriation of 23 vehicles (a loss of €500,000) to the police.

### 3.7 Turkish Charity Fraud in Germany

In September 2008, two Turks residing in Germany were convicted of fraudulently collecting money for a charity. According to the Turkish press agency Hurriyet, the German prosecutor spoke of the largest charity fraud ever in Germany. The aggrieved parties were Turkish immigrants who had assumed that their donations would go to charities in their homeland.

**Exchange of Incriminating Information**

FIU-Netherlands carried out an investigation into a charity after a financial institution had reported transactions under the “211” indicator.6

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6 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.
It was shown that the suspected German non-for-profit organization had accounts in the Netherlands. An amount of €1,600,000 had passed from one account to another. According to the German prosecutor, the convicted persons had contact with a criminal organization in Turkey with close links to the AKP, the ruling political party.

3.8 Skimming

A house in Amsterdam was raided following a tip-off regarding the presence of a hemp plantation. The house was occupied by five persons of Rumanian descent. During the raid, the occupants threw away a bag containing €58,000, and left a laptop on the balcony of their upstairs neighbours. An investigation revealed that passport details had been stored on the laptop.

At a later stage in the investigation, the suspicion arose that the group of Rumanians was engaged in skimming activities. They operated as follows: They passed on the data which had been obtained through skimming to persons staying abroad by e-mail or phone. These persons then withdrew cash from a cash dispenser, and sent it back to the Netherlands by means of a money transfer. In the Netherlands, the money was cashed by persons using false documents. The Rumanians staying in the Netherlands then sent this money on to Rumania. It later became apparent that the data which had been obtained by means of skimming had also been sold to foreign parties.

Network of Business Relations

An investigation by FIU-Netherlands made it clear that the occupants were connected with persons whose suspicious transactions had previously been submitted to the investigation services. It is known that these subjects used false documents in the past when they cashed money transfers from, amongst others, America, France and Australia. The addresses on these false documents often matched the addresses which were used by the Rumanians. Information on suspicious transactions, supplemented with other financial information, was used to map the network of business relationships, to prove the use of false identity cards by the criminal organization, to provide insight into the money flows within the criminal organization and in proof of the violation of Articles 140 and 420bis of the (Dutch) Penal Code.
Arrests
The information from 257 suspicious transactions was used in the above investigation. The suspicious transactions came to a total of €1,049,278. Seventy-seven false identities were used when the transactions were carried out. During the police raid, eleven suspects were arrested, four vehicles were seized and three houses were searched, whereby many materials which are used for skimming were discovered.

3.9 Grasshopper

In November 2007, the police region of Gelderland-Midden launched the Grasshopper investigation. This concerned a criminal (financial) investigation into (habitual) money laundering, committed by a 34-year-old Dutchman of Moroccan descent, hereafter referred to as “X”. This person was involved in several suspicious transactions. X lived on the dole until May 2003. He then set up a grow shop. When he failed to make a profit, X decided in 2006 to sell his business (on paper) for a remarkably high purchase price to a person who moved in criminal circles. X also attracted attention by purchasing several buildings in Roosendaal and Kesteren in the period 2003-2005. It turned out that these buildings did not have a mortgage.

In February 2004, X and four other Moroccans bought a commercial property for over 1 million euro. This property was later converted and kitted out as a garage. After he formed a holding and subsidiary, X started to exploit this garage in March 2005. X lent out €750,000 to the holding, which in its turn lent out €600,000 to the subsidiary. Following structural losses of the holding and subsidiary, X sold, amongst other things, the stock (excluding merchandise) and inventory of the garage to a criminal friend in 2007 for the sum of €450,000. From that moment on, X arranged a fictitious employment with a private limited company, earning a net monthly salary of €8,500.

Suspicious Money Flows
Following an audit by the (Dutch) Tax and Customs Administration in December 2005, several unusual transactions were reported to FIU-Netherlands which concerned the financing of immovable property by X. Following questions by the (Dutch) Tax and Customs Administration about the origin of the money invested, X submitted seven loan agreements. According to these agreements, X borrowed a total of €1,660,000 from his half-brother in Morocco, without having
to pay any interest on the loans (because of religious convictions). X did not pro-
vide any security for these loans, and no repayments were made. It later became
apparent that only two of the seven fictitious loan agreements had been entered
in the register in Morocco, and that the income and assets of his half-brother
were not sufficient to account for the size of these loans and the sizeable foreign
currency deposits into his Moroccan bank accounts.

In addition to the information from the (Dutch) Tax and Customs Administration,
FIU Netherlands also had suspicious transactions at its disposal that were con-
nected with cash deposits and withdrawals. These transactions took place on
the (business) accounts of X. It also became clear that X transferred considerable
sums of money to Spain. For instance, it became apparent that X and a criminal
contact of his, hereafter referred to as “Z”, transferred a total of €230,000 to
Spain in January and April 2006. The bank in question had been told that, as the
beneficiary of the money, X was going to buy land in Spain.

Moroccan Hash
The suspicious transactions made it clear that X and his “confidant” Z had been
involved in the international wholesale trade in Moroccan hash for many years.
The Gelderland-Midden police force, in cooperation with the Fiscal Information
and Investigation Service and Economic Investigation Service, launched a crimi-
nal (financial) investigation that was meant to trace the origin of the assets of X.
This investigation revealed that X was in contact with his Moroccan suppliers, as
well as with Moroccan and Dutch persons who arranged hash transports from
Morocco and Spain.

Things Fall into Place
Following a (preliminary) investigation, according to a thorough planning,
searches and extraditions were carried out in 27 locations during a large-scale
-crack-down in the Netherlands, Spain and Morocco, whereby (prejudgement)
attachment was levied on immovable property, exclusive cars (Ferrari, Bentley,
BMW, MG and Audi) and bank balances. The (surplus) value of the seized
(immovable) property came to over €3,500,000 (in the Netherlands alone!).

Documents which had been seized revealed that, between 2006 and 2008, X
and his right-hand man Z had bought over 50,000 kg of hash. The turnover and
cash receipts during this period came to over €36,500,000. Couriers transported
the criminal profits to Morocco by car and/or aeroplane. Moroccan bank
accounts in the name of X and his half-brother revealed that, from 2003 up to
and including April 2008, over €15,000,000 was deposited into these accounts.
These deposits were followed by bank transfers to (third-party) accounts of civil-law notaries in the Netherlands and/or to private and business accounts of X in the Netherlands and Spain. Two buildings and a parcel of land, including an exclusive penthouse with a value of over €1,000,000, were seized in Morocco.

X also bought immovable property in Spain by taking out (fictitious) private loans (on paper) with criminal contacts of X in Morocco. The money (read cash) flow from X to Spain came to over €2,600,000. An amount of €1,000,000 was later used to secure a fictitious loan from a Spanish investment institution for the purchase of a sports hall in the Netherlands. In Spain, (prejudgement) attachment was levied on several buildings, a BMW X5 and bank balances, amounting to a total of €1,500,000.

X also turned out to be the Ultimate Beneficial Owner (UBO) of three foreign legal entities (Limited companies) in Guernsey, which had bank accounts in the United Kingdom and Switzerland. By making improper use of the legal concept trust, X was able to hide behind these foreign legal entities as a financier, acting as an investor for the acquisition of immovable property in the Netherlands and the construction of three exclusive yachts in Turkey, with a value of €7,400,000.

Requests for mutual legal assistance were sent to the United Kingdom, Switzerland and Turkey. The results of the investigation that were received revealed that X had bank accounts opened in Switzerland by criminal contacts in the name of his Limited companies. Between July 2007 and July 2008, a total of €2,140,000 was deposited into these accounts in cash. In addition, €1,050,000 was paid in cash in March 2008 for the construction of three exclusive boats in Turkey. After the searches, X tried, with the cooperation of other suspects, to dispose of his balances on the Swiss bank accounts. This was prevented by the watchfulness of the foreign authorities. As a result, about €1,300,000 could be seized in Switzerland.

**Killing Two Birds with One Stone**

A capital comparison over the period 2003-2008 revealed that X made unexplained expenditures of €20,000,000 or more in connection with money laundering. Since a conscious decision had been made to follow a financial approach, the investigative authorities were eventually able to gain sufficient insight into the unexplained capital gains of X in the Netherlands and abroad. They obtained evidence of large-scale international hash trade to boot.
This chapter describes some of the products which FIU-Netherlands has made. We use these products to share our knowledge and expertise with our partners. In this chapter we also inform you about new developments in our sector.
4.1 Status Report

A financial status report contains overviews (rendered anonymous) of the relevant international money flows in relationship to the geographical “hot spots” in a police region. The main idea behind this is that a money flow may be symptomatic of a problem in a region, while the regional enforcement and investigative information may not reveal such a problem. A status report is not an exhaustive analysis; it serves as an alert. What is happening where, and does this warrant asking in-depth questions? A financial status report contains a separate chapter which deals with the most active subjects who may be relevant for the region.

What is the current status?
During visits to several police regions, FIU-Netherlands explained the added value of the financial status reports for the investigative authorities. By presenting an up-to-date “financial status report”, it was able to provide insight into the money flows on a local, regional, national and international level. FIU-Netherlands aims to inform regions about national and international financial developments in a timely fashion, so that the regional police forces can take these developments into consideration when utilising regional enforcement and investigative capacities.

4.2 Fact-sheet

A fact-sheet is a written report which gives a description of a phenomenon with regard to money laundering and/or terrorist financing. A fact-sheet is intended to inform chain partners about recent developments and about methods and techniques for preventing and investigating money laundering and/or terrorist financing. Fact-sheets are usually prepared following specific questions from partner organizations. FIU-NL also prepares fact-sheets on signals and subjects which the organization wishes to share (signalling function). A fact-sheet is descriptive in nature. The approach can be either “top-down” (with information on the broader phenomenon) or “bottom-up” (with operational information). The sources are diverse; use is made of information from case files, transaction information and publications on the forms of crime. In certain cases, interviews are held with those involved from investigative teams and knowledge centres. In this way, it is possible to establish the role of transactions in criminal activities. FIU-Netherlands also approaches financial institutions for statements of account and/or other financial transactions. Last but not least, FIU-Netherlands uses the knowledge and information that is available at/provided by international organi-
organizations and experts. In 2008, work was started on a fact-sheet on money laundering through casinos.

4.3 International Money Flow Report
A money flow report contains an overview of relevant international money flows in relationship to specific countries. International money flow reports are prepared (on request) to inform the liaisons from the Department of International Police Information about the “money flow report” product and relevant international money flows. The money flow reports contain overviews of the unusual and suspicious money flows between the Netherlands and the countries in the region where the liaison is active. The reports contain descriptions of striking developments with regard to money flows and forms of crime. The distribution of money flow reports enhances the liaisons’ knowledge of the uses of financial information. FIU-Netherlands also hopes that the reports will encourage the liaisons to make greater use of FIU information in their work. If a user would like to receive more in-depth information on a money flow report, he/she may submit a request for a more detailed analysis to FIU-Netherlands.

4.4 Role of Terrorist Financing
The legislator has given a specific task to FIU-Netherlands with regard to the prevention of and fight against terrorism and terrorist financing. Terrorism and terrorist financing are global phenomena. For this reason, FIU-Netherlands does not focus exclusively on events within the Netherlands. A logical consequence is that FIU-Netherlands cooperates closely with relevant (inter)national partners. The information from FIU-Netherlands is used, amongst other things, to analyse financial flows surrounding terrorist groups and their support networks. The files are occasionally used to prepare for a criminal investigation. In other cases, they are used as “financial intelligence”. For security reasons, no disclosures are made about the (financial) information on terrorist activities, persons and organizations which is being investigated by FIU-Netherlands.

Preventing and Combating
Roughly speaking, we can distinguish between the “prevention of” and “fight against” terrorism and terrorist financing. FIU-Netherlands makes an active contribution to the “prevention” of terrorism and terrorism financing. It does so by generating “financial intelligence” on the basis of transactions and/or other (financial) information with regard to persons and/or groups which form a risk in the sense that they are involved in terrorism (radicalization) or terrorism financing. Financial intelligence can be used to bring to light groups or individuals
which/who had previously not been recognized. The collation of (inter)national information is very important for the detection and prevention of terrorist activities. These signals are shared with the investigation and intelligence services.

FIU-Netherlands also makes an active contribution to the “fight against” terrorism and terrorism financing. To this end, FIU-Netherlands cooperates closely with all partners on a regional and national level. FIU-Netherlands also scans all the transactions which have been reported for persons and organizations which are included on the EU sanction list for terrorist groups and persons. In 2008, FIU-Netherlands received 60 transactions that could be related to persons or legal entities which have been put on the EU sanction list or other international sanction list. In 2008, FIU-Netherlands was able to provide relevant information for the majority of the requests for information from external parties. The alerts regarding high-risk transactions given off earlier by FIU-Netherlands are usually confirmed at a later stage.

**Sharing Expertise**

In addition to the activities which are focused on the “prevention of” and “fight against” terrorism and terrorism financing, FIU-Netherlands contributes to the exchange of knowledge on a national and international level. It does so by taking part in several working groups and forums.

**Terrorism Indicator**

In the 2007 Annual Review, a case was made for a separate indicator under which transactions can be transmitted which (probably) have to do with terrorist financing. These transactions are currently reported under the general subjective indicator. As a result, transactions which are related to money laundering are “mixed” with transactions which can be connected with terrorist financing. A separate terrorism indicator will be necessary to allow investigations within FIU-Netherlands into transactions and/or subjects which/who have an alleged relationship with terrorist financing to be carried out quickly and effectively. In 2009, we will examine how we can implement a separate indicator for terrorist financing.

### 4.5 Use of National Threat Assessments

In October 2008, the Netherlands Police Agency (Department of International Police Information) issued a National Threat Assessment. This future-oriented description of organized crime appears four times a year by order of the Board of Prosecutors General.
FIU-Netherlands has cooperated intensively on the partial Money Laundering project. Two issues emerged from this project which constitute a threat to our society. These concern criminal investments in immovable property and the supportive role which financial service providers play in laundering money obtained by criminal means.

**Criminal Investments in Immovable Property**

With regard to money laundering, the National Threat Assessment concluded that investments in immovable property of money obtained by criminal means have a large number of negative effects on Dutch society. The Dutch situation is attractive for criminal investments in immovable property. Criminals who are active in the Netherlands invest in immovable property when they wish to expand their criminal activities. It is relatively easy for foreign criminals to invest in Dutch immovable property. This may increase. On the other hand, Dutch criminal joint ventures have been adversely affected by the measures taken to combat money laundering. It is therefore expected that they will start to invest more in immovable property abroad. It is not expected that the scope of money laundering through criminal investments in immovable property will change over the years ahead. The combination of the current negative effects and the expectation that investments in property using money obtained by criminal means will not decrease has been qualified as a “threat” for the coming four-year period.

**Financial Service Providers**

Financial service providers often carry out support work for several criminal joint ventures. They are largely retained on account of their specialities and sometimes work for the same joint ventures for many years. These service providers are employed in the legitimate world of finance. It has been established on several occasions that criminals have strategic contacts in this world. For instance, there are examples of contacts with bank employees, tax and legal consultants and foreign bank directors. Criminal joint ventures appear to have a preference for small offices and one-man businesses, since these are economically more vulnerable and, as a result, easier to put under pressure. However, staff members from large offices may also be approached. The use of threats and violence (even liquidations of financial service providers) has been established. Criminal joint ventures almost invariably use financial service providers with the same cultural background.

Financial service providers which receive payment from criminals in “black” money or which are able to command higher fees on account of the dubious nature of their services may distort competition. Criminal entrepreneurs who are engaged in money laundering in the property sector blend in with bona fide
property entrepreneurs from the legitimate business world. Their economic power allows criminal entrepreneurs to manipulate prices, to use immovable property for criminal purposes, to give criminal activities a semblance of legality and to simplify the laundering of money obtained by criminal means. When they launder money through immovable property, criminal entrepreneurs cannot do without the services of third parties, such as lawyers, civil-law notaries, tax specialists and, occasionally, corrupt public servants. They form the link between the underworld and the legitimate business world.

4.6 Netherlands Court of Audit Report

The 2007 Annual Review touched on the “Fighting Money Laundering and Terrorist Financing” investigation report prepared by the Netherlands Court of Audit. The final report was presented to the (Dutch) Lower House on 3 June 2008. This investigation concentrated on the way in which the responsible ministers of the Interior and Kingdom Relations, Finance and Justice manage the enforcement chain. It also concentrated on the way in which the various implementing organizations approach the prevention, detection, investigation, prosecution and sanctioning of money laundering and terrorist financing. The enforcement of sanctions did not fall within the scope of the investigation

Conclusions

Despite the large number of steps which the ministers of the Interior and Kingdom Relations, Finance and Justice have taken to combat money laundering and terrorist financing, the results have turned out to be disappointing. The investigation revealed that money laundering and terrorist financing are not adequately prevented, that the probability that money laundering and terrorist financing are uncovered and punished is small and that investigation services and the Public Prosecution Service still do not make sufficient use of the possibilities to confiscate criminal assets. According to the Netherlands Court of Audit, these results fall short of the aims of the past five cabinets and the priority they have given to the fight against money laundering and terrorist financing over the past ten years. The most important recommendations of the report are:

• Set out policy aims (the ministries of the Interior and Kingdom Relations, Finance and Justice), the supervisory bodies and the Board of Chief Commissioners
• Tailor the required capacity, expertise and priority to the policy aims (the ministries of the Interior and Kingdom Relations, Finance and Justice, the supervisory bodies and the Board of Chief Commissioners)
• Guarantee that relevant operational information is collated at the earliest possible stage (the ministries of the Interior and Kingdom Relations, Finance and Justice)
• The responsible ministers must go out of their way to provide overall directives (the ministries of the Interior and Kingdom Relations, Finance and Justice)
• Devise a common strategy with shared and balanced priorities (the ministries of the Interior and Kingdom Relations, Finance and Justice)
• Establish, in consultation with the organizations involved in the fight against money laundering and terrorist financing, useful performance indicators (the ministries of the Interior and Kingdom Relations, Finance and Justice and chain partners)
• Use these indicators to gain insight into the results, to purposefully manage the enforcement chain and to report to the (Dutch) Lower House on the results that were attained and the resources that were employed to that end.

The Netherlands Court of Audit recommended that the responsible ministers (the ministries of the Interior and Kingdom Relations, Finance and Justice), the supervisory bodies (the DNB, the (Dutch) tax and Customs Administration, the Financial Supervision Office and the Netherlands Authority for the Financial Markets) and the Board of Chief Commissioners set out realistic policy aims, and that they tailor the required capacity, expertise and priority to these aims. The Netherlands Court of Audit also recommended that the ministers of the Interior and Kingdom Relations, Finance and Justice guarantee that the relevant operational information which is to be found in the various private and public organizations within the enforcement chain is collated at the earliest possible stage. The Netherlands Court of Audit is also of the opinion that the responsible ministers should go out of their way to provide overall directives, and recommended that they devise a common strategy with shared and balanced priorities. Finally, the ministers of the Interior and Kingdom Relations, Finance and Justice are advised to establish, in consultation with the organizations involved in the fight against money laundering and terrorist financing, useful performance indicators, and to use them to gain insight into the results, to purposefully manage the enforcement chain and to report to the (Dutch) Lower House on the results that were attained and the resources that were employed to that end.
4.7 Financial Crisis

The effects of the financial crisis are felt in every section of our society. The financial crisis increases the risk of fraud, money laundering and terrorist financing. In 2008, FIU-Netherlands received several reports which could be directly related to the crisis. It is expected that the number of reports will increase further in 2009. The (potentially) negative effects are monitored closely. Changes within existing transaction patterns and/or typologies are important signals for FIU-Netherlands to investigate. International investigations (such as those by the FATF) have shown that the number of cash withdrawals and purchases and sales of gold have increased. There is also an increase in the number of alternative lending arrangements and transactions which involve financial institutions that are established in “high-risk jurisdictions”.

However, the changes in the conduct of financial institutions may be connected with the financial crisis. Since their profits are under pressure, it is not unthinkable that, in their attempts to cut costs, financial institutions will also reduce the budgets of the compliance departments. Service providers which are in dire financial straits are more vulnerable to criminal influences. Due to the loss of part of their regular revenues, (non-)financial institutions may be more liable to provide services to criminal groups since, on account of their dubious nature, they are in a position to command higher fees.

The number of liquidations and bankruptcies during the first six months of 2009 (5,343) increased by 65% in relation to the first six months of 2008 (3,245). In bad times, private interests are secured more quickly. An investigation by the Ministry of Justice (in 2006) revealed that 25% of all liquidations and bankruptcies involved fraud. In 10% of the cases of fraud, a liquidator filed a report with the police authorities. Fewer than 3% of the cases resulted in a conviction. Fewer houses changed hands and fewer mortgages were refinanced. The Financial Supervision Office believes that the financial situation may compel some civil-law notaries to “cook the books”. The Financial Supervision Office is going to tighten up its supervision of civil-law notaries in order to reduce the risk of fraud. 120 of the 2,000 (junior civil-law notaries and support staff members) were dismissed. In the first quarter, one out of eight civil-law notaries was put under stricter supervision of the Financial Supervision Office.
Criminal activities in a certain part of the world may have important consequences for individuals and communities in other parts of the world. FIU-Netherlands invests purposefully in the cooperation with international partners so that collective action can be taken in the fight against money laundering and terrorist financing. In 2008, various initiatives were taken to strengthen international cooperation.
5.1 International Cooperation

Our current global system is marked by a large number of links and interconnections between states and societies. Borders are becoming more and more indistinct. It is therefore not surprising that criminals are also operating internationally. Complex international financial structures are set up to conceal assets obtained by criminal means from the investigation services. In order to be able to detect and track these structures, coordination with international partners is of great importance. The exchange of operational information, knowledge and experience often serves both a national and international purpose.

Reinforcing One Another

As previously indicated, FIU-Netherlands invests purposefully in cooperation with international partners, not only in the area of operational data exchange, but also in a wider context; the exchange of knowledge and experience. Fortunately, we are not alone in this! Cooperation is an excellent starting point for unraveling, amongst other things, criminal networks which readily make improper use of vulnerable financial products in the Netherlands and abroad.

Argus

The Argus project is an example of a successful international cooperation. The project is a joint venture between FIU-Sweden and FIU-Netherlands. On the basis of an agreement, suspicious transactions between Sweden and the Netherlands are examined on a structural basis. Unusual transactions in the Netherlands that were connected with Sweden in some way were also examined. The following objectives were set in coordination with FIU-Sweden:

- Better insight into what each can and cannot do.
- Better insight into each other’s method of operation.
- Structural exchange of transaction information.
- Interpreting financial transactions.
- Strengthening each other’s information position.

Short lines of communication and an open communication are important elements which contribute to a successful cooperation. Through intensive contact, the parties involved can quickly gain insight into what each can and cannot do. For the above reasons, a deliberate choice was made to have fixed contact persons.

The parties strengthen each other’s information position in current investigations and at the start of new investigations through the structural exchange of trans-
action information. In this way, a clear impression is formed of the different forms of crime. In addition, the unlocking of information is vital for gaining insight into criminal networks and illegal money flows.

For example, FIU-Netherlands has a clear perception of money transfers. By contrast, Sweden usually lacks information on money transfers. The reason is that, in the Swedish reporting system, transactions are only reported risk-based. However, this reporting system leads to fewer reported transactions and, consequently, a less detailed overview of the money flows. In its turn, the Swedish reporting centre can provide FIU-Netherlands with information on subjects who are living in Sweden but who maintain criminal contacts with the Netherlands. FIU information has proved to be of great value during several investigations in the Netherlands and Sweden.

### 5.2 International Data Exchange

Criminal activities in a certain part of the world can have important consequences for individuals and communities in other parts of the world. The unlocking of valuable information is very important for gaining insight into criminal networks and illegal money flows. Experience has taught us that making inquiries at a foreign reporting centre usually provides new insights. Making inquiries at foreign reporting centres forms part of the regular work process. Transaction information, the identities of subjects and the connections between subjects are exchanged quickly and effectively via the Egmont Secure Web and FIU.NET.

The table below shows the incoming and outgoing requests in 2008.

<table>
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<tr>
<th></th>
<th>Incoming</th>
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<tr>
<td><strong>Top 5 Countries</strong></td>
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<td><strong>Top 5 Countries</strong></td>
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<tr>
<td>Luxembourg</td>
<td>33</td>
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<tr>
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<td>Germany</td>
<td>9</td>
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<tr>
<td>Netherlands Antilles</td>
<td>9</td>
<td>Spain</td>
<td>6</td>
</tr>
<tr>
<td>Jersey</td>
<td>8</td>
<td>Luxembourg</td>
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</table>
Foreign FIUs often ask FIU-Netherlands for information. However, the outgoing requests fall short of the incoming requests. We aim to ask more foreign reporting centres for information in 2009.

### 5.3 The Kingdom of the Netherlands

The first Kingdom of the Netherlands “reporting centres” seminar was held in 2007. It was agreed here that it would be good to repeat the seminar every two years. The Reporting Centre of Aruba was going to be the next host. In connection with the FATF evaluation of Aruba in 2009, it is expected that the next Kingdom of the Netherlands seminar will be postponed slightly and organised in Aruba in the autumn of 2010. In 2008, personal contacts with the Heads of the Reporting Centres were limited to contacts within the Egmont Group and/or the FATF meetings. The Head of the Office for the Disclosure of Unusual Transactions of Aruba occasionally visited FIU-Netherlands. The mutual understanding is good. When appropriate, information may well be exchanged with reporting centres with similar purposes, in conformity with the Charter for the Kingdom of the Netherlands. Halfway through 2008, a joint initiative was undertaken within the scope of an Egmont project to carry out an analysis project between the reporting centres of Peru, Aruba and the Netherlands. The first analyses have been made. A comparison and coordination between the parties involved may follow in the course of 2009.

The political reforms had our special attention in 2008. Representatives of the ministries of Justice and Finance have meanwhile paid a visit to the BES islands and the Antilles. The Head of the Office for the Disclosure of Unusual Transactions in Curacao was approached to assist Saint Maarten in setting up and organising the reporting centre. The first actions to that end were taken in 2008. When Saint Maarten gains its semi-autonomous status, it will be held responsible for the reporting centre and the fight against money laundering and

### INTERNATIONAL INTELLIGENCE EXCHANGE FIU.NET

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<th>Top 5 Countries</th>
<th>Incoming</th>
<th>Top 5 Countries</th>
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terrorist financing. Curaçao will be given a status similar to that of Aruba. FIU-Netherlands will be made responsible for the reporting obligation of the institutions in Bonaire, Saint Eustatius and Saba. These islands will form part of the Netherlands as public entities. It is expected that this will be formalised in 2010. The special position of the BES islands will be taken into account when applying policies, laws and regulations, and the implementation thereof. It will also be taken into account as far as supervision is concerned. The political establishment has decided that this special position justifies the fact that Dutch laws and policies, and their implementation and supervision, will not be applied in full. Efforts are being made to meet an international standard.

This basic assumption will play a significant role in the implementation of the obligation to report. Although very few institutions have been established in the islands, and the unusual transactions are bound to be few in number, this must nevertheless be properly arranged, with due regard for confidentiality and other guarantees. In any case, there is bound to be a need for information and assistance. Most of the institutions are located in Bonaire. A large number of auxiliary branches have principal establishments in Curaçao. Cooperation between the reporting centres within the Kingdom of the Netherlands has always been important, and its importance is only bound to increase further as a result of the forthcoming developments. Cooperation with the investigative authorities on a local level is also essential.

A good cooperation and coordination between the reporting centres of the Kingdom of the Netherlands is of vital importance as far as the prevention and investigation of criminal acts and prosecution proceedings is concerned.

**Cooperation Agreement**

On 27 June 2008, the Public Prosecution Service of the Netherlands Antilles and the National Public Prosecutor’s Office for Financial, Economic and Environmental Offences of the Public Prosecution Service in the Netherlands signed a cooperation agreement. This agreement pertains to the two-way exchange of information between the designated police agencies in the Netherlands Antilles and the Netherlands which deal with the processing and investigation of money transfers that have been designated as suspicious. More specifically, the cooperation agreement focuses on:

- Exchanging – as efficiently as possible – personal data (name, address and place of residence) of those who carry out and/or receive suspicious transactions, particularly money transfers from the Netherlands to the Netherlands Antilles and vice versa.
• Reducing the abuse of money transfers for criminal purposes (Prevention).
• Strengthening the investigation and prosecution of forms of crime within the Kingdom of the Netherlands (Repression).
• Structural improvement of the information position of the parties in the parts of the Kingdom which are involved in investigations. This will be based on the transactions reported to the reporting centre and made available to the investigative authorities. An improvement in the information position will expand their opportunities to alert the investigative authorities to unusual transactions.
• Improving the capacity to analyse and uncover the connections between persons involved in (financial) crime.
• Identifying shifts in forms of crime connected with money laundering and/or terrorist financing.

From 14 July 2008 up to and including 31 December 2008, a total of four requests for information were received from the Netherlands. The results of the inquiries which followed were laid down in an official report and forwarded to the appropriate police force or the Special Investigation Service. The requests, which had been received from the regional police forces of Flevoland, Drenthe and Brabant (South-East) and the Fiscal Information and Investigation Service and Economic Investigation Service respectively, were related to several investigations.

Money Flows and Transactions
The graphs below show the transactions and money flows of the money transfers between the Netherlands and the Netherlands Antilles. The numbers have been rounded off to hundreds or tens. The money flows, calculated on the basis of transactions carried out, have been rounded off to thousands. The distinction between “unusual” and “suspicious” requires some explanation. The unusual transactions were requested by registration date; the date on which the transactions were registered as unusual in the FIU-Netherlands database. The suspicious transactions were requested by transmission date; the date on which FIU-Netherlands transmitted the transaction as suspicious to the law enforcement agencies.
TRANSACTIONS FROM THE NETHERLANDS TO THE NETHERLANDS ANTILLES

FLOW OF MONEY FROM THE NETHERLANDS TO THE NETHERLANDS ANTILLES (IN EUROS)

< Back to index
TRANSACTIONS FROM THE NETHERLANDS ANTILLES TO THE NETHERLANDS

FLOW OF MONEY FROM THE NETHERLANDS ANTILLES TO THE NETHERLANDS (IN EUROS)
5.4 Financial Action Task Force

FATF is an intergovernmental collaborative venture of countries with important financial centres and associated bodies/organizations which deal with the fight against money laundering and terrorist financing. It was established in 1989. FATF has drafted a total of 49 recommendations (40 anti-money laundering recommendations and 9 special anti-terrorist financing recommendations), to which the Member States, including the Kingdom of the Netherlands, have committed themselves. All the FATF countries are regularly evaluated on the basis of these 49 recommendations.

FATF holds three plenary meetings every year. The FATF mandate was reviewed in the first half of 2008. This has resulted, amongst other things, in FATF’s investigation of three elements in order to be able to determine the impact and effectiveness of the current policies. FATF will collect information to measure the impact of the current policy regarding the prevention of money laundering and terrorist financing. Furthermore, it will encourage a closer examination of the effectiveness of the current policy, and examine the feasibility of a cost-benefit analysis in the policy regarding the prevention of money laundering and terrorist financing. Also, the new mandate will make it possible to expand somewhat the number of FATF’s core activities. The funding of weapons of mass destruction is an example.

One of the key objectives of FATF policy is to give new impetus to the dialogue with the private sector. This can be realised by, amongst other things, examining whether indicators can be established which the private sector can factor into its risk policies. Four working groups are active within FATF. The working group meetings are always held before the plenary meeting. FIU-Netherlands is a regular attendee at these meetings and takes part in working groups.

**News from the Meetings**

The first plenary meeting was held from 25-29 February in Paris. It became apparent at this meeting that most of the countries which so far had been evaluated still had to make considerable improvements in their laws, as well as improve the effectiveness of their implementation.

The evaluations of countries such as Canada and Singapore were discussed. Although laws will come into force in Canada within a few months which will improve the flaws that have been discovered, the evaluation report was nevertheless critical. Canada submitted a request submit a further report to the plenary meeting of FATF within one year. Singapore did not quite live up to the FATF recommendation to penalise the offence of money laundering. In addition, the
progress reports from Sweden, Ireland, China and Greece were adopted. India and South Korea have indicated that they wish to join FATF. The second plenary meeting was held in London from 16 to 20 June. The reports from the Russian Federation and Hong Kong were discussed here. In addition, two evaluation reports of Qatar and the United Arab Emirates (members of the FATF Style Regional Body for the Middle East (MENAFATF) were discussed. In addition, the progress reports from China, Greece, the United States of America, Denmark, Spain and Norway were adopted. Towards the end of the meeting, Brazil was installed as the next chair of FATF. The Netherlands will become chairman in July 2009. In anticipation of this, the Netherlands will act as vice-chairman in 2008. The reports from Japan and Mexico were discussed at the third and last plenary meeting of 2008, held from 13-17 October in Rio de Janeiro. The report from Japan in particular contained a number of low scores on important recommendations. For example, Japan is “non-compliant” as far as the important fifth recommendation is concerned, which pertains to the duties of financial institutions regarding identification of UBOs.

News from the Working Groups

Working Group on International Cooperation
In addition to monitoring, this working group discusses international cooperation between countries, whether or not they are affiliated with FATF or one of its regional organizations. The working group has entered into a dialogue with several countries and the region to see whether and how their laws with regard to the prevention of money laundering and terrorist financing can be improved. Following a discussion of new developments and the progress which these countries have made, it was decided to issue a press release, pointing out the risks resulting from flaws in the anti-money laundering and terrorist financing laws of Uzbekistan, Iran, Pakistan, São Tomé and Príncipe, Turkmenistan and the northern part of Cyprus. Although this led to a fair amount of progress, the situation in Uzbekistan and Iran is a cause for concern. Later that year, FATF summoned its members to strengthen the existing measures against these countries. The group discussed the need to improve the procedures for assessing progress made in the jurisdictions which the FATF closely monitors.

Working Group on Typologies
This working group, which is chaired by the Netherlands and Belgium, studies trends in the methods and techniques which are used in money laundering and terrorist financing. By analysing actual cases, the members try to infer methods and techniques which are used in money laundering. In its report of the investi-
gation into terrorist financing, the working group established that the financial sector has a clear need for a better understanding of terrorist financing, and for specific information which can be used to identify activities which may involve terrorist financing. Countries are therefore urged to examine the extent to which “counterterrorism intelligence”, such as high-risk locations, high-risk activities and individuals involved can be factored into the procedures and risk models of financial institutions. In addition, the importance of “financial intelligence” is emphasised, and countries are advised to make “financial investigations” a standard part of their “counterterrorism” investigations.

- The typologies working group also wishes to strengthen the function of FATF by monitoring trends in risks in the areas of money laundering and terrorist financing. A typologies report which was developed to that end offers countries tools for developing their own risk-analysis strategies, so that this knowledge can be used in global strategic monitoring. The emphasis was on (a) the role and use of cash, (b) third-party and escrow accounts and (c) the use of the proceeds from tax and excise duty evasion.

- An investigation into the funding of proliferation networks has been concluded. The report gives detailed information on different forms of funding (documentary credit, trade finance, open accounts) that are usual in international trade. The report gives twenty examples from everyday practice. The report also gives a description of the possibilities and impossibilities of using the current set of preventive financial measures of reporting and identifying which have been laid down in laws with regard to the prevention of money laundering and terrorist financing to prevent proliferation funding. The report then lists a number of options for additional measures which the FTF may consider to strengthen the guarantees for the prevention of proliferation funding. This investigation was largely characterised by a close cooperation with the private sector.

- A third investigation which has also been concluded concerns the vulnerability of commercial websites and Internet payment systems to money laundering and terrorist financing. The Netherlands made an active contribution to all three investigations (which have now been concluded).

A number of new investigations/projects were also launched. One of these is focused on the risks of money laundering and terrorist financing in the “securities sector”. Proposed by the Netherlands, an investigation will be launched into the possibility of laundering money via sports clubs. Both professional and amateur clubs will be examined. This will not be limited to football. At a special meeting in Monaco in November, 170 FATF and MONEYVAL representatives were assigned to four different projects, including what is referred to
as the “Global Threat Assessment” (GTA) project. This project takes stock of national threats in the areas of money laundering and terrorist financing. High-threat areas will increase in size when forces are joined/groups are formed. This allows global threat assessments to be made. According to the plan, the project should be concluded in June 2010. FIU-Netherlands is taking an active part in the GTA project.

**Working Group on Evaluations and Implementations**

In cooperation with the private sector, as part of the risk-oriented approach, this working group has developed manuals for various institutions which are obliged to file reports. The working group has also prepared a manual tailored to developing countries which are preparing for an evaluation, as well as a step-by-step plan for an integrated follow-up approach following the evaluation. The International Monetary Fund (IMF) has tabled a proposal for the establishment of a thematic Trust Fund to render technical assistance in the areas of money laundering and terrorist financing. The IMF makes an important contribution to the worldwide implementation of the FATF standard for the prevention of money laundering and terrorist financing. Because it is being reorganized, the IMF may lose its responsibility in the area of technical assistance. FATF has shared this concern with the IMF board. A Dutch paper on the possibility of introducing a cost-effectiveness analysis has been discussed. It has become clear that there is wide consensus on the need to assign greater importance to effectiveness in the elaboration of new policies.

**Working Group WGAML/CTF Policy**

A “best practices paper” concerning money laundering in trade flows, the Trade-based Money Laundering (TBML), was completed in 2008. A so-called “guidance paper” on the implementation of UN Resolution 1737 with financial sanctions against Iran was also completed. The input from the private sector was also discussed here. As a result of Security Council Resolution 1803, the working group issued new, non-binding guidelines. These guidelines give countries practical suggestions on how to implement Article 10 of Resolution 1803, which calls on countries to exercise caution when carrying out financial transactions with Iranian financial institutions. The non-binding guidelines include practical suggestions for financial institutions and supervisory bodies. The follow-up investigation into the execution of orders freezing the assets of terrorists (SR III), which was carried out by a project team, established that this can be done more efficiently. It was recommended that every country should make an independent interdisciplinary sanction unit responsible for this. The working group is now looking into ways of freezing assets, as well as ways of confiscating them. The EC also tabled
a proposal to carry out an unambiguous evaluation of the EU Member States in respect of special recommendation 9 (cash couriers). This concerns a shared interest of the EU Member States to be assessed as a single jurisdiction.

FIU-Netherlands took part in the “FATF typologies working group on terrorism financing”. In May 2008, FATF issued the “Terrorism Financing” report, which includes, amongst other things, casuistry from the Netherlands. The report can be downloaded from the website: www.fatf-gafi.com.

5.5 Egmont Group

The Egmont Group was established in 1995 to promote contacts, cooperation and the exchange of knowledge and operational information between FIUs. Since its establishment, in the Egmont palace near Brussels, the Egmont Group has become an indispensable forum in the international fight against money laundering and terrorist financing. In 2008, the Egmont Group consisted of 108 financial intelligence units spread all around the world.

The Egmont Group recognizes four types of FIUs:
- The administrative model (69 members),
- The judicial model (4 members),
- The police or investigation model (27 members),
- The hybrid/mixed model (8 members)

The Egmont Group aims to strengthen the contacts between FIUs, and to promote cooperation through the exchange of knowledge and operational information.

In 2008, the Egmont Committee (which advises and coordinates the working groups, the Heads of FIUs, the Executive Secretariat and the regional representatives) continued its efforts to make the Egmont Group a more formal, independent and internationally recognised entity. The committee members are managing and coordinating the various working groups during this transitional process.

The Egmont Group has a number of regular working groups: The Outreach Working Group (OWG), which supervises candidate members, the Operational Working Group (OpWG), which works out specific themes of an operational nature, the IT Working Group (ITWG) which examines the electronic data exchange between members as well as the security aspects, the Training Working Group (TWG), which develops manuals for course instructors and
participating FIUs and arranges training courses, and the Legal Working Group (LWG), which looks after legal affairs, such as the recommendation to the Egmont Committee on the admission of candidate members and internal Egmont affairs. FIU-Netherlands takes part in the ITWG, TWG, OpWG and LWG. As is usual, three meetings were organised this year: In Santiago (Chile) in March, the plenary meeting in Seoul (Korea) in May and the autumn meeting in Toronto (Canada) in October. Those who attended the latter meeting were able to visit the new and permanent Egmont Group Secretariat office on site.

The Santiago meeting in March was characterised by the largest number of participants since the establishment of the Egmont Group. A number of important resolutions were adopted, particularly on compliance requirements and the procedures for obtaining membership.

The plenary meeting, which is predominantly attended by the Heads of FIUs, was held in Seoul, the capital of the Republic of Korea, in May. The Egmont Group appointed a new chairman at this meeting, which was attended by 250 people(!). After six years, William F. Baity from Fincen (USA) was replaced by Neil Jensen from Austrac (Australia). The FIUs from the Turks and Caicos Islands and Moldavia became new Egmont members. Furthermore, a procedure was established on how Egmont members must report the fundamental organizational changes which they are undergoing to the Egmont Group. The LWG will also base its recommendations to the Egmont Committee on this report. The trends and typologies in the areas of money laundering and terrorist financing were also on the agendas of the meetings. Attention was also paid to corruption and Politically Exposed Persons. The then (forthcoming) chairman of the FATF underlined the importance of the Egmont Group, and not only by his presence. He argued for a more intensive cooperation between both organizations. Within the scope of the Egmont Group’s development into a more formal entity, consideration was also given to a different and wider use of the Egmont IT-channel, the Egmont Secure Web (ESW). A “Types of FIU Governance” draft report, which was prepared by the World Bank and the Egmont Group collectively, was presented at the Toronto meeting. The differences in management and control have consequences for the information management. What is and is not possible with regard to exchanging information is an issue which will be examined in greater detail. The final report will be presented at the plenary meeting in 2009.

**ITWG**

Characteristic at this point is the integration of the Egmont Secure Web (ESW) with FIU.net. It has now been agreed that both information channels can be
connected with due regard for applicable security aspects. Representatives of Austrac and Fintrac presented a report on the evaluation of the UNODC GoAML system, a tool for FIUs which was designed to register money laundering transactions. The report deals with the technical and functional aspects. The UNODC was pleased with the report and took the recommendations to heart.

**TWG**

A successful first tactical analysis training session was organised in Stockholm in December. The TWG will continue to develop a two-way evaluation training package. This training package gives information on what FIUs can do in the future to comply with and/or be compliant with the FATF recommendations. The materials can also be used by those who are responsible for carrying out evaluations, and by FIUs which are preparing for an FATF evaluation. The final package will be presented to the Heads of FIUs at the plenary meeting in 2009.

**OWG**

A membership application package has been developed which will be adapted to the public Egmont website. The “Membership Application Package” (MAP) gives a description of the timeline, the steps and processes for becoming a member of the Egmont Group.

**LWG**

A sub-working group which deals with terrorist financing (TF) checks whether and to what extent the FIUs of the Egmont members satisfy the Egmont Group TF requirements. Although they have made much progress, eleven members do not as yet meet the criteria. The sub-working group will continue to monitor the developments of the various members. The aim is to get all the members to comply with the TF definition and requirements by the plenary meeting in 2009. The LWG also mediates in the event of (legal) problems between members concerning the exchange of data. Development of a Legal Library (EGLL) has been proposed. The EGLL will include summarised judicial decisions and regulations which may be important for Egmont members. The Project Manager is the representative of FIU-Netherlands.

**OpWG**

Several projects have been developed. Apart from a project on cash economies, there is an ongoing project on terrorist financing. Initiatives have also been developed to set up a project on child pornography. A proposal was also put forward to place an open-source database on the ESW for operational purposes. The International Centre for Asset Recovery (ICAR) has developed an Asset
Recovery Predictive Intelligence System (ARPIS). This system contains information on persons who are involved in corruption, whose cases have aspects in common with FIU cases. The ARPIS was tested by members of the OpWG, who underlined its added value for FIUs as a data-mining tool.

5.6 European Union

In 2006 the EU Committee for the Fight Against Money Laundering and Terrorist Financing set up the EU FIU Platform in Brussels. This is an informal consultative body on which FIU members from EU and ECA countries have a seat. The committee aims to intensify and streamline the exchange of information between all the EU reporting centres. The platform is used to exchange knowledge and experience with regard to the use of intelligence, differences in legislation, the (im)possibilities of exchanging information and the way in which feedback is given to reporting institutions.

The EU FIU Platform meets a few times a year in Brussels. This fosters closer ties between members. FIU-Netherlands invariably takes part in these consultations, and also contributes to the working groups established by the EU. Problems are pointed out and solutions put forward as part of the exchange of information. What are referred to as “best” or “good” practices are also exchanged. The fairly new EU Member States/FIUs benefit the most from this. Against this background, a report on feedback in money-laundering and terrorist-financing cases and typologies which had been prepared by order of the platform saw the light of day on 22 April 2008. Apart from explaining what is meant by “feedback”, the report identifies different kinds of feedback. The report gives recommendations for enhancing the quality and effectiveness of feedback to reporting parties and between FIUs.

On 28 April 2008, the platform endorsed a report on confidentiality and data protection in FIU activities. This report also pays attention to the possibilities and impossibilities of sharing “intelligence” between FIUs. FIU-Netherlands largely conducted investigations during this preliminary stage. The report also pays attention to the exchange of information with reporting parties/institutions whilst preserving its confidential character.
5.7 FIU.NET

FIU.NET is a highly secure computer network which was established in 2002 to facilitate an efficient exchange of data between European FIUs. The Netherlands, France, the United Kingdom, Luxembourg, Spain and Italy were the first reporting centres to take part in FIU.NET. As a partner, FIU-Netherlands takes part in the ongoing “Towards Improved Ways of Exchanging Information” 2007-2009 FIU.NET project. FIU-Netherlands also contributes by posting staff members and giving advice in various fields of activity of the FIU.NET Bureau, the organization which executes the FIU.NET project on behalf of the Ministry of Justice.

The main objectives of this ongoing project are:
1. to connect all the EU Member States to FIU.NET;
2. to make the current version of FIU.NET as user-friendly as possible;
3. to make preparations for a new version of FIU.NET, with a larger number of functionalities and a higher level of ambition.

Connecting all the EU Member States to FIU.NET
In October 2008, the connection status of the European FIUs was as follows:

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<th>Cancelled</th>
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<tr>
<td>Luxembourg</td>
<td>United Kingdom</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The FIU.NET Bureau expects that all the 24 countries which have indicated that they wish to join the project will be connected towards the end of the project. For FIU-Netherlands, this means that it will be able to reach a larger number of FIUs easily through FIU.NET, thereby promoting the cooperation.

To Make the Current Version of FIU.NET as User-friendly as Possible
The FIU.NET Bureau put out two new releases during the past period. Release 1.3 formed the basis of a completely new FIU.NET application, namely Release 1.4, a.k.a. FIU.NET IX. Furthermore, the 1.3 version provides access to ESW from the FIU.NET computer. FIU-Netherlands served as a pilot and test environment for this FIU.NET application.
Version 1.4, FIU.NET IX introduces far-reaching applications, of which the FIU.NET Case File (dossier) is the most prominent. The FIU.NET Case File application enables FIUs to exchange entire files or cases with one another, whilst upholding the principles of speed and simplicity. A FIU.NET Case File may contain one or more subjects, and various bits of information can be linked to these subjects, such as addresses, bank details, documents, messages and photographs. Several countries may have simultaneous access to the same FIU.NET Case File. However, each country may choose to exchange selectively with a limited number of countries within such a file. What it comes down to is that, despite the large number of options, the countries always stay in control of what they exchange, and with whom. On the introduction of this new version, two operational staff members from FIU-Netherlands were trained to work with FIU.NET IX and, in their turn, to train their colleagues.

**Making Preparations for a New Version of FIU.NET, with a Larger Number of Functionalities and a Higher Level of Ambition**

In terms of software and policy, thought was given to and preparations were made for the development of FIU.NET into an even smarter, faster and more user-friendly tool, which will remove any obstacles to the international exchange (of information). FIU-Netherlands contributed to this preliminary phase by taking part in the “FIU.NET Think Tank” session in Les Fontaines near Paris (France). This session culminated in a recommendation on the desired functions of FIU.NET. Also, proposals were made for greater (international) cooperation between FIUs.

**Current Cases**

An important outcome for the current year is the adoption of the FIU.NET User Protocol. This protocol describes the rules for exchanging information between FIUs. FIU-Netherlands gave legal advice during the preparation phase of this document. Decisions on how, and in what capacity, the FIU.NET system and its support will be continued will be taken in the autumn.

In 2009, FIU-Netherlands will also give the required support to the project, which is regarded as an important step towards greater international cooperation.
5.8 AWF Sustrans

Europol and the former National Public Prosecutor for Cases Involving Unusual Transactions – currently FIU-Netherlands – have been collaborating successfully in the fight against money laundering and terrorist financing since 2001. The Analytical Work File (AWF) Sustrans, in which 20 Member States are now taking part, is a result of this cooperation. All the Member States supply financial information to the AWF Sustrans. FIU-Netherlands also provides Europol with part of its suspicious transactions every week. When a subject is known to two or more countries, Europol asks FIU-Netherlands for more detailed information. Last year, FIU-Netherlands exchanged information with Europol 205 times within the scope of the AWF Sustrans. The information which is submitted is analysed in order to detect international criminal joint ventures. Joint ventures which are discovered are examined more closely with the Member States concerned.
In this Key Figure Report, FIU-Netherlands gives a picture in figures of the input and output of its organisation. In this part of the annual review, a description is given, from different perspectives, of the unusual transactions that were reported and of the “suspicious” transactions that were transmitted to the investigative authorities. Various elements of the reports will be addressed whilst doing so. For instance, a description is given of the indicators used by reporting institutions to report unusual transactions to FIU-Netherlands. Attention will also be paid to the police regions where the unusual and suspicious transactions take place.
In this Key Figure Report, FIU-Netherlands gives a picture in figures of the input and output of its organisation. In this part of the annual review, a description is given, from different perspectives, of the unusual transactions that were reported and of the “suspicious” transactions that were transmitted to the investigative authorities. Various elements of the reports will be addressed whilst doing so. For instance, a description is given of the indicators used by reporting institutions to report unusual transactions to FIU-Netherlands. Attention will also be paid to the police regions where the unusual and suspicious transactions take place.
6.1 Introduction

In this part of the annual review, FIU-Netherlands presents the key figures over the year 2008. The introductory chapter gives a brief outline of the most important developments of the past year.

The year 2008 was characterised in a general sense by a number of fundamental changes in the reporting system and an increase in the number of unusual and suspicious transactions. The changes in the reporting system occurred as a result of changes in the indicators and the introduction of the Money Laundering and Terrorist Financing Prevention Act. In the first place, the reporting limit of the objective indicator for traders in objects of great value was increased from €15,000 to €25,000 on 1 March 2008. The purpose of this increase was to reduce the administrative burden.

Moreover, since the Money Laundering and Terrorist Financing Prevention Act came into effect on 1 August 2008, the scope of the report obligation for traders has been extended from traders in objects of great value – such as traders in vehicles and ships – to all traders, irrespective of the market in which they operate. These “other” traders are not supervised, and only the subjective indicator applies to them. The consequences of the increase in the reporting limit and the expansion of the report obligation for traders will be examined further on in this report. Another reporting sector directly affected by the introduction of the Money Laundering and Terrorist Financing Prevention Act is the credit card sector. At the time of the Disclosure of Unusual Transactions (Financial Services) Act, the so-called “acquirers” of credit card transactions had the obligation to report. As a result of the introduction of the Money Laundering and Terrorist Financing Prevention Act, this report obligation has shifted to the issuers of credit cards; the latter category includes – in brief – the institutions which issue credit cards. Starting on p 120, you will be able to read if this change had any effect on the reports which FIU-Netherlands received from the credit card sector.

In the fourth place, as a result of the changes in the indicators, the obligation to report money transfers has partially shifted from the agents to the so-called “providers of money transfer services”. Since 1 March 2008, the providers have been responsible for reporting all objectively unusual money transfers, i.e. money transfers with a value of two thousand euro or more. Agents no longer need to report objectively unusual transactions. The new regulations do not relieve the providers or agents of the obligation to report subjectively unusual money transfers. It is important that this subjective report obligation is still in effect for both parties, since they assess the potentially unusual character of money transfers.
from different perspectives. For instance, an agent can assess the behaviour of a customer at the counter as subjectively unusual, for example when he/she is accompanied by another person, or when he/she is displaying nervous behaviour. A provider cannot make this assessment, but can signal that a customer is “shopping around” among different agents, and is thus displaying unusual behaviour. From different information positions, both parties arrive at their own balanced opinion of the potentially unusual character of a money transfer.

In addition to these structural changes in the reporting system, FIU-Netherlands had to deal with a considerable increase in the number of unusual and suspicious transactions in 2008. This increase does not seem to tie in with the chosen policy of the past years, which was specifically aimed at reducing the number of reports. One particular frequent reporter is responsible for this; after having made very limited use of the subjective indicator for many years, FIU-Netherlands registered over 175,000 outstanding subjective reports from this financial institution in 2008. Without these reports, a slight decrease would have occurred in the total number of unusual transactions in 2008. Due to this large number of subjectively reported transactions, in contrast with previous years, greater use was made of the subjective indicator than of the objective indicator in 2008. In Section 6.3 you will read more about the most important developments which took place last year in the money transfer sector. Moreover, FIU-Netherlands will also pay attention to the above-mentioned partial shift of the report obligation from agents to providers.

When we disregard the money transfer sector, we can see a diametrically opposite development: the number of reports from relatively large reporting sectors – such as banks and money transaction offices – has decreased over the past few years, mainly as a result of a revision of the indicator system in 2005. In 2008, we also witnessed a sharp drop in another large reporting sector, namely the traders in objects of great value. This is a result of the previously mentioned increase in the reporting limit of the objective trader indicator from €15,000 to €25,000. There was an increase in the number of reports from the sector of independent professionals in 2008. This was mainly due to the sharp rise in the number of reports from civil-law notaries. A similar development could already be seen in 2007, when the number of reports from civil-law notaries also increased considerably in relation to the year before. Starting on p 126, FIU-Netherlands will further examine the developments in the independent professional sector.
FIU-Netherlands observed an increase in the number of reports which it receives as a result of the European regulation (1889/2005), which came into effect in 2007. We will pay further attention to these reports in the last section of this report.

**Guide for the Key Figures**

- Unusual transactions were requested by registration date, i.e. the date on which FIU-Netherlands registered a transaction which it had received as unusual in the Office for the Disclosure of Unusual Transactions database.
- Suspicious transactions were requested by transmission date, i.e. the date on which, following inquiries, FIU-Netherlands transmitted the transactions as suspicious.
- Percentages may not add up to 100% due to rounding.
- Amounts in foreign currencies have been converted to euros using the middle rates of the year in which a transaction was carried out. This means that, although the amounts in this report are not exact, they give a good indication of the actual amount.
- Reports of intended transactions were disregarded when calculating amounts.
- The amounts in the tables were rounded off.
- A transaction can be transmitted to several investigative services.
- The key figures specify the processing times for several reporting sectors. A distinction was made between the processing times of objectively and subjectively reported transactions. If a transaction falls within the scope of an objective indicator, a statutory reporting period of no more than 14 days applies, which starts the moment the transaction takes place. If a reporting party establishes that a transaction falls within the scope of a subjective indicator, a reporting period of 14 days also applies. However, this period does not start until it has become apparent that the subjective indicator is applicable.
- Processing times are calculated on the basis of 80% of the reports with the lowest processing times. In this way, extremely high processing times – for example, due to outstanding reports – will not have a disproportionate effect on the average processing time.
- The subjective obligation to report money transfers applies to providers as well as their agents. As a result, transactions may be reported to FIU-Netherlands twice. Money transfers which have been reported twice, i.e. money transfers which were reported by an agent and his provider, were filtered by FIU-Netherlands. Therefore, only unique money transfers were included when collating the key figures.
• A frequent reporter which was registered with FIU-Netherlands as a bank in 2007 was included in the money transaction office category in 2008. This affected the collation of the key figures. FIU-Netherlands took this change into account by presenting two lines in the graphs when treating the reports from banks and money transaction offices: one line gives an overview based on the official figures from the previous annual review, and the other shows the development if the institution in question had been registered as a money transaction office in 2007.

• FIU-Netherlands did not receive any files from the Prosecution Service Criminal Assets Deprivation Bureau in the period 2007-2008, which is why the files could not be compared with those from the Prosecution Service Criminal Assets Deprivation Bureau. The Prosecution Service Criminal Assets Deprivation Bureau was therefore not included as a reason for forwarding a report. FIU-Netherlands concluded an agreement with the Prosecution Service Criminal Assets Deprivation Bureau which should restart the matching process in future.
6.2 Overall Figures

The total number of reports increased sharply last year. This increase is largely due to the increase in the number of subjective money transfer reports. The share of money transfers in the total number of reports increased from 88% in 2007 to 94% in 2008. The number of reports of non-monetary transfers decreased by 14%. This was caused by a sharp decrease in the number of reports by traders in vehicles due to the increased reporting limit (see also p. 123 and successive pages).

Unusual Transactions per Police Region

The Netherlands is divided into 25 regional police regions and the Netherlands Police Agency. Each regional police region covers a specific geographical area. To depict where the unusual and suspicious transactions take place in the Netherlands, Figures 1 and 2 show the quantities of the unusual and suspicious transactions per police region. In each figure, the name of a region is followed by its share in relation to the total. For instance, we can see in Figure 1 that 2% of the registered reports were filed in the Groningen region in 2008, as opposed to 1% in 2007. As we already mentioned in the introduction, the large increase...
in the number of reports in 2008 was caused by 175,000 outstanding reports which FIU-Netherlands received in 2008. Therefore, when reading the figures below, one must take into account that a significant portion of the reports registered in 2008 were actually filed in previous years.¹

¹ In every annual review, FIU-Netherlands represents the number of unusual transactions on the basis of the registration date. FIU-Netherlands always represents the number of suspicious transactions on the basis of the date on which they were transmitted. In this way, a picture of the input and output of the organisation is obtained which is as accurate as possible.
### Police Region % per region

<table>
<thead>
<tr>
<th>Police Region</th>
<th>% per region</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Groningen</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>2 Friesland</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>3 Drenthe</td>
<td>1%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>4 Ijsselend</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>5 Twente</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>6 Gelderland (North and East)</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>7 Gelderland (Middle)</td>
<td>2%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>8 Gelderland (South)</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>9 Utrecht</td>
<td>5%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>10 North Holland (North)</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>11 Zaanstreek-Waterland</td>
<td>1%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>12 Kennemerland</td>
<td>3%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>13 Amsterdam-Amstelland</td>
<td>34%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>14 Gooi en Vechtstreek</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>15 Haaglanden</td>
<td>9%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>16 Hollands Midden</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>17 Rotterdam-Rijmond</td>
<td>15%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>18 South Holland (South)</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>19 Zeeland</td>
<td>1%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>20 Brabant (Middle and West)</td>
<td>4%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>21 Brabant (North)</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>22 Brabant (South-East)</td>
<td>3%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>23 Limburg (North)</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>24 Limburg (South)</td>
<td>2%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>25 Flevoland</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

### Key to Symbols

- 100,000 – 200,000
- 50,001 – 100,000
- 20,001 – 50,000
- 10,001 – 20,000
- 7,501 – 10,000
- 5,001 – 7,500
- 2,501 – 5,000
- 0 – 2,500
Due to the above-mentioned bulk of outstanding reports, the number of unusual transactions per region increased in 2008. In 2007 and 2008, most of the unusual transactions took place in the Amsterdam-Amstelland, Rotterdam-Rijnmond and Haaglanden regions respectively. The largest absolute increase occurred in Amsterdam-Amstelland: in 2008, FIU-Netherlands registered an increase of almost 49,000 unusual transactions in this region. The largest increase in the number of unusual transactions within a region, in terms of percentage, occurred in Zaanstreek-Waterland. The number of registered unusual transactions in this region increased from 860 in 2007 to 3,392 in 2008. This means an almost fourfold increase in the number of reports. When we examine the spread of the reports over the various police regions, we see that there have been some changes: in 2007, 39% of the registered transactions took place in the Amsterdam-Amstelland region. In 2008, this share dropped to 34%. A similar development can be seen in the Rotterdam-Rijnmond region, where the share dropped from 19% to 15%. The share of the Haaglanden region dropped from 12% to 9%. In all other 22 police regions, the share in 2008 exceeded that of 2007. However, these are relatively small increases of about 0.5% on average.

The data from the above figures do not lead to the conclusion that there was more “unusual activity” in the relevant regions in 2008, since many reports which were registered in 2008 pertain to a period before 2008. On the basis of these data it may be established that there have clearly been more unusual activities in previous years than could be perceived. These activities had just not been reported to FIU-Netherlands.
As a result of an increase in the number of money transfer reports, the number of suspicious transactions increased again in 2008, this time by about 20%. In contrast with the number of suspicious money transfers, the number of suspicious non-monetary transfers decreased by 20% in 2008. This decrease is largely due to a decrease in the number of suspicious bank and trader transactions.

**Suspicious Transactions per Police Region**

The number of suspicious transactions increased, partly as a result of a sharp increase in the number of reports. The figure below shows the quantity of suspicious transactions which took place in the regions. The suspicious transactions are represented based on the year in which a transaction was declared suspicious and transmitted to the investigative services.
Key to Symbols

20,001 – 25,000
15,001 – 20,000
10,001 – 15,000
5,001 – 10,000
2,501 – 5,000
1,001 – 2,500
501 – 1,000
251 – 500
0 – 250

Police Region | 2008 | 2007
---|---|---
1 Groningen | 1% | 1%
2 Friesland | 5% | 1%
3 Drenthe | 1% | 0%
4 IJssel | 1% | 0%
5 Twente | 1% | 0%
6 Noord- en Oost-Gelderland | 1% | 1%
7 Gelderland (Middle) | 2% | 1%
8 Gelderland (South) | 2% | 1%
9 Utrecht | 3% | 2%
10 North Holland (North) | 2% | 1%
11 Zaanstreek-Waterland | 1% | 0%
12 Kennemerland | 2% | 1%
13 Amsterdam-Amstelland | 35% | 49%
14 Gooi en Vechtstreek | 1% | 0%
15 Haaglanden | 8% | 9%
16 Hollands Midden | 1% | 1%
17 Rotterdam-Rijnmond | 19% | 21%
18 South Holland (South) | 1% | 1%
19 Zeeland | 1% | 0%
20 Brabant (Middle and West) | 5% | 2%
21 Brabant (North) | 1% | 1%
22 Brabant (South-East) | 1% | 1%
23 Limburg (North) | 1% | 1%
24 Limburg (South) | 2% | 1%
25 Flevoland | 3% | 1%
A remarkable development in 2008 concerns the 16% decrease in the number of suspicious transactions which took place in Amsterdam. It is the only region in the Netherlands where the number of suspicious transactions decreased in 2008. In the other regions, the number of suspicious transactions even increased by more than 100% on average. The largest absolute increase was recorded in Friesland: in 2008, the number of suspicious transactions in this region increased fivefold, from 424 to 2,609. The growing input from this investigation region partly accounts for this increase, as a result of which FIU-Netherlands was able to declare a larger number of unusual transactions suspicious. In Section 2.3, we will also briefly reflect on developments concerning the police region of Friesland. As in the case of unusual transactions, we also see a small number of shifts with regard to the spread of suspicious transactions over the police regions in the Netherlands. For instance, in 2007, 49% of all the suspicious transactions took place in the Amsterdam-Amstelland region. In 2008, this share dropped to 35%. In other regions, we can also see a decrease in the share of the suspicious transactions, although a considerably smaller one. For example, the share dropped by 2% in the Rotterdam-Rijnmond region, and the share dropped by 1% in the Haaglanden region. The largest increases were recorded in the police regions of Friesland and Middle and West Brabant, where the shares increased by 4% and 3% respectively. The comment previously made about the increase in the number of unusual transactions, also applies to the suspicious transactions: the reason for this increase is not that there is such an increase in the number of “suspicious activities” in the Netherlands, but is due to the fact that reports were filed with retroactive effect, and therefore pertain to previous transaction years.

PROPORTION OBJECTIVE/SUBJECTIVE UNUSUAL TRANSACTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>% objective</th>
<th>% subjective</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>2007</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>2006</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>2005</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>2004</td>
<td>76%</td>
<td>24%</td>
</tr>
</tbody>
</table>
In 2007, several factors led to a considerable growth in the number of subjectively reported money transfers. This resulted in a greater share of subjective reports. The growth in the number of subjective money transfer reports continued in 2008, and can largely be attributed to one frequent reporter, for which FIU-Netherlands registered approximately 175,000 outstanding subjective money transfer reports last year. In addition, there was an absolute decrease in the number of objectively reported money transfers. These two developments resulted in a reversal in the proportion between objective and subjective use of indicators; in contrast with previous years, in 2008 the subjective indicator was dominant.

On account of the large share of subjective reports in 2008, there was also a shift in the proportion between objective and subjective indicators in favour of the latter. The share of the objective indicator was more than halved.
REASON FOR TRANSMITTING SUSPICIOUS TRANSACTIONS

<table>
<thead>
<tr>
<th>Reason</th>
<th>2008</th>
<th>share in total</th>
<th>2007</th>
<th>share in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referral Database Criminal Investigations and Subjects</td>
<td>28,623</td>
<td>52%</td>
<td>17,623</td>
<td>39%</td>
</tr>
<tr>
<td>Own inquiries</td>
<td>15,039</td>
<td>28%</td>
<td>16,034</td>
<td>35%</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>10,527</td>
<td>19%</td>
<td>11,664</td>
<td>26%</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>416</td>
<td>1%</td>
<td>335</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,605</strong></td>
<td><strong>100%</strong></td>
<td><strong>45,656</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Based on the match with the Referral Database Criminal Investigations and Subjects-file FIU-Netherlands transmitted last year exactly 11,000 suspicious transactions more than in 2007. This increase is related to the large increase in the number of reports. Looking at the past five years, it is obvious that the share of Referral Database Criminal Investigations and Subjects-forwarded reports in the total number of reports which FIU-Netherlands registers in one year is reasonably constant: every year, FIU-Netherlands declares 6-7% of the requests it received that year suspicious that very same year on the basis of the match with the Referral Database Criminal Investigations and Subjects-file. This was also the case in 2008. Transactions from previous registration years are of course also transmitted on the basis of the Referral Database Criminal Investigations and Subjects-match.

The number of reports forwarded on the basis of National Public Prosecutor requests decreased slightly. This is not connected with the number of National Public Prosecutor requests submitted by the investigative services in 2008; this number remained roughly the same. One can therefore speak of a decrease in the average number of “hits” generated by a National Public Prosecutor request. The number of reports forwarded on the basis of a reporting party’s own inquiries also decreased slightly.

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2. A suspicious transaction can be transmitted to several regions. The total number of forwarded reports therefore exceeds the total number of unique suspicious transactions.

3. This table is based on the region where a transaction was transmitted. The figure in Section XXX is based on the region where a transaction took place.
## TRANSMITTED SUSPICIOUS TRANSACTIONS BY INVESTIGATIVE SERVICE²

<table>
<thead>
<tr>
<th>Investigative Service³</th>
<th>2008</th>
<th>Own inquiries</th>
<th>Matches</th>
<th>LOvJ-requests</th>
<th>Total</th>
<th>2007</th>
<th>Own inquiries</th>
<th>Matches</th>
<th>LOvJ-requests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam-Amstelland</td>
<td>3,613</td>
<td>3,906</td>
<td>1,958</td>
<td><strong>9,477</strong></td>
<td>5,984</td>
<td>3,468</td>
<td>2,372</td>
<td><strong>11,824</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotterdam-Rijnmond</td>
<td>1,315</td>
<td>6,484</td>
<td>82</td>
<td><strong>7,881</strong></td>
<td>1,624</td>
<td>5,681</td>
<td>285</td>
<td><strong>7,590</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haaglanden</td>
<td>1,219</td>
<td>1,728</td>
<td>726</td>
<td><strong>3,673</strong></td>
<td>805</td>
<td>1,590</td>
<td>665</td>
<td><strong>3,060</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friesland</td>
<td>2,368</td>
<td>322</td>
<td>518</td>
<td><strong>3,208</strong></td>
<td>178</td>
<td>112</td>
<td>32</td>
<td><strong>322</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brabant (Middle and West)</td>
<td>107</td>
<td>2,357</td>
<td>42</td>
<td><strong>2,506</strong></td>
<td>120</td>
<td>962</td>
<td>3</td>
<td><strong>1,085</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zeeland</td>
<td>862</td>
<td>748</td>
<td>29</td>
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<td>142</td>
<td>248</td>
<td>22</td>
<td><strong>412</strong></td>
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<td>550</td>
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<td>46</td>
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<td>190</td>
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<td>413</td>
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<td>North Holland (North)</td>
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<td>277</td>
<td>80</td>
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<tr>
<td>Flevoland</td>
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<td>523</td>
<td>234</td>
<td><strong>992</strong></td>
<td>48</td>
<td>486</td>
<td>0</td>
<td><strong>534</strong></td>
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<tr>
<td>Utrecht</td>
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<td>91</td>
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<td>297</td>
<td>34</td>
<td><strong>506</strong></td>
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<tr>
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<td>161</td>
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<td>Hollands Midden</td>
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<td>415</td>
<td>90</td>
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<td>Gelderland (Middle)</td>
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<td>170</td>
<td>22</td>
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<td>Gelderland (North and East)</td>
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<td>27</td>
<td><strong>250</strong></td>
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<tr>
<td>Groningen</td>
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<td>169</td>
<td><strong>582</strong></td>
<td>9</td>
<td>149</td>
<td>61</td>
<td><strong>219</strong></td>
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<tr>
<td>Limburg (North)</td>
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<td>Brabant (South-East)</td>
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<td>74</td>
<td>0</td>
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<tr>
<td>Twente</td>
<td>2</td>
<td>312</td>
<td>37</td>
<td><strong>351</strong></td>
<td>41</td>
<td>107</td>
<td>11</td>
<td><strong>159</strong></td>
<td></td>
<td></td>
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<tr>
<td>Gooi en Vechtstreek</td>
<td>7</td>
<td>88</td>
<td>0</td>
<td><strong>95</strong></td>
<td>4</td>
<td>68</td>
<td>7</td>
<td><strong>79</strong></td>
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<tr>
<td>Internally forwarded reports</td>
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<td>433</td>
<td>6,764</td>
<td><strong>20,195</strong></td>
<td>13,517</td>
<td>378</td>
<td>6,527</td>
<td><strong>20,422</strong></td>
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<tr>
<td>Fiscal Information and Investigation Service and Economic Investigation Service</td>
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<td>1,641</td>
<td>1,109</td>
<td><strong>4,566</strong></td>
<td>1,319</td>
<td>951</td>
<td>1,137</td>
<td><strong>3,407</strong></td>
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<tr>
<td>Netherlands Police Agency DNR</td>
<td>2,604</td>
<td>497</td>
<td>893</td>
<td><strong>3,994</strong></td>
<td>609</td>
<td>268</td>
<td>566</td>
<td><strong>1,443</strong></td>
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<tr>
<td>Dutch Border Police</td>
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<td>1,167</td>
<td>1,088</td>
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<tr>
<td>Other special investigative services</td>
<td>29</td>
<td>1,006</td>
<td>243</td>
<td><strong>1,278</strong></td>
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<td>241</td>
<td>95</td>
<td><strong>343</strong></td>
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<tr>
<td>Netherlands Police Agency – other</td>
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<td>3,515</td>
<td>1,309</td>
<td><strong>4,924</strong></td>
<td>1,020</td>
<td>2,216</td>
<td>2,568</td>
<td><strong>5,804</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td>29,635</td>
<td>35,980</td>
<td>16,839</td>
<td><strong>82,454</strong></td>
<td>28,935</td>
<td>22,333</td>
<td>17,200</td>
<td><strong>68,468</strong></td>
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<td></td>
</tr>
</tbody>
</table>

< Back to index
The sharp rise in the number of forwarded reports is particularly noticeable in the traditionally somewhat “smaller forwarding regions”, i.e. police regions to which, until recently, FIU-Netherlands was able to transmit relatively small numbers of suspicious transactions. For instance, there was a sharp rise in the number of reports forwarded to the police regions of Friesland, Zeeland and Gelderland (South). In previous years, these regions never ranked higher than fourteenth place on the list of largest forwarding regions. All three of them are now in the top ten.

Of all the police regions, Friesland showed the strongest increase. The number of reports forwarded to this region increased from 322 to 3,208, largely as a result of an increase in the number of transactions that were declared suspicious on the basis of the inquiries of a reporting party. A large portion of these inquiries pertains to two human trafficking dossiers, which jointly comprise about 1,800 suspicious transactions. In the Friesland region, one can also see a clear increase in the number of National Public Prosecutor-forwarded reports. This also applies, albeit to a slightly lesser extent, to the other northern police regions of Drenthe and Groningen.

The increase in the number of National Public Prosecutor-forwarded reports coincides with an increase in the number of National Public Prosecutor requests, which FIU-Netherlands received from these police regions. In total, the number of National Public Prosecutor requests from Friesland, Drenthe and Groningen increased from 35 in 2007 to 72 in 2008; these requests more than doubled. FIU-Netherlands therefore sees signs of a growing awareness in these regions that financial information can play an important supportive role in investigations. The fact that human trafficking cases receive a great deal of attention in the northern police regions also plays a role in this, since persons who engage in human trafficking often make use of money transfers. Investigative services can therefore take advantage of suspicious transaction information, using it to identify persons who are active within a criminal network.
### # NATIONAL PUBLIC PROSECUTOR REQUESTS PER POLICE REGION

<table>
<thead>
<tr>
<th>Police Region</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam-Amstelland</td>
<td>142</td>
<td>116</td>
</tr>
<tr>
<td>IJsselland</td>
<td>49</td>
<td>39</td>
</tr>
<tr>
<td>Haaglanden</td>
<td>37</td>
<td>57</td>
</tr>
<tr>
<td>Kennemerland</td>
<td>36</td>
<td>61</td>
</tr>
<tr>
<td>Rotterdam-Rijnmond</td>
<td>36</td>
<td>44</td>
</tr>
<tr>
<td>Friesland/Fryslan</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>Groningen</td>
<td>25</td>
<td>18</td>
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<tr>
<td>Hollands Midden</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Twente</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Drenthe</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>North Holland (North)</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Utrecht</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Brabant (Middle and West)</td>
<td>15</td>
<td>7</td>
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<tr>
<td>Flevoland</td>
<td>14</td>
<td>3</td>
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<tr>
<td>Zaanstreek-Waterland</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Gelderland (South)</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Gelderland (North and East)</td>
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<td>17</td>
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<tr>
<td>Zeeland</td>
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<tr>
<td>Brabant (North)</td>
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<td>Gelderland (Middle)</td>
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</tr>
<tr>
<td>Limburg (South)</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Gooi- en Vechtstreek</td>
<td>0</td>
<td>1</td>
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<tr>
<td>Limburg (North)</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>565</strong></td>
<td><strong>539</strong></td>
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</table>

### # NATIONAL PUBLIC PROSECUTOR REQUESTS PER INVESTIGATIVE SERVICE

<table>
<thead>
<tr>
<th>Investigative Service</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Information and Investigation Service</td>
<td>262</td>
<td>310</td>
</tr>
<tr>
<td>Netherlands Police Agency</td>
<td>136</td>
<td>180</td>
</tr>
<tr>
<td>Dutch Border Police</td>
<td>113</td>
<td>110</td>
</tr>
<tr>
<td>Social Security Fraud Dept.</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>Social Intelligence and Investigation Service</td>
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<td>11</td>
</tr>
<tr>
<td>Others</td>
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<td>11</td>
</tr>
<tr>
<td>National Investigation Service</td>
<td>14</td>
<td>15</td>
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<tr>
<td>General Inspection Service</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>The National Police Internal Investigations Department</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Supraregional Crime Squad</td>
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<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>648</strong></td>
<td><strong>694</strong></td>
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</tbody>
</table>

The total number of National Public Prosecutor requests which FIU-Netherlands received from the 25 police regions increased from 537 in 2007 to 563 in 2008. The total number of requests, i.e. including the requests from other (special) investigative services, decreased by 2% in 2008, from 1,233 to 1,209.

In addition to National Public Prosecutor requests, which investigative services can use to search – through the agency of the Public Prosecution Service – the database with unusual transactions, the IST is also at the disposal of investigative services. The IST allows authorised staff members from the investigative services to consult the database with suspicious transactions themselves. The use of the IST increased in 2008. This will be described in greater detail in Section XXX of this review.
Despite the considerable increase in the number of suspicious transactions, the total amount involved in these transactions decreased. This is not surprising, given the fact that the number of suspicious non-monetary transfers decreased by 20% in 2008. The average value of non-monetary transfers – for example, trader transactions or giro transfers – was considerably higher than the average value of money transfers. Furthermore, the largest share of suspicious money transfers was reported under a subjective indicator. Last year, the largest share of suspicious money transfers was still reported on the basis of an objective indicator. The average value of a subjectively reported money transfers was considerably lower than the value of an objectively reported money transfers.

| SHARE PER REPORTING SECTOR IN NUMBERS AND AMOUNTS SUSPICIOUS TRANSACTIONS |
|-------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                | Share in total number ST** | Share in total amount ST | Share in total number ST | Share in total amount ST |
| Money transfer providers                       | 93%            | 10%            | 90%            | 9%             |
| Banks*                                         | 3%             | 39%            | 6%             | 54%            |
| Independent professionals                      | 1%             | 39%            | 1%             | 28%            |
| Government                                     | 0%             | 6%             | 0%             | 4%             |
| Other reporting parties*                       | 3%             | 6%             | 3%             | 5%             |
| **Total**                                      | **100%**       | **100%**       | **100%**       | **100%**       |

* Excluding money transfers
** ST = Suspicious Transactions
The share of the independent professionals in the total amount involved in suspicious transactions increased from 28% in 2007 to 39% in 2008. This is mainly due to the decrease in the amount involved in the suspicious transactions of the other reporting institutions. The amount involved in the suspicious transactions reported by independent professionals decreased only slightly. The share of the independent professionals in the total amount is still very large in proportion to the number of suspicious transactions from this sector. This also applies to the banks, whose suspicious transactions comprise 3% of the total number, and 39% of the total amount.

6.3 Money Transfer Providers

Introduction
A few striking developments took place in the money transfer sector in 2008 which affect the numbers of unusual and suspicious money transfers. In the first place, a frequent reporter reported, by order of the supervisory body, with retroactive effect, ca. 175,000\(^4\) transactions from 2006 and 2007; these concerned subjective reports. This bulk, which in itself almost matched the volume of the total number of registered money transfers in 2007, had of course a decisive effect on the statistical picture; without these reports, the total number of money transfers would have increased by only 2% in 2008, while the figures have now almost doubled. If these reports had not been reported afterwards, but within the reporting period which is customary for this institution, the numbers in 2006 and 2007 would have come out much higher, and a sharp decrease would have been recorded in 2008.

In second place, the same frequent reporter caused a landslide in the market by discontinuing the provision of money transfers as a financial service as from August 2008. Apart from the omission of the reports from this institution, the total effect of this development cannot yet be analysed at this point. It remains to be seen if other agents, who generally do not have as wide a distribution network, will be able to fill the gap in the market. FIU-Netherlands expects to gain more insight into this in the course of 2009.

\(^4\) This number excludes the double reports.
A third prominent development is the fact that on 1 June 2008 the objective report obligation for providers came into force. Agents who facilitate money transfers for these providers are exempt from this report obligation as from that date. Incidentally, the report obligation for providers – both subjective and objective – was intended to bring about a push for quality in the reports in the form of the personal details of the client or the beneficiary abroad. Agents usually only have information on the subject who shows up at a counter in the Netherlands to send or receive a money transfer. On the other hand, the providers also register the details of the other party abroad in their systems. At present, due to circumstances, the providers do not yet supply this information automatically. However, FIU-Netherlands has made repeated use of the option to ask the provider for the details of the subject abroad on the basis of Section 17 of the Money Laundering and Terrorist Financing Prevention Act. This information has often turned out to be very constructive in investigations into suspicious transactions. Supplying said information automatically would spare the provider and FIU-Netherlands the trouble of answering or asking Section 17 questions. Moreover, this would allow FIU-Netherlands to make better and fuller network analyses. FIU-Netherlands wishes to continue making efforts so that agreement can be reached in the future with all those involved about supplying this information automatically.

In the next sections, the manner in which and the extent to which said developments affected the figures for unusual and suspicious money transfers in 2008 will be considered more closely.

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5 The official date of the entry into force is 1 March 2009. However, in consultation with DNB, FIU-Netherlands, the providers and the agents have agreed to actually transfer the obligation to report as from 1 June.
In 2008, the number of money transfer reports almost doubled in relation to 2007. The number of 367,370 registered money transfers excludes the transactions which FIU-Netherlands received double (see also the guide in Section 1 of this chapter). In reality, FIU-Netherlands received and processed almost 387,000 money transfers in 2008. At the time of writing, ca. 20,000 of these money transfers were designated as double, which is why they were not included in the key figures. The number of double reports in the 2008 registration year may increase even further if transactions will be received in 2009 which were already reported in 2008 by another institution. This is not unthinkable, since it may take some time before reporting parties identify and report a transaction as unusual (especially on subjective grounds). As a result, the number of unique money transfers presented in the Key Figure Report is subject to (minor) change.

The money transfers which FIU-Netherlands registered in 2008 originated from 32 different institutions. Half of these institutions filed 500 or fewer reports. There are five reporting parties which reported over 10,000 money transfers. Together they are responsible for 90% of the total number of money transfer reports in 2008. By itself, the frequent reporter mentioned in the next section has a share of 57% in the total number of registered money transfers.
For the money transfer providers as a group, the processing time for the objectively reported transactions amounts to eight days. With a processing time of thirteen days, the providers who, as indicated, started to report objectively on 1 June 2008, come out slightly above this average, but stay within the statutory reporting period of fourteen days. The agents, from whom the providers have taken over the objective report obligation, had a processing time of five days during the first five months of 2008.

Despite a considerable decrease in the number of transactions with an objective character, an explosive increase in the number of subjectively reported transactions caused an increase in the total number of money transfers by over 178,000 reports.

In 2008, the number of subjectively reported money transfers increased by about 215,000. This increase was caused for the most part (81%) by the previously mentioned bulk of additional reports which were filed by one frequent reporter. This concerns outstanding reports of subjective money transfers (carried out in 2006 and 2007), which this institution reported at a later stage by order of the supervisory body. FIU-Netherlands received the majority of these reports towards the end of 2007. However, they could not be processed until early 2008. Moreover, most of the other reporting parties filed more subjective reports than
in 2007. Particularly the subjective report obligation for the providers appears to have fully developed by now. Together, the providers filed over 13,000 subjective reports more in 2008 than in the year before. Another factor which boosted the number of subjectively reported money transfers is also worth mentioning. In 2007, one large money transfer provider still reported thousands of money transfers with a value below the threshold amount of €2,000 on objective grounds. In 2008, after consulting FIU-Netherlands, this institution mainly reported this kind of money transfer using a subjective indicator.

As a logical side-effect of this change, the number of objectively reported transactions of this institution decreased commensurately. This is just one of the causes of the total decrease in the number of objectively reported money transfers by ca. 37,000 transactions. The objective report obligation for money transfers was transferred from the agents to the providers on 1 June 2008. The providers have rapidly embarked upon this report obligation, filing tens of thousands of reports on objective grounds from the above-mentioned date until the end of 2008. However, the ten largest agents who passed on the objective report obligation filed about 20,000 more reports with an objective character during the same period in the previous year. There are a number of explanations for this difference. In the first place, an increase in the number of smurf transactions could have caused a decrease in the number of unusual money transfers above the reporting limit. However, no indications were found in the data of FIU-Netherlands that comparatively more smurf transactions took place in 2008 than in 2007. A second explanation which comes to mind is that the providers encountered teething problems when carrying out the objective report obligation, as a result of which they were not able to report every transaction which satisfied the objective indicator during the first few months. However, the providers did not give off any signs which confirm this possible explanation. Moreover, they planned the preparatory phase very carefully in consultation with DNB, the agents and FIU-Netherlands, which is why they were well prepared. A third possible explanation is that the money transfer market for amounts above the reporting limit of €2,000 contracted in 2008 and that, quite simply, fewer money transfers in excess of €2,000 were carried out. This hypothesis is also supported by the fact that, during the first five months of 2008, when they still had the objective report obligation, the agents also filed fewer reports of an objective nature than could have been expected on the basis of their monthly average in 2007.

6 This number excludes the previously mentioned reports below €2,000 which should have been reported using a subjective indicator, but were inadvertently reported using an objective indicator.

7 Transactions just below the threshold amount of €2,000 to avoid being reported.
Viewed from a Different Perspective

In the light of the structure and objective of the annual review, it is obvious that FIU-Netherlands reports key figures on unusual transactions by registration date, being the date on which a transaction is registered in the system of FIU-Netherlands (see also the guide in Section 1 of this chapter). The time between the date on which a transaction is carried out and the date on which a transaction is registered as unusual by FIU-Netherlands (the processing time) is usually limited. The Money Laundering and Terrorist Financing Prevention Act prescribes a statutory reporting period of fourteen days from the moment an indicator appears to be applicable, and the reporting party is able to ascertain the unusual character of a transaction. Therefore, in the case of objective indicators, the reporting period starts the moment a transaction is carried out, since reporting parties know at that point if the transaction amount exceeds the reporting limit. In the case of objective indicators, parties which report money transfers generally stay within the applicable reporting period. However, the point at which a reporting party recognises the subjectively unusual character of a transaction is not fixed: there may be an indefinite period of time between the moment a transaction is carried out and the point at which the subjectively unusual character of a transaction appears from the facts and circumstances. The processing time is generally longer than when the objective indicator is applicable. In the period 2005 up to and including 2007, the average processing time for subjectively reported money transfers was sixteen days. In any case, it may be argued that, given a consistent interpretation and application of the indicators, numbers which have been requested by registration date give a reliable but somewhat delayed picture of the unusual reports which occur over time at the reporting institutions.

Because of the previously discussed bulk, this possible explanation no longer holds true in 2008. The 175,000 subjectively reported money transfers which took place in 2006 and 2007 but were registered in 2008 comprise the largest share of outstanding transactions with which FIU-Netherlands has ever had to deal. The processing time of these transactions is so long that one can no longer speak of a reliable picture of what took place in a certain period – in this case, the year 2008 – in terms of unusual money transfer reports. Although the numbers by registration date give an indication of what FIU-Netherlands processed in terms of unusual money transfers in 2008, they are no longer representative of developments in the market. By requesting the numbers by transaction date – the date on which a transaction was carried out – from now on, the effect of the bulk reports can be more or less counteracted: the bulk transactions will then be included in the 2006 and 2007 transaction years, and not in the 2008
registration year. The numbers in the graph below were requested by transaction date. The graph shows the development of the number of unusual money transfers per transaction quarter over the past five years.

While the picture by registration date shows a considerable growth over the past five years, with a peak in 2008 – see the first graph in this section – the graph by transaction date shows an upward trend over the entire period, but a steady decline from the end of 2007 onwards. Although the bulk reports can be clearly seen in the second half of 2006 and in 2007, they do not conceal this decline.

The decrease in the last two quarters of 2008 was largely due to the previously mentioned fact that, with effect from 1 August 2008, the largest reporting party stopped providing money transfers as a financial service. If we were to disregard the transactions from this frequent reporter for 2008, the numbers from the other reporting parties would actually show a slight upward trend. It remains to be seen at this point if and to what extent this is related to the ability of the other reporting parties to benefit from the market share which has “become available”. In addition, the general development of the money transfer market in the Netherlands is decisive for the number of reports which FIU-Netherlands receives.
The number of suspicious money transfers increased by 24% in 2008. There is an explanation for the fact that this increase is not of the same magnitude as in the case of the unusual money transfers. The process of declaring transactions suspicious is more dependent on capacity than the process of registering and processing transactions which have been received, and can therefore not follow every increase without limitation. The increase in 2008 can therefore be attributed completely to the increase in the number of reports forwarded on the basis of the Referral Database Criminal Investigations and Subjects-match. FIU-Netherlands “performs” this match (the matching process has been computerised to a large extent) for all newly received transactions, and repeatedly across the entire database.
Largely as a result of the large number of additional subjective reports (on which we reported previously), the proportion between objectively and subjectively reported money transfers underwent a considerable shift. Whereas before the majority of the reports were filed on objective grounds, in 2008 over 75% of the money transfers that were received had a subjective character. Even when we disregard the 175,000 subjective “bulk reports”, the subjective part prevails, with 59% vs. 41% objective.
In the case of money transfers which were transmitted, the proportion has also shifted strongly in favour of the subjectively reported transactions. Without the bulk reports, the proportion objective/subjective would be 44%-56%.

**Amounts Involved in Suspicious Money Transfers that were Carried Out**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount</th>
<th>Average Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>81,535,000</td>
<td>1,620</td>
</tr>
<tr>
<td>2007</td>
<td>99,216,000</td>
<td>2,426</td>
</tr>
<tr>
<td>2006</td>
<td>93,919,500</td>
<td>3,239</td>
</tr>
<tr>
<td>2005</td>
<td>109,444,500</td>
<td>3,713</td>
</tr>
<tr>
<td>2004</td>
<td>114,353,000</td>
<td>3,688</td>
</tr>
<tr>
<td>2003</td>
<td>99,100,000</td>
<td>3,613</td>
</tr>
</tbody>
</table>

Although the number of suspicious money transfers increased by 24% compared to 2007, the total amount involved (in the transactions that were carried out) decreased by 18%. This decrease is of course reflected in a lower average amount per transaction. The influence of the increase in the number of forwarded reports of money transfers with a subjective character also makes itself felt here. 70% of the suspicious money transfers that were carried out involved an amount of less than €2,000. This was still 39% in 2007. The largest amount (exported) which was involved in a suspicious money transfer was €250,000. This concerned a money transfer from Turkey to the Netherlands, which was paid out in Amsterdam.

**Reasons for Transmitting Suspicious Money Transfers**

<table>
<thead>
<tr>
<th>Reason for transmitting suspicious money transfers</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>VROS</td>
<td>27,309</td>
<td>15,860</td>
</tr>
<tr>
<td>Own inquiries</td>
<td>13,227</td>
<td>14,123</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>9,881</td>
<td>10,599</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>386</td>
<td>311</td>
</tr>
</tbody>
</table>

**Total** 50,803 100% 40,893 100%
Both the number of reports which were forwarded on the basis of a reporting party’s own inquiries and those which followed a National Public Prosecutor request decreased slightly. A considerable increase can be seen in the number of Referral Database Criminal Investigations and Subjects-forwarded reports. This is a logical outcome of the fact that the supply of newly registered unusual transactions for which the match was initially carried out was much larger than in 2007.

The 13,227 reports which were forwarded following a reporting party’s own inquiries are related to 460 different investigation dossiers. There are 40 dossiers, which consist of more than 80 suspicious money transfers and which jointly comprise 60% of the reports forwarded following a reporting party’s own inquiries. These dossiers largely deal with the following subjects: identity fraud, drugs, 419 fraud and human trafficking.

Flows of Money

<table>
<thead>
<tr>
<th>MONEY TRANSFERS INCOMING VERSUS OUTGOING 2008</th>
<th>Unusual</th>
<th>% Bulk</th>
<th>Suspicious</th>
<th>% Bulk</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the Netherlands</td>
<td>82%</td>
<td></td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Destination top five</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>28,533</td>
<td>82%</td>
<td>Dominican Republic</td>
<td>3,840</td>
</tr>
<tr>
<td>Turkey</td>
<td>25,215</td>
<td>16%</td>
<td>Surinam</td>
<td>3,247</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>17,168</td>
<td>51%</td>
<td>Colombia</td>
<td>2,850</td>
</tr>
<tr>
<td>Surinam</td>
<td>14,839</td>
<td>28%</td>
<td>Turkey</td>
<td>2,849</td>
</tr>
<tr>
<td>Morocco</td>
<td>14,291</td>
<td>50%</td>
<td>Netherlands Antilles</td>
<td>1,794</td>
</tr>
<tr>
<td>To the Netherlands</td>
<td>18%</td>
<td></td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Origin top five</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>6,822</td>
<td>28%</td>
<td>Italy</td>
<td>1,341</td>
</tr>
<tr>
<td>United States</td>
<td>6,317</td>
<td>46%</td>
<td>Germany</td>
<td>848</td>
</tr>
<tr>
<td>Great Britain</td>
<td>4,983</td>
<td>47%</td>
<td>United States</td>
<td>798</td>
</tr>
<tr>
<td>Germany</td>
<td>3,930</td>
<td>44%</td>
<td>Great Britain</td>
<td>714</td>
</tr>
<tr>
<td>Spain</td>
<td>3,592</td>
<td>39%</td>
<td>Spain</td>
<td>545</td>
</tr>
</tbody>
</table>

Unusual Money Flows

Concerning the unusual money transfers, the number of transactions which left the Netherlands in 2008 in absolute and relative terms increased in relation to the number of transactions which entered the Netherlands. The proportion outbound/inbound is now 82%-18%, as opposed to 78%-22% in 2007.
Countries of Destination

Nigeria comes first in the top five of countries of destination, after having disappeared from the top five for an entire year. Turkey, the Dominican Republic and Surinam also formed part of the top five of countries of destination last year, but now hold different positions. While the number of registered money transfers to Surinam remained more or less the same in relation to 2007, considerably more unusual money transfers to the other two countries mentioned above were registered than in the year before. Particularly the Dominican Republic is on the rise as a country of destination. This also applies to Morocco, which only just missed the top five last year, but is now experiencing the strongest growth of all the top ten countries – with the exception of Nigeria. China and Colombia disappeared from the top five.

It should be clear that the bulk of additional reports mentioned in Section 1 of this chapter had a large effect on the picture painted in the table above. For this reason, the percentage of the numbers which originated from this bulk is specified for each country. For example, the bulk accounts for no less than 82% of the 28,533 money transfers to Nigeria. Therefore, without these reports, Nigeria would not appear in the top five of countries of destination, but would drop to eighth place. Although the other countries in the top five have also, without a doubt, been affected by the bulk reports, they were not affected to the same extent as Nigeria. Within the top five, money transfers to Turkey were affected the least by the bulk reports. This is because these transfers are largely carried out by Turkish banks, and to a much lesser extent by the frequent reporter which is responsible for the 175,000 outstanding reports.

Countries of Origin

The top five of countries of origin was very stable over the past few years. Italy and the United States have held first and second place respectively from as early as 2003. Great Britain and Germany have alternated between third and fourth place and Spain has held a solid fifth place since 2006. In 2008, the countries and ranks were identical to the top five of 2007, on the understanding that the numbers of transactions increased for all five countries. Of all the top five countries, Great Britain showed the sharpest rise (83%); as a country of origin of unusual money transfers, Italy ‘only’ crops up 11% more times than in 2007. The numbers per country of origin are also affected by the bulk reports. However, the percentages do not show as much divergence as in the case of the countries of destination. The composition and ranks within the top five would therefore remain unaltered if the bulk reports were to be disregarded.
Suspicious Flows of Money

On the one hand, the top five countries involved in suspicious money flows is a derivative of the countries appearing at the supply side of unusual money transfers, but is also determined by the current areas of special attention from law enforcement agencies. After all, almost 75% of the transmitted money transfers were declared suspicious because the parties involved were present in the Referral Database Criminal Investigations and Subjects-register filled by the law enforcement agencies, or in a National Public Prosecutor request submitted by a law enforcement agency. As far as the reports forwarded on the basis of a reporting party’s own inquiries are concerned, FIU-Netherlands often chooses to utilise its own capacity to transmit transactions if it is aware that certain law enforcement agencies are interested in the countries involved or in the parties and forms of crime connected therewith. In so doing, FIU-Netherlands increases the chance that the suspicious transactions are actually used in an investigation.

Countries of Destination

The top five of destination countries involved in suspicious outbound money flows is partly identical to that for unusual outbound money flows. Although Colombia and the Netherlands Antilles do not appear in the top five of unusual money transfers, the law enforcement agencies are nevertheless sufficiently interested in them to merit a top five position as far as suspicious money transfers are concerned. The Dominican Republic climbed from fifth to first place. Compared to 2007, the number of suspicious transactions to this country more than doubled. In total, these transactions involve an amount of almost 6.5 million euro. Despite the bulk reports, Surinam, which headed the list last year, experienced a decrease of 40%, and therefore dropped to second place. The third place is held by Colombia, at the expense of Nigeria. Evidently, despite the enormous supply of unusual money transfers, Nigeria was not as interesting for investigative services in 2008; it disappeared completely from the top five. In 2007, FIU-Netherlands still declared many money transfers to Nigeria suspicious within the scope of the Apollo project, which focused on dealing with West African Criminal Networks (WACN) and 419 fraud. Since the project was terminated towards the end of 2007, the investigative authorities have given a much lower priority to dealing with the WACN.

Countries of Origin

What is striking about the countries of origin is that the numbers of suspicious money transfers from Italy (-41%) and the United States (-59%) have drastically decreased in relation to last year. It is most likely that this also is related to the
termination of the Apollo project, since flows of money from Italy and the
United States to the Netherlands are generally connected with WACN and
419 fraud.

**Viewed from a Different Perspective**

To counteract the effect of the bulk transactions, for the graph below and for
Section 2 of this chapter the numbers which were requested by transaction date.
The graph shows the development of the number of unusual, outbound money
transfers for the top ten countries of destination over the past five years.
It is clear to see that the 2008 top five has changed in terms of composition and
country rankings: Turkey is by far the leading country. Surinam holds second
place and China, which does not appear in the above table, takes third place
in the graph. Nigeria was particularly dominant in 2006, then dropped sharply
from 2007 onwards and only held eighth place in 2008. By contrast, Ghana,
another West African country, is rising through the ranks of countries of destina-
tion. Over the entire period, it is easy to see how the role of the Netherlands
Antilles decreased, from second place in 2004 to tenth place in 2008. This is in
contrast with the growth of the Dominican Republic as a country of destination.
It is assumed that this greater role has to do with the shift of drug-related activi-
ties in the region from the Netherlands Antilles to the Dominican Republic as a
result of the increased controls that were introduced a few years ago on the
drug smuggling route between the Netherlands and the Netherlands Antilles.
With the exception of Nigeria, a similar pattern can be seen for all the countries of destination from 2006 onwards, namely an initial increase followed by a decrease after 2007. By contrast, Nigeria peaked in 2006 and then dropped, a decrease which after 2007 was more pronounced than for the other countries. FIU-Netherlands suspects that the vast amount of attention by the investigative authorities for crime connected with Nigeria has compelled the subjects involved in this crime to resort to other methods. The emergence of Ghana as a country of destination may be related to this.
6.4 Key Figures Excluding Money Transfers

**Introduction**

The reports of non-monetary transfers seem to pale into insignificance beside the enormous amounts of money transfers which FIU-Netherlands received in 2008; 94% of the unusual transactions consisted of money transfers. The reports of non-monetary transfer transactions are nevertheless of great value for FIU-Netherlands and the investigative services which eventually make use of the suspicious transaction information. Traders, professionals, government institutions (e.g. Customs) and traditional reporting parties (e.g. banks and casinos), all provide insight from different perspectives into what takes place during the various phases of the money-laundering process and within the scope of terrorist financing. Incidentally, the percentage of reports that were transmitted over the years is almost the same for both categories: at present, FIU-Netherlands has transmitted 19% of all the money transfers in the database. It transmitted 8% of all non-monetary transfers.

**Numbers of Unusual and Suspicious Transactions**

The number of reports excluding money transfers decreased again in 2008. The 14% decrease was largely a result of the decrease in the number of reports by traders in objects of great value. The increase in the reporting limit of the objective indicator from €15,000 to €25,000 for this sector underlie this (see also page 123).

# UNUSUAL TRANSACTIONS EXCL. MONEY TRANSFERS
In 2008, the number of suspicious transactions excluding money transfers also decreased, this time by 20%. This decrease can largely be attributed to the banking sector and, to a lesser extent, to the traders in objects of great value.

**Proportion Objective/Subjective (excluding money transfers)**

<table>
<thead>
<tr>
<th>Year</th>
<th>% Objective</th>
<th>% Subjective</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>43%</td>
<td></td>
<td>57%</td>
</tr>
<tr>
<td>2005</td>
<td>39%</td>
<td></td>
<td>61%</td>
</tr>
<tr>
<td>2006</td>
<td>70%</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>2007</td>
<td>70%</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>2008</td>
<td>62%</td>
<td></td>
<td>38%</td>
</tr>
</tbody>
</table>
In 2008, FIU-Netherlands registered a relatively larger number of unusual non-monetary transfers with a subjective character. As a result, the proportion between objectively and subjectively reported transactions shifted eight percentage points in favour of the latter. This shift was not only caused by an increase in the number of subjective reports by banks, but also by a decrease in the number of objective reports by traders in objects of great value. The latter was caused by the increase in the reporting limit of the objective indicator for cash payments for this sector.

Although subjective reports are in the minority as far as unusual transactions are concerned, quite the opposite is true in the case of suspicious transactions excluding money transfers. In 2008, the percentage of subjectively suspicious transactions increased to 75%. This does not mean that the number of subjectively suspicious transactions increased; on the contrary, this number decreased by 9%. However, the objectively suspicious transactions decreased by 42%, which is why the proportion objective/subjective has shifted in favour of the subjectively suspicious transactions. When we examine the various sectors, it becomes apparent that the independent professionals and money transaction offices did transmit a larger number of subjective transactions in relation to 2007. The decrease in the number of objectively suspicious transactions can be largely attributed to the banks and traders in objects of great value. This will be examined in greater detail when each sector is treated individually.
Number per Sector (excluding money transfers)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2008 #</th>
<th>Share in total</th>
<th>2007 #</th>
<th>Share in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traders</td>
<td>8,983</td>
<td>42%</td>
<td>14,106</td>
<td>56%</td>
</tr>
<tr>
<td>Banks</td>
<td>5,285</td>
<td>25%</td>
<td>5,900</td>
<td>24%</td>
</tr>
<tr>
<td>Money transaction offices</td>
<td>2,172</td>
<td>10%</td>
<td>617</td>
<td>2%</td>
</tr>
<tr>
<td>Government</td>
<td>1,875</td>
<td>9%</td>
<td>1,347</td>
<td>5%</td>
</tr>
<tr>
<td>Credit card companies</td>
<td>1,271</td>
<td>6%</td>
<td>1,415</td>
<td>6%</td>
</tr>
<tr>
<td>Casinos</td>
<td>1,042</td>
<td>5%</td>
<td>1,129</td>
<td>4%</td>
</tr>
<tr>
<td>Independent professionals</td>
<td>821</td>
<td>4%</td>
<td>538</td>
<td>2%</td>
</tr>
<tr>
<td>Life insurers</td>
<td>13</td>
<td>0%</td>
<td>27</td>
<td>0%</td>
</tr>
<tr>
<td>Finance companies</td>
<td>7</td>
<td>0%</td>
<td>11</td>
<td>0%</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>1</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Securities brokers</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other traders</td>
<td>1</td>
<td>0%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Investment institutions</td>
<td>0</td>
<td>0%</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,472</strong></td>
<td><strong>100%</strong></td>
<td><strong>25,093</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*The total does not add up to exactly 100% due to rounding

The above table shows, in addition to the previously mentioned decrease in the number of reports by traders in objects of great value, a slight decrease in the number of reports from banks and an increase in the number of reports from money transaction offices. However, the latter two developments require some explanation. In 2007, FIU-Netherlands had to revise the sector classification for a particular frequent reporter. This caused a trend break in the banking and money transaction office sectors in the 2007 Annual Review. The former situation was restored in 2008. However, as a result of this revision, the figures for 2007 are no longer representative of a fair comparison in time. FIU-Netherlands has therefore adjusted the 2007 figures for the banks and money transaction offices. These adjusted figures have been made visible in the graphs for these sectors which are included in the next section. The adjusted figures reveal that the banks and money transaction offices actually reported more transactions in 2008 than in 2007.

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8 The other traders have had the obligation to report since the Money Laundering and Terrorist Financing Prevention Act came into effect on 1 August 2008.
In addition to the above-mentioned increases, the number of reports by independent professionals (53%) and the government (39%) increased again.

<table>
<thead>
<tr>
<th>Sector</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>Share in total</td>
</tr>
<tr>
<td>Banks</td>
<td>1,584</td>
<td>42%</td>
</tr>
<tr>
<td>Money transaction offices</td>
<td>795</td>
<td>21%</td>
</tr>
<tr>
<td>Traders</td>
<td>635</td>
<td>17%</td>
</tr>
<tr>
<td>Independent professionals</td>
<td>390</td>
<td>10%</td>
</tr>
<tr>
<td>Casinos</td>
<td>269</td>
<td>7%</td>
</tr>
<tr>
<td>Government</td>
<td>82</td>
<td>2%</td>
</tr>
<tr>
<td>Credit card companies</td>
<td>40</td>
<td>1%</td>
</tr>
<tr>
<td>Life insurers</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Finance companies</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Insurance brokers</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Investment institutions</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Securities brokers</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,802</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* The total does not add up to exactly 100% due to rounding

The number of suspicious transactions excluding money transfers decreased particularly in the banking sector. This sector showed the largest decrease, even after adjusting the figures over 2007 (see page 112). Although the money transaction office sector at first showed an increase, the number of suspicious transactions actually decreased slightly following adjustment. The decrease in the sector of traders in objects of great value can be wholly attributed to the vehicles trade. The increase in the independent professional sector is also of interest.
Reasons for Transmitting Suspicious Transactions (excluding money transfers)

<table>
<thead>
<tr>
<th>Reason for transmitting</th>
<th>2008 #</th>
<th>Share in total</th>
<th>2007 #</th>
<th>Share in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own inquiries</td>
<td>1,812</td>
<td>48%</td>
<td>1,911</td>
<td>40%</td>
</tr>
<tr>
<td>VROS</td>
<td>1,314</td>
<td>35%</td>
<td>1,763</td>
<td>37%</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>646</td>
<td>17%</td>
<td>1,065</td>
<td>22%</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>30</td>
<td>1%</td>
<td>24</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,802</td>
<td>100%*</td>
<td>4,763</td>
<td>100%</td>
</tr>
</tbody>
</table>

*The total does not add up to exactly 100% due to rounding

The decrease in the number of suspicious transactions excluding money transfers is especially prominent in case of the reports which were forwarded on the basis of National Public Prosecutor requests (-39%) and the Referral Database Criminal Investigations and Subjects-match (-25%). The National Public Prosecutor-forwarded reports already started to decline in number from 2004 onwards. The Referral Database Criminal Investigations and Subjects-forwarded reports also declined in number from 2004 onwards – with the exception of a small recovery in 2006. Although the number of reports forwarded on the basis of a reporting party’s own inquiries also decreased in 2008, this is still the most important reason for transmitting non-monetary transfers.

**Traditional Reporting Parties**

The traditional reporting parties are the institutions which, almost without exception, have had the report obligation since the Disclosure of Unusual Transactions (Financial Services) Act (currently known as the Money Laundering and Terrorist Financing Prevention Act) came into effect. This concerns banks, money transaction offices, casinos, credit card companies and other traditional reporting parties. The latter group concerns insurance brokers, investment brokers, life insurers and finance companies.
The adjustment which was made to the figures relating to the banks and money transaction offices for 2007 was already discussed on p 112. In 2008, the adjusted line shows a slight increase in the number of bank reports in relation to 2007. This increase can be largely attributed to two banks which filed a considerably larger number of reports in 2008 than in the year before.

The banks primarily reported subjectively (95%). In 2007, the proportion objective/subjective was still 10%-90%. The shift in favour of the subjective indicator can partly be attributed to the above-mentioned trend break in 2007. In addition, the number of objective reports decreased again, and the banks once again made greater use of the subjective indicator this year. On average, banks report objective transactions within seven days. The average processing time of subjective bank reports is nineteen days, counting from the day a transaction takes place. This still came to fifteen days in 2007. Although the processing time increased slightly, this is still a good result.
After a small recovery in 2007, the number of suspicious transactions decreased further in 2008, setting a downward trend since 2004. In 2008, this decrease can be seen for all four reasons for forwarding reports.

### REASON FOR TRANSMITTING SUSPICIOUS TRANSACTIONS BANKS (EXCL. MONEY TRANSFERS)

<table>
<thead>
<tr>
<th>Reason for transmitting</th>
<th>Share in total</th>
<th>#</th>
<th>Share in total</th>
<th>#</th>
<th>Share in total</th>
<th>aandeel in totaal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own inquiries</td>
<td>48%</td>
<td>1,025</td>
<td>44%</td>
<td>1,242</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>VROS</td>
<td>36%</td>
<td>885</td>
<td>38%</td>
<td>1,052</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>15%</td>
<td>416</td>
<td>18%</td>
<td>537</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>1%</td>
<td>15</td>
<td>1%</td>
<td>17</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,341</strong></td>
<td><strong>100%</strong>*</td>
<td><strong>2,848</strong></td>
<td><strong>100%</strong>*</td>
<td><strong>100%</strong>*</td>
</tr>
</tbody>
</table>

* The total does not add up to exactly 100% due to rounding.
The trend break in 2007 also affected the figures for the money transaction offices. Although the number of reports seems to have increased significantly at first in 2008, the adjusted line shows only a slight increase. In total, ten money transaction offices are responsible for the reports. Four of these offices filed fewer reports in 2008 than in 2007. By contrast, the other six money transaction offices submitted a larger number of reports to FIU-Netherlands.

The average processing time at the money transaction offices is fourteen days for the objective reports and twelve days for the subjective reports. Compared with 2007, the money transaction offices take four days longer to report both objective and subjective transactions. However, they managed to comply with the statutory reporting period of fourteen days for the objective reports.

In 2008, the proportion between objective and subjective indicators was 30%-70%. Compared with 2007, this is a shift of fourteen percentage points in favour of the objective indicators. The shift was primarily caused by a 100% increase in the number of objective reports, largely from one reporting party. However, this large number of reports should have been reported using a subjective indicator. When these reports filed are shifted to the subjective indicator, the proportion objective/subjective turns out to be 7%-93%.
On the basis of the adjusted line, a slight decrease can be seen in the number of suspicious transactions from money transaction offices. One look at the table below makes it abundantly clear that the decrease is particularly prominent in the categories “National Public Prosecutor” and “Referral Database Criminal Investigations and Subjects”. Based on these forwarding grounds, FIU-Netherlands was able to declare respectively 54% and 20% fewer transactions suspicious.

<table>
<thead>
<tr>
<th>Reason for transmitting</th>
<th>2008 #</th>
<th>2007 corrected #</th>
<th>2007 #</th>
<th>Share in total</th>
<th>Share in total</th>
<th>Share in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own inquiries</td>
<td>481</td>
<td>334</td>
<td>118</td>
<td>61%</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>VROS</td>
<td>210</td>
<td>262</td>
<td>95</td>
<td>26%</td>
<td>32%</td>
<td>31%</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>97</td>
<td>209</td>
<td>88</td>
<td>12%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>795</strong></td>
<td><strong>810</strong></td>
<td><strong>304</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
In 2008, 61% of the suspicious transactions excluding money transfers were transmitted on the basis of a reporting party's own inquiries. This has largely to do with two investigations to which these transactions could be linked. One investigation concerns an organisation which probably committed investment fraud with the money invested by investors. The other investigation ties in with a project concerning immovable property in relationship to crime.

**Casino's**

The slight increase in the number of casino reports in 2007 did not continue in 2008. However, the casinos continue to report about one thousand transactions a year. The average processing time of casino transactions is four days for both objective and subjective reports. Last year, this still came to eight days for objective transactions. Casinos are therefore more alert this year about reporting transactions.

For the first time, the majority (52%) of the casino transactions were reported subjectively. This shift was caused by a decrease of 29% in the use of the objective indicator. At the same time, the casinos filed 30% more reports on the basis of the subjective indicator. An improvement in the internal reporting system of the casino sector underlies this increase.
However, the number of suspicious transactions increased slightly this year. FIU-Netherlands was particularly able to transmit a larger number of casino transactions on the basis of National Public Prosecutor requests and as a result of the Referral Database Criminal Investigations and Subjects-match.

Credit Card Companies

# UNUSUAL TRANSACTIONS CREDIT CARD COMPANIES

```plaintext
# unusual
```

# SUSPICIOUS TRANSACTIONS CASINOS

```plaintext
# suspicious
```

< Back to index
The report obligation for credit card companies changed when the Money Laundering and Terrorist Financing Prevention Act came into effect. Since August 2008, the institutions issuing credit cards (the issuers) have the report obligation. Before that time, this obligation rested with the acquirers\(^9\). For the time being, FIU-Netherlands sees hardly any changes in the (number of) reports from credit card companies as a result of this change. In 2008 one new credit card company registered, and designated a few transactions as unusual. The other four reporting credit card companies, which are both an acquirer and an issuer, had already been filing reports for some time. They are therefore still obliged to file reports. However, all four of them filed fewer reports in 2008 than in 2007. No new issuers have registered with FIU-Netherlands yet. Existing reporting parties, such as banks issuing credit cards, did not report any unusual credit card transactions in 2008 either. This had rather been expected, since these reporting parties are already familiar with the report obligation. Moreover, they have organised their organisation in such a way that transactions and patterns which may fall under the subjective report obligation can be detected.

With the exception of two transactions, the credit card companies reported all the transactions under the objective indicator. On average, credit card companies reported transactions to FIU-Netherlands objectively within twelve days. This is an improvement of three days when compared with last year. As a result, the credit card companies now satisfy the statutory reporting period of fourteen days.

\(^9\) The acquirers are market parties which are called in by the acceptors of credit cards. They arrange the acceptance and processing of the credit card transaction.
Because the largest credit card company/reporter also supplied the full details of the subjects in 2008, the quality of the reports has much improved. This reporting party is responsible for 76% of the total number of reports. By contrast, the quality of the reports by the other existing reporting parties did not improve last year.

The push for quality is reflected in the suspicious transactions, 75% of which was transmitted on the basis of the Referral Database Criminal Investigations and Subjects-match. This was still only 31% in 2007. The decrease in the number of suspicious transactions is particularly prominent in the category of National Public Prosecutor requests. In 2007, 35 credit card transactions were transmitted on the basis of 5 different National Public Prosecutor requests. In 2008, 4 requests resulted in four suspicious transactions (one per request). The other transactions were transmitted on the basis of a reporting party’s own inquiries (15%).

**Other Traditional Reporting Parties**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UT</td>
<td>ST</td>
<td>UT</td>
<td>ST</td>
</tr>
<tr>
<td>Life insurers</td>
<td>13</td>
<td>5</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>Securities brokers</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Insurance brokers</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Finance companies</td>
<td>7</td>
<td>2</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Investment institutions</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22</td>
<td>7</td>
<td>41</td>
<td>18</td>
</tr>
</tbody>
</table>

*UT = Unusual Transaction*

*ST = Suspicious Transaction*

The number of reports from life insurers decreased again in 2008. All the reports originated from one insurance company. In 2007, this reporting party was responsible for 89% of the reported life insurance transactions.
Developments in the Trader Sector in 2008

The previous annual review mentioned two developments with which the trader sector would be faced in 2008. The first one concerns the change in the threshold amount of the objective indicator from €15,000 into €25,000. This change came into effect on 1 March 2008. The second development is the report obligation for all the other traders in the Netherlands as a result of the Third EU Directive. Like the traders in objects of great value, who were already obliged to report, they were also designated as institutions with a report obligation when the Money Laundering and Terrorist Financing Prevention Act came into force on 1 August 2008. Only the subjective indicator of “a suspicion of money laundering and/or terrorist financing in case of a cash payment of €15,000 or more” applies to this new group of reporting parties. No authority was designated to supervise the report obligation of this group.

The change in the reporting limit had a large impact on the number of transactions received by FIU-Netherlands. The report obligation for the other traders resulted in 1 report in 2008. This is not surprising, given the manner in which the Netherlands has implemented the obligation of the Third EU Directive. Although various websites pay attention to the new report obligation, no informative actions have taken place (yet) for this group of new reporting parties. The “other” traders may not yet be aware of their report obligation. Perhaps this will change for the better in 2009.

### # UNUSUAL AND SUSPICIOUS TRANSACTIONS TRADER SECTOR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>8,727</td>
<td>13,734</td>
<td>566</td>
<td>934</td>
</tr>
<tr>
<td>Precious metals</td>
<td>136</td>
<td>159</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Vessels</td>
<td>110</td>
<td>166</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Antiques</td>
<td>8</td>
<td>38</td>
<td>37</td>
<td>0</td>
</tr>
<tr>
<td>Arts</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Other objects</td>
<td>1</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,984</strong></td>
<td><strong>14,106</strong></td>
<td><strong>635</strong></td>
<td><strong>957</strong></td>
</tr>
</tbody>
</table>
The vehicle traders account for 98% of the decrease in the number of registered transactions. This decrease was caused by the increase in the reporting limit for traders in objects of great value from €15,000 to €25,000. This is a result of the fact that almost 9,000 transactions were reported in 2007 with an amount between these two threshold amounts. In 2008, only ca. 3,500 of such transactions were reported. In 2008, 87% of these reports had a transaction date prior to 1 March 2008 and the threshold amount of €15,000 therefore still applied. The other 13% took place after the change in the reporting limit, and therefore did not have to be reported on the basis of the objective indicator, since the amount is lower than €25,000. These reports originated from almost 200 different reporting parties. Evidently, there are still some traders in objects of great value who are not aware of the increase in the objective reporting limit. FIU-Netherlands will take appropriate action for this in 2009.

The above graph shows the number of registered transactions per month over the period 2007-2008. There is a clear downward trend. Two trend lines were also included in the graph. These are based on the number of registered transactions per month which involved an amount between €15,000 and €25,000 and an amount of €25,000 or more. It may be concluded from this that although, as a result of the increase in the reporting limit, the transactions which involved an amount between €15,000 and €25,000 show a sharp downward trend, the transactions which involved an amount of €25,000 or more follow a slight
upward trend. We have yet to see if this development will continue into 2009; the credit crunch may eventually also play a role in this.

This year, the objective indicator was also used in 99% of the reported transactions. However, the average reporting time increased enormously. While traders filed reports within an average of 14 days in 2007, the reports now take more than 48 days to reach FIU-Netherlands. This increase is largely caused by the supervisory activities of the Tax and Customs Administration. In 2008, almost 80 traders reported to FIU-Netherlands transactions which took place in 2007 or earlier following a supervisory visit. When we disregard these reports, the average processing time comes to 22 days.

<table>
<thead>
<tr>
<th>Reason for transmitting</th>
<th>2008</th>
<th>Share of total</th>
<th>2007</th>
<th>Share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own inquiries</td>
<td>185</td>
<td>29%</td>
<td>255</td>
<td>27%</td>
</tr>
<tr>
<td>VROS</td>
<td>225</td>
<td>35%</td>
<td>343</td>
<td>36%</td>
</tr>
<tr>
<td>National Public Prosecutor</td>
<td>217</td>
<td>34%</td>
<td>355</td>
<td>37%</td>
</tr>
<tr>
<td>Central Judicial Collection Agency</td>
<td>8</td>
<td>1%</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>635</td>
<td>100%*</td>
<td>957</td>
<td>100%*</td>
</tr>
</tbody>
</table>

*The total does not add up to exactly 100% due to rounding

The decrease in the number of suspicious transactions may be wholly attributed to the vehicle traders. The other traders transmitted a slightly larger number of transactions in 2008 than in 2007. The decrease can be seen in almost all of the categories of reasons for forwarding reports, particularly in the category of transactions that were transmitted on the basis of a National Public Prosecutor request. The upward trend of National Public Prosecutor-forwarded reports reached a peak in 2007. However, with 217 suspicious transactions, the number settled at a level this year which is slightly higher than that in 2006.

What is striking here is that, in 2008, only 39% of the National Public Prosecutor-forwarded reports involved an amount of €25,000 or more, as opposed to 50% in 2007. Despite the fact that the reporting limit was increased, this does not yet translate into a larger share in the number of suspicious transactions on the basis
of a National Public Prosecutor request. This in itself is not surprising, since the National Public Prosecutor-forwarded reports often concern slightly “older” transactions, i.e. transactions which took place more than a year before the forwarded report. In 2008, 94% of the National Public Prosecutor-forwarded reports had been carried out in the period 2004-2007, to which the objective reporting limit of €15,000 still applied. In 2007, 91% of the National Public Prosecutor-forwarded reports took place in the previous years. If we extend this line, the increase in the reporting limit in 2008 may not be reflected (to some extent) in the National Public Prosecutor – forwarded reports until 2009. This effect should be even greater in 2010. Due to the decrease in the number of National Public Prosecutor requests, the Referral Database Criminal Investigations and Subjects-match was the main reason for transmitting a transaction this year.

For the first time in three years, transactions by antique dealers were declared suspicious in 2008. The total number of 37 transactions concern 1 dossier, in which antiques were purchased for an amount of almost €900,000 in cash. In total, the suspicious trader transactions that were carried out involved an amount of over 21.5 million euro. This includes one transaction of almost 2 million euro. When this transaction is disregarded, the average amount of a suspicious trader transaction that was carried out comes to ca. €31,500.

### Independent Professionals

#### # UNUSUAL AND SUSPICIOUS TRANSACTIONS PROFESSIONAL SECTOR

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2008 Unusual</th>
<th>2008 Suspicious</th>
<th>2007 Unusual</th>
<th>2007 Suspicious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>119</td>
<td>33</td>
<td>85</td>
<td>64</td>
</tr>
<tr>
<td>Lawyers</td>
<td>19</td>
<td>7</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Business consultants</td>
<td>32</td>
<td>3</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Tax consultants</td>
<td>8</td>
<td>2</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Realty brokers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Estate agents</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Civil-law notaries</td>
<td>629</td>
<td>343</td>
<td>407</td>
<td>157</td>
</tr>
<tr>
<td>Independent legal advisers</td>
<td>9</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Trust companies</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>821</strong></td>
<td><strong>390</strong></td>
<td><strong>538</strong></td>
<td><strong>251</strong></td>
</tr>
</tbody>
</table>
The upward trend in the number of reports from the independent professionals will also continue into this year. With the exception of the estate agents and tax consultants, the increase applies to all professionals. The largest increase was recorded for civil-law notaries and accountants, the professional groups for which FIU-Netherlands organised – in cooperation with the professional associations of the Royal Dutch Notarial Society, the NOVAA and the NIVRA – a Customer Day in 2008.

The Customer Day for the civil-law notaries was held in March 2008. The trade journal “Notariaat [Notarial Profession] Magazine” paid a great deal of attention to this day. Moreover, within the scope of its supervisory tasks, the Financial Supervision Office instituted several proceedings in 2008. In one case, this resulted in a legal action, in which the court eventually ruled that a civil-law notary had to report certain transactions to FIU-Netherlands. The civil-law notary concerned did indeed do so. The aforementioned actions and media coverage have raised awareness among civil-law notaries with regard to the report obligation. It is therefore not surprising that the number of reports by civil-law notaries increased by 55%. Furthermore, 116 civil-law notaries registered as a new reporting party in 2008. They were responsible for 30% of the reports.

In November 2008, FIU-Netherlands organised a Customer Day for accountants. At that time, the accountants had reported almost as many transactions in 2008 as in all of 2007. The number of reports increased particularly in the second half of the year. This was largely due to the Money Laundering and Terrorist Financing Prevention Act coming into force on 1 August 2008, and to the informative actions which the Financial Supervision Office organised for this professional group on this subject. After the Customer Day in November, FIU-Netherlands observed a further increase in the number of unusual transactions to 119 reports.

The increase in the number of unusual transactions was wholly of a subjective nature. The percentage which the independent professionals reported on the basis of the subjective indicator has therefore increased to 91%.

The increase in the number of suspicious transactions may be attributed almost completely to the civil-law notaries. Moreover, it became apparent that over 20 transactions of two civil-law notaries were declared suspicious. This accounts for 25% of the reports forwarded by this group. The lawyers and independent legal advisers transmitted one transaction more than the year before. The number of reports forwarded by the other professionals decreased. What is striking here is
the decrease in the number of suspicious transactions from accountants, especially in view of the increase in the number of reports. In 2008, 35% of the reported transactions that were investigated were transmitted. In 2007, this percentage was still 58%. However, it should be noted here that 39% of the reports of suspicious transactions by accountants originated from one accountant in 2007; all these transactions pertain to one and the same subject.

This year, the largest part of the suspicious transactions was transmitted following a reporting party’s own inquiries (79%). Most of the rest was transmitted on the basis of the Referral Database Criminal Investigations and Subjects-match (20%). Only two transactions were transmitted on the basis of the match with the Central Judicial Collection Agency register, and one was transmitted as a result of a National Public Prosecutor request.

<table>
<thead>
<tr>
<th>AMOUNT IN € INVOLVED IN SUSPICIOUS TRANSACTIONS CARRIED OUT</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>Accountants</td>
<td>59,386,000</td>
<td>7,280,500</td>
</tr>
<tr>
<td>Lawyers</td>
<td>1,197,000</td>
<td>538,000</td>
</tr>
<tr>
<td>Business consultants</td>
<td>960,500</td>
<td>1,135,000</td>
</tr>
<tr>
<td>Tax consultants</td>
<td>674,500</td>
<td>957,500</td>
</tr>
<tr>
<td>Realty brokers</td>
<td>0</td>
<td>273,000</td>
</tr>
<tr>
<td>Estate agents</td>
<td>57,000</td>
<td>665,000</td>
</tr>
<tr>
<td>Civil-law notaries</td>
<td>239,340,000</td>
<td>276,955,500</td>
</tr>
<tr>
<td>Independent legal advisers</td>
<td>150</td>
<td>0</td>
</tr>
<tr>
<td>Trust companies</td>
<td>0</td>
<td>18,232,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>301,615,150</strong></td>
<td><strong>306,037,500</strong></td>
</tr>
</tbody>
</table>

Although the number of reports of suspicious transactions by accountants decreased in 2008, the total amount involved in these transactions increased in relation to 2007. This is largely due to one suspicious transaction which involved an amount of over 53 million euro.

The opposite is true of the civil-law notaries. Although the number of suspicious transactions increased considerably in 2008, the total amount of the transactions that were carried out actually decreased. This was caused by one transaction which was transmitted in 2007. This transaction involved an amount of over 182 million euro.
On 15 June 2007, the European regulation came into effect which obliges persons entering or leaving the European Union whilst importing or exporting liquid assets with a value of €10,000 or more to file a report\(^{10}\). These declarations must be lodged with Customs. The various customs services send these declarations to a central department of the Tax and Customs Administration, which then reports them to FIU-Netherlands. In last year’s annual review, these kinds of reports were classed with the Tax and Customs Administration reporting sector. However, since these declarations are initially lodged with Customs, FIU-Netherlands has decided to class these reports with the Customs sector from now on. As a result, the number of reports filed by the Tax and Customs Administration was much lower in 2008 than the year before. If the reports of the import and export of liquid assets in 2007 had not been added to the reports by the Tax and Customs Administration, the number of reports by this reporting party would have come to 82. The adjusted picture therefore also shows a decrease in the number of reports by the Tax and Customs Administration in 2008.

### The Obligation to Declare Liquid Assets

Resulting from the reports on the import and export of liquid assets, the number of unusual transactions from Customs is on the rise. In addition to declarations, Customs also provides FIU-Netherlands with reports of unusual situations in which the former comes across valuables, such as gold or expensive watches.

In 2007, the obligation to declare liquid assets resulted in 770 reports with a value of ca. 28.5 million euro. In 2008, FIU-Netherlands received 1,807 reports with a value of almost 78 million euro. The fact that the European regulation (1889/2005) came into force halfway through 2007 is of course an important reason for the fact that it resulted in fewer reports in all of 2007. Last year, FIU-Netherlands declared 39 reports of this kind suspicious.

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\(^{10}\) Regulation on controls of cash entering or leaving the Community (Regulation (EC) No. 1889/2005.)
This was a result of the match with the Referral Database Criminal Investigations and Subjects-file (54%), and on the basis of National Public Prosecutor requests (46%). In 2007, eight such reports were declared suspicious. One can therefore speak of an increase, although the number of suspicious transactions in proportion to the number of reports is low when compared with other sectors.

<table>
<thead>
<tr>
<th>Type of report</th>
<th>#</th>
<th>Total Amount</th>
<th>Average Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid assets import the Netherlands</td>
<td>1,148</td>
<td>59,385,000</td>
<td>52,000</td>
</tr>
<tr>
<td>Liquid assets export the Netherlands</td>
<td>659</td>
<td>18,538,000</td>
<td>28,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,807</td>
<td><strong>77,923,000</strong></td>
<td><strong>43,000</strong></td>
</tr>
</tbody>
</table>

The above table displays the numbers of reports and the corresponding amounts. The largest part of the reports (64%) concerns the import of liquid assets. What is striking is that the average amount in the reports about the import of liquid assets into the Netherlands is almost twice as large as the average amount in the reports about the export of liquid assets from the Netherlands.

Most of the reports concern euros (79%) and US dollars (19%). A small number of reports concern the pound sterling (1 %) and a small number other foreign currencies (<1 %).

**Top Five of Money Flows**

**IMPORT INTO THE NETHERLANDS**

<table>
<thead>
<tr>
<th>Origin</th>
<th>#</th>
<th>Total in €</th>
<th>Average in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>534</td>
<td>46,265,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Ghana</td>
<td>105</td>
<td>4,459,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Egypt</td>
<td>67</td>
<td>2,742,000</td>
<td>41,000</td>
</tr>
<tr>
<td>Syria</td>
<td>64</td>
<td>2,907,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Bolivia</td>
<td>25</td>
<td>1,929,000</td>
<td>77,000</td>
</tr>
</tbody>
</table>

**EXPORT FROM THE NETHERLANDS**

<table>
<thead>
<tr>
<th>Destination</th>
<th>#</th>
<th>Total in €</th>
<th>Average in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>147</td>
<td>3,838,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Morocco</td>
<td>57</td>
<td>848,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Egypt</td>
<td>25</td>
<td>730,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>24</td>
<td>899,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Russia</td>
<td>22</td>
<td>1,056,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>
The above table displays the top five of the reports concerning the countries of origin and destination. With 534 reports with a value of over 46 million euro in total, Nigeria heads the list (as a country of origin) of reports of imported liquid assets. What is striking is the large average amount involved in the flow of money from Nigeria. Turkey holds first place as far as reports concerning the export of liquid assets are concerned.

<table>
<thead>
<tr>
<th>AMOUNT IN € INVOLVED IN GOVERNMENT SECTOR</th>
<th>SUSPICIOUS TRANSACTIONS CARRIED OUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>2008</td>
</tr>
<tr>
<td>Customs</td>
<td>3,039,000</td>
</tr>
<tr>
<td>Tax and Customs</td>
<td>45,987,000</td>
</tr>
<tr>
<td>Administration Supervisory body</td>
<td>39,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,065,500</strong></td>
</tr>
</tbody>
</table>

The amount involved in suspicious customs transactions is on the rise as a result of the increase in the number of suspicious transactions. The average amount remains roughly the same.

Despite the relatively large decrease in the number of suspicious transactions from the Tax and Customs Administration, one can speak of an increase in the amount involved in these transactions. The large total amount is the result of one particular transaction with a value of almost 39.5 million euro. When this transaction is disregarded, the total amount comes to ca. 6.5 million euro, and the average amount per suspicious transaction drops from ca. €904,000 in 2007 to ca. €463,500 in 2008. This decrease is connected with a decrease in the number of suspicious transactions with a value of 1 million euro or more. Only 4 were recorded in 2008, including the exceptional amount mentioned above. 7 had been recorded in 2007. In 2006, even 18 transactions with a value of 1 million euro or more from the Tax and Customs Administration were declared suspicious by FIU-Netherlands.
Steps will be taken for 2009 to improve the relationships and coordination between the chain partners on a regional and national level. The policy of FIU-Netherlands will focus more on proactive action. In order to be able to effectively implement a more proactive policy, it is vital to be well aware of (future) risks and developments. What is happening where? By whom? Why there? What trends and developments are there? These are important questions.
7.1 Looking Back

In 2008, much time was spent on developing a new ICT system. Because contract partners failed to honour their agreements, and because the wrong choices were made, it was eventually decided to terminate the ICT programme. A new course needs to be determined for the next year. In the second half of 2008, Price Waterhouse Coopers (PWC) evaluated the merger of the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions and the placement of FIU-Netherlands with the Netherlands Police Agency for management purposes. The recommendations of PWC focus on improving the effectiveness and recognizability of FIU-Netherlands as a national, autonomous and independent entity. The recommendations serve as a blueprint for a final structure of FIU-Netherlands and a new governance model. In 2008, FIU-NL did not manage to provide the reporting parties with information on the progress in criminal investigations on a more structural basis. Also, taking measurements in the chain has not yet led to the desired outcome. However, a few successful Customer Days for groups of reporting parties were organised, resulting in greater mutual understanding and familiarity.

7.2 Changing Legislation

The Third Money Laundering Directive has widened the definition of “traders in goods of great value” considerably. Whereas before the obligations to identify clients and report unusual transactions only applied to traders in certain designated objects of great value, these obligations henceforth apply to all traders in goods who accept cash payment of €15,000 or more.

The Money Laundering and Terrorist Financing Prevention Act

The Third EU Directive

On 25 November 2005, Directive 2005/60/EC of the European Parliament and Council was published in the Official Journal of the European Union. This was the third in a row within the scope of preventing the financial system being used for the purpose of money laundering and terrorist financing. This directive revokes the First Directive from 1991.

According to this Third Directive, reporting parties should, in addition to their identification obligations and depending on the risk of money laundering or terrorist financing, pay more attention to client screening, especially where
Politically Exposed Persons (PEP) are concerned. The Ultimate Beneficial Owner (UBO) and the nature of the business transaction must be determined. For the institutions to which the directive applies, the expansion of the scope largely comes down to the expansion of the identification obligation and report obligation for all transactions which involve a cash payment of €15,000 or more.

The implementation of the Third EU Directive should have been effective on 15 December 2007. This deadline was not met, but on 1 August 2008 the Directive was in effect. At the same time the Third EU Directive was implemented, a new law became effective, integrating the Disclosure of Unusual Transactions (Financial Services) Act and the Identification (Provision of Services) Act. This act is the Money Laundering and Terrorist Financing Prevention Act. In essence, this new law is the national translation of the provisions of the Third Directive.

**The Money Laundering and Terrorist Financing Prevention Act**
The Disclosure of Unusual Transactions (Financial Services) Act and the Identification (Provision of Services) Act are two separate laws which, combined, form a set of measures within the scope of preventing the financial system being used for the purpose of money laundering and terrorist financing. The combination of these two separate laws into the Money Laundering and Terrorist Financing Prevention Act is intended to improve the legal options. FIU-Netherlands was involved in developing the legislative proposal. It is better for reporting parties (currently called institutions) that their obligations are collected into one compact law, especially now that institutions are being asked to subject their clients to a thorough screening. The approach of the Money Laundering and Terrorist Financing Prevention Act is risk-based. The institutions which have an obligation to report have their own roles and responsibilities for guaranteeing the integrity of the financial system. The Money Laundering and Terrorist Financing Prevention Act gives shape to this responsibility by designating the triad of reporting party/institution, reporting centre and supervisory body as the most important partners for protecting the financial system against threats.

**What has changed?**
Section 1 of the Money Laundering and Terrorist Financing Prevention Act specifies the institutions to which the law applies. The focus of the legislator is more on the institutions than on the services to be rendered, as was the case in the past. Furthermore, the scope for the institutions has been expanded. The new law now also covers the category of “other traders”, not being the “classic” traders in objects of great value. The “other traders” should report transactions which reach or exceed the objective limit of €15,000 (cash), and which may give
rise to a suspicion that these could be connected with money laundering/terrorist financing. Therefore, they report from an objective limit and with a subjective indicator! The explanatory memorandum states that the identification requirement also applies here. However, there is no supervisory body for this new category! In addition to identifying the client, a client screening should also take place. Depending on the estimated risk of money laundering or terrorist financing, the institution should conduct a simplified, average or thorough screening of the client. This is also referred to as “Customer Due Diligence” (CDD). This actually concerns verification of the identity. In principle, the institution is not allowed to enter into a business relationship if no identification and verification of the client has taken place. On account of EU principles, this principle is not strictly applied to relevant cases. Certain services may not always be delayed. In these cases, identification/verification may also take place step by step or afterwards. The services of a civil-law notary or lawyer are a case in point. Certain cases are characterised from the outset by an increased risk, and call for a thorough client screening. This is the case when a client is what is referred to as a “Politically Exposed Person” (PEP). In cases which involve an intermediary, the institution must verify the identity of the Ultimate Beneficial Owner (UBO). The cooperation with the supervisory body was further improved. In particular, the supervisory body can, where appropriate, inform FIU-Netherlands about facts which point towards money laundering or terrorist financing which they came across whilst carrying out the statutory supervision of institutions. The report obligation and the indicator system have hardly changed in relation to the old situation.

**Practical Effects of the Money Laundering and Terrorist Financing Prevention Act**

To provide reliable analyses, reports, management information and statistics, it is important that transactions reported from 1 August 2008 onwards by the new group of traders can be distinguished from those reported by the classic “traders in objects of great value”. A few consequences are:

1. The new group of traders will receive a reporting code which proves that they belong to the group of “other traders”, not being the classic “traders in objects of great value”.
2. The group of “other traders” must file their reports of unusual transactions whilst specifying the G0810111 or G0810211 indicator.
3. The classic “traders in objects of great value” will continue to report under the H0510111, H0810141 or H0510211 indicator (see diagram appendix).
Regulation (EC) 1889/2005 – The Obligation to Declare Liquid Assets

On 15 June 2007, the act of 21 June 2007 for implementing Regulation (EC) No. 1889/2005 of the European Parliament and of the Council (EC) of 26 October 2005 on controls of cash entering or leaving the Community (Official Journal of the European Union L309) came into effect. This implementation act obliges natural persons entering or leaving the territory of the EU to lodge a declaration if they are carrying liquid assets of €10,000 or more. Based on the provisions of this regulation, Customs must pass on the declarations and indications to FIU-Netherlands in cases which involve assets of €10,000 or more.

If a declaration has not been lodged, the customs authorities can impose sanctions. Also if there are signs of illegal activities involving the transport of liquid assets, the customs authorities can report this to FIU-Netherlands. An agreement was drawn up to seal the cooperation between Customs and FIU-Netherlands.

Presentation Customs Regulation 1889/2005

Within the scope of an interim evaluation of the regulation concerning the registration (by means of an obligation to lodge a declaration) of liquid assets entering or leaving the European Community, which became effective for the Netherlands on 15 June 2007, a representative from FIU-Netherlands together with Customs gave a presentation in Brussels in December 2008. FIU-Netherlands suggested setting up a central EU database which will include all the reports/declarations. This could also be an interesting source for non-European FIUs wishing to track and determine movements of liquid assets.

7.3 2009 Policy Objectives

What is going well and what can be improved? Every year, specific objectives are set in order to be able to respond to recent developments flexibly and to utilise the capacity optimally.

The policy objectives are based on the tasks of FIU-Netherlands as described in Section 13 of the Money Laundering and Terrorist Financing Prevention Act, the recommendations of the Financial Action Taskforce (FATF) on the tasks of FIUs and on the decision of the Council of the European Union concerning arrangements for cooperation between financial intelligence units (2000/642/JHA).

The policy objectives are divided into the following categories:

1. Tasks with a view to preventing money laundering and terrorist financing
2. Tasks with a view to tracking money laundering and terrorist financing
3. R&D
4. International cooperation
5. Organisational development

1. **Tasks with a View to Preventing Money Laundering and Terrorist Financing**

The prevention of money laundering is an important policy objective of this government. This is evidenced by, amongst other things, the “Safety Starts with Prevention” (see also under 2) government programme, which is geared towards preventing and fighting crime.

FIU-Netherlands has important information on potential cases of money laundering and terrorist financing. It is important that this information is used (pro)actively in order to prevent money laundering and terrorist financing. FIU-Netherlands has various instruments at its disposal for that purpose, such as informing reporting parties about the handling of reports, investigating improvements of methods for preventing money laundering and terrorist financing, giving recommendations to reporting parties on, amongst other things, the implementation of proper procedures for internal controls and communication, providing reporting parties and supervisory bodies with information and giving information to supervisory bodies. Also, FIU-Netherlands can, in so far as this is permitted by law and not in conflict with any interests in an investigation, actively supply information for administrative purposes (the Regional Information and Expertise Centre and the Public Administration Probity Screening Agency).

**FIU-Netherlands makes effective use of its information in order to prevent money laundering and terrorist financing**

- Organising informative meetings for reporting parties and supervisory bodies.
- The agreements which were made in the Supervisory Committee (as referred to in Section 21 of the Money Laundering and Terrorist Financing Prevention Act of May 2008) with regard to giving feedback to reporting parties are being put into effect.
- A structural joint venture will be concluded with the supervisory bodies.
- A plan of action is being drawn up with regard to working together with the management in order to use FIU information for administrative interventions.

2. **Tasks with a View to Tracking Money Laundering and Terrorist Financing**

Within the scope of the above-mentioned “Safety Starts with Prevention”
government programme, the Financial and Economic Crime (FinEC) and Programme to Strengthen the Approach to Combating Organized Crime (PVAGM) policy programmes were established in cooperation with all the ministries (the Ministry of Finance, the Ministry of the Interior and Kingdom Relations) and organisations (such as the Public Prosecution Service, investigative services, local administration and the private sector) involved. The FinEC and PVAGM policy programmes include measures for strengthening the fight against money laundering. These measures are implemented by the police authorities and the Public Prosecution Service in their own programmes and by the Fiscal Information and Investigation Service and Economic Investigation Service. An important component of the measures is to make greater and better use of information from the Office for the Disclosure of Unusual Transactions when tracking money laundering and/or the underlying offences. Making greater and better use of information from the Office for the Disclosure of Unusual Transactions is therefore an important policy objective for FIU-Netherlands. FIU-Netherlands can promote this by taking active part in pilots and test beds within the scope of the FinEC and PVAGM programmes. FIU-Netherlands can also encourage greater and better use by monitoring and analysing the use of information from the Office for the Disclosure of Unusual Transactions and, if necessary, by taking measures (e.g. quality improvement) or proposing measures for improving the use of information from the Office for the Disclosure of Unusual Transactions.

**FIU-Netherlands promotes greater and better use of information from the Office for the Disclosure of Unusual Transactions by the investigative authorities**

- A contribution is being made to the (pilot) regions of the police authorities.
- A contribution is being made to the unexplained assets/money laundering test bed of the Public Prosecution Service.
- Cooperation (under the authority of the National Public Prosecutor regarding Office for the Disclosure of Unusual Transactions matters) with the two money-laundering investigation teams from the Fiscal Information and Investigation Service and Economic Investigation Service.
- Cooperation with the Financial and Economic teams from the National Investigation Service.
- A contribution is being made to the national fight against misuse of property programme.
- Organising informative meetings for investigative services and/or the Public Prosecution Service.
3  R&D

FIU-Netherlands has a large amount of information on potential cases of money laundering and terrorist financing at its disposal. The processing and analysis of this information should not only be focused on tracking money laundering and terrorist financing, and more general offences, but also on spotting trends, pointing out points for improving the procedures of reporting parties, for supervision, for tracking and prosecuting, and for the local and national administration to use in preventing and tracking money laundering and terrorist financing.

FIU-Netherlands uses the information which is at its disposal for research into developments in the area of money laundering and terrorist financing and into improving methods for preventing and tracking money laundering and terrorist financing.

- On the basis of its information, FIU-NL concludes an analysis of the nature and scope of unusual and suspicious flows of money (a request for an investigation from the Ministry of Finance in July 2008).
- Trend analyses are prepared for the target groups (reporting parties, supervisory bodies and investigative services and the Public Prosecution Service).
- Fact-sheets or governmental reports are prepared for reporting parties, supervisory bodies, investigative services, the Public Prosecution Service and ministries responsible for policy.
- Active cooperation with the Financial Expertise Centre (FEC) and the partners in the FEC when preparing analysis and (factual) information products.
- An active contribution is being made to, amongst other things, crime picture analyses, fact-sheets and intervention strategies that are being developed by the police authorities and the Public Prosecution Service for various forms of crime which often involve money laundering or terrorist financing.

4  International Cooperation

Money laundering and terrorist financing extend beyond borders. It is therefore important to cooperate on a global and European level in order raise the prevention of and fight against money laundering and terrorist financing to the same high level everywhere. It is important that FIU makes active use of its knowledge and experience in the existing international consultations and projects for this purpose.

In 2009/2010, the Netherlands chairs the FATF. It is important that FIU-Netherlands makes an active contribution in order to make this chairmanship a success for the Netherlands. During this term, FIU-Netherlands will have to present itself as the Financial Intelligence Unit of the Netherlands.
The Minister of Justice and the Minister of Finance have identified money laundering and terrorist financing as a priority within the scope of the political reforms in the Netherlands Antilles. In 2009, a vision will have to be developed for the organisation of the reporting chain for the BES islands. It is important that FIU contributes to the activities in this area of the Ministry of Finance and the Ministry of Justice.

**FIU-Netherlands plays an active role on an international level**
- FIU presents itself internationally as an autonomous and independent unit.
- It plays an active role in several international consultations and projects, such as the FATF, the Egmont Group, the EU FIU platform, FIU.NET, Europol (AWF Sustrans) and €STR.
- It takes active part in projects by the typologies working group of the FATF.
- An active contribution is being made to the implementation of the Dutch chairmanship of the FATF in 2009/2010.
- An active contribution is being made for the decision-making process and for the organisation of the reporting chain for the BES islands.
- An active contribution is being made to an international workshop on trade-based money laundering, which is to be organised by the Ministry of Justice.
- An active policy is being pursued with regard to concluding MOUs with other FIUs. When doing so, the parties will agree to provide each other as much as possible with reports concerning subjects of the other party (promise to the House).
- Initiatives are being taken in order to (be able to) cooperate closely with the countries within the Kingdom of the Netherlands.

5 Organisational Development
It is expected that the Office for the Disclosure of Unusual Transactions and the National Public Prosecutor for Cases Involving Unusual Transactions will definitely merge into FIU-Netherlands in 2009. FIU will be managed by the Netherlands Police Agency. In keeping with the recommendations of the FATF, the Ministry of Justice and the Ministry of Finance find it important that FIU-Netherlands will operate autonomously and independently, and that this will be clear and visible nationally and internationally. FIU-Netherlands is developing, and will use its own recognizable house style to that end in 2009. The ICT system of FIU-Netherlands is out-of-date and no longer satisfies the present-day requirements. FIU-Netherlands is developing a new system. FIU-Netherlands will ensure that this system will be fully operational and implemented in 2009.
FIU-Netherlands is developing further as a professional organisation and is recognizable, both nationally and internationally, as the Dutch FIU
- A new ICT system will be put into use in the second half of 2010 which
satisfies the preconditions laid down by the Ministry of Justice and the Ministry of Finance in the letter of 21 May 2007, Reference 5484373.

- FIU-NL is developing its own recognizable house style.
- This house style will be introduced in 2009 and will be used for all external communication outside the investigative authorities/Dutch Police. The house style of the Netherlands Police Agency will be used to communicate with the investigative authorities/Dutch Police.
- The www.fiu-nederland.nl website is being developed further.

7.4 Looking ahead

Complete transactions which may be highly conducive to an investigation are essential for the information position of FIU-Netherlands. As from 2009, the organisation will handle the enrichment of this (transaction) information in a more structured manner. Information will then play a central role in the processes. It is expected that FIU-Netherlands will be able to make significant efficiency improvements as a result of this method of working.

It is expected that FIU-Netherlands will be incorporated (for management purposes) with the Department of International Police Information of the Netherlands Police Agency in 2009. On the basis of the Money Laundering and Terrorist Financing Prevention Act, the strategic responsibility for FIU-Netherlands rests with the Minister of Justice and the Minister of Finance. On the basis of international laws and regulations, stern demands are made on Financial Intelligence Units (FIUs). A few of these demands concern the autonomy, independence and recognizability of an FIU. The aim is to position FIU-Netherlands in such a way that it will be managed as part of the Department of International Police Information of the Netherlands Police Agency whilst retaining the independence and autonomy required to perform its statutory tasks.

In 2009, deliberate efforts will be made to strengthen the cooperation with the investigative services. Agreements are being made between FIU-Netherlands and the investigative services about mutual efforts. This is done in close consultation with the National Public Prosecutor in Money Laundering Cases. Much is expected of the national Enhancing the Fight against Organized Crime programme, which places a strong emphasis on fighting the misappropriation of funds in (real) property and conducting financial and economic investigations. In this connection, FIU-Netherlands will expressly invest in the FinEC pilot regions and the test beds within the scope of the FinEC Enhancing the Fight against Financial and Economic Crime Programme.
FinEC supports the move by the Dutch investigative authorities to step up the financial investigations. FIU-Netherlands aims to support the intelligence component of these investigations. In addition, FIU-Netherlands will continue to invest in its contacts with the Fiscal Information and Investigation Service and Economic Investigation Service, a natural partner with whom FIU-NL has been collaborating intensely for many years. The cooperation with the National Crime Squad of the Netherlands Police Agency will also be consolidated. This squad fights serious organized crime using a multi-pronged approach, which includes conducting financial investigations. FIU-Netherlands believes that it can play a supportive role in this.

In 2009, FIU-Netherlands will take part – on behalf of the Netherlands Police Agency – in the Real Estate Intelligence Centre. The Real Estate Intelligence Centre finds itself in a developmental phase and in an experimental setting where the usefulness and added value of intelligence products for the fight against (real) property crime and other forms of financial and economic crime will be examined. In 2009, FIU-Netherlands will continue to take part in the CT Infobox of the General Intelligence and Security Service as an autonomous partner. This box enables all the relevant partners to share information for the detection of and fight against terrorist activities quickly and effectively on the basis of an agreement.

Internationally speaking, FIU-Netherlands will continue to cooperate with partners using the existing structures. The Dutch chairmanship of the FATF in 2009-2010 plays an important role in this. In addition, FIU-Netherlands is an esteemed partner in the Egmont Group. Preparations will be made for the realization of a front office for the BES islands, given the new charter of these territories. The challenge for FIU-Netherlands for the years ahead is clear, namely the realization of a professional, efficient intelligence organisation which will be (inter) nationally recognizable and called upon by our chain partners.
Appendices
## Appendix 1 – List of Used Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFM</td>
<td>Netherlands Authority for the Financial Markets</td>
</tr>
<tr>
<td>ARK</td>
<td>Netherlands Court of Audit</td>
</tr>
<tr>
<td>AWF</td>
<td>Analytical Work File</td>
</tr>
<tr>
<td>BFT</td>
<td>Financial Supervision Office</td>
</tr>
<tr>
<td>BIBOB</td>
<td>Public Administration Probity Screening Agency</td>
</tr>
<tr>
<td>BLOM</td>
<td>National Public Prosecutor for Cases Involving Unusual Transactions</td>
</tr>
<tr>
<td>BOA</td>
<td>Special Investigating Officer</td>
</tr>
<tr>
<td>BOD</td>
<td>Special Investigation Service</td>
</tr>
<tr>
<td>BOOM</td>
<td>Prosecution Service Criminal Assets Deprivation Bureau</td>
</tr>
<tr>
<td>CJIB</td>
<td>Central Judicial Collection Agency</td>
</tr>
<tr>
<td>DIC</td>
<td>Customs Information Centre</td>
</tr>
<tr>
<td>DINPOL</td>
<td>International Police Cooperation Service</td>
</tr>
<tr>
<td>DNB</td>
<td>Dutch National Bank</td>
</tr>
<tr>
<td>DNR</td>
<td>National Crime Squad</td>
</tr>
<tr>
<td>DNRI</td>
<td>National Criminal Intelligence Department</td>
</tr>
<tr>
<td>DOC</td>
<td>Operations Support and Coordination Department</td>
</tr>
<tr>
<td>EURSTR</td>
<td>European Suspicious Transaction Report</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
</tr>
<tr>
<td>FIOD-ECD</td>
<td>Fiscal Information and Investigation Service and Economic Investigation Service</td>
</tr>
<tr>
<td>FIU</td>
<td>Financial Intelligence Unit</td>
</tr>
<tr>
<td>FIU-NL</td>
<td>Financial Intelligence Unit – Netherlands</td>
</tr>
<tr>
<td>FP</td>
<td>National Public Prosecutor’s Office for Financial, Economic and Environmental Offences</td>
</tr>
<tr>
<td>IST</td>
<td>Intranet Suspicious transactions</td>
</tr>
<tr>
<td>NPA</td>
<td>Netherlands Police Agency</td>
</tr>
<tr>
<td>KMar</td>
<td>Royal Netherlands Military Constabulary</td>
</tr>
<tr>
<td>LOvJ</td>
<td>National Public Prosecutor</td>
</tr>
<tr>
<td>LWG</td>
<td>Legal Working Group</td>
</tr>
<tr>
<td>MBA</td>
<td>MOT/BLOM analysis</td>
</tr>
<tr>
<td>Menafatf</td>
<td>Middle East &amp; North Africa Financial Action Task Force</td>
</tr>
<tr>
<td>MIVD</td>
<td>Military Intelligence and Security Service</td>
</tr>
<tr>
<td>MOT</td>
<td>Office for the Disclosure of Unusual Transactions</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NDB</td>
<td>National Threat Assessment</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
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<tr>
<td>OM</td>
<td>Public Prosecution Service</td>
</tr>
<tr>
<td>OMP</td>
<td>Organization Methodology Processes</td>
</tr>
<tr>
<td>OPB</td>
<td>Development-oriented Personnel Policy</td>
</tr>
<tr>
<td>OWG</td>
<td>Outreach Working Group</td>
</tr>
<tr>
<td>PKN</td>
<td>Police Knowledge Network</td>
</tr>
<tr>
<td>POP</td>
<td>Personal Development Plan</td>
</tr>
<tr>
<td>RIEC</td>
<td>Regional Information and Expertise Centre</td>
</tr>
<tr>
<td>TBML</td>
<td>Trade-Based Money Laundering</td>
</tr>
<tr>
<td>TWG</td>
<td>Training Working Group</td>
</tr>
<tr>
<td>VROS</td>
<td>Referral Database Criminal Investigations and Subjects</td>
</tr>
<tr>
<td>VIC</td>
<td>Real Estate Intelligence Center</td>
</tr>
<tr>
<td>WACN</td>
<td>West African Criminal Networks</td>
</tr>
<tr>
<td>Wet MOT</td>
<td>Disclosure of Unusual Transactions (Financial Services) Act</td>
</tr>
<tr>
<td>Wft</td>
<td>Financial Supervision Act</td>
</tr>
<tr>
<td>WID</td>
<td>Identification (Provision of Services) Act</td>
</tr>
<tr>
<td>WODC</td>
<td>Research and Documentation Centre</td>
</tr>
<tr>
<td>WWFT</td>
<td>Money Laundering and Terrorist Financing Prevention Act</td>
</tr>
</tbody>
</table>
Appendix 2 – Definitions

**Acquirers**

Acquiring activities include entering into contracts with companies which are prepared to accept a credit card as a payment instrument, as well as processing the transactions and paying the acceptors.

**111 Report**

Transactions which must be reported to the police or judicial authorities in connection with money laundering should also be reported to the Reporting Centre.

**DINPOL Liaison Officers**

Netherlands Police Agency (police) staff member who is stationed abroad.

**Financial Status Report**

Contains an overview of international flows of money in relationship to a police region (on the basis of the location of a financial transaction).

**Money Flow Report**

Contains an overview of relevant international flows of money in relationship to specific countries.

**Fact-sheet**

A written report which gives a description of a phenomenon with regard to money laundering and/or terrorist financing on the basis of expertise and experience.

**Issuers**

Issuing activities include: issuing credit cards, collecting outstanding balances and forwarding statements of account.

**Objective indicator**

On the basis of an objective indicator, a report should be filed when a transaction satisfies a given criterion.

**Unusual Transaction**

Any transaction which meets this criterion is an unusual transaction. A transaction which has been reported as such to FIU-Netherlands within the scope of the Disclosure of Unusual Transactions (Financial Services) Act (rightfully and in good faith).

**Smurfs**

The preference of a client for transactions below the threshold amount, giving rise to a suspicion that the client wishes to avoid a report in this way.
**Subjective indicator**

On the basis of a subjective indicator, a report of a transaction must be filed since there is reason to believe that it may be connected with money laundering or terrorist financing.

**Terrorist Financing**

The acquisition, provision, movement and use of money or other valuable assets which can be converted to money, by persons who carry out terrorist activities themselves or by those who support this.

**Top X**

A list consisting consists of persons who are responsible for the majority of suspicious transactions within a geographical area. Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.

**Typologies**

Characteristics of the experience and practice of investigative authorities which point to money laundering or terrorist financing.

**Referral Database Criminal Investigations and Subjects**

The Referral Database Criminal Investigations and Subjects-file includes parties who are known to Criminal Intelligence Units or who appear in a current criminal investigation.

**Suspicious Transaction**

A transaction reported in accordance with the Disclosure of Unusual Transactions (Financial Services) Act which has been made available to the investigative authorities by the head of FIU-Netherlands.

**Money Laundering**

Performing acts (or having them performed), as a result of which a capital gain which has circumvented the law can, on the face of it, claim a legal origin.
Air Holland Suspects Acquitted

The Court of Appeal of The Hague has acquitted the accused former senior executives of Air Holland. The District Court of Rotterdam had previously, in its judgment of 7 December 2006, convicted the accused of, amongst other things, laundering large amounts of cash. They were charged with (various forms of) handling stolen property and laundering very large sums of cash from March 2001 up to and including April 2002.

The District Court of Rotterdam found that the legal origin of the amounts of money given by the accused had been insufficiently substantiated. The court then arrived at the opinion that – in view of a number of facts and circumstances summed up in the judgment – there was no doubt that the amounts of money had a criminal origin. The Court of Appeal did not agree with this opinion, establishing, to begin with, that the investigation in the case in question had not produced any direct evidence for the money “having been obtained by criminal means”. The investor (who put up the money at issue) and his brother had both been sentenced, as the Advocate General stated in court, for offences within the meaning of the Opium Act. However, this concerns facts and suspicions/convictions which date from after the period during which the charges were made, while it then concerned quantities of drugs which did not bear a proportion to the scope of the money laundering of which they were then being accused. By that time, both brothers were, as the counsel for the defence argued, and this was not contradicted, broke, and will have tried to obtain income illegally. In this connection, given his situation, the Court of Appeal did not consider the statement of [witness1] to be credible. The Advocate General put forward as well that the money was also the property of a certain [X], who was said to have a criminal record, and whose name was said to crop up in investigations into cocaine smuggling. However, the Court of Appeal did not find any evidence for this in the file. In the opinion of the Court of Appeal, a link between those suspicions/convictions and the offences with which the accused were then being charged could therefore not be established.

The Court of Appeal then assumed that the facts and circumstances which had been summed up by the court were such that there was no doubt that there was a suspicion of money laundering.

In the case in question, the accused and a co-accused had transported very large sums of cash to the United Kingdom and Luxembourg that were intended for several investment companies, whereby they had agreed to
unusual and highly disadvantageous conditions. A typology of money laundering was thus applicable to the case in question, on the basis of which a suspicion of money laundering in respect of the accused was justified.

The Court of Appeal was of the opinion that, in view of the suspicion of money laundering and the attendant circumstances that had been taken into account, the accused could be expected to give an explanation for the origin of the money. The accused had done so from the very start. He had stated that he had always been told after making several inquiries of the investor, which he had considered to be plausible, that the money had (largely) been derived from (the sale of) his interest in so-called “cambios”, namely foreign exchange bureaus in the Netherlands and Surinam. It became apparent at the hearing that large amounts of cash circulate via these so-called “Hawala banks”. The accused had therefore identified a concrete, more or less verifiable origin which, in the opinion of the Court of Appeal, could not be regarded a priori as totally implausible. This statement by the accused was supported by a tapped telephone conversation.

The witness – also co-accused – also stated that he had made inquiries of the investor concerning the origin of the money that he wished to invest in Air Holland. He had then been told by the investor that the money had (largely) been derived from (the sale of) his interests in so-called “cambios”. The co-accused also stated that said investor had told him that he had formed part of a group of entrepreneurs in Surinam for seven years which was active in the cambios, in the import and export business and in the liquor trade. The investor had accumulated a credit balance which he had arranged to be paid out in staggered payments via the Dutch foreign exchange bureaus which form part of the cambio system. Furthermore, the [co-accused 1] stated that he had been told that enormous profits are made in this branch, as much as 20% per transaction.

The witness – also co-accused – [co-accused 2] (who was at the time majority shareholder of the airline company Air Holland which was looking for new investors) also stated at the hearing of this Court of Appeal on 13 February 2008 that he had heard that the investor [investor] had obtained the money from the proceeds from cambios, and that he had made inquiries of [witness 2], a former Minister of Finance of Surinam, concerning the origin of the money of that investor. [witness 2] is said to have told [co-accused 2] that he thought that it was possible that the profits from cambios were as large as the assets which [investor] – in his own words – had earned from cambios. This argument was supported by the statement of [witness 2] to the examining magistrate on 19 January 2006 that he had not found it strange that the origin of the money (the Court of Appeal understood: the money from [investor]) was linked to cambios.
As appears from the statement of the witness [witness 3] at the hearing of this Court of Appeal on 13 February 2008, the shareholders of Air Holland had asked for a banker’s opinion concerning the money of the new investor [investor] at the meeting of shareholders. This [witness 3] also stated that the shareholders then received a letter from Citibank to the effect that the investor was a good customer of that bank, with whom one could do business. Because of the opinion of Citibank, the shareholders had no reason – according to [witness 3] – to doubt the legal origin of the money and the reliability of [investor].

The Court of Appeal established that, despite the deplorable financial position of Air Holland at the time and the need to find investors quickly, the accused had not gone into business with [investor] without making any inquiries.

In the light of the above, the Court of Appeal was of the opinion – unlike the court – that, due to a lack of direct evidence for the contention that the money had been derived from some crime, and given the clear and verifiable argument of the accused with regard to the origin of the money, the Public Prosecution Service could have been expected to investigate if [investor] had any interests in cambio companies, which the Court of Appeal thought could be an alternative. Such an investigation was not carried out, at least the Court of Appeal did not come across the results of such an investigation in the file.

The Advocate General had made a calculation, on the basis of an investigation by the Consumentenbond [Dutch consumers’ association] into the cambio companies, which had led him to conclude that the money – in view of the size of the money circuit outside the banks – could not have been derived from such companies. Incidentally, this calculation was disputed by the counsel for the defence. However, in the opinion of the Court of Appeal, it could not be ruled out that the amounts of money at issue which were said to have been obtained over a period of seven years, had been derived from the profits of cambios or from the proceeds of the sale of interests in cambio companies.

Now that it could not be ruled out with a sufficient degree of certainty that the money had a legal origin, and a criminal origin could not be considered to be the only acceptable explanation for the perceived facts and circumstances, the Court of Appeal was of the opinion that that with which the accused had been charged had not been legally and conclusively proved, so that the accused should be acquitted of those charges. Court of Appeal of The Hague 12 March 2008 LJN: BC6500, BC6523, BC6515
Sentence for Swindling Grandson and Nephew

The District Court of Arnhem gave a 64-year-old woman a 3 months’ suspended sentence and a fine of €75,000 on account of participating in fraud, committed at least once, and laundering money. The court considered proved that she, in cooperation with her two fellow offenders (also sentenced), swindled her grandson and two Luxembourg banks. As a result, her grandson had not been paid any money from his deceased mother after he had been induced, following the actions of the woman and her fellow offenders, consisting of a falsely prepared inventory, to renounce an (in reality considerable) inheritance. The Luxembourg banks had then, after having received a certificate of inheritance, which referred to the woman and her other daughter as the beneficiaries, transferred the bank balances of the deceased daughter to her and that other daughter. These bank accounts were then emptied. On account of the physical condition of the woman, the court decided not to give a non-suspended sentence.

The 38-year-old co-accused (daughter of the 64-year-old woman) was given a 2 months’ suspended sentence and a fine of €15,000.

The other fellow offender, a 67-year-old financial consultant from Millingen aan de Rijn, was sentenced to 9 months’ imprisonment, of which 4 months’ suspended, on account of participating in forgery and fraud, committed more than once. In addition, the court saw reason to confiscate illegally obtained assets with a value of €50,000.

District Court of Arnhem, 10 March 2008 LJN: BC6172

Convictions and Acquittal in Large-Scale Drugs Investigation

April 3 – On Thursday, the District Court of Utrecht convicted a 51-year-old man from De Bilt, a 51-year-old man from Maarssen and a 34-year-old man from Houten of taking part in a criminal organisation, of which the objective was drug trafficking. The court regarded the 51-year-old primary suspect as the leader of the organisation. He was sentenced to 2 years’ imprisonment, less the period spent in pre-trial detention. In addition to taking part in a criminal organisation, he was found guilty of supplying 100 grammes of cocaine, laundering criminal money and possession of illegal weapons. The 34-year-old suspect was also involved in the supply of the cocaine and was sentenced to 1 year imprisonment, less the period spent in pre-trial detention. The resident of Maarssen was also sentenced to 1 year imprisonment, less the period spent in pre-trial detention.

The court acquitted the threesome of preparing a large drug deal: offering a consignment of 500,000 XTC pills for sale. The accused were said to have offered these pills for sale to a British undercover agent. This undercover agent
had been deployed when there were strong suspicions that the threesome was engaged in drug trafficking. However, according to the court, so many errors were made during the deployment of the undercover agent that the evidence that had been obtained (which could be traced back to the agent) was not allowed to be used. For instance, orders to gather information with the aid of the undercover agent had not been extended in time (a breach of procedural rules). Moreover, these orders had specified that it concerned a Dutch investigating officer, while in actual fact a British undercover agent was operating. In addition, hand-written notes that had given an account of the findings of the Briton had not been kept. According to the court, this should have been done, since the deployment of an “undercover agent invariably results in discussions about the question whether or not the accused had been induced to commit an offence.” Since the court acquitted the three of this offence, lower sentences were imposed than the public prosecutor had demanded.

*District Court of Utrecht, 3 April 2008* 
LJN: BC8588, BC8605

**No Verifiable Explanation; Characteristic of Money Laundering**

The District Court of Rotterdam handled a case which concerned money laundering by handing an amount of money to a “Hawala” banker. The transactions with regard to the amounts of money took place under circumstances which, within the context of the (interrelated) events, could be regarded as what are referred to as “typologies” of – and thereby characteristic of – money laundering. These circumstances justify a suspicion of laundering proceeds from crime. In view of this suspicion, the accused could be expected to give an explanation that can be verified in some way for the origin of the amount of money. The accused failed to do this.

*District Court of Rotterdam, 30 May 2008* 
LJN: BD3417, 10/600068-07

**Tax Fraud is a Crime Within the Meaning of the Money Laundering Provisions**

The Court of Appeal in Den Bosch had acquitted an accused (wife) of money laundering (intentionally or responsible for). The accused had not known that her husband dealt in hash, and indicated that she thought that it concerned undeclared income. According to the Court of Appeal, the failure to declare income does not render a source of income illegal, and one could therefore not speak of money laundering. The Public Prosecution Service appealed to the Supreme Court, which set aside a judgment.

The Supreme Court indicated that the legislator had not intended to impose other restrictions as far as the underlying offence was concerned from which the objects of money laundering were derived, other than that it should concern a crime. The Court of Appeal apparently based its opinion that the accused had to
be acquitted of that with which she had been charged on the fact that assets which a person has at his/her disposal as a result of tax evasion cannot be regarded as objects “derived (...) from some crime” within the meaning of Sections 420bis and 420quater of the Penal Code. This opinion attests to an incorrect interpretation of the law. These assets can be regarded as having been derived from crime to the extent of the scope of said provisions.

Supreme Court 7 October 2008 LJN BD2774

**Locus Delicti**

The explanation of “hiding or concealing” as referred to in Article 420bis (money laundering), Article 420ter (habitual money laundering) and Article 420quater of the Penal Code (debt-laundering). 2. Immunity from prosecution with regard to the crimes to which the money laundering pertain through lapse of time. Sub 1. Without attesting to an incorrect interpretation of the law, the Court of Appeal has been able to decide that the crimes were committed in the place of residence of the accused, now that it apparently and not incomprehensibly has assumed that the accused managed the bank balances concerned from his place of residence. Moreover, the Supreme Court considered that the “hiding or concealing” as referred to in Section 420bis, Article 420ter and Article 420quater of the Penal Code in this case, in which the accused had bank balances in accounts in the name of others which the accused knew were derived from crime, cannot consist only of actions taken to deposit these balances into such an account, but also of actions as a result of which placement in such an account continues. Sub 2. The view underlying the argument that crimes that were committed before these legal provisions came into force on 14-12-2001, and which may have become extinguished by limitation before or after said date, cannot be considered to be “some crime” within the meaning of said provisions, is incorrect.

Supreme Court 9 December 2008, LJN BF5557
Appendix 4 – List of Indicators

What applies to all the indicators is that transactions or intended transactions must be reported if a transaction is carried out or intended to be carried out when providing a service within the meaning of the Disclosure of Unusual Transactions (Financial Services) Act. As far as objective indicators are concerned, transactions must be reported. Where subjective indicators are concerned, transactions must be reported if an institution thinks that the situation in the indicator applies.

The amounts in this report are in euros or the equivalent thereof in a foreign currency.

A transaction must be reported immediately, at least within fourteen days of establishing its unusual character.

**Credit Institutions, Securities Institutions, Investment Institutions and Money Transaction Offices**

**Objective Indicators**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B0510100</td>
<td>Transactions with (artificial) persons which are established in countries or territories which the Minister of Justice and the Minister of Finance have designated as an unacceptable risk for money laundering or terrorist financing.</td>
</tr>
<tr>
<td>B0510111</td>
<td>Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.</td>
</tr>
<tr>
<td>B0510133</td>
<td>Cash transactions with a value of €15,000 or more, whereby cash is converted to another currency, or from small denominations to large denominations.</td>
</tr>
</tbody>
</table>

**Subjective Indicator**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B0510211</td>
<td>Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.</td>
</tr>
</tbody>
</table>

**Money Transfers**

**Objective Indicators**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>T0510100</td>
<td>Transactions with (artificial) persons which are established in countries or territories which the Minister of Justice and the Minister of Finance have designated as an unacceptable risk for money laundering or terrorist financing.</td>
</tr>
<tr>
<td>T0510111</td>
<td>Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.</td>
</tr>
</tbody>
</table>
authorities in connection with money laundering must also be reported to the Reporting Centre.

T0810141 Cash transactions of €2,000 or more whereby the money is made available in the form of cash or cheques or by means of a credit or debit card, or made payable in the form of cash, cheques or by depositing into an account, unless it concerns a transaction by a money transaction office which leaves the completion of the transaction to another money transaction office to which the report obligation as referred to in Article 9 of the Disclosure of Unusual Transactions (Financial Services) Act, also applies.

Subjective Indicator
T0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.

Life Insurers and Insurance Brokers
Objective Indicators
L0510100 Transactions with (artificial) persons which are established in countries or territories which the Minister of Justice and the Minister of Finance have designated as an unacceptable risk for money laundering or terrorist financing.

L0510111 Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.

Subjective Indicator
L0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.

Credit Card Companies
Objective Indicators
M0510111 Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.

M0510134 Use of a credit card in connection with a transaction of €15,000 or more at an affiliated company in the Netherlands.

M0510137 Cash deposit in favour of a credit card account of €15,000 or more.

Subjective Indicator
M0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.
Casinos

Objective Indicators

C0510111 Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.

C0510133 Sale to a client of gambling chips with an equivalent value of €15,000 or more in exchange for cheques or foreign currency.

C0510161 Giro-based transactions of €15,000 or more.

C0510181 Holding in depositary coins, bank notes or other assets of €15,000 or more.

Subjective Indicator

C0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.

Traders in Objects of Great Value

Objective Indicators

H0510111 Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.

H0810141 Transactions in which vehicles, ships, works of art, antiques, precious stones, precious metals, items of jewellery or jewels are sold, wholly or in part, on cash payment, whereby the amount to be paid in cash comes to €25,000 or more.

H0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.

Independent Professionals

Objective Indicators

V0510111 Transactions which are reported to the police and judicial authorities in connection with money laundering must also be reported to the Reporting Centre.

V0510141 Transactions of €15,000 or more paid to, or through the agency of, a professional in cash, with bearer cheques or similar payment instruments.

Subjective Indicator

V0510211 Transactions where there is reason to believe that they may be connected with money laundering or terrorist financing.
Appendix 5 – Profile of FIU-Netherlands

FIU-Netherlands aims to contribute nationally and internationally to enhancing the quality of tracking and prosecuting and preventing and fighting crime, in particular crimes concerning money laundering and terrorist financing. FIU-Netherlands does this by making collected, registered, processed and analysed “transaction” information and expertise available to (special) investigative, intelligence and security services in the Netherlands and abroad within the scope of the applicable laws and regulations.

**Mission**

It is the mission of FIU-Netherlands to prevent and fight crime, particularly money laundering and terrorist financing, with a view to guaranteeing the integrity of the (Dutch) financial system.

This mission will be realised by:

- making specific, up-to-date and enriched transaction information and analyses on hand within FIU-Netherlands available to (special) investigative, intelligence and security services;
- informing reporting parties and supervisory bodies about “new” trends, methods, techniques and typologies; making expertise available;
- fostering international cooperation with and between other FIUs and investigative services;
- developing an up-to-date and relevant network of business relationships.

**Vision**

The vision of FIU-Netherlands is: to lead the way as far as making high-quality products (e.g. transaction information, the financial analyses and expertise based on this information) available to the relevant partners in the chain in a timely fashion, with a view to the national and international fight against crime, particularly money laundering and terrorist financing.

In so doing, FIU-NL will also make a substantial contribution to guaranteeing the integrity of the financial world, to public trust in the businesses and institutions which provide the financial services and to public safety.

**Staff Establishment**

FIU-Netherlands employs 56 staff members.
FIU-Netherlands Organisational Chart

Head/Acting Head FIU-Netherlands

Management Support

Facilities Column
Policy
Analysis
FIT/ICT
Processing
Liaison Officers

Administrative Column
Automatic Process Requests:
National Public Prosecutor/Public Administration
Probity Screening Agency
Own Inquiries

Police Column
Investigations for (criminal) investigations
Account Management
Other requests

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www.fiu-nederland.nl

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