



Financial Intelligence Unit -
the Netherlands

2022

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 share this information with our partners so that together we can make a contribution in preventing and fighting crime.

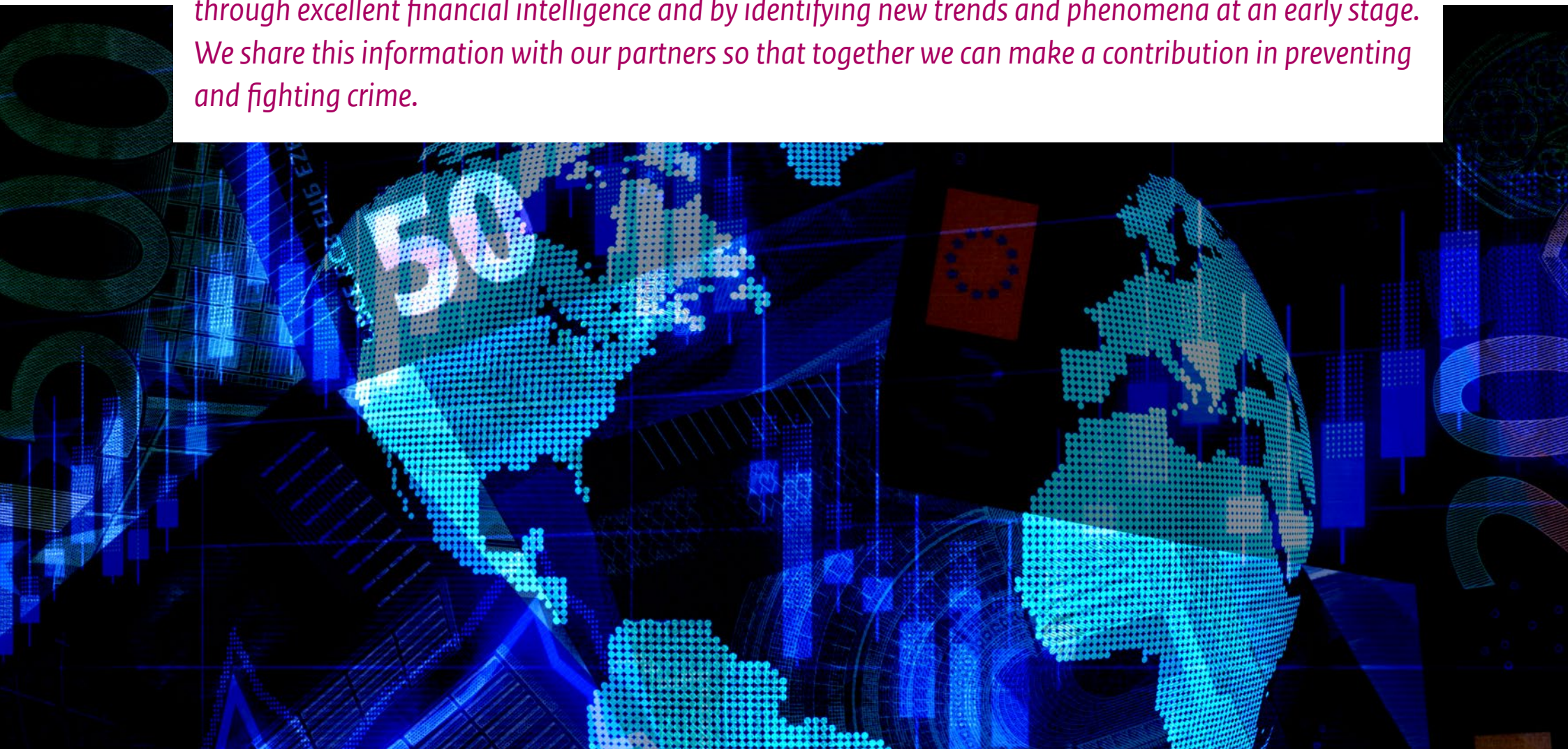


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The year 2022

Regrettably, 2022 is the year that will go down in history for Russia’s invasion of Ukraine. This has already caused untold suffering, and the end is not yet in sight. It is also an event that suddenly placed the Sanctions Act of 1977 in a new era. A hitherto unprecedented sanctions package was rolled out at a moment’s notice and placed heavy demands on all those involved within the domain of the Money Laundering and Terrorist Financing (Prevention) Act (Wwft). The chain scaled up as a whole, and its members looked to each other for knowledge and expertise on monitoring sanction violations. Since that first day, we have designated people from FIU-the Netherlands to focus specifically on these developments. Chapter 3 sets out what this has yielded and reflects on some of the notable achievements of the past year.

The second chapter also reflects on our results, i.e., those of the various evaluations. For us, the year was partly dominated by the outcomes of a number of evaluations conducted in previous years. Evaluations such as these are extremely valuable because they help us to move forward. But apart from that, we all look with some trepidation to the day the results of such a thorough audit are published. It gives me great pride to report that the outcomes confirm that we have made great strides as a chain and as FIU-the Netherlands. The Financial Action Task Force (FATF) considers our system to be “robust” and we as FIU-the Netherlands were specifically mentioned and highly appreciated. At the same time, we also receive valuable feedback on points for improvement, both from the FATF and the Netherlands Court of Audit. As I see it, the essence of this feedback is that we need to become more proficient at charting our results. That will help us to steer even better towards the desired outcomes and allowing us to be even more effective. We can do this, for example, by setting clearer targets on money laundering as a country, but also by improving our measurement capabilities. This will in part be of a qualitative nature regarding the preventive effect of the Wwft. But there is also a quantitative aspect, such as improving our ability to monitor how many investigations involve suspicious transactions. In both cases, this makes considerable demands on data quality.

Data quality has long been a focus of FIU-the Netherlands. We have a database in which some two thousand obliged entities (institutions with a reporting obligation) enter data. Even without substantive knowledge of our database, it is easy to imagine that not all these institutions operate uniformly and that this affects the data we receive. Our database is expanding at an ever-increasing pace. This year, too, we had a new record of nearly two million reported unusual transactions. There are two things we need to do to accurately interpret and process this diverse flow of information in a risk-based manner. First, we need to move towards more uniformity in reporting to create more insight. Secondly, we must continue to develop. We do this as FIU-the Netherlands by weaving the data aspect throughout our organisation. We deploy techs, train our analysts, invest in IT, adjust our strategic direction, and free up capacity for communication. Because we notice that there is still a lack of nuance regarding our figures, which is why we specifically address this context in Chapter 1. And finally, crucially, we continue to seek collaboration. After all, we as FIU-the Netherlands are ‘only’ a single link in the chain. Effectively following up on feedback from evaluations is only possible if we connect with all our partners.

Hennie Verbeek-Kusters
Head of FIU-the Netherlands



The figures

2022 saw yet another record in terms of the number of unusual transaction reports received. In this first chapter, we take a closer look at the numbers behind this record to make the figures more meaningful. We start by describing some of the things that contribute to the complexity of the figures to give nuance to certain issues. We then turn to some notable rises and falls.



The year 2022 in figures



1,896,176

UTRs of which **50 per cent** are based on the subjective indicator.



91,893

STRs of which **87 per cent** are based on the subjective indicator.



Top 3

crime types based on numbers of case files:

- 1 Money laundering
- 2 Fraud
- 3 Drugs



515 incoming foreign requests

from **68** countries **Top 5**

-  Italy
-  Germany
-  Luxembourg
-  Belgium
-  France



29,992,511,724

euros in STRs.

2,031

Article 17 searches



574 outbound foreign requests

to **76** countries **Top 5**

-  Germany
-  Spain
-  Belgium
-  United Arab Emirates
-  The UK



1,953 institutions made at least one notification



16,213

files with STRs

773 LOvJ requests

Top 3

- 1 Police
- 2 FIOD
- 3 KMAR



74 FIRs

1.1 Complexity in the figures

Looking at the figures in Annex I, the first thing to note is that the number of unusual transactions (UTRs) rose again compared to last year. However, there are big differences between and within reporting groups. For example, it is notable that the crypto sector reported significantly less in 2022 than a year earlier, with about 120,000 fewer UTRs. In part, this will be due to the falling exchange rates that resulted in fewer reports based on the objective indicator¹. But another factor is that 2021 saw a spike because some institutions began reporting early that year, retroactively from May 2020 after completing registration with the Dutch Central Bank (DNB). Therefore, we could argue that 2022 could have been the first normalised year for this reporting group, were it not for the fact that it was a very dynamic year for this sector, given the share prices and the bankruptcy of one of the world's largest exchanges. The coming years will provide more insight into what is normal for this sector. We also note that more transactions were declared suspicious from this sector in 2022, an increase of about 50%. One reason for this is that our knowledge and expertise in this sector continue to grow, and the size of our database on this sector improves our information position compared to a year earlier.

Within the bank reporting group, the number of reported UTRs actually grew substantially, with some 300,000 additional reports. However, there are significant differences between institutions in this sector. In 2022, the banking sector had more than 50 institutions reporting at least one UTR. However, one institution accounts for almost 80% of all reports and is individually responsible for the entire growth in UTRs within this sector. There are several reasons for this. Partly it is business-related, such as the growth of that organisation. What reinforces the growth is that this institution does not report compounded transactions. Suppose a fraudster scams a person for a total of 100 transactions of 1,000 euros. In that case, this institution reports a hundred separate transactions. However, most institutions report this as one compounded transaction of €100,000. Both ways are allowed². But this makes the numbers of UTRs difficult to compare and it leads to one institution having a disproportionate share in this reporting group. This disproportion also applies to the number of suspicious transactions (STRs) arising from unusual transactions from the banking sector. Again, the same institution accounts for almost 50 per cent of all STRs in 2022 from this reporting group.



¹ This sector has the indicator Objective13 which states that "A transaction of an amount of €15,000 or more" should be reported.

² In case the receiving and the sending account number is the same for each transaction.

A similarly disproportionate distribution is seen among Payment Service Providers (PSPs), in terms of UTRs the largest reporting group in 2022. Here, over 70% of all UTRs come from a single institution. That institution reports 99.9% of its UTRs based on the objective indicator that makes it a legal requirement to report credit card transactions above EUR 15,000. In contrast, another institution in this reporting group reports virtually only based on the subjective indicator.

Our previous annual review discussed the difference between objective and subjective indicators. We explained that objective reports often do not provide leads by themselves to open an investigation for FIU-the Netherlands' analysts. That is because the report is based on the amount. Generally, it contains no or very brief context to the transaction. Subjective reports are different. These are reported based on details explicitly provided by the reporting entity. Although the quality of these reports differs, they often give FIU-the Netherlands good 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. Reports based on objective indicators provide insight into aspects such as 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. So both are very valuable but with different approaches.

In other words, it is very difficult to draw conclusions based purely on the numbers of UTRs, compare them with each other, or make pronouncements across reporting groups based on the numbers alone. Also, the breakdown between the number of UTRs and the number of STRs is not always meaningful without context. Therefore, when looking at the figures, it is always worth looking a layer deeper for nuance. In section 1.2, we therefore look at the most notable developments in terms of figures.

1.2 Notable figures explained

A number of developments stand out in 2022. Some of them have already been discussed in section 1.1, but there are still some developments that we would like to explain. First, the value of STRs: almost 30 billion euros in total. That is a sizeable increase compared to 2021 and is explained by a very limited number of transactions with an exceptionally high combined value of more than 20 billion euros. These transactions are often part of international investigations and involve money flows that pass through our financial system but do not always stay in the Netherlands.

Another notable increase in the number of reports was seen in Foreign Intelligence. These are spontaneous disclosures and cross-border disseminations that we receive from other FIUs. We can now process this information faster and better through investment in technology. From 2021, spontaneous disclosures from other FIUs will be monitored separately, and by 2022 this will also be achieved for cross-border disseminations.

A third notable increase can be seen in the number of UTRs in the Caribbean Netherlands. In 2020, there were fewer than 900; the number has now risen to 7,134. This is a direct consequence of the changes to the Wwft BES as of July 2021³, which strengthened the information position. This led to significantly more cases and STRs. From 107 STRs and 31 files in 2020 to 728 STRs and 60 files in 2022.

What is also striking is the decrease in the number of STRs and case files. STRs are made available to the various (special) investigation, intelligence and security services after being declared suspicious. These partners can use the suspicious transactions for various purposes. Whether or not combined in 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. The number of STRs does not equal the 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, according to FIU-the Netherlands, 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 also thousands.

Both decreased in 2022. That is striking since FIU-the Netherlands has been growing solidly in numbers of people and technical skills over the past few years. In addition, the database of UTRs grew rapidly. You would assume that the number of STRs and files therefore would grow. But this did not yet materialise. This is due to a number of spikes in both 2020 and 2021. In 2020, as explained in that annual review, there was a significant spike in the number of cases and STRs due to the further development of semi-automatic case filing and advances in criminological

³ With the legislative amendment of 1 July 2021, the reporting limit for non-cash transactions became USD 11,000. Practice showed that this indicator was too low and was therefore increased to USD 250,000 from 01-01-2022. For the official announcement and explanation, see: <https://zoek.officielebekendmakingen.nl/stcrt-2021-48252.html>

data analysis resulting in new insights. We applied this to the entire five-year database of UTRs in 2020. Since then, this has been running parallel with the regular process, which produces results, but not such a big spike. In 2021, there was a spike in the number of files due to analyses focused on possible fraud related to Covid-19 state aid. In 2022, there are no such spikes and, in absolute terms, we see a decrease in the number of STRs and cases compared to the previous two years. Correcting for these spikes, we see a slight increase in the number of STRs and cases in recent years. This increase has become structural compared to the period before our growth in FTEs and technical capabilities. In the years 2016 to 2019, the number of STRs fluctuated between 39,000 and 57,000. The number of files fluctuated between 5,304 and 8,514 during that period. Since 2020, the number of STRs has fluctuated between 91,000 and 103,000 and case files between 16,213 and 19,114. A substantial difference. Table 1 shows the number of STRs and cases per reporting reason in 2022.

Table 1: Number of suspicious transactions and case files per reporting reason

| Reason for dissemination | Number of transactions | Share (%) | Number of case files | Share (%) |
|--|------------------------|-------------|----------------------|-------------|
| Own investigation. | 39,880 | 43% | 2,693 | 17% |
| <i>Of which on the basis of information request from foreign FIU</i> | 2,726 | 3% | 214 | 1% |
| LOvJ request | 2,525 | 3% | 280 | 2% |
| CJIB | 2,025 | 2% | 427 | 3% |
| VROS | 47,463 | 52% | 12,813 | 79% |
| Total | 91,893 | 100% | 16,213 | 100% |

In section 1.1, we mentioned the difference between objective and subjective reports. See table 2 for an idea of how this difference compares by reporting reason.

Table 2: Distribution of objective and subjective reports per reporting reason

| Reason for forwarding | Objective | Subjective |
|--|------------|------------|
| Own investigation. | 11% | 89% |
| <i>Of which on the basis of information request from foreign FIU</i> | 14% | 86% |
| LOvJ | 24% | 76% |
| VROS | 15% | 85% |
| CJIB | 12% | 88% |
| Total | 13% | 87% |

There has been a marked increase in the number of Financial Intelligence Reports (FIRs). These are intelligence products in which a broader report is given on a number of related STRs and the phenomenon underlying them. FIRs provide management information to the special and regular investigative, intelligence and security services. In 2021, we shared 46 FIRs with our partners and as many as 74 in 2022. Topics ranged from cybercrime and fraud to terrorist financing and money laundering.

Finally, there was a notable decrease in National Public Prosecutor (LOvJ) requests. These requests allow the special investigation services to ask FIU-the Netherlands whether any transactions can be declared suspicious in the context of the investigation for which the request is made. If we find sufficient grounds to declare any transactions suspicious, they are shared with the relevant investigative service. In 2019 and 2020, there were still over 1,200 LOvJ requests per year. That has since fallen to 773. We are currently looking into the exact reason for this with our investigative partners. But whatever the reason, FIU-the Netherlands sees enormous value in submitting LOvJ requests to deploy financial intelligence broadly and effectively. That is why we invested in this in 2022. In the autumn, for instance, we worked on thoroughly updating communication with our investigative partners. This point of focus within the project started on chain strengthening, which you can read more about in section 2.2.3. A positive exception to this overall decline is the Caribbean Netherlands. Here, the number of requests increased significantly from an average of less than a handful a year to 15 requests. The reason is that the Caribbean Netherlands has invested in even better cooperation with the Dutch Caribbean Police Force (KPCN) by joining periodic consultations with the newly established department focused on financial-economic crime.

Legal, policy and technological developments in 2022

FIU-the Netherlands operates in an international playing field with public and private partners whose common goal is to combat and prevent money laundering, predicate offences and terrorist financing. By 2022, there were developments on this vast playing field.





2.1 The World

FIU-the Netherlands cooperates internationally with 166 FIUs within the Egmont Group. Hennie Verbeek-Kusters, head of FIU-the Netherlands, stepped down from her position as president of this international partnership in 2022. However, she remains active on the Egmont Group board as a representative of the FIUs of European Union member states. Hennie Verbeek-Kusters has taken important steps within the Egmont Group to revamp Egmont Secure Web (ESW), the system by which FIUs worldwide exchange information among themselves. The renewal of ESW involves a complex project as the final product must meet high safety requirements and diverse users' needs. A major milestone was reached in July 2022 when all Egmont Group members agreed to the project, after which system renewal was started.

Renewal of the information system is not only an inter-system theme between different FIUs. It is also highly topical within our own FIU. In fact, we are starting to reach the limits of our current system regarding effective processing. For example, there are now reporting groups providing data that we had not even heard of at the time of the development of our current core system, such as crypto transactions. That we can still handle this illustrates the robustness of our current core systems. But to remain future-proof, we must take a big step in the coming years. With that aim in mind, in 2022, we launched a project to help further develop automation. Together with the United Nations, we have launched a pilot for a new information facility for FIUs. A prototype is expected to be delivered in 2023, based on which a decision can be taken on how to proceed.

Besides international IT cooperation, 2022 also saw substantive cooperation on concrete themes. For instance, FIU-the Netherlands has been closely involved in the Finance against Slavery and Trafficking (FAST) initiative for several years. This initiative of the United Nations University Centre for Policy Research aims to mobilise the financial sector against modern slavery and human trafficking. By training and educating professionals in the financial sector, FAST ensures they can take targeted action against modern slavery and human trafficking under their gatekeeper role. Through international campaigns and establishing global partnerships, FAST also works to raise broader awareness of these issues within both the public and private domains. The head of FIU-the Netherlands contributes to this from the FAST advisory board. In addition, in 2022 the human trafficking expert of FIU-the Netherlands shared in-depth knowledge and expertise with FIUs and financial sector professionals at several international meetings of FAST to contribute globally to strengthening the gatekeeper role in this specific area.

Finally, on the initiative of FINCEN, the US FIU, a number of FIUs, including the Netherlands, decided to join forces and strengthen their international cooperation on all aspects of the current sanctions against Russian and Belarusian entities and individuals. The aim of the cooperation is targeted information and knowledge sharing. Possible money-laundering activities are also given explicit attention within this "Russia Related Illicit Finance and Sanctions FIU Working Group".

2.2 Europe

This year we again saw many developments in countering money laundering and terrorist financing.

2.2.1 European regulations and amended directive

In 2022, the proposals from the European Commission’s AML/CFT (anti-money laundering/countering the financing of terrorism) package (released in 2021) were further assessed and continually advised on. The package consists of four legislative proposals, including 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). It aims to strengthen the

European AML/CFT framework by harmonising the rules. Above all, AMLA will be a European regulator for (cross-border) financial institutions on anti-money laundering and terrorist financing. A specific part of the AMLA will focus on cooperation and coordination of common tasks between FIUs of European Union member states. An important aspect of this is facilitating joint analysis. This is very important in the eyes of FIU-the Netherlands since financial flows do not remain within national borders in a significant part of our analyses. The infographic in Chapter 1 shows that foreign requests come and go mainly from and to EU countries. Therefore, conducting more effective joint analyses with these countries will be of great value. This part of the AMLA will also focus on harmonising FIU powers in member states. One such power is to be able to stop (or have stopped) the execution of financial transactions. FIU-the Netherlands held a webinar in June 2022 with fellow European FIUs from Malta and Germany on each other’s experiences with this power. This is important for the Netherlands because national legislation



that will allow it is forthcoming.⁴ In consultation with the other FIUs from the EU FIU Platform, FIU-the Netherlands contributed to the negotiations on shaping this package, with a focus on the proposal for the creation of the specific part of the AMLA aimed at FIUs. Finally, FIU-the Netherlands has also been active in various working groups at the European level to unify and improve information exchange among European FIUs.

2.3 The Netherlands

In 2022, significant steps were taken not only globally and in Europe but also in the Netherlands.

2.3.1 Evaluations

The 2021 Annual Review provided multiple evaluations that sometimes took place simultaneously and sometimes consecutively during that year. The results of these evaluations were published in 2022.

2.3.1.1 Financial Action Task Force-Evaluation

The FATF assessed the Netherlands in 2021/2022 on preventing the use of the financial system for money laundering and terrorist financing. This looked at the effectiveness of both Dutch laws and regulations and their implementation by all the parties involved. In 2022, the evaluation results were published and showed that we as the Netherlands were favourably assessed⁵. According to the FATF, the Netherlands has a robust system for dealing with money laundering and terrorist financing. In particular, public-public and public-private collaborations at both policy and operational levels are considered very valuable. The work of FIU-the Netherlands and the availability and use of financial information also score very highly. According to the FATF, FIU-the Netherlands' analytical products are of high quality and focus on the needs of the various investigative agencies. Still, the Netherlands also received some valuable feedback. For example, the FATF believes that the Netherlands should adopt a more risk-based approach, that systematic feedback on the use and usability of FIU-the Netherlands' products should be put in place, and that penalties for money laundering should have a greater deterrent effect.

⁴ Strengthening the approach under criminal law to subversive crime II (relative competence in major cases (and that of the FP)) | Government.com | Legislative calendar

⁵ <https://www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-netherlands-2022.html>

2.3.1.2 Netherlands Court of Audit

2022 also saw the publication of the results of the audit conducted by the Netherlands Court of Audit (AR, Algemene Rekenkamer). The AR examined the unusual transaction reporting chain and found that meaningful improvements have been made in tackling money laundering in recent years. However, a very important addition from the AR was that the chain is not yet functioning optimally. In the AR's view, unusual and suspicious transactions can be processed more efficiently and effectively.

2.3.1.3 Monitoring outcomes of evaluations - Chain Reinforcement Project

Both the FATF evaluation and the AR evaluation suggest that there is room for improvement in the delivery of STRs. There needs to be a better understanding of the use of STRs so that we can work as a chain to improve effectiveness. According to the evaluations, the opacity of the use of financial intelligence is a weakness in the Dutch system. Against this background, FIU-the Netherlands, together with the FIOD (including the AMLC), the PPS' National Office for Serious Fraud, Environmental Crime and Asset Confiscation and the police, launched the Suspicious Transactions Chain Reinforcement Project in 2022. This project, also one of the priorities from the policy agenda on tackling money laundering from September 2022⁶, aims to optimise the use and understanding of suspicious transactions. Special attention is paid to exploring the possibilities of linking insights from the use of the suspicious transactions back to the reporting institutions. This feedback loop is on the wish list of many within the chain and could go a long way to improving effectiveness. In the coming years, we will keep you posted about the steps we will take in this project.

2.3.2 Growth

Tackling organised and subversive crime is a government priority. On Budget Day 2021, it was announced that €524 million was available for tackling subversion in 2022, of which €434 million was structural. In 2022, it became clear that some of these additional funds were allocated to FIU-the Netherlands for technological intensification and capacity expansion. Specifically, our budget has grown to €13.4 million this year. In 2022, we had a capacity of 94 FTEs; this will grow to 123.5 FTEs in the coming years. By comparison, in 2019 we still had 63 FTEs and a budget of €6 million.

⁶ <https://www.rijksoverheid.nl/documenten/kamerstukken/2022/09/23/aanbiedingsbrief-beleidsagenda-aanpak-witwassen>

In addition to strengthening FIU-the Netherlands’ tactical and strategic analysis teams, a significant part of the capacity expansion will focus on a job profile type that is new to us. FIU-the Netherlands aims to further improve the quality of its analysis products by recruiting analysts with a combination of operational expertise and knowledge of technological capabilities. We are also committed to strengthening our technological resources to more effectively process and analyse increasingly complex datasets.

2.3.3 Information systems

The importance of investing in our information systems has already been mentioned in the foreword and is woven throughout the annual review. Given that importance, it is worth taking a closer look at some of the steps taken. As explained in Chapter 1, a big step has been taken in effectively processing information from abroad. Our analysts can now analyse this information much faster and better, which is directly reflected in the number of suspicious transactions, see table 5 in Annex I. Working with sanction lists has also become easier due to adjustments in the system, allowing information to be interpreted faster. We also worked on data quality



throughout the year. A concrete example is the removal of duplicates. Larger reporting institutions sometimes report transactions twice. In some cases, even more often than twice. It will be clear that this contaminates our database. In 2022, we worked with major institutions to design a process to identify and remove these duplicates as quickly as possible. That is how we continue to move forward. Not only in the mainland Netherlands, but also in the Caribbean Netherlands. To set up its information systems as effectively and efficiently as possible, FIU-the Netherlands has drawn up a Business Intelligence (BI) strategy for the Caribbean Netherlands and the Kingdom for 2022 - 2026. This strategy facilitates in the digital transformation and rests on three pillars:

- Unlocking indirect sources
- Collaborating through privacy tooling
- New partnerships.

For this purpose, access was gained in 2022 to external data sources that improve our Caribbean Netherlands specialists’ information position during their tactical analyses. Cooperation between FIUs within the Kingdom through the privacy-compliant Financial Criminal Investigation network (FCI.net) continued, and an operational information exchange was officially launched. A pilot was also launched with the KPCN in 2022 to improve the exchange of information and knowledge on significant criminal risks on Bonaire through FCI.net. Based on this pilot, a shareable blueprint has been drawn up that can be used within the Kingdom by various partners and ministries as a business case to enter into new partnerships to further improve the use of financial intelligence.

2.3.4 The Caribbean Netherlands

Chapter 1 pointed out that the number of reports from the Caribbean Netherlands has skyrocketed over the last two years. We responded to this in several ways. Needless to say, analysis capability was one of them. But information was also provided. In 2022, for example, we organised a webinar on real estate in the Caribbean Netherlands, one of the leading money laundering risks identified in the BES 2021 National Risk Assessment for all three islands. Investments were also made in raising awareness among governments and working with public partners in the Caribbean Netherlands. Finally, 2022 saw several knowledge sessions with the FIUs of Curaçao, Aruba and Sint Maarten. They are key partners for us. Although the islands of Bonaire, Sint Eustatius and Saba fall under the Netherlands and report directly to us, this is different for Aruba, Curaçao and Sint Maarten. They are autonomous, which means that each has its own FIU. But of course, as discussed in section 2.3.3, we work closely together. We remain committed to this in 2023.

2.3.5 The war in Ukraine

Unfortunately, 2022 saw the outbreak of war in continental Europe with all the consequences that it entails. The war also has an impact on the work of FIU-the Netherlands. Chapter 3 provides information about some concrete analyses. International cooperation related to war was described earlier in this chapter, but there is also intensive cooperation within the Netherlands on this topic, such as knowledge documents. For example, a report by the National Coordinator for Sanctions Compliance and Enforcement was published on 12 May 2022⁷, to which we contributed. FIU-the Netherlands also sent a newsletter to all obliged

entities. FIU-the Netherlands also participates in the recently established Sanctions Compliance Cooperation Platform (SPS), chaired by the Ministry of Economic Affairs (EZK). Within the SPS, participating partners exchange relevant information on sanctions compliance. This may involve information exchange on sanctioned persons or entities to establish freezing measures or for criminal investigation purposes. The SPS is also looking into whether the laws and regulations surrounding sanctions need improvement. Section 3.1 provides more information about the results related to our analyses of sanction evasion.

⁷ <https://www.rijksoverheid.nl/documenten/rapporten/2022/05/12/bijlage-1-rapport-van-de-nationaal-coordinator-sanctienaleving-en-handhaving>



The results

In 2022, FIU-the Netherlands once again achieved impactful results based on analysing unusual transactions. In this final chapter, we discuss some of these results divided into two sections. The first section focuses on money laundering and underlying offences. The second section focuses on terrorist financing.



3.1 Money laundering and underlying offences

This section discusses some notable results from 2022 on money laundering and underlying offences.

3.1.1 Sanctions

A deliberate evasion of sanctions is an offence under the Economic Offences Act (WED) and thus a predicate offence for money laundering. In other words, transactions involving sanctions may also potentially constitute an unusual transaction under the Wwft. In March 2022, we sent a newsletter from FIU-the Netherlands to obliged entities explaining this and providing guidance on potential risks. From February onwards, we deployed analysts specifically on this topic, allowing us to share some initial basic insights in March. Naturally, this involved close cooperation with partners such as the FIOD, the PPS, various ministries and foreign FIUs. We also noticed intensive upscaling on the private side. We received many requests for knowledge



sessions, which we responded to wherever possible. A good example is the Financial Expertise Centre (FEC) webinar in March, in which over 400 professionals came together for an update on this topic and in which we, as FIU-the Netherlands, were both speaker and listener. That once again showed how much we can learn from each other within the Wwft chain. Besides gaining knowledge, the rapid scale-up also led to significant reports of unusual transactions from the institutions. Based on our analyses, we were able to enrich and reprocess them into intelligence reports and files that were then shared with relevant partners. A total of 137 case files containing 2,721 transactions were declared suspicious. That yielded some valuable insights. For instance, it was established that our financial system was being used to make crypto payments between high-ranking individuals in sanctions-listed organisations. In some cases, we were able to map the asset positions of sanctioned individuals using highly exclusive assets. In other cases, our analyses revealed offshore structures through which sanctioned goods were sourced and shipped. There were constructions with money flowing through multiple countries, including the Netherlands. Through our international network, we were able to share these insights, which led to some great results. For example, we were informed by a partner FIU that, partly based on our information, shipments of dual-use⁸ goods were intercepted before they could be shipped. An extremely valuable result. And domestically, the sharpened focus on sanctions also led to great results. For example, in one investigation, the FIOD seized €137 million⁹ and in another it made an arrest in connection with a sanction violation related to microchips¹⁰.

3.1.2 Underground banking

In the 2021 Annual Review, we discussed the phenomenon of underground banking, a form of financial transactions outside the regulated financial sector. In some cases, this method is used for non-criminal purposes. For example, by migrant workers to receive money from relatives in their home countries. But organised crime also uses this method to move and/or launder money. Therefore, this was again a key theme for FIU-the Netherlands in 2022.

In 2021, we told you about the insights into corporate structures in which mutual payment transactions within complex outsourcing structures of large corporations were potentially linked to underground banking. By 2022, we increased our understanding of such constructions. New signs have emerged as to how the phenomenon may be linked to networks of legal entities, international (non-cash) transactions and structures and companies used knowingly or unknowingly. Over the coming year, we intend to join our investigative partners and look into how best to operationalise these insights.

⁸ Dual-use goods are products, services and technology that can be used for both civilian and military purposes.

⁹ <https://www.fiod.nl/137-miljoen-euro-beslag-vanwege-overtreding-sanctiewetgeving/>

¹⁰ <https://www.fiod.nl/aanhouding-in-onderzoek-naar-overtreding-sanctiewetgeving/>

3.1.3 Fraud and organised crime

In recent years, FIU-the Netherlands has been reporting more on fraud. This form of crime is once again in our top three this year. What is increasingly striking is the possible link between fraud and organised crime. In 2022, for instance, we held a knowledge session with the Ministry of Justice and Security, a number of obliged entities and investigative partners. In this session, we discussed a phenomenon that we could more deeply analyse afterwards. Our analysis revealed that possible forms of fraud emerge in organised crime networks. A concrete example: leased cars involved in lease fraud also turn up in investigations into shootings between organised crime gangs. In another network, forms of cyber fraud appear to be linked to drug crime. An interesting question is how this link works causally. Is fraud used as a kind of financing tool for other forms of crime? Or is fraud seen as a diversification strategy within a criminal enterprise? Or is there a third option? In the coming period, we will continue to invest in this with all our partners. Because the following examples show that this investment pays off. The FIOD and Dutch Labour Inspectorate were investigating a company in connection to fake invoices in the healthcare sector. A case file from FIU-the Netherlands provided additional financial intelligence to this investigation. It revealed a network of healthcare companies that had financial relationships with the company that prepared fake invoices. Eventually, based on this investigation, a search was conducted at one of these healthcare companies. During this search, a link was found to a storage facility where several hundred kilos of hard drugs were subsequently found. This was by no means incidental: firearms, drugs and false travel documents were found in a similar investigation.

3.1.4 Other types of interventions

Since FIU-the Netherlands' public partners are mostly investigative services, there is a sharp focus on the criminal-law path. However, as we know, capacity in this area is limited. Partly for this reason, there has been a broader view from across the chain in recent years. Private parties, for example, ask us more often about how the preventive side of the gatekeeper role can be better substantiated. We contribute to this through presentations at obliged entities and advice based on trends and phenomena. But STRs can also be used for a broader scope of interventions.

In 2021, reports were received about a grant for Corona Jobs in Care (COZO). This subsidy for temporary jobs in support positions relieved healthcare professionals from the extreme care demand due to the pandemic. A great initiative. But it became clear from our analyses that in a number of cases COZO funds ended up in foreign accounts or in accounts of companies with various non-healthcare related business activities. Companies were also found in some cases to have fewer people on their payrolls than the number of grants that was applied for. The resulting case files were shared with the NLA, which conducted a further investigation based on them.

That revealed several dozen companies that had received millions in undue subsidies. This gave the Minister for Long-Term Care and Sport good cause to temporarily suspend the proposed extension of the COZO scheme in February 2022. Later, this scheme came back into force, but this time with a comprehensive assessment framework based on the particulars noted earlier. This is a shining example of how to work as a chain to provide a wider range of interventions. Another example is a case in which, based on information from a criminal investigation arising from an intelligence report by FIU-the Netherlands, a private party was able to claim several million euros from a fraudulent organisation under civil law. In this case, the investigative service could share information within the legal frameworks that gave the private party sufficient grounds for the claim. Finally, there are several examples in 2022 of licence revocation through a Regional Information and Expertise Centre (RIEC). Several public partners work together in the RIECs, such as the police, the PPS, municipal authorities and the tax authorities. The purpose of an RIEC is to tackle local organised crime. For now, FIU-the Netherlands is not a participant within the RIEC. However, our financial intelligence finds its way to the RIECs through our investigative partners. Sometimes we receive feedback on the value of suspicious transactions within this partnership. The intelligence was shared through the police and the PPS in those cases, based on existing legal frameworks, with a municipal authority to enable the revocation of a licence through an administrative law route. These are good examples of how widely financial intelligence can be used.

3.2 Terrorist financing

In addition to analyses on money laundering and underlying offences, FIU-the Netherlands also analyses transactions with indications of terrorist financing. In this area, too, we do a lot of work with others and constantly work to take our knowledge and skills to the next level. That is illustrated by the analyses within the Terrorist Financing Taskforce, a public-private partnership between six banks, the police, FIOD, PPS and FIU-the Netherlands. Participating banks can make more and better reports to FIU-the Netherlands based on police information. Besides operational results regarding concrete reports and suspicious transactions, the 2022 task force contributed to a mutual understanding of each other's processes, which resulted in more informative reports. It will be important to broaden this beyond the banking sector in the future. After all, we receive unusual transactions indicating terrorist financing from more reporting groups. We need to keep investing in that. As you will read in this section, that is because there are many developments regarding terrorist financing.



3.2.1 Fewer files, more complexity

Last year saw a drop in the number of terrorist financing cases, from 283 in 2021 to 213 in 2022. Table 9 in Annex I shows the details. What is striking is that the number of STRs increased sharply compared to last year. This is caused by a limited number of files with an exceptionally large number of transactions. These complex cases involved, for example, international networks around underground banking and a vast international money-laundering network that also included signs of terrorist financing. This could indicate a converging movement between (organised) crime and terrorist financing.

The majority of the case files with indications of terrorist financing relate to Jihadist terrorism, still the biggest threat to the Netherlands according to the National Coordinator for Counterterrorism and Security (NCTV)¹¹. In 2022, there were case files on recent threats, but there were also many related to (former) Foreign Terrorist Fighters (FTFs) who had joined ISIL/Da'esh and related organisations. Although the transactions are sometimes further in the past, these case files remain relevant. For example, they contributed to evidence in both nationally and internationally ongoing investigative investigations.

In the area of extreme right-wing and accelerationism^{12 13}, case files were generated that mainly concern potentially violent lone actors and persons who may have extreme right-wing ideology and were found to be involved in transactions involving the purchase of firearms.

During 2022, for example, it emerged that terrorist financing seems to be taking on an increasingly broad scope. Also, many case files showed that the methods and techniques used continue to evolve and catch up with new opportunities. The use of innovative payment systems seems to be becoming more and more established. New payment methods focusing on speed, ease of use and limitless payment were encountered several times among malicious parties in 2022. What is particularly striking is the increased use of virtual IBANs: fully digital alternatives to traditional accounts. For example, in certain cases, Dutch residents opened one or more virtual IBANs in another European member state. Of course, there may be a legitimate reason for this. But that did not turn out to be the case in these instances where the virtual IBANs were used for concealment or fronts. This also took place the other way around. There are non-residents who open one or more virtual IBANs in the Netherlands for the same reason: to stay out of the sights of local criminal investigation services. This modus operandi emerged in case files relating

¹¹ Terrorist Threat Assessment Netherlands 57, 22 November 2022 - NCTV

¹² Terrorist Threat Assessment Netherlands 57 22-11-2022 -NCTV accelerationism the main right-wing extremist threat of violence. This movement promotes terrorist violence as a legitimate means of achieving the ideal of a white ethnostate

¹³ AIVD annual report 2021 'Accelerationism' - a violent movement within right-wing extremism

to both Jihadist and far-right groups. It is important to note that virtual IBANs are regulated products that in most cases have a legitimate purpose. However, the ease with which they can be opened in different countries creates situations where the money trail can be confusing. For FIU-the Netherlands, this is partly overcome by the agreement between European FIUs to actively share transactions involving legal and natural persons from another Member State with that Member State's FIU. But this is a time-consuming process if we want additional information, for example from the foreign gatekeeper. This poses an enhanced risk since the time factor in information exchange is very important in terrorism and terrorist financing cases. Apart from being time-consuming, it can also be very complex. One example is when a virtual IBAN is linked to other innovative services, such as crypto platforms. This fragmentation of the payment chain significantly complicates not only our work, but that of gatekeepers and our public partners.

3.2.2 Shifts within the terrorism domain

Terrorism is often accompanied by the threat of excessive violence. However, this excessive violence also takes place outside the traditional terrorism domain. Individuals from organised crime try to force a (select) group within the population to do or refrain from doing certain things by using particularly extreme violence. From FIU-the Netherlands in 2022, we provided financial intelligence on liquidations, taking customers hostage in a shop under threat of explosives, attacks on Polish supermarkets, placing explosives at homes and businesses and finally, threats against national and local politicians. In an earlier annual review, we discussed the crime-terror nexus, as Europol calls it: the development that organised crime and terrorism are increasingly able to connect transactionally. But this shows that terrorism and subversive crime are also growing closer together at the phenomenon level. This movement is also perceivable in criminal law. In the case concerning the liquidation of Peter R. de Vries, the prosecution indicated in its demand sentence that it judged this to be a terrorist offence¹⁴. This development can be seen in very concrete terms in Table 9 in Annex I. The table shows that a significant proportion of cases that start on indications of terrorist financing ultimately turn out to involve other forms of crime after all. The joint projects with obliged entities on firearms clearly illustrate this. These projects were originally started based on terrorist threats. They have raised awareness and knowledge levels among participating gatekeepers. That has increased the number of informative reports. To a small extent, these do indeed seem to relate to terrorism. But for the most part, the analysis revealed a link to organised crime that proved very valuable to investigative services.

¹⁴ <https://www.trouw.nl/nieuws/hoer-de-moord-op-peter-r-de-vries-een-terroristisch-misdrijf-kan-zijn-b7a37c60/?referrer=https://www.google.com/>

Afterword

At the time of writing, we are currently discussing the legislative proposal for the Money Laundering Action Plan. This discussion brings out a lot. Privacy is an important topic of social and political debate, for example. It is a good thing that there is more awareness of data sharing these days. However, I do believe it is important to keep bringing nuance to discussions. Very many organisations work together in the Wwft domain. Data sharing is fundamental in this collaboration. But it is impossible to tackle money laundering, underlying crimes and terrorist financing without thoroughly balancing interests. Where does privacy weigh more heavily? Where can we protect citizens' privacy and expose those criminal power structures? These are complex questions that we all have to answer together. The next few months will show the direction taken by the legislative proposal. But whichever way it goes, privacy and transparency will and should be part of it. These values are also very important for FIU-the Netherlands. That is why, for example, we have been working on the Impact Assessment for Human Rights in the Use of Algorithms (IAMA) for some time. This will allow us to continue to deal responsibly with new technological possibilities in the future. We will continue to invest in this. If you are a regular reader of our annual reviews, this is not the first time you will have heard about investing in technology. It is something that will also continue to recur in the coming years, because developments are taking place at a very fast pace. The number of employees will double compared to four years ago in the coming period. By government standards, this is enormous growth. In fact, the number of reports has increased fivefold in five years. There are more reporting groups. There is more focus on the Wwft. There is more focus on and from the chain. And there is also more complexity. This is caused, for example, by fragmentation of the payment chain, but also phenomena that previously seemed more or less unconnected are growing towards each other, such as subversive crime and fraud. So we all face a big challenge.

This big challenge does not yet seem to have penetrated everywhere. I still vividly remember one of the statements in the discussion on the legislative proposal discussed above. Someone said that private parties should not play a role in crime detection at all: this should be the exclusive domain of the government. I am extremely gratified by the confidence this expresses in the government. And at some level, I also understand where this statement comes from. But it is an entirely outdated view. Government alone cannot solve the crime problem. It is too complex and extensive. Everyone needs to contribute. For this reason, international standards (FATF) have also given private parties an important role, as reflected in our national Wwft.

We will therefore need to continue investing in collaboration and connection. Initially, on cooperation within organisational boundaries. With a gatekeeper where anti-fraud departments coordinate more explicitly with the anti-money laundering department. Or within FIU-the Netherlands, where terrorist financing colleagues work more closely with money laundering colleagues. But we certainly also need to invest in working together across organisational boundaries. There have been some significant initiatives such as the FEC and the Fintell Alliance for some time. We remain committed to this. In 2023, for example, we will look into whether we can also implement the Fintell Alliance method in the Caribbean Netherlands. That is a good step in the right direction. However, the focus here is on the banks. That is a large reporting group regarding the number of unusual transactions. But it is still only one reporting group. There are 28 other reporting groups. With the rapid and major developments in crime, it is even more important to maintain a broad perspective. For example, it would be interesting to extend the existing collaborations beyond one reporting group to overcome the fragmentation of the payment chain. This could show what PSPs or auditors can contribute. After all, we are one Wwft chain. And within that chain, there is room to further strengthen each other. As FIU-the Netherlands, we would like to take a step towards that. In line with the FAFT review, we will look into how we can even better transfer our financial intelligence to our public partners in the coming period. We will also consider how to better understand exactly what financial intelligence adds at what stage and intervention. A greater understanding of this process has two significant advantages. First, this will allow us to dive deeper in providing information to reporting institutions because we will be able to provide more concrete feedback, a wish of many reporting entities. Second, it will enable us to create more targeted financial intelligence products for public partners that contribute to a wide range of interventions, not just the ones based on criminal law. This in turn, of course, reinforces the understanding that creates a circular movement that continuously strengthens the whole chain. A chain that, to my great pride, has again contributed a lot to preventing and combating money laundering, underlying crimes and terrorist financing in 2022.

Hennie Verbeek-Kusters
Head of FIU-the Netherlands



The figures

Table 3: Numbers of reports by reporting group in 2022

Numbers of reports by reporting group in 2022 (excluding Caribbean Netherlands)

| Reporting group | 2020 | | 2021 | | 2022 | | based on the subjective indicator |
|-----------------------------------|---------|-------------|---------|-------------|---------|-------------|-----------------------------------|
| | Number | Of which MT | Number | Of which MT | Number | Of which MT | |
| Remote gaming provider | A | | 797 | | 29,180 | | 10% |
| Wallet provider | 243 | | 111,583 | | 32,594 | | 20% |
| Auditor | 2,466 | | 2741 | | 2,233 | | 95% |
| Lawyer | 21 | | 13 | | 15 | | 94% |
| Bank | 245,148 | 2,800 | 26,2991 | 393 | 553,327 | 500 | 100% |
| Tax advisor | 383 | | 323 | | 433 | | 90% |
| Tax department | 9 | | 0 | | 1 | | 100% |
| Investment institution | 130 | | 201 | | 245 | | 99% |
| Investment company | 143 | | 79 | | 86 | | 100% |
| Life insurance broker | 0 | | 4 | | 0 | | - |
| Payment service provider | 194,894 | 183,604 | 28,0871 | 263,499 | 249,504 | 211,296 | 56% |
| Payment Service Provider - PSP | 227,987 | 172 | 357,347 | 257 | 751,742 | 249 | 12% |
| Registered office provider | 26 | | 16 | | 6 | | 63% |
| Customs | 3781 | | 3,920 | | 4,070 | | 3% |
| Electronic money institution | 583 | | 1,565 | 1 | 18,790 | 17,798 | 35% |
| Foreign Intelligence ^B | - | | 470 | | 94,154 | | 100% |
| Dealer - Antiques | A | | 5 | | 3 | | 67% |
| Trader - Precious stones | 726 | | 819 | | 1,352 | | 48% |

Numbers of reports by reporting group in 2022 (excluding Caribbean Netherlands)

| Reporting group | 2020 | | 2021 | | 2022 | | based on the subjective indicator |
|--|----------------|----------------|------------------|----------------|------------------|----------------|-----------------------------------|
| | Number | Of which MT | Number | Of which MT | Number | Of which MT | |
| Trader - Other goods | 477 | | 594 | | 678 | | 66% |
| Trader - Art and antiques | 18 | | C | | C | | - |
| Trader - Works of art | A | | 45 | | 173 | | 45% |
| Trader - Vessels | 52 | | 36 | | 20 | | 5% |
| Trader - Vehicles | 4,153 | | 3,780 | | 3,230 | | 20% |
| Institution for Collective Investment and Securities | 3 | | 9 | | 7 | | 100% |
| Legal services provider | 2 | | 1 | | 1 | | 0% |
| Life insurer | 9 | | 38 | 17 | 42 | | 100% |
| Real estate agent | 246 | | 212 | | 218 | | 85% |
| Obligated entity under Regulation | 1 | | 0 | | 0 | | - |
| Non-Banking - Corporate consulting | 2 | | 0 | | 0 | | - |
| Non-bank - Securities management | 0 | | 0 | | 0 | | - |
| Non-bank - Credit cards | 27,656 | | 6,288 | | 9,985 | | 5% |
| Non-Banking - Interbank markets | 29 | | 20 | | 19 | | 100% |
| Non-bank - Leasing | 1 | | 29 | | 321 | | 98% |
| Non-bank - Issue of loans | 233 | | 153 | | 406 | | 98% |
| Civil-law notary | 1,060 | | 1,100 | | 1,213 | | 95% |
| Government - Other | 0 | | 0 | | 2 | | 0% |
| Pawnshop | 167 | | 122 | | 139 | | 63% |
| Gambling casino | 3,764 | | 3,310 | | 9,284 | | 15% |
| Valuer | 3 | | 9 | | 1 | | 100% |
| Regulatory authority | 76 | | 39 | | 40 | | 100% |
| Trust and company service provider | 146 | | 87 | | 89 | | 96% |
| Lessor of safety deposit boxes | 52 | | 32 | | 41 | | 98% |
| Virtual currency exchange services | 7,066 | | 190,345 | | 131,702 | | 26% |
| Exchange institution | 491 | | 417 | | 830 | | 44% |
| TOTAL | 722,247 | 186,576 | 1,230,411 | 264,167 | 1,896,176 | 229,843 | |

A Was not yet a (separate) obliged entity group in this year.

B Foreign Intelligence refers to spontaneous disclosures and cross-border disseminations that we receive from other FIUs. We can now process Foreign Intelligence information faster and better through investment in technology.

In 2021, spontaneous disclosures were already monitored separately, and in 2022 we gained a complete view of the cross-border disclosures received.

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 4: Number of reporting entities per reporting group in 2022

| Reporting group | 2020 | 2021 | 2022 |
|--|------|------|------|
| Remote gaming provider | A | 7 | 18 |
| Wallet provider | 2 | 5 | 5 |
| Auditor | 372 | 346 | 397 |
| Lawyer | 16 | 9 | 12 |
| Bank | 54 | 59 | 55 |
| Tax advisor | 80 | 76 | 77 |
| Tax department | 2 | 0 | 1 |
| Investment institution | 13 | 14 | 12 |
| Investment company | 7 | 12 | 12 |
| Life insurance broker | 0 | 2 | 0 |
| Payment service provider | 18 | 17 | 16 |
| Payment Service Provider - PSP | 23 | 32 | 31 |
| Registered office provider | 6 | 4 | 3 |
| Customs | 1 | 1 | 1 |
| Electronic money institution | 6 | 8 | 8 |
| Foreign Intelligence ^B | - | 1 | 2 |
| Trader - Antiques | A | 1 | 2 |
| Trader - Precious stones | 34 | 40 | 36 |
| Trader - Other goods | 75 | 80 | 87 |
| Trader - Art and antiques | 4 | C | C |
| Trader - Works of art | A | 5 | 10 |
| Trader - Vessels | 26 | 24 | 12 |
| Trader - Vehicles | 693 | 744 | 630 |
| Institution for Collective Investment and Securities | 2 | 3 | 2 |
| Legal services provider | 2 | 1 | 1 |
| Life insurer | 3 | 6 | 4 |
| Real estate agent | 98 | 91 | 99 |
| Obligated entity under Regulation | 1 | 0 | 0 |
| Non-Banking - Corporate consulting | 1 | 0 | 0 |
| Non-bank - Credit cards | 5 | 3 | 3 |
| Non-Banking - Interbank markets | 1 | 1 | 1 |
| Non-bank - Leasing | 1 | 6 | 5 |
| Non-bank - Issue of loans | 13 | 10 | 16 |

| Reporting group | 2020 | 2021 | 2022 |
|------------------------------------|--------------|--------------|--------------|
| Civil-law notary | 295 | 318 | 331 |
| Government - other | 0 | 0 | 1 |
| Pawnshop | 5 | 4 | 3 |
| Gambling casino | 1 | 1 | 1 |
| Valuer | 3 | 7 | 1 |
| Regulatory authority | 4 | 3 | 3 |
| Trust and company service provider | 30 | 30 | 28 |
| Lessor of safety deposit boxes | 1 | 1 | 1 |
| Virtual currency exchange services | 12 | 23 | 24 |
| Exchange institution | 3 | 2 | 2 |
| TOTAL | 1,913 | 1,997 | 1,953 |

A Was not yet a (separate) obliged entity group in this year.

B Foreign Intelligence refers to spontaneous disclosures and cross-border disseminations that we receive from other FIUs. We can now process Foreign Intelligence information faster and better through investment in technology. In 2021, spontaneous disclosures were already monitored separately, and in 2022 we gained a complete view of the cross-border disclosures received.

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 5: Number of suspicious transactions* by reporting group in 2022

| Reporting group | 2020 | | 2021 | | 2022 | |
|------------------------|--------|-------------|--------|-------------|--------|-------------|
| | Number | Of which MT | Number | Of which MT | Number | Of which MT |
| Remote gaming provider | A | | 63 | | 1,993 | |
| Wallet provider | 0 | | 2,610 | | 2,631 | |
| Auditor | 573 | | 1,107 | | 461 | |
| Lawyer | 6 | | 9 | | 4 | |
| Bank | 40,382 | 526 | 47,325 | 78 | 51,939 | 41 |
| Tax advisor | 96 | | 125 | | 60 | |
| Tax department | 5 | | 2 | | 1 | |
| Investment institution | 17 | | 11 | | 18 | |
| Investment company | 3 | | 5 | | 6 | |
| Life insurance broker | | | 3 | | 0 | |

| Reporting group | 2020 | | 2021 | | 2022 | |
|------------------------------------|----------------|---------------|---------------|---------------|---------------|-------------|
| | Number | Of which MT | Number | Of which MT | Number | Of which MT |
| Payment service provider | 46,882 | 42,276 | 25,781 | 24,245 | 19,759 | 18,024 |
| Payment Service Provider - PSP | 9,984 | 5 | 12,732 | 10 | 5,000 | 12 |
| Registered office provider | 11 | | 10 | | 2 | |
| Customs ^C | 725 | | 549 | | 218 | |
| Electronic money institution | 3 | | 11 | | 19 | 4 |
| Foreign Intelligence ^B | - | | 181 | | 625 | |
| Trader - Antiques | A | | 0 | | 0 | |
| Trader - Precious stones | 175 | | 140 | | 125 | |
| Trader - Other goods | 104 | | 70 | | 163 | |
| Trader - Art and antiques | 0 | | D | | D | |
| Trader - Works of art | A | | 0 | | 35 | |
| Trader - Vessels | 4 | | 2 | | 5 | |
| Trader - Vehicles | 574 | | 638 | | 302 | |
| Life insurer | 4 | | 8 | | 19 | |
| Real estate agent | 40 | | 36 | | 26 | |
| Non-bank - Credit cards | 1,865 | | 635 | | 811 | |
| Non-Banking - Interbank markets | 2 | | 13 | | 3 | |
| Non-bank - Leasing | 0 | | 7 | | 14 | |
| Non-bank - Issue of loans | 89 | | 100 | | 141 | |
| Civil-law notary | 538 | | 351 | | 387 | |
| Pawnshop | 54 | | 39 | | 27 | |
| Gambling casino | 1,616 | | 770 | | 846 | |
| Regulatory authority | 43 | | 39 | | 29 | |
| Valuer | 2 | | 0 | | 0 | |
| Trust and company service provider | 31 | | 10 | | 50 | |
| Lessor of safety deposit boxes | 5 | | 11 | | 25 | |
| Virtual currency exchange services | 3 | | 3,250 | | 6,059 | |
| Exchange institution | 113 | | 33 | | 90 | |
| | 103,947 | 42,807 | 96,676 | 24,333 | 91,893 | |

^ASuspicious 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 a (separate) obliged entity group in this year.
 B Foreign Intelligence refers to spontaneous disclosures and cross-border disseminations that we receive from other FIUs. We can now process Foreign Intelligence information faster and better through investment in technology. In 2021, spontaneous disclosures were already monitored separately, and in 2022 we gained a complete view of the cross-border disclosures received.
 C Customs was divided into reporting obligation and reporting right until 2020. In this overview, the suspicious transactions for 2020 have been added together.
 D Has been included in the groups "Works of Art" and "Antiques" since 2021 in response to the change in law that made these separate obliged entities during 2020.

Table 6: Number of registered forms of crime in case files* in 2022

| Form of offence | Number of case files | Number of transactions |
|----------------------------|----------------------|------------------------|
| Corruption | 77 | 686 |
| Cybercrime | 43 | 154 |
| Drugs | 251 | 2,390 |
| Fraud | 545 | 11,995 |
| Child pornography | 37 | 261 |
| Human trafficking | 71 | 2,252 |
| Human smuggling | 9 | 139 |
| Murder and manslaughter | 12 | 190 |
| Underground banking | 81 | 3,488 |
| Radicalisation | 19 | 73 |
| Sanctions legislation | 163 | 2,207 |
| Terrorism | 142 | 2,970 |
| Terrorist financing | 106 | 2,082 |
| Arms trading | 11 | 97 |
| Weapons and Ammunition Act | 89 | 315 |
| Money laundering | 2,207 | 33,565 |
| Other | 85 | 1,183 |
| Total | 3,039 | 64,047 |

*These are case files that were opened on the basis of an indication of the types of crime mentioned. A case file/transaction may relate to several types 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 and the number of unique transactions in which it was possible to register the forms of crime.

Table 7: Number of suspicious transactions by type of transaction in 2022

| Type of transaction | Number | Share |
|----------------------|---------------|-------------|
| Cash transaction | 10,519 | 11% |
| Non-cash transaction | 47,041 | 51% |
| Money transfer | 18,081 | 20% |
| Others | 16,252 | 18% |
| Total | 91,893 | 100% |

Table 8: Number* and share** of (executed) transactions declared suspicious in 2022

| | Number | Share (%) | Amount in € | Share amount (%) |
|-----------------------------|---------------|-------------|-----------------------|------------------|
| < €10,000 | 60,866 | 68% | 75,652,321 | <1% |
| €10,000 to €100,000 | 22,641 | 25% | 727,669,336 | 2% |
| €100,000 to €1,000,000 | 4,818 | 5% | 1,275,855,382 | 4% |
| €1,000,000 to €10,000,000 | 871 | 1% | 2,478,754,659 | 8% |
| €10,000,000 to €100,000,000 | 192 | <1% | 4,770,530,853 | 16% |
| > €100,000,000 | 37 | <1% | 20,664,049,171 | 69% |
| Total | 89,425 | 100% | 29,992,511,724 | 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 that had been initiated on terrorism/terrorist financing designation in 2022

| | Number of case files | Share (%) | Number of transactions | Share (%) |
|-----------------------|----------------------|-------------|------------------------|-------------|
| T/TF ¹ | 149 | 50% | 1,614 | 28% |
| TF+other ² | 86 | 29% | 3,294 | 57% |
| Other ³ | 64 | 21% | 919 | 16% |
| Total | 299 | 100% | 5,827 | 100% |

1 These are case files that were started based on an indication of terrorist financing and which, after analysis by FIU-the Netherlands, did indeed turn out to be possibly related to it.

2 These are case files that were started on the basis of an indication of terrorist financing 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 but where, after analysis by FIU-the Netherlands, only a link to a possible other offence came to light.

Table 10: Numbers of reports per reporting group in the Caribbean Netherlands in 2022

| Reporting group | Number of unusual transactions |
|-----------------------|--------------------------------|
| Bank | 7,337 |
| Tax advisor | 8 |
| Life insurance broker | 5 |
| Customs | 59 |
| Trader - Vehicles | 3 |
| Civil-law notary | 5 |
| Gambling casino | 39 |
| Total | 7,456 |

Table 11: Number of suspicious transactions and case files per reporting reason in the Caribbean Netherlands in 2022

| Reporting reason | Number | Share (%) | Number of case files | Share (%) |
|-------------------|------------|-------------|----------------------|-------------|
| Own investigation | 132 | 18% | 6 | 10% |
| VROS | 554 | 77% | 51 | 85% |
| LOvJ | 34 | 5% | 3 | 5% |
| Total | 728 | 100% | 60 | 100% |

Table 12: Top 5 requests for information (RFIs) received from foreign FIUs in 2022

| Country | Number |
|--------------|--------|
| 1 Italy | 69 |
| 2 Germany | 61 |
| 3 Luxembourg | 43 |
| 4 Belgium | 32 |
| 5 France | 30 |

Table 13: Top 5 requests for information (RFIs) sent to foreign FIUs in 2022

| | Country | Number |
|---|----------------------|--------|
| 1 | Germany | 76 |
| 2 | Spain | 59 |
| 3 | Belgium | 49 |
| 4 | United Arab Emirates | 31 |
| 5 | Great Britain | 29 |

Table 14: LOJ requests received in 2022, broken down by investigation service

| National Police | | Other investigative services | |
|---|------------|--|------------|
| Northern Netherlands Unit | 58 | Fiscal Intelligence and Investigation Service (FIOD) | 161 |
| Central Unit | 49 | KMAR* | 149 |
| The Hague Unit | 42 | Netherlands Labour Inspectorate | 17 |
| Rotterdam Unit | 41 | Caribbean Netherlands Police Force | 15 |
| Amsterdam Unit | 39 | National Police Internal Investigations Department | 14 |
| Zeeland-West Brabant Unit | 37 | National Public Prosecutor's Office for Financial, Economic and Environmental Offences | 7 |
| Eastern Nederland Unit | 36 | NVWA-OID | 6 |
| Central Nederland Unit | 36 | Social Security Fraud Department | 1 |
| Eastern Brabant Unit | 27 | Criminal Investigation Collaborative Team | 1 |
| North Holland Unit | 20 | CJIB | 1 |
| Limburg Unit | 16 | | |
| Subtotal for the National Police | 401 | Subtotal other investigation services | 372 |

*Includes LOJ 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 Netherlands also focuses on tasks derived from it, as required under Section 13 of the Money Laundering and Terrorist Financing (Prevention) Act, which include providing information to public and private partners and conducting research into developments in the field of money laundering and terrorist financing. In 2022, FIU-the Netherlands had a budget of 13.4 million euros and an effective staffing capacity of 94 FTE 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 its 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.
- **Placement on the map.** 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 respects. This makes 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.

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 | FIU | Financial Intelligence Unit |
| AMLD6 | Sixth Anti-Money Laundering Directive | FIOD | Fiscal Intelligence and Investigation Service |
| AMLR | Anti-Money Laundering Regulation | FTF | Foreign Terrorist Fighters |
| AR | General Court of Auditors | GoAML | Government Anti-Money Laundering, IT application |
| BES | Public Bodies of Bonaire, St. Eustatius and Saba (Caribbean Netherlands) | Kmar | Royal Netherlands Marechaussee (Koninklijke Marechaussee) |
| CJIB | Central Fine Collection Agency (Centraal Justitieel Incasso Bureau) | KPCN | Dutch Caribbean Police Force |
| DNB | The Dutch Central Bank (De Nederlandsche Bank) | Ksa | Dutch Gambling Authority (Kansspelautoriteit) |
| EU | European Union | LOvJ | National Public Prosecutor (Landelijk Officier van Justitie) |
| FATF | Financial Action Task Force | MT | Money Transfer |
| FCI.Net | Financial Criminal Intelligence network | NCTV | National Coordinator for Security and Counterterrorism (Nationaal Coördinator Terrorismebestrijding en Veiligheid) |
| FEC | Financial Expertise Centre | PPS | Public Prosecution Service |
| FIR | Financial Intelligence Reports | PPP | Public Private Partnership |

| | |
|--------------------|--|
| PSP | Payment Service Provider |
| 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 |
| UN | United Nations |
| UTR | Unusual Transaction |
| VROS | Index of Criminal Investigations and Subjects (Verwijzingsindex Recherche Onderzoeken en Subjecten) |
| 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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