



Financial Intelligence Unit -
the Netherlands

annual review

FIU-the Netherlands

2020



‘The mission of FIU-the Netherlands is to use its financial intelligence to prevent and combat crime, especially money laundering and financing of terrorism, to ensure the integrity of the (Dutch) financial system.’



Table of contents

annual review FIU-the Netherlands 2020



1

The figures

The context of
the 2020 figures



2

The developments
of 2020

- 2.1 The world
- 2.2 Europe
- 2.3 The Netherlands



3

The results

- 3.1 Covid-19
- 3.2 Cars and VAT fraud
- 3.3 Fruit Trade
- 3.4 Financing of terrorism
- 3.5 The Dutch Caribbean
- 3.6 Partnership
- 3.7 Child abuse
- 3.8 Healthcare fraud



I

Annex



II

Annex



III

Annex

> **Foreword and introduction**

> **Management Summary**

> **Afterword**

Foreword and introduction



It goes without saying that 2020 was an exceptional year. But as this review will show, despite all the Covid-19 challenges, it was also an exceptional year because the Financial Intelligence Unit-the Netherlands (FIU-the Netherlands) took many steps forward. From further development of the reporting form for specific groups of obliged entities to national and international investigations. We have accomplished a great deal this year. In addition to that we have also chosen to give this year's annual review a different structure compared to previous years.

The structure is as follows. The first chapter provides some of the figures and explains the background of them. Chapter two zooms in on some important developments in and around FIU-

the Netherlands. The third and final chapter describes a number of investigative results. Some of these investigations started a while ago but gained a concrete result in 2020; others had a shorter throughput time. Thereafter, the key figures are given in Annex I. The second annex describes our statutory task and annual review concludes with a list of abbreviations used.

This is a different approach compared to previous years. This year we are making a selection that reflects the spirit of what we have achieved. What our contribution was in combating money laundering, predicate offences and financing of terrorism. What happens to all the reports that obliged entities work so hard to prepare? How do we effectively and efficiently process the increasing flow of data? We also cover several matters simply because we as FIU-the Netherlands are proud of them. Naturally, we are bound to the secrecy coming from the Money Laundering and Financing of Terrorism (Prevention) Act (Wwft). We cannot share everything. Despite that, we trust that this annual review clearly presents how we have upheld our mission to protect the integrity of our financial system in 2020 and which developments we have initiated to ensure that we can continue to tackle this important task effectively in the future.

In 2020, this mission resulted in 103,974 suspicious transactions (STRs) which together had a value of almost 15 billion euros. This is a sharp increase in both the number of STRs and in the normalized value. However, when it comes to the value of the STRs, one should keep in mind that it is often influenced by very specific investigations. That is why we report a normalization with regard to the value in both 2019 and 2020. In addition, these types of investigations are often conducted in collaboration with foreign FIUs. This means that not all STRs, and therefore not the entire value, relate to crime committed within the Netherlands. In other words, the value of the STRs is to be seen within its context. This does not alter the fact that the increase in STRs is a clear signal that our knowledge of criminal money flows has increased further. This is due to the combined investments in capacity, technology, knowledge, and expertise.

Looking back at 2020, I am extremely encouraged by the resilience and flexibility of all the organisations in the anti-money laundering and financing of terrorism network. They have all adapted incredibly quickly to the new situation created by the Covid-19 pandemic. The results achieved by FIU-the Netherlands this year are also proof of this. That should be seen as a compliment to all the employees of FIU-the Netherlands, and to the obliged entities, the supervisory authorities, the investigative authorities and the Public Prosecution Service. We had many valuable experiences in this extraordinary year.

A blue ink handwritten signature, appearing to read 'H. Verbeek-Kusters', written in a cursive style.

Hennie Verbeek-Kusters
Head of FIU-the Netherlands

Management Summary

In recent years there has been a rising trend in the number of reported transactions. Based on the normalised figures¹ this trend continued in 2020. FIU-the Netherlands therefore welcomes being granted additional budget to ensure its continued growth. In terms of knowledge and expertise, manpower, and in terms of information systems. The significant increase in the number of STRs in 2020 shows that investing in a combination of capacity, knowledge, expertise, and technology delivers results. It also shows that FIU-the Netherlands is on the right track when it comes to effectively analysing the increasing data flow of unusual transactions (UTRs), both now and in the future. Because experiences in recent years make it very likely that the number of UTRs will continue to rise. For that reason, it will not be enough to increase the number of analysts. That is why FIU-the Netherlands started forming an in-house DevOps team in 2020. A team consisting of mainly IT specialists and data scientists was formed to make FIU-the Netherlands's information systems more future-proof. Of course, data quality is vital for this purpose. That is why FIU-the Netherlands will continue to invest in this area, in multiple ways. For example, we developed a more user friendly reporting form for specific groups of obliged entities, such as "dealers in goods", "art dealers" and "dealers or brokers in high value goods". It is an important step in making it as easy as possible for our obliged entities to continue to meet their legal obligations. It is also an important step for us in improving data quality. Raising quality is also one of the main reasons for founding the Fintell Alliance NL. This is the hub for public-private cooperation within the Wwft domain, where the four major banks and FIU-the Netherlands pool their knowledge and expertise to deliver valuable analyses.

In other words, much work was done on the input side of FIU-the Netherlands in 2020. But steps have also been taken on the output side. A huge increase in the number of STRs is immediately noticeable. But perhaps even more important are developments in the cooperation with our partners to maximise the value of these STRs. A good example is the Financial Intelligence Centre in Rotterdam. This is a pilot in which various government partners cooperate effectively to deploy the power of the Wwft as effectively as possible.



However, one of the most striking results in 2020 is not to be found on either the input or the output side. The way of working related to Covid-19 and the possible abuse of government grants explicitly showed the effectiveness and power of the entire reporting chain, from obliged entity to intervention, if the priorities of all links in this chain are aligned and cooperate in a circular way. It was of course an exceptional situation, but it showed very clearly the added value of the reporting chain.

¹ Normalised figures are the 2019 figures without reported transactions based on the objective O2 indicator. Since this indicator was cancelled in October 2019, a comparison with this year would not be relevant or valuable without normalising them.

The figures

This chapter summarizes the most striking figures in an infographic. This shows a number of significant increases. The remainder of this chapter will therefore zoom in on these developments to provide the necessary context. In annex I there are fifteen tables which are either a further specification of the figures discussed here or an expansion of them.



Overview of the 2020 figures



722,247

UTRs of which 57% is based on the subjective indicator.



103,947

STRs, 91% of which involved a transaction reported under the subjective indicator



Top 3 types of crime based on case files:

- 1 money laundering
- 2 fraud
- 3 terrorism/sanctions act



650 incoming foreign requests

from **77** countries **Top 5**

-  Belgium
-  Italy
-  Germany
-  France
-  Luxembourg



14,928,603,585 in STRs

1,373 Article 17 requests made to obliged entities



1,914 institutions that reported at least one transaction

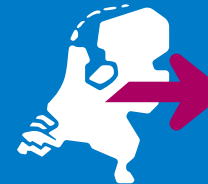


19,114 case files with STRs.

1,213 National Public Prosecutor (LOvJ) requests

Top 3

- 1 police
- 2 FIOD
- 3 KMAR



590 outbound foreign requests

to **85** countries **Top 5**

-  Germany
-  Belgium
-  Spain
-  UK
-  Turkey

* It is important to note that, as was the case in 2019, this amount was significantly inflated by some exceptional transactions. In 2019, this involved a limited number of transactions representing a value of 17 billion euros. In 2020, this involved a limited number of transactions with a value of almost 4.5 billion euros. That places the normalised value in 2020 at around €10.4 billion, representing a substantial increase compared to the normalised 2 billion euros of 2019. This can partly be explained by the increased number of STRs compared to 2019.

The context of the 2020 figures

The figures in the infographic show significant differences compared to previous years. This is explained in detail below.

Unusual transactions

During 2020, 1,914 obliged entities reported at least one transaction. These institutions are divided over 28 groups of obliged entities as stated in the Wwft. Based on the objective indicators and the subjective indicator described in the Wwft Implementation Decree 2018, these obliged entities report their UTRs² to FIU-the Netherlands. Despite the name of the Act, the Wwft is widely used. The Netherlands applies an ‘all-crimes approach’ to money laundering. That means that all criminal activities that generate illicit funds can constitute a predicate offence for money laundering and therefore qualify to be labelled as an unusual transaction under the Wwft. This ranges from a payment related to images of child pornography to payments linked to grant fraud. By implementing a European directive on criminal law relating to money laundering on December 3rd 2020, this approach was harmonised within Europe. The Directive lists 22 criminal activities that all EU Member States should consider predicate offences for money laundering³. From cybercrime to corruption and from fraud to sexual exploitation.

The infographic shows that all potential types of crime on which transactions are being reported to FIU-the Netherlands led to a total of 722,247 UTRs in 2020. At first, this appears to be a significant decrease compared to the 2.4 million UTRs in 2019. However, there is more to this. In October 2019, the Objective02 indicator⁴, concerning all transactions related to high-risk countries, expired. This had a major impact, given that in 2019 over 1.9 million UTRs were reported to FIU-the Netherlands based on Objective02. Not including this indicator, which provides a normalised number of 541,236 UTRs in 2019, we see a 33 per cent increase in 2020.

The fact that the number of UTRs in the normalised comparison to 2019 increases substantially may be noteworthy. After all, it was a year of lockdowns. This is clearly reflected in casinos that were closed for a large part of the year: a 20 per cent decrease in the number of reported transactions. On the other hand, institutions that are partially, strongly or completely focused on giro-based and online payments showed a strong increase. The number of UTRs reported by banks show a 58 per cent increase. Payment Service Providers (PSPs) saw an increase of more than 50 per cent. The normalised number of credit card companies increased by 49 per cent. More than seven thousand reports were received from Virtual Assets Service Providers (VASPs). The number of reports received from electronic money institutions rose from 29 to 583.



² This is in contrast to many other countries where suspicious transactions have to be reported.

³ <https://eur-lex.europa.eu/legal-content/NL/TXT/HTML/?uri=CELEX:32018L1673&from=nl>

⁴ See the 2019 Annual Review for more information.

These are all signs that point to the ongoing digitalisation of the financial landscape. Because our experience shows that an increase in the total number of transactions generally leads to a rise in reported transactions. On the other hand, a decrease in the total number of transactions generally leads to a reduction in reported transactions. In addition, the increase in the number of UTRs is most likely also related to an increased focus by obliged entities on combating money laundering, predicate offences, and financing of terrorism.

Suspicious transactions

All transactions declared suspicious are passed on to law enforcement, intelligence, and security services. These partners may use the transactions for different purposes. Whether or not combined in case files, the STRs can be used as part of the start of an investigation. They can be directly used as evidence in a criminal case. They can also be used as a guiding tool for our partners. Or, if the Public Prosecutor deems criminal law interventions inappropriate and makes the transactions available to other government services in accordance with the legal possibilities, they can contribute to other interventions via administrative or fiscal law.

In addition to this operational approach, STRs can also be used for analysis at both tactical and strategic level. This could be for example to gain more insight into the patterns of financing of terrorism via a specific new payment instrument, understand the financial behaviour of a certain type of suspect, or contribute to the input and overview of regional and national perspectives of subversive crime. Insights such as these can structurally support the fight against money laundering, predicate offences, and the financing of terrorism.

In 2020, 103,947 transactions were declared suspicious: an increase of 163 per cent. There are several reasons for this unprecedented increase. It can largely be explained by a breakdown of the reasons for the report being disseminated. There are four reasons for disseminating the report: FIU-the Netherlands own investigations, hits in the Index of Criminal Investigations and Subjects (VROS), hits with data from the Central Judicial Collection Agency (CJIB), National Public Prosecutor (LOV) requests. In this breakdown, two reasons stand out: "own investigations" and "VROS".



Looking at the reason for disseminating, we see that most STRs are the result of FIU-the Netherlands own investigations. This year, 54,884 transactions were declared suspicious via this process, which represents an increase of almost 36,000. This can be attributed to several causes. First, about 45 per cent of this increase can be explained by three investigations involving an exceptionally large number of transactions. Secondly, over the past few years, FIU-the Netherlands has invested in additional capacity for criminological data analysis and cooperation with investigative analysts in the intelligence organisations of the police, the Fiscal Intelligence and Investigation Service (FIOD) and the investigative service of the Social Affairs and Employment Inspectorate (ISZW). This resulted in the development of new criminological insights, for example concerning subversive crime. Developments regarding the information systems of the FIU-the Netherlands are another important factor. Of the 54,884 STRs generated by own investigation, 15,755 were declared suspicious via semi-automatic case file creation. In this process, although there is investigative work needed by our employees prior to declaring it suspicious, our analysts are supported by our systems in linking and connecting information. The possibility of semi-automatic case file creation was strongly enhanced in 2020. It can now be applied more effectively in relation to processes concerning VROS, LOvJ requests and own investigations. This development will improve the efficiency of the investigative work and thereby create room for even more quality. It also leads us to expect that we will provide more STRs on a structural basis. The opposite of semi-automatic case file creation is manual case file creation. Manual should not be seen as an analogous way of conducting investigations. Here, too, there is of course strong reliance on information systems. However, in the case of the 39,129 STRs generated manually as part of the FIU-the Netherlands own investigations, linking information and searching for possible clues was carried out entirely by FIU-staff.

Finally, approximately two per cent of the increase of own investigations is attributable to STRs related to Covid-19 related crime, including government grant fraud. The second notable category is the hit with VROS. This process was temporarily halted in 2019, as explained in the relevant annual review. After improvements were made, the process was resumed in 2020. This resulted in 42,367 STRs. 96 per cent of these were created via semi-automatic case file creation. The increase of 64,403 STRs compared to 2019 can also be viewed from the input side. The two largest groups of obliged entities in terms of STRs are banks and payment service providers. These two groups combined are responsible for the majority of the increase, each accounting for over 25,000 additional STRs.

Case files

The number of 103,947 STRs shared with our law enforcement, intelligence, and security services does not equal a same number of intervention opportunities. Not all individual transactions are equally informative when viewed without context or interrelationship. That is why FIU-the Netherlands works with case files. A case file can be regarded as a coherent body of information, put together by our analysts, which provides sufficient reason to be declared suspicious. They can reveal money laundering structures, criminal or terrorist networks, financing of terrorism or other aspects of money laundering or criminal activities such as human trafficking and corruption. A case file can contain one transaction but also thousands of transactions. The number of case files in 2020 rose by over 260 per cent; a total of 19,114 files with STRs were created. Here too, the two most striking categories are case files based on own investigation and case files related to VROS. The latter yielded 11,035 case files; own investigations resulted in 7,447 case files. Both represent a significant increase compared to 2019 of 271 per cent and 362 per cent, respectively. Table 1 provides an overview of the number of case files with STRs per year categorised by reason for disseminating the report for 2015-2020.

Table 1: Number of case files containing STRs

Number of case files	2015	2016	2017	2018	2019	2020
CJIB	94	73	64	77	22	24
Own investigation	1,462	1,566	1,522	1,470	1,611	7,447
LOvJ	563	548	681	583	695	608
VROS	4,263	4,329	3,314	6,384	2,974	11,035
Grand total	6,382	6,516	5,581	8,514	5,302	19,114

Where possible, FIU-the Netherlands registers the type of crime in the case files it prepares following its own investigations or a LOvJ request. In many cases, the registered type of crime is the starting point of an investigation. If, for instance, FIU-the Netherlands starts its investigation in response to a LOvJ request regarding human trafficking, this type of crime will be assigned to the FIU case file that is subsequently created. In 43 per cent of the 19,114 case files a type of crime was registered. In principle, it is not possible to assign a type of crime to a VROS match, because in these cases the reason for declaring a transaction suspicious is that the 'FIU subject' in question also appears in VROS. In such cases it is not clear to FIU-the Netherlands what the subject was registered for. Table 2 provides an overview of the types of crime per case file.

Table 2: Number of case files* by type of crime

Case files by type of crime	2017	2018	2019	2020
Money laundering	1,431	1,469	1,790	6,601
Terrorism/Sanctions Act	460	560	429	408
Fraud	313	267	195	1,219
Hard drugs	160	129	121	136
Other	125	70	13	122
Soft drugs	105	58	32	11
Human Smuggling/Human trafficking	116	100	70	50
Murder/Manslaughter	44	26	26	13
Corruption	29	43	62	87
Arms trading	27	16	130	90
Synthetic drugs	18	6	8	5
Cybercrime	2	3	1	1
Child pornography	2	13	5	8

* Only case files that were disseminated and prepared in response to LOvJ requests and FIU-Netherlands' own investigations contain a description of the possible related form(s) of crime. A case file can relate to various types of crime. If more than one type of crime is involved, this case file is included in the table above just as often. For this reason, the total of the above table is higher than the number of unique case files in which a type of crime has been recorded based on the reasons for reporting LOvJ request and own investigation, but this sum is lower than the total number of case files in 2020.

Financial Intelligence Report

In addition to case files, FIU analysts also create Financial Intelligence Reports (FIRs). These intelligence products give a broader context to a number of related STRs and the phenomenon linking them. FIRs provide steering information to law enforcement, intelligence, and security services. In 2020, 91 FIRs were delivered, an increase of 65 per cent.

The developments of 2020

FIU-the Netherlands operates in a national and international setting with many actors whose common goal is to combat money laundering, predicate offences, and the financing of terrorism. Despite the lockdowns in practically every country, which also meant that access to the FIU-the Netherlands office was minimal, many relevant steps were taken in this area in 2020, both by and for FIU-the Netherlands.



2.1 The world

Internationally, 166 FIUs are connected through the Egmont Group. This year, Hennie Verbeek-Kusters, Head of FIU-the Netherlands, was again elected chair of this collaborative body. She will hold this position for two years. One focus of her renewed appointment is the Egmont Centre of FIU Excellence and Leadership, or ECOFEL. This knowledge platform within the Egmont Group aims to raise the level of knowledge of all FIU employees. For example, ECOFEL organised a virtual conference on Illegal Wildlife Trade of multiple days which was attended by hundreds of FIU operatives worldwide in July.

In addition to these kind of events, several international knowledge projects were also completed this year. This took place within the “Information Exchange on Money Laundering/ Terrorism Financing Working Group” (IEWG). For instance, the project “Combatting online child sexual abuse and exploitation: analysis and application of financial intelligence”, in which FIU-the Netherlands took part, resulted in the publication of a report to improve the ability of obliged entities and law enforcement to detect high-risk transactions. More on this can be found in section 3.8. The IEWG also produced an interesting report on tax evasion in July 2020. The report “Money Laundering of Serious Tax Crimes.

Enhancing Financial Intelligence Units’ Detection Capacities and Fostering Information Exchange”⁵ discusses the complexity of certain constructions and the link with other offences such as corruption. It also discusses how FIUs can improve their ability to detect these complex constructions. Finally, in December 2020, the Egmont Group in collaboration with the Financial Action Task Force (FATF) released an in-depth report on Trade-Based Money Laundering (TBML)⁶. The Netherlands contributed to this through the Anti-Money Laundering Centre (AMLC) and the Public Prosecution Service.

Apart from knowledge documents, there was also a fair share of operational cooperation in 2020. A good example of this is the International Financial Intelligence Taskforce (IFIT) around the Latvian ABLV bank. This bank was revealed to be involved in money laundering in 2018⁷. It seemed that professional money laundering was taking place on such a scale that it could not be tackled by one country. As far as we know now, 25 jurisdictions are involved, and it appears that billions may have been laundered. A task force to investigate this was established, led by the Latvian FIU, during the Egmont Group Plenary in the Netherlands in July 2019. This task force, in which FIU-the Netherlands also participates, is unique because of the very specific operational nature of zooming in on transactions involving just a single financial institution. In the Netherlands, this cooperation led to a case file containing many STRs that was shared with law enforcement. In addition, based on this case file, a collaboration was started with the AMLC to explore how we can make the best possible use of the results and insights arising from this task force.

2.2 Europe

In December 2019, the European Council announced its strategic priorities in the fight against money laundering. On this basis the European Commission put forward an Action Plan aimed at a comprehensive EU policy on the prevention of money laundering and financing of terrorism⁸ in May 2020. At the time of writing, much work is being done on this.

⁵ <https://egmontgroup.org/en/content/money-laundering-serious-tax-crimes-iewg-public-bulletin-now-available>

⁶ <https://egmontgroup.org/en/content/publication-joint-eg-fatf-trade-based-money-laundering-report>

⁷ <https://www.reuters.com/article/us-ablvbank-sanctions-idUSKCN1FX31M>

⁸ [https://eur-lex.europa.eu/legal-content/NL/TXT/?uri=PL_COM:C\(2020\)2800](https://eur-lex.europa.eu/legal-content/NL/TXT/?uri=PL_COM:C(2020)2800)



FIU-the Netherlands contributes to this by, for example, participate in the working group aimed at establishing an EU coordination and support mechanism (CSM) for European FIUs, which is intended to further improve cooperation between the member states' FIUs. The working group advises the European Commission on this issue. The Commission is expected to publish its proposals for new regulation, including the plan for the CSM, during 2021.

Another European development is the project focused on transitioning the administration of the FIU.net system. It started in 2019 and efforts continued in 2020. FIU.Net is a system used by European FIUs to share information. The system administration of FIU.Net will be transferred from Europol to the European Commission, DG Fisma. This is a consequence of the European Data Protection Service concluding that, based on European data protection rules, Europol was no longer the appropriate party for hosting FIU.Net. In 2020, FIU-the Netherlands shared 303,958 transactions with foreign FIUs via FIU.Net.

2.3 The Netherlands

From Europe, it is just a small step to the developments within the Netherlands. Because one of the year's most notable events for FIU-the Netherlands took place on May 21st and was directly linked to Europe. At that time, the amended Wwft took effect, based on the previously adopted European Directive (amendment of the Fourth Anti-Money Laundering Directive, also referred to as the Fifth Anti-Money Laundering Directive)⁹.

2.3.1 The amended Wwft

The main adjustments to the Wwft as of May 21st 2020 are aimed at:

- Increasing information exchange between Wwft supervisors and certain other parties, including Financial Expertise Centre (FEC) partners;
- Reducing the limit on anonymous prepaid cards from €250 to €150 and customer due diligence being required for stored cash values above €50;
- Additional requirements for high-risk third countries;
- An expansion of the scope of the Wwft.

The final point, the increased scope, manifested itself through adjustments in existing sectors and the addition of new sectors. For example, rental agreements with a monthly rent of 10,000 euros or more were added to the already existing obliged entities sector "real estate agents". Since 21 May 2020, there are also three new types of obliged entities:

- Buyers or sellers of works of art that are paid for in the amount of 10,000 euros or more;
- Providers of virtual assets and fiduciary exchange services;
- Providers of custodian wallets.

The addition of these new sectors, which resulted in several dozens of new obliged entities, demanded a great deal from the organisation in terms of capacity, IT, and knowledge development. It was vital to make thorough preparations with the sectors and various government partners involved, such as supervisory authority De Nederlandsche Bank (DNB) in the case of virtual assets. But even despite these thorough preparations, it is clear that adding a totally new sector, such as the VASPs, is a process rather than a step. Both for the sector, which had to comply with the technical requirements for submitting UTRs, and for FIU-the Netherlands, because it involved an entirely new type of transaction. Reported transactions started coming in from this sector, especially as of the last quarter, with retroactive effect to 21 May 2020. The fact that this sector is so unlike other groups of obliged entities ensures that all parties involved must continue to invest in this if we, as the entire reporting chain, are to achieve effective results from this new data flow.

2.3.2 Virtual assets

In the run-up to the reporting obligation for VASPs, we used to disclose the number of reported transactions related to virtual assets. Since VASPs are now subject to report transactions themselves, we will only report the figures from this sector. In Annex II the UTRs and STRs are shown for each group of obliged entities. The figures of VASPs within these tables are not comparable with the figures related to virtual assets as mentioned in previous annual reviews. This year's figures relate to reported transactions from two new groups of obliged entities as of May 21st 2020. This is not a process that can be perfected from one day to the next. Reporting transactions is new for the sector and the type of transactions is new for us. This is a process that we continue to develop together with the private and public partners involved. In contrast, figures from 2019 and before showed reported transactions related to virtual assets made by experienced groups of obliged entities like banks. Of course, these reports continue. However, with the introduction of the reporting obligation for VASPs the figures we are receiving from the sector are in line with those we have of other groups of obliged entities.

⁹ <https://eur-lex.europa.eu/legal-content/NL/TXT/HTML/?uri=CELEX:32018L0843>

For that reason, starting this year, only figures from the sector itself are stated. After making thorough preparations, a good result was achieved this year in the form of a knowledge product related to this sector. The 2019 annual review discussed FIU-the Netherlands's participation in the organised crime Fieldlab called Cryptail. It was said the results were to follow in 2020. This Fieldlab aimed to create barriers against the influx of drug money from trading on the Dark Web. This Field Lab focused on various projects concerning prevention, repression, investigation, and circular reinforcement. In 2020, this project group developed a list of red flags which was shared with the various relevant obliged entities and law enforcement. A list which the FATF subsequently used as input for their own list of red flags regarding virtual assets.¹⁰

2.3.3 New legislation

In addition to the amended Wwft, other legislation relevant to FIU-the Netherlands came into force in 2020. On September 10th the so-called Bank Data Retrieval Portal Act and the associated Decree passed into law. This complex project involving many partners was aiming to achieve a more uniform and rapid way of exchanging information between banks and government agencies. This year marked the successful conclusion of the first phase: an operational data retrieval portal. As of 2021, FIU-the Netherlands will participate in the further development of this portal, which will eventually make it possible to retrieve balance and transactional data.

In 2020 steps were also taken concerning the action plan against money laundering of the Ministry of Finance and the Ministry of Justice and Security. This plan made sure FIU-the Netherlands received an increase in budget as of 2020 which will enable us to grow in terms of capacity and technology. In September, the Council of Ministers also approved the Money Laundering Action Plan Bill¹¹. This bill will be submitted to the House of Representatives in 2021. Finally, the long-awaited UBO register. Since September 27th 2020, companies and other legal entities are obliged to list the ultimate beneficial owner (UBO) in this register. The legislation states that part of this register is to be made publically available. Non-public information, such as address information, is only accessible to FIU-the Netherlands and other competent authorities.

¹⁰ <http://www.fatf-gafi.org/publications/methodsandtrends/documents/virtual-assets-red-flag-indicators.html>

¹¹ <https://www.rijksoverheid.nl/documenten/kamerstukken/2020/12/02/kamerbrief-derde-voortgangsrapportage-plan-van-aanpak-witwassen>

2.3.4 Information systems

We at FIU-the Netherlands strongly depend on our information systems. Of course, just like any other organisation, we had changing and high demands after the first lockdown in March. Both from a purely technical perspective as well as regarding the flexibility of our employees. FIU-the Netherlands managed to guarantee continuity from the very first lockdown by investments in software and hardware. With the accelerated rollout of encrypted laptops, combined with the flexibility of our employees and the decisiveness of the police IT department as the administrative organisation, we even managed to take a few extra steps.

We depend on the information provided by the obliged entities registered with us. Obligated entities that report large transaction volumes or those with a complex data structure report via XML. Those that report on a more incidental basis use an online reporting form. A number of them complained about the cumbersome nature of this form. Also, errors were made with completing the form due to ambiguity which in turn reduced the data quality. Therefore, after conducting tests with the involved reporting groups, a new form was developed aimed at ease of use and clarity. On July 1st 2020, the new reporting form went live for “buyers or sellers of goods,” “buyers or sellers of art objects,” and “brokers in high-value goods.” The feedback was very positive and immediately improved data quality. About 50% of the institutions registered with FIU-the Netherlands is now provided with a hugely improved reporting form. In 2021, we plan to continue developing improved reporting forms for other sectors as well.

As described at the beginning of this chapter, FIU-the Netherlands's playing field is highly international. After all, crime does not stop at national borders. Our information systems also have this international focus. Since 2018, in addition to FIU.Net for exchange with FIUs within the EU and Egmont Secure Web (ESW) for exchange with non-EU FIUs, FIU-the Netherlands has been using the FCInet application. Organisations can use this to share pseudonymised information by means of the Ma³tch functionality. What began as a collaborative project between the FIOD and FIU-the Netherlands was expanded in 2020 to improve cooperation with the FIUs in the countries of the Kingdom of the Netherlands: Aruba, Curaçao and Sint Maarten. In 2021, these FIUs will be connected to FCInet in order to create a Kingdom Network between the four countries allowing the FIUs to exchange pseudonymised information with each other.

Finally, in 2020 a vital step was taken towards making FIU-the Netherlands future-proof. The discussion of the figures in Chapter 1 highlighted the importance of continuously investing in our information systems. The structurally allocated funds from the action plan against money

laundering make it possible to take the next step in this direction. The value of this was clearly reflected in the figures for semi-automatic case file creation. FIU-the Netherlands is therefore pleased to have been allocated an additional structural budget from 2020 onwards to take our information systems to the next level. At the end of 2020, FIU-the Netherlands began to form an in-house DevOps team, which will focus on developing and improving the information systems for FIU analysts.

Of course, our analysts remain our greatest asset. Human eyes and minds combined with the knowledge and experience of our staff is as vital to our work as ever. But the figures in Chapter 1 highlighted the importance and potential of our information systems. The additionally allocated funds will enable us to place even more emphasis on this aspect in the years to come.

Robbert Springorum, Deputy Head of FIU-the Netherlands

2.3.5 Employees and growth

In 2020, FIU-the Netherlands grew from 63 to 76 FTEs. This growth is not directly reflected in operationally deployable capacity. The screening procedure for potential new employees and the participation of new operational FIU staff in a three-month training program are causing some delay between allocation of staff and actual deployable capacity.

The growth has not yet reached its limit. Pledges of structural and incidental funds, from the RIEC Rotterdam and others, will ensure that FIU-the Netherlands's annual budget grows to around 9 million euros in 2020. This will enable us to invest in, among others, additional analysts.

A growing organisation means being able to pay extra attention to knowledge management and development. A concrete step in this direction was taken with the establishment of the FIUniversity. This program takes new employees through all the aspects of FIU-the Netherlands's dynamic and complex playing field. After several months of preparation, the first edition in the autumn of 2020 proved successful. Based on these experiences, we will explore how we can use the FIUniversity in 2021 and beyond to not just train new staff but also invest in deepening and refreshing the knowledge of existing staff.

Finally, the growth of FIU-the Netherlands in recent years has heralded a new phase: the development and establishment of its own Works Council (OR).



At the request of the Head of FIU-the Netherlands, a preparatory committee was formed in July 2019. Once the preparatory committee had completed the preliminary work in the second half of 2019, the OR of FIU-the Netherlands became a reality in the first quarter of 2020. It consists of a secretary, a chairperson, and a deputy chairperson. They are appointed for a period of four years and were provided with training and education in order to continue their development and perform their duties within the OR to the best of their abilities. In 2020, they issued a number of recommendations at the request of the Head of FIU-the Netherlands. The OR has also started with formulating an opinion on the Staffing Plan concerning the aforementioned expansion in capacity. This plan will be finalised and implemented in 2021 once green light has been given by the Head of FIU-the Netherlands.

2.3.6 Quick scan by the National Audit Office

In a letter dated July 23rd 2019, the Minister informed the House of Representatives about a number of changes to the organisation and working method of FIU-the Netherlands and the planned audit by the National Audit Office (ADR)¹². This was because conversations between FIU-the Netherlands, the police and the Ministry of Justice and Security resulted in questions about the method and basis of using police data for the task of FIU-the Netherlands.

Based on the decision made, FIU-the Netherlands took measures to control risks in functionally combining the police and FIU role in a single person. The Minister requested for an investigation to take place to determine whether FIU-the Netherlands had made the related risks manageable. The ADR carried out this investigation in August and September. It concluded that FIU-the Netherlands's "in control statement" provided a realistic view of measures taken, which meant that it could be assumed that FIU-the Netherlands was sufficiently capable of preventing and managing the risks in combining both roles. The ADR report also contained a number of recommendations that will help FIU-the Netherlands make further improvements to control measures and to be "in control" in applying them. These recommendations are either of a procedural or an administrative nature. Some of them have already been implemented. In 2021, further coordination will take place with the police, so that all recommendations can be adequately followed up on and monitored.

2.3.7 The Dutch Caribbean

During 2020, preparations were made for amendments to the Money Laundering and Financing of Terrorism (Prevention) Act for the Dutch Caribbean (Wwft BES). These amendments cover the risks identified on the BES 2018 National Money Laundering and Financing of Terrorism Risk Assessment and are said to ensure full implementation of the FATF standards. They also implement the action plan against money laundering as discussed earlier. The amended Wwft BES will enter into force on July 1st 2021. In addition to this, it has been decided to take a different approach to the activities concerning the Dutch Caribbean. Since the end of 2020, we have been working with two new Wwft BES specialists. One specialist works from the Netherlands with a full-time focus on the Dutch Caribbean. A new Wwft BES specialist, seconded from the Dutch Caribbean Police Force (KPCN), is employed on location. With this specialised duo, grounded in local law enforcement, FIU-the Netherlands hopes to take combating money laundering and financing of terrorism in the Dutch Caribbean to the next level.

2.3.8 Providing information

The twentieth and final anonymised case study of the year was posted on December 17th 2020. This was also the 250th publication of a case on the website. Casuistry has been published since 2012, it is one of the activities in the context of providing information about the prevention and detection of money laundering and financing of terrorism, a task described in article 13 of the Wwft. This is a statutory task to which FIU-the Netherlands will be devoting more attention in the coming years. For example, the Staffing Plan specifically includes capacity for this task. Also a project started to completely update the FIU-the Netherlands website and provide better and more information on our tasks. This project will be completed in 2021.

Another form of providing information are the newsletters, for example one related to virtual assets for obliged entities in the Dutch Caribbean. They were informed about this topic by creating awareness to the risks of money laundering and financing of terrorism using virtual assets specifically present on the islands. The information in the newsletter contributed to the first reported transaction related to virtual assets from a service provider on the BES islands.

FIU-the Netherlands also carries out its providing information task in a very broad sense on a daily base. This ranges from analysts who explain certain phenomena to our public partners, to relationship managers who advise on the subjective indicator during visits to obliged entities, to answering questions from students about money laundering. FIU-the Netherlands also heavily participated this year in webinars and lectures, albeit mostly virtually because of Covid-19, to clarify our work or provide background on the detection and prevention of money laundering and financing of terrorism where necessary. An example of this can be seen in the insert below. In addition to this, presentations were given at/for obliged entities, lectures were held at training institutes, several newsletters were sent out in the course of the year on specific themes, and contributions to articles in various media were made. In February 2020, the Head of FIU-the Netherlands also took part in an interview for the Dutch television show "Nieuwsuur" to explain the risks we had observed in relation to healthcare fraud and the possible link to financing of terrorism.

¹² <https://www.rijksoverheid.nl/documenten/kamerstukken/2019/07/23/tk-jaaroverzicht-fiu-2018>

The wide range of tasks related to providing information on the detection and prevention of money laundering and financing of terrorism has also led to a desire of developing a new front office, a central first point of contact for all our partners. In 2020, the first steps were taken in this direction, and a plan was drawn up to provide efficient, effective, and uniform information to our obliged entities on the one hand, and law enforcement, intelligence, and security services on the other hand. In 2021 we will start with implementing this plan.

2.3.9 Cooperation

Despite the aforementioned growth, FIU-the Netherlands remains a relatively small player in terms of FTEs. Cooperation is essential for a small player in an international, dynamic, and complex playing field. Cooperation with parties that play a direct role within the Dutch reporting chain: from the gatekeepers of the financial system to law enforcement, intelligence, and security services. But it also includes all the collaborative efforts and parties associated with them, such as the Information Exchange on Criminal and Unexplained Assets (iCOV), FEC, the Regional Information and Expertise Centres (RIECs), trade associations, other FIUs, ministries, supervisory authorities, and knowledge institutes. For FIU-the Netherlands, cooperation takes place in many different areas and many different forms. One example is public-private partnerships (PPPs).

For FIU-the Netherlands, one important development in the context of further improving and intensifying PPP was establishing the Fintell Alliance NL. This is a collaborative effort between FIU-the Netherlands and the four major banks (ABN AMRO, ING, Rabobank and Volksbank) to exchange knowledge and increase the effectiveness of reporting unusual transactions. The purpose of the Fintell Alliance NL is to gain a clearer insight into criminal networks, facilitators, modus operandi, and the laundering of criminal assets. The Fintell Alliance NL came about as a result of several developments. A successful pilot between the Volksbank and FIU-the Netherlands in 2018, the establishment of, within the context of the FEC, the pilot Serious Crime Task Force (SCTF), the perpetuation of the Taskforce Terrorism Financing (TFTF), and cooperation within the FEC on various projects created a run of successes and circumstances that collectively led to the Fintell Alliance NL: the hub of public-private cooperation within the Wwft domain between the four major banks and FIU-the Netherlands. Analysts from the banks and FIU-the Netherlands work together at a single physical location (virtual during Covid-19). This cooperation takes place within the legal domain and framework of the Wwft. All the affiliated task forces and projects are thus provided with legally grounded information from FIU-the Netherlands in such a way that we can use our mandate towards both public and private partners. The cooperation aims to achieve more effective prevention, detection, and intervention regarding money laundering, predicate offences, and financing of terrorism.

Screenshot of Hennie Verbeek-Kusters during the webinar ‘That must be OK(?)!’ on November 26th 2020 with Onno Hoes (chair of NVM), Annerie Ploumen (chair of KNB) and crime reporter John van den Heuvel. The webinar was attended by approximately 500 professionals and focused on money laundering in the real estate industry. This is a phenomenon about which John van den Heuvel said: “Recognising the problem is often part of the solution. So keep asking, let your gut feeling play a part and, if necessary, talk to colleagues or FIU-the Netherlands about how you should deal with a certain feeling.”



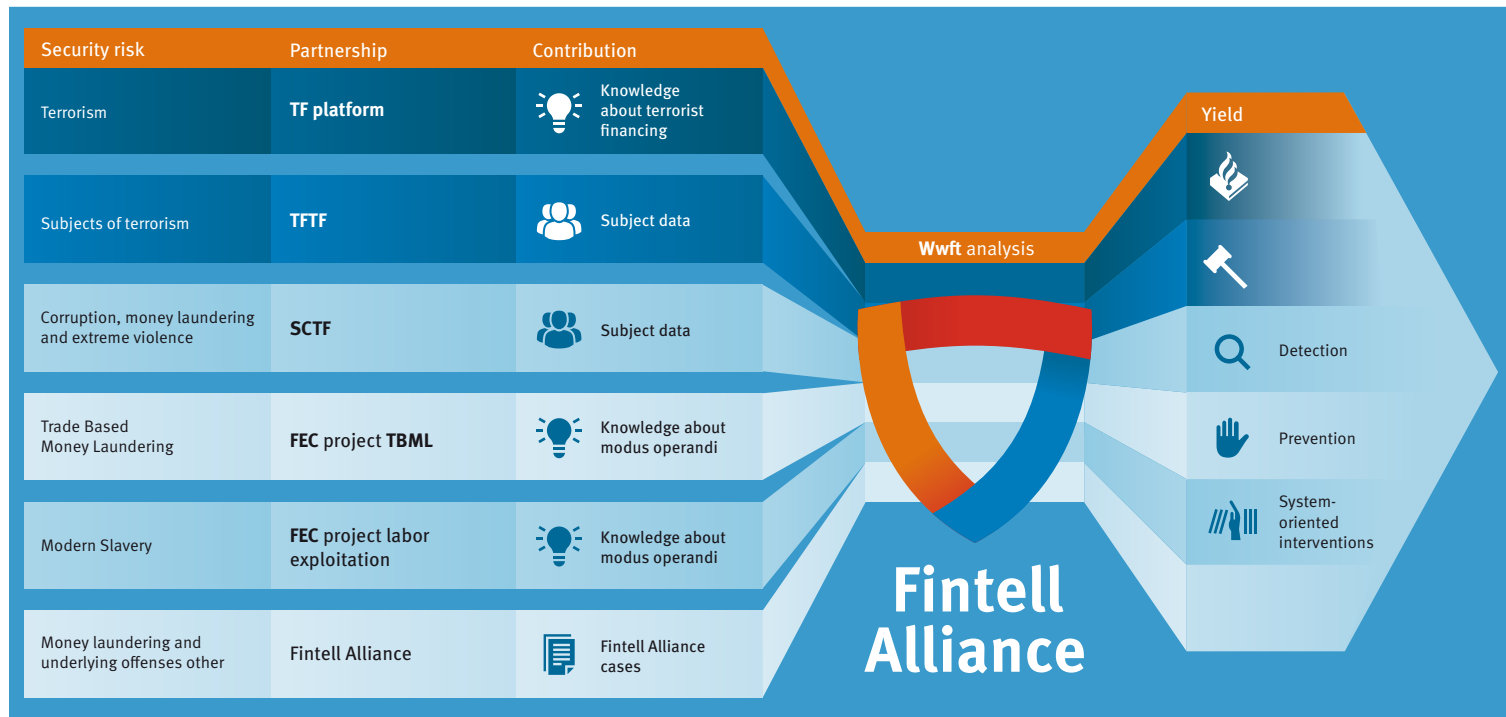
Source: <https://www.politie.nl/nieuws/2020/december/3/oa-witwassen-in-de-vastgoedsector-het-probleem-erkennen-is-onderdeel-van-de-oplossing.html>

This way of working together also offers more room for incorporating FIU-the Netherlands’s providing information task into a circular, day-to-day manner. Within the existing legal frameworks of the cooperation, FIU analysts can operationally share their insights and knowledge with the banks’ analysts. Of course, the other way around also occurs, creating a continuous feedback loop.

The Fintell Alliance NL is structured in such a way that it can be scaled up in the future and, where necessary, serve other PPP initiatives. A graphical representation can be found in the below insert

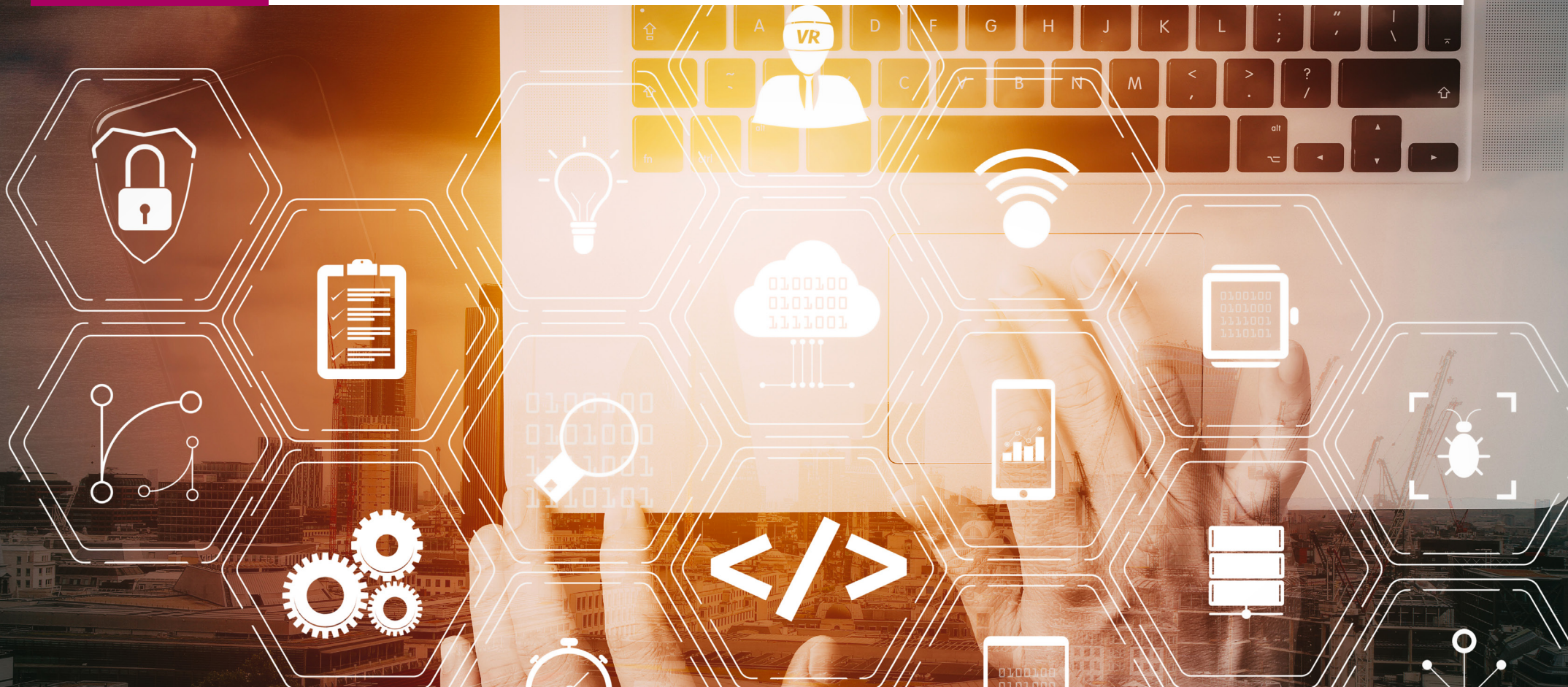
Cooperation like this is expected to intensify in the years to come following the legislative proposal for the Money Laundering Action Plan and the amendment it includes to allow for the exchange of information between gatekeepers of the same category and the ability of banks to engage in joint transaction monitoring.

As with the initiatives in this field in the European Netherlands, FIU-the Netherlands also sees sufficient potential for entering into PPPs in the Dutch Caribbean. The first explorative conversations on this topic began in 2020. FIU-the Netherlands will continue to intensify discussions about PPP in 2021 and formalise them where possible with the aim to put in place a PPP within the Wwft BES domain to make the prevention of money laundering, predicate offences, and financing of terrorism more effective.



The results

The first chapter presented the results achieved in 2020 in terms of figures. This third and final chapter looks at some of the stories behind these figures to show where it all leads to.



3.1 Covid-19

This chapter begins with the topic that dominated 2020: Covid-19. Criminals are part and parcel of society. Changes in society thus cause changes in, and in some cases impede, criminal behaviour.

A global pandemic is a major social change. It creates barriers on the one hand. For example, the use of cash in many countries saw a huge decline or even came to a virtual standstill because of lockdowns. This led to the hypothesis that criminals could make less use of existing channels to launder their illegally earned cash. Whether or not by chance, it wasn't for long before reports came in from all over the world on confiscations of large sums of cash. Also from the Netherlands, where 12.5 million euros in cash was found during a search in early May. The largest amount ever found in one location.



Source: <https://www.politie.nl/nieuws/2020/mei/6/11-12.-580-miljoen-euro-aangetroffen-in-verborgen-ruimte-man-35-vast.html>

The major societal changes which are the consequence of a pandemic lead to shifts. For example, the police reported a clear shift towards cybercrime¹³. Europol warned of children becoming more vulnerable by the increase in online presence of both perpetrators and victims¹⁴.

FIU-the Netherlands also saw many signals related to Covid-19 during the pandemic. This began as early as in the first quarter, when criminals tried to take advantage of the panic surrounding a shortage of face masks, for example.

This not only affected consumers, but also institutions such as hospitals, as can be seen in the screenshot below. Fortunately, thanks to efficient chain cooperation, the hospital was spared the loss of millions, and the suspects were quickly apprehended.



Source: tweet by Janine van den Berg, Chief of Police of the National Unit and board member of Interpol, on March 24th 2020 stating the arrest of two suspects attempting to fraud a Dutch hospital and the excellent collaboration between the Dutch police and FIE-the Netherlands in this.

Not only face masks led to suspicions of fraud. When the gyms had to close, reports of scams involving gym equipment came in which led to STR's. This is a good example of how quickly criminals adapt to changes and current events.

¹³ <https://www.politie.nl/nieuws/2021/januari/15/00-criminaliteit-2020-minder-inbraak-meer-cybercrime.html>

¹⁴ <https://www.europol.europa.eu/publications-documents/exploiting-isolation-offenders-and-victims-of-online-child-sexual-abuse-during-covid-19-pandemic>

This rapid response to new conditions for criminal purposes took on a whole new dimension with the aid packages announced by the government. As a result of the initial lockdown, the government provided grants to the different sectors. An unprecedented situation in light of the scale and speed at which this took place. The social urgency was so enormous that it was not possible to put thorough anti-abuse measures in place beforehand. Therefore the FIOD, ISZW, police, AMLC, Public Prosecution Service, and FIU-the Netherlands immediately sought cooperation with each other and with the institutions involved, such as municipalities and obliged entities, in order to take joint action against the abuse of support measures. This working method proved to be very effective and efficient.

As a first step, the cooperation highlighted the importance of having the relevant authorities pay out the emergency facilities as much as possible with fixed payment properties. This helped the obliged entities in monitoring relevant transactions. A list of red flags was drawn up in close cooperation at the same time. FIU-the Netherlands then informed obliged entities by means of a newsletter. This took place on April 14th 2020, less than a month after the announcement of the government. This newsletter informed the obliged entities not only about the red flags but also about the emergency measures itself and the methods of payment. This allowed financial institutions to optimally prepare their transaction monitoring to detect unusual transactions in relation to potential fraud with the substantial grant package of the government.

Soon, it led to reported transactions coming in. The issue was prioritised, and analysts examined all incoming reports related to Covid-19 for suspicious patterns. These reports were found in various forms, from government grants being fully used for online gambling to the direct transfer of those grants to foreign accounts. Where appropriate, such transactions were declared suspicious by the Head of FIU-the Netherlands and disseminated to the law enforcement, intelligence, and security services. Table 3 shows the results regarding this method:

Table 3: Figures related to Covid-19

Covid-19	2020
Number of UTRs	2,500
Number of STRs	1,259
Number of case files	1,093

Right from the start, the project was undertaken in close cooperation with law enforcement, in this case ISZW, FIOD, and the police. These partners also prioritised the topic by allocating capacity. Disseminated case files were therefore promptly and effectively handled. Where possible, action was taken immediately and where necessary this was done in cooperation with other involved entities. For example, it was possible to prevent the payment of EUR 600,000 of NOW grant (a specific type of Covid-19 related state-aid) wrongfully claimed by one entrepreneur. In other cases, undue payments could not be prevented, but action was taken afterwards. One example is shown in the screenshot below.



Source: tweet by FIOD on May 28th 2020 stating an arrest in relation to suspected fraud with emergency funds after a report of FIU-the Netherlands.

The fact that crime does not stop at national borders was once again confirmed. FIU-the Netherlands received several cross-border transactions involving information requests between fellow FIUs. This led to the freezing of assets in accounts and arrests in Hungary, for instance.

This way of working clearly illustrates the speed and effectiveness of the reporting chain if all priorities are aligned. Also the value of circular and continuous knowledge sharing became apparent. The first newsletter was followed by a second one in May containing case studies showing obliged entities the results of their efforts. It also contained enhanced red flags based on feedback from all stakeholders. This process was repeated with a third newsletter. Other forms of knowledge sharing were also highlighted in this way of working around Covid-19 related crime. The AMLC and FIU-the Netherlands gave several interviews and participated in different webinars. The AMLC, police, and FIU-the Netherlands also teamed up to host their own webinar. The Netherlands Institute of Chartered Accountants (NBA) organised a webinar for auditors in which FIU-the Netherlands contributed. And the head of FIU-the Netherlands also participated in a webinar organised by the FATF on Covid-19 related crime, with 1,500 participants.

These virtual meetings were all well attended, showing that there is considerable demand for knowledge from our side when new situations arise.

In FIU-the Netherlands's opinion, this joint approach is an excellent example of how combating money laundering and predicate offences helps to safeguard the financial system's integrity. In this case by ensuring that the support from our government goes where it is needed most and that abuse is detected and punished.

3.2 Cars and VAT fraud

In the aforementioned examples of cases, the time between the report of an UTR and the intervention was short to very short. However, this is not always the case. FIU-the Netherlands also carries out investigations which take considerably longer. For example, in 2016 attention was drawn by a number of transactions concerning the cash purchase of vehicles in the Netherlands. At that time, we were unable to uncover a link with money laundering via trading cars. In 2017, similar transactions came to light again as a by-product of another investigation. The cases were of course linked and investigated further by our analysts. It resulted in an initial case file in 2017. In 2019, the FIOD published an article on its website about VAT fraud and facilitation of money laundering by car dealers¹⁵, an investigation to which the 2017 case file was linked. According to the FIOD, the car dealers were involved in money laundering via a VAT carousel (see insert). Cars were bought in the Netherlands with cash. On paper, these were shipped to (fictitious) companies in various countries, such as Portugal and Italy. In reality, the cars were shipped to Berlin and sold over there. In August 2020, the court in Zwolle passed judgment in this large-scale investigation. In first instance, one car dealer was sentenced to 59 months' imprisonment, another defendant to 47 months' imprisonment¹⁶.

A VAT carousel is a construction in which VAT is charged without remitting it to the tax authority. The VAT is, however, reclaimed by a business entity linked to the carousel later on in the construction. There are various forms of VAT carousels, but they are often part of an international construction, as was the case in paragraph 3.2. Cross-border VAT fraud is a major problem. The European Commission's 2016 "VAT Action Plan" estimates the amount at €50 billion a year within the EU.

3.3 Fruit Trade

It emerged from reports made to FIU-the Netherlands that a subject had purchased a quite expensive home in the Netherlands. The purchase was financed with both cash and money originating from a business account. The subject was a person who had (purportedly) been registered abroad for a long time. In fact, he was living in the Netherlands. Reports of related unusual transactions and further investigation revealed that he was also involved in other real estate transactions and that most banks had terminated their client relationship with the subject. In 2018, two police investigations started as a result of STRs coming from these reported transactions. These investigations showed that the subject was a member of a criminal organisation with dozens of companies all registered to, as it turned out, straw men. These companies were engaged in the seemingly legitimate fruits trading business. The investigation team, after thorough work, uncovered a different reality. It turned out to be a network involved in importing and trading of illegal drugs. Several suspects were eventually apprehended in the autumn of 2020. One of the suspects was sentenced in first instance to three years' imprisonment. The expensive house which was mentioned in the unusual transaction, including cash found on location, have been confiscated.

¹⁵ <https://www.fiod.nl/vier-autobedrijven-verdacht-van-btw-fraude-en-faciliteren-witwassen-bij-export-van-autos/>

¹⁶ <https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Overijssel/Nieuws/Paginas/Jarenlange-celstraffen-voor-frauduleuze-autohandelaren.aspx>

3.4 Financing of terrorism

During the year, various trends and developments were observed by FIU analysts specialised in the prevention of the financing of terrorism.

3.4.1 Jihadism, returning ISIL/Da'esh FTFs and their spouses.

Fighters (FTFs) who had joined ISIL/Da'esh and al-Qaeda factions in Syria and/or Iraq. There were also arrests of FTFs and women who had resided in ISIL/Da'esh territory and returned to the Netherlands. Some of these individuals were known to our obliged entities as they were on the National Terrorism Sanctions List. However, others were unknown. Publications about these cases in the media and earlier risk profiles shared by FIU-the Netherlands led to an apparent increase in reported transactions related to these cases, both on recent transactions and also on transactions dating back to when these people left the Netherlands. These less recent transactions are sometimes thought of as being less relevant. Nothing could be further from the truth. They can make a major contribution to evidence in criminal cases in the fight against financing of terrorism and the violation of the 1977 Sanctions Act. Some of these reported transactions relating to less recent transactions were declared suspicious and handed over to law enforcement in 2020. The notion that financing from the Netherlands takes place within this context seems plausible¹⁷. In several cases involving returning women, FIU-the Netherlands disseminated STRs to investigative, intelligence, and security services.

3.4.2 Financing of the ISIL/Da'esh organisation

Many of the investigations carried out within the Netherlands relate to financing of the fighters and not primarily to financing of the organisation. Nevertheless, possible signs of past funding of the ISIL/Da'esh organisation have emerged during 2020. For example via trading of antiquities or the oil trade. In this area, too, transactions were declared suspicious and shared with law enforcement, intelligence, and security services.

3.4.3 Increasing threats from the right-wing extremism

3.4.3 Increasing threats from the right-wing extremism Since 2013 the FIU-the Netherlands has been investigating different forms of terrorism collectively referred to as right-wing

extremism¹⁸. Activities on this were stepped up considerably in 2020, partly in response to recent developments and notifications from the National Coordinator for Counterterrorism and Security (NCTV)¹⁹ which said: 'An attack from the extreme right remains conceivable'²⁰.

Investigations done by FIU-the Netherlands on this topic use, among others, the findings of the Egmont Group project Lone Actors and Small Cells²¹. One of the findings was that, after jihadism, right-wing extremist groups and/or individuals were responsible for most of the terrorist attacks studied in this project.

Despite signals from some obliged entities that it is difficult to detect transactions related to this form of terrorism, several transactions were reported in 2020 and a number of transactions was also declared suspicious. FIU-the Netherlands actively seeks cooperation to acquire even more knowledge about this form of financing of terrorism and to share that knowledge. We operate in various national and

international partnerships. Domestically, FIU-the Netherlands participates in the financing of terrorism taskforce (TTF) and Platform (TF Platform). Internationally, we participate in the EU project called Collaboration, Research & Analysis Against the Financing of Terrorism (CRAFT)²². Furthermore, FIU-the Netherlands and FIU France (TracFin) lead the Egmont Group project Extreme Right Wing Terrorism Financing (ERWTF)²³. This project will be completed in the third quarter of 2021 and could lead to the recognition of certain financial characteristics which, along with other findings, may help to develop red flags and/or indicators for obliged entities.



¹⁷ <https://www.trouw.nl/binnenland/om-samir-a-steunde-achtien-is-vrouwen-in-syrie-b696ba88/>

¹⁸ <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2020>

¹⁹ <https://www.nctv.nl/documenten/publicaties/2020/10/15/dreigingsbeeld-terrorisme-nederland-53>

²⁰ <https://www.nctv.nl/onderwerpen/dtn/actueel-dreigingsniveau/rechts-extremisme>

²¹ <https://egmontgroup.org/en/content/new-publication-counter-terrorist-financing-project-lone-actors-and-small-cells-public>

²² <https://www.projectcraaft.eu/>

²³ <https://egmontgroup.org/en/content/information-exchange-working-group-meetings>

3.4.4 Lone Actors

The phenomenon of lone actors is proliferating in the Western world²⁴. This is not limited to one particular movement. Europol indicates that this phenomenon occurs mainly within the jihadist, extreme right-wing, single-issue and ethnic-nationalist-separatist groups²⁵.

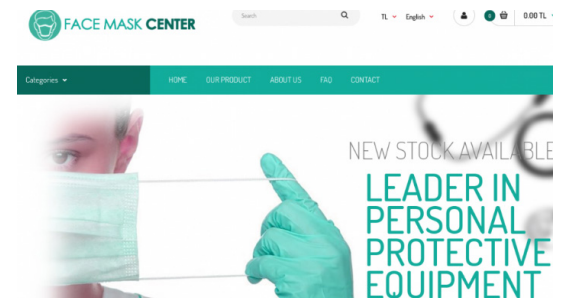
As a result of the findings of the Egmont Group Lone Actor project, FIU-the Netherlands took initiatives with our public and private partners to identify financial transactions involving potential lone actors. To this end, investigations into financial transactions involving firearms have been intensified. However, that is not enough. Europol has noted the broader use of explosives, including by right-wing extremist groups when committing attacks²⁶. For this reason, FIU-the Netherlands has also focused on investigating financial transactions that may be related to precursors for the production of explosives, with the aim identifying future attackers. Especially within the area of firearms, this approach has led to multiple STRs

3.4.5 Crime/terrorism Nexus

Several studies have been conducted in recent years into the convergence between (organised) crime and terrorism. The EU²⁷ and the United Nations (UN)²⁸ have initiated and financed studies on how the two phenomena are drawing closer together. This drawing closer together has been taking place on multiple scales. This ranges from a link between individuals with criminal records on the fringes of society who prove more susceptible to radicalisation to criminal organisations that help terrorist organisations smuggle people or weapons. Investigations by FIU-the Netherlands revealed that these were incidental matters that mainly occurred outside the Netherlands, as far as we can tell now. But nonetheless there were also some examples within the Netherlands. These involved relationships between persons linked to terrorist organisations or cells and those linked to organised crime. They appeared to focus primarily on the acquisition of means for committing attacks, such as firearms.

This is something that Europol recognises and very appropriately describes as a ‘transaction-based’ relationship²⁹. In the Netherlands, an interesting investigation with precisely this profile was done in 2020. Based on residual information from investigations into a previous attack in France, analysts of FIU-the Netherlands came across suppliers of certain goods based abroad. The close connection with local FIUs made it possible to unravel a link with subjects in the Netherlands. Investigating these subjects subsequently resulted in seven case files that were handed over to our partners. Two were related to firearms and organised crime. Five were related to the financing of terrorism.

The United States provided three examples of terrorist organisations seeking to fund their operations through crime. In August 2020, the U.S. Department of Justice issued a press release on three operations involving virtual assets and terrorism*. Two cases can be viewed as crowdfunding for terrorism using virtual assets. The third case involved a terrorist organisation offering facemasks through Facebook pages and other websites. Payments had to be made via Bitcoin, and the sites promised quick delivery of face masks. Following a report that the masks were not being delivered, it came to light that a terrorist organisation was aiming to use this form of fraud to obtain funding.



*Source: <https://www.justice.gov/opa/pr/global-disruption-three-terror-finance-cyber-enabled-campaigns>

24 <https://www.nctv.nl/documenten/publicaties/2020/10/15/dreigingsbeeld-terrorisme-nederland-53>

25 <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2016>

26 <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2020>

27 <https://ct-morse.eu/resource/examining-the-nexus-between-organised-crime-and-terrorism-and-its-implications-for-eu-programming/>

28 http://www.unicri.it/in_focus/on/Crime_Terrorism

29 <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2020>

3.5 The Dutch Caribbean

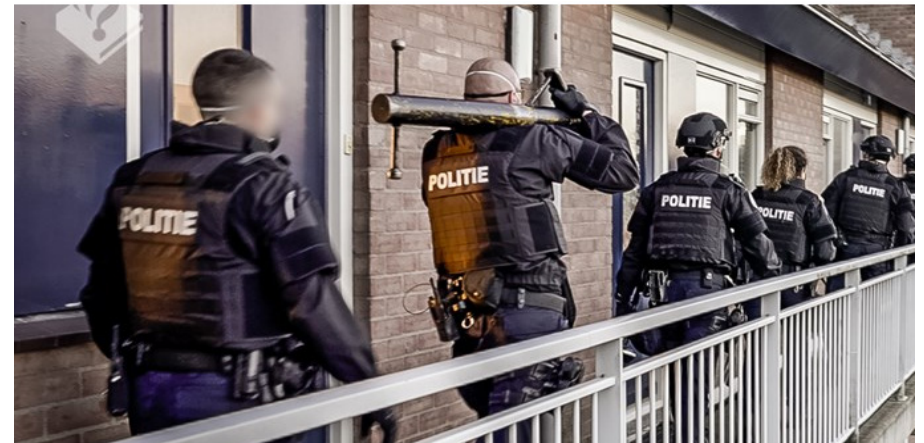
Whereas the number of reports of unusual transactions rose by 33 per cent in the European Netherlands, a decrease of 17 per cent was observed on the BES islands. A big difference. One explanation may come from the nature of the economy. Tourism in the Dutch Caribbean was hit hard in 2020 as a consequence of the measures and flight restrictions resulting from the Covid-19 pandemic. After the Covid-19 measures were introduced in mid-March, tourism came to a virtual standstill. A sector on which a large part of the economy relies. On top of that, the economy of the Dutch Caribbean is much more cash-driven. Therefore the impact of the Covid-19 measures, especially the lockdowns, is potentially greater. Despite a decrease in the number of reported unusual transactions, as the BES Money Laundering and Financing of Terrorism NRA 2018 identifies there are risks of money laundering and predicate offences in the BES Islands, particularly due to its geographical location and the prevailing cash economy. This is reflected in the type of UTRs we receive. It is also reflected in public reports from the past. Seen from arrests and court rulings, which show that money (presumably) comes from (tax) fraud, corruption, and drug trafficking mainly affects Bonaire. Of the 858 reported unusual transactions in 2020, 66 per cent was reported based on the subjective indicator. In 2020, 107 transactions were declared suspicious. Of these STRs, approximately 54 per cent resulted from reports of an unusual transaction based on the subjective indicator. More figures about the Dutch Caribbean are given in Annex I.

One concrete result from these figures is a conviction for embezzlement. The Public Prosecution Service opened an investigation in 2019 after the Island Governor of Bonaire reported embezzlement at a government-owned company. The suspect, who worked as a director of finance at the company, allegedly unlawfully withdrew money (over \$350,000.00) from the company. The report led to a LOvJ request from the investigation team. This request was unsuccessful because at that time no transactions were known to FIU-the Netherlands. In the course of 2020, however, more and more information began to trickle in, also a spontaneous dissemination of information was received from another FIU. Because the subject in question was already the subject of a criminal investigation, an analyst from FIU-the Netherlands was able to make an overview of the transactions. After being declared suspicious, this was shared with the investigative team. The subsequent investigation led to prosecution and conviction. In first instance, the director was given a suspended sentence of one year, with an operational period of two years.

3.6 Partnership

This annual review clearly shows that FIU-the Netherlands thrives on cooperation. There are partnerships and joint projects aimed at knowledge development, they include for example the FEC projects on red flags. There are also partnerships focused on investigations. A good example is the Financial Intelligence Centre (FIC) in Rotterdam as described in the 2019 annual review and resulting from the Confisq project. This partnership between the FIOD, police, tax authority, Rotterdam municipal authority, and FIU-the Netherlands is a pilot in which investigations are carried out as part of the RIEC's task³⁰. In 2020, good results were achieved, including a case related to the previously mentioned link between criminal money and real estate. The subject of the report stood out because large amounts of cash were going into his account. Unusual for his sector: property brokerage and rental. A further investigation revealed that the subject had no real estate registered in his name while there was a lot of (more or less fixed) rental income but a highly irregular expenditure pattern to a small number of individuals.

Ten arrests as a consequence of raids in Rotterdam



Source : <https://www.rijnmond.nl/nieuws/201262/Tien-aanhoudingen-bij-invalen-in-Rotterdam>

³⁰ <https://www.riec.nl/riecs-en-liec>

The resulting investigation led, in the autumn of 2020, to eighteen raids, ten arrests and the seizure of 42 kilos of cocaine, the remains of a cannabis farm, 150,000 euros in cash, jewellery, a lot of expensive brand name watches, a large quantity of valuable designer clothing, weapons and ammunition, two safes, two cars and real estate.

3.7 Child abuse

In June 2020, Europol published a report on the increased vulnerability of children in the virtual domain, as both perpetrators and victims were forced to stay at home as a consequence of Covid-19³¹. FIU-the Netherlands warned the obliged entities about this risk in a newsletter. Offenders who would normally travel now explored other avenues to navigate around the travel restrictions. Unfortunately, we saw examples of this: transaction patterns that indicate with a high probability the live streaming of abuse. The Egmont Group has investigated this phenomenon. A project group including Interpol, several private parties, and almost twenty FIUs (including FIU-the Netherlands) created a report in 2020 to improve the ability of obliged entities and law enforcement to detect high-risk transactions³².

3.8 Healthcare fraud

Healthcare fraud was discussed in section 2.3.8 in the context of providing information. Besides providing information about healthcare fraud, FIU-the Netherlands also invested on this topic in other ways during 2020. On an information systems level, data mining technologies were used to develop the healthcare fraud monitor further, as announced in the 2019 annual review. The need for such a monitor arose because of the amount of manual work required to filter out the exact figures of UTRs related to healthcare fraud. By manually filtering out these transactions in 2018 and 2019, it was shown that it would be relevant to continue to invest on this, it led to our wish for a healthcare fraud monitor. During the year, however, it became apparent that the complexity and diversity of health care fraud reports made it particularly difficult to filter them in a reliable, automated way.

³¹ <https://www.europol.europa.eu/publications-documents/exploiting-isolation-offenders-and-victims-of-online-child-sexual-abuse-during-covid-19-pandemic>

³² <https://egmontgroup.org/en/content/combating-child-sexual-abuse-and-exploitation-iewg-project-report-now-available>

This is, for example, due to a multitude of different descriptions that obliged entities use for this type of fraud. With the help of the DevOps team, FIU-the Netherlands will therefore continue to work on the healthcare fraud monitor. To explore whether it will be possible to generate even more insight on the topic in an automated way.

As our focus on health care fraud in 2018 and 2019 showed that it was justified to allocate capacity, investments were also made at the operational level. A specialised analyst was made available to investigate the reported transactions on healthcare fraud. This specific focus was necessary because the reported transactions on healthcare fraud are, as said, very diverse and complex. In 2019, FIU-the Netherlands saw 968 unusual transactions that could be related to possible healthcare fraud. This year we focused on the number of STRs. This means that where the 2019 annual review also showed input figures, it now only shows output figures. Therefore, they are not directly comparable, but it does give an idea of what this choice to allocated specialized capacity resulted in. As a result of this, ten case files were disseminated to ISZW in 2020. These ten case files contained a total of over 1,600 transactions being declared suspicious. In 120 of these transactions subjects are involved with a possible link to financing of terrorism.



Afterword

As this annual review shows, 2020 was an eventful year for FIU-the Netherlands. Unfortunately, it is a utopia to think that our work will ever be done. The work of gatekeepers, law enforcement, intelligence and security services, and our organisation is a continuous process.

A process in which the power of the Wwft and the resulting financial intelligence is becoming increasingly important and extensive. This is why I created, together with FIUs' management team and input from internal and external experts, a strategic course towards 2025. All under the guidance of an external strategic agency. The core of this strategic course is to make optimal use of the potential of the Wwft, in particular financial intelligence. I foresee that FIU-the Netherlands can play a leading role in this in a number of ways.

It is also a dynamic process. In 2020, three new groups of obliged entities were included in the Wwft, another new group is in the pipeline for 2021. The Remote Gaming Act (Wet Kansspelen op afstand) came into force on April 1st 2021, and on October 1st 2021, the Dutch market will open for remote gaming providers, or online gambling. FIU-the Netherlands is currently working hard with parties including the Dutch Gaming Authority (Ksa), which supervises games of chance under the Wwft, to ensure that we are ready for this. In addition, in 2021 the legislative proposal for an action plan against money laundering will be submitted to the House of Representatives, which will result in a limit on cash payments of €3,000 for professional and commercial dealers in goods. And also after 2021, we will see new legislation and rules. Since 2020 has shown again that criminals quickly adapt their behaviour, which means we will have to keep developing ourselves.

Finally, it is also an increasingly complex process. The 2021 FEC annual plan announced an exploratory project into the increased complexity in the payment chain. Given the second European Payment Service Directive (PSD2) and technological and social developments, this payment chain is becoming increasingly complex, resulting in consequences for the entire reporting chain. It is an additional signal that we should increasingly view transactions from a chain perspective. That means investigating and analysing how a transaction relates to the network in which it is performed: a trend we have been observing for several years now. It is no longer sufficient to examine transactions purely on an individual basis. Increasingly, money laundering seems to take place in a network. That is what makes FIU-the Netherlands's position

so important, since we can look beyond the borders of individual obliged entities. From this perspective, interesting developments include the Fintell Alliance NL and Transaction Monitoring Nederland (TMNL).

In addition to these kinds of developments on both the criminal side and our side, there are also technological developments that we must continue to monitor. For example, the European Central Bank will make a decision by mid-2021 on whether or not to start a digital euro project. This could have major implications to our work, and we are therefore closely following such developments.

In the light of these developments and complexities, it is therefore good that the Netherlands is to be visited in November 2021 by the evaluation team that will be assessing the Netherlands in the fourth round of FATF evaluations. This team will assess on how and to what extent the Netherlands meet the FATF recommendations, and in particular how effectively and risk-based money laundering and financing of terrorism are being combatted. This way the entire Dutch sector involved in combatting money laundering and financing of terrorism is being assessed by an independent authority on how well this work is carried out and how well the dynamic and complex playing field is approached. From legislation to conviction. The European Commission is also commissioning a study on the implementation and effective application of the fourth Anti-Money Laundering Directive. Finally, an assessment by the Netherlands Court of Audit into the proceeds or the reporting chain is due for completion in early 2022. These assessments pose a strong demand on the capacity of all organisations involved. But they are very important. The entire national approach to fight money laundering, predicate offences, and financing of terrorism is being comprehensively examined and assessed for its effectiveness and efficiency. Of course, being assessed is always thrilling. However, FIU-the Netherlands looks forward to this with great confidence. If only because we, the whole sector, will undoubtedly learn from it and it will enable us to take the next step.

Finally, as chair of the Egmont Group, I intend to decide in 2021 on a new information system for those FIUs which are members of the Egmont Group. This information system should enable us to share and exchange information more quickly and, if necessary, with several FIUs at the same time. It is of huge importance that our means of international cooperation are made faster

and more efficient, since crime does not stop at borders and is highly adaptable. Also, in 2021, the Egmont Group will focus on the risk-based approach which I believe FIUs should adopt. The current AML/CFT system has been criticised from various sides. This mainly involves the amount of the criminal funds seized in relation to the estimated amount of money laundering. The question is if this is an indicator of how well the system works, or if it is a reflection of choices made within this system. If FIUs around the world were to work in a more risk-based way, this in itself would bring about an enormous improvement because the focus would then shift to those areas where the risks, and hence the potential profits to be made, are the greatest. In addition, I believe that there are other indicators to show the effectiveness of the system. Such as the extent to which gatekeepers are getting better at risk assessments related to AML/CFT and at making adjustments to internal processes thanks to circular knowledge sharing within the reporting chain.

In other words, in the year in which the extensive vaccination programmes will hopefully take us back to a world in which we can once again attend a live concert in a packed music hall, in which we can once again spontaneously visit a restaurant, and in which we can once again meet each other face to face, FIU-the Netherlands, together with all its partners, will continue to passionately combat money laundering, predicate offences, and financing of terrorism.

Hennie Verbeek-Kusters
Head FIU-the Netherlands



Annex I

Key figures FIU-the Netherlands 2020

Table 4: Number of UTRs by sector and type of obliged entities in the period 2018-2020

Sector	Type of obliged entity	2018			2019			2020		
		Number	Of which MT	Of which Objective02	Number	Of which MT	Of which Objective02	Number	Of which MT	Of which Objective02
Other sectors	Providers of custodian wallets	0	0	0	0	0	0	243	0	0
Independent professionals	Auditor	1,987	0	108	3,424	0	922	2,466	0	0
Independent professionals	Lawyer	22	0	1	52	0	10	21	0	0
Banks	Bank	68,217	2,183	693	155,337	2,081	7,385	245,148	2,800	5
Independent professionals	Tax advisor	298	0	3	284	0	12	383	0	0
Other sectors	Investment institution/company	77	0	18	124	0	55	273	0	0
Other sectors	Life insurance broker	1	0	0	0	0	0	0	0	0
Payment service provider	Payment service provider	254,554	231,912	5,924	248,783	223,160	49,584	194,894	183,604	3
Payment service provider	Payment Service Provider - PSP	332,081	4,321	289,122	1,906,487	9,181	1,754,911	227,987	172	0
Other sectors	Financial enterprise branch office	23	23	0	0	0	0	0	0	0
Other sectors	Domicile provider	25	0	0	39	0	0	26	0	0
Other sectors	Electronic money institution	7	0	3	29	0	0	583	0	0
Dealers	Dealer - Precious stones	502	0	0	729	0	0	726	0	0
Dealers	Dealer - Art and antiques	10	0	0	30	0	0	18	0	0
Dealers	Dealer - Vessels	60	0	0	58	0	0	52	0	0

Sector	Type of obliged entity	2018			2019			2020		
		Number	Of which MT	Of which Objective02	Number	Of which MT	Of which Objective02	Number	Of which MT	Of which Objective02
Dealers	Dealer - Vehicles	4,386	0	10	5,974	0	81	4,153	0	0
Dealers	Dealer - Other goods	167	0	0	356	0	10	477	0	0
Other sectors	Undertaking for Collective Investment in Transferable Securities	0	0	0	0	0	0	3	0	0
Independent professionals	Legal services provider	13	0	0	0	0	0	2	0	0
Other sectors	Non-bank - Corporate consulting	0	0	0	0	0	0	2	0	0
Other sectors	Non-bank - Securities management	1	0	0	0	0	0	0	0	0
Credit card companies	Non-bank - Credit cards	77,758	0	62,654	127,157	0	108,641	27,656	0	0
Other sectors	Non-bank - Interbank markets	0	0	0	1	0	0	29	0	0
Other sectors	Non-bank - Leasing	0	0	0	0	0	0	1	0	0
Other sectors	Non-bank - Issue of loans	93	0	1	179	0	0	233	0	0
Other sectors	Life insurer	1	0	0	7	0	2	9	0	0
Independent professionals	Real estate agent	173	0	4	227	0	6	246	0	0
Public sector	Tax and Customs Administration	6	0	0	2	0	0	9	0	0
Public sector	Customs	7,263	0	0	6,644	0	0	3,781	0	0
Public sector	Reporting obligation based on Regulation	3	0	0	0	0	0	1	0	0
Public sector	Supervisor	3	0	0	25	0	0	76	0	0
Independent professionals	Civil-law notary	800	0	16	1,317	0	32	1,060	0	0
Other sectors	Pawnshop	89	0	0	140	0	0	167	0	0
Casinos	Gambling casino	4,110	0	0	4,724	0	0	3,764	0	0
Other sectors	Valuer	4	0	0	4	0	0	3	0	0
Independent professionals	Trust and company service provider	258	0	52	278	0	86	146	0	0
Other sectors	Provider of safety deposit boxes	0	0	0	0	0	0	52	0	0
Other sectors	Virtual currency exchange services	0	0	0	0	0	0	7,066	0	0
Other sectors	Exchange institution	360	0	0	562	0	0	491	0	0
Total		753,352	238,439	358,609	2,462,973	234,422	1,921,737	722,247	186,576	8

Table 5: Number of institutions from which at least one transaction was received per type of obliged entity in the period 2018-2020

Number of obliged entities per obliged entity type, Non-BES				
Sector	Type of obliged entity	2018	2019	2020
Other sectors	Providers of custodian wallets	0	0	2
Independent professionals	Auditor	281	385	372
Independent professionals	Lawyer	12	14	16
Banks	Bank	54	59	54
Independent professionals	Tax advisor	81	81	80
Other sectors	Investment institution/company	12	20	20
Other sectors	Life insurance broker	1	0	0
Payment service provider	Payment service provider	20	23	18
Payment service provider	Payment Service Provider - PSP	15	21	23
Other sectors	Financial enterprise branch office	1	0	0
Other sectors	Domicile provider	8	9	6
Other sectors	Electronic money institution	2	4	6
Dealers	Dealer - Precious stones	33	28	34
Dealers	Dealer - Art and antiques	2	7	4
Dealers	Dealer - Vessels	28	35	26
Dealers	Dealer - Vehicles	533	732	693
Dealers	Dealer - Other goods	21	50	75
Other sectors	Undertaking for Collective Investment in Transferable Securities	0	0	2
Independent professionals	Legal services provider	1	0	2

Number of obliged entities per obliged entity type, Non-BES				
Sector	Type of obliged entity	2018	2019	2020
Other sectors	Non-bank - Corporate consulting	0	0	1
Other sectors	Non-bank - Securities management	1	0	0
Credit card companies	Non-bank - Credit cards	6	5	5
Other sectors	Non-bank - Interbank markets	0	1	1
Other sectors	Non-bank - Leasing	0	0	1
Other sectors	Non-bank - Issue of loans	4	10	13
Other sectors	Life insurer	1	3	3
Independent professionals	Real estate agent	80	125	98
Public sector	Tax and Customs Administration	1	1	2
Public sector	Customs	2	2	1
Public sector	Reporting obligation based on Regulation	1	0	1
Public sector	Supervisor	1	3	4
Independent professionals	Civil-law notary	211	322	295
Other sectors	Pawnshop	3	4	5
Casinos	Gambling casino	1	3	1
Other sectors	Valuer	3	2	3
Independent professionals	Trust and company service provider	36	37	30
Other sectors	Provider of safety deposit boxes	0	0	1
Other sectors	Virtual currency exchange services	0	0	12
Other sectors	Exchange institution	2	2	3
Total		1,458	1,988	1,914

Table 6: Number of STRs* by sector and type of obliged entities in the period 2018-2020

Type of obliged entity	2018		2019		2020	
	Number	Of which MT	Number	Of which MT	Aantal	Of which MT
Payment service provider	37,963	35,576	20,645	19,258	46,882	42,276
Payment Service Provider - PSP	1,276	28	1,351	6	9,984	5
Domicile provider	5		3		11	
Bank	15,437	185	12,919	60	40,382	526
Dealer - Precious stones	272		96		175	
Dealer - Other goods	16		27		104	
Dealer - Vessels	5		1		4	
Dealer - Vehicles	1,475		2,522		574	
Dealer - Art and antiques	0		2		0	
Life insurer	1		1		2	
Auditor	306		209	3	573	
Lawyer	14		16		6	
Tax advisor	21		61		96	
Real estate agent	9		15		40	
Civil-law notary	170		177		538	
Trust and company service provider	19		30		31	
Gambling casino	519		544		1,616	

Public sector	2018		2019		2020	
	Number	Of which MT	Number	Of which MT	Aantal	Of which MT
- Tax and Customs Administration	15		6		5	
- Right to report						
- Customs - Obligation to declare	259		387		725	
- Customs - Right to report	2		2		0	
- Supervisor	0		13		43	
Non-bank - Credit cards	95		447		1,865	
Investment institution/company	1		6		20	
Non-bank - Interbank markets	0		0		2	
Non-bank - Issue of loans	16		36		89	
Valuer	0		1		2	
Financial enterprise branch office	5	4	0		0	
Pawnshop	20		10		54	
Non-bank - Leasing	2		0		0	
Electronic money institution	1		1		3	
Provider of safety deposit boxes	0		0		5	
Virtual currency exchange services	0		0		3	
Exchange institution	26		16		113	
	57,950	35,793	39,544	19,327	103,947	42,807

* STRs are shown based on disseminating date, i.e. the date on which an unusual transaction is declared suspicious. Therefore, STRs in a particular year cannot be compared with the UTRs (shown based on registration date) in a particular year.

Table 7: Number of files with STRs* in 2020 per reason for disseminating the report

Reason for disseminating report	Number of transactions	Share (%)	Number of Case Files	Share (%)
VROS	42,367	41%	11,035	58%
Eigen onderzoek	54,884	53%	7,447	39%
LOvJ	6,623	6%	608	3%
Match CJIB	73	0%	24	0%
Totaal	103,947		19,114	

* FIU-the Netherlands also classified 65 case files as embargo suspicious. For confidentiality reasons, FIU-the Netherlands could only share transactions from these embargo investigations with one or a limited number of parties. These investigations covered 1,725 transactions. In addition, 794 transactions were given non-suspicious status. FIU-the Netherlands compiled these transactions into 195 case files. FIU-the Netherlands was unable to establish a link with criminal offences in these case files.

Table 8: Number of transactions declared suspicious in 2020 by type of transaction

Transaction type	Number
money transfer	42,807
contante transactie	13,165
girale transactie	41,997
overig	5,974
Grand total	103,947

Table 9: Number of* and share in the amount of (completed) transactions declared suspicious in 2020**

Amounts involved in suspicious transactions	Number	Share	Amount in €	Share
< €10,000	72,592	72,87%	101,356,671	0,68%
€ 10,000 tot €100,000	21,070	21,15%	688,933,972	4,61%
€ 100,000 tot €1,000,000	4,948	4,97%	1,344,755,283	9,01%
€ 1,000,000 tot €5,000,000	783	0,79%	1,653,309,790	11,07%
€ 5,000,000 tot €10,000,000	96	0,10%	663,287,026	4,44%
>= € 10,000,000	135	0,14%	10,476,960,843	70,18%
Eindtotaal	99,624	100,00 %	14,928,603,585	100,00%

* Intended transactions (4,323 transactions) have not been taken into account

** Due to rounding off differences, the percentages in the table do not add up to 100%

Table 10: UTRs per service provider in 2020 in the Dutch Caribbean.

Type of obliged entity	Figures of UTRs in 2020
Bank	701
Tax advisor	15
Customs Administration of the Dutch Caribbean	97
Dealer - Precious stones	6
Dealer - Vehicles	16
Real estate agent	1
Civil-law notary	22
Grand total	858

Table 11: Number of STRs* and case files in 2020 per reason for disseminating the report in the Dutch Caribbean

Reason for disseminating report	Number of transactions	Share	Number of case files	Share
own investigation	99	92,52%	27	87,10%
LOvJ	4	3,74%	2	6,45%
VROS	4	3,74%	2	6,45%
Grand total	107	100,00%	31	100,00%

* These suspicious transactions represent a value of some 31 million euros. The reported transactions included eight intended transactions.

Table 12: Number of terrorism-related* STRs

	2016	2017	2018	2019	2020
Number of STRs	4,494	3,139	3,338	2,515	4,412

* Terrorism-related is not the same as a transaction or case file where terrorism or its financing is registered as a possible offence. For that reason, these figures do not correspond directly to the figures listed in Table 2.

Table 13: Number of terrorism-related* STRs in relation to the Sanctions Act 1977

	2016	2017	2018	2019	2020
Number of STRs	205	199	118	49	93

* Terrorism-related is not the same as a transaction or case file where terrorism or its financing is registered as a possible offence. For that reason, these figures do not correspond directly to the figures listed in Table 2.

Table 14: Number of terrorism-related* case files

	2016	2017	2018	2019	2020
Number of case files	623	520	665	594	530

* Terrorism-related is not the same as a transaction or case file where terrorism or its financing is registered as a possible offence. For that reason, these figures do not correspond directly to the figures listed in Table 2.

Table 15: Number of terrorism-related* case files in relation to the Sanctions Act

	2016	2017	2018	2019	2020
Number of case files	54	57	29	11	8

* Terrorism-related is not the same as a transaction or case file where terrorism or its financing is registered as a possible offence. For that reason, these figures do not correspond directly to the figures listed in Table 2.

Table 16: Top 5 requests for information (RFIs) received from FIUs in 2020

Country	Top 5	Requests from foreign FIUs
		Number of RFIs
1 Belgium		76
2 Germany		74
3 Italy		58
4 France		39
5 Luxembourg		36

Table 17: Top 5 information requests (RFIs) sent to FIUs in 2020

Top 5	Request to foreign FIU
Country	Number of RFIs
1 Germany	66
2 Belgium	63
3 Spain	47
4 Great Britain	45
5 Turkey	27

Table 18: LOJ requests received in 2020, broken down by investigation service.

National Police		Other investigative services	
Zeeland West-Brabant Police Unit	107	Fiscal Intelligence and Investigation Service (FIOD)	210
Central Netherlands Police Unit	106	KMAR	189
Rotterdam Police Unit	78	Social Affairs and Employment Inspectorate (ISZW)	20
Central Unit	75	District public prosecutor's office	15
Amsterdam Police Unit	68	KMAR Schiphol	3
Eastern Netherlands Police Unit	60	National Office for Serious Fraud, Environmental Crime and Asset Confiscation	18
East Brabant Police Unit	56	National Police Internal Investigations Department	12
The Hague Police Unit	52	Social Security Fraud Department	13
Northern Netherlands Police Unit	37	NVWA-OID	13
Limburg Police Unit	38	ILT-IOD	6
Noord Holland Police Unit	34	National Prosecutor's Office	2
		Criminal Investigation Collaborative Team	1
Subtotal for National Police	711	Subtotal for other services	502



The organisation

Tasks and goals

The statutory task of FIU-the Netherlands is described in article 13 of the Wwft. This concerns receiving, registration, processing, and analysis of unusual transaction data in order to determine whether it could be of importance for the prevention and detection of money laundering, predicate offences, and financing of terrorism, the declaration of suspicion and the subsequent provision of this data to law enforcement, intelligence, and security services. In addition to this core task, FIU-the Netherlands also focuses on tasks derived from it, as required under article 13 of the Wwft, including providing information to public and private partners and conducting research into developments within the field of money laundering and financing of terrorism. In 2020, FIU-the Netherlands had a budget of 9 million euros and a staff of 76 FTEs available for these tasks. FIU-the Netherlands's staff will be further expanded to 90 FTEs. Within this package of tasks, the long-term strategic goals for the period 2018-2021 are:

- to achieve excellent financial intelligence which is easily applicable and promote its use in the most broadest way;
- to strengthen and expand national and international partnerships and information exchange;
- and finally, to identify trends and phenomena at an early stage and apply them both internally and externally.

Way of working

The Wwft designates FIU-the Netherlands as the entity to which unusual transactions must be reported, as described in article 16 of the Wwft. Article 1a of the Wwft specifies the 28 different groups of obliged entities for which this is a legal requirement. The reported unusual transactions coming from these obliged entities are then investigated and analysed to determine whether there is sufficient ground for declaring them suspicious. Transactions declared suspicious by the Head of FIU-the Netherlands are then made available to law enforcement, intelligence and security services. This is how FIU-the Netherlands safeguards its buffer function.

Positioning

In formal terms, FIU-the Netherlands is part of the legal entity known as the State of the Netherlands. Organisationally, it is positioned under the National Police as an independent, operationally self-reliant entity. Through mandating (and sub-mandating), the Head of FIU-the Netherlands has the necessary powers related to personnel and resources, thus guaranteeing the organisation's independence and operational self-reliance.



Annex III

Abbreviations used

ADR	National Audit Office (Audit Dienst Rijk)
AMLC	Anti-Money Laundering Centre
AML/CFT	Anti-Money Laundering / Combatting Financing of Terrorism
BES	Public Bodies of Bonaire, St. Eustatius and Saba (Dutch Caribbean)
CJIB	Central Fine Collection Agency (Centraal Justitiele Incasso Bureau)
CRAAFT	Collaboration, Research & Analysis Against the Financing of Terrorism
CSM	Support and coordination mechanism of European FIUs
DNB	The Dutch Central Bank (De Nederlandsche Bank)
ECOFEL	Egmont Centre of FIU Excellence and Leadership
ERWTF	Egmont Group project Extreme Right Wing Terrorism Financing
ESW	Egmont Secure Web
EU	European Union
FATF	Financial Action Task Force
FCI.Net	Financial Criminal Intelligence net
FEC	Financial Expertise Centre
FIC	Financial Intelligence Centre
FIR	Financial Intelligence Reports
FIU	Financial Intelligence Unit
FIOD	Fiscal Intelligence and Investigation Service (Fiscale inlichtingen- en opsporingsdienst)
FTF	Foreign Terrorist Fighters

ICOV	Information Exchange on Criminal and Unexplained Assets (Infobox Crimineel en Onverklaarbaar Vermogen)
ICV	In control statement (In control verklaring)
IEWG	Information Exchange on Money Laundering/Financing of Terrorism Working Group
IFIT	International financial intelligence taskforce
ISZW	Social Affairs and Employment Inspectorate (Inspectie van Sociale Zaken en Werkgelegenheid)
Kmar	Royal Netherlands Marechaussee (Koninklijke Marechaussee)
KPCN	Dutch Caribbean Police Force
Ksa	Dutch Gambling Authority (Kansspelautoriteit)
LOvJ	National Public Prosecutor (Landelijk Officier van Justitie)
NBA	Netherlands Institute of Chartered Accountants
NCTV	National Coordinator for Security and Counterterrorism (Nationaal Coördinator Terrorismebestrijding en Veiligheid)
OR	Works Council (Ondernemingsraad)
PPP	Public Private Partnership
PSD2	Second European Payment Service Directive
PSI	Police Specific Deployment
PSD2	Tweede Europese payment service directive
PSI	Politie Specifieke Inzet
RFI	Request for Information
RIEC	Regional Information and Expertise Centre (Regionaal Informatie en Expertise Centrum)
SCTF	Serious Crime Task Force
STR	Suspicious Transaction
TF Platform	Terrorism Financing Platform
TFTF	Terrorism Financing Task Force
TMNL	Transaction Monitoring Netherlands
TracFin	French Financial Intelligence Unit
UBO	Ultimate Beneficial Owner
UN	United Nations
UTR	Unusual Transaction
VROS	Index of Criminal Investigations and Subjects (Verwijzingsindex Recherche Onderzoeken en Subjecten)
Wwft	Money Laundering and Financing of Terrorism Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme)
Wwft BES	BES Money Laundering and Financing of Terrorism (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme BES)

Colophon

Publisher: FIU-Netherlands
PO Box 10638
2501 HP The Hague

Website www.fiu-nederland.nl/en

Editors: FIU-Netherlands

Zoetermeer, June 2021
Copyright © 2021 FIU-Netherlands

Subject to any exceptions provided by law and any exceptions expressly granted in this publication, no part of this publication may be reproduced and/or published in any form, or in any manner, electronically, mechanically, by photocopy, recording, or by any other means, without prior written permission from the FIU-the Netherlands.

The utmost care has been given to compiling this publication. However, the authors, editors and FIU-the Netherlands accept no liability for any incomplete or incorrect information that may nevertheless be contained herein. Any suggestions concerning improvement of the content will be gratefully received.