



Financial Intelligence Unit -
the Netherlands

Annual Report
FIU-the Netherlands ▶

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Preface

Dear relation,

Thanks to its financial intelligence, FIU-the Netherlands made yet another significant contribution in the past year to countless criminal investigations and enforcement actions. To illustrate this, this annual report includes various cooperation projects and practical examples in which suspicious transactions played a valuable part. For example, FIU-the Netherlands has made serious efforts and produced great results in the fight against terrorism and terrorist financing. Greater demands were placed on us in the “Integrated Approach to Jihadism” Action Programme. Money flows and transactions possibly connected with this phenomenon are monitored on a daily basis and suspicious transaction information is shared with the intelligence and investigative services. Moreover, the cooperation with private parties, such as banks, produces results. Intensive consultations and the sharing of financial risk profiles have resulted in more relevant reports. It is a fine example of public-private partnership with the reporting institutions FIU-the Netherlands aims at.

Thanks to the Reporting and Analysis Tool, which is now fully operational, it is possible to run daily queries in the current database, for example. This marks an important step for our organisation to real-time intelligence.

In 2014, FIU-the Netherlands received over 277,000 unusual transactions from the various groups of institutions that are obliged to report these transactions under the Wwft. The unusual transaction reports form the primary input for the organisation’s analysis and investigation processes. In the past year, over 29,000 transactions were declared suspicious by FIU-the Netherlands and forwarded to security, enforcement and investigative services. FIU-investigators have combined the suspicious transactions into 5,661 separate files.

The total amount declared suspicious in 2014 is around € 2.4 billion. This is a huge amount. It includes a number of substantial business transactions of tens of millions of euros, which were reported by trust offices, accountants and banks. However, 90% of suspicious transactions concern amounts varying from tens of euros to a few thousand euros. These smaller amounts are relevant as well. Within the investigative services – but also more broadly – people still believe that suspicious transactions are mainly useful for criminal financial investigations (and the initiation thereof), mostly aimed at confiscating criminal funds. Transaction information in itself has value. A money transfer of € 100 is not an amount worthy of confiscation, but it does offer proof of, for example, the existence of relationships within a network or provide important information about persons and their whereabouts.

Over the past few years, the demand for measuring effectiveness within the anti-money laundering chain has strengthened. It is difficult to measure the use or effect of suspicious transactions for the prevention of money laundering and terrorist financing, as the use of financial intelligence is not limited to offering proof in cases involving money laundering or terrorism. As I indicated before, it can also be used as operational information in other types of criminal investigations.

FIU-the Netherlands *the power of financial intelligence*

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A measurement of effectiveness also does not include the efforts of FIU-the Netherlands aimed at sharing trends and phenomena, which are subsequently translated into targeted reports from institutions and into preventive measures. For instance, a phenomenon investigation was conducted in 2014 into transactions related to live streaming of child pornography. This resulted in specific financial red flags, which were implemented directly by various institutions. Some institutions have already taken measures and parted from clients.

Moreover, when measuring effectiveness, it should be borne in mind that cooperating authorities for the prosecution of crime apply the expediency principle. FIU files are inspected by the police and judicial authorities, but these partners then make their own assessment whether or not to use the transaction information. This does not say anything about the actual value of the suspicious transactions.

In spite of the complexity of measuring effectiveness, steps need to be taken in this regard. In order to increase the effective use of suspicious transactions, FIU-the Netherlands brings its files in line with the priorities and wishes of the investigative services as much as possible. In 2014, it put in an effort to make performance agreements with various partners. This will also be the aim for the coming year.

As financial intelligence could be of great value to all investigative services, FIU-the Netherlands disseminates suspicious transactions as broadly as possible. Transactions that have been declared suspicious are automatically forwarded to a police application. Moreover, FIU-the Netherlands actively brings the transaction information to the attention of its partners through official reports, intelligence reports, standard reports and the sharing of large data files. It has consciously opted to share information about suspicious transactions with a variety of partners within its network in a manner that is as broad and as user-friendly as possible.

In the years to come, FIU-the Netherlands will continue to emphasise the versatile usefulness of suspicious transactions in contacts with its partners. I hope that the various cooperation projects and practical examples shown in the 2014 Annual Report illustrate the high value of financial intelligence to investigative services. I hope that you enjoy reading this annual report.



Hennie Verbeek-Kusters MA, May 2015
Head of FIU-the Netherlands

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Under the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme, Wwft), the Financial Intelligence Unit-the Netherlands is the designated authority to which various reporting institutions must report unusual transactions. FIU-the Netherlands analyses these reports, exposing transactions and money flows that can be related to money laundering, terrorist financing or related crimes. Unusual transactions that have been declared suspicious by the head of FIU-the Netherlands are disseminated to various enforcement and investigative services.

Policy-related and organisational developments at FIU-the Netherlands

Due to an increasing workload and a limited capacity that will not be expanded, new priorities have been set in respect of the tasks of FIU-the Netherlands. In 2014, FIU-the Netherlands performed various activities in order to achieve the long-term objectives formulated in the 2013-2017 policy plan:

- To encourage widespread use of FIU information;
- To obtain insight into the use of FIU information;
- To identify trends and phenomena;
- To strengthen international information exchange.

FIU-the Netherlands focuses on cooperation and co-creation with investigative partners. For this purpose, clear performance agreements were made with various partners about the FIU files to be submitted and the follow-up action to be performed and feedback to be given by partners in respect of these files.

In the past year, FIU-the Netherlands was also active in the field of international cooperation. For instance, FIU-the Netherlands assumed a coordinating role for a correct implementation of the Egmont Strategic Plan 2014-2017 of the Egmont Group, a global network of 147 FIUs.

Unusual transaction reports received

In 2014, a total of 277,532 unusual transaction reports were received from 25 different groups of reporting institutions. Most of these transactions are money transfers. Outreach events, sector presentations and personal contact with the institutions by the account managers of FIU-the Netherlands contribute to compliance with the duty to report and an increased awareness among the reporting institutions. Frequent cooperation with, among others, money transfer offices, banks and Customs produced a great number of investigation files in 2014, after which the investigative services or the reporting institutions took immediate action. Moreover, the provision of information to the trust sector in 2013 resulted in an increase in reports from this sector in the past year, which was then translated at FIU-the Netherlands into an increase in transactions declared suspicious.

Analysis of unusual transactions

Unusual transaction reports constitute the primary input of the analysis and investigation processes. Matches with external data files, LOvJ requests, requests from foreign FIUs and investigations conducted by FIU-the Netherlands itself are the reason to investigate transactions.



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Thanks to the high-quality reporting and analysis tool that was put into use at the end of 2013, FIU-the Netherlands can conduct clever analyses of the large quantities of transaction data available to it. FIU-the Netherlands and the Knowledge and Expertise Centre for Intelligent Data Analysis (Kecida), part of the Netherlands Forensic Institute (NFI), cooperated on an advanced, innovative method of analysing the unusual transaction data for the purpose of an even more efficient use of these data. In 2014, the analyses of unusual transactions focussed on certain trends and phenomena, for example the use of bitcoins, live streaming of child pornography, money laundering risks of online casinos and jihadism.

In 2014, 1,093 LOvJ requests were received from various enforcement and investigative partners to check whether certain subjects appear in the FIU database. Most requests came from the national police. With a view to increased co-creation, preparations were made in 2014 for a pilot project aimed at the handling of LOvJ requests together with investigative partners, which project is to start in early 2015. In the pilot project, representatives of three police units are given restricted access to the FIU database in order to handle LOvJ requests from their own unit.

FIU-the Netherlands exchanges data with foreign FIUs on a daily basis. In 2014, FIU-the Netherlands received 611 requests for information from 67 foreign sister organisations and submitted 558 requests to 69 foreign FIUs. There is intensive sharing of information with directly neighbouring countries in particular. In order to make targeted enquiries to foreign countries, frequent use was made in 2014 of the advanced FIU.NET Ma³tch technology, which allows for automated and anonymous matching of the databases of various FIUs, so without any sensitive personal or other data being revealed.

Use of transactions declared suspicious

In 2014, 29,382 transactions were declared suspicious and combined into 5,661 files, which is an increase by 16% compared to 2013. Most of these transactions (47%) were declared suspicious following FIU-the Netherlands' own investigations. After money laundering, fraud and terror are the types of crime that are registered the most frequently in FIU files, followed by drug-related offences and cases involving human trafficking and human smuggling.

The practical examples in this annual report show that FIU information may be of great value to criminal investigations. Suspicious transactions not only provide relevant information at the start or in the process of criminal financial investigations or possible evidence of financial and economic crimes; suspicious transactions may also be used to expose relationships within criminal networks involved in, for example, drug trafficking or human trafficking. FIU information has also contributed to investigations into terrorism and terrorist financing. This has resulted in the freezing of assets of jihadists and allowances being cut off.

FIU-the Netherlands wants its information to be used on a broad basis. Suspicious transactions automatically show up in the BlueView national police application. Moreover, FIU-the Netherlands provides regional police units with monthly reports giving an overview of suspicious transactions that are relevant to their unit. FIU-the Netherlands has made performance and other agreements with various enforcement and investigative partners on the use of FIU information, in order to increase the understanding of this information.

The Caribbean Netherlands

Under the Money Laundering and Terrorist Financing (Prevention) Act for the Caribbean Netherlands (Wwft BES), reporting service providers from the Caribbean Netherlands (CN) also report unusual transactions to FIU-the Netherlands. In 2014, 1,017 unusual transaction reports were received from the CN. A lot of attention was paid to analysing and investigating the unusual transactions that were reported from the CN. This has resulted in 349 suspicious transactions, which were combined into 23 files. The suspicious transactions amount to over € 4.5 million in total.

During the third Kingdom Seminar, which was organised by FIU-the Netherlands in 2014, the heads of the four FIUs of the Kingdom have, by signing a letter of intent, expressed their ambitions for more intensive mutual cooperation.



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1. Introduction FIU-the Netherlands

Under the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme, Wwft), the Financial Intelligence Unit-the Netherlands is the designated authority to which various reporting institutions must report unusual transactions. FIU-the Netherlands analyses these reports, exposing transactions and money flows that can be related to money laundering, terrorist financing or related crimes. Unusual transactions that have been declared suspicious by the head of FIU-the Netherlands are disseminated to various enforcement and investigative services.



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1. Introduction FIU-the Netherlands

This chapter provides an introduction to the mission, statutory tasks and the national and international playing field in which FIU-the Netherlands operates. Moreover, the organisation's long-term objectives are explained.

1.1 Mission, statutory tasks and positioning

Mission

The mission of FIU-the Netherlands is to prevent and combat crime – in particular money laundering and terrorist financing – by means of the financial intelligence it has gathered, with a view to ensuring the integrity of the financial system in the Netherlands and in other countries.

FIU-the Netherlands is the designated authority in the Netherlands that has exclusive data on reported unusual transactions, which may be declared suspicious after further investigation. It is a unique liaison between the institutions reporting unusual transactions and government partners that play a role in combating national and international crime. It aims to accomplish this mission by timely providing financial intelligence and expertise within relevant networks.

Statutory tasks

The statutory tasks of FIU-the Netherlands are defined in Section 13 of the Wwft. Its core task is to receive, record, process, and analyse unusual transaction data in order to determine whether these data may be of importance to the prevention and detection of crimes. In this annual report, the following themes are addressed:

- Receiving unusual transaction reports ([Chapter 2](#))
- Analysing unusual transaction reports ([Chapter 3](#))
- Disseminating suspicious transaction information ([Chapter 4](#))

In addition to this core task, FIU-the Netherlands also focuses on tasks derived from its core task, including the provision of information to public and private partners and the detection of trends and developments regarding money laundering and terrorist financing.

Money laundering usually involves a sequence of acts, financial acts or otherwise, by which someone attempts to make the source of the proceeds of crime appear legitimate. In case of terrorist financing, the money does not necessarily originate from an illegal source. The destination of the money, i.e. the terrorist activities, renders the transaction illegal.

Positioning

The administrative position of FIU-the Netherlands changed with the formation of the national police in 2013. It previously operated within the Netherlands Police Agency (KLPD) as an independent part of the Department of International Police Information (IPOL). Since 1 January 2013, FIU-the Netherlands has been a formal part of the State of the Netherlands as legal entity. Organisationally, it was placed under the national police as an independent entity that operates in a recognisable manner. By means of (sub)mandates, the head of FIU-the Netherlands has the powers required with respect to staff and resources, which guarantees the organisation's independence. The policy line runs directly from the Minister of Security and Justice to the head of FIU-the Netherlands.

FIU-the Netherlands has a staffing of 57 FTEs and an annual budget of € 5.3 million. The below organisation chart outlines the organisational structure.



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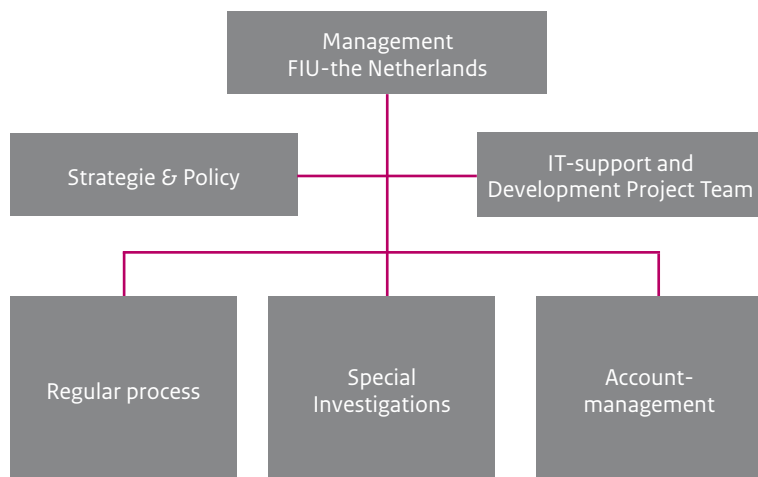
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1.2 The Wwft

The objective of the Wwft is to prevent money laundering and terrorist financing in order to guarantee the integrity of the financial and economic system.

Duty to report unusual transactions

The Wwft is aimed at various categories of business service providers, which are referred to in the act as “institutions”, and imposes two duties on them. Firstly, the duty to conduct (risk-oriented) customer due diligence and secondly, the duty to report unusual transactions. Customer due diligence contributes to identifying and controlling risks associated with specific clients or specific types of services. FIU-the Netherlands plays a crucial role in the duty to report; institutions must report any unusual transactions that are (possibly) related to money laundering or terrorist financing to the “Financial intelligence unit”, the name of FIU-the Netherlands that is used in the Wwft.

Reporting institutions¹ not only include financial institutions; casinos, trust offices, various types of dealers and independent professionals, for example, also have a duty to report. A transaction, either completed or intended, is unusual if it meets one or more reporting indicators. These indicators differ by group of reporting institutions and are defined in the Wwft Implementation Decree.² In this context, a distinction can be made between objective and subjective indicators. Objective indicators result in a duty to report if a transaction exceeds a specific threshold amount. Money transfer offices, for example, have a duty to report all money transfers exceeding an amount of € 2,000 to FIU-the Netherlands. A subjective indicator means that an institution has a duty to report a transaction if it has “reason to suspect” that the transaction is connected with money laundering or terrorist financing.

The Wwft stipulates which information must at least be included in an unusual transaction report. Expedious and effective investigations into any involvement of individuals in money laundering or terrorist financing are possible only if the reports are of high quality.

Various supervisory authorities monitor compliance with the Wwft (*see also §2.1*). The failure to report unusual transactions, or the failure to do so in time, correctly or completely, is a punishable offence.

FIU-the Netherlands as a buffer

All unusual transaction reports are recorded in the secure database of FIU-the Netherlands, also referred to as “the buffer”. The reports are carefully protected. Only authorised FIU employees have access to this protected database. Maintaining confidentiality regarding unusual transaction information is a precondition for being able to cooperate with reporting institutions and foreign FIUs. Only when reported transactions have been investigated further and an interest for the prevention of money laundering, terrorist financing or any underlying crime has been confirmed will the head of FIU-the Netherlands declare the transaction “suspicious” and will the suspicious transaction be disseminated to various enforcement and investigative services.

¹ The groups of reporting institutions used in this Annual Report (see Appendix I for an overview) are a translation of the reporting institutions designated in the Wwft. In 2015, FIU-the Netherlands will, in cooperation with the Ministry of Finance, work on giving the reporting institutions clear names which are in line with the Wwft.

² The reporting indicators can also be found on the website of FIU-the Netherlands, www.fiu-nederland.nl



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Future amendments to the Wwft

In 2013, several provisions of the Wwft were amended, extending the duty to report for some institutions. Several other amendments are expected in the next few years. For instance, pawnshops have been designated³ in the Wwft as reporting institutions since 1 January 2015. Moreover, a bill is being prepared in order to offer online casinos regulated access to the Dutch market. The proposal is to subject online casinos to a duty to hold a permit and the duty to report unusual transactions under the Wwft. Due to these developments, FIU-the Netherlands conducted research into this sector and gave a recommendation to the legislature in the past year ([see also §3.4.2](#)).

³ As from 1 January 2015, pawnshops will be obliged to report all transactions in which there is a suspicion of money laundering or terrorist financing (subjective indicator). Moreover, all transactions must be reported in which goods are brought under the control of a pawnshop and an amount of € 25,000 or more is paid to a customer (objective indicator).

1.3 Policy and long-term objectives

Long-term objectives

FIU-the Netherlands has formulated four long-term objectives in its policy plan for the period 2013-2017. The policy objectives are based on the tasks of FIU-the Netherlands, as defined in Section 13 of the Wwft, and in international regulations. These long-term objectives are:

- To encourage widespread use of FIU information;
- To obtain insight into the use of FIU information;
- To identify trends and phenomena;
- To strengthen international information exchange.



FIU-the Netherlands considers the widespread and effective use of FIU information and obtaining more insight into the use of FIU products essential. It consequently aims to achieve maximum alignment with the information required by its partners and structural use of FIU information. Various developments, such as the formation of the national police, national programmes and the establishment of multidisciplinary cooperation have provided FIU-the Netherlands with new possibilities to improve the effectiveness of its information and the feedback on the use thereof. In particular the position of FIU-the Netherlands at the national police, an important investigative partner, contributes to this. In order to achieve these long-term objectives, various activities were undertaken in 2014. These activities are described in Chapter 4.

FIU- the Netherlands consequently aims to achieve maximum alignment with the information required by its partners and structural use of FIU information.

Due to its unique information position, FIU-the Netherlands has a large amount of data on possible cases of money laundering and terrorist financing, providing insight into trends and phenomena. This insight was enhanced to an important extent when the high-quality reporting and analysis tool (R&A tool) was put into use at the end of 2013.

International cooperation and data exchange provide FIU-the Netherlands – and subsequently also the national investigative partners – with valuable financial intelligence for combating money laundering and terrorist financing. In the years to come, it wants to enhance its position within the international playing field. In the past year, FIU-the Netherlands was active in various international forums ([see §1.4](#)) and there was again frequent operational cooperation with foreign FIUs ([see §3.3](#)).

Setting new priorities

Over the past few years, FIU-the Netherlands has been charged with an increasing number of tasks. For instance, the number of institutions falling under the duty to report under the Wwft has increased due to legislative amendments and greater demands are placed on FIU-the Netherlands within its area of responsibility of preventing terrorist financing. Also, more is expected of FIU-the Netherlands in the area of accessibility, sharing information and analysing effectiveness. The organisation of the new positioning has also placed demands on the organisation's capacity. Due to these changes in its environment and the fact that the workforce of 57 FTEs will not be expanded, FIU-the Netherlands started evaluating its tasks and capacity in 2013. It reviewed its current tasks, ambitions and organisational structure in order to implement the ambitions formulated and organise its primary process even more efficiently, and independently as far as possible. This evaluation has resulted in setting new priorities aimed at making the organisation more 'lean and mean'. That is why, in 2013, a start was made with the phasing out of activities that do not belong to its core tasks and with focussing on co-creation with partners.

Focus on core tasks

In order to focus more on its statutory core tasks, various activities which are not part of these tasks have been discontinued since 2013, such as carrying out requests for the National Public Administration Probity Screening Agency (Landelijk Bureau Bibob) and the direct cooperation with the Belgian police. In the past year, more and similar measures were implemented or prepared, such as the phasing out of screening requests from De Nederlandsche Bank (DNB) and the Netherlands Authority for the Financial Markets (AFM). The measures taken are explained in Chapters 3 and 4.

Co-creation

Apart from the focus on core tasks, there is also more focus on co-creation with investigative partners. For that purpose, clear performance agreements were made with various partners about the FIU files to be submitted and the follow-up action to be performed and feedback to be given in respect of these files, for example with the Anti Money Laundering Centre (AMLC), the Fiscal Intelligence and Investigation Service (FIOD), the National Public Prosecutor's Office for Financial, Economic and Environmental Offences (FP) within the context of confiscation cases, the Department for Work and Income (DWI) of the municipality of Amsterdam and the Cluster for Work and Income (CWI) of the municipality of Rotterdam ([see also §4.3](#)).



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FIU-the Netherlands also aims at the handling of LOvJ requests⁴ together with investigative partners. In 2014, it made preparations for a pilot project that focuses on this type of co-creation. The pilot project will start in early 2015 and will have a trial period of six months. Representatives of three regional police units are given restricted access to the FIU database in order to carry out their LOvJ requests. For their work with FIU-the Netherlands, these representatives come under the authority of the head of FIU-the Netherlands. Due to this cooperation in co-creation, these information requests are handled more efficiently and effectively. In doing so, FIU-the Netherlands aims to make LOvJ requests more widely known, wants greater demands to be placed on FIU-the Netherlands and wants the investigative services to use more financial intelligence. It also aims to make the capacity related to this work flow available and use it for its own investigations.

Innovation

In 2014, FIU-the Netherlands further implemented several innovative cooperation projects. A good example is the cooperation with the Knowledge and Expertise Centre for Intelligent Data Analysis (Kecida), part of the Netherlands Forensic Institute (NFI), aimed at experiments with advanced data analysis instruments and techniques. This cooperation was mostly financed by the National Coordinator for Security and Counterterrorism (NCTV) within the context of the “Veilig door innovatie” [Safe through Innovation] programme. The innovative analysis techniques have resulted in the detection of unusual transactions that would otherwise have remained hidden (see also §3.4). Cooperation with The Hague University of Applied Sciences was intensified as well. In December 2013, an agreement was signed by the head of FIU-the Netherlands and the board of The Hague University of Applied Sciences for the purpose of multi-year cooperation (2014-2017). This way, the knowledge and expertise of teachers and students of the university of applied sciences are properly deployed in achieving the annual plan objectives of FIU-the Netherlands. As a result of this cooperation, current theories in the area of information security, information systems and management and informatics are specifically applied to the organisation’s information and other processes, thereby optimising internal business operations.

⁴ LOvJ requests are information requests that are submitted to the National Public Prosecutor (LOvJ) in Wwft cases and, after their contents have been assessed, forwarded to FIU-the Netherlands. Investigative services submit an LOvJ request to FIU-the Netherlands to check whether subjects who are involved in criminal investigations as a suspect, also occur in the unusual transactions database.

Responding to current developments

By making the organisation more ‘lean and mean’, more room is created for responding to current developments and proactively detecting and acting on money laundering risks and threats. In 2014, FIU-the Netherlands cooperated in police-wide projects, such as the Nuclear Security Summit, and contributed to the government-wide “Integrated Approach to Jihadism” Action Programme (see also §3.4.2). Furthermore, current threats and high-risk phenomena are also monitored on a continuous basis. For instance, after the EU sanctions were imposed on the Ukraine, FIU-the Netherlands ran queries in order to detect transactions possibly related to the embezzlement of Ukrainian state funds. This resulted in investigation files that were shared with the investigative services and with foreign partners (see the box).

Tracing embezzled Ukrainian state funds

In March 2014, the EU imposed sanctions on the Ukraine because members and contacts of the removed regime had embezzled Ukrainian state funds. In order to detect any relevant money flows and transactions, FIU-the Netherlands analysed its data system immediately after the sanctions had been announced. Moreover, a system to monitor the new transactions that were reported every day was developed and implemented from that time onwards. This resulted in files and official reports being drawn up and provided to the Public Prosecution Service and the AMLC. The files that were drawn up related to reports from trust offices and banks. The reports concerned intended and completed cross-border funds transfers, loan contracts, the incorporation of legal entities and investments in immovable property, for example. Moreover, a partnership was concluded with other FIUs from the Member States. All files were shared with them by means of a joint case network of FIU.NET. FIU-the Netherlands also participated in an operational partnership of several European FIUs and the Ukrainian FIU, specifically aimed at several persons included in the sanctions.

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1.4 The national and international playing field

FIU-the Netherlands is at the interface between the public and private sector. It cooperates with reporting entities, supervisory authorities, foreign FIUs, and different investigative services, and other partners (or their representatives) that play a role in the prevention and investigation of crimes. FIU-the Netherlands aims to bring its working processes (receiving, analysing, and declaring suspicious) in line with the priorities of its partners. Vice versa, it wishes to draw the attention of its partners to relevant data, trends and phenomena, which may be translated into both reporting policy and investigation procedures.

Developments on the national playing field

Within the domains of combating money laundering and confiscating unlawfully obtained gains, several developments have occurred over the past few years that have affected FIU-the Netherlands. In order to intensify the approach within these domains, special funds were used to set up several new partnerships. For the sake of effective anti-crime measures, FIU-the Netherlands is a partner in the Infobox Criminal and Unaccountable Assets (iCOV), which was set up in 2013, and cooperates closely with the FIOD's AMLC. This cooperation has produced good results ([see §3.2](#)), but a considerable investment had to be made for this purpose.

Since 1 January 2014, FIU-the Netherlands has been a full partner of the Financial Expertise Centre (FEC). The accession to the FEC was partly the result of the new administrative position of FIU-the Netherlands as an independent organisation. The joint objective of the FEC partners is to promote the integrity of the financial sector through mutual cooperation and exchange of information (see the box). Due to its FEC membership, FIU-the Netherlands holds a seat in the FEC Council, the contact consultations and the information platform. It also participates in a number of FEC (sub) working groups, such as the Public-Private Partnership (PPP) working group and the New Payment Methods working group.



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Within the information platform, FEC partners share specific information about threats to the integrity of the financial sector through a secure internet application. In 2014, FIU-the Netherlands received 81 signs of possible threats from FEC partners and submitted 2 signs. For 25 signs it received (31%), FIU-the Netherlands had relevant transaction information about the natural persons or legal entities in question. No feedback has been received about this (yet).

Cooperation within the FEC

The aim of the FEC is to promote the integrity of the financial sector. It wants to achieve this by stimulating, coordinating and strengthening mutual cooperation between the partners by exchanging information and sharing knowledge, insight and skills. Cooperation partners of FIU-the Netherlands within the FEC are DNB, AFM, FIOD, the Dutch Tax and Customs Administration, the police and the Public Prosecution Service.

FEC partners share signs of threats to the integrity of the financial sector with each other, such as possible laundering of criminal funds (in the property sector), illegal banking, investment fraud or tax fraud. Within the existing statutory frameworks, the FEC partners provide personal data to the FEC Unit. When providing personal data to the FEC Unit, the partner providing the data states the purpose for which the personal data are provided and also states the FEC partner(s) the data may not be provided to. The manner in which and the conditions under which data are exchanged are described in the "Information Protocol FEC 2014".

International cooperation

In the past year, FIU-the Netherlands invested in international cooperation in the area of policy through the relevant international forums.

FATF

The Financial Action Task Force (FATF) is an intergovernmental organisation that aims at combating money laundering and terrorist financing at an international level. In February 2011, the FATF published a Mutual Evaluation Report (MER) on compliance with the FATF recommendations by the

Netherlands. FIU-the Netherlands contributed to the follow-up reports⁵ that were submitted on the progress of the various recommendations. In early 2014, the FATF members concluded that the shortcomings mentioned in the MER were remedied and the Netherlands was therefore allowed to leave the evaluation process.

In 2014, FIU-the Netherlands participated in the various FATF meetings and, based on its expertise, provided input for FATF projects, such as research into money laundering typologies that can be related to specific sectors.

Egmont Group

FIU-the Netherlands is part of the Egmont Group, an international cooperation of 141 FIUs that forms the basis for international data exchanges between FIUs. A new strategic policy plan, "Egmont Strategic Plan 2014-2017", was formulated in 2014. The plan focuses on intensifying regional cooperation between FIUs and organising an effective and future-proof infrastructure within the Egmont Group. In order to ensure a proper implementation of this strategic multi-year plan, a Task Team was set up, in which FIU-the Netherlands assumed a coordinating role. At the end of 2014, a draft of the implementation plan was submitted to the affiliated FIUs of the Egmont Group. The aim is for the implementation plan to be approved in 2015.

FIU-the Netherlands made active contributions to various Egmont working groups. For instance, the IT working group, which is chaired by FIU-the Netherlands, worked on the creation and perfection of a self-evaluation tool, which will give an FIU insight into relevant IT applications that can contribute to improving its working process. It was also actively involved in various working groups aimed at operations, providing relevant cases, for example on virtual currencies, such as the use of bitcoins ([see §3.4](#)). It also played a coordinating role within the project aimed at the prevention of terrorist financing ([see §4.2](#)).

⁵ <http://www.fatf-gafi.org/topics/mutualevaluations/documents/fur-netherlands-2014.html>



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EU FIU Platform

Since 2006, the FIUs within the European Union (EU) have met at the EU Financial Intelligence Units' Platform (EU FIU Platform) to intensify and streamline information exchanges between them. In anticipation of the entry into force of the fourth EU Money Laundering Directive – which is expected in early 2015 – this initially informal platform of FIUs was given the formal status of expert group in 2014. In doing so, the EU recognises the importance of cooperation between the European FIUs and their specific expertise in the area of the prevention of money laundering and terrorist financing. The expert group will fulfil a formal role in advising the European Commission (EC).

The platform contributes to setting up an initial Supranational Risk Assessment (SNRA). For this purpose, the EC set up an ad hoc working group, asking the FIUs in the EU FIU Platform to participate in this. FIU-the Netherlands actively participates in this working group. The SNRA focuses on the identification and assessment of money laundering and terrorist financing risks.

*In the past year,
FIU-the Netherlands invested
in international cooperation in
the area of policy through the
relevant international forums.*

FIU.NET

The FIUs of the EU countries make use of FIU.NET for the purpose of operational cooperation. FIU.NET is a decentralised computer network that facilitates a safe and efficient exchange of data between EU FIUs. The system's decentralised infrastructure guarantees the autonomy of individual FIUs; they decide what to share with whom and when, without their data being stored at a central location. All 28 FIUs of the EU Member States are now connected to the network, jointly making an average of 1,000 FIU.NET requests per month.

FIU.NET has developed a cross-border reporting module which makes it easier for European FIUs to share transaction reports among them. In the past year, the EU FIU Platform discussed the progress of the FIU.NET cross-border reporting module. The module has been tested in a pilot project and can now be developed further.

Due to the political developments in Eastern Europe, the EU has imposed sanctions on the Ukraine and Russia, also in connection with the embezzlement of Ukrainian state funds. The European FIUs play an important role in tracing these funds. For the purpose of an early detection of any violation of the EU sanctions, there has been a sharing of experiences and operational cooperation between the EU FIUs by means of a joint case in the FIU.NET application (*see also the box in §1.3*).

The positioning of FIU.NET will change in due course. It is the aim of the EU FIUs and the EC to incorporate FIU.NET into Europol within a few years. In order to facilitate this incorporation, the Project Board, of which FIU-the Netherlands forms part, was initiated in 2014 under the direction of Europol. For the new positioning of FIU.NET, it is important that the specific role and position of the FIUs continue to be guaranteed and that the FIUs can continue to use the features of FIU.NET in a safe manner.

GoAML user community

Since 2011, FIU-the Netherlands has used the GoAML business process system, an application developed by the United Nations Office on Drugs and Crime (UNODC) and intended for FIUs. FIU-the Netherlands is part of the group of first users, playing an active role in optimising the application. In 2014, it was re-elected chairman of the GoAML international user community for the period 2014-2016. This makes FIU-the Netherlands the point of contact for the countries working with GoAML. The aim is to intensify cooperation with the UNODC and to bring the application more in line with the wishes of the users/user group.



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2. Receiving unusual transaction reports

Under the Wwft, reporting institutions must immediately report to FIU-the Netherlands any unusual transactions that are or could be related to money laundering or terrorist financing. Good cooperation with the reporting institutions and Wwft supervisory authorities is crucial for FIU-the Netherlands. In order to be able to conduct expeditious and effective investigations into any involvement of individuals in crimes, it is essential that the reports are relevant and of sufficient quality. Therefore, consultations with representatives of reporting institutions are held on a regular basis to inform them of indicators that may result in improved detection of high-risk transactions, and to improve the quality of future reports.



2. Receiving unusual transaction reports

277.532
reports of unusual
transactions in 2014



In 2014, FIU-the Netherlands received a total of 277,532 unusual transaction reports from the various reporting institutions. This chapter focuses on the cooperation with the institutions and with the four Wwft supervisory authorities that monitor compliance by these institutions with the duty to report. It will furthermore discuss noteworthy developments in the unusual transaction reports received. Appendix 1 includes an overview of the number of unusual transactions reported per group of reporting institutions and the number of institutions from which reports were received.

2.1 Cooperation with reporting institutions, sectors and supervisory authorities

The reporting institutions designated in the Wwft differ substantially from each other as regards the nature of their services and therefore also experience different money laundering risks. The various reporting institutions also vary widely in size and in the way in which they have organised the representation of interests and cooperation within the relevant sectors, in the form of sector or professional organisations. FIU-the Netherlands tailors its communication to and cooperation with the various reporting institutions to accommodate these differences. In 2014, the Wwft distinguished 25 groups of reporting institutions.

For information activities, cooperation with the Wwft supervisory authorities and with the sector associations is indispensable. Sector associations provide FIU-the Netherlands with a proper platform for the purpose of disseminating information within the sector as a whole. Together with the various supervisory authorities, FIU-the Netherlands provides information about the duty to report and exchanges information on reporting behaviour within the sector.

2.1.1 Cooperation with reporting institutions and sectors

In order to improve compliance with the duty to report and to increase awareness among the institutions, FIU-the Netherlands carried out various activities in the past year. Apart from providing extensive information during outreach events and sector meetings, it also maintains – depending on the sector – direct contact with individual institutions and sector organisations. Through information sheets and news flashes, institutions are kept informed of, for example, changing regulations, topics discussed at outreach events or FIU-the Netherlands draws attention to money laundering risks within the sector.

In accordance with the amendment to the Wwft (on 1-1-2013), FIU-the Netherlands provides the institutions with feedback at an aggregated level. For instance, it places weekly practical examples on the website, providing insight into the value of the reports received for the investigative services. It also is a source of information for reporting institutions on possible transactions that need to be reported.



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Provision of information via outreach events and presentations

In order to draw attention to the Wwft, the duty to report, and current issues, FIU-the Netherlands organises outreach events for different groups of reporting institutions on an annual basis. It also gives presentations at sector-related meetings. In 2014, an outreach event for money transfer offices was organised in cooperation with the Dutch Association of Money Transfer Offices (NVGTK). During this event, FIU-the Netherlands presented, among other things, the results of its research into the detection of live streaming of child pornography (see below and [in §3.4.2](#)).

FIU-the Netherlands also gave presentations to various institutions, for example to financing companies. It receives relatively few reports from this sector. FIU-the Netherlands tries to make the sector more aware of the duty to report by providing information in cooperation with the Dutch Finance Houses' Association (VFN). The intensification of contacts with the sector has already resulted in several specific investigation files for FIU-the Netherlands.

The outreach events contribute to a greater awareness among the institutions of the money laundering risks within the sector.

The outreach events contribute to a greater awareness among the institutions of the money laundering risks within the sector and often result in an increase in the number of unusual transaction reports and in the number of actively reporting institutions. The 2013 outreach event for trust offices had clear effects in the past year. The number of active reporting institutions and reports from this sector continues to grow. In 2012, FIU-the Netherlands received 38 reports; this number increased to 88 reports in 2013 and, in the past year, this sector registered 201 unusual transactions ([see §2.2 for more information](#)). The information provided to real estate agents in 2013 also resulted in an increase in reports in 2014.

At the request of various sector organisations, FIU-the Netherlands and the Wwft Supervision Office gave presentations at various regional meetings on the duty to report and money laundering risks within the sector. The practical example shows how a report from a real estate agent can result in a criminal investigation.

CASE EXAMPLE: Cheap premises appears to be quite expensive

A real estate agent reported the sale of premises for an amount of € 350,000; a valuation showed, however, that the value of the premises was € 3,560,000. The value for the purposes of the Valuation of Immovable Property Act (WOZ value) was even one million euros higher, but the valuer had taken into account the fact that the premises required a lot of maintenance.

FIU-the Netherlands investigated the history of the premises and discovered that, twenty years earlier, the premises was purchased by a public organisation for over € 4,400,000. An investigation into the purchasing party showed that the net assets of this company were around the same as the WOZ value of the premises purchased. The valuer had already taken into account the overdue maintenance, so that the huge difference between the purchase price and assessed value could not be explained. Due to the fact that there was absolutely no plausible economic explanation for this transaction, the transaction was declared suspicious and the findings were sent to an investigative service. On the basis of the findings, this investigative service started an investigation into fraud and/or money laundering. The investigation is still ongoing.

Contact with institutions and sectors

The account managers of FIU-the Netherlands maintain personal contact with institutions and the representatives of the different sector organisations. With two large groups of reporting institutions in particular - banks and money transfer offices -, there is frequent cooperation at sector level and at institution level ([see §2.2](#)).



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The cooperation with Dutch Customs has intensified over the past few years. This has resulted in improved reports of cash declarations⁶ from the airports, which Customs provides to FIU-the Netherlands (duty to report). FIU-the Netherlands also receives reports on the basis of Customs' duty to report. An example includes the discovery of large sums of cash, creating a strong suspicion of money laundering. Due to the frequent contact and improved quality of the reports, FIU-the Netherlands has been able to declare more transactions suspicious. For instance, almost 200 customs reports were declared suspicious in 2013 and this number increased to around 350 in 2014. The below practical example shows how the short lines of communication between FIU-the Netherlands and Customs result in the seizure of large sums of cash and an expensive car parked at Schiphol Airport.

CASE EXAMPLE: Boarding the plane empty-handed

When a man wanted to travel to Suriname via Schiphol Airport, he was inspected by Customs. He appeared to hold a number of € 500 bills. The man failed to give a good explanation for the origin of the money and Customs informed FIU-the Netherlands of the inspection.

The FIU database showed that the man had also conducted various other reported financial transactions. For instance, he had bought several cars, always paying in cash. He had also paid money into prepaid cards, while he had no legitimate income whatsoever. These discoveries were also the reason to arrest the man. The money was seized. When it appeared that the man had parked his expensive car at Schiphol Airport, this car was seized as well. The money laundering investigation is still pending.

⁶ Since 2007, persons have, under European Regulation 1889/2005, been obliged to declare cash, shares or cheques amounting to € 10,000 or more to the customs authorities when entering or leaving the European Union.

Sharing trends and phenomena

In 2014, FIU-the Netherlands sent ten information sheets and five news flashes to the reporting institutions. News flashes are used to draw the attention of specific groups of institutions to trends and possible risks of certain phenomena that are directly related to their services. In the past year, news flashes were published about, for example, bitcoins, human trafficking and live streaming of child pornography.

In 2014, FIU-the Netherlands conducted an in-depth investigation into the nature of and background to the live streaming of child pornography (*see also §3.4.2*). This investigation resulted in a number of financial red flags, which allows FIU-the Netherlands and the reporting institutions to detect the phenomenon in their database more quickly. These red flags, which were shared via a news flash and the outreach event with the money transfer offices, have resulted in the first reports. For some institutions, the red flags were a reason to conduct further investigations into certain clients. In some cases, this has resulted in payment services being refused to clients. The sharing of up-to-date information with the reporting institutions has raised an additional barrier for this type of crime. It is an appealing example of the preventive effect of the Wwft.

2.1.2 Cooperation with supervisory authorities

Compliance with the Wwft is monitored by four different supervisory authorities. De Nederlandsche Bank (DNB), the Financial Supervision Office (BFT), the Netherlands Authority for the Financial Markets (AFM) and the Wwft Supervision Office of the Dutch Tax and Customs Administration each supervise various groups of reporting institutions. An important element of the supervision is to check whether an institution has adequate administrative organisation and internal control (AO/IC) procedures. The AO/IC procedures must be at such a level as to enable an institution to conduct customer due diligence and enable staff members to recognise an unusual transaction and report it to FIU-the Netherlands. The supervisory authorities also see to it that institutions actually conduct customer due diligence and actually report unusual transactions.

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Monitoring compliance with the duty to report

The Wwft supervisory authorities and FIU-the Netherlands exchange information about trends in the reporting behaviour and compliance with the duty to report within a sector. The provision of information together with and inspection visits paid by the supervisory authority may affect a sector's reporting behaviour. For instance, inspection visits paid by DNB to various money transfer offices have resulted in subsequent reports of so-called giro collection form payments. Consequently, the number of reports of this type of transaction has, compared to last year, raised considerably, as has the total number of unusual transaction reports received in 2014 ([see also §2.2](#)).

Teamwork

In cooperation with the supervisory authorities, FIU-the Netherlands provides information to various groups of reporting institutions. In conjunction with AFM, FIU-the Netherlands performed a preliminary study in 2013 among investment institutions and firms which focussed on their familiarity with the Wwft and their awareness of money laundering risks within the sector. For FIU-the Netherlands hardly receives any reports – or no reports at all – from this sector every year. Partly following the results of this preliminary study, FIU-the Netherlands and AFM consulted on improving the reporting behaviour and increasing awareness within the sector. At the end of 2014, an initial meeting was organised with all relevant parties from the sector. In the coming year, AFM will pay inspection visits in the sector and will, together with FIU-the Netherlands, provide targeted information about the Wwft and the related duty to report.

Information exchange

Pursuant to the Wwft, FIU-the Netherlands and the Wwft supervisory authorities exchange information on an annual basis. This information usually concerns the reporting behaviour of a specific institution that is being supervised or of the entire sector, or knowledge of trends and phenomena. In turn, the Wwft supervisory authorities inform FIU-the Netherlands of any facts discovered by them in the performance of their supervisory duties and possibly indicating money laundering or terrorist financing.

In the past year, FIU-the Netherlands reviewed the current exchange of information with the supervisory authorities, paying attention, on the one hand, to each other's (changing) information requirements and, on the other hand, the legal possibilities to implement this. This resulted, at the end of 2014, in the "Information Protocol on the exchange of information between FIU-the Netherlands and Wwft supervisory authorities". This protocol is used to assess the extent to which the wishes and possibilities of relevant parties can be met, and whether any legislative amendment would be logical.

Measures against the failure to report

Institutions that do not comply with the duty to report under the Wwft violate the Dutch Economic Offences Act (WED). These violations may concern the failure to conduct proper customer due diligence and the failure to comply with the duty to report, such as the failure to report unusual transactions or the failure to report unusual transactions correctly, completely or in time.

In the past year, FIU-the Netherlands again participated in the Non-Reporting Institutions Project, which is led by the National Public Prosecutor's Office for Financial, Economic and Environmental Offences (FP) of the Public Prosecution Service, and in which project the AMLC, FIOD, Central Unit of the Police, BFT, Wwft Supervision Office, DNB and FIU-the Netherlands cooperate to improve compliance with the Wwft. Following analyses in its database, FIU-the Netherlands submitted signs of reporting institutions that are suspected of failing to comply with the duty to report. In May and November 2014, two action days were held, after which the FIOD, in cooperation with the police, questioned a number of suspects on their suspected violation of the duty to report or the failure to conduct proper customer due diligence. These suspects included trust offices, accountants, administration offices, two dealers, a notary and a tax consultant. Moreover, a second special session was held in December 2014 in the Hague District Court, where several non-reporting institutions that were questioned earlier had to face charges and were sentenced. For instance, a fine of € 150,000, of which € 30,000 conditional, was imposed on a dealer in precious metal as he deliberately failed to report at least five unusual transactions. The court ruled that by failing to report these transactions to FIU-the Netherlands, he made it impossible for the government to gain insight into money flows possibly indicating crime and to investigate any underlying criminal offences.



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Unusual transaction reports received in 2014

The unusual transaction reports constitute the basis of the analysis and investigation processes of FIU-the Netherlands. The number of transactions received by FIU-the Netherlands differs annually and primarily depends on the reporting institutions. They are responsible for monitoring and reporting unusual transactions. Other parties – in particular the supervisory authorities and FIU-the Netherlands – may exert influence on the reporting behaviour of the institutions. The influence of FIU-the Netherlands consists, among other things, of the provision of information on money laundering risks, the process of declaring transactions suspicious, and the provision of general feedback in the form of trends and phenomena. The primary purpose of this information is to support reporting institutions in recognising and reporting unusual transactions. The process of declaring transactions suspicious also contributes to the recognition of unusual transactions. For a transaction that has been declared suspicious may be interpreted by an institution as an important sign that possibly more transactions with respect to a subject should be reported. Therefore, institutions are automatically notified by FIU-the Netherlands when a transaction has been declared suspicious.

Appendix 1 of the annual report shows the unusual transaction reports, by group of reporting institutions, in the period 2012-2014. In addition, an overview is given of the number of institutions from which reports were received in the period 2012-2014.

Table: Number of unusual transaction reports in 2014, by sector

Sector of reporting institutions	Number	of which MT*
Money transfer offices	233,989	230,090
Government	18,031	0
Banks	14,696	7,341
Dealers	4,379	0
Casinos	2,196	0
Independent professionals	2,150	0
Credit card companies	1,597	0
Other sectors	494	0
Total	277,532	237,431

*MT=Money transfers

Table: Number of unusual transaction reports in 2014, by type of transaction

Transaction type	Number
Money transfers	237,431
Cash transactions	20,077
Other transactions*	14,983
Wire transfers	5,041
Total	277,532

* "Other transactions" include reports on juridical acts, such as opening an account, incorporating a company or buying immovable property, and reports from FIOD on the use of the voluntary disclosure scheme.

2.2 Trends in unusual transaction reports received

In 2014, FIU-the Netherlands registered 277,532 unusual transaction reports. Money transfer reports are over-represented; 86% of the transaction reports received concern money transfers. This paragraph discusses the noteworthy trends and developments in the reporting behaviour and the unusual transaction reports received in the past

year. Chapters 3 and 4 discuss the phenomenon-related analyses and investigations conducted in 2014.

Money transfer offices

FIU-the Netherlands is in close contact with individual money transfer offices⁷ and the NVGTK sector organisation. During consultations with institutions, there is joint focus on conspicuous money flows,

⁷ In this Annual Report, "money transfer offices" is a collective name for the following institutions designated in the Wwft: payment service providers, payment service agents and exchange institutions.



deviating transaction patterns, desk behaviour and networks are exchanged. Every year, FIU-the Netherlands receives most reports from money transfer offices. In 2014, the number was almost 234,000 unusual transactions, of which 230,090 money transfers and around 3,900 other reports, such as exchange transactions and prepaid card-related payments. The past year saw a considerable increase in the number of money transfers reported compared to 2013, when 160,400 reports were received. This increase by over 45% is mainly due to a large number of subsequent reports from two money transfer offices. It concerns payments of giro collection forms via money transfer offices, with a client paying the giro collection form in cash at the desk. FIU-the Netherlands registers these transactions as domestic money transfers. DNB indicated that these giro collection form payments are also subject to an objective duty to report.

In 2014, FIU-the Netherlands again investigated a large number of reports concerning prepaid cards. This means of payment constitutes an increased risk of laundering of criminal funds. Prepaid cards are payment cards that can be charged, by transferring or depositing cash/money, and can then be used for all kinds of payments in shops (online or otherwise) and for withdrawals at cash machines. These payment cards, once charged, can also be used abroad. In 2014, FIU-the Netherlands received over 2,200 reports concerning prepaid cards. FIU-the Netherlands and the Dutch

reporting institutions involved only have insight into the purchase of and deposits into prepaid cards in the Netherlands, so that these transactions can only be investigated to a limited extent. In order to obtain proper insight into cross-border transactions with respect to prepaid cards, among other things, it is important that international laws and regulations on the exchange of information are amended. FIU-the Netherlands has notified the relevant parties within the national and international bodies of this.

Payment service providers

In the past year, FIU-the Netherlands intensified its contacts with payment service providers. During its contacts, it stimulated the filing of reports on the basis of the subjective indicator in particular, as most transaction reports received so far were filed on the basis of the objective indicator. In order to become more familiar with the subjective indicator, an information sheet was sent to the sector in 2014, offering tools for recognising transactions that are possibly related to money laundering or terrorist financing and should therefore be reported on the basis of the subjective indicator. Within this sector, possible money laundering risks lie in the web-based nature of the services and the resulting distance to clients. By being in regular contact and exchanging information, FIU-the Netherlands expects an increase in the number of subjective reports in the coming year.



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The year 2014 already showed an increase in the number of reports from payment service providers. While 186 unusual transactions were reported in 2013, this number increased to 462 in 2014. This increase is due to an increase in the number of actively reporting institutions, partly as a result of more intensive contacts with the institutions.

Banks

In the past year, FIU-the Netherlands continued its intensive cooperation with banks. Apart from visits to individual banks, which focussed, for example, on the quality of reports and the feedback on reported transactions, there was also cooperation in the drawing up of files. In some cases, urgent reports and intended transactions eventually resulted in the seizure of criminal funds. In 2014, these reports and swift actions resulted in the seizure of several millions of euros (see the box). Regular

contacts with the banks improve the quality of reports, resulting in better investigation files being compiled for the investigative services. In 2015, FIU-the Netherlands wants to further develop the cooperation with the banks, focussing more on regular feedback.

FIU-the Netherlands is also a partner in various public-private partnerships, in which knowledge and information are shared with the banks. In 2014, the cooperation was further intensified through the platform consultations of the Dutch Banking Association (NVB). Through this platform, FIU-the Netherlands shares trends and developments and makes sector-wide efforts to improve the quality and thereby the effectiveness of reports from banks. Participants also share expertise on topics such as the detection of certain phenomena and criminogenic sectors, also together with other chain partners.

Also report intended transactions, prevent any dubious transfers

The close cooperation with the banks resulted in the successful seizure of proceeds of crime in 2014. The below case is a good example of this. An early detection of promising files by banks and the speed of investigations by FIU-the Netherlands increase the chance of confiscating criminal funds, before the funds become hidden. Banks need not always wait until transactions have been carried out; they can also report intended transactions. If banks submit an urgent report or report an intended transaction, FIU-the Netherlands can then quickly start investigating the transaction, supplement it with information from closed sources and submit it to the investigative services. If there is a sufficiently strong suspicion, the Public Prosecution Service may decide to conduct a criminal investigation and may also seize alleged criminal funds that are detected during the investigation. This working method allows FIU-the Netherlands to play an important part, together with banks, in securing criminal funds. These swift actions resulted in the seizure of several millions of euros in 2014.

CASE EXAMPLE: No room for pyramid schemes

Swift action was taken following an urgent report from a bank. The banking institution reported that it strongly suspected that investment fraud was being committed using some sort of pyramid scheme.

Via a website, potential customers were asked to deposit money that could result in exorbitantly high profits. However, the system of this type of fraud is always the same.

The deposits are used to pay out seemingly generous profits. This often stimulates people to deposit even more money. After some time, no more profits are distributed, the investment fund collapses and the fraudster, who set up the entire fund, disappears along with large sums of money from investors. When the bank noticed that deposited money was used to make sudden large private purchases and that most of the money deposited was transferred to private accounts, an urgent report was submitted to FIU-the Netherlands. At that time, the credit balance in the account was around € 900,000.

In order to prevent more money from being debited to the account, FIU-the Netherlands received the banking details as a matter of priority, completed an investigation file and submitted this file to a criminal investigation unit. Based on the data, the Public Prosecution Service immediately conducted a criminal investigation and seized the balance in the bank account. Shortly after the seizure in the Netherlands, it became clear that the fraudster also held accounts in Belgium. As a result of cooperation between FIU-the Netherlands and the FIU in Belgium, an amount of € 500,000 was frozen in Belgium and seized by the judicial authorities a few days later.

When, a few months later, it also became clear that the fraudster had used paypal accounts in Luxembourg, the same action was performed again in cooperation with the Luxembourg FIU. This rapid cooperation between the banking institution, FIU-the Netherlands and its FIU counterparts in Belgium and Luxembourg allowed for the seizure of a considerable part of the fraudulently obtained funds in this case.

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FIU-the Netherlands also cooperated with banks within the context of the FEC project aimed at public-private partnership (PPP) and within the Terrorist Financing Platform (see 3.4.2). In the FEC Project PPP, joint investigations were conducted into a specific money-laundering phenomenon frequently reported by banks. At FIU-the Netherlands, this cooperation resulted in a number of specific investigation files aimed at money laundering, which were submitted to FIOD.

Apart from frequent contacts with the Dutch major banks, FIU-the Netherlands also raised its awareness among foreign banks with a branch office in the Netherlands in 2014. In order to support these foreign branch offices in their compliance with the duty to report, a workshop was organised, in cooperation with the Foreign Banking Association, aimed at the duty to report under the Wwft and the process of submitting reports to FIU-the Netherlands. Practical examples were used to go through the entire reporting process with the foreign banks: from reporting and detecting to submitting suspicious transactions to the investigative services.

In the past year, FIU-the Netherlands received a total of 14,696 unusual transaction reports from banks.

In the past year, FIU-the Netherlands received a total of 14,696 unusual transaction reports from banks. Over 7,350 reports related to regular transactions (around 50%) such as funds transfers and cash withdrawals from or deposits into an account. The intensified cooperation with the banks has resulted in an increase in suspicious transactions of this category of reports from banks (not being money transfers).

Various small banks also submit money transfer reports, which mostly concern the above-mentioned giro collection form payments. However, the number of money transfer reports from banks decreased considerably in 2014; FIU-the Netherlands received 11,150 reports in 2013 compared to over 7,300 in the past year. This is because two banks adjusted their policy on these giro collection form payments. One institution no longer provides any services to private clients and the other bank encourages clients to conduct more wire transfers, which has resulted in a decrease in the number of giro collection form payments and, therefore, also the number of reports.

Reports from the government

FIU-the Netherlands receives reports from various government partners on possible cases of money laundering and terrorist financing. For instance, FIOD, Dutch Customs and Wwft supervisory authorities have a right to report. In the past year, the number of reports from the government more than doubled, from over 7,500 to 18,000 reports. This increase is the result of around 11,800 FIOD reports concerning subjects who made use of the voluntary disclosure scheme of the Dutch Tax and Customs Administration. Through the voluntary disclosure scheme, the Dutch Tax and Customs Administration gives Dutch citizens the possibility to declare any domestic and foreign assets that have not been declared (in full) to the Dutch Tax and Customs Administration before. If the declaration is corrected voluntarily, no fine (or a lower fine) needs to be paid. As domestic and foreign assets may also have been obtained from other illegal activities, relevant data are exchanged with FIU-the Netherlands. FIU-the Netherlands has matched the FIOD reports with police files, resulting in around 50 transactions being declared suspicious.

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Accountants

In 2014, the number of reports from accountants increased by 150% compared to the year before that: from 532 reported transactions in 2013 to 1,330 in 2014. Moreover, the number of active reporting institutions almost doubled compared to last year. This considerable increase is mostly caused by the many reports on the use of the voluntary disclosure scheme by clients; around 700 of the total of 1,330 reports from accountants related to this. If these voluntary disclosure reports are disregarded – in both years – the increase is over 40%. The remaining increase is due, among other things, to the extension of the duty to report to include accountants since 2013, so that they, too, have to report signs of money laundering in their forensic activities. The visits paid by supervisory authorities also contribute to the alertness of accountants.

Not all reports received appear to be justified. Sometimes, a transaction is reported only due to the fact that the accountant's client conducted a cash transaction and there are no specific grounds for suspecting money laundering. If there is no such (subjective) component, this cash transaction does not fall under the duty to report.

Trust offices

Following the outreach event for trust offices in 2013, FIU-the Netherlands gave **in-house** presentations in the past year, at the request of various trust offices. These presentations and the increased attention paid to the sector have produced results; the number of reports from the trust sector continues to grow and the number of active reporting institutions has also increased compared to previous years. While 88 transactions were registered in 2013, this number increased to 201 in 2014. Part of the transactions related to violations of the EU sanctions imposed on the Ukraine and Russia.

FIU-the Netherlands investigates all reports from trust offices and independent professionals. The increase in the number of unusual transactions reported by the trust sector has also resulted in an increase in the number of transactions declared suspicious: in 2013, only 52 transactions were declared suspicious, compared to no less than 149 in 2014.

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3. *Analysing unusual transaction reports*

Unusual transaction reports constitute the primary input of the analysis and investigation processes of FIU-the Netherlands. All unusual transactions received are monitored on the basis of targeted queries and weekly matching with the VROS file (see §3.1). Given the large quantity of transactions received annually by FIU-the Netherlands, it is not possible (nor desirable) for FIU-the Netherlands to analyse them one by one. FIU-the Netherlands must make sound choices about which unusual transaction reports to investigate. In prioritising the investigations, FIU-the Netherlands takes into account the needs of the Dutch investigative and enforcement partners and foreign FIUs on the one hand, and its own policy priorities on the other hand.



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3. Analysing unusual transaction reports

In 2014, FIU-the Netherlands investigated over 33,500 transactions, forming part of 6,821 investigation files. If unusual transaction reports to be investigated are related, FIU-the Netherlands combines them into one file. For example, several transactions conducted by one person or – in a broader sense – transactions conducted by persons that are part of the same criminal network. The Wwft only provides for the concept of “transaction” and FIU-the Netherlands therefore declares “unusual transactions” suspicious. However, as, in practice, related transactions are combined into one file, this annual report also speaks of “suspicious files”, being a combination of transactions that are declared suspicious.

This chapter focuses on the work process (from unusual to suspicious) and analyses of the unusual transaction reports received. It also discusses the cooperation with the enforcement and investigative partners and the exchange of information with foreign FIUs.

3.1 From unusual to suspicious

The unusual transactions received can be investigated and declared suspicious through various channels, which can roughly be broken down into matching with external data files, screening following LOvJ requests or requests from foreign FIUs (see §3.3), and FIU-the Netherlands’ own investigations. These so-called reasons for dissemination, as a result of which unusual transactions can be declared suspicious, are explained in this paragraph.

Matches

FIU-the Netherlands matches its database with the VROS file of the police on a weekly basis. VROS is short for “Verwijzingsindex Recherche Onderzoeken en Subjecten” or Index of Criminal Investigations and Subjects and includes persons who are subject to ongoing criminal investigations or who receive increased attention from investigative services for reasons of intelligence. After a double check, the matching results, being the unusual transactions conducted by VROS subjects, are declared suspicious.

At the request of investigative or enforcement authorities, FIU-the Netherlands also investigates if there are matches on the basis of other external files. In 2014, more than 25 searches for matches were conducted for various partners. This matching contributed, among other things, to the execution of fines, the tracing of assets, the detection of misuse of the voluntary disclosure scheme and the investigation of benefit fraud in Rotterdam and Amsterdam. §4.2 discusses the results of these matches.

LOvJ requests

Investigative services may submit verification requests to FIU-the Netherlands to check whether suspicious subjects who are involved in criminal investigations, occur in the unusual transactions database. Such request is submitted to the National Public Prosecutor (LOvJ) in Wwft cases and, after its contents have been assessed, forwarded to FIU-the Netherlands. For LOvJ requests, FIU-the Netherlands conducts a comprehensive investigation. Through the request, contacts of the subjects of investigation can be investigated and foreign FIUs can be contacted (see also §3.3). Investigative services may submit an LOvJ request at the start of a criminal investigation, but also (once again) at a later stage of the investigation.



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In 2014, FIU-the Netherlands received a total of 1,093 LOvJ requests from various investigative partners, which are 72 fewer requests compared to 2013. 60% of the requests came from the various national police units. The other 40% (433 requests) came from other investigative services. For instance, FIOD, the Royal Netherlands Marechaussee (KMar) and the Inspectorate of the Ministry of Social Affairs and Employment (Inspectorate SZW) frequently ask FIU-the Netherlands to search the unusual transactions database.

Table: LOvJ requests submitted in 2014, by investigative service

Party submitting the LOvJ request			
National police		Other investigative services	
Central Unit	112	FIOD	221
Oost-Nederland Unit	87	KMar	132
Rotterdam Unit	85	Inspectorate SZW	47
Midden-Nederland Unit	73	National Public Prosecutor's Office for Financial, Economic and Environmental Offences	14
Amsterdam Unit	68	Social Security Fraud Department/ DWI	6
Noord-Nederland Unit	63	RST	5
The Hague Unit	59	NVWA-IOD	3
Noord-Holland Unit	52	National Police Internal Investigations Department	3
Zeeland West-Brabant Unit	28	National Public Prosecutor's Office	1
Oost-Brabant Unit	27	ILT/IOD	1
Limburg Unit	6		
Subtotal National police	660	Subtotal other services	433

Own investigations

In addition to handling LOvJ requests and matching, FIU-the Netherlands also often conducts its own investigations. There are various reasons for FIU-the Netherlands to start its own investigation. For example, the monitoring of current risks and threats, sectors providing services with an increased risk of money laundering or services provided by new reporting institutions. The last-mentioned example is illustrated in the case example on the multitenant business building.

CASE EXAMPLE: Notorious fraud looking for shelter

FIU-the Netherlands started its own investigation following a report from a multitenant business building. Since 2012, multitenant business buildings have been subject to a duty to report under the Wwft. In the relevant report, the multitenant business building indicated that it suspected insolvency fraud committed by a client. The client leased space from the multitenant business building, but the latter terminated the lease as it became suspicious. The client was registered with the Chamber of Commerce as a business. The tenant had indicated that it operated in the building industry, but the multitenant business building did not see any of these activities after the lease was concluded. After some time, demands for payment of outstanding invoices, unsecured car lease and outstanding amounts resulting from the use of a credit card kept increasing. After having consulted data files, FIU-the Netherlands identified the tenant as someone with a history of fraud, forgery of payslips and ordering goods without paying for them. After the registration of the business in the commercial register had been verified, the tenant appeared to have been deregistered as director. His substitute also appeared to be a notorious fraud and swindler. In short, there were enough reasons to declare the findings suspicious and to notify the investigative services.

Questions from foreign FIUs and signs from partners are also reasons for FIU-the Netherlands to start its own investigation (see also §3.3). When conducting its own investigations, FIU-the Netherlands uses, for example, open-source information, consults police systems and may request tax information.

Non-suspicious transactions and files

In 2014, over 33,500 unusual transactions were investigated, forming part of a total of 6,816 completed files. Not all transactions investigated were declared suspicious. With respect to 3,408 of the 33,500 unusual transactions investigated, there was no reason or insufficient reason (at the time) to declare them suspicious. At file level, it concerns 1,125 (17%) of the closed files in 2014 which were declared “not suspicious”.

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Out of the 6,816 closed files, 5,661 (83%) were declared suspicious and forwarded to investigative and enforcement partners. These files contain 29,382 transactions declared suspicious. In addition, 30 files (<1%) were provided under embargo⁸ to an investigation team.

Chapter 4 discusses in more detail the content of the 5,661 files declared suspicious and the relevance of the files for the investigative partners.

3.2 Cooperation with enforcement and investigative partners

At a national level, FIU-the Netherlands cooperates with different enforcement and investigative partners. Apart from all national police units, the special investigative services (FIOD, Inspectorate SZW, NVA-IOD, ILT/IOD), KMar and the National Police Internal Investigations Department, there is cooperation with, among others, the Immigration and Naturalisation Service (IND), the Regional Information and Expertise Centres (RIECs) and the National Information and Expertise Centre (LIEC).

Requests received in 2014



Moreover, FIU-the Netherlands is an active partner within the Counterterrorism Infobox (CT Infobox), which, based on the expertise of the relevant partners, investigates data on networks and persons possibly involved in terrorism.

Account managers of FIU-the Netherlands maintain intensive contact with these enforcement and investigative partners. They stimulate the use of information requests and draw attention to files of FIU-the Netherlands which were declared suspicious.

The most important developments in the past year with respect to operational cooperation and coordination with Dutch partners are explained below.

National police

The police are an important partner for FIU-the Netherlands. Since the formation of one national police organisation in 2013, there have been ten regional units and one central unit. In 2014, FIU-the Netherlands received 660 LOVJ requests from the units. The police are also an important partner for FIU-the Netherlands when it comes to its own investigations. In the past year, it was not yet possible to make performance agreements with the police units at a strategic level. This is due to the (re)organisation phase the police are currently in and due to the related staff transfers. It is expected that these strategy-determining positions will have been filled in the first half of 2015 and that agreements will be made with FIU-the Netherlands on the use of files. However, performance agreements were made with various units on the basis of topics or ad hoc themes, ranging from agreements on fraud and confiscating unaccountable assets, to the fight against child abuse and human trafficking.

⁸ Investigation files provided under embargo include transactions declared suspicious which, due to the risk of disruption of the criminal investigation, are not disseminated to BlueView. More information about BlueView can be found in Chapter 4.

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FIOD

FIU-the Netherlands frequently receives unusual transaction reports that may be linked to possible VAT carousels, benefit fraud, insolvency fraud or turnover tax fraud and are therefore relevant to the FIOD. FIU-the Netherlands investigates these reports, resulting in transactions being disseminated. The FIOD uses the suspicious transactions to consolidate cases or to initiate criminal investigations. In 2014, three strategy meetings with the FIOD management were held in order to monitor and strengthen the intensive cooperation. In the past year, at least 350 files were provided to the FIOD ([see also §4.2](#)).

Furthermore, the FIOD and FIU-the Netherlands have a good operational cooperation. Four liaison officers of the FIOD support FIU-the Netherlands in analysing transactions by providing input of tax information and knowledge of criminal tax law. In 2014, for example, tax information was requested regarding more than 1,400 subjects.

AMLC

With the formation of the AMLC in 2013, the cooperation between the FIOD and FIU-the Netherlands was further enhanced. The AMLC is the FIOD's central intake point for criminal investigations into money laundering. In 2013, FIU-the Netherlands already made intention agreements with the AMLC on the provision and use of financial intelligence and expertise on money laundering cases. These agreements were implemented in 2014. Every month, five FIU files on unaccountable assets were provided to the AMLC. Moreover, files with suspicious transactions from the trust sector were provided, as well as files drawn up within the context of the sanctions against the Ukraine. There was also cooperation in projects on the voluntary disclosure scheme and persons with a luxurious lifestyle, but no discernible income.

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iCOV

As a follow-up to the Real-Estate Intelligence Centre project organisation, the Infobox Criminal and Unaccountable Assets (iCOV) was set up in 2013. The iCOV is a joint organisation in which the Public Prosecution Service, the police, the Dutch tax authorities, the FIOD, the Dutch customs authorities and FIU-the Netherlands participate. The purpose of this cooperation is to provide an overview of unaccountable or criminal assets, to expose money laundering or fraudulent schemes, and to be able to collect amounts owed to a state entity.

In 2014, FIU-the Netherlands received 611 information requests from 67 different foreign FIUs

FIU-the Netherlands disseminates its dataset of suspicious transactions on a monthly basis, thus enabling the iCOV to include them in its analyses. From the moment iCOV became operational, the organisations participating within the iCOV were faced with issues on privacy, the provision of data and legal issues. In order to solve these issues, a Lawfulness Committee was established, of which FIU-the Netherlands is a permanent member. Six meetings were held in the past year.

DNB and AFM

In the past year, FIU-the Netherlands again conducted screenings for the purpose of permit applications at the request of AFM and DNB. These requests concerned 1,757 screenings, of which 45 files were submitted to the Public Prosecution Service for further assessment. As such screenings are not included in the core tasks of FIU-the Netherlands, it wants to transfer these tasks to an appropriate implementing authority. In the past year, an agreement was reached between all relevant parties on the transfer and the manner of transfer. After the necessary amendments to laws and regulations, another implementing authority will take over these tasks from FIU-the Netherlands in due course.

3.3 Cooperation with foreign partners

When conducting its investigations, FIU-the Netherlands often relies on the knowledge of and information from its foreign sister organisations. It exchanges information with foreign FIUs through the Egmont Secure Web (ESW) and FIU.NET on a daily basis. Enquiries are made between the partners about whether specific subjects are referenced in the FIU database of the relevant country. Apart from the specific information requests to foreign partners, FIU-the Netherlands also makes use of the FIU.NET Ma³tch technology, which allows for automated and anonymous matching of data with other European FIUs. Furthermore, it is possible within FIU.NET to work on a case together with foreign FIUs.

Operational cooperation with foreign FIUs

In 2014, FIU-the Netherlands received 611 information requests from 67 different foreign FIUs, asking it to search for subjects in the Dutch unusual transactions database. FIU-the Netherlands itself submitted 558 requests to 69 different foreign sister organisations. The Table shows a top 5 of foreign FIUs from which FIU-the Netherlands received the most requests and to which FIU-the Netherlands submitted the most requests in 2014.

Table: Top 5 of requests received from and submitted to foreign FIUs in 2014

Top 5	Requests received from	Number
1	FIU Belgium	247
2	FIU Luxembourg	59
3	FIU United Kingdom	30
4	FIU Germany	25
5	FIU Jersey	21

Top 5	Requests submitted to	Number
1	FIU Germany	71
2	FIU Belgium	61
3	FIU Spain	44
4	FIU United Kingdom	39
5	FIU Morocco	23



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There is intensive sharing of information with directly neighbouring countries in particular. The Belgian FIU has more far-reaching powers than FIU-the Netherlands, such as the (temporary) freezing of assets in a bank account. This allows FIU-the Netherlands to take quick measures when it becomes evident that a Dutch subject of investigation is also known to the Belgian FIU. This is also shown in the [practical example in §2.2](#). Moreover, the information requests to the Moroccan FIU have increased after Morocco was designated a priority country or strategic partner (see below).

Questions from foreign partners as to whether FIU-the Netherlands is familiar with certain subjects of investigation may also be a reason for FIU-the Netherlands to ask Dutch reporting institutions for further information, as shown in the practical example in the box.

CASE EXAMPLE: Dutch trust office helpful in Maltese investigation

FIU-the Netherlands forms part of a global network of FIUs. Information is exchanged and assistance provided by and to FIU-the Netherlands and other FIUs on a daily basis. For instance, FIU-the Netherlands received a request from the Maltese FIU following a transfer from a Dutch private limited company to an Ltd with registered office in Malta. It concerned a transaction of € 1,850,000. An investigation conducted by the receiving bank in Malta did not provide sufficient insight into how and why the transaction was conducted, after which the Maltese bank had returned the amount to the Dutch company.

FIU-the Netherlands conducted an investigation into the Dutch company, which showed that the legal entity was managed by a trust office established in the Netherlands. FIU-the Netherlands asked questions to the trust office about the transaction. According to the law, such questions must be answered to FIU-the Netherlands and it is forbidden to notify the client of, in this case, the trust office. Based on the answers, FIU-the Netherlands identified the Ultimate Beneficial Owner of the Dutch company. It was then established that the relevant owner, a person other than of Dutch nationality, was wanted by the English investigative authorities for fraudulent activities. The investigation findings were shared with the Maltese FIU, along with the recommendation from England to take adequate measures.

Data exchange via the FIU.NET Ma³tch functionality

In 2012, FIU.NET introduced the Ma³tch technology, aimed at autonomous, anonymous analysis. FIU-the Netherlands made frequent use of this matching functionality in the past year. This technology allows for the automated and anonymous matching of subjects from the own database with subjects in databases of other connected FIUs, or with other connected data sources, such as World-Check. Ma³tch works according to the principle of “connect instead of collect”: only relevant information from the various data sources are connected, rather than collecting the data at a central location. Only if there is a hit will it be possible for the relevant FIUs to trace this information back to the personal data of the subject concerned. So the FIU does not unnecessarily reveal sensitive (personal) data, but immediately gains insight into which other FIU(s) has/have information on the same subjects. In this way, it has become easy to detect international connections which may have remained unnoticed if countries were to look only at their own subject data and submit ad hoc requests to each other.

After FIU-the Netherlands had participated in the Ma³tch-engaged pilot project in 2013, it made frequent use of the Ma³tch functionality in the past year. Positive case matches, with specific subjects within an international investigation being matched anonymously with other FIUs, were followed up and information was exchanged with related foreign FIUs.

Cross-matching, with a list of selected subjects being matched with subjects of other FIUs in the above-mentioned anonymous way, was used as well. FIU-the Netherlands monitored and followed up on the crossmatching results if they proved to have added value for a Dutch investigation. Special attention was paid to crossmatching with the United Kingdom; all results were analysed and, if they were of added value, shared with the FIU of the United Kingdom. Data were exchanged in eight files, resulting in a better understanding of the files.

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Data exchange via Europol to combat human trafficking

At a European level, under the direction of Europol, the joint fight against organised crime is enhanced within nine Empact projects (European Multidisciplinary Platform Against Criminal Threats), including a project aimed at trafficking in human beings. One of the strategic objectives of Empact is that in all criminal investigations, the relevant parties conduct a financial investigation, partly aimed at recovering capital or assets from suspects. For this reason, FIU-the Netherlands joined the Empact project on Trafficking in Human Beings and cooperated in the ETUTU file, aimed at the fight against trafficking in human beings in West Africa. After information was exchanged in 2013, all participating countries held an action day in mid-2014. On the basis of information, FIU-the Netherlands declared one file suspicious, containing 58 transactions. The transactions concerned over € 50,000 and 11 different countries – EU-countries and other countries – were involved. The file was provided to the participating countries and Europol for further investigation.

Priority countries

The international network of the foreign FIUs is very extensive. That is why FIU-the Netherlands has to set priorities in cooperation with foreign partners. In order to ensure strong international cooperation, a method for recognising strategic countries was developed in 2013, taking account of internal analyses, legal possibilities for cooperation, priority countries of cooperating partners and operational results already obtained. The results of this method were a reason to change the priorities in 2014. The intensive cooperation with the FIUs in Turkey and Thailand was terminated as a result. The cooperation with the Colombian FIU was continued in 2014. The sharing of information with the other priority countries from 2013 – the FIUs in Sweden, Denmark and England – was included last year in the regular process of international exchange of information. In 2014, the priorities were, partly on the basis of the assessment, shifted to cooperation with the FIUs in China and Morocco.

China

In 2014, FIU-the Netherlands and the Chinese FIU, named China Anti-Money Laundering and Analysis Centre (CAMLMAC), took the initiative to conclude a bilateral Memorandum of Understanding (MoU). CAMLMAC is not a member of the Egmont Group, so that FIU-the Netherlands cannot exchange any financial intelligence through the secure ESW network. In the past year, a draft version of the MoU was submitted to CAMLMAC. In view of the different situation, the Ministry of Security and Justice was consulted during this process. As soon as the Chinese authorities have a new secure IT facility for the exchange of confidential information, communications will be faster than through the more labour-intensive, diplomatic channel. It is expected that the MoU with CAMLMAC will be signed in 2015.

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Due to its unique position, FIU-the Netherlands has a large quantity of data, enabling it to detect new trends and phenomena.

Colombia

The cooperation with the Colombian FIU was continued in 2014 due to the pending cross-border confiscation cases in which the FIU information serves as important evidence. In the two files already transferred, the judicial authorities of the Netherlands and Colombia provide assistance to each other. The preparations of the four files, which were supposed to be transferred to the Colombian Prosecution Service in 2014, appeared to be more time-consuming than anticipated. In the coming year, FIU-the Netherlands intends to conclude the special cooperation with FIU Colombia and integrate it within the regular work process.

3.4 Detecting trends and phenomena

Due to its unique position, FIU-the Netherlands has a large quantity of data, enabling it to detect new trends and phenomena. These trends and phenomena can be detected in the database using high-quality data analysis tools. In 2014, FIU-the Netherlands made significant progress, so that it can provide even better products to internal and external partners. Analyses specifically focussed on specific trends and phenomena.

3.4.1 Analysis tools: detection of transactions worth investigating

Since the end of 2013, FIU-the Netherlands has worked with a high-quality reporting and analysis tool (R&A tool), which has enabled it to run specific queries and analyses on the updated database. This has resulted in significant steps towards real-time intelligence. The introduction of the R&A tool in 2014 has resulted in various regular analyses and standard products for both internal and external partners, varying from management and control information to operational information. For instance, various red flags and risk profiles were included in regular reports. These queries are run at set intervals and identify potentially interesting unusual transactions from the database for further investigation, which are subsequently investigated by the FIU investigators. Such transactions are possibly worth an investigation in the area of, for example, bitcoins, terrorism, human trafficking and unaccountable assets.

In the past year, various FIU investigators experimented with the advanced data analysis tools developed by Kecida, part of the NFI (see the box). With the help of these tools, new modus operandi and criminal structures were discovered, resulting in more transactions being declared suspicious.

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NFI project: experimenting with new tools

Under the project title “Intelligence-based fight against subversive crime”, the NFI’s Kecida department and FIU-the Netherlands cooperated during the period between June 2013 and August 2014. This one-year cooperation project was financed by a subsidy of the NCTV’s “Veilig door innovatie” [Safe through Innovation] programme. EY offered the policy-related project support.

Objective and results

In this joint FIU-the Netherlands/NFI project, a selection of advanced Kecida data analysis tools was applied in an innovative way to the unusual transactions database of FIU-the Netherlands. Its purpose was to develop an intelligence-based approach, so that unusual transactions can be declared suspicious in a more efficient and effective manner. New modus operandi and criminal structures were discovered by using the advanced data analysis techniques. They also allowed for new connections being made between separate files and for an improved analysis of personal files. This is clearly illustrated by the practical example in the box. The new tools were used by FIU-the Netherlands to compile 51 files, of which 35 files have already been declared suspicious. These files contain over 2,200 suspicious transactions. The other files appeared not to be suspicious or are still being handled. Feedback from FIU-the Netherlands has allowed the NFI to optimise its data instruments and to monitor and, where necessary, increase the effectiveness of the modus operandi and profiles used.

Knowledge sharing

Apart from knowledge acquired by FIU analysts on new, innovative analysis techniques and files declared suspicious following the use of the analysis techniques, the project has resulted in four expert reports intended for the internal transfer to FIU staff.

The final results are presented to strategic stakeholders in 2015. FIU-the Netherlands will also provide documentation for strategic partners which can be shared with the public. Various stakeholders can use the expert reports for dealing with similar issues, such as handling large quantities of data, the clever use of technical tools and the further development of technical analysis instruments.

Strategic partnership

The cooperation between FIU-the Netherlands and the NFI was such a success that they have decided to conclude a strategic partnership. The practical implementation of this partnership will be further examined in cooperation with the University of Leiden.

CASE EXAMPLE: International human trafficking networks

A network analysis conducted on the basis of new data analysis techniques made it possible to link new persons to a network. Apart from the self-evident relationships, such as subjects who are involved in one and the same transaction, these techniques reveal relationships that cannot be identified directly.

Based on this analysis method, a network was discovered which had conducted two hundred money transfers between the Netherlands, Bulgaria and Cyprus for a period of 3 years. These results were then compared with information from police systems, which allowed for the identification of four possible human traffickers and six possible victims.

The file containing all analysis results was provided to an investigation team in the Netherlands and, in view of possible activities elsewhere in Europe, shared with Europol.



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3.4.2 Phenomenon-oriented analyses

The exchange of knowledge and information between partners is essential in the investigation and detection of trends and phenomena. FIU-the Netherlands aims to link the process of collecting and analysing transactions and declaring them suspicious in the best possible way, so that it can respond to signs from institutions and investigative services in a flexible manner. In the past year, special attention was paid to various phenomena, including bitcoins, child pornography and child abuse, the money laundering risks of online casinos and jihadism.

Monitoring encrypted currencies: bitcoins

A bitcoin is a digital currency created by a computer formula and subject to large fluctuations in the exchange rate. The government does not regulate this digital currency. Bitcoins are used by technology fans and speculators, but also by criminals who use the digital currency to conceal the illegal origin of funds and to launder criminal funds. Banks in particular often send reports of unusual transactions in which bitcoin trading plays a role. FIU-the Netherlands also pays a lot of attention to this new mode of payment with the 'cryptocurrency' and investigates the reported bitcoin transactions as much as possible. In doing so, FIU-the Netherlands looks at the connections between networks, detects new trends and developments and then gives feedback to the reporting institutions. In 2014, FIU-the Netherlands initiated 75 investigation files in which bitcoins played an important role. 56 investigation files have been declared suspicious. The results of these files resulted in new criminal investigations, were included in pending investigations or were shared with foreign FIUs. These files are characterised by large sums of money being transferred to a bank, as a result of the sale of bitcoins to bitcoin exchanges.⁹ These large sums of money are almost always withdrawn in cash again. This usually shows a relation to fraud or drug trafficking. An appealing practical example is shown in the box.

Not all investigated transactions in which bitcoins play a role were declared "suspicious". Some transactions reported concerned regular bitcoin purchases, bitcoin speculation or there were insufficient grounds (at the time) for declaring the transaction suspicious.

For the purpose of conducting a proper investigation into these bitcoin transactions, additional data from, for example, bitcoin exchanges are required. These bitcoin exchanges have relevant additional data, but do not (yet) have a duty to report under the Wwft. As a result, information can only be exchanged on a voluntary basis.

CASE EXAMPLE: Digital currency as ideal means of exchange

A financial institution reported a transaction conducted by a client who received scriptural money by selling bitcoins abroad. Part of the money was then directly withdrawn in cash and another part was transferred to an account registered in the name of his business. The financial institution suspected a possible relationship with the cultivation of cannabis. A consultation of police registers by FIU-the Netherlands showed that a suspicious situation was recorded: there had been a meeting at a public place between the entrepreneur and two men from Eastern Europe. The behaviour of these two gentlemen was suspicious. They carried almost empty suitcases and appeared to be nervous. This was a reason for the police to approach them. It appeared that they wanted to sell bitcoins to the entrepreneur. In order to conclude the sale, they had travelled quite a distance and had even opened an account in a neighbouring country along the way. According to a statement made, they said that they intended to travel back that same evening. Information from the police systems confirmed the bank's suspicion that the entrepreneur may be involved in the cultivation of cannabis. Enquiries at the FIUs in neighbouring countries and an FIU from Eastern Europe showed that one of the men was involved in international money transfers. The FIU from Eastern Europe indicated that the foreigner had a history of tax fraud. The information was shared with the foreign FIUs and the file was offered to the investigative services.

⁹ FIU-the Netherlands uses the term "bitcoin exchange". Formally, bitcoins are not yet an accepted currency, so that there are no official exchange institutions, which is what the bitcoin exchange in fact is. A bitcoin exchange refers to an online trading platform where it is possible to buy and sell bitcoins.



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Live streaming of child pornography

FIU-the Netherlands investigates reports of unusual transactions that can be related to the live streaming of child pornography and child abuse. Live streaming of child pornography is also referred to as webcam child sex tourism. This is a relatively new phenomenon in which children from second and third world countries perform sexual acts in front of a webcam. The Dutch government is committed to do anything to prevent or detect these types of crime, also by means of transaction data. In the past year, Terre des Hommes brought the seriousness of this phenomenon to people's attention by means of the fictitious character "Sweetie". Sweetie looked like a young girl, who offered herself for webcam sex. Within two months' time, one thousand persons were exposed who accepted the offer, as shown by reports of Terre des Hommes.

In 2013, FIU-the Netherlands already received the first reports of unusual transactions that could be linked to the live streaming of child pornography. In order to obtain more information about the nature of and background to the phenomenon, FIU-the Netherlands conducted qualitative research into this. A literature search, interviews with experts and an analysis of the FIU database have resulted in a number of financial red flags, so that child pornography (and the live streaming of child pornography) can be detected more quickly. It concerns a combination of characteristics of perpetrators, types of transactions and specific countries of origin. The red flags were shared with the money transfer offices through a news flash and during an outreach event. The red flags resulted in new reports at the end of 2014. They were also a reason for some money transfer offices to investigate certain clients and to impose measures on them ([see also §2.1](#)).

Files about this phenomenon are transferred to the Child Pornography and Child Sex Tourism Prevention Team of the Central Unit of the police. For this team, financial intelligence always constitutes a valuable addition to their criminal investigations.

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Money laundering risks of online casinos

It is expected that, in 2015, it will be possible to offer online games of chance in the Netherlands on the basis of a licence. The legislation to provide for this will be the Dutch Remote Betting and Gaming Act. In anticipation of changing laws and regulations, FIU-the Netherlands conducted an investigation into online games of chance in 2014. The legalisation of online games of chance involves money laundering risks. It therefore creates a role for FIU-the Netherlands. Providers of online games of chance will have to comply with the Wwft. Under this Act, they have to conduct customer due diligence and report unusual transactions to FIU-the Netherlands. In order to obtain more clarity about the money laundering risks and the role played by FIU-the Netherlands and its partners in the prevention thereof, FIU-the Netherlands conducted qualitative research in 2014 into the consequences of the legalisation of online games of chance.

The research shows that online games of chance involve very specific money laundering risks, for example when players can play anonymously, or when they can hold several player accounts. The possibility of transferring money among players – possibly by losing from another player deliberately – also involves money laundering risks. A few money laundering risks are mitigated by the duty of providers of online games of chance to report and to check the identity of players. Moreover, it continues to be important for FIU-the Netherlands, the Gaming Authority (the supervisory authority), the providers of online games of chance and the legislature to cooperate as closely as possible in order to prevent money laundering.

Following its research, FIU-the Netherlands submitted an administrative report to the Ministry of Security and Justice containing the most prominent money laundering risks and proposals for the prevention of these risks.

Jihadism: exit travellers and terrorist financing

In the past year, FIU-the Netherlands focussed on the threat posed by jihadism and, more specifically, exit travellers to Syria and Iraq. Jihadism forms a substantial threat to national security. In order to address this growing problem, the Minister of Security and Justice presented the “Integrated Approach to Jihadism” Action Programme in August 2014¹⁰. This is an integrated approach with various measures in order to fight jihadism in the Netherlands. The action programme explicitly focuses on the prevention of terrorist financing. For instance, the government wants

identified exit travellers joining a terrorist militia to be put on a national terrorist list, after which institutions can freeze all balances held by these exit travellers and can refuse to provide financial services to them. As a result, people as yet providing funds to the exit travellers, either directly or indirectly, are also liable to punishment. The Counterterrorism & Proliferation Financing (CT&PF) Team of FIU-the Netherlands therefore monitors, on a daily basis, relevant money flows and transactions possibly related to the exit travellers. This has proven to be successful (see §4.2).

In anticipation of changing laws and regulations, FIU-the Netherlands conducted an investigation into online games of chance in 2014.

Good cooperation with public and private partners is essential for the detection of transactions that may be related to terrorism and terrorist financing. FIU-the Netherlands cooperates with investigative and intelligence services within the CT Infobox. The Infobox also contains information about networks and persons possibly involved in jihadism. Moreover, risk profiles developed by FIU-the Netherlands were shared with banks in the Terrorist Financing Platform, which was set up in 2012 together with the NVB. The sharing of this up-to-date information about high-risk money flows and transactions resulted in relevant reports from banks. FIU-the Netherlands investigated the reports and – after the relevant transactions had been declared suspicious – disseminated them among intelligence and investigative services. Moreover, risks profiles were shared with money transfer offices, which has also resulted in an increasing number of money transfer reports.

¹⁰ <http://www.rijksverheid.nl/bestanden/documenten-en-publicaties/rapporten/2014/08/30/actieprogramma-integrale-aanpak-jihadisme/a5-nctvjihadismedef3-lr.pdf>

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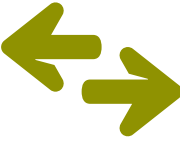
4. Disseminating suspicious transaction information

Unusual transaction reports investigated by FIU-the Netherlands and qualified as important for the prevention or investigation of crimes are declared suspicious by the Head of FIU-the Netherlands. Suspicious transactions are provided to various investigation and enforcement services through the BlueView police application. Moreover, the account managers of FIU-the Netherlands actively bring the files containing suspicious transactions to the attention of its cooperation partners.



4. Disseminating suspicious transaction information

29.382
*transactions declared
 suspicious in 2014*



In 2014, FIU-the Netherlands declared 29,382 transactions suspicious. These suspicious transactions were combined into a total of 5,661 files. Suspicious transactions may provide relevant tactical and operational information for a variety of criminal investigations. They may contain possible evidence of financial and economic crime, but may also provide information about a criminal network engaging in human trafficking, child pornography, advance fee fraud or terrorist financing.

This chapter focuses on the number of transactions declared suspicious and the types of files disseminated to the various investigative and enforcement partners. It also provides a description of the activities undertaken by FIU-the Netherlands in order to encourage the use of information about suspicious transactions.

4.1 Overview of suspicious transactions and files

Suspicious transactions, combined into investigation files, constitute the primary output of FIU-the Netherlands. This paragraph provides a statistical overview of the most important results of 2014. The overall picture of the suspicious transactions, by group of reporting institutions, for the period 2012-2014 is included in Appendix I.

Number of suspicious transactions and files

In 2014, 6,816 files were completed, of which 5,661 files were eventually declared suspicious. These suspicious files contain a total of 29,382 suspicious transactions. Almost half of the transactions were declared suspicious following own investigations (47%), around 13,800. These were combined into 1,488 separate files. Transactions that were declared suspicious following a foreign request for information also fall within the 'own investigations' category.

Furthermore, over 11,500 transactions were disseminated to the investigative services on the basis of matching with the VROS file; it concerns transactions conducted by subjects from pending criminal investigations. As a file is created per subject during the (weekly) matching, this resulted in 3,662 VROS files. This is a relatively higher number of files compared to the other (dissemination) categories, but the number of transactions per file is lower due to the high matching frequency.

LOvJ requests received resulted in almost 440 files, containing 3,640 suspicious transactions. Moreover, 73 files containing almost 360 suspicious transactions were submitted to the Central Fine Collection Authority (CJIB) and the FP (formerly BOOM).

Table: Number of suspicious transactions and files in 2014, by reason for dissemination

Reason for dissemination	Number of transactions	in %	Number of files	in %
FIU investigations	13,812	47%	1,488	26%
VROS matching	11,568	39%	3,662	65%
LOvJ request	3,643	12%	438	8%
FP/CJIB matching	359	1%	73	1%
Total	29,382	100%	5,661	100%



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In 2014, 16% more transactions were declared suspicious compared to 2013, when 25,321 transactions were declared suspicious. This increase is mostly caused by the fact that the increased number of unusual transactions in 2014 also resulted in more hits during the weekly VROS matching. There was also increased focus on own investigations.

Scope of suspicious transactions

FIU-the Netherlands receives reports of intended as well as completed transactions. The reporting of intended transactions is important because in some cases swift measures can be taken in order to prevent the channelling of criminal funds (see also §2.2). When looking at the scope of the transactions declared suspicious, only the completed transactions are included as these have actually taken place. Out of the 29,382 suspicious transactions, 29,124 were completed. The completed suspicious transactions represent a total value of almost € 2.4 billion, half of which is made up of 33 suspicious transactions of € 10 million or more (see the table in the box). It concerns transactions that were reported by trust offices, accountants and banks, mostly relating to substantial business transactions. In 2013, the suspicious transactions amounted to over € 1.1 billion. This increase to € 2.4 billion in 2014 is due to the increase in the number of reports from trust offices and accountants received, investigated and declared suspicious in 2014. All reports from these sectors are – just as reports received from the other independent professionals – investigated by FIU-the Netherlands. They are usually transactions reported on the basis of a subjective indicator, usually also resulting in the transactions being declared suspicious.

Most transactions declared suspicious by FIU-the Netherlands (90%) are amounts not exceeding € 10,000. This is because the large number of money transfers it receives and declares suspicious every year vary from tens of euros to some thousands of euros. These smaller amounts provide relevant operational information about, for example, the direction of flows of criminal funds, spending patterns or relationships within a criminal network. For instance, the practical example in the box shows that a money transfer may contain useful address details and may confirm that certain persons know each other. Some investigative partners seem to be unaware of the fact that financial intelligence can be used in this way in a variety of investigations and only consider suspicious transactions to be possible initial intelligence for the immediate seizure of criminal funds.

CASE EXAMPLE: Transaction data as operational puzzle piece

FIU-the Netherlands received an LOVJ request from a police unit for the financial investigation of a man whom they had traced because of fraud. The man managed a business that presented itself as an international company trading in trucks. The sales were online sales only. The man had his business registered with the Chamber of Commerce in order to inspire confidence among potential customers. The first customers presented themselves, purchased trucks and made down payments into the company's bank accounts. However, no trucks were delivered after the down payments had been made.

A check of the data file of FIU-the Netherlands showed seven down payments from East-African countries. It appeared that the research team was already familiar with these payments as they had already sent demands to banking institutions. However, the data file also showed a money transfer from the man himself, so that his whereabouts could be established. This information was not yet known within the criminal investigation, nor the relationships with those involved in the transfers. This information appeared to be of added value to the further progress of the investigation. In any case, other investigation findings had never demonstrated the established relationships.

Content of files

On the one hand, FIU-the Netherlands tailors the content of its files to the needs of the investigative authorities by carrying out tailored matching and complying with LOVJ requests. On the other hand, policy choices and signs received by FIU-the Netherlands give direction to its own investigations. FIU-the Netherlands registers the type of crime related to files that are compiled by FIU-the Netherlands itself based on its own investigations or following LOVJ requests. The list of types of crime used by FIU-the Netherlands is partly based on priorities of its investigative partners. In 2014, the types of crime were registered with respect to 1,926 files (see also the box). Money laundering was registered as a type of crime for 43% of the files. This does not mean that the other files do not involve money laundering, but rather that these files clearly show a different type of crime. After money laundering, fraud and terrorism are the types of crime that are registered the most frequently, followed by drug-related offences and cases involving human trafficking and human smuggling.



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Transactions declared suspicious in 2014

The annual number of transactions declared suspicious by FIU-the Netherlands depends on multiple factors. Of course, the number and quality of the unusual transaction reports play a role in this regard. In addition, not every transaction investigated receives the status of suspicious (at that particular time), because there is insufficient ground to disseminate it to the investigative services. The number of suspicious transactions furthermore depends on the capacity of FIU-the Netherlands and the various investigative and enforcement partners. In case of matches and LOvJ requests, FIU-the Netherlands primarily takes reactive action and matches or screens the subjects of investigation that have been submitted by its partners (see also Chapter 3). The decision to conduct its own investigations depends more on the available expertise and capacity.

Suspicious transactions are retrieved by dissemination date, i.e. the date on which FIU-the Netherlands, after investigation, disseminated the transactions as suspicious.

Appendix 1 of the annual report shows the suspicious transaction reports, by group of reporting institutions, in the period 2012-2014

Table: Number of transactions declared suspicious in 2014, by sector

Sector of reporting institutions	Number	of which MT
Money transfer offices	25,190	23,758
Banks	2,089	578
Independent professionals	655	
Dealers	553	
Government	499	
Casinos	322	
Credit card companies	53	
Other sectors	21	
Total	29,382	24,336

Table: Number of transactions declared suspicious in 2014, by type of transaction

Transaction type	Number
Money transfers	24,336
Cash transactions	3,391
Wire transfers	905
Other transactions	750
Total	29,382

Table: Number of and share** in the amount of (completed) transactions declared suspicious in 2014

Amounts involved in suspicious transactions	Number	in %	Amount in €	in %
< €10,000	26,200	90%	32,481,000	1%
€ 10,000 to €100,000	1,986	7%	71,423,000	3%
€ 100,000 to €1,000,000	748	3%	219,554,000	9%
€ 1,000,000 to €5,000,000	138	0%	296,505,000	12%
€ 5,000,000 to €10,000,000	19	0%	134,220,000	6%
>= € 10,000,000	33	0%	1,629,445,000	68%
Total	29,124	100%	2,383,628,000	100%

* Intended transactions (N=258) are not included

** Due to rounding differences, the total of the percentages in the table is not precisely 100%

Table: Number of files per type of crime in 2014

Type of crime*	Number**	in %
Money laundering	1,014	43%
Fraud	614	26%
Terrorism	142	6%
Other	141	6%
Hard drugs	126	5%
Soft drugs	114	5%
Human trafficking	82	3%
Human smuggling	48	2%
Child pornography	23	1%
Murder/Manslaughter	22	1%
Synthetic drugs	20	1%
Cyber crime	9	0%
Robberies	8	0%
Violence	8	0%
Burglaries	7	0%
Other drugs	5	0%
Arms trafficking	2	0%
Total	2,385	100%

* The type of crime registered is usually the starting point for an investigation. For example, if a file has been compiled following an LOvJ request regarding human trafficking, it is also registered under this type of crime. Files related to types of crime not included in this list are labelled 'other'.

** Only files disseminated following LOvJ requests and own investigations contain a description of the possible related type(s) of crime. A file may relate to several types of crime. In case of two or more types of crime, this file will be included just as often in the above table. For this reason, the total (2,385) exceeds the number of unique files registered under a type of crime (1,926 own investigations and LOvJ files).



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4.2 Use of financial intelligence by enforcement and investigative partners

By complying with LOvJ requests, performing targeted matching and providing official reports and intelligence reports, FIU-the Netherlands again made a valuable contribution in 2014 to many criminal investigations and enforcement actions carried out by its partners. Account managers of FIU-the Netherlands form the link between FIU files and the investigative services. They stimulate the use of financial intelligence by maintaining intensive contacts with the various partners.

Suspicious transaction information may be important for a variety of criminal investigations and is used within investigations in various ways. This is illustrated in this paragraph on the basis of practical examples and various forms of cooperation.

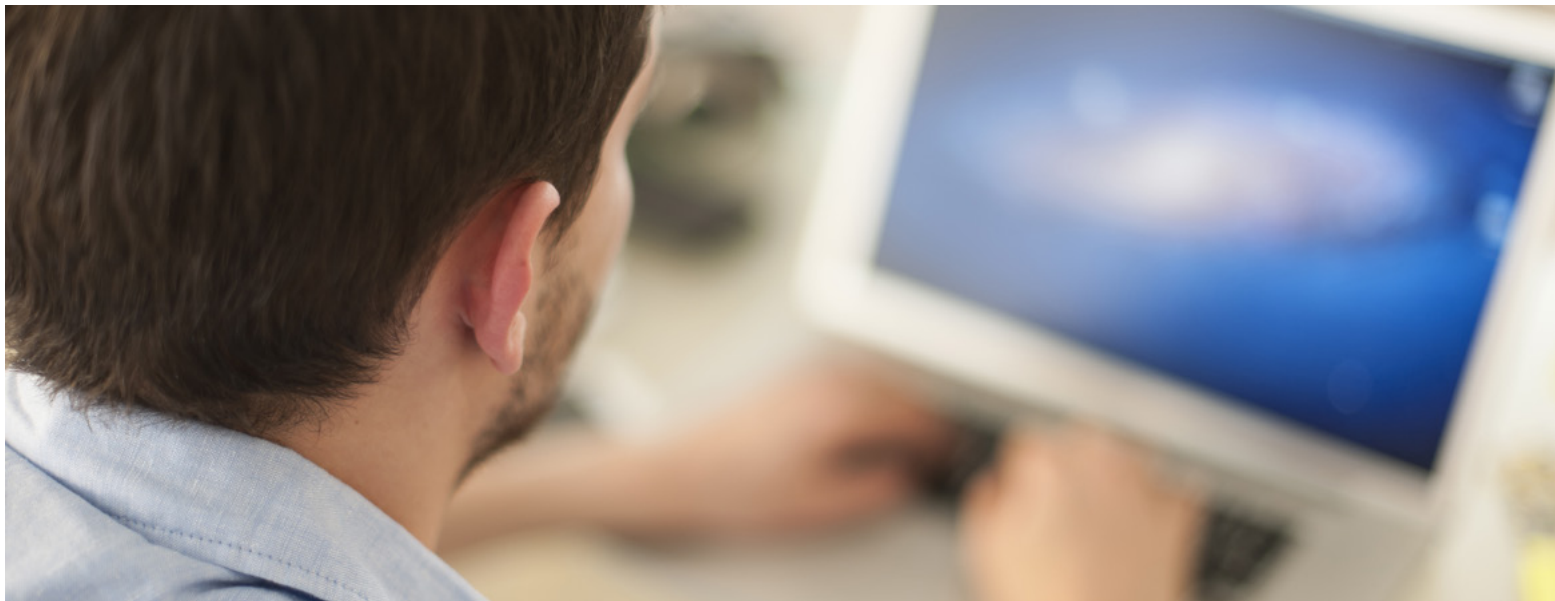
Confiscation of criminal proceeds

When discussing the use of suspicious transaction information in criminal investigations, its usefulness for the confiscation of criminal proceeds, such as vehicles, immovable property and balances in bank accounts, immediately comes to mind. Some partners, such as the AMLC and various regional units, request financial intelligence providing specific leads for the confiscation of criminal proceeds. In its own investigations, FIU-the Netherlands often

identifies subjects of investigations who have considerable assets which cannot possibly have been earned legally given the current daytime activities of the subject of investigation and which also cannot be explained on the basis of data from the Dutch Tax and Customs Administration. The case involving the straw man is an excellent example of this.

FIU-the Netherlands is also involved in cooperation projects focussing on how to deal with unusual assets, such as the “Ongebruikelijk Bezit” [Unusual Assets] Project lead by the Eastern Netherlands RIEC. Within this partnership, FIU-the Netherlands cooperates with the Eastern Netherlands regional unit, the Tax and Customs Administration (Eastern Netherlands region), the Social Security Fraud Department and the Employee Insurance Agency (UWV). During regular consultations, cases, or subjects of investigation, are discussed that possibly involve unusual assets. All relevant parties share information about the subjects of investigation. Its transaction information allowed FIU-the Netherlands to contribute to the detection of unusual assets in 25 of the 83 cases.

The fact that decisive cooperation with all chain partners can result in the successful seizure of bank balances was also shown [in §2.2](#). Urgent reports or reports of intended transactions may result in the blocking of transfers or the freezing of bank balances.



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CASE EXAMPLE: Family comes first

A weekly red-flag query showed a report on the special use of two separate bank accounts by a woman. There were a lot of cash deposits into and withdrawals from the accounts, without there being a clear reason for this. The withdrawals and deposits involved an amount of almost € 1.5 million in a period of less than one year.

An analysis of the family relationships showed that the woman herself did not have a criminal record, which could not be said about her father and grandfather. A further investigation into the accounts used also showed that her father was authorised to use the accounts. The woman could not possibly possess such large amounts based on her income or assets. This reinforced the suspicion that the transactions involved money laundering. The transactions were declared suspicious and the analysis was provided to an investigative service.

Initial intelligence in fraud cases

At least 614 FIU files declared suspicious in 2014 can be related to a form of fraud. FIOD receives the most fraud files from FIU-the Netherlands. The FIOD liaison officers ensure that the files are successfully transferred to this special investigative service. The FIOD received at least 350 files¹¹ from FIU-the Netherlands. Other parties receiving many fraud files are the benefits agencies of the municipalities of Amsterdam and Rotterdam. This paragraph will later discuss how these enforcement partners use FIU information as proof of benefit fraud.

¹¹ The investigation files concerned are those which are disseminated to the FIOD following FIU-the Netherlands' own investigations and LOvJ requests without urgency. Urgent LOvJ requests are disseminated to the relevant FIOD team without intervention of the liaison officers. The results of the VROS matching are monitored, ensuring that files on subjects that are currently being investigated by the FIOD end up at the relevant FIOD investigation team as soon as possible.

For the FIOD, financial intelligence usually constitutes initial intelligence or proof in a criminal investigation.

FIU files provided to the FIOD include cases that can be related to VAT carousel fraud, investment yield tax evasion, bribery, benefit fraud and irregularities in property transactions and bankruptcies. For the FIOD, financial intelligence usually constitutes initial intelligence or proof in a criminal investigation. A project aimed at investment yield tax evasion, in which FIU-the Netherlands provided several files, resulted in enforcement actions by the Dutch Tax and Customs Administration and FIOD. FIU information was the reason for initiating the criminal investigations (see the box).

Approach to so-called 'saldinists' investment yield tax evasion

In 2014, a number of major banks, FIU-the Netherlands and FIOD cooperated in a project aimed at so-called 'saldinists': a group of bank account holders who withdraw the balance on their accounts in cash shortly before 31 December and deposit this amount again in the same account shortly after new year's day. This way, they try to influence the statement of interest to the Dutch Tax and Customs Administration for investment yield tax purposes.

Within this project, over 800 account holders were subject to an investigation after an analysis of unusual transactions reported by the banks. It was assessed whether their actions were only intended to evade payment of taxes, or whether it also concerned fraud or laundering of criminally acquired assets.

Eventually, this resulted in most account holders receiving a warning letter from the Dutch Tax and Customs Administration. On the basis of the transactions reported to FIU-the Netherlands, six account holders were subject to a criminal investigation due to a suspicion of criminally acquired assets.



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Exposing criminal networks

With its suspicious transaction information, FIU-the Netherlands not only contributes to the prevention of money laundering or fraud, but transaction information may also expose relationships within a criminal network, such as persons engaged in drug trafficking or human trafficking. It may also provide insight into the victims of, for example, pyramid schemes or other forms of fraud. For almost all types of organised crime are aimed at making money and therefore leave financial traces, as does human trafficking. The best known manifestation of human trafficking probably is forced prostitution of foreign women. These are usually young women who are forced to work as a prostitute because they have to repay a disproportionately high debt because of their trip to and stay in the Netherlands.

Various partners are engaged in fighting human trafficking. There is special cooperation with the Expertise Centre for Human Trafficking and Human Smuggling (EMM)¹². It was agreed that all information collected by the EMM which may result in a criminal investigation, will be supplemented with FIU information. For this purpose, the EMM submitted 29 LOvJ requests in 2014. The investigative services submitted a total of 134 LOvJ requests relating to cases of human trafficking and human smuggling, which, in 59 cases, resulted in new suspicious transactions. The suspicious transactions are usually included in the so-called pre-weighting documents, which serve to make a decision on any criminal investigation lead by the National Public Prosecutor for Human Trafficking.

Exposing hidden assets and income

FIU-the Netherlands cooperates with the CJIB and the FP (formerly BOOM)¹³ in order to contribute to the detection of hidden assets. In that case, the suspicious transactions constitute proof of the existence of sufficient income for paying outstanding fines and the existence of value components for demands for a confiscation order.



Data of convicted persons were matched with the FIU database. Unusual transactions in which the convicted persons were involved were declared suspicious and provided to the CJIB. In 2014, FIU-the Netherlands submitted 37 official reports of FIU files containing 82 suspicious transactions, representing a total amount of over € 774,000. These suspicious transactions may demonstrate that the convicted persons indeed have financial means. This information helps the CJIB to facilitate the use of coercive measures in case of non-payment, such as deprivation of liberty or committal for failure to comply with a judicial order. As criminal funds are also invested abroad, the CJIB wants to enquire at foreign FIUs more often in the next year in order to gain insight into capital and assets existing abroad. FIU-the Netherlands is examining the possibilities of expanding the CJIB matching to foreign countries.

In 2014, the FP submitted, among other things, 14 LOvJ requests in order to find out whether suspects had any assets that can be confiscated as unlawfully obtained gains. This has resulted in 6 files, containing 40 suspicious transactions with a total value of € 232,000.

¹² The EMM is a cooperation between the police, the KMar, the IND, and the Inspectorate SZW. It gathers information, knowledge and experience in the area of human smuggling and human trafficking in order to support the investigative services.

¹³ FIU-the Netherlands used to work together with the Prosecution Service Criminal Assets Deprivation Bureau (BOOM) in the area of confiscation. In 2013, BOOM was incorporated in the FP, so the confiscation specialists are part of the FP.

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Financial intelligence can also expose hidden income, thus providing specific information about possible secondary income apart from a benefit. The projects with the DWI benefits agency in Amsterdam and the CWI benefits agency in Rotterdam were continued in the past year. The suspicious transactions provide insight into the existence of other income and offer these enforcement partners proof in order to claim back benefits or to impose fines. Although benefit fraud usually does not involve large amounts, it does constitute undermining.

DWI has taken action on the basis of all 97 FIU files provided

In 2014, FIU-the Netherlands again performed matching with DWI. Unusual transactions conducted by 97 subjects whom DWI suspected of fraud, were declared suspicious by FIU-the Netherlands. A random example: a man who, during his benefit period, carried out 49 transfers to third parties abroad, amounting to a near total of € 50,000. His financial position, however, showed that this was absolutely impossible.

DWI has taken action on the basis of all 97 FIU files provided. In 6 cases, an official report was drawn up and in 91 cases, measures were taken, such as discontinuing a benefit or allowance. Moreover, a total of € 1,200,000 in unduly paid benefits and/or allowances was reclaimed from the subjects. As regards the official reports, the administrative court made a decision in all cases in favour of the DWI.

Furthermore, the partnership between FIU-the Netherlands, the Rotterdam police unit and the CWI of the municipality of Rotterdam was re-initiated last year after successful results in the past. The approach has resulted in a variety of measures, such as imposing fines and discontinuing benefits.

Detection of terrorist financing

The CT&PF team has made national and international efforts to prevent terrorism and the financing of terrorism. For instance, it coordinated a task force within the Egmont Group aimed at the prevention of terrorist financing. The task force gathered information about the activities undertaken by the various FIUs in this area for the purpose of a more effective mutual cooperation.

With its suspicious transaction information and other financial intelligence, FIU-the Netherlands has contributed to national and international investigations into terrorist financing and terrorist prevention in general (*see also §3.4*). At least 142 files can be related to this in 2014. Files were provided, for example, to the Central Criminal Investigations Service (DLR), part of the Central Unit of the police, and to intelligence and security services. Moreover, its financial intelligence resulted in the freezing of assets of jihadists or the discontinuation of benefits, as is the aim of the government-wide “Integrated Approach to Jihadism” Action Programme. In a number of cases, suspicious transaction information specifically resulted in jihadists being put on the national sanctions list, after which their assets were also frozen.

4.3 Broad and effective use of financial intelligence

Recent surveys into the prevention of money laundering in the Netherlands¹⁴ show that the approach of the various agencies involved can be improved. Insight into the performance of the anti-money laundering chain should be improved in particular. It is partly because of this that FIU-the Netherlands wants suspicious transaction information to be used on a broad basis and wants to gain more insight into the use of this information. In the past few years, various activities have been undertaken in order to achieve this.

¹⁴ See the report titled “Bestrijden witwassen: stand van zaken 2013” [Money Laundering Prevention: State of Affairs in 2013] by the Netherlands Court of Audit published in March 2014; the 2012 research by Van Tillaart et al. “Naar een beleidsmonitor bestrijding witwassen” [Towards a Policy Monitor for Money Laundering Prevention] and the 2011 “Mutual Evaluation Report of the Netherlands” by the FATF.

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4.3.1 Stimulating broad use of suspicious transactions

FIU-the Netherlands stimulates the broad use of financial intelligence in various ways, such as dissemination to the BlueView police application, the development of standard products for the investigative services and the sharing of its suspicious transactions with various cooperation partners for big data analysis.

Use by all investigative services via BlueView

When transactions are declared suspicious, they automatically end up in the BlueView national police application, which gives Dutch investigative services access to various data collections. When a special investigating officer checks a subject of investigation in BlueView, all entries are shown that involve this subject, including suspicious transactions. One of the features of BlueView is to create so-called subscriptions: users automatically receive a report in case of a new entry on a subject of investigation, such as a suspicious transaction. This may be especially useful for transactions which are semi-automatically disseminated by FIU-the Netherlands following VROS matching. In 2014, FIU information was consulted in BlueView almost 193,500 times.¹⁵ These consultations concerned more than 68,500 different suspicious transactions.

In the past year, FIU-the Netherlands held meetings with the police in order to provide suspicious transactions in the future using the Information Database (BVI) application. In due course, BlueView will be phased out and important functionalities will be taken over by the BVI. In the current situation and in the future, the BVI offers specific users the opportunity to create operational and strategic overviews.

Standard reports for the investigative services

In order to stimulate the use of financial intelligence by the investigative services, FIU-the Netherlands creates strategic standard information products for the regional police units. With these products, it offers transaction information in an accessible way, focussing more on the specific value of the FIU information.

The R&A tool has made it easier for FIU-the Netherlands to provide these standard information products to its investigative partners. Since March 2014, the regional units have received monthly updated reports containing a list of suspicious transactions relevant to their unit. Apart from this overview, the reports contain a top X of natural persons and legal entities that have conducted the most suspicious transactions. The various units gave positive feedback on the reports.

Moreover, FIU-the Netherlands, together with the Eastern Netherlands unit, worked in the past year on expanding this monthly information product to a more complete regional transaction picture. The aim is to provide insight, at an aggregated level, into the developments that occur within a unit in the area of suspicious and unusual transactions. At the end of 2014, this resulted in a draft version that was submitted to and approved by analysts of the regional units who are specifically engaged in the prevention of financial and economic crime (FiNEC analysts). In 2015, this more extensive regional transaction picture will be finalised and implemented in the R&A environment, after which it will be disseminated among the units on a monthly basis.

Use for big data analysis

Various cooperation partners receive regular exports of the suspicious transactions, so that they can be included in their own data analyses. It concerns the iCOV, EMM, Europol and the National Aliens Information Hub (NVIK).

¹⁵ The log-in data regarding BlueView show how many times a transaction has been viewed (the “views”) and include the number of exports (to Excel or PDF) of the transaction data. With respect to the number of views, the following comments should be made: Firstly, a specific transaction may be viewed in BlueView more than once by the same person, as a result of which multiple views are registered. Secondly, the views of employees of FIU-the Netherlands are included in the number of views by the national police. Thirdly, the log-in data regarding BlueView do not provide a complete picture of the use of FIU information. The fact is that not every investigative service submitting LOVJ requests to FIU-the Netherlands has access to BlueView. Employees of FIU-the Netherlands have direct contact with these organisations and the suspicious transactions are provided in a different manner.



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4.3.2 Insight into the use of suspicious transactions

Due to its independent position and statutory task, FIU-the Netherlands has a clear assignment and own responsibility within the enforcement network. In setting its policy priorities, it takes the needs of its investigative partners into account, also based on its aim to increase the use of suspicious transactions. In order to increase the effectiveness of anti-money laundering within its enforcement network on a more general level, FIU-the Netherlands believes it important to make agreements with its partners on the use of FIU files and feedback on these files.

Performance agreements on the use of suspicious transactions

In the past year, agreements were made with various investigative and enforcement partners on the use of FIU files. As also shown by the practical [examples in §4.2](#), there are annual cooperation projects with the CJIB, the FP and benefits agencies such as the DWI Amsterdam and CWI Rotterdam. Here, specific agreements are made on the objective and demarcation of the relevant project, the delivery of files and the feedback on the results. FIU-the Netherlands aims to make such performance agreements with all recipients of FIU information.

The police is the largest recipient of suspicious transaction information. Due to the police (re-)organization, it has not yet been possible to make agreements with the units at a strategic level on the use of FIU files and the feedback on the files. However, performance agreements have been made with various units by subject or ad-hoc theme. An example of this is the cooperation within the Unusual Assets Project ([see also §4.2](#)). FIU-the Netherlands will continue to hold consultations with the police in order to gain more insight into the use of the FIU files and, thereby, their effectiveness.

Agreements have been made with the FIOD with respect to cooperation and the feedback on the files. In 2014, FIU files were compiled and transferred on the basis of the FIOD's key objectives of 2014. These files related to, among other things, suspected turnover tax fraud, insolvency fraud, benefit fraud and investment fraud.



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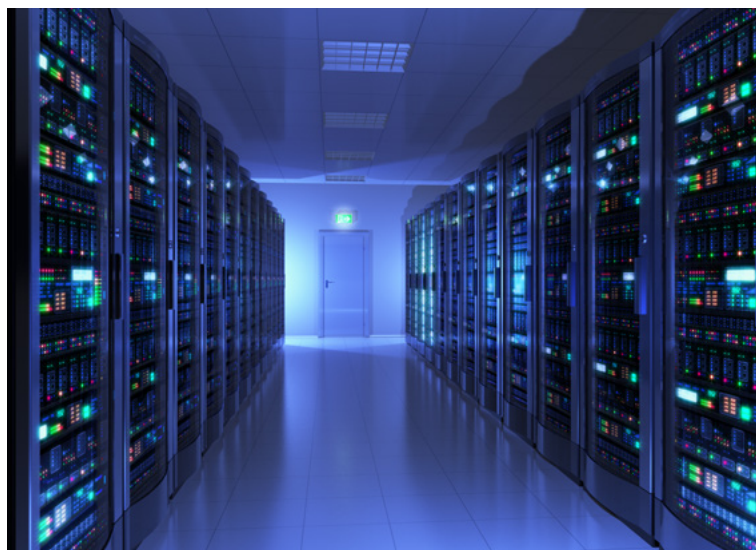
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Moreover, the intention agreements already made with the AMLC were implemented in the past year. Five FIU files on unaccountable assets were provided to the AMLC every month and the AMLC provided feedback on the usefulness of the files. There was also cooperation in respect of violations of sanctions and investment yield tax evasion.

Monitoring the use of suspicious transactions

FIU-the Netherlands has opted for a broad dissemination of the transaction information in BlueView, based on its aim to make the best possible contribution to the fight against crime in all its forms. It also aims to gain as much insight as possible into the use of its suspicious transaction information by network partners. It should be acknowledged that gaining full insight is not possible due to technical and practical limitations. The current IT facilities ensure that the information is widely available, but the possibilities to monitor the use of this information are limited. Since 2013, there has been a clearer picture of the use of the results of LOvJ requests and own investigation files.

Giving feedback on the use and value of the suspicious information is a chain-wide responsibility.

The account managers of FIU-the Netherlands monitor the use of the results of the LOvJ requests by investigation teams. These teams are asked to give feedback on, among other things, the value of the suspicious transactions to ongoing criminal investigations. The aim is for structural feedback to be given on own investigation files in the same way.

Feedback to reporting institutions

Giving feedback on the use and value of the suspicious information is a chain-wide responsibility. FIU-the Netherlands uses the feedback from its network partners to improve its products and work processes. In turn, it can also use this information to give feedback to the reporting institutions on the usefulness of the reports for the network partners.

Due to the long duration of criminal prosecutions and - in connection therewith - the many steps in the process, for which successive chain partners are responsible, it is difficult to give proper feedback within the chain. In order to provide the best possible feedback to the reporting institutions in spite of these limitations, which feedback is of the essence in the implementation of the Wwft, FIU-the Netherlands gives feedback by, for example, placing practical examples on the website every week or every other week. Moreover, account managers communicate, by paying visits to institutions and sector organisations, on the value of the unusual transactions for the investigative services and give feedback, at an aggregated level, on the reports of transactions declared suspicious.



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5. The Caribbean Netherlands

Under the Money Laundering and Terrorist Financing (Prevention) Act for the Caribbean Netherlands (Wwft BES), reporting service providers¹⁶ from the Caribbean Netherlands (CN) also report unusual transactions to FIU-the Netherlands. FIU-the Netherlands is represented permanently by an administrative liaison in the CN. The administrative liaison maintains intensive contacts with the service providers in the CN and informs them of the duty to report, the reporting procedure and the relevant laws and regulations. The liaison also maintains contacts with representatives of the sectors, the supervisory authorities and the other reporting centres in the Kingdom. It also investigates the unusual transaction reports received.

¹⁶ The Wwft BES uses different terminology from the Dutch Wwft. The Wwft BES imposes a duty to report on “service providers”, whereas in the Wwft this duty to report is imposed on reporting “institutions”.



5. The Caribbean Netherlands

In 2014, FIU-the Netherlands organised the third Kingdom seminar, which focussed on the strength of the collaboration between the four reporting centres in the Kingdom.

5.1 Cooperation with FIUs within the Kingdom



Following on from the second Kingdom seminar, which was organised in 2011 by the Office for the Disclosure of Unusual Transactions (MOT) in Aruba, FIU-the Netherlands was responsible for the organisation of the follow-up meeting in 2014. During this third Kingdom seminar, which was held in October 2014 in Bonaire, the focus was on the collaboration between the four FIUs within the Kingdom: the MOT Sint Maarten, MOT Aruba, MOT Curaçao and FIU-the Netherlands.

The seminar was attended by various chain partners, in addition to the four FIUs within the Kingdom. The developments over the past four years, since the change to the political relations, were discussed with around eighty participants. Moreover, the four FIUs within the Kingdom looked ahead and expressed their ambitions with respect to the closer cooperation desired by them. This fruitful seminar resulted in the signing of a letter of intent by the heads of the four FIUs within the Kingdom.

The ambitions laid down in the letter of intent primarily focus on joint analyses. The FIUs want to bring the mutual sharing of information and knowledge to a higher level. Operational cooperation will mostly take place on the basis of the FIU.NET Ma³tch tool ([see also §3.3](#)). Cross-matching allows for a simple and swift detection of subjects who are involved in unusual transactions in two or more countries within the Kingdom. Subsequently, files can be compiled with respect to these subjects, whether or not jointly, and brought to the attention of the investigative services.

Moreover, it is the aim of the FIUs within the Kingdom to share signs of risks with respect to money laundering and terrorist financing with each other more. The aim is to combine signs detected by the separate FIUs on the basis of their information position and record them in a so-called “Kingdom Risk Analysis”.

In 2014, 1,017 unusual transaction reports were received from the Caribbean Netherlands, of which 997 were reported by banking institutions.

Cooperating is communicating For the purpose of optimising strategic and operational cooperation, FIU-the Netherlands facilitated the installation of secure, high-end communications equipment in Aruba, Curaçao and Sint Maarten. This allows the staff of the various FIUs to hold face-to-face progress meetings.



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Moreover, attention was paid to the cooperation between the FIUs and the investigative authorities within the Caribbean, especially in the area of sharing information and intended follow-up action. Following on from the “Non-Reporting” actions in the Netherlands ([see 52.1.2](#)), the Public Prosecution Service for the CN will take comparable actions, in order to stimulate compliance with the duty to report in the Caribbean. Apart from operational cooperation, the seminar also discussed public-private partnerships.

5.2 Receiving and analysing unusual transaction reports from the Caribbean Netherlands

Over the past few years, the administrative liaison has invested a lot of time in building relationships with the reporting service providers. In 2014, too, there was frequent contact with the service providers in Bonaire, Sint Eustatius and Saba and the relevant sector organisations, which focussed on providing information about the duty to report and the quality of the reports received. In 2014, FIU-the Netherlands shifted its focus on the efforts within the CN from intensive customer relationship management to analysing and investigating the unusual transactions in this area.

Unusual transaction reports received

In 2014, 1,017 unusual transaction reports were received from the CN, of which 997 were reported by banking institutions. The other reports originated from the trade in vehicles, reported by independent professionals and by the government. A total of 13 different service providers from the CN reported unusual transactions to FIU-the Netherlands.

Compared to 2013, when 1,338 reports were received, the number of unusual transaction reports dropped by 321 transactions. There was a particular drop in number of reports from banks, after it was decided - in consultation with the supervisory authority - that certain financial transactions do not or no longer have to be reported. Furthermore, fewer reports were submitted due to the closure of a branch and the economic downturn.



Analysis and investigation of unusual transactions

As a result of a more intensive analysis and investigation of the unusual transactions received, service providers were requested by FIU-the Netherlands more often to provide further data or intelligence on the transaction reported, under Article 3.6(1) of the Wwft BES. The importance of high-quality reports for rapid and effective investigation is also emphasised.

In order to conduct effective investigations, FIU-the Netherlands also made efforts in the past year to gain access to new closed sources within the Caribbean.

Files investigated

The increased focus on analysis and investigation of the transactions has resulted in an increase in the number of completed investigation files. FIU-the Netherlands completed 53 files containing almost 650 transactions that were investigated. For 28 files, however, there were no or insufficient grounds to declare the unusual transactions suspicious (at that time). Out of the 53 completed files, 23 files were declared suspicious and therefore disseminated to the investigative services ([see below in 55.3](#)). In addition, two files were provided under embargo to an investigation team.

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5.3 Dissemination of suspicious transaction information in the Caribbean Netherlands

Important partners in the CN with whom FIU-the Netherlands maintains contact are the Criminal Investigation Cooperation Team (RST), the KMar, the National Police Internal Investigations Department, the Caribbean Netherlands customs authorities, the Caribbean Netherlands Police Force (KPCN) and the Public Prosecution Service. An account manager of FIU-the Netherlands is the point of contact for the investigative authorities in the CN.

Matching and LOvJ requests

At the request of investigative partners in the CN, FIU-the Netherlands searched its database for specific subjects of investigation who were involved in ongoing criminal investigations in the Caribbean. For instance, the RST, Kmar and KPCN twice submitted a list of subjects of investigation, who were checked in the database of FIU-the Netherlands. This resulted in new suspicious transactions, after which two files were submitted to the investigative services.

Moreover, LOvJ requests were received - via the account manager of FIU-the Netherlands - which were submitted by investigative services in the CN.¹⁷ In the past year, the RST submitted two LOvJ requests in relation to ongoing criminal investigations in Bonaire. One of these requests resulted in new suspicious transactions. Six LOvJ requests were submitted by the Kmar. In four cases, FIU-the Netherlands had transaction information available, but only one LOvJ request resulted in new suspicious transactions for the investigation team.

Transactions declared suspicious following this matching or LOvJ requests are not always transactions reported by service providers from the CN and are therefore not included one by one in the number of suspicious transactions from the CN.

Number of suspicious transactions and files from the Caribbean Netherlands

In 2014, 349 transactions from the CN were declared suspicious and combined into 23 files. The completed suspicious transactions amount to over € 4.5 million in total.

Out of the 349 suspicious transactions, 305 were declared suspicious following own investigations. Most of them relate to an extensive money laundering file that is investigated by the RST in Curaçao. These suspicious transactions have made a substantial contribution to the relevant criminal investigation. The other suspicious transactions were disseminated to VROS and following an LOvJ request (see the table).

Furthermore, two files resulted in an intelligence report being drawn up for the investigative services. Another file resulted in an official report intended for a Dutch investigation team. With the help of the RST in Bonaire, this team conducts a money laundering investigation in Bonaire and the Netherlands.

It appeared that not all FIU files offered were in line with (ongoing) criminal investigations or useful for the investigative services in the CN in an operational sense. It is the aim of FIU-the Netherlands to have its files meet the needs of its investigative partners. The aim for the coming year is to offer intelligence reports in a targeted manner and to strengthen operational cooperation.

Table: Number of suspicious transactions and files from the CN in 2014, by reason for dissemination

Reason for dissemination	Number of transactions	in %	Number of files	in %
FIU investigations	305	87%	8	35%
VROS matching	42	12%	13	57%
LOvJ request	2	1%	2	9%
Total	349	100%	23	100%

¹⁷ Such requests are first submitted to the public prosecutor responsible for criminal investigations of the Office of the Procurator General of Curaçao, of Sint Maarten and of Bonaire, Sint Eustatius and Saba. The Office of the Procurator General forwards the LOvJ request to FIU-the Netherlands.

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Table: Number of unusual transactions* per sector and group of reporting institutions, in the period 2012-2014

Sector	Group of reporting institutions	2012		2013		2014	
		Number	of which MT	Number	of which MT	Number	of which MT
Banks	Banks	16,333	11,511	18,222	11,150	14,696	7,341
Casinos	Casinos	980		1,539		2,196	0
Credit card companies	Credit card companies	1,474		1,435		1,597	0
Money transfer offices	Money transfer offices	177,460	172,305	166,684	160,374	233,989	230,090
Dealers	Dealers in precious metal	798		785		413	0
	Dealers in art and antiques	1		8		7	0
	Other dealers	58		25		30	0
	Dealers in vessels and boats	37		62		58	0
	Dealers in vehicles	4,334		4,501		3,871	0
Government	Government	6,767	0	7,522	53	18,031	0
Independent professionals	Accountants	322		532		1,330	0
	Administration offices	71		40		65	0
	Lawyers	10		10		15	0
	Business advisers	11		17		7	0
	Tax consultants	46		79		255	0
	Real estate agents	39		36		49	0
	Notaries	440		344		226	0
	Independent legal advisers	0		3		2	0
	Trust companies	38		88		201	0
	Other sectors	Insurance brokers	1		0		1
Multi-tenant business buildings		0		8		14	0
Investment institutions and firms		0		1		0	0
Securities brokers		0		1		0	0
Financing companies		5		12		11	0
Life insurers		13		13		2	0
Pawnshops		0		11		2	0
Payment service providers		1		186		462	0
Valuers		0		0		2	0
Total			209,239	183,816	202,164	171,577	277,532

*Unusual transactions are retrieved on the basis of registration date, i.e. the date on which an unusual transaction is registered in the database of FIU-the Netherlands.



Table: Number of institutions from which reports were received per group in the period 2012-2014

Sector	Group of reporting institutions	2012	2013	2014
Banks	Banks	38	43	43
Casinos	Casinos	1	1	1
Credit card companies	Credit card companies	5	5	5
Money transfer offices	Money transfer offices	22	23	21
Dealers	Dealers in precious metal	40	42	35
	Dealers in art and antiques	1	5	4
	Other dealers	22	20	14
	Dealers in vessels and boats	21	26	26
	Dealers in vehicles	471	534	513
Government	Government	4	5	4
Independent professionals	Accountants	83	116	217
	Administration offices	20	19	28
	Lawyers	10	7	2
	Business advisers	2	8	5
	Tax consultants	17	28	55
	Real estate agents	23	34	32
	Notaries	123	136	115
	Independent legal advisers	0	2	2
	Trust companies	6	22	31
	Other sectors	Insurance brokers	1	0
Multi-tenant business buildings		0	4	7
Investment institutions and firms		0	1	0
Securities brokers		0	1	0
Financing companies		1	2	2
Life insurers		2	3	1
Pawnshops		0	2	1
Payment service providers		1	5	8
Valuers		0	0	2
Total		914	1,094	1175



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Table: Number of suspicious transactions* per sector and group of reporting institutions, in the period 2012-2014

Sector	Group of reporting institutions	2012		2013		2014	
		Number	of which MT	Number	of which MT	Number	of which MT
Banks	Banks	3,016	2,228	2,463	1,060	2,089	578
Casinos	Casinos	182		144		322	
Credit card companies	Credit card companies	23		21		53	
Money transfer offices	Money transfer offices	19,754	19,023	21,331	19,604	25,190	23,758
Dealers	Dealers in precious metal	8		261		136	
	Dealers in art and antiques	0		0		0	
	Other dealers	0		4		3	
	Dealers in vessels and boats	4		4		3	
	Dealers in vehicles	238		291		411	
Government	Government	216		267		499	
Independent professionals	Accountants	89		235		279	
	Administration offices	7		16		4	
	Lawyers	8		1		3	
	Business advisers	9		8		2	
	Tax consultants	9		5		28	
	Real estate agents	11		17		8	
	Notaries	248		179		178	
	Independent legal advisers	0		0		4	
	Trust companies	10		55		149	
	Other sectors	Insurance brokers	0		0		0
Multi-tenant business buildings		0		2		3	
Investment institutions and firms		0		0		0	
Securities brokers		0		0		0	
Financing companies		0		0		1	
Life insurers		1		8		0	
Pawnshops		0		0		3	
Payment Service Providers		1		9		13	
Valuer		0		0		1	
		Total	23,834	21,251	25,321	20,664	29,382

* Suspicious transactions are retrieved on the basis of dissemination date, i.e. the date on which an unusual transaction was declared suspicious. This way, suspicious transactions in a certain year cannot be compared with the unusual transactions (retrieved on the basis of registration date) in a certain year.



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Appendix II - List of important abbreviations

AFM	Autoriteit Financiële Markten (Netherlands Authority for the Financial Markets)	FinEC	Financial and Economic Crime Programme
AMLC	Anti Money Laundering Centre, part of FIOD	FIU	Financial Intelligence Unit
AO/IC	Administrative organisation and internal control	FIOD	Fiscale Inlichtingen- en Opsporingsdienst (Fiscal Intelligence and Investigation Service)
BES	BES islands of the Caribbean Netherlands: Bonaire, Sint Eustatius and Saba	FP	Functioneel Parket (National Public Prosecutor's Office for Financial, Economic and Environmental Offences), part of the Public Prosecution Service
BFT	Bureau Financieel Toezicht (Financial Supervision Office)	GoAML	Government Anti-Money Laundering, ICT application built by UNODC
BOOM	Bureau Ontnemingswetgeving Openbaar Ministerie (Prosecution Service Criminal Assets Deprivation Bureau) now FP	icOV	Infobox Crimineel en Onverklaarbaar Vermogen (Infobox Criminal and Unaccountable Assets)
BVI	Basisvoorziening Informatie (Information Database), a police application	ILT/IOD	Inspectie Leefomgeving en Transport / Inlichtingen- en Opsporingsdienst (Human Environment and Transport Inspectorate / Intelligence and Investigative Service)
CJIB	Centraal Justitieel Incasso Bureau (Central Fine Collection Authority)	IND	Immigratie- en Naturalisatiedienst (Immigration and Naturalisation Service)
CN	The Caribbean Netherlands	Kecida	Kennis- en expertisecentrum voor intelligente data-analyse (Knowledge and Expertise Centre for Intelligent Data Analysis), part of the NFI
CT&PF	Counterterrorism & Proliferation Financing, a team within FIU-the Netherlands	KLPD	Korps Landelijke Politiediensten (Netherlands Police Agency), now the Central Unit of the police
CT Infobox	Counterterrorism Infobox	KMar	Koninklijke Marechaussee (Royal Netherlands Marechaussee)
CWI	Cluster Werk en Inkomen (Cluster for Work and Income), part of the municipality of Rotterdam	KPCN	Korps Politie Caribisch Nederland (The Caribbean Netherlands Police Force)
DLR	Dienst Landelijke Recherche (Central Criminal Investigations Service), part of the Central Unit of the police	LIEC	Landelijk Informatie en Expertise Centrum (National Information and Expertise Centre)
DNB	De Nederlandsche Bank (Dutch Central Bank)	LOvJ	Landelijk Officier van Justitie (National Public Prosecutor / National Public Prosecutor's Office)
DWI	Dienst Werk en Inkomen (Department for Work and Income), part of the municipality of Amsterdam	MER	Mutual Evaluation Report, of the FATF
EC	European Commission, executive body of the EU	MOT	Meldpunt Ongebruikelijke Transacties (Office for the Disclosure of Unusual Transactions)
EMM	Expertisecentrum Mensenhandel en Mensensmokkel (Expertise Centre for Human Trafficking and Human Smuggling)	MT	Money transfer
EMPACT	European Multidisciplinary Platform Against Criminal Threats.	NFI	Nederlands Forensisch Instituut (Netherlands Forensic Institute)
ESW	Egmont Secure Web		
EU	European Union		
FATF	Financial Action Task Force		
FEC	Financieel Expertise Centrum (Financial Expertise Centre)		



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NCTV	Nationaal Coördinator Terrorismebestrijding en Veiligheid (National Coordinator for Security and Counterterrorism)
NVB	Nederlandse Vereniging van Banken (Dutch Banking Association)
NVGTK	Nederlandse Vereniging van Geldtransactiekantoren (Dutch Association of Money Transfer Offices)
NVIK	Nationaal Vreemdelingen Informatieknooppunt (National Aliens Information Hub)
NVWA-IOD	Nederlandse Voedsel- en Warenautoriteit Inlichtingen- en Opsporingsdienst (Netherlands Food and Consumer Product Safety Authority-Intelligence and Investigative Service)
OM	Openbaar Ministerie (Public Prosecution Service)
PPP	Publiek-Private Partnership
R&A-tool	Reporting and Analysis Tool
RIEC	Regionaal Informatie en Expertise Centrum (Regional Information and Expertise Centre)
RST	Recherche Samenwerkingsteam (Criminal Investigation Cooperation Team)
SNRA	Supranational Risk Assessment
SZW	Inspectie van het Ministerie van Sociale Zaken en Werkgelegenheid (Inspectorate of the Ministry of Social Affairs and Employment (Inspectorate SZW))
UNODC	United Nations Office on Drugs and Crime
UWV	Uitvoeringsinstituut Werknemersverzekeringen (Employee Insurance Agency)
VFN	Vereniging van Financieringsmaatschappijen Nederland (Dutch Finance Houses' Association)
VROS	Verwijzingsindex Recherche Onderzoeken en Subjecten (Index of Criminal Investigations and Subjects)
WED	Wet Economische Delicten (Dutch Economic Offences Act)
Wwft	Wet ter voorkoming van witwassen en financieren van terrorisme (Dutch Money Laundering and Terrorist Financing (Prevention) Act)
Wwft BES	Money Laundering and Terrorist Financing (Prevention) Act for the Caribbean Netherlands

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Colophon

Publisher: FIU-the Netherlands
PO Box 3016
NL-2700 KX Zoetermeer

Website <http://en.fiu-nederland.nl/>

Editors: FIU-the Netherlands

Zoetermeer, May 2015
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