



Financial Intelligence Unit -
the Netherlands

2021

Annual review of

FIU-the Netherlands

The mission of FIU-the Netherlands is to combat and prevent money laundering, predicate offences and terrorist financing together with its national and international public and private partners in order to guarantee the integrity of the financial system. We as FIU-the Netherlands contribute to this mission through excellent financial intelligence and by identifying new trends and phenomena at an early stage. We pass on this information to our partners so that together we can make an optimum contribution to preventing and investigating crime.



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The year 2021



For the Financial Intelligence Unit the Netherlands (FIU-the Netherlands), this was the year of “the next step”. Public-private partnership in the Fintell Alliance finally made the transition from pilot to regular process when the alliance document was signed on 11 February 2021. FIU-the Netherlands has always been able to use its position to combine reports of unusual transactions from several reporting institutions into one overall perspective. But the partnership between ABN AMRO, ING, Rabobank, Volksbank, Knab and FIU-the Netherlands takes this to an even higher level. Actively bringing together the knowledge and expertise of various institutions under the direction of FIU-the Netherlands showed that such public-private cooperation opens up the next step in depth. The Fintell

Alliance revealed patterns that we have not observed in this form before. An example of possible underground banking is given in more detail in chapter three. In other words, jointly developing insights in the field of the Money Laundering and Terrorist Financing (Prevention) Act brings to light cases that previously went undetected or would have taken much longer to process. This should come as no surprise: it was one of the main ideas behind the development of the Fintell Alliance. But seeing it confirmed in this way makes me very optimistic about this form of cooperation, in which insights are not just passed on but created together. In the Fintell Alliance, there is also a short feedback loop on the investigated phenomena for the participating banks and, where possible, all banks. I see this as a vital step forward in the fight against money laundering, predicate offences and terrorist financing.

In 2021, we put a lot of work into data quality, not least through making investments in IT: a crucial step in effectively turning our internal data into knowledge. This allows the skills and capacity of our analysts to be used more effectively and efficiently. Improving data quality facilitates more targeted searches in our database, better matching and more accurate results. It is a process that we as an intelligence unit will continue to invest in beyond 2021. More information about this is given in Chapter 2.

The need to continue investing in our data stems first and foremost from the desire to continuously raise our financial intelligence to a higher level. But the quantity is also creating a need. In 2021, we saw significant growth in the number of unusual transaction reports. This year,

FIU-the Netherlands received more than 1.2 million of them. These figures are explained in more detail in Chapter 1. But for a quick comparison, the number of reports has increased sevenfold compared to ten years ago and has more than doubled compared to just two years ago. This significant growth can be attributed to the increased scope of the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) and the increased attention paid to the domain and the chain as a whole.

In 2021 the chain’s effectiveness was evaluated by three different organisations: the Financial Action Task Force (FATF), the European Commission and the Netherlands Court of Audit. The results of these evaluations will be known in 2022 and will undoubtedly lead to adjustments. These adjustments will continue to improve the fight against money laundering, predicate offences and terrorist financing, which I look forward to with great interest.

But despite all this dynamism, I would also like to take a moment to reflect on the work my colleagues and everyone in the chain do each and every day. The media often report on thousands of people working at banks within the Wwft domain, about the lack of capacity on the public side and about legal proceedings on the tensions arising between the Wwft and the duty of care. These are all points that call for discussion. That discussion should cover both sides of the coin and aim to strengthen that Wwft domain. As head of FIU-the Netherlands, I see a lot of our analysts’ work. It ranges from highly subversive networks of corruption that destroy fair competition and market forces to criminal syndicates that exploit innocent men, women and children in terrible ways. These are examples of how valuable financial intelligence can be. Barely a week goes by without one crossing my desk, and that convinces me of the strength of the Wwft and the work of all organisations in this field. That is what makes me so proud of what we have achieved with all our public and private partners this year. It was a year in which we saw it confirmed that building up our knowledge and expertise together enables us as the Wwft sector to take the next step in safeguarding the integrity of the financial system and contributing to a safer Netherlands.

Hennie Verbeek-Kusters

Head of FIU-the Netherlands

The figures

This first chapter begins with a summary in the form of an infographic. The remainder of the chapter provides more context for the most striking figures. Whereas the annual review of 2020 took a closer look at the figures based on the semi-automatic and manual working methods, this year it zooms in on the distinction between objective and subjective reports.



The year 2021 in figures



1,230,411

1,230,411 unusual transactions, of which **45 per cent** are based on the subjective indicator



96,676

suspicious transactions, **88 per cent** of which were reported on the basis of the subjective indicator



Top 3

Top 3 crime types based on case files:

- 1** fraud
- 2** money laundering
- 3** terrorism



663

incoming foreign requests

from **81** countries **Top 5**

-  Germany
-  Italy
-  Belgium
-  Luxembourg
-  France



15,366,083,685

euros in suspicious transactions*

1,881

article 17 queries to obliged entities (institutions with a reporting obligation)



914

LOvJ requests

Top 3

- 1** Police
- 2** Fiscal Intelligence and Investigation Service
- 3** Royal Netherlands Marechaussee



578

outbound foreign requests

to **78** countries **Top 5**

-  Germany
-  Belgium
-  Spain
-  the United Kingdom
-  the United Arab Emirates



1,997

institutions that filed at least one report



18,238

case files on suspicious transactions

* It is important to note that this amount is strongly influenced by a very limited number of exceptionally large transactions. Taken together, they represent a value of about 5.5 billion, bringing the normalised value of suspicious transactions this year to about 9.9 billion.

Explanation of the 2021 figures

The figures in the infographic and Annex I show several striking developments. In this chapter, they are placed in context wherever possible so that their value can be rated.

1.1 Unusual transactions

During 2021, 1,997 obliged entities filed at least one report, 83 more than last year. These institutions are divided over the 29 reporting groups given in the Wwft. Based on the objective and subjective indicators described in the Wwft Implementation Decree 2018, the unusual transactions¹ are then reported to FIU-the Netherlands. These unusual transactions may be related to money laundering, predicate offences and terrorist financing.

During 2021, over 1.2 million unusual transactions were reported, a significant increase of over 500,000 reports compared to 2020. What immediately stands out here are the Virtual Asset Service Providers (VASPs). These VASPs, consisting of the exchange services between virtual currencies and fiduciary currencies and the providers of custodian wallets, were still responsible for 7,309 unusual transactions in 2020. In 2021, they were responsible for 301,928 unusual transactions. There are several explanations for this growth. Firstly, VASPs were included in the Wwft at the end of May 2020. The year 2021 is the first full calendar year reported by these institutions. Secondly, due to the complex data structure, these service providers must report using XML files. As described in the 2020 Annual Review, this will take time to develop. As a result, a relatively limited number of VASPs reported in effect from the last quarter of 2020. In 2021, the other VASPs were added and then retrospectively reported unusual transactions from May 2020 onwards. The third reason is that the crypto market continues to grow and develop. The volatility of the prices continues to appeal to investors, different coins are emerging and growing in size, related developments such as non-fungible tokens (NFTs) and decentralised finance (DeFi) are gaining attention and ever-larger amounts of money are involved.

The Payment Service Providers (PSPs) also stand out. This group also saw a large increase in 2021, with 130,000 more reports than in the previous year². When considering this growth, it is worth taking a closer look at the difference between objective and subjective reports. The increase in PSPs is almost entirely due to the objective indicators.

Two different types of indicators must be reported. A subjective indicator states that an institution is obliged to report if there is reason to believe that the transaction may be connected with money laundering, predicate offences or terrorist financing. This is irrespective of the amount and mainly relates to the transaction's context. Then there are several objective indicators for the different reporting groups, such as a "from" amount above which a report must always be filed, regardless of the context³. As an example, all money transfers above €2,000 must be reported. PSPs also have objective indicators. In fact, they account for the vast majority of reports. In this reporting group, about 90 per cent of the reports are based on an objective indicator. This high percentage is also noticeable among the VASPs, 70 per cent of whose reports are based on the objective indicators. In comparison, compared to the total in 2021, 55 per cent of all reports are objective. In 2020, this was still 43%. Not all reporting groups report as much based on objective indicators. For example, the reports of banks, accountants and investment firms are mostly based on the subjective indicator. Depending on aspects such as the services provided by an institution and the legal indicators for a reporting group, significant differences arise between the number of objective and subjective reports.

Reports based on objective indicators and those based on a subjective indicator are both very significant for FIU-the Netherlands' analyses. Reports based on objective indicators provide insight into money flows and can be valuable pieces of the puzzle in demonstrating a financial relationship or a specific pattern. The reports are therefore always included in the analyses made by FIU-the Netherlands. It should be noted, however, that objective reports often do not in themselves provide a lead for the analysts at FIU-the Netherlands. That is because the report is based on the amount. In general, they contain no further information or only a very brief message text. Subjective reports are different. These reports are based on the context explicitly provided by the obliged entity in the unusual transactions. Although the quality of these reports

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

2 It is important to realise that some of these are transactions that take place in other countries and have no link to the Netherlands. They are reported in the Netherlands because the financial service provider is based here. We as FIU-the Netherlands share these reports with the relevant foreign FIUs.

3 There is one exception to this. The Wwft Implementation Decree 2018 states: "It stands to reason that transactions reported to the police or Public Prosecution Service in connection with money laundering or terrorist financing should also be reported to the Financial Intelligence Unit; after all, there is a presumption that these transactions may be related to money laundering or terrorist financing." This is what FIU-the Netherlands calls Objective01. In short, it states that if an obliged entity has filed a report under the Wwft, it must also be reported to FIU-the Netherlands.

differs, they often give FIU-the Netherlands cause to initiate or direct a further investigation. Thus, the subjective reports provide a lead in themselves, whereas the objective reports generally provide additional information. Both are very valuable, but involve a different approach.

1.2 Suspicious transactions

One of FIU-the Netherlands' core tasks is to analyse the unusual transactions received and assess whether there are sufficient grounds to declare them suspicious and report them. There are four reporting reasons: based on the FIU's own investigations, including investigations in response to requests from foreign FIUs; based on requests from the National Public Prosecutor's Office (LOJ requests); and based on matching with external files, namely with the Reference Index

for Criminal Investigations and Subjects (VROS) or with data from the Central Fine Collection Agency (CJIB). The transactions declared suspicious (suspicious transactions) are then made available to the various (special) investigation, intelligence and security services. These partners can use the suspicious transactions for various purposes. Whether or not combined in case files, they can be used as part of the starting information for an investigation. They can also directly form part of the evidence in a criminal case. They are also used as management information for our partners. Or, if the Public Prosecution Service (PPS) considers criminal interventions inappropriate and makes the transactions available to other government departments, they can contribute to another type of intervention, e.g. administrative or fiscal.

Transaction information can also add value for foreign FIUs. A request from a foreign FIU will always lead to the unusual transactions being checked. If relevant information is available at



FIU-the Netherlands, it is investigated and, where possible, declared suspicious (see Table 1). As a result, this transaction information is also made available to Dutch (special) investigation, intelligence and security services. This information is also fed back to the relevant foreign FIU.

In addition to this operational approach, suspicious transactions are used as analysis data at both tactical and strategic levels. This could be to gain more insight into the patterns of terrorist financing of a specific new payment instrument, understand the striking financial behaviour of a certain type of suspect, or contribute to the input and overview of regional and national subversion and crime pictures. Such insights structurally support the tackling of money laundering, predicate offences and terrorist financing.

In 2021, 96,676 transactions were declared suspicious. A breakdown of the suspicious transactions and case files per reporting reason is given in Table 1. The number of suspicious transactions shows a decrease of about 7 per cent compared to last year. This may seem striking given the increase in unusual transactions. However, a degree of nuance is required. This is because the number of suspicious transactions in a year is not directly related to the number of unusual transactions in the same year. Transactions declared suspicious can refer to recently reported transactions (in the same year), but also to unusual transactions from previous years. An unusual transaction is kept for five years, as required by the Wwft. This means that it is included in FIU-the Netherlands' analyses for five years.

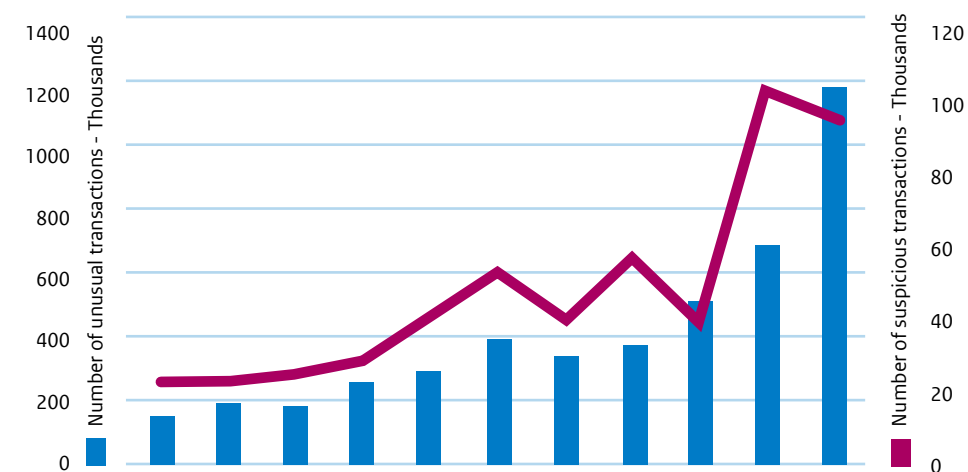
In 2020, the number of suspicious transactions was strongly influenced by the further development and restart of semi-automatic matching. This was one of the reasons why the number of suspicious transactions peaked that year. These developments will continue into 2021. Where semi-automatic matching is used, this matching will run from 2020 onwards on the newly available unusual transactions. The number of suspicious transactions will always be volatile as it is an interplay of many variables. For example, investigating a single transaction may take several weeks of capacity because behind it lies a complex money-laundering puzzle with great potential for criminal investigation. It is also possible for a whole network of transactions to be declared suspicious in one investigation. That makes it more revealing to look at the long-term trend than a year-on-year comparison. In that case we see that from 2016 to 2019 the annual number of transactions declared suspicious fluctuated between 39,000 and 57,000 (see Chart 1). Over the past two years, this number has fluctuated around 100,000. As described in the 2020 Annual Review, this big step results from the additional funding and the investments made possible in capacity, technology, knowledge and expertise.

Table 1: Number of suspicious transactions and Case files in 2021 per reporting reason

Reporting reason	Number of transactions	Share (%)	Number of case files	Share of case files (%)
FIU investigations	40,328	42%	5,096	28%
Of which based on an information request from a foreign FIU*	6,553	7%	268	1%
LOvJ	6,930	7%	380	2%
Matching with external case files:				
VROS	49,009	51%	12,721	70%
CJIB	409	<1%	41	<1%
Grand total	96,676	100%	18,238	100%

*These numbers and percentages are included in the 'Own research' share of the total

Chart 1: Numbers of unusual transactions and suspicious transactions over the last ten years*



*The number of unusual transactions of 2018, 2019 and 2020 is the normalised number, without objective02 reports (see the relevant annual reviews).

Notably, the suspicious transactions in 2021 originated largely from reports submitted by banks, slightly less than half (see Table 6). This is striking as this was not the largest reporting group in terms of unusual transactions. However, as described in section 1.1, it is difficult to compare the reporting groups, partly because of the differences in objective and subjective reports.

Table 2 shows the difference between objective and subjective suspicious transactions per reporting reason. Two things stand out here. Firstly, that objective reports play a role in all four categories. In some categories the role is greater than in others, but within all four reporting reasons, it emerges that objective reports can be valuable. But what is also noticeable is that the percentage of suspicious transactions resulting from a subjective report is significantly higher in all categories. In total, 88 per cent of all suspicious transactions in 2021 result from a report based on the subjective indicator. In 2020, the difference was similar, with 91 per cent of suspicious transactions resulting from a subjective report.

Table 2: Objective/Subjective breakdown of suspicious transactions by reporting reason

Reporting reason	Objective	Subjective
VROS	13%	87%
FIU investigations	9%	91%
Of which based on an information request from a foreign FIU	5%	95%
LOVJ	27%	73%
CJIB	2%	98%
Total of all suspicious transactions	12%	88%

1.3 Case files

The suspicious transactions shared with the (special) investigation, intelligence and security services are not equivalent to the 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 is a coherent body of information which, in the eyes of FIU analysts, provides sufficient reason to conclude that it is important for our partners. Case files reveal money laundering structures, criminal or terrorist networks, terrorist financing or other criminal activities such as fraud or exploitation. A case file can contain one transaction but it could just as well be thousands. Table 1 above also shows the number of case files with suspicious transactions per reason for reporting. In 2021, more case files than this



number were processed, but in 301 case files with 3,494 unusual transactions, no relationship was found with any criminal offences. Therefore, these have been given the status of “non-suspicious” and are not included in the table below. Finally, 54 case files were given embargo-suspicious status. FIU-the Netherlands could only share transactions from these embargo investigations to a limited extent for confidentiality reasons.

FIU-the Netherlands registers the type of crime in each case file that it prepares as a result of its own investigations or as a result of a LOVJ request. In many cases, the registered form 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 form of crime will be assigned to the FIU case file that is subsequently created. The possible form(s) of crime were recorded in about 30 per cent of the 18,238 case files in 2021. Table 3 provides an overview of these forms of crime. This has been broken down further than in previous years to make it more understandable.

An overview of the suspicious transactions per reporting group of obliged entities in the period 2019-2021 is included in Annex I.

Table 3: Number of registered forms of crime in case files in 2021*

Form of crime/offence	Number of case files with this form of crime	Number of transactions in these case files
Threat	1	7
Corruption	99	2,369
Cyber crime	11	1
Other drugs	51	826
Fraud	3,344	8,202
Violence	2	2
Hard drugs	147	1,655
Child pornography	32	1,021
Human trafficking	78	2,353
Human smuggling	20	519
Environment	2	3
Crimes against public order	2	3
Murder/manslaughter	16	298
Underground banking	95	8,173
Proliferation	12	97
Sanctions legislation	19	226
Soft drugs	22	139
Synthetic drugs	3	320
Terrorism	167	870
Terrorist financing	109	2,313
Arms trafficking	5	84
Weapons and Ammunition Act	49	138
Wildlife crime	4	50
Money laundering	2,073	38,719
Other	42	513

*These are cases that were opened on the basis of an indication of the forms of crime mentioned. A case file/transaction may relate to several forms of crime. For this reason, the sum of the number of forms of crime in the table above is higher than the number of unique case files (5,646) and the number of unique transactions (48,858) in which it was possible to register the forms of crime.

1.4 Financial Intelligence Report

In addition to case files, FIU analysts also generate Financial Intelligence Reports (FIRs). These are intelligence products in which a broader report is given on a number of related suspicious transactions and the phenomenon underlying them. FIRs provide management information to the special and regular investigative, intelligence and security services. By 2021, 46 FIRs have been filed on several subjects. They range from VAT carousel fraud to drugs, from fraud to human trafficking.



Legal, policy and technological developments in 2021

FIU-the Netherlands operates in a playing field with public and private partners whose common goal is to combat and prevent money laundering, predicate offences and terrorist financing. The necessary steps within this playing field were taken in 2021, both internationally and nationally.





2.1 The world

FIU-the Netherlands cooperates internationally with 166 FIUs within the Egmont Group. Hennie Verbeek-Kusters, head of FIU-the Netherlands, chaired this international partnership in 2021. As chair, she devoted herself during the year to further developing the Egmont Group's knowledge platform, the Egmont Centre of FIU Excellence and Leadership (ECOFEL). In 2021, great strides were made in improving knowledge sharing among FIUs worldwide. ECOFEL launched several new workshops and e-learning courses, such as the workshop on information sharing between FIUs, investigative services and supervisors, an e-learning course on communication and strategy for FIUs, an e-learning course on the use of FIU intelligence in counterterrorism and an overview of good practices in tackling Covid-19 fraud.

Chaired by Hennie Verbeek-Kusters, the Egmont Group also started in 2021 the renewal of Egmont Secure Web, the system which FIUs use worldwide to exchange information.

The members of the Egmont Group have now agreed on the importance of this, and the requirements for implementing this new system, which the Egmont Group manages, are currently being investigated. Finally, FIU-the Netherlands' employees contributed to a number of international knowledge products within the Egmont Group, which were completed in areas such as right-wing extremist terrorism (see section 3.2). FIU-the Netherlands also cooperated at an operational level on matters including the ABLV project described in the 2020 Annual Review.

2.2 Europe

Many steps were also taken in the European context in 2021. This section discusses some of the most relevant developments from FIU-the Netherlands' perspective.

2.2.1 European regulations and amended directive

On 20 July 2021, the European Commission released the AML/CFT(anti-money laundering/ countering the financing of terrorism) package, which consists of four legislative proposals. This includes the Regulation on the prevention of the use of the financial system for money laundering or terrorist financing (AMLR), an amended Anti-Money Laundering Directive (AMLD6) and a Regulation establishing a European Anti-Money Laundering Authority (AMLA). The aim is to strengthen the European AML/CFT framework by harmonising the regulatory framework. The main adjustments for the European FIUs focus on the following points:

- A clear overview of the powers of an FIU
- Further expansion of cooperation between FIUs
- Unambiguous rules regarding how FIUs give and receive feedback.

The proposed introduction of the AMLR also expands the scope of anti-money laundering regulation by adding new sectors:

- Crowdfunding service providers that are not credit or financial institutions
- The number of crypto services is being increased in line with the FATF recommendations;
- Market operators involved in investor residency schemes on behalf of third-country nationals.

The AMLR and the AMLD6 give FIU-the Netherlands the opportunity for better international cooperation and more effective action. The new sectors help provide a more comprehensive view of potentially high-risk money flows. Finally, an Anti-Money Laundering Authority (AMLA)

follows from these proposed regulations. As well as its supervisory role, this AMLA will also support and promote cooperation and the exchange of information between FIUs within the European Union (EU).

2.2.2 Temporary retention for the execution of a financial transaction (proposed Section 17A Wwft)

FIU-the Netherlands assisted in preparing a statutory regulation for a new authority. This legislative proposal aims to create a new authority for FIU-the Netherlands, following the example of various EU FIUs, i.e. the authority to temporarily stop a financial transaction being executed. As defined in the proposal submitted for consultation on 16 November 2021, this authority covers financial banking transactions⁴. The purpose of this authority is to prevent funds that may be related to money laundering, predicate offences and terrorist

⁴ <https://www.internetconsultatie.nl/ondermijningij>

financing from being transferred abroad, and thus possibly disappearing forever in the time that FIU-the Netherlands needs to analyse an unusual transaction. The bill as it stands allows FIU-the Netherlands to initiate an emergency freeze for a limited period in such cases. The emergency freezing instrument helps to facilitate the recovery or repossession of illegally obtained money. It also promotes international cooperation between FIUs, especially with those already having such a possibility⁵.

2.2.3 Implementation of EU Directive 2019-1153

EU Directive 2019-1153 was presented in June 2019. This directive⁶, aimed at preventing, detecting, investigating and prosecuting serious crimes, lays down measures to facilitate the access of competent authorities to financial information and the use of this information.

⁵ Parliamentary Papers II, 2020/21, 29 911, no. 317.

⁶ <https://eur-lex.europa.eu/legal-content/NL/TXT/PDF/?uri=CELEX:32019L1153&from=NL>



The directive also provides for measures on FIU access to law enforcement information and measures to facilitate cooperation between FIUs. In 2021, FIU-the Netherlands assisted in preparing to implement this directive. The directive will be implemented in 2022.

2.2.4 European Public Prosecutor's Office (EPPO)

The European Public Prosecutor's Office (EPPO) is an independent decentralised EU prosecution service responsible for investigating and prosecuting offences at the expense of the EU budget. This includes corruption and cross-border VAT fraud. The EPPO has been operational since 1 July 2021 and consists of a European prosecutor and prosecutors from the different Member States. The Public Prosecutor of the EPPO can ask FIU-the Netherlands whether any intelligence is available that might be relevant to an investigation. The EPPO is a new and important partner for FIU-the Netherlands in this capacity.



2.3 The Netherlands

In 2021, there were many developments not only globally and in Europe, but also in the Netherlands.

2.3.1 Amended and new legislation

In 2021, the playing field for FIU-the Netherlands was once again characterised by dynamism concerning the legal frameworks.

Wwft Bonaire, Sint Eustatius and Saba (BES)

The amended Wwft BES came into force on 1 July 2021. FIU-the Netherlands sent out a newsletter about these changes on 6 July 2021, explaining the changes so that the obliged service provider entities had a clear overview of the changes affecting them. The three main amendments are:

- **Obliged service provider entities have been expanded to include traders in building materials**

The scope of the Wwft BES has been expanded to include traders in building materials. These traders deal professionally or commercially in building materials in the broadest sense. With the entry into force of the amended Wwft BES, these dealers are obliged to carry out customer due diligence and to report unusual transactions to FIU-the Netherlands in the event of cash payments of USD 11,000 or more.

- **Simplification of indicators for unusual transactions**

The BES Money Laundering and Terrorist Financing (Prevention) Regulations include a list of indicators that point to an unusual transaction. This list has been radically simplified effective 1 July 2021 by providing, in principle, one objective and one general subjective indicator per type of service. The objective indicators are differentiated by the type of service. The subjective indicator is the same for all service providers: a transaction that the service provider has reason to believe may be related to money laundering or terrorist financing.

- **Duty of secrecy for civil-law notaries and lawyers**

The amendment of the Wwft BES clarifies the relationship of obligations under the Wwft BES with the professional secrecy of attorneys and civil-law notaries.

The complete newsletter can be found on FIU-the Netherlands' website⁷.

⁷ <https://www.fiu-nederland.nl/nl/wijziging-wwft-bes-caribisch-nederland-bonaire-sint-eustatius-en-saba>

Remote games of chance

Also, with effect from 1 April 2021, the Betting and Gaming Act was amended. This made it possible to apply for a licence for remote games of chance from the Netherlands Gaming Authority (Ksa). On 1 October, this market opened with ten providers at that time. These licensed providers fall under the Wwft and thus form a new reporting group subject to reporting requirements as of 1 October 2021. Annex I shows the number of reports from these online gambling companies.

Data Processing by Partnerships Act (WGS)

At the end of 2020, the Dutch House of Representatives approved the WGS, and the bill is now before the Senate. The Dutch Data Protection Authority and the Council of State, among others, have issued opinions on the WGS. FIU-the Netherlands is following this development with great interest. The WGS is, after all, important to both FIU-the Netherlands and many other parties because it strengthens the legal basis for the systematic exchange of data by partnerships and the joint processing of this data. The bill stemmed from the desire for a more effective integrated approach to money laundering or fraud schemes, organised crime and complex problems concerning persons in terms of care and security.

2.3.2 Evaluations

In 2021, three evaluations were carried out on the effectiveness of legislation and chain cooperation in combating and preventing money laundering, predicate offences and terrorist financing.

- Evaluation of the European Fourth Anti-Money Laundering Directive (AMLD4)**
 In 2021 there was an evaluation of the Netherlands' implementation of the European AMLD4 2015/849. After providing feedback, the final report is expected to be presented in 2022.
- FATF evaluation**
 In 2021, the FATF evaluated the effectiveness of the Dutch laws and regulations, with special reference to the performance of all parties with a role under the Wwft. It looked into how the Netherlands has implemented the 40 FATF Recommendations and whether Dutch legislation and policy are effective. The international evaluation team visited the Netherlands in October and November for interviews with all stakeholders and organisation visits. The evaluation team also visited FIU-the Netherlands. The evaluation report will follow in 2022 for adoption by the members of the FATF. Depending on the outcome, this will mean a more or less intensive follow-up programme for the Netherlands.
- Netherlands Court of Audit (AR) - Anti-Money Laundering investigation: status 2021**
 In 2021, the AR reviewed the reporting chain's status. This study focused specifically on the effectiveness of the reporting chain. To this end, the AR examined the extent to which the

public parties involved can efficiently process unusual and suspicious transactions and thus contribute to preventing and combating money laundering, predicate offences and terrorist financing. The final result of this study will be shared with the House of Representatives in 2022.

2.3.3 Fintell Alliance

The Fintell Alliance document was signed on 11 February 2021. This officially established the public-private partnership (PPP) between ABN AMRO, ING, Rabobank, Volksbank, Knab and FIU-the Netherlands. This partnership is aimed at exchanging and combining knowledge and insights on an operational level. Trends and developments are shared, just as they are in other partnerships. But within the Fintell Alliance content driven analysis is at the core of the process to jointly create insight. This in-depth, substantive cooperation is what gives the Fintell Alliance its strength.

By meeting physically at a single location, analysts from the participating banks and FIU-the Netherlands can use and expand their shared knowledge and expertise in detecting money laundering, predicate offences and terrorist financing. This allows PPPs such as the Serious Crime Task Force (SCTF) and the Terrorist Financing Task Force (TFTF), as well as the phenomenon-focused (FEC) projects, to make optimal use of the powers conferred by the Wwft. The success of the pilot phase was repeated in 2021, as borne out by the concrete results described in section 3.1. The participating bank analysts made it known that the continuous feedback loop from FIU-the Netherlands was very much worth further developing and refining. The same applies to the FIU analysts, who are making great strides in their knowledge of the financial system, enabling them to interpret unusual transactions even better. This has already resulted in thousands of transactions being declared suspicious and many intelligence reports being prepared on subjects including facilitators, underground banking and criminal networks setting up businesses for drug smuggling. That is concrete financial intelligence for our investigative partners. At the same time, it also leads to more knowledge being shared within the banks, creating a self-reinforcing feedback loop. This enhances the effectiveness of the gatekeeper function of banks in preventing the use of the financial system for money laundering and terrorist financing.

These initial successes ensure that we will continue to develop this way of working in the coming years. We also want to use the lessons learned to explore the possibilities of intensive cooperation with other obliged entities. A pilot project with banks on the BES islands is planned for 2022, for instance.

2.3.4 Digitalisation

The 2020 Annual Review explained how FIU-the Netherlands was able to take important steps in the field of digitalisation. Additional funding made it possible to recruit experts such as data engineers, leading to some outstanding results in 2021. They were achieved through the desire to increase data quality. Better data quality has a number of significant advantages for FIU-the Netherlands. It ensures that our analysts spend less time on manual enrichments and more on complex analyses. It also reduces the susceptibility to error, increases the ability to combine data, and provides a more accurate and profound understanding that allows for increasingly targeted analysis. And it is essential to effectively processing the greatly increased number of unusual transactions.

Throughout 2021, we worked on standardising data diversity, such as the spelling of addresses and place names. A process that will continue in the coming years. This was not only by making internal improvements to our data but also by providing more assistance to the obliged entities and asking them to provide the data uniformly. In 2021, this was done by developing two new reporting forms for civil-law notaries and auditors. This reporting group wanted reporting made easier, which also helped to standardise the input of our database. That is an important step in the ongoing improvement and combination of the data at our disposal.



In addition to these kinds of data improvements, some other outstanding digitalisation results were achieved in 2021. A thorough update of our core system, called GoAML, has further increased security. FIU-the Netherlands also purchased additional licences and related training courses for blockchain analysis tools to further strengthen our analysis skills and capabilities. In 2021, FIU-the Netherlands was given access to the Customs Information System (CIS). This system centralises customs information, but EU FIUs can only access customs data from their own country. The CIS aims to prevent, investigate and prosecute infringements of Community customs legislation. Finally, the management of FIU.net was successfully migrated from Europol to the European Commission’s server domain in September 2021, in line with European data protection rules.

There have been some specific BES developments in 2021 in digitalisation. A start has been made with accessing the application with the municipal personal records database of the BES islands. This helps the tactical analysts interpret unusual transactions and will enhance the quality of our output regarding the BES. The Financial Criminal Intelligence net (FCInet) was also rolled out at the FIUs in Aruba, Curaçao and Sint Maarten. FCInet is a decentralised system that enables pseudonymised data sharing between different organisations. A first test run was completed at the end of 2021. In 2022, there will be a study into how the cooperation process between the national FIUs can best be shaped now that the technical infrastructure is in place.

2.3.5 Personnel and growth

The Staffing Establishment Plan was formalised on 19 February 2021. The first steps were taken towards implementing it during the course of the year. This staffing plan is funded through various structurally allocated support budgets. This made it possible in 2021 to invest more in the technological capacities of FIU-the Netherlands in terms of analysts and staff. It is important to note that this growth is not reflected in directly operational capacity. The Staffing Establishment Plan has not yet been fully implemented owing to natural staff circulation. In 2021, the actual capacity increased from 76 FTEs (full-time equivalents) to 82 FTEs, and preparations were made to increase this to 90 FTEs in 2022. That growth goes hand in hand with a well-developed strategy (about which you can read more in Annex II), and growth that is making heavy demands on our knowledge management (see box).

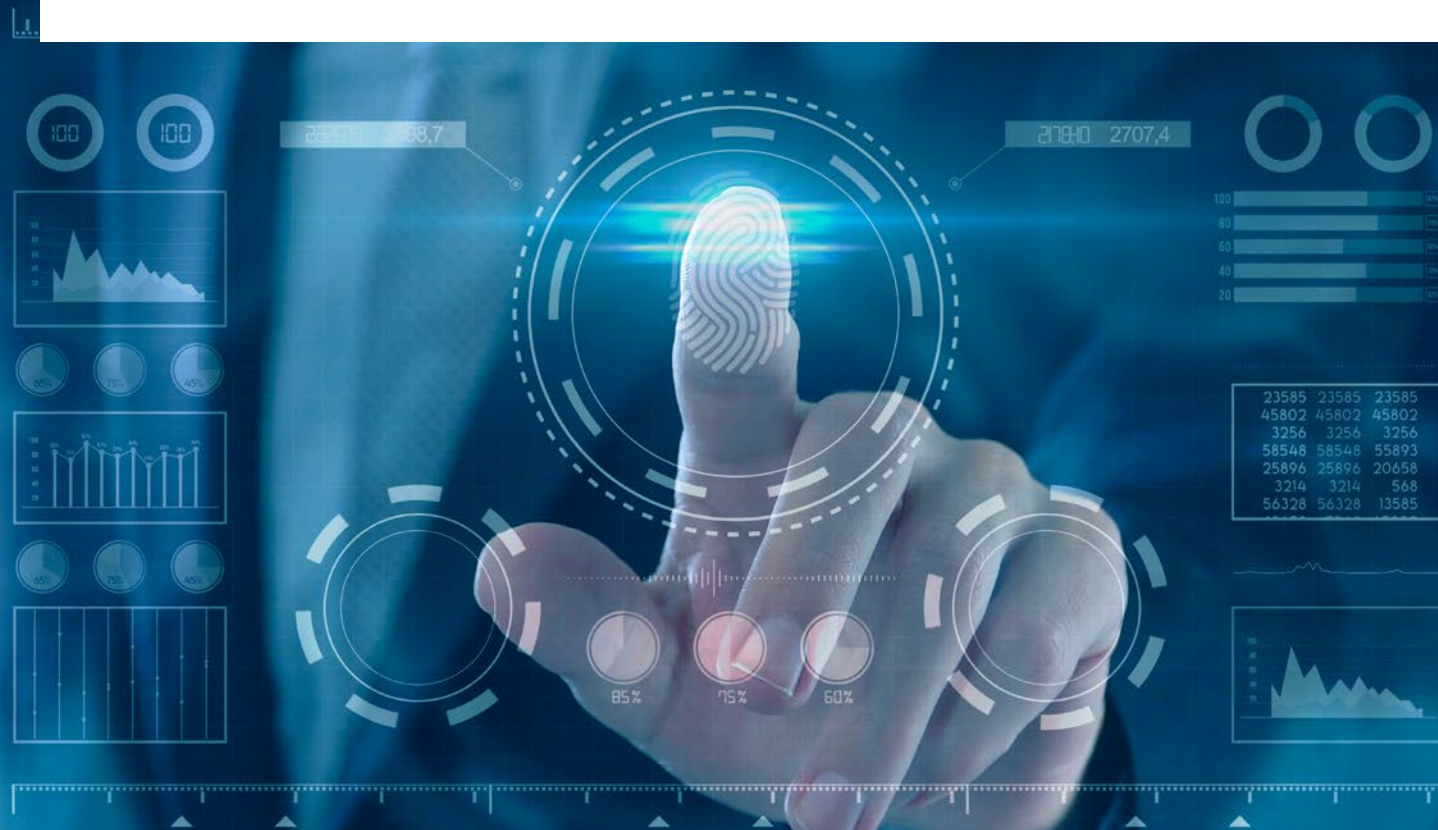
FIUniversity

FIU-the Netherlands has grown rapidly in a relatively short period of time. Compared to 2019, it has already increased by a third and, once the Staffing Establishment Plan has been completed, this will be almost 50%. This is making strong demands on our organisation, especially given the “new reality” arising from the corona pandemic. That makes it necessary to ensure the high-quality onboarding of new colleagues. The FIUniversity is a knowledge platform where this induction and training of new employees is given shape. The first edition of FIUniversity was held in 2020. It soon became clear that this platform could play a valuable role in explicitly anchoring knowledge, a must for a fast-growing organisation. That is why, from 2021 onwards, the FIUniversity will no longer focus solely on new employees. A second pillar has been added to ensure the knowledge of all personnel is shared and deepened through activities such as knowledge conferences and monthly updates.



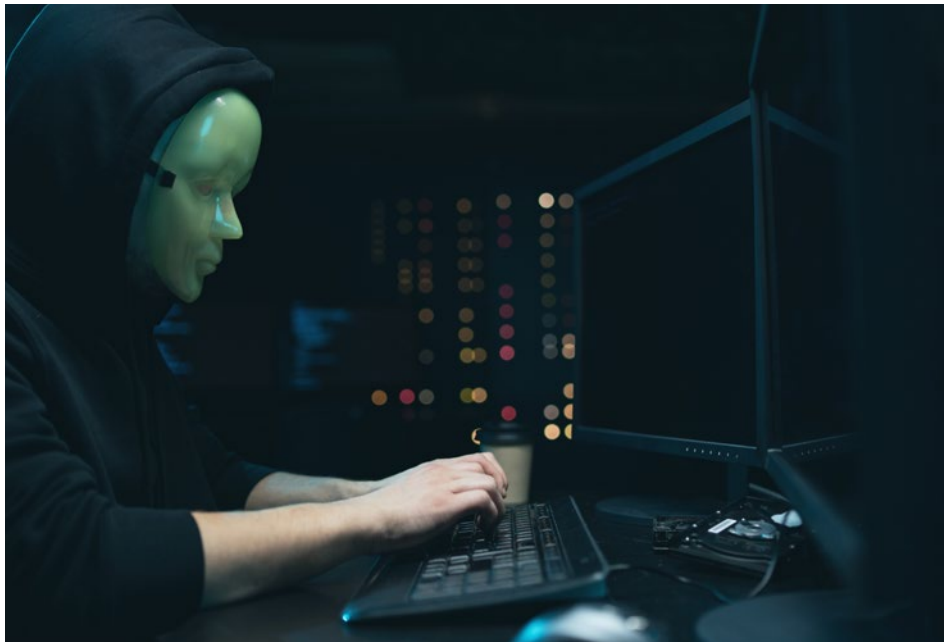
Results

In 2021, FIU-the Netherlands once again achieved good results based on analysing unusual transactions. In this final chapter, we discuss a selection of these results that illustrate the importance of essential (international) cooperation and combining insights to combating money laundering, predicate offences and terrorist financing. The results in this chapter describe the complexity and diversity of this task. As FIU-the Netherlands, we cannot possibly be an expert in every aspect of this approach, but by focusing on the right skills, combining insights and cooperating, we are able to provide financial intelligence that contributes to preventing and combating criminal activities.



3.1 Underground banking

The phenomenon of underground banking is an important strategic theme for FIU-the Netherlands. In investigative practice, underground banking is often recognised in terms of the international movement of criminal cash, its exchange into foreign (crypto) currencies or the conversion of cash into scriptural money. There are several forms of underground banking in the sense of (international) cash transactions, but it basically amounts to a form of payment traffic outside the regulated financial sector.^{8,9}



FIU-the Netherlands' strategic analysis shows that not only cash transaction reports are relevant to gaining insight into criminal money flows. Unusual transaction reports that reveal legal entities and international (bank) transactions also provide insight into structures and companies used within the phenomenon of underground banking, knowingly or otherwise.

⁸ Stahlie, D en De Zeeuw, L. (2021). Ondergronds bankieren; stand van de rechtspraak. NTS 2021/03.

⁹ Tops, P. en Tromp, J. (2020). Nederland Drugsland. Balans.

FIU-the Netherlands focuses not only on the structures in which criminal cash is moved but also on the subversive effect of the use and abuse of regular payment transactions. Although cash plays a prominent role in crime, the idea that criminal cash only finds its way outside legal structures is certainly outdated.

A practical example demonstrates this. In 2021, FIU-the Netherlands investigated a specific form of underground banking through the Fintell Alliance (see Section 2.3.3). By combining the joint insights of the participating partners, FIU-the Netherlands gained insight into business structures in which mutual payment transactions within complex outsourcing constructions of large companies turned out to be connected to underground banking. The head of FIU-the Netherlands shared these insights in a newsletter with the relevant obliged entities, and the suspicious transactions were passed on to the investigative services.

3.2 Terrorist financing

In addition to money laundering and predicate offences, FIU-the Netherlands also focuses on terrorist financing. These analyses show a rise in cases linked to right-wing extremism. However, most of FIU-the Netherlands' analyses relate to jihadist terrorism and the sanctions imposed on individuals or groups related to jihadism, including investigations into lone actors. The reason for this is the continuing threat from jihadists and the spread of ISIL/Da'esh to other geographical areas, according to the National Coordinator for Counterterrorism and Security (NCTV). In 2021, a total of 283 case files were opened (see Table 9 in Annex I for more information) in which there was a possible link to terrorist financing. In the remainder of this section, some striking developments are explained in more detail.

3.2.1 Takeover of power in Afghanistan

The international fight against terrorism (financing) was put to the test in 2021 when the Taliban took over power in Afghanistan. Cooperation between FIUs was also affected, as the Egmont Group had to provisionally end the exchange of information with FIU Afghanistan¹⁰. The implications of the takeover for reporting under the Wwft were discussed with the member banks. The situation is made complex because not the Taliban as an organisation but only prominent figures within it are included on sanctions lists. Also, the presence of other terrorist groups in Afghanistan make the situation particularly diffuse. Not only for the gatekeepers but also the non-profit organisations (NPOs). For this reason, these NPOs have been invited

¹⁰ <https://egmontgroup.org/en/content/statement-fintraca-fiu-afghanistan>

to join the TF Platform consultations as guests. They indicated that it was no longer or only barely possible to make payments to Afghanistan due to the risk-averse activities of the banks. Put simply, this means that banks have banned transactions with Afghanistan to avoid risk. Shortly afterwards, the FATF published the following statement: “The FATF reiterates the utmost importance of ensuring that non-profit organisations (NPOs) and all other humanitarian actors can provide the vital humanitarian assistance needed in the region and elsewhere, without delay, disruption or discouragement. The FATF calls on all jurisdictions to protect NPOs from being misused for terrorist financing. This includes competent authorities conducting sustained and targeted outreach, consistent with the FATF Recommendations, while respecting human rights and fundamental freedoms”¹¹. This clearly illustrates the sometimes highly complex balance between being a gatekeeper and providing financial services. It also again illustrates the importance of cooperation across organisational boundaries.

3.2.2 Terrorism-Crime Nexus

The 2020 Annual Review touched on the fact that there are known cases of a link between terrorist financing and crime. This was increasingly recognised in the course of 2021. Recent scientific studies provide an insight into this. The Royal United Services Institute (RUSI)¹² and the EU Project Collaboration Research and Analysis Against the Financing of Terrorism (CRAFT)¹³, in which FIU-the Netherlands fulfils a role as a member of the Advisory Board, have published articles on this subject. In total, almost seventy case files were compiled by FIU-the Netherlands in 2021 that revealed not only terrorist financing but also other forms of crime.

3.2.3 Use of bank accounts by non-residents

In 2021, FIU-the Netherlands found that several natural and legal persons with jihadist or extreme right-wing backgrounds, who were not resident or registered in the Netherlands, had used accounts held at Dutch banks. These are accounts that can be opened and managed entirely online. This has emerged from reports made by the banks themselves and from the exchange of information between FIUs worldwide. In the cases investigated, it emerged that there were no financial relationships with other Dutch accounts and, in general, no expenditure was made in the Netherlands. This led to the hypothesis that these accounts are held to keep funds out of the sight of national authorities and make any seizure or freezing more difficult. Several such transactions were declared suspicious during the year and, where appropriate, were shared internationally with the relevant FIUs.

¹¹ <https://www.fatf-gafi.org/publications/fatfgeneral/documents/afghanistan-2021.html>

¹² <https://rusi.org/explore-our-research/publications/rusi-newsbrief/much-ado-about-nexus-why-does-crime-terror-nexus-matter>

¹³ <https://www.projectcraft.eu/reports/tag/Crime-Terror+Nexus>

3.2.4 Financing of right-wing extremism

By 2021, FIU-the Netherlands invested both strategically and operationally in unusual transactions that can be linked to right-wing extremist groups. These analyses focus on groups that do not shrink from employing or calling for violence and the people related to these groups. As with many of our analyses, international connections regularly emerge. That is why we are participating in the Egmont Group project “Extreme Right Wing Terrorism Financing (ERWTF)”. Together with the French FIU (TracFin), FIU-the Netherlands played a leading role in this project, the first phase of which was completed in July 2021. Within ERWTF, thirteen FIUs worldwide cooperate in gathering information and cases in the field of right-wing extremist terrorism and its financing. The project aimed to gain insight into the extent to which financial



intelligence can help mitigate the risks and financing aspects of this form of terrorism. The full results, including case histories and indicators/characteristics, have been shared with relevant stakeholders. A public version of the ERWTF result is available on the Egmont Group website¹⁴. In 2022, FIU-the Netherlands will contribute to the start-up of the second phase of this project, aimed at the operational deployment of the knowledge developed in the first phase.

3.2.5 Firearms

In the context of the results of the Egmont Group project “TF Lone Actors”¹⁵, FIU-the Netherlands, like its partners in the TF Platform, has for some time been sharpening its focus on firearms-related transactions. These include what are known as flobert firearms, which are built to fire blanks but can easily be converted for use with real ammunition. Online shops offer these flobert firearms for prices around €50 for a pistol or revolver. Automatic firearms are offered for between €300 and €500. This is a subject that is not only addressed within terrorist financing investigations. Since converted firearms of this type have been used in some domestic liquidations, FIU-the Netherlands also contributed to these investigations. The reason is the knowledge that has now been developed on this subject within FIU-the Netherlands. The contribution resulted in concrete financial intelligence on subjects but also in a contribution to the European Multidisciplinary Platform Against Criminal Threats (EMPACT), a project focused on this topic. The project has contributed to the creation of new stricter European legislation restricting, and in many cases banning, the trade in flobert firearms. This legislation will be implemented in the European Member States in the course of 2022. The above is a good example of how cooperation and financial intelligence can help not only identify a risk but also mitigate it.

3.3 Healthcare and Covid-19 related fraud

In recent years, FIU-the Netherlands has drawn attention to healthcare fraud. This has borne fruit, as can be seen from the previous annual reviews. This year, too, capacity was specifically allocated to healthcare fraud, which resulted in just under thirty case files. A good result based on one of the earlier healthcare fraud cases was also achieved in 2021. The healthcare fraud investigation unit of the Dutch Labour Inspectorate¹⁶ was able to arrest a woman suspected of care fraud in December 2021¹⁷. A good deal of luxury goods, several cars, a scooter and cash were seized. An initial indication shows that the home care provider probably wrongfully acquired a sum of about 420,000 euros.

In addition, in 2021, as in 2020, there was a specific focus on Covid-19-related fraud and/or misuse of the support measures. In 2020, 2,500 unusual transactions were received on this subject, of which about half could be declared suspicious immediately that year. The other half, of course, remained in our database as unusual transactions. These were complemented during 2021 by a further 3,606 unusual transactions relating to Covid-19. The unusual transactions from 2020 and 2021 were included in our analyses, resulting in a total of 3,681 suspicious transactions in 2,975 Covid-19-specific case files shared with our investigative partners. Finally, 616 Covid-19-related suspicious transactions were of value in other types of cases. This is illustrated by a report on Covid-19 that turned out to be a valuable piece of the puzzle in a suspected drug trafficking case. It shows how important it is to view reports from a broad perspective. It also confirms something that has emerged from several analyses: it is not unusual for a criminal network to be involved in several criminal activities, in this particular case, presumably in drug trafficking and aid fraud.

¹⁴ <https://egmontgroup.org/wp-content/uploads/2022/01/IEWG-ERWTF-public-bulletin2.pdf>

¹⁵ <https://egmontgroup.org/wp-content/uploads/2021/09/20190712-IEWG-Lone-Actors-and-Small-Cells-Public-Summary.pdf>

¹⁶ As of 1 January 2022, the Social Affairs and Employment Inspectorate (ISZW) has been renamed the Dutch Labour Inspectorate

¹⁷ <https://www.nlarbeidsinspectie.nl/actueel/nieuws/2021/12/03/vrouw-aangehouden-vanwege-zorgfraude>

3.4 International financial flows

Based on three real estate transactions at different banks, FIU-the Netherlands opened an investigation into an international entity in 2021. The real estate transactions were conducted for a family in a European country and financed by an entity in Asia. With the help of a Financial Intelligence Report (see section 1.4), the insights of FIU-the Netherlands were transferred to the Fiscal Intelligence and Investigation Service (FIOD), which was already watching one of the persons involved with interest. FIU-the Netherlands' analysis focused, via the family, on a company that owned the premises where this family lived. The company was located in yet another jurisdiction, and the putative director appeared in the Paradise Papers. Through a Dutch company owned by this director, a scrap dealer came into the picture where, after analysis, several irregularities on the account were found. For example, several loans were 'shifted' back and forth between parties known to investigation services and parties who were being passed off as competitors. These loans also had a number of other striking characteristics. They were returned unused in a relatively short period, or there was no economic justification for a loan.



FIU-the Netherlands' analyses contributed to the FIOD investigation, resulting in a day of action during which several money counting machines and many tons of cash were found.

This is one of the many examples of international money flows that pass through the Netherlands and may be linked to money laundering, predicate offences and terrorist financing. In some cases, Dutch nationals are involved, and the financial intelligence can be shared with the Dutch investigation services, even if not all of the crime takes place here. In addition to the above, a good example is a case file that served as starting information for the FIOD in the context of corruption abroad by Dutch nationals^{18 19}.

But there are also frequent cases where FIU-the Netherlands contributes to an investigation in another country where the subjects have no link to the Netherlands other than the money flowing through our financial system. An example is the case file with which FIU-the Netherlands contributed to the fight against child pornography in 2021 with no Dutch suspect but a suspect who used the Dutch financial infrastructure. In this case, FIU-the Netherlands was able to link an anonymous Internet alias involved in online child pornography to a natural person. The information was of course immediately shared with the local FIU.

Another example concerns a case file on a law firm in an African country that had come to the gatekeeper's attention through public sources. During the analysis of the unusual transactions, a tangle of agreements between different legal entities in multiple jurisdictions was uncovered that indicated possible bribes. After sharing this information with the local FIU, it turned out that the investigative services there had no knowledge of the existence of the suspect's various legal entities, whereas this knowledge formed a very important piece of the puzzle.

A third example is a case file in which an internationally operating PSP observed an unusual pattern concerning a foreign entity focused on consumer sales without a properly functioning website that nevertheless achieved a turnover of millions in a relatively short period. An investigation of the PSP did not establish how this turnover was achieved. The turnover was also significantly higher than indicated when the client was onboarded, and a very unclear legal structure had arisen after client acceptance. This gave the PSP good cause to end the relationship with the customer and report an unusual transaction. In its analysis of this report, FIU-the Netherlands was able to call on fellow FIUs in Europe to develop some fascinating insights. A network of legal entities suspected of extensive tax fraud unfolded. This information was then shared with the relevant local FIUs.

¹⁸ <https://www.accountancyvanmorgen.nl/2021/05/28/fiu-melding-door-accountant-leidt-tot-onderzoek-naar-omkoping/>

¹⁹ <https://www.fiod.nl/doorzoekingen-in-onderzoek-naar-omkoping/>

These examples show the importance of international cooperation in the fight against crime. Especially for a country like the Netherlands. This is in line with the old saying, “crime does not stop at the border”, but certainly also the result of our economy’s sharp international focus and the size of our financial system. These examples also show how financial intelligence can be a missing, crucial piece of the puzzle in investigations involving a wide variety of crime types.

3.5 False invoices

In addition to international money flows, FIU-the Netherlands again identified many suspicious national money flows in 2021 based on reported unusual transactions. For example, an alert reporting entity noticed transactions between completely unrelated business sectors. FIU-the Netherlands’ analysis uncovered links between accounts, natural persons and legal entities in which money seemed to be pumped around without any demonstrable economic reason. There were several noteworthy characteristics observable in the accounts in question. One account stood out because most of the incoming amounts were almost immediately converted to crypto. Another striking aspect was that a mortgage was granted within the network that, according to the gatekeeper, would never have been granted based on the applicant’s income. Ultimately, the hypothesis emerged that this was a case of suspected criminal transactions being settled through the network of legal entities. This information was shared with the investigative services. The information prompted the financial investigators of the National Criminal Investigation Department to start an investigation that resulted in five arrests in March 2021 and the seizure of two houses, luxury cars and 260,000 euros in cash²⁰.



²⁰ <https://www.om.nl/actueel/nieuws/2021/03/11/vijf-verdachten-aangehouden-in-onderzoek-naar-criminele-geldstromen>

3.6 Joint interventions

The Financial Intelligence Centre (FIC) is a joint venture in Rotterdam. This was referred to in previous annual reviews, and good results were achieved in 2021, underlining the importance of thinking more broadly in terms of interventions. For example, in an investigation into a grow shop involving several FIU-the Netherlands case files, the FIOD and the police took the usual criminal law route, but the Dutch Food and Consumer Product Safety Authority (NVWA) took action on incorrect labelling of the chemicals used, and the municipal authority explored steps under administrative law against the suspects²¹. In other cases, too, FIU-the Netherlands aims to contribute to the right intervention by the right partner at the right time. Section 3.2 mentioned the legislative amendment resulting from the EMPACT study. Another example is providing information on money laundering risks to obliged entities. Interviews with these entities showed that the information provided by FIU-the Netherlands contributed to changes in transaction monitoring, onboarding processes and, in some cases, even in the services offered. For example, it happens that certain choices are made from the point of view of customer convenience and service orientation which, on closer inspection, based on information provided, carry a great money laundering risk. This is an illustrative result of how we work together as a whole chain to make interventions as effective as possible.

²¹ <https://www.politie.nl/nieuws/2021/oktober/14/07-tienduizenden-euros-en-155-kilo-gedroogde-henneptoppen-gevonden-tijdens-actie-naar-growshop-in-rotterdam-zuid.html>

Afterword

I would have liked to write here that 2022 would be a year in which, after two pandemic years, we would finally return to “normal”. And although at the time of writing it seems that the restrictions are finally being lifted, we are still far from “normal”. As I write this, the war in Ukraine is still raging. A terrible situation with awful consequences for all concerned and a serious impact on the world order.

The Wwft domain is obviously not at the forefront here. No more than it was during the pandemic. But in both cases, we can contribute. We contributed during the pandemic by detecting wrongly claimed support funds and putting up barriers. During the Ukraine crisis, the contribution has been in implementing some of the sanctions. From the very first moment, those involved on the private and public sides of the Wwft domain had their work cut out in implementing the sanctions.

A more detailed report on our engagement in the context of the war in Ukraine will be provided in the 2022 Annual Review. For now, it is important to realise that the speed, complexity and scope of the issues relevant to us mean that we cannot be experts in everything. That includes sanctions resulting from a war, aid payments and new technologies with a significant impact on the sector or analysing a layered crime form such as underground banking. Our expertise, then, is not in any of these subjects per se. Our expertise is in being able to master them efficiently and effectively based on cooperation across organisational boundaries and thus translating them into the Wwft domain. Identifying new developments quickly, interpreting and justifying them, determining where the risks lie and then investigating them based on the best strategy from a systems perspective appear even more vital to the effectiveness of our work in these times.

This chain’s effectiveness will be explicitly discussed in 2022. As mentioned in chapter two, the results of the various evaluations will follow this year. Challenging, but also useful. They lead to valuable feedback that helps us work out the next step. And 2022 will certainly be an important year in terms of legislation for that next step. I am following with great interest the developments concerning the WGS and the Money Laundering Action Plan. But I do not want to look only to the future but also to reflect on the present. Because despite all the challenges, there is plenty to be proud of. I am filled with confidence by the enthusiasm I see in private and public partners to contribute to the implementation of sanctions from a gatekeeper’s point of view, when I hear how many questions my FIU colleagues receive when giving presentations and the passion that springs from these questions, and when I think of how much knowledge and expertise is expressed in the questions I myself receive from international and national partners.

I am confident that, despite all the dynamics, we are doing everything possible within the Wwft domain to contribute preventing and combating money laundering, predicate offences and terrorist financing.

Hennie Verbeek-Kusters
 Head of FIU-the Netherlands



Annex I

Table 4: Number of unusual transactions per reporting group in the period 2019-2021*

Number of reports per reporting group (Caribbean Netherlands excluded)							
Reporting entity type	2019		2020		2021		
	Number	Of which MT	Number	Of which MT	Number	Of which MT	Of which subjective
Remote gaming provider	A		A		797		3%
Provider of custodian wallets	A		243		111,583		29%
Auditor	2,502		2,466		2,741		95%
Lawyer	42		21		13		92%
Bank	147,952	1,791	245,143	2,800	262,991	393	100%
Tax advisor	272		383		323		87%
Tax and Customs Administration	2		9		0		N/A
Investment institution	25		130		201		88%
Investment company	44		143		79		100%
Life insurance broker	0		0		4		100%
Payment service provider	199,199	173,595	194,891	183,601	280,871	263,499	55%
Payment Service Provider - PSP	151,576	9,181	227,987	172	357,347	257	10%
Domicile provider	39		26		16		88%
Customs	6,644		3,781		3,920		15%
Electronic money institution	29		583		1,565	1	72%
Foreign Intelligence	B		B		470		100%
Dealer - Antiques	C		C		5		100%
Dealer - Precious stones	729		726		819		49%
Dealer - Other goods	346		477		594		75%

Number of reports per reporting group (Caribbean Netherlands excluded)

Reporting entity type	2019		2020		2021		Of which subjective
	Number	Of which MT	Number	Of which MT	Number	Of which MT	
Dealer - Art and antiques	30		18		D		N/A
Dealer - Art	C		C		45		64%
Dealer - Vessels	58		52		36		8%
Dealer - Vehicles	5,893		4,153		3,780		22%
Undertaking for Collective Investment in Transferable Securities	0		3		9		100%
Legal services provider	0		2		1		0%
Life insurer	5		9		38	17	97%
Real estate agent	221		246		212		92%
Reporting obligation based on Regulation	0		1		0		N/A
Non-bank - Corporate consulting	0		2		0		N/A
Non-bank - Securities management	0		0		0		N/A
Non-bank - Credit cards	18,516		27,656		6,288		7%
Non-Bank - Interbank markets	1		29		20		100%
Non-bank - Leasing	0		1		29		83%
Non-bank - Issue of loans	179		233		153		98%
Civil-law notary	1,285		1,060		1,100		93%
Pawnshop	140		167		122		59%
Gambling casino	4,724		3,764		3,310		24%
Valuer	4		3		9		100%
Supervisor	25		76		39		100%
Trust and company service provider	192		146		87		91%
Provider of safety deposit boxes	0		52		32		100%
Virtual currency exchange services	A		7,066		190,345		29%
Exchange institution	562		491		417		42%
TOTAL	541,236	184,567	722,239	186,576	1,230,411	264,167	

* To present a normalised image, the numbers in this table do not include objective reports.

A Was not yet an obliged entity group in this year.

B Foreign Intelligence are spontaneous disclosures from other FIUs. They are not in response to a request. These have always been received but, since 2021, they have been recorded separately to improve visibility.

C Did not have a reporting obligation as a separate group in this year.

D In connection with the amendment of the Wwft in 2020, the reporting group "buyers/sellers of art and antiques" has been changed into two reporting groups, namely "buyers/sellers of art" and "buyers/sellers of antiques".

Table 5: Number of institutions from which at least one report was received per reporting group in the period 2019- 2021

Reporting group	2019	2020	2021
Remote gaming provider	A	A	7
Provider of custodian wallets	A	2	5
Auditor	385	372	346
Lawyer	14	16	9
Bank	59	54	59
Tax advisor	81	80	76
Tax and Customs Administration	1	2	0
Investment institution	10	13	14
Investment company	10	7	12
Life insurance broker	0	0	2
Payment service provider	23	18	17
Payment Service Provider - PSP	21	23	32
Domicile provider	9	6	4
Customs	2	1	1
Electronic money institution	4	6	8
Dealer - Antiques	B	B	1
Dealer - Precious stones	28	34	40
Dealer - Other goods	50	75	80
Dealer - Art and antiques	7	4	C
Dealer - Art	B	B	5
Dealer - Vessels	35	26	24

Reporting group	2019	2020	2021
Dealer - Vehicles	732	693	744
Undertaking for Collective Investment in Transferable Securities	0	2	3
Legal services provider	0	2	1
Life insurer	3	3	6
Real estate agent	125	98	91
Reporting obligation based on Regulation	0	1	0
Non-bank - Corporate consulting	0	1	0
Non-bank - Credit cards	5	5	3
Non-Bank - Interbank markets	1	1	1
Non-bank - Leasing	0	1	6
Non-bank - Issue of loans	10	13	10
Civil-law notary	322	295	318
Pawnshop	4	5	4
Gambling casino	3	2	1
Valuer	2	3	7
Supervisor	3	4	3
Trust and company service provider	37	30	30
Provider of safety deposit boxes	0	1	1
Virtual currency exchange services	A	12	23
Exchange institution	2	3	2
TOTAL	1,988	1,914	1,997

A Was not yet an obliged entity group in this year.

B Did not have a reporting obligation as a separate group in this year.

C In connection with the amendment of the Wwft in 2020, the reporting group "buyers/sellers of art and antiques" has been changed into two reporting groups, namely "buyers/sellers of art" and "buyers/sellers of antiques".

Table 6: Number of suspicious transactions per reporting group in the period 2019-2021*

Reporting group	2019		2020		2021	
	Number	of which MT	Number	of which MT	Number	of which MT
Remote gaming provider	A		A		63	
Provider of custodian wallets	A		A		2,610	
Auditor	209	3	573		1,107	
Lawyer	16		6		9	
Bank	12,919	60	40,382	526	47,325	78
Tax advisor	61		96		125	
Tax and Customs Administration	6		5		2	
Investment institution	2		17		11	
Investment company	4		3		5	
Life insurance broker	0		0		3	
Payment service provider	20,645	19,258	46,882	42,276	25,781	24,245
Payment Service Provider - PSP	1,351	6	9,984	5	12,732	10
Domicile provider	3		11		10	
Customs ³	389		725		549	
Electronic money institution	1		3		11	
Foreign Intelligence	B		B		181	
Dealer – Antiques	D		D		0	
Dealer – Precious stones	96		175		140	
Dealer - Other goods	27		104		70	
Dealer – Art and antiques	2		0		E	

Reporting group	2019		2020		2021	
	Number	of which MT	Number	of which MT	Number	of which MT
Dealer – Art	D		D		0	
Dealer – Vessels	1		4		2	
Dealer – Vehicles	2,522		574		638	
Life insurer	1		4		8	
Real estate agent	15		40		36	
Non-bank – Credit cards	447		1,865		635	
Non-Bank – Interbank markets	0		2		13	
Non-bank – Leasing	0		0		7	
Non-bank - Issue of loans	36		89		100	
Civil-law notary	177		538		351	
Pawnshop	10		54		39	
Gambling casino	544		1,616		770	
Supervisor	13		43		39	
Valuer	1		2		0	
Trust and company service provider	30		31		10	
Provider of safety deposit boxes	0		5		11	
Virtual currency exchange services	A		3		3,250	
Exchange institution	16		113		33	
	39,544	19,327	103,947	42,807	96,676	24,333

*Suspicious transactions are requested on the basis of forwarding date, i.e. the date on which an unusual transaction is declared suspicious. Therefore, suspicious transactions in a particular year cannot be compared with the unusual transactions (requested based on registration date) for a specific year.

A Was not yet an obliged entity group in this year.

B Foreign Intelligence are spontaneous disclosures from other FIUs. They are not in response to a request. These have always been received but, since 2021, they have been recorded separately to improve visibility.

C Customs was divided into reporting obligation and reporting right until 2020. In this overview, the suspicious transactions for 2019 and 2020 have been added together.

D As a separate group, did not yet have a reporting obligation this year.

E In connection with the amendment of the Wwft in 2020, the reporting group "buyers/sellers of art and antiques" has been changed into two reporting groups, namely "buyers/sellers of art" and "buyers/sellers of antiques".

Table 7: Number of suspicious transactions in 2021 by type of transaction

	Number	Share (%)
Cash transaction	11,149	12%
Non-cash transaction	51,015	53%
Money transfer	24,333	25%
Other	10,179	11%
Grand total	96,676	100%

Table 8: Number* and share** of (executed) transactions declared suspicious in 2021

	Number	Share (%)	Amount in €	Share amount (%)
< € 10,000	55,289	59%	€ 92,663,400.04	1%
€ 10,000 to € 100,000	31,234	33%	€ 1,051,317,445.95	7%
€ 100,000 to € 1,000,000	6,468	7%	€ 1,827,989,126.97	12%
€ 1,000,000 to € 10,000,000	1,053	1%	€ 2,829,836,155.68	18%
€ 10,000,000 to € 100,000,000	150	>1%	€ 4,021,345,330.94	26%
>= € 100,000,000	14	>1%	€ 5,542,932,225.00	36%
Grand total	94,208	100%	€ 15,366,083,684.58	100%

* Intended transactions (2,468 transactions) have not been taken into account

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

Table 9: Case files closed in 2021 that were started on indication of terrorism/terrorist financing*

	Number of case files	Share (%)	Number of transactions	Share (%)
Terrorism (financing) ¹	214	55%	1,712	45%
Terrorism (financing) + other offence ²	69	18%	1,492	39%
Other ³	103	27%	613	16%
Grand total	386	100%	3,817	100%

*To gain a clearer insight into the number of suspicious files and transactions related to terrorism (financing), these figures are shown differently compared to previous years. As a result, this does not allow for a one-to-one comparison with previous years.

- 1 These are case files that were started based on an indication of terrorist financing/violation of sanctions legislation and which, after analysis by FIU-the Netherlands, turned out to be possibly related to it.
- 2 These are case files that were started on the basis of an indication of terrorist financing/violation of sanctions legislation but where, after analysis by FIU-the Netherlands, a link to a possible other offence was discovered.
- 3 These are case files that were started based on an indication of terrorist financing/violation of sanctions legislation but where, after analysis by FIU-the Netherlands, only a link to a possible other offence was discovered.

Table 10: Unusual transactions in 2021 per reporting group in the Caribbean Netherlands

Reporting group	Number of unusual transactions
Bank	2,163
Tax advisor	10
Customs	38
Dealer - Precious stones	9
Dealer - Vehicles	10
Civil-law notary	25
Gambling casino	2
Total	2,257

Table 11: Number of suspicious transactions and case files in 2021 per reporting reason in the Caribbean Netherlands*

Reporting reason	Number	Share (%)	Number of case files	Share (%)
FIU investigations	169	81%	17	49%
Of which based on an information request from a foreign FIU*	3	1%	1	3%
LOVJ	10	5%	5	14%
VROS	30	14%	13	37%
Total	209	100%	35	100%

*These suspicious transactions represent a value of about EUR 38 million, excluding the value of the 15 intended transactions.

Table 12: Top 5 requests for information (RFIs) received from foreign FIUs in 2021

Country	Number of RFIs
1 Germany	82
2 Belgium	68
3 Spain	59
4 Great Britain	38
5 United Arab Emirates	22

Table 13: Top 5 requests for information (RFIs) sent to foreign FIUs in 2021

Country	Number of RFIs
1 Germany	100
2 Italy	66
3 Belgium	58
4 Luxembourg	44
5 France	37

Table 14: LOVJ requests received in 2021, broken down by investigation service

National Police of the Netherlands	Other investigative services
Amsterdam Unit	37 District public prosecutor's office
The Hague Unit	43 Fiscal Intelligence and Investigation Service (FIOD)
Limburg Unit	18 National Office for Serious Fraud, Environmental Crime and Asset Confiscation
Midden-Nederland Unit	78 Dutch Labour Inspectorate
Noord-Holland Unit	38 KMAR*
Noord-Nederland Unit	72 Caribbean Netherlands Police Force
Oost-Nederland Unit	38 National Public Prosecutor's Office
Oost-Brabant Unit	38 ILT-IOD
Rotterdam Unit	44 NVWA-OID
Zeeland-West Brabant Unit	60 National Police Internal Investigations Department
Central Unit	61 Social Security Fraud Department
Subtotal for National Police of the Netherlands	527 Subtotal for other services
	387

*Includes LOVJ requests of KMAR and KMAR-Schiphol



The organisation

Tasks and goals

The statutory task of FIU-the Netherlands is laid down in Section 13 of the Wwft. This concerns the receipt, registration, processing and analysis of unusual transaction data to determine whether it could be of importance to preventing and detecting money laundering, predicate offences and terrorist financing, declaring transactions suspicious and subsequently providing this transaction data to the various (special) investigative and intelligence and security services. In addition to this core task, FIU- the NetherlandsL also focuses on tasks derived from it, as required under Section 13 of theWwft, which include providing information to public and private partners and conducting research into developments in the field of money laundering and terrorist financing. In 2021, FIU- the Netherlands had a budget of approximately 9 million euros and an effective staffing capacity of 82 FTEs available for these tasks. Six strategic goals have been formulated for FIU-the Netherlands for the period 2021-2025:

- **Information and investigations.** FIU-the Netherlands will continue to focus on strengthening and broadening its information provision role. A better feedback loop will be a specific focus in the coming period to improve the quality of reports. In addition to operational and tactical analysis, we will sharpen our focus on strategic analysis and proactively share trends and phenomena that are not visible to network partners.
- **Cooperation.** Only together with our partners is FIU-the Netherlands able to prevent and combat money laundering, predicate offences and terrorist financing. We focus on forms of cooperation that strengthen our core mission at home and abroad. We take a leading role in this and experiment with new forms of cooperation.
- **Digitalisation.** FIU-the Netherlands embraces and utilises technology to process unusual transactions intelligently and effectively and to continually develop our analyses. By focusing on data quality and digitalisation, we create more capacity for high-quality investigations and

- take the next step in further improving the value of our output. By taking the robot out of the human being, we also increase the job satisfaction of our employees.
- **Prioritising.** In view of the growth in the number of unusual transactions and our contribution to various cooperative ventures on the one hand, and the capacity available to us on the other, we make conscious choices about what we do and do not do. For this purpose, FIU-the Netherlands applies a risk-based focus.
- **Increasing awareness.** The importance of and opportunities presented by financial intelligence and the unique role of FIU-the Netherlands are still not sufficiently clear. We will therefore continue to focus on making stakeholders more aware of the value and potential of the Wwft and financial intelligence.
- **Growth and development.** FIU-the Netherlands is growing in all aspects. This puts strong demands on our organisation. For that reason we specifically focus on the development of current and future employees, harmonising existing processes and developing new ways of working.

Working method

The Wwft designates FIU-the Netherlands as the entity to which unusual transactions must be reported, as described in Section 16 of the Wwft. Section 1a of the Wwft specifies the 29 different groups of obliged entities. The reported unusual transactions are then analysed to determine whether there are sufficient grounds for declaring them suspicious. Transactions declared suspicious by the head of FIU-the Netherlands are then made available to the various investigative services, special investigation services, intelligence services 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 in terms of personnel and resources, thus guaranteeing the organisation's independence and operational self-reliance. The policy line runs directly from the Minister of Justice and Security to the head of FIU-the Netherlands. The management line runs from the Commissioner of the National Police to the head of FIU-the Netherlands.



Abbreviations used

AMLA	Anti-Money Laundering Authority	FIOD	Fiscal Intelligence and Investigation Service (Fiscale Inlichtingen- en Opsporingsdienst)
AMLD4	Fourth Anti-Money Laundering Directive	FTF	Foreign Terrorist Fighters
AMLD6	Sixth Anti-Money Laundering Directive	GoAML	Government Anti-Money Laundering, IT application
AMLR	Anti-Money Laundering Regulation	iCOV	Information Exchange on Criminal and Unexplained Assets (Infobox Crimineel en Onverklaarbaar Vermogen)
API	Application Programming Interface	IEWG	Information Exchange on Money Laundering/Terrorist Financing Working Group
AR	Netherlands Court of Audit (Algemene Rekenkamer)	IFIT	International financial intelligence taskforce
BES	Public Bodies of Bonaire, St. Eustatius and Saba (Caribbean Netherlands)	Kmar	Royal Netherlands Marechaussee (Koninklijke Marechaussee)
CIS	Customs Information System	KPCN	Caribbean Netherlands Police Force
CJIB	Central Fine Collection Agency (Centraal Justitieel Incasso Bureau)	Ksa	Dutch Gambling Authority (Kansspelautoriteit)
CRAAFT	Collaboration, Research & Analysis Against the Financing of Terrorism	LOvJ	National Public Prosecutor (Landelijk Officier van Justitie)
DNB	The Dutch Central Bank (De Nederlandsche Bank)	NCTV	National Coordinator for Security and Counterterrorism (Nationaal Coördinator Terrorismebestrijding en Veiligheid)
ECOFEL	Egmont Centre of FIU Excellence and Leadership	NFTs	Non-Fungible Tokens
IMPACT	European Multidisciplinary Platform Against Criminal Threats	NPO	Non-Profit Organisation
EPDS	European Public Prosecution Service	OR	Works Council (Ondernemingsraad)
EPPO	European Public Prosecutor's Office	PPP	Public Private Partnership
ERWTF	Egmont Group project Extreme Right Wing Terrorism Financing	PPS	Public Prosecution Service
EU	European Union	PSP	Payment Service Provider
FATF	Financial Action Task Force	RFI	Request for Information
FCI.Net	Financial Criminal Intelligence net	RIEC	Regional Information and Expertise Centre (Regionaal Informatie en Expertise Centrum)
FEC	Financial Expertise Centre		
FIC	Financial Intelligence Centre		
FIR	Financial Intelligence Reports		
FIU	Financial Intelligence Unit		

RUSI	Royal United Services Institute
SCTF	Serious Crime Task Force
TF Platform	Terrorism Financing Platform
TFTF	Terrorism Financing Task Force
TMNL	Transaction Monitoring Netherlands
TracFin	French Financial Intelligence Unit
UN	United Nations
UT	Unusual Transaction
VASPs	Virtual Asset Service Providers
VROS	Index of Criminal Investigations and Subjects (Verwijzingsindex Recherche Onderzoeken en Subjecten)
ST	Suspicious Transaction
WGS	Data Processing by Partnerships Act (Wet Gegevensverwerking door Samenwerkingsverbanden)
Wwft	Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme)
Wwft BES	BES Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme BES)



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