

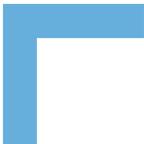


Financial Intelligence Unit -
the Netherlands

Annual review

2023

FIU-the Netherlands



The mission of FIU-the Netherlands is to prevent and combat money laundering, predicate offences and terrorist financing together with its national and international public and private partners in order to safeguard 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. We pass on this information to our partners so that together we contribute to preventing and investigating crime.



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The year 2023

I would have liked to start this foreword on a positive note. Unfortunately, it was another eventful year at the global level. The war in Ukraine continued, the Hamas attack of October 7th 2023, and the war and social unrest as a consequence of this: these are just some of several low points. Internationally, it was a tumultuous year. The situation in our own country was also eventful, but fortunately that was of a very different nature. Since the fall of the cabinet, important legislation to tackle money laundering and terrorist financing was put on hold in 2023. Still, the work continues as usual, and we were able to achieve some great results. I am happy to share these with you in this annual review.

On the technology front, for instance, we have invested heavily in further improving IT both internationally and nationally. I see this as vital in a world where change and unexpected developments occur at a seemingly increasing pace. It is therefore essential to be able to respond quickly and effectively. IT helps us with this. A good example is the Egmont Secure Web (ESW). This system enables FIUs worldwide to securely exchange information. The new version went live in 2023, making international cooperation easier. Essential in the fight against money laundering, predicate offences, and terrorist financing. You can read more about this in section 3.1.1.

The first chapter sets out this year's figures. You will see here yet another rise in unusual transactions. This year also saw a big rise in the number of suspicious transactions and case files. The first chapter explains these rises, and, as you will see, these figures feature some notable aspects. For example, during 2023, 1,955 institutions reported at least one unusual transaction. However, just two of these institutions collectively reported as much as 55% of all unusual transactions. That illustrates the tight clustering in the distribution of the number of reports. I would therefore like to reiterate the difficulty of drawing general conclusions based on our figures without nuance and in-depth understanding. That is why, like last



year, chapter 1 sets out to give more clarity and depth regarding these figures so that you, the reader, can better understand what our figures do and do not say.

Unlike in the previous year, this time we will address some of the gratifying and striking results from 2023 in the second chapter already. Then, in the third chapter, we turn to a number of relevant developments and projects, including the Chain reinforcement (*Ketenversterking*) project. This project emerges from the various evaluations of previous years and underlines once again that in our domain we are nowhere without our partners. That is why I so warmly welcome collaborative projects such as these. I hope you will enjoy reading this review.

Hennie Verbeek-Kusters
Head of FIU-the Netherlands

1

The figures

In 2023, more than two million reports of unusual transactions were made. Also the number of suspicious transactions roughly doubled from the previous year. In this first chapter, we take a closer look at the numbers behind this record to make the figures more meaningful.

2023 in figures

2,085

Article 17 requests ¹



17,848

case files on suspicious transactions



1,955

institutions reported at least one unusual transaction



824

FIU requests ³



Top 3

- 1 Police
- 2 FIOD
- 3 KMAR

486

incoming foreign requests

Top 5 (of 71 countries)

- Germany
- Malta
- Belgium
- Spain
- Finland



25,250,294,656

euros linked to suspicious transactions ²



Crime types based on numbers of cases:

Top 3

- 1 Money laundering
- 2 Fraud
- 3 Drugs

622

outbound foreign requests

Top 5 (of 69 countries)

- Germany
- Belgium
- Spain
- Lithuania
- United Arab Emirates



180,578

suspicious transactions, of which 90 percent is based on the subjective indicator



2,334,167

unusual transactions, of which 50 percent is based on the subjective indicator



51

FIU's (Financial Intelligence Reports) ⁴



¹ Section 17 of the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) empowers FIU-the Netherlands to request data and information from obliged entities.

² This represents a decrease of about five billion euro compared to 2022. Fluctuations such as these arise mainly from unusual transactions of exceptionally high value. In 2022, 37 transactions exceeded 100 million euro, with a total value of more than 20 billion euro. In 2023, there were 34 such transactions with a total value of 14 billion euro.

³ A FIU request enables the investigation services to request FIU-the Netherlands to perform a targeted analysis as part of an ongoing investigation.

⁴ A Financial Intelligence Report (FIR) is an intelligence product in which a broader report is given on a number of related STRs and the phenomena underlying them. FIRs provide steering information to the investigation, intelligence and security services.

1.1 Doubling in the number of suspicious transactions

Suspicious Transactions (STRs) are made available to the investigation, intelligence and security services after being declared suspicious. These partners can use the STRs for various purposes. Whether or not combined, they can be used as part of the starting information for an investigation. This clustering is of great importance because in this way we combine the perspectives of various reporting sectors into a holistic perspective on the criminal phenomenon in question. Doing so, this financial intelligence allows our public partners to make optimal interventions. In addition to starting information for an investigation, these clustered transactions can also directly be part of the evidence in a criminal case. STRs can also be used as steering information by various partners. Or, if the Public Prosecution Service (PPS) considers criminal interventions inappropriate and makes the transactions available to other government bodies, they can contribute to another type of intervention, e.g. administrative or fiscal. In other words, they can be used in a broad range of interventions. However, it is important to note that the number of STRs does not equal the same number of intervention opportunities. Not all individual transactions are equally informative without context or interrelationship. That is why FIU-the Netherlands works with case files. A case file is either a single suspicious transaction or a clustering of suspicious transactions which, according to FIU-the Netherlands, provides sufficient reason to conclude that it could be of important to our partners. Case files reveal money laundering structures, criminal or terrorist networks, terrorist financing or other (underlying) criminal activities such as fraud or human exploitation. A case file may contain one transaction, but it could sometimes be thousands. In section 1.4, we elaborate on the number of case files.

What immediately stands out this year is that the number of STRs has roughly doubled compared to 2022⁵. This is because in 2023, some case

files contained unusually large numbers of transactions. They include case files related to fraud and scams. In these cases, many transactions were identified from actual and potential victims, resulting in a large number of transactions per case file. However, there is one case file that stands out in 2023. This file contains over a quarter of this year's STRs. The case file, conducted by several analysts from FIU-the Netherlands and involving transactions spanning several years, contains indications of large-scale Trade-Based Money Laundering (TBML). TBML is a form of money laundering through existing or specially set up trade flows/structures, for example, through over-invoicing and under-invoicing⁶.

The analyses in this case file focused on financial intermediaries⁷ in various industries. Within these structures, financial intermediaries are responsible for handling many transactions. Our analysts identified a pattern by combining unusual transactions (UTRs) reported by approximately one hundred obliged entities from ten different reporting groups. This pattern revealed that transactions involving these financial intermediaries seem to be significantly linked to large-scale, international forms of money laundering.

FIU-the Netherlands worked closely with the Fiscal Intelligence and Investigation Service (FIOD) to share our insights surrounding this pattern. Within the FIOD, several specialists worked on this dataset and analysed it to gain more insight into the nature of the suspicious transaction and its possible relationship to money laundering. The FIOD looks at possible enforcement interventions (criminal or administrative) in relation to these STRs. That involves close cooperation with the Public Prosecution Service and chain partners.

⁵ As is well known, FIU-the Netherlands analyses all unusual transactions (UTs) to determine whether there are sufficient grounds to declare them suspicious. Since UTs have to be kept for five years under the Wwft, an ST from 2023 is not necessarily a UT from 2023.

⁶ For more information: <https://www.fatf-gafi.org/en/publications/MethodsandTrends/Trade-basedmoneylaundering.html>

⁷ These financial intermediaries are not formally registered and/or regulated financial service providers, but parties that take on an intermediary role within a network that engages in third-party payments.

1.2 Large differences in numbers by institution

As in previous years, the number of UTRs rose. This seems to be related to the increased attention to and scope of the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) and macroeconomic developments. For instance, relatively new reporting groups such as remote gaming providers (obliged entities since 2021) and virtual asset service providers (2020) together already report over 275,000 UTRs. The number of unique entities that have made at least one report within these groups has also continued to rise. Among custodian wallet providers, the number rose from five to seven. For virtual currency exchange services, the number rose from 24 to 30. Table 4 in Annex I provides more information on this. It is also important to note that there is a strong clustering again this year. Last year, we explained that one bank was responsible for 80% of all UTRs from that reporting group. This year, the same bank reported 75% of all UTRs from banks⁸. Thus, this bank reported almost a quarter of all UTRs in the Netherlands. A similar clustering can be seen among Payment Service Providers (PSPs). One PSP is responsible for 65% of UTRs from this reporting group⁹. That means that this PSP and this bank together reported over 55% of all UTRs in the Netherlands in 2023. Looking at the numbers of reports from these reporting groups, regardless of outliers, it is striking that the numbers of reports are disproportionately distributed and do not always correlate with market shares. When talking about numbers, referring to a reporting group as a homogeneous entity is barely possible. These significant individual differences between obliged entities have several causes. As described in footnote 8, this is related, among other things, to whether or not compounded reporting is used. Besides the reporting method,

the institution's nature also dramatically affects the number of reports. Clearly, the institution's size has an impact, but so does the product range, how the service is provided, and the company's international profile. We discuss this international aspect in more detail in the next section.

1.3 Strong international component

Because of the strong international interweaving of economies and financial systems, we, as FIU-the Netherlands, regularly receive UTRs with a foreign link. The beneficiary is then located abroad, for example, or a foreign entity initiates the transaction. Within Europe, such reports are shared semi-automatically with the appropriate FIU. In 2023, 543,346 transactions were shared in this way. Finally, as shown in the infographic on page 6, we also received 468 requests from more than seventy countries in which fellow FIUs query us at case level. These figures once again underline the highly international nature of the fight against money laundering, predicate offences and terrorist financing.

⁸ Explanation from the 2022 Annual Review: '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 allowed. But this makes the numbers of UTRs difficult to compare and it leads to one institution having a disproportionate share in this reporting group.'

⁹ That is because this internationally operating institution has a specific customer/product portfolio, causing it to process many transactions that meet the objective indicator and make it a legal requirement to report credit card payments above €15,000.

1.4 Increase in case files

In 2023, FIU-the Netherlands made up 17,848 case files, an increase of about ten per cent compared to 2022.

Table 1 shows that most case files originate from the matching with data files from the investigation, prosecution and execution services. This was referred to as the VROS and CJIB match in previous annual reviews. Developments since then made that designation no longer accurate. An evaluation of this match showed that the priorities of the investigation

services and FIU-the Netherlands could be even more closely aligned¹⁰. In other words, the process is highly developed. In 2023, with respect to the Netherlands (excluding the Caribbean Netherlands), 14,686 case files emerged from this matching process. The “Match Investigation, Prosecution and Execution” ensures that FIU-the Netherlands can make case files available on subjects relevant to investigation services, among others. Even though these subjects are already in the services’ sights, the related financial intelligence regularly provides valuable new insights. For example, this financial intelligence may reveal that a suspect has assets in other places (besides certain bank accounts) that the investigation team did not yet know about. Or that the subject maintained financial relationships with parties that were not yet in scope. This year has therefore again seen many examples where this type of financial intelligence was of great value.

With “own investigations”, the reason for the analysis lies in the insights generated from our own database. In 2023, 2,877 case files were created through this route. As described in section 1.1, this includes one case file that contains more than half of all STRs from 2023. Looking at the average number of transactions per case file, it shows that case files resulting from our own investigations contain more transactions on average than those resulting from FIU requests or the Match Investigation, Prosecution and Execution. This is because of the difference in complexity between these types of case files.

Table 2 shows a similar picture for the Caribbean Netherlands. Here, too, the number of case files based on our own investigations and those based on the Match Investigation, Prosecution and Execution increased. In part, this is due to capacity expansion. An additional analyst has been added for the region. The increase also appears to be related to our investments in recent years in the relationship with our stakeholders in the Caribbean Netherlands. This has led to closer cooperation with these partners, which has promoted the use of financial intelligence. That is why we remain committed to working with these partners.

Table 1: Number of STRs and case files per workflow

Workflow	Number of transactions	Share (%)	Number of case files	Share (%)
Own investigation	99,314	55%	2,877	16%
<i>Of which on the basis of information requests from foreign FIU</i>	2,284	1%	161	1%
FIU request	3,898	2%	285	2%
Match Investigation, Prosecution, and Execution	77,368	43%	14,686	82%
Total	180,578	100%	17,848	100%

Table 2: Number of STRs and case files per workflow in the Caribbean Netherlands

Workflow	Number of transactions	Share (%)	Number of case files	Share (%)
Own investigation	374	24%	11	13%
FIU request	20	1%	5	6%
Match Investigation, Prosecution, and Execution	1,171	75%	69	81%
Total	1,565	100%	85	100%

¹⁰ See section 3.2.1 for more information

Table 3 shows the breakdown between what are known as objective and subjective reports. Objective reports in themselves often don't lead to the start of an analysis. They are reported based on an objective threshold, such as a specific sum of money. Generally, they contain no or very brief context to the transaction. Subjective reports are different. These are reported based on details explicitly provided by the obliged entity. Although the quality of these reports differs, they often give FIU-the Netherlands good cause to initiate or direct a further analysis. 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. Objective reports are therefore always included in the analyses made by FIU-the Netherlands. So both are very valuable but with different approaches. Table 3 shows that most of the transactions declared suspicious stem from transactions reported based on the subjective indicator.

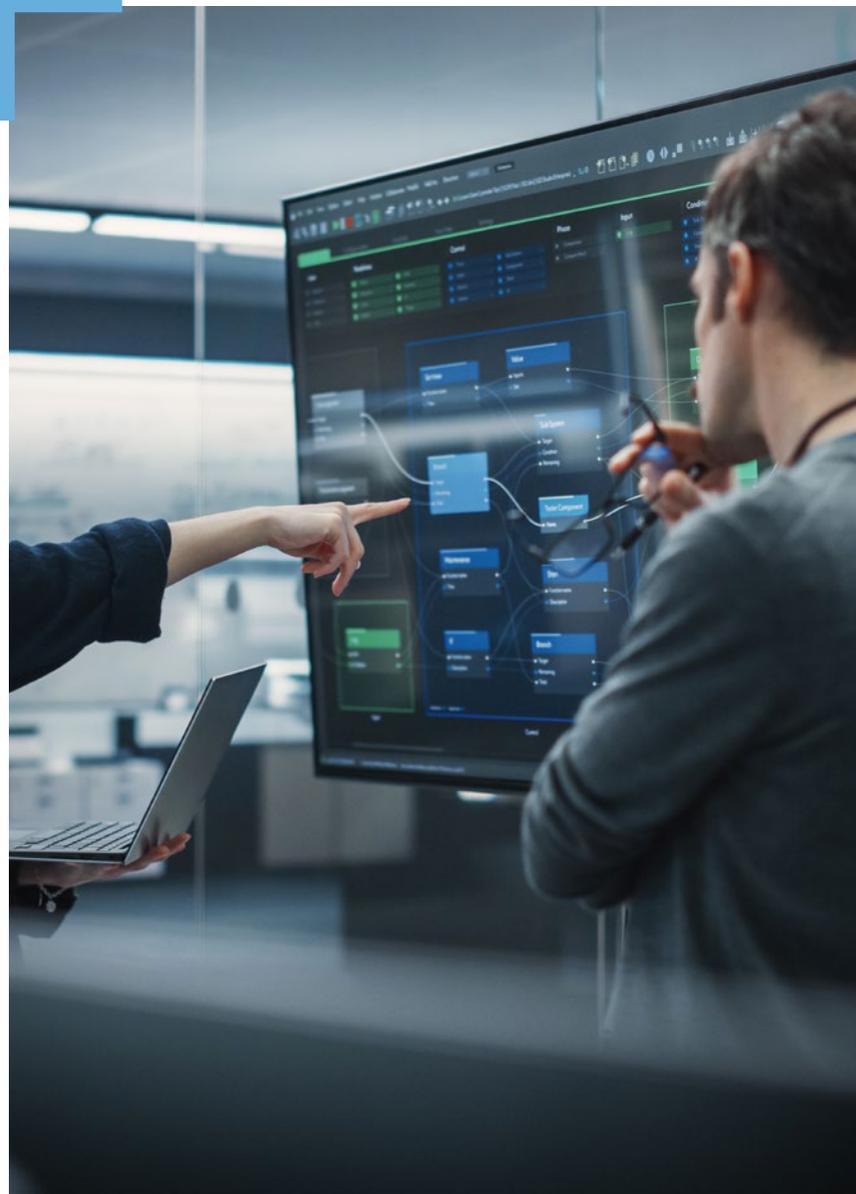


Table 3: Breakdown by objective and subjective indicator

Workflow	Objective	Subjective
Own investigation	10%	90%
Of which on the basis of information requests from foreign FIU	9%	91%
FIU request	16%	84%
Match Investigation, Prosecution, and Execution	10%	90%
Total	10%	90%

2

The results

In 2023, FIU-the Netherlands achieved interesting results based on analysing unusual transactions. In this second chapter, we discuss some of these results divided into two sections. The first section will focus on money laundering and predicate offences. The second section zooms in on terrorist financing.

2.1 Money laundering and predicate offences

This section discusses some notable results from 2023 on money laundering and predicate offences.

2.1.1. Fraud

The first chapter mentioned that some of the larger case files in 2023 are fraud cases. This is also the second most common form of crime after money laundering, which will not come as a surprise to regular readers. Fraud has been in this top three for years. This year again, we saw many examples. Among others, these included investment fraud ¹¹, crypto fraud, and payment request fraud. In addition, in previous annual reviews, we focused extensively on a specific type of fraud: healthcare fraud. This type of fraud was also the focus of analyses during 2023. In Annual Review 2022, we discussed some high-impact non-criminal interventions in this area ¹². But of course, criminal law is still a powerful intervention too. This was demonstrated, for example, by three arrests in March 2023¹³. One notable conclusion of the analyses is the prominent role played by a limited number of individuals within this type of fraud. FIU case files related to healthcare fraud often involved dozens of different companies, some of which seemed to exist purely to facilitate fraud. Yet there are indications that only a handful of individuals play key roles within these types of fraud networks. This is in line with FIU-the Netherlands' perception of developments within the healthcare fraud domain. These developments seem to have started earlier but the insights are further strengthened in 2023:

- **Healthcare fraud in an organised way:** Networks are increasingly emerging to commit organised fraud. In this kind of network, the participants fulfil their own, sometimes specialised, role.
- **Increased complexity:** multiple legal entities are involved in committing organised fraud, including disguising the diversion of (healthcare) funds.
- **Links with serious organised crime:** based on (healthcare) fraud analyses there appears to be an increasing connection with individuals known from serious organised crime.

2.1.2 Sanctions

FIU-the Netherlands conducted analyses focusing on sanction evasion in 2023. They ranged from importing sanctioned timber to exporting luxury and dual-use goods. One analysis involved a situation where aircraft parts were exported to Russia via intermediate countries ¹⁴. This is an illustrative example of sanction evasion. Workarounds are used since direct buying by and shipping to a sanctioned entity no longer works. People then use entities which are not on sanctions lists but are geographically close to sanctioned parties, for example. This kind of networks often involves substantial sums of money. Examples could include bulk commodity trading, large equity transactions, etc. And, here too, individuals seem to play a major role. For example, the 2023 analyses show that some financial intermediaries play a key role in large-scale sanction evasion. In 2023, a total of 173 case files were produced that had a link with sanctions

¹¹ See among others: https://www.fiu-nederland.nl/knowledge_base/beleggingsfraude-voor-zelfverrijking/

¹² For more information, see section 3.1.4 of the FIU-the Netherlands Annual Review 2022

¹³ <https://www.nlarbeidsinspectie.nl/actueel/nieuws/2023/03/07/om-en-nederlandse-arbeidsinspectie-pakken-cozo-fraude-stevig-aan>

¹⁴ <https://www.rtlnieuws.nl/nieuws/artikel/5407912/defensie-medewerker-opgepakt-voor-omzeilen-sancties-rusland>

2.1.3 High-tech crime

For a number of years already, reports from almost every investigative agency worldwide have revealed one general picture: a shift from crime in the physical world to crime within the digital realm. Although the degree of digital ingenuity of potential perpetrators varies from case to case, we summarise these analyses under the heading “high-tech crime”. A multidisciplinary cluster is working on this topic to broadly secure the necessary knowledge and expertise. The cluster’s analyses showed that virtual assets, or crypto, play a major role in high-tech crime. During the year, 155 case files were produced, from which a number of valuable insights emerged. For instance, several case files involved unregulated services where unlicensed individuals offered investment services related to crypto. Besides being illegal, this was regularly found to be not without risk for investors. Cases of crypto being stolen via phishing also came to light. Multiple cryptocurrency front networks were mapped using blockchain analysis, we were able to link transactions to the purchase of child pornography, and we were able to link Dutch nationals to major international investment fraud involving crypto. We have also provided financial intelligence indicating drug money laundering via crypto within international organised crime and there were indications of the use of virtual currency in firearms trafficking. Finally, towards the end of the year, we saw a significant increase in the number of UTRs from virtual currency service providers concerning helpdesk fraud. Through this form of fraud, virtual currency was sometimes stolen directly, and in other cases, stolen funds were converted into crypto to take them out of sight. All these examples underline the importance of this sector being covered by Dutch AML/CFT legislation since 2020.

2.1.4 Criminal gatekeepers

It is sometimes said that corruption is the facilitator of subversive crime. Without corruption, many of the subversive aspects would not be possible. Whether this concerns a corrupt real estate agent facilitating the purchase of a house with criminal money or a corrupt lawyer helping set up a money-laundering structure, these are all acts that facilitate crime. It is not without reason that this type of profession has been assigned the gatekeeper role. But unfortunately, being assigned a gatekeeper role does not guarantee the financial system’s integrity. Sometimes, obliged



entities are themselves part of a criminal system. This was evident from, for example, the arrests of several people involved in a number of money transaction offices¹⁵. This network, which came to light partly due to information from the Criminal Intelligence Team and FIU-the Netherlands, is suspected of underground banking and large-scale money laundering through the use of licensed money transaction offices.

2.1.4.1 Corruption

Other forms of corruption also come at a high social cost. Examples include a corrupt civil servant tampering with permits or a corrupt employee colluding with a supplier to drive up the price; these acts significantly impact society's integrity. For this reason, we as FIU-the Netherlands, together with our public partners, are continuously working on the fight against corruption. For example, in 2023, we were able to contribute to corruption investigations involving overbilling¹⁶ or taking bribes¹⁷ or offering them¹⁸. In addition, an analysis by the Anti-Money Laundering Centre (AMLC) on STRs of recent years revealed the role of the Dutch financial system in international corruption payments. The same analysis also revealed how large the amounts involved in corruption sometimes are¹⁹.

2.1.5 Gift cards

In section 2.1.3, we briefly discussed digital crime. Another pattern that emerged in 2023, is also closely linked to the digital domain. Our analyses have shown abuse related to gift cards for, for example, online shops. For several years already. According to media reports, the Netherlands' gift card market is sizeable, exceeding €1.5 billion a year²⁰. It had long been known that this market posed a risk. The legislation surrounding gift cards has been further tightened, for good reason, with the fifth anti-money

laundering directive (AMLD5) which came into force in 2020/21. Still, as some analyses during the year have shown, risks remain in the market. They revealed individuals who sell and/or redeem unusual amounts of gift cards, involving hundreds of thousands of euros. These analyses revealed, among other things, cases of fraud where the illegally obtained money was (partially) converted into gift cards. These cards could then be traded again. A textbook example of concealment as described in the three-stage model of money laundering.

2.1.6 The Fintell Alliance

The Fintell Alliance (FA) is a public-private partnership (PPP) between FIU-the Netherlands and six banks. Analysts from Rabobank, ABN-Amro, ING, Knab, Volksbank, Triodos and FIU-the Netherlands are working together in one location to strengthen the AML/CFT domain to achieve more efficient prevention, detection, and interventions related to money laundering, predicate offences and terrorist financing. This means sharing insights on criminal networks and how they operate financially. With these insights, we want to enable investigative agencies to carry out systemic interventions, as has been done in the past with the CoZo (COVID jobs in healthcare) grants, for example. We also use the knowledge gained from this PPP to inform banks and other chain partners about the relevant risks in order to allow them to take appropriate preventive measures. Working together like this provides task forces such as the Serious Crime Task Force (SCTF) and the Terrorism Financing Task Force (TFTF), as well as other PPP projects, with high-quality AML/CFT analyses.

FIU-the Netherlands deploys part of its analysis capacity structurally within the FA because this cooperation proves to be very effective. The

¹⁵ <https://www.om.nl/actueel/nieuws/2023/03/30/netwerk-rond-geldtransactiekantoor-verdacht-van-witwassen-miljoenen-euros-aan-drugsgeld>

¹⁶ <https://www.fiod.nl/drie-aanhoudingen-in-onderzoek-naar-omkoping/>

¹⁷ <https://www.fiod.nl/fiod-doorzoekt-woningen-en-bedrijfspand-in-onderzoek-naar-corruptie/>

¹⁸ <https://www.om.nl/actueel/nieuws/2023/07/04/aanbieden-van-steekpenningen-om-olietanker-in-nigeria-te-bemachtigen>

¹⁹ <https://nos.nl/artikel/2497053-politieke-prominenten-betrokken-bij-verdachte-transacties-van-14-miljard-euro>

²⁰ <https://nos.nl/artikel/2502915-niet-blij-met-de-kerstcadeaubon-er-is-een-levendige-handel-in>

²¹ <https://www.dnb.nl/voor-de-sector/open-boek-toezicht-fasen/lopend-toezicht/toezicht-op-financieel-economische-criminaliteit-integriteitstoezicht/cadeaukaarten-en-verplichting-tot-identificatie-en-verificatie-artikel-7-derde-lid-wwft/>

2023 analyses have not only led to declaring thousands of transactions suspicious, worth hundreds of millions of euros, but also provided insight into complex criminal money-laundering systems or terrorist financing networks in a way that was either not possible without this cooperation or would have taken a much longer time to unravel. Besides sharing this knowledge in a targeted way with relevant chain partners through, for example, presentations, we also reflect with partners inside and outside the FA on how this knowledge could lead to the most effective intervention. Since a number of analyses stood out in 2023, which we would like to elaborate on them in the next sections.

2.1.6.1 Large-scale, professional networking of sham companies

Several FA analyses revealed a picture of sham companies being set up in the name of fronts²² on a large scale. These sham companies were then used for various criminal activities. The analyses uncovered signs that professional facilitators are responsible for recruiting fronts and helping them to set up businesses. Some cases did not involve the creation of new legal entities but the acquisition of (shares in) existing ones. Fronts can be recruited in the Netherlands. However, our analyses also revealed instances in which fronts came from other countries to the Netherlands. These people stayed here for a short time, but during that time they set up a legal entity and opened a bank account. The bank accounts of these sham companies were then made available to various criminal networks. Analyses showed indications that these networks of sham companies are used to commit large-scale fraud and organised money laundering. The size and flexibility of these networks make this a phenomenon that cannot be solved in the short term. Nor will this be dealt with by investigative agencies alone. In the future, we will therefore invest in this with all our partners.

2.1.6.2 Cash Compensation

Some of the FA analyses have hypothesised that labour-intensive sectors employ workers who are (sometimes partly) paid undeclared. Through secondment agencies and subcontractors, these (partly) undeclared



employees work for large, well-known and visible companies in labour-intensive sectors such as transport, construction, and parcel delivery. Whereas a secondment service provider was previously able to pay its employees in cash by using withdrawals, it seems that stricter controls by banks have made this more difficult. FA analyses indicate that this need for cash for (partly) undeclared labour now seems to be largely met with criminal cash. Many of the analyses appear to involve money from drug

²² Fronts are on paper the owners of, for example, bank accounts or businesses in order to keep the true owners out of sight.

trafficking. Criminals are compensated for this cash via wire transfers or in goods. That seems to happen both on a small scale between befriended entrepreneurs and criminals and on a larger scale with the intervention of professional underground bankers. This way, part of the work our society runs on seems to be paid for by criminal cash. That again demonstrates the intertwining of the underworld and legitimate business in Dutch society. This criminal system not only allows criminals to launder cash in the Netherlands, but also has other undesirable and risky consequences. For example, it increases workers' vulnerability, leading to the risk of labour exploitation. Also, for legitimate entrepreneurs, this phenomenon is a form of very unfair competition on labour costs. In addition, this Cash Compensation system seems to be used to make third-party payments²³ for entrepreneurs abroad who, for whatever reason, cannot pay invoices by funds transfer. As a result, they seek refuge in this unregulated system with all the risks related to that. Together with law enforcement, FIU-the Netherlands is in the process of validating the above findings and formulating a systemic intervention.

2.1.6.3 VAT fraud

One of the activities for which many sham companies are also used is VAT fraud. Several FA analyses provided insight into suspected VAT fraud networks operating mainly in electronics and alcohol beverages. Analyses show that brokering in the electronics sector seems vulnerable to goods being used one or more times to withhold VAT from the tax authorities. The analyses also show that electronics do not just go around in a carousel to pocket taxpayers' money but also end up directly with consumers. This phenomenon will be investigated further in 2024, as well as in a theme-based project by the Financial Expertise Centre (FEC).

2.1.6.4 Developments regarding terrorist financing

Specialised analysts for FIU-the Netherlands on terrorist financing work within the FA, where they work with specialised analysts from the banks. In the analyses conducted in 2023, it is notable that there is an increasing

overlap between networks investigated in the context of money laundering or predicate offences and those with an increased risk of terrorist financing. This phenomenon known as the "Crime-Terror Nexus" has also been described in previous annual reviews. Section 3.1.2 describes an international project aimed at this development. In the FA, this manifested itself in analyses where investigated subjects in terrorist financing could often be linked to various forms of fraud. Although, based on the analyses, it is not always clear where the stolen fraud funds eventually end up, in FIU-the Netherlands' view this constitutes a significant risk. We will elaborate more on terrorist financing in the next section.

2.2 Terrorist financing

Terrorism is one of the threats within a broader palette of potential risks to our society. On December 12th 2023, the National Coordinator for Security and Counterterrorism (NCTV) raised the threat level to level four (substantial)²⁴. The General Intelligence and Security Service (AIVD) indicated that the Netherlands has faced a high volume and diversity of threats in recent years. These range from terrorism and extremism emanating from all sorts of movements to the dangers of offensive cyber programs, the development of weapons of mass destruction, espionage, covert influence, infiltration, sabotage, and the danger that criminality will lead to attacks on the democratic rule of law, and risks to the economic security of the Netherlands²⁵. Not all of these threats fall within the scope of the Wwft, but where they do, FIU-the Netherlands deploys all available resources to contribute to combating these phenomena. For instance, in addition to in-house FIU analyses, public-private partnerships are also used in this area. Within the FA, for example, FIU analysts work together in the Terrorist Financing Task Force with analysts from multiple banks to produce highly targeted analyses perfectly aligned with investigative priorities.

²³ A third-party payment involves a delivery from party 1 to party 2, but party 3 pays the invoice.

²⁴ NCTV DTN 12 December 2023

²⁵ AIVD annual report 2022, page 8

2.2.1 Declining number of case files and new developments

Over the past few years, a decrease in terrorist financing case files can be seen, from more than 400 in 2019 to 183 case files in 2023. Table 10 in Annex I shows the details. This decline is mainly related to the phenomenon of Foreign Terrorist Fighters (FTFs). These individuals joined ISIS/Da'esh and al-Qaeda affiliated groups. In previous years, reports on this were still coming in, also retrospectively. But in 2023, such reports declined. In contrast, a slight increase was seen in relation to case files regarding potentially violent lone actors, right-wing extremism and accelerationism²⁶. These involved case files regarding potentially violent lone actors and violent individuals who may adhere to right-wing extremist ideology.

2.2.2 Counter Terrorism Taskforce Israel (CTFTI)

Following Hamas' attack on Israel on October 7th 2023, FIU-the Netherlands, together with other FIUs, contributed to the creation of a task force (CTFTI) aimed at tackling funding of Hamas, among others. This organisation had long been listed on several sanctions lists as a terrorist group but nevertheless appeared to have the financial clout to prepare and carry out a large-scale attack. Understanding how this came about is essential to countering terrorist financing in the future. Such insight can only be gained with international cooperation, hence the creation of this task force. That is not to say that there was no focus on the issue before October 7th. On the contrary, two individuals involved in a foundation were arrested in June for possibly funding this organisation²⁷. That involved a sum of no less than five million euros. This shows that the risk of terrorist financing in the Netherlands still exists, as reflected by the threat level discussed earlier.

²⁶ Definition according to the NCTV: The far-right ideology that seeks to create or accelerate chaos in order to hasten a race war and the replacement of democracy with a white ethnostate.

²⁷ <https://www.om.nl/actueel/nieuws/2023/06/26/onderzoek-naar-grootschalige-financiering-van-hamas>

2.2.3 Broader focus than terrorist financing alone

Following the findings in the Egmont Group project "Lone actors and Small Cells"²⁸, analyses are being carried out within FIU-the Netherlands on acquiring resources suitable for committing attacks. Examples include firearms and explosives. These analyses again produced relevant case files in 2023. Case files that, incidentally, concerned not only terrorist financing but also transactions linked to the criminal world. A good example are case files on the illegal international trade in explosives, especially fireworks. Occasionally, these analyses involved individuals within right-wing extremists and other extremist groups where financial intelligence contributed to arrests and convictions.

²⁸ <https://egmontgroup.org/wp-content/uploads/2021/09/20190712-IEWG-Lone-Actors-and-Small-Cells-Public-Summary.pdf>



3

Relevant developments and projects in 2023

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. 2023 showed a number of interesting developments in this vast playing field.

3.1 International cooperation

Money laundering, predicate offences and terrorist financing are global problems. That is why FIU-the Netherlands works with an international scope.

3.1.1 Towards even better cooperation

FIU-the Netherlands cooperates internationally with more than 170 FIUs within the Egmont Group and actively contributes to this. Hennie Verbeek-Kusters, head of FIU-the Netherlands, contributed to implementing the Egmont Secure Web (ESW) from the Egmont Group board. This is the system which allows FIUs worldwide to exchange information. In 2023, the new ESW went live, fully managed by the Egmont Group. This represents a big step forward in even more effective international cooperation. FIU-the Netherlands strongly believes in IT development to respond quickly and effectively to new events. This is why we are also contributing to the development of a new analytics system: GoFintel. The pilot project for this system, under development at the United Nations, was successfully completed in 2023. The prospects are promising. In 2024, we will therefore continue to develop and implement this system.

In addition to this technological development, FIU-the Netherlands is making a solid contribution in other areas within the international domain and is committed to strengthening cooperation between FIUs. Together with Canada, for instance, the Netherlands is the project leader in developing a new Egmont Group support and compliance procedure. This procedure allows FIUs that do not yet meet Egmont Group membership requirements to be guided and supported as much as possible. The procedure also provides scope for imposing measures on FIUs in serious cases, such as where there is a risk of harm. That is another big step in international cooperation. Finally, in 2023, we supported the FIU of

Suriname in the process towards gaining membership of the Egmont Group. This will be decided in 2024.

3.1.2 Operational cooperation and knowledge development

In Joint Analysis Teams (JATs), two or more FIUs cooperate operationally on a specific subject. This year, several JATs were set up with countries on various continents. Investing in this is important to further strengthen cooperation between FIUs. Together with the Fiscal Intelligence and Investigation Service (FIOD), we also participated in a J5 Cyber Challenge ²⁹ in Canada. This focused on suspicious crypto transactions linked to the UK, Australia, USA, Canada and/or the Netherlands. A number of concrete signals emerged from this, which will be analysed further in 2024.

An active contribution was also made to collaborations aimed explicitly at countering terrorist financing, e.g. through the FIUs' Role in the Fight Against the Abuse of Non-Profit Organisations for Terrorism Financing Activity project ³⁰. As part of this project, a knowledge paper on the use of virtual currency in relation to terrorist financing was published in June ³¹. FIU-the Netherlands also served as a member of the advisory board of the EU project on terrorist financing titled Collaboration, Research & Analysis Against the Financing of Terrorism (CRAAFT) ³², which ended in 2023. During the project's closing conference, at which FIU-the Netherlands was one of the speakers, the latest completed report was also published: Crime Enabled Terrorism Financing (CETF) ³³. This report further refines the "Crime-Terror Nexus" as discussed in the 2021 Annual Review ³⁴. The findings in this report align with what we see reflected in our analyses: terrorist financing and organised crime are, increasingly, no longer isolated worlds.

²⁹ For more information see <https://www.canada.ca/en/revenue-agency/news/2023/11/j5-countries-host-cyber-challenge-focused-on-data-mining-and-financial-reporting.html>

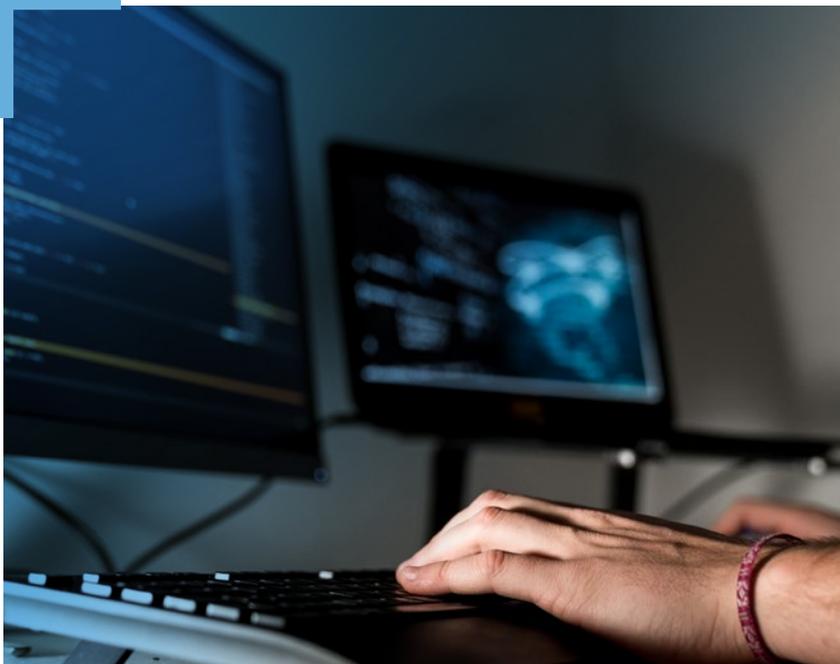
³⁰ <https://egmontgroup.org/working-groups/iewg/>

³¹ <https://egmontgroup.org/wp-content/uploads/2023/12/2023-July-HoFIU-06-IEWG-Project-Abuse-of-VA-for-TF-Summary-1.pdf>

³² <https://projectcraft.eu>

³³ <https://www.rusi.org/explore-our-research/publications/occasional-papers/missing-connections-crime-enabled-terrorism-financing-europe>

³⁴ For more information, see section 3.2.2 of the FIU-the Netherlands Annual Review 2021



There were also several working visits at an operational level in 2023. For example, we met with several FIUs on sanction evasion. This was a valuable meeting that resulted in additional insight on this complex topic.

A delegation from FIU-the Netherlands also paid a working visit to the Colombian FIU and several local investigative agencies. This visit aimed to explore ways to further strengthen international cooperation and is closely aligned with the Dutch government's 2023 agreement with Colombia. As outgoing minister Yesilgöz put it: 'International drug crime continuously shifts smuggling routes and invents new money laundering schemes worldwide. We can further tackle and destroy these internationally operating criminal networks only by cooperating with other countries.' FIU-the Netherlands is aware of this importance. Both procedural and operational knowledge on organised crime, among other

subjects, was exchanged in Colombia. Concrete information requests have also been made back and forth after this visit, contributing to a better information position. This is a promising start on which we will invest further in 2024 and which is in line with the widely shared desire to tackle crime internationally. In 2023, the Minister of Justice and Security took very concrete and important steps in this regard. With Colombia specifically³⁵, but also with Morocco³⁶ and the United Arab Emirates³⁷.

In addition, we at FIU-the Netherlands paid a several-day visit to the US FIU, called Financial Crimes Enforcement Network (FinCEN). Besides sharing substantive knowledge in areas such as sanctions, drugs, and art crime, the visit also focused on cooperation within the chain, differences in legal frameworks and educating the various partners. It was an inspiring and instructive working visit from which we have already reaped several benefits during the year in operational and other areas. A visit was also made to Morocco to exchange knowledge on terrorist financing. Finally, several FIUs visited FIU-the Netherlands to learn from our knowledge and expertise. Estonia's FIU visited to learn more about GoFintel, public-private partnerships (PPPs), and operational knowledge exchange. Sweden's FIU visited to exchange knowledge on strategic analysis and discussions were held with France's FIU, which included the phenomenon of third-party payments. This is a phenomenon we will analyse in depth in 2024, together with the French.

3.1.3 Cross-border dissemination

Section 1.3 discussed UTRs with a foreign link that we receive from other FIUs. They are called Cross Border Disseminations (XBDs). Since 2018, FIU-the Netherlands has been sharing these reports with the FIUs of European Union member states in a largely automated process. During these years, the numbers of UTRs continued to increase. This posed several challenges for the process, but also for the receiving FIUs. After consultation with these foreign FIUs, in 2023, the process was modified to better align with their work processes. This is a very concrete

³⁵ <https://www.rijksoverheid.nl/actueel/nieuws/2023/09/28/internationale-strijd-tegen-georganiseerde-misdaad-opgevoerd>

³⁶ <https://www.rijksoverheid.nl/actueel/nieuws/2023/12/18/minister-yesilgoz-tekent-uitleveringsverdrag-met-marokko>

³⁷ <https://www.rijksoverheid.nl/actueel/nieuws/2023/10/26/minister-yesilgoz-in-de-vae-voor-verdere-aanpak-georganiseerde-misdaad>

improvement in the pan-European approach to money laundering, predicate offences and terrorist financing.

3.2 National cooperation

Throughout 2023, a number of national developments were set in motion that have a significant impact on the anti-money laundering chain.

3.2.1 Chain reinforcement project

Together with the police, the Public Prosecution Service and the FIOD, FIU-the Netherlands is working in project form to improve and optimise the use, quality, understanding, and knowledge of STRs. Within this project, there is also a focus on the feedback loop, in which we are exploring how to further strengthen feedback from public to private partners on the use of STRs.

In 2023, several steps have been taken in this project, which partly evolved from the Financial Action Task Force (FATF) and General Court of Auditors' evaluations³⁸. For instance, working and process agreements have been made that should lead to more insight into the use and application of STRs within the investigation and prosecution services. The effectiveness of what is now called the Match Investigation, Prosecution and Execution ³⁹ and the resulting STRs have been analysed. It revealed that such STRs are relevant for criminal investigations. But it also showed that there is room to align this even better to improve effectiveness. Steps will be taken in this by 2024. How this translates into the number of STRs will become clear in the coming years. There were also several roundtable discussions with multiple reporting groups on strengthening the feedback loop between obliged entities and public partners within the AML/CFT domain.

To give obliged entities insight into the value of their reports, FIU-the Netherlands regularly publishes practical case studies on its website. LinkedIn has also been actively used for this purpose since 2023. In

addition, targeted communication with institutions has been expanded to include FIU alerts, FIU instructions, and FIU knowledge updates.

3.2.2 Cooperation within the Kingdom of the Netherlands

In the Caribbean Netherlands, in addition to the operational growth described in section 1.4, other developments are underway that will make a major contribution to combating and preventing money laundering, predicate offences and terrorist financing. In early 2023, FIU-the Netherlands signed the covenant of the Regional Information and Expertise Centre Caribbean Netherlands (RIEC CN). The RIEC CN is a partnership aimed at creating knowledge about and combating organised and subversive crime in the Caribbean Netherlands. The partners in the partnership are the public bodies of Bonaire, St Eustatius, Saba, the BES Public Prosecution Service, the Caribbean Police Force, the Royal Netherlands Marechaussee, the Customs Administration of the Caribbean Netherlands, the Ministry of Social Affairs and Employment, the Immigration and Naturalisation Service, the Coast Guard and FIU-the Netherlands. This represents a big step forward in cooperation between various security partners. In this region, it is also important to not just look at the special municipalities but also to the other countries within the Kingdom of the Netherlands. In late 2023, the FIUs of Aruba, Curaçao, Sint Maarten and the Netherlands organised a two-day seminar titled: "The power of together". This seminar focused on together taking firm action against money laundering, predicate offences and terrorist financing. Apart from the four FIUs, there were about a hundred staff members from local police forces, security services, the administration, the prosecution, and supervisors. Each in their own way, all are concerned with fighting and preventing crime. The days were filled with interesting presentations and engaging discussions on being more effective together using both criminal justice and administrative tools.

3.2.3 Public-private partnerships

FIU-the Netherlands also participates in public-private partnerships outside the FA. An example is the Thalys project, in which the FIOD, ING, FIU-the Netherlands, and the Seaport Police teamed up to investigate

³⁸ For more information, see section 2.3.1 of the FIU-the Netherlands Annual Review 2022

³⁹ See section 1.4 for more information.

money-laundering schemes at the Port of Rotterdam. During the one-and-a-half-year duration of this project, risk indicators were established to detect corruption. Valuable intelligence was passed on to the Seaport Police and the FIOD through FIU-the Netherlands. New information has been added to ongoing investigations, and new individuals have come to the attention of investigating parties. Next year, this successful cooperation will be extended to other main ports, such as the Aalsmeer flower auction and Schiphol Airport.

3.3 Developments within legislation

Although at the time of writing, important national legislation is on hold pending a new government, there have been significant developments at the European level in 2023. In the previous annual review, we wrote about the upcoming European laws and regulations package. 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). Preliminary agreement on this package was reached in late 2023 and early 2024. This is an important and major step in harmonising the European framework.

3.4 Developments from FIU-the Netherlands

Finally, we would like to take you through some of the steps we have taken as FIU-the Netherlands in 2023, which will help us further in the fight against money laundering, predicate offences and terrorist financing.

3.4.1 Data quality

With over two million new reports made by 1,955 different entities, it goes without saying that the focus on data uniformity and quality will only become more important for us. Most obliged entities report via an online form. For some time now, we have been working to develop this one general form into reporting group-specific forms. For instance, there are now forms for traders, civil-law notaries and auditors. These tailored forms make reporting more accessible for these groups and ensure that the data come to us in a more unified way. In 2023, we also added a new reporting form for real estate agents. Furthermore, a change has been made to the existing specific reporting form for auditors. They can now report private clients using this customised form. Also, in the context of increased data quality, we have chosen to no longer accept any reports based on the subjective indicator that do not contain a report text and thus do not contain an explanation.

Earlier in this annual review, we discussed the difference between objective and subjective indicators. Subjective reports are made based on details explicitly provided by the obliged entity. Although the quality of these reports differs, they often give FIU-the Netherlands good cause to initiate or direct a further investigation. However, it still happened too often that reports were based on the subjective indicator but didn't contain this very important context and explanation. That caused a considerable drop in data quality. So from November 1st 2023, we no longer accept such reports. The institutions' response to this was generally very constructive. In the future, FIU-the Netherlands will therefore invest more in drafting guidelines on how to report. That is essential given the great importance of data uniformity and quality for the effectiveness of our analyses and the use of STRs within the chain.

The increased attention and investment in data quality also provided good insights into situations where things were not going as planned. That was all the more evident this year after a data breach. This breach was caused by a technical error in the automation process for combining

data. In 16 cases, this resulted in incorrect combinations that were shared with investigative services. This was reported to the Dutch Data Protection Authority, and the breach's impact was thoroughly investigated within FIU-the Netherlands. Fortunately, the data could be recovered relatively quickly and effectively, and we have not been able to establish that any persons were harmed. For us, however, this again highlighted the importance of data quality. We will therefore continue to invest heavily in this during the coming years.

3.4.2 Information

Last year, FIU-the Netherlands took a big step in the field of information provision. Under Section 13 of the Wwft, one of FIU-the Netherlands' core tasks is to:

provide information on the prevention and detection of money laundering and terrorist financing to:

- industries and occupational groups
- the supervisory authority
- the public prosecution service and other officials in charge of criminal investigations
- the public.

We give substance to this, among other things, by conducting advisory talks with obliged entities and partners, exchanging knowledge with supervisors, giving presentations at institutions, etc. But besides these very substantive activities, we also have a more general information task. In line with this task, we launched a new website in 2023: <https://www.fiu-nederland.nl/>. Most of this website is also available in English. This meets the wish of obliged entities to make information available to non-Dutch-speaking employees as well. We also launched a new website for the Caribbean Netherlands: <https://bes.fiu-nederland.nl/>. Much of this website is available in three languages. In addition to English and Dutch, also in Papiamentu.

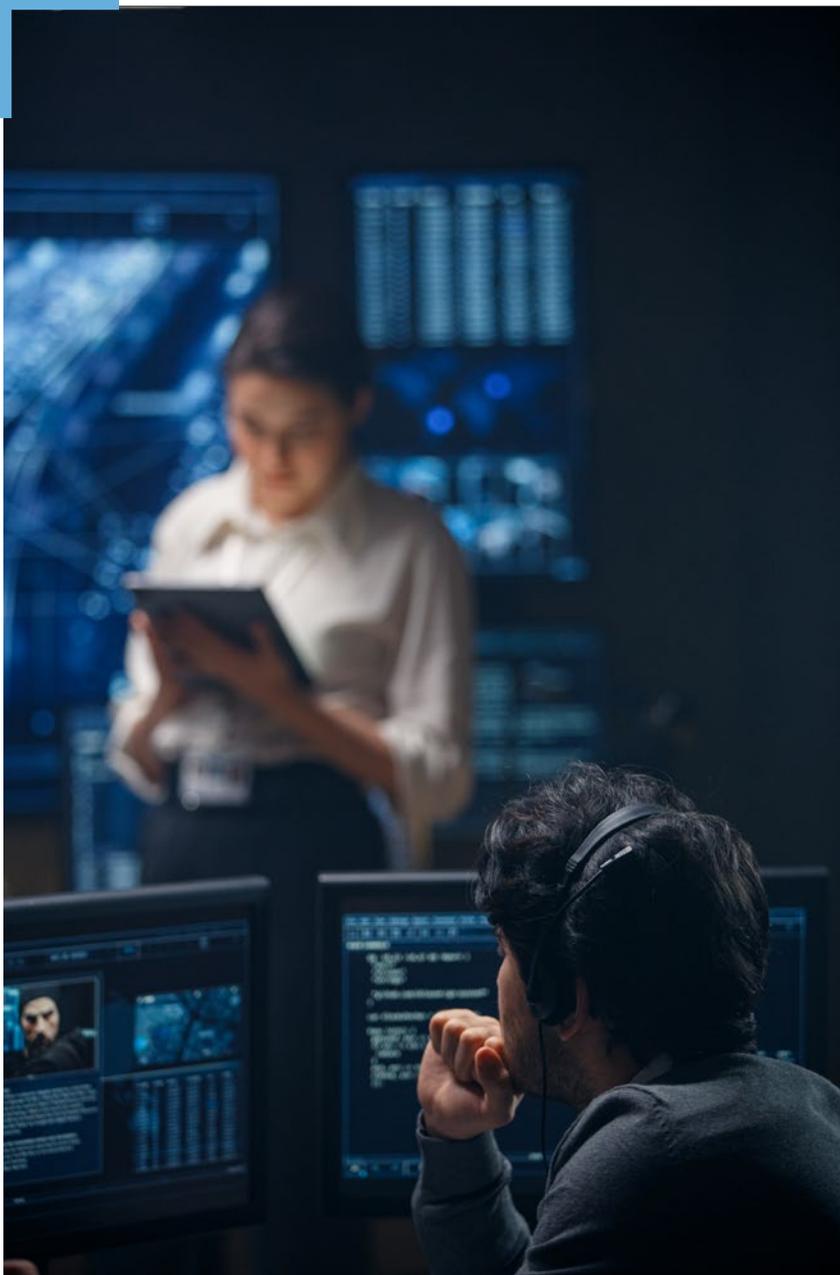
On these websites, we publish (among other things) cases to highlight what reporting UTRs can lead to. To illustrate time and again how important the gatekeeper role is. We have also been increasingly using LinkedIn since this year: <https://nl.linkedin.com/company/fiu-nederland>. We have learned that for us, LinkedIn is a highly suitable medium to discuss current topics and cases within the AMLC/CFT domain.

3.4.3 From LOvJ request to FIU request

Last year, we mentioned that the number of National Public Prosecutor (LOvJ) requests had been declining for some time. With these requests, law enforcement can ask us to do a targeted analysis on the UTRs as part of an ongoing investigation. We started in 2022 to bring this opportunity back to the attention of our public partners. During 2023, we worked together with the Public Prosecution Service to further embed this request. We therefore decided, among other things, to change the name. As of 2023, they are called FIU requests. This name better reflects what the request actually entails. In addition, the PPS has drafted a new version of the guideline for using FIU requests, which was then shared with law enforcement from one central point. In this way, we ensured uniformity and worked on awareness. In 2023, after years of decline, this resulted in cautious growth from 773 to 824 requests. We will continue to work on this in 2024 because, in our view, the importance of financial intelligence should not be underestimated in any investigation.

3.4.4 Growth

In 2023, FIU-the Netherlands grew based on the funds allocated in 2022. The budget will grow to €14.9 million in 2025, allowing our workforce to expand to 128.5 FTEs and enable technological intensification. Our staffing level on 31 December 2023 was 102 FTEs. Operationally, we have strengthened our analytical capacity and started a new digital analyst job group. These analysts focus on embedding technological capabilities in our analytics work. As such, they form the bridge, so to speak, between technology, strategic analysts and tactical analysts. This is going to enable us to distil insights from our database faster and better.



The organisation's growth has also allowed it to strengthen our strategic analysis capacity in 2023, focussing on investigations into phenomena and trends that FIU-the Netherlands uses to tie in with the system-based approach to investigating criminal money flows. The insights provided by these strategic analyses have proved valuable contributions to investigative strategy in tackling criminal power structures, underground banking, and money laundering schemes. It also made a major contribution to the WODC's recently published National Risk Assessments on money laundering and terrorist financing 2023.

As a growing organisation, we also worked on governance. For example, we have formed a management office, aimed at strengthening operations, quality management, and policy and legal advice. This provides a solid foundation on which our growth can lean.

Finally, our technological capacity has once again been expanded to further shape the development towards a more data-driven organisation.



Afterword and outlook

Just last year, I wrote that we were discussing the legislative proposal for the Money Laundering Action Plan. Due to the fall of the cabinet, there has been no change at the time of writing. The discussion continues. It is sometimes a fierce discussion, especially on privacy issues. But sometimes also on the nature of our reporting system. And other times on the opacity of quantitative results. But in my experience, what is never in question is the importance of tackling money laundering, predicate offences, and terrorist financing. This comes up time and again in the weekly talks I have with all our partners. Everyone knows that this fight is very important. And that it only seems to have grown in importance in recent years. The results described in Chapter 2 therefore have something bittersweet about them. On the one hand, I am proud that we can make this kind of contribution as a chain. That we as a chain are really making a difference. On the other hand, they also show how badly needed the fight against money laundering, predicate offences, and terrorist financing is and remains, especially in the Netherlands.

Therefore, we will continue to do our utmost to shape this fight as effectively as possible. In section 3.2.1, you were able to read about the Chain reinforcement project, which is precisely how we aim to generate more insight into the results. We remain committed to this. That will not be without controversy. For data quality is fundamental to making the chain more effective. Data quality plays a vital role, from effectively processing data throughout the chain to identifying new phenomena and making results transparent. Where possible, we try to manage this internally. For that reason, in the near future, there will be a new team



within FIU-the Netherlands focusing specifically on this area. For now, colleagues are already working in project form on data challenges we face. But in addition to this commitment within FIU-the Netherlands, we will also have to ask for the commitment of our partners. From our public partners in how they process the data and provide feedback. But also from the obliged entities. For years, we have been very service-oriented in terms of accepting reports. At the time, that was the right path to get the AML/CFT domain where it is today. But now it is time for the next step. If we want to commit to data quality, we must move towards uniformity. This means that obliged entities can no longer report however they want to. That message is a difficult one. But on the other hand, if we all want to do better, we must also take steps together. A unified way of reporting is essential for this. As well as collaborating even better across the chain. These improvements will also be important in preparing for the advent of AMLA, as harmonisation will also be sought at the European level.

In the coming years, FIU-the Netherlands will have to prepare well anyway for the new European reality, which will not only bring with a number of important legal changes, but will also start to affect the FIU's working processes. That includes harmonising powers and possibilities for cooperation for European FIUs and expanding gatekeepers and their supervision. From a national perspective, some of the proposals in the legislative proposal for the Money Laundering Action Plan seem likely to become a reality already with the new European laws and regulations.

And the structure within AMLA that will be dedicated to coordinating and supporting the work of European FIUs will take joint analysis to the next level.

Joint, cross-border analysis is extremely important. Money laundering networks simply do not limit themselves to national borders. That calls for a united approach in our country, too. In the Fintell Alliance's contribution, you've read about large-scale VAT fraud, a network of sham companies, and criminal systems laundering hundreds of millions in cash through a complex subcontracting structure. They are all examples where money laundering takes place within large networks. FIU-the Netherlands plans to invest further on identifying these criminal networks and their money-laundering methods in particular. To discover these criminal systems, we will be stepping up cooperation with our partners in the years to come. We will look at ways to take down these types of money laundering systems with law enforcement and other stakeholders. Here, it is important to use options outside criminal law as well. This system-based approach requires the right tooling and legal frameworks. That is needed to keep the Netherlands financially "clean", perhaps more than ever. This is all happening in parallel with the global developments I referred to in my foreword and will continue to receive our attention in the coming year.

Hennie Verbeek-Kusters
 Head of FIU-the Netherlands

*Annex I -
The figures*

*Annex II -
The organisation*

Annex I - The figures

Table 4: Number UTRs per reporting group

Number Reporting group	2021		2022		2023		Of which subjective
	Number	Of which MT	Number	Of which MT	Number	Of which MT	
Remote gaming provider	797		29,180		28,775		55%
Wallet provider	111,583		32,594		27,087		10%
Auditor	2,741		2,233		3,195		96%
Lawyer	13		15		22		96%
Bank	262,991	393	553,327	500	672,085	1,468	100%
Tax advisor	323		433		356		93%
Tax department	0		1		0		N/A
Investment Institution	201		245		139		97%
Investment company	79		86		70		97%
Life insurance broker	4		0		0		N/A
Payment service agent	0		0		2		100%
Payment service provider	280,871	263,499	249,504	211,296	150,075	122,441	54%
Payment Service Provider - PSP	357,347	257	751,742	249	1,010,385	125	16%
Registered office provider	16		6		31		91%
Customs	3,920		4,070		4,193		6%
Electronic money institution	1,565	1	18,790	17,798	6,158	3,383	53%
Foreign Intelligence*	470		94,154		183,491		100%
Trader - Antiques	5		3		3		100%
Trader - Precious stones	819		1,352		838		58%

Number	2021		2022		2023		
Reporting group	Number	Of which MT	Number	Of which MT	Number	Of which MT	Of which subjective
Trader - Other goods	594		678		559		62%
Trader - Works of art	45		173		207		71%
Trader - Vessels	36		20		32		25%
Trader - Vehicles	3,780		3,230		3,316		21%
Institution for Collective Investment and Securities	9		7		2		100%
Legal services provider	1		1		6		67%
Life insurer	38	17	42		15		100%
Real estate agent	212		218		354		94%
Obligated entity under Regulation	0		0		0		N/A
Non-bank - Corporate consulting	0		0		0		N/A
Non-bank - Securities management	0		0		0		N/A
Non-bank - Credit cards	6,288		9,985		10,771		6%
Non-bank - Interbank markets	20		19		22		100%
Non-bank - Leasing	29		321		26		88%
Non-bank - Issue of loans	153		406		438		96%
Civil-law notary	1,100		1,213		1,051		96%
Government - Other	0		2		0		N/A
Pawnshop	122		139		197		30%
Gambling casino	3,310		9,284		9,781		14%
Valuer	9		1		2		100%
Regulatory authority	39		40		29		100%
Trust and company service provider	87		89		71		93%
Lessor of safety deposit boxes	32		41		76		99%
Virtual currency exchange service	190,345		131,702		219,566		19%
Exchange institution	417		830		741		50%
Total	1,230,411	264,167	1,896,176	229,843	2,334,167	127,417	50%

* Foreign Intelligence are transactions from other FIUs. There is no request underlying this. These transactions have always been received but, since 2021, they have been recorded separately to improve visibility.

Table 5: Number of institutions from which at least one report was received per group in the period 2023

Reporting group	2021	2022	2023
Remote gaming provider	7	18	21
Wallet provider	5	5	7
Auditor	346	397	423
Lawyer	9	12	11
Bank	59	55	55
Tax advisor	76	77	98
Tax department	0	1	0
Investment institution	14	12	15
Investment company	12	12	12
Life insurance broker	2	0	0
Payment service agent	0	0	2
Payment service provider	17	16	13
Payment Service Provider - PSP	32	31	35
Registered office provider	4	3	6
Customs	1	1	1
Electronic money institution	8	8	11
Foreign Intelligence*	23	36	47
Trader - Antiques	1	2	1
Trader - Precious stones	40	36	41
Trader - Other goods	80	87	84
Trader - Works of art	5	10	6
Trader - Vessels	24	12	13
Trader - Vehicles	744	630	555

Reporting group	2021	2022	2023
Institution for Collective Investment and Securities	3	2	1
Legal services provider	1	1	5
Life insurer	6	4	4
Real estate agent	91	99	73
Obliged entity under Regulation	0	0	0
Non-bank - Corporate consulting	0	0	0
Non-bank - Credit cards	3	3	3
Non-bank - Interbank markets	1	1	1
Non-bank - Leasing	6	5	6
Non-bank - Issue of loans	10	16	20
Civil-law notary	318	331	320
Government - other	0	1	0
Pawnshop	4	3	4
Gambling casino	1	1	1
Valuer	7	1	2
Regulatory authority	3	3	4
Trust and company service provider	30	28	19
Lessor of safety deposit boxes	1	1	2
Virtual currency exchange service	23	24	30
Exchange institution	2	2	3
Total	1,997	1,987	1,955

* Foreign Intelligence are transactions from other FIUs. There is no request underlying this. The number refers to the number of countries from which we received reports.

Table 6: Number of STRs per reporting group*

Reporting entity type	2021		2022		2023	
	Number	Of which MT	Number	Of which MT	Number	Of which MT
Remote gaming provider	63		1,993		3,560	0
Wallet provider	2,610		2,631		2,798	0
Auditor	1,107		461		967	0
Lawyer	9		4		13	0
Bank	47,325	78	51,939	41	122,744	323
Tax advisor	125		60		144	0
Tax department	2		1		0	0
Investment institution	11		18		19	0
Investment company	5		6		2	0
Life insurance broker	3		0		0	0
Payment service provider	25,781	24,245	19,759	18,024	17,385	13,017
Payment Service Provider - PSP	12,732	10	5,000	12	18,166	79
Registered office provider	10		2		7	0
Customs	549		218		584	0
Electronic money institution	11		19	4	109	19
Foreign Intelligence	181		625		351	0
Trader - Antiques	0		0		0	0
Trader - Precious stones	140		125		83	0
Trader - Other goods	70		163		40	0
Trader - Works of art	0		35		21	0
Trader - Vessels	2		5		3	0
Trader - Vehicles	638		302		275	0
Life insurer	8		19		12	0
Real estate agent	36		26		29	0
Non-bank - Credit cards	635		811		1,027	0
Non-bank - Interbank markets	13		3		3	0

Reporting entity type	2021		2022		2023	
	Number	Of which MT	Number	Of which MT	Number	Of which MT
Non-bank - Leasing	7		14		14	0
Non-bank - Issue of loans	100		141		153	0
Civil-law notary	351		387		374	0
Government - Other	0	0	0	0	1	0
Pawnshop	39		27		35	0
Gambling casino	770		846		774	0
Regulatory authority	39		29		32	0
Valuer	0		0		1	0
Trust and company service provider	10		50		19	0
Lessor of safety deposit boxes	11		25		56	0
Virtual currency exchange service	3,250		6,059		10,713	0
Exchange institution	33		90		64	0
Total	96,676	24,333	91,893	18,081	180,578	13,438

* STRs are based on the forwarding date, i.e. the date on which an UTR is declared suspicious. STRs in a given year can therefore not be directly compared with UTRs in the same year

Table 7: Number of registered forms of crime in case files*

Crime form	Number of case files	Number of transactions
Threat	15	97
Corruption	95	802
Cybercrime	68	2,232
Drugs	313	2,753
Fraud	720	16,330
Violence	13	29
Child pornography	19	97
Human trafficking	122	2,715
Human smuggling	12	91
Environment	9	60
Murder/manslaughter	9	63
Underground banking	83	1,015
Radicalisation	14	72
Sanctions legislation	173	2,013
Terrorism	101	607
Terrorist financing	115	1,201
Arms trading	26	242
Economic Offences Act	11	272
Weapons and Ammunition Act	76	183
Money laundering	2,253	86,919
Other	81	2,361
Total**	3,197	120,154

* Where possible, FIU-the Netherlands assigns a crime form to a case file. A case file/transaction may relate to several crime forms.

** This total is the number of unique case files with one crime form. Because a case file can contain several crime forms, the sum of the number of crime forms in this table is higher than the number of unique case files. The total number of case files containing one or more crime forms is 43,280

Table 8: Number of STRs by type of transaction

Type of transaction	Number	Share (%)
Cash transaction	14,876	8%
Non-cash transaction	119,604	66%
Money transfer	13,438	7%
Other	32,660	18%
Total	180,578	100%

Table 9: Number* and share of (executed) STRs

Amount in €	Number	Share (%)	Amount in €	Share amount (%)
< €10,000	118,175	67%	174,789,689	1%
€10,000 to €100,000	49,189	28%	1,543,015,707	6%
€100,000 to €1,000,000	8,890	5%	2,360,531,599	9%
€1,000,000 to €10,000,000	1,094	1%	2,867,094,256	11%
€10,000,000 to €100,000,000	162	<1%	4,302,049,787	17%
> €100,000,000	34	<1%	14,002,813,619	55%
Total	177,544	100%	€ 25,250,294,656	100%

*Intended transactions (3,034 transactions) have not been taken into account

Table 10: Case files with an indication of terrorism/terrorist financing (T/TF)

	Number of case files	Share (%)	Number of transactions	Share (%)
T/TF ¹	118	43%	1,027	21%
T/TF+other ²	65	23%	664	13%
Other ³	94	34%	3,243	66%
Total	277	100%	4,934	100%

1. These are case files with an indication of terrorism (terrorist financing) and where, after analysis by FIU-the Netherlands, it was found that they were indeed possibly related to it.
2. These are case files with an indication of terrorism (terrorist financing) but where, after analysis by FIU-the Netherlands, a link to a possible other offence was also revealed.
3. These are case files with an indication of terrorism (terrorist financing) but where, after analysis by FIU-the Netherlands, only a link to a possible other offence was revealed.

Table 11: Number of UTRs per reporting group in the Caribbean Netherlands in 2023

Reporting group	Number of transactions
Auditor	1
Lawyer	2
Bank	7,788
Tax advisor	8
Life insurance broker	21
Customs	24
Trader - Precious stones	13
Trader - Works of art	1
Trader - Vehicles	16
Real estate agent	4
Civil-law notary	46
Gambling casino	42
Total	7,966

Table 12: Top 5 of 486 requests for information (RFIs) received from foreign FIUs

Country	Number of RFIs
Germany	58
Malta	39
Belgium	34
Spain	32
Finland	30
Others: 66 countries	293

Table 13: Top 5 of 622 requests for information (RFIs) sent to foreign FIUs

Country	Number of RFIs
Germany	84
Belgium	78
Spain	54
Lithuania	37
United Arab Emirates	35
Others: 64 countries	334

Table 14: FIU requests per investigation service

	Number
Police	
Northern Netherlands Police Unit	61
Eastern Netherlands Police Unit	53
Central Unit of the National Police	50
The Hague Police Unit	47
Zeeland West-Brabant Police Unit	47
Rotterdam Police Unit	45
Amsterdam Police Unit	42
East Brabant Police Unit	41
Central Netherlands Police Unit	39
North Holland Police Unit	16
Limburg Police Unit	7
Total	448
Investigation service	
Fiscal Intelligence and Investigation Service (FIOD)	169
Royal Netherlands Marechaussee	125
Netherlands Labour Authority	30
National Police Internal Investigations Department	12
Caribbean Netherlands Police Force	12
National Office for Serious Fraud, Environmental Crime and Asset Confiscation	10
NVWA-OID	9
Criminal Investigation Collaborative Team	3
District public prosecutor's office	3
ILT-IOD	2
Social Security Fraud Department	1
Total	376

Annex II - 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 2023, FIU-the Netherlands had a budget of 13.7 million euros and an effective staffing capacity of 102 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 yet 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.
- **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 respects. This makes for strong demands on our organisation. For that reasons 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 (special) investigative services, intelligence services, and security services.

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.



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

Editors: FIU-Netherlands

www.fiu-nederland.nl/en

Zoetermeer, June 2024

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