



Financial Intelligence Unit -
the Netherlands

Annual Report FIU-the Netherlands 2015 ▶

Preface

Dear reader,

We are pleased to present the FIU-the Netherlands annual report 2015. In more than one respect, the year 2015 can be called an intensive year for FIU-the Netherlands. Various investigative services approached FIU-the Netherlands with better and more comprehensive requests for information (LOVJ requests), and were aware of our possibilities to request information from foreign FIUs. This is a positive development, because in this way, better use is made of the possibilities jointly offered by the international FIUs. These activities also involve more work for FIU-the Netherlands. In addition, again more unusual transactions were reported than in the preceding year, and more new reporting entities registered with FIU-the Netherlands. Furthermore, a larger number of transactions were declared suspicious and made available to the investigative services. These developments and increased activities force FIU-the Netherlands to consider its priorities very carefully.

In the context of the fight against terrorist financing, FIU-the Netherlands invested a great deal in sharing knowledge with reporting institutions, supervisory authorities, investigative services and foreign FIUs. In 2015, these efforts bore fruit: not only the number of reports (quantity), but definitely also their usefulness (quality) increased. As a result, FIU-the Netherlands gained an increasingly better and more complete insight into trends and phenomena in terrorist financing. FIU-the Netherlands was very active and, internationally, took a leading role by sharing its knowledge both within the context of the Egmont Group and the FATF.

At this juncture, with terrorism on the rise in Europe and the Netherlands, perpetrated in particular by the terrorist movement ISIL, a strong effort by FIU-the Netherlands in the fight against terrorist financing is indispensable. In order to give a picture of the efforts and results in respect of this topic, these have been placed together in a separate chapter.

This annual report also differs from previous versions in that the more general information about the ins and outs of FIU-the Netherlands and its activities has been placed together in an appendix at the back. Thus, in the immediately following chapters, only the results of the past year are discussed.

FIU-the Netherlands obtained these results in 2015 with its capacity unaltered. This is an achievement that was made possible by a great deal of effort and flexibility on the part of all staff. I therefore proudly invite you to read this Annual Report.



Hennie Verbeek-Kusters MA, May 2016
Head of FIU-the Netherlands

FIU-the Netherlands

the power of financial intelligence



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Executive summary

Policy-related and organizational developments at FIU-the Netherlands

The fight against terrorist financing again received increasing attention in 2015. In addition, preventing and combating money laundering also required undiminished effort. With a view to continuing the efficient and efficacious use of the capacity available to FIU-the Netherlands, a new investigation selection and strategic control method was introduced, whereby themes are selected that receive special attention and that fit in with the priorities set by the investigative authorities.

FIU-the Netherlands invested in operational management and automation in order to obtain results as effectively and efficiently as possible with the means it has at its disposal.

Both in a national and in an international and European context, FIU-the Netherlands invested in cooperation with relevant partners.

Unusual transaction reports received

In 2015, a total of 312,160 unusual transactions were reported to FIU-the Netherlands, almost 35,000 more than in the preceding year. Most of them concerned money transfers (273,531), which largely (76.7%) had an international character; they were transactions to or from foreign countries. Reports were chiefly made on the basis of subjective indicators. The number of other transactions reported remained virtually equal, although a change can be seen in the kind of reports compared to last year.

FIU-the Netherlands informed reporting entities in various ways about trends and phenomena, thus teaching these reporting entities what to pay attention to in assessing transactions. This has enhanced the quality of reports. At the same time, FIU-the Netherlands learns from what the reporting entities share during their mutual contacts.

Together with supervisory authorities, steps were taken to enhance the possibilities for supervisory authorities to use the information held by FIU-the Netherlands.

Analysis of unusual transactions

In 2015, FIU-the Netherlands investigated 7,352 files, of which 6,382 files with 40,959 transactions were declared suspicious and made available to the investigative authorities. In respect of 970 of the investigated and completed files, comprising 3,069 transactions, as yet no sufficient reasons were found to declare them suspicious. All files also serve as a basis for the information provision aimed at sharing knowledge and insights with reporting entities and supervisory authorities.

Analyses were performed on the basis of requests from the investigative authorities (made to the National Public Prosecutor: LOvJ requests), positive matches with external files, requests from foreign FIUs, and within the framework of investigations conducted by FIU-the Netherlands itself, which focused especially on a number of themes including bitcoins, child pornography, migration-related crime, and corruption.

Use of transactions declared suspicious

In 2015, FIU-the Netherlands declared 40,959 transactions suspicious, which is considerably more than the number in 2014, when the total of 29,382 suspicious transactions was reached. The suspicious transactions represented a total value of almost € 2 billion. The transactions were made available to the investigative services, which used this information as a basis for launching investigations, as control information and as evidence in investigation files. In addition, they served as a source of strategic research and the analysis of crime patterns. The most important party using information from FIU-the Netherlands was the Netherlands Police, followed by the FIOD (Fiscal Intelligence and Investigation Service). A number of other special investigation services also received suspicious transactions, which, in many cases, could be used immediately in current investigations. Matching was performed for the Central Fine Collection Authority (CJIB) and the Department for Work and Income investigations unit of a few municipalities. FIU-Netherlands provided concrete information that could demonstrate that certain persons possessed more financial means than they tried to make the above authorities believe.



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Terrorist financing

In 2015, FIU-Netherlands could reap the fruits of its efforts to point out the specific characteristics of terrorist financing to reporting entities. The resulting increase – in quantity and quality – in the reports of unusual transactions with a possible link to terrorist financing has given FIU-the Netherlands relatively robust access to information in this field.

FIU-the Netherlands cooperated closely with the Netherlands Police, the FIOD, the Public Prosecution Service and the partners in the FEC (Financial Expertise Centre) context in the area of terrorist financing. Intelligence from FIU-the Netherlands also formed an important source of information for the Counterterrorism Infobox.

Within the Egmont context, FIU-the Netherlands and the FIU of the United States of America jointly led a project in the area of terrorist financing (the ISIL project), which described in broad outline what transactions can show about the financing of various aspects concerning ‘foreign terrorist fighters’. The results of this project were shared with the FIUs and the FATF.

In 2015, 182 files were declared suspicious that were probably related to terrorist financing. FIU-the Netherlands continuously monitors subjects that have been put on the national terrorist list, which may mean that several files about one person were declared suspicious.

The Caribbean Netherlands

In 2015, a total of 1,285 reports of unusual transactions were received from service providers in the Caribbean Netherlands. These came chiefly (1,217 reports) from the banking institutions that provide banking services in the Caribbean Netherlands. A total of 293 transactions were declared suspicious; they represented a total value of more than € 10 million. The largest part of the transactions was declared suspicious on the basis of investigations conducted by FIU-the Netherlands itself (94%). FIU-the Netherlands also provided information for a project on non-reporting obliged entities.



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1. *Developments*

The focus on the prevention of and fight against terrorist financing, which had been growing over previous years, gained momentum in 2015. Europe was shocked by terrorist attacks that could be related to the terrorist movement ISIL. The atrocities committed and propagated by this movement, with the attacks in Paris in November marking the lowest point of 2015 in Europe, have resulted in a widespread increase in attention paid to the fight against terrorist financing.



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Preventing and combating money laundering also receives undiminished attention. The idea that criminals can be hit hardest by making them suffer in their wallets has gained support over the past few years. It is a widely held belief that crime should not pay, but bringing the proceeds of crime to light and actually confiscating these criminal assets remains difficult. In this area, the transaction information from FIU-the Netherlands forms a useful source of verified information.

In June 2015, the fourth European anti-money laundering directive took effect. In this directive, the FATF's most recent recommendations have been included to guide national legislation in the EU Member States. The position and powers of the FIUs are even more solidly embedded in this directive. The new legislation in the fourth directive has mainly positive effects for FIU-the Netherlands' tasks, but they will not become fully appreciable until 2017, when the directive must have been implemented. For instance, the directive prescribes that the Member States have to create a register of the ultimate beneficial owners of companies and other legal entities incorporated in their territory. The FIU of the Member State must have access to this national register. It will provide a positive impetus for FIU-the Netherlands' possibilities for analysis.

1.1 Strategic control

In order to maintain the efficient and effective deployment of the capacity available to FIU-the Netherlands, a new way of selecting investigations and strategic control was started in the spring of 2015. In autumn FIU-the Netherlands decided upon strategic themes to which they will focus in 2016. These themes have been included in the 2016 annual plan, but they can be modified if required by current affairs.

On the one hand, the themes in question are geared to the priorities set in the Security Agenda for the Netherlands; on the other hand, FIU-the Netherlands will continue to analyse all reports in order to detect new trends and developments in a timely manner and to recognize significant changes in reporting patterns.

1.2 Management and organization

In the following sections, a few developments will be discussed that concern the management and organization of FIU-the Netherlands. These developments were initiated with a view to implementing FIU-the Netherlands' policy to obtain results as effectively and efficiently as possible with the means and powers it has at its disposal.

1.2.1 Outsourcing FIU-the Netherlands Service Point

In April 2015, the reception function of FIU-the Netherlands' Service Point was transferred to a private company. The staff who speak to our contacts expressly do not answer questions about the content of transactions, but they are able to handle the initial contact by telephone in a professional manner. This allows FIU-the Netherlands to use its own capacity more efficiently and pay more attention to the primary process, without adverse effects for its accessibility. Moreover, by outsourcing the Service Point, its opening hours have been extended, thus enhancing accessibility for the reporting entities in the Caribbean Netherlands.

1.2.2 Computerization

FIU-the Netherlands invests continually in the further computerization of its activities, with the aim of ensuring maximum efficiency in deployment of its resources. A few of these investments are discussed below.

GoAML

The GoAML application is a basic facility that enables FIU-the Netherlands to manage and analyse its database of unusual transactions. The application was developed by the UNODC and is used by about 25 FIUs at present. The growth of the number of FIUs using this system enhances international cooperation since all these FIUs largely use standard procedures. This development also presents UNODC with the challenge to critically review how it will manage and develop GoAML.

For future developments, the international user group will play an important role, because it unites the FIUs that have implemented the GoAML application as their basic IT facility. FIU-the Netherlands has chaired this international user group since 2012, which enables it to influence the further development of GoAML.



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BVI Information Database

As FIU-the Netherlands, from a management point of view, is positioned with the Netherlands Police, it needs to be included in the long-term strategy for “business intelligence”¹. In the near future, suspicious transactions will be included in the Information Database (BVI, the Netherlands Police’s data warehouse). The project that is to give shape to this development started in mid 2015 and will continue to mid 2016.

The aim is that the police will be able to make new analytical and other reports by mid 2016, on the basis of the suspicious transactions that will by then be included in the BVI. This will contribute significantly to a broader distribution of the FIU products. The BVI will also enable FIU-the Netherlands to gain insight into the use the police make of suspicious transactions. This will contribute to insight into the effectiveness of the suspicious transactions.

1.3 Cooperation at the national level

1.3.1 Netherlands Police, Royal Netherlands Marechaussee, FIOD and the special investigative services

In 2015, the account managers and the FIOD liaisons with FIU-the Netherlands invested actively in providing information at a strategic and tactical level to the Netherlands Police, Royal Netherlands Marechaussee, FIOD, and the special investigative services in order to obtain more structural cooperation and improved use of transactions ([for details, see Section 4.2](#)).

1.3.2 AMLC

The cooperation with the Anti Money Laundering Centre (AMLC) in De Bilt (the Netherlands) in the fields of research and knowledge exploitation was intensified. In addition to providing potential investigation files for the FIOD’s money-laundering teams, FIU-the Netherlands entered into concrete forms of cooperation within the expertise platform. Together with the AMLC, the Public Prosecution Service, and the Netherlands Police an assessment and advisory committee for money-laundering typologies was set up. With the expiry of the Public Prosecution Service’s Instruction on Money Laundering, the money-laundering typologies accepted in the Netherlands needed to be safeguarded in another way. The committee evaluates proposals about money-laundering typologies and presents them to the Head of FIU-the Netherlands. The Head may establish a typology, which is then published on the FIU-the Netherlands website.

1.3.3 Public Prosecution Service

At several public prosecutor’s offices, presentations were given to the chief public prosecutor and other public prosecutors in order to induce the Public Prosecution Service to focus more on the use of transaction information, both in financial investigations and in investigations into other types of crime, and on supervising the use of the LOvJ request. FIU-the Netherlands provided information for the project on non-reporting institutions, which is being led by the National Public Prosecutor’s Office for Financial, Economic and Environmental Offences. Again in 2015, this resulted in the prosecution of a number of “non-reporting institutions”.

1.3.4 Infobox Criminal and Unaccountable Assets (iCOV)

FIU-the Netherlands is a partner in the infobox Criminal and Unaccountable Assets, set up in 2013. The FIU regularly shares its dataset of suspicious transactions, thus enabling the iCOV to include them in its analyses and products. In September 2015, a pilot project was launched together with iCOV to explore to what extent FIU-the Netherlands can speed up its investigations by using the iCOV systems. This pilot project will be evaluated in 2016, when the decision will be taken whether or not to follow up the pilot project permanently.

¹ This refers to all IT systems used by the Netherlands Police to generate analysed information for everyday policing.



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1.3.5 FEC

As a partner of the FEC, FIU-the Netherlands participated actively in various consultancy structures and a number of working groups. The FEC plays an important role in bringing together the partners that contribute to the integrity of the financial system. FEC's diverse activities put FIU-the Netherlands' capacity under considerable pressure. With every new FEC activity, FIU-the Netherlands weighs up the expected results against the effort required. In 2015, FIU-the Netherlands participated actively in several FEC projects, for instance the terrorist financing project. Furthermore, it took part in the trust project, which aimed at promoting the control of integrity risks by trusts. In the insolvency fraud project, knowledge was shared with participants from the public and private sector about the prevention of and fight against insolvency fraud. Fruitful cooperation with the private sector was also achieved in the 'new payment methods' project and the commercial property project.

In 2015, FIU-the Netherlands participated actively in several FEC projects.

1.3.6 Screening for DNB/AFM

As early as 2013, FIU-the Netherlands, in considering the pros and cons as to how to most efficiently use its capacity, drew the conclusion that carrying out screening activities for the Dutch Central Bank (DNB) and the Netherlands Authority for the Financial Markets (AFM) was not one of its core activities. Since then, consultations have been held with the parties involved about transferring this task. However, by the end of 2015 no satisfactory transfer had yet been achieved, so for this reason requests for screening continued to be accepted. To ensure a smooth transfer, FIU-the Netherlands will continue to deal with requests for as long as is necessary, on the understanding that this will be discontinued by the end of 2016.



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1.4 International cooperation

1.4.1 Egmont Group

FIU-the Netherlands participated actively in the further development of the Egmont Group, the world-wide cooperative project involving 151 FIUs. It has taken the lead in the ‘task team’, which advised the Heads of FIUs about the implementation of the Egmont Group’s strategic plan for the 2014-2017 period. The recommendations made by the task team were accepted by the plenary meeting in June 2015. To carry out the recommendations, a ‘transition team’ was set up, in which FIU-the Netherlands had a coordinating role, and which elaborated a new arrangement of working groups.

FIU-the Netherlands, together with FinCEN (the United States FIU), led an Egmont project about terrorist financing in relation to the ISIL terrorist movement ([see Section 5.2 for more details](#)).

1.4.2 Cooperation with other FIUs

After thorough preparations, a cooperation agreement with China’s FIU (CAMLMAC) was signed in Beijing in June. Immediately after the summer, a highly secure communication system was installed between the two FIUs; the system is expected to become operational in 2016. This is necessary as China’s FIU is not a member of the Egmont Group, so communication through the Egmont Secure Web is not possible. Exchange of FIU information with China’s FIU will help improve FIU-the Netherlands’ access to information about reported transactions between the two countries. In addition, the agreement can make it possible to obtain information from the Chinese FIU about the legal nature of the assets of Chinese citizens applying for residence on the basis of the wealthy foreigners scheme.

1.4.3 FATF

FIU-the Netherlands participates in the Dutch delegation for the FATF. In the FATF context, terrorist financing received a great deal of focus. The Netherlands was much appreciated for its participation in the ISIL project, an Egmont project on terrorist financing that was partly directed by FIU-the Netherlands, and whose results were presented to the FATF. ([see Chapter 5 for more details](#)).

In addition, FIU-the Netherlands participated in the Data & Statistics project. The report on this project was approved by the FATF in late October and published as ‘guidance’.²

1.4.4 EU FIU Platform

Within the framework of the Dutch EU chairmanship (first half of 2016), FIU-the Netherlands received a request from the Minister to conduct an activity within this context. To fulfil this request, FIU-the Netherlands liaised with the EU FIU Platform. The EU FIU Platform’s annual plan already included the intention to start a ‘joint analysis’ project in 2015. At the suggestion of FIU-the Netherlands, this project was assigned the theme of migration-related financial crime, and FIU-the Netherlands was given a leading role in this project. In the autumn, preparations started for thematic cooperation with FIUs from eight Member States (Belgium, Germany, Finland, France, Hungary, Italy, Malta and Austria). The project focuses on financial flows associated with crime in the context of the huge influx of refugees from Syria, Iraq, Afghanistan, and Eritrea. Owing to the close cooperation between EU FIUs by means of the EU FIU Platform, FIU-the Netherlands is able to communicate efficiently with the FIUs from the other Member States.

Also in EU FIU Platform context, cooperation was established with the Belgian and Spanish FIUs aimed at the smuggling of cash.³ This produced new, or confirmed existing insights concerning smuggling routes of mainly proceeds from drugs and concrete organizations of smugglers.

² FATF (2015), Guidance on AML/CFT-related data and statistics, FATF, Paris, www.fatf-gafi.org/publications/fatfrecommendations/documents/aml-cft-related-data-statistics.html.

³ This concerned cash amounts of € 10,000 or more that were exported from the EU, often hidden in other goods, which were not declared to the customs officers on the basis of the European Regulation 1889/2005 and where a suspicion of money-laundering was obvious.



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The implications for FIUs of the fourth European anti-money laundering directive were discussed in detail within the EU FIU Platform, with special attention for the problems connected with 'home-based' and 'host-based' reporting.⁴

1.4.5 FIU.NET

A few years ago it was decided to move FIU.NET to Europol. For this purpose, a Project Board was set up in which FIU-the Netherlands played an active role. The aim was to ensure the preservation of the specific role and position of the FIUs, and the continuation of secure use by the FIUs of the possibilities of FIU.NET. The new setup took effect on 1 January 2016.

⁴ If a company from country X offers its services in country Y, but has no permanent establishment in this country, the company has to report unusual transactions to the FIU in country X, despite the fact that the transactions may in fact have nothing to do with country X. This is called 'home-based' reporting. However, if a company from country X does have a permanent establishment in country Y, the company has to report the transactions that are carried out by or at the establishment in country Y to the FIU in country Y. This is called 'host-based' reporting.

1.4.6 EMPACT

The objective of the EMPACT project is to enhance cooperation between investigation services in Europe. Operational information about serious and organized crime, such as information about human trafficking, is exchanged between EU Member States through Europol. FIU information too (suspicious transaction information) is shared in this way. In respect of human trafficking, FIU information often concerns offender groups from East European countries.

In one subproject, information from FIU-the Netherlands, together with information from the Nigerian, Norwegian, and German FIUs contributed to the fight against West African human trafficking. FIU-the Netherlands' contribution to this project was partly aimed at exchanging up-to-date information and partly at compiling a manual describing, among other things, how to tackle West African human trafficking from a financial point of view.



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2. Receiving reports of unusual transactions

In 2015, 312,160 unusual transactions were reported to FIU-the Netherlands by the various institutions with a duty to report. For the second year running, this is a considerable increase: the number is almost 35,000 higher than in 2014 and about 110,000 higher than in 2013. This chapter deals with the operational cooperation between FIU-the Netherlands, the reporting institutions, and the supervisory authorities under the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wwft). In addition, it discusses trends in the reports received that FIU-the Netherlands paid special attention to in the past year.



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2.1 Operational cooperation

In order to maintain the quality and quantity of the reports it receives, FIU-the Netherlands actively seeks to manage the relationships with the reporting entities and the Wwft supervisory authorities. FIU-the Netherlands' relationship managers cooperate with the various groups of institutions and the relevant supervisory authorities and inform them about trends and phenomena. As a result, reporting entities know better what to pay attention to when assessing whether a transaction is unusual and learn about the requirements for a high-quality report. At the same time, FIU-the Netherlands learns from the signs it receives from the reporting institutions.

For instance, FIU-the Netherlands cooperated intensively with the Dutch Banking Association (NVB) and large banks. This cooperation aims specifically at enhancing the quality and effectiveness of reports. By providing ample feedback and sharing information with the banks, FIU-the Netherlands seeks to support the banks in the performance of their statutory duty to report unusual transactions. Among other things, FIU-the Netherlands shared information about new trends concerning bitcoins. In this way, FIU-the Netherlands encourages the large banks to make high-quality reports; FIU-the Netherlands can then declare the transactions in question suspicious and disseminate the reports effectively among the investigative authorities.

2.1.1 Reporting institutions and sectors

FIU-the Netherlands makes continuous efforts to improve the reporting behaviour of existing and new reporting entities. An intensive relationship has been built up with the reporting institutions and their sector organizations. FIU-the Netherlands uses several means of communication to build up and maintain this relationship.

Public relations events

In June, FIU-the Netherlands organized two special days at its new office for all the contacts in its network. Not only were the participants offered a unique inside view of FIU-the Netherlands, but they were also informed about its activities. Public relations events were also used to inform reporting institutions interactively about trends and phenomena. Thus, in November FIU-the Netherlands organized a public relations event for money transfer offices in cooperation with the Dutch Association of Money Transfer

Offices (NVGTK). This event focused on terrorist financing. Within a few weeks, the presentation given by FIU-the Netherlands on this topic resulted in useful reports on a specific, current phenomenon in connection with terrorist financing.

News flashes

FIU-the Netherlands distributed several news flashes and information sheets to inform the reporting institutions about trends, phenomena, and developments it has observed or about which it has received feedback from the investigative authorities. Thus, the payment service providers were informed by means of a news flash that if a payment service provider is established in the Netherlands, it must report unusual transactions to FIU-the Netherlands even if both the 'buyer' and the 'seller' are located abroad. This resulted in new reports, which were shared with other FIUs. These news flashes have produced reports of high quality.

Website cases

Since 2013, FIU-the Netherlands has been publishing an anonymized case every two weeks, based on investigation files. The underlying crimes range from fraud to drugs, and from trafficking in women to virtual proceeds of the sale of illegal products through internet. The reporting institutions consider these actual cases very useful because they enable them to see the potential value of a report for the prevention of and fight against money laundering and terrorist financing. This is one of the ways in which FIU-the Netherlands implements its duty under the Wwft to provide feedback.

FIU-the Netherlands makes continuous efforts to improve the reporting behaviour of existing and new reporting entities.



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Case: company car?

Practically every year sees the arrest of a rogue car dealer, who helps criminals to hide their assets from the outside world. In these cases, the dealer is prepared to receive the purchase price of expensive cars in cash, leaving the car registered in his company's name and failing to report the transaction to FIU-the Netherlands. In reality, the criminal drives his own Range Rover or BMW, but not in the official registration. This makes it difficult for the Public Prosecution Service to confiscate the car, and moreover, the criminal does not have to account for the hidden purchase.

In order to chart as much financial information as possible for the investigation team, FIU-the Netherlands cooperated in this case with the Spanish and German FIUs. This produced information about no fewer than 36 transactions involving hundreds of thousands of euros. On the investigation team's action day in the eastern part of the Noord-Brabant province, arrests and seizures were made. By filing a petition for bankruptcy, the suspected car dealer immediately tried to keep his 'stock-in-trade' out of the hands of the police, but his attempt failed. Dozens of cars were seized and the other cars, which could not be traced immediately, were registered in the police's national database, so that it became possible to seize any car immediately upon finding it.

All findings of the cooperating FIUs proved valuable for the investigations. The investigation showed, in addition to money laundering, that two other car dealers and the suspicious car dealer's accountant had failed to report transactions that they should have reported. Separate official reports were drawn up in respect of them.

2.1.2 Wwft supervisory authorities

FIU-the Netherlands cooperates in several areas with the four organizations that are responsible for supervising compliance with the Wwft: the Dutch Central Bank (DNB), Financial Supervision Office (BFT), Netherlands Authority for the Financial Markets (AFM), and the Wwft Supervision Office of the Tax and Customs Administration. One of the tasks of FIU-the Netherlands is to provide the supervisory authorities with information about the reporting behaviour of institutions. This task is defined in Section 13 (g) of the Wwft.

If there is a suspicion that an institution is failing to comply properly with the rules concerning customer due diligence or their reporting duty, FIU-the Netherlands can provide information. The information held by FIU-the Netherlands about the reporting behaviour of institutions can contribute significantly to the ability of the supervisory authority to assess whether an institution complies sufficiently with its obligations under the Wwft. In consultation with the supervisory authorities, several options have been identified to make better use of the information from FIU-the Netherlands, including working with profiles, for instance. The idea is that it might be possible to arrive at a profile that would indicate whether an institution fails to properly conduct customer due diligence or comply with the reporting duty. In addition, FIU-the Netherlands explored other possibilities to broaden the application of Section 13 (g) of the Wwft. This will be continued in 2016.

2.2 Trends in reports received

Money transfers

As in every year, the largest part of the reports received in 2015 concerned money transfers, which numbered 273,531. These were reported by money transfer offices and, to a lesser extent, by banks. The reports were chiefly made on the basis of subjective indicators. Money transfers form 87.6% of the total of unusual transactions received. Of the reported money transfers, 76.7% concerned an international transaction: i.e., a transaction made from or to a foreign country.

The total number of money transfers reported rose considerably for the second year running. This is largely due to the large number of reports from one money transaction office after the supervisory authority had classified a certain product as 'high-risk': this resulted in a large number of reports on transactions for the period since 2011. In contrast, the number of money transfer reports from banks decreased compared to 2014. This is due to the fact that a major provider of money transfers discontinued this product.



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Other transactions

The reports on other transactions decreased slightly compared to 2014 (38,629 compared to 40,101). In 2014, a large proportion of the reports in the sectors government, tax consultants, and accountants concerned reports under the voluntary disclosure scheme. These voluntary disclosure reports diminished strongly in 2015, because the period set for the scheme had expired. The fact that the total decrease in the number of reports was less than 1,500 is due to a rise in other reported transactions. Payment service providers and credit card companies, for instance, made far more reports than in 2014 (15 times and 2.5 times the number in 2014, respectively). This increase can be attributed to unusual transactions that fall under the heading 'home-based' reporting ([see Section 1.4.3](#)). These reports may be relevant for the FIU in the country where the transaction was performed or received. This is why FIU-the Netherlands aims to provide these transactions to such FIUs. In view of the relevant regulations in the fourth European anti-money laundering directive, FIU-the Netherlands is considering how the existing technical means can be used to provide these transactions.

The number of 'home based' reports strongly increased in 2015.



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3. *Analysing unusual transactions received*

FIU-the Netherlands analyses all transactions reported to it. This is done by means of various processes, i.e. semi-automatic matching with external data files, investigations on the basis of requests from investigation services, its own investigations, and requests from foreign FIUs. The results of these processes may form a reason to declare unusual transactions suspicious. Declaring a transaction suspicious implies that it is made available to the investigation authorities.



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3.1 From unusual to suspicious

Transactions that are connected with one another are investigated and included in an investigation file. Files that are declared suspicious are made available to the investigative services. In 2015, FIU-the Netherlands conducted investigations into 7,352 files, of which 6,382 files comprising 40,959 transactions were declared suspicious and made available to the investigative authorities. In respect of 970 of the investigated and completed files including 3,069 transactions, insufficient reasons have been found, thus far, to declare them suspicious. All files also serve as a basis for information provision for the purpose of sharing knowledge and insights with reporting institutions and supervisory authorities.

3.1.1 LOvJ requests

FIU-the Netherlands actively draws the attention of the several investigative services to the possibilities for submitting LOvJ requests⁵. FIU-the Netherlands' account managers encourage the investigative services to submit proper and complete requests. Requests can be made at the start of an investigation, during ongoing investigations, and for the purpose of analyses in the area of security.

Below is a summary of the origin of the LOvJ requests received in 2015.

In 2015, FIU-the Netherlands conducted investigations into 7,352 files.

Table: LOvJ requests received in 2015, broken down according to investigative service

Netherlands Police		Other investigative services	
Central Unit	134	FIOD	208
Midden-Nederland Unit	96	KMar	170
Noord-Nederland Unit	77	Inspectorate SZW	73
Oost-Nederland Unit	75	National Public Prosecutor's Office for Financial, Economic and Environmental Offences	16
Amsterdam Unit	74	Netherlands Police Internal Investigations Department	12
Zeeland West-Brabant Unit	58	Social Security Fraud Department/ DWI	10
Den Haag Unit	52	RST / Caribbean Netherlands Police Force	10
Rotterdam Unit	51	NVWA-IOD	7
Oost-Brabant Unit	37	National Public Prosecutor's Office / District Court Public Prosecutor's Office	6
Noord-Holland Unit	30	ILT-IOD	3
Limburg Unit	19		
Subtotal Netherlands Police	703	Subtotal other services	515

The total number of LOvJ requests (1,218) received in 2015 is slightly higher than the number in 2014, when 1,093 requests were received. Not only did the total number of requests increase, but also the number of requests to make inquiries with one or more FIUs abroad. This indicates that the investigative services are increasingly becoming aware of FIU-the Netherlands' access to international information. However, the growing number of requests for inquiries to be made to FIUs abroad also means that handling each request requires more work.

⁵ An investigative service that is interested in a person's or group's transactions and/or network can make a relevant request to FIU-the Netherlands through the Public Prosecution Service. These requests are called LOvJ requests after the National Public Prosecutor (LOvJ) for money laundering cases.

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Case: investment in real estate

An extensive operation involving the seizure of 69 premises and other items formed the climax, so far, of a lengthy police investigation early in 2016. However, FIU-the Netherlands had already contributed during the preliminary investigation in 2015. Within the framework of the criminal investigation into the money-laundering of at least € 7 million, transactions were analysed and information was requested from foreign FIUs. Three transactions totalling approximately € 6 million were investigated and made available to the investigative team. The transactions could be linked to loans and real estate; the suspect's activities in the Netherlands and his native country showed characteristics peculiar to fictitious loans.

3.1.2 VROS matching

Throughout the year, FIU-the Netherlands, using a partly automated process, compared the unusual transactions received every week with the Index of Criminal Investigations and Subjects (VROS), a file managed by the Netherlands Police. Positive matches resulted in declaring the relevant unusual transaction suspicious, as it is clear in these cases that the transaction in question is connected with a criminal investigation. In addition, FIU-the Netherlands periodically carried out 're-matching', by which the entire FIU-the Netherlands database was compared with VROS. This was done because sometimes a subject in respect of whom an unusual transaction is reported is not known to the police at the time the report is received. If the subject is later registered in VROS, then re-matching makes it possible to declare suspicious any unusual transactions connected with this subject.

The matching and re-matching with VROS produced a total of 23,423 suspicious transactions in 2015, involving 4,263 files ([see Section 4.1](#)).

3.2 International operational cooperation

Information requests

In the Egmont Group, FIU-the Netherlands is connected with some 150 other FIUs, exchanging information through a secure connection. Cooperation is even closer within the European Union. The EU FIUs are united within the EU FIU Platform and exchange information through the FIU.NET secure connection.

In 2015, FIU-the Netherlands was approached 566 times by 69 different foreign FIUs with requests to investigate subjects in the Dutch unusual transactions database. This is a slight decrease compared to 2014, when FIU-the Netherlands received 611 requests. However, the number of requests in respect of terrorist financing tripled: in 2014 only 2.1% of the requests received was related to it, and in 2015 this increased to 7.2% of the requests received.

FIU-the Netherlands made a total of 716 such requests to 82 foreign FIUs. This is an increase on 2014, when FIU-the Netherlands made 558 requests abroad. The countries receiving the requests were more diverse than in 2014, when requests were addressed to 69 different countries. The number of outgoing requests related to terrorist financing also nearly tripled: the percentage of such requests rose from 1.0% to 2.2% of the total number of outgoing requests.

Table: Top 5 of requests received from and sent to foreign FIUs in 2015

Top 5	Requests received from	Number
1	FIU Belgium	155
2	FIU United Kingdom	45
3	FIU United States	31
4	FIU Luxembourg	30
5	FIU Germany	21



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Top 5	Requests sent to	Number
1	FIU Belgium	86
2	FIU Germany	80
3	FIU Spain	58
4	FIU Turkey	45
5	FIU Morocco	42

Case: Two countries, two identities

A man received almost 300,000 euros in his payment account from a bank account in Belgium. The account holder in Belgium had added the text 'life insurance'. The course of transactions became even more striking because, on receipt, more than 100,000 euros were transferred to a clients' account with a civil-law notary, referring to the purchase of a house that had already been made, and another sum amounting to 100,000 euros was transferred to an account in a central African country. The remaining amount was withdrawn in cash. The entire series of transactions, and the fact that the account holder normally only received a modest benefit in his account, were reason for the bank to report the transactions. FIU-the Netherlands and the Belgian FIU subsequently investigated the file. This showed that the account holder in Belgium had received a life insurance benefit amounting to some € 300,000 following her husband's death. However, it also turned out that the account holder was suspected of contracting a sham marriage.

In the end, it became clear that the account holder in the Netherlands had used two identities, i.e. the identity he used for the Dutch bank account and the identity of the man who had been reported as deceased by the Belgian account holder, resulting in the payment of the life insurance benefit. Thus, the account holder received the benefit largely due to his fictitious decease.

The file with all findings from FIU-the Netherlands and the Belgian FIU was transferred to the police in the Dutch town where the Dutch account holder is alive and kicking.



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3.3 FIU-the Netherlands' own investigations

In addition to the investigations on the basis of LOvJ requests and VROS matches, FIU-the Netherlands, together with and using the sources of its network partners, conducts a considerable number of investigations of its own each year. In 2015, these resulted in 23% of the files declared suspicious (see Section 4.1). The following sections discuss some of the trends and phenomena that received special attention from FIU-the Netherlands in 2015.

Bitcoins

On the basis of unusual transactions involving 'bitcoins', a form of 'new payment method', FIU-the Netherlands began to direct its efforts at this phenomenon. In 2015, this resulted in more insight into the use of bitcoins for criminal purposes. On several black markets on the 'Dark Net' (illegal market places on the internet) all over the world, illegal goods and services are offered that can be paid for in bitcoins.

In March 2015, FIU-the Netherlands published a news flash detailing specific features that are notable in the investigations into bitcoin transactions conducted by FIU-the Netherlands. These red flags were shared with the banks and the payment service providers, which resulted in new reports. In addition, the red flags were shared with the Egmont Group's Money Laundering and Digital Currencies project.

Through FIU.NET, anonymous cross matching⁶ was carried out in order to compare subjects known to other European FIUs. This made it possible to discover international organized groups, which would otherwise have remained undetected. The Egmont Group's secure digital network was also used to make specific requests for information to foreign FIUs. Owing to the efforts made by FIU-the Netherlands, valuable suspicious transactions could be disseminated and used in several criminal investigations. These investigations have resulted in arrests and seizures.

⁶ Data of selected subjects in the database are matched anonymously by means of complex encryption with equally encrypted data of subjects in another FIU's database.

Case: An unusual student job

This concerned a female student who received tens of thousands of euros from the sale of bitcoins and withdrew the cash amount. Further investigations by FIU-the Netherlands showed that she held several accounts with financial institutions, all with similar transaction patterns. On the basis of the file provided by FIU-the Netherlands, an investigation team of the Netherlands Police drew up an official report in respect of probable money laundering and took action. After investigations, four persons were arrested. During various searches, 2 kilos of hard drugs, 800 synthetic drug pills, envelopes containing drugs sent to addresses abroad, € 10,000 in cash, and a Mercedes Benz were seized. Furthermore, the balances of the bank accounts used were seized, totalling € 100,000. The group was involved in selling drugs to foreign buyers. The drugs were sent by parcel post and paid for in bitcoins. The proceeds reached the suspects in cash through the student.

Child pornography

The red flags developed in 2014 for the detection of live streaming of sexual abuse of children were shared with all European FIUs in 2015, in order to improve their ability to detect such transactions. Intensive cooperation with the Luxembourg FIU in particular was developed. Sharing information has resulted in better reports, which in their turn have contributed to the start of new criminal investigations.

Migration-related crime

Prompted by the recent strong growth of the number of immigrants entering Europe, FIU-the Netherlands is leading a project in the context of the EU FIU Platform about migration-related crime. The project aims at investigating financial flows that are connected with forms of migration-related crime. This concerns not only people smuggling and human trafficking, but also other forms of crime, such as exploitation and identity fraud. The purpose of the project is to use FIU information in combination with external sources to describe red flags and typologies of forms of crime related to the phenomenon of migration. On the one hand, these red flags and typologies are important for FIU-the Netherlands and the other European FIUs themselves and enable the effective and efficient creation of queries on the



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FIU database, thus improving the access to information. On the other hand, providing the reporting institutions with this information will promote proper reporting behaviour. In this project, FIU-the Netherlands cooperates actively with other European FIUs, but also with various partners in the criminal justice system. The idea is for the participating FIUs to arrive at a joint analysis in 2016, on the basis of which it will be possible to formulate joint conclusions.

Corruption

The crime of bribery (of officials) leaves few traces. Financial flows may provide indications of possible bribery. In FEC context, FIU-the Netherlands has contributed to the exchange of knowledge and has explored overlapping areas and possibilities of cooperation.

FIU-the Netherlands conducted an explorative survey of the possibilities and limitations for detecting bribery in reported transaction information in 2015. This focused specifically on bribery of foreign officials. Whereas in bribery of domestic officials a financial trace to and from the official in question can be found, in bribery abroad this is hardly possible, because the foreign official's dealings are virtually impossible to detect by the Dutch FIU and the investigative services. In 2016, a further study will be made of the possibilities for FIU-the Netherlands in this respect and in what way more information can be obtained.

*After an explorative survey in 2015
'Bribery signal' detection became a
prioritized theme in 2016.*



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4. Disseminating transactions declared suspicious

An important part of FIU-the Netherlands' output consists of disseminated suspicious transactions. These transactions are made available to the investigative services to be used as information for launching criminal investigations, as control information, and as evidence in investigation files. In addition, they are used as a source of strategic research and the analysis of crime patterns.



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4.1 A summary of transactions and files declared suspicious

Of the 7,376 files completed in 2015, a total of 6,382 were declared suspicious. These suspicious files contain a total of 40,959 suspicious transactions. Appendix I presents a comprehensive summary of the suspicious transactions, broken down according to group of reporting institutions, for the period from 2013 to 2015.

Table: Number of suspicious transactions and files in 2015, by reason for dissemination

Reason for dissemination	Number of transactions	Proportion (%)	Number of files	Proportion (%)
VROS matching	23,423	57%	4,263	67%
FIU investigations	11,373	28%	1,462	23%
LOV request	5,956	15%	563	9%
CJIB matching	207	< 1%	94	1%
Total	40,959		6,382	

Again, FIU-the Netherlands declared considerably more transactions suspicious than in the preceding year: 39% more, to be precise. VROS matching showed the largest increase: almost 10,000 more suspicious transactions than in 2014. Most transactions declared suspicious concern money transfers reported by money transfer offices. This should come as no surprise, as the largest number of incoming unusual transactions also consists of money transfers reported by money transfer offices.

Again, FIU-the Netherlands declared considerably more transactions suspicious than in the preceding year.

Table: Number of transactions declared suspicious in 2015, by sector

Sector of reporting institutions	Number	of which MT
Money transfer offices	36,896	35,979
Banks	2,121	484
Independent professionals	730	
Government	382	
Casinos	275	
Traders	258	
Credit card companies	183	
Other sectors	114	
Total	40,959	36,463

Table: Number of transactions declared suspicious in 2015, by transaction type

Transaction type	Number
Money transfers	36,463
Cash transactions	2,548
Funds transfers	881
Other transactions	1,067
Total	40,959

As in previous years, most transactions declared suspicious in 2015 concern amounts not exceeding € 10,000. This can be attributed to the large number of money transfers reported to FIU-the Netherlands annually. The transactions declared suspicious and disseminated to the investigative services amounted in total to almost € 2 billion; the largest proportion of this total derived from a small number of very large transactions.

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Table: Number* and share in the amount of (completed) transactions declared suspicious in 2015**

Amounts involved in suspicious transactions	Number	Share (%)	Amount in €	Share (%)
< €10,000	37,648	93%	35,178,528	2%
€ 10,000 to €100,000	1,877	5%	65,571,189	3%
€ 100,000 to €1,000,000	752	2%	240,740,429	12%
€ 1,000,000 to €5,000,000	166	0%	321,549,415	16%
€ 5,000,000 to €10,000,000	23	0%	166,707,085	8%
>= € 10,000,000	23	0%	1,145,596,879	58%
Total	40,489	100%	1,975,343,524	100%

* Intended transactions (470) are not included

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

In 2015, FIU-the Netherlands declared 212 transactions suspicious that represented a value of one million euros or more. The total value of these suspicious transactions amounted to more than € 1.6 billion. The largest part of this amount (more than € 800 million) was related to transactions reported by accountants. It turned out that these transactions were chiefly related to money laundering and fraud. Another large part (more than € 466 million) of these suspicious transactions came from banks. These transactions too were mainly related to money laundering and fraud. An example of a transaction amounting to more than € 10 million was part of a major international corruption case in which transactions carried out through the Netherlands were reported to FIU-the Netherlands. Eventually a settlement involving a very high amount was reached between the Dutch and US authorities and a large telecommunications company in respect of bribery and forgery of documents.

Intended transactions

Of the 40,959 transactions declared suspicious, 470 had not been completed, or had been rejected. In these cases, the reporting institution – most often a bank, on the basis of a certain transaction pattern and/or subjective indicators – decided that the transaction was unusual and reported it swiftly. FIU-the Netherlands investigated these reports with priority and was also often able to swiftly declare them suspicious and

disseminate them among the investigative services. In a number of cases, the account in question was frozen on the authority of the Public Prosecution Service.

The number of reports of intended and rejected transactions seems small compared to the total number, but these reports are very useful. This effective cooperation made it possible to prevent criminal money being channelled away.

Type of crime

FIU-the Netherlands records the type of crime in every file it draws up on the basis of its own investigations or an LOvJ request. This is not possible for VROS matching because the reason for declaring a transaction suspicious in these cases is that the “FIU subject” concerned also occurs in VROS. FIU-the Netherlands has no knowledge of the reason why the subject was entered into the database. In many cases the type of crime recorded is the starting point of an investigation. If, for instance, FIU-the Netherlands launches an investigation on the basis of an LOvJ request connected with human trafficking, the same type of crime is assigned to the FIU file that is subsequently drawn up. In 2015, the type(s) of crime was/were recorded for 2,025 files.



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Table: Top 8 of numbers of files by type of crime in 2015

Type of crime	Number	Proportion (%)
Money laundering	1,006	40.0%
Fraud	617	24.5%
Terrorism	177	7.0%
Human trafficking/smuggling	161	6.4%
Hard drugs	142	5.6%
Soft drugs	96	3.8%
Murder/manslaughter	53	2.1%
Burglary	40	1.6%
Other types	225	9.0%
Total	2,517	100.0%

Only disseminated files that were drawn up on the basis of LOvJ requests and the FIU's own investigations include a description of the type(s) of crime that may be related. A file may concern various types of crime. If this is the case, this file is counted the corresponding number of times in the table above. For this reason, the total (2,517) is higher than the number of unique files for which a type of crime was entered (2,025 FIU's own investigations and LOvJ files)

Case: Forced prostitution

In the winter of 2015, the Amsterdam police, cooperating with the police authorities in Hungary, rounded up a large organization trafficking in women. In a coordinated action taking place in the early hours of the morning, raids were made both in the Netherlands and Hungary. In the Netherlands alone, 45 detectives were deployed during the action. For a long time it had seemed unlikely that the investigation would be successful. In this period, the investigation team approached FIU-the Netherlands, requesting to investigate possible transactions. In the subsequent analysis, the identity was established of a man who helped the criminal organization by laundering the proceeds of forced prostitution. The investigation team had seen the man, but was never able to establish his identity. By reconstructing fourteen transactions, the identity of the man and his contacts could be charted. It turned out that this was exactly the missing link in the investigation, following which the Amsterdam and Hungarian criminal investigators could successfully carry out the raids. The result was excellent: two women were liberated; seven suspects were arrested; cash, cars, jewels and mortgage bonds were seized; and evidence against the suspects was secured.

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4.2 Operational cooperation with partners in investigation and enforcement

FIU-the Netherlands cooperates with a large number of investigative services and enforcement organizations. It aims at gearing its products to the specific needs and the available capacity of the various recipients of FIU information. To this end, it makes as many agreements as possible with the partners at a tactical and a strategic level.

4.2.1 Netherlands Police

The account managers have contacts with all units of the Netherlands Police on a daily basis. They advise investigation teams on how to make inquiries about transactions, interpret and analyse transactions, and on the necessity and possibilities of making inquiries from foreign FIUs. Where necessary, the FIU participates in major investigation actions at the request of a unit. All regional units and the Netherlands Police's Central Unit have been given transaction information in the form of analyses, official reports or intelligence reports, on request or otherwise. On the one hand, this was done on the basis of transactions declared suspicious due to the VROS matching described above and the LOvJ requests. On the other hand, on the basis of findings of the account managers in respect of ongoing criminal investigations carried out by Netherlands Police units, it became clear for which of these investigations transaction information could be of added value. In addition, on the basis of these contacts, files initiated by FIU-the Netherlands itself were provided to help launch a criminal investigation. Apart from results from the VROS matching, LOvJ requests and FIU-the Netherlands' own investigation files, transaction patterns, operational analyses and strategic analyses were also provided. Because confiscation and deprivation of criminal assets procedures are becoming increasingly important within the Netherlands Police, transaction information is used for these purposes more and more often.

4.2.2 FIOD

After the Netherlands Police, the FIOD is the second most important recipient of information from FIU-the Netherlands. Of the files on fraud that FIU-the Netherlands drew up in 2015, the great majority was sent to the FIOD. In addition to the files that were provided on the basis of LOvJ requests from the FIOD and through the AMLC, FIU-the Netherlands was able to supply its intelligence to the FIOD owing to the fact that liaison officers could deliver the files at exactly the right spot. The FIOD liaison officers provided the FIOD with a total of 339 FIU files, most of which concerned tax fraud (118 files) or VAT fraud and carousels (92). Other files concerned insolvency fraud, investment yield tax evasion⁷, investment fraud, bribes, and other cases. FIU-the Netherlands, in cooperation with the FIOD, also performed matching and analyses in respect of transactions carried out by administrators of institutions with a PBO status⁸ on the basis of suspicions that these administrators abused the charitable institutions for evading tax. This resulted in the dissemination of seven files to the investigative services.

4.2.3 Special investigative services

FIU-the Netherlands performed targeted analyses for the investigative services of the Human Environment and Transport Inspectorate (ILT-IOD) and the Netherlands Food and Consumer Product Safety Authority (NVWA-IOD). Special search terms were used to gather suspicious transactions related to these services' fields of action. For example, for the purposes of the ILT-IOD transactions were gathered in respect of property management companies, and for the purposes of the NVWA-IOD an analysis was made of the transactions carried out by subjects that this service was investigating. The financial intelligence provided by FIU-the Netherlands could often be used directly in ongoing investigations.

⁷ This concerns bank account holders who withdraw cash from their accounts shortly before 31 December and deposit it again in the same accounts shortly after New Year's Day. In this way, they seek to influence their tax return in respect of interest earned for the purpose of the so-called investment yield tax.

⁸ The PBO status is given to Public Benefit Organizations, which provides these institutions with certain tax advantages.



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4.2.4 CJIB

Four matching operations were carried out for the Central Fine Collection Authority (CJIB) over the past year. The CJIB provided a file of convicted persons who had outstanding debts. FIU-the Netherlands checked whether these persons were included in its database. This resulted in 94 files that were declared suspicious on account of a substantial outstanding claim; these were transferred to the CJIB.

In half of these files, this substantiated the issuance of a demand for committal for failure to comply with a judicial order. In a few cases, the transaction(s) reported to FIU-the Netherlands concerned precisely the payment of outstanding amounts to the CJIB. In a few other cases, the information provided by FIU-the Netherlands was used to dismiss an application for the reduction of an outstanding claim, to ask detailed questions about a convicted person's financial situation, or to reject a petition for a release from the detention in custody. FIU-the Netherlands' financial intelligence consistently offered concrete information that made it demonstrable that the persons in question had more financial means at their disposal than they would have the CJIB believe.

4.2.5 Departments for Work and Income

Matching requests were carried out for the purpose of project-oriented methods or targeted criminal investigations. The fraud investigation services of a few municipal Departments for Work and Income (DWI) provided selected subject data whose suspicious transactions, after matching, were subsequently handled under criminal law or, in the second instance, administrative law. For instance, FIU-the Netherlands supplied transaction information that could be used as hard evidence that a person receiving social security benefits had carried out transactions that he or she, in view of the benefits, could not reasonably have performed. The case was further handled by the police and/or staff of the fraud investigation unit of the DWI concerned.

Information from FIU-the Netherlands made it possible to investigate and prosecute several cases of social security and subsidy fraud in 2015. In the cases in which criminal prosecution proved inexpedient, benefit payments were discontinued and/or payments made incorrectly were demanded back

under administrative law. In this way, the DWIs in Rotterdam and The Hague were able to reclaim more than one million euros in benefits and allowances provided incorrectly from a total of 50 subjects, and in 11 cases the payment of benefits was discontinued.

4.2.6 RIECs

During the entire calendar year, a pilot project was carried out with two RIECs (Regional Information and Expertise Centres) in Rotterdam and Zeeland/West-Brabant. The purpose of the project was to experiment with a number of products to which FIU-the Netherlands (through the police, who are partners in the RIECs) could contribute its financial intelligence. In this way, FIU-the Netherlands was able to provide useful information for the purpose of the administrative crime pattern analyses. In concrete cases too, cooperation was very successful. RIEC Zeeland/West-Brabant made 16 requests, and FIU-the Netherlands was able to give information in 11 of these cases. For RIEC Rotterdam the number was 6 out of 9 cases.

In 2016, the working procedure in the pilot project with the RIECs in question will be continued, and a step-by-step development of this method with more RIECs will be explored. In areas where the police, through the RIEC, contribute to a comprehensive approach to security problems, information from FIU-the Netherlands can play an important role.

4.2.7 FEC information platform

As a partner in the FEC ([see Section 1.3.2](#)), FIU-the Netherlands participates in the Information platform, where signals can be shared with all FEC partners, i.e. both investigative services and supervisory authorities. Concrete information about threats to the integrity of the financial sector is exchanged through a secure internet application. In more complex cases, protected data rooms were organized, where experts from the FEC partners met to analyse an alert and to arrive at a recommendation on how to handle the case concerned. In 2015, FIU-the Netherlands received a total of 33 alerts through the platform. FIU-the Netherlands gave a positive response to 5 of these alerts, which means that in these cases FIU-the Netherlands possessed relevant transaction information about the natural or legal persons in question.



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Heisenberg project

FIU-the Netherlands makes an effort to ensure beforehand, before it launches an analysis or investigation, that there will be a recipient for the final product. For this purpose it is necessary to have a clear and complete picture of the ability of the Netherlands Police to follow up on these analyses, so as to be able to adjust FIU-the Netherlands' capacity for analysis accordingly.

FIU-the Netherlands used the Heisenberg project, in which the Netherlands Police and the FIOD cooperate, to experiment with this. This intelligence project, which is a part of the comprehensive Zuid-Nederland project, was aimed at dealing with crime that undermines society and unaccountable assets in the southern Netherlands, using an innovative approach and working in an integrated cooperative group (FIU-the Netherlands, iCOV, Netherlands Police, FIOD, and Tax and Customs Administration). For this purpose, capacity was made available in specialist money laundering teams of the Central Criminal Investigations Division and the FIOD. By making clear agreements prior to and during the project, FIU-the Netherlands had a good picture of the product that these teams expected. It was arranged that FIU-the Netherlands would provide the investigative teams with tailor-made reports based on queries made by the teams, and the teams promised that they would actually act on these reports.

The analysis products provided by FIU-the Netherlands helped to determine the strategy to be followed in the project. They also served as a basis for investigations. The result so far is that three investigations have been launched on the basis of information from FIU-the Netherlands. FIU-the Netherlands also provided analyses for the purpose of outlining and giving insight into the crime problems in this specific region. The project continues in 2016. It has become clear that this approach is fruitful.



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5. Terrorist financing

FIU-the Netherlands' statutory task includes the prevention and investigation of terrorist financing. Although, in this area too, FIU-the Netherlands primarily uses reports of unusual transactions, the approach is partially different. This also requires reporting institutions to get a different perspective on the transactions they handle.

Over the past few years, FIU-the Netherlands has made considerable efforts to draw the reporting institutions' attention to specific characteristics of terrorist financing. These efforts bore fruit in 2015. The growth – in quantity and quality – of the unusual transaction reports with a possible link to terrorist financing has resulted in better access to relevant information for FIU-the Netherlands.



5.1 Developments at the national level

Operational cooperation

Both in the preparatory phases and during operational investigations, FIU-the Netherlands cooperated closely with the Netherlands Police and the FIOD. Since the first attacks in Paris early in 2015, a member of the staff has been contributing at a structural level to the activities of the Netherlands Police unit responsible for intelligence within the domain of terrorism combating. In addition, frequent consultations are held with the National Public Prosecutor's Office for Financial, Economic and Environmental Offences (FP) of the Public Prosecution Service, and official reports and intelligence reports are provided to the FIOD, the Netherlands Police, and the Public Prosecution Service.

In its role of FEC partner, FIU-the Netherlands was also an important provider of information for a project on the topic of terrorist financing that was organized in the context of this partnership.

Integrated approach to Jihadism

FIU-the Netherlands plays an important role in relation to terrorism financing in the "Integrated approach to Jihadism" action programme⁹ announced in August 2014. FIU-the Netherlands participates in a committee in which it contributes its financial intelligence to an assessment procedure for placing subjects on the national terrorist list.

In the area of sharing knowledge, another item in the action programme, FIU-the Netherlands achieved visible results: on various international forums, such as within the Egmont Group, the FATF and the EU FIU Platform, FIU-the Netherlands shared its knowledge with its partners.

CT Infobox

FIU-the Netherlands participates actively in the CT Infobox (CT: Counterterrorism), where it informs the other partners of reported transactions that can be traced back to persons who may be connected with terrorism. In the consultations held by this partnership's controlling body, the Coordinating Consultative Body, it was communicated that the CT Infobox would welcome FIU-the Netherlands having extra resources to continue monitoring the 'subjects identified'.

⁹ This action programme was drawn up by the Ministry of Security and Justice, the National Coordinator for Security and Counterterrorism, and the Ministry of Social Affairs and Employment.

FIU-the Netherlands, in consultation with its recipients of TF information, is seeking an interim solution, organizing the working procedures in respect of TF in such a way as to make it possible to handle the extra work for CT Infobox with the resources currently available.

TF Platform

In the past year, FIU-the Netherlands cooperated closely with large and small banks in the fight against terrorist financing. Detecting unusual transactions that can be related to terrorist financing requires specific knowledge and a way of looking at transactions that is different from the approach taken in the case of money laundering. Within the counterterrorism platform, information and profiles were shared and, together with the participating partners, the best ways of identifying relevant transactions were examined, and how to use them effectively. In 2015, this cooperation resulted in many valuable reports of unusual transactions, which could be declared suspicious and made available to the investigative services.

In cooperation with the Foreign Bankers Association, FIU-the Netherlands organized an interactive 'Power class on Terrorist Financing' for foreign banks with a licence in the Netherlands. FIU-the Netherlands shared risk profiles and red flags.

5.2 International developments

Egmont Group

In Egmont context, FIU-the Netherlands, together with FinCEN, the United States FIU, led a project in the area of terrorist financing (the ISIL project). Based on information received from several FIUs, a broad outline was sketched of what transactions reveal about the funding of various aspects concerning 'foreign terrorist fighters'. The profile that was derived from this was disseminated as a 'bulletin' to all Heads of the FIUs by way of the Egmont Group chairman, with the recommendation to share it with the reporting institutions. This improved the access to information of both the FIUs and the reporting institutions.

FATF

FIU-the Netherlands participated actively in the RTMG (Risks, Trends and Methods Group), a working group collecting and validating, among other things, typologies of terrorist financing. Within this framework, FIU-the Netherlands provided input about foreign terrorist fighters for the purpose



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of a report about the financing of the terrorist group ISIL.¹⁰ FIU-the Netherlands also presented the results of the above-mentioned Egmont project during the FATF/GAFILAT Joint Experts' Meeting, in order to share the knowledge obtained as widely as possible. These results were also included in a FATF report on 'Emerging Terrorist Financing Risks'.¹¹ FIU-the Netherlands also provided the compilers of the report with information about abuse of foundations for terrorist financing.

Prompted by the November attacks in Paris, an extra plenary FATF meeting was held in December, with the aim of making new policy agreements about the fight against terrorist financing. At this meeting, FIU-the Netherlands gave a presentation on the basis of its expert knowledge.

5.3 Operational results

Suspicious transactions

In the past year, 182 files were declared suspicious which were probably related to terrorist financing. In respect of 103 other files that were started on the basis of suspected terrorist financing, in the end no link with terrorist financing was found, though links were sometimes found with other types of crime. Therefore, these files could still be declared suspicious.

FIU-the Netherlands monitors subjects who have been put on the national terrorist list continuously. Due to this, in some cases several files about one person are declared suspicious in the course of one year and made available to the investigative services.

Information exchange between FIUs

In 2015, FIU-the Netherlands received a total of 41 requests from foreign FIUs related to possible terrorist financing. FIU-the Netherlands itself made 16 terrorist-financing-related requests to foreign FIUs.

¹⁰ FATF (2015), Financing of the terrorist organization Islamic State in Iraq and the Levant (ISIL), FATF, www.fatf-gafi.org/topics/methodsandtrends/documents/financing-of-terrorist-organization-isil.html.

¹¹ FATF (2015), Emerging Terrorist Financing Risks, FATF, Paris, www.fatf-gafi.org/publications/methodsandtrends/documents/emerging-terrorist-financing-risks.html.



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6. The Caribbean Netherlands

Under the terms of the Money Laundering and Terrorist Financing (Prevention) Act for the Caribbean Netherlands (Wwft BES), service providers from the Caribbean Netherlands (Bonaire, Sint Eustatius and Saba) with a duty to report are also required to disclose unusual transactions to FIU-the Netherlands. With these service providers in mind, an administrative liaison officer is stationed in the Caribbean Netherlands to represent FIU-the Netherlands. This permanent presence ensures that service providers with a duty to report are kept informed about their reporting obligation, the reporting procedure, and the relevant legislation and regulations. The liaison also maintains contacts with representatives of the various sectors, the supervisory bodies, and the other Kingdom FIUs.



6.1 Receiving and analysing unusual transactions from the Caribbean Netherlands

Relationship management

During the past year, close attention was paid to the quality of unusual transaction reports, with the aim of increasing the number of suspicious transactions identified. Reporting institutions were continuously instructed about the use of FIU-the Netherlands' online reporting system (GoAML) and the application of the correct indicators. On account of the smaller number of reporting institutions than in the European Netherlands, a different approach was used for the Public Relations events, during which the service providers from various sectors were informed about new trends related to both money laundering and the financing of terrorism. These efforts resulted in an upward trend in the quality of reports.

Reports received

In 2015, a total of 1,285 reports of unusual transactions were received from service providers in the Caribbean Netherlands. Just as in the preceding year, by far the majority (1.217) of the reports came from the banking institutions providing banking services in the Caribbean Netherlands.

Analysing: from UT to ST

Analysing and investigating the unusual transactions reported in Bonaire, Sint Eustatius and Saba (BES islands) requires more work compared to the analyses of European Dutch transactions. This is due to the availability and/or accessibility for FIU-the Netherlands of external police sources and other sources, which need to be consulted in order to be able to declare transactions suspicious. Some sources need to be queried on location, or – if the source is not digital – searched. Evidently, this takes more time. Together with investigation partners, efforts were made to make certain systems that simplify and speed up the analysis of transaction information available at the office of the liaison officer from FIU-the Netherlands. This was partially achieved and will be continued in 2016.

6.2 Disseminating suspicious transactions in the Caribbean Netherlands

In 2015, 293 transactions were declared suspicious, and clustered into 27 files. These suspicious transactions represent more than € 10 million. The 293 transactions disseminated include 7 intended transactions. The majority of the suspicious transactions had been reported by banking institutions.

Table: Number of suspicious transactions by type of reporting entity in 2015

Type of reporting entity	Number of STs
Administration offices	1
Banks	284
Dealers in precious metal	2
Real estate agents	3
Civil-law notaries	3
Total	293

The bulk of the files were declared suspicious on the basis of FIU-the Netherlands' own investigations. Fully and partly automatic matching, as carried out in the European Netherlands, produced few results with reports in the Caribbean Netherlands, partly due to the limited availability of external sources, as was indicated above.

Table: Number of STs and files in 2015, by reason for disseminating

Reason for disseminating	Number of transactions	Proportion (%)	Number of files	Proportion (%)
FIU's own investigations	275	94%	20	74%
LOvJ	10	3%	3	11%
VROS	8	3%	4	15%
Total	293	100%	27	100%



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On the basis of the transactions declared suspicious, FIU-the Netherlands drew up 10 official reports and/or intelligence reports for the Caribbean Netherlands. Three of these files are still being prepared and one file was assigned to Curaçao. Due to limited resources at the investigative services in the Caribbean Netherlands, four files could not be further investigated, and the investigation of one file was stopped when the subject in question was arrested elsewhere.

Non-reporting institutions project in BES

In the spring of 2015, a first day of action took place, led by the Public Prosecutor's Office in Bonaire in respect of non-reporting institutions. Investigations were started against two service providers from different sectors because they had failed to comply with the obligations under the Wwft BES in their office or business. They had not reported unusual transactions to FIU-the Netherlands. The files have been completed by now. The Public Prosecution Service effected a settlement with one service provider; the other case was still awaiting a court hearing in late 2015.

6.3 Cooperation within the Kingdom of the Netherlands

By signing a letter of intent during the Kingdom seminar in Bonaire in October 2014, the Kingdom FIUs committed themselves to various objectives, having the overarching goal of reinforcing cooperation and improving the access to information by the FIUs in the Kingdom in respect of flows of criminal money within the Kingdom of the Netherlands. To implement these objectives, a working group of analysts of the Kingdom FIUs was set up in 2015. This working group focused on evaluation and the further processing of the results of the first cross matching (by means of the FIU.NET ma³tch feature) between Aruba, Curaçao, and the Netherlands. A working document elaborating the agreements in the letter of intent was also drawn up. The working group of analysts will present the working document to the heads of the Kingdom FIUs early in 2016.



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Appendix I – Key figures of FIU-the Netherlands in 2015

Table: Number of unusual transactions* per sector and group of reporting institutions, in the period 2013-2015

Sector	Group of reporting institutions	2013		2014		2015	
		Number	of which MT	Number	of which MT	Number	of which MT
Banks	Banks	18,222	11,150	14,696	7,341	11,051	3,464
Casinos	Casinos	1,539		2,196	0	2,364	
Credit card companies	Credit card companies	1,435		1,597	0	3,968	
Money transfer offices	Money transfer offices	166,684	160,374	233,989	230,090	275,338	270,067
Dealers	Dealers in precious metal	785		413	0	512	
	Dealers in art and antiques	8		7	0	2	
	Other dealers	25		30	0	90	
	Dealers in vessels and boats	62		58	0	41	
	Dealers in vehicles	4,501		3,871	0	3,969	
Government	Government	7,522	53	18,031	0	5,939	
Independent professionals	Accountants	532		1,330	0	956	
	Administration offices	40		65	0	73	
	Lawyers	10		15	0	9	
	Business advisers	17		7	0	13	
	Tax consultants	79		255	0	118	
	Real estate agents	36		49	0	81	
	Notaries	344		226	0	322	
	Independent legal advisers	3		2	0	1	
	Trust companies	88		201	0	148	
	Insurance brokers	0		1	0	1	
Other sectors	Multi-tenant business buildings	8		14	0	0	
	Investment institutions and firms	1		0	0	2	
	Registered office service providers					22	
	Securities brokers	1		0	0	0	
	Financing companies	12		11	0	30	
	Life insurers	13		2	0	6	
	Pawnshops	11		2	0	61	
	Payment service providers	186		462	0	7,040	
	Valuers	0		2	0	3	
Total		202,164	171,577	277,532	237,431	312,160	273,531

*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.



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Table: Number of institutions from which reports were received per group in the period 2013-2015

Sector	Group of reporting institutions	2013	2014	2015
Banks	Banks	43	43	47
Casinos	Casinos	1	1	1
Credit card companies	Credit card companies	5	5	7
Money transfer offices	Money transfer offices	23	21	21
Dealers	Dealers in precious metal	42	35	28
	Dealers in art and antiques	5	4	2
	Other dealers	20	14	13
	Dealers in vessels and boats	26	26	22
	Dealers in vehicles	534	513	493
Government	Government	5	4	3
Independent professionals	Accountants	116	217	185
	Administration offices	19	28	37
	Lawyers	7	2	7
	Business advisers	8	5	5
	Tax consultants	28	55	43
	Real estate agents	34	32	49
	Notaries	136	115	119
	Independent legal advisers	2	2	1
	Trust companies	22	31	30
Other sectors	Insurance brokers	0	1	1
	Multi-tenant business buildings	4	7	0
	Investment institutions and firms	1	0	2
	Registered office service providers	0	0	7
	Securities brokers	1	0	0
	Financing companies	2	2	3
	Life insurers	3	1	2
	Pawnshops	2	1	3
	Payment service providers	5	8	10
	Valuers	0	2	3
Total		1,094	1,175	1,144



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Table: Number of suspicious transactions* per sector and group of reporting institutions, in the period 2013-2015

Sector	Group of reporting institutions	2013		2014		2015	
		Number	of which MT	Number	of which MT	Number	of which MT
Banks	Banks	2,463	1,060	2,089	578	2,121	484
Casinos	Casinos	144		322		275	
Credit card companies	Credit card companies	21		53		183	
Money transfer offices	Money transfer offices	21,331	19,604	25,190	23,758	36,896	35,979
Dealers	Dealers in precious metal	261		136		71	
	Dealers in art and antiques	0		0		1	
	Other dealers	4		3		9	
	Dealers in vessels and boats	4		3		3	
	Dealers in vehicles	291		411		174	
Government	Government	267		499		382	
Independent professionals	Accountants	235		279		392	
	Administration offices	16		4		53	
	Lawyers	1		3		5	
	Business advisers	8		2		0	
	Tax consultants	5		28		23	
	Real estate agents	17		8		6	
	Notaries	179		178		173	
	Independent legal advisers	0		4		1	
	Trust companies	55		149		77	
	Insurance brokers	0		0		0	
Other sectors	Multi-tenant business buildings	2		3		0	
	Investment institutions and firms	0		0		1	
	Registered office service providers	0		0		16	
	Securities brokers	0		0		0	
	Financing companies	0		1		7	
	Life insurers	8		0		3	
	Pawnshops	0		3		16	
	Payment service providers	9		13		71	
	Valuers	0		1		0	
Total		25,321	20,664	29,382	24,336	40,959	36,463

* 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 - About FIU-the Netherlands

Under the Dutch Money Laundering and Terrorist Financing (Prevention) Act (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. Information concerning unusual transactions that have been declared suspicious by the head of FIU-the Netherlands is disseminated to various enforcement and investigative services.

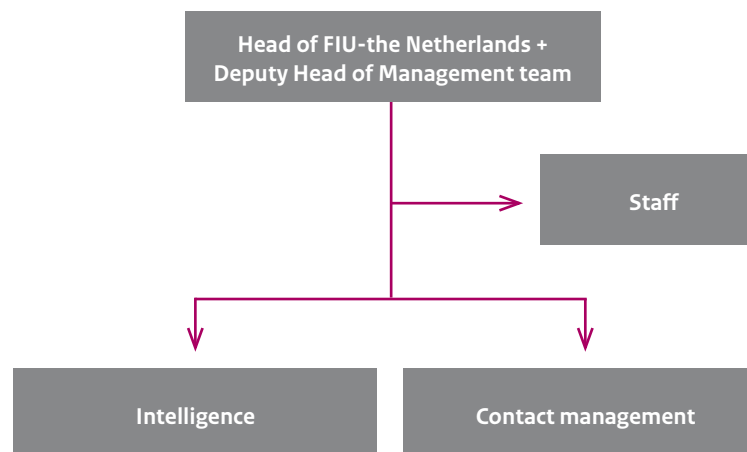
This appendix provides a general introduction to what FIU-the Netherlands is and to its mission, statutory tasks, and the national and international playing field within which it operates. In addition, an explanation is given of the statutory reporting duty and the way in which FIU-the Netherlands implements its statutory tasks.

B.1 Positioning, statutory tasks and mission

Positioning of FIU-the Netherlands

FIU-the Netherlands is a formal part of the State of the Netherlands as legal entity. Organizationally, it is placed under the Netherlands Police as an independent entity that operates in a recognizable 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 organization'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 organization chart below shows the organizational structure.



Statutory task

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 for the prevention and detection of crimes.

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 transaction may also be rendered illegal by the destination of the money, i.e. terrorist activities or, for instance, support given to terrorists.



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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 providing financial intelligence and expertise within relevant networks in a timely manner.

B.2 The Dutch Money Laundering and Terrorist Financing (Prevention) Act (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. First, the duty to conduct (risk-oriented) customer due diligence, and second, 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 (or may be) 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 institutions do 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. 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 in excess 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 be included in an unusual transaction report. Expeditious 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. Failure to report unusual transactions, or 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.



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B.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 2014-2017. 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:

1. to optimize the primary FIU processes, making it possible to produce high-quality information and intelligence in an efficient way;
2. to encourage widespread use of FIU information and to give the organization a visible profile;
3. to obtain a better insight into trends and phenomena; and
4. to further develop international and interregional information exchange

FIU-the Netherlands strives for the widespread and effective use of FIU information and more insight into the use of FIU products. 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 Netherlands 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 how it is used. In particular the position of FIU-the Netherlands at the Netherlands Police, an important investigative partner, contributes to this.

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. 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.

B.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 various 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 reports of transactions, analysing them, and declaring the transactions 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 that may be translated into both reporting policy and investigation procedures.

The national playing field

FIU-the Netherlands maintains good contacts and cooperates with a network of organizations that are involved in preventing and combating crime, such as investigative services and supervisory authorities. In order to intensify the approach within the domains of combating money laundering and confiscating unlawfully obtained gains, 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.

Since 1 January 2014, FIU-the Netherlands has been a full partner of the Financial Expertise Centre (FEC). The joint objective of the FEC partners is to promote the integrity of the financial sector through mutual cooperation and exchange of information. As a partner, 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.

International cooperation

Financial transactions often have an international character. Crime in general, and money laundering and terrorist financing in particular often involve border-crossing flows of money. Therefore, international cooperation is indispensable for the fight against these phenomena. Through the relevant international forums, FIU-the Netherlands seeks cooperation in the area of policy.



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Egmont Group

FIU-the Netherlands is part of the Egmont Group, an international cooperation of 151 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 organizing 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. According to the implementation plan approved in 2015, a new working groups structure was introduced early in 2016 that makes the organization – which has strongly expanded – future-proof.

FIU-the Netherlands contributes actively to several Egmont working groups. The Head of FIU-the Netherlands chairs the IT Working Group, and FIU-the Netherlands also participates actively in the Legal Working Group and Operational Working Group.

EU FIU Platform

Since 2006, the FIUs within the European Union (EU) have been meeting at the EU Financial Intelligence Units' Platform (EU FIU Platform) to intensify and streamline information exchanges between them. This initially informal platform of FIUs was given the formal status of expert group in 2014. In the fourth European anti-money laundering directive – which became effective in June 2015 – this status was made explicit. In this way, the EU recognizes the importance of cooperation between the European FIUs and their specific expertise in the field of combating money laundering and terrorist financing. According to the directive, the expert group plays a formal role in advising the European Commission (EC).

FIU.NET

The FIUs of the EU countries make use of FIU.NET for the purpose of operational cooperation. FIU.NET is a decentralized computer network that facilitates a safe and efficient exchange of data between EU FIUs. The system's decentralized 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. In the fourth European anti-money laundering directive, FIUs are encouraged to use FIU.NET for communicating with one another.

FIU.NET has developed a cross-border reporting module which makes it easier for European FIUs to share transaction reports among themselves. By means of a ‘joint case’ in the FIU.NET application, the EU FIUs can share experiences and cooperate at an operational level, making it possible to quickly spot violations of EU sanctions.

FATF

The Financial Action Task Force (FATF) is an intergovernmental organization that is known particularly because of its 40 recommendations in respect of combating money laundering and terrorist financing. The FATF considers the role of FIUs important and has included rules in its recommendations about the powers and the degree of independence that the FIUs must have. The participating countries have committed themselves to implementing these recommendations, and the countries assess each other periodically in order to check if they actually comply with the recommendations. FIU-the Netherlands participates actively in the Dutch delegation to the FATF in respect of FIU matters.

GoAML user community

Since 2011, FIU-the Netherlands has been using 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 optimizing the application. In 2014, it was re-elected chair 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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B.5 Activities of FIU-the Netherlands

FIU-the Netherlands uses the following work processes to implement and carry out its statutory tasks.

B.5.1 Receiving

FIU-the Netherlands is the designated authority to which the institutions defined in the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) have to report unusual intended or completed transactions. There are more than 30 different types of reporting institutions, such as banks, civil-law notaries, and art- and car-dealers. Annually over 1,000 reporting institutions report a total of more than 200,000 unusual transactions. FIU-the Netherlands enhances the reporting behaviour of the institutions that have a duty to report by means of active communication. Relationship managers maintain direct contacts with the reporting institutions and cooperate with sector organizations in order to promote the duty to report and to provide information. A service point assists institutions with their reports. These measures stimulate institutions to report and also enhance the quality of reports. It is obvious that high-quality and complete reports are most valuable for FIU-the Netherlands.

B.5.2 Analysing

FIU-the Netherlands analyses all reports it receives, and the Head of FIU-the Netherlands declares transactions suspicious when there are reasons for this. FIU-the Netherlands uses various types of investigations that can result in a transaction being declared suspicious. Roughly, a distinction can be made between:

- matching with external data files,
- LOvJ requests,
- requests from foreign FIUs, and
- FIU-the Netherlands' strategically controlled own investigations.

Matching with external data files

FIU-the Netherlands has access to a number of data files from network partners, which are regularly and semi-automatically compared or matched with its own data. An important data file is the police VROS file (Index of Criminal Investigations and Subjects), which is used for matching on a

weekly basis. Unusual transactions of persons occurring in criminal investigations can be declared suspicious without much further investigation and can then be disseminated among the investigative services.

FIU-the Netherlands uses, in addition to the VROS file, other strategically interesting sources more or less regularly for matching with its own database, for instance the files from the Central Fine Collection Authority (CJIB) and the Departments for Work and Income of several municipalities.

LOvJ requests

When an investigative service is conducting an investigation into a certain suspect, it is often worthwhile to submit an LOvJ request to FIU-the Netherlands. On the basis of the request, FIU-the Netherlands can declare unusual transactions connected with the subject suspicious and forward them to the investigative service. These financial traces left behind by the suspect are, in contrast with intelligence in general, hard information that can be used as evidence in a criminal case.

An LOvJ request can be made at any moment during an ongoing investigation and can also be repeated during the investigation. During a confiscation procedure too an LOvJ request can provide valuable information about a subject's dealings. Annually, FIU-the Netherlands receives and handles between 1,000 and 1,500 LOvJ requests, whose scopes vary widely.

Requests from foreign FIUs

FIU-the Netherlands participates in a worldwide network numbering 151 FIUs (at present), united in the Egmont Group. This forms the basis for operational cooperation by means of a secure digital environment, the Egmont Secure Web. In addition, FIU-the Netherlands has concluded MoUs with several FIUs in other countries.

Within the EU, cooperation is even closer through the EU FIU Platform, in which all FIUs in the European Union are united. At an operational level, owing to the technological possibilities provided by FIU.NET, cooperation is simple and effective, and information can be exchanged securely. Not only can FIU-NET be used for specific requests, but its Ma³tch technology also makes it possible to carry out matching operations on the EU FIUs' databases in an anonymous, encrypted and decentralized way. Thus, FIU-the Netherlands is able to check very efficiently and securely whether a certain subject of investigation has left financial traces elsewhere in Europe. The



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infrastructure for exchange of FIU information offers major advantages compared to the regular channels used by police and criminal law enforcement.

FIU-the Netherlands receives requests from foreign FIUs and submits requests to foreign FIUs. Both actions can lead to transactions being declared suspicious. Requests made to FIUs abroad often occur within the context of FIU-the Netherlands' own investigations and increasingly of LOVJ-requests.

FIU-the Netherlands' strategically-controlled own investigations

In addition to handling LOVJ requests and performing matching operations, FIU-the Netherlands initiates and carries out its own investigations, which consist of upgrading a transactions file to a high-quality product by means of which the investigative services can quite often identify suspects and take follow-up steps. For its own investigations, FIU-the Netherlands uses, apart from its own database, information from open sources, police systems, and tax data.

The database of unusual transactions at FIU-the Netherlands contains a wealth of interesting transactions that may indicate money laundering or other forms of crime. With the capacity currently available to FIU-the Netherlands and the investigative authorities, it is neither possible nor advisable to subject all transactions to an in-depth investigation. FIU-the Netherlands has developed a model for strategic control and tactical selection that makes it possible to investigate precisely the right cases as much as possible, cases which are also in line with the priorities set by the investigation partners receiving the information.

B.5.3 Disseminating

FIU-the Netherlands transfers transactions declared suspicious to the investigative services and/or the Public Prosecution Service. The information is used as control information and for gaining insight into criminal activities and criminal cooperation, as information forming the basis for a criminal investigation, or as a direct part of the evidence in a criminal prosecution. Account managers at FIU-the Netherlands stimulate the use of FIU information and form a connection between FIU-the Netherlands' access to information and the priorities of the investigative services and the Public Prosecution Service.

The major recipients of FIU information are the Netherlands Police, investigative services, and the FIOD. FIU-the Netherlands aims at both wide and targeted dissemination of FIU information. Wide dissemination is effected by means of the 'Blueview' application, which is accessible by virtually the entire police force. Targeted dissemination is achieved by making arrangements with the recipients of information. This forms a part of the above model for strategic and tactical control used by FIU-the Netherlands.

Apart from informing investigative partners, FIU-the Netherlands also provides the Wwft supervisory authorities with information – at an aggregated level – for the purpose of their supervisory tasks. Reporting institutions also receive feedback when a report submitted by them is declared suspicious. This enables the reporting entity to assess the unusual nature of transactions even better.

Sometimes, FIU-the Netherlands, due to its good relationship with reporting entities on the one hand and investigative authorities on the other hand, is able to see to it that a transaction can be intercepted before the money is beyond the reach of the Dutch investigative authorities. Catching suspects red-handed like this requires perfect coordination and cooperation between all parties.

B.5.4 Trends and phenomena

FIU-the Netherlands' unique access to information gives it the possibility to detect new trends and phenomena. Its high-quality reporting and analysis tool enables FIU-the Netherlands to make specific reports and analyses of its data. Using qualitative investigation, FIU-the Netherlands tries to identify so-called red flags, by means of which exactly those transactions can be filtered from the database that can be linked to a certain type of crime.

Due to limitations to capacity, FIU-the Netherlands has to follow a creative course in order to be able to carry out these qualitative investigations. In spite of this, quite a few results have been achieved by FIU-the Netherlands, which in this way fulfils its task of pointing out abuses.



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B.5.5 Strategic control

FIU-the Netherlands' large database can be consulted by its intelligence staff at their own initiative in order to upgrade unusual transactions to direct opportunities for the investigative services, insight for the supervisory authorities or information sheets for groups of reporting entities. The reasons for starting its own investigations vary widely. These may include monitoring current risks and threats, sectors providing services with an increased risk of money laundering, or services offered by new institutions with the duty to report. Queries from foreign FIUs and signals received from partners can also form a reason for FIU-the Netherlands to start an investigation.

The investigative capacity available to FIU-the Netherlands is limited, so that considered choices have to be made when it comes to starting an investigation of its own. FIU-the Netherlands has developed a strategic control model, which is used to control its own investigations at a strategic, tactical and operational level. Two important bodies within this model are the Strategic Control Consultative Body (SSO) and the Tactical Selection Consultative Body (TSO).

The SSO determines the strategic framework of the FIU-the Netherlands on the basis of the investigative partners' policy priorities, signals from groups of reporting institutions and supervisory authorities, trends in the transactions reported and international agreements in the field of anti-crime measures. Current events and incidents of interest may result in an adjustment to this framework.

On the basis of themes selected and given priority by the SSO, and taking into account the available resources, FIU-the Netherlands' own investigations are controlled at the tactical level by the Tactical Selection Consultative Body (TSO). Proposals for specific investigations can be submitted from the organization to the TSO, which assesses the proposals, if necessary requests a supplement, and assigns resources and determines a deadline. Subsequently, operational control is carried out by a team leader.



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Appendix III – List of abbreviations

AFM	Autoriteit Financiële Markten (Netherlands Authority for the Financial Markets)	GoAML	Government Anti-Money Laundering, IT application built by UNODC
AMLC	Anti Money Laundering Centre, part of FIOD	iCOV	Infobox Crimineel en Onverklaarbaar Vermogen (Infobox Criminal and Unaccountable Assets)
BES	BES islands of the Caribbean Netherlands: Bonaire, Sint Eustatius and Saba	ILT/IOD	Inspectie Leefomgeving en Transport / Inlichtingen- en Opsporingsdienst (Human Environment and Transport Inspectorate / Intelligence and Investigative Service)
BFT	Bureau Financieel Toezicht (Financial Supervision Office)	KMar	Koninklijke Marechaussee (Royal Netherlands Marechaussee)
BVI	Basisvoorziening Informatie (Information Database), a police application	KPCN	Korps Politie Caribisch Nederland (The Caribbean Netherlands Police Force)
CAMLMAC	China Anti-Money Laundering Monitoring and Analysis Center	LOvJ	Landelijk Officier van Justitie (National Public Prosecutor / National Public Prosecutor's Office)
CJIB	Centraal Justitiele Incasso Bureau (Central Fine Collection Authority)	MT	Money transfer
CN	The Caribbean Netherlands	NCTV	Nationaal Coördinator Terrorismedebijding en Veiligheid (National Coordinator for Security and Counterterrorism)
CT Infobox	Counterterrorism Infobox	NVB	Nederlandse Vereniging van Banken (Dutch Banking Association)
CWI	Cluster Werk en Inkomen (Cluster for Work and Income), part of the municipality of Rotterdam	NVGTK	Nederlandse Vereniging van Geldtransactiekantoren (Dutch Association of Money Transfer Offices)
DIKLR Finec	Dienst Informatie Knooppunt Landelijke Recherche, (Divisional Intelligence Centre - Central Criminal Investigations Division)	NVIK	Nationaal Vreemdelingen Informatieknooppunt (National Aliens Information Hub)
DLR	Dienst Landelijke Recherche (Central Criminal Investigations Service), part of the Central Unit of the police	NVWA-IOD	Nederlandse Voedsel- en Warenautoriteit - Inlichtingen en Opsporingsdienst (Netherlands Food and Consumer Product Safety Authority - Intelligence and Investigative Service)
DNB	De Nederlandsche Bank (Dutch Central Bank)	OM	Openbaar Ministerie (Public Prosecution Service)
DWI	Dienst Werk en Inkomen (Department for Work and Income), a municipal service	RIEC	Regionaal Informatie en Expertise Centrum (Regional Information and Expertise Centre)
EC	European Commission, executive body of the EU	RST	Recherche Samenwerkingsteam (Criminal Investigation Cooperation Team)
EMM	Expertisecentrum Mensenhandel en Mensensmokkel (Expertise Centre for Human Trafficking and People Smuggling)	UNODC	United Nations Office on Drugs and Crime
IMPACT	European Multidisciplinary Platform Against Criminal Threats.	VROS	Verwijzingsindex Recherche Onderzoeken en Subjecten (Index of Criminal Investigations and Subjects)
ESW	Egmont Secure Web	Wwft	Wet ter voorkoming van witwassen en financieren van terrorisme (Dutch Money Laundering and Terrorist Financing (Prevention) Act)
EU	European Union	Wwft BES	Money Laundering and Terrorist Financing (Prevention) Act for the Caribbean Netherlands
FATF	Financial Action Task Force		
FEC	Financieel Expertise Centrum (Financial Expertise Centre)		
FinCEN	Financial Crimes Enforcement Network		
FinEC	Financial and Economic Crime Programme		
FIU	Financial Intelligence Unit		
FIOD	Fiscale Inlichtingen- en Opsporingsdienst (Fiscal Intelligence and Investigation Service)		
FP	Functioneel Parket (National Public Prosecutor's Office for Financial, Economic and Environmental Offences), part of the Public Prosecution Service		



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